

**CITY OF EL PASO, TEXAS  
REQUEST FOR COUNCIL ACTION (RCA)**

CITY CLERK DEPT.  
06 JUN -2 PM 1:54

**DEPARTMENT:** Community and Human Development  
**AGENDA DATE:** 06/10/08  
**CONTACT PERSON/PHONE:** Bill Lilly, Director (541-4643)  
**DISTRICT(S) AFFECTED:** 1, 3, 6, 7, and 8

**SUBJECT:**

City Council is scheduled to conduct a public hearing during the regularly scheduled City Council meeting in City Council Chambers on Tuesday, June 10, 2008, in order to adopt the Final Revised Strategic Plan, including Implementation Plan and Budget for the U.S. Department of Housing and Urban Development Empowerment Zone Planning and Implementation Grant Program (Agreement No. EZ-99-TX-0013) in accordance with 24 CFR Part 598.

**BACKGROUND / DISCUSSION:**

In accordance with federal regulations (24 CFR Part 598) and the October 2007 HUD-approved revised governance plan, a revised strategic plan to implement remaining funds required a community participation process that ensures continued stakeholder and grass roots input. The strategic planning process was conducted during the months of January through March for community input.

The Empowerment Zone Advisory Board reviewed the implementation plan and budget at its April 16, 2008 meeting and recommended its approval.

The Consensus Budget (**Attachment A**) recommended by the EZ Advisory Board and Staff of \$5,291,230 includes the following:

|             |   |
|-------------|---|
| \$2,950,000 | Program Budget  |
| \$800,000   | Administrative Budget (FY 2008 and FY 2009)   |
| \$139,962   | Contingency   |
| \$1,401,268 | Revolving Loan Fund Budget (including \$921,268 Collected Program Income and \$480,000 Expected Program Income) |

The remaining funds in the Empowerment Zone project are \$3,889,962. The program income collected by the City of El Paso, as of April 17, 2008, is \$921,268 with \$480,000 in revenue anticipated annually. In addition, the transition of administrative control of the EZ grant to the City resulted in acquiring office furniture, purchased with EZ funds, from the El Paso Empowerment Zone Corporation. The existing inventory will be used for the furniture project identified in the Implementation Plan.

Personnel included in the administrative budget are the Empowerment Zone Coordinator, Empowerment Zone Project Compliance Specialist, Empowerment Zone Senior Accountant, Empowerment Zone Secretary and an Empowerment Zone Loan Specialist. The Loan Specialist slot is presently not filled.

A Notice was placed in the El Paso times on May 4, 2008 to allow a 30-day period for public comment on the proposed revised Strategic Plan ending June 6, 2008. Any citizen comments received after the submittal of this Request for Council Action will be forwarded to City Council for consideration.

The following changes within the \$2,950,000 Program Budget are recommended and incorporated in the Final Revised Strategic Plan (**Attachment B**).

1. The Marketing Budget Grants have been absorbed by the Small Business and Micro Business Forgivable Loan programs. Rather than \$1:\$1 matching grants, business owners will have access to capital for marketing expenditures via the loan programs. With timely repayment, borrowers will be eligible for a 20% to 50% principal rebate, depending on the loan program in which they participate.

2. The \$50,000 tentatively assigned to the marketing budget grants has been transferred to the Publicizing of Tax Incentives to Businesses line item.
3. The Façade Improvement Program's business limit has been increased from \$10,000 to \$20,000 for the \$1:\$1 match grants. This will provide a larger impact and incentive for the revitalization of the business community within the Empowerment Zone.
4. The Transportation line item has been removed from the Budget. The \$150,000 has been moved into the Childcare line item. This will meet the Strategic Plan's goal to focus on gap funding and not duplicate programming. The Outreach and Education of Economic Opportunities project will refer residents to existing transportation programs, such as Sun Metro's Job Express Program.

**PRIOR COUNCIL ACTION:**

On January 8, 2008, the El Paso City Council approved the Administrative Budget for fiscal year 2008-2009. On April 29, 2008, the El Paso City Council approved the proposed revised Strategic Plan.

**AMOUNT AND SOURCE OF FUNDING:**

The El Paso Empowerment Zone Program will be funded by the El Paso Empowerment Zone Planning and Implementation Grant and administered by the Community and Human Development Department. The \$3,889,962 remaining funds are budgeted in account number 71150075-11002-71000-G71EZECEPEZ. Current year collections of \$602,564, as of April 17, 2008, EZ Revolving Loan Fund revenue deposited in account numbers 71150075-11002-405065-G71EZ BOF (principal) and 71150075-11002-405066-G71EZ BOF (interest). The remaining \$318,704 EZ Revolving Loan Fund revenue of is in account number 71150075-11002-507000-G71EZECEPEZ.

**BOARD / COMMISSION ACTION:**

On April 16, 2008, the Empowerment Zone Advisory Board favorably recommended approval of the proposed strategic plan and budget.

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_

**FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** \_\_\_\_\_

cc: Deborah G. Hamlyn, Deputy City Manager, Quality of Life

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

CITY CLERK DEPT.  
08 JUN -2 PM 1:54



City of El Paso

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# **Empowerment Zone Strategic Plan**

June 10, 2008

**Prepared by  
Department of Community and Human Development  
Empowerment Zone Program**

**For submission to  
U.S. Department of Housing and Urban Development**

## Executive Summary

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The residents of the Empowerment Zone (EZ) remain united behind a vision that makes quality of life and economic self-sufficiency the rewards realized from hard work, education, family strength, and participation in a global economy.

In 1998, the Zone's vision – along with the entire Empowerment Zone application – was created not in a vacuum, but was painstakingly crafted from the ground up. Throughout the process, the El Paso Empowerment Zone residents continually emphasized the need to paint a picture of our uniqueness in the world and the tumultuous forces that had an impact on our community. In 2008, the process was repeated with a long and careful look taken at our economy, our strengths and weaknesses and our current initiatives moving us forward as partners in the emerging new world economy.

The vision that emerged from a collaborative effort continues to treasure the zone's core values of strong families, solid work ethic and cultural diversity to maximize services to the residents and businesses in their venture for economic success.

### **Community Assessment**

In updating the community assessment for the El Paso Empowerment Zone, it was important to first identify the characteristics of the EZ workforce and the opportunities available in the community.

In the area of economic opportunities, it appears that there is a genuine sense of attentiveness and collaboration within the city to deliver the services and jobs that the city and EZ workforce need. Community organizations are actively working on addressing the needs of a population which includes a significant number with less than a 9<sup>th</sup> grade education, limitations with the English language, and low-wage job availability.

Forces such as increased international trade between the United States and Mexico and the influx of Fort Bliss Army soldiers and their families will bring an increased demand for goods and services, which will subsequently result in an increase in jobs. The key is to prepare EZ residents for the jobs that will be created.

Armed with its traditional values of hard work and family strength and a great potential for prosperity as a global trade center, the Empowerment Zone stakeholders have remained committed to the community's success. Their commitment remains as strong as it did *before* the federal designation; and, as strong as it will continue *after* the federal designation.

## **Goals**

As a testament to the strategic planning process conducted at the time of the Empowerment Zone application, the initially identified overarching goals for success in the Empowerment Zone have remained the same:

- **Economic Self-Sufficiency.** Zone residents will develop and retain the ability to support themselves and their families economically.
- **Quality of Life.** Zone residents will experience improved conditions in their daily lives and greater ability to maintain those improved conditions.
- **Sustainable Neighborhoods.** Zone neighborhoods will have the qualities and infrastructure necessary for families to live there and prosper for generations to come.

In accordance with HUD regulations and building from the foundation of the vision, community assessment, and goals, the stakeholders identified the following major strategies for achieving the stated goals:

- **Business Assistance** – Assist the business owner in a comprehensive manner by ensuring financial assistance with a prerequisite of a formal business plan appropriate to the business venture.
- **Resident Assistance** – Assist the resident with links to job placement or job training and provision of support services if reporting to a job or a job training/small business technical assistance program.
- **Outreach and Education** – Information and education is key at the grassroots level. It was recognized that information regarding programs needs to actively be delivered to the EZ resident via public school sites, neighborhood association/community organization meetings, fairs, and door-to-door contact.

## **Implementation Plan**

Programs and services included in the implementation plan seek to maximize the innumerable partnerships that have already been formulated in the past by creating new opportunities for continued partnership. Organizations that have historically served the Empowerment Zone remain committed to ensuring economic success for those they serve.

These community partners represent governmental entities, economic development agencies, nonprofit organizations most actively involved in economic development and related issues (example: local chambers of commerce), and key private businesses involved in economic development (example: local lending institutions).

## Programs

- **Business Assistance** – Businesses will be assisted in establishing and expanding in the Zone through Small Business Technical Assistance, Small Business Loans, Micro-Business Forgivable Loans, Marketing Budget Grants, Publicizing Tax Incentives to Businesses, Façade Improvement, and a Small Business Incubator.
- **Resident Assistance** – Residents will be assisted in obtaining and retaining a job through Bilingual Workforce Development, Childcare, and Transportation.
- **Outreach and Education of Economic Opportunities** – Both business owners and residents will benefit from the grassroots Outreach and Education component, since it will link them to job training and small business technical assistance providers. Employers will also be linked to prospective employees, as well as residents being introduced to regional job opportunities.

**Table 1.1: Implementation Plan and Budget**

|   |                              |
|---|------------------------------|
| 1a. Small Business Technical Assistance           | \$350,000                    |
| 1b. Small Business Loans                          | Existing RLF Program Income  |
| 1c. Micro Business Forgivable Loans               | \$400,000                    |
| 2. Publicizing Tax Incentives to Businesses       | \$100,000                    |
| 3. Façade Improvement Program                     | \$300,000                    |
| 4. Small Business Incubator                       | \$750,000                    |
| 5. Outreach & Education of Economic Opportunities | \$250,000                    |
| 6. Bilingual Workforce Development                | \$350,000                    |
| 7. Childcare                                      | \$450,000                    |
| 8. Furniture Project                              | Existing furniture inventory |
| 9. Administrative Budget (FY 2008 & FY 2009)      | \$800,000                    |
| <b>TOTAL</b>                                      | <b>\$3,750,000</b>           |

## Tax Incentives

The Economic Development Department in the City of El Paso has undergone a radical change in the last two years. The Department has been restructured and its scope of services has expanded, including the institution of several new programs aimed at assisting local businesses and bettering El Paso’s economic conditions through effective communication, including information pertaining to tax incentives.

The department has a Marketing & Outreach Coordinator who oversees a multi-faceted and comprehensive outreach effort to inform everyone in El Paso about the City’s economic development efforts, including business retention and expansion and

revitalization throughout the city. Specifically, the department produces and distributes four publications per month targeting specific audiences.

Outreach also involves other methods, including door-to-door visits in Downtown regarding revitalization efforts and presentations to community groups,

The city revised its economic development incentive policy in September of 2006. Prior to that date, incentives were largely confined to tax abatement and were based on a strict formula regarding capital investment and jobs created. The new policy emphasizes a number of different eligibility criteria. A company willing to locate in a distressed area need not be engaged in a business that is on the City's targeted list and would be eligible for an incentive if the wages were at least 90 percent of the median county wage.

## **Governance**

The new El Paso Empowerment Zone governance structure is organized under the City of El Paso's council-manager form of government. This system combines the political leadership of elected officials, in the form of eight Council Members and the Mayor, with the strong managerial experience of an appointed local government manager.

Consistent citizen participation in the Empowerment Zone Program is assured by the formation of the Empowerment Zone Advisory Board. The purpose of the Board is to provide advisory assistance to the Mayor and City Council, City Manager and City personnel, for the implementation of the El Paso Empowerment Zone's strategic plan.

The EZ Advisory Board consists of nine members. One member will be appointed by each City Representative and by the Mayor. The board composition only includes individuals who reside in the Zone area, own a business in the Zone area, or are an employee of a business that is located in the Zone area. Of the total nine members, five of the individuals must be the owners of or employed by a for-profit business that is located in the Zone area, two of the individuals must be leaders in a non-profit organization or faith-based organization that is located in the Zone area, and two of the individuals must be members of a City Recognized Neighborhood Association within the Zone area. This ensures representation of the diverse population segments within the El Paso Empowerment Zone.

As communication will play a pivotal role in the success of our Empowerment Zone, all advisory board meetings and public hearings will comply with the Texas Open Meetings Act. Communication will occur via the Municipal Clerk's Office, EZ staff reports and newsletters, and a city-maintained website (<http://www.ci.el-paso.tx.us/commdev>).

Ultimately, the goal of EZ communication is to ensure community and grass roots participation and input in the implementation of the El Paso Empowerment Zone Strategic Plan and its assessment.

## **Performance Assessment**

If we are to succeed in delivering the proposed programs and creating sustainability, we recognize that regular evaluation and monitoring will be the key to our success.

Citizens are encouraged to comment on the performance of the City's Empowerment Zone Program and the extent to which project activities achieve their objectives. Comments, inquiries and complaints may be submitted to the Community Development office or to any EZ Advisory Board member or City Council member. Community Development staff will respond to inquiries and comments received as expeditiously as possible.

The Department of Community and Human Development annually prepares an Annual Report, through HUD's Performance Measurement System (PERMS), that includes activity summary and funds status.

In order to ensure community participation and opportunity for voicing their assessment of the program, public hearings and neighborhood meetings will be held at convenient times and locations that permit participation by citizens and organizations. All sites selected will be fully accessible to person with disabilities. Such hearings and meetings will be conducted in English and Spanish as requested by those attending.

## **Conclusion**

Stakeholders of the Empowerment Zone are united behind a vision that makes quality of life and economic self-sufficiency the rewards realized from hard work, education, family strength, and participation in a global economy.

Their participation in this year's strategic planning process only proved to illustrate their commitment to their community. The Empowerment Zone stakeholders remain committed to the community's success as strongly as they did before the federal designation and as strongly as they will continue to do so after the federal designation.

The authorship of the strategic plan cannot be attributed to any one person, group or this year's strategic planning process. There were multiple efforts that had already gone out into the community, solicited input and documented the community's needs and vision for revitalization. Again, with a commitment to outreach to as many Empowerment Zone residents as possible, all levels of society, all age groups, all the community's ethnic groups were represented in the process.

With continued participation and commitment from the El Paso Empowerment Zone community, the remaining years of the Empowerment Zone designation are anticipated to be a great success!

## **(1) Strategic Vision for Change**

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*El Paso, Texas has taken advantage of the promise of NAFTA by creating a grassroots, community-based system of long-term economic opportunities while improving our quality of life through self-sufficiency with emphasis on our cultural, educational and family values.*

- The residents of *El Corazon de El Paso*, the Heart of El Paso (1998)  
*El Corazon de El Paso* aka The El Paso Empowerment Zone

Communities that deal successfully with the challenges they face have a clear picture of where they want to go and have a clear sense of their past. In 1998, this vision – along with the entire Empowerment Zone application – was created not in a vacuum, but was painstakingly crafted from the ground up. Throughout the process, the Empowerment Zone residents continually emphasized the need to paint a picture of our uniqueness in the world and the tumultuous forces that had an impact on our community. In 2008, the process was repeated with the El Paso Empowerment Zone taking a long and careful look at our own economy, identifying our strengths and weaknesses and current creative initiatives that will move us forward as partners in the emerging new world economy.

### ***El Paso at the Crossroads***

For more than four centuries the El Paso del Norte region remains a major crossroad for north-south trade of goods and culture.

El Paso, Texas and Ciudad Juárez, Chihuahua are the second largest bi-national metropolitan area -- 2,280,782 residents -- and the fourth largest manufacturing center in North America. El Paso is at the crossroads for the North-American economic trade bloc that has brought prosperity to many American cities, but has adversely impacted the lives of many El Paso residents.

While tremendous forces are shaping the border region, as described below, El Paso is taking the challenges and turning them into opportunities for our community, including the Zone.

### **Regional Forces**

Increased immigration, welfare reform, the aging of infrastructure and growth without prosperity along our border region have placed tremendous pressure on the Empowerment Zone. Even NAFTA-related traffic has brought rapid deterioration of our ports of entry, roads, highways and bridges, not to mention the increased environmental degradation, air and water pollution, and accompany health hazards.

With an economic turnaround, attention has continued to focus on critical mobility issues. To meet these transportation challenges, the City created the Camino Real Regional Mobility Authority (RMA) to become a locally controlled transportation authority with the ability to issue their own construction bonds and to fund mobility projects. In addition the RMA has authority to construct international bridges on both sides of the border and can be instrumental in mitigating congestion on Interstate-10.

The health of our community is also in jeopardy with 50 percent of Hispanic children and one in three adults in El Paso being uninsured. The City's Hispanic majority faces a rate of diabetes two to three times more than non-Hispanics. At the same time, our health care costs are some of the highest in the nation.

The City looks forward to the positive impact of our new local four-year medical school. For more than ten years, our community has been working to become the medical mecca of West Texas, Southern New Mexico and Northern Mexico. The reality of the Medical Center of Americas was a cooperative effort that involved bipartisan political leadership as well as private sector support and funding. Currently, the Texas Tech four-year medical school is located within the Empowerment Zone and lays the groundwork for us to become a community that will be a leader in research and development into diseases that are prevalent among Hispanics and along our southern border.

In regards to economic development, we will look at companies that provide technology for research that can provide aid to the expanded Medical School and the University in their own research. The pursuit of a Science and Technology Park as part of a larger Medical Center of the Americas Master Plan is the longest term and most complex component of our economic development strategy.

## **National Forces**

National forces have equally been hard on the Empowerment Zone in terms of their effect on the offshore transition of the apparel and textile industry — a longtime mainstay of our local economy. Consequently, our unemployment rate had skyrocketed. Although the figure has decreased, it is still much higher than the national figure.

The downsizing and relocation of our national defense had impacted our local military base, Fort Bliss, and the greater community at large. In 1998, the local economy was affected when the U.S. Army's 34th Cavalry was moved out of Fort Bliss and resulted in significant military programs and civilian workforce cutbacks.

In 2005, the Defense Base Closure and Realignment (BRAC) announced that Fort Bliss will transform from an Air Defense Artillery post to a Heavy Armor Training post. Fort Bliss was selected as the home of Integrated Field Experimentation for the Army's Future Combat Systems Program. Our region will become one of the most important locations in the world for development and testing military technological capabilities. Along with the troop influx and their families moving to El Paso — estimated between 50,000 to 90,000

people by 2011 — there is a strong potential for attraction of defense contractors, engineering and/or manufacturing support and scientist to the region. There is also potential for employment opportunities for the hundreds of engineers who graduate from the University of Texas at El Paso and New Mexico State University. The University of Texas at El Paso forecasts that the overall economic impact of this expansion will be \$21.7 billion dollars over the next six years.

## **Global Forces**

Our vision was shaped not only by local needs, but also by global and national forces that affect this region. An increasingly globalized economy, the passage of NAFTA, the lowering of trade barriers, and the increase movement of goods, services, information, currency and even drugs are forces that reverberate through our community. The lowering of trade barriers has effectively removed the safety railing from the wage cliff of the U.S.-Mexico border. American companies can move less than a mile over the border to find a precipitous drop in wages from a minimum of \$5.85 per hour in the United States to an average of \$2.80 per hour in Mexico.

The State of Chihuahua is the fastest growing maquila center in Mexico and is the number one trading partner for the State of Texas. As noted in the El Paso's Mayor's state of address, every eight jobs created in Juárez creates another on the American side of the border. The payroll for El Pasoans working in maquilas exceeds half a billion dollars. Local and state officials have come together in the spirit of cooperation to maximize their effectiveness in international outreach in such areas of tourism, arts and culture, and economic development.

## ***The El Paso Empowerment Zone at the Heart of El Paso***

The El Paso Empowerment Zone is centered at the heart of the city, hence the term El Corazon de El Paso.

In addition to the positioning of the city at the crossroad of trade, the El Paso Empowerment Zone finds itself at the crossroad of trade within the city itself. As the southern most tip of the Rocky Mountains, our Franklin Mountains cut through the city and create even smaller communities on either side. It is this Eastside-Westside division that creates the small town atmosphere within our big city over 600,000 people. These two distinct populations of our city are connected via the area and the culture of the El Paso Empowerment Zone.

In this compact location, all the problems and promises of an emerging economy continue to be seen and heard.

