

**CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: City Development

AGENDA DATE: 7-30-13 (Introduction 7-23-13)

CONTACT PERSON/PHONE: Marty Howell, City Development (915) 541-4680

DISTRICT(S) AFFECTED: 8

SUBJECT:

An Ordinance amending Ordinance No. 016528 to modify the boundaries of Tax Increment Reinvestment Zone Number 5, City of El Paso, Texas to include an additional area in Downtown El Paso: Addition C Area- South El Paso, as more fully described herein; and adopting amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number 5 to incorporate the increase to the fund resulting from the expansion to the boundary, and to allocate additional funding from the financing plan to the Commercial Façade Improvement Program and Tax Increment Reinvestment Zone Administrative Costs; Adopting said amendments as required by section 311.011(E) Texas Tax Code; Also providing a severability clause (District 8) [City Development, Marty Howell (915) 541-4680]

BACKGROUND/DISCUSSION:

The Tax Increment Reinvestment Zone (TIRZ) No. 5 Board of Directors met on May 23, 2013, and approved the Eighth Amendment to the Final Project and Final Reinvestment Zone Financing Plan on changes to the TIRZ boundary and unanimously recommended the approval of Addition C Area – South El Paso. Additionally, staff sent notices and information to the affected property owners, placed a notice in the newspaper and held a public meeting to inform property owners of the changes to the boundary.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes on July 17, 2012 City Council approved Ordinance No. 017821 amending the Final Project Plan and Final Reinvestment Zone Number 5 to modify the boundary to add Addition B- Union Plaza. Subsequently, Council has approved Ordinance No. 017674 to allocate funding to the Commercial Façade Improvement Grant program and TIRZ 5 Administrative costs.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A.

BOARD/COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: If RCA is initiated by Purchasing, client department should sign also). *Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 016528 TO MODIFY THE BOUNDARIES OF TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS TO INCLUDE AN ADDITIONAL AREA IN DOWNTOWN EL PASO: ADDITION C AREA – SOUTH EL PASO, AS MORE FULLY DESCRIBED HEREIN; AND ADOPTING AMENDMENTS TO THE FINAL PROJECT PLAN AND FINAL REINVESTMENT ZONE FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE TO INCORPORATE THE INCREASE TO THE FUND RESULTING FROM THE EXPANSION TO THE BOUNDARY, AND TO ALLOCATE ADDITIONAL FUNDING FROM THE FINANCING PLAN TO THE COMMERCIAL FAÇADE IMPROVEMENT PROGRAM AND TAX INCREMENT REINVESTMENT ZONE ADMINISTRATIVE COSTS; ADOPTING SAID AMENDMENTS AS REQUIRED BY SECTION 311.011(E) TEXAS TAX CODE; ALSO PROVIDING A SEVERABILITY CLAUSE

WHEREAS, by City of El Paso Ordinance No. 016528, adopted December 19, 2006, the City created Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas (“the Zone”), establishing the boundaries of the Zone as described therein, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (as amended, the “Act”); later amended by Ordinances Nos. 016803 and 016804 on December 18, 2007, and by Ordinance 017821 on July 17, 2012; and

WHEREAS, on May 23rd, 2013 the Tax Increment Reinvestment Zone Number Five Board of Directors (the “Board”) unanimously approved a motion to recommend to El Paso City Council that the boundaries of the Zone be enlarged to incorporate an additional area in downtown El Paso that is contiguous to the Zone: South El Paso Street, said area more specifically described herein and identified as “**Addition C Area- South El Paso**”; and

WHEREAS, pursuant to Sections 311.006 and 311.007 of the Act, City staff has determined that enlarging the boundaries of the Zone as specifically described herein conforms with the statutory requirements related to changing the boundaries of an existing reinvestment zone; and

WHEREAS, based on the favorable recommendation of the Board and the determination of City staff, the City desires to amend Ordinance 016528 to enlarge the boundaries of the Zone to include said additional area, so that the City can support revitalization activities in the identified area, to be funded in whole or in part through the Zone; and

WHEREAS, by City of El Paso Ordinance No. 016528, adopted December 19, 2006, the City Council approved and adopted the Preliminary Project and Financing Plan, pursuant to Sections 311.011(d) of the act, on February 12, 2009, by Ordinance No. 017081, the City

ORDINANCE NO. _____

Council approved the Final Project Plan and Final Reinvestment Zone Financing Plan after their adoption by the Board of Directors (the "Board") of the Zone; later amended on April 7, 2009 by Ordinance No. (017102), November 18, 2009 by Ordinance No. (017239), December 22, 2009 by Ordinance No. (017258), November 8, 2011 by Ordinance No. (017674), May 15, 2012 by Ordinance No. (017788), July 17, 2012 by Ordinance No. (017821) and August 28, 2012 by Ordinance No. (017861);and

WHEREAS, the Board continues to support the City in development activities for the Zone and actively participates in planning and identifying potential projects within the Reinvestment Zone; and

WHEREAS, on May 23, 2013, the Board adopted the following amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan: allocate additional funding in the amount of \$100,000 for additional eligible project costs for Project No. 1: Commercial Façade Improvement Grant Program; and

WHEREAS, on July 11th, 2013, the Board of Directors approved an amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan for the allocation of \$2,160 in FY 13 and for \$12,960 for FY 2014 towards TIRZ No. 5 administrative costs for the TIRZ use of City personnel services; and

WHEREAS, pursuant to Section 311.011(e) of the Act, the Board may adopt amendments to the plans consistent with the requirements and limitations of the Act, which become effective when approved by the governing body of the municipality by a duly authorized ordinance; and

WHEREAS, pursuant to Section 311.007(b) of the Act, the boundaries of the Zone may be changed when the owners of property constituting at least 50 percent of the appraised value of the property in the area have submitted a petition requesting that the area be included in the Zone; and

WHEREAS, the owners of the properties constituting at least 50 percent of the appraised value of the properties depicted in Exhibits B and C have submitted a petition to the City requesting to be included in the Zone; and

WHEREAS, the City desires to amend the Final Project and Final Reinvestment Zone Financing Plans as approved by the Board, in support of community revitalization and economic development within the Zone; and

WHEREAS, it is officially found and determined that the meeting at which this Ordinance was passed was open to the public and public notice of the time, place and subject of said meeting was given all as required by Chapter 551, Texas Government Code; and

WHEREAS, the City Council, as the governing body of the City, approves the amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan, as evidenced by this Ordinance.

