

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

DEPARTMENT: Department of the City Manager, Development & Infrastructure Services
AGENDA DATE: Introduction 12-05-06; Public Hearing 12-19-06
CONTACT PERSON/PHONE: Patricia D. Adauto, Deputy City Manager, (915) 541-4853
DISTRICT(S) AFFECTED: District 8 / City-wide

SUBJECT:

AN ORDINANCE DESIGNATING THE FIVE AREAS DESCRIBED AS REDEVELOPMENT DISTRICTS IN THE EL PASO DOWNTOWN 2015 PLAN AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND A TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS"; ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

BACKGROUND / DISCUSSION:

On October 31, 2006, the El Paso City Council approved the Downtown 2015 Plan ("Plan") as an addendum to the City's comprehensive plan. To support the recommendations of the Plan, the El Paso City Council adopted a resolution expressing its intent to create a Tax Increment Reinvestment Zone ("Zone") on those portions of the area designated as Redevelopment Districts, and authorized City staff to deliver notice of such intent to the governing bodies of each of the taxing units that levy real property taxes in the proposed Zone. Presentations were made to the County Commissioner's Court, the El Paso Independent School District, and the Thomason Hospital District. In all cases, the sixty day notice was not waived by the entities and each expressed an interest to have a member serve on the Board of Directors for the Zone. For this reason each taxing entity is allowed a representative on the Board of Directors of the Zone per the proposed ordinance, including the Downtown Management District. The City would then appoint eleven members.

The attached ordinance and accompanying exhibits provide the documentation necessary to establish a Zone. Supplemental documentation is also provided that includes: (1) a Preliminary Project Plan & Preliminary Reinvestment Zone Financing Plan; (2) a Blight Analysis Report; and (3) other supporting documentation. These supplemental documents will be provided via hard copy to City Council, and will be placed on the City's web site for public viewing. A full power point presentation will be made at the Council meeting of December 19, 2006 that highlights the incorporated text and substantive findings required.

PRIOR COUNCIL ACTION:

See above.

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

N/A

06 NOV 30 AM 9:03
CITY CLERK DEPT.

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

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

SECTION HEAD:

APPROVED FOR AGENDA:

CITY MANAGER: Patricia D. Aauto, Deputy City Manager **DATE:** November 29, 2006

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING THE FIVE AREAS DESCRIBED AS REDEVELOPMENT DISTRICTS IN THE EL PASO DOWNTOWN 2015 PLAN AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND A TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS"; ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, on October 31, 2006, the City Council (the "Council") of the City of El Paso, Texas (the "City") passed and approved Ordinance No. 016487, incorporating the Downtown 2015 Plan prepared by SMWM into the City's comprehensive plan entitled *The Plan for El Paso*; and

WHEREAS, the City desires to support revitalization activities for the Redevelopment Districts in the Downtown 2015 Plan ("Redevelopment Districts"), to be funded in whole or in part through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named, and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (as amended, the "Act"); and

WHEREAS, the City desires to encourage community revitalization and infrastructure improvements within the Redevelopment Districts; and

WHEREAS, the proposed public improvements for the area may include construction of streets, sidewalks, drainage, sewer and water utilities, street lights, park development, and other public improvements which may be provided for in one or more development agreements to be considered by the Council at a later date; and

WHEREAS, pursuant to the Act, the City may designate a contiguous geographical area within the City as a Zone if the area satisfies the requirements of certain sections of the Act; and

WHEREAS, on October 17, 2006, the Council adopted a resolution expressing its intent to create the Zone and authorizing the City to (i) deliver notice of said intention to the governing bodies of each taxing unit that levies real property taxes in the Zone (the "Taxing Units"), including in the notice a description of the Zone, the tentative plans for development of the Zone, and the estimated impact of the Zone on property values and tax revenues; (ii) set a date for a public hearing and publish notice thereof; (iii) make presentations to two of the Taxing Units; and (iv) request each of the Taxing Units to appoint a representative to meet with City officials, and to call meetings regarding the Zone; and

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WHEREAS, pursuant to Section 311.003(e) of the Act and the direction of the Council, on October 20, 2006, the City sent said written notice to the governing body of each Taxing Unit of the City's intent to consider establishing a Tax Increment Reinvestment Zone, providing sixty (60) days notice prior to a public hearing, as required by the Act; and

WHEREAS, pursuant to Section 311.003(b) of the Act, the City staff has (i) prepared a Preliminary Reinvestment Zone Financing Plan (the "Preliminary Plan") for the Zone and (ii) distributed a copy of the Preliminary Plan to the governing body of each Taxing Unit; and

WHEREAS, pursuant to Section 311.003(f) of the Act, the City made a formal presentation to the governing body of El Paso County on November 13, 2006 and the governing body of the El Paso Independent School District on November 14, 2006; and

WHEREAS, notice of the public hearing to be held on December 19, 2006, was duly published in *El Paso Times* in its issue dated December 12, 2006, in compliance with Section 311.003(c) of the Act; and

WHEREAS, a public hearing was held on December 19, 2006 in the City Council Chambers, El Paso City Hall to consider the creation of a Zone for the Redevelopment Districts and the respective benefits of the Zone to the City and to property in the Zone; and

WHEREAS, the Council hereby recognizes that there is no guarantee that the value of property in the Zone will increase, that any increases in value are dependent upon many factors which are not within the City's control, and that there is no guarantee of any tax increment, as that term is defined in the Act; and

WHEREAS, it is hereby 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 purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

Section 1. Short Title.

This Chapter may be known and cited as the Tax Increment Reinvestment Zone No. 5 Ordinance.

Section 2. Designating the Area as a Reinvestment Zone.

The five areas located in downtown El Paso and described as Redevelopment Districts in the Downtown 2015 Plan portion of *The Plan for El Paso*, with the boundaries as more specifically described in Section 3 below, and officially assigned the name as designated in Section 6 below (which reinvestment zone so described, named and designated is herein referred to as the "Zone"), is hereby designated as a Tax Increment Reinvestment Zone under the Act.

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Section 3. Description of the Boundaries of the Reinvestment Zone.

Attached hereto as Exhibit A, which is incorporated herein by reference for all purposes as if copied herein verbatim, is a narrative description of the boundaries of the Zone created hereby, which consists of approximately 188.42 acres of real property. The five contiguous Redevelopment Districts are depicted at Exhibit B. Each Redevelopment District is depicted separately in Exhibits B-1 through B-5.

Section 4. Creation and Composition of a Board of Directors for the Zone.

There is hereby created a Board of Directors for the Zone (the “Board”), with all the rights, powers and duties as provided by the Act to such Boards or by action of the Council. Pursuant to Section 311.009(a) of the Act, the City declares that the Board shall consist of fifteen (15) members.

Each Taxing Unit shall appoint one (1) member to the Board. The City shall appoint eleven (11) members to the Board. All persons appointed must meet the eligibility requirements of Section 311.009(e)(1) of the Act to serve as members of the Board. Board members representing the City shall be appointed by the Mayor with the approval of Council; preference for City appointees shall be given to individuals who possess some or all of the following characteristics:

- (a) Experience in at least one of the following areas: arts, real estate, retail, housing, finance, historic preservation, construction, development, or El Paso history
- (b) Knowledge of downtown El Paso;
- (c) Geographic diversity (through the City of El Paso);
- (d) Cultural diversity
- (e) Moral and ethical character;
- (f) Integrity;
- (g) High performance standards;
- (h) Availability; and
- (i) Strong desire for public service, but not an elected official.

Members of the Board are appointed for terms of two years. Upon expiration of their respective terms of office, replacements to the Board shall be appointed for a two year term, in the same manner as originally appointed.

Section 5. Effective Date and Termination Date of the Zone.

The Zone shall take effect immediately upon the passage of this ordinance, pursuant to Section 311.004(a)(3) of the Act, and continue until its termination date of December 31, 2036 (the “Termination Date”), unless otherwise terminated earlier as a result of payment in full of all project costs, and the interest accrued on those costs, or as authorized or permitted by law.

Section 6. Assigning a Name to the Zone.

The Zone created hereby is assigned the name of "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS."

Section 7. Tax Increment Base.

The tax increment base for the Zone is the total appraised value of all real property taxable by the City and located in the Zone, determined as of January 1, 2006, the year in which the Zone was designated as a Tax Increment Reinvestment Zone (the "Tax Increment Base").

Section 8. Establishment of a Tax Increment Fund.

There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS TAX INCREMENT FUND" (the "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

Section 9. Findings.

The City hereby finds and declares that:

- (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the municipality;
- (b) the area within the Zone meets the requirements of Section 311.003(a) of the Act, being that:
 - (1) the Zone is a contiguous geographical area located wholly within the corporate limits of the City;
 - (2) redevelopment within the Zone would not occur solely through private investment in the reasonably foreseeable future; and
- (c) the area within the Zone meets the requirements of Section 311.005 of the Act, being that the Zone area:
 - (1) substantially arrests or impairs the sound growth of the City, retards the provision of housing accommodations, constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 - (A) a substantial number of substandard, deteriorated or deteriorating structures;

- (B) faulty lot layout in relation to size, adequacy, accessibility or usefulness;
 - (C) unsanitary or unsafe conditions;
 - (D) the deterioration of site or other improvements; and
 - (E) defective or unusual conditions of title;
- (2) is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and
- (d) the area within the Zone meets the requirements of Section 311.006 of the Act, being that:
- (1) no more than ten percent (10%) of the real property in the Zone, excluding publicly owned property, is used for residential purposes;
 - (2) the total appraised value of the taxable real property in the Zone and in existing reinvestment zones does not exceed fifteen percent (15%) of the total appraised value of taxable real property in the City; and
 - (3) the Zone does not contain more than fifteen percent (15%) of the total appraised value of real property taxable by El Paso County or by the El Paso Independent School District.
- (e) the area within the Zone is “unproductive, underdeveloped, or blighted” within the meaning of article VIII, section 1-g(b) of the Texas Constitution. In making this finding, the Council considered:
- (1) the criteria contained in the Act, especially in Sections 311.005(a)(1) and 311.005(a)(2) of the Act; and
 - (2) that all of the area within the Zone is also within the area previously determined to be eligible to receive Community Development Block Grant (“CDBG”) funding as shown on Exhibit C, and taking into account the methodology for determining slums and blight for CDBG funding as adopted by resolution of the City on October 17, 1989; and
 - (3) the amount of substandard structures in the area within the Zone as determined by the Physical Condition Factor (“PCF”) given by the El Paso Central Appraisal District, with seventy-three percent (73%) of all structures within the Zone rated as substandard (below PCF of 0.65), as shown on Exhibits D1 through D5; and
 - (4) that 97.5% of the area within the Zone is also within the area previously determined to comprise an Empowerment Zone as shown on Exhibit E (the

exception being 4.63 acres in the Exhibition/Convention/Arena District which is government-owned); and

- (5) the amount of underutilized structures (50% of the total number of structures) and surface parking lots/vacant sites within the Zone as shown on Exhibit F.

Section 10. Incorporation of Recitals.

The Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Council hereby incorporates such recitals as a part of this Ordinance.

Section 11. Severability.

If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 12. Effective Date.

This Ordinance shall be in full force and effect upon the date of its passage.

READ, ADOPTED AND APPROVED this 19th day of December 2006.

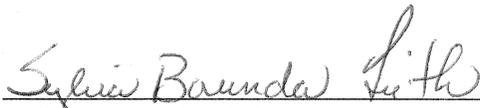
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Sylvia Borunda Firth
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Patricia D. Adauto
Deputy City Manager
Development and Infrastructure Services

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Doc. Name: ORD-06-TIRZ #5-Downtown Plan
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ORDINANCE NO. _____

EXHIBITS

- A. Zone Boundary Narrative Description
- B. Downtown Redevelopment Districts
 - B-1 Lifestyle Retail District
 - B-2 Exhibition/Convention/Arena District
 - B-3 Mercado/Residential District
 - B-4 Border Retail District
 - B-5 Residential/Mixed Use District
- C. Community Development Block Grant Depiction
- D-1 PCF for Lifestyle Retail District
- D-2 PCF for Exhibition/Convention/Arena District
- D-3 PCF for Mercado/Residential District
- D-4 PCF for Border Retail District
- D-5 PCF for Residential/Mixed Use District
- E. Empowerment Zone Depiction
- F. Underutilized and Surface Parking/Vacant Sites

EXHIBIT A

Zone Boundary Narrative Description

Beginning at the northernmost portion of the Downtown El Paso Redevelopment Plan TIRZ which is the northeast corner of the proposed eastern extension of E. Mills Avenue and Octavia Street following the east edge of Octavia Street south to northwest corner of the alley between Myrtle Avenue and Magoffin Avenue; then west following the south edge of the alley to N. Ange Street; then south following the east edge of Ange Street to the southern edge of Magoffin Avenue; then west following the southern edge of Magoffin Avenue to the southeast corner of Magoffin Avenue and Saint Vrain Street then south following the eastern edge of Saint Vrain Street; to the northeast corner of Saint Vrain Street and Olive Avenue; then south crossing Olive Avenue to the northeast corner of Parcel 128; then east following the northern edge of E. San Antonio Avenue to the eastern extension S. Hills Street; then south following the eastern edge of S. Hills Street to the northeast corner of the alley between E. San Antonio Avenue and E. Overland Avenue; then east following the north edge of the alley and crossing N. Tays Street to the northeast corner of the alley between E. San Antonio Avenue and E. Overland Avenue; then south across E. Overland Avenue and following the eastern boundary of Parcel 477 (identified as railroad property) continuing south to the southern edge of E. Paisano Drive; then west following the southern edge of E. Paisano Drive to the southeast corner of the alley between S. Mesa Street and S. Stanton Street; then south following the eastern edge of the alley south to the southern edge of E. Eighth Avenue; then west to the southeast corner of E. Eighth Avenue and S. Mesa Street; then south to an extension of the south boundary of Parcel 419, (El Paso CAD # C05099904601900); then west following the southern boundary of Parcel 419, crossing the alley between S. Mesa Street and S. Oregon Street and continuing west on the southern edge of Parcel 416 (El Paso CAD # C05099904603700), Parcel 417 (El Paso CAD # C05099904604300) and Parcel 418 (El Paso CAD # C05099904605000); then continuing west to the western edge of S. Oregon Street; then following the western edge of S. Oregon Street north to the southwest corner of S. Oregon Street and E. Sixth Avenue; then west following the southern edge of E Sixth Avenue to the intersection of a line extending the western edge of the alley between S. Oregon Street and S. El Paso Street; then north on the western edge of the alley between S. Oregon Street and S. El Paso Street to the southern edge of E. Paisano Drive; then following the southern edge of E. Paisano Drive west to the southeast corner of E. Paisano Drive and S Santa Fe Street; then south on the eastern edge of S. Santa Fe Street to the northeast corner of S. Santa Fe Street and E. Father Rahm Avenue; then crossing S. Santa Fe Street to the south corner of Parcel 455 (El Paso CAD # C05099912000100); then following the western boundaries of parcel 455, Parcel 458 (El Paso CAD # C05099913109000), Parcel 457 (El Paso CAD # X47099900002500), Parcel 464 (El Paso CAD # C05099913000100) and Parcel 463 (El Paso CAD # X45099900005101) northwest to the southern edge of W. Paisano Drive; then north crossing to the northern edge of W. Paisano Drive then east following the northern edge of W Paisano Drive to the northwest corner of W. Paisano Drive and S. Leon Street; then north following the western edge of S. Leon Street to the southwest corner of S. Leon Street and W. San Antonio Avenue; then west following the south edge of W. San Antonio Avenue to the southwest corner of W. San Antonio Avenue and S. Durango Street; then north following the west edge of S. Durango Street north and northeast to an intersection of the northernmost corner of Parcel 468 (El Paso CAD # S636999000B2000 the City Civic Center);

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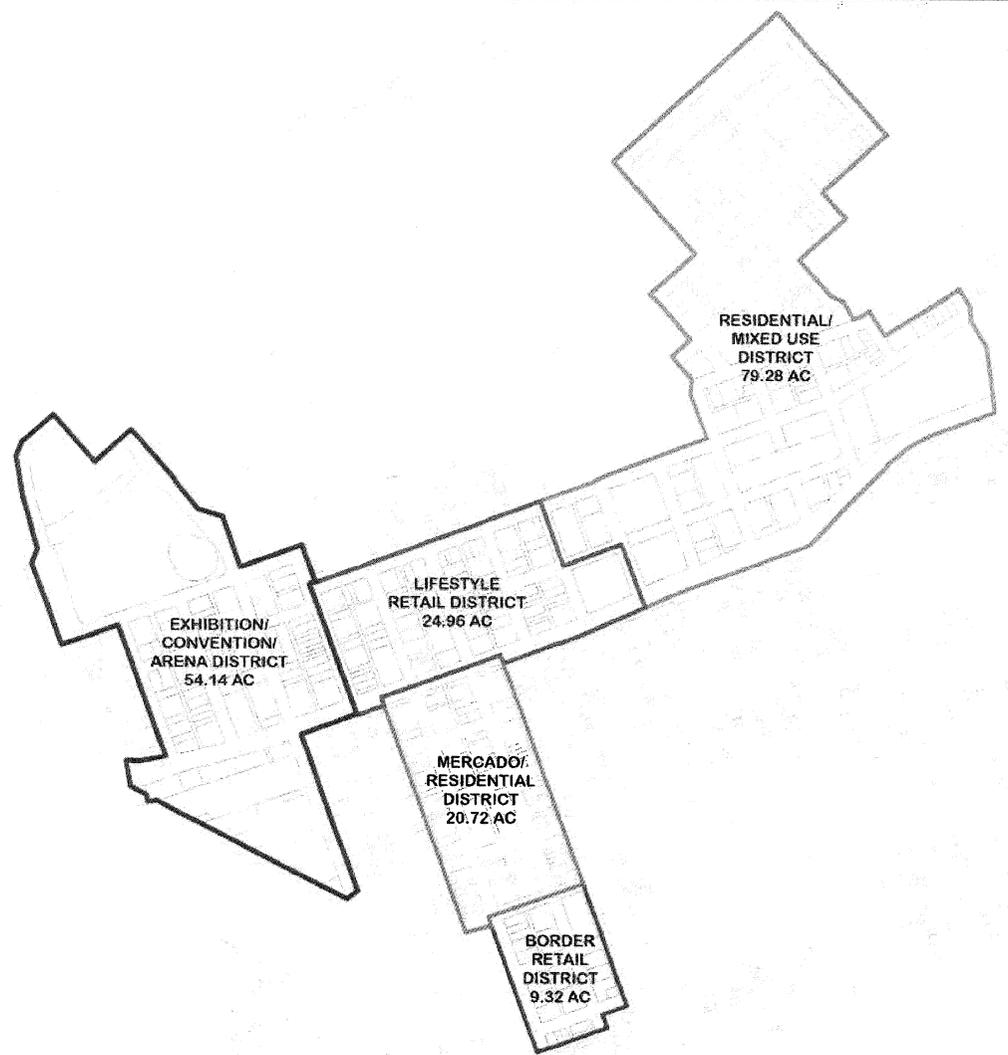
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then following the northeastern boundary of Parcel 468 south and east to N. Santa Fe Street then crossing N. Santa Fe Street to the east edge of N. Santa Fe Street; then following the east edge of N. Santa Fe Street south to the northeast corner of N. Santa Fe Street and W. San Antonio Avenue; then east to the western edge of S. El Paso Street; then south following the east edge of S. El Paso Street to the northeast corner of S. El Paso Street and E. Overland Avenue; then east following the northern edge of E. Overland Avenue to the northwest corner of E. Overland Avenue and S. Ochoa Street; then north following the west edge of N. Ochoa Street to southwest corner of S. Ochoa Street and E. San Antonio Avenue; then crossing E. San Antonio Avenue to the western edge of the alley between N. Ochoa Street and N. Florence Street; then north following the western edge of the alley and crossing Magoffin Avenue to the south edge of Magoffin Avenue; then east to the northwest corner of Magoffin Avenue and N. Ochoa Street; then north following the western edge of N. Ochoa Street to the northwest corner of N. Ochoa Street and Myrtle Avenue; then east following the northern edge of Myrtle Avenue to the northeast corner of N. Virginia Street and Myrtle Avenue; then north following the west edge of N. Virginia Street to the northwest corner of N. Virginia Street and E. Mills Avenue; then east following the northern edge of the proposed E Mills Avenue extension to the point of beginning, containing approximately 188.42 acres.

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Total Parcels - 418
Percent Good .65 or Less - 307
TIRZ Total Acreage - 188.42 AC



DOWNTOWN EL PASO REDEVELOPMENT PLAN

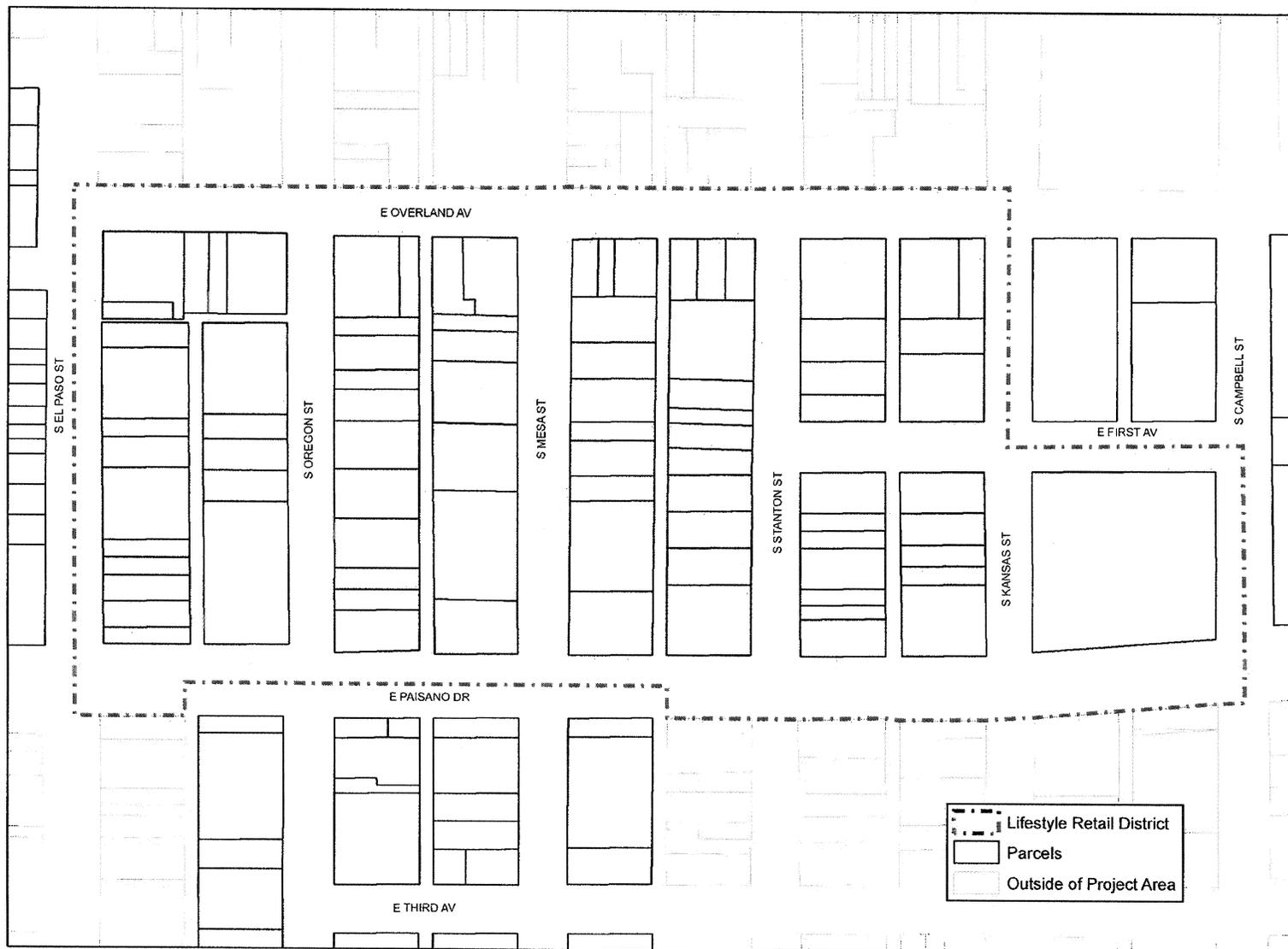
Prepared November 22, 2006
Data as of August, 2006

Exhibit B

**LIFESTYLE
RETAIL
DISTRICT**

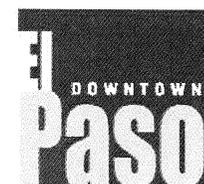
24.96 AC

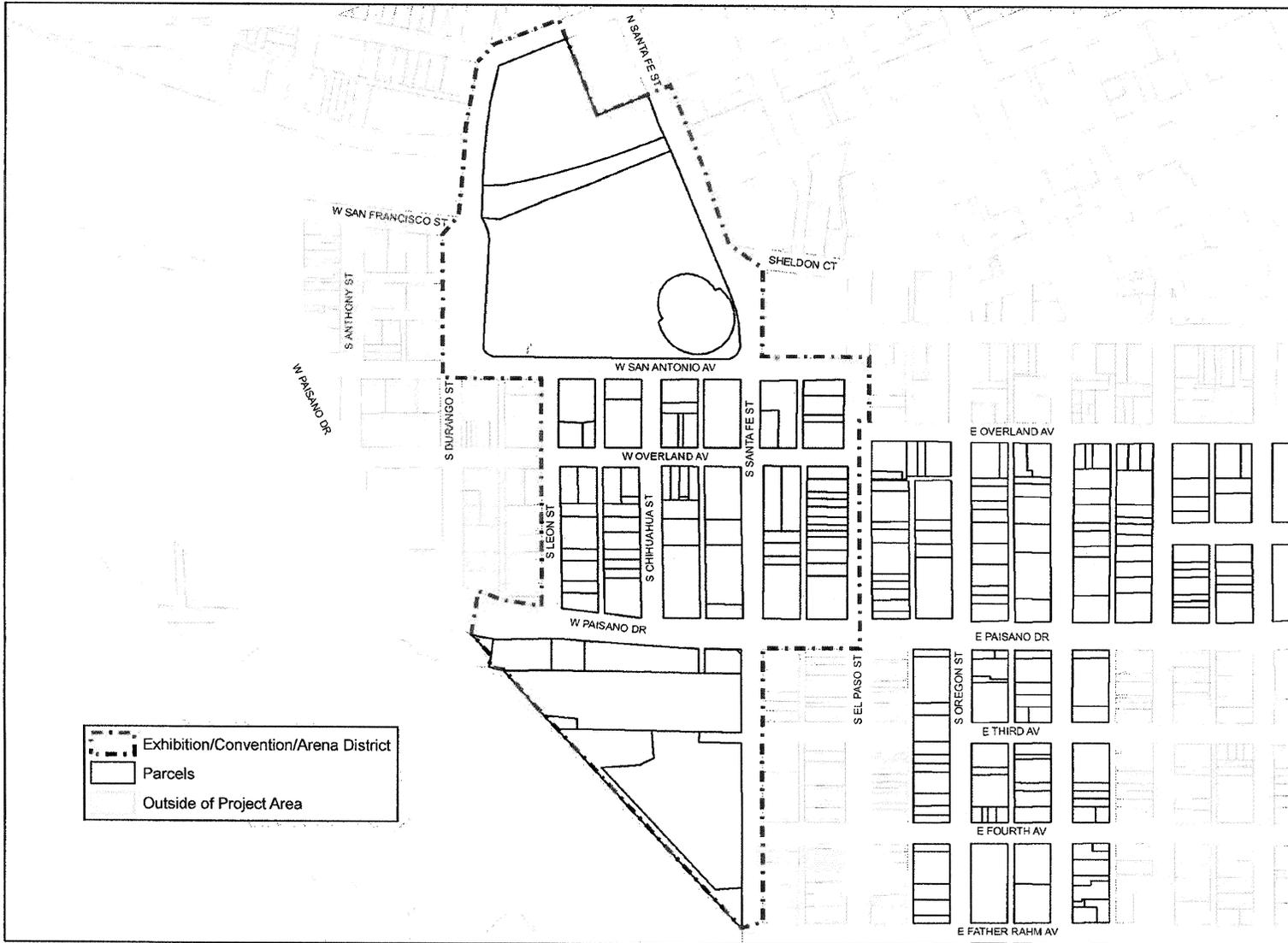
Total Parcels - 84



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-1

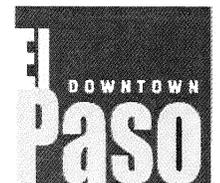




**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

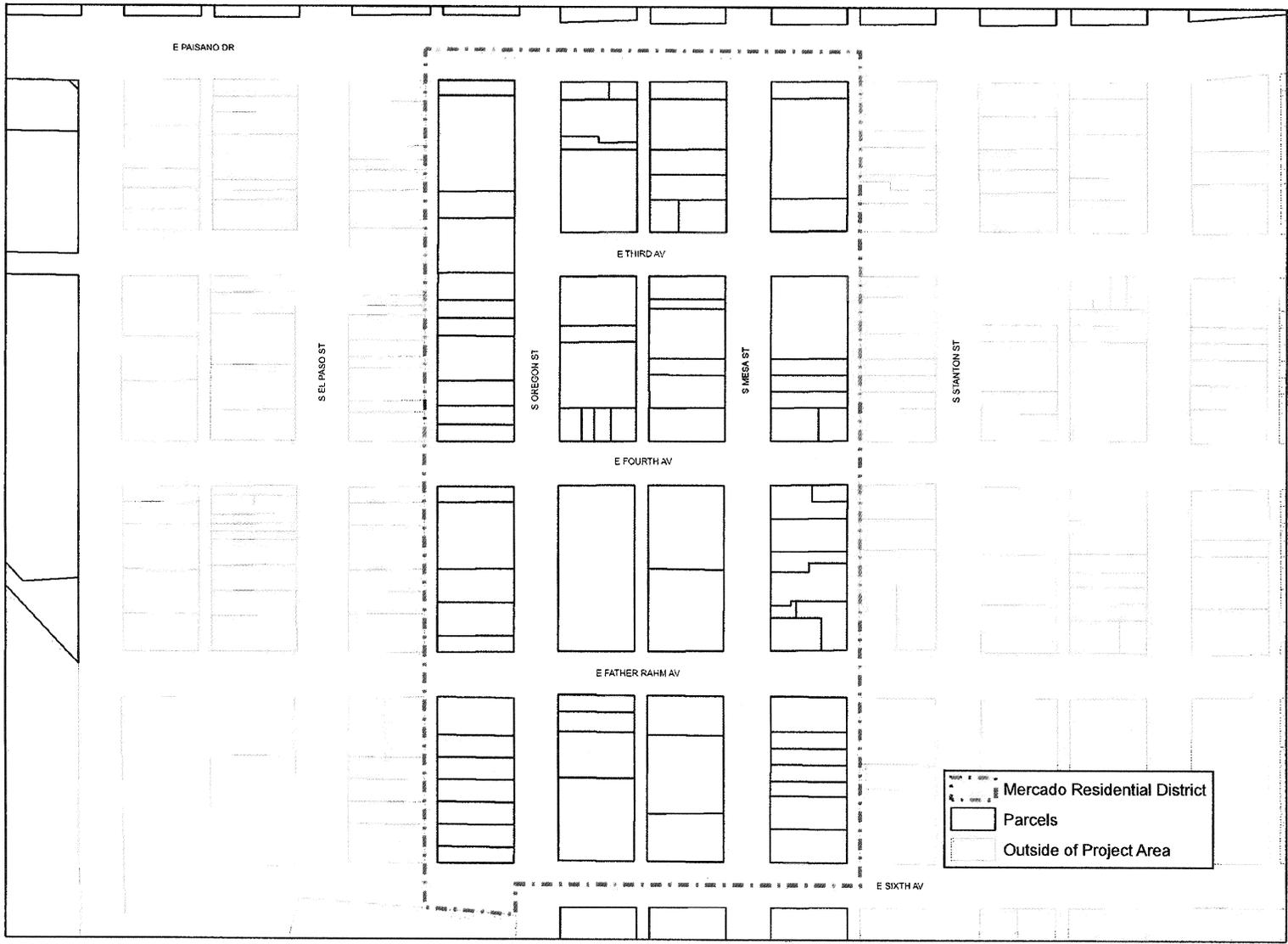
54.14 AC

Total Parcels - 79



DOWNTOWN EL PASO REDEVELOPMENT PLAN

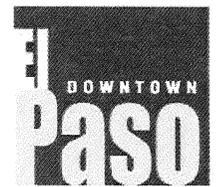
Exhibit B-2



**MERCADO/
RESIDENTIAL
DISTRICT**

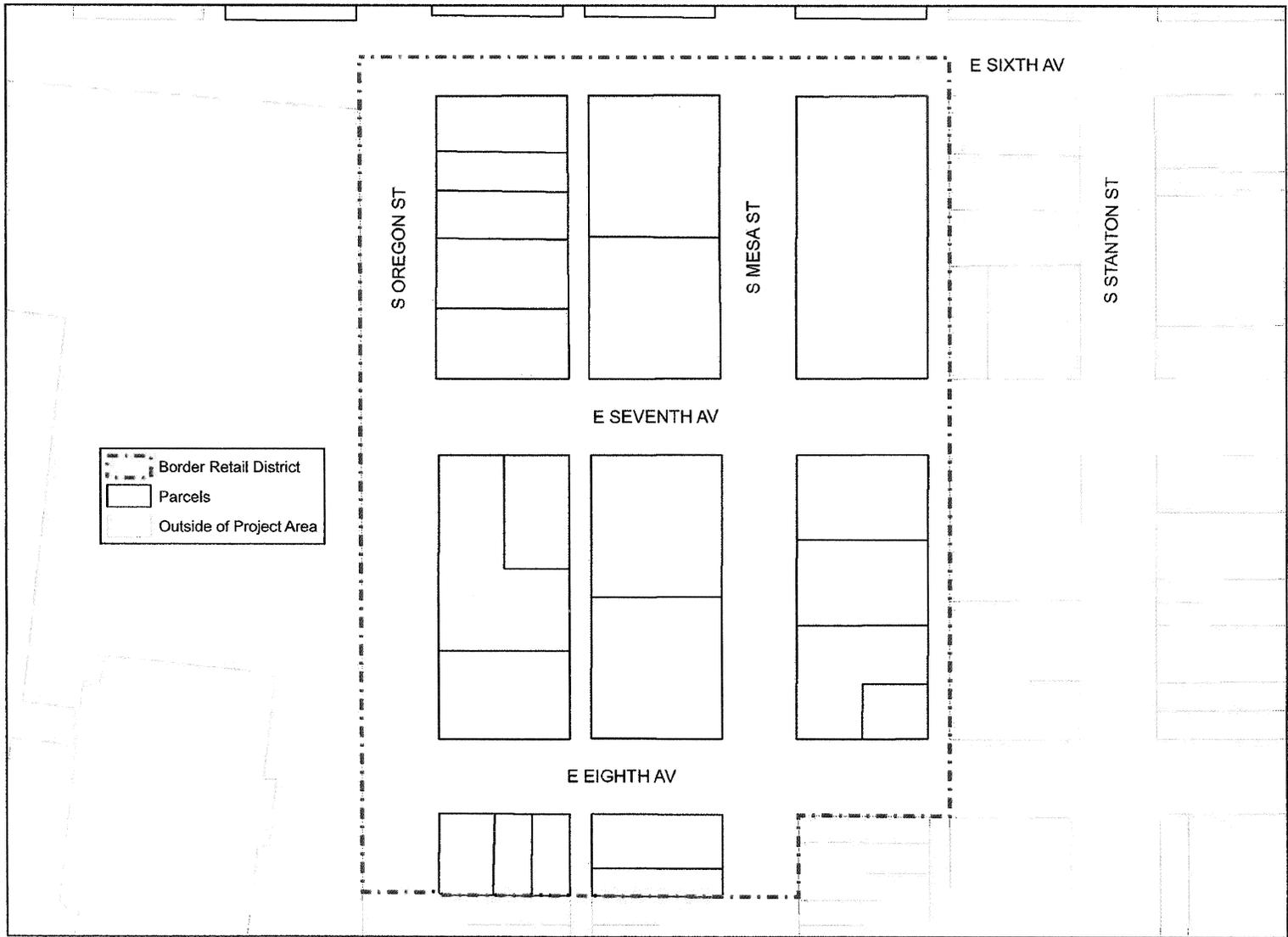
20.72 AC

Total Parcels - 81



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-3

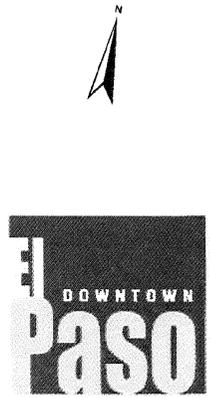


**BORDER
RETAIL
DISTRICT**

9.32 AC

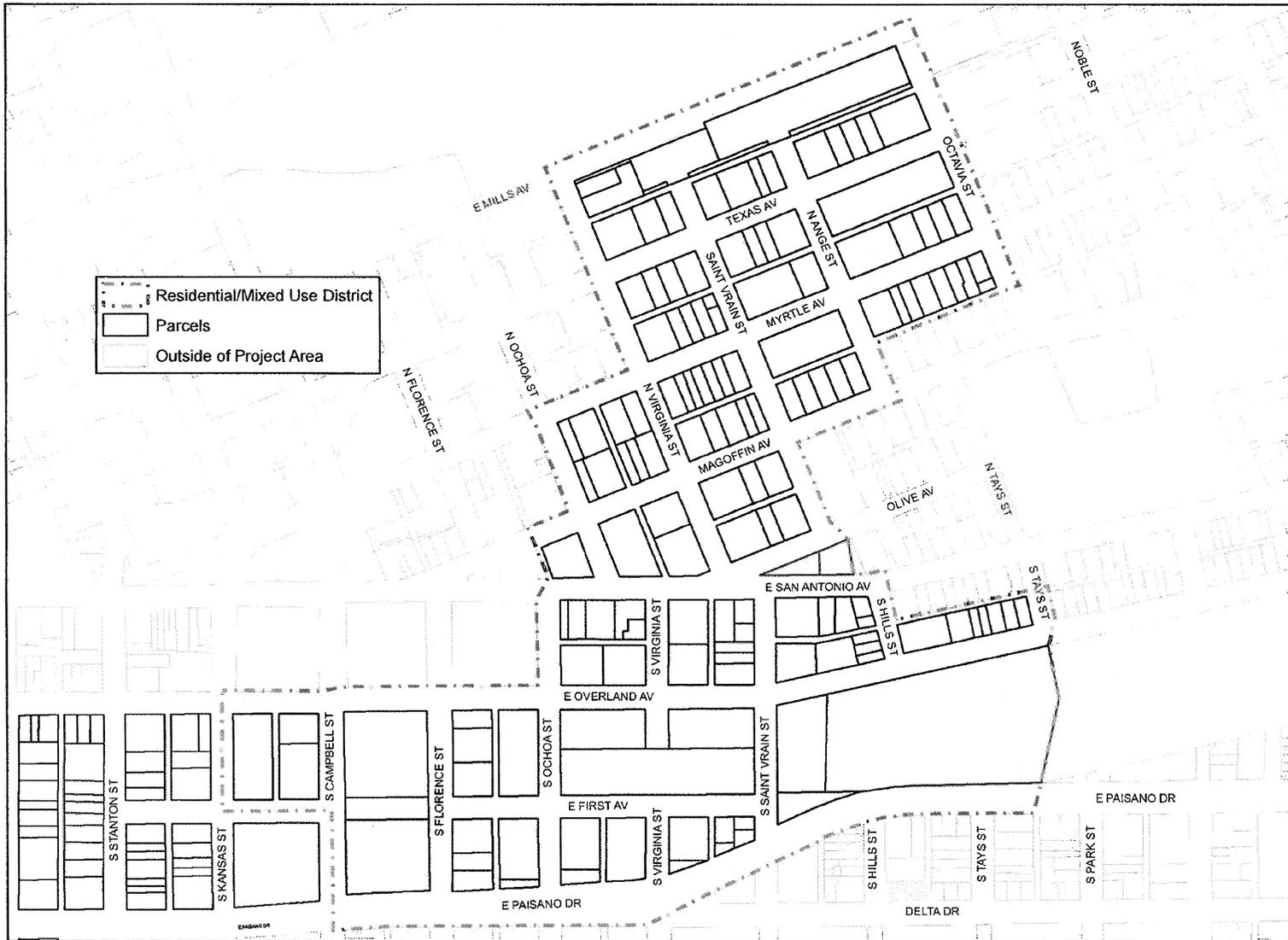
Total Parcels - 22

	Border Retail District
	Parcels
	Outside of Project Area



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-4



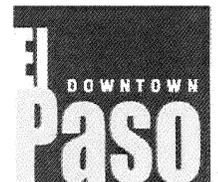
**RESIDENTIAL/
MIXED USE
DISTRICT**

79.28 AC

Total Parcels - 152

DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-5



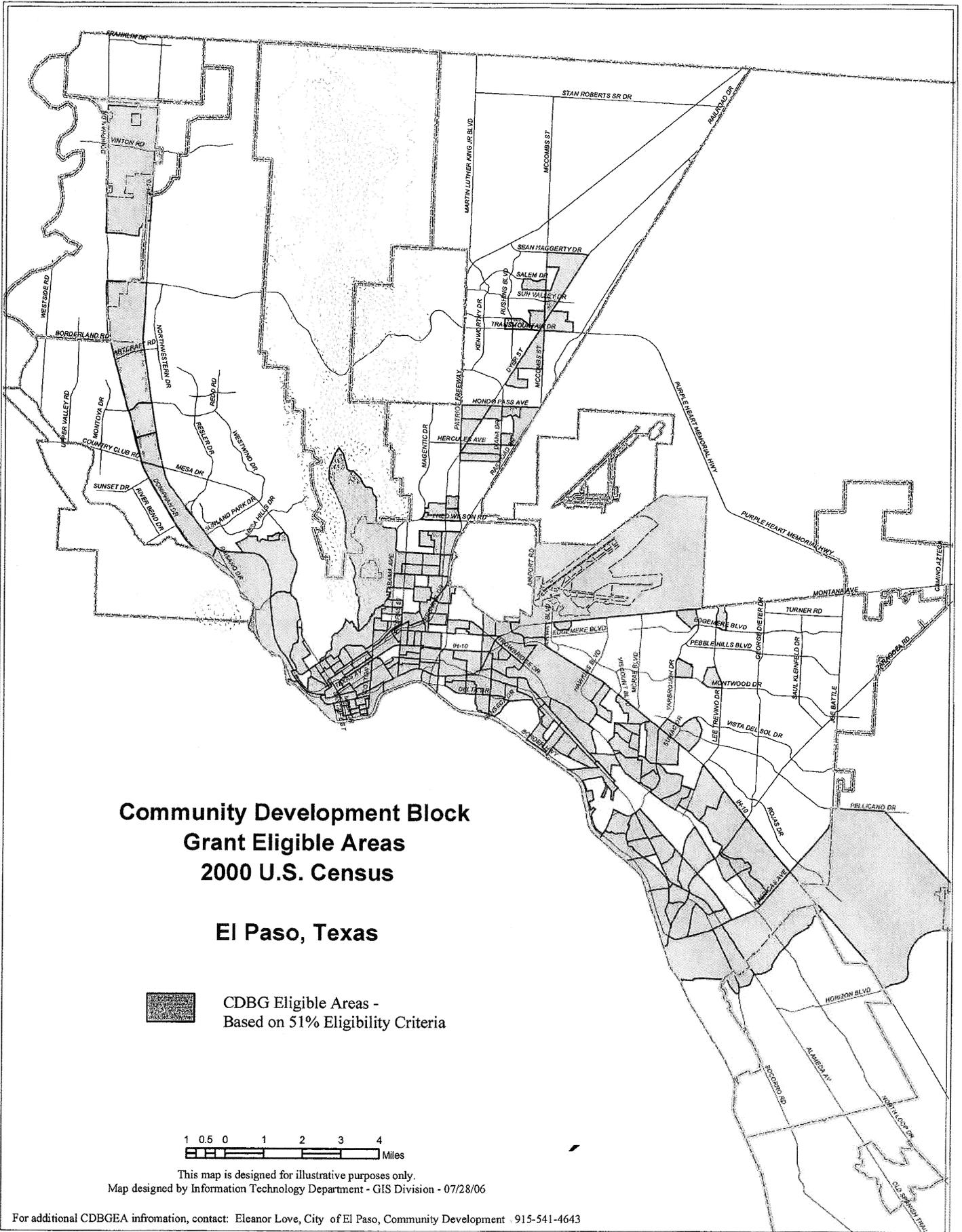


Exhibit C

CERTIFICATIONS

In accordance with applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing – The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-Displacement and Relocation Plan – It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug-Free Workplace – It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and

- (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- 5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying – To the best of the jurisdiction’s knowledge and belief:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and

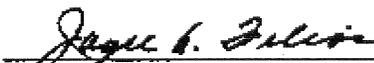
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction – The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with Plan – The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 – It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

THE CITY OF EL PASO



Joyce A. Wilson, City Manager

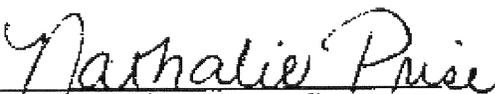
June 27, 2006
Date

APPROVED AS TO FORM:



Matt Watson
Assistant City Attorney

APPROVED AS TO CONTENT:



Nathalie Prisc, Director
Community & Human Development

SPECIFIC CDBG CERTIFICATIONS

The Entitlement certifies that:

Citizen Participation – It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan – Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570.)

Following a Plan – It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds – It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2006, 2007 (a period specified by the grantee consisting of one, two or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force – It has adopted and is enforcing:

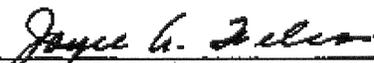
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance with Anti-Discrimination Laws – The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint – Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R.

Compliance with Laws – It will comply with applicable laws.

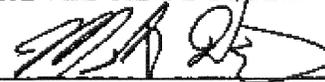
THE CITY OF EL PASO



Joyce A. Wilson, City Manager

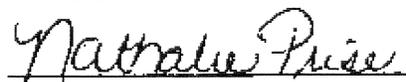
June 27, 2006
Date

APPROVED AS TO FORM:



Matt Watson
Assistant City Attorney

APPROVED AS TO CONTENT:



Nathalie Prise, Director
Community & Human Development

SPECIFIC HOME CERTIFICATIONS

The HOME participating jurisdiction certifies that:

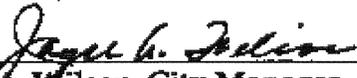
Tenant-Based Rental Assistance – If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs – It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance – Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

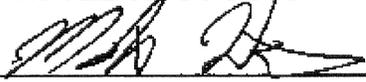
THE CITY OF EL PASO



Joyce A. Wilson, City Manager

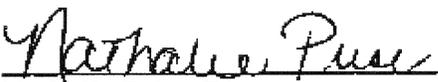
June 27, 2006
Date

APPROVED AS TO FORM:



Matt Watson
Assistant City Attorney

APPROVED AS TO CONTENT:



Nathalie Prise, Director
Community & Human Development

ESG CERTIFICATIONS

The Emergency Shelter Grantee certifies that:

Major rehabilitation/conversion – It will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the jurisdiction plans to use funds for purposes less than tenant-based rental assistance, the applicant will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services – It will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance.

Matching Funds – It will obtain matching amounts required under §576.71 of this title.

Confidentiality – It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

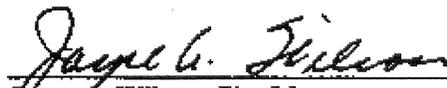
Homeless Persons Involvement – To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

Consolidated Plan – It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy Certification – It has developed and implemented, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

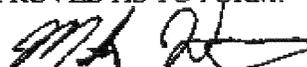
HMIS – It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

THE CITY OF EL PASO

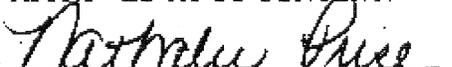

Joyce A. Wilson, City Manager

June 27, 2006
Date

APPROVED AS TO FORM:


Matt Watson
Assistant City Attorney

APPROVED AS TO CONTENT:


Nathalie Prise, Director
Community & Human Development

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street Address, City, County, State, Zip Code)

#2 Civic Center Plaza

El Paso, Texas 79901-1196

El Paso County

Check if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

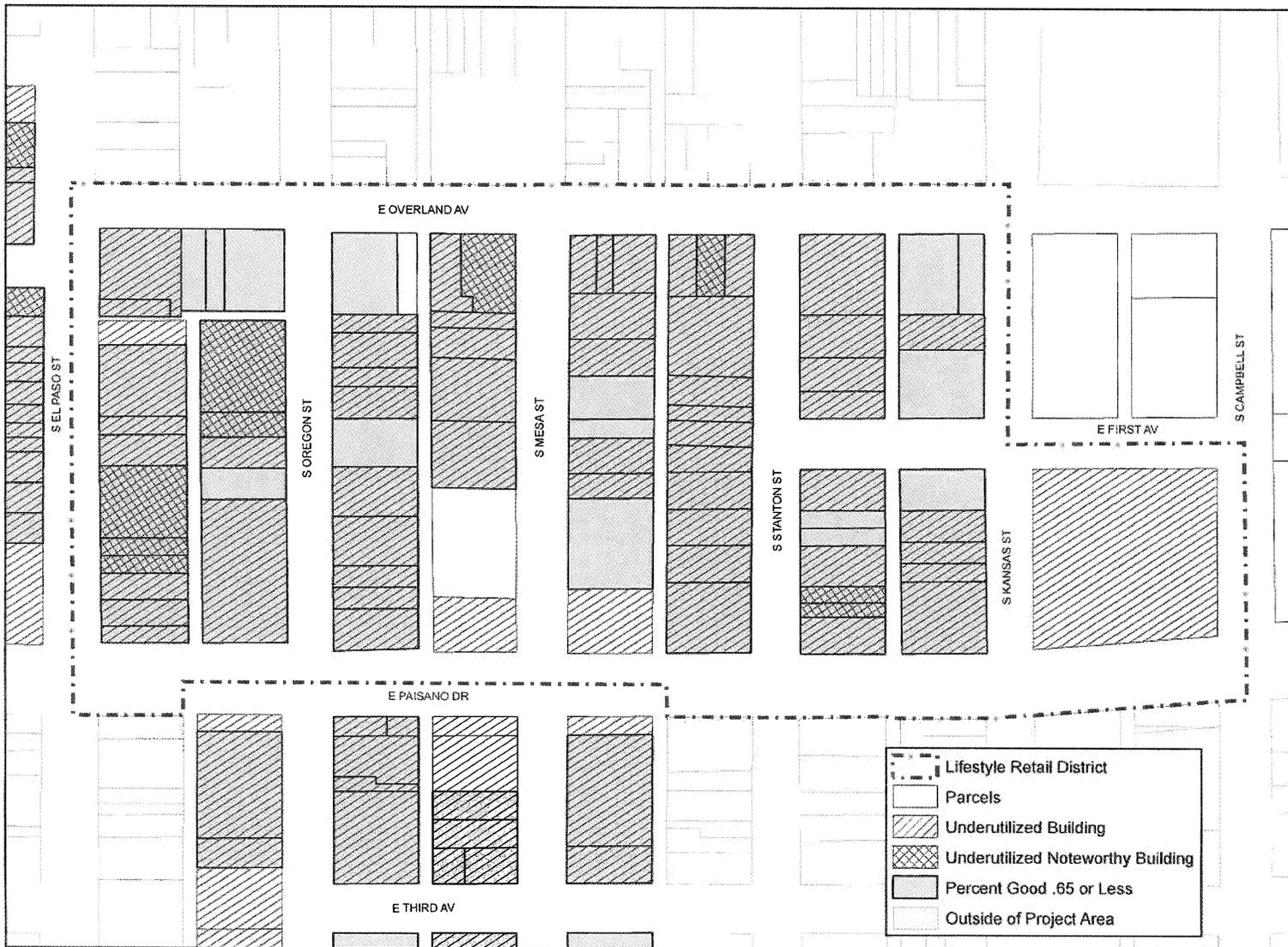
"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including; (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces.