The southern boundary of the zone follows along the Rio Grande and includes our oldest neighborhoods, schools and churches. The community reflects the traditions and history

of Hispanic culture — a family-oriented community deeply rooted to their homes and neighborhood. Daily activities in the Zone are representative of the greater El Paso/Ciudad Juárez borderplex. Each day thousands of people — approximately 23 million annually — cross over the City’s four international bridges to work, shop, and visit family and friends. For many residents, the Empowerment Zone is the first American community for thousands of immigrants, making the area a true gateway to our nation.

## ***Diagnosing Our Needs and Forging Our Vision***

While tremendous forces are shaping the border region, El Paso is working on taking its challenges and turning them into opportunities for our community.

We have continued to diagnose the Zone’s economic and human needs since the preparation of the Round II application. A series of coordinated processes have followed the Round II Empowerment Zone designation, resulting in continued attention at the neighborhood level. The City of El Paso has drafted the Chihuahuita Neighborhood Plan and the Chamizal Neighborhood Revitalization Strategy — both neighborhoods located within the Empowerment Zone. The El Paso Empowerment Zone also conducted two formal surveys — 2001 Empowerment Zone Baseline Study and 2005 EPEZ Resident Opinion and Financial Literacy.

Building on the strengths, weaknesses, and priorities identified in coordinating efforts, the El Paso Empowerment Zone along with community input validation continues to strive in improving the key areas of economic development, job creation, infrastructure development, business development and related quality of life issues.

*“We understand the economic development is everyone’s responsibility.”*  
- City of El Paso Mayor John Cook (2007)

As evidenced by Mayor John Cook’s statement, community partnerships have been formed amongst the City’s Economic Development Department, the El Paso Regional Economic Development Corporation (REDCO), the Chambers of Commerce, El Paso Community College, UTEP, Upper Rio Grande @ Work and the El Paso Lyceum . They have each defined their particular roles in attracting new businesses, supporting and expanding existing businesses and incubating new ventures. Partnerships have also been formed with our counterparts in Ciudad Juárez and Southern New Mexico.

## An Empowering Vision

For communities to respond to their challenges, they must resolve them for themselves and seek help when needed to strengthen their capacity to solve problems. Outside consultants and the local government can make recommendations, but without local ownership of a strategy and implementation plan, it is not likely that the community will take action. With commitment already present at the time of the Round II Empowerment Zone application, the designation has played a significant role in accelerating efforts to implement sustainable, long-term economic development in the Empowerment Zone.

The vision that emerged from the initial strategic planning process is one that recognizes the strategic location El Paso has in the future we are facing. The vision also reinforces the importance of achieving economic opportunity through education and job creation. Finally, it continues to treasure the zone's priceless commodity — *El Corazon de El Paso*'s core values:

- Strong families
- Solid work ethic
- Cultural diversity

These core values are equal partners in the drive towards economic improvement and enhanced quality of life. We continue to reap the benefits of having forged this vision and learned the importance of developing new relationships between formerly disparate segments of our community. Sharing in problem solving and planning for the future as a community is an empowering experience that raises the community's collective self-esteem and pride in their community.

It is in this approach that the Empowerment Zone will succeed in taking full advantage of the promise of opportunities that await its path.

## **(2) Community Assessment**

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The purpose of conducting a community assessment is to create a foundation for planning, action, and broadening participation in the development of a community vision. Many El Paso residents, especially within the Empowerment Zone, experienced displacement from NAFTA and now seek new economic opportunities to restore their quality of life. The following focuses on the needs, problems and shortcomings of the community along with identifying assets, capacities and strengths found within.

### ***El Paso Community Trends and Conditions***

El Paso – the 6<sup>th</sup> largest city in Texas and 21<sup>st</sup> largest city in the United States – is located in the far western part of the state on the north bank of the Rio Grande, opposite the Mexican city of Ciudad Juárez, Chihuahua on the south bank. El Paso shares an economic, social and historical relationship with Ciudad Juárez – Mexico’s 4<sup>th</sup> largest city. The combined population of these two communities is 2.2 million – the 2<sup>nd</sup> largest bi-national metropolitan area on the U.S.-Mexico border.

This bustling bi-national urban center has 400-year roots as a commercial hub — originally a rest stop on route between Spanish and later Mexican outposts to Santa Fe, New Mexico. The geographical location molded El Paso’s character and economy to be the central position in a trade corridor that runs from Mexico to the Canadian provinces. El Paso is an important port of entry to the U.S. from Mexico. The high technology, medical-device manufacturing, plastics, refining, automotive, food processing, and defense-related industries are imperative to the local economy.

El Paso’s location presents unique opportunities and problems not encountered in other major U.S. cities. Despite steady growth and significant economic strides, true prosperity has remained just beyond the grasp of the vast majority of El Paso residents. The following table compares socioeconomic trends of El Paso to the state and nation.

Overall, El Paso struggles with lower incomes, higher unemployment and poverty rates, and more individuals with limited English and education attainment. Within the Empowerment Zone, these conditions are exacerbated.

**Table 2.1: Community Trends for the City of El Paso Compared to Texas and Nation**

|  | El Paso  |          |          | Texas      |            |            | United States |             |             |
|--|----------|----------|----------|------------|------------|------------|---------------|-------------|-------------|
|  | 1990     | 2000     | 2006     | 1990       | 2000       | 2006       | 1990          | 2000        | 2006        |
| Population   | 515,342  | 563,662  | 596,189  | 16,986,510 | 20,851,820 | 23,507,783 | 248,709,873   | 281,421,906 | 299,398,485 |
| Hispanic/ Latino                                     | 69.0%    | 76.6%    | 81.0%    | 25.5%      | 32.0%      | 35.7%      | 9.0%          | 12.5%       | 14.8%       |
| Speak a Language other than English at Home (+5 yrs) | 66.7%    | 71.3%    | 74.3%    | 25.4%      | 32.1%      | 33.8%      | 13.8%         | 17.9%       | 19.7%       |
| Median Household Income                              | \$23,460 | \$32,124 | \$33,103 | \$27,016   | \$39,927   | \$44,922   | \$30,056      | \$41,994    | \$48,451    |
| Per Capita Income                                    | \$9,603  | \$14,388 | \$15,756 | \$12,904   | \$19,617   | \$22,501   | \$16,489      | \$21,587    | \$25,267    |
| Individuals Below Poverty                            | 25.3%    | 22.2%    | 26.4%    | 17.7%      | 15.4%      | 16.9%      | 12.8%         | 12.4%       | 13.3%       |
| In Labor Force (+16 yrs)                             | 63.5%    | 57.1%    | 59.4%    | 5160.0%    | 63.6%      | 65.6%      | 53.3%         | 63.9%       | 65.0%       |
| Unemployment   | 9.9%     | 9.0%     | 6.7%*    | 7.0%       | 6.0%       | 4.9%*      | 6.2%          | 5.7%        | 4.6%*       |
| High School Graduates (+ 25 yrs)                     | 63.7%    | 68.6%    | 70.7%    | 71.9%      | 75.7%      | 78.6%      | 75.2%         | 80.4%       | 84.1%       |
| College Degrees                                      | 12.5%    | 18.3%    | 19.9%    | 18.1%      | 23.2%      | 24.7%      | 20.3%         | 24.4%       | 27.0%       |
| Owner Occupied Housing Units                         | 57.6%    | 61.4%    | 61.3%    | 60.9%      | 63.8%*     | 65.2%      | 64.2%         | 66.2%       | 67.3%       |

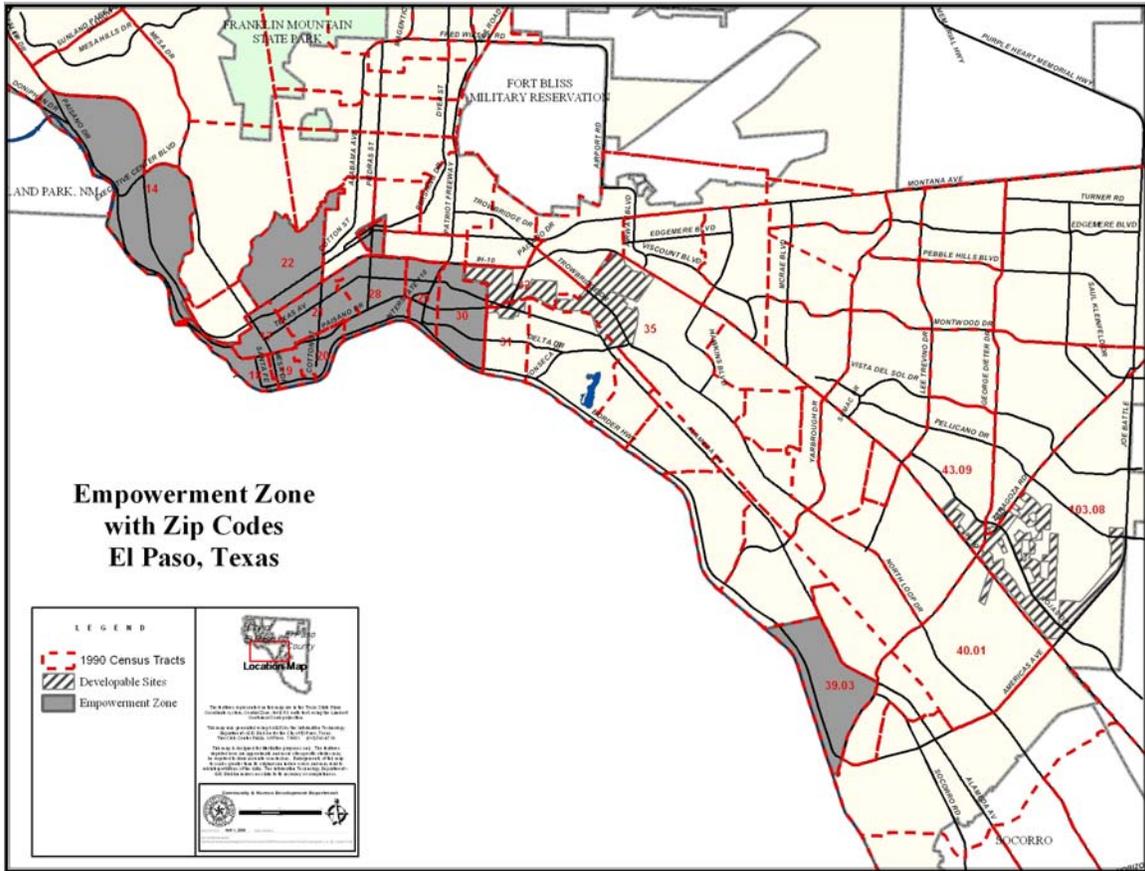
Source: U.S. Decennial Census, 2006 American Community Survey and Bureau of Labor Statistics\*

## ***Empowerment Zone Geography and Demographics***

The El Paso Empowerment Zone contains two noncontiguous residential areas with a total land area of 10.8 square miles (see Figure 2.1). The larger area encompasses portions of west, central and south El Paso, and includes eleven census tracts (14, 17, 18, 19, 20, 21, 22, 27, 28, 29, and 30<sup>1</sup>). The second area contains one census tract (39.03) in the southeastern sector of the city known as the Lower/Mission Valley. Although separated by miles, both residential areas share a similar demographic profile, historical significance and strategic location. From its westernmost point, the Empowerment Zone stretches first along the state boundary between Texas and New Mexico and then along the U.S.-Mexico border. The Zone encompasses many of the city's oldest residential neighborhoods: *Chihuahuita*, *the Segundo Barrio*, *the Old Garment District*, *Buena Vista*, *La Calavera*, *Arizona-Rio Grande* and *Piedras-Alameda*. The *Ysleta* neighborhood is in the Lower Valley portion of the Zone and was a rural environment gradually replaced by urbanization.

<sup>1</sup> Census Tract 27 was apart of the 1990 Census at the time of the original application submission and for the 2000 Census is now merged into Census Tract 26.

**Figure 2.1: Empowerment Zone Census Tracts**



**Population and Age Distribution** - The area has the highest concentration of person per acre in the residential areas. In 2000, the population of the Zone was 46,331, or 8.2 percent of the total population El Paso Metropolitan Statistical Area — a decrease from the 1990 population of 51,444. The decrease correlates to the renovation of Alamo public housing units and a general migration of the population to areas outside the Empowerment Zone. Land is less expensive and readily obtainable on the outskirts of the City. Census information also indicates that the population of the Empowerment Zone is definitely aging, but still is very young.

**Table 2.2: Empowerment Zone Population Characteristic**

|                           | Zone   |        | El Paso |         |
|---------------------------|--------|--------|---------|---------|
|                           | 1990   | 2000   | 1990    | 2000    |
| Population                | 51,444 | 46,331 | 515,342 | 563,662 |
| 5 and Under               | 11.5%  | 10.5%  | 10.4%   | 9.2%    |
| 6 to 17                   | 23.6%  | 21.0%  | 21.4%   | 20.8%   |
| 18 to 39                  | 33.7%  | 29.7%  | 36.0%   | 31.7%   |
| 40 to 64                  | 20.3%  | 24.6%  | 23.6%   | 26.6%   |
| 65 and Over               | 10.7%  | 14.2%  | 8.7%    | 10.7%   |
| Hispanic Origin           | 93.6%  | 93.5%  | 69.0%   | 76.6%   |
| Individuals Below Poverty | 58.5%  | 50.1%  | 25.3%   | 22.2%   |

Source: U.S. Census

The Zone has a higher concentration of residents with Hispanic origins than compared to the City. A third of Empowerment Zone resident's have limited English efficiency. This leads to difficulties in the education system and affects a person's ability to earn a well-paying job, which correlates to a poverty rate that is more than double that of the City.

**Table 2.3:** Empowerment Zone Spanish Language for Population 5 Years and Over

| Language  | Zone  |       | El Paso |       |
|---|-------|-------|---------|-------|
|   | 1990  | 2000  | 1990    | 2000  |
| Speak Only English                                  | 8.4%  | 12.3% | 34.2%   | 28.7% |
| Speak Spanish                                       | 91.6% | 87.0% | 65.8%   | 68.9% |
| Ability to Speak English "Not Well" or "Not at All" | 34.9% | 32.4% | 14.9%   | 6.1%  |
| Age 5 - 17  | 6.3%  | 4.9%  | 2.5%    | 0.4%  |
| Age 18 - 64   | 22.6% | 19.8% | 10.1%   | 3.9%  |
| Age 65 and Over                                     | 5.9%  | 7.6%  | 2.3%    | 1.8%  |
| Spanish Spoken at Home                              | 82.7% | 87.4% | 66.7%   | 71.3% |

Source: U.S. Census

**Income** - The annual household income of the Empowerment Zone residents shows a stark contrast from that of the City. Although the median household and per capita income appears to be on the rise over the past decade, Empowerment Zone residents continue to struggle economically with their incomes that are nearly half of the City. A greater percentage of Zone residents also receive more public assistance income than the rest of the City.

**Table 2.4:** Empowerment Zone Resident Incomes and Poverty

| Income:           | Zone    |          | El Paso  |          |
|-------------------|---------|----------|----------|----------|
|                   | 1990    | 2000     | 1990     | 2000     |
| Median Household  | \$9,716 | \$14,288 | \$23,148 | \$32,124 |
| Per Capita        | \$4,135 | \$7,370  | \$9,603  | \$14,388 |
| Public Assistance | 22.0%   | 13.8%    | 9.7%     | 6.2%     |

Source: U.S. Census

**Educational Attainment** - A review of the educational attainment of Empowerment Zone residents confirms the relationship between income and education.

**Table 2.5:** Empowerment Zone Education Attainment for Population 25 Years and Over

| Educational Attainment:         | Zone  |       | El Paso |        |
|---------------------------------|-------|-------|---------|--------|
|                                 | 1990  | 2000  | 1990    | 2000   |
| Less than 9th grade             | 52.8% | 46.9% | 22.2%   | 19.5%  |
| 9th to 12th grade, no diploma   | 15.4% | 14.8% | 12.4%   | 11.9%  |
| High school graduate/GED        | 15.3% | 17.2% | 22.9%   | 22.5%  |
| Some college, no degree         | 10.1% | 13.0% | 20.9%   | 225.0% |
| Associate degree                | 2.0%  | 2.4%  | 5.3%    | 5.2%   |
| Bachelor's degree               | 2.8%  | 3.6%  | 11.2%   | 12.1%  |
| Graduate or professional degree | 1.6%  | 2.0%  | 5.0%    | 6.2%   |

Source: U.S. Census

In 2000, the Zone has a significantly lower adult population with a high school diploma at 61.7 percent, which drops 30 percent than the City and 38 percent of the state. The percentage of the Zone's population with a bachelor's degree or higher is also notably lower than the City and state. Education is a catalyst for economic development and is critical to expanding employment opportunities.

**Home Ownership, Vehicles and Transportation** - Individuals without a high school diploma are more likely to live below poverty level and have lower tenure on housing units and vehicles. The homeownership rates in the Zone are half that of the City, which indicates affordable housing in the Zone is an issue. In addition, a larger renter population creates image and appearance concerns in many neighborhoods, because renters are less likely to take pride and make improvements to their dwellings or neighborhood.

**Table 2.6:** Empowerment Zone Households and Tenure

| Households:              | Zone   |        | El Paso |         |
|--------------------------|--------|--------|---------|---------|
|                          | 1990   | 2000   | 1990    | 2000    |
| Occupied Household Units | 14,824 | 13,218 | 160,545 | 182,063 |
| Owner-Occupied           | 26.6%  | 30.0%  | 57.6%   | 61.4%   |
| Renter-Occupied          | 73.4%  | 70.0%  | 42.4%   | 38.6%   |

Source: U.S. Census

Another impediment to gaining employment is the ability to commute to and from work. A third of Empowerment Zone residents do not have available access to a single vehicle. Not having private transportation can place spatial constraints on an individual's ability to find employment. Having access to more than one vehicle also increases the opportunity for a household to have more than one income.

**Table 2.7:** Empowerment Zone Vehicles Available for Occupied Housing Units

| Vehicle Available: | Zone  |       | El Paso |       |
|--------------------|-------|-------|---------|-------|
|                    | 1990  | 2000  | 1990    | 2000  |
| None               | 39.4% | 33.8% | 15.1%   | 12.9% |
| 1 or More          | 60.6% | 66.2% | 84.9%   | 87.1% |

Source: U.S. Census

Though more residents use a vehicle as their means to work, many residents in the Zone depend on public transportation than compared to the City. The fact that more residents in the Zone bike or walk to work than the City indicates that many residents live close to their place of employment.

**Table 2.8:** Empowerment Zone Resident Means of Transportation to Work

| Households:           | Zone  |       | El Paso |       |
|-----------------------|-------|-------|---------|-------|
|                       | 1990  | 2000  | 1990    | 2000  |
| Vehicle               | 73.4% | 76.6% | 90.3%   | 92.4% |
| Public Transportation | 11.0% | 11.6% | 3.0%    | 2.3%  |
| Bicycle/Walk          | 11.3% | 8.2%  | 3.3%    | 2.1%  |

Source: U.S. Census

**Labor Force and Employment Characteristics** - In 2000, the Empowerment Zone has a higher population 16 years and over not in the labor force than compared to the City. The Zone is also experiencing an unemployment rate that is twice as high as the City. This presents a much higher set of odds for Zone residents to find employment, as opposed to the state and national unemployment rate.

**Table 2.9:** Empowerment Zone Labor Force

| Workforce:         | Zone   |        | El Paso |         |
|--------------------|--------|--------|---------|---------|
|                    | 1990   | 2000   | 1990    | 2000    |
| In Labor Force     | 16,960 | 14,387 | 217,883 | 228,312 |
| Unemployment Rate  | 16.7%  | 18.2%  | 9.9%    | 9.0%    |
| Not in Labor Force | 52.1%  | 55.3%  | 38.8%   | 42.9%   |

Source: U.S. Census

In 1990, the Zone’s workforce was highly employed in the manufacture of nondurable goods – 23.7 percent compared to the 16.7 percent of the City and only 6.9 percent of the national workforce. This reflected the high concentration of apparel workers, machine operators and assemblers in the Zone. In 2000, there was a significant reduction in manufacturing jobs for Zone residents. Although, comparing it to the City’s 13.3 percent figure, the Zone’s population is still a significant source of employees for manufacturing companies. In 2000, the percentage of management, professional and related occupations present in the Zone increased to 15.1 percent, but still lags behind the 31.3 percent of the City’s workforce and 33.3 percent of the state. Overall, the Zone’s residents work predominantly in service oriented or light manufacturing jobs.