ORDINANCE NO. _____

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO THAT:

1. Ordinance 016528 is hereby amended to add the properties located in **Addition C Area- South El Paso** to the designated boundaries of the Tax Increment Reinvestment Zone Number 5, City of El Paso, Texas and to the description of that Zone, with said amendments attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.
2. Council finds that notwithstanding the enlargement of the Zone boundary to include said additional area, the Zone continues to meet the requirements of Section 311.006 of the Act.
3. The Final Project and Final Reinvestment Zone Financing Plans are hereby amended for the Zone, to incorporate **Addition C Area- South El Paso** with said amendment attached hereto as Exhibit "C" and incorporated herein by reference for all purposes, and which is determined to be feasible.
4. Pursuant to Section 311.012(c) of the Act, the tax increment base year for **Addition C Area- South El Paso** is January 1, 2013, as projected in Exhibit "D" and incorporated herein by reference for all purposes
5. Except as amended herein, Ordinance 016528 shall remain in full force and effect.
6. That the Final Project Plan and Final Reinvestment Zone Financing Plan are hereby amended in the manner set forth below:
 - A. The Final Project Plan is amended to incorporate the following additional costs and projects on the list of approved proposed projects eligible for tax increment finance funds of the Zone, which will be allocated to as described herein:

Project No. 1: Commercial Façade Improvement Grant Program.
Original Amount: \$32,000
First Amended Amount 11-17-2009: \$57,000
Second Amended Amount 12-22-2009: 82,000 (increased by \$25,000)
Third Amended Amount 11-8-2011: \$123,000 (increased by \$41,000)
Fourth Amended Amount. 05-15-2012: \$223,000 (increased by \$100,000)
Fifth Amended Amount: \$323,000 (increased by \$100,000)
 - B. The purpose of the Commercial Façade Improvement Grant Program is to provide grant funding to existing business property owners or lessees to encourage renovation and rehabilitation of the exterior of buildings in the Zone. This program aims to improve the aesthetics within the Zone as attractive building façades positively impact the marketability and perception of the area. The Program consists of a one-dollar to one-dollar

ORDINANCE NO. _____

match for approved improvements. Reimbursement grants will be awarded for façade improvements that restore, preserve, rehabilitate, enhance or beautify a structure. Eligible improvements 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
- Historical architectural elements

C. By separate formal action, City Council has adopted Commercial Façade Improvement Grant Program requirements and guidelines that govern administration and implementation of the Program.

D. TIRZ Administrative Costs:

The Final Reinvestment Zone Financing Plan is amended to add the following sentence: For FY 2013, \$2,160 and for FY 2014, \$12,960 is allocated towards TIRZ No. 5 administrative costs for the TIRZ use of City personnel services.

7. That the amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas, are hereby determined to be feasible and in conformity with the City's master plan and said amendments are hereby approved.
8. That the statements set forth in the recitals of this Ordinance are declared to be true and correct and are incorporated as part of this Ordinance.
9. That the provisions of this Ordinance are severable. If any provision of this Ordinance or the application thereof to any circumstances shall be held to be invalid or unconstitutional, the remainder of this Ordinance shall nevertheless be valid.

PASSED AND APPROVED this ____ day of July 2013.

ORDINANCE NO. _____

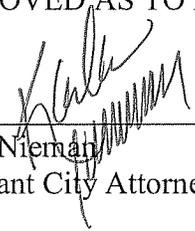
CITY OF EL PASO

Oscar Lesser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Karla Nieman
Assistant City Attorney

APPROVED AS TO CONTENT:



Mathew McElroy, Director
City Development Department

ORDINANCE NO. _____

EXHIBIT A

PARCELS INCLUDED IN TAX INCREMENT REINVESTMENT ZONE, NUMBER FIVE
(BY PARCEL IDENTIFICATION NUMBER)

From the intersection of Paisano Drive and Santa Fe Avenue, south on Santa Fe to the Santa Fe Railroad train yard; southeasterly on a line between the edge of the buildings on east side of Santa Fe Avenue and the adjacent parking lot to the intersection of Sixth Street; east on Sixth Street to the alley between El Paso Street and Oregon Street; north along the alley to Paisano Drive; and west on Paisano to Santa Fe Avenue.”

C05099913405700	C05099911909100
C05099913406500	C05099911900100
C05099913303700	C05099910105700
C05099913305500	C05099910106500
C05099913302800	C05099910004600
C05099913408100	C05099910004100
C05099913407300	C05099910107300
C05099913301900	C05099910004300
C05099913408900	C05099910003600
C05099913306400	C05099910005100
C05099913409700	C05099910003100
C05099913301200	C05099910005600
C05099913307300	C05099910002600
C05099913301100	C05099910002100
C05099913300100	C05099910001600
C05099911804100	C05099910107900
C05099913308200	C05099910006100
C05099913309100	C05099910108500
C05099911804500	C05099910001100
C05099911904100	C05099910109300
C05099911804900	C05099910006600
C05099911805300	C05099910000600
C05099911903100	C05099910000100
C05099911905100	C05099910007100
C05099911805700	C05099908806100
C05099911902100	C05099908805700
C05099911806100	C05099908900500
C05099911806500	C05099908806500
C05099911806900	C05099908807300
C05099911906100	C05099908808100
C05099911901100	C05099908808900
C05099911807700	C05099908903300
C05099911808100	C05099913301000

ORDINANCE NO. _____

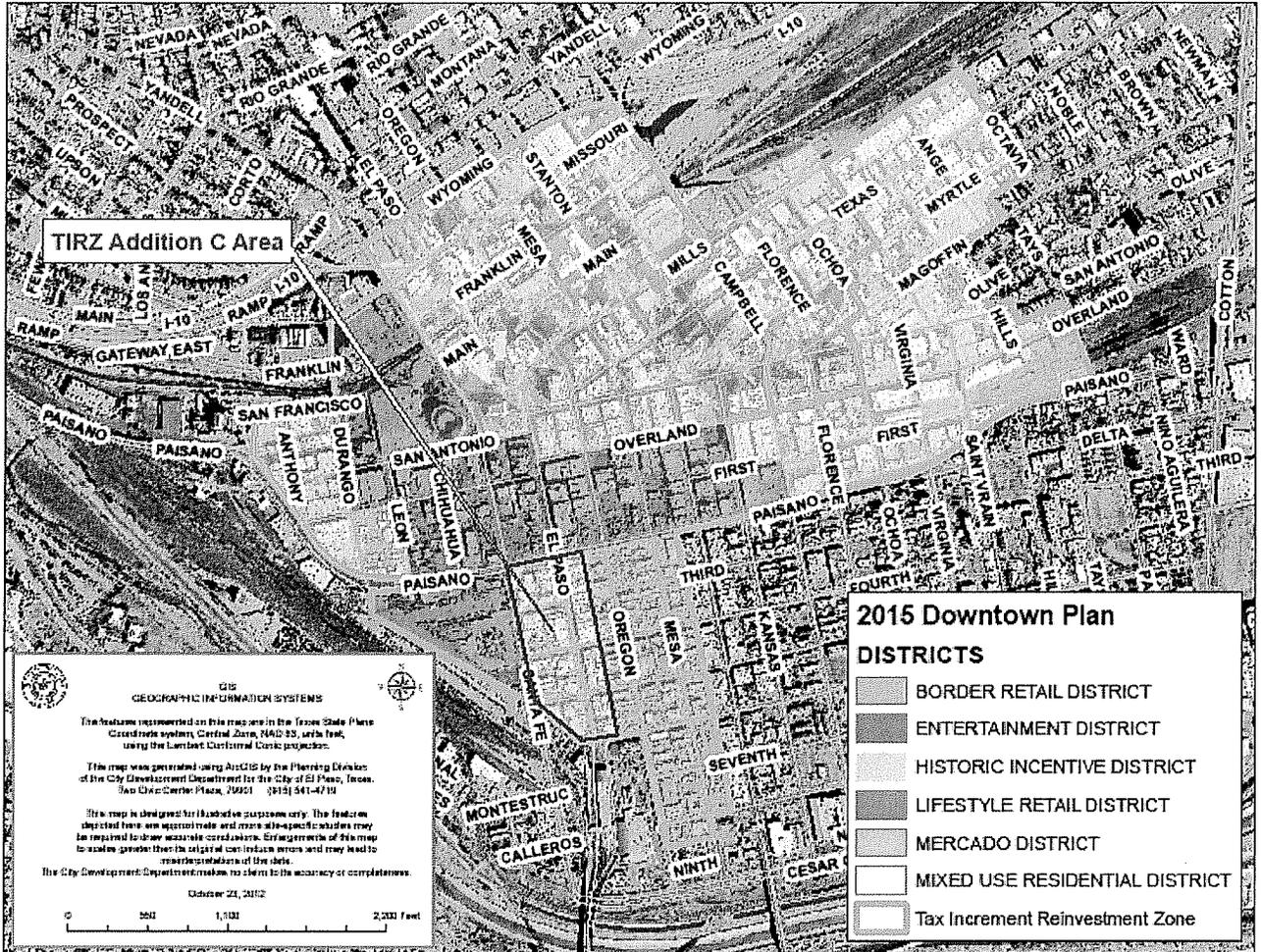
EXHIBIT B
MAP OF PARCELS INCLUDED IN TAX INCREMENT REINVESTMENT ZONE,
NUMBER FIVE