**LIFESTYLE
RETAIL
DISTRICT**

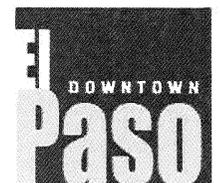
24.96 AC

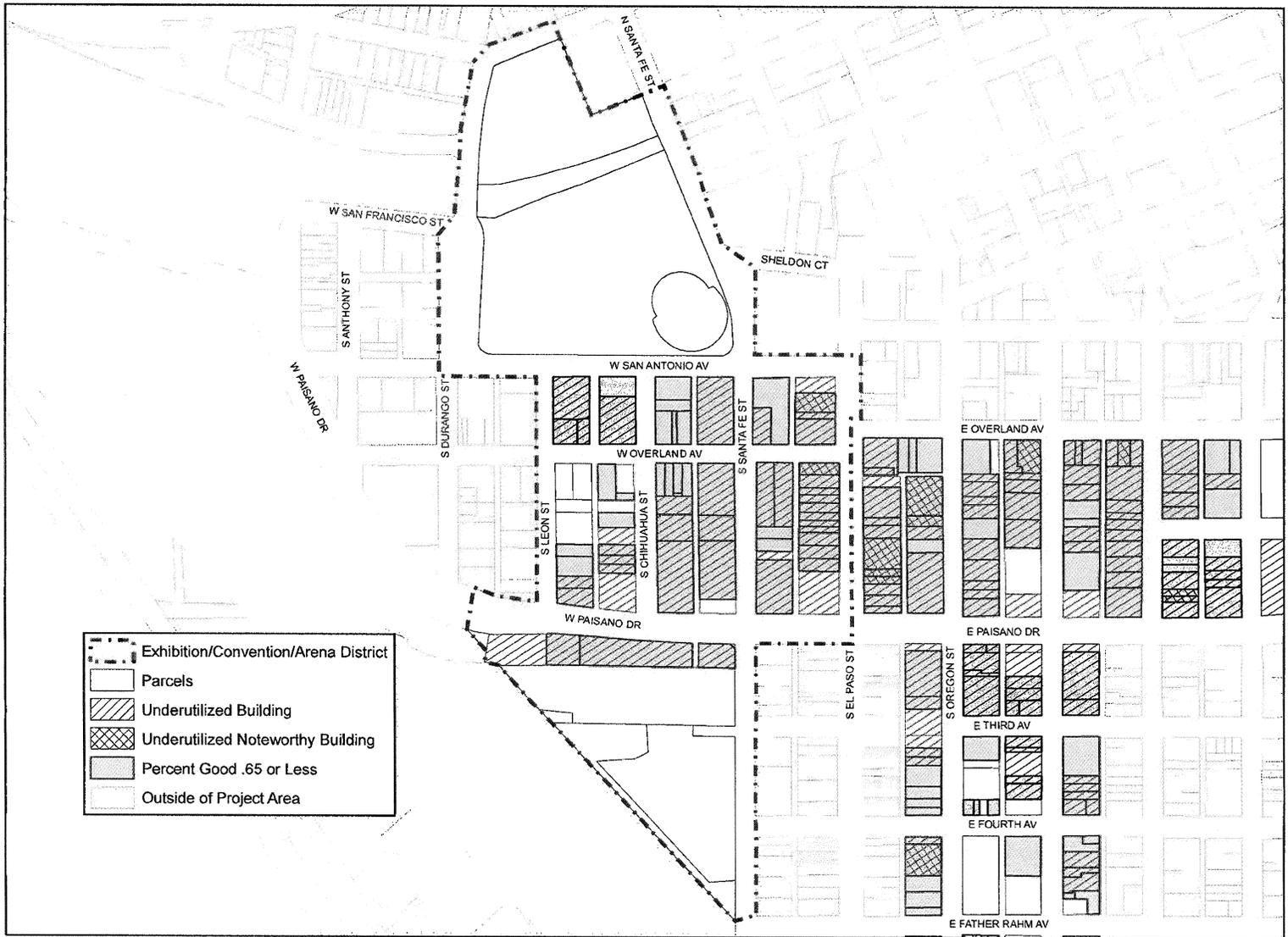
Total Parcels - 84
Percent Good .65 or Less - 78



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-1



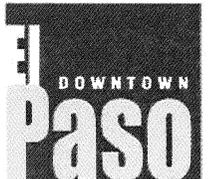


**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

54.14 AC

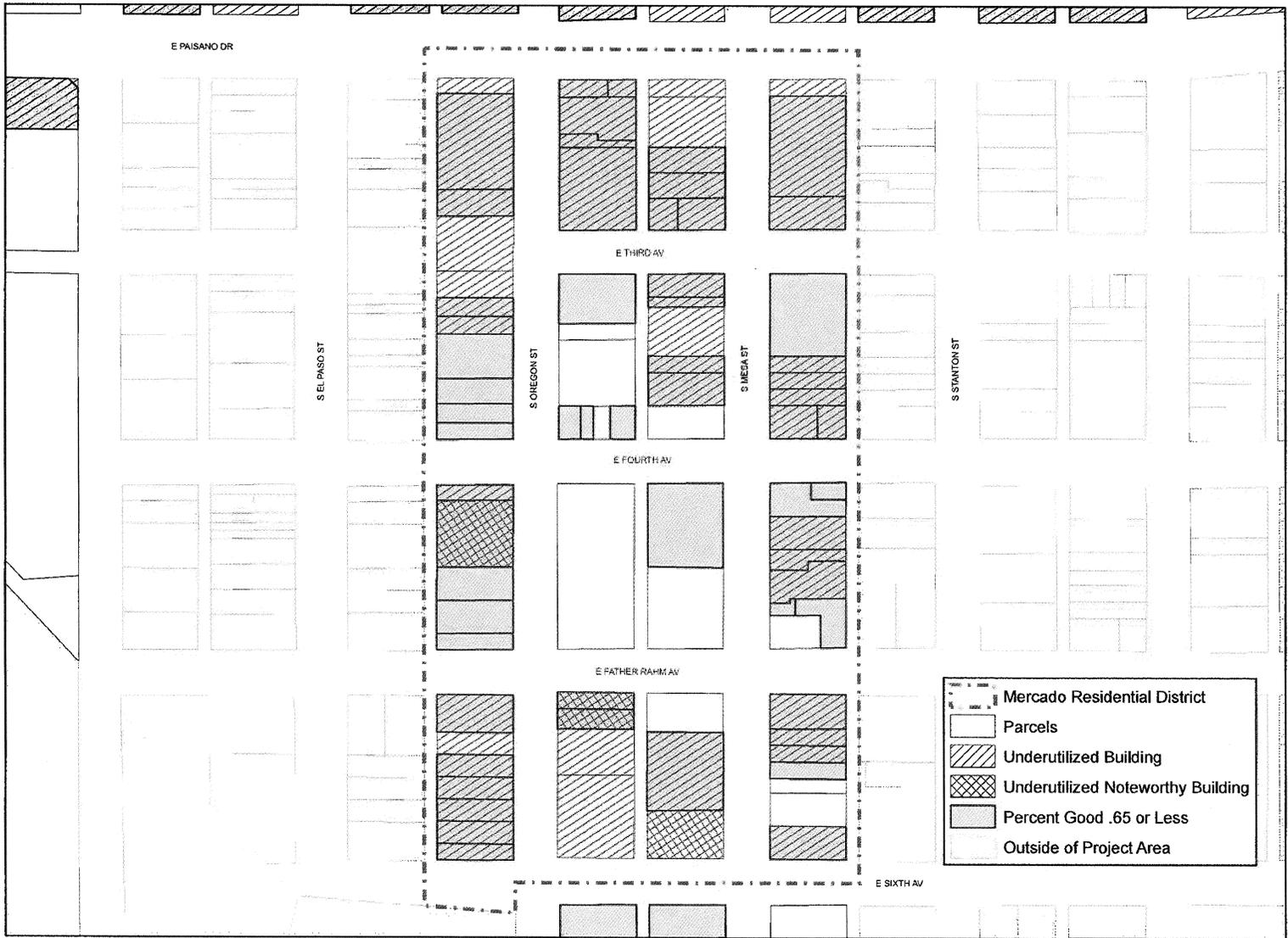
Total Parcels - 79
Percent Good .65 or Less - 55

-  Exhibition/Convention/Arena District
-  Parcels
-  Underutilized Building
-  Underutilized Noteworthy Building
-  Percent Good .65 or Less
-  Outside of Project Area



DOWNTOWN EL PASO REDEVELOPMENT PLAN

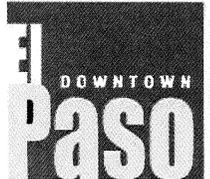
Exhibit D-2



**MERCADO/
RESIDENTIAL
DISTRICT**

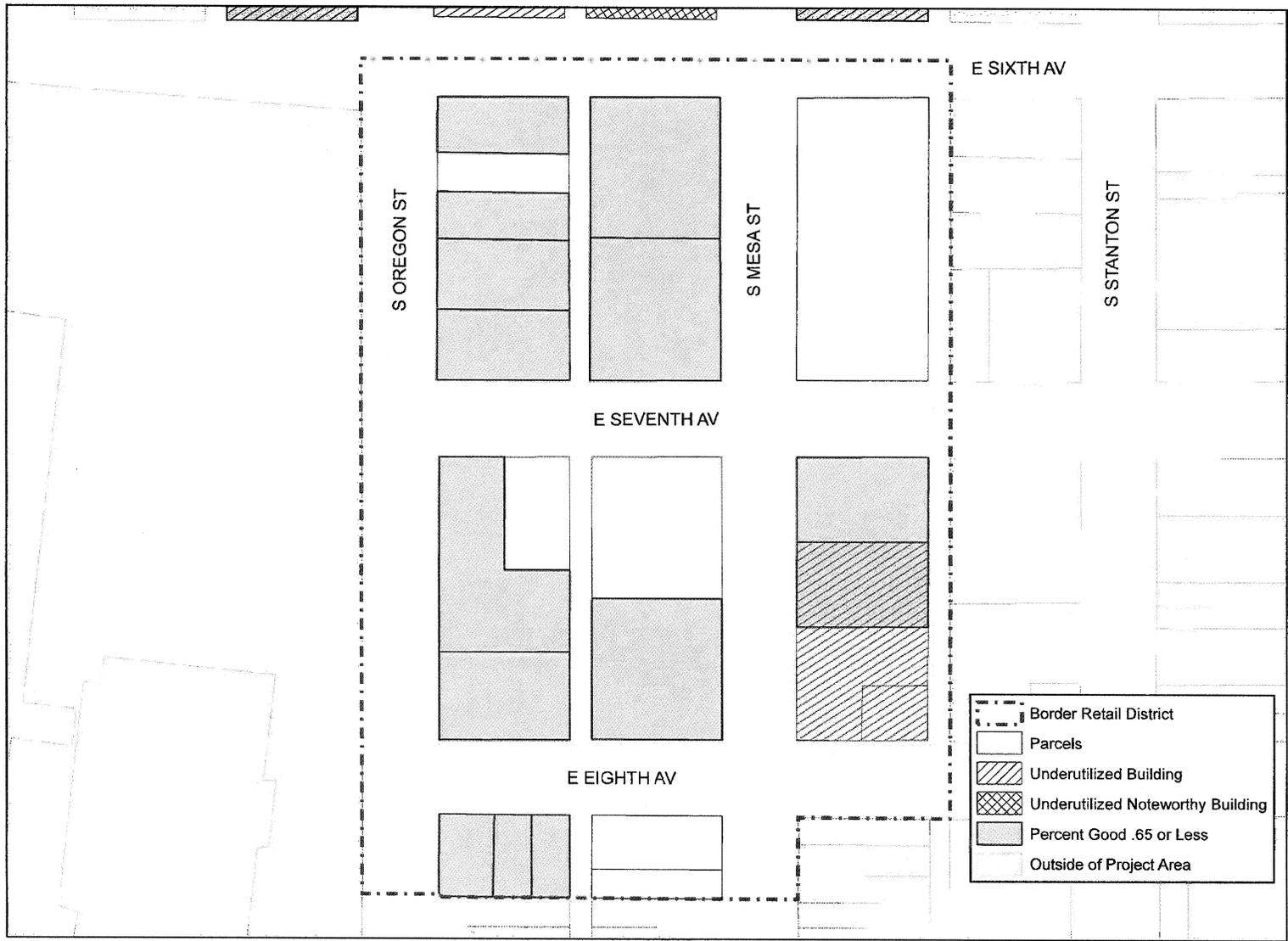
20.72 AC

Total Parcels - 81
Percent Good .65 or Less - 60



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-3



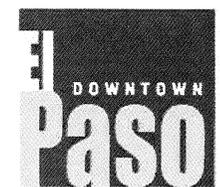
**BORDER
RETAIL
DISTRICT**

9.32 AC

Total Parcels - 22
Percent Good .65 or Less - 14

DOWNTOWN EL PASO REDEVELOPMENT PLAN

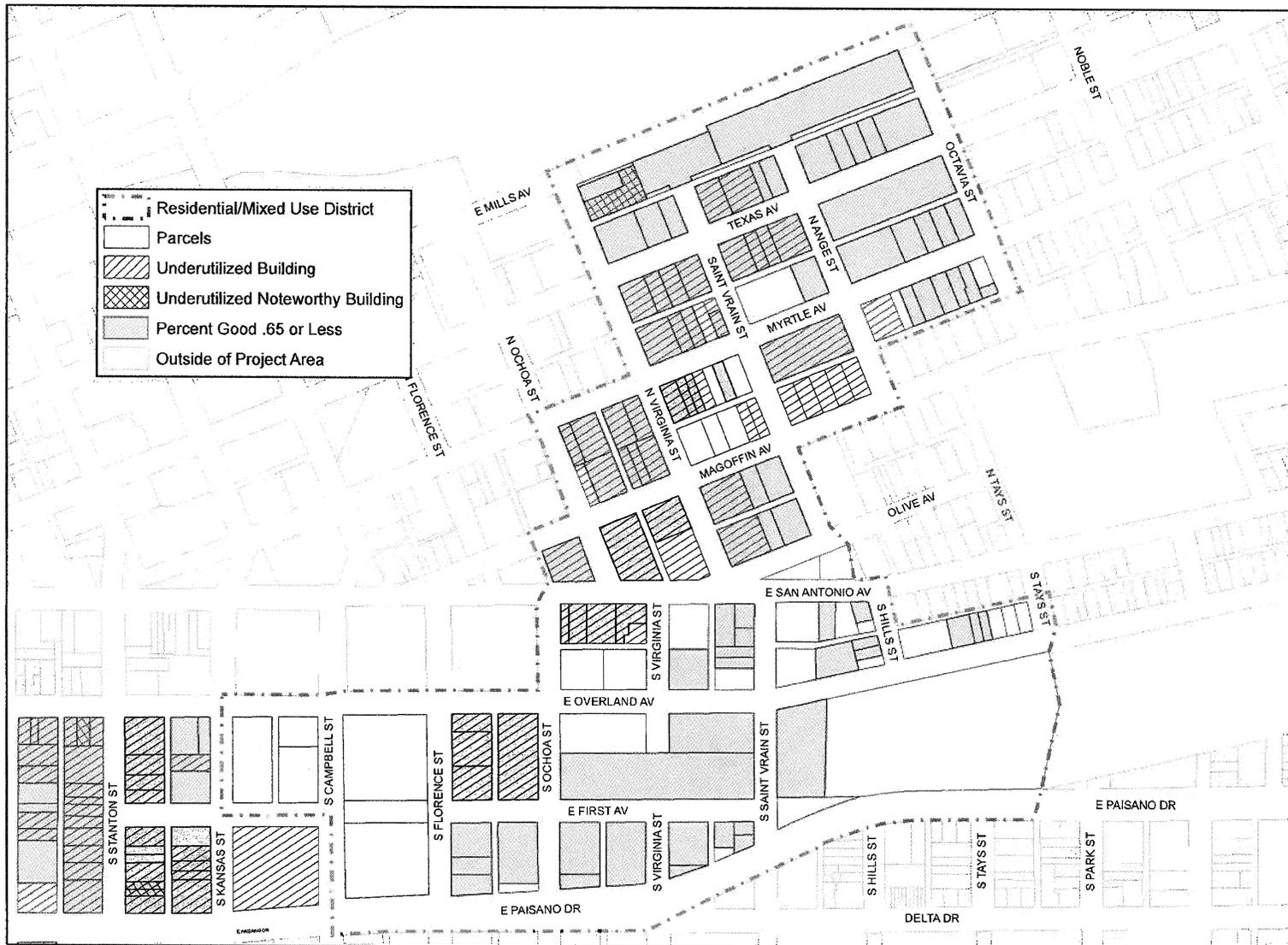
Exhibit D-4



**RESIDENTIAL/
MIXED USE
DISTRICT**

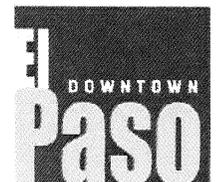
79.28 AC

Total Parcels - 152
Percent Good .65 or Less - 100



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-5



EMPOWERMENT ZONE

El Paso, Texas

DOWNTOWN AREA

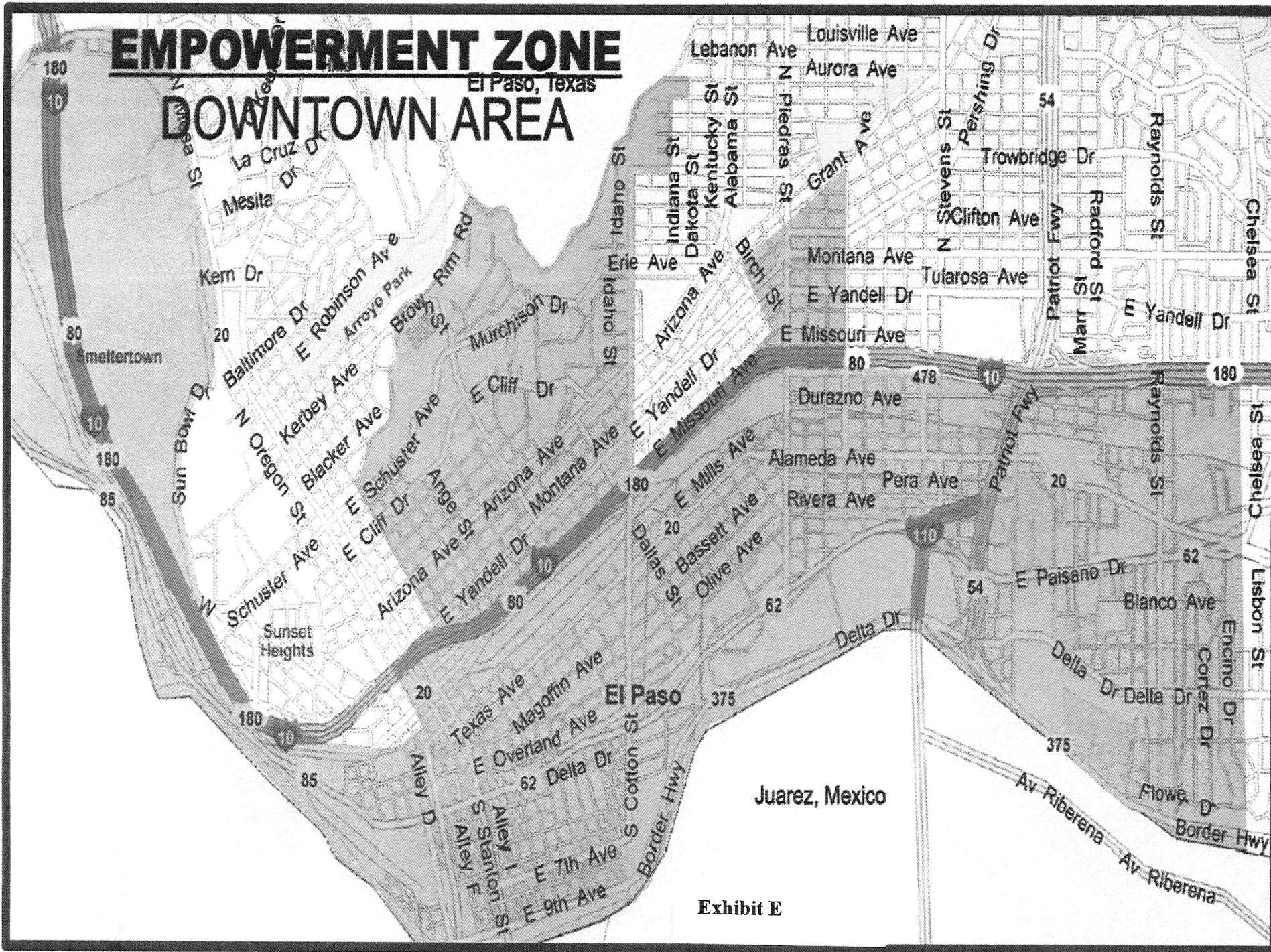


Exhibit E

Part III: Certifications

PART

I hereby certify that the portion of the nominated area that I represent meets all Federal eligibility requirements and that to the best of my knowledge and belief:

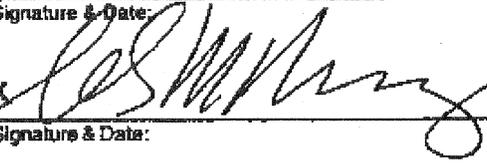
- a. the information in this nomination is true and correct;
- b. each nominating entity has the authority, with respect to the nominated area, to:
 - (1) nominate such area for designation as an Empowerment Zone;
 - (2) make the State, local, or tribal commitments that the Strategic Plan will be implemented; and
 - (3) provide assurances that such commitments will be fulfilled;
- c. the nominating entities shall comply with State, local, and Federal program requirements and have agreed in writing to carry out the Strategic Plan if designated;
- d. the nominating entities will administer the EZ/EC Initiative in a manner that affirmatively furthers fair housing on the basis of race, color, national origin, religion, sex, disability, and familial status (presence of children);
- e. the nominated areas meet each of the eligibility criteria, including special exceptions, set forth in the program regulations:
 - (1) the geographic area satisfies the population requirements;

- (2) the geographic area is one of pervasive poverty, unemployment, and general distress;
- (3) the geographic area meets the size and boundary test; and
- (4) the geographic area meets the poverty rate criteria;
- f. each noncontiguous parcel (except for up to three noncontiguous parcels identified as "developable sites") being nominated meets the poverty rate criteria;
- g. the amount of EZ/EC SSBG funds provided to the State for the area will not be used to supplant other Federal or non-Federal funds;
- h. the nominating entities agree to make all information available as requested by the designating Secretaries to aid in evaluation of progress in implementation of the Strategic Plan and reporting on the use of EZ/EC SSBG funds;
- i. the nominating State or tribal government agrees to distribute the EZ/EC SSBG funds in accordance with the Strategic Plan of the designated Zone; and
- j. no portion of the nominated area is included in an Empowerment Zone or any other area currently nominated for designation as an Empowerment Zone.

Authorized Nominating State, Tribal Governing Body, or Economic Development Corporation Official(s) type or print

Name of Entity: <u>STATE OF TEXAS</u>	Signature & Date:
Name of Authorized Official & Title: <u>GEORGE W. BUSH, GOVERNOR</u>	X
Name of Entity:	Signature & Date:
Name of Authorized Official & Title:	X

Authorized Nominating Local Government(s) and Official(s) type or print

Governmental Unit & State Name: <u>CITY OF EL PASO, TEXAS</u>	Signature & Date:
Name of Authorized Official and Title: <u>CARLOS M. RAMIREZ, P.E., MAYOR</u>	X 
Governmental Unit & State Name:	Signature & Date:
Name of Authorized Official and Title:	X
Governmental Unit & State Name:	Signature & Date:
Name of Authorized Official and Title:	X

Attach separate sheet(s), as necessary, to provide identical information and official signatures for all governments nominating the area. Number the sheets 6a, 6b, etc.

PART III: Certifications

CITY OF EL PASO, TEXAS (Signatures continued)

ATTEST:

Barbara Hunter
City Clerk

APPROVED AS TO FORM:

Lee Ann B. Koehler
Lee Ann B. Koehler
Assistant City Attorney

APPROVED AS TO CONTENT:

Deborah G. Hamlyn
Deborah G. Hamlyn, Director
Community and Human Development

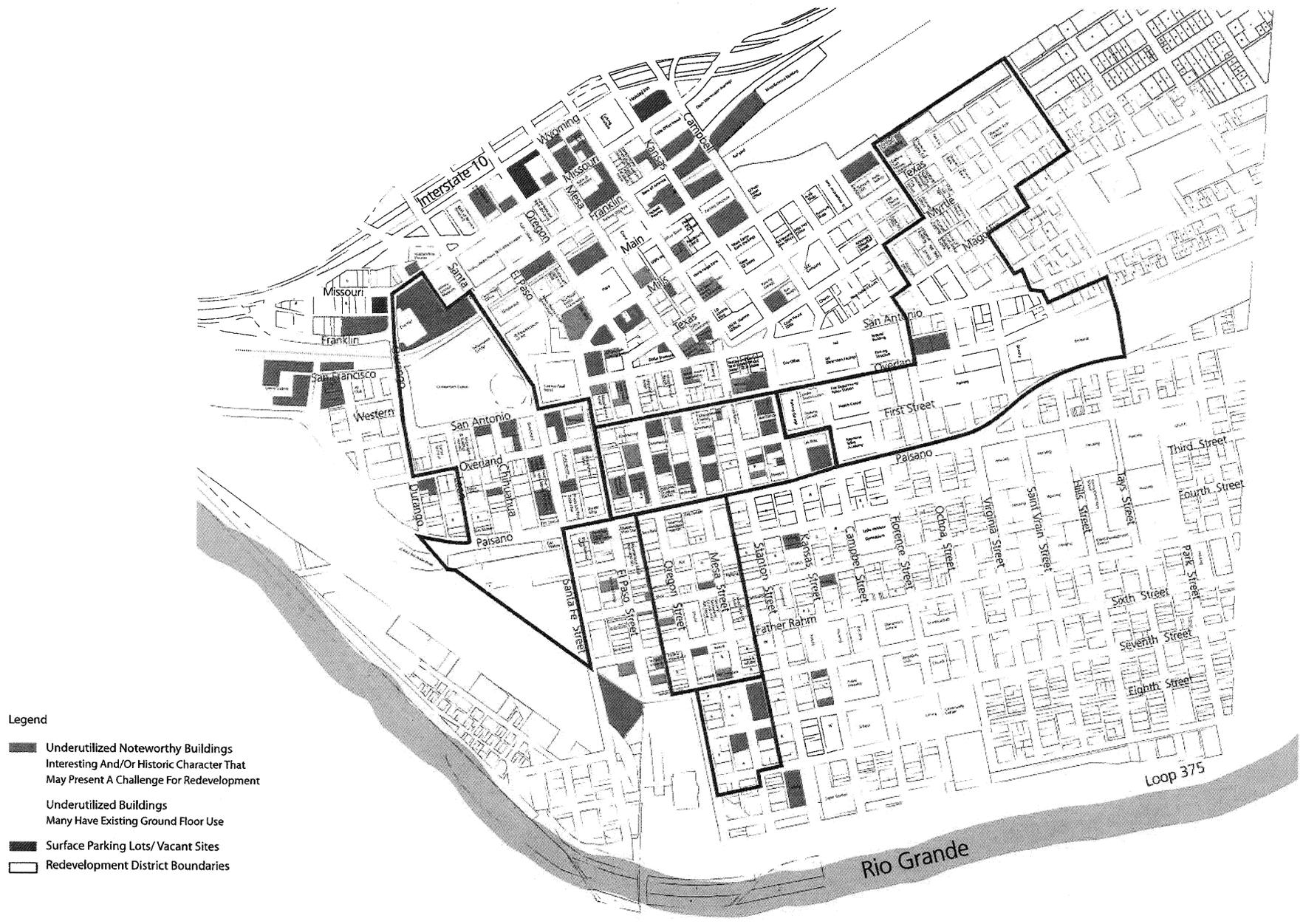
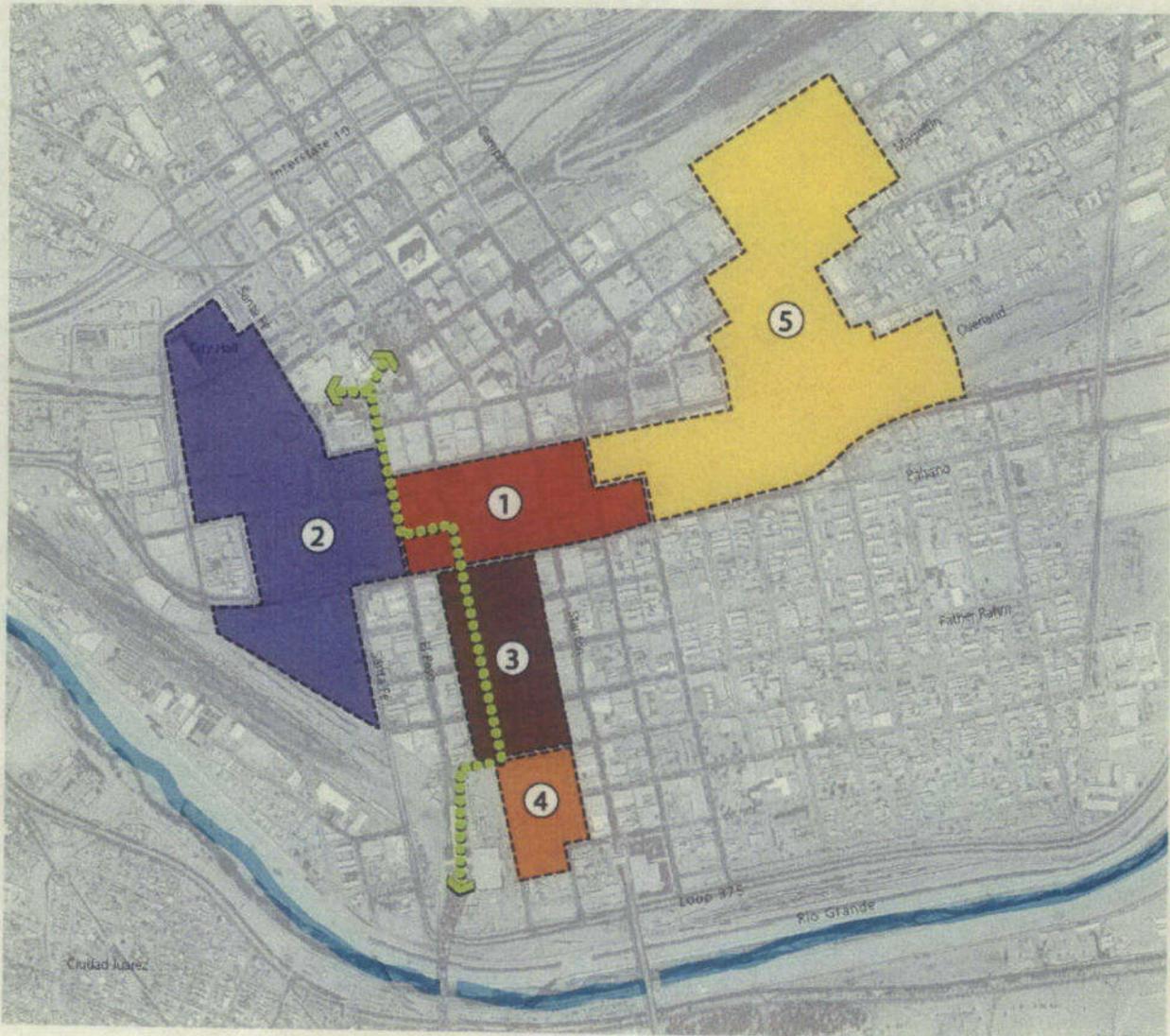


Exhibit F

CITY OF EL PASO

TAX INCREMENT REINVESTMENT ZONE NUMBER 5



El Paso Downtown Plan

2006

INDEX

**CITY OF EL PASO
TAX INCREMENT FINANCING
TIRZ NUMBER 5**

INDEX

	<u>Tab No.</u>
Designation Ordinance and Exhibits for TIRZ No. 5	1
Preliminary Project Plan and Financing Plan	2
Downtown Redevelopment District TIRZ No. 5, Blight Analysis	3

TAB 1

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING THE FIVE AREAS DESCRIBED AS REDEVELOPMENT DISTRICTS IN THE EL PASO DOWNTOWN 2015 PLAN AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND A TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS"; ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, on October 31, 2006, the City Council (the "Council") of the City of El Paso, Texas (the "City") passed and approved Ordinance No. 016487, incorporating the Downtown 2015 Plan prepared by SMWM into the City's comprehensive plan entitled *The Plan for El Paso*; and

WHEREAS, the City desires to support revitalization activities for the Redevelopment Districts in the Downtown 2015 Plan ("Redevelopment Districts"), to be funded in whole or in part through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named, and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (as amended, the "Act"); and

WHEREAS, the City desires to encourage community revitalization and infrastructure improvements within the Redevelopment Districts; and

WHEREAS, the proposed public improvements for the area may include construction of streets, sidewalks, drainage, sewer and water utilities, street lights, park development, and other public improvements which may be provided for in one or more development agreements to be considered by the Council at a later date; and

WHEREAS, pursuant to the Act, the City may designate a contiguous geographical area within the City as a Zone if the area satisfies the requirements of certain sections of the Act; and

WHEREAS, on October 17, 2006, the Council adopted a resolution expressing its intent to create the Zone and authorizing the City to (i) deliver notice of said intention to the governing bodies of each taxing unit that levies real property taxes in the Zone (the "Taxing Units"), including in the notice a description of the Zone, the tentative plans for development of the Zone, and the estimated impact of the Zone on property values and tax revenues; (ii) set a date for a public hearing and publish notice thereof; (iii) make presentations to two of the Taxing Units; and (iv) request each of the Taxing Units to appoint a representative to meet with City officials, and to call meetings regarding the Zone; and

Doc. No.: 26932
Doc. Name: ORD-06-TIRZ #5-Downtown Plan
Doc. Author: SFIR

ORDINANCE NO. _____

WHEREAS, pursuant to Section 311.003(e) of the Act and the direction of the Council, on October 20, 2006, the City sent said written notice to the governing body of each Taxing Unit of the City's intent to consider establishing a Tax Increment Reinvestment Zone, providing sixty (60) days notice prior to a public hearing, as required by the Act; and

WHEREAS, pursuant to Section 311.003(b) of the Act, the City staff has (i) prepared a Preliminary Reinvestment Zone Financing Plan (the "Preliminary Plan") for the Zone and (ii) distributed a copy of the Preliminary Plan to the governing body of each Taxing Unit; and

WHEREAS, pursuant to Section 311.003(f) of the Act, the City made a formal presentation to the governing body of El Paso County on November 13, 2006 and the governing body of the El Paso Independent School District on November 14, 2006; and

WHEREAS, notice of the public hearing to be held on December 19, 2006, was duly published in *El Paso Times* in its issue dated December 12, 2006, in compliance with Section 311.003(c) of the Act; and

WHEREAS, a public hearing was held on December 19, 2006 in the City Council Chambers, El Paso City Hall to consider the creation of a Zone for the Redevelopment Districts and the respective benefits of the Zone to the City and to property in the Zone; and

WHEREAS, the Council hereby recognizes that there is no guarantee that the value of property in the Zone will increase, that any increases in value are dependent upon many factors which are not within the City's control, and that there is no guarantee of any tax increment, as that term is defined in the Act; and

WHEREAS, it is hereby 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 purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

Section 1. Short Title.

This Chapter may be known and cited as the Tax Increment Reinvestment Zone No. 5 Ordinance.

Section 2. Designating the Area as a Reinvestment Zone.

The five areas located in downtown El Paso and described as Redevelopment Districts in the Downtown 2015 Plan portion of *The Plan for El Paso*, with the boundaries as more specifically described in Section 3 below, and officially assigned the name as designated in Section 6 below (which reinvestment zone so described, named and designated is herein referred to as the "Zone"), is hereby designated as a Tax Increment Reinvestment Zone under the Act.

Doc. No.: 26932
Doc. Name: ORD-06-TIRZ #5-Downtown Plan
Doc. Author: SFIR

ORDINANCE NO. _____

Section 3. Description of the Boundaries of the Reinvestment Zone.

Attached hereto as Exhibit A, which is incorporated herein by reference for all purposes as if copied herein verbatim, is a narrative description of the boundaries of the Zone created hereby, which consists of approximately 188.42 acres of real property. The five contiguous Redevelopment Districts are depicted at Exhibit B. Each Redevelopment District is depicted separately in Exhibits B-1 through B-5.

Section 4. Creation and Composition of a Board of Directors for the Zone.

There is hereby created a Board of Directors for the Zone (the “Board”), with all the rights, powers and duties as provided by the Act to such Boards or by action of the Council. Pursuant to Section 311.009(a) of the Act, the City declares that the Board shall consist of fifteen (15) members.

Each Taxing Unit shall appoint one (1) member to the Board. The City shall appoint eleven (11) members to the Board. All persons appointed must meet the eligibility requirements of Section 311.009(e)(1) of the Act to serve as members of the Board. Board members representing the City shall be appointed by the Mayor with the approval of Council; preference for City appointees shall be given to individuals who possess some or all of the following characteristics:

- (a) Experience in at least one of the following areas: arts, real estate, retail, housing, finance, historic preservation, construction, development, or El Paso history
- (b) Knowledge of downtown El Paso;
- (c) Geographic diversity (through the City of El Paso);
- (d) Cultural diversity
- (e) Moral and ethical character;
- (f) Integrity;
- (g) High performance standards;
- (h) Availability; and
- (i) Strong desire for public service, but not an elected official.

Members of the Board are appointed for terms of two years. Upon expiration of their respective terms of office, replacements to the Board shall be appointed for a two year term, in the same manner as originally appointed.

Section 5. Effective Date and Termination Date of the Zone.

The Zone shall take effect immediately upon the passage of this ordinance, pursuant to Section 311.004(a)(3) of the Act, and continue until its termination date of December 31, 2036 (the “Termination Date”), unless otherwise terminated earlier as a result of payment in full of all project costs, and the interest accrued on those costs, or as authorized or permitted by law.

Section 6. Assigning a Name to the Zone.

The Zone created hereby is assigned the name of "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS."

Section 7. Tax Increment Base.

The tax increment base for the Zone is the total appraised value of all real property taxable by the City and located in the Zone, determined as of January 1, 2006, the year in which the Zone was designated as a Tax Increment Reinvestment Zone (the "Tax Increment Base").

Section 8. Establishment of a Tax Increment Fund.

There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS TAX INCREMENT FUND" (the "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

Section 9. Findings.

The City hereby finds and declares that:

- (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the municipality;
- (b) the area within the Zone meets the requirements of Section 311.003(a) of the Act, being that:
 - (1) the Zone is a contiguous geographical area located wholly within the corporate limits of the City;
 - (2) redevelopment within the Zone would not occur solely through private investment in the reasonably foreseeable future; and
- (c) the area within the Zone meets the requirements of Section 311.005 of the Act, being that the Zone area:
 - (1) substantially arrests or impairs the sound growth of the City, retards the provision of housing accommodations, constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 - (A) a substantial number of substandard, deteriorated or deteriorating structures;

- (B) faulty lot layout in relation to size, adequacy, accessibility or usefulness;
 - (C) unsanitary or unsafe conditions;
 - (D) the deterioration of site or other improvements; and
 - (E) defective or unusual conditions of title;
- (2) is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and
- (d) the area within the Zone meets the requirements of Section 311.006 of the Act, being that:
- (1) no more than ten percent (10%) of the real property in the Zone, excluding publicly owned property, is used for residential purposes;
 - (2) the total appraised value of the taxable real property in the Zone and in existing reinvestment zones does not exceed fifteen percent (15%) of the total appraised value of taxable real property in the City; and
 - (3) the Zone does not contain more than fifteen percent (15%) of the total appraised value of real property taxable by El Paso County or by the El Paso Independent School District.
- (e) the area within the Zone is “unproductive, underdeveloped, or blighted” within the meaning of article VIII, section 1-g(b) of the Texas Constitution. In making this finding, the Council considered:
- (1) the criteria contained in the Act, especially in Sections 311.005(a)(1) and 311.005(a)(2) of the Act; and
 - (2) that all of the area within the Zone is also within the area previously determined to be eligible to receive Community Development Block Grant (“CDBG”) funding as shown on Exhibit C, and taking into account the methodology for determining slums and blight for CDBG funding as adopted by resolution of the City on October 17, 1989; and
 - (3) the amount of substandard structures in the area within the Zone as determined by the Physical Condition Factor (“PCF”) given by the El Paso Central Appraisal District, with seventy-three percent (73%) of all structures within the Zone rated as substandard (below PCF of 0.65), as shown on Exhibits D1 through D5; and
 - (4) that 97.5% of the area within the Zone is also within the area previously determined to comprise an Empowerment Zone as shown on Exhibit E (the

exception being 4.63 acres in the Exhibition/Convention/Arena District which is government-owned); and

- (5) the amount of underutilized structures (50% of the total number of structures) and surface parking lots/vacant sites within the Zone as shown on Exhibit F.

Section 10. Incorporation of Recitals.

The Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Council hereby incorporates such recitals as a part of this Ordinance.

Section 11. Severability.

If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 12. Effective Date.

This Ordinance shall be in full force and effect upon the date of its passage.

READ, ADOPTED AND APPROVED this 19th day of December 2006.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Sylvia Borunda Firth
Sylvia Borunda Firth
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

Patricia D. Adauto
Patricia D. Adauto
Deputy City Manager
Development and Infrastructure Services

Doc. No.: 26932
Doc. Name: ORD-06-TIRZ #5-Downtown Plan
Doc. Author: SFIR

ORDINANCE NO. _____

EXHIBITS

- A. Zone Boundary Narrative Description
- B. Downtown Redevelopment Districts
 - B-1 Lifestyle Retail District
 - B-2 Exhibition/Convention/Arena District
 - B-3 Mercado/Residential District
 - B-4 Border Retail District
 - B-5 Residential/Mixed Use District
- C. Community Development Block Grant Depiction
 - D-1 PCF for Lifestyle Retail District
 - D-2 PCF for Exhibition/Convention/Arena District
 - D-3 PCF for Mercado/Residential District
 - D-4 PCF for Border Retail District
 - D-5 PCF for Residential/Mixed Use District
- E. Empowerment Zone Depiction
- F. Underutilized and Surface Parking/Vacant Sites (Source SMWM, November 2006)

ORDINANCE NO. _____

EXHIBITS

EXHIBIT A

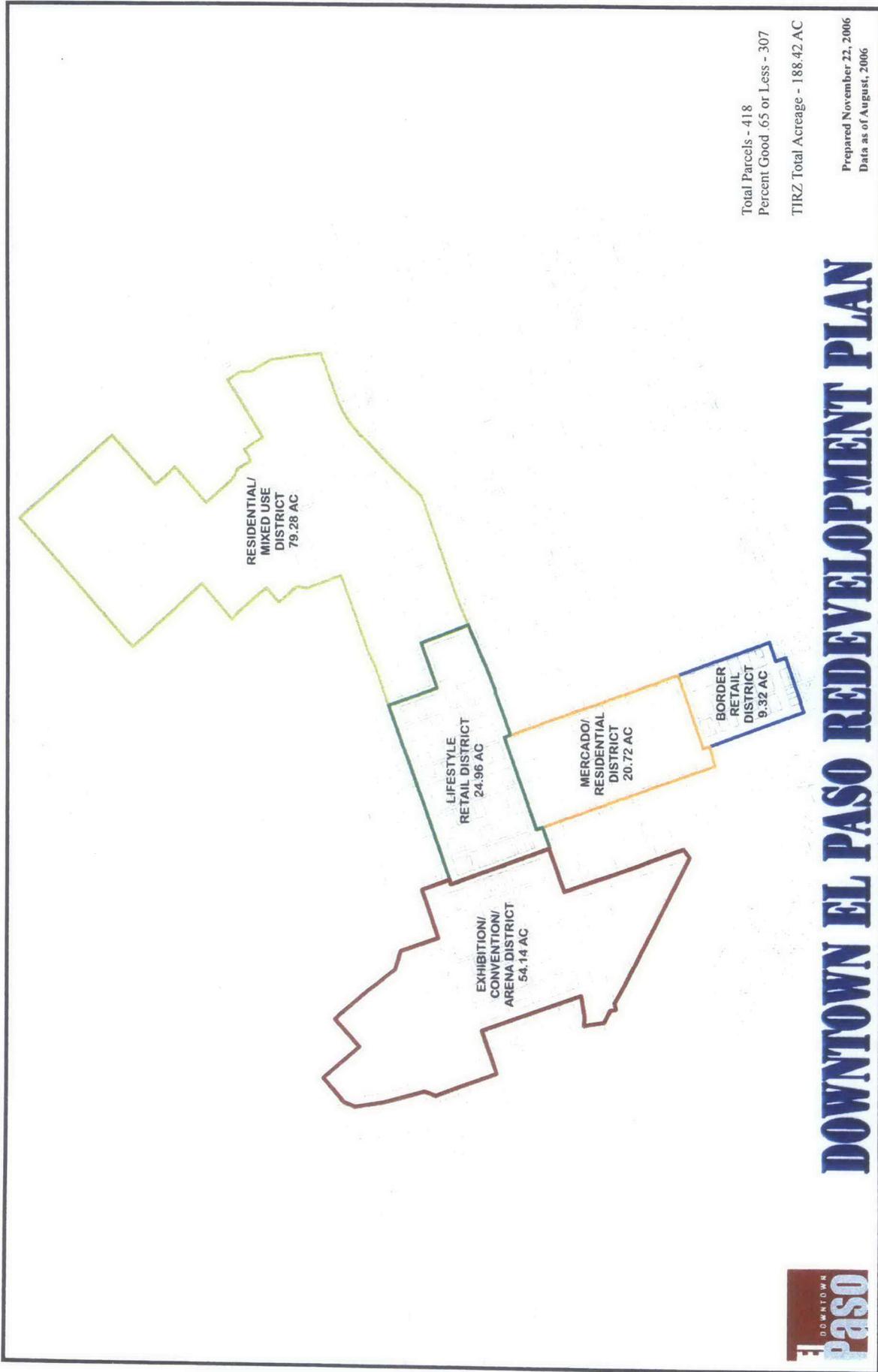
Zone Boundary Narrative Description

Beginning at the northernmost portion of the Downtown El Paso Redevelopment Plan TIRZ which is the northeast corner of the proposed eastern extension of E. Mills Avenue and Octavia Street following the east edge of Octavia Street south to northwest corner of the alley between Myrtle Avenue and Magoffin Avenue; then west following the south edge of the alley to N. Ange Street; then south following the east edge of Ange Street to the southern edge of Magoffin Avenue; then west following the southern edge of Magoffin Avenue to the southeast corner of Magoffin Avenue and Saint Vrain Street then south following the eastern edge of Saint Vrain Street; to the northeast corner of Saint Vrain Street and Olive Avenue; then south crossing Olive Avenue to the northeast corner of Parcel 128; then east following the northern edge of E. San Antonio Avenue to the eastern extension S. Hills Street; then south following the eastern edge of S. Hills Street to the northeast corner of the alley between E. San Antonio Avenue and E. Overland Avenue; then east following the north edge of the alley and crossing N. Tays Street to the northeast corner of the alley between E. San Antonio Avenue and E. Overland Avenue; then south across E. Overland Avenue and following the eastern boundary of Parcel 477 (identified as railroad property) continuing south to the southern edge of E. Paisano Drive; then west following the southern edge of E. Paisano Drive to the southeast corner of the alley between S. Mesa Street and S. Stanton Street; then south following the eastern edge of the alley south to the southern edge of E. Eighth Avenue; then west to the southeast corner of E. Eighth Avenue and S. Mesa Street; then south to an extension of the south boundary of Parcel 419, (El Paso CAD # C05099904601900); then west following the southern boundary of Parcel 419, crossing the alley between S. Mesa Street and S. Oregon Street and continuing west on the southern edge of Parcel 416 (El Paso CAD # C05099904603700), Parcel 417 (El Paso CAD # C05099904604300) and Parcel 418 (El Paso CAD # C05099904605000); then continuing west to the western edge of S. Oregon Street; then following the western edge of S. Oregon Street north to the southwest corner of S. Oregon Street and E. Sixth Avenue; then west following the southern edge of E Sixth Avenue to the intersection of a line extending the western edge of the alley between S. Oregon Street and S. El Paso Street; then north on the western edge of the alley between S. Oregon Street and S. El Paso Street to the southern edge of E. Paisano Drive; then following the southern edge of E. Paisano Drive west to the southeast corner of E. Paisano Drive and S Santa Fe Street; then south on the eastern edge of S. Santa Fe Street to the northeast corner of S. Santa Fe Street and E. Father Rahm Avenue; then crossing S. Santa Fe Street to the south corner of Parcel 455 (El Paso CAD # C05099912000100); then following the western boundaries of parcel 455, Parcel 458 (El Paso CAD # C05099913109000), Parcel 457 (El Paso CAD # X47099900002500), Parcel 464 (El Paso CAD # C05099913000100) and Parcel 463 (El Paso CAD # X45099900005101) northwest to the southern edge of W. Paisano Drive; then north crossing to the northern edge of W. Paisano Drive then east following the northern edge of W Paisano Drive to the northwest corner of W. Paisano Drive and S. Leon Street; then north following the western edge of S. Leon Street to the southwest corner of S. Leon Street and W. San Antonio Avenue; then west following the south edge of W. San Antonio Avenue to the southwest corner of W. San Antonio Avenue and S. Durango Street; then north following the west edge of S. Durango Street north and northeast to an intersection of the northernmost corner of Parcel 468 (El Paso CAD # S636999000B2000 the City Civic Center); then following the northeastern boundary of Parcel 468 south and east to N. Santa Fe Street then crossing N. Santa Fe Street to the east edge of N. Santa Fe Street; then following the east edge of N.

ORDINANCE NO. _____

Santa Fe Street south to the northeast corner of N. Santa Fe Street and W. San Antonio Avenue; then east to the western edge of S. El Paso Street; then south following the east edge of S. El Paso Street to the northeast corner of S. El Paso Street and E. Overland Avenue; then east following the northern edge of E. Overland Avenue to the northwest corner of E. Overland Avenue and S. Ochoa Street; then north following the west edge of N. Ochoa Street to southwest corner of S. Ochoa Street and E. San Antonio Avenue; then crossing E. San Antonio Avenue to the western edge of the alley between N. Ochoa Street and N. Florence Street; then north following the western edge of the alley and crossing Magoffin Avenue to the south edge of Magoffin Avenue; then east to the northwest corner of Magoffin Avenue and N. Ochoa Street; then north following the western edge of N. Ochoa Street to the northwest corner of N. Ochoa Street and Myrtle Avenue; then east following the northern edge of Myrtle Avenue to the northeast corner of N. Virginia Street and Myrtle Avenue; then north following the west edge of N. Virginia Street to the northwest corner of N. Virginia Street and E. Mills Avenue; then east following the northern edge of the proposed E Mills Avenue extension to the point of beginning, containing approximately 188.42 acres.