**Table 2.10:** Empowerment Zone Work Force

| Employment:             | Zone  |       | El Paso |       |
|-------------------------|-------|-------|---------|-------|
|                         | 1990  | 2000  | 1990    | 2000  |
| Manufacturing           | 23.7% | 16.4% | 16.7%   | 13.3% |
| Management/Professional | 8.9%  | 15.1% | 20.5%   | 31.3% |
| Service                 | 18.4% | 26.1% | 20.6%   | 16.9% |

Source: U.S. Census

## ***Empowerment Zone Developable Sites***

To enhance economic opportunities for the residential areas, two developable sites are included in the Empowerment Zone. The Central Area Developable Site contains 947 acres immediately adjacent to the Zone and includes portions of 1990 Census Tracts 31.00, 32.00 and 35.00. This site replaced the Northwest Developable Site — requested in the original application.<sup>2</sup> The amendment allows El Paso to pursue economic revitalization and job development initiatives that will benefit the residents of the

<sup>2</sup> The Central Developable Site was included in the Empowerment Zone designation as a 2002 amendment to the City of El Paso’s Empowerment Zone Grant Agreement (No. EZ-99-TX0013) and a Memorandum of Agreement among HUD, the State of Texas and the City of El Paso.

Empowerment Zone. This location provides easy access to Interstate-10 and to the international port of entry.

In relation to the prospects for job development, the Central Area Developable site includes Texas Tech's El Paso Border Health Research Center. This Center conducts research on diabetes, infectious diseases and environmental health issue and is in the process of expanding.<sup>3</sup> The Research Center — funded with \$40 million state dollars — will employ approximately 425 people when completed. In addition, Texas Tech has acquired funding for a four-year medical school adjacent to the Research Center.

In addition, a large refiner located within the Central Area Developable Site is in the process of evaluating their heavy industrial property; they are considering the sale of some of their property for commercial development. The site is compatible with the community and work force in the Empowerment Zone and it is feasible for participating businesses to hire 35% of their work force from the Empowerment Zone. This site provides the necessary resources for the establishment of an anchor medical complex that will trigger a number of medical related enterprises. It has opportunities for nursing, pharmacy, allied health center, and burn treatment research endeavors, as well as hotel development for patient and their families. This area is located directly east of R.E. Thomason General Hospital and provides an opportunity to achieve one of the four tangible targets of the Empowerment Zone Strategic Plan: the expansion of the Zone's existing medical health care cluster into a medical health care district centered on the multi-million dollar Border Health Institute.

The Eastside Developable Site is located in portions of 1990 Census Tracts 40.01, 43.08, 43.09 and 103.08. This site is located in the Vista del Sol and Pendale Industrial Parks. In regards to the 2002 amendment and developable site replacement, the total acres relating to the Eastside Developable Site reduced from 1,393 to 1,053 acres. The site provides extensive opportunities for industrial development and expansion. It includes commercial, manufacturing, distribution, and industrial properties.

## ***Resource Analysis***

In conjunction with research work conducted by the City's Economic Development Partners, an analysis of the strengths, weaknesses, opportunities, and trends (SWOT) existent in our city was conducted. Research was focused on the key elements that would assist Empowerment Zone residents to obtain or retain a job and businesses establish or expand within the zone.

In regards to job placement, focus was placed on industry composition, job training programming, and support services. The latter specifically focused on two prominent issues voiced in the EZ community – child care and transportation.

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<sup>3</sup> J.O. and Marlene Stewart donated a 10.7-acre parcel of land, valued at \$1.5 million, to Texas Tech for research expansion.

In regards to small business development, focus was placed on growth barriers, technical assistance programming, and access to capital.

At this point of the analysis, the research turns from comparing the Zone workforce to its city, state, and national counterparts. We begin to look within the local area to determine where and how the Zone resident will fit within the regional workplace. How does the typical Empowerment Zone job seeker prepare him- or herself to find a job within the next year or two in El Paso? What jobs are available? What entrepreneurial opportunities are available? In what direction are economic opportunities heading?

**Table 2.11:** City of El Paso Top Ten Employers

| <b>Rank</b> | <b>Name of Business</b>             | <b>No. of Employees</b> |
|-------------|-------------------------------------|-------------------------|
| 1           | El Paso Independent School District | 8,663                   |
| 2           | Fort Bliss Civilian Employees       | 6,620                   |
| 3           | Ysleta Independent School District  | 6,500                   |
| 4           | City of El Paso                     | 6,264                   |
| 5           | The University of Texas at El Paso  | 4,871                   |
| 6           | Socorro Independent School District | 3,995                   |
| 7           | Sierra Providence Health Network    | 3,761                   |
| 8           | El Paso Community College           | 3,728                   |
| 9           | Wal-Mart                            | 3,706                   |
| 10          | County of El Paso                   | 2,700                   |

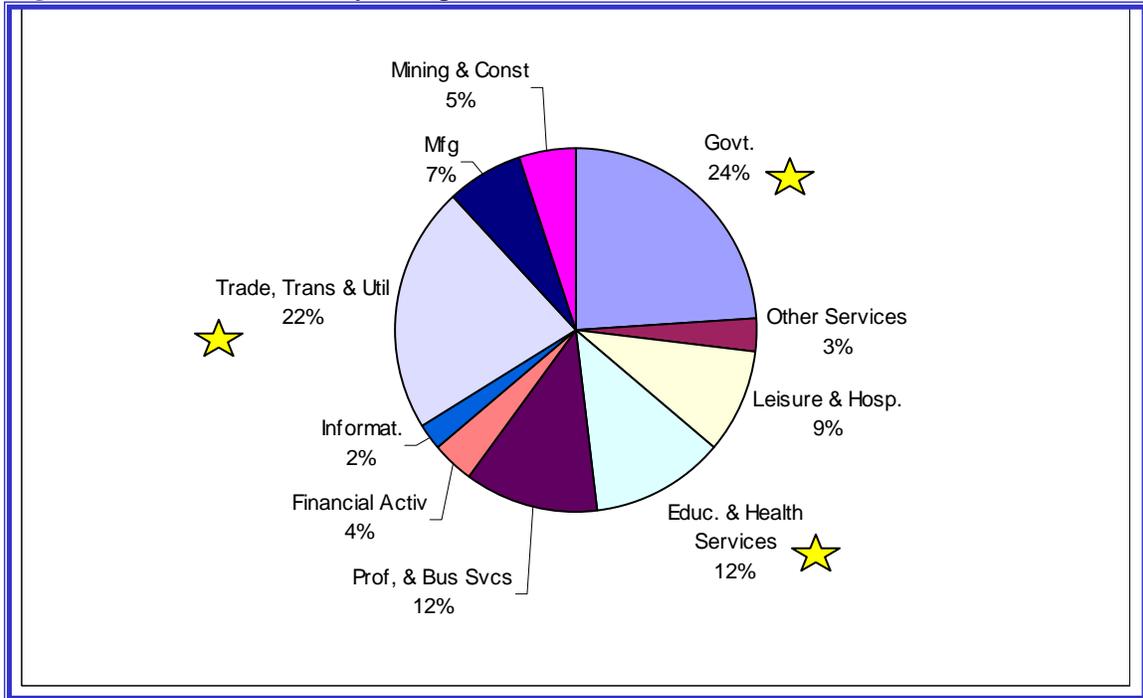
Source: El Paso REDCO

## **Workforce Development: Industry Composition**

By initially reviewing the City’s top ten employers, the industry landscape would appear to focus in the education, government, health and retailing sectors. The City’s industry composition, at first glance, follows these clusters. Approximately 24 percent of the industry is in the government field with 12 percent in the education and health services. A closer look though, identifies a significant percentage (22%) relating to the trade, transportation and utilities field. This reflects the numerous smaller employers who make a significant impact, as a group, on the City’s economic landscape.

Of the trade, transportation and utilities cluster, over half of the employers are in retail trade. Wal-Mart is the only retailer in the City’s top ten employer list. The City’s downtown area stores and local malls are strong economic engines in the retail trade. In accordance with a University of Texas – Pan American Center for Border Economic Studies project concluded, the Mexican shopper constitutes a major cornerstone of border economies, including El Paso’s retail trade. Of the 23 million daily crossings per year across the four ports of entry located in the Empowerment Zone, studies have shown that one of the primary reasons for the crossing is shopping. Of that, the primary item is clothing. This has placed such national chain stores located in El Paso as Payless Shoe Source and Coach on their respective companies’ radar as highest grossing stores in the nation.

**Figure 2.2: El Paso Industry Composition**

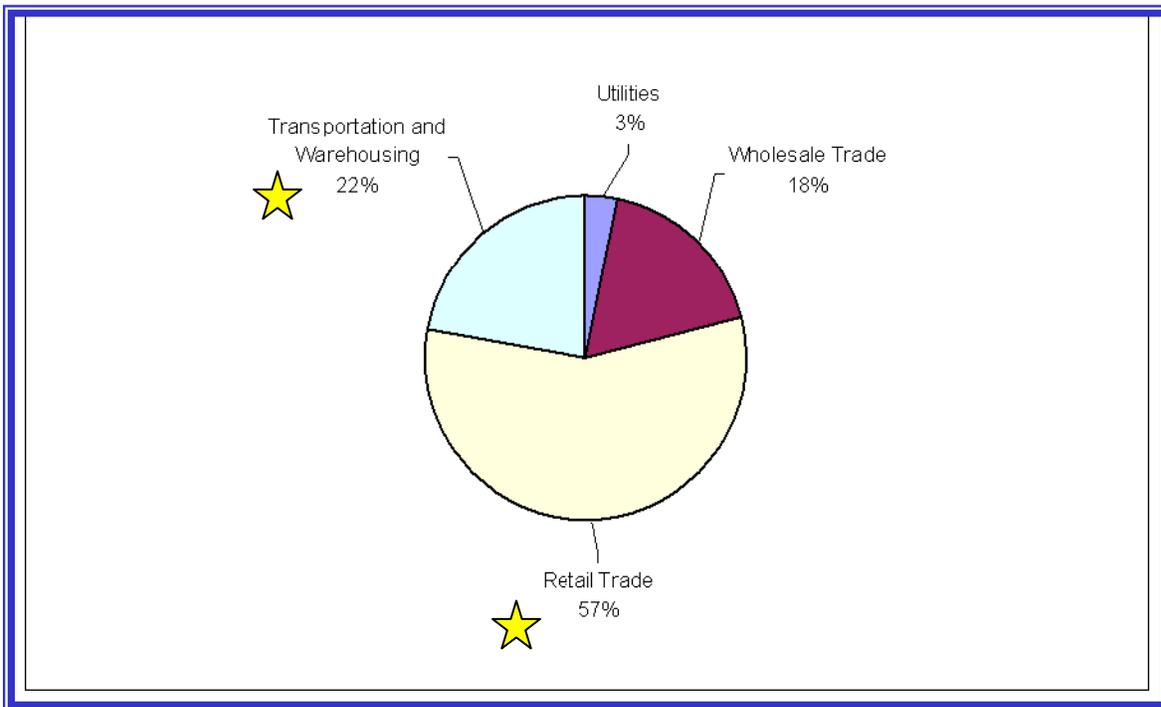


Source: City of El Paso, Department of Economic Development (2008)

Purchases by Mexican consumers represented 32 percent of the total retail industry sales in El Paso in 2005, according to a study by the Universidad Autonoma de Ciudad Juárez (UACJ) and the Federal Reserve of Dallas in El Paso. For the entire El Paso MSA, it is estimated that over \$483 million worth of retail goods are purchased by Mexican Nationals annually. The retail establishments in Downtown El Paso, within the Empowerment Zone, cater almost exclusively to Mexican national consumers. The report also explained that sales growth in El Paso outpaced that of Juárez by 100 percent due to Mexican consumers preferring to acquire products in El Paso because of price, increased quality, and variety of goods offered. These two studies definitely highlight the business community's request for job training in the customer service and marketing arenas.

In October 2007, a 380,000-square-foot open-air Outlet Shoppes opened its doors to regional shoppers and provides 800 new jobs to the local workforce. The city continues to experience new stores opening their doors as a result of the current retail trade and in anticipation of the Fort Bliss expansion, created by the Army's Base Realignment and Closure (BRAC) initiative, bringing in 20,000 troops and their families to the city in upcoming years.

**Figure 2.3: Trade, Transportation and Utilities**



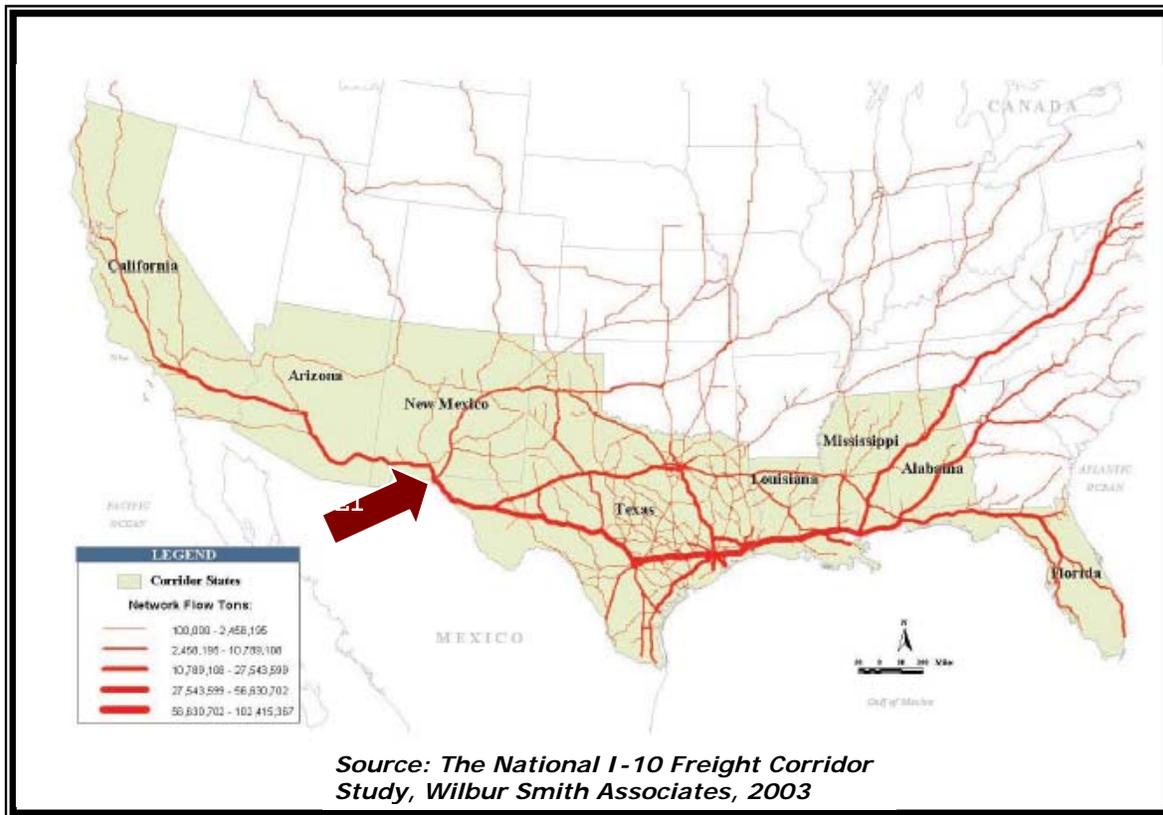
Source: City of El Paso, Department of Economic Development (2008)

Of the trade, transportation and utilities cluster, approximately 22 percent of the employers are in the transportation and warehousing industry. Given El Paso's location on the U.S.-Mexico border, the driving force behind the region's business and industry is international trade. Two major trade corridors and El Paso's four ports of entry (the Santa Fe Bridge, the Stanton Street Bridge, Bridge of the Americas and the Zaragoza Bridge) run through the Empowerment Zone.

The north-south corridor, known as the Camino Real Corridor, runs from Mexico City to Denver. The east-west corridor provides access to intrastate and interstate highways and railways. This transportation infrastructure is the east-west backbone of U.S.-Mexico trade connecting deep water ports on the Pacific and the Gulf of Mexico. In addition, this infrastructure intersects the critical I-35 corridor.

The intersection of these trade routes and infrastructure makes El Paso-Ciudad Juárez one of the most active import-export locations in North America, as illustrated in the exhibit below. El Paso's Ports handle one-fifth of the imports and exports from and to Mexico by port of entry.

**Figure 2.4:** Network Distribution of I-10 Truck Flows – Texas



Efforts such as the 2006 Camino Real Corridor Border Improvement Plan continue to demonstrate the region’s collaborative approach in addressing the needs of the community. The plan, a culmination of stakeholder meetings and data gathering efforts, was designed to elevate and sustain border mobility in the region under the planning guidance of the El Paso Metropolitan Planning Organization and its planning partners. The goal is to develop policies that will minimize the entry and exit process at international ports of entry while maintaining the integrity of the immigration system.

*“Speaking regionally, we have become increasingly aware that we are competitors in global economy and that Mexico, as the number one trading partner for the State of Texas, plays a significant role in our regional economic prosperity.”*

*-City of El Paso Mayor John Cook (2007)*

The state of Chihuahua, Mexico is now one of the fastest growing *maquila* centers in Mexico. This growth has translated into one job created on our side of the border with every eight jobs created in Juárez. The Paso del Norte region is now the 4<sup>th</sup> largest manufacturing center in North America, with more than 270,000 manufacturing jobs.

Manufacturing jobs that traditionally employed limited English-speaking workers have moved off shore, sometimes only as far as one-quarter of a mile. Although the American jobs created directly by the *maquiladoras* are of administrative nature that do not require

the same skill set as that of the displaced worker, there has been a significant increase of jobs in the business support and transportation sectors of the city's economy of which the workforce has taken advantage as indicated by the decrease in unemployment since 1998.

According to the 1990 U.S. Census, approximately 15.90 percent of the Zone workforce was employed in the manufacturing industry. In 2000, the census reported that the figure had increased to 16.40 percent of the Zone workforce. Before the 2000 Census results, critics of the NAFTA impact had forecasted a huge job loss in the manufacturing industry. In contrast to the census figures, the reality proved the forecasters correct. Many manufacturing jobs were lost. The assembly line positions were replaced with managerial and administrative positions held by Americans in Mexican *maquiladoras* located across the border. This proved to be an opportunity for the city, but not for the EZ worker looking for a minimum wage job. Zone workers have now shifted, as illustrated by the 2000 Census, to the service industry. Over a quarter of the Empowerment Zone workforce now works in service occupations.

While Ciudad Juárez is one of the Mexican cities with highest wage rates at \$2.85 per manufacturing hour, El Paso is one of the cities with the lowest wage rates at \$5.85 minimum per hour employed.

In January 2008, the Upper Rio Grande @ Work - El Paso's public employment agency - released a list of occupations it identified as fast growing and with pay averaging more than \$8.35 per hour. The majority require college degrees or some type of post high-school certification. The most growth is expected to occur in nursing, with a projected 519 job openings this year. The 110-bed Sierra Providence Eastside Hospital is scheduled to open in May 2008. Along with a marketable salary, hospitals tend to offer \$4,000 to \$15,000 signing bonuses because of the nursing shortage.

Top-growing occupations also on the list were office jobs, ranging from accountant to office clerk. One occupation listed that requires no college degree, but does require some special schooling or experience, is truck driver. The list projected 333 jobs for truck drivers in the El Paso area this year, 236 for drivers of tractor-trailers and other heavy trucks, and 97 for delivery and other light trucks. Another top-growing occupation on the Upper Rio Grande list is business operations specialist, which encompasses job titles such as human resources, logistics and financial. That category is expected to add 474 jobs this year.

The goal is to increase the present workforce's wages and placing the unemployed in jobs.

## **Workforce Development: Job Training and Education**

The greatest strength of El Paso and the Zone is its young, bilingual population. These younger workers will provide the needed workforce for the higher-technology jobs that are expected to be created, such as those in computer manufacturing, telemarketing, back-office data entry, and the supply of goods and services to the *maquiladora* industry. These jobs require employees to be fluent in English, have strong basic math skills, have at least a high school degree or GED, and often have advanced technical skills.

For economic success, job training programs and effective educational programs that address the needs of the English speaker and non-English speaker of all age groups will become critical to the overall employability of Zone residents. When English is coupled with Spanish, the workforce has a competitive edge for employers that deal with both Latin American and North American markets.

A challenge is ensuring that the younger generation has both the education and skills to take advantage of emerging economic opportunities. Another challenge the city faces is attracting firms that will provide the job opportunities that dovetail with the professionals being produced by local educational institutions.