ORDINANCE NO. _____

EXHIBIT C

ADDITION C TAX INCREMENT REINVESTMENT ZONE MAP



ORDINANCE NO. _____

EXHIBIT D

**PROJECTED CAPTURED APPRAISED VALUE AND TAX INCREMENT
ADDITION C**

Projected Captured Appraised Value based on a 3% inflation rate over 10 years

Year	Base Year Value	Current Appraised Value 3% Increase	Captured Appraised Value	Total City Tax Increment*
2013	\$ 32,606,657	\$ 32,606,657	\$ -	
2014	\$ 32,606,657	\$ 33,584,857	\$ 978,200	\$ 6,441
2015	\$ 32,606,657	\$ 34,592,402	\$ 1,985,745	\$ 13,074
2016	\$ 32,606,657	\$ 35,630,174	\$ 3,023,517	\$ 19,907
2017	\$ 32,606,657	\$ 36,699,080	\$ 4,092,423	\$ 26,945
2018	\$ 32,606,657	\$ 37,800,052	\$ 5,193,395	\$ 34,194
2019	\$ 32,606,657	\$ 38,934,054	\$ 6,327,397	\$ 41,660
2020	\$ 32,606,657	\$ 40,102,075	\$ 7,495,418	\$ 49,350
2021	\$ 32,606,657	\$ 41,305,138	\$ 8,698,481	\$ 57,271
2022	\$ 32,606,657	\$ 42,544,292	\$ 9,937,635	\$ 65,430
2023	\$ 32,606,657	\$ 43,820,620	\$ 11,213,963	\$ 73,833
				\$ 388,104

* 2013 Tax Rate 0.658404

Projected Captured Appraised Value based on a 5% inflation rate over 10 years

Year	Base Year Value	Current Appraised Value 5% Increase	Captured Appraised Value	Total City Tax Increment*
2013	\$ 32,606,657	\$ 32,606,657	\$ -	
2014	\$ 32,606,657	\$ 34,236,990	\$ 1,630,333	\$ 10,734
2015	\$ 32,606,657	\$ 35,948,839	\$ 3,342,182	\$ 22,005
2016	\$ 32,606,657	\$ 37,746,281	\$ 5,139,624	\$ 33,839
2017	\$ 32,606,657	\$ 39,633,595	\$ 7,026,938	\$ 46,266
2018	\$ 32,606,657	\$ 41,615,275	\$ 9,008,618	\$ 59,313
2019	\$ 32,606,657	\$ 43,696,039	\$ 11,089,382	\$ 73,013
2020	\$ 32,606,657	\$ 45,880,841	\$ 13,274,184	\$ 87,398
2021	\$ 32,606,657	\$ 48,174,883	\$ 15,568,226	\$ 102,502
2022	\$ 32,606,657	\$ 50,583,627	\$ 17,976,970	\$ 118,361
2023	\$ 32,606,657	\$ 53,112,808	\$ 20,506,151	\$ 135,013
				\$ 688,444

* 2013 Tax Rate 0.658404

ORDINANCE NO. _____

REINVESTMENT ZONE NUMBER FIVE

CITY OF EL PASO, TEXAS

EIGHTH AMENDMENT:

Project Plan and Reinvestment Zone Financing Plan

Addition C Area – South El Paso Street

Submitted by:

City Development Department

(915) 588-4342

Amended:

April 7, 2009 (Ordinance No. 017102)

November 18, 2009 (Ordinance No. 017239)

December 22, 2009 (Ordinance No. 017258)

November 8, 2011 (Ordinance No. 017674)

May 15, 2012 (Ordinance No. 017788)

July 17, 2012 (Ordinance No. 017821)

August 28, 2012 (Ordinance No. 017861)

TABLE OF CONTENTS

I. Overview.....3

- A. First Amendment.....3
- B. Second Amendment.....4
- C. Third Amendment.....4
- D. Fourth Amendment.....4
- E. Fifth Amendment.....5
- F. Sixth Amendment..... 5
- G. Seventh Amendment.....13
- H. Eighth Amendment.....15

II. Addition B- Union Plaza Exhibits

- Exhibit A: Map – Current and Proposed Addition B Area Boundaries8
- Exhibit B: Map – Detail of the Addition B Area.....9
- Exhibit C: Existing Uses in the Addition B Area.....10
- Exhibit D: Development Forecast in the Addition B Area.....11
- Exhibit E: Projected Captured Appraised Value and Tax Increment in the12
Addition B Area.

III. Improving Downtown through Strategic Investment

- Exhibit A: Improving Downtown through Strategic Investment table14

IV. Addition C- South El Paso Street Exhibits

- Exhibit A: Map – Current and Proposed Addition C Area Boundaries17
- Exhibit B: Map – Detail of the Addition C Area.....18
- Exhibit C: Existing Uses in the Addition C Area.....19
- Exhibit D: Projected Captured Appraised Value and Tax Increment in the20
Addition C Area.

This is the Eighth Amendment to the Project and Financing Plan for Reinvestment Zone No. 5 and is supplemental to the existing Project and Financing Plan.