ORDINANCE NO. _____



Total Parcels - 418
 Percent Good .65 or Less - 307
 TIRZ Total Acreage - 188.42 AC

Prepared November 22, 2006
 Data as of August, 2006

DOWNTOWN EL PASO REDEVELOPMENT PLAN

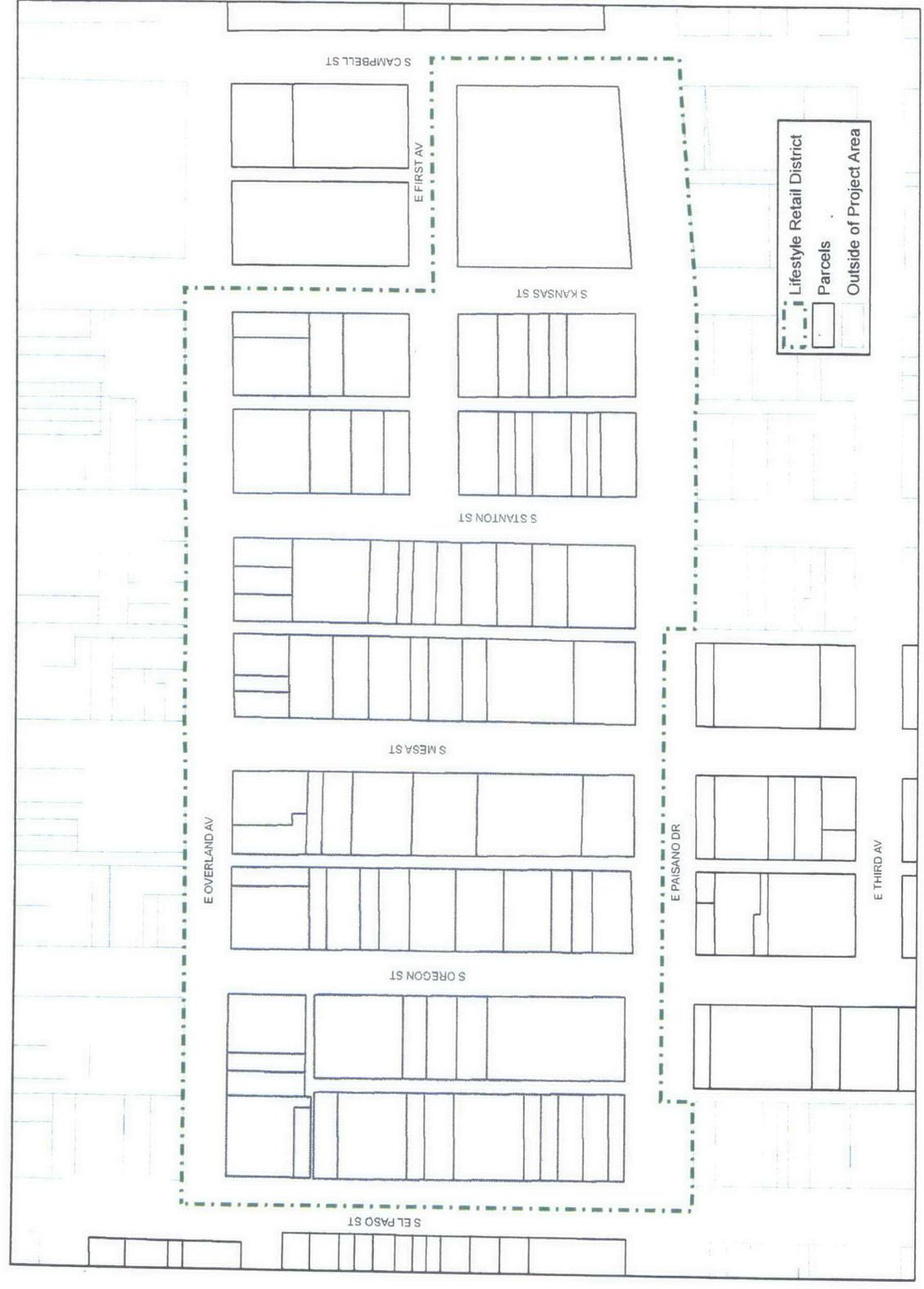


Exhibit B

**LIFESTYLE
RETAIL
DISTRICT**

24.96 AC

Total Parcels - 84



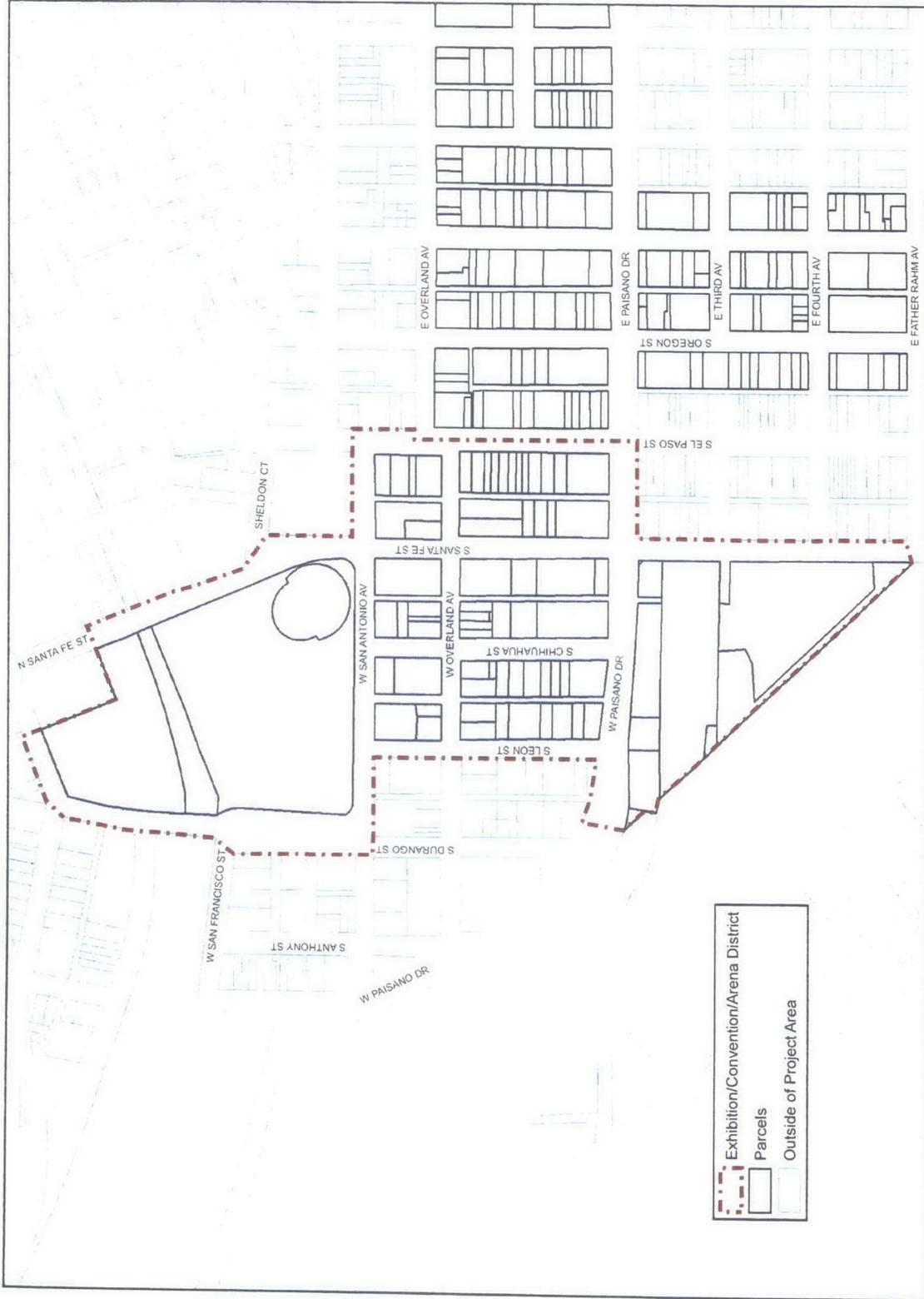
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-1

**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

54.14 AC

Total Parcels - 79



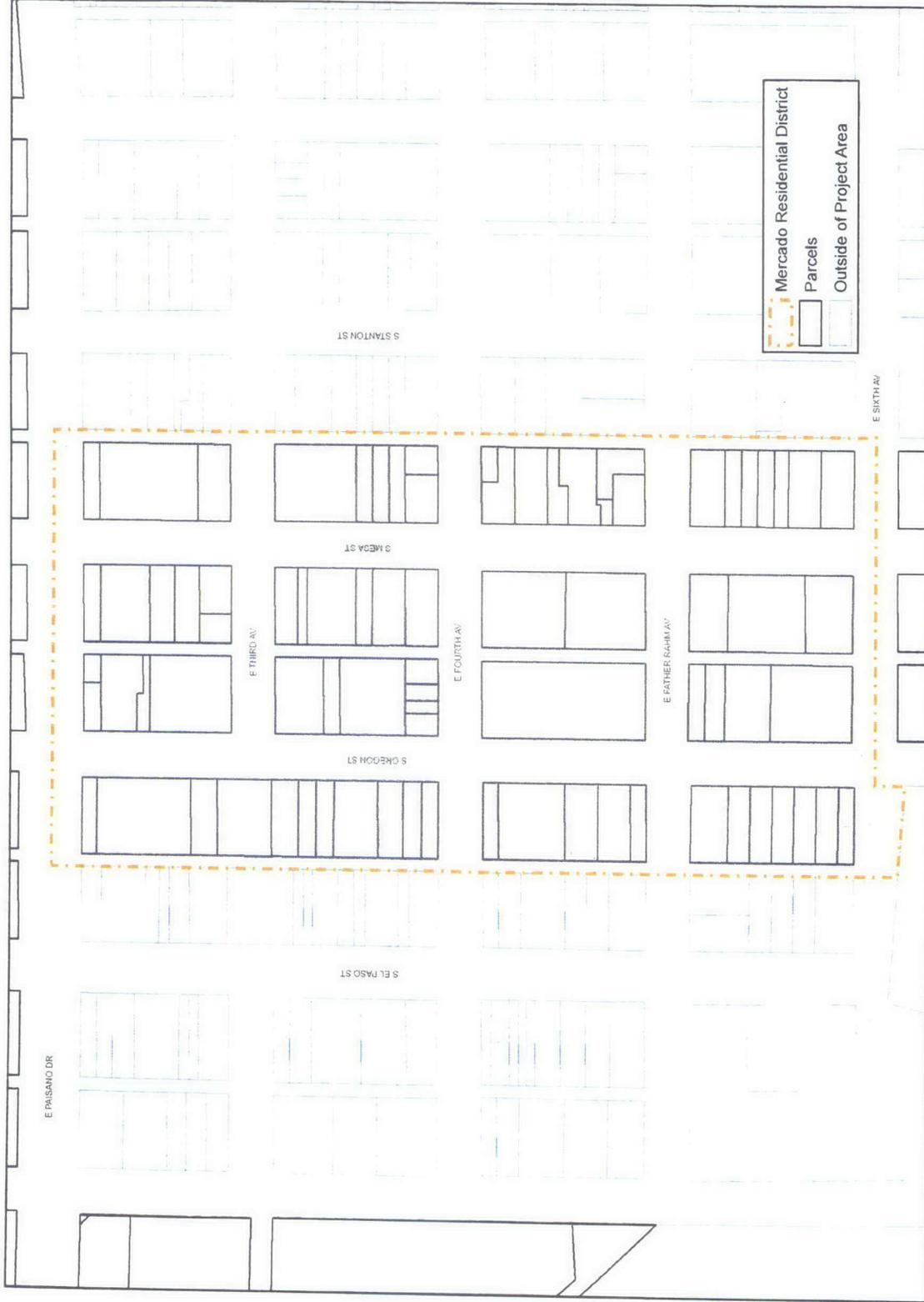
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-2

**MERCADO/
RESIDENTIAL
DISTRICT**

20.72 AC

Total Parcels - 81



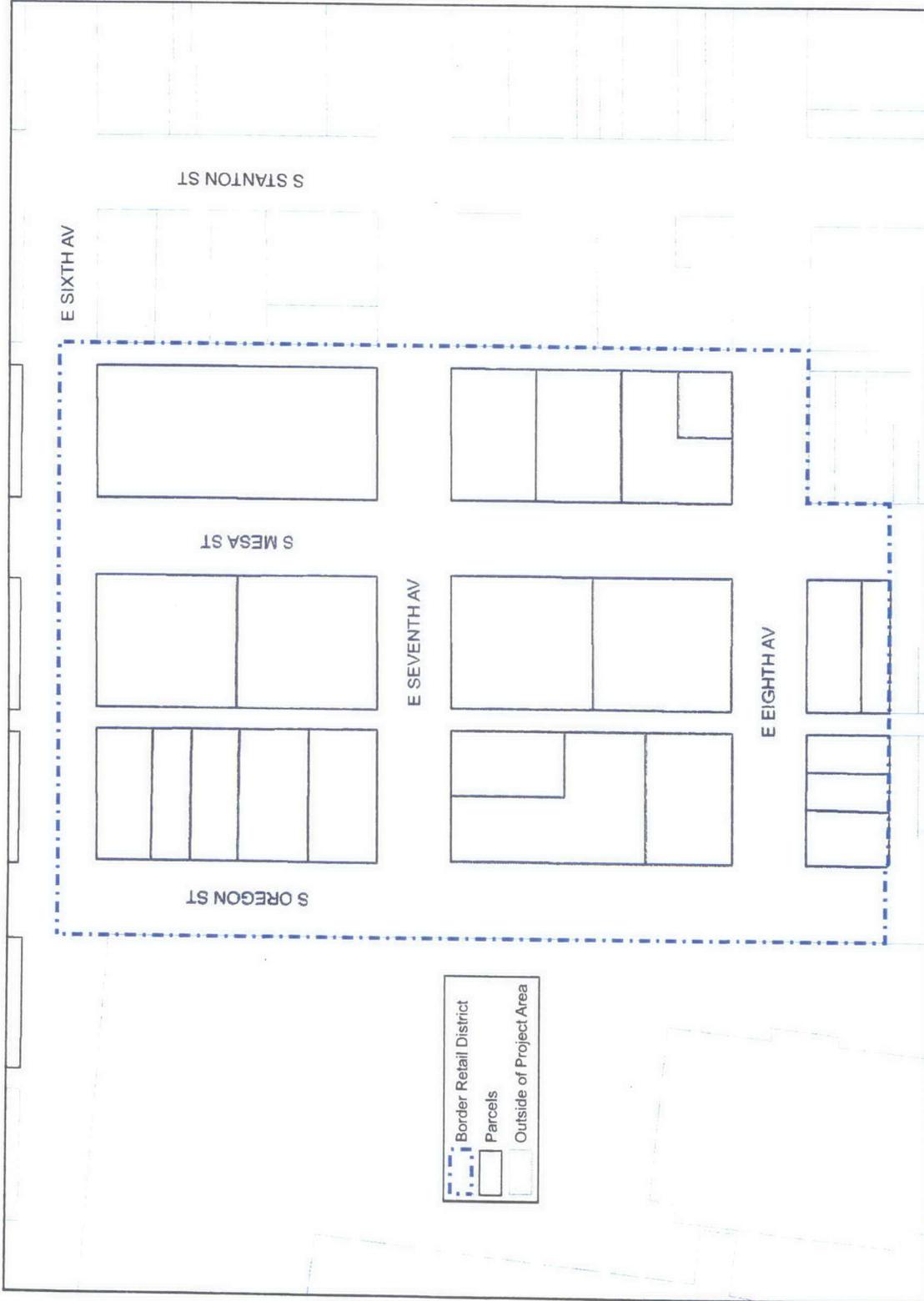
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-3

**BORDER
RETAIL
DISTRICT**

9.32 AC

Total Parcels - 22



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-4

**RESIDENTIAL/
MIXED USE
DISTRICT**

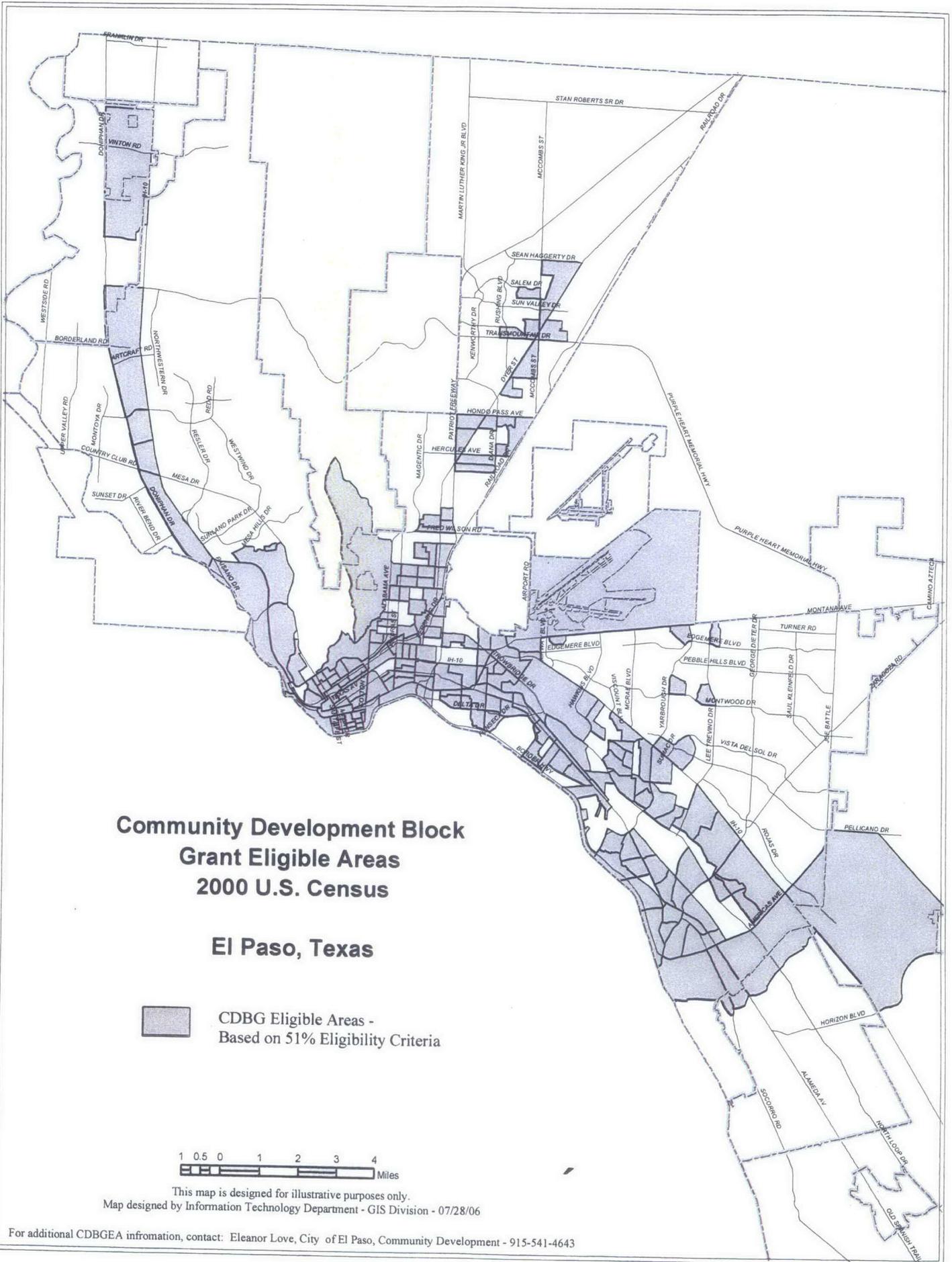
79.28 AC

Total Parcels - 152



DOWNTOWN EL PASO REDEVELOPMENT PLAN

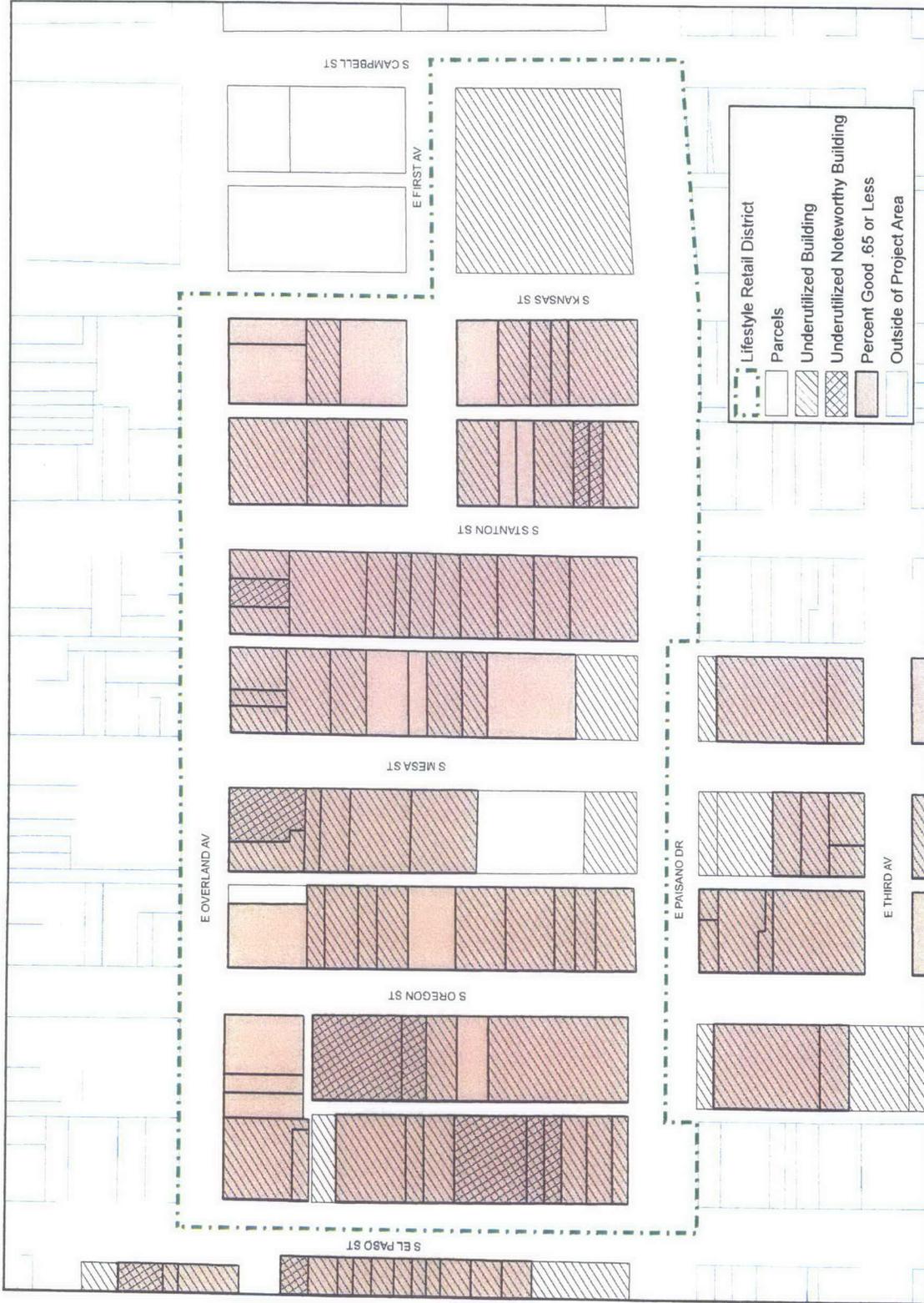
Exhibit B-5



**LIFESTYLE
RETAIL
DISTRICT**

24.96 AC

Total Parcels - 84
Percent Good .65 or Less - 78



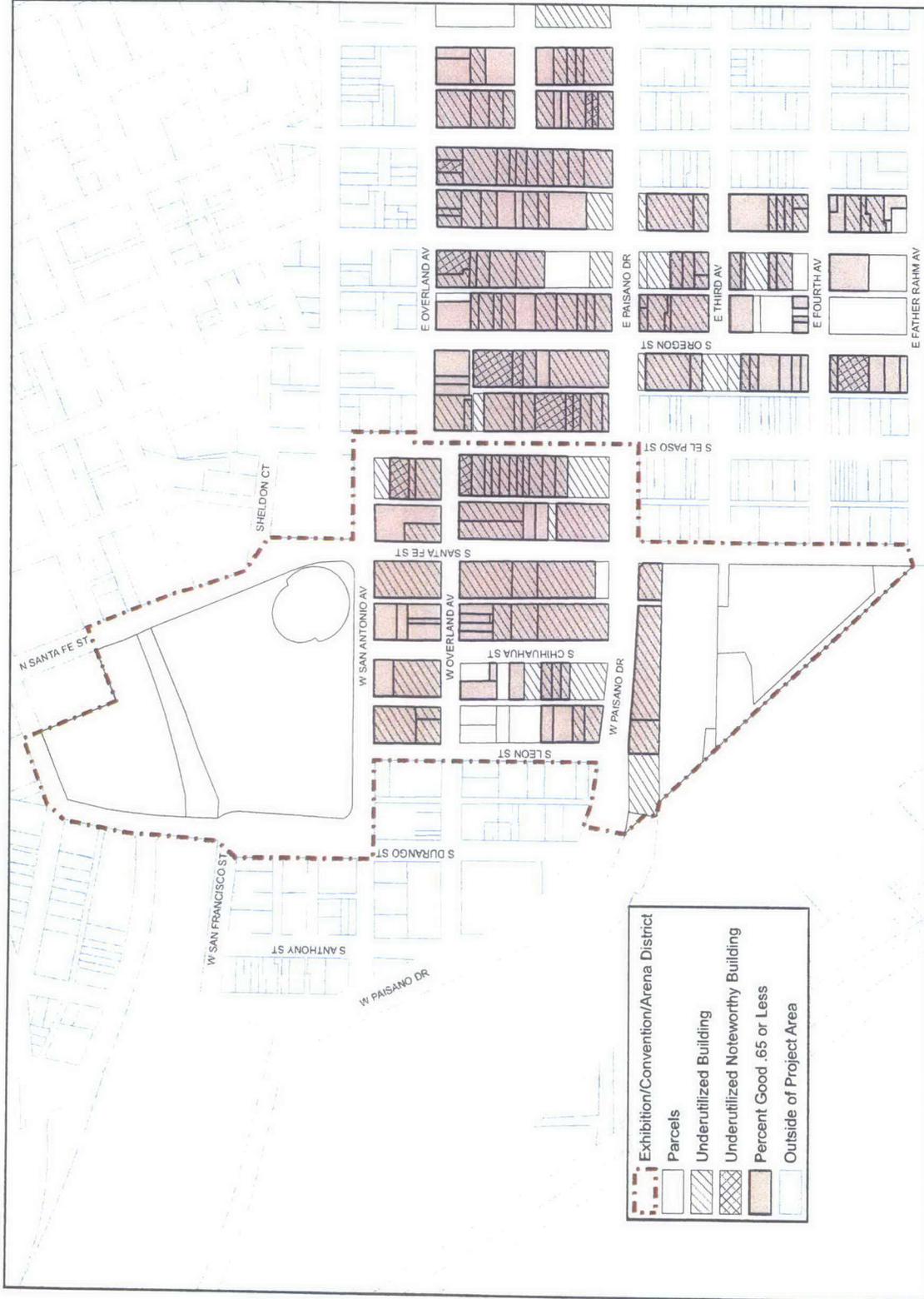
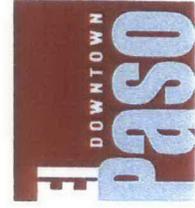
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-1

**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

54.14 AC

Total Parcels - 79
Percent Good .65 or Less - 55



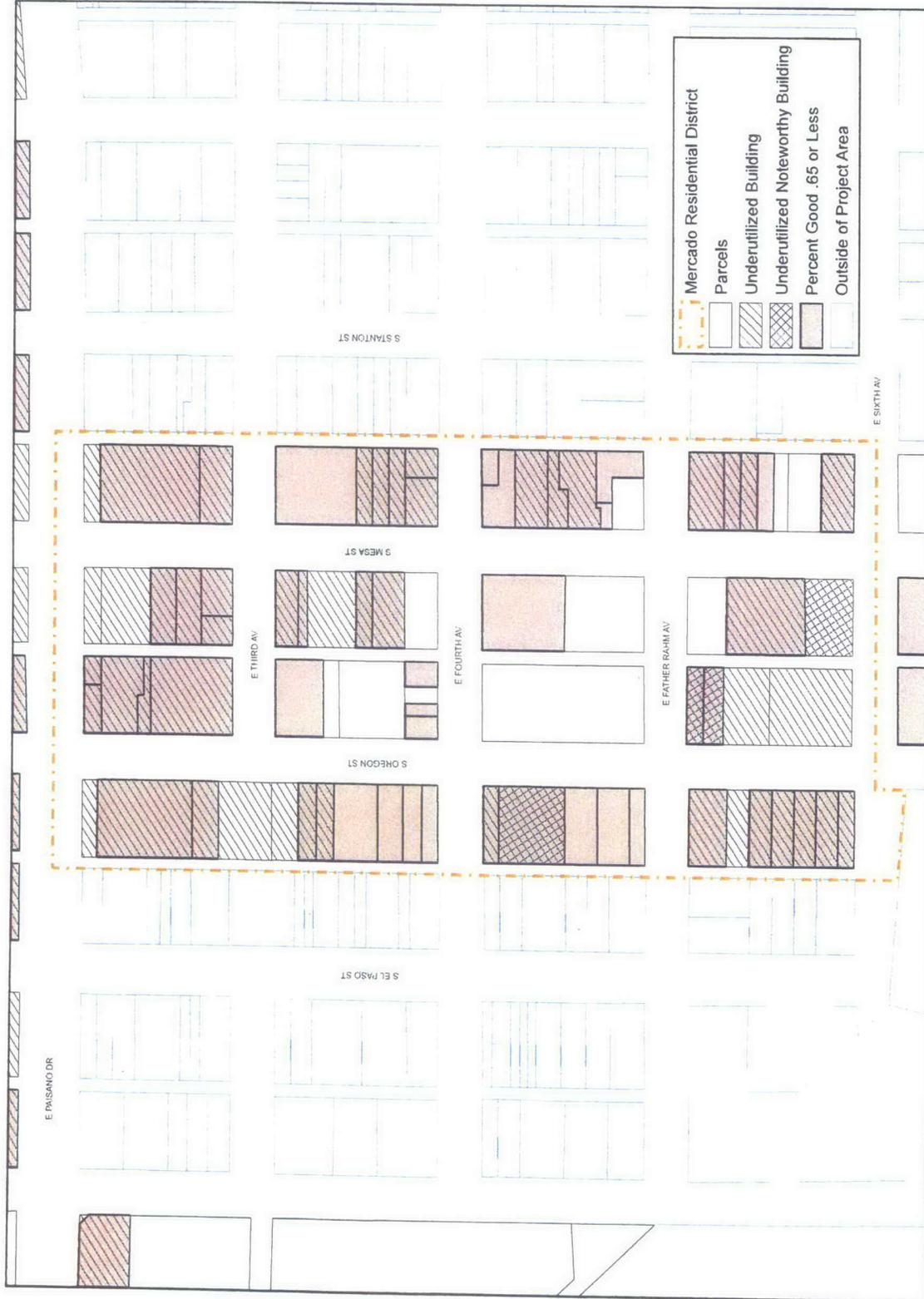
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-2

**MERCADO/
RESIDENTIAL
DISTRICT**

20.72 AC

Total Parcels - 81
Percent Good .65 or Less - 60



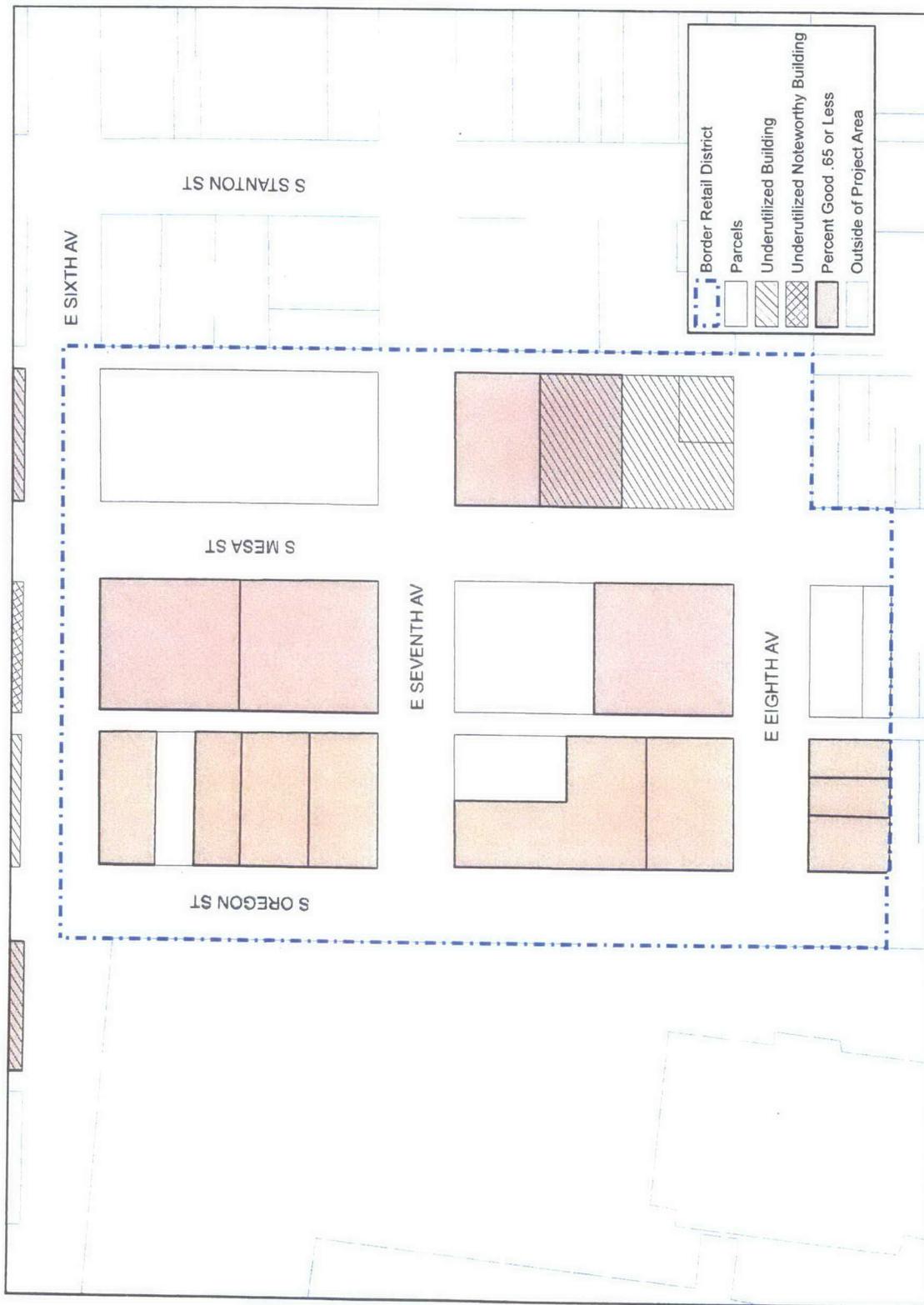
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-3

**BORDER
RETAIL
DISTRICT**

9.32 AC

Total Parcels - 22
Percent Good .65 or Less - 14



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-4

**RESIDENTIAL/
MIXED USE
DISTRICT**

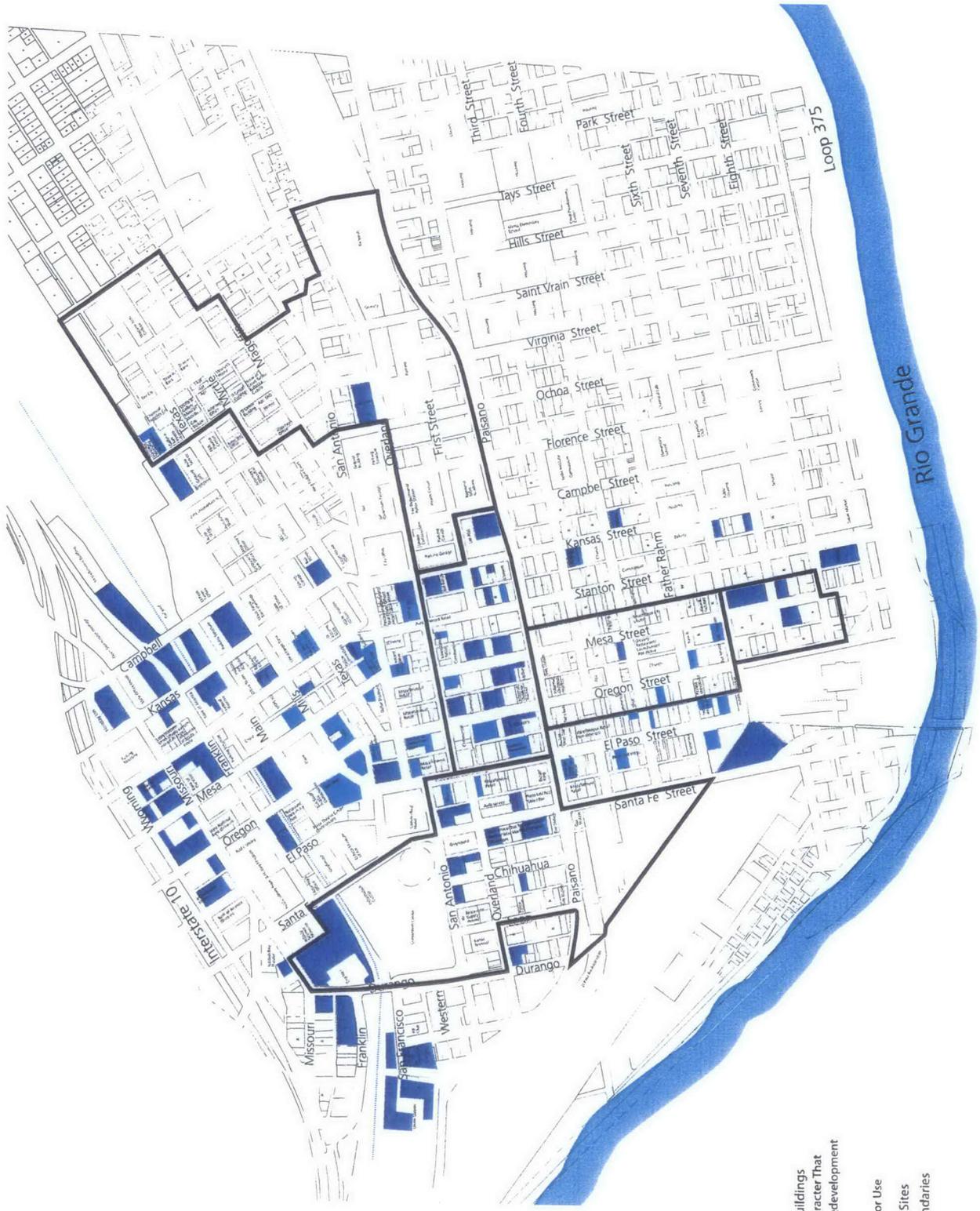
79.28 AC

Total Parcels - 152
Percent Good .65 or Less - 100



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-5



- Legend**
- Underutilized Noteworthy Buildings
Interesting And/OR-Historic Character That
May Present A Challenge For Redevelopment
 - Underutilized Buildings
Many Have Existing Ground Floor Use
 - Surface Parking Lots/ Vacant Sites
 - Redevelopment District Boundaries

Exhibit F

TAB 2

**PRELIMINARY PROJECT PLAN
AND
PRELIMINARY REINVESTMENT ZONE FINANCING PLAN
FOR**

REINVESTMENT ZONE NUMBER FIVE
CITY OF EL PASO, TEXAS

Downtown Redevelopment Districts

December 5, 2006

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II. PRELIMINARY PROJECT PLAN.....	2
III. PRELIMINARY REINVESTMENT ZONE FINANCING PLAN	6
IV. ZONE BOARD MEMBERS	9

EXHIBITS

- A. DESCRIPTION OF ZONE
- A-1. DOWNTOWN REDEVELOPMENT DISTRICTS
- A-2. LIFESTYLE RETAIL DISTRICT
- A-3. EXHIBITION/CONVENTION/ARENA DISTRICT
- A-4. MERCADO/RESIDENTIAL DISTRICT
- A-5. BORDER RETAIL DISTRICT
- A-6. RESIDENTIAL/MIXED USE DISTRICT
- B. EXISTING USES AND CONDITIONS (by SMWM)
- C. REDEVELOPMENT PLAN (OVERVIEW) (by SMWM)
- C-1. REDEVELOPMENT PLAN (PROPOSED IMPROVEMENTS) (by SMWM)
- D. DESCRIPTION OF PUBLIC WORKS/PUBLIC IMPROVEMENTS
- E. DEVELOPMENT SCHEDULE AND ASSUMPTIONS
- F. ESTIMATED PROJECT COSTS
- G. PROJECTED CAPTURED APPRAISED VALUE
- H. PROJECTED TAX INCREMENT REVENUE
- I. NOTIONAL BOND ANALYSIS (by First Southwest Company)
- J. ECONOMIC FEASIBILITY STUDY (by TXP, Inc.)

EL PASO DOWNTOWN DEVELOPMENT PROJECT

I. EXECUTIVE SUMMARY.

In a resolution passed and approved on July 10, 2006, the City Council of the CITY OF EL PASO, TEXAS (the "City") expressed its intent to create TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS (the "Zone") to enable the redevelopment of approximately 188.42 acres of land in the downtown area which will be made up of five geographically distinct and contiguous redevelopment districts for both commercial and residential uses (the "Project"). The Project will be implemented according to the City's Downtown 2015 Plan prepared by the consulting firm of SMWM in October 2006. The Zone will be established pursuant to the provisions of the Tax Increment Financing ("TIF") Act, Chapter 311, Texas Tax Code, as amended (the "Act").

Each of the development districts may be served by one or more developers. The duration of the Zone is projected to be 30 years with the Zone being in existence through calendar year 2036.

The cost of the public infrastructure improvements and related capital costs for the Project is estimated at \$57,241,613. The proposed public infrastructure improvements for the Project include the installation, extension and/or renovation of streets, drainage, utilities and sidewalks, and the construction of other public improvements. The developers will pay such costs and will only be reimbursed by the Zone's TIF fund to the extent tax increment revenue from increased property values is generated. The City plans to contribute 100% of its tax increment revenue; no other taxing authorities are expected to participate.

The Project will be completed in accordance with the City's Downtown 2015 Plan which forms a portion of *The Plan for El Paso*, the City's comprehensive plan. The five redevelopment districts in the Project will create the demographic basis that will serve as a catalyst for further commercial and industrial developments to occur in the City's downtown area. In turn, a vibrant downtown area will enhance economic opportunities city-wide.

II. PRELIMINARY PROJECT PLAN.

A. Overview

Tax increment generated within the Zone will provide the financing needed to develop the Project. Attached as Exhibit C is an overview of the planned redevelopment for the downtown districts from the Downtown 2015 Plan, providing the locations of the proposed improvements. Exhibit C-1 details proposed uses of the property within the Zone. The redevelopment is designed to encourage private investment in downtown El Paso and create new housing, shopping and entertainment alternatives, all of which will significantly increase tax revenues for all downtown taxing authorities.

This Preliminary Project Plan and the Preliminary Reinvestment Zone Financing Plan in Part III (collectively, the "Plan") provides for the funding of streets, sidewalks, water, sewer, drainage improvements, utility improvements, landscaping, and public parks, a listing of which can be found at Exhibit D. The City further anticipates associated engineering fees, legal fees, financial advisory fees and administrative costs associated with establishing the Zone and for development in the Zone.

Proposed improvements in the Zone will be undertaken in five (5) distinct geographic redevelopment districts as shown at Exhibit A-1. Each of the districts has at least one catalyst project to spur further development in that district.

1. Lifestyle Retail

Identified as the single most important action to stimulating new multi-faceted retail growth in this district is an extension of First Street. This would create an opportunity for pedestrian-oriented retail in an area targeted for upscale and unique stores, which may include thematic retail clusters. Plans include the construction of 600,000 square feet of retail space. An anchor retail facility on First Street would be the catalyst project. Approximately thirteen percent (13.2%), or 24.76 acres of the Project is designated for this district, as depicted at Exhibit A-2.

2. Exhibition/Convention/Arena

A major entertainment area is planned for approximately twenty-eight percent (28.7%), or 54.14 acres of the Project along Santa Fe Street. Plans for this district, which encompasses the present convention center, city hall and historic Union Plaza, include a new downtown arena and arena hotel. The arena will become a hub for hosting sporting events, trade shows, conventions and other entertainment programs. The arena hotel will be the catalyst project for the district which is depicted at Exhibit A-3.

3. Mercado/Residential

A colorful, arts-inspired Mercado serves as the catalyst for this retail district of approximately eleven percent (11.0%), or 20.72 acres of the Project. The Mercado will serve as an attraction for local artisans and retailers to an area designed for shopping, strolling, dining and attending cultural events, as depicted at Exhibit A-4. Local retail is planned to increase by 200,000 square

feet and will include produce, arts, crafts, and ethnic markets. A new plaza, park and arts walk will contribute to the revitalization of this district.

4. Border Retail

Approximately five percent (5.0%) or 9.32 acres of the Project will offer additional outlet and other unique stores. This border retail district will serve as the southern anchor to the “Golden Horseshoe” shopping area and provide an additional 300,000 square feet of retail space and an additional parking resource. A depiction of the Border Retail space is provided at Exhibit A-5.

5. Residential/Mixed Use

Approximately forty-two percent (42%), or 79.28 acres of the Project, is designated for the construction of a mixed use urban neighborhood in the Magoffin area with an estimated total of between 700 and 1,400 residential units and 195,000 square feet of retail space. The catalyst project for this redevelopment will be 400+ units of housing to address the immediate need for housing due to relocation from other downtown areas. A depiction of the proposed improvements and uses in this district is provided at Exhibit A-6.

The City reserves the right, pursuant to the Act, to amend the boundaries of the Zone and to add projects to the Zone, through the acquisition of land. Pursuant to a resolution passed by the City Council on July 10, 2006, condemnation will only be used as a last resort and will be undertaken in accordance with all state and local laws.

Improvements in all districts will take into account historic and culturally significant areas and structures and sensitive sites will be preserved. Redevelopment in the these five districts is designed to both complement and stimulate improvements in the Historic Incentive Districts as described in the Downtown 2015 Plan.

B. Boundaries

The Zone is located in the downtown area of the City, roughly bisected to the north and south by Paisano Street. The Zone is located entirely within El Paso County and the El Paso Independent School District. A description of the boundaries of the Zone is attached hereto as Exhibit A.

C. Land Use and Existing Conditions

The current use and condition of the property within the Zone is provided at Exhibit B.

D. Project Plan Objective

The objective of this Project Plan is to redevelop a 188.42-acre tract of land in the City’s downtown consisting of five adjoining geographic areas into five distinct residential and commercial districts. Major catalyst projects include mixed-use housing, an arena hotel, anchor retail on First Street, and a Mercado market. The Zone funds will provide for a reduction in costs necessary to construct projects by reimbursing portions of the associated public improvements.

E. Relocation

The Project Plan anticipates the relocation or displacement of residents in approximately 500 housing units, primarily in the Mercado and Border Retail districts. Housing replacement in the Mixed Use District will be an initial catalyst project and new affordable housing, along with relocation and financial assistance, will be provided to any displaced resident within the downtown area.

F. Municipal Ordinances

This Plan was developed subsequent to and in accordance with the Downtown Redevelopment Plan addendum to *The Plan for El Paso*, the master comprehensive plan for the City.

In addition to compliance with laws and procedures directly associated with the development of the Zone pursuant to Chapter 311, Texas Tax Code, as amended, the Project will comply with all local codes and ordinances, including local building codes.

The City will address any zoning changes necessary for proposed projects in any of the redevelopment districts at the time plans are submitted for the proposed project.

G. Competitive Bidding; Warranties

All project elements subject to Chapter 252, Texas Local Government Code, as amended, will be constructed pursuant to competitively bid contracts. All developers taking part in this Plan will provide the City a one-year warranty on all public improvements constructed under the Plan from the date of the City's acceptance.

H. Non-Project Costs

The City anticipates incurring legal, financial advisory and administrative costs in regard to creation of the Zone and annually thereafter, including the cost of reports and amendments to the Plan as needed.

III. PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

A. Introduction

The 2006 base value of the 188.42-acre Project is \$106,883,525, and the projected captured tax incremental value is \$902,219,094. The Zone will have a duration of thirty (30) years. Increased tax value from improvements in the Zone will provide a source of funding for the planned public improvements and enhanced infrastructure.

B. Public Infrastructure

The public infrastructure improvements include the construction of streets, sidewalks, drainage, sewer and water utilities, public parks and other public improvements throughout the Zone. The total public infrastructure capital cost is estimated at \$57,241,613. A description of the public improvements required is detailed at Exhibit D. The estimated development schedule, along with assumptions to financial calculations is provided at Exhibit E. The list of estimated project costs is attached as Exhibit F. City fees to be reimbursed as Project costs will not include water, sewer, or other impact fees.

C. Plan of Finance

The base year (2006) total appraised value of taxable real property in the Zone is \$106,883,525. The value in the year the Zone terminates (2036) is projected to be \$1,009,102,619. The estimated appraised value captured from the improvements to real property within the Zone would grow from \$3,206,506 in Tax Year 2007 to \$902,219,094 in Tax Year 2036 as shown in Exhibit G.

The City is the only participating taxing jurisdictions and their tax rate per \$100 valuation is at the current rate of \$0.67233. Based upon this assumptions, projected annual tax increment revenues are as shown on Exhibit H. No growth in tax rates is assumed, and the following taxing jurisdictions are not expected to participate: El Paso County, El Paso Independent School District, El Paso Community College and Thomason General Hospital (collectively, the "Taxing Units").

No bonded indebtedness is anticipated by the City in association with this Zone. However, 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 to this Plan. A notional bond analysis prepared by First Southwest Company is provided at Exhibit I.

The cost of the public infrastructure improvements will be incurred by the developers and reimbursed over time from a City-managed TIF account funded by the tax increment revenue generated within the Zone. In addition to the capital costs, other costs to be reimbursed from Zone revenue include engineering fees and the cost of the City's legal counsel and financial advisors involved in creating the Zone.

The total development costs for the public infrastructure improvements are \$57,241,613. Revenue generated from the Zone will be used to repay this amount over the life of the Zone. Projected tax increment revenue for each year of the Zone is shown in Exhibit H.

Notwithstanding the above, tax increment revenue collected from the Zone shall be used first to reimburse the City for its costs in creating the Zone and to pay the costs of the City's legal counsel and financial advisors involved in creating the Zone.

D. Limited Obligation of the Taxing Units

The Taxing Units will have no obligation to contribute any of their tax revenue. The City will have a limited obligation to impose and collect taxes and deposit the agreed amount of tax receipts into a TIF fund for the Zone so long as construction of improvements under the Project (commenced within the time constraints of the TIF Act) has produced taxable value and the project costs incurred by the developers, along with any accrued interest thereon, have not been reimbursed. Notwithstanding the above, the Zone collections for the Project shall not extend beyond December 31, 2036, and may be terminated prior to December 31, 2036, upon payment of the project costs incurred by the developers or for default by any developer under any development agreement on this Project entered into with the City.

E. Developer's Risk and Obligations

1. Developer's Risk

All financing, developmental costs, construction costs, improvements, damages or other costs incurred with respect to this Project are at the sole risk of the developers. Neither the City nor any of the Taxing Units shall incur any risk whatsoever associated with the development, construction, completion or failure of the Project. In the event that the Project fails, is abandoned by all of the developers or for any reason is not completed, the City shall have the right to terminate the Zone and receive reimbursement for its costs in creating the Zone and to pay the costs of legal counsel and financial advisors involved in creating the Zone. Any funds remaining in the Zone account after reimbursement shall be returned to the City's general fund.

2. Compliance

All developers shall comply with all federal, state and local laws, rules and regulations.

3. Reporting

All developers shall submit a project status report and financial report at least semi-annually to the City. All developers shall also submit a project status report, financial report or any other report as requested by any of the Taxing Units within thirty (30) days of such request.

F. Inspection

The City shall have the right to inspect any site under development at part of the Project with 24 hours prior notice to the appropriate developer.

G. Economic Feasibility

An economic feasibility study for the Project is attached as Exhibit I.

H. Zone Board

A Board of Directors for the Zone (“Zone Board”) has been established pursuant to the TIF Act. The total number of members for the Zone Board shall be fifteen (15). A list of initial members of the Zone Board is provided in Part IV.

I. Recommendation from Zone Board

The Zone Board recommends that the City proceed with the Project, approve the Reinvestment Zone Financing Plan, create the mechanisms required to tax and collect TIF revenue, and deposit such revenue into a TIF fund for the Zone.

IV. ZONE BOARD MEMBERS.

Name: _____ Appointed by City
Address: _____
Phone/Fax: _____

Name: _____ Appointed by City
Address: _____
Phone/Fax: _____

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Appointed by City

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Address: _____
Phone/Fax: _____

Appointed by County

Name: _____
Address: _____
Phone/Fax: _____

Appointed by School
District

Name: _____
Address: _____
Phone/Fax: _____

Appointed by
Community College
District

Name: _____
Address: _____
Phone/Fax: _____

Appointed by
General Hospital

[Names to be added after their appointment]

EXHIBITS

EXHIBIT A

Narrative Description of Zone

Beginning at the northernmost portion of the Downtown El Paso Redevelopment Plan TIRZ which is the northeast corner of the proposed eastern extension of E. Mills Avenue and Octavia Street following the east edge of Octavia Street south to northwest corner of the alley between Myrtle Avenue and Magoffin Avenue; then west following the south edge of the alley to N. Ange Street; then south following the east edge of Ange Street to the southern edge of Magoffin Avenue; then west following the southern edge of Magoffin Avenue to the southeast corner of Magoffin Avenue and Saint Vrain Street then south following the eastern edge of Saint Vrain Street; to the northeast corner of Saint Vrain Street and Olive Avenue; then south crossing Olive Avenue to the northeast corner of Parcel 128; then east following the northern edge of E. San Antonio Avenue to the eastern extension S. Hills Street; then south following the eastern edge of S. Hills Street to the northeast corner of the alley between E. San Antonio Avenue and E. Overland Avenue; then east following the north edge of the alley and crossing N. Tays Street to the northeast corner of the alley between E. San Antonio Avenue and E. Overland Avenue; then south across E. Overland Avenue and following the eastern boundary of Parcel 477 (identified as railroad property) continuing south to the southern edge of E. Paisano Drive; then west following the southern edge of E. Paisano Drive to the southeast corner of the alley between S. Mesa Street and S. Stanton Street; then south following the eastern edge of the alley south to the southern edge of E. Eighth Avenue; then west to the southeast corner of E. Eighth Avenue and S. Mesa Street; then south to an extension of the south boundary of Parcel 419, (El Paso CAD # C05099904601900); then west following the southern boundary of Parcel 419, crossing the alley between S. Mesa Street and S. Oregon Street and continuing west on the southern edge of Parcel 416 (El Paso CAD # C05099904603700), Parcel 417 (El Paso CAD # C05099904604300) and Parcel 418 (El Paso CAD # C05099904605000); then continuing west to the western edge of S. Oregon Street; then following the western edge of S. Oregon Street north to the southwest corner of S. Oregon Street and E. Sixth Avenue; then west following the southern edge of E Sixth Avenue to the intersection of a line extending the western edge of the alley between S. Oregon Street and S. El Paso Street; then north on the western edge of the alley between S. Oregon Street and S. El Paso Street to the southern edge of E. Paisano Drive; then following the southern edge of E. Paisano Drive west to the southeast corner of E. Paisano Drive and S Santa Fe Street; then south on the eastern edge of S. Santa Fe Street to the northeast corner of S. Santa Fe Street and E. Father Rahm Avenue; then crossing S. Santa Fe Street to the south corner of Parcel 455 (El Paso CAD # C05099912000100); then following the western boundaries of parcel 455, Parcel 458 (El Paso CAD # C05099913109000), Parcel 457 (El Paso CAD # X47099900002500), Parcel 464 (El Paso CAD # C05099913000100) and Parcel 463 (El Paso CAD # X45099900005101) northwest to the southern edge of W. Paisano Drive; then north crossing to the northern edge of W. Paisano Drive then east following the northern edge of W Paisano Drive to the northwest corner of W. Paisano Drive and S. Leon Street; then north following the western edge of S. Leon Street to the southwest corner of S. Leon Street and W. San Antonio Avenue; then west following the south edge of W. San Antonio Avenue to the southwest corner of W. San Antonio Avenue and S. Durango Street; then north following the

west edge of S. Durango Street north and northeast to an intersection of the northernmost corner of Parcel 468 (El Paso CAD # S636999000B2000 the City Civic Center); then following the northeastern boundary of Parcel 468 south and east to N. Santa Fe Street then crossing N. Santa Fe Street to the east edge of N. Santa Fe Street; then following the east edge of N. Santa Fe Street south to the northeast corner of N. Santa Fe Street and W. San Antonio Avenue; then east to the western edge of S. El Paso Street; then south following the east edge of S. El Paso Street to the northeast corner of S. El Paso Street and E. Overland Avenue; then east following the northern edge of E. Overland Avenue to the northwest corner of E. Overland Avenue and S. Ochoa Street; then north following the west edge of N. Ochoa Street to southwest corner of S. Ochoa Street and E. San Antonio Avenue; then crossing E. San Antonio Avenue to the western edge of the alley between N. Ochoa Street and N. Florence Street; then north following the western edge of the alley and crossing Magoffin Avenue to the south edge of Magoffin Avenue; then east to the northwest corner of Magoffin Avenue and N. Ochoa Street; then north following the western edge of N. Ochoa Street to the northwest corner of N. Ochoa Street and Myrtle Avenue ; then east following the northern edge of Myrtle Avenue to the northeast corner of N. Virginia Street and Myrtle Avenue; then north following the west edge of N. Virginia Street to the northwest corner of N. Virginia Street and E. Mills Avenue; then east following the northern edge of the proposed E Mills Avenue extension to the point of beginning, containing approximately 188.42 acres.