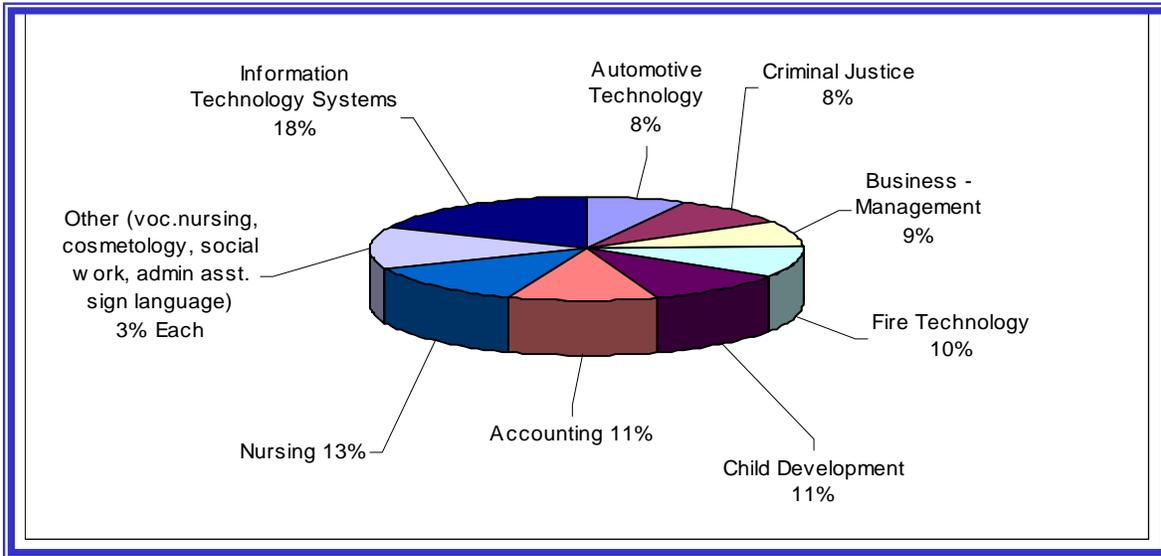
Public education in the El Paso Empowerment Zone is governed by two large independent school districts - El Paso Independent School District (EPISD) and Ysleta Independent School District (YISD). Both school districts are involved in the Zone and they share similar demographics.

EPISD has compiled, drafted, and is in its 11<sup>th</sup> year of its Strategic Plan for Technology and Education. In addition to a sound background in traditional academics, the district recognizes that most career paths require the use of computers and a wide-range of other technology. The school district offers the Silva Magnet High School for the Health Care Professions, located in the Empowerment Zone. Sunset High School is an alternative high school for recovered dropouts, including an evening school. EPISD also offers a district-wide Center for Career and Technology Education that provides half-day courses to students at their home schools. Approximately 40 percent of the EPISD students enrolled in middle school and high schools located in the EZ participate in this program.

YISD offers open enrollment, in which students district-wide may attend one of the following magnet schools: Alicia R. Chacon International Language School; Hacienda Heights Communication Magnet School; Ysleta Center for Health Professions at Bel Air High School; The Magnet School for Performing Arts at Ysleta HS, The Cyber Institute at Riverside High School, The Socratic Institute at Riverside High School. The district also offers "Project Volver," which is the district's outreach initiative committed to bringing back students and making sure they receive the assistance they need to earn their high school diploma. In order to reach as many students as possible, a two-day phone-a-thon is held with district administrators, teachers, students, parents, and community members coming together to contact students that have left school and encouraging them to return.

The El Paso Community College (EPCC) is within the boundaries of the Zone. EPCC is one of the largest comprehensive community colleges in the nation. The college consists of four campuses and two centers – Northwest and Ft. Bliss. The college confers Associates degrees in Science, Arts and Applied Science, as well as Certificates of Completion in other courses of study. The EPCC continues to receive national recognition for its educational excellence as demonstrated by multimillion dollar federal grants for curriculum development and distance learning systems.

**Figure 2.5:** El Paso Community College Graduates by Program – 2005-2006



Source: El Paso Community College Fact Book, 2006-2007

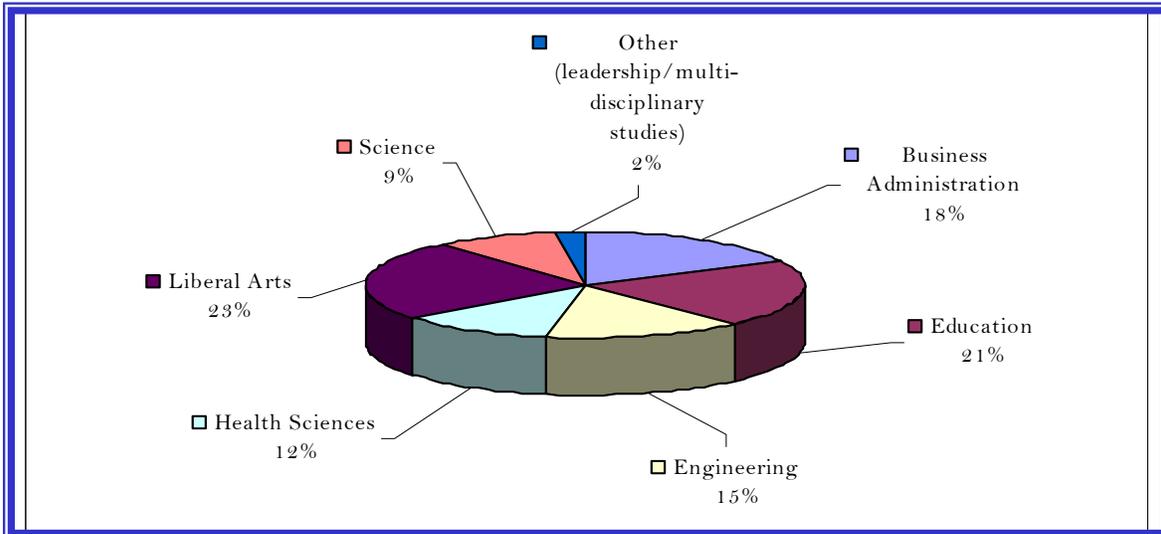
The University of Texas at El Paso (UTEP) is adjacent to the Zone. Its College of Nursing and Allied Health is located in the Empowerment Zone. As the largest Hispanic-major University in the United States, UTEP plays a significant role in preparing the next generation of professionals and future leaders. This role has been affirmed by U.S. Department of Education reports that rank UTEP second in the nation for the total number of bachelor's degrees awarded to Hispanics.

UTEP is a nationally ranked in several categories as one of the top 10 Hispanic degree producers, according to the most recent U.S. Department of Education statistics. As an institution, UTEP has created a niche for itself and has capitalized on its unique bi-national and multi-cultural setting, its students gain education experiences not available on most university campuses.

In comparison to the regional industry composition and degrees conferred, it is unfortunate that there appears to be a mismatch. The City's Economic Development Department is working diligently in attracting high-paying jobs that will utilize the degrees that are not necessarily marketable in today's market. This will also be facilitated with the BRAC Fort Bliss expansion bringing in defense manufacturing firms. In the meantime, the city is facing a current issue of intellectual brain drain that further reinforces the weak economic conditions. In a Spring 2007 UTEP Student Survey

indicated that 68 percent of students said they did not think they would be able to find available jobs in their areas of interest. Of the top 6 items they would change about El Paso, better job opportunities made the list.

**Figure 2.6:** University of Texas at El Paso Graduates by Program



Source: Natalicio, Diana, "Graduation Rates: Whose Success Do They Measure", 2005-2006

El Paso also has the benefit of local coordinating agencies assisting residents connect with various independent and affiliated job training programs. For example, Project Arriba and Texas Workforce Solutions open the door to funding programs for training at, but not limited to:

- Academy School of Careers, Inc.
- Anamarc Educational Institute
- Axis Business Academy Inc.
- Career Centers of Texas
- Computer Career Center
- Computer Labs
- DeVry University
- El Paso Community College
- El Paso Electricians JATC Apprenticeship
- El Paso/Southern NM Sheet metal JATC
- Excel Learning Center
- Goodwill Industries
- International Business College
- International Schools
- Language Plus
- Mesilla Valley Training Institute
- MT Training Center
- Southwest Career Institute
- Star Career Training
- Texas Manufacturing Assistance Center
- Texas Western Truck School
- Tri-State Cosmetology Institute
- University of Texas at El Paso
- Western Technical Institute

While each educational and job training program had a marketing plan and/or informational website, there still appears to be a segment of the population within the Zone that is not necessarily receiving the message. As illustrated in the community input meetings, there was a need for additional information – at the grassroots level – to inform and educate the Zone residents of the programs available to them.

## Workforce Development: Child Care

Through a contract with the Upper Rio Grande Workforce Development Board, the YWCA El Paso del Norte Region administers the Child Care Services (CCS) contract that assists low income working parents in paying child care expenses. The contract funds originate with the Child Care Development Fund at the federal level. The program assists 6,200 children daily in the six county service delivery areas, including the El Paso Empowerment Zone. It is estimated that 250 children who live in the El Paso Empowerment Zone are assisted through this grant on any given day.

Also serving the Zone, the YWCA operates three child care centers, providing services for more than 390 children. This includes the city's only dedicated homeless child care center.

The YWCA El Paso de Norte Region currently receives \$33,712 in Community Development Block Grant (CDBG) funding from HUD through the City. With its partnership with the City and the Texas Workforce Commission, it is able to leverage an additional 196 percent match to the CDBG funds. Presently, a parent must actually be employed to benefit from this program.

The scenario presented by residents is a single parent who is offered a job. She is unable to accept the job offer until she has arranged child care for her children. Neighbors would typically refer her to the YWCA's CCS program, which at present has a waiting list. Since she cannot commit to paying child care until actually receiving a paycheck, she finds herself in a catch-22 predicament.

The community requests Empowerment Zone funding to be utilized to serve this gap in services. The YWCA as a coordinating agency for the Upper Rio Grande Workforce Development Board funds could manage the resident's child care programming and simply transfer the funding stream when the waiting time is completed.

Sampling of Child Care Programs within the El Paso Empowerment Zone:

- El Papalote Inclusive Child Development Center is dedicated to caring for children with special needs in an inclusive child care setting. Although its targeted audience is children with special needs from all areas of the City, it is located in the Empowerment Zone and serves children within the Zone.
- In 1999, El Puente Community Development Center worked with its students to create a child care center that would provide quality childcare services for the local community, train NAFTA-displaced workers and member of the local community for jobs in childcare, and provide training in entrepreneurship for owners of home-based day care centers. Having opened its doors in 2000, it has developed into a solid operation which has created a name for itself as a four-star high quality bilingual daycare center that has gained statewide recognition.

## Economic and Workforce Development: Transportation

The intersection of international trade routes and infrastructure makes El Paso-Ciudad Juárez one of the most active import-export locations in North America. Both the strengths and weaknesses of El Paso's reliance on international trade are reflected in the regional impact of NAFTA and increase in *maquiladoras*. Also, exported retail sales in El Paso are driven by the sheer volume of non-commercial trans-border traffic transiting the area's ports of entry, particularly the downtown bridges located in the Empowerment Zone. Transportation infrastructure is a major economic element of El Paso's effectiveness in conducting international trade. All four bridges between El Paso and Ciudad Juárez are within the Zone. The resultant impact includes air pollution, traffic congestion and commerce.

El Paso ranks as the second busiest port of entry on the U.S.-Mexico border and the busiest within Texas. This places a heavy burden on the City's metropolitan transportation network. Improving freight and passenger vehicle mobility in the network can result in substantial cost savings to regional businesses and ultimately increase the region's economic competitiveness; it also creates negative externalities such as increased wear and tear on public infrastructure, increased emissions, congestion, safety concerns and other social concerns. Therefore, the region needs to develop strategies to accommodate the projected increase in commercial traffic while mitigating the negative externalities.

The Free and Secure Trade (FAST) Program is a "trusted shipper" program that enable certified members expedited access and customs clearing at designated ports of entry (POE). Within the Border Implementation Plan Study Area and the Empowerment Zone, the Zaragoza POE has a dedicated FAST lane.

SENTRI (Secure Electronic Network for Travelers Rapid Inspection) is the world's first automated designated commuter lane using advanced Automatic Vehicle Identification (AVI). A SENTRI dedicated commuter lane allows U.S. Customs and Border Protection to swiftly accelerate the inspections of certain low risk, pre-enrolled commuters. The system identifies travelers who pose little risk to border security, verifies their low risk status through extensive record checks, and screens approved participants and their vehicles each and every time they enter the United States.

With the outer Loop 375 complete, there has been reduction in commercial traffic and congestion. From the 2005 El Paso Regional Economic Summit, there remains the following goals: (1) completing construction of the inner loop (to serve Fort Bliss/BRAC needs); (2) analyzing the need to create new ports of entry with better port management (within the Empowerment Zone); (3) studying the need to relocate major rail yards; (4) implementing international bus service between El Paso/Ciudad Juárez, Mexico (cutting through the Empowerment Zone); (5) establishing a regional bus service system for all communities throughout El Pas County, Las Cruces, and Sunland Park, NM, and (6) identifying long and short-term funding sources needed to implement the goals and objectives of the region's transportation plan.

Construction on a \$367 million freeway project in the Northeast has officially begun. The seven-mile Spur 601 project, which will connect Loop 375 to U.S. 54, is the state's first private-sector pass-through financing agreement. The new freeway will go over part of Fred Wilson Avenue to Airport Road and along Walter Jones Boulevard to Loop 375. The construction will also include a new entrance to Fort Bliss. Construction is expected to take about three years.

Public transportation with the Zone presents a major challenge to increased economic opportunity. Although public bus service is available throughout the Zone from the Sun Metro Transit System, it is inadequate. Travel from one part of the city to another often requires residents to wait long periods of time at bus stops, and endure several transfers. The Sun Metro System is the only source of public transportation available in the Zone, other than taxi service, where the cost is not affordable. The lack of good transportation service is a detriment to residents seeking employment outside the Zone. Many employers hesitate to hire people who rely on public transportation.

Sun Metro is presently working closely with El Paso Metropolitan Planning Organization and the Texas Department of Transportation to design and begin implementation of Intelligent Transportation Systems for the City's roadways. In addition, it has set a strategic objective of El Paso becoming the least automobile-dependent community in the Southwest. Last year, it invested \$27 million for the purchase of 55 NABI buses and 25 Paratransit vans and has rebuilt 25 of its millennium series vehicles.

The Bus Rapid Transit (BRT) is an inexpensive, but equally efficient alternative to a light rail system. The first phase is anticipated to be within the El Paso Empowerment Zone. Modified buses would sit on isolated street lanes and provide express service to specific destinations. Although local leaders would want the rapid transit system running in three years, the plans are in the early stages. Planners are looking at cities, such as Los Angeles and Mexico City to develop a rail-less system that is cheaper to create but still attractive and reliable to all types of commuters – from the blue collar workers that currently use Sun Metro buses to business people in suits who would leave their cars at home in favor of the new system.

The City has invested millions of dollars in park-and-ride facilities throughout the city, but people with cars have opted out of using this Sun Metro service because buses can take up to two hours to get from the East Side to Downtown. A rapid transit system would make that same commute in a significantly shorter amount of time.

In Spring 2009, Sun Metro will likely start a precursor to the rapid transit system, when Route 101 between the Paso del Norte Bridge and the University of Texas at El Paso is established. This route, located in the Empowerment Zone, would be an express route that makes few stops as it travels through the Downtown area with turnaround point at Glory Road near UTEP.

## Economic Development: Commercial Landscape

**Market Demand** - Through various Army and Department of Defense initiatives, including Base Realignment and Closure (BRAC), Fort Bliss will grow significantly. By 2013, a net gain of approximately 37,000 troops and as many as 53,000 family members will arrive to the Sun City. This will greatly impact the commercial landscape of the city with more opportunities for business growth.

**Community Attractions and Tourism** - The Zone offers great potential for economic development linked to its historic districts and tourism features. Four historic districts listed on the National Register of Historic Places are located in the Zone. These districts include the Old San Francisco Historic District, Magoffin Historic District, Chihuahueta Historic District and the Ysleta Historic District. The Old Fort Bliss Camp Base, one of the region's first army headquarters, is also located in the Zone.

These historic areas provide great potential for tourism development. Other historic locations abound including Juan de Onate's Crossing site, Pancho Villa era buildings, and the Concordia Cemetery.

Immediately adjacent to the Zone are the oldest missions in North America and of only two Native American reservations in Texas.

The Zone also contains a variety of recreation and cultural assets including:

- Chamizal National Park
- Insights Science Museum
- El Paso Art Museum
- American Art Museum
- El Paso Civic Center
- Abraham Chavez Theater
- El Paso Zoological Park
- El Paso County Coliseum and Stockyards
- Plaza Theater
- History Museum
- Holocaust Museum
- El Paso Main Public Library
- Most of El Paso's art and furnishing galleries

**Barriers to Growth** - The Business Retention & Expansion team within City government's Economic Development Department interviewed over 250 El Paso companies in 2007. They gathered important information about businesses' barriers to growth. The visited businesses include fast growing companies in areas critical to El Paso's growth, the top 25 employers and referrals. The barriers to growth identified are:

- Supplier development (26%)
- Workforce (17%)
- Marketing (15%)
- Permit plan (14%)
- Capital (10%)
- Facility (7%)
- Utilities and infrastructure (6%)
- Taxes (5%)

## Economic Development: Access to Capital

**Borrowers: Barriers to Capital** - The UTEP Institute for Policy and Economic Development explored the important and timely issue facing the small businesses of Texas, including the El Paso Empowerment Zone - access to capital.

- Access to capital (debt, equity, human and information capital)
- Business practices that may affect access to capital
- Bank responses to loan applications
- Patterns in lending across sub-groups (example, minorities and women)

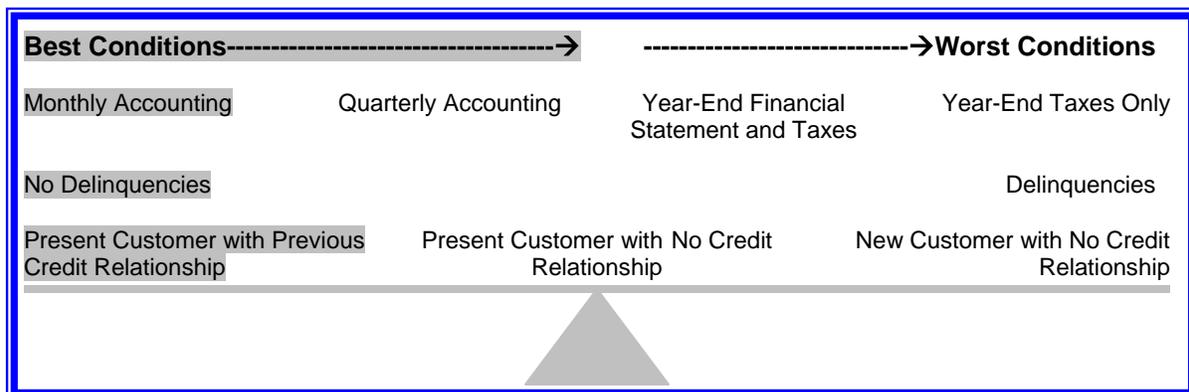
The above issues are complicated and sensitive to the business owner. Patterns are complicated because there is no ideal solution to address a myriad of needs of small businesses. They are sensitive due to the financial records of small businesses are often linked to the wealth and equity of the owner versus a corporate or partnership agreement.

Barriers to capital, as expressed by potential borrowers, are identified as rigorous loan requirements, cost of financing, reporting requirements, non-competitive lending, no central source of information, little understanding of the lending process and lack of time with lender.

**Lenders: Loan Criteria** - The UTEP Institute for Policy and Economic Development also explored the lenders' view of businesses search for capital. Lending decisions are based upon the institution's assessment of the applicant's creditworthiness. Given this, the lender seeks to gather as much relevant financial information as possible. There is a scale of multiple loan criteria that focuses on the applicant's financial records, credit history, and the borrower/lender relationship. Collectively, evaluation of the criteria leads to the approval or denial of the loan application.

Reasons for denial include poor credit history, insufficient capital, too much debt, insufficient earnings, insufficient collateral, lack of experience, insufficient support, high risk as defined by type of business or location, and bankruptcy.

**Figure 2.7:** Scale of Multiple Loan Criteria



Source: Analysis of Small Business Lending in Texas, UTEP Institute for Policy and Economic Development, 2002

It is key for business owners to be able to express their creditworthiness in a formal documented manner – the business plan.