OVERVIEW

This Final Project Plan and Final Reinvestment Zone Financing Plan for TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS (the "Zone") was recommended for adoption by the Board on February 12, 2009 and is based on the Preliminary Project and Financing Plan adopted by City Council when the Zone was created in December 2006 through approval of Ordinance No. 016528. The Zone was expanded with the recommendation of the TIRZ Board by City Council on December 18, 2007 with Ordinance No. 016803 and Ordinance No. 016804.

First Amendment:

Subsequently, by Ordinance No. 017102, dated November 17, 2009, and by TIRZ Board recommendation, the City approved the first Plan amendment, which allocated \$32,000 to the Façade Program. The purpose of the Commercial Façade Improvement Grant Program is to provide grant funding to existing business property owners or lessees to encourage renovation and rehabilitation of the exterior of buildings in the Zone. This program aims to improve the aesthetics within the Zone as attractive building façades positively impact the marketability and perception of the area. The Program consists of a one-dollar to one-dollar match for approved improvements. Reimbursement grants will be awarded for façade improvements that restore, preserve, rehabilitate, enhance or beautify a structure. Eligible improvements 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
- Historical architectural elements

Second Amendment:

The City approved by Ordinance No. 017239, dated November 17, 2009, the allocation of \$28,000 to Project No. 2: First Avenue Lofts (Mixed Use Residential). Located at 300 S. Florence El Paso, Texas, the First Avenue Lofts Project consists of the adaptive reuse of an old warehouse building into a mixed-use development project with retail at the ground floor and eight dwelling units described as upscale lofts in the upper floors. The project developer is The El Paso Project, LLC. The conversion of the warehouse will necessitate public improvements in the sidewalk area; there are currently no sidewalks along one side of the building. The improvements include installation of the sidewalk, street lighting and related amenities in the public right of way. The age and the change of use of the building require retrofitting of the public utility connections.

Public improvement costs that will be eligible for reimbursement through the use of tax increment finance funds of the Zone are: installation, extension and/or renovation of sidewalks and abutting improvements to the adjacent street, and the construction of other public improvements including streetscape improvements and amenities such as street lighting. The additional tax increment finance funds for the project in the amount of \$22,000 are allocated to fund public utility connection costs associated with installation of water, sewer and fire lines to the building.

Third Amendment:

Consequently, by Ordinance No. 017258, dated December 22, 2009, the City approved the amendment of the Commercial Façade Improvement Grant Program by increasing the allocation \$25,000

This Third Amendment, by recommendation of the TIRZ Board and City Council approved, increase the allocation of Project No. 2: First Avenue Lofts (Mixed Use Residential) by \$22,000. The additional tax increment finance funds are allocated to fund public utility costs associated with installation of water, sewer and fire lines to the building.

Fourth Amendment:

The Fourth Amendment, by Ordinance No. 017674, dated November 8, 2011, and by recommendation of the TIRZ Board, City Council approved additional funding in the amount of \$41,000 for additional eligible project costs for Project No. 1: Commercial Façade Improvement Grant Program. In partnership with the Downtown Management District (DMD), the City approved the administration and funding of a joint Downtown Commercial Façade Improvement Grant Program. The DMD will manage the program where TIRZ properties could receive up to \$25,000 per façade, in matching funds.

This Fourth Amendment allocated \$17,780 to Project No. 3: 910 Texas Ave. (Mixed Use Residential). Located at 910 Texas Ave, El Paso, Texas, the project consists of the rehabilitation and construction of a building into a mixed-used development with 1,684

square feet of office space at the ground floor and five dwelling units on the upper floor(s). The project developer is Donald Luciano. The construction of the building will necessitate public improvements in the area. The improvements include installation of street lighting, sewer taps and drain lines.

Public improvements costs that will be eligible for reimbursement through the use of tax increment finance funds of the Zone are: construction and installation of public improvements associated with the public utility connection costs associated with the installation of sewer taps and drain lines amenities such street lighting. The tax increment funds for the project in the amount of \$17,780 are allocated to fund these public improvements.

The City approved, by TIRZ Board recommendation, allocation of \$12,960 for TIRZ administration costs each fiscal year.

Fifth Amendment:

The City Council approved, by Ordinance No. 017788, dated May 15, 2012, additional funding in the amount of \$100,000 for additional eligible project costs for Project No. 1: Commercial Façade Improvement Grant Program.

The Fifth Amendment also approved funding in the amount of \$100,000 for Project No. 4: Civic Space at Cavalryman Pocket Park. Located at Henderson's Triangle (near intersection of Santa Fe and Missouri Streets) El Paso, Texas, the Project consists of open space improvements by adding a solar-powered pavilion, landscaping, and expansion of the pocket park. The public infrastructure improvements include new curb, ADA compliant stamped colored concrete sidewalk, ADA ramps, landscaping, irrigation and lighting. The property is owned by the City of El Paso.

Public improvement costs that will be eligible for reimbursement through the use of tax increment finance funds of the zone are: new curb, ADA compliant stamped colored concrete, ADA ramps, landscaping, irrigation and lighting. The tax increment funds for the project in the amount of \$100,000 are allocated to fund these public improvements, to be allocated by the City Manager or designee to the appropriate city departments or accounts for project implementation.

Sixth Amendment:

This Sixth Amendment, approved by City Council, Ordinance No. 017821, dated July 17th, 2012, provides for the annexation of Addition B in the Union Plaza District, bounded by Paisano Street, Leon Street, Durango Street, San Francisco Street and more particularly shown on Exhibits A & B (Addition B) . Addition B Area has several of the same characteristics as property in the existing TIRZ No. 5 as detailed on pages 1-10 of the original plan. The present and existing uses of Addition B Area are detailed in Exhibit C.

The Addition B in Union Plaza has an estimated total net taxable value of \$12,150,991. The proposed public infrastructure improvements for the addition include the installation, extension and/or renovation of streets, drainage, utilities and sidewalks, and the construction of other public improvements including streetscape improvements and amenities related to developments that include housing, in particular affordable housing as a priority. The City will contribute 100% of its tax increment revenue; no other taxing authorities are participating.

Addition B in Union Plaza has a total of 9.45 acres and falls inside the Historic Incentive District. The new total acreage for the Tax Increment Reinvestment Zone No. 5 is 298 acres. Addition B is composed by office space, entertainment, restaurants and mixed-use housing with some affordable units. A mix of uses is expected anchored by office buildings with a variety of retail uses on the ground floor, enhanced public open spaces, streetscape improvements, and visitor-oriented development. Between 100 and 200 residential units, 40,000 square feet of office space and 20,000 square feet of retail space are anticipated in this district. The catalyst project for this redevelopment is mixed-use development incorporating office & retail space.

Improvements in the district will take into account historic and culturally significant areas and structures and sensitive sites will be preserved. Redevelopment in this district is designated to both complement and stimulate improvements in the other five districts as described in the Downtown 2015 Plan.