[See attached Exhibits A-1 through A-6 showing depictions of districts]

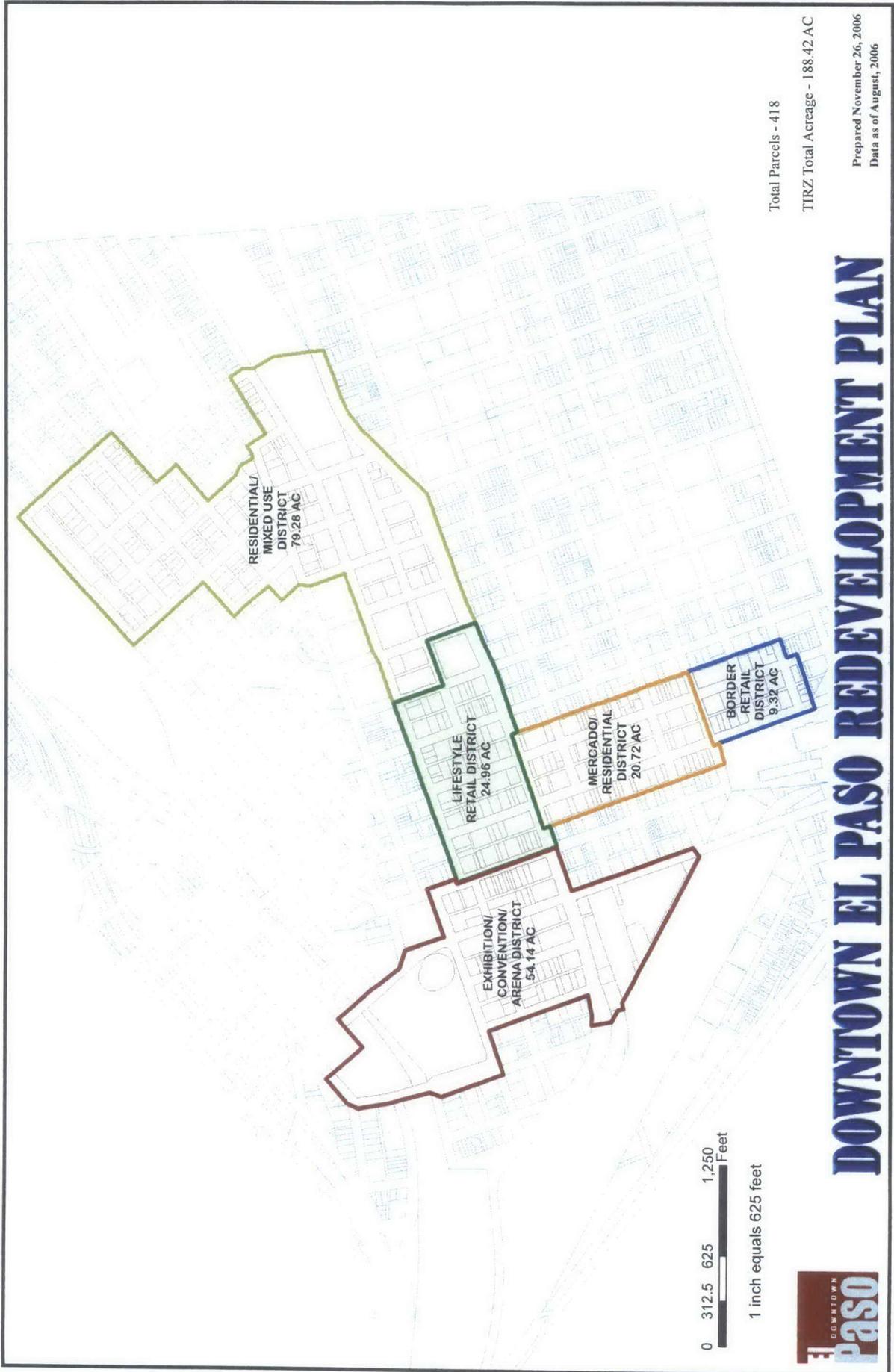
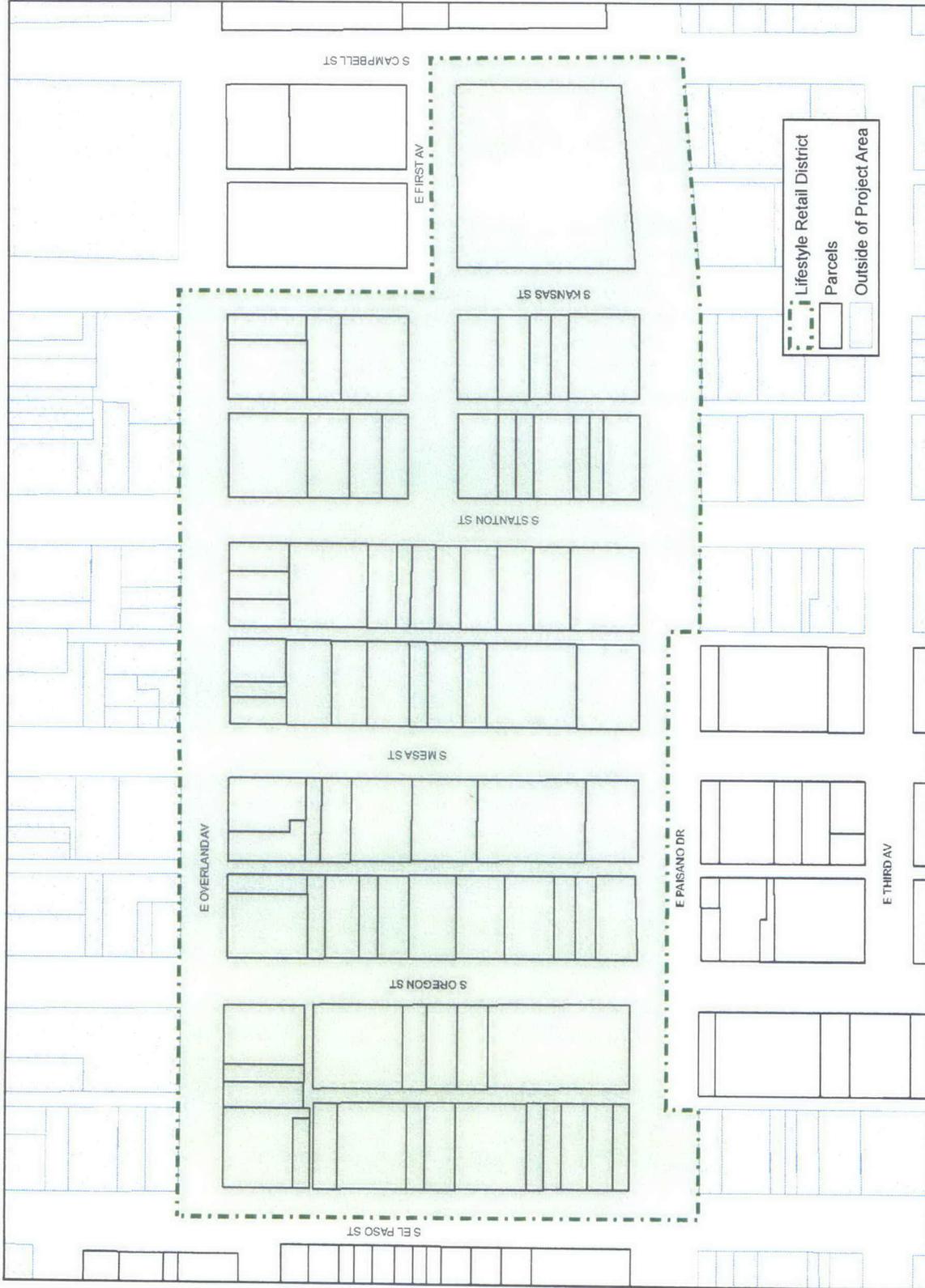


EXHIBIT A-1

**LIFESTYLE
RETAIL
DISTRICT**

24.96 AC

Total Parcels - 84



DOWNTOWN EL PASO REDEVELOPMENT PLAN

EXHIBIT A-2

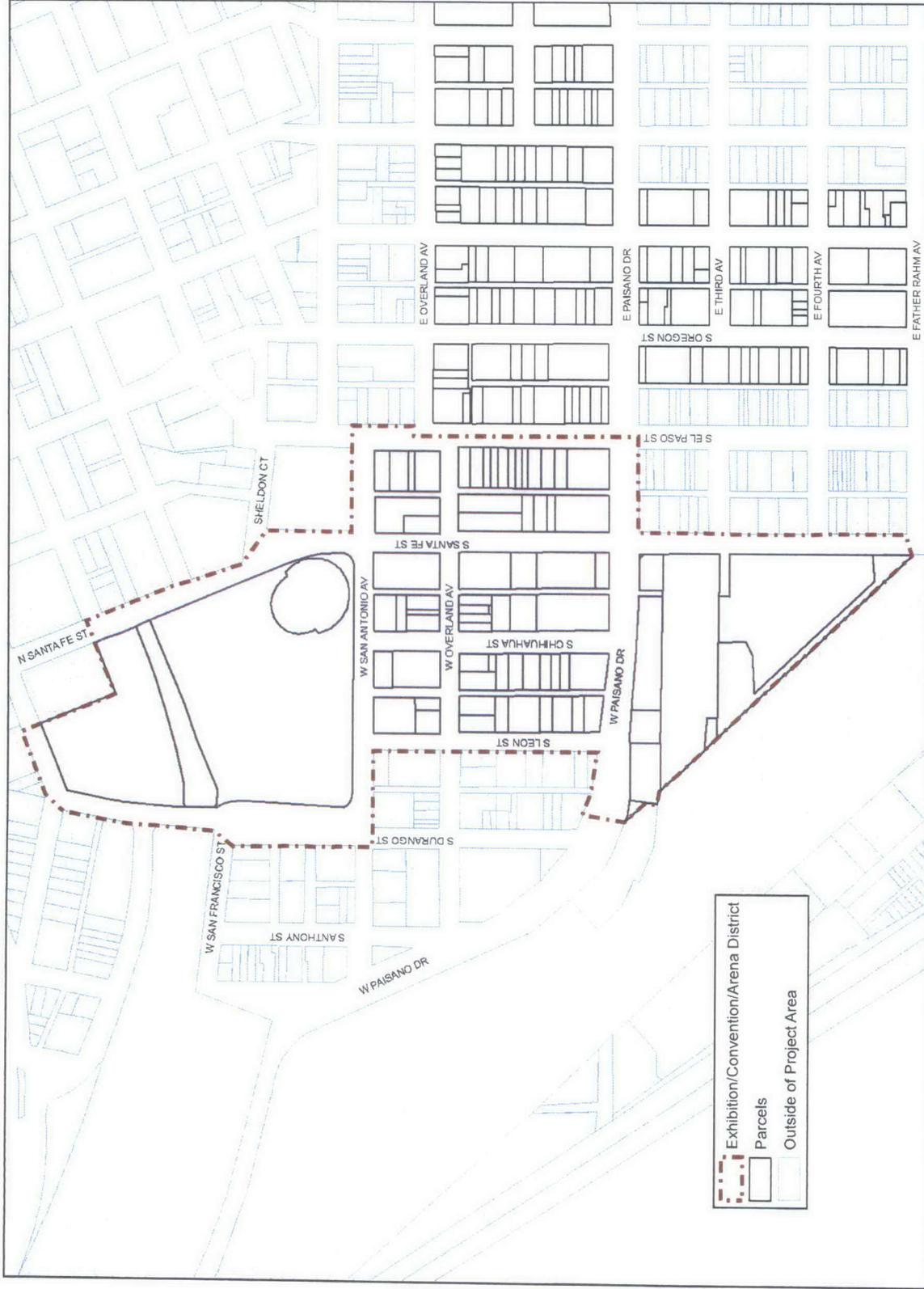
**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

54.14 AC

Total Parcels - 79



1 inch equals 325 feet



DOWNTOWN EL PASO REDEVELOPMENT PLAN

EXHIBIT A-3

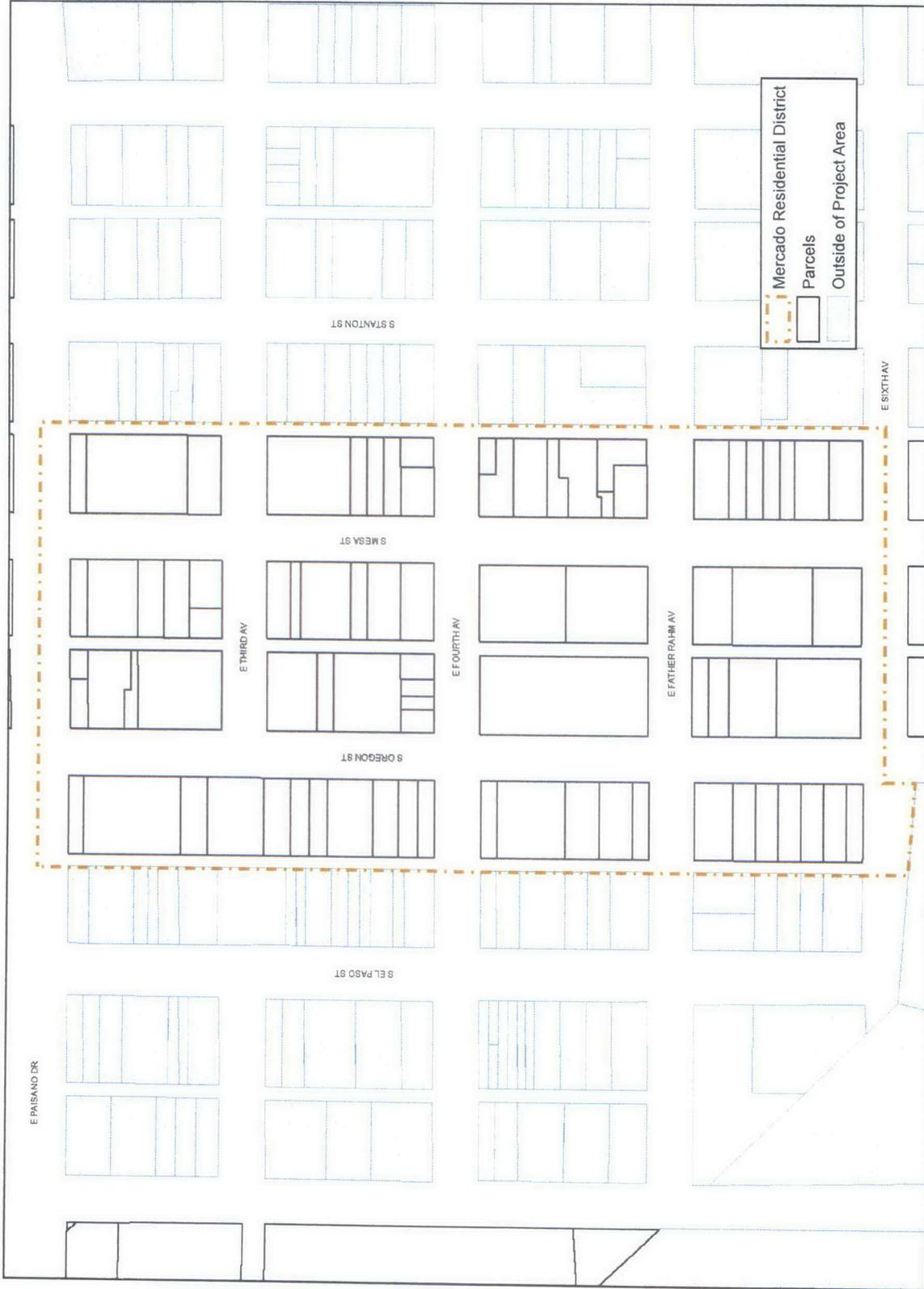
**MERCADO/
RESIDENTIAL
DISTRICT**

20.72 AC

Total Parcels - 81



1 inch equals 150 feet



DOWNTOWN EL PASO REDEVELOPMENT PLAN

EXHIBIT A-4

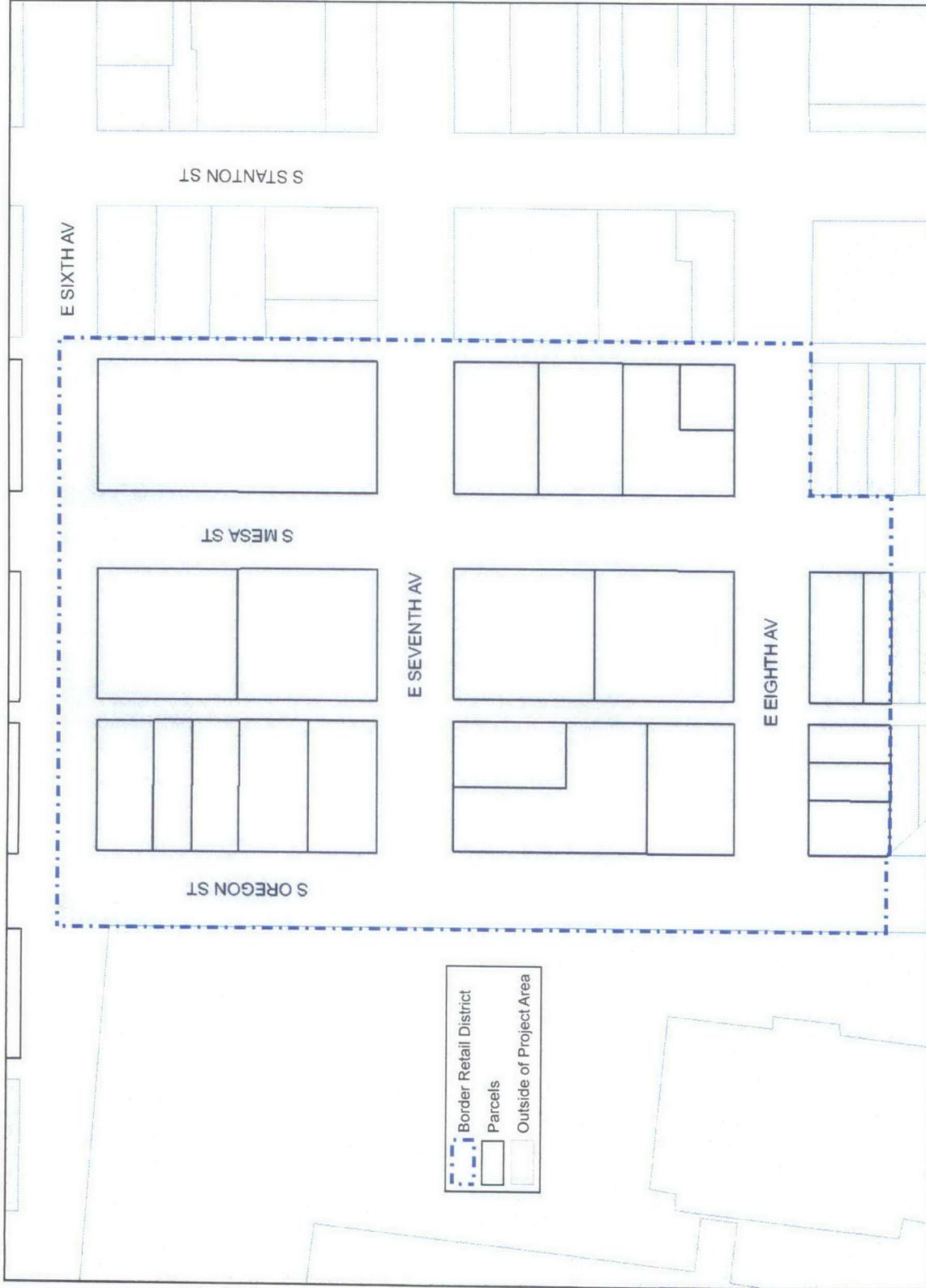
**BORDER
RETAIL
DISTRICT**

9.32 AC

Total Parcels - 22



1 inch equals 90 feet



DOWNTOWN EL PASO REDEVELOPMENT PLAN

EXHIBIT A-5

**RESIDENTIAL/
MIXED USE
DISTRICT**

79.28 AC

Total Parcels - 152



1 inch equals 300 feet



Residential/Mixed Use District

- Outside of Project Area
- Parcels

DOWNTOWN EL PASO REDEVELOPMENT PLAN

EXHIBIT A-6

EXHIBIT B¹

Existing Uses and Conditions

The Zone is bisected by Paisano Drive, the major east west arterial other than Interstate Highway 10. The areas north of Paisano are traditionally referred to as “downtown” and have the greatest concentration of historic buildings as well as numerous vacant lots and surface parking areas. The neighborhood to the south of Paisano Drive has long been referred to as Segundo Barrio, the “Second Ward,” and represents the first stop across the border for many immigrants.

Historic Downtown

The large buildings concentrated in the area around San Jacinto Plaza represent the downtown’s past and are at the same time a major resource for the future. Large commercial structures, many of them architecturally significant and stately, establish a memorable central city character and image but require creative design and development strategies and a more robust downtown market for reuse. Throughout the U.S. these large-scale commercial building types, which were long ignored as inappropriate to the standards of current private office users, are now being considered for adaptive reuse – for smaller start-up and service businesses and for dramatically different uses such as residential. In the traditional downtown of El Paso there is also extensive, available vacant land or parking lots which are a resource for future construction and infill development, sensitively designed to be compatible with the historic downtown fabric.

Exhibition/Convention/Arena District

Within the area south of the convention center and west of Santa Fe Street, the City has constructed a new district Fire Station along Leon Street and a new public parking facility along San Antonio Street. The Convention Center was expanded and renovated in 1999. South of Paisano Drive a new international transit terminal is proposed to serve as a central terminal for international and long haul bus facilities. Despite this public investment, the area still lacks energy and street life one would expect to find in an active area of cultural and entertainment uses. Very little retail or commercial development has made its way into the Union Plaza area. This area continues to be a fragmented neighborhood of partially occupied warehouses, bus yards, scattered single family, multi-family residences and vacant lots. The street improvements to this area and new Union Plaza park has sparked some entertainment uses in the blocks bounded by San Francisco, San Antonio, and Durango, but the district has gone largely unchanged.

Magoffin Neighborhood

This area east of downtown has a mix of government buildings on the western edge and is dominated by vacant lots and older residential buildings as one moves east. Beyond the mix of government buildings, warehouses, and occasional pre-war building, the area is pocked by empty lots, surface parking, and buildings in poor condition. Retail or commercial establishments are

¹ Excerpts from Downtown 2015 Plan by SMWM

limited to commerce that services County judicial activities, automobiles, and limited light industry. The Magoffin Historic District, with its collection of restored and hopefully to be restored brick bungalows and stately homes lies further to the east. Many of these homes have become professional offices while the majority remain in poor repair or vacant. The district poses a significant opportunity for a mixed use and urban residential district due to its proximity to downtown, available land opportunities, and remnants of historic character.

Area North of Paisano and South of Overland

The retail area currently bounded by Santa Fe and Kansas Streets, Overland and Paisano is occupied by one and two story retail buildings and parking lots. A modest amount of attractive historic buildings are surrounded by one story retail storefronts. Most buildings are post-war structures of neither historic nor architectural significance. The retail composition is largely clothing, health and beauty supply, pawn and second hand shops, gifts and housewares. Storefronts have been altered and adapted to their current retail use and there are very few observed upper floor uses. Upper floor windows are often boarded or bricked suggesting no intent for future use. The two major shopping streets are El Paso and Stanton and the retail energy found on these streets extends several blocks to the border. Significant retail outlets in this area include Star Western Wear and Holland's Department Store. There are very few restaurants with only one or two establishments open in the evening.

Border Area

The border area between El Paso Drive and Stanton Street is a fragmented series of blocks bordered to the east by the imposing U.S. Immigration entry station on El Paso Street; to the south by the Border Highway, rail right-of-way and Rio Grande; and typical neighborhood blocks of the Segundo Barrio to the north and east. This area is home to the El Centro de los Trabajadores Agricolas Fronterizos, the Farm Workers' Center, which provides services to recent immigrant workers. The large United States Customs Center where thousands of Mexican citizens and few Americans move through on foot and by vehicle every day poses a significant barrier to pedestrian and vehicular movement to the east.

EXHIBIT C

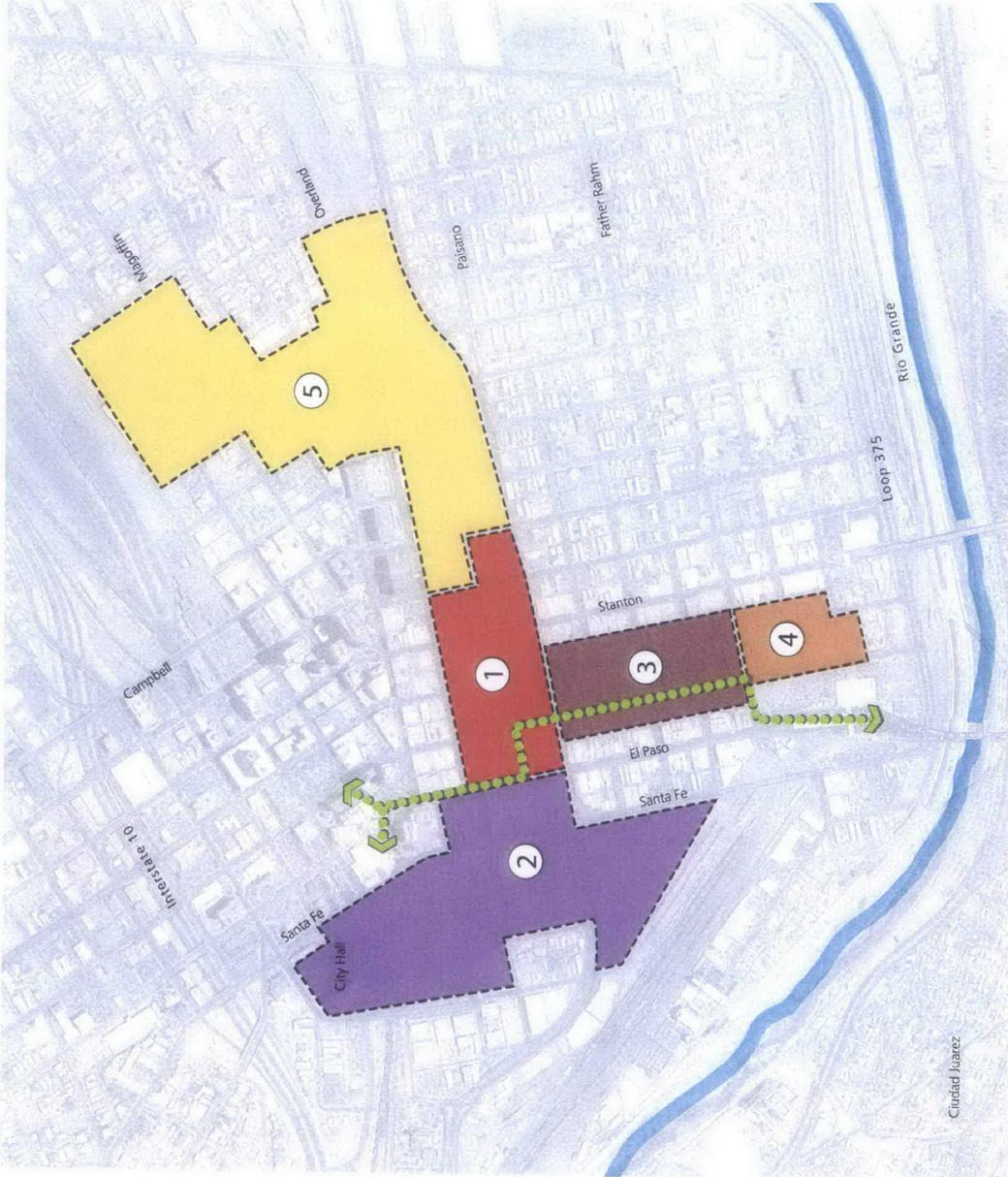
Redevelopment Plan (Overview)

[See attached depiction²]

² Prepared by SMWM

Redevelopment Districts

- Lifestyle Retail District
- Exhibition/Convention/Arena
- Mercado District and Residential Infill
- Border Retail
- Residential Mixed Use
- Bi-National Arts Walk



El Paso Downtown Plan

EXHIBIT C-1

Redevelopment Plan (Proposed Uses)

*[See attached excerpt entitled "Urban Design Guidelines of Development Standards" from the
Downtown 2015 Plan]*

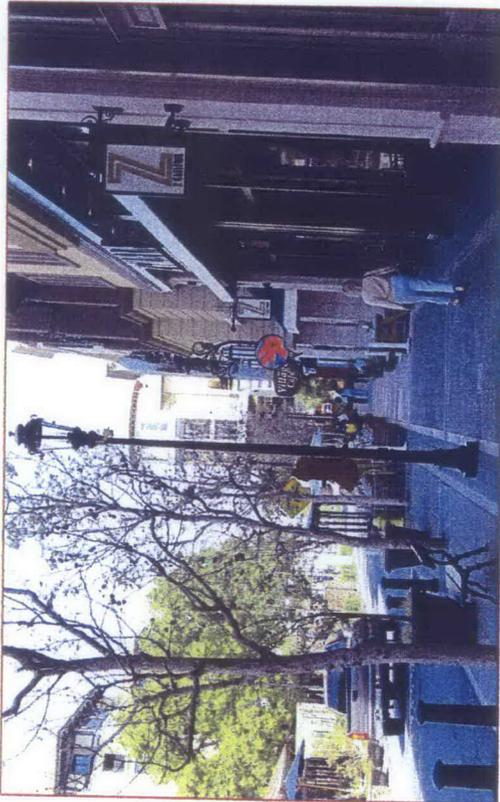
Urban Design Guidelines & Development Standards

4

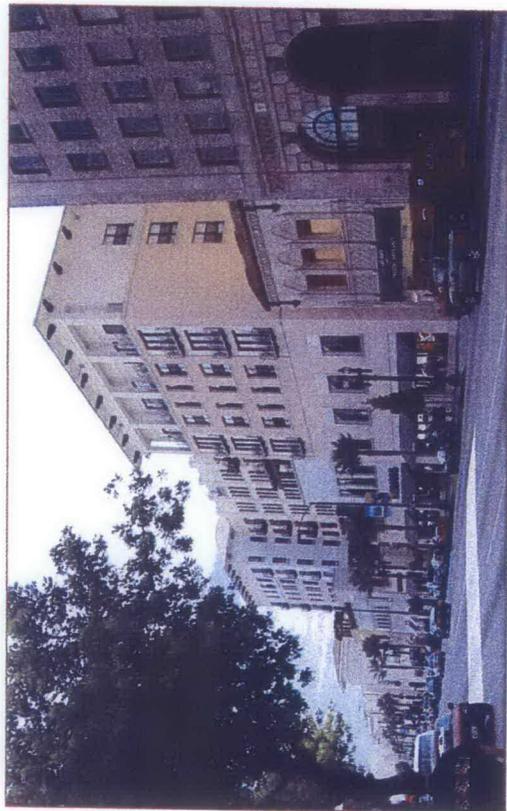
Districts and Catalyst Projects

District 1—First Street: Lifestyle Retail District

The Lifestyle District is a critical economic driver that will spur development and renovation throughout downtown El Paso. Centered on a pedestrian-oriented First Street and a dynamic new public open space, this district will include large-format retail as well as smaller-scale local and national retailers. The Lifestyle Retail District is envisioned as a single redevelopment project with the variety and character of a great downtown retail street. This catalyst project is assigned to have sufficient area to attract a significant private investment and a coordinated development plan.



A great retail street with articulated storefronts



Anchor retail should blend into the district

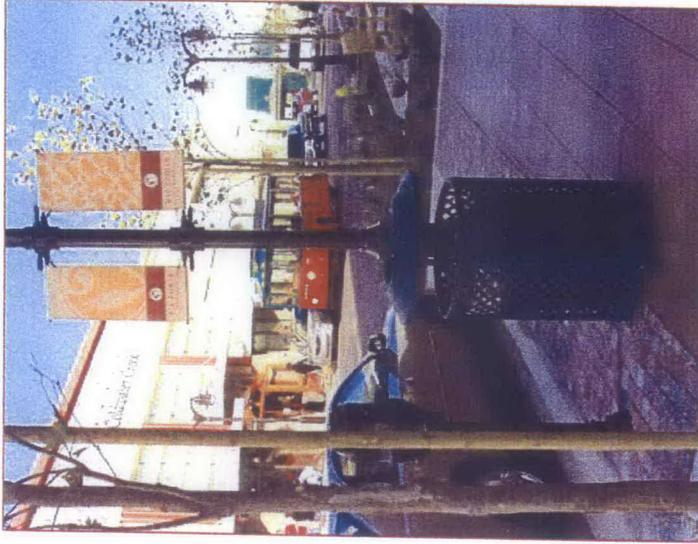
The following design guidelines outline specific issues that will ensure a walkable street of inviting scale.

**First Street—
A pedestrian-oriented First Street is critical to the long-term success of this district.**

- A continuous retail frontage should be maintained on both sides of the street from Stanton to Santa Fe Streets. Retail frontage may include large-footprint and smaller-scale retail, restaurants, transparent and active commercial uses, and lobbies for upper floor uses.
- Storefronts should be articulated along a block at a minimum every 50 feet.
- All retail uses along First Street should have their primary entrance on First Street.
- Anchor retail in the Lifestyle District should have a primary entrance from First Street.
- Vehicular access for parking garages is not permitted from First Street.

**Paisano Street—
The frontage of retail, open space, and parking uses facing Paisano Street is an important front door for the Lifestyle District.**

- Building walls facing Paisano Street should be well-articulated and visually interesting.
- Signage, architectural features, and lighting are encouraged to announce the Lifestyle District on Paisano.
- Vehicular access for parking garages is permitted from Paisano Street.



A coordinated design of streetscape components will include landscape, paving, lighting, signage and street furniture

Urban Design Guidelines & Development Standards

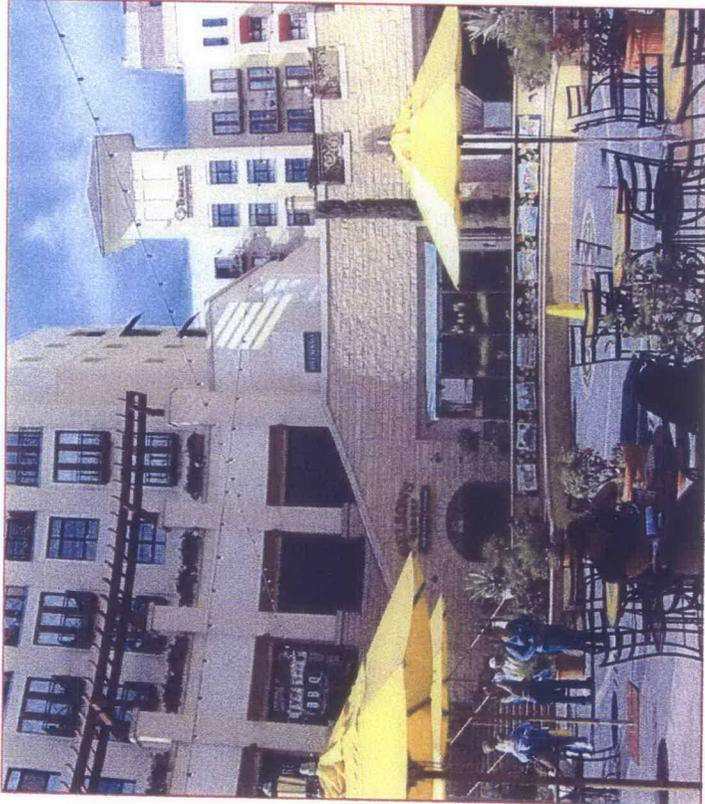
4

Anchor Retail—
Large-footprint buildings are permitted in the Lifestyle District, as necessary, to accommodate anchor retail.

- Anchor retail may contain blocks, as necessary.
- Anchor retail should have a primary frontage on First Street or on a north-south street that is bisected by First Street.
- Primary frontage is not permitted on Paisano Street such as Paisano and Overland.
- Anchor retail should consider liner retail uses on secondary frontages.

Continuous frontage—
Continuous retail frontage in the Lifestyle District will create an active, inviting, and pedestrian-oriented area and create seamless connections to the Historic Incentive District.

- Buildings in the Lifestyle District should be built to the property line, with exception for arcades, recessed entrances, and storefront bays.
- Oregon and Mesa Streets should have continuous retail frontages on both sides of the street. Retail frontage may include large-footprint and smaller-scale retail, restaurants, transparent and active commercial uses, and lobbies for upper floor uses.
- Necessary back-of-house functions such as service and loading areas should be screened from the street. Access driveways should be minimized.



Dynamic public spaces

District 2—Santa Fe Street: Convention/Entertainment/Arena

The Santa Fe Street District builds on the entertainment activities in the Union Plaza area and extends this activity to Santa Fe and El Paso Streets where it serves as a critical activity anchor that complements and facilitates the adjacent First Street District. The goal is a vibrant day and night center of entertainment and activity for downtown, alive with restaurants, nightclubs, and hotels.

Santa Fe Street—

The frontage of hotel, retail, and the arena uses on Santa Fe Street should be continuous and active.

- Hotels should locate restaurants and other retail uses directly accessible from Santa Fe Street.
- Outdoor dining on Santa Fe is strongly encouraged. Buildings may be setback from the property line to accommodate this activity.
- A new building at the intersection of Santa Fe and First Street should be setback a minimum of 50' in each direction to accommodate Arena Square.

First Street—

In the Santa Fe District, First Street is a continuation of the First Street District with the arena as a critical anchor for the street.

- A continuous retail frontage should be maintained on both sides of the street. Retail frontage may include large-footprint and smaller-scale retail, restaurants, transparent and active commercial uses, and lobbies for upper floor uses.
- Storefronts should be articulated along a block at a minimum every 40 feet.
- All retail uses along First Street should have their primary entrance on First Street.
- Vehicular access for parking garages is not permitted from First Street.

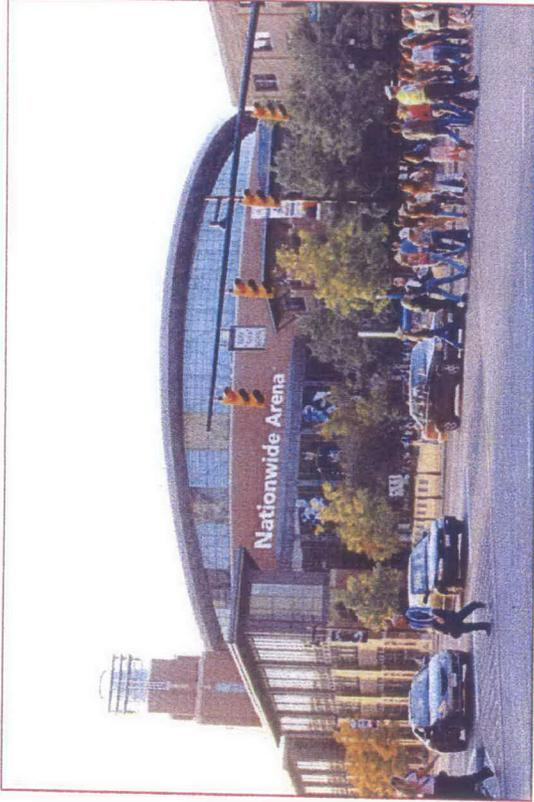


Top: Dynamic mix of retail and entertainment uses

Bottom: Articulate larger buildings

Urban Design Guidelines & Development Standards

4



Integrate the arena into the district

Arena— Incorporating the arena into the fabric of a vibrant district is not without challenges given the size of the arena and the necessary back of house functions. Drawing on the lessons of new arenas in downtowns across the country, there are a few critical design principles that will both mitigate the scale of the facility and integrate it into the district:

- The arena should be setback from the property line to ensure sufficient gathering and queuing space for pedestrians, especially at entrances.
- The setback at the corners should be a minimum of 50' in each direction to accommodate Arata Square.
- Primary entrances to the arena should be located at First and San Antonio Streets.
- Public functions such as ticket windows should be oriented to the sidewalk.
- The ground floor of the arena facing Santa Fe Street should be laminated with active uses such as restaurants and retail establishments that are open even when there are no arena events.
- Building walls should be well articulated and visually interesting.
- The facade of the arena should be transparent and animated. Large expanses of blank wall are not permitted.
- Arena signage and lighting should be incorporated into the overall design of the building facade.
- Back of house functions should be located on Leon Street.

District 3—Oregon/Mesa: Mercado District and Residential Infill

The Mercado District is a mixed-use residential neighborhood within the Segundo Barrio that is centered on a dynamic Mercado that will house a diverse collection of small, local retailers, artisans, and food sellers that cater to the neighborhood.

Mercado—

The Mercado is envisioned as a dynamic and inviting market hall that accommodates a host of small vendors selling a variety of goods, art and foods. The Mercado should draw inspiration from similar markets in Mexico, Central America, and throughout the U.S. From a design perspective, the following guidelines should be considered:

- The ground floor of the Mercado should be as transparent and porous as possible, especially on Oregon, Mesa, and Third Streets.
- Consider storefronts that completely open to the street.
- Arcades and/or substantial awnings should be considered for shade and comfort.
- Consider a sidewalk setback to create space for sidewalk displays and street vendors.
- An overall signage plan for the exterior should be developed, one that allows for distinctive signage for each individual vendor.
- The Mercado may include an outdoor vendor area that complements the indoor facility.



An inviting market hall



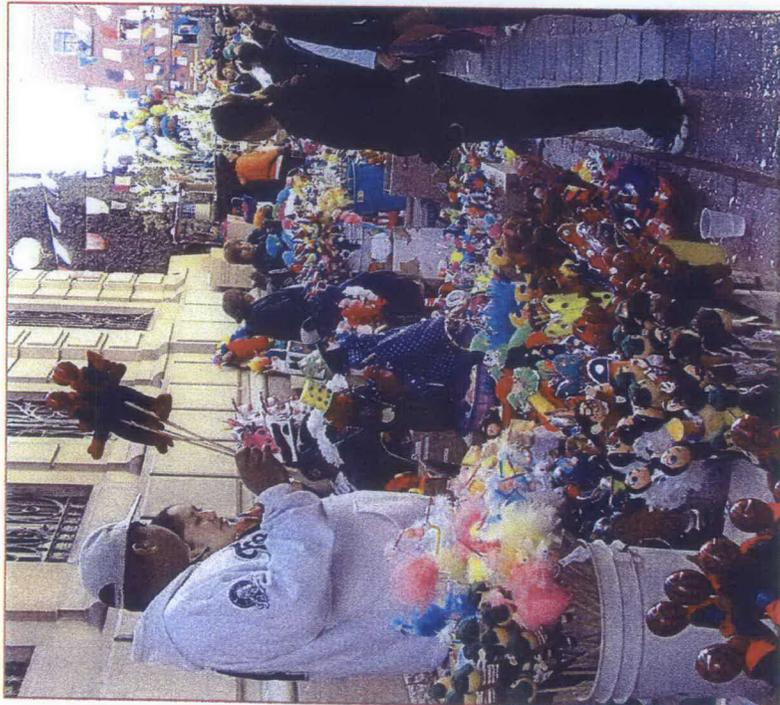
A range of small vendors

Neighborhood Character—

The Mercado District is within the Segundo Barrio, a neighborhood with a rich history and strong cultural traditions. All new development in this district should draw on these traditions in building program and design. Equally as important, all new and infill development projects in the Mercado District should be developed with community input to ensure that the project contributes to the overall needs of the community and the Segundo Barrio Plan that is currently being developed.

- New development should be built to the street with minimal setbacks, except for usable open space, stoops, and courtyards.
- Reflecting the general development pattern in the neighborhood, entrances and primary facades should be generally oriented to north-south streets.
- Reflecting the variety and scale of the neighborhood, development projects that occupy an entire block should consider housing with a range of densities and building types.
- Include active ground floor uses such as residential entries, retail, community services, and live-work.
- Incorporate a range of retail opportunities that include small-scale local retailers.
- Consider corners as important retail opportunities.
- Consider an extension of Mercado-type and arts-related retail in adjacent open spaces and storefronts/live-work spaces on Oregon Street.
- Parking should be accessed from alleys, not Oregon or Mesa Streets.

4 Urban Design Guidelines & Development Standards



Outdoor vendor areas



A mix of arts and food

District 4—Rio Grande: Border Retail District

The Border Retail District is an economic driver that builds on the proximity to the El Paso and Stanton Street border crossings while providing economic opportunity and shopping options for the local neighborhood. This district will include large-footprint and smaller-scale local and national retailers.

Anchor Retail—
Large-footprint buildings are permitted in the Rio Grande District, as necessary, to accommodate anchor retail.

- Anchor retail may combine blocks, as necessary. Subject to review.
- Consider a range of retail opportunities that include local retailers.
- Necessary back-of-house functions such as service and loading areas should be screened from the street. Access driveways should be minimized.
- Primary vehicular access is permitted from the Border Highway.

Neighborhood Character—

The Rio Grande District is within the Segundo Barrio, a neighborhood with a rich history and strong cultural traditions. All new development in this district should draw on these traditions in building program and design. Equally as important, all new and infill development projects in the district should be developed with community input to ensure that the project contributes to the overall needs of the community and conforms to the guidelines outlined in the Segundo Barrio Plan that is currently being developed.



Top Prominent building entries

Bottom Integrate the retail into the scale of the district



Top Prominent building entries

Bottom Integrate the retail into the scale of the district



Top Prominent building entries

Bottom Integrate the retail into the scale of the district



Top Prominent building entries

Bottom Integrate the retail into the scale of the district

Urban Design Guidelines & Development Standards

4

District 5—Magoffin/San Antonio Neighborhood: Residential Mixed-Use District

The Magoffin/San Antonio District represents a significant opportunity to create a new mixed-use residential neighborhood in an area that is currently underutilized yet adjacent to an existing historic residential district.

Neighborhood Character— New development in the Magoffin/San Antonio District should draw inspiration from adjacent historic residential district, yet not mimic it.

- New development should be built to the street with minimal setbacks, except for usable open space, stoops, and courtyards.
- Reflecting the general development pattern in the neighborhood, entrances and primary facades should be generally oriented to east-west streets.
- Reflecting the variety and scale of the adjacent neighborhoods, development projects that occupy an entire block should consider housing with a range of densities and building types.
- Where feasible, parking should be accessed from alleys.

Retail Corridors— New development on San Antonio and Magoffin Streets should include active and transparent ground floors.

- Active ground floor uses include retail, community services, and live-work.
- Incorporate a range of retail opportunities that include small-scale local retailers.
- Consider corners as important retail opportunities.

Building Types and Forms

Single Family

Description

A detached residential building that is intended for one household. [Insert Images 49-51]

Districts

Residential Edge

Lot Area (by Unit)

2,500 sq. ft. minimum to 5,000 sq. ft. maximum

Lot coverage

60% maximum

Building Placement

Front: 10' minimum to 15' maximum

Side: 5' minimum to 15' maximum

Rear: 3' minimum

Height

Primary building is 3 stories maximum with a maximum height 35 feet. Detached garages 2 stories maximum with a maximum height of 25 feet.

Frontage Type

Porch, Stoop

Access

The main entrance shall be located within the façade and accessed directly from the street through an allowed frontage type. Where an alley is present, parking and services shall be accessed through the alley. Where an alley is not present, parking and services shall be accessed by way of a driveway.

Parking

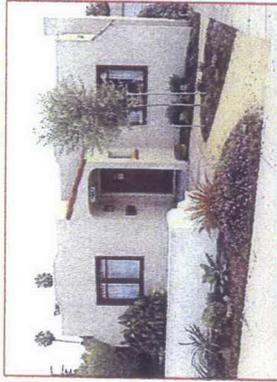
Minimum 1 per dwelling unit; maximum 2 per dwelling unit.

Off-street parking shall be placed in the rear 50% of the lot; side lot setback is 5' minimum; rear setback is 3' minimum.

Guidelines

- Single family buildings are allowed only in the Residential Edge District and are intended to serve as a transition between higher intensity development in the Magoffin District and existing lower density residential neighborhoods.
- Lot sizes should be small and building should have minimal setbacks in order to create a more urban environment. The primary access should be from the street and garages should be set back from the front plane of the structure.
- Residential entries should be identifiable and prominent. Architectural elements that create space or add scale, such as courtyards, porches, balconies, trellises and bay windows are recommended.
- New building design should follow traditional patterns, materials, colors, and typologies found in El Paso.
- Create variety along the street. Variety may be achieved by changing materials, roofing, windows, step-backs, modulation, setbacks, recesses, height, entries, color, building form, or architectural details.
- Architectural elements that create space or add scale, such as courtyards, porches, balconies, trellises and bay windows are recommended.
- Windows and doors should be inset in the building wall with a minimum 3 inch reveal
- Rectangular window openings facing streets should be oriented vertically.

4 Urban Design Guidelines & Development Standards



Top and Bottom Single Family residence



Single Family residence with garage behind the main house

Townhouse

Description

Attached residential buildings of more than four attached, side-by-side units. Maximum of 8 units attached without break. Carriage house permissible depending on lot depth.

Districts

R -Residential Edge; MUR-2 Neighborhood Focus Mixed Use Residential

Frontage Type

Stoop; Porch; Storefront

Finished Floor Elevation

2' minimum above sidewalk grade for residential units; no minimum for non-residential units.

Access

The main entrance to each dwelling unit shall be accessed directly from and face the street. Secondary entrances are allowed from alleys or structured parking.

Parking

Minimum 1 per dwelling unit; maximum 2 per dwelling unit.

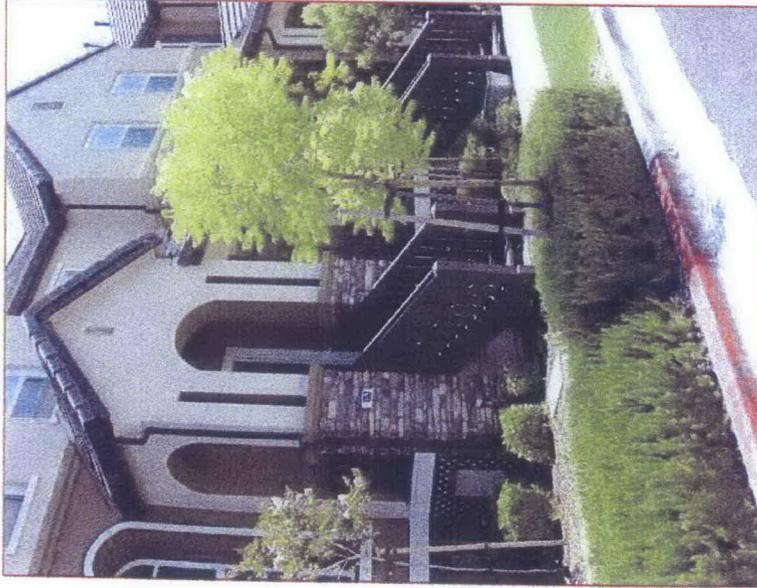
Parking shall be located at the rear of the lot, accessed from an alley or in a structure in a Blended Type Development.

Guidelines

- This building type should be located in primarily residential areas and can serve as a transition between higher density residential and commercial uses and existing lower density residential areas.
- Primary access to each dwelling unit shall be from the street. Units may be designed to allow for non-residential uses on the ground floor in some cases. This dwelling type may be blended with other dwelling types, such as Apartments or Commercial Block, on a single parcel or within a single development project.
- Townhouses should have minimal setbacks in order to create a more urban environment.
- New residential development should be informed by traditional patterns, materials, colors, and typologies found in El Paso.
- Create variety along the street. Townhouses should appear as separate, but attached buildings. Variety may be achieved by changing materials, roofing, windows, step-backs, modulation, setbacks, recesses, height, entries, color, building form, or architectural details.
- Step-backs, setbacks, and height changes should be a minimum of 3'.
- A continuous cornice line on a row of townhouses is not recommended.
- Architectural elements that create space or add scale, such as courtyards, porches, balconies, trellises and bay windows are recommended.
- Residential entries should be identifiable and prominent. Entries shall be marked by stoops, overhangs, and/or other architectural features.
- Windows and doors should be inset in the building wall with a minimum 3 inch reveal
- Rectangular window openings facing streets should be oriented vertically.

Urban Design Guidelines & Development Standards

4



Townhomes with main level raised atop a partially sunken parking level



Townhomes

Duplex, Triplex, Quadplex

Description

Buildings that contain two, three or four dwelling units.

Districts

Residential Edge; Magoffin Residential; Neighborhood Focus Magoffin; Oregon/Mesa; Mercado District; Rio Grande; Border Retail District

Frontage Type

Porch; Stoop

Finished Floor Elevation

2' minimum

Access

The main entrance shall be located within the façade and accessed directly from the street through an allowed frontage type. Where an alley is present, parking and services shall be accessed through the alley. Where an alley is not present, parking and services shall be accessed by way of a driveway.

Parking

Minimum 1 per dwelling unit; maximum 2 per dwelling unit.

Off-street parking shall be placed in the rear 50% of the lot; side lot setback is 5' minimum; rear setback is 3' minimum.

Guidelines

- This building type should be located in primarily residential areas and can serve as a transition between higher density residential and commercial uses and existing lower density residential areas.
- Primary access to each dwelling unit shall be from the street. Units may be designed to allow for non-residential uses on the ground floor in some cases. This dwelling type may be blended with other dwelling types, such as Apartments or Commercial Block, on a single parcel or within a single development project.
- Include minimal setbacks in order to create a more urban environment.
- New residential development should be informed by traditional patterns, materials, colors, and typologies found in El Paso.
- Create variety along the street. Variety may be achieved by changing materials, roofline, windows, step-backs, modulation, setbacks, recesses, height, entries, color, building form, or architectural details.
- Step-backs, setbacks, and height changes should be a minimum of 3'.
- Architectural elements that create space or add scale, such as courtyards, porches, balconies, trellises and bay windows are recommended.
- Residential entries should be identifiable and prominent. Entries shall be marked by stoops, overhangs, and/or other architectural features.
- Windows and doors should be inset in the building wall with a minimum 3 inch reveal
- Rectangular window openings facing streets should be oriented vertically.
- Reflective glass is not permitted.