## **Economic Development: Technical Assistance**

In business, there are no guarantees. There would simply be no way for a program to eliminate all the risks associated with starting a business. The odds for success, though, can be improved with the provision of technical assistance. Recognizing that a business plan should only be as big as appropriate for the size and type of business described, each business should have a planning document to guide their operations and growth. This presents the business owner's thought process in regards to his or her business, market, product, management, strategy and implementation and financial analysis.

As with job training providers, the City possesses coordinating entities with its Chambers of Commerce and the Small Business Administration to guide businesses to technical assistance programs. The interlocking systems of agencies include:

- CEDERS – Entrepreneurial Development
- City of El Paso Economic Development Department
- Disaster Assistance Area (Storm 2006)
- El Paso Black Chamber of Commerce
- Franchise Center
- NEDA Business Consultants
- One Stop Business Resource Center
- PTAC – El Paso Community College
- Service Corps of Retired Executives (SCORE)
- Small Business Association
- Small Business Development Center
- The Greater El Paso Chamber of Commerce
- The El Paso Hispanic Chamber of Commerce
- The Korean Chamber of Commerce
- University of Texas at El Paso
- Veterans Business Association

With a network of providers, a small business owner can start a business, facilitate its growth, and succeed within the El Paso Empowerment Zone's economic landscape.

## **Summary**

In updating the community assessment for the El Paso Empowerment Zone, it was important to first identify the characteristics of the Zone workforce and the opportunities that are presently available in the community. The quest became to also identify the trends within our City and determine if it is working in the direction of meeting the residents' needs or simply widening the gap and making it more difficult for the Zone resident to achieve economic success.

In the area of economic opportunities, it appears that there is a genuine sense of attentiveness and collaboration within the city to deliver the services and jobs that the City and Zone workforce need.

International trade between the United States and Mexico will continue to grow in the foreseeable future. The interdependence of El Paso and Ciudad Juárez will become more and more important to the city's economy. The city is also gearing up to address the increased demand for products and services created by the influx of Fort Bliss Army soldiers and their families.

Armed with its traditional values of hard work and family strength and a great potential for prosperity as a global trade center, the Empowerment Zone stakeholders remain committed to the community and its success as strongly as it did before the federal designation and as strongly as it will continue after the federal designation. This assessment of El Paso and the Zone served as an integral part of the revised Strategic Plan for our Empowerment Zone.

### **(3) Goals:**

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Armed with a clear vision for the future and an assessment of the strengths, weaknesses, opportunities and trends affecting our community, the next step was to proceed with the development of the goals and strategies necessary to transform their vision into reality.

As a testament to the strategic planning process conducted at the time of the Empowerment Zone application, the initially identified overarching goals for success in the Empowerment Zone have remained the same:

- **Economic Self-Sufficiency** - Zone residents will develop and retain the ability to support themselves and their families economically.
- **Quality of Life** - Zone residents will experience improved conditions in their daily lives and greater ability to maintain those improved conditions.
- **Sustainable Neighborhoods** - Zone neighborhoods will have the qualities and infrastructure necessary for families to live there and prosper for generations to come.

### ***Priorities***

Prior to taking the next step of developing particular strategies as pathways to achieving these goals, the stakeholders recognized that practical factors had to be taken into consideration in order to maximize the impact of the program. The stakeholders came to understand the key role these practical factors would play in determining the strategies to pursue.

- **Time** - in regards to the Round II Empowerment Zone Grant
- **Eligible Activities** - in regards to the economic opportunities HUD-defined eligible activities
- **Sustainability** - in regards to post-Round II Empowerment Zone Grant

With this in mind, the priority became the economic self-sufficiency of the EZ resident and/or business owner. The driving concept was to ensure that the strategies didn't simply lead the resident halfway down the path due to a time deadline or lack of funds. The goal was to ensure the strategies provided stepping stones that the prospective worker or business owner could continue on to achieve economic success.

In designing strategies to assist the Empowerment Zone resident and business owner, stakeholders looked at gaps within the present infrastructure of programs regarding workforce development, business services, and support services, such as childcare and transportation.

## ***Major Strategies for Achieving Goals***

Building from the foundation of the vision, community assessment, goals and strategies, the stakeholders recognized the benefits of having tangible targets at which the strategies and efforts could be directed. In addition to the recent Empowerment Zone Strategic Planning Process, other formal community outreach efforts had been conducted.

With the federal guidelines and community voice in mind, the stakeholders identified the following as the major strategies for achieving the stated goals:

- **Business Assistance** – Assist the business owner in a comprehensive manner by ensuring financial assistance was provided only after technical assistance had provided a formal business plan appropriate for the business venture.
- **Resident Assistance** – Focus the assistance provided to the resident in job placement or job training. Supportive services (ex. childcare and transportation) would only be provided to residents to report to a job or a job training program.
- **Outreach and Education** – Information and education is key, especially at the grassroots level. It was recognized that information regarding programs need to actively be delivered to the EZ resident via public school sites, neighborhood association meetings, fairs, and door-to-door contact.

By investing in the increase of resident awareness and knowledge of the existing programs and community organization infrastructure, neighborhood residents will themselves be able to create the wealth within their families that will allow them to buy into their neighborhoods. Many of the residents of these neighborhoods have lived here for years and have not been afforded the opportunity to become full members of these neighborhoods. By investing in the human capital of the Zone, residents will have sustainable neighborhoods long after the Empowerment Zone designation ends.

## **(4) Implementation Plan: Projects**

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Taking stock of the Empowerment Zone and its workforce, it was concluded that the three major barriers faced by the EZ resident is minimal educational attainment, monolingual limitations, and limited access to information regarding services.

In regards to business growth, the barriers faced by the EZ entrepreneur is a limited qualified workforce, limited access to capital and technical assistance, along with minimal access to information regarding services.

To eliminate these barriers, the implementation plan has been designed to build the bridges necessary to transform the conditions of today and actualize the vision of the Zone's potential. These strategies are aimed at building our economic foundations and leading the EZ resident/entrepreneur across the bridge to success.

In general, the stakeholders insisted that projects interlink and provide a solid foundation for future economic success to the individual resident. Taken together, the programs and services included address identified weaknesses in the Zone's economic foundations.

### ***Approach to Strategy and Selection of Programs***

The economic opportunity strategy was developed through a comprehensive analysis and planning process involving Zone residents and businesses, economic development and workforce development agencies, business associations and community-based organizations. These stakeholders identified the strengths, weaknesses, opportunities and trends affecting economic opportunity for the Zone.

Working from their vision and the community assessment, the stakeholders identified the following economic opportunity strategy: Promote the economic development of the Zone by increasing grassroots outreach in regards to job and business opportunities in the Zone and its developable sites.

Programs chosen to increase **business opportunities** are those which assist businesses to establish or expand within the Zone by:

- (1) Creating a business-friendly environment, through use of incentives, technical assistance, access to capital, and training;
- (2) Matching needs of businesses to grow and prosper with needs of community residents to sustain their families and neighborhoods; and,
- (3) Implementing comprehensive, integrated systems to promote the location, expansion, and retention of businesses and industries in the Zone and developable sites.

Programs chosen to increase **job opportunities** are those which assist residents in taking or remaining in a job by:

- (1) Providing high-quality, efficient training, driven by the needs of employers to obtain educated employees with specific skills;
- (2) Eliminating economic and other practical barriers to the maximum use of training opportunities by workforce members;
- (3) Giving priority in training of welfare-to-work recipients and NAFTA displaced workers; and
- (4) Laying groundwork for an individual's lifelong learning and constant upgrading of skills.

### ***Key Community Partners***

Programs and services included in the implementation plan contemplate the formation of innumerable partnerships. El Paso has a strong track record of forming partnerships to accomplish community development goals. The descriptions of the specific programs include identification of the potential community partners involved. The final implementing agency will be identified upon completion of the Request for Proposal process. These community partners represent:

- Governmental entities
- Economic development agencies
- Nonprofit organizations most actively involved in economic development and related issues (example: local chambers of commerce)
- Key private businesses involved in economic development (example: local lending institutions)

## ***Economic Development Programs and Services***

**Table 4.1:** Implementation Plan

|   |                              |
|---|------------------------------|
| 1a. Small Business Technical Assistance           | \$350,000                    |
| 1b. Small Business Loans                          | Existing RLF Program Income  |
| 1c. Micro Business Forgivable Loans               | \$400,000                    |
| 2. Publicizing Tax Incentives to Businesses       | \$100,000                    |
| 3. Façade Improvement Program                     | \$300,000                    |
| 4. Small Business Incubator                       | \$750,000                    |
| 5. Outreach & Education of Economic Opportunities | \$250,000                    |
| 6. Bilingual Workforce Development                | \$350,000                    |
| 7. Childcare                                      | \$450,000                    |
| 8. Furniture Project                              | Existing furniture inventory |
| 9. Administrative Budget (FY 2008 & FY 2009)      | \$800,000                    |
| <b>TOTAL</b>                                      | <b>\$3,750,000</b>           |

### **Small Business Technical Assistance**

This program category will seek to increase the capacity of entrepreneurs to solicit and obtain capital for the start-up or expansion of their business. The focus is training. Business owners will receive training in business management, procurement, contracting, training development, accounting, and/or exporting.

The key is customizing the technical assistance to the needs of the business owner. The goal is for the business owner to exit the program with a sound business plan in hand which will assist him or her work gain access to capital and strengthen their business.

The implementing entities will work with the entrepreneur to develop a sound business framework and assist him in achieving his business goals. The entity will provide a high level of support, including the provision of financing guidance and resources, potential joint venture partners, and alternative sources to assist small businesses to position themselves for long term smart growth.

In coordination with the Outreach and Education component of the implementation plan, a business owner will be referred to a roster of technical assistance providers that will assist the owner develop a strong business plan. Empowerment Zone funds will be used to pay or subsidize the cost of training from a pre-approved roster of community providers.

Graduates of the training program will be offered an opportunity to access the loan, marketing budget, and/or façade improvement components of the implementation plan. In addition, their business plan in hand will also increase their potential for access to traditional avenues of capital. The program will ensure that graduates who invest the time to plan for their business success appropriately with a formal business plan will obtain access to capital to assist in taking their business to the next level.

**Potential Lead Implementers:** El Paso Hispanic Chamber of Commerce, Small Business Administration, One Stop Business Resource Center, or Greater El Paso Chamber of Commerce.

These organizations can open the door for business owners to such training programs as CEDERS – Entrepreneurial Development, the Franchise Center, NEDA Business Consultants, and Service Corps of Retired Executives (SCORE).

**EZ Funding Request:** \$350,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 100 businesses (minimum)

**Cost Per Unit:** average \$5,000/business

## Revolving Loan Fund: Small Business Loans

The RLF will generally target small manufacturing, wholesale and retail firms that (1) demonstrate a clear ability to stimulate job creation and retention as well as increase the local tax base, and (2) need financial assistance business growth. Funds will be available for acquiring and improving land, buildings and equipment, including new construction, renovation of existing facilities, demolition and site preparation; and, working capital for the start-up of new businesses or to conduct current businesses. This program category will provide loans over an 18-month period within an individual loan range of \$10,000 through \$100,000.

A requirement for loan application is enrollment in a business technical assistance program that would assist the business owner in formulating a sound business plan. The key requirement is the business plan. This would increase the entrepreneur's capacity in obtaining capital via traditional outlets.

If a sound business plan has already been drafted, the technical assistance requirement may be waived.

A forgivable feature is proposed at 20 percent of the original principal amount. The borrower would pay back the full loan along with interest. With timely repayment and compliance, a rebate in the amount of 20 percent of the original principal amount will be returned to the borrower. This will increase the entrepreneur's capacity in obtaining capital via traditional outlets due to a positive loan transaction on their credit history and

a boost to their available collateral. Loans are registered with the Credit Bureau to assist clients with development of a positive credit rating.

**Potential Lead Implementers:** Partnership created with El Paso Hispanic Chamber of Commerce or Wells Fargo Bank (for the underwriting) and City of El Paso Community and Human Development Department and Financial Services (for the loan servicing).

**EZ Funding Request:** Existing Revolving Loan Fund Program Income  
(estimated at \$1,400,000 as of April 2008)

**Project Output:** 24 loans (minimum)

**Cost per unit:** \$10,000 - \$100,000/business

### **Revolving Loan Fund: Micro Business Forgivable Loans**

The Micro-Business Forgivable Loans respond to a gap in commercial credit. Clients of this program would not normally be able to access funding through traditional lending methods. Funds will be available for acquiring equipment and working capital for the start-up of a new business or to conduct current operations. This program category will provide loans within an individual loan range of no minimum to a \$5,000 maximum.

A requirement for loan application is enrollment in a business technical assistance program that would assist the business owner in formulating a sound business plan. The key requirement is the business plan, which will be drafted in accordance with the size and type of business venture. This would increase the entrepreneur's capacity in obtaining capital via traditional outlets.

If a sound business plan has already been drafted, the technical assistance requirement may be waived. Through the technical assistance program, clients receive the benefit of marketing networks, training, peer counseling and problem solving support.

A forgivable feature is proposed at 50 percent of the original principal amount. The borrower would pay back the full loan along with interest. With timely repayment and compliance, a rebate in the amount of 50 percent of the original principal amount will be returned to the borrower. This will increase the entrepreneur's capacity in obtaining capital via traditional outlets due to a positive loan transaction on their credit history and a boost to their available collateral. By repaying smaller loans, clients gain credibility and subsequently access to larger loans. Loans are registered with the Credit Bureau to assist clients with development of a positive credit rating.

**Potential Lead Implementers:** Partnership created with El Paso Hispanic Chamber of Commerce or Wells Fargo Bank (for the underwriting) and City of El Paso Community and Human Development Department and Financial Services (for the loan servicing).

**EZ Funding Request:** \$400,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 80 loans (minimum)

**Cost per unit:** maximum \$5,000/business

### Publicizing Tax Incentives to Businesses

The developable sites of the EZ are desirable locations for new and expanding industries. Industrial growth in the sites has occurred significantly since the Empowerment Zone designation. This growth, along with that of businesses throughout the EZ, could be accelerated by active promotion of the zone and the federal tax incentives available to companies that locate within a developable site.

In regards to workforce development, it would benefit Empowerment Zone resident job seekers if businesses throughout the city were made aware of the federal tax incentives, especially the Work Opportunity Tax Credit which enables a business to take a tax credit of up to \$2,400 for first year of employment for each 18 to 39 year-old employee who lives in the Empowerment Zone.

A marketing director located within a lead entity would be responsible for designing and implementing a marketing plan. At minimum, the marketing plan would include marketing piece which can be widely and economically distributed via snail mail or electronically, with detailed information describing the characteristics of the workforce in the Zone and the direct benefits that the company will receive by locating in the Zone. The plan would also include tracking the number of businesses utilizing the tax incentives.

**Potential Lead Implementers:** City of El Paso's Economic Development Department or Local Chambers of Commerce

**EZ Funding Request:** \$100,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 12,500 outreach contacts

**Cost per unit:** \$4/contact

## Façade Improvement Program

This program category will provide façade improvement matching grants (\$1:\$1) to existing business and/or property owners to encourage renovation and rehabilitation of the exterior of buildings in the Empowerment Zone. The grants, paid out on a reimbursement basis, will be awarded for façade improvements that restore, rehabilitate, enhance or beautify a structure.

This program aims to improve the aesthetics within the Empowerment Zone as attractive building facades positively impact the marketability and perception of the area. The improvements would serve as a catalyst for continued private sector investment through visible improvements. They would also offer the private sector an incentive program to invest in the Empowerment Zone.

Eligible improvements will include:

- signs (new, repairs, replacement, removal),
- grate and grate box removal or conversion of solid grates to an open mesh style,
- awnings,
- lighting,
- paint,
- removal/replacement of inappropriate or incompatible exterior finishes or materials,
- recessing/reconfiguring entrances,
- removal of extraneous elements,
- door/window replacement or repair, exterior cleaning, and
- historical architectural elements.

Design and permit fees associated with the renovation will also be eligible project costs.

**Potential Lead Implementer:** City of El Paso's Economic Development Department

**EZ Funding Request:** \$300,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 30 businesses (minimum)

**Cost per unit:** maximum \$10,000/business

## Small Business Incubator

This program category will fund a small business incubator to serve as an administrative and operational site for the small business assistance and entrepreneur training and for workforce training for current or future employees of targeted small business and micro businesses.

An incubator and business assistance program will be established to assist individual and small businesses in relation to the development of new businesses to supply the product and service needs of cross border commerce. Within the Empowerment Zone, a comprehensive facility-based program is being planned to reintegrate low-income Spanish-speaking community members and displaced workers into El Paso's economy through self-employment initiatives.

The incubator will provide individualized on-site business assistance and entrepreneurial training on a full range of business start-up, development and management issues.

It will also provide centralized financial management and accounting, administrative and record management, legal, and facility management services to the incubator businesses and existing neighborhood businesses. Centralized marketing will focus on promoting business' goods and services, which have not only a neighborhood market niche but also are attractive to tourists and general El Paso residents.

**Potential Lead Implementers:** El Puente Community Development Corporation and La Mujer Obrera, in conjunction with the City of El Paso, the Economic Development Administration, the Upper Rio Grande Workforce Development Board and various other private and public entities.

**EZ Funding Request:** \$750,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 30 businesses; 85 jobs

**Cost per unit:** \$25,000/business

## Outreach and Education of Economic Opportunities

This program category will provide grassroots outreach and educate EZ residents and businesses regarding available job training and technical assistance services. It will link Empowerment Zone residents with job training providers or employers. It will also link Empowerment Zone businesses to potential employees and technical assistance providers.

The community assessment has determined that the City, including the Empowerment Zone, has a strong inventory of organizations providing job training programs, employment programs, and small business development programs. Each agency works with a limited marketing budget. Coordinating agencies, such as Project Arriba, Workforce Solutions, and the chambers of commerce, also exist within the Empowerment Zone. Again, the major portion of the operating budget is focused on program delivery.

Community meetings illustrated that Empowerment Zone residents are unfamiliar with the network and diversity of programming available. A combination of factors limits their access to these services. Barriers include lack of transportation to investigate potential opportunities with site visits, limited fluency of English language limits comprehension of monolingual outreach materials, and lack of computer access to research organizations' websites.

The Outreach and Education component of the program will design outreach at the grassroots level. Rather than a coordinating facility, the program will be an organic service that reaches into the existing framework of EZ residents' communication network. This will provide effective communication to adequately serve the zone population, without the creation of yet another coordinating agency.

EZ outreach will focus on direct contact with residents in the form of presentations and materials available at sites they are already used to regularly visiting for information.

In the central portion of the Empowerment Zone, there already exist numerous service agencies clustered around the Downtown Area and Texas Street. Their comprehensive services attract residents seeking services and information/recommendations regarding additional services that may be needed. The physical cluster of agencies within walking distance of each other creates a natural network site for outreach outlets.

In census tract 39.03, one-quarter of the population resides in the Housing Authority of El Paso's Kennedy Memorial Apartments and Estates Subdivision (former Hope VI grant recipient). Approximately 30 percent of the residents are of school-age. This would identify the Kennedy Complex' community center and schools as ideal outlets for information, presentations and fairs linking residents with jobs, job training providers and small business technical assistance services.

Education will consist of linking residents with local and regional employment opportunities by evaluating job skill sets and linking them to job training programs and providing employers an opportunity to directly recruit Empowerment Zone through such activities as job fairs.

Through a collaboration of community-based organizations and outreach workers, the program will also link residents with supportive services, including transportation, child care and healthcare coverage that leverage existing private and public resources and programs in addition to accessing Zone resources.

**Potential Lead Implementers:** Community Organization Collaborative or Chambers of Commerce

**EZ Funding Request:** \$250,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 1,000 residents outreached; 300 residents placed in job training, job, or technical assistance program

**Cost per unit:** \$833/placement

## Bilingual Workforce Development

This program category will provide bilingual job training in such areas as customer service and manufacturing.

With the large numbers of actual and potential workforce members having limited English skills in the Zone, there is a strong need for bilingual vocational training programs that build English language skills at the same time as vocational skills by taking advantage of the learning that can be done in their native language.

As the retail and customer service industry in the El Paso area continues to grow, bilingual workforce training will give big and small business in the Empowerment Zone the opportunity to upgrade their employee's skills or select from bilingual qualified job applicants.

The training will prepare students to earn valuable industry credentials by providing workplace literacy and essential work readiness skills for initial work experiences. The training will provide workers with workplace and job readiness skills that can assist them with continued employability and advancement opportunities.

