

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

DEPARTMENT: City Development

AGENDA DATE: Intro: August 7, 2012; Public Hearing: August 21, 2012

CONTACT PERSON/PHONE: Mathew McElroy, Director, 541-4193

DISTRICT(S) AFFECTED: 8

SUBJECT:

An ordinance amending the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas; adopting said amendments as required by section 311.011(E) Texas Tax Code; also providing a severability clause.

BACKGROUND/DISCUSSION:

The Tax Increment Reinvestment Zone (TIRZ) No. 5 Board of Directors, at their July 12, 2012 meeting, recommended approval of Project No. 5, Improving Downtown through Strategic Investment (2012-2022). The proposed downtown public improvements include: energy efficient light bulbs, tree string lights, wayfinding, streetscape/tree canopy & San Jacinto Plaza upgrade costs. TIRZ No. 5 will allocate \$5,000,000 to fund these projects. An initial expenditure of \$1,000,000 will be allocated from the TIRZ No. 5 fund in FY12 to initiate the investment projects. Subsequent to the initial investment and continuing on an annual basis for ten (10) 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. The reimbursement payments should not exceed seventy percent (70%) of the TIRZ balance on hand and if costs savings exist, these will be retained in the TIRZ budget for future projects. Staff will submit semi-annual strategic project reports to the TIRZ Board for informational purposes.

PRIOR COUNCIL ACTION:

Yes, City Council adopted Ordinance 017239 on December 18, 2007 & approved Sixth Amendment of the TIRZ No. 5 by Ordinance 017821 on July 17, 2012.

AMOUNT AND SOURCE OF FUNDING:

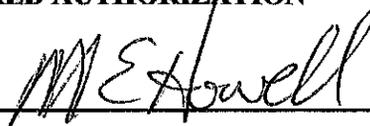
City funds have been budgeted in the Economic Development Department 720150035/15462/PED00002 (TIRZ No. 5 Budget)

BOARD/COMMISSION ACTION:

On July 12, 2012 the TIRZ No. 5 Board of directors recommended approval of Project No. 5, Improving Downtown through Strategic Investment (2012-2022).

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

DEPARTMENT HEAD: _____





MEMORANDUM

DATE: August 07, 2012
TO: The Honorable Mayor and City Council
Joyce A. Wilson, City Manager
FROM: Mathew McElroy, City Development Director
SUBJECT: Seventh Amendment of the TIRZ No. 5 Project Plan and
Reinvestment Zone Financing Plan

On December 17, 2007, El Paso's City Council approved an ordinance establishing the Tax Increment Reinvestment Zone Number 5 to increase private investment and redevelopment in the Downtown Plan area. On July 12, 2012, the TIRZ No. 5 Board of directors, recommended approval of the Seventh Amendment of the Project Plan and Reinvestment Zone Financing Plan by adding Project No. 5 – Improving Downtown through Strategic Investment (2012-2022). The strategic investment allocates \$5,000,000 to fund identified public infrastructure projects with an initial investment of \$1,000,000 and annual reimbursement payments of \$400,000 for 10 years. Public infrastructure projects & maximum allocation for each project consist of the following:

1. Antique Lighting – removal of existing street fixtures and replace with energy efficient LED fixtures. Maximum allocation: \$1,500,000.
2. Tree String Lights – Low voltage LED lights to trees in the shopping district corridors. Maximum allocation: \$500,000.
3. Wayfinding – Pedestrian wayfinding elements including kiosks, lighting, signage and bollards on San Antonio Street from El Paso to Florence. Maximum allocation: \$1,000,000.
4. Streetscape/Tree Canopy – Addition of trees in the Central Business area at 30 foot spacing or as field conditions allow. Maximum allocation: \$1,500,000.
5. San Jacinto Plaza Redesign – Upgrade will include elements such as seating, stage, water features, shade trees, lighting, trees and shade canopies. Maximum allocation: \$1,000,000



Two Civic Center Plaza
El Paso, TX 79901
(915) 541-0000

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susie Byrd

District 3
Emma Acosta

District 4
Carl L. Robinson

District 5
Dr. Michiel R. Noe

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Cortney Carlisle Niland

City Manager
Joyce A. Wilson

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The funds will be transferred to the City general revenue fund as reimbursement for actual project costs incurred in constructing the strategic investment projects. Reimbursement payments should not exceed seventy percent (70%) of the TIRZ total balance on hand and City staff will retain any costs savings in the TIRZ fund for future projects. Staff will submit semi-annual strategic project progress reports to the TIRZ Board for informational purposes.

Staff is recommending approval of the Seventh Amendment of the Project Plan and Reinvestment Zone Financing Plan as the strategic investment is anticipated to increase private investment, attract more residents and tourists and help make downtown a more vibrant place where people can live, work, play and connect.

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ORDINANCE NO. _____

AN ORDINANCE AMENDING THE FINAL PROJECT PLAN AND FINAL REINVESTMENT ZONE FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS; 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, later amended by Ordinances Nos. 016803 and 016804 on December 18, 2007, and by Ordinance No. 017821 on July 17, 2012, the City created Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas (the "Zone") in accordance with the Tax Increment Financing Act (the "Act") for the purposes of development within the Redevelopment Districts in the Downtown 2015 Plan through the use of tax increment financing; and

WHEREAS, on March 10, 2009, by Ordinance No. 017081, pursuant to Section 311.011(d) of the Act, the City 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; and

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

WHEREAS, on July 12, 2012, the Board adopted the following amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan: approval of Project No. 5: Improving Downtown through Strategic Investment (2012-2022) in the maximum amount of \$5,000,000; 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, 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.

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

1. 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. 5: Improving Downtown through Strategic Investment (2012-2022)
Maximum Amount: \$5,000,000.00

Description of the Project:

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 Table 1 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 \$400,000.00 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 shall 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.

TABLE 1:

	Project	Description	Maximum Allocation	Cost Savings (if any)	TIRZ Income 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	Wayfinding	Pedestrian wayfinding 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 Re-design	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 fund income

B. The Final Reinvestment Zone Financing Plan is hereby amended to reflect the funding allocated to the projects identified in Section A.

2. 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.

3. 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.

4. 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, APPROVED AND ADOPTED this ___ day of _____, 2012.

CITY OF EL PASO

John F. Cook
Mayor

[Signatures Continue on Following Page]

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Marie Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Mathew S. McElroy, Director
City Development Department