Urban Design Guidelines & Development Standards

4



Duplex, Triplex and Quadplex



Duplex, Triplex and Quadplex

Apartment

Description

Residential apartment buildings that contain more than four dwelling units.

Districts

Magoffin/San Antonio Neighborhood: Residential Mixed-use; Oregon/Mesa: Mercado District; First Street: Lifestyle Retail District; Rio Grande: Border Retail;

Frontage Type

Stoop; forecourt; courtyard; storefront

Finished Floor Elevation

2' minimum if ground floor is residential.

Access

The main entrance shall be located within the façade and accessed directly from the street through an allowed frontage type. For buildings that front on two streets, entrances may be on the corner.

Parking

Residential: Minimum 1 per dwelling unit; maximum 2 per dwelling unit.

Parking may be at-grade or in structures.

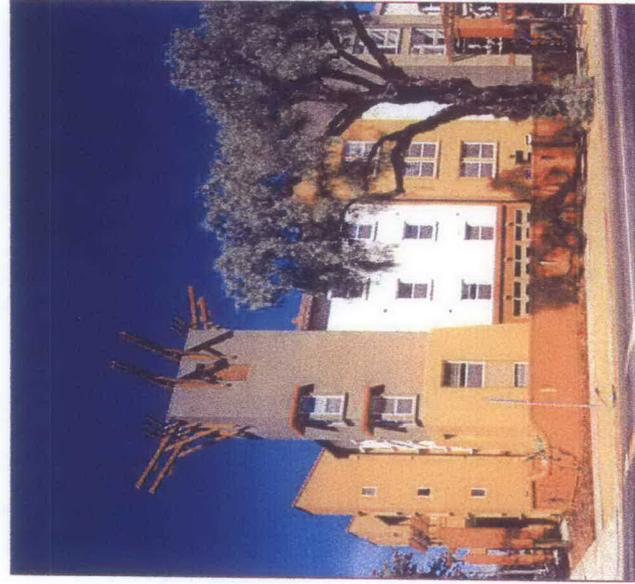
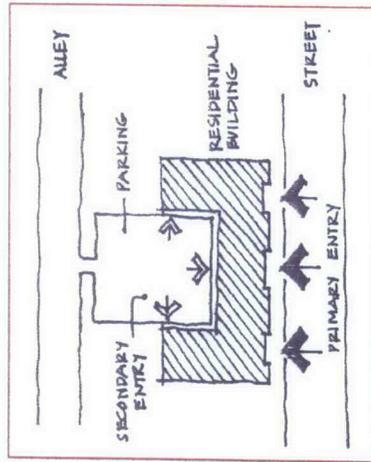
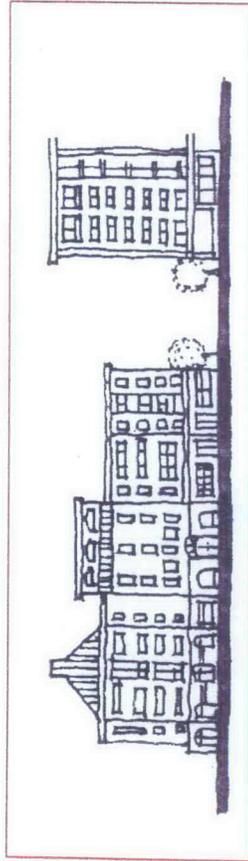
Parking may be located interior to buildings, behind buildings or integrated with the building itself. Parking shall not be located fronting the street.

Dwellings may have indirect access to their parking stalls.

Guidelines

- New residential development should be informed by traditional patterns, materials, colors, and typologies found in El Paso.
- Create variety along the street. Adjacent buildings shall be visually distinct from each other.
- Variety may be achieved by changing materials, roofing, windows, step-backs, modulation, setbacks, recesses, height, entries, color, building form, or architectural details. At least two of these elements should vary for each building along the street.
- Step-backs, setbacks, and height changes should be a minimum of 3'.
- Variation in building form should relate to the scale of individual building units or rooms such as recessed or projecting bays, shifts in massing, or distinct roof shapes.
- The facades of multi-family apartment buildings should be articulated at minimum intervals of 25-50'. Articulation can be achieved through changes in building plane or features such as but not limited to: balconies, columns, bay windows and pilasters.
- Primary access for all residential buildings shall be from a public open space, public street, or courtyard. Secondary access is permitted from the parking area or alley.
- Residential entries should be identifiable and prominent. Entries shall be marked by stoops, overhangs, and/or other architectural features.
- Ground floor units directly accessible from the street are encouraged in multi-story apartment buildings.
- Windows and doors should be inset in the building wall with a minimum 3 inch reveal
- Balconies should be usable with a minimum 3 foot deep projection or recess.
- Rectangular window openings facing streets should be oriented vertically.
- Reflective glass shall is not permitted.

4 Urban Design Guidelines & Development Standards



Top Variety in elevation

Bottom Left Apartments

Bottom Right Primary entry from street

Apartments

Commercial/Residential Block

Description

A building designed for occupancy by retail, service and/or office uses on the ground floor with the potential for residential or allowed non-residential uses on the upper floors. These buildings range in size from entire city blocks down to smaller infill projects built into the existing neighborhood fabric.

Districts

Magoffin/San Antonio Neighborhood: Residential Mixed-use; Oregon/Mesa: Mercado District; First Street: Lifestyle Retail District; Rio Grande: Border Retail; Santa Fe Street: Convention/Entertainment/Arena

Lot Area

no minimum or maximum

Lot Coverage

100% maximum

Building Placement

Front: No setback for at least 75% percent of frontage to 5' maximum for up to 25% of frontage. Exceptions for usable arcades and outdoor seating.

Side: no required setback

Rear: no required setback

Frontage Type

Storefront; Arcade; Forecourt

Finished Floor Elevation

0'

Access

The main entrance shall be located within the façade and accessed directly from the street through an allowed frontage type. For buildings that front on two streets, entrances may be on the corner.

Parking

Residential: Minimum 1 per dwelling unit; maximum 2 per dwelling unit.

Non-Residential: Maximum 4 spaces per 1,000 square feet gross floor area.

Parking may be at-grade or in structures and may not front the street.

Parking may be located interior to buildings, behind buildings or integrated with the building itself.

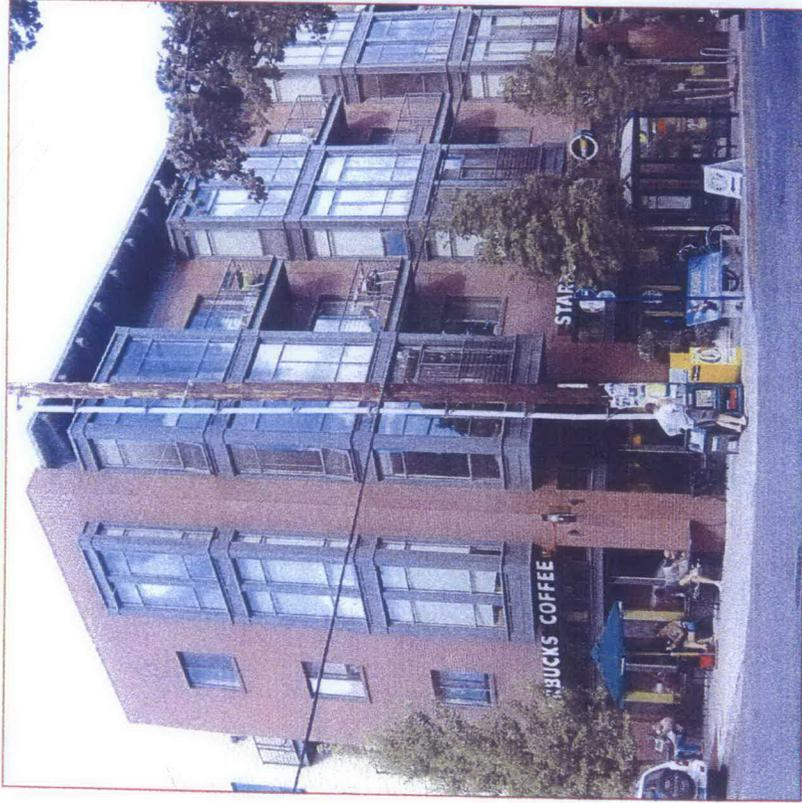
Parking shall not be located to front the street.

Dwellings may have indirect access to their parking stalls.

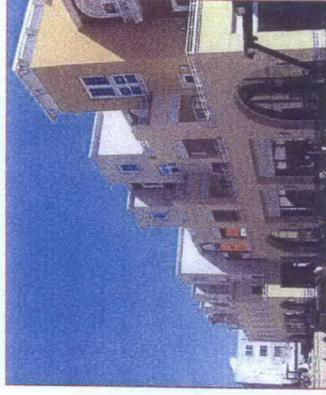
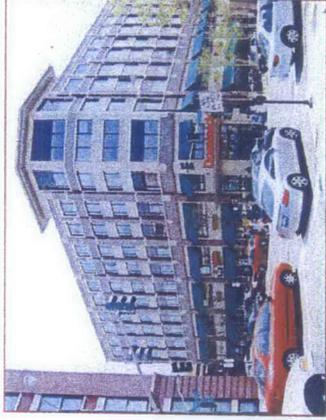
Guidelines:

- The height of this building type can range from one story for a single retail-type use to multiple stories for mixed-use buildings. This is the recommended building type for many of the land use districts.
- New development should be informed by traditional patterns, materials, colors, and typologies found in El Paso.
- Create variety along the street. Adjacent buildings shall be visually distinct from each other.
- Variety may be achieved by changing materials, roofline, windows, step-backs, modulation, setbacks, recesses, height, entries, color, building form, or architectural details. At least two of these elements should vary for each building along the street.
- Step-backs, setbacks, and height changes should be a minimum of 3'.
- Variation in building form should relate to the scale of individual building units or rooms such as recessed or projecting bays, shifts in massing, or distinct roof shapes.
- The façades of multi-family apartment buildings should be articulated at minimum intervals of 25-50'. Articulation can be achieved through changes in building plane or features such as but not limited to: balconies, columns, bay windows and pilasters.
- Primary access for all residential buildings shall be from a public open space, public street, or courtyard. Secondary access is permitted from the parking area or alley.
- Residential entries should be identifiable and prominent. Entries shall be marked by stoops, overhangs, and/or other architectural features.
- Windows and doors should be inset in the building wall with a minimum 3 inch reveal
- Balconies should be usable with a minimum 3 foot deep projection or recess.
- Rectangular window openings facing streets should be oriented vertically.
- Reflective glass shall is not permitted.

4 Urban Design Guidelines & Development Standards



Commercial/Residential building



Commercial/Residential building (all)

Tower

Description

A tall building designed for occupancy by retail, hotel, service and/or office uses on the ground floor with residential, office, hotel, or other non-residential uses on the upper floors.

Districts

Santa Fe Street: Convention/Entertainment/Arena District

Lot Area

1 acre minimum, 2 acres maximum

Lot Coverage

80% minimum

Building Placement

Front: No setback for at least 75% percent of frontage to 5' maximum for up to 25% of frontage. Exceptions for usable arcades and outdoor seating.

Side: no required setback

Rear: no required setback

Height

no height limit

Frontage Type

Storefront; Arcade; Forecourt

Finished Floor Elevation

0'

Access

The main entrance shall be located within the façade and accessed directly from the street through an allowed frontage type. For buildings that front on two streets, entrances may be on the corner or on both streets, depending on the size of the building.

Parking

Residential: Minimum 1 per dwelling unit; maximum 2 per dwelling unit.

Non-Residential: Maximum 4 spaces per 1,000 square feet gross floor area.

Parking may be at-grade or in structures and may not front the street.

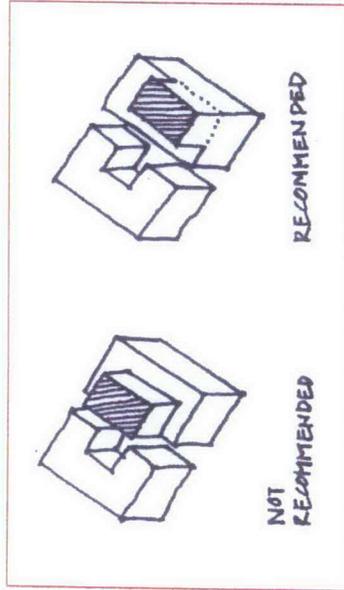
Parking may be located interior to buildings, behind buildings or integrated with the building itself. Parking shall not be located to front the street.

Dwellings may have indirect access to their parking stalls.

Guidelines

- Towers should be sited and massed so that they contribute the overall urban form and skyline of Downtown El Paso.
- The use of mirrored or highly reflective glass is discouraged in favor of tower buildings that combine translucent curtain wall glazing or more punctured wall treatments.
- Towers should be architecturally integrated with the perimeter block architecture at the base, differentiated by a change in plane, material and/or fenestration. While setbacks are appropriate to create a building base, vertical expression of the tower is encouraged. [Insert Image 67]
- Special treatments should be introduced to enhance the skyline appeal and visual appearance of the structure (e.g., reduction of floorplate size and/or increase in floor-to-floor dimension on top floors, change in fenestration, scores, for example).
- Towers should be designed to provide an interesting silhouette, profile and volumetric form on the skyline through variation of building material, building shape, plane and setbacks. [Insert Image 68]
- The topmost floors of the building should be architecturally differentiated through the use of setbacks or changes in material and fenestration as appropriate to the overall architectural expression of the building.
- Placement and design of balconies should avoid repetitive egg-crate patterns, but rather be designed to reinforce the overall building form.
- Tower buildings that are combined with other building types at the street level (such as townhomes or residential-commercial blocks) are allowed.
- The maximum floorplate of the tower should not exceed 25,000 square feet.

4 Urban Design Guidelines & Development Standards



Tower placement



Tower 1

EXHIBIT D

Description of Public Works/Public Improvements

Mixed Use Residential

Streets (including all utilities)

- \$250,000 per block (\$1,000 per linear foot @ 250 ft per block)
- Alleys @ \$57,000 per block

Streetscaping

- \$41,000 per block @ 250 ft per block

Open Space

- \$10 per ft x 7.0 acres

Urban Retail

Streets

- \$250,000 per block (\$1,000 per linear ft @ 250 ft per block)
- Alleys @ \$57,000 per block

Streetscaping

- \$41,000 per block @ 250 ft per block

Mercado

Streets

- \$250,000 per block (\$1,000 per linear ft @ 250 ft per block)
- Alleys @ \$57,000 per block

Open Space

- \$25 per sq ft x 1.7 acres

Life Style Retail

Streets

- \$250,000 per block (\$1000 per linear ft @ 250 per block)
- Alleys @ \$57,000 per block

Streetscaping

- \$41,000 per block @ 250 ft per block

Open Space

- \$ 10 per sq ft x 1.5 acres

Arena

Streets

- \$250,000 per block (\$1,000 per linear ft @ 250 ft per block)
- \$41,000 per block @ 250 ft per block

Arts Walk

- \$25 per sq ft
- 20ft Walkway Side + 15 ft Other Side x 4,500 linear ft

EXHIBIT E

Development Schedule and Assumptions³

Acreeage/Development Schedule

Retail Space

<u>District</u>	<u>Build-out</u>	<u>Sq. Footage</u>	<u>Rent (per sq ft)</u>	<u>Value</u>
Lifestyle	2007-2012 (6 yrs)	600,000	\$125	\$75,000,000
Arena/ Convention	N/A	N/A	N/A	N/A
Mercado	2007-2012 (6 yrs)	200,000	\$125	\$25,000,000
Border	2007-2012 (6 yrs)	300,000	\$125	\$37,500,000
Residential/Mixed Use	2007-2016 (10 yrs)	195,000	\$125	\$24,375,000
Total		1,295,000		\$161,875,000

Residential

<u>District</u>	<u>Build-out</u>	<u>Units</u>	<u>Value per Unit</u>	<u>Approx. Value</u>
Lifestyle	2010-2012 (3 yrs)	150-300	\$100,625	\$22,640,625
Arena/ Convention	N/A	N/A	N/A	N/A
Mercado	2010-2011 (2 yrs)	150-300	\$91,875	\$20,671,875
Border	2008-2018 (11 yrs)	150-300	\$83,125	\$18,703,125
Residential/Mixed Use	2008-2017 (10 yrs)	700-1400	\$109,375	\$114,843,750
Total				\$176,859,375

Grand Total

\$338,734,375

³ Development schedule and values provided by Graven and Associates and TXP, Inc.

Assumptions

Estimated Zone Life (2007 to 2036)	30	Years
Base Value of Site Area (2006)	\$106,883,525	
Value at End of TIF (2036)	\$1,009,102,619	
Captured Value	\$902,219,094	
City of El Paso Tax Rate (100%)	0.67233	per \$100
Tax Rate Growth	0%	
Appreciation Growth	3%	
Collection Rate	99%	
Estimated Total TIF Revenues	\$104,950,560	
Estimated Total TIF Collections	\$103,901,050	
Total Development Costs	\$57,241,613	
Surplus	\$46,659,437	

EXHIBIT F

Estimated Project Costs⁴

Arena/Hotel/Entertainment District Street Improvements

Street Name	Calculated Linear Feet	Estimated Number Of Blocks	Estimated Cost
S. Durango Street	1162.70	4.65	\$265,096
W. Missouri Avenue	319.55	1.28	\$72,857
N. Santa Fe Street	2098.25	8.39	\$2,515,802
S. Santa Fe	1247.40	4.99	\$284,407
W. San Antonio Street	1505.35	6.02	\$343,320
W. Overland Avenue	1147.30	4.59	\$261,584
W. Paisano Drive	1470.70	5.88	\$1,763,369
Leon Street	977.90	3.91	\$222,961
Alley D	623.70	2.49	\$142,204
TOTAL	10,552.85	42.21	\$5,871,500

Lifestyle/Retail District and 1st Avenue Expansion Street Improvements

Street Name	Calculated Linear Feet	Estimated Number Of Blocks	Estimated Cost
E. Overland Park	1328.88	5.32	\$1,593,327
E. 1st Avenue	346.92	1.39	\$79,098
E. Paisano	1669.92	6.68	\$2,002,234
S. El Paso Street	679.14	2.72	\$814,289
Alley E	429.24	1.72	\$97,867
S. Oregon Street	673.26	2.69	\$153,503
S. Mesa Street	664.44	2.66	\$796,664
Alley G	664.44	2.66	\$151,492
S. Stanton Street	661.50	2.65	\$793,138
Alley H	264.60	1.06	\$60,329
S. Kansas Street	646.80	2.59	\$147,470
Alley I	238.14	0.95	\$54,296
S. Campbell Street	314.58	1.26	\$71,724
TOTAL	8,581.86	34.33	\$6,815,432

⁴ Calculated factors include an inflation amount.

Mixed Use/Residential District Street Improvements

Street Name	Calculated Linear Feet	Estimated Number Of Blocks	Estimated Cost
E. Mills Avenue	579.05	2.32	\$132,023
Myrtle Avenue	309.16	1.24	\$70,488
Magoffin Avenue	738.68	2.95	\$885,677
Olive Avenue	231.62	0.93	\$52,809
E. San Antonio Avenue	735.55	2.94	\$167,705
E. Overland Avenue	1267.65	5.07	\$1,519,912
1st Street	178.41	0.71	\$40,677
E. 1st Avenue	491.41	1.97	\$112,041
E. Texas Avenue	560.27	2.24	\$127,742
E. Paisano Drive	1108.02	4.43	\$1,328,516
S. Kansas Street	169.02	0.68	\$38,537
S. Campbell Street	334.91	1.34	\$76,359
S. Florence Street	334.91	1.34	\$76,359
S. Ochoa Street	550.88	2.20	\$125,601
N. Ochoa Street	172.15	0.69	\$39,250
S. Virginia Street	391.25	1.57	\$469,109
N. Virginia Street	660.43	2.64	\$791,856
S. St. Vrain Street	384.99	1.54	\$87,778
N. St. Vrain Street	591.57	2.37	\$134,878
Agnes Street	247.27	0.99	\$56,378
Tays Street	131.46	0.53	\$29,973
N. Octavia Street	413.16	1.65	\$94,200
TOTAL	10,581.82	42.33	\$6,457,870

Street Name	Calculated Linear Feet	Estimated Number Of Blocks	Estimated Cost
Border Retail			
E. 6th Avenue	529.59	2.12	\$634,978
E. 7th Avenue	542.100	2.17	\$123,599
E. 8th Avenue	533.76	2.14	\$121,697
S. Oregon Street	358.62	1.43	\$81,765
S. Mesa Street	1501.20	6.00	\$1,799,939
Alley G	1472.01	5.89	\$335,618
TOTAL	4,937.28	19.75	\$3,097,597

Mercado District Street Improvements

Street Name	Calculated Linear Feet	Estimated Number Of Blocks	Estimated Cost
Mercado			
E. Paisano Drive	767.28	3.07	\$919,969
E. 3rd Avenue	763.11	3.05	\$173,989
E. 4th Avenue	758.94	3.04	\$173,038
E. Father Rahm Avenue	746.43	2.99	\$894,969
Alley E	1513.71	6.05	\$345,126
S. Oregon Street	1513.71	6.05	\$345,126
S. Mesa Street	1501.20	6.00	\$1,799,939
Alley G	1472.01	5.89	\$335,618
E. 6th Avenue	166.80	0.67	\$199,993
TOTAL	9,203.19	36.81	\$5,187,768

Open Space

Districts	Open Space acres	Square footage	Cost
Lifestyle Retail	1.50	65339.99	\$653,399.90
Mercado/Market Square Park	1.70	74051.99	\$1,851,299.75
Border Retail	0.00	0	\$0.00
Residential/Mixed Use	7.00	304,919.99	\$3,049,199.90
Total	10.00	435,599.99	\$5,553,899.55

Arts Walk

Walkway Side Width feet	Other Side Width feet	Length feet	Square footage	Cost
20	15	4500.00	157,500.00	\$3,937,500.00

Subtotals with Streetscaping

District	Street Improvements Including Utility Relocation	Streetscaping Estimated Cost	Open Space Improvements
Border Retail	\$3,097,597	\$809,714	\$0
Arena	\$5,871,500	\$1,567,766	\$0
Lifestyle Retail	\$6,815,432	\$1,407,425	\$653,400
Mercado	\$5,187,768	\$1,509,323	\$1,851,300
Mixed Use	\$6,457,870	\$1,735,418	\$3,049,200
SUBTOTAL	\$27,430,167	\$7,029,647	\$5,553,900

Summary

Improvements	Cost
Street Improvements	\$27,430,167
Streetscaping	\$7,029,647
Open Space Improvements	\$5,553,900
Arts Walk	\$3,937,500
Relocation of Residents	\$3,590,400
Engineering/Consultants	\$4,000,000
Contingencies	\$5,200,000
Administrative	\$500,000
TOTAL	\$57,241,613

EXHIBIT G

Projected Captured Appraisal Value⁵

Year	Appraised Value of Improvements
2007	\$3,206,506
2008	\$42,966,513
2009	\$122,305,765
2010	\$184,815,496
2011	\$228,669,443
2012	\$271,787,563
2013	\$305,922,055
2014	\$341,763,814
2015	\$379,384,554
2016	\$418,018,809
2017	\$454,207,750
2018	\$485,857,912
2019	\$503,640,155
2020	\$521,955,865
2021	\$540,821,047
2022	\$560,252,184
2023	\$580,266,256
2024	\$600,880,749
2025	\$622,113,677
2026	\$643,983,593
2027	\$666,509,607
2028	\$689,711,401
2029	\$713,609,249
2030	\$738,224,032
2031	\$763,577,258
2032	\$789,691,082
2033	\$816,588,320
2034	\$844,292,476
2035	\$872,827,756
2036	\$902,219,094

⁵ Data provided by TXP, Inc.

EXHIBIT H

Projected Tax Increment Revenue⁶

Year	Tax Value Per \$100	City Tax Rate	TIF Revenue	Cumulative TIF Revenue
2007	\$32,065	0.67233	\$21,558	\$21,558
2008	\$429,665	0.67233	\$288,875	\$310,433
2009	\$1,223,057	0.67233	\$822,293	\$1,132,726
2010	\$1,848,154	0.67233	\$1,242,563	\$2,375,289
2011	\$2,286,694	0.67233	\$1,537,404	\$3,912,693
2012	\$2,717,875	0.67233	\$1,827,298	\$5,739,991
2013	\$3,059,220	0.67233	\$2,056,794	\$7,796,785
2014	\$3,417,638	0.67233	\$2,297,767	\$10,094,552
2015	\$3,793,845	0.67233	\$2,550,701	\$12,645,253
2016	\$4,180,188	0.67233	\$2,810,449	\$15,455,702
2017	\$4,542,077	0.67233	\$3,053,757	\$18,509,459
2018	\$4,858,579	0.67233	\$3,266,549	\$21,776,008
2019	\$5,036,401	0.67233	\$3,386,104	\$25,162,112
2020	\$5,219,558	0.67233	\$3,509,245	\$28,671,357
2021	\$5,408,210	0.67233	\$3,636,081	\$32,307,438
2022	\$5,602,521	0.67233	\$3,766,721	\$36,074,159
2023	\$5,802,662	0.67233	\$3,901,281	\$39,975,440
2024	\$6,008,807	0.67233	\$4,039,878	\$44,015,318
2025	\$6,221,136	0.67233	\$4,182,632	\$48,197,950
2026	\$6,439,835	0.67233	\$4,329,669	\$52,527,619
2027	\$6,665,096	0.67233	\$4,481,117	\$57,008,736
2028	\$6,897,114	0.67233	\$4,637,109	\$61,645,845
2029	\$7,136,092	0.67233	\$4,797,781	\$66,443,626
2030	\$7,382,240	0.67233	\$4,963,272	\$71,406,898
2031	\$7,635,772	0.67233	\$5,133,728	\$76,540,626
2032	\$7,896,910	0.67233	\$5,309,298	\$81,849,924
2033	\$8,165,883	0.67233	\$5,490,136	\$87,340,060
2034	\$8,442,924	0.67233	\$5,676,398	\$93,016,458
2035	\$8,728,277	0.67233	\$5,868,248	\$98,884,706
2036	\$9,022,190	0.67233	\$6,065,854	\$104,950,560
Total			\$104,950,560	
99% Collection			\$103,901,050	

⁶ Data provided by TXP, Inc.

EXHIBIT I

Notional Bond Analysis⁷

[See attached Tax Increment Financing Worksheet TIF #5]

⁷ This analysis prepared by First Southwest Company

City of El Paso, Texas



Tax Increment Financing Worksheet TIF #5

Version 1
November 30, 2006



City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5

Scenario 1 - Level Debt Structure Based on City's Needs

Life of TIF (years)	TAV Calculation Date	Fiscal Year End 8/31	Real Property Revenue	Projected Debt Service			Projected Cash Flow	Projected Cumulative Cash Flow
				Dated 11/1/2010	Interest	Total		
				Rate 6.25%				
1	1/1/2007	2008	\$ 21,343	\$ -	\$ -	\$ -	\$ 21,343	\$ (1,973,310)
2	1/1/2008	2009	285,986	2,280,639	2,280,639	4,435,469	(1,994,653)	(5,594,708)
3	1/1/2009	2010	814,071	795,000	3,640,469	4,434,219	(3,621,398)	(6,798,790)
4	1/1/2010	2011	1,230,137	845,000	3,589,219	4,434,688	(2,912,657)	(11,711,447)
5	1/1/2011	2012	1,522,030	900,000	3,534,688	4,434,688	(2,898,462)	(14,338,984)
6	1/1/2012	2013	1,609,025	960,000	3,476,563	4,434,688	(2,898,462)	(16,737,446)
7	1/1/2013	2014	2,036,226	1,020,000	3,414,688	4,434,688	(2,898,462)	(18,991,407)
8	1/1/2014	2015	2,274,789	1,090,000	3,348,750	4,434,688	(1,913,244)	(20,814,651)
9	1/1/2015	2016	2,525,194	1,160,000	3,278,438	4,434,688	(1,656,249)	(23,881,743)
10	1/1/2016	2017	2,782,345	1,235,000	3,203,594	4,434,688	(1,200,648)	(25,092,391)
11	1/1/2017	2018	3,023,219	1,310,000	3,124,063	4,434,688	(1,082,289)	(26,164,679)
12	1/1/2018	2019	3,233,884	1,395,000	3,039,531	4,434,688	(989,597)	(27,961,276)
13	1/1/2019	2020	3,352,243	1,485,000	2,949,531	4,434,688	(708,915)	(28,670,191)
14	1/1/2020	2021	3,474,153	1,580,000	2,853,750	4,434,688	(574,919)	(28,245,110)
15	1/1/2021	2022	3,599,720	1,685,000	2,751,719	4,434,688	(434,564)	(28,679,994)
16	1/1/2022	2023	3,729,054	1,795,000	2,642,969	4,434,688	(287,163)	(28,976,857)
17	1/1/2023	2024	3,862,268	1,910,000	2,527,188	4,434,688	(147,065)	(30,123,922)
18	1/1/2024	2025	3,999,479	2,030,000	2,404,063	4,434,688	1,306	(30,122,616)
19	1/1/2025	2026	4,140,806	2,165,000	2,272,969	4,434,688	153,863	(29,968,753)
20	1/1/2026	2027	4,286,372	2,300,000	2,133,438	4,434,688	316,209	(29,652,544)
21	1/1/2027	2028	4,436,306	2,450,000	1,985,000	4,434,688	479,108	(29,173,436)
22	1/1/2028	2029	4,590,738	2,610,000	1,826,875	4,434,688	646,485	(28,524,951)
23	1/1/2029	2030	4,749,803	2,775,000	1,658,594	4,434,688	820,268	(27,704,683)
24	1/1/2030	2031	4,913,639	2,955,000	1,479,531	4,434,688	1,000,390	(26,704,292)
25	1/1/2031	2032	5,082,391	3,145,000	1,288,906	4,434,688	1,184,790	(25,519,502)
26	1/1/2032	2033	5,256,205	3,350,000	1,085,938	4,434,688	1,374,565	(24,144,937)
27	1/1/2033	2034	5,435,234	3,585,000	869,844	4,434,688	1,570,820	(22,574,117)
28	1/1/2034	2035	5,619,634	3,795,000	639,844	4,434,688		
29	1/1/2035	2036	5,809,565	4,040,000	395,000	4,434,688		
30	1/1/2036	2037	6,005,195	4,300,000	134,375	4,434,688		
Total				\$ 58,645,000	\$ 67,830,170	\$ 126,475,170	\$ (22,574,117)	

Notes:
Property tax revenues based on collections of: 99%

- Black = Existing
- Blue = Projected
- Green = Projected
- Purple = Projected
- Orange = Projected

City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5

Scenario 2 - Coverage Debt Structure Based on City's Needs

A	B	C	D	E	F	G	H	I	
									Life of TIF (years)
				Dated 1/1/2010	Rate 6.25%				
				Principal	Interest	Total	Projected Cash Flow	Projected Cumulative Cash Flow	
1	1/1/2007	2008	\$ 21,343	-	-	-	\$ 21,343	\$ 21,343	\$ 21,343
2	1/1/2008	2009	285,986	2,282,583	-	2,282,583	(1,996,597)	(1,975,254)	(1,975,254)
3	1/1/2009	2010	814,071	3,668,438	-	3,668,438	(2,854,387)	(4,829,641)	(4,829,641)
4	1/1/2010	2011	1,230,137	3,668,438	-	3,668,438	(2,438,300)	(7,267,942)	(7,267,942)
5	1/1/2011	2012	1,522,030	3,668,438	-	3,668,438	(2,146,407)	(9,414,349)	(9,414,349)
6	1/1/2012	2013	1,809,025	3,668,438	-	3,668,438	(1,859,412)	(11,273,761)	(11,273,761)
7	1/1/2013	2014	2,036,226	3,668,438	-	3,668,438	(1,632,212)	(12,905,953)	(12,905,953)
8	1/1/2014	2015	2,274,789	3,668,438	-	3,668,438	(1,393,648)	(14,299,601)	(14,299,601)
9	1/1/2015	2016	2,525,194	3,668,438	-	3,668,438	(1,143,244)	(15,442,845)	(15,442,845)
10	1/1/2016	2017	2,782,345	3,668,438	-	3,668,438	(866,093)	(16,328,938)	(16,328,938)
11	1/1/2017	2018	3,023,219	3,668,438	-	3,668,438	(645,218)	(16,974,156)	(16,974,156)
12	1/1/2018	2019	3,233,884	3,663,750	150,000	3,813,750	(579,866)	(17,554,023)	(17,554,023)
13	1/1/2019	2020	3,352,243	3,440,000	340,000	3,780,000	(636,195)	(18,190,217)	(18,190,217)
14	1/1/2020	2021	3,474,153	3,200,625	550,000	3,750,625	(696,472)	(18,886,690)	(18,886,690)
15	1/1/2021	2022	3,599,720	3,079,219	775,000	3,854,219	(754,489)	(19,641,180)	(19,641,180)
16	1/1/2022	2023	3,729,054	3,023,125	1,020,000	4,043,125	(814,071)	(20,455,251)	(20,455,251)
17	1/1/2023	2024	3,862,268	3,450,938	1,290,000	4,740,938	(878,669)	(21,333,920)	(21,333,920)
18	1/1/2024	2025	3,999,479	3,361,250	1,580,000	4,941,250	(941,771)	(22,275,701)	(22,275,701)
19	1/1/2025	2026	4,140,806	3,252,500	1,900,000	5,152,500	(1,011,694)	(23,287,395)	(23,287,395)
20	1/1/2026	2027	4,286,372	3,122,969	2,245,000	5,367,969	(1,081,596)	(24,368,991)	(24,368,991)
21	1/1/2027	2028	4,436,306	2,971,094	2,615,000	5,586,094	(1,149,788)	(25,518,779)	(25,518,779)
22	1/1/2028	2029	4,590,738	2,795,000	3,020,000	5,815,000	(1,224,262)	(26,743,041)	(26,743,041)
23	1/1/2029	2030	4,749,803	2,592,500	3,460,000	6,052,500	(1,302,697)	(28,045,739)	(28,045,739)
24	1/1/2030	2031	4,913,639	2,361,563	3,930,000	6,291,563	(1,377,923)	(29,423,662)	(29,423,662)
25	1/1/2031	2032	5,082,391	2,100,000	4,440,000	6,540,000	(1,457,699)	(30,881,361)	(30,881,361)
26	1/1/2032	2033	5,256,205	1,805,313	4,990,000	6,795,313	(1,539,107)	(32,420,468)	(32,420,468)
27	1/1/2033	2034	5,435,234	1,474,844	5,565,000	7,059,844	(1,624,610)	(34,045,078)	(34,045,078)
28	1/1/2034	2035	5,619,634	1,105,761	6,225,000	7,330,761	(1,711,147)	(35,756,225)	(35,756,225)
29	1/1/2035	2036	5,809,565	695,000	6,920,000	7,615,000	(1,805,435)	(37,561,660)	(37,561,660)
30	1/1/2036	2037	6,005,195	239,375	7,660,000	7,899,375	(1,894,180)	(39,455,840)	(39,455,840)
Total			\$ 103,901,054	\$ 58,695,000	\$ 84,661,802	\$ 143,356,802	\$ (39,455,749)		

Notes:
Property tax revenues based on collections of: 99%

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City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5

Scenario 1 - Level Debt Structure Based on Capacity

A	B	C	D	E	F	G	H	I					
									Life of TIF (years)	TAV Calculation Date	Fiscal Year End 8/31	Real Property Revenue	Projected Debt Service Rate 6.25%
					Dated 1/1/2010	Interest	Total						
1	1/1/2007	2008	\$ 21,343	\$ -	\$ -	\$ -	\$ 21,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	1/1/2008	2009	285,986	1,872,500	1,872,500	1,872,500	1,872,500	1,872,500	(1,566,514)	(1,566,514)	(1,566,514)	(1,566,514)	(1,566,514)
3	1/1/2009	2010	814,071	2,988,906	2,988,906	2,988,906	2,988,906	2,988,906	(2,829,836)	(4,396,350)	(4,396,350)	(4,396,350)	(4,396,350)
4	1/1/2010	2011	1,230,137	695,000	2,946,719	2,946,719	2,946,719	2,946,719	(2,411,582)	(6,807,932)	(6,807,932)	(6,807,932)	(6,807,932)
5	1/1/2011	2012	1,322,030	740,000	2,901,875	2,901,875	2,901,875	2,901,875	(2,119,845)	(8,927,777)	(8,927,777)	(8,927,777)	(8,927,777)
6	1/1/2012	2013	1,809,025	790,000	2,654,063	2,654,063	2,654,063	2,654,063	(1,835,037)	(10,762,814)	(10,762,814)	(10,762,814)	(10,762,814)
7	1/1/2013	2014	2,036,226	840,000	2,803,125	2,803,125	2,803,125	2,803,125	(1,606,899)	(12,369,713)	(12,369,713)	(12,369,713)	(12,369,713)
8	1/1/2014	2015	2,274,789	895,000	2,748,906	2,748,906	2,748,906	2,748,906	(1,368,117)	(13,737,830)	(13,737,830)	(13,737,830)	(13,737,830)
9	1/1/2015	2016	2,525,194	950,000	2,691,250	2,691,250	2,691,250	2,691,250	(1,116,066)	(14,853,896)	(14,853,896)	(14,853,896)	(14,853,896)
10	1/1/2016	2017	2,782,345	1,010,000	2,630,000	2,630,000	2,630,000	2,630,000	(857,659)	(15,711,555)	(15,711,555)	(15,711,555)	(15,711,555)
11	1/1/2017	2018	3,023,219	1,075,000	2,564,844	2,564,844	2,564,844	2,564,844	(616,625)	(16,328,180)	(16,328,180)	(16,328,180)	(16,328,180)
12	1/1/2018	2019	3,233,884	1,145,000	2,495,469	2,495,469	2,495,469	2,495,469	(406,585)	(16,734,765)	(16,734,765)	(16,734,765)	(16,734,765)
13	1/1/2019	2020	3,352,243	1,220,000	2,421,563	2,421,563	2,421,563	2,421,563	(289,320)	(17,023,728)	(17,023,728)	(17,023,728)	(17,023,728)
14	1/1/2020	2021	3,474,153	1,300,000	2,342,813	2,342,813	2,342,813	2,342,813	(168,680)	(17,192,308)	(17,192,308)	(17,192,308)	(17,192,308)
15	1/1/2021	2022	3,599,720	1,385,000	2,259,906	2,259,906	2,259,906	2,259,906	(44,187)	(17,236,574)	(17,236,574)	(17,236,574)	(17,236,574)
16	1/1/2022	2023	3,729,054	1,470,000	2,169,688	2,169,688	2,169,688	2,169,688	89,366	(17,147,209)	(17,147,209)	(17,147,209)	(17,147,209)
17	1/1/2023	2024	3,862,268	1,565,000	2,074,844	2,074,844	2,074,844	2,074,844	222,424	(16,924,784)	(16,924,784)	(16,924,784)	(16,924,784)
18	1/1/2024	2025	3,999,479	1,670,000	1,973,750	1,973,750	1,973,750	1,973,750	355,729	(16,569,055)	(16,569,055)	(16,569,055)	(16,569,055)
19	1/1/2025	2026	4,140,806	1,775,000	1,866,094	1,866,094	1,866,094	1,866,094	499,712	(16,069,343)	(16,069,343)	(16,069,343)	(16,069,343)
20	1/1/2026	2027	4,286,372	1,890,000	1,751,563	1,751,563	1,751,563	1,751,563	644,610	(15,424,733)	(15,424,733)	(15,424,733)	(15,424,733)
21	1/1/2027	2028	4,436,306	2,010,000	1,629,688	1,629,688	1,629,688	1,629,688	796,619	(14,628,114)	(14,628,114)	(14,628,114)	(14,628,114)
22	1/1/2028	2029	4,590,738	2,140,000	1,500,000	1,500,000	1,500,000	1,500,000	950,738	(13,677,376)	(13,677,376)	(13,677,376)	(13,677,376)
23	1/1/2029	2030	4,749,803	2,280,000	1,361,875	1,361,875	1,361,875	1,361,875	1,107,928	(12,569,448)	(12,569,448)	(12,569,448)	(12,569,448)
24	1/1/2030	2031	4,913,639	2,425,000	1,214,844	1,214,844	1,214,844	1,214,844	1,273,796	(11,295,652)	(11,295,652)	(11,295,652)	(11,295,652)
25	1/1/2031	2032	5,082,391	2,585,000	1,058,281	1,058,281	1,058,281	1,058,281	1,439,110	(9,856,542)	(9,856,542)	(9,856,542)	(9,856,542)
26	1/1/2032	2033	5,256,205	2,750,000	891,563	891,563	891,563	891,563	1,614,643	(8,241,900)	(8,241,900)	(8,241,900)	(8,241,900)
27	1/1/2033	2034	5,435,234	2,930,000	714,063	714,063	714,063	714,063	1,791,172	(6,450,728)	(6,450,728)	(6,450,728)	(6,450,728)
28	1/1/2034	2035	5,619,634	3,115,000	525,156	525,156	525,156	525,156	1,979,478	(4,471,051)	(4,471,051)	(4,471,051)	(4,471,051)
29	1/1/2035	2036	5,809,565	3,315,000	324,219	324,219	324,219	324,219	2,170,347	(2,300,704)	(2,300,704)	(2,300,704)	(2,300,704)
30	1/1/2036	2037	6,005,195	3,530,000	110,313	110,313	110,313	110,313	2,364,883	64,179	64,179	64,179	64,179
Total			\$ 103,901,054	\$ 48,150,000	\$ 55,686,875	\$ 103,836,875	\$ 103,836,875	\$ 103,836,875	\$ 64,179	\$ 64,179	\$ 64,179	\$ 64,179	\$ 64,179

Notes:
 Property tax revenues based on collections of: 99%

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City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5

Scenario 2 - Coverage Debt Structure Based on Capacity

A	B	C	D	E			F			G	H	I
				Life of TIF (years)	TAV Calculation Date	Fiscal Year End 8/31	Real Property Revenue	Dated 1/1/2010	Interest			
1	1/1/2007	2008	\$ 21,343									
2	1/1/2008	2009	285,986	1,652,972	1,652,972	1,652,972	1,652,972	1,652,972	1,652,972	21,343	21,343	21,343
3	1/1/2009	2010	814,071	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(1,386,896)	(1,386,896)	(1,386,896)
4	1/1/2010	2011	1,230,137	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(1,842,492)	(1,842,492)	(3,188,135)
5	1/1/2011	2012	1,522,030	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(1,426,425)	(1,426,425)	(4,614,561)
6	1/1/2012	2013	1,809,025	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(1,134,532)	(1,134,532)	(5,749,093)
7	1/1/2013	2014	2,036,226	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(847,537)	(847,537)	(6,596,630)
8	1/1/2014	2015	2,274,789	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(620,337)	(620,337)	(7,216,967)
9	1/1/2015	2016	2,525,194	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(381,773)	(381,773)	(7,598,740)
10	1/1/2016	2017	2,782,345	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	(131,369)	(131,369)	(7,730,109)
11	1/1/2017	2018	3,023,219	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	125,782	125,782	(7,604,327)
12	1/1/2018	2019	3,233,884	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	386,657	386,657	(7,237,670)
13	1/1/2019	2020	3,352,243	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	470,759	470,759	(6,766,911)
14	1/1/2020	2021	3,474,153	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	465,211	465,211	(6,301,700)
15	1/1/2021	2022	3,598,720	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	457,121	457,121	(5,844,579)
16	1/1/2022	2023	3,725,054	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	447,532	447,532	(5,397,047)
17	1/1/2023	2024	3,862,268	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	437,491	437,491	(4,959,555)
18	1/1/2024	2025	3,998,479	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	428,049	428,049	(4,531,506)
19	1/1/2025	2026	4,140,806	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	420,260	420,260	(4,111,246)
20	1/1/2026	2027	4,286,372	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	410,337	410,337	(3,700,909)
21	1/1/2027	2028	4,436,306	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	399,654	399,654	(3,301,255)
22	1/1/2028	2029	4,590,738	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	389,387	389,387	(2,911,868)
23	1/1/2029	2030	4,749,803	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	381,519	381,519	(2,530,148)
24	1/1/2030	2031	4,913,639	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	367,146	367,146	(2,163,002)
25	1/1/2031	2032	5,082,391	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	358,171	358,171	(1,804,831)
26	1/1/2032	2033	5,256,205	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	346,287	346,287	(1,458,534)
27	1/1/2033	2034	5,435,234	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	333,549	333,549	(1,124,985)
28	1/1/2034	2035	5,619,634	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	321,953	321,953	(803,032)
29	1/1/2035	2036	5,809,565	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	308,696	308,696	(494,335)
30	1/1/2036	2037	6,005,195	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	2,656,563	296,128	296,128	(198,207)
		Total	\$ 103,901,054	\$ 42,505,000	\$ 61,312,503	\$ 103,817,503	\$ 103,817,503	\$ 103,817,503	\$ 103,817,503	\$ 83,550	\$ 83,550	\$ 83,550

Notes:
Property tax revenues based on collections of: 99%

- Black = Existing
- Blue = Projected
- Green = Projected
- Purple = Projected
- Orange = Projected

City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5
Assumptions and Financial Summary

General Assumptions

1. Source for all information aside from debt funding assumptions are from "Preliminary Project Plan and Preliminary Reinvestment Zone Financing Plan for Reinvestment Zone Number Five" dated as of November 28, 2006 and received via email on 11/28/06 at 6:27p.m.

1. Fund												
Development	Other	Streets Imp./ Utility Reloc.	Street Scaping	Open Space	Total	Development			Timing			
						Area 1	Area 2	Area 3		Area 4	3rd Qtr	4th Qtr
Urban Retail	\$ -	\$ 3,097,597	\$ 809,714	\$ -	\$ 3,907,311	Area 1	Area 2	Area 3	Area 4	3rd Qtr	4th Qtr	1st Qtr
Mercado Retail	-	5,187,768	1,509,323	1,851,300	8,548,391							
Lifestyle Outlet	-	6,815,432	1,407,425	653,400	8,876,257							
Mixed Use Development	-	6,457,870	1,735,418	3,049,200	11,242,488							
Arena	-	5,871,500	1,567,766	-	7,439,266							
Arts Walk	3,937,500	-	-	-	3,937,500							
Relocation of Residents	3,590,400	-	-	-	3,590,400							
Engineering	4,000,000	-	-	-	4,000,000							
Contingency	5,200,000	-	-	-	5,200,000							
Administrative	500,000	-	-	-	500,000							
	\$ 17,227,900	\$ 27,430,167	\$ 7,029,646	\$ 5,553,900	\$ 57,241,613							
2. Debt Structure										TIF Real Property Revenues		
Level										City Tax		
3. Rates										5. Ratings		
2009										S&P		
2010										Moody's		
2011-2030										AAA		
										AA		
										Aa3		
										Aaa		

Financial Summary										
	2009	2010	2011	2016	2021	2026	2030	Total	4. Revenue Source	
									Underlying	Insured
Par Amount of Bonds	\$ 6,190,000	\$ 6,190,000	\$ 8,730,000	\$ 19,470,000	\$ 3,145,000	\$ 7,950,000	\$ 1,320,000	\$ 52,490,000		
Total Sources	\$ 6,190,000	\$ 6,190,000	\$ 8,730,000	\$ 19,470,000	\$ 3,145,000	\$ 7,950,000	\$ 1,320,000	\$ 52,490,000		
Total LW Disc (0.800%)	\$ 49,520	\$ 45,480	\$ 69,840	\$ 155,760	\$ 25,160	\$ 63,600	\$ 10,560	\$ 419,920		
Costs of Issuance	100,000	100,000	100,000	200,000	100,000	100,000	100,000	800,000		
Bond Insurance (30.0 bp)	40,046	36,860	56,664	111,715	15,810	34,781	5,136	301,011		
Construction Fund	6,000,000	5,500,000	8,500,000	19,000,000	3,000,000	7,750,000	1,200,000	50,950,000		
Rounding Amount	434	2,660	3,496	2,525	4,030	1,619	4,304	19,069		
Total Uses	\$ 6,190,000	\$ 5,685,000	\$ 8,730,000	\$ 19,470,000	\$ 3,145,000	\$ 7,950,000	\$ 1,320,000	\$ 52,490,000		
Total Debt Service	\$ 13,348,535	\$ 12,266,714	\$ 18,887,873	\$ 37,238,340	\$ 5,269,859	\$ 11,593,763	\$ 1,711,928	\$ 100,337,010		

City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5

Level Debt Structure Over Time Based on Capacity

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Life of TIF (Years)	TAV Calculation Date	Fiscal Year End 8/31	Real Property Revenue	Par 6.19M Fund 6.00M Dated 1/1/2009 Rate 6.25%	Par 5.69M Fund 5.50M Dated 1/1/2010 Rate 6.50%	Par 6.73M Fund 6.50M Dated 1/1/2011 Rate 6.75%	Par 19.47M Fund 19.00M Dated 1/1/2016 Rate 6.75%	Projected Debt Service Par 3.15M Fund 3.00M Dated 1/1/2021 Rate 6.75%	Par 7.95M Fund 7.75M Dated 1/1/2026 Rate 6.75%	Par 1.32M Fund 1.20M Dated 1/1/2030 Rate 6.75%	Par 50.50M Fund 50.50M Total	Projected Cash Flow	Projected Cumulative Cash Flow
1	1/1/2007	2008	\$ 21,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,343	\$ -
2	1/1/2008	2009	285,986	240,722	-	-	-	-	-	-	240,722	45,264	66,607
3	1/1/2009	2010	814,071	469,219	229,927	-	-	-	-	-	699,145	114,925	181,532
4	1/1/2010	2011	1,230,137	468,750	446,925	366,660	-	-	-	-	1,292,335	(52,199)	129,334
5	1/1/2011	2012	1,522,030	467,969	446,563	714,888	-	-	-	-	1,629,419	(107,389)	21,945
6	1/1/2012	2013	1,895,025	466,875	445,875	710,944	-	-	-	-	1,623,694	185,332	207,277
7	1/1/2013	2014	2,036,226	470,313	444,863	711,494	-	-	-	-	1,626,669	409,557	616,834
8	1/1/2014	2015	2,274,789	468,281	448,363	711,369	-	-	-	-	1,628,013	646,777	1,263,610
9	1/1/2015	2016	2,525,194	465,938	446,375	710,569	817,740	-	-	-	2,440,621	84,573	1,348,183
10	1/1/2016	2017	2,782,345	465,125	448,900	713,925	1,734,544	-	-	-	3,385,494	(983,149)	765,034
11	1/1/2017	2018	3,023,219	469,688	445,338	711,438	1,734,169	-	-	-	3,361,231	(338,012)	427,022
12	1/1/2018	2019	3,233,884	465,781	447,488	713,106	1,736,600	-	-	-	3,352,975	(128,091)	297,931
13	1/1/2019	2020	3,352,243	465,406	448,388	713,763	1,731,838	-	-	-	3,360,394	(8,161)	289,780
14	1/1/2020	2021	3,474,153	466,406	448,638	713,406	1,734,713	132,090	-	-	3,485,253	(21,100)	268,680
15	1/1/2021	2022	3,598,720	470,625	448,238	712,038	1,734,888	323,406	-	-	3,689,194	(89,474)	179,206
16	1/1/2022	2023	3,729,054	469,063	447,188	714,488	1,732,363	320,475	-	-	3,683,575	45,479	224,684
17	1/1/2023	2024	3,862,268	466,875	445,488	710,756	1,731,969	322,038	-	-	3,677,125	185,143	409,828
18	1/1/2024	2025	3,999,479	468,906	447,975	710,844	1,733,369	322,925	-	-	3,684,019	315,460	725,288
19	1/1/2025	2026	4,140,806	470,000	444,650	714,413	1,736,225	323,138	-	-	4,022,325	118,481	843,768
20	1/1/2026	2027	4,286,372	470,156	445,513	711,463	1,735,369	322,675	333,900	-	4,709,756	(423,384)	420,384
21	1/1/2027	2028	4,436,306	469,375	445,400	711,994	1,735,631	322,675	1,024,581	-	4,708,250	(105,318)	148,441
22	1/1/2028	2029	4,590,738	467,656	444,313	710,838	1,731,844	319,725	1,024,313	-	4,696,056	(105,318)	43,122
23	1/1/2029	2030	4,749,803	469,844	447,088	712,825	1,733,669	322,069	1,026,350	55,440	4,767,284	(17,481)	25,641
24	1/1/2030	2031	4,913,639	465,938	446,563	712,788	1,735,600	318,569	1,023,150	234,038	4,938,644	(25,004)	637
25	1/1/2031	2032	5,082,391	465,938	445,900	710,725	1,732,469	319,225	1,022,061	238,406	4,932,744	149,647	150,284
26	1/1/2032	2033	5,256,205	469,531	447,938	711,469	1,733,938	318,869	1,022,806	236,931	4,941,481	314,724	465,009
27	1/1/2033	2034	5,435,234	466,719	445,513	714,681	1,734,500	322,331	1,024,988	234,781	4,943,513	491,722	956,730
28	1/1/2034	2035	5,619,634	467,500	446,625	710,363	1,733,819	319,613	1,023,456	236,788	4,938,163	681,471	1,638,202
29	1/1/2035	2036	5,809,565	466,719	446,113	713,344	1,736,388	320,713	1,023,044	237,781	4,944,100	865,465	2,503,667
30	1/1/2036	2037	6,005,195	469,219	443,975	713,288	1,736,700	320,463	1,023,413	237,763	4,944,819	1,060,376	3,564,043
0	1/1/1900	Total	\$ 103,901,054	\$ 13,348,535	\$ 12,286,714	\$ 18,887,873	\$ 37,238,340	\$ 5,289,859	\$ 11,593,763	\$ 1,711,928	\$ 100,337,010	\$ 3,564,043	\$ 3,564,043