**Potential Lead Implementers:** El Paso Community College or job training providers

**EZ Funding Request:** \$350,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 110 residents trained; 33 placed in jobs

**Cost per unit:** \$3,000/trainee

## Childcare

Using the existing extensive network of childcare providers, this program category will provide temporary gap funding for childcare assistance to Empowerment Zone residents for day one attendance at job training or employment. Recipients will transition to other sources of childcare assistance when available.

Through a contract with the Upper Rio Grande Workforce Development Board, the YWCA El Paso del Norte Region administers the Child Care Services (CCS) contract that assists low income working parents in paying child care expenses. The contract funds originate with the Child Care Development Fund at the federal level. It is estimated that 250 children who live in the El Paso Empowerment Zone are assisted through this grant on any given day. This program category will enable to minimize the EZ resident's time on the waiting list for services.

The scenario presented by residents is a single parent who is offered a job. She is unable to accept the job offer until she has arranged child care for her children. Neighbors would typically refer her to the YWCA's CCS program, which at present has a waiting list. Since she cannot commit to paying child care until actually receiving a paycheck, she finds herself in a catch-22 predicament.

The community requests Empowerment Zone funding to be utilized to serve this gap in services. The YWCA as a coordinating agency for the Upper Rio Grande Workforce Development Board funds, could manage the resident's child care programming and simply transfer the funding stream when the waiting time is completed.

**Potential Lead Implementers:** YWCA Paso del Norte Region in partnership with the Texas Workforce Commission (potential leverage 196%)

**EZ Funding Request:** \$450,000 FY 2009 and FY 2010 (through December 31, 2009)

**Project Output:** 1,500 children; 400 residents in job training/jobs

**Cost per unit:** \$300/child

## Furniture Project

In June 2007, administrative control of the Empowerment Zone grant transitioned from the El Paso Empowerment Zone Corporation (EPEZC) to the City of El Paso Community and Human Development Department.

EPEZC furniture, purchased with Empowerment Zone funds, was included in the transfer of items to the City.

This program category will assign the existing furniture inventory to various nonprofit organizations providing economic opportunity-eligible activities or services. This will increase their capacity for service delivery.

Items include:

- bookcases,
- chairs (guest/side/conference),
- conference tables,
- credenzas,
- desks,
- display stand with panels,
- display telephones,
- file cabinets,
- hutch,
- lateral filing cabinets,
- overhead projector, and
- portable easel.

**Potential Lead Implementers:** Department of Community and Human Development

**EZ Funding Request:** Existing Furniture Inventory (through December 31, 2009)

**Project Output:** 3 organizations

## ***Summary***

While the implementation plan above describes individual projects, the outreach and education program and technical assistance/business plan requirement for financial assistance ensures the various barriers a resident encounters are addressed and best leads the EZ resident/entrepreneur across the bridge to success.

In general, the stakeholders insisted that projects interlink and provide a solid foundation for future economic success to the individual resident. Taken together, the programs and services included address identified weaknesses in the Zone's economic foundations.

## **(4) Implementation plan: Tax Incentive Utilization Plan**

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The Economic Development Department in the City of El Paso has undergone a radical change in the last two years. The Department has been restructured and its scope of services has expanded, including the institution of several new programs aimed at assisting local businesses and bettering El Paso's economic conditions through effective communication, including information pertaining to tax incentives,

In regards to tax utilization, a city-employed Business Services Coordinator handles incentive negotiations with prospective companies, as well as to establish new incentives for business growth. This coordinator will also work with the County of El Paso to help utilize certain state and federal programs only available to particular areas of the county (such as Renewal Community/Empowerment Zone incentives).

The Business Retention and Expansion program seeks to identify and mitigate barriers to growth in the El Paso business community. Two city-employed coordinators canvas the all areas of the city, including the Empowerment Zone, personally visiting businesses to establish rapport and create relationships. The coordinators pair the businesses with established partners to address barriers to growth and any other issues, including those related to tax incentives.

The department also has a Marketing and Outreach Coordinator who oversees a multi-faceted and comprehensive outreach effort to inform everyone in El Paso about the City's economic development efforts, including business retention and expansion and revitalization throughout the city. Specifically, the department produces and distributes four publications per month targeting specific audiences.

- *Building Business* is aimed at the local business community, highlighting the efforts of the Economic Development Department's Business Retention and Expansion team. It also profiles the various partners who are utilized to address local barriers to growth. Electronic distribution began at less than 50 and has reached almost 1,000 in a year.
- *El centro* is the department's effort to open a line of communication and inform Downtown business and property owners about issues affecting their area. The Downtown area is completed located within the El Paso Empowerment Zone. Printed distribution is now more than 1,200.
- *Border Business* is a monthly listing of stories affecting business on both sides of the border, including homeland security issues and immigration. Distribution stands at more than 300.
- *ED Update* is mainly distributed to local, state and federal officials to keep them informed of the economic development activities in El Paso. Distribution for this publication is at more than 300.

Outreach also involves other methods, including door-to-door visits in Downtown regarding revitalization efforts and presentations to community groups.

To specifically assist with the new vision for a revitalized Downtown, a Redevelopment Manager has been hired by the City of El Paso. The Downtown revitalization plan includes land area that is entirely within the boundaries of El Paso's Empowerment Zone. Working closely with the Business Services Coordinator, the Redevelopment Manager is also tasked with identifying distressed areas in the City that are targeted for focused programs and services.

The City revised its economic development incentive policy in September of 2006. Prior to that date, incentives were largely confined to tax abatement and were based on a strict formula regarding capital investment and jobs created. The new policy emphasizes a number of different eligibility criteria. In essence, a company must meet wage thresholds that are at least equivalent to the median county wage and be engaged in a business that is on the City's list of target industries. Deviations from these requirements are only allowed for firms willing to locate in distressed areas. For now, distressed areas are defined for the purpose of the policy as being in a census tract area that has 20% or more poverty level or has obtained a federal or state designation. A company willing to locate in a distressed area need not be engaged in a business that is on the City's targeted list and would be eligible for an incentive if the wages were at least 90 percent of the median county wage.

The City is moving toward further defining certain targeted areas as "distressed." The rationale is that incentives can be more focused on areas of greatest need. This new policy also allows for a number of new incentives beyond the traditional tax abatement. Chapter 380 grants can be offered to companies that create jobs and invest in our community and can also be offered in distressed areas on strictly new investment criteria. Another significant change of this policy is existing businesses and smaller businesses can qualify. Small businesses can take part without making huge investments in real property improvements, since the minimum investment needed to be eligible for incentives in distressed areas has been lowered from \$2.5 million to \$100,000. In addition to the Chapter 380 grants, we also administer or facilitate the use of:

## ***Local Incentives***

**Tax Abatement** - Tax abatement provides ad valorem property tax relief on a portion of the increased value of real and/or tangible personal property located in a redevelopment zone, for a period of up to 10 years.

**Freeport Exemption** - Freeport property includes goods, wares, merchandise, ores, and certain aircraft and aircraft parts. Freeport property qualifies for an exemption from ad valorem taxation only if it has been detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabricating.

**Pollution Control Equipment** - A facility must first receive a determination from the Texas Commission on Environmental Quality (TCEQ) that property is for pollution control purposes. That positive use determination is then provided to the local appraisal district, which must accept the TCEQ's decision and grant the property an exemption from property taxes.

**Foreign Trade Zones** - A Foreign-Trade Zone (FTZ) is a site within the United States, in or near a U.S. Customs port of entry, where foreign and domestic merchandise is generally considered to be in international commerce. Foreign or domestic merchandise may enter this enclave without a formal Customs entry or the payment of Custom duties or government excise taxes.

**Industrial Revenue Bonds** - Allows local industrial development corporations to issue tax-exempt or taxable bonds to finance land and depreciable property for eligible industrial or manufacturing projects. The maximum bond amount is \$10,000,000 for tax-exempt issues.

**Tax Increment Financing** - Tax Increment Reinvestment Zone designation is a mechanism that allows for a portion of the property tax stream to be used for public infrastructure development within the downtown redevelopment zone.

**Sales Tax Rebates** - Sales tax rebates on city sales taxes paid on construction materials used in improving a commercial property.

**Façade Improvement Grants** - Matching grants available to improve the appearance of a commercial property's façade.

## ***State Incentives***

### **Property & Sales Tax Programs**

**Tax Code Chapter 313** - Tax Code Chapter 313 encourages large-scale manufacturing, research and development, and renewable energy capital investment projects to the State of Texas. It requires companies to invest a specified amount of money (at least \$30M in El Paso) to qualify for an eight-year reduction in property taxes (as long as the local school district elects to participate).

**Texas Enterprise Fund** - The Texas Enterprise Fund was established in 2003 as a “deal closing” fund allowing the state to respond quickly prospective Texas employers. The funds are used primarily to attract new business to the state or assist with the substantial expansion of an existing business as part of a competitive recruitment situation.

**Property Tax Rule 9.105** - The Texas Comptroller of Public Accounts offers a refund of state franchise and sales/use taxes paid by companies owning certain abated property.

**Texas Enterprise Zone Program** - The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the state. The entire county of El Paso qualifies for Enterprise Zone designation.

**Manufacturing Machinery & Equipment** - Leased or purchased machinery, equipment, replacement parts, and accessories that have a useful life of more than six months, and that are used or consumed in the manufacturing, processing, fabricating, or repairing of tangible personal property for ultimate sale, are exempt from state and local sales and use tax.

**Natural Gas and Electricity** - Texas companies are exempt from paying state sales and use tax on electricity and natural gas used in manufacturing, processing, or fabricating tangible personal property. The company must complete a "predominant use study" that shows that at least 50 percent of the electricity or natural gas consumed by the business directly causes a physical change to a product.

## **Training Programs**

**Skills Development Fund** - The Skills Development Fund provides grants that help companies and labor unions form partnerships with local community colleges and technical schools to provide custom job training.

**Self-Sufficiency Fund** - The Self-Sufficiency Fund is a job-training program that is specifically designed for individuals that receive Temporary Assistance for Needy Families (TANF). The program links the business community with local educational institutions and is administered by the Texas Workforce Commission.

## **Funding Programs**

**Emerging Technology Fund** - The Fund provides grants intended to improve research at Texas universities, help start-up technology firms get off the ground, and speed the transfer of innovation to the marketplace.

**Texas Capital Access Program** - The Texas Capital Access Program was established to increase the availability of financing for businesses and non-profit organizations that face barriers in accessing capital.

**Linked Deposit Program** - The Linked Deposit Program was established to encourage lending to historically underutilized businesses, childcare providers, nonprofit corporations and/or small businesses located in an enterprise zone.

## ***Federal Incentives***

### **Tax Credits**

**New Markets Tax Credit** - Equity investors in qualified Community Development Entities (CDEs) can obtain a tax credit against Federal taxes of 5 to 6 percent of the amount invested for each of the years the investment is held, for up to 7 years of the credit period.

**Low-Income Housing Tax Credit (LIHTC)** - The LIHTC is a ten year credit against Federal taxes for owners of newly constructed or renovated rental housing who set aside a specified percentage of units for low-income persons for a minimum of 15 years.

### **Empowerment Zone Incentives**

Additional deductions on Federal taxes due that are available to for-profit businesses operating in the Empowerment Zone. The following items are types of credits and deductions:

**Empowerment Zone Employment Credit (EZ Wage Credit)** - Businesses located in the Empowerment Zone can claim up to \$3,000 annually for each Zone resident who has been employed for at least 90 days. Businesses can claim this credit for both, new or current employees.

**Work Opportunity Tax Credit (WOTC)** - Any business hiring individuals from groups that have particularly high unemployment rates or other special employment needs can receive a federal tax credit of up to \$2,400 against the first year of wages paid.

**Increased Section 179 Deduction- Form 4562** - Businesses located in the EZ can take an increase in deduction up to \$35,000 on equipment purchases. EZ businesses can deduct all or part of their equipment costs, subject to certain limitations, in the year of purchase vs deducting depreciation for the equipment costs over a specific recovery period.

**Environmental Cleanup Cost Deduction (Brownfields)** - Businesses can elect to deduct qualified cleanup costs of hazardous substances in certain areas (brownfields) in the tax year the business pays or incurs the costs. Property is not required to be located in an EZ.

**Empowerment Zone Facility Bonds** - City of El Paso can issue Empowerment Zone Facility Bonds (a type of tax-exempt bond) to make loans at lower interest rates to Empowerment Zone businesses to finance qualified Zone property.

**Qualified Zone Academy Bonds (QZABs)** - State or local governments can issue bonds at zero-percent interest cost to them to finance public school programs with private business partnerships. Private businesses must contribute money, equipment, or services equal to 10 percent of bond proceeds (which may qualify as a charitable contribution).

**Nonrecognition of Gain on Sale of Empowerment Zone Assets** - Capital gain on Empowerment Zone Assets (stock, partnership interests, or business property) of an EZ business held for more than one year is not recognized and is rolled over if a replacement Empowerment Zone Asset is acquired within 60 days.

**Partial Exclusion of Gain on Sale of Empowerment Zone Stock** - Exclusion of 60 percent of gain on sale of small business stock of a “C” Corporation that is an Empowerment Zone business located in the EZ if the stock is held for at least five years.

## **(4) Implementation Plan: Governance Plan**

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Achieving the El Paso Empowerment Zone's vision has and will continue to require a comprehensive and long-term commitment to integrating and refining a complex set of strategies in a manner of accountability with a strong governance structure. Although the El Paso Empowerment Zone governance structure has changed, a commitment remains to the successful application of our strategies requiring substantial community involvement, close coordination with partners and innovative institutional arrangements.

### ***Revisiting Governance Options***

The El Paso Empowerment Zone's management/governance structure initially emerged from the recognition of the scope and complexities of the task. Significant thought, research and discussion went into the development of a management approach involving the creation of a nonprofit entity to manage the Empowerment Zone grant. With the challenges faced by the El Paso Empowerment Zone Corporation, re-examination of other Empowerment Zone governance plans was employed. An alternative approach examined was that of government department oversight. Clearly there is no ideal structure; each option has its strengths and weaknesses. Nonetheless, the government department oversight management approach has been selected since it retains:

- Effective representation
- Ability to achieve the Empowerment Zone mission and goals
- Accountability
- Resource requirements

### ***Emergence of a Solution***

Our examination of governance structure options and present need for a seamless -- as much as possible -- continuance of the Empowerment Zone grant led us to select the locally-proven method of government department oversight as the basis of the El Paso Empowerment Zone's mode of governance and management. This same method was used in the management of El Paso's Enterprise Community Grant.

The government department oversight will play into the following strengths:

- **Focus** – A group of five staff members will have the sole purpose of managing the EZ grant and increasing the probability of its success.
- **Established partnerships** – The new governance structure will allow for the City of El Paso's past and proven partnerships to flag credibility and encourage partners to come to the table.

- **Accountability** – The public nature of the City’s operations increase its accountability to the mission.
- **Sustainability** – The long history of the City’s operations and comprehensiveness of its projects increases the sustainability of turn-key Empowerment Zone projects.
- **Leveraging** – The long history of City achievements identifies the City as a credible and quality partner that will result in successful leveraging of funds.

At the center of the governance structure’s construction remain the following principles:

- **Effective representation** – The El Paso City Council and EZ Advisory board provide substantive community representation from all sectors of the zone.
- **Ability to accomplish the mission** - The city’s organization is constructed in a manner that accelerates it towards the Empowerment Zone’s vision. Effective management and oversight are imperative and present within city departments.
- **Accountability** - The city makes effective use of all its resources and is accountable for their application. Accountability is a dominant theme in city department operations and complimented with the checks and balances provided within Financial Services, Internal Audit, and the Legal Services Department.
- **Communications** – The city ensures access by all stakeholders and the community at-large to information, data, objectives and performance, best practices and case studies.
- **Learning/teaching** – The city recognizes and is committed to its responsibility to increase the capacity of all EZ residents and stakeholders. Furthermore, it is predisposed to learning from its constituents, stakeholders and colleagues.

## **Organization**

The goal of the Empowerment Zone’s organizational structure is to ensure adequate separation of duties and public notice for all fiscal and programmatic activities of the grant implementation process.

### **City Council**

The new El Paso Empowerment Zone governance structure will be organized under the City of El Paso’s council-manager form of government. This system combines the political leadership of elected officials, in the form of eight Council Members and the Mayor, with the strong managerial experience of an appointed local government manager. The ultimate authority is concentrated in the elected council, which hires a professionally trained manager to carry out its directives and oversee the delivery of public services.

## **EZ Advisory Board**

Citizen participation in local government is the foundation of our democratic way of life. In El Paso, the City's goals are best set by public discussion to ensure accountability to its citizens. City boards and commissions are the underpinnings of this process in our community - they are how our community navigates the daily and weekly decisions that make El Paso run smoothly and to become the kind of community we all want. Citizen advisory boards and commissions are critical to maintaining communication, local standards, municipal planning and the direction the City of El Paso takes in providing these services.

The purpose of the EZ Advisory Board is to provide advisory assistance to the Mayor and City Council, City Manager and City personnel, for the implementation of the El Paso Empowerment Zone's strategic plan.

The EZ Advisory Board will consist of nine members. One member will be appointed by each City Representative and by the Mayor. The board composition will only include individuals who reside in the Zone area, own a business in the Zone area, or are an employee of a business that is located in the Zone area. Of the total nine members, five of the individuals must be the owners of or employed by a for-profit business that is located in the Zone area, two of the individuals must be leaders in a non-profit organization or faith-based organization that is located in the Zone area, and two of the individuals must be members of a City Recognized Neighborhood Association within the Zone area. This ensures representation of the diverse population segments within the El Paso Empowerment Zone.

The EZ Advisory Board will perform the following duties:

- Serve as a liaison between the City and the community at-large, stakeholders, and Recognized Neighborhood Associations and/or Civic Associations within the Zone area to ensure community and grass roots participation and input in the implementation of the Strategic Plan.
- Review quarterly and annual program and project progress reports and formulate recommendations thereon for City personnel, to include identification and assessment of the strengths and weaknesses of each program or project, areas for technical assistance, and consistency with the vision, goals, and implementation plan of the Strategic Plan.
- Provide recommendations on all expenditures, loans, and funding of projects and programs related to the Zone area.
- Provide recommendations on policy and strategy, to Mayor and City Council, the City Manager, and City personnel, including advice on policy decisions regarding the Implementation Plan and Strategic Plan and any amendments thereto.

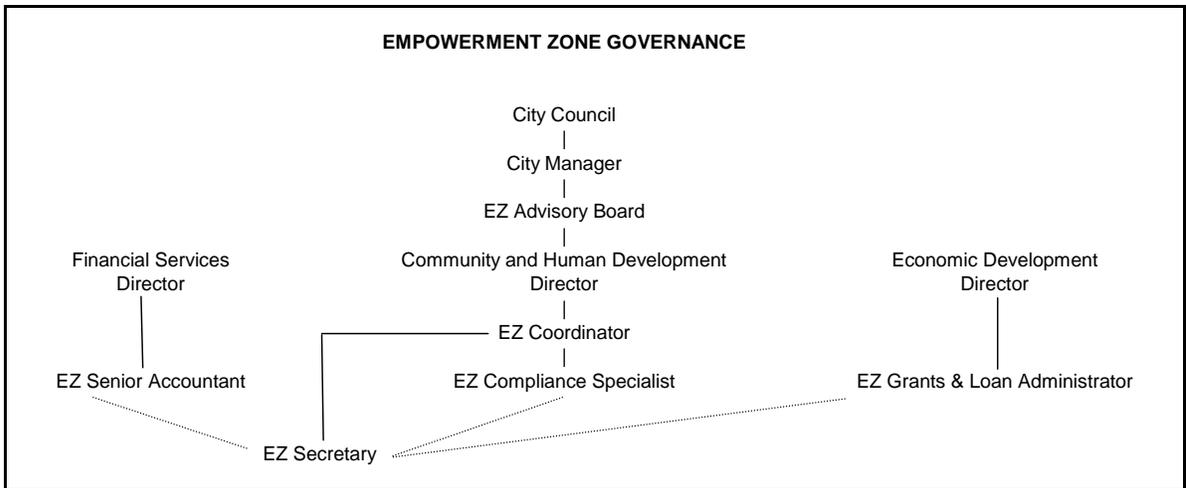
- Review and provide written comments on the annual performance and evaluation report of the Zone Area, in conjunction with the City's established performance measurement system for evaluating the progress made in implementing the Strategic Plan.
- Support and participate in the City's annual strategic planning session(s) for purposes of reviewing and/or revising of the Strategic Plan.
- If a member of the EZ Advisory Board is an employee, officer, agent or representative of an agency or business entity submitting an application for Empowerment Zone funding, the EZ Advisory Board will not consider such application.