Financial Plan / Economic Feasibility Study:

A conservative estimate of the value over the next five to ten years is placed at \$17,500,000. Refer to Exhibit D for more detailed information. The projected tax increment generated on this conservative estimate of value in the Addition B Area is sufficient to support other projects inside the zone.

Other Project Plan Provisions:

Reinvestment Zone Duration: When initially created by the City in December 2006, the term of the TIRZ No. 5 was established at 30 years. No change is proposed to the existing zone duration.

City Participation in the Addition B Area: The City will participate with 100% of its ad valorem tax increment revenue for the full life of the annexation and none of its sales tax revenue. No other taxing jurisdiction is anticipated to participate. Project costs will be paid from tax increment revenue as available or by the issuance of bonds, if the City so elects and amends this amendment.

Estimated Bond Indebtedness: The City reserves the right from time to time during the duration of the Zone to issue tax-exempt bonds ("Bonds") payable from tax increment revenue. The future issuance of Bonds is at the City's sole and absolute discretion and would be preceded by an amendment and approved by City Council.

Relocating Persons: No displacement or relocation of residents is anticipated based on the implementation of this Sixth Amendment.

Municipal Ordinances: No changes to City codes or ordinances are proposed in this Sixth Amendment to the Plan.

Sources of Revenue / Taxing Jurisdiction Participation: No changes to the sources of revenue or taxing jurisdiction participation described in the Plan are made by this Sixth Amendment.

Timing of Project Costs and Monetary Obligations: The City and Addition B Area will incur monetary obligations as the stream of tax revenue allow. Developers will be reimbursed only after completion, inspection and acceptance by the City of eligible public improvements or as detailed in agreements between the City and Developer(s). Administrative costs and costs related to the creation and organization of the Zone may be paid from tax increment revenue or bond proceeds, if issued. Administrative costs advanced by a developer are eligible for reimbursement from tax increment proceeds or bond proceeds.

Methods of Financing: No changes to the methods of financing described in the Plan are made by this Sixth Amendment.

Current Total Appraised Value: The base year value for the Addition B Area is the certified appraised value as of January 1, 2012. A current estimate of the base year value is shown on the chart in Exhibit E.

Estimated Captured Appraised Value: An estimate of the captured appraised value of the Addition B Area during each year of the TIRZ No. 5 existence is shown on the chart in Exhibit E.

Exhibit A Current TIRZ No. 5 Boundaries

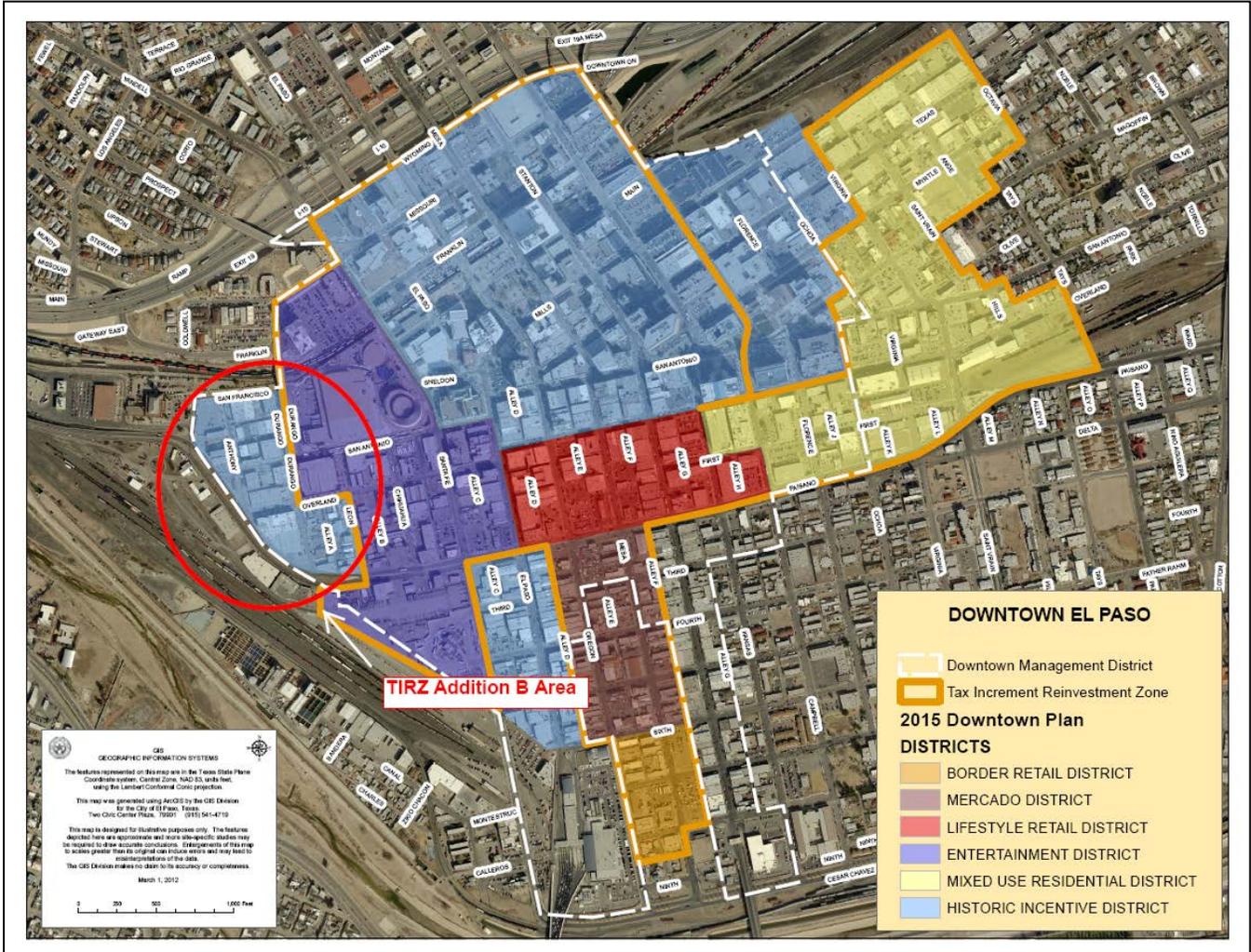
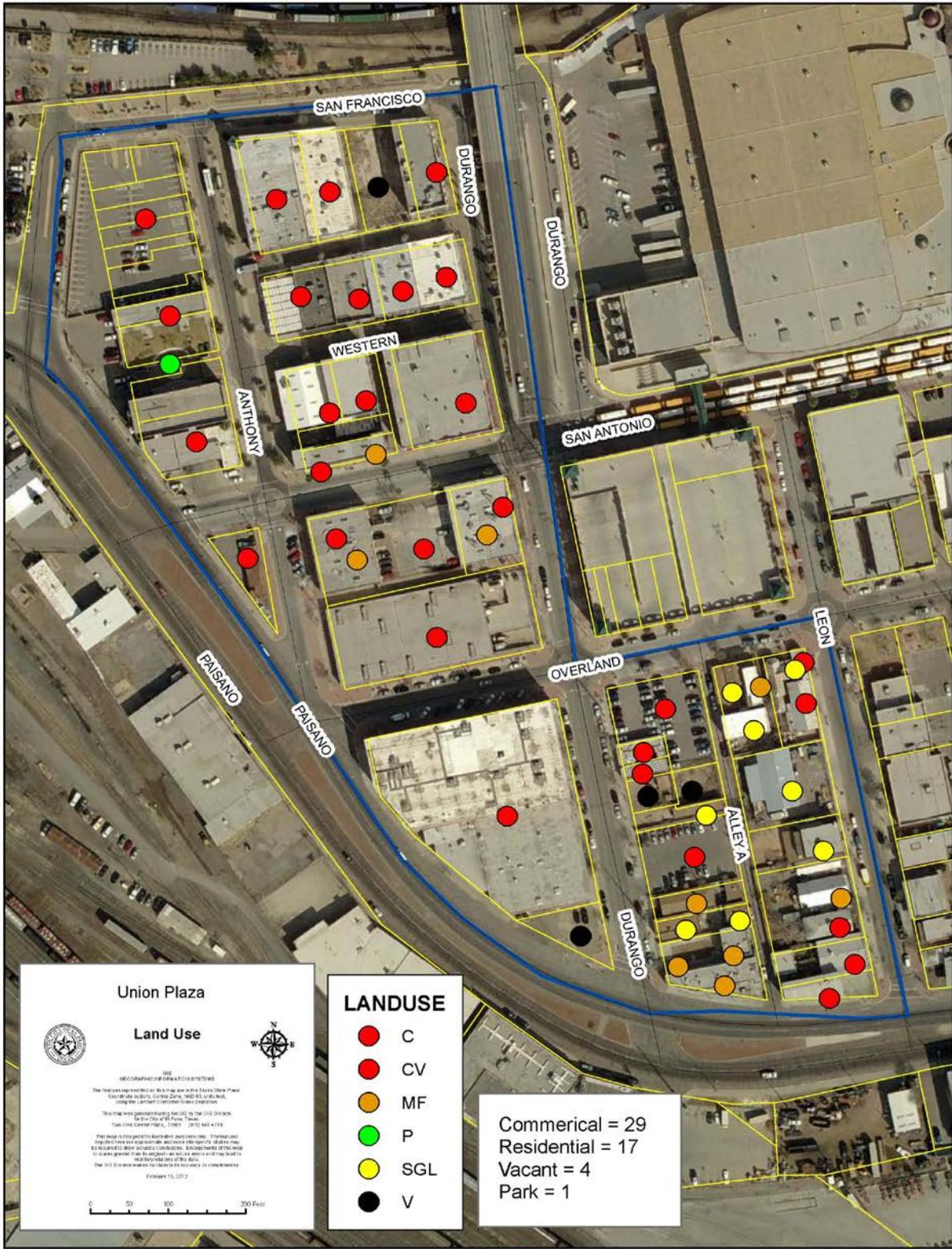