Notes:
 Property tax revenues based on collections of: 99%

Black = Existing
 Blue = Projected
 Green = Projected
 Purple = Projected
 Orange = Projected

City of El Paso, Texas
Tax Increment Financing Worksheet
TIF #5

Real Property Tax Revenue By Jurisdiction

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Life of TIF (years)	TAV Calculation Date	Fiscal Year End 8/31	Non-Project Aggregate Incremental TAV	City of El Paso 100% Tax Rate = 0.672326 Annual	City of El Paso 0% Cumulative	El Paso County 0% Tax Rate = 0.391390 Annual	El Paso County 0% Cumulative	El Paso City Hosp Dist 0% Tax Rate = 0.186000 Annual	El Paso City Hosp Dist 0% Cumulative	El Paso CCGD 0% Tax Rate = 0.120988 Annual	El Paso CCGD 0% Cumulative	Non-Project Real Property Tax Revenue	Non-Project Real Property Tax Revenue	
1	1/1/2007	2008	\$ 3,205,506	\$ 21,343	\$ 21,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,343	\$ 21,343	
2	1/1/2008	2009	\$ 42,966,513	\$ 285,986	\$ 307,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,986	\$ 285,986	
3	1/1/2009	2010	\$ 122,305,765	\$ 814,071	\$ 1,121,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,071	\$ 814,071	
4	1/1/2010	2011	\$ 184,815,496	\$ 1,230,137	\$ 2,351,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,230,137	\$ 1,230,137	
5	1/1/2011	2012	\$ 228,689,443	\$ 1,522,030	\$ 3,873,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,522,030	\$ 1,522,030	
6	1/1/2012	2013	\$ 271,787,563	\$ 1,808,025	\$ 5,682,592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,808,025	\$ 1,808,025	
7	1/1/2013	2014	\$ 305,922,055	\$ 2,036,226	\$ 7,716,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,036,226	\$ 2,036,226	
8	1/1/2014	2015	\$ 341,763,814	\$ 2,274,789	\$ 9,993,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,274,789	\$ 2,274,789	
9	1/1/2015	2016	\$ 379,384,554	\$ 2,525,194	\$ 12,518,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,525,194	\$ 2,525,194	
10	1/1/2016	2017	\$ 418,018,809	\$ 2,782,345	\$ 15,301,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,782,345	\$ 2,782,345	
11	1/1/2017	2018	\$ 454,207,750	\$ 3,023,219	\$ 18,324,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,023,219	\$ 3,023,219	
12	1/1/2018	2019	\$ 485,857,812	\$ 3,233,884	\$ 21,558,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,233,884	\$ 3,233,884	
13	1/1/2019	2020	\$ 503,640,155	\$ 3,352,243	\$ 24,910,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,352,243	\$ 3,352,243	
14	1/1/2020	2021	\$ 521,955,865	\$ 3,474,153	\$ 28,384,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,474,153	\$ 3,474,153	
15	1/1/2021	2022	\$ 540,821,047	\$ 3,599,720	\$ 31,984,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,599,720	\$ 3,599,720	
16	1/1/2022	2023	\$ 560,252,184	\$ 3,729,054	\$ 35,713,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,729,054	\$ 3,729,054	
17	1/1/2023	2024	\$ 580,266,256	\$ 3,862,268	\$ 39,575,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,862,268	\$ 3,862,268	
18	1/1/2024	2025	\$ 600,880,749	\$ 3,999,479	\$ 43,575,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,999,479	\$ 3,999,479	
19	1/1/2025	2026	\$ 622,113,877	\$ 4,140,806	\$ 47,715,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,140,806	\$ 4,140,806	
20	1/1/2026	2027	\$ 643,983,393	\$ 4,286,372	\$ 52,002,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,286,372	\$ 4,286,372	
21	1/1/2027	2028	\$ 666,509,607	\$ 4,436,306	\$ 56,438,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,436,306	\$ 4,436,306	
22	1/1/2028	2029	\$ 689,711,401	\$ 4,590,738	\$ 61,029,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,590,738	\$ 4,590,738	
23	1/1/2029	2030	\$ 713,609,249	\$ 4,749,803	\$ 65,779,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,749,803	\$ 4,749,803	
24	1/1/2030	2031	\$ 738,224,032	\$ 4,913,639	\$ 70,692,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,913,639	\$ 4,913,639	
25	1/1/2031	2032	\$ 763,577,258	\$ 5,082,391	\$ 75,775,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,082,391	\$ 5,082,391	
26	1/1/2032	2033	\$ 789,691,082	\$ 5,256,205	\$ 81,031,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,256,205	\$ 5,256,205	
27	1/1/2033	2034	\$ 816,588,320	\$ 5,435,234	\$ 86,466,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,435,234	\$ 5,435,234	
28	1/1/2034	2035	\$ 844,292,476	\$ 5,619,634	\$ 92,086,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,619,634	\$ 5,619,634	
29	1/1/2035	2036	\$ 872,827,756	\$ 5,809,565	\$ 97,895,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,809,565	\$ 5,809,565	
30	1/1/2036	2037	\$ 902,219,094	\$ 6,005,195	\$ 103,901,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,005,195	\$ 6,005,195	
				\$ 103,901,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,438,648	

Notes:
Revenues based on collections of: 99%

Black = Existing
Blue = Projected
Green = Projected

City of El Paso, Texas
Tax Increment Financing Worksheet

TIF #5

Bus/Pers Property Incremental TAV & City Revenues
Total Sales & Sales Tax Revenues

A	B	C	D	E	F	G	H	I	J
Life of TIF (years)	TAV Calculation Date	Fiscal Year End 8/31	Non-Project Bus/Pers Property Aggregate Incremental TAV	Non-Project Bus/Pers Property Tax Revenue City of EP Rate 0.97233	Non-Project Taxable Sales Per Year	Non-Project Annual 1.00% City Sales Tax	Non-Project Annual 0.50% ESD 2 Sales Tax	Non-Project Annual 0.50% CTD Sales Tax	Non-Project Total Annual Sales Tax
1	1/1/2007	2008	\$	\$	\$	\$	\$	\$	\$
2	1/1/2008	2009							
3	1/1/2009	2010							
4	1/1/2010	2011							
5	1/1/2011	2012							
6	1/1/2012	2013							
7	1/1/2013	2014							
8	1/1/2014	2015							
9	1/1/2015	2016							
10	1/1/2016	2017							
11	1/1/2017	2018							
12	1/1/2018	2019							
13	1/1/2019	2020							
14	1/1/2020	2021							
15	1/1/2021	2022							
16	1/1/2022	2023							
17	1/1/2023	2024							
18	1/1/2024	2025							
19	1/1/2025	2026							
20	1/1/2026	2027							
21	1/1/2027	2028							
22	1/1/2028	2029							
23	1/1/2029	2030							
24	1/1/2030	2031							
25	1/1/2031	2032							
26	1/1/2032	2033							
27	1/1/2033	2034							
28	1/1/2034	2035							
29	1/1/2035	2036							
30	1/1/2036	2037							
		Total	\$	\$	\$	\$	\$	\$	\$

Notes:
 Revenues based on collections of: 99%

Black = Existing
 Blue = Projected
 Purple = Projected
 Orange = Projected

City of El Paso, Texas
Tax Increment Financing Worksheet

TIF #5
TIF, City & Other District Revenues

A	B	C	D	E	F	G	H	I	J	K	L	M
Life of TIF (Years)	TAV Calculation Date	Fiscal Year End 8/31	TIF #5 Real Property Tax Revenues	Non-Project Bus/Pers Property Tax Revenue	City Non-Project Annual 1.00% City Sales Tax	Total Non-Project City Bus/Pers Property & Sales Tax	Non-Project TIF & City Property and Sales Tax Revenues	Non-Project Annual Operating Expenses	Non-Project TIF & City Property and Sales Tax Revenues	Other Districts Non-Project Annual 0.50% ESD 2 Sales Tax	Other Districts Non-Project Annual 0.50% CTD Sales Tax	Total Non-Project Net Revenues
1	1/1/2007	2008	\$ 21,343	\$ -	\$ -	\$ -	\$ 21,343	\$ -	\$ 21,343	\$ -	\$ -	\$ 21,343
2	1/1/2008	2009	285,986	-	-	-	285,986	-	285,986	-	-	285,986
3	1/1/2009	2010	814,071	-	-	-	814,071	-	814,071	-	-	814,071
4	1/1/2010	2011	1,230,137	-	-	-	1,230,137	-	1,230,137	-	-	1,230,137
5	1/1/2011	2012	1,522,030	-	-	-	1,522,030	-	1,522,030	-	-	1,522,030
6	1/1/2012	2013	1,809,025	-	-	-	1,809,025	-	1,809,025	-	-	1,809,025
7	1/1/2013	2014	2,036,226	-	-	-	2,036,226	-	2,036,226	-	-	2,036,226
8	1/1/2014	2015	2,274,789	-	-	-	2,274,789	-	2,274,789	-	-	2,274,789
9	1/1/2015	2016	2,525,194	-	-	-	2,525,194	-	2,525,194	-	-	2,525,194
10	1/1/2016	2017	2,782,345	-	-	-	2,782,345	-	2,782,345	-	-	2,782,345
11	1/1/2017	2018	3,023,219	-	-	-	3,023,219	-	3,023,219	-	-	3,023,219
12	1/1/2018	2019	3,233,884	-	-	-	3,233,884	-	3,233,884	-	-	3,233,884
13	1/1/2019	2020	3,352,243	-	-	-	3,352,243	-	3,352,243	-	-	3,352,243
14	1/1/2020	2021	3,474,153	-	-	-	3,474,153	-	3,474,153	-	-	3,474,153
15	1/1/2021	2022	3,599,720	-	-	-	3,599,720	-	3,599,720	-	-	3,599,720
16	1/1/2022	2023	3,729,054	-	-	-	3,729,054	-	3,729,054	-	-	3,729,054
17	1/1/2023	2024	3,862,268	-	-	-	3,862,268	-	3,862,268	-	-	3,862,268
18	1/1/2024	2025	3,999,479	-	-	-	3,999,479	-	3,999,479	-	-	3,999,479
19	1/1/2025	2026	4,140,806	-	-	-	4,140,806	-	4,140,806	-	-	4,140,806
20	1/1/2026	2027	4,286,372	-	-	-	4,286,372	-	4,286,372	-	-	4,286,372
21	1/1/2027	2028	4,436,306	-	-	-	4,436,306	-	4,436,306	-	-	4,436,306
22	1/1/2028	2029	4,590,738	-	-	-	4,590,738	-	4,590,738	-	-	4,590,738
23	1/1/2029	2030	4,749,803	-	-	-	4,749,803	-	4,749,803	-	-	4,749,803
24	1/1/2030	2031	4,913,639	-	-	-	4,913,639	-	4,913,639	-	-	4,913,639
25	1/1/2031	2032	5,082,391	-	-	-	5,082,391	-	5,082,391	-	-	5,082,391
26	1/1/2032	2033	5,256,205	-	-	-	5,256,205	-	5,256,205	-	-	5,256,205
27	1/1/2033	2034	5,435,234	-	-	-	5,435,234	-	5,435,234	-	-	5,435,234
28	1/1/2034	2035	5,619,634	-	-	-	5,619,634	-	5,619,634	-	-	5,619,634
29	1/1/2035	2036	5,809,565	-	-	-	5,809,565	-	5,809,565	-	-	5,809,565
30	1/1/2036	2037	6,005,195	-	-	-	6,005,195	-	6,005,195	-	-	6,005,195
		Total	\$ 103,901,054	\$ -	\$ -	\$ -	\$ 103,901,054	\$ -	\$ 103,901,054	\$ -	\$ -	\$ 103,901,054

Notes:
Property tax revenues based on collections of: 99%

- Black = Existing
- Blue = Projected
- Green = Projected
- Purple = Projected
- Orange = Projected

EXHIBIT I

Economic Feasibility Study⁸

[See attached Market Conditions and Financial Forecast]

⁸ This study prepared by TXP, Inc.

Market Conditions and Financial Forecast Associated with the El Paso Downtown 2015 Plan

City of El Paso – December 2006



Source: SMWM

 PRESENTED BY 



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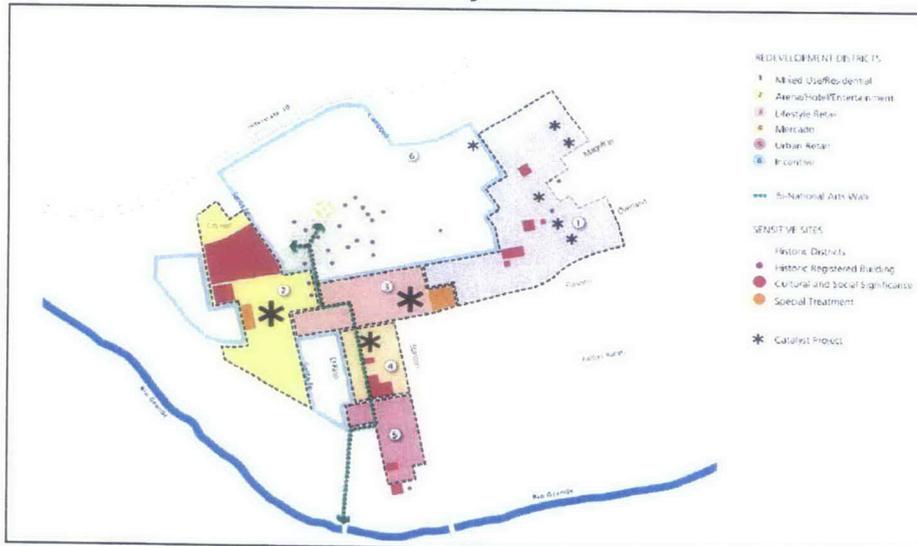
Introduction

Downtown 2015 (the Project) represents an ambitious attempt to provide form and structure to efforts to reshape and revitalize downtown El Paso. The City of El Paso (the City) has been asked to participate in this effort from both a regulatory and financial standpoint, through zoning, code changes, and potential public financial support of various types. As part of developing its policy response, the City has engaged TXP to provide a review of the market conditions that would influence the net benefits associated with Plan, including calculating potential tax revenue that would accrue to the City. TXP has created a series of major findings for each of the key project factors.

Given a short timeframe and a significant volume of previous research, TXP has relied where possible on secondary information. In particular, a number of sources provided significant information to the development of our findings:

- several reports prepared for the City and the PDN Foundation by SMWM (collectively referenced hereafter as *SMWM*);
- several reports prepared for the PDN Foundation by Graven & Associates (collectively referenced as *Graven*);
- the April 2006 UTEP Border Modeling Project Long Term Forecast (referenced as *Forecast*);
- and “El Paso Gears Up for the Future,” Technical Report 1767 (April 2006) from the Texas A&M Real Estate Research Center (referenced as *A&M Real Estate*)

Figure 1: The Downtown 2015 Study Area



Source: SMWM

Downtown 2015 Project Parameters & Assumptions

Supporting Information from SMWM

The current downtown planning effort used as a take off point the many studies of downtown economics and market that had preceded its initiation, and then focused on uses that offered real promise for a downtown turn around. Resources to identify those catalyst market components included the record of achievement in relevant cities across the United States, closer to home Texas and border city examples and the direction of the city and PDNG leadership team in refining the focus and establishing a likely sequence for success. A brief summary of the studies and statistics that provided a base for downtown planning work is included here.

Following an evaluation of the current market downtown and an analysis of potential future development, the Leinberger-Lesser Study for the El Paso Downtown Partnership determined that in light of its proximity to Juarez, the significant volume of expenditures by Mexican nationals, convention delegates to the City, ease of access, and an underserved local population, significant demand potential existed for expanded retail space downtown. Managers at the existing malls in El Paso estimate that 30percent to 40percent of their overall retail sales are attributed to visitors from Mexico, with some retailers estimating as high as 90percent of their sales. "The combination of these factors creates an ideal opportunity for an urban retail outlet experience." In their expert opinion, these demand sources are sufficient to support the immediate development of a retail center.

Such a development would serve as a marquee example of the renewed strength of Downtown and the dedication by the City to provide an environment that serves the needs of residents and visitors. According to the Leinberger-Lesser Study "attracting quality retail into Downtown is a critical catalyst to the area's revitalization. With a strong mix of retail, dining, and entertainment, Downtown El Paso has the potential to evolve into an area where residents shop, dine, and play."

Following retail development and in a later phase, additional opportunities could exist for entertainment establishments as the momentum of Downtown accelerates. Likewise, while current occupancy rates may not justify new hotel construction, as the convention center, performance and exhibition space expands and Downtown's retail market grows, a 200 room hotel could be an important anchor for a revitalized Downtown. Aggressive marketing and recruitment to attract larger regional and national conventions could further accelerate this opportunity.

Currently there has been very little residential construction with the majority of existing supply concentrated in several small neighborhoods adjacent to Downtown including Sunset Heights, Old San Francisco, and Magoffin Street. However, these districts offer little in the way of services or retail, and nothing has been done to create the mixed-use, youth-focused buzz that would bring students and young professional downtown. At the same time, families seeking a downtown home see a major deficit of parks, recreation and services to support their children and family life. And finally, a housing product fitting for empty-nesters ready to move out of a large family home in the suburbs has yet to be offered. Future public/private investments, however, could capture a number of these new segments of the potential downtown market. Further studies of market potential for both retail and residential is necessary for specific project proposals. The potential for new retail, housing and related commercial development will depend in part on the ability to consolidate parcels to create a critical mass of available properties for new projects.

Supporting Information from Graven

The amount and type of development analyzed is based on the SMWM draft plan and the Oster Research Group white paper on downtown El Paso retail opportunities and PNG Foundation plans. The projected developments are illustrative of the type of developments that could occur as the development plans are implemented. It is recognized that the timing, amount, size, configuration, and value of specific projects will depend upon market and financial conditions when they are developed. There does appear to be developer interest and market support for some of the specific projects proposed for the early stages of the proposed development plans.

A total of nearly 1.3 million sqf of new retail space and approximately 1,700 new apartment units are projected for the four sub-areas included within the study area. The amount of retail space and housing, by area and type, is suggested by SMWM draft development plan and the PNG Foundation plans. The timing of the development is based on general market conditions and presumed interest in some sites by developers and retailers.

Table 1: Land Use Patterns of the Project

Redevelopment Districts	RETAIL		RESIDENTIAL	
	SQF	Parking	Units	Parking
First Street	600,000	1,800	150-300	150-300
Oregon/Mesa	200,000	400	150-300	150-300
Rio Grande	300,000	1,200	150-300	150-300
Magoffin/San Antonio	195,000		700-1,400	700-1,400
TOTAL	1,295,000	3,400	1,150-2,300	1,150-2,300

Source: Graven, TXP

Real Estate Market Demand

FINDING #1: Overall growth in El Paso is expected to create significant demand for real estate over the forecast horizon. Meanwhile, the dollar volume of local home sales has more than doubled since 2000.

FINDING #2: The local real estate market appears primed for new development in downtown of the mixed-use, urbanist character that has become highly popular elsewhere in Texas and across the U.S.

FINDING #3: Graven's estimates of demand for retail and residential are both consistent with market trends and reasonable in the aggregate. For example, the forecast on the number of units absorbed from 2008-2018 represent less than 20 percent of the total market demand projected by the Forecast during that period.

Aggregate Market Projections for El Paso

Over time, demand for any type of real estate is largely a function of demographics and economics, as job growth and household formation create both the need for space and the means to pay for it. According to the Forecast, total El Paso population will approach a million over the next twenty years, while the local job base will pass half a million during the same period.¹ To support this population and employment growth, the number of housing units and commercial space in the region must expand.

Table 2: El Paso MSA Economic/Demographic Projections

	1985	1990	1995	2000	2005	2010	2015	2020	2025
Population (000s)	538.8	595.4	654.3	681.5	725.1	793.8	862.1	930.5	998.6
Personal Income (Billions)	\$5.3	\$7.3	\$9.7	\$12.6	\$16.3	\$21.9	\$30.5	\$42.4	\$58.3
Total Jobs (000s)	232.7	269.7	300.0	326.3	347.6	387.1	426.1	466.0	506.5
Jobless Rate	10.8%	11.6%	10.4%	8.2%	7.8%	7.6%	7.5%	7.3%	7.1%
Retail Sales (Billions)	\$2.8	\$3.7	\$4.9	\$6.3	\$7.6	\$9.6	\$12.4	\$16.2	\$21.3
Water Consumption (bil. gal.)	30.8	33.9	34.9	36.0	32.3	34.9	39.7	42.3	46.2

Source: Border Region Modeling Project, TXP

Table 3: El Paso MSA Construction/Real Estate Projections

	1985	1990	1995	2000	2005	2010	2015	2020	2025
Total Housing Starts (000s)	5.1	2.3	3.0	3.5	4.2	5.7	6.2	6.8	7.4
Single-Family Starts (000s)	3.8	2.1	2.6	3.1	3.6	4.7	5.3	5.9	6.5
Multi-Family Starts (000s)	1.3	0.2	0.5	0.4	0.6	1.0	0.8	0.9	0.9
Total Housing Stock (000s)	202.0	224.1	232.6	245.4	264.6	289.0	314.0	338.1	361.9
Median New Home Price (000s)	64.8	81.4	85.8	94.2	118.4	139.3	165.5	197.9	236.6
Total Nonresidential (\$Millions)	146.4	160.8	257.2	305.7	354.5	411.6	488.4	595.3	715.0

Source: Border Region Modeling Project, TXP

¹ See Appendix One for more details from the forecast.

Current El Paso Real Estate Market Conditions

Supporting Information from A&M Real Estate

Residential: The consensus is that El Paso is experiencing one of its strongest single-family markets ever. Lot supply is the lowest of any time in recent history. The average days-on-market citywide for new residential construction is no more than ten days. Some homes are sold before completion. Total apartment stock is nearing 25,000 units, according to the El Paso Apartment Association. More than 1,000 new units are currently in development. Two new apartment properties will be developed on the city's west side, two others on the northeast side and one on the city's east side. Overall apartment occupancy rate was 93.5 percent in December 2005, up from about 90.5 percent in December 2004. Average rents ended 2005 at 67 cents per square foot per month. Only 11.1 percent of apartment units contain three or more bedrooms. The remaining 88.1 percent are efficiency, one-bedroom or two-bedroom units. See Appendix Two for more detail.

Retail: Record new home construction is combining with the improving U.S. economy and a stable peso to produce a strong retail market in El Paso. Local retail broker Richard Amstater of RJL Real Estate Consultants believes this is the most active market he has seen in the last 30 years. Bob Ayoub is president of the region's other major retail development-management company, Mimco Inc. Ayoub, who also has several new developments underway, says that El Paso is really five distinct submarkets: west, northeast, central, east south of I-10 and east north of I-10. Ayoub believes that many positive things are coming together for El Paso's retail market, including more soldiers at Ft. Bliss, improving maquilas and the new medical school. El Paso's peak retail rents are about \$20 per square foot.

National retailers have tended to underestimate the value of Mexican shoppers, especially the high-end retail client. Wealthy Mexicans often own homes on both sides of the border. Surveys have shown that about 20 percent of Mexicans crossing the border have a U.S. bank account. Mexican nationals often combine shopping trips with the consumption of other forms of entertainment and services such as banking or medical services. Astute Mexicans also know that some products are sold in the U.S. market before being made available in Mexico.

Mexican retail customers have reported that they prefer to shop in the United States for a variety of reasons including better selection, more consistent availability, lower prices, more pleasant shopping atmosphere, better quality and superior customer service. Lower-end customers may even resell what they buy on the U.S. side when they return to Mexico. American retail chains with no

stores in Mexico have become extremely popular with Mexican shoppers. Examples include Abercrombie & Fitch, American Eagle Outfitters and Victoria's Secret. According to the Simon Property Group, the average Mexican shopper spends twice as much per trip as an American shopper. Of Mexican nationals entering Texas by car in 2004, 43 percent reported remaining on the U.S. side one to seven nights before returning. About 98 percent of Mexican pedestrians crossing by foot into Texas only stay for the day. About 85 percent of Mexicans crossing into Texas list shopping as one their reasons for crossing. El Paso has been the least affected major Texas border city when swings occur in the value of the Mexican peso, according to a Dallas Federal Reserve study.

Exclusive national restaurant chains are yet to take a chance on El Paso. Some El Paso residents report driving 40 miles to Las Cruces just to dine at PF Chang's. Upscale lifestyle tenants are beginning to show some interest in El Paso. Lifestyle centers are open-air, main-street-like developments with higher-quality architecture that focus on specific retail sectors and blend mixed uses typical of a traditional main street. No mixed-use projects (combining retail with apartments, office space, for example) like those being developed in the state's largest metro areas have occurred in El Paso thus far.

Figure 2: 2005 Multifamily Building Permits



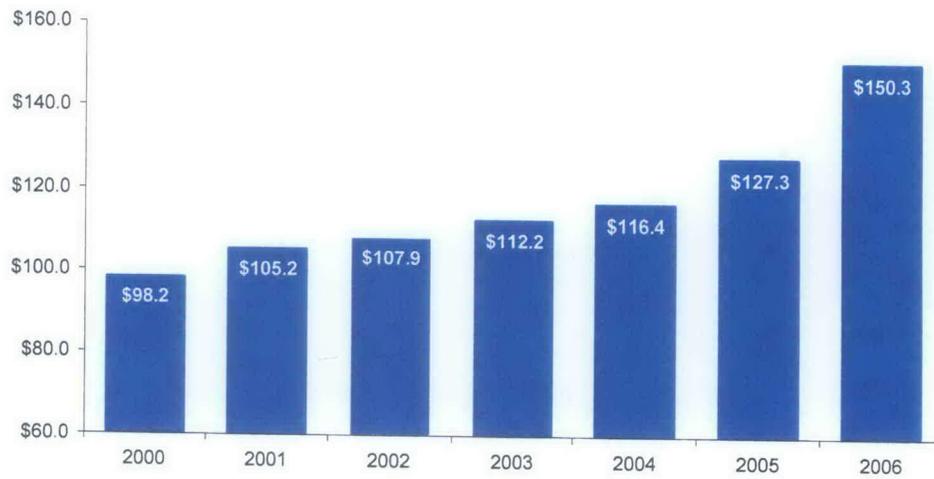
Source: El Paso City Building Permit Office, TX A&M, TXP

Figure 3: 2005 Retail Building Permits



Source: El Paso City Building Permit Office, TX A&M, TXP

Figure 4: Average Price of a Home Sold in El Paso (in \$000s)



Source: TX A&M, TXP

Financial Forecast

FINDING #4: *Using Graven's assumptions on demand and TXP's estimates on unit value and assumptions on inflation, the City can expect to realize just under \$105 million in incremental tax revenue over the 30-year life of the TIF.*

Construction Cost/Value Assumptions

- *Retail is assumed to cost \$125 per sqf;*
- *All new housing units are assumed to be 875 sqf;*
- *Market Rate housing is assumed to cost \$95/sqf; at 875 sqf, each unit is therefore valued at \$83,125*
- *Market Rate + housing is assumed to cost \$105/sqf; each unit is therefore valued at \$91,875*
- *Luxury housing is assumed to cost \$115/sqf; each unit is therefore valued at \$100,625.*

Based on experience in prior studies, discussions with local industry experts, and inflation trends in the construction materials market, these costs are likely an accurate reflection of underlying market conditions for new development in this area. For purposes of this analysis, values are assumed to reflect full underlying development costs.² The 875 sqf per unit estimate represents a blended rate, as actual unit sizes will vary depending upon the mix within specific projects. By the same token, the unit values encapsulate costs for parking, common areas, etc.

Property Appreciation Assumption

- *The rate of property appreciation is assumed to be 3.0 percent per year.*

This assumption is conservative in light of both current convention and historical trends – for example, the national Producer Price Index for Materials and Components used for Construction grew at compound annual rate of 3.7 percent for the period from 1975-2005, while the average price of a home sold in El Paso rose 3.5 percent on the same basis from 1980-2005.

² This has not always been the case in El Paso, but most accounts suggest that there will be a greater effort to mark appraised values to market in the future. According to Graven, "the assessed market values based on the income valuation approach often result in values significantly lower than full development costs of residential developments, and to a lesser extent, with commercial values. This is true in most taxing jurisdictions throughout the country with assessed values often 70-80 percent of full development costs. This is particularly true of residential developments. These developments are economically and financially feasible, even if rental income does not cover full development costs, because of residential tax credits and taxable losses, including depreciation, that help shelter other income of the investors. Investors are also looking for future appreciation in value which would later be taxed at capital gain rates." If values are not marked to market, then the projected aggregate tax base value and attendant City revenues likely would be 70-80 percent of what is presented here.

Table 4: Projected Absorption

	Retail (SQF)	# of Market Rate Units	# of Market Rate + Units	# of Luxury Units	TOTAL UNITS
2008	235,000	60			60
2009	385,000	245			245
2010	180,000	185	60	60	305
2011	115,000	125	60		185
2012	90,000	125		60	185
2013	65,000	125			125
2014	65,000	125			125
2015	65,000	125			125
2016	60,000	125			125
2017	35,000	125			125
2018		125			125
TOTAL	1,295,000	1,490	120	120	1,730

Source: Graven, TXP

Table 5: Projected Values (No Inflation Factor)

	Retail	Market Rate	Market Rate +	Luxury	TOTAL
2008	\$29,375,000	\$4,987,500			\$34,364,508
2009	\$48,125,000	\$20,365,625			\$68,492,634
2010	\$22,500,000	\$15,378,125	\$5,512,500	\$6,037,500	\$49,430,135
2011	\$14,375,000	\$10,390,625	\$5,512,500		\$30,280,136
2012	\$11,250,000	\$10,390,625		\$6,037,500	\$27,680,137
2013	\$8,125,000	\$10,390,625			\$18,517,638
2014	\$8,125,000	\$10,390,625			\$18,517,639
2015	\$8,125,000	\$10,390,625			\$18,517,640
2016	\$7,500,000	\$10,390,625			\$17,892,641
2017	\$4,375,000	\$10,390,625			\$14,767,642
2018		\$10,390,625			\$10,392,643
TOTAL	\$161,875,000	\$123,856,250	\$11,025,000	\$12,075,000	\$308,853,393

Source: Graven, TXP

Table 6: Projected Values (With and Without Inflation)

<i>(Millions)</i>	WITHOUT INFLATION		INFLATION-ADJUSTED	
	Base Value	New Development	Base Value	New Development
2007	\$106.88	N.A.	\$110.09	N.A.
2008	\$106.88	\$34.36	\$113.39	\$36.46
2009	\$106.88	\$102.86	\$116.79	\$112.39
2010	\$106.88	\$152.29	\$120.30	\$171.40
2011	\$106.88	\$182.57	\$123.91	\$211.65
2012	\$106.88	\$210.25	\$127.62	\$251.05
2013	\$106.88	\$228.77	\$131.45	\$281.35
2014	\$106.88	\$247.28	\$135.40	\$313.25
2015	\$106.88	\$265.80	\$139.46	\$346.81
2016	\$106.88	\$283.69	\$143.64	\$381.26
2017	\$106.88	\$298.46	\$147.95	\$413.14
2018	\$106.88	\$308.85	\$152.39	\$440.35
2019	\$106.88	\$308.85	\$156.96	\$453.56
2020	\$106.88	\$308.85	\$161.67	\$467.17
2021	\$106.88	\$308.85	\$166.52	\$481.18
2022	\$106.88	\$308.85	\$171.52	\$495.62
2023	\$106.88	\$308.85	\$176.66	\$510.49
2024	\$106.88	\$308.85	\$181.96	\$525.80
2025	\$106.88	\$308.85	\$187.42	\$541.58
2026	\$106.88	\$308.85	\$193.04	\$557.82
2027	\$106.88	\$308.85	\$198.83	\$574.56
2028	\$106.88	\$308.85	\$204.80	\$591.80
2029	\$106.88	\$308.85	\$210.94	\$609.55
2030	\$106.88	\$308.85	\$217.27	\$627.84
2031	\$106.88	\$308.85	\$223.79	\$646.67
2032	\$106.88	\$308.85	\$230.50	\$666.07
2033	\$106.88	\$308.85	\$237.42	\$686.05
2034	\$106.88	\$308.85	\$244.54	\$706.63
2035	\$106.88	\$308.85	\$251.88	\$727.83
2036	\$106.88	\$308.85	\$259.43	\$749.67

Source: TXP

Table 7: Projected Values & City Revenue (With Inflation)

	INFLATION-ADJUSTED	
	Taxable Increment	City Tax Revenue
2007	\$3,206,506	\$21,558
2008	\$42,966,513	\$288,875
2009	\$122,305,765	\$822,293
2010	\$184,815,496	\$1,242,563
2011	\$228,669,443	\$1,537,404
2012	\$271,787,563	\$1,827,298
2013	\$305,922,055	\$2,056,794
2014	\$341,763,814	\$2,297,767
2015	\$379,384,554	\$2,550,701
2016	\$418,018,809	\$2,810,449
2017	\$454,207,750	\$3,053,757
2018	\$485,857,912	\$3,266,549
2019	\$503,640,155	\$3,386,104
2020	\$521,955,865	\$3,509,245
2021	\$540,821,047	\$3,636,081
2022	\$560,252,184	\$3,766,721
2023	\$580,266,256	\$3,901,281
2024	\$600,880,749	\$4,039,878
2025	\$622,113,677	\$4,182,632
2026	\$643,983,593	\$4,329,669
2027	\$666,509,607	\$4,481,117
2028	\$689,711,401	\$4,637,109
2029	\$713,609,249	\$4,797,781
2030	\$738,224,032	\$4,963,272
2031	\$763,577,258	\$5,133,728
2032	\$789,691,082	\$5,309,298
2033	\$816,588,320	\$5,490,136
2034	\$844,292,476	\$5,676,398
2035	\$872,827,756	\$5,868,248
2036	\$902,219,094	\$6,065,854

Source: TXP

Conclusion

With its emphasis on mixed-use, urbanist (including residential) land use and development, the market concept behind the Project reflects current market trends and conditions, and is consistent with similar projects elsewhere in Texas and across the nation. Meanwhile, the overall projections of the local economy and aggregate local demand for real estate validate estimates of the Project's demand parameters. Unit values are adjusted to reflect the full cost of development, and are combined with a conservative assumption on inflation to generate the expected incremental tax base values and attendant revenues to the City. As a result, TXP believes these forecasts reflect a likely outcome of Project and TIF implementation.

That having been said, these projections are just that – forecasts based on the best available current information related to market conditions. This is subject to change. Given the unique nature of this project and high visibility, for example, the commitment of a few large developers could have a significantly positive impact on both the level and timing of future growth. As currently configured, the Project does not include either office or lodging, land uses that would logically occur proximate to the planned residential and retail. Moreover, the financial projections make no allowance for positive “spillover” to the value of other properties in area as a result of new development (beyond inflation), which easily could occur. At the same time, a slowdown in development as a result of a weaker national or Mexican economy, negative changes in key drivers of El Paso (such significantly reduced activity at Fort Bliss), or unforeseen issues with property owners within the TIF could materially reduce the volume of construction put in place over the next 30 years.

Legal Disclaimer

TXP reserves the right to make changes, corrections and/or improvements at any time and without notice. In addition, TXP disclaims any and all liability for damages incurred directly or indirectly as a result of errors, omissions, or discrepancies.

Any statements involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinions or estimates will be realized. The information and expressions of opinion contained herein are subject to change without notice, and shall not, under any circumstances, create any implications that there has been no change or updates.

Appendix One – Local Economic Context

From the Forecast

Long-term prospects for the El Paso – Ciudad Juarez borderplex economy call for steady growth. On the north side of the border, the population of El Paso is projected to approach the 1 million mark by 2025, the last year of the forecast period. Real gross metropolitan product, the broadest of local economic activity, is expected to nearly double over the next two decades to more than \$32 billion (1996 dollars). Better job market conditions combine with income growth to push total retail sales above \$21.3 billion by the end of the simulation period. Given this projected state of affairs, the UTEP Borderplex Model forecasts 7.4 thousand housing starts by 2025. Those factors translate into substantially higher single-family home prices. Demographic expansion and business growth together lead to greater demand for water in El Paso. As shown in Table 1, total consumption will approximate 46.2 billion gallons per year by the end of the forecast period.

El Paso Demographics

Natural increase is projected to contribute to the bulk of El Paso's population growth during the next two decades. Resident births are projected to grow from just over 14.5 thousand per year in 2005 to nearly 17.8 thousand by 2025. Over the same period, resident deaths are forecast to grow from approximately 5.8 thousand per year. Net migration is expected to also contribute to population growth throughout the simulation period. That is a consequence of substantially stronger job market performance in El Paso. Much of the latter is a direct outcome of the BRAC related expansions that will increase troop levels at Fort Bliss. Because the local unemployment rate is projected to close much of the gap that separates it from its national counterpart, net domestic out-migration is forecast to drop well below the levels observed during the 1990s. Given those trends, the number of households in the Sun City is forecast to approach 305,000 by 2025. Business formation should remain strong, leading to more than 17.1 thousand companies in operation by the end of the forecast period. Of those, more than 13.8 thousand will be retail establishments. Not surprisingly, college enrollments increase steadily under these conditions.

Employment & the El Paso Labor Market

Total employment growth is projected to outstrip the expansion forecast for the civilian labor force in El Paso. As a consequence of that labor market outcome, the unemployment rate trends downward over the course of the simulation period. The BRAC related expansions help reverse almost all of the military employment losses that were observed in El Paso subsequent to 1980. The

large influx of soldiers, civilian personnel, and their dependents also fuels strong increases public school systems and local government payrolls. Sustained rapid rates of change are also projected for tertiary sectors of the metropolitan labor market. Among the latter are health care, communications, business, education, and professional services. As manufacturing continues to become more capital intensive, labor requirements across its various sectors will continue to decline. A similar pattern is also projected to eventually materialize for federal civilian payrolls. Labor quality requirements for all sectors of the regional economy are intensifying. Given that, educational attainment will play a central role in attracting new investment and in determining worker compensation gains in coming years.

El Paso Personal Income

El Paso personal income is forecast to expand to more than \$58.3 billion by 2025. Among the five largest income components, aging of the baby boom generation causes retirement transfers to grow most rapidly on a sustained basis. Social security contributions are also projected to grow relatively quickly as the national retirement wave sweeps through the United States during the next twenty years. Wage and salary disbursements are not forecast to keep pace with other sources of personal income. That is a continuation of the basic trend that has been observed during the last two decades in El Paso and the nation as a whole. Healthy business condition should permit proprietor incomes to expand in step with the regional economy at-large. Similarly, national corporate profitability growth translates into strong rates of change for dividends, interest, and rent. Because joblessness is projected to decline, unemployment transfers are forecast to not keep pace with other income categories.

El Paso Retail Sales

Upward trends in demographic and income aggregates throughout the Borderplex cause retail sales to grow in El Paso. The strongest rates of expansion are projected for dining away from home and apparel. Better incomes performance plays a role in the outlook for both categories. Changing family structures also contribute toward the increases forecast for dining establishments. Given the latter, overall grocery store sales grow more slowly than other retail categories. Hardware, automobile, and furniture sales also exhibit healthy rates of change during the twenty year period under consideration. Total retail sales are forecast to exceed \$23.1 billion by the year 2025.

El Paso Construction & Real Estate

The economic and demographic expansion that is projected over the course of the next two decades causes residential construction to accelerate in El Paso.

Most notably, single-family housing starts are expected to remain at levels reminiscent of those observed during the “sunbelt migration years” of the 1970s. Total residential construction volumes are sufficient to push the metropolitan housing stock to nearly 362 thousand units by the end of the simulation period. Stronger incomes performance translates in to median prices for both new and existing units that exceed \$210 thousand for single-family structures in 2025. Higher prices, larger units, and moderately higher mortgage rates combine to push average El Paso housing payments to nearly \$1,400 per month by the end of the forecast period. The latter trends notwithstanding, overall affordability still improves as a consequence of sustained Borderplex income growth in future years.

Ciudad Juarez Economic Activity

Good employment opportunities are expected to encourage steady volumes of in-migration from central and southern regions of Mexico to Ciudad Juarez in coming years. That, in combination with fairly high levels of natural increase, leads to greater than 2.4 million residents in Ciudad Juarez by 2025. Strong demographic expansion plus improving income performance on the south side of the river cause connections to the municipal water grid in Ciudad Juarez to grow to more than 684 thousand by the end of the simulation period. A relatively progressive rates policy causes a portion of that growth to be offset by better consumption efficiencies, but aggregate usage is forecast at greater than 272 million cubic meters per year by 2025. Maquiladora activities account for many of the expected demographic and industrial changes. Total in-bond assembly employment is forecast to grow to more than 353 thousand in 2025. More capital intensive investment is expected to increase plant scales to the point where the number of employees per factor surpasses the 1,000 mark by the end of the period under consideration. Value-added rises steadily due to real per capita output growth during this period. Hourly wages, inclusive of benefits, should approximate \$6.62 by 2025.

Regional Mexican Economic Activity

Strong rates of growth are also projected for the maquiladora sector in Chihuahua, Chihuahua . In percentage terms, employment growth in this emerging in-bond assembly center will be greater than that observed in Ciudad Juarez. The latter is accompanied by an increase in the number of factories in operation in the state capital, as well as the scale of those operations. Hourly wages (inclusive of benefits) also increase in real terms as a result of enhanced productivity. Annual output generated at the maquiladora plants in Chihuahua City is projected to exceed \$3.0 billion by 2025. Formal sector jobs increase at a rapid clip for the period under consideration, growing to more than 333 thousand. Economic expansion also allows population to expand to greater than 1 million

by the end of the forecast period. Not surprisingly, these circumstances cause the municipal water grid to expand to more than 359 thousand hook-ups. Aggregate water consumption increases to nearly 100 million cubic meters over the course of simulation period.

Las Cruces Economic Conditions

The Las Cruces, New Mexico metropolitan economy is also forecast to expand on a sustained basis in future years, as real GMP is projected to more than double by 2025. Population is forecast to surpass 272 thousand during the same period. Employment growth in the Great Mesilla Valley labor market is expected to benefit from strong demand for workers in various service-oriented sectors. Due to the robust long-term outlook for employment, wage and salary disbursements account for a large percentage of the increases forecast for personal income in Dona Ana County. Because of its status as a retirement destination, senior citizen migration to Las Cruces causes retirement transfers to grow rapidly, reaching more than \$3.5 billion annually by 2025. Growing numbers of wealthy retirees also help property incomes to swell to more than \$2.7 billion per year by 2025.

Appendix Two - Residential Real Estate Market

From A&M Real Estate

Single-Family Residential

The consensus is that El Paso is experiencing one of its strongest single-family markets ever. Lot supply is the lowest of any time in recent history. The average days-on-market citywide for new residential construction is no more than ten days. Some homes are sold before completion.

Out-of-state investors are becoming more interested in El Paso's single-family market. About 20 percent of new homes constructed by local homebuilder Tropicana Homes were sold to investors during the last six months of 2005, according to Bobby Bowling IV, vice-president of Tropicana Homes. By contrast, almost no investors were purchasing single-family homes in the El Paso market a year ago. Bowling believes investors are impressed by El Paso's affordability and have expectations of a large increase in troop strength at Ft. Bliss as a result of BRAC. Some El Paso builders have begun to sell new homes only to owner-occupants in an attempt to limit "flipping" by investors looking to make a short-term profit.

The Greater El Paso Association of Realtors reported the median price of homes sold through the local multiple listing service (MLS) in 2005 was \$111,000, up 16.8 percent over 2004. Fifty percent of homes sold through the MLS sold within 30 days of being listed, according to Association Executive Terrie Todd. Despite the recent price increases, El Paso remains one of the country's most affordable housing markets. On the mortgage side, Harold Hahn, president of Rocky Mountain Mortgage, reports that about half of his firm's mortgage applications are on a property-to-be-determined basis. Many buyers are forced to wait for a new home to be built if they are not interested in purchasing an existing one. Rocky Mountain Mortgage's average mortgage increased about \$4,000 to \$96,000 in 2005. Of the 600 homes the firm is providing construction financing for, 77 percent are already under contract. Soldiers are becoming better educated about the benefits of homeownership, Hahn says, and loan applications from military personnel are active.

The area's home construction labor supply has become extremely tight. As a result, some builders are turning to El Paso Community College for help. The college has begun to offer a 16-week program for construction workers. The local builders association has commitments from area school districts to increase their trades training as well. El Paso is behind other cities of similar size in lot availability, according to Doug Schwartz, CEO of Southwest Land Development

Inc. Schwartz believes that El Paso should be building about 8,000 to 10,000 homes a year to keep up with demand. About 4,500 new homes were constructed in 2005, according to Bowling's calculations, an increase of 50 percent over the 3,000 built in 2003. Unlike many western U.S. cities, El Paso is unable to expand in all directions because of its proximity to the New Mexico and Mexico borders. About 20,000 acres on El Paso's northeast side and 10,000 acres on the city's northwest side are all that remain to be developed. While land on the northeast side is relatively flat, the remaining undeveloped land on El Paso's northwest side is generally rocky and uneven, making it too expensive to develop for starter homes.

The El Paso Public Service Board (PSB), the city's water utility, owns about 90 percent of the vacant land on the northeast side. Some developers have argued that the PSB should be selling larger tracts than they have been. Arguments for more master planning are being raised as well. The PSB recently decided to master plan all of their remaining land holdings. This should help facilitate residential development in those areas and help attract national homebuilders.

In an effort to help developers avoid time-consuming backlogs at the city's Building & Planning Services Department, the El Paso City Council implemented a private, on-site construction inspection program. Third-party inspections have gained wide acceptance thus far. Estimates are that the private inspection process saves about one month in construction time for single-family homes. Private inspections are improving inspection times for commercial properties as well.

As Texas land is developed out, the long-term solution to growth on El Paso's northwest side will eventually involve development of land in New Mexico. Verde Realty, founded in November 2003 by William D. Sanders and C. Ronald Blankenship, has unveiled plans for the company's 21,000-acre master-planned community in Santa Teresa, New Mexico. The development will incorporate a traditional neighborhood design with several neighborhood centers, parks and schools within walking distance of residential areas. More than 20 percent of the project will be preserved as open space with miles of hike-and-bike trails. Construction of the first phase begins in 2006. Sunland Park is another New Mexico suburb in proximity to El Paso. The city of about 13,000 stretches along a roughly three-by-seven-mile strip of the Rio Grande about five miles northwest of downtown El Paso. Sunland Park is one of New Mexico's fastest-growing communities. The Verde Group also plans to build homes in Sunland Park.

About 40 miles northwest of El Paso, the City of Las Cruces, New Mexico, has begun to see significant immigration from retirees desiring a slower-paced, affordable lifestyle. The city of about 190,000 has been marketing its great weather and amazing scenery for years. As a result, Las Cruces is adding a new dimension to the region's increasingly diverse economy. New residents are discovering what locals have known for years. El Paso is not far from snow skiing in Ruidoso and Cloudcroft, New Mexico. Both cities are about a two-hour drive from El Paso. Their higher altitude offers cooler days in summer, and many El Paso residents retreat to these cities on summer weekends.

Multifamily

The El Paso apartment market differs in several ways from apartment markets in other Texas metro areas. The number of apartment units on a per-capita basis is lower in El Paso, primarily because affordability and the Hispanic culture tend to favor single-family ownership.

El Paso's population is about 80 percent Hispanic, and households made up of large extended families are typical. Young adults usually remain at home much longer than in Anglo families, and elderly relatives often live with the family rather than moving to senior housing or nursing homes. Thus, a family's income may consist of contributions from several family members.

Apartment construction costs in El Paso are similar to other major metro areas in Texas. However, areas such as Austin or Dallas can command much higher rents. As a result, no national apartment developers have attempted projects in El Paso, and almost no institutional ownership of existing units exists.

Winston Black, senior investment advisor for Hendricks & Partners, reports seeing more apartments change hands in the past three years than in the 15 previous years. Black believes that California money, a lot of it 1031 exchanges, has driven about 60 percent of the apartment transactions in the last two years.

New construction in the last ten years has focused almost exclusively on developments at opposite ends of the spectrum, with tax-credit properties dominating the lower end and Class-A units at the upper end. Although the initial lease-up in new Class-A properties is often slow because of the higher rents, occupancy rates have remained surprisingly stable after leaseup for attractive, well-maintained properties.

The apartment market has experienced significant cyclicity in the past as a result of large deployments out of Ft. Bliss. For example, a 15 percent drop in

occupancy occurred within a few months after troops were deployed to the Middle East during the first Gulf War.

The level of cyclicality in the El Paso apartment market has largely been determined by the type of troops being deployed. Fighting troops are generally deployed faster and in greater numbers than more specialized troops. Ft. Bliss has acquired a substantial number of specialized air defense artillery troops since the first Gulf War. The type of troops stationed at Ft. Bliss as a result of the latest BRAC realignment should suggest the magnitude of military-related shifts in apartment occupancy in the future.

According to El Paso Apartment Association Executive Director Jerry Carlson, the city has adequate rental housing to accommodate the military inflow for 2005 and 2006. The full impact of BRAC will not be felt until 2007. However, Carlson believes that significant new apartment construction will be initiated soon.

The Army is attempting to increase retention by assigning soldiers to a post for longer periods than in the past. Carlson notes that soldiers attaining the rank of sergeant first class (E-5) or higher can generally afford to buy a home. Soldiers ranked below that rarely buy homes unless their spouses earn significant salaries.

In a typical 140-soldier group, about 90 soldiers (64.3 percent) would be ranked E-5 or higher. The percentage of married soldiers increases as rank goes up. About 60 of the 140 soldiers (42.8 percent) would be expected to be married. Soldiers living off-post typically locate in northeast and east El Paso for convenience. Although numbers have not been announced, Ft. Bliss will be building more on-post housing. Depending on how many new housing units are constructed, some segments of the apartment market could be negatively impacted. However, on-post housing should have little effect on demand for Class-A apartments.

TAB 3

**CITY OF EL PASO
DOWNTOWN REDEVELOPMENT DISTRICT
TIRZ NO. 5
BLIGHT ANALYSIS**

STATEMENT OF PURPOSE

The purpose of establishing a Tax Increment Reinvestment Zone (“TIRZ”) District is to provide a program to promote development and redevelopment within a designated zone. In making such a designation the City of El Paso (“City”) finds that without this tool, development and redevelopment to eliminate blight and economic under utilization of public infrastructure and private assets would not occur solely through private investment in the foreseeable future.

The primary purpose of the proposed Downtown Redevelopment District TIRZ No. 5 is to address the critical needs of downtown and eliminate slums and blight within the area as well as foster and support economic growth and opportunity and to ensure new investment that will create an area that is a thriving place to work, live, play and visit. The downtown is the economic heart of El Paso and is key to the economic vitality of the community and region.

The City of El Paso, in partnership with the Paso Del Norte Foundation (PDNF), commissioned the preparation of a Downtown Redevelopment Plan with the purpose of:

- Establishing a vision for the future economic growth of downtown
- Coordinating the investment and use activities of the public and private sector with the capital investment and service programs of the community
- Identifying the capital, regulatory, service investments and policies to be followed by the owners, developers and tenants of downtown, and
- Marketing the downtown area as a center of attraction to work, live and visit as well as a place of investment by both the public and private sectors

The plan provides a conceptual framework for the redevelopment of downtown to eliminate blight and the under utilization of the core of the City of El Paso. The plan has been presented to the community through over 30 community meetings and hearings and changes and adjustments have been made based upon citizen input prior to submission to the Planning Commission and City Council. The Downtown Redevelopment Plan was approved by the City Council on October 31, 2006.

Both the public and private sectors have made significant investments in the downtown in the last decade. Examples include the Art Museum, new Main Library, new Federal Courthouse, renovated Plaza Theater, Union Plaza improvements, improvements to San Jacinto Plaza and numerous improvements to downtown streets and utilities. Despite these improvements the downtown area continues to experience economic decline and blight which is demonstrated by:

- Years of disinvestment in buildings
- Deteriorating and substandard housing
- Long term decline in employment and residents

- Weak commercial demand
- Many vacant lots

AN OVERVIEW OF TAX INCREMENT FINANCING / TAX INCREMENT REINVESTMENT ZONE

The objectives of TIRZ District programs are to stimulate private investment to improve the tax base and to reverse blight within the designated zone. Establishment of a zone provides several powers that collectively represent a formidable force in the redevelopment of underutilized and blighted areas. Individually, each of these powers serve as unique tools that may be tailored to address the diverse challenges that may arise in the redevelopment process. It is important to note that the TIRZ powers of the District represent only one aspect of a coordinate effort to stimulate private investment and facilitate public improvements. The plans outlined in this report will work to utilize a diverse range of initiatives under a TIRZ designation. The El Paso City Council by ordinance may designate a contiguous geographic area to be a TIRZ reinvestment zone to promote development or redevelopment of the area upon determination that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future.

Public and private investment into these areas will create an economic asset that will benefit the entire community. Capital expenditures of the type proposed by the City through its TIRZ Program will have ramifications throughout the community that can provide multiplier benefits to the City as a whole. TIRZ designation provides the potential to leverage tax dollars to extend the level of service and expand the magnitude of public improvements. This can properly happen within the context of City development policies. The preliminary proposed plan by the City attempts to do this.

A TIRZ district is created by City Council pursuant to authority granted by state law (Tax Increment Financing Act, Chapter 311 of the Texas Property Tax Code). The ordinance creating the TIRZ designation also creates a Board of Directors (“Board”) charged with the development of a Project Plan and Financing Plan for the TIRZ. The Board makes its recommendations to the City Council who is the final authority on implementation actions. The TIRZ Fund is a mechanism by which a funds account is set up with the tax increment accumulated each year. The TIRZ Fund grows as the tax base grows.