The City of El Paso will ensure EZ Advisory Board meetings are conducted in accordance with the Texas Open Meetings Act.

### **City of El Paso Empowerment Zone Staff**

As a multi-departmental project, the City of El Paso Empowerment Zone Grant will be fiscally administered by the Community and Human Development Department (CHDD). It will provide administrative support to the EZ Advisory Board and coordinate activities of Empowerment Zone staff within its own department, Economic Development Department and Financial Services. As part of a multi-departmental project, Empowerment Zone staff members will work together to achieve the EZ vision while working within the regulations, policies and procedures their respective city departments are mandated to follow.

The Empowerment Zone Coordinator, employed by the Community and Human Development Department, will coordinate the implementation of the El Paso Empowerment Zone's program. The Coordinator's typical duties include: (1) insuring consistency of community involvement; (2) coordinating with all relevant government entities, the business community and health and human services agencies in the implementation of programs; (3) assuring program compliance with requirement of the agreement with the U.S. Department of Housing and Urban Development (HUD) and the memorandum of agreement with the City of El Paso, (4) insuring fiscal responsibility and compliance with federal, state and local policies, and (5) coordinating El Paso Empowerment Zone audits and monitoring.



The Empowerment Zone Coordinator will also serve as the principal staff person for the EZ Advisory Board. The Empowerment Zone Coordinator will be responsible for providing the Board with the information and data necessary for carrying out its duties and will assist in implementing activities undertaken by the Empowerment Zone Advisory Board.

The Empowerment Zone Project Compliance Specialist, employed by the Community and Human Development Department, will review and coordinate work involved in maintaining contract and regulatory compliance for grant-funded agencies and program or City contractors. The Specialist's typical duties include: (1) monitoring contract and regulatory compliance throughout the project; (2) investigating contractor qualifications, contract performance and compliance with specifications and federal requirements; (3) conducting site visits and reviewing grants or contracts for compliance; and (4) representing the department and providing technical support, information and guidance on contract or grant compliance issues.

The Empowerment Zone Grants and Loan Administrator, employed by the Economic Development Department, will oversee loan programs and research, develop and implement grant projects in the Empowerment Zone area. The Administrator's typical duties will include: (1) administering and monitoring loan programs, (2) preparing grant proposals and writing grant funding applications, (3) monitoring grant and loan programs, and (4) representing the department and providing technical support, information and guidance on grant and loan compliance issues. They will also be providing the business community information regarding the Empowerment Zone tax incentives.

The Empowerment Zone Senior Accountant, employed by the Financial Services Department, will provide highly specialized and technically intricate professional level accounting functions for the Empowerment Zone program. The Accountant's typical duties include: (1) planning, organizing, implementing, directing and reviewing delegated financial services functions including recording, updating and reporting transactions, and

performing administrative and advisory duties including complex accounting financial analyses; and, (2) maintaining and analyzing assigned financial and accounting database and allied information systems. These duties are performed in compliance with federal, state, and local laws, regulations, rules and ordinances related to municipal accounting, finance, fiscal controls, financial reporting including Generally Accepted Accounting Principles (GAAP), Government Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB) pronouncements and publications. The Empowerment Zone funds will also be handled in accordance with applicable HUD regulations and federal Office of Management and Budgeting (OMB) circulars.

## **City of El Paso Departments**

The City's established internal infrastructure also provides adequate separation of duties and oversight for all financial and programmatic aspects of grants management.

As the administering department, the Department of Community and Human Development has the experience and capacity to carry out the transition in a thorough and effective manner. The Community and Human Development Department has a successful 33 year track record of managing and administering federal funds. The annual \$16 million department program portfolio includes:

- Community Development Block Grant
- HOME Program
- Emergency Shelter Grant
- Retired Senior Volunteer Program
- Foster Grandparent Program

The Department's administration of a Housing Rehabilitation Revolving Loan Fund generates approximately \$2.4 million annually from a loan portfolio that exceeds \$37 million. The Community and Human Development Department was also responsible for the implementation and oversight of the City's Enterprise Community Program (\$2.9 million).

The Community and Human Development Department's fiscal management has received HUD commendation. Annually, the Department implements and monitors about fifty active public works and construction projects carried out by nonprofit corporations. It also oversees an average of fifty-five social service program contracts.

The Economic Development Department works closely with economic development partners in the El Paso community to facilitate and support workforce development, to recruit new business and to retain and expand existing businesses. The Department also provides support services to the El Paso Regional Economic Development Corporation (REDCO) in the attraction of new business entities to the City of El Paso. In respect to the EZ program, the Empowerment Zone Grants and Loan Administrator will be involved in the day-to-day operations of this department. This will provide an ideal set-up

where Empowerment Zone tax incentives may be marketed to the business community. As a business community insider, the Administrator will be better suited to manage the existing EZ Revolving Loan Fund and seek locally-beneficial economic development grants.

In addition to providing an assigned Senior Accountant, the Financial Services Department provides support services that range from the procurement of supplies, materials, equipment, constructions and services for all City departments in accordance with State statutes, City ordinances and proper purchasing procedures. They provide timely recording, classifying and reporting of all financial transactions of the City. In respect to Zone activities, use of the *PeopleSoft* financial system and its dual approval requirement will ensure adequate separation of duties for vendor/grantee payments. In addition, vendor invoices and grantee reimbursement requests will initially be reviewed for compliance within the Community and Human Development Department before proceeding to Financial Services for payment.

The City Attorney's Office provides legal representation in various aspects of law as it relates to the best interest of the City of El Paso and its citizens. The City Attorney's Office represents the City in all litigation and acts as legal advisor to the Mayor and City Council, the City Manager, 33 City departments and 58 boards, committees and commissions. In respect to the Empowerment Zone grant, the City Attorney's Office provides an assigned attorney to review related resolutions and contract agreements for regulatory compliance and to serve as legal advisor in dealing with appropriate issues.

The City Clerk's division of the Municipal Clerk's Office functions as a repository of City Council actions and central information point for public notice of meetings, such as that of the Empowerment Zone Advisory Board.

The Internal Audit Department provides independent, objective assurance and consulting services designed to add value and improve the City of El Paso's operations. The Internal Audit Department provides a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Empowerment Zone staff has been closely working with the City's Internal Audit Department in reviewing the Empowerment Zone Corporation's records in order to effectively respond to the U.S. Housing and Urban Development's Monitoring Report. Zone staff will continue to work closely with this department to ensure a strong governance process remains in place throughout the implementation of remaining Empowerment Zone funds.

## **Key Relationships**

In addition to input from the Advisory Board, the staff will continue outreach to the business, nonprofit and faith-based organizations identified as stakeholders. The City will continue communication with community organizations including, but not limited to:

- County Government & Departments
- Black Chamber of Commerce
- Greater El Paso Chamber of Commerce
- El Paso Hispanic Chamber of Commerce
- El Paso Independent School District
- Ysleta Independent School District
- El Collaborative for Educational Excellence
- Junior League of El Paso
- El Paso Electric Company
- El Paso Community College
- Texas Tech Medical School
- University of Texas at El Paso
- Housing Authority of the City of El Paso
- Upper Rio Grande Workforce Development Board
- R.E. Thomason General Hospital
- Rio Grande Council of Governments
- Paso del Norte Health Foundation
- YWCA Paso del Norte Region
- La Mujer Obrera
- EPISO (El Paso Interreligious Sponsoring Organization)

In addition to citizen involvement, organizations will also be invited and informed of Empowerment Zone Advisory Board meetings, strategic planning activities, and Requests for Proposal (RFP) announcements to ensure community and grass roots participation and input.

## ***Accountability***

Detailed programs of work will be prepared for each project in the Empowerment Zone strategy. These programs, entered into the HUD PERMS system, will detail program milestones, program objectives, and outcome measures. Contracts with partners will include the detailed milestones, objectives and outputs. Penalties for non-performance will be included as required. Contract agreements and subsequent amendments will require board review and City Council approval.

Programmatic results and progress will be reviewed monthly at the EZ Advisory Board meetings and communicated to all stakeholders. Strategic progress will be reviewed, measured and refined through the EZ Advisory Board and EZ staff review process. For example, grant applications will be reviewed by EZ staff for technical compliance, and applications will be reviewed by the EZ Advisory Board for recommendation to City

Council. Once approved by City Council, city departments (Community and Human Development, Economic Development, Financial Services, and City Attorney's Office) will follow the application from grant agreement to grant implementation to fiscal/programmatic monitoring within the City's formal checks-and-balance system. This process would continue with monthly reports to the EZ Advisory Board at their monthly public meetings.

Monitoring and evaluation will be conducted on an ongoing basis. This activity is intended not only to track and guide activities, but just as important to build the capacity of EZ partners to handle and manage complex projects and programs.

In addition to quantitative measures, the monitoring and evaluation component will develop qualitative measurements. Case studies will be used to supplement reports and provide special insights into project development. Results will be communicated in various forms including the EZ website.

Stakeholders meetings will be held annually to provide for public airing, input and discussion.

### ***Capacity Building***

The primary role of the EZ staff will be the facilitation of strategic projects through its partners. Emphasis will be placed on capacity building and learning/teaching for longer-term sustainability and replication at both institutional and individual levels. The EZ will integrate, coordinate and strengthen existing efforts through the strategic placement of catalytic projects and programs.

Memoranda of Understanding between the EZ and its partners (e.g. government entities, community organizations, business, financial institutions and non-government organizations) will identify specific roles and relationships for working together.

Commitments and relationships will be developed for project execution, support and evaluation, fund leveraging and investment to name a few.

### ***Communications***

Communications will play a pivotal role in the success of our Empowerment Zone. In adherence to the Texas Open Meetings Act, communication will be conducted via the Municipal Clerk's Office, EZ staff reports and newsletters, and a city-maintained website. Advisory board meeting and annual stakeholders meetings will provide an additional communication outlet. A geographic information system (GIS) will be utilized to guide policy, track projects and identify opportunities. Public access outlets will include Schools as Community Centers, libraries, partner sites and city recognized neighborhood associations. Ultimately, the goal of EZ communication is to ensure community and grass roots participation and input in the implementation of the El Paso Empowerment Zone Strategic Plan.

## **(4) Implementation Plan: Community Performance Assessment**

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If we are to succeed in delivering the proposed programs and creating sustainability, we recognize that regular evaluation and monitoring will be the key to our success.

### ***Public Hearings on Performance and Comment Process***

Citizens are encouraged to comment on the performance of the City's Empowerment Zone Program and the extent to which project activities achieve their objectives. Comments, inquiries and complaints may be submitted to the Community Development office or to any Empowerment Zone Advisory Board member or City Council member. Community Development staff will respond to inquiries and comments received as expeditiously as possible.

Verbal complaints will be reduced to writing by the Community Development staff and an appropriate response provided. Written complains will be responded to in writing by the Community Development office within (15) working days of their receipt. Citizen comments, inquiries and complaints may also be presented at public hearings or at Advisory Board meetings (an opportunity for citizen comment is regularly included on the agenda).

Each year a public hearing on program performance and needs will be conducted at a regularly scheduled City Council meeting specifically held to solicit citizen comments on approved activities as well as proposed activities.

Community Development Empowerment Zone Program staff will review all comments, complaints and suggestions received in assessing program performance and the extent to which projects and activities achieved their objectives. The results of these assessments will be taken into consideration in the planning and selection of future projects and activities proposed for Empowerment Zone Program funding.

### ***Performance Reporting***

The Department of Community and Human Development annually prepares an Annual Report, through HUD's Performance Measurement System (PERMS), that includes:

- Activity Summary
- Status of Funds: EZ Funds and Leveraging

Upon completion of the PERMS Annual Report, it is forwarded to the Area Office of the Department of Housing and Urban Development. Simultaneously, a Public Notice in

English and Spanish shall be placed in a non-legal section of the newspaper of general circulation in the El Paso area making the Annual Report available to citizens. It will be made available at no charge at the Office of Community and Human Development, and at the Main Public Library, the UTEP Library, and each branch library, and at all the El Paso Community College Campus Libraries for review.

### ***Conduct of Public Hearings, Advisory Board Meetings, and Community Meetings***

All public hearings and neighborhood meetings will be held at convenient times and locations that permit participation by citizens and organizations. All sites selected will be fully accessible to person with disabilities. Such hearings and meetings will be conducted in English and Spanish as requested by those attending.

The Department of Community and Human Development will make every reasonable effort to inform citizens, particularly Empowerment Zone residents and businesses, of the schedule and purpose of these hearings and neighborhood meetings. The Department will publicize these hearing and neighborhood meetings through various media, the City's website, neighborhood associations and organizations serving Empowerment Zone residents and businesses to encourage citizen input.

The purpose and procedures of both the Empowerment Zone Program and the particular public hearing or neighborhood meeting will be explained in sufficient detail to allow citizens to understand and effectively contribute to the program.

### ***Availability of Performance-Related Information***

The City shall provide full and timely disclosure of its program records and information consistent with applicable laws and regulations regarding personal privacy and confidentiality. Copies of the following materials shall be available for citizen review, upon request, between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Department of Community Development, City Hall, #2 Civic Center Plaza, 2<sup>nd</sup> Floor:

- All mailings and promotional material;
- Schedules of public hearings and public meetings;
- The records of Empowerment Zone public hearing and Advisory Board meetings;
- The proposed and approved strategic plan;
- All prior applications including letters of approval and grant agreements;
- All performance reports, status reports and other reports that may be required by HUD; and,
- Copies of the regulations governing the Empowerment Zone Program and documents on other important program requirements.

## **(5) Strategic Planning Process**

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### ***Community Outreach***

El Paso's leaders and community members know that the economic condition of the city depends on how well the community takes stock of its present conditions, analyzes its past and collaborates on a plan of action for the future. The Empowerment Zone is privileged to have an existent group of community organizations that have demonstrated a track record in teamwork and partnership between those they serve and other elements of the community.

The strategic planning process undertaken in order to update the implementation plan was a natural step in a larger spectrum of successful strategic planning initiatives which have occurred since the Empowerment Zone designation. Since they emphasized economic development, consensus building, collaboration and neighborhood revitalization, it was also important to capture the input already voiced by the Empowerment Zone community in regards to economic opportunity programming in their neighborhoods.

### **Chihuahuita Neighborhood Plan**

In 2002, the City of Paso Planning, Research and Development Department facilitated the drafting of the Chihuahuita Neighborhood Plan. The neighborhood, located within the El Paso Empowerment Zone, wanted to participate in the creation of a plan specific to Chihuahuita's goals and objectives. The input of the 100-plus residents was the primary voice of the plan.

The resulting document addresses the following areas of importance to the neighborhood: land use and zoning, traffic and circulation, infrastructure and utilities, crime and safety, cultural resources, nuisances, historic preservation and economic development.

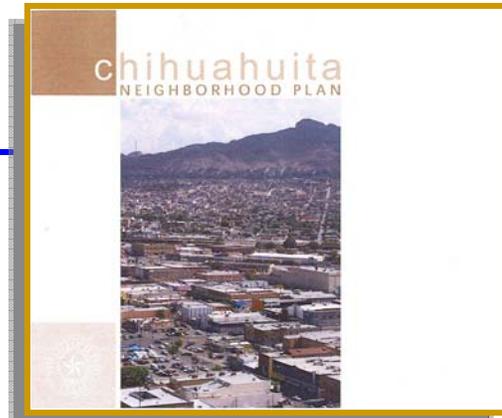
As a highlight to the overall planning process, the goals, objectives, and action items were developed as a result of collaboration between all stakeholders, inside and outside the neighborhood. The Chihuahuita Neighborhood Association, empowered with this project, also actively participated in the revision of the Empowerment Zone Strategic Plan.

**Figure 5.1:** 2004 Chihuahuita Plan: Economic Development Objectives

OBJECTIVE: Enhanced pedestrian environment in commercial center along Santa Fe Street

OBJECTIVE: Create new neighborhood-friendly, locally owned, sustainable businesses - build on a base of “mom and pop” businesses

OBJECTIVE: Capitalize on history of Chihuahuita (Mexican Revolution & Oldest El Paso Neighborhood)



## The Five Points Neighborhood Plan

In 2004, the Five Points Development Association, Inc. spearheaded its own efforts addressing their neighborhood’s economic development issues. The organization worked with the City of El Paso Planning, Research and Development Department in 2004 to draft a neighborhood plan.

*“To create a revitalized, livable and sustainable community with all of the amenities comparable to the newest sections of the City and restored character that is unique to Central El Paso, resulting in a microcosm of values, attributes and successes of El Paso.”* -Vision of the Five Points Neighborhood Plan

The neighborhood plan focuses on nine main topics of concern: land use, business and economic development, urban character/open space, housing, nuisances, transportation, railroad, drainage and education.

**Figure 5.2:** Five Points Neighborhood Plan: Business and Economic Development Goals

GOAL: Restore economic vitality and sustainability to the Five Points Business District

GOAL: Encourage streetscape improvements in the area’s commercial centers to attract pedestrian activity

GOAL: Establish quality job opportunities for the Five Points area residents

GOAL: Provide sufficient parking for vehicles accessing the Five Points Business District with capacity for future business growth

The plan's strategic planning process consisted of 30 community meetings and an opinion survey resulting in 117 responses. The input received from residents, businesses, investors, city planners and other stakeholders for the neighborhood plan continues to resonate as their documented needs were used to also provide input in the Empowerment Zone strategic planning process.

## The Chamizal Neighborhood Revitalization Strategy

One of our City Council's strategic goals is to develop and implement a comprehensive neighborhood revitalization program. As a result, the City of El Paso Community and Human Development Department committed to undertaking revitalization efforts for the the Chamizal Neighborhood, located within the Empowerment Zone, as the first project.

Through partnerships between 200-plus residents, property owners, businesses, community organizations, educational institutions and other key stakeholders, the plan's goal is to empower the residents of the neighborhood thus ensuring sustainability.

The issues addressed in the strategy were derived from community input and sorted into the following categories: safety and security, neighborhood condition, housing, community services, economic/workforce development, neighborhood facilities, education and infrastructure.

**Figure 5.3:** 2007 Chamizal Neighborhood Revitalization Strategy: Economic and Workforce Development Goals

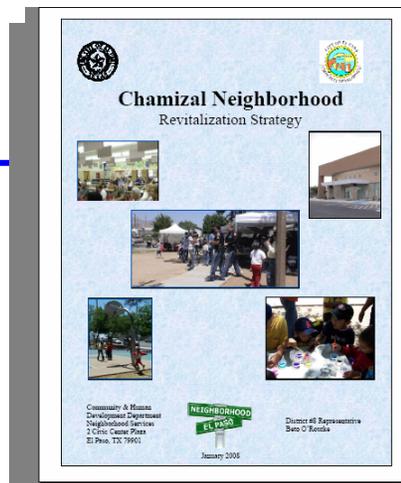
GOAL: Improve physical appearance and capacity of neighborhood businesses

GOAL: Increase employment opportunities for residents living in the neighborhood

GOAL: Increase customer parking along commercial corridors

GOAL: Develop a *mercado*/cultural market place for economic and workforce development

GOAL: Increase access to affordable capital



## **Community and Human Development Social Service Collaborative**

The City of El Paso annually allocates approximately \$2 million in Community Development Block Grant funding to social services. The funds were once distributed through a process which was highly competitive and political and therefore not conducive to cooperation. For the past thirteen years, the City's Department of Community and Human Development (CD) implemented a collaborative process in an effort to minimize politics and maximize the benefits of the shrinking allocation.

Based upon an analysis of the funding history, the allocation is now broken into five funding blocks: Children and Youth Services Collaborative, Seniors and Persons with Disabilities Collaborative, Mental and Medical Health Services Collaborative, Homeless Services Collaborative, and Economic Opportunities Collaborative.

With technical assistance provided by CD staff, the dozen or so agencies in each collaborative **discuss community needs and priorities**, explain their projects, review each others' proposals, and negotiate a consensus budget recommendation. The combined perspective of the funding source, service providers, and community representatives provide invaluable insight into making the process work to serve the needs of our city. This process has brought about a feeling of consensus among service providers, citizen participants and City staff, all moving together toward the unified goal of providing services needed in the community.