Exhibit B
Detailed Addition B Area – Union Plaza



Exhibit C Current Uses of Addition B Area – Union Plaza



Union Plaza

Land Use

061
RECORDING OF REGULATORY INSTRUMENTS

The Notices represented on this map are in Full Force and Effect. Calculate Address, Corner Data, and all other data using the current Control Point Elevation.

This map was prepared using AutoCAD by the GIS Division for the City of El Paso, Texas. File Date: 08/15/2012. (P) 561 4111.

This map is designed to be used in conjunction with the City of El Paso's GIS Division. The map is not intended to be used as a substitute for a professional survey. The map is not intended to be used as a substitute for a professional survey. The map is not intended to be used as a substitute for a professional survey. The map is not intended to be used as a substitute for a professional survey.

ESTIMATED 11, 2012

0 50 100 200 300 Feet

LANDUSE

● C
● CV
● MF
● P
● SGL
● V

Commerical = 29
Residential = 17
Vacant = 4
Park = 1

Exhibit D

Over the next ten years, developers have indicated that they intend to make significant investment in the Addition B Area.

The table below describes a conservative development forecast based upon a portion of their development programs. The total market value is \$15,667,218.

Development	Description	Estimated Value	Estimated Opening Date
<i>Developer A</i>			
Project 1	4,740 sf office, 2 floors	\$1,700,000	December 2012
Project 2	14 residential units, 1,000 sf retail space, 3 floors	\$1,700,000	March 2013
Project 3	3,600 sf office & 3,600 apartments, 2 floors	\$2,100,000	January 2014
<i>Developer B</i>			
Project 4	70,000 sf office, 3 floors	\$2,000,000	November 2014
Project 5	50 residential units, 10 floors	\$10,000,000	March 2015

Exhibit E
Projected Captured Appraised Value and Tax Increment
In the Addition B Area

Year	Base Year Value	Current Year Appraised Value	Captured Appraised Value	Total City Tax Increment*
2012	\$ 12,150,991	\$ 12,150,991	\$ -	\$ -
2013	\$ 12,150,991	\$ 13,123,070	\$ 972,079	\$ 6,400
2014	\$ 12,150,991	\$ 14,172,916	\$ 2,021,925	\$ 13,312
2015	\$ 12,150,991	\$ 15,306,749	\$ 3,155,758	\$ 20,778
2016	\$ 12,150,991	\$ 15,765,952	\$ 3,614,961	\$ 23,801
2017	\$ 12,150,991	\$ 17,027,228	\$ 4,876,237	\$ 32,105
2018	\$ 12,150,991	\$ 18,389,406	\$ 6,238,415	\$ 41,074
2019	\$ 12,150,991	\$ 19,860,558	\$ 7,709,567	\$ 50,760
2020	\$ 12,150,991	\$ 21,449,403	\$ 9,298,412	\$ 61,221
2021	\$ 12,150,991	\$ 23,165,355	\$ 11,014,364	\$ 72,519

*2012 Tax Rate 0.658404

Seventh Amendment:

This Seventh Amendment, approved by City Council, Ordinance No. 017861, dated August 28, 2012, amends the Project Plan and Reinvestment Zone Financing Plan by adding Project No. 5: Improving Downtown through Strategic Investment (2012-2022) in the maximum amount of \$5,000,000.