The increment is determined as follows. Property valuations are frozen in the tax year that a TIRZ is created. This is the base year valuation. Tax revenue is calculated by multiplying the tax rate times the base year valuation on a taxable property. After the base year, property valuations may increase or decrease in value so that tax revenue may increase or decrease as well. The base year tax revenue difference from year to year is the increment that flows into the TIRZ Fund. The balance in the TIRZ Fund represents the funding stream from which projects and programs may be implemented. Under the TIRZ program, tax revenue from the base year continues to be distributed to each taxing entity according to their established tax rates; however, the tax revenue increment flows into the TIRZ Fund to finance public improvements provided in the Project Plan.

The TIRZ Fund is managed by the City Council with recommendations from the Board. Because several taxing authority entities are within the TIRZ, entities affected may negotiate a contract with the City to determine the portion of the increment that goes into the TIRZ Fund based on a percentage. As proposed, the City of El Paso is the only taxing entity that will contribute its tax increment to the TIRZ Fund. El Paso County, El Paso ISD, El Paso Community College and Thomason Hospital District will not contribute to the TIRZ Fund and will receive their increment directly.

The Project and Financing Plan details specific projects to be undertaken in the TIRZ District to accomplish its stated purpose. Each project is identified with as much detail as can be provided at this time to determine an approximate cost estimate. Implementation cost is calculated as part of the analysis. These cost calculations include acquisition, demolition, relocation, construction or operating expenses associated with the project. A phasing schedule for each project is specified allocating projected funding for each phase of the project. The Financing Plan details the costs of projects identified and the projected revenue of the TIRZ Fund.

An annual report of TIRZ Fund activity is to be provided to each taxing entity by the TIRZ Board. Items that may be included in the fund activity include growth of the fund, expenditures made for projects, and additional financial activity undertaken by the TIRZ Board in implementing the Project Plan. Once a TIRZ Board is appointed, additional policies will be adopted for managing the TIRZ Fund. The TIRZ Board has powers to create by-laws and other operational procedures.

STATUTORY REQUIREMENTS

In order to create a TIRZ District, several statutory requirements must be met. The Tax Increment Financing state-enabling legislation requires that municipalities demonstrate that without this tool the areas selected would not develop or redevelop solely through private investment in the foreseeable future. Further, the Tax Increment Financing Act (Chapter 311 of the Texas Property Tax Code) details the criteria—and certain restrictions—that a zone must meet to be designated a TIRZ District reinvestment zone.

In terms of the restrictions, the items to qualify at the time of designation follow. First, the land to be designated must be a contiguous geographic area. Second, no more than 10 percent of the property in the proposed zone, excluding property that is publicly owned, can be used for residential purposes. Third, the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones may not exceed 15 percent of the total appraised value of taxable real property in the municipality and in the industrial districts created by the municipality. Fourth, a municipality may not change the boundaries of an existing reinvestment zone to include property more than 10 percent of which, excluding property dedicated to public use, is used for residential purposes or to include more than 15 percent of the total appraised value of taxable real property in the municipality and in the industrial Districts created by the municipality. Finally, a municipality may not create a reinvestment zone or change the boundaries of an existing reinvestment zone if the proposed zone or proposed boundaries of the zone contain more than 15 percent of the total appraised value of real property taxable by a county or school district.

Valuation Analysis of Downtown Redevelopment District TIRZ No. 5 By Taxing Entity

Table 1. City of El Paso Valuation v. TIRZ

	Total Market Value	Percent
TIRZ	\$ 106,883,525	0.3741 %
City of El Paso	\$28,572,194,939	

Source: El Paso Central Appraisal District Report “2006 Values Certified August 1, 2006” and El Paso Central Appraisal District database provided for TIRZ analysis with 2006 certified values.

Table 2. El Paso County Valuation v. TIRZ

	Total Market Value	Percent
TIRZ	\$ 106,883,525	0.3324 %
El Paso County	\$32,155,783,581	

Source: El Paso Central Appraisal District Report “2006 Values Certified August 1, 2006” and El Paso Central Appraisal District database provided for TIRZ analysis with 2006 certified values.

Table 3. El Paso ISD Valuation v. TIRZ

	Total Market Value	Percent
TIRZ	\$ 106,883,525	0.6914 %
El Paso ISD	\$15,459,709,748	

Source: El Paso Central Appraisal District Report “2006 Values Certified August 1, 2006” and El Paso Central Appraisal District database provided for TIRZ analysis with 2006 certified values.

In addition to these elements, the designating authority must find the area meets the criteria specified in Section 311.005 (Criteria for Reinvestment Zone) detailed below.

Sec. 311.005. Criteria for Reinvestment Zones.

(a) To be designated as a reinvestment zone, an area must:

- (1) substantially arrest or impair the sound growth of the municipality creating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

- (A) a substantial number of substandard, slum, deteriorated, or deterioration structures;

- (B) the predominance of defective or inadequate sidewalk or street layout;
- (C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (D) unsanitary or unsafe conditions;
- (E) the deterioration of site or other improvements;
- (F) tax or special assessment delinquency exceeding the fair value of the land;
- (G) defective or unusual conditions of title; or
- (H) conditions that endanger life or property by fire or other cause;

(2) be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality; or

(3) be a federally assisted new community located in the municipality or in an area immediately adjacent to a federally assisted new community;

(4) Repealed in 1989.

(5) Be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county where the area is located.

(b) In this section, “federally assisted new community” means a federally assisted area that has received or will receive assistance in the form of loan guarantees under Title X of the National Housing Act, if a portion of the federally assisted area has received grants under Section 107(a)(1) of the Housing and Community Development Act of 1974.

Amended by 1989 Tex. Laws, P. 181, ch.2, Sec. 14.05.

MEETING THE DETERMINATION OF BLIGHT

A determination of blight is a basis for establishing of a reinvestment zone. However, urban blight is a difficult element to quantify. The term evokes different visual images and is often described in qualitative terms such a “ugly,” “poorly maintained,” or “deterioration of structure,” These descriptive words are often based on personal values and judgment. In order to establish

clear guidelines for what constitutes blight—in an attempt to eliminate judgment bias—the City of El Paso has enumerated specific methods to determine blight and slum conditions.

A 1989 report entitled “Methodology for Determining Slum and Blight In El Paso, Texas” establishes clear criteria and guidelines to determine slums and blight. The methodology incorporates locally adopted criteria as well as federally mandated criteria to qualify areas for particular funding streams, such as Community Development Block Grant Program (CDBG) funding and empowerment zones.

This methodology and criteria were used in making the determination of blight in accordance with Section 311.005 of the state legislation for the Downtown Redevelopment TIRZ District No. 5. The findings that directly illustrate the specific criteria enumerated in Section 311.005 are documented below.

The analysis demonstrates that conditions in the Downtown Redevelopment TIRZ District No. 5 include: a substantial number of substandard slums, deteriorated, or deteriorating structures; a predominance of faulty lot layout in relation to size adequacy, accessibility, or usefulness; and, unsanitary or unsafe conditions. The cumulative effects of these existing conditions within the Districts are such that:

- 1) the sound growth of the City is impaired or arrested;
- 2) the provision of housing is retarded; and,
- 3) the area constitutes an economic or social liability.

These findings constitute a determination of blighted conditions in the Downtown Redevelopment TIRZ District No. 5.

PROPOSED TAX INCREMENT FINANCING DISTRICT NUMBER FIVE

The proposed Downtown Redevelopment TIRZ District Number Five (“ TIRZ No. 5 “) is generally bounded by:

GENERAL DESCRIPTION

Excluding publicly owned property and public rights-of-way, there are 188.42 acres of land for which the distribution of land uses are provided in **Exhibit A** and illustrated on the maps at **Exhibits B-1 through B-35**. State guidelines do not allow public land to be counted in this analysis. The analysis was accomplished using the El Paso CAD GIS data provided in August 2006 and the parcel characteristic data provided on October 27, 2006. The land use category is part of each tax parcel record recorded by the El Paso CAD and is used annually in the Appraisal District’s “self reports” to the State of Texas Comptroller Office.

Exhibit A documents the distribution of land uses in the proposed Downtown Redevelopment Tax Increment Reinvestment Zone as well as the percentage per land use, excluding publicly owned property. 23.58% of the property in the proposed zone is publicly owned or exempt.

The analysis indicates that residential (single family to fourplex) uses account for 2.81% of the land in the Zone and commercial apartments account for 7.27% of the land. Other major land uses include 49.46% of Commercial uses, 3.85% of Industrial uses, 6.50% of Railroad, 3.24% of vacant land and 3.24% of other or unknown uses.

The appraised value of the property in the proposed Downtown Redevelopment TIRZ District No. 5 totals \$106,883,525 according to the El Paso Central Appraisal District (CAD) 2006 appraised values and the 2006 Certified Roll Jurisdiction Summaries. The total value of the property is the sum of the appraised total market value for all land parcels in the District. This figure represents 0.37% of the total appraised value of real property within the City limits. This figure is based on the Citywide gross valuation of real property which is \$28,572,194,939 according to the City of El Paso Tax Office. The City of El Paso is wholly contained within the County of El Paso. The land included in the zone as a percentage of the County is 0.33%. The appraised value of the Downtown Redevelopment District as percentage of the total County appraised value is .41% and .98% of the El Paso School District.

EMPOWERMENT ZONE

97.5% of the Downtown Redevelopment District TIRZ No. 5 is within the El Paso Empowerment Zone designation made by the U.S. Department of Housing and Urban Development (“HUD”). (The remaining 2.5% of the TIRZ is government-owned property.) In order to certify an Empowerment Zone, HUD must determine, in part, that the geographic area is one of pervasive poverty, unemployment and general distress. The City’s certificate for the Empowerment Zone in which the TIRZ lies is at **Exhibit C**.

CDBG ELIGIBILITY AREAS

All of the Downtown Redevelopment District TIRZ No. 5 is located within the Community Development Block Grant (CDBG) Eligibility Area. In order for an area to be eligible for CDBG funding it must meet certain criteria of low and moderate income which is an indication of economic underutilization and blight. The Action Plan for CDBG funding must give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. A copy of the City’s CDBG Certifications are at **Exhibit C-1**.

REINVESTMENT ZONE CRITERIA: MEETING THE TEST OF BLIGHT

The following conditions which indicate significant blight within the Downtown Redevelopment TIRZ No. 5 are as follows:

SUBSTANDARD, DETERIORATED OR DETERIORATING STRUCTURES

The El Paso Central Appraisal District (“CAD”) has developed a Physical Condition Factor (PCF) rating to assist in evaluating building conditions for tax appraisal valuation purposes. A

PCF is a numerical factor that helps to determine the condition of structures. These numerical factors are assigned by professional appraisers on a “percent good” basis. The factors for structures range from a percent value of zero (0.00) for vacant properties with no structures on a lot to a percent value of ninety-nine (0.99) for improved properties with new or very well maintained structures. A PCF equal to or less than 0.65 is considered a blighted structure per previously adopted blight and slum criteria for the City. Each property is reevaluated for its physical condition factor during the tax reappraisal process. The data analyzed in this report is from the countywide property evaluation and appraisal completed in 2005.

Physical Condition Factors (PCF) Summary

District	Total Parcels	Parcels with PFC < 0.65	% Parcels < 0.65
Lifestyle Retail	84	78	92.8
Convention / Arena	79	55	69.6
Mercado	81	60	74.1
Border / Retail	22	14	63.6
Residential Mixed Use	152	100	65.8
Total	418	307	73.18

Seventy three percent of all structures within the Downtown Redevelopment TIRZ No. 5 have a PCF factor of 0.65 or less which indicated significant blight throughout the Zone. **Exhibits D-1 through D-5** provide an overview of the blighted structures by redevelopment districts. The most blighted redevelopment district with a 92.8% of the structures having a PCF factor of 0.65 or less is the Lifestyle Retail District. The least blighted redevelopment district is the Border Retail area with 63.6% of the structures having a PCF factor of 0.65 or less.

Analysis of Blighted Property Characteristics in Downtown Redevelopment TIRZ No. 5

Property Category	Structures	PFC Factor < 0.65	Appraised Value per square foot	Replacement Cost	Average Construction Date	Latest Construction Date
Single Family Residential	40	77.5%	\$20.14	\$78.93	1922-1944	1954
Residential Duplex	10	90.0%	\$20.08	\$78.93	1911-1945	1956
Commercial Apartments	48	97.9%	\$18.70	\$95.00	1909-1943	1961
Commercial	254	91.7%	\$16.35	\$100.00	1913-1963	2003

***NOTE:**

There are only 3 industrial properties within the Downtown Redevelopment TIRZ No. 5. All of the industrial properties contain only land value and two do not have building descriptions. The third property is described as a 44,915 square foot building built in 1930 with a PCF factor of .40.

Analysis by Category of Property indicates that 77.5% of all single family residences, .90% of all residential duplexes, 97.9% of all commercial apartments and 91.1% of all commercial structures are blighted. There is insufficient detail information to make a detail analysis of the industrial property category. **Exhibit E** provides an analysis of blighted property characteristics for each category of property within the Downtown Redevelopment TIRZ No, 5. The analysis clearly indicates that the vast majority of all structures, in each property category, are blighted and have a PCF factor of 0.65 or less.

Appraised values in each property category are clearly below replacement costs and represent 16% to 25% of replacement values which indicates that the properties have experienced significant deterioration.

The average age of the residential structures range from 1909 to 1945 yet few of the structures have been designated historical or noteworthy. This, taken in combination with PCF factor of 77.5 to almost 98, reinforces the conclusion that most of the residential structures are substandard and fully depreciated.

Only a slightly better pattern exists for commercial structures. The average age of commercial structures dates back to a range from 1913 to 1963 with a PCF factor of 91.7% of the structures having a PCF factor of .65% of less. Accordingly, the analysis indicated the vast majority of structures (residential and commercial) in the Downtown Redevelopment TIRZ No. 5 are substandard, deteriorated and fully depreciated which constitutes a condition of blight.

The fact that little new construction has occurred since the mid 1950's further indicates that the area continues to deteriorate resulting in significant disinvestments and blight in the Downtown Redevelopment District TIRZ No. 5.

UNDERUTILIZED STRUCTURES AND VACANT LAND

There are a substantial number of underutilized structures throughout the Downtown Redevelopment TIRZ No. 5. A number of these buildings have been identified as being historic or otherwise interesting and noteworthy for architectural or cultural reasons.

As noted previously in this analysis, despite a significant number of public and private sector investments in buildings and public infrastructure, the downtown area continues to experience economic decline and blight. As a part of their scope of work, SMWM, the consultant retained by the Pass del Norte Foundation (PDNF) and the City of El Paso, conducted a site survey of all structures in the study area. The results of the survey are depicted in **Exhibit F** and are analyzed below.

Compiled Results of Site Observation of Noteworthy and Underutilized Buildings¹

District	Total Parcels	Underutilized Buildings	% of Total Parcels	Underutilized Noteworthy Buildings	% of Total Parcels	Total Underutilized Buildings	Overall Percentage
Lifestyle Retail	84	54	64.00%	5	6.00%	59	70%
Convention/Arena	89	41	46.00%	2	2.00%	43	48%
Mercado	85	52	61.00%	3	4.00%	55	65%
Border / Retail	22	3	14.00%	0	0.00%	3	14%
Residential Mixed Use	153	53	35.00%	1	1.00%	54	36%
Total	433	203	47.00%	11	3.00%	214	50%

As indicated, in the analysis above, 47% of all buildings in the Downtown Redevelopment District TIRZ No.5 are described as being underutilized. Many of the buildings have a ground floor use but the upper floors are unutilized for commercial or residential uses. Another 3% of all structures are described as underutilized noteworthy buildings which may present challenges for redevelopment. The total percentage of all buildings, which were described as underutilized is 50%. The largest concentration of these buildings in both categories is located in the Lifestyle Retail District (70%) with the next largest underutilization area being the Mercado District.

Substantial sections of the proposed Downtown Redevelopment District TIRZ No. 5 represent underutilized vacant lands which arrest economic growth of the core of the City, surrounding neighborhoods and the overall El Paso Community and the region. Urban blight literature and adopted planning methodology recognizes that large parcels of non-productive land represent underutilized and unmarketable land for commerce, housing or recreational uses. The relevant factor is not one where-by a property owner desires to maintain such property in a vacant state but one of unmarketability or demand. The unmarketability retards development of commerce, housing and essential community development or redevelopment which is a major cause of blight and economic disinvestment. These vacant properties create unsafe voids in the urban fabric and the social and economic viability of the area. **Exhibit F** depicts the vacant land and surface parking lots throughout the Downtown Redevelopment District No. 5. The chart below analyzes the percentage impact and blight on each of the five redevelopment districts.

¹ Prepared by SMWM, November 2006.

Vacant Land and Surface Parking Lots by Redevelopment Districts

District	Vacant Land & Surface Parking Lots	% of Total District Parcels
Lifestyle Retail	18	21%
Convention/Arena	11	12%
Mercado	1	1%
Border / Retail	3	14%
Residential Mixed Use	2	1%
Total	35	8%

Overall, with the Downtown Redevelopment District TIRZ No. 5, 8% of the parcels are vacant land or surface parking lots. Once again, the Lifestyle Retail District is the most greatly impacted with 21% of the parcels being vacant or being surface parking lots. The next most greatly impacted redevelopment district is the Mercado district with 14% of the parcels being vacant or surface parking lots. The next highest district is the Convention / Arena District which is utilized for parking for the Convention Center and other public facilities. It should be noted that much of the vacant property in the Mercado area operates as a “flea market” generating pedestrian traffic but producing very low levels of economic activity and tax revenues which constitute elements of blight.

ECONOMIC STAGNATION

The Downtown Redevelopment District TIRZ No. 5 is experiencing economic stagnation which is demonstrated by taxable sales which lag significantly below the rest of the City of El Paso. Taxable sales in zip code 79901, which is the area which most closely reflects the Downtown Redevelopment District TIRZ No. 5 and for which data is available are depicted below. While taxable sales for all industries throughout the City have increased 19.9% over the last five years, taxable sales within the District have increased by only a fourth or 5.1%. An even worse economic trend exists for retail sales which is reflected by 18.2% in the City as whole and 3.3% in the District.

Taxable Sales

City of El Paso	All Industries	Retail Sales
2001	\$4,077,783,550	\$2,894,402,376
2005	\$4,887,835,790	\$3,422,456,983
Change	19.9%	18.2%
Zip Code 79901		
2001	\$323,659,186	\$116,453,960
2005	\$340,127,410	\$120,291,396
Change	5.1%	3.3%

Source: Texas Comptroller's Office

ECONOMIC DISINVESTMENT

As indicated throughout this analysis economic disinvestment is occurring though the Downtown Redevelopment District TIRZ No. 5. The number of business establishment (-1.77%), employees (-7.9%) and payroll have declined in real terms while the County and the balance of the County outside of the City of El Paso have increase in terms of establishments, employees and payroll. The indicates that businesses are moving out of the District to other areas of the County.

Employment & Payroll

Zip Code 79901	Establishments	Employees	Payroll
1998	1,104	13,670	335,283,000
1999	1,074	13,466	353,130,000
2004	1,055	12,485	325,955,000
El Paso County	Establishments	Employees	Payroll
1998	12,409	198,571	4,358,046,000
1999	12,379	195,303	4,284,828,000
2004	12,556	199,563	4,961,810,000
Balance of County	Establishments	Employees	Payroll
1998	11,305	184,901	\$4,022,763,000
1999	11,305	181,837	\$3,931,698,000
2004	11,501	187,078	\$4,635,855,000
Change 99-04	Establishments	Employees	Payroll
Zip Code 79901	1.77-%	7.29-%	7.70-%
Balance of County	1.73%	2.88%	17.91%
County	1.43%	2.18%	15.80%

Source: County Business Patterns

PRELIMINARY PROJECT PLAN

Proposed improvements in the Zone will be undertaken in five (5) distinct geographic redevelopment districts. Each of the districts has at least one catalyst project to spur further development in that district.

1. Residential / Mixed Use

Approximately 42% or 79.28 acres of the project is designated for the construction of a mixed use urban neighborhood in the Magoffin area with an estimated total of 1,200 residential units and 195,000 square feet of retail space. The catalyst project for this redevelopment will be 400+

units of housing to address the immediate need for housing due to relocation from other downtown areas.

2. Exhibition / Convention / Arena

A major entertainment area is planned for approximately 28.7% or 54.14 acres of the project along Santa Fe Street. Plans for this district, which encompasses the present convention center, city hall and historic Union Plaza, include a new downtown arena and arena hotel. The arena will become a hub for hosting sporting events, trade shows, conventions and other entertainment programs. The arena hotel will be a catalyst project for the district.

3. Lifestyle Retail

Identified as the single most important action to stimulating new multi-faceted retail growth in this district is to create a pedestrian link between the Arena, Hotel/Entertainment District and the Mixed used Residential District. Several alternatives are being studied for the exact alignment of this linkage. This would create an opportunity for pedestrian-oriented retail in an area targeted for upscale and unique stores, which may include thematic retail clusters. Plans include the construction of 600,000 square feet of retail space. An anchor retail facility on First Street would be the catalyst project. Approximately 13.2% or 24.76 acres of the project is designated for this district.

4. Mercado / Residential

A colorful, arts-inspired Mercado serves as the catalyst for this retail district of approximately 11% or 20.72 acres of the project. The Mercado will serve as an attraction for local artisans and retailers to an area designed for shopping, strolling, dining and attending cultural events. Local retail is planned to increase by 200,000 square feet and will include produce, arts, crafts and ethnic markets. A new plaza, part and arts walk will contribute to the revitalization of this district.

5. Border Retail

Approximately 5% or 9.32 acres of the project will offer additional outlet and other unique stores. The Border Retail District will serve as the southern anchor to the "Golden Horseshoe" shopping area and provide an additional 300,000 square feet of retail space and additional parking resources.

CONCLUSION: FINDING OF BLIGHT

The proposed Downtown Redevelopment District TIRZ No. 5 is a low and moderate income area and has been designated as blighted in accordance with the following federal guidelines:

- The proposed TIRZ area is 100 % within the low and moderate income area of the eligible Community Block Grant Area (CDBG). **Exhibit G.**

- 97.5% of the proposed TIRZ area has been previously qualified as blighted by HUD under the El Paso Empowerment Zone designation. **Exhibit H.**

The proposed Downtown Redevelopment District TIRZ No. 5 meets the criteria established in Tax Increment Financing (Chapter 311 of the Texas Property Code) and the three (3) criteria adopted by the City of El Paso City Council on October 17, 1989 to qualify areas as being slums and blighted:

Criteria #1- The area must be considered a slum, blighted, deteriorated or deteriorating:

- 73.18% of all structures in the zone have a Physical Condition Factor (PCF) rating of .65 or less which is considered a condition of blight and slum as previously adopted by the El Paso City Council.
- Appraised values of structure are significantly below replacement values.
- 50% of the buildings are considered under utilized based upon a survey conducted by SMWM.
- Vacant lot and surface parking constitutes 8% of land use in the zone and represent economic underutilization and unsafe voids in the urban fabric.
- The average age of structures dates back to 1909-1963. Little new construction has occurred since the mid-1950's.
- The zone is experiencing economic stagnation which is reflected in taxable sales which lag for behind the rest of the City of El Paso
- The zone is experiencing economic disinvestment which is reflected in declining employment and payroll in the zone

Criteria #2-One quarter of all the buildings in the area must be in a state of deterioration; or public improvements throughout the area must be in a general state of deterioration:

- 73.18% of all structures in the zone have a Physical Condition Factor of .65 or less which is considered a condition of blight and slum as previously adopted by the El Paso City Council.
- Appraised values of structures are significantly below replacement values.

Criteria # 3-The activity must address one or more of the specific conditions described previously which qualify the area at the time of its designation.

- The zone meets both the previous two criteria.

List of Exhibits:

Exhibit A – Land Use Analysis

Exhibits B-1 through B-35 - Land Use Maps of Zone Number 5 by District

Exhibit C – Empowerment Zone Certificate

Exhibit C-1 – CDBG Certification

Exhibit D-1 through D-5 – Physical Condition Factor Maps

Exhibit E – Physical Condition Factor Analysis

Exhibit F – Underutilized and Vacant Sites – Map (Source SMWM, November 2006)

Exhibit G – CDBG Area in El Paso

Exhibit H – El Paso Empowerment Zone

EXHIBITS

EXHIBIT A

Land Use Analysis

The land use analysis of the area within the final TIRZ boundaries is as follows:

Land Use	CAD Code	Area (ft ²)	Area (acres)	% of area
Single Family Residential	A1-A53	134649	3.09	2.81
Residential, duplex to fourplex	B1-B3	31831	0.73	0.66
Residential, Commercial Apartment	B2-B9	348031	7.99	7.27
Vacant land	C1-C2	126027	2.89	2.63
Commercial	F1-F2	2369132	54.39	49.46
Utility/ Industrial	J2-J5	184306	4.23	3.85
Railroad (no account number)	None	311374	7.15	6.50
Exempt	Z1-Z8	1129281	25.92	23.58
Unknown (no account number)	None	155085	3.56	3.24
Total		4789716	109.95	100.00

This analysis was accomplished using the El Paso CAD GIS data provided in August 2006 and the parcel characteristics data provided October 27, 2006.

The land use category is a part of the record they provided and is used annually in the Appraisal District "self reports" to the Comptroller, State of Texas.

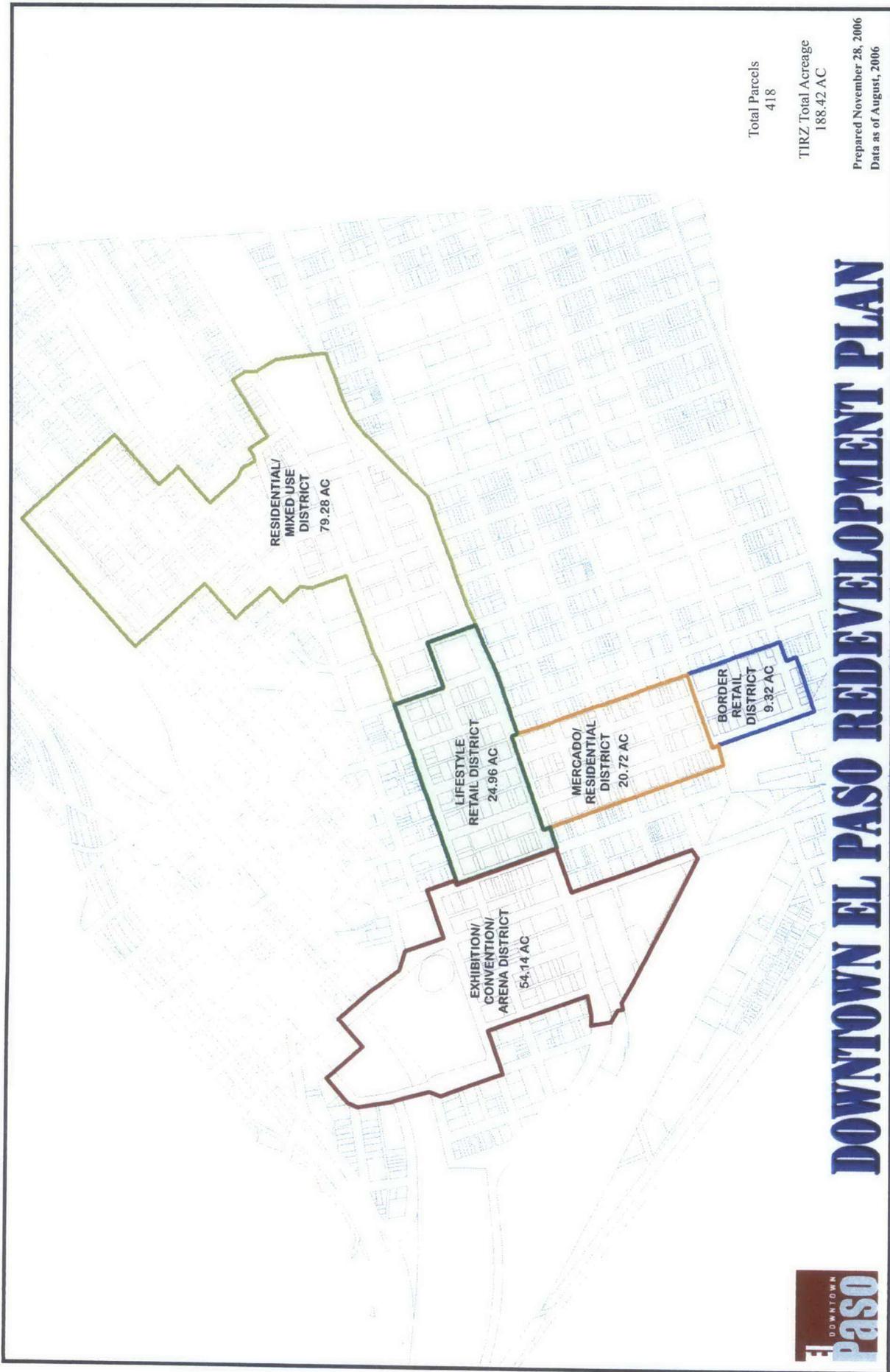
The areas were calculated for each parcel using GIS software and summed by land use category.

The single families residential and duplex to fourplex areas together are 3.47 percent of the total parcel area.

EXHIBIT B

Land Use Maps of TIRZ No. 5 by District

[See attached Maps labeled B-1 through B-35]



Total Parcels
418

TIRZ Total Acreage
188.42 AC

Prepared November 28, 2006
Data as of August, 2006



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-1

**BORDER
RETAIL
DISTRICT**

9.32 AC

Total Parcels
22

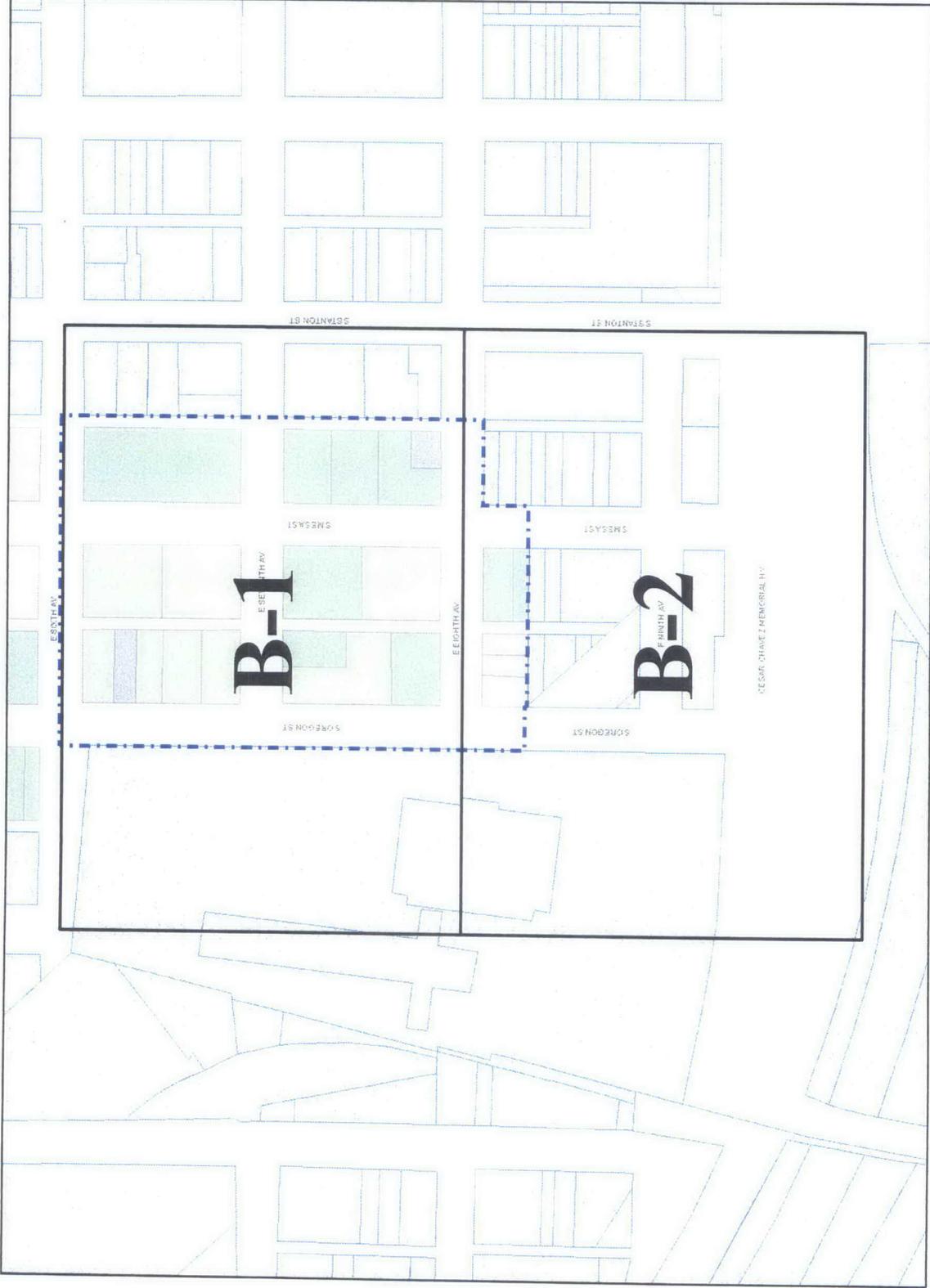


DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-2

-  Border Retail
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
BORDER RETAIL DISTRICT**

Exhibit B-3

-  Border Retail
-  Mercado/Residential
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID B-1



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
BORDER RETAIL DISTRICT**

Exhibit B-4

-  Border Retail
-  Mercado/Residential
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID B-2



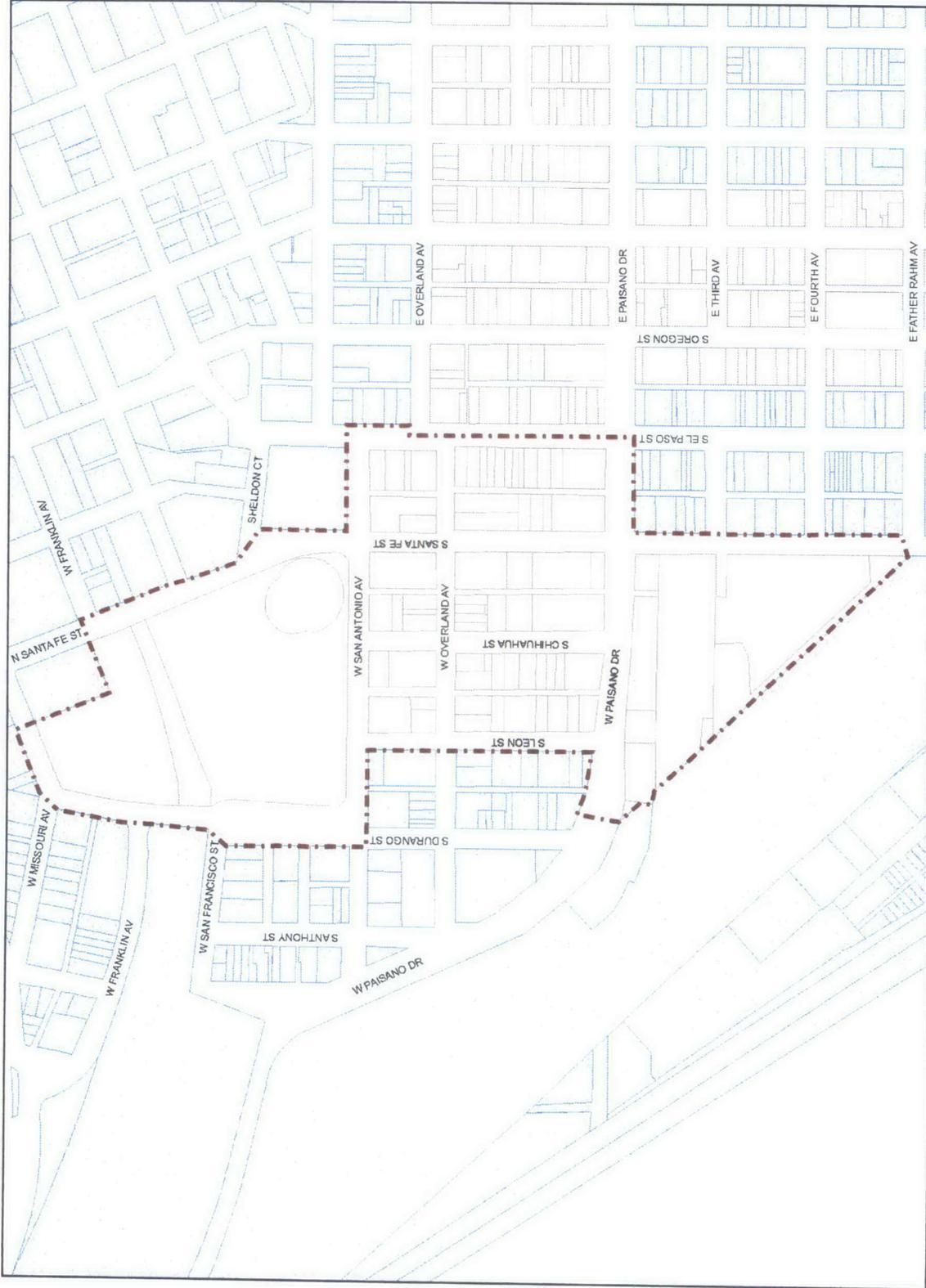
**DOWNTOWN EL PASO REDEVELOPMENT PLAN
BORDER RETAIL DISTRICT**

Exhibit B-5

**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

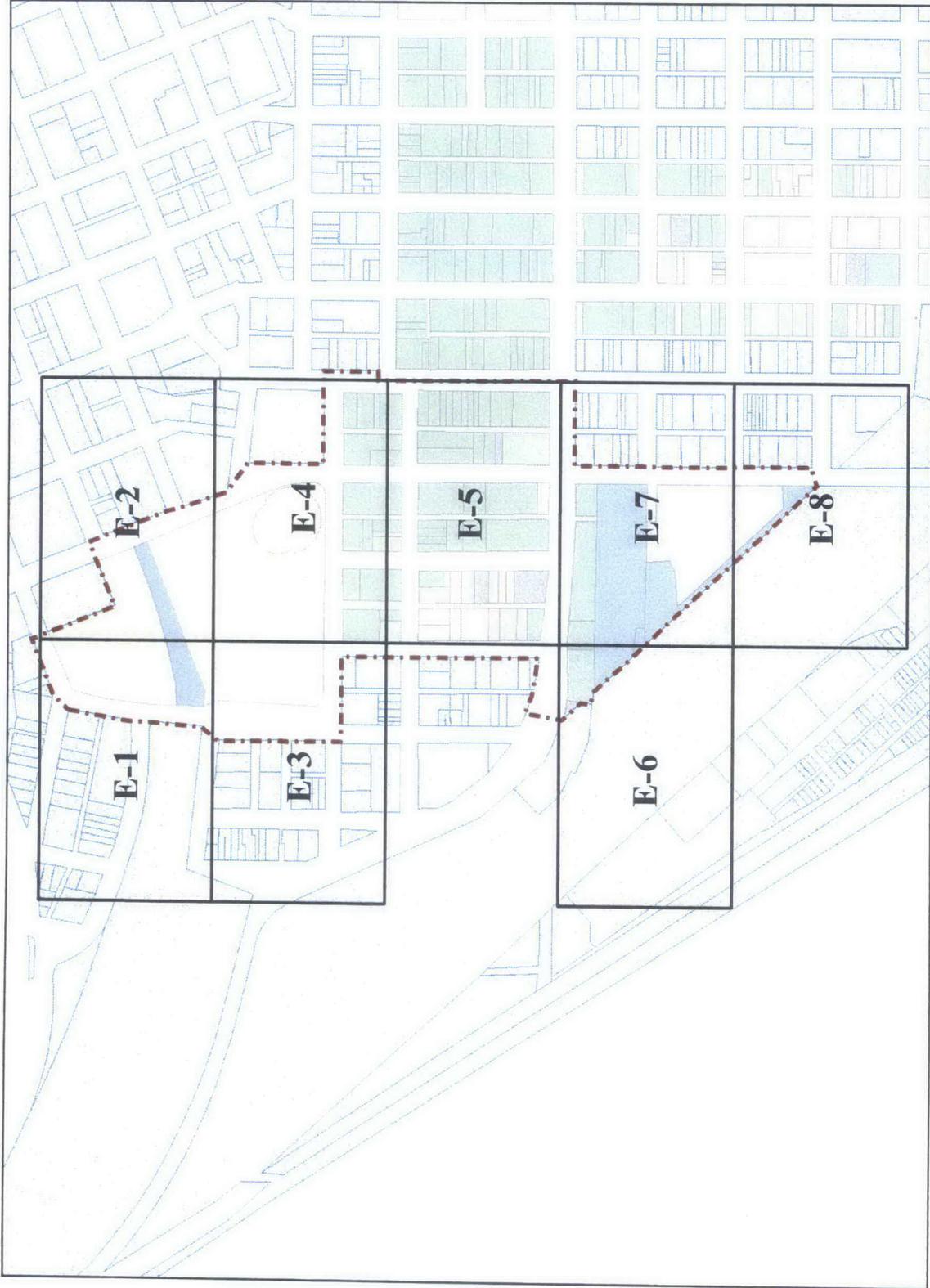
54.14 AC

Total Parcels
79



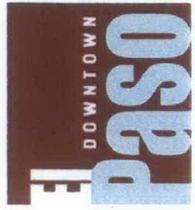
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-6



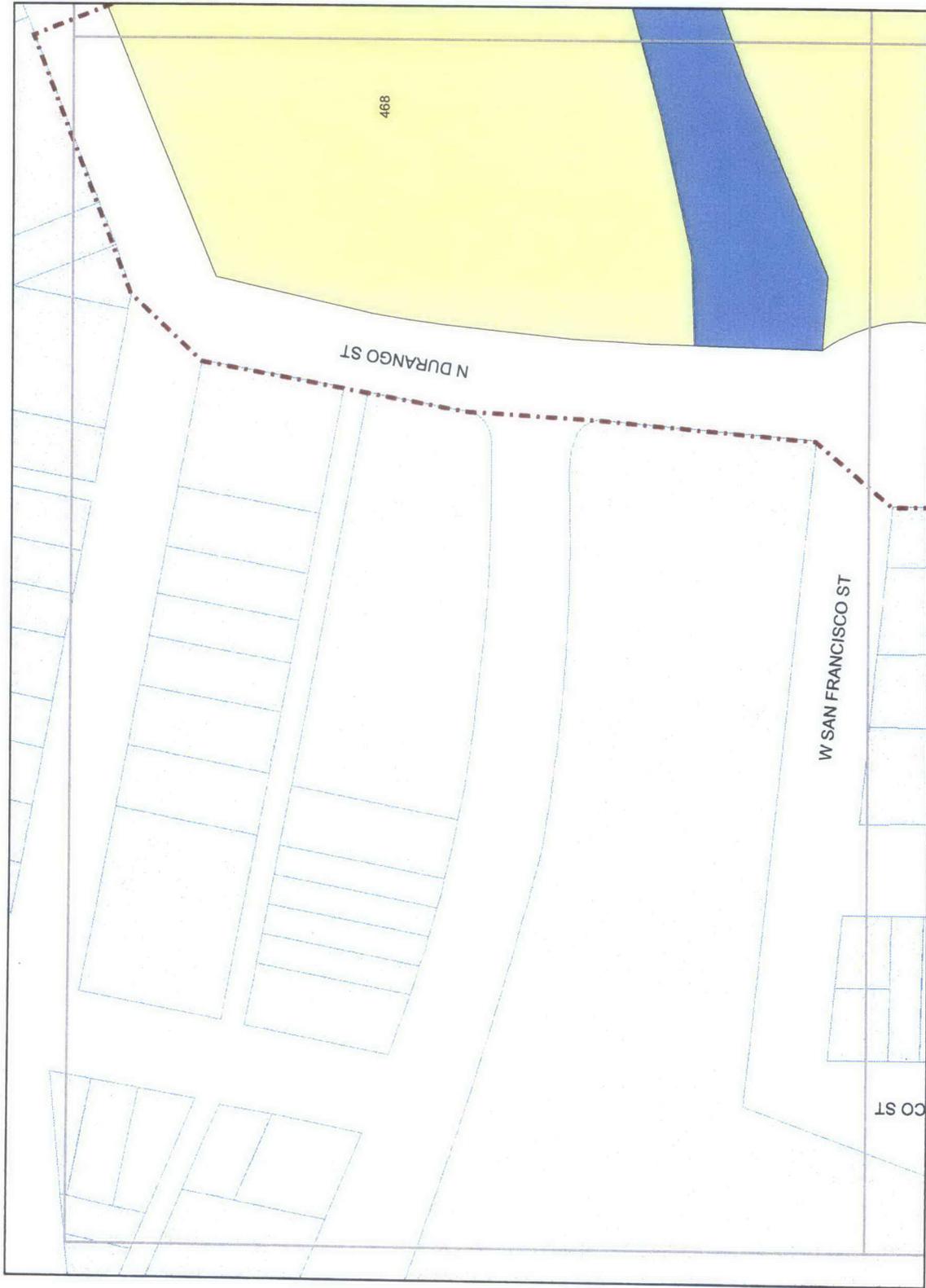
- Exhibition/Convention/Arena
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID



DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT

Exhibit B-7



- Exhibition/Convention/Arena
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID E-1



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT**

Exhibit B-8

-  Exhibition/Convention/Arena
-  Lifestyle Retail
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID E-2



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT**



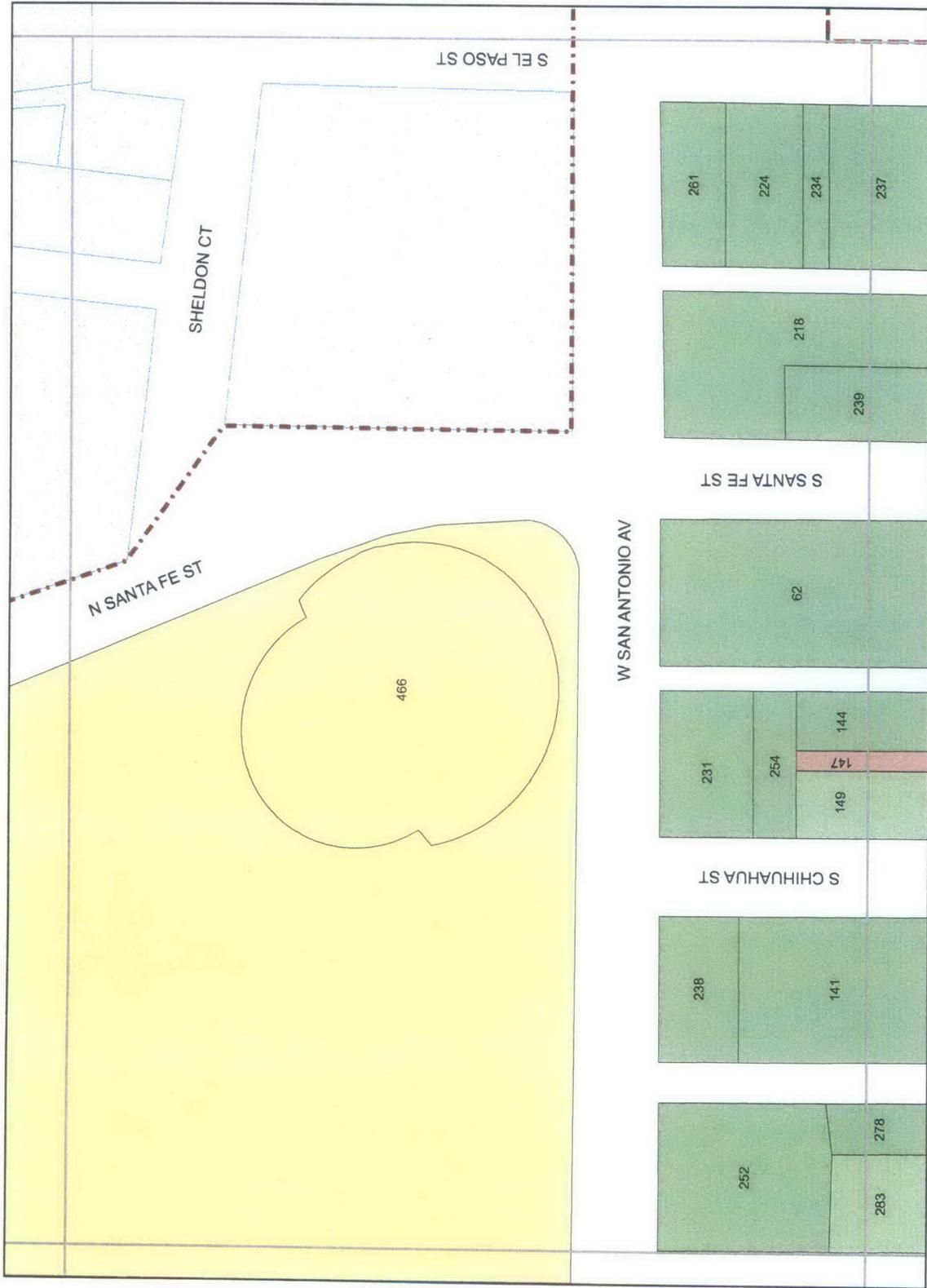
- Exhibition/Convention/Arena
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID E-3



DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT

Exhibit B-10

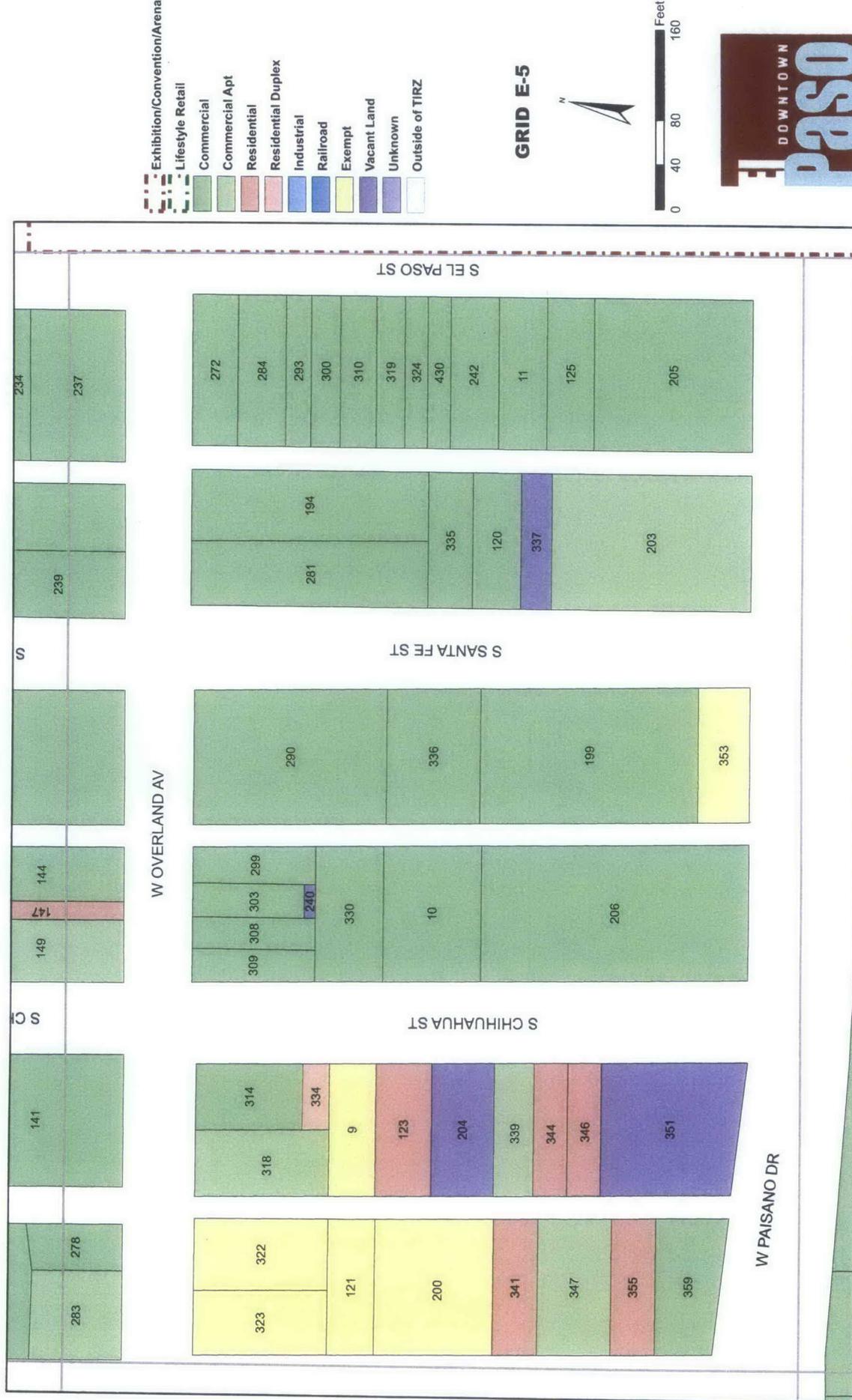


GRID E-4



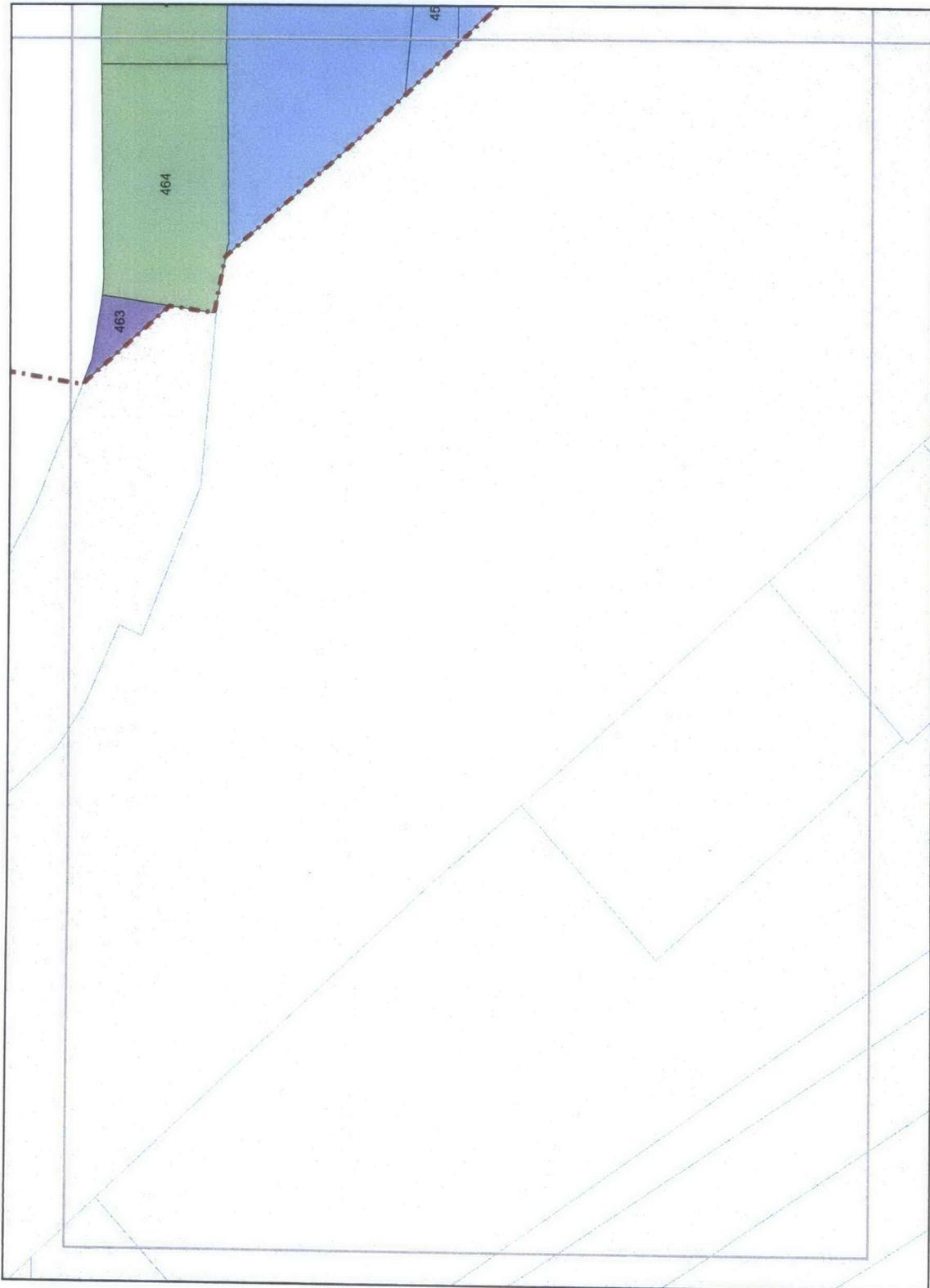
**DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT**