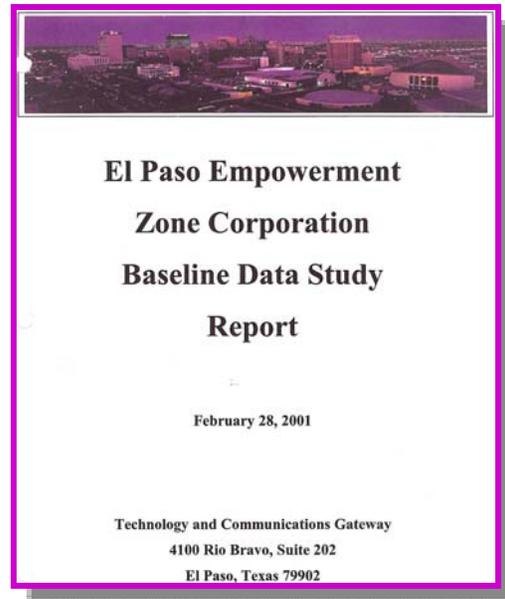
2008 CDBG Social Services – Economic Opportunities Collaborative:

- Center Against Family Violence
- El Paso Children's Day Care Association, Inc.
- El Paso Human Services, Inc.
- El Paso Rehabilitation Center
- Houchen Community Center
- Project ARRIBA
- Project Vida
- Rescue Mission of El Paso, Inc.
- YWCA El Paso del Norte Region

## **El Paso Empowerment Zone Corporation: Baseline Data Study Report**

In 2001, the Empowerment Zone Corporation contracted with Technology and Communications Gateway, Inc. to conduct a survey research effort. The purpose was to: (1) identify the businesses within the Empowerment Zone and gather information regarding the company descriptors, such as size, legal structure, and employee base, as well as resources and requirements for growth, (2) develop an inventory of the current infrastructure in the Zone for quality of life components including the number of public and private schools and agencies within the Zone, and (3) develop an overall profile of the workforce in the Zone using secondary research and data from the business survey.

The 1,086 surveys completed by Empowerment Zone businesses indicated that market location and lease cost were the greatest advantages of operating in the Empowerment Zone. Approximately one-third of the respondents stated that parking and transportation were disadvantages of operating in the Zone. Capitalization and marketing/sales were cited as the types of assistance needed for business development in the Empowerment Zone. In regards to workforce development, business owners indicated the importance and need for training in marketing and sales, customer service and office computer skills.



## **El Paso Empowerment Zone Corporation: Resident Opinion and Financial Literacy Survey**

In 2005, the El Paso Empowerment Zone Corporation contracted the Institute for Policy and Economic Development at the University of Texas at El Paso to design and conduct a survey of Empowerment Zone residents.

The 1,020 completed interviews provided data that would gauge resident knowledge of the Empowerment Zone, resident credit need and use, general financial literacy, and workforce needs. In regards to the latter, it was noted that lack of transportation and child care were significant barriers to Zone residents securing a job.

### ***Strategic Planning Process***

Citizen participation in local government is the foundation of our democratic way of life. In El Paso, the City's goals are best set by public discussion to ensure accountability to its citizens.

### **Empowerment Zone Advisory Board**

An Empowerment Zone Advisory Board was established by the Mayor and City Council, in order to ensure consistent representation of the diverse population segments within the Zone.

Of the total nine members appointed by Mayor and Council, five of the individuals must be the owners of or employed by a for-profit business that is located in the Zone area, two of the individuals must be leaders in a non-profit organization or faith-based organization

that is located in the Zone area, and two of the individuals must be members of a City Recognized Neighborhood Association within the Zone area.

During the strategic planning process, the EZ Advisory Board served as a liaison between the City and the community at-large, stakeholders, and Recognized Neighborhood Associations to ensure community and grass roots participation and input in the implementation of the Strategic Plan. They, themselves, supported and participated in the City's strategic planning sessions for purpose of revising the Strategic Plan. In addition, they reviewed the proposed implementation plan and budget for consistency with the vision and goals of the Strategic Plan.

### **Empowerment Zone Program City Staff**

The Empowerment Zone Coordinator employed by the Community and Human Development Department served as the principal staff person for the EZ Advisory Board. The EZ Coordinator was responsible for providing technical assistance to Zone residents and business owners, neighborhood associations and other civic and citizen organizations when requested so that they may adequately participate in the strategic planning process.

With inclusion of the Project Compliance Specialist, Secretary, and Community Development Public Information Officer, City staff worked on informing the public about the Empowerment Zone Grant Program and the citizen participation process through the local media in both English and Spanish languages. In addition, they assisted the Board in scheduling and conducting community meeting and maintaining all records documenting the strategic planning process.

Public outreach consisted of:

- Local Newspaper Inserts  
Inserts (12,500) were distributed within EZ zip codes.
- Community Input Forms  
Forms (1,000) were distributed at schools, meeting sites, and community organizations.
- School District E-mails  
Two school districts (El Paso Independent School District and Ysleta Independent School District) forwarded meeting notice e-mails to schools located within the Empowerment Zone and respective individual staff.
- Empowerment Zone E-mail List  
The 300+ e-mail list consists of CDBG recipient organizations, neighborhood associations, and individuals requesting to be notified of EZ events via e-mail.
- City website ([http://www.ci.el-paso.tx.us/commdev/ez\\_home.asp](http://www.ci.el-paso.tx.us/commdev/ez_home.asp))
- Community Development Public Information Officer  
Distributed press releases to the media and other contacts.

## Community Organizations

At the time of the application, the Empowerment Zone boundaries were selected by taking into consideration the more than 30 community-based organizations active throughout the area. These included strong business-oriented organizations that respond well to economic development initiatives.



During the recent strategic planning process, the organizations came forward to assist and participate actively in the strategic planning process. They first met in January to obtain information regarding the upcoming strategic planning process, its parameters and timeline. Each entity assisted in outreach, planning and/or research throughout the process.

The meeting schedule was framed in pairs in order to accommodate staff schedules. In addition, interviews were conducted with individual organizations to obtain data and information to assist with the community assessment aspect of the strategic plan.

A second meeting in February provided an opportunity for City staff to review the community input provided by residents. The planning session entailed the categorizing of community input into distinct categories. In addition, general projects were identified that would be appropriate to address the needs presented by the community. These projects were developed after looking at maximizing investment by identifying gaps in service and leveraging opportunities. The impact of potential projects, timeline of the overall Empowerment Zone designation, and sustainability were also critical factors that were taken into consideration. This meeting was attended by Community and Human Development staff from the Empowerment Zone Program, Neighborhood Services Division, and CDBG Administration. In addition, representatives of the City's Economic Development Department were present.

In March, community organizations were invited to City Hall to review the categorized community input and proposed projects. Their review entailed the vision of the Empowerment Zone program's implementation, Request for Proposal response potential, and assurance that a prominent community need had not fallen to the wayside unnoticed.

The participant organizations of the strategic planning process were predominantly economic development program providers. Yet, the project also included partners who were key in building community awareness of the planning process and assessing the community's needs and resources. In all, each organization was invaluable in their input and assistance in the formulation of the proposed implementation plan.

The City's Economic Opportunities Partners include:

- ACCION Texas
- Centro de Salud Familiar La Fe
- Chamizal Neighborhood Association
- Chihuahuita Neighborhood Association
- City of El Paso Community and Human Development Department – CDBG Administration Division
- City of El Paso Community and Human Development Department – Neighborhood Services Division
- City of El Paso Economic Development Department
- City of El Paso Parks and Recreation Department (provision of meeting facilities)
- City of El Paso Planning Department
- El Paso Hispanic Chamber of Commerce
- El Paso Independent School District
- El Paso Regional Economic Development Corporation (REDCO)
- El Paso Rehabilitation Center
- Greater El Paso Chamber of Commerce
- Housing Authority of the City of El Paso
- La Mujer Obrera
- Metropolitan Planning Organization (MPO)
- Neighborhood Association Collaborative
- Project Vida
- Rescue Mission
- Small Business Administration
- St. Vincent de Paul
- University of Texas at El Paso
- Upper Rio Grande Workforce Development Board
- Ysleta Independent School District
- YWCA Paso del Norte

Not only illustrated with their participation in the Empowerment Zone strategic planning process, the message voiced by the organizations as a whole is their strong and enduring commitment to the Empowerment Zone neighborhoods. They will continue to be invited to participate in the implementation of the Empowerment Zone programs and attendance of the Empowerment Zone Advisory Board meetings.

## **Community Meetings**

The first stage in developing the strategic plan involved defining neighborhood objectives and soliciting preliminary suggestions. Community meetings were scheduled to solicit comments about economic development needs and proposals for economic opportunities from the Empowerment Zone community. Outreach efforts inviting the public to participate included contact with neighborhood associations and organizations in the

Empowerment Zone, distributing fliers and community inputs forms, posting information on the City’s website and use of the media.

The five Empowerment Zone Advisory Board meetings discussing the strategic plan were conducted during the months of January, February, March and April 2008. The touring board held meetings throughout the Empowerment Zone. Average attendance was fifteen, including the board itself. An interpreter was on hand to provide translation services via electronic devices for monolingual participants. When public notice was posted for each meeting, notification was also provided for the provision of sign language interpreters upon request.

**Table 5.1: Empowerment Zone Advisory Board Meetings**

|             |                                |
|-------------|--------------------------------|
| January 8   | Kennedy Estates Community Room |
| February 19 | Chihuahuita Recreation Center  |
| March 5     | City Hall                      |
| March 11    | Burleson Elementary            |
| April 8     | South El Paso Senior Center    |



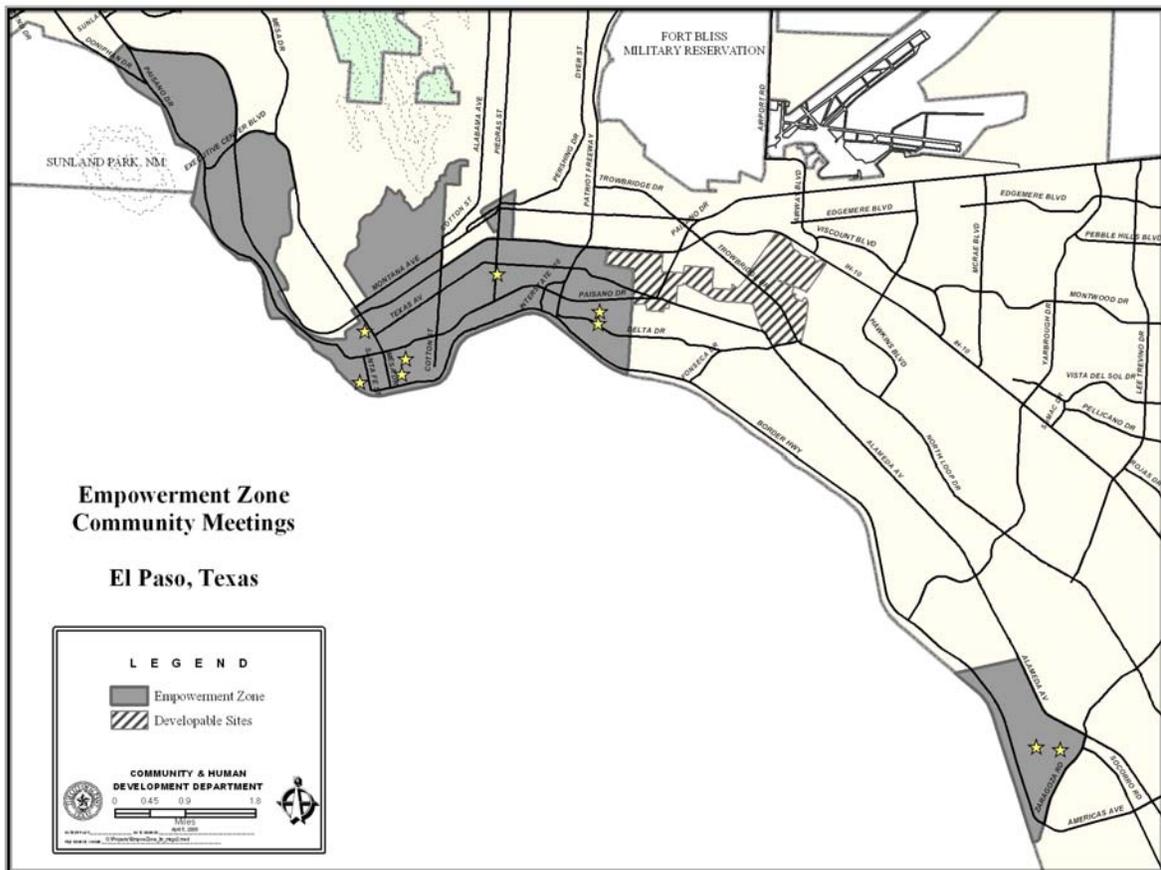
Six community input meetings were scheduled throughout the zone during the months of January and February. Total attendance for the series of meetings was 114 participants. Due to the large monolingual Spanish-speaking attendance at one meeting, the complete meeting was conducted in Spanish with the interpreter providing translation services to monolingual English-speakers. This resulted in numerous compliments and thanks from the community after the meeting. They appreciated the customization to accommodate their needs.

**Table 5.2: Community Input Meetings**

|            |                                  |                           |
|------------|----------------------------------|---------------------------|
| January 22 | South El Paso Senior Center      | 5:30pm – 7:30pm           |
| January 24 | Chihuahuita Recreation Center    | 5:30pm – 7:30pm           |
| January 28 | Beall Elementary                 | 5:30pm – 7:30pm           |
| January 30 | Hilos de Plata Recreation Center | 5:30pm – 7:30pm           |
| February 2 | Armijo Library                   | 1:00pm – 3:00pm, Saturday |
| February 5 | Capistrano Elementary            | 5:30pm – 7:30pm           |

A presentation was conducted simultaneously in Spanish and English providing a background to the Empowerment Zone Program, a description of the Empowerment Zone itself, an explanation of the strategic planning process, and the eligible activities for the remaining Empowerment Zone funds.

**Figure 5.4: Mapping of Community Meetings**



It was further expressed that the purpose of the community meetings was to: (1) learn more about planning for the Empowerment Zone, (2) offer suggestions about the priorities of the new Strategic Plan, and (3) identify any concerns that the City Council should address in allocating funds.

At each community meeting, participants voiced their input in regards to the utilization of the remaining funds and projects for which additional funds be sought. With an Empowerment Zone Advisory Board member facilitating the meeting, City staff transferred community ideas onto flip charts documenting their input.



Communication among the various stakeholders, including residents, was maintained via e-mail, newsletters and open meeting announcements posted at City Hall.

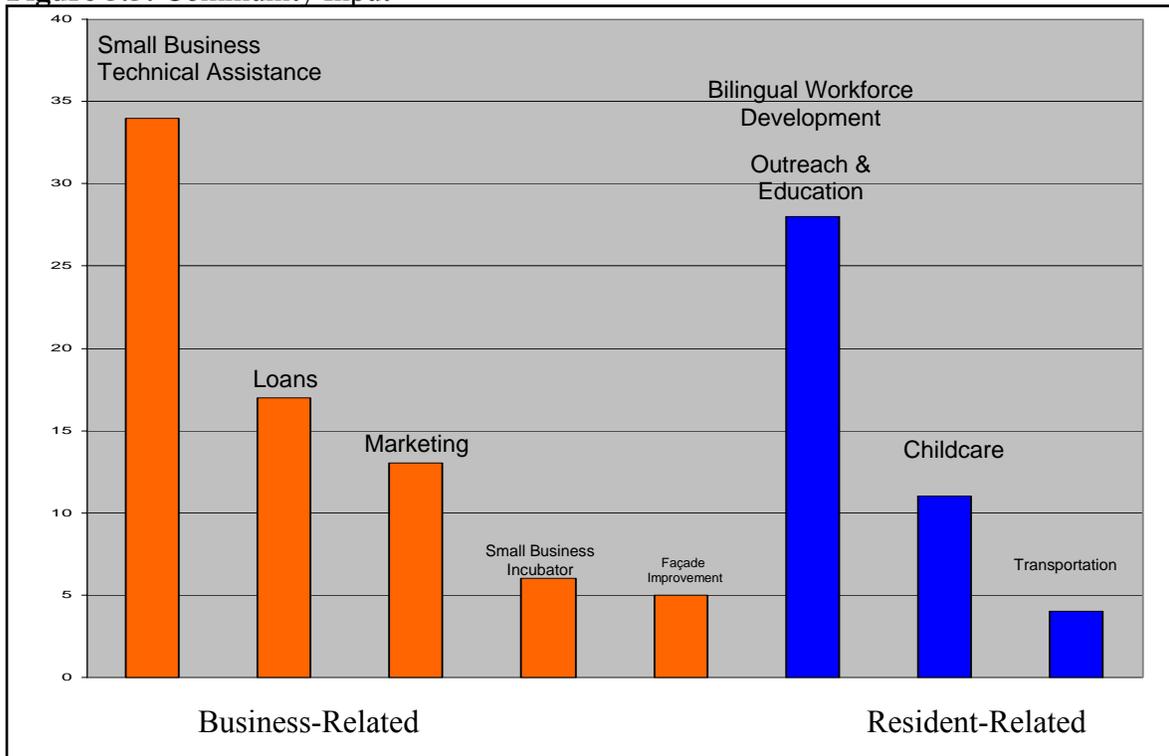
For stakeholders unable to physically attend one of the scheduled meetings, community input forms were also disseminated to encourage participation and input from as many

stakeholders as possible. The 11x17” fold-out included a background of the program, its parameters, a map of the Zone, and an input form to be submitted to the City for tabulation of the community’s needs.

### The Implementation Plan

With the community input received, a February City staff meeting provided an opportunity for review of the input provided by residents. The planning session entailed the categorizing of community input into distinct categories. In addition, general projects were identified that would be appropriate to address the needs presented by the community. These projects were developed after looking at maximizing investment by identifying gaps in service and leveraging opportunities. The impact of potential projects, timeline of the overall Empowerment Zone designation, and sustainability were also critical factors that were taken into consideration.

**Figure 5.5: Community Input**



The roster of proposed programs was presented and discussed by the EZ Advisory Board at two public meetings.

In March, community organizations were invited to City Hall to review the categorized community input and proposed projects. Their review entailed the vision of the Empowerment Zone program’s implementation and assurance that a prominent community need had not fallen to the wayside unnoticed.

With the proposed projects determined, the Empowerment Zone Advisory Board and City staff worked on the development of a budget that would ultimately be presented to the EZ residents. With the discussion occurring during public advisory board meetings, there was an opportunity for representatives from the nonprofit and for-profit agencies, residents, and business owners to be present. Practical expertise was simultaneously present at the table with participation from Zone residents; community-based organizations, grassroots organizations, and business owners.

The process used for the community meetings followed through to the advisory board meetings with a presentation being made at the beginning of the meeting and genuine dialogue conducted after the presentation by the advisory board members and attendees.

In order to ensure the greatest impact delivered by the proposed implementation plan, the projects, their parameters, and budget were discussed at length at three of the advisory board meetings.

### ***Adoption of the Strategic Plan***

A draft of the final proposed implementation plan and budget is scheduled to be presented at a City Council meeting, in accordance with the Empowerment Zone Program's Governance Plan, with a public hearing on April 29, 2008.

This will mark the introduction of the plan to the community and providing a 30-day public comment period. A copy of the plan is scheduled to be disseminated to the city's public libraries and posted on the EZ webpage for public review.

The Proposed Strategic Plan will be published in English and Spanish in the local newspaper of general circulation to afford residents and organizations an opportunity to examine its content and to submit comments to the City. In addition, notice will be mailed to the community organizations and other interested parties for their review and comment. Presentations will also be made to various community groups and neighborhood associations with interest in the El Paso Empowerment Zone. Any comments received will be reviewed and City Council may, at its option, modify the Strategic Plan subsequent to its publication and prior to adopting a Final Strategic Plan.

### ***Evaluation of the Process***

The strategic planning process for the revision of the strategic plan was met with a different response than the initial application process. Although not at the level of participation nor public attention the \$100 million potential award attracted, the level of commitment by the participants was just as high. There existed an impressive level of cooperation and collaboration among EZ residents and community leaders.

The authorship of the strategic plan cannot be attributed to any one person, group or simply this strategic planning process. There were multiple efforts that had already gone out into the community, solicited input and documented the community's needs and vision for revitalization. Again, with a commitment to outreach to as many Empowerment Zone residents as possible, all levels of society, all age groups, all the community's ethnic groups were represented in the process.

Other than the type of frank, open discussions that occurs in the negotiation process and serve to resolve disagreements, there were no conflicts and no controversies to report. El Paso is truly proud of its EZ strategic plan, but even more importantly proud of the teamwork that was involved in its development.