TIRZ No. 5 funds will be allocated to initiate and to reimburse the City's general revenue fund for the identified strategic investment public infrastructure projects in the Exhibit A below ("strategic investment projects") in accordance with the following terms, conditions, and restrictions:

1. An initial expenditure of \$1,000,000 will be allocated from the TIRZ No. 5 fund in Fiscal Year 2012 to initiate the strategic investment projects, in a manner determined by the City Manager or designee to the appropriate city departments or accounts for project implementation.
2. Subsequent to the initial expenditure and continuing on an annual basis for ten (10) consecutive years, TIRZ No. 5 funds in an amount not to exceed \$400,000 per fiscal year will be transferred to the City general revenue fund as reimbursement for actual project costs incurred in constructing the strategic investment projects; provided, however in no event the aggregate of reimbursement payments exceed seventy percent (70%) of the TIRZ No. 5 balance on hand, in which case the outstanding reimbursement obligation will carry over to the next fiscal year. Reimbursement for strategic investment projects will take priority over any other subsequent fund allocation.
3. The maximum allocation for each strategic investment project is indicated in Table 1; however, the City staff will make a concerted effort to generate per project cost savings, with such funds to be retained in the TIRZ No. 5 fund balance for future TIRZ projects.
4. City staff will submit semi-annual strategic project progress reports to the TIRZ Board for informational purposes.

Exhibit A
Improving Downtown through Strategic Investments

	Project	Description	Maximum Allocation	Cost Savings (if any)	Balance on Hand after Investment*
1	Antique Lighting	Upgrade will consist of removal & replacement of existing metal halide street fixtures from arm assembly & replace with energy efficient LED fixtures.	\$1,500,000		
2	Tree String Lights	Low voltage LED lights and the required electrical infrastructure to trees in the shopping district corridor.	\$500,000		
3	Wayfinidng	Pedestrian wayfinidng elements including kiosks, lighting, signage and bollards throughout the downtown plan area. The allocation will cover Phase 1 - San Antonio from El Paso to Florence.	\$1,000,000		
4	Streetscape/ Tree Canopy	Addition of trees in the Central Business area at 30 foot spacing or as field conditions allow.	\$1,000,000		
5	San Jacinto Redesign	This redesign effort will examine a more robust change that looks at the plaza in its new context as well as the inherent need for more vibrant programming and identity. The redesign must include elements such as seating, accommodation for small scale events, water features, shade trees, lighting, planting, and shade canopies. Existing elements that shall remain are the "star-shaped" paving, alligator sculpture (to be restored), and existing Christmas tree. In addition, the design shall also consider activities such as hosting a farmers market and shall be children friendly. The project must be Smart Code compliant.	\$1,000,000		
TOTAL			\$5,000,000		

*Should not exceed 70 percent of the total TIRZ income

Eighth Amendment:

The City Council approved, by Ordinance No. XXXXXX, dated XXXX, 2013, additional funding in the amount of \$100,000 for additional eligible project costs for Project No. 1: Commercial Façade Improvement Grant Program. Subsequently, City Council approved allocation of \$2,160 for FY 2013, and \$12,960 for FY 2014 towards TIRZ No. 5 administrative costs for the TIRZ use of City personnel services.

This Eighth Amendment, approved by City Council, Ordinance No. XXXXXX, dated XXXX, 2013, provides for the annexation of Addition C South El Paso Street, bounded by Paisano Street, Santa Fe Street, "Alley D" Sixth Street, and more particularly shown on Exhibits A & B (Addition C). Addition C Area has several of the same characteristics of properties in the existing TIRZ No. 5 as detailed on pages 1-10 of the original plan. The present and existing uses of Addition C Area are detailed in Exhibit C.

Addition C, South El Paso Street has an estimated total net taxable value of \$32,606,657. The proposed public infrastructure improvements for the addition include the installation, extension and/or renovation of streets, drainage, utilities and sidewalks, and the construction of other public improvements including streetscape improvements and amenities related to the existing developments. The City will contribute 100% of its tax increment revenue; no other taxing authorities are participating.

Addition C, South El Paso Street is a total of 8.4 acres and falls inside the Historic Incentive District. The new total acreage for the Tax Increment Reinvestment Zone No. 5 is 306.4 acres. Addition C is composed of mostly retail commercial properties. A mix of uses is expected with a variety of retail uses on the ground floor, enhanced public open spaces, streetscape improvements, and visitor-oriented development.

Improvements in the district will take into account historic and culturally significant areas and structures and sensitive sites will be preserved. Redevelopment in this district is designated to both complement and stimulate improvements in the other five districts as described in the Downtown 2015 Plan.

Financial Plan / Economic Feasibility Study:

A 3% and 5% increase projection is used for a 10 year period to estimate the projected City tax increment generated in the Addition C area. A conservative estimate of the total City tax increment is estimated to be between \$388,000- \$688,000 over the next ten years. Refer to Exhibit D for more detailed information.

Reinvestment Zone Duration: When initially created by the City in December 2006, the term of the TIRZ No. 5 was established at 30 years. No change is proposed to the existing zone duration.

City Participation in the Addition C Area: The City will participate with 100% of its ad valorem tax increment revenue for the full life of the annexation and none of its sales tax revenue. No other taxing jurisdiction is anticipated to participate. Project costs will be

paid from tax increment revenue as available or by the issuance of bonds, if the City so elects and amends this Project and Financing plan

Estimated Bond Indebtedness: The City reserves the right from time to time during the duration of the Zone to issue tax-exempt bonds (“Bonds”) payable from tax increment revenue. The future issuance of Bonds is at the City’s sole and absolute discretion and would be preceded by an amendment and approved by City Council.

Relocating Persons: No displacement or relocation of residents is anticipated based on the implementation of this Eighth Amendment.

Municipal Ordinances: No changes to City codes or ordinances are proposed in this Eighth Amendment to the Plan.

Sources of Revenue / Taxing Jurisdiction Participation: No changes to the sources of revenue or taxing jurisdiction participation described in the Plan are made by this Eighth Amendment.

Timing of Project Costs and Monetary Obligations: The City and Addition C Area will incur monetary obligations as the stream of tax revenue allow. Developers will be reimbursed only after completion, inspection and acceptance by the City of eligible public improvements or as detailed in agreements between the City and Developer(s). Administrative costs and costs related to the creation and organization of the Zone may be paid from tax increment revenue or bond proceeds, if issued. Administrative costs advanced by a developer are eligible for reimbursement from tax increment proceeds or bond proceeds.

Methods of Financing: No changes to the methods of financing described in the Plan are made by this Seventh Amendment.

Current Total Appraised Value: The base year value for the Addition C Area is the certified appraised value as of January 1, 2013. A current estimate of the base year value is shown on the chart in Exhibit D.

Estimated Captured Appraised Value: An estimate of the captured appraised value of the Addition C Area during each year of the TIRZ No. 5 existence is shown on the chart in Exhibit D.