Exhibit B-11



DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT

Exhibit B-12



- Exhibition/Convention/Arena
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID E-6



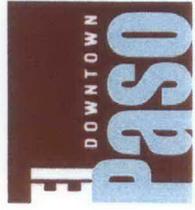
**DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT**

Exhibit B-13



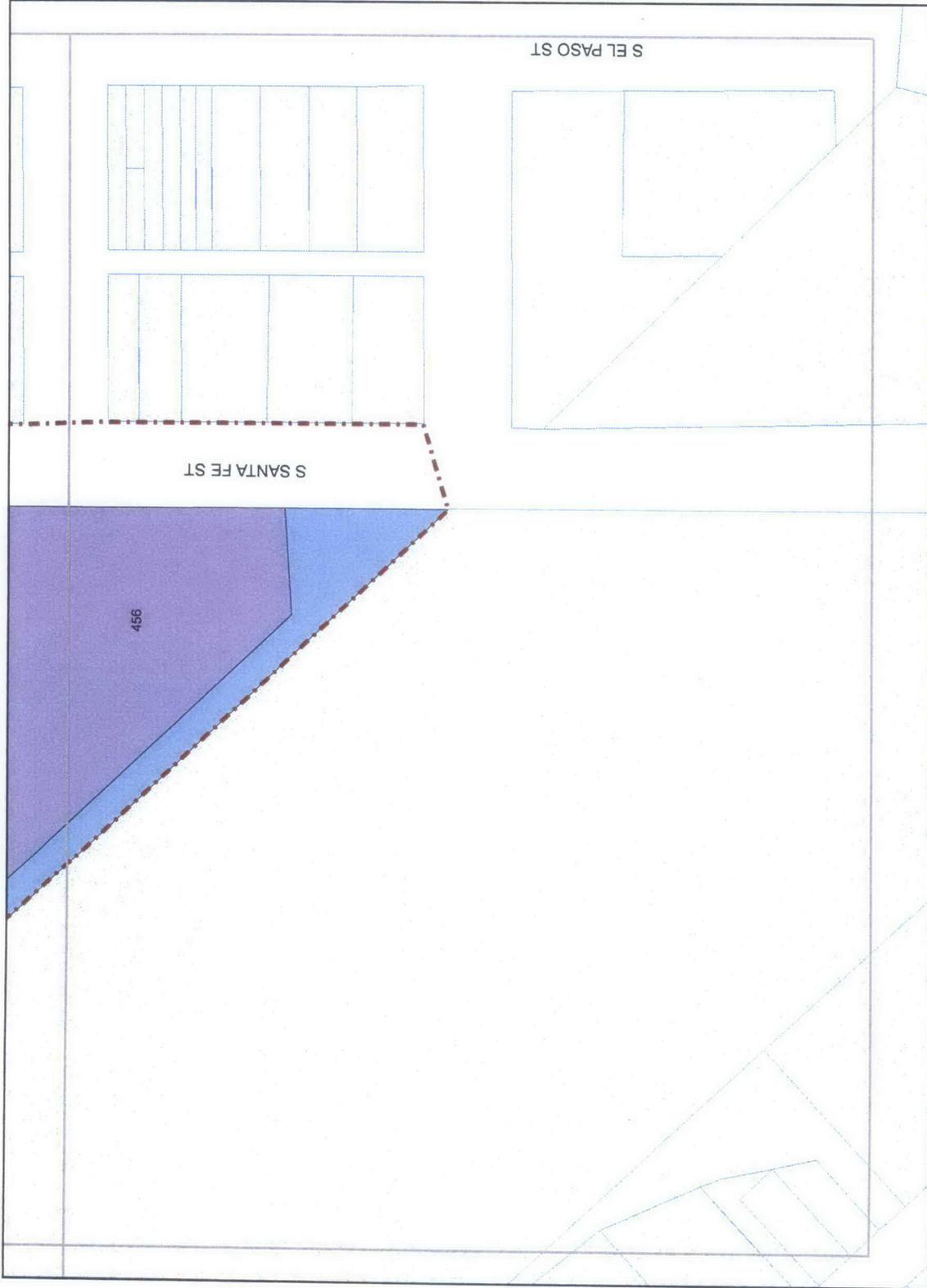
- Exhibition/Convention/Arena
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID E-7



DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT

Exhibit B-14



- Exhibition/Convention/Arena
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID E-8

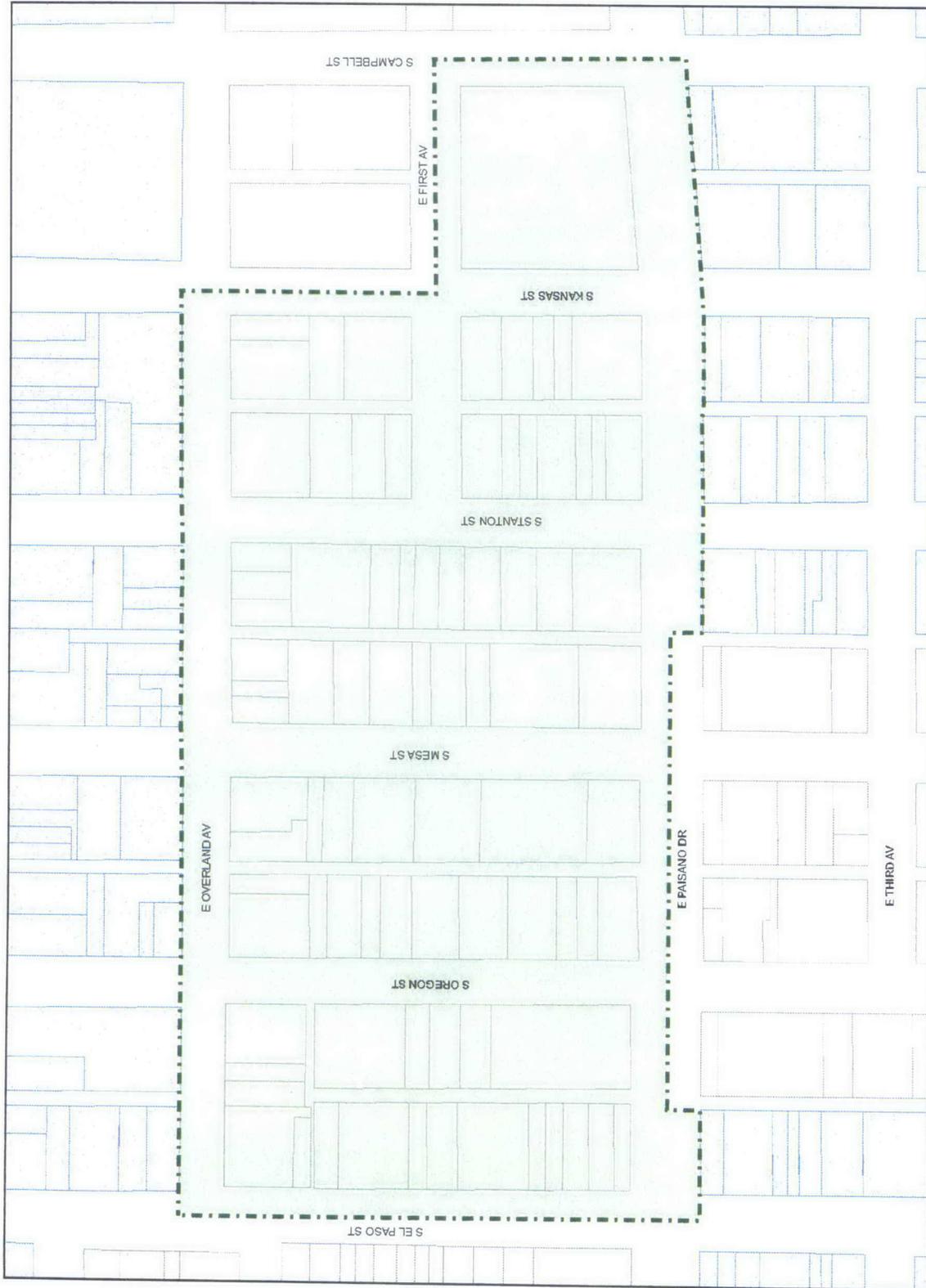


DOWNTOWN EL PASO REDEVELOPMENT PLAN
EXHIBITION/CONVENTION/ARENA DISTRICT

Exhibit B-15

**LIFESTYLE
RETAIL
DISTRICT
24.96 AC**

Total Parcels
84



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-16

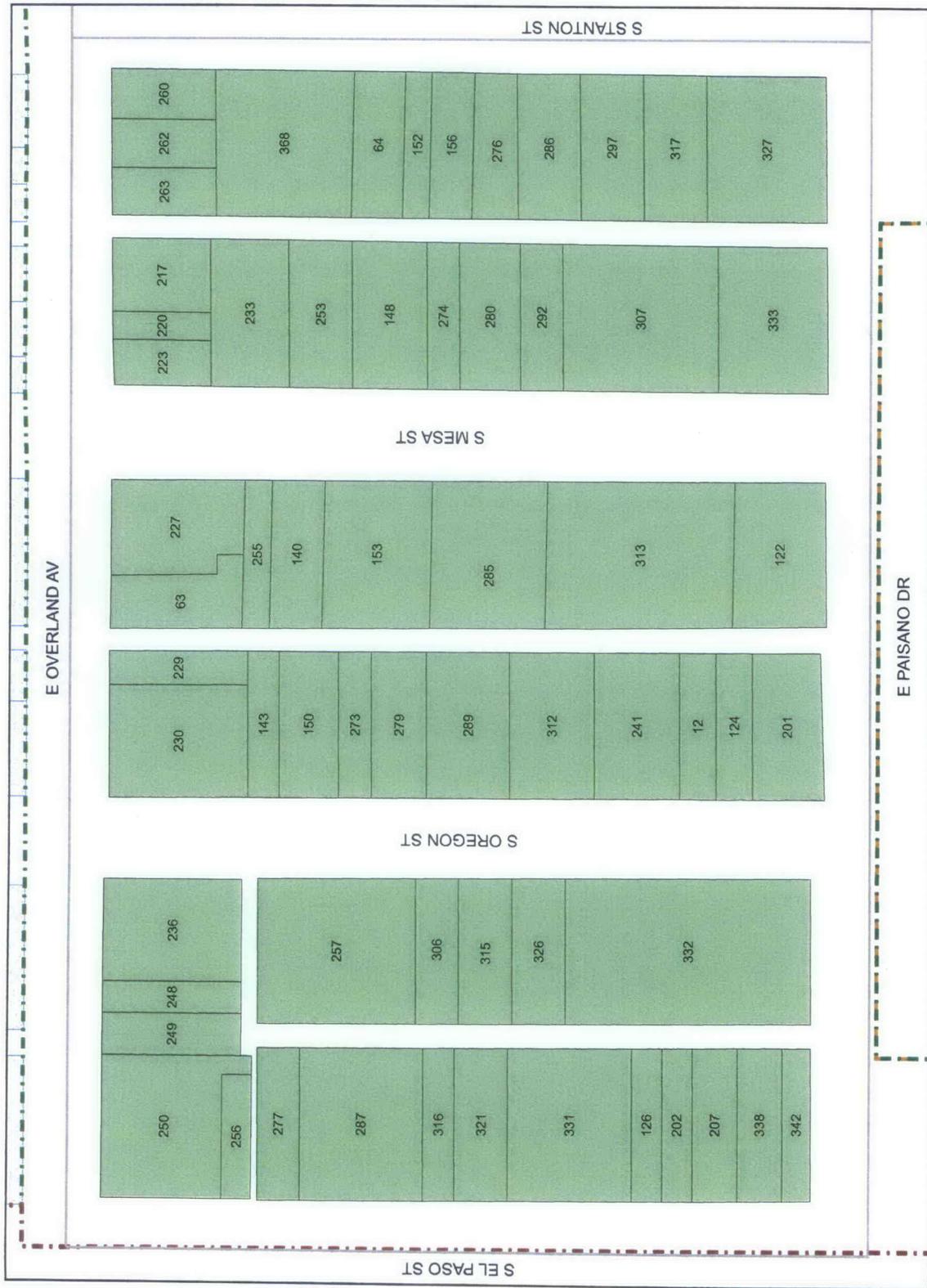
-  Lifestyle Retail
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID



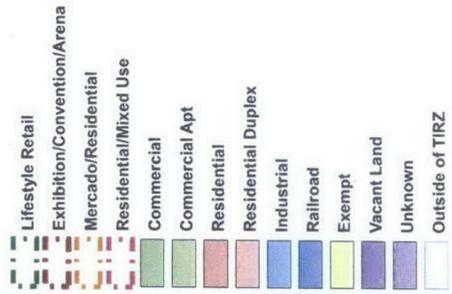
**DOWNTOWN EL PASO REDEVELOPMENT PLAN
LIFESTYLE RETAIL DISTRICT**

Exhibit B-17



DOWNTOWN EL PASO REDEVELOPMENT PLAN
LIFESTYLE RETAIL DISTRICT

Exhibit B-18



GRID L-2



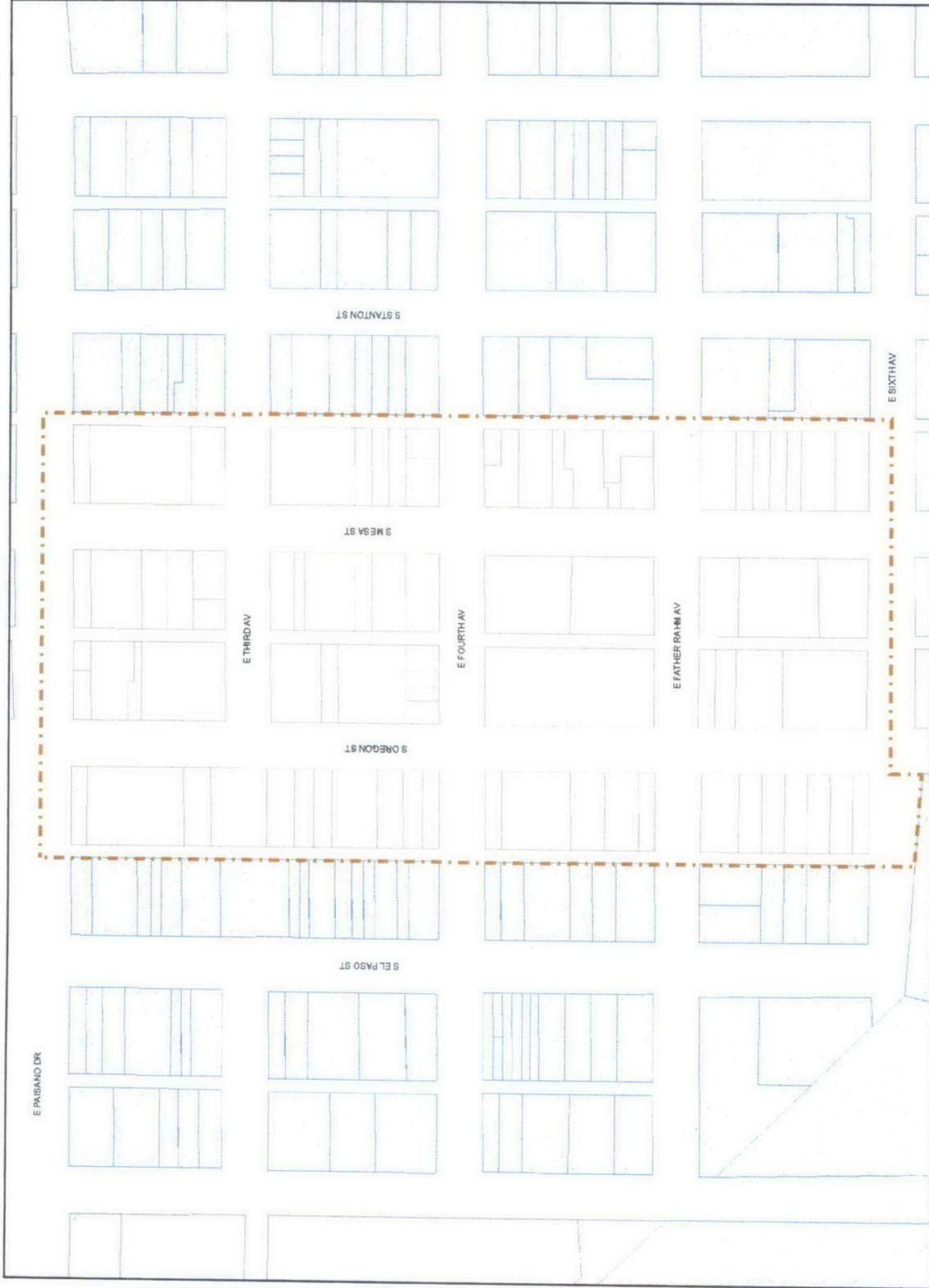
DOWNTOWN EL PASO REDEVELOPMENT PLAN
LIFESTYLE RETAIL DISTRICT

Exhibit B-19

**MERCADO/
RESIDENTIAL
DISTRICT**

20.72 AC

Total Parcels
81

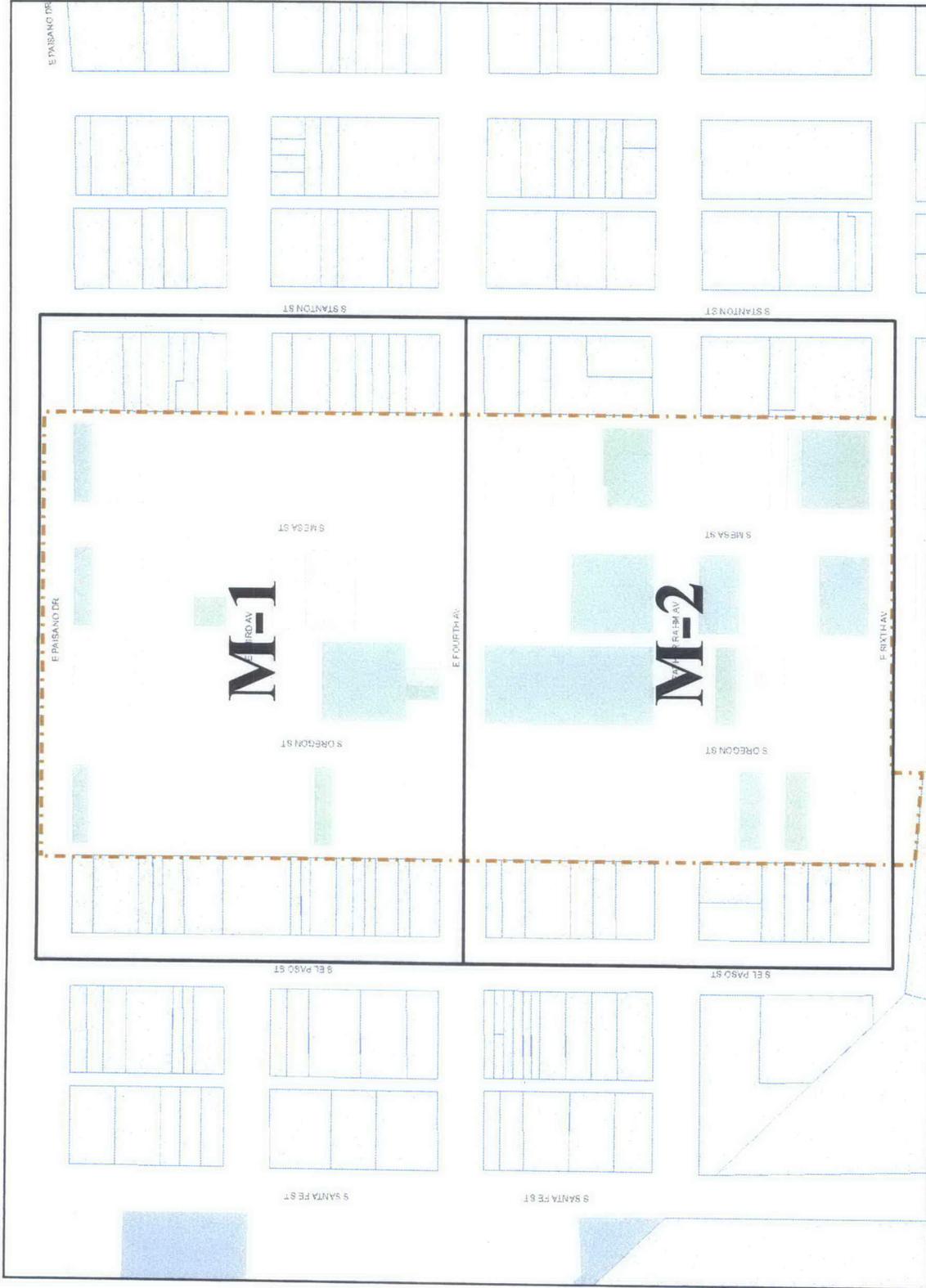


DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit B-20

-  Mercado Retail
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID

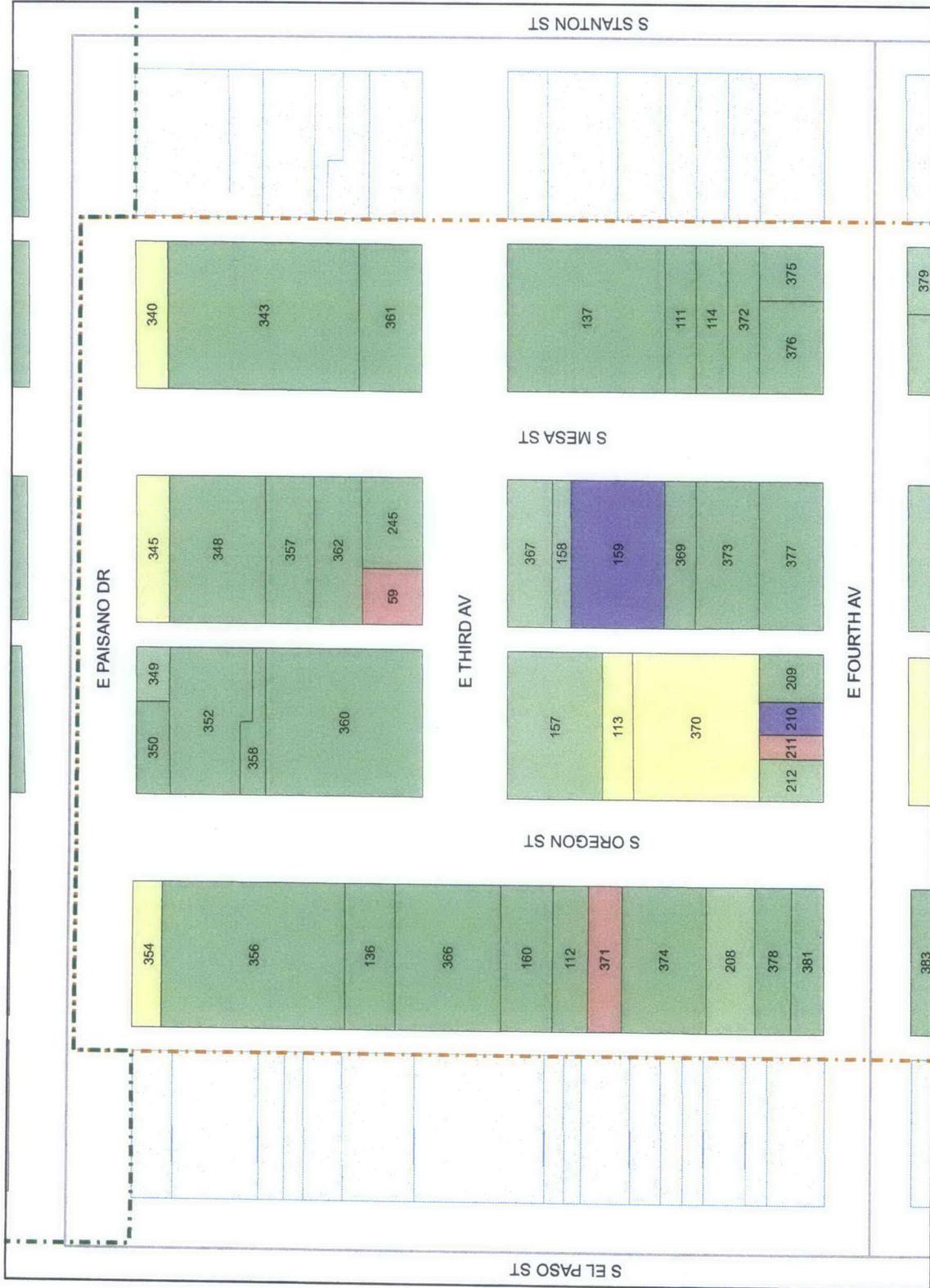


**DOWNTOWN EL PASO REDEVELOPMENT PLAN
MERCADO/RESIDENTIAL DISTRICT**

Exhibit B-21

- Mercado/Residential
- Lifestyle Retail
- Border Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID M-1

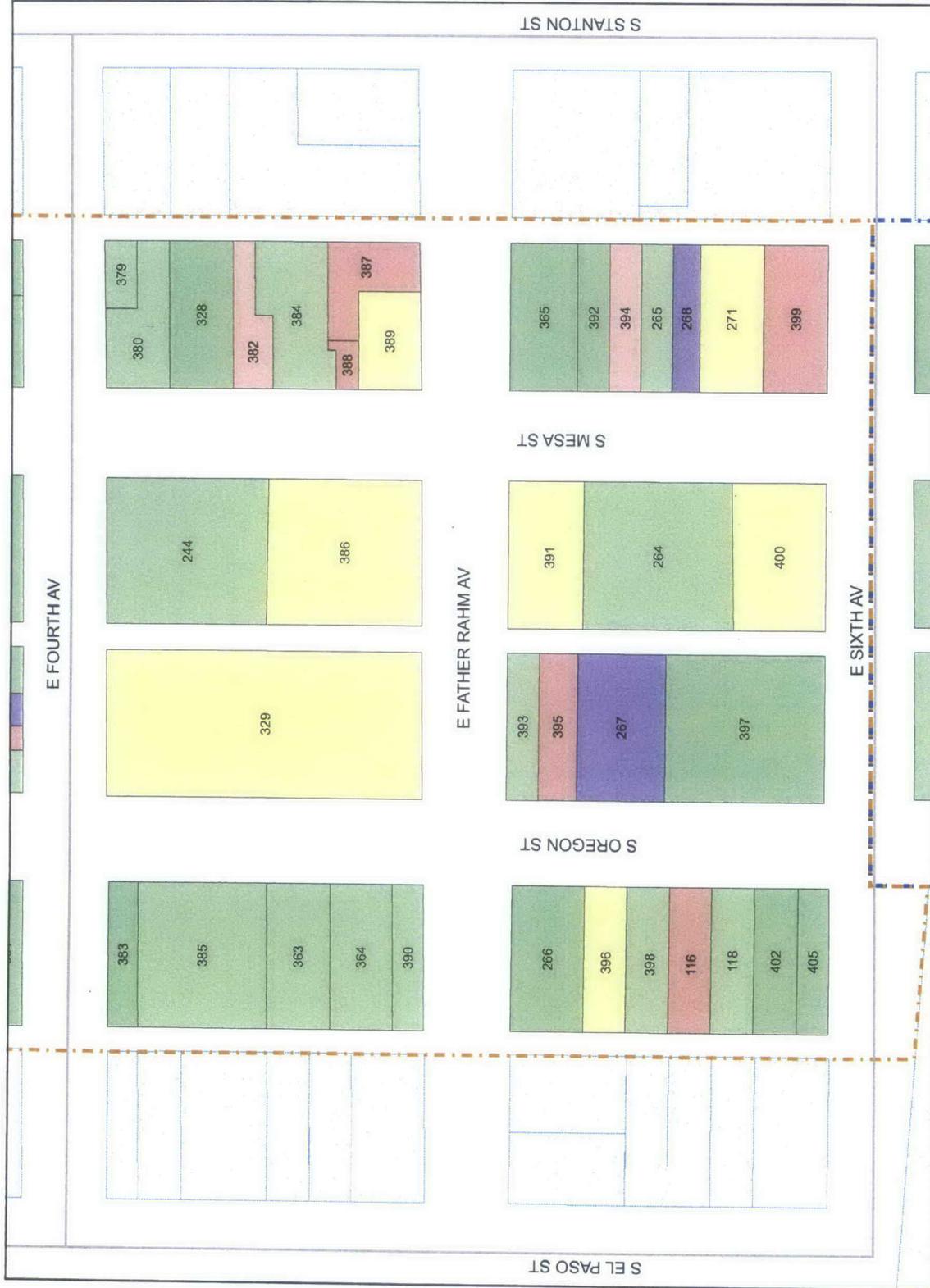


DOWNTOWN EL PASO REDEVELOPMENT PLAN
MERCADO/RESIDENTIAL DISTRICT

Exhibit B-22

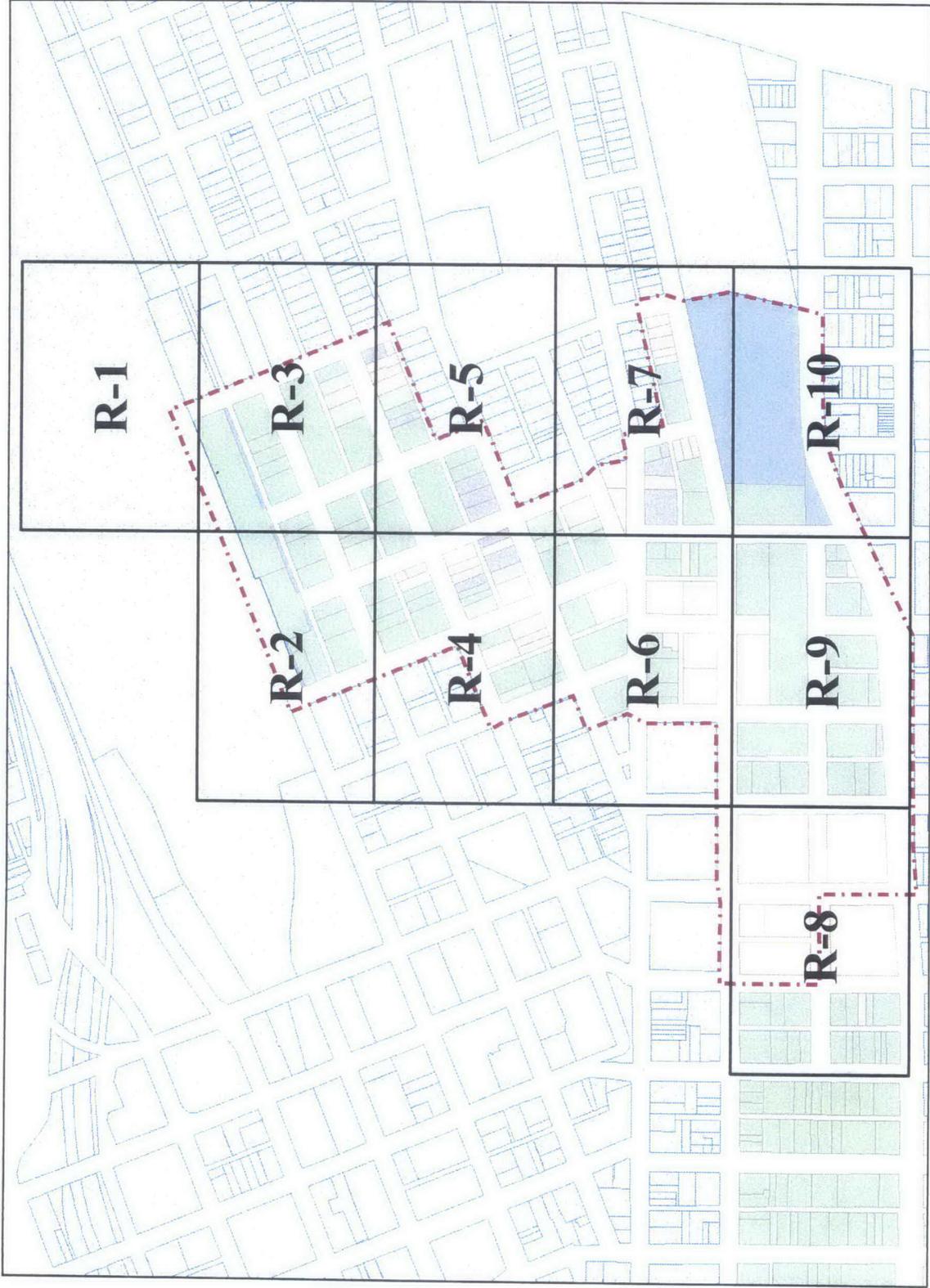
- Mercado/Residential
- Lifestyle Retail
- Border Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID M-2



DOWNTOWN EL PASO REDEVELOPMENT PLAN
MERCADO/RESIDENTIAL DISTRICT

Exhibit B-23



- Mixed Use/Residential
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID



DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT

Exhibit B-25

-  Residential/Mixed Use
-  Lifestyle Retail
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID R-1



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-26

- Residential/Mixed Use
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID R-2



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-27

- Residential/Mixed Use
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID R-3

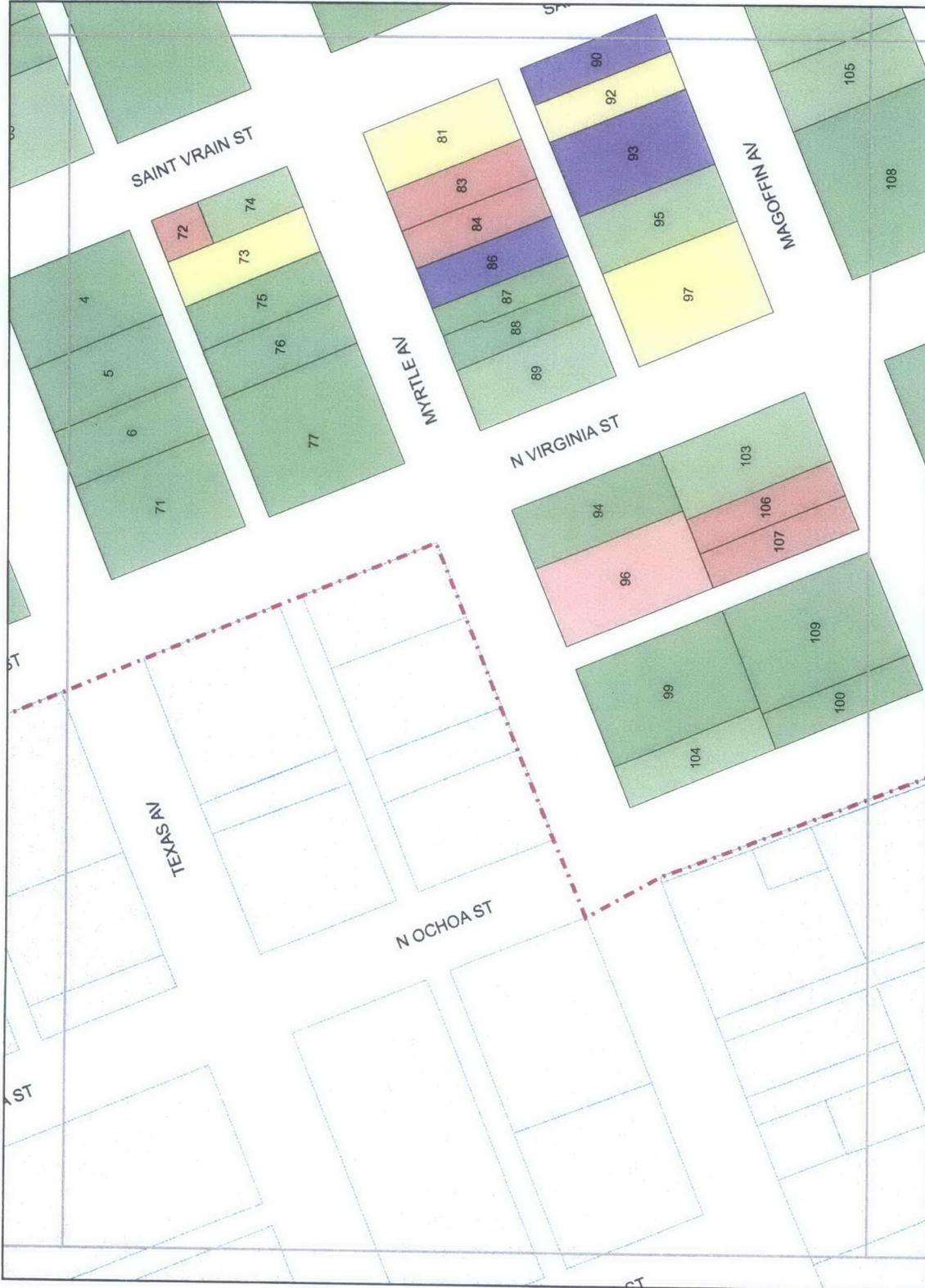


**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-28

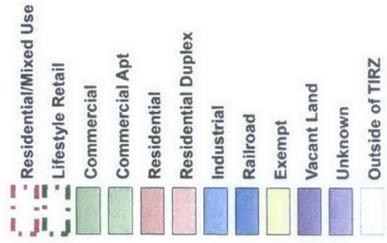
- Residential/Mixed Use
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID R-4



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-29



GRID R-5



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-30

- Residential/Mixed Use
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID R-6

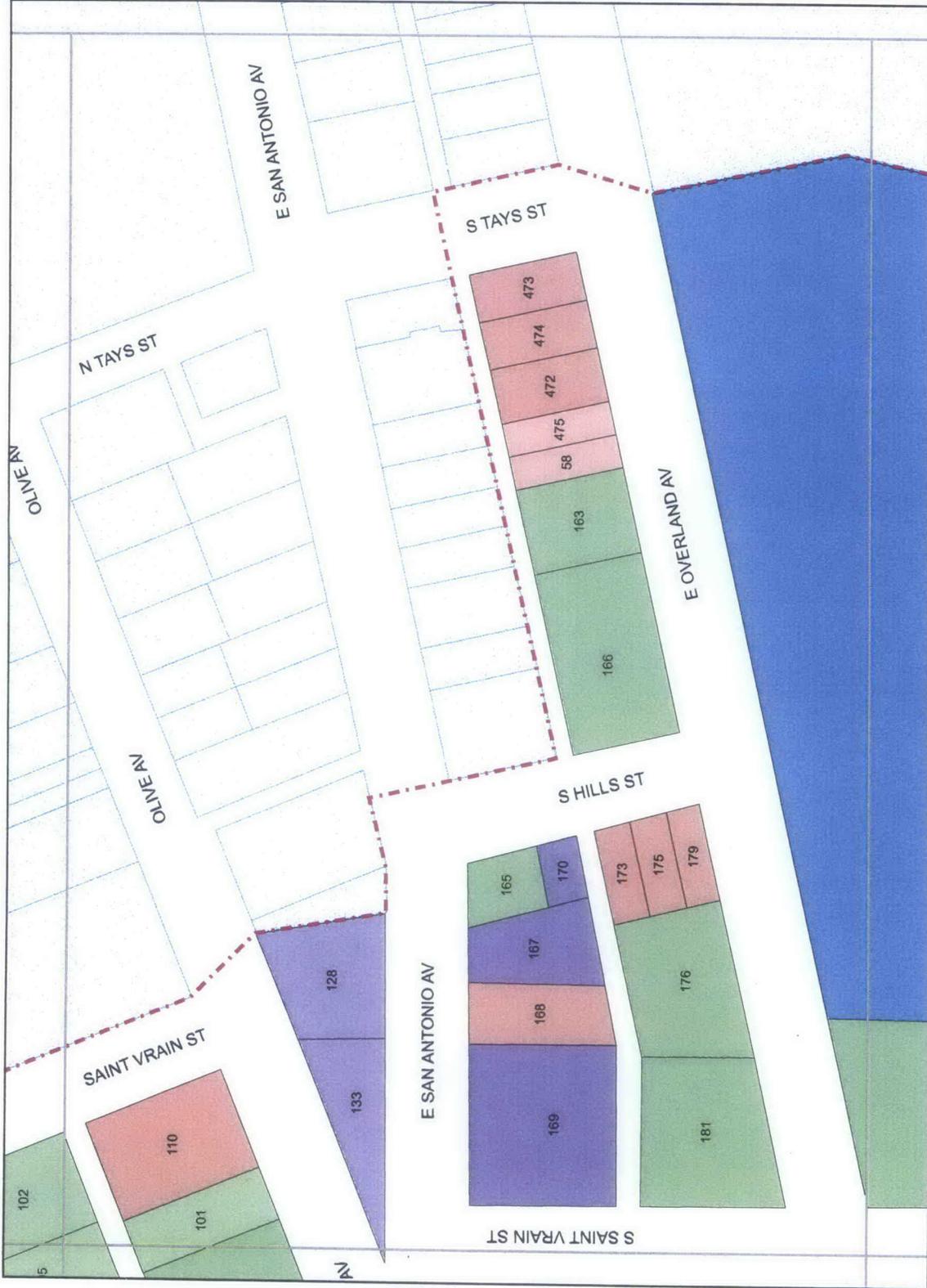


DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT

Exhibit B-31

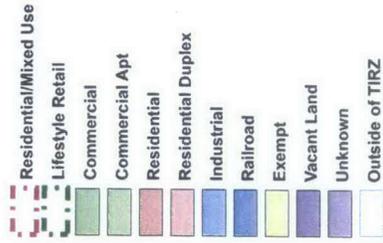
- Residential/Mixed Use
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID R-7



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-32



GRID R-8



DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT

Exhibit B-33

-  Residential/Mixed Use
-  Lifestyle Retail
-  Commercial
-  Commercial Apt
-  Residential
-  Residential Duplex
-  Industrial
-  Railroad
-  Exempt
-  Vacant Land
-  Unknown
-  Outside of TIRZ

GRID R-9



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-34

- Residential/Mixed Use
- Lifestyle Retail
- Commercial
- Commercial Apt
- Residential
- Residential Duplex
- Industrial
- Railroad
- Exempt
- Vacant Land
- Unknown
- Outside of TIRZ

GRID R-10



**DOWNTOWN EL PASO REDEVELOPMENT PLAN
RESIDENTIAL/MIXED USE DISTRICT**

Exhibit B-35

EXHIBIT C

Empowerment Zone Certificate

[See attached]

Part III: Certifications

PART

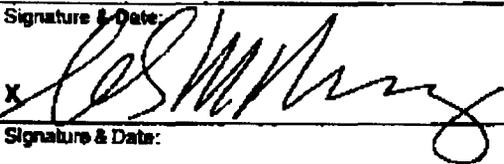
I hereby certify that the portion of the nominated area that I represent meets all Federal eligibility requirements and that to the best of my knowledge and belief:

- a. the information in this nomination is true and correct;
- b. each nominating entity has the authority, with respect to the nominated area, to:
 - (1) nominate such area for designation as an Empowerment Zone;
 - (2) make the State, local, or tribal commitments that the Strategic Plan will be implemented; and
 - (3) provide assurances that such commitments will be fulfilled;
- c. the nominating entities shall comply with State, local, and Federal program requirements and have agreed in writing to carry out the Strategic Plan if designated;
- d. the nominating entities will administer the EZ/EC Initiative in a manner that affirmatively furthers fair housing on the basis of race, color, national origin, religion, sex, disability, and familial status (presence of children);
- e. the nominated areas meet each of the eligibility criteria, including special exceptions, set forth in the program regulations:
 - (1) the geographic area satisfies the population requirements;
 - (2) the geographic area is one of pervasive poverty, unemployment, and general distress;
 - (3) the geographic area meets the size and boundary test; and
 - (4) the geographic area meets the poverty rate criteria;
- f. each noncontiguous parcel (except for up to three noncontiguous parcels identified as "developable sites") being nominated meets the poverty rate criteria;
- g. the amount of EZ/EC SSBG funds provided to the State for the area will not be used to supplant other Federal or non-Federal funds;
- h. the nominating entities agree to make all information available as requested by the designating Secretaries to aid in evaluation of progress in implementation of the Strategic Plan and reporting on the use of EZ/EC SSBG funds;
- i. the nominating State or tribal government agrees to distribute the EZ/EC SSBG funds in accordance with the Strategic Plan of the designated Zone; and
- j. no portion of the nominated area is included in an Empowerment Zone or any other area currently nominated for designation as an Empowerment Zone.

Authorized Nominating State, Tribal Governing Body, or Economic Development Corporation Official(s) type or print

Name of Entity: STATE OF TEXAS	Signature & Date:
Name of Authorized Official & Title: GEORGE W. BUSH, GOVERNOR	X
Name of Entity:	Signature & Date:
Name of Authorized Official & Title:	X

Authorized Nominating Local Government(s) and Official(s) type or print

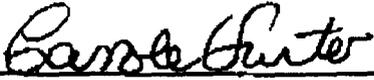
Governmental Unit & State Name: CITY OF EL PASO, TEXAS	Signature & Date:
Name of Authorized Official and Title: CARLOS M. RAMIREZ, P.E., MAYOR	X 
Governmental Unit & State Name:	Signature & Date:
Name of Authorized Official and Title:	X
Governmental Unit & State Name:	Signature & Date:
Name of Authorized Official and Title:	X

Attach separate sheet(s), as necessary, to provide identical information and official signatures for all governments nominating the area. Number the sheets 6a, 6b, etc.

PART III: Certifications

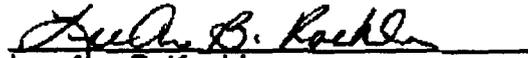
CITY OF EL PASO, TEXAS (Signatures continued)

ATTEST:



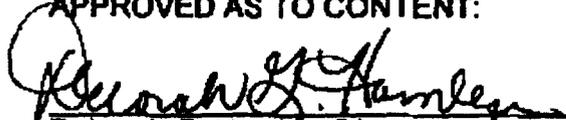
City Clerk

APPROVED AS TO FORM:



Lee Ann B. Koehler
Assistant City Attorney

APPROVED AS TO CONTENT:



Deborah G. Hamlyn, Director
Community and Human Development

EXHIBIT C-1
CDBG Certification

[See attached]

SPECIFIC CDBG CERTIFICATIONS

The Entitlement certifies that:

Citizen Participation – It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan – Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570.)

Following a Plan – It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds – It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2006, 2007 (a period specified by the grantee consisting of one, two or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force – It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance with Anti-Discrimination Laws – The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint – Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R.

Compliance with Laws – It will comply with applicable laws.

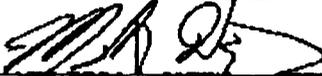
THE CITY OF EL PASO



Joyce A. Wilson, City Manager

June 27, 2006
Date

APPROVED AS TO FORM:



Matt Watson
Assistant City Attorney

APPROVED AS TO CONTENT:



Nathalie Prise, Director
Community & Human Development

EXHIBIT D

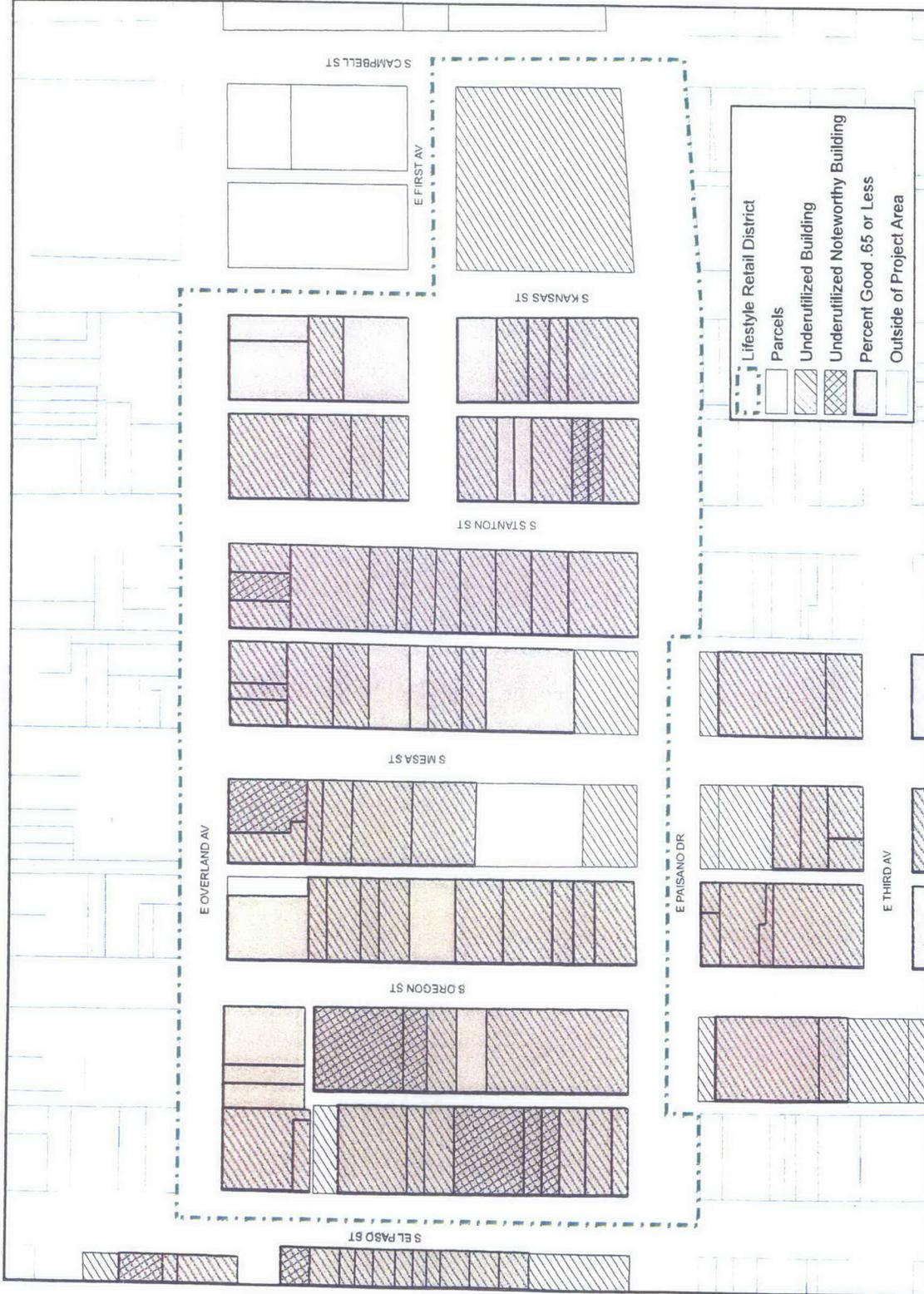
Physical Condition Factor Maps

[See attached Maps labeled D-1 through D-5]

**LIFESTYLE
RETAIL
DISTRICT**

24.96 AC

Total Parcels - 84
Percent Good .65 or Less - 78



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-1

**EXHIBITION/
CONVENTION/
ARENA
DISTRICT**

54.14 AC

Total Parcels - 79
Percent Good .65 or Less - 55