Exhibit A Current TIRZ No. 5 Boundaries

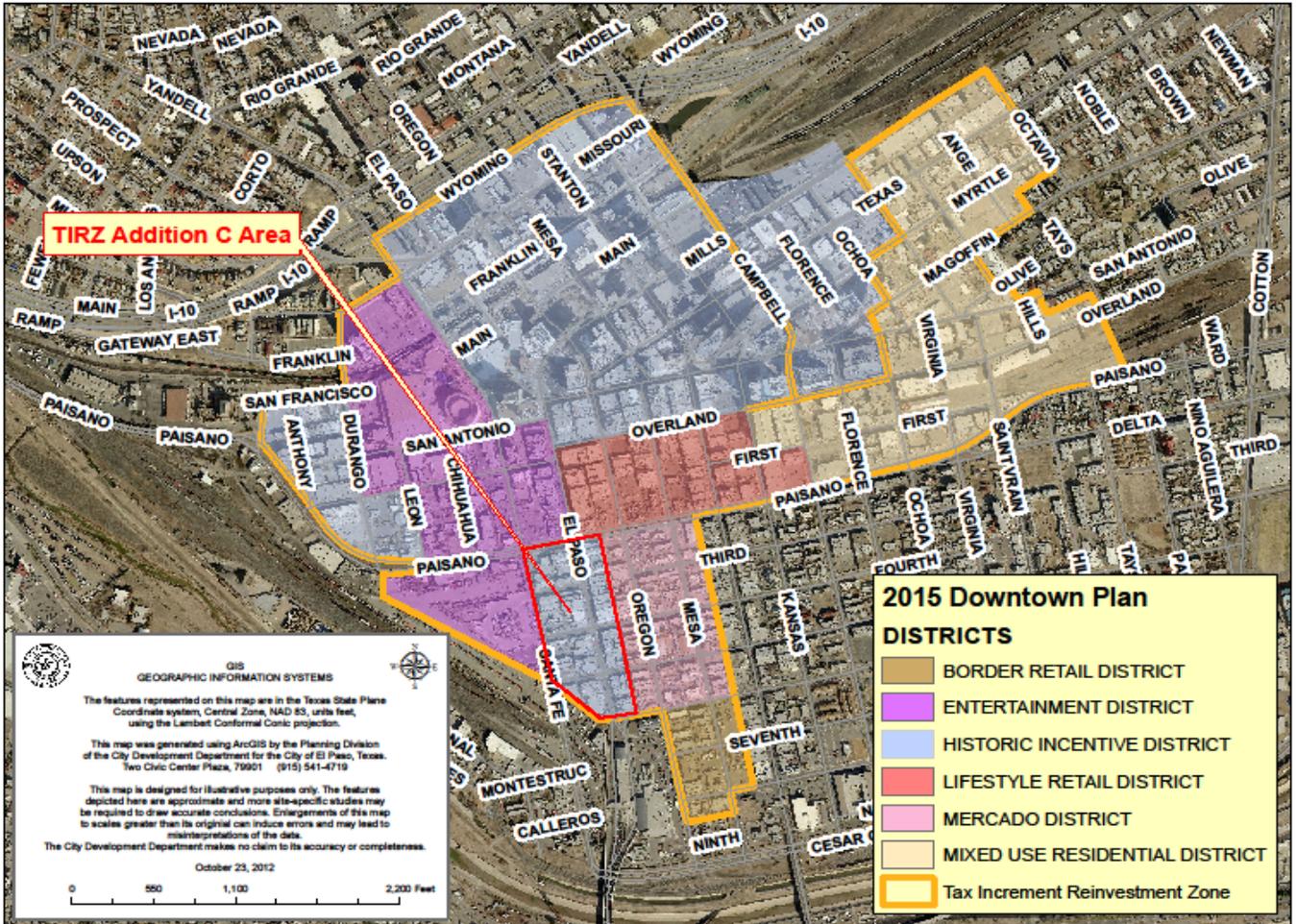


Exhibit C
Current Uses of Addition C Area – South El Paso Street



	<p>The features represented on this map are in the Texas State Plane Coordinate system, Central Zone, NAD 83, units feet, using the Lambert Conformal Conic projection.</p> <p>This map was generated using ArcGIS by the City Development Department - Planning Division for the City of El Paso, Texas. Two Civic Center Plaza, 5th Floor, 79901 (910.541-4024)</p> <p>This map is designed for illustrative purposes only. The features depicted here are approximate and more site-specific studies may be required to draw accurate conclusions. Enlargements of this map to scales greater than its original can induce errors and may lead to misinterpretations of the data. The City Development Department - Planning Division makes no claim to its accuracy or completeness.</p>	<p>LANDUSE</p> <ul style="list-style-type: none"> ● COMMERCIAL = 105 ● MULTI FAMILY RESIDENTIAL = 5 ● SINGLE FAMILY RESIDENTIAL = 1 	
			

Exhibit D
Projected Captured Appraised Value and Tax Increment
In the Addition C Area

Projected Captured Appraised Value based on a 3% inflation rate over 10 years

Year	Base Year Value	Current Appraised Value 3% Increase	Captured Appraised Value	Total City Tax Increment*
2013	\$ 32,606,657	\$ 32,606,657	\$ -	
2014	\$ 32,606,657	\$ 33,584,857	\$ 978,200	\$ 6,441
2015	\$ 32,606,657	\$ 34,592,402	\$ 1,985,745	\$ 13,074
2016	\$ 32,606,657	\$ 35,630,174	\$ 3,023,517	\$ 19,907
2017	\$ 32,606,657	\$ 36,699,080	\$ 4,092,423	\$ 26,945
2018	\$ 32,606,657	\$ 37,800,052	\$ 5,193,395	\$ 34,194
2019	\$ 32,606,657	\$ 38,934,054	\$ 6,327,397	\$ 41,660
2020	\$ 32,606,657	\$ 40,102,075	\$ 7,495,418	\$ 49,350
2021	\$ 32,606,657	\$ 41,305,138	\$ 8,698,481	\$ 57,271
2022	\$ 32,606,657	\$ 42,544,292	\$ 9,937,635	\$ 65,430
2023	\$ 32,606,657	\$ 43,820,620	\$ 11,213,963	\$ 73,833
				\$ 388,104

* 2013 Tax Rate 0.658404

Projected Captured Appraised Value based on a 5% inflation rate over 10 years

Year	Base Year Value	Current Appraised Value 5% Increase	Captured Appraised Value	Total City Tax Increment*
2013	\$ 32,606,657	\$ 32,606,657	\$ -	
2014	\$ 32,606,657	\$ 34,236,990	\$ 1,630,333	\$ 10,734
2015	\$ 32,606,657	\$ 35,948,839	\$ 3,342,182	\$ 22,005
2016	\$ 32,606,657	\$ 37,746,281	\$ 5,139,624	\$ 33,839
2017	\$ 32,606,657	\$ 39,633,595	\$ 7,026,938	\$ 46,266
2018	\$ 32,606,657	\$ 41,615,275	\$ 9,008,618	\$ 59,313
2019	\$ 32,606,657	\$ 43,696,039	\$ 11,089,382	\$ 73,013
2020	\$ 32,606,657	\$ 45,880,841	\$ 13,274,184	\$ 87,398
2021	\$ 32,606,657	\$ 48,174,883	\$ 15,568,226	\$ 102,502
2022	\$ 32,606,657	\$ 50,583,627	\$ 17,976,970	\$ 118,361
2023	\$ 32,606,657	\$ 53,112,808	\$ 20,506,151	\$ 135,013
				\$ 688,444

* 2013 Tax Rate 0.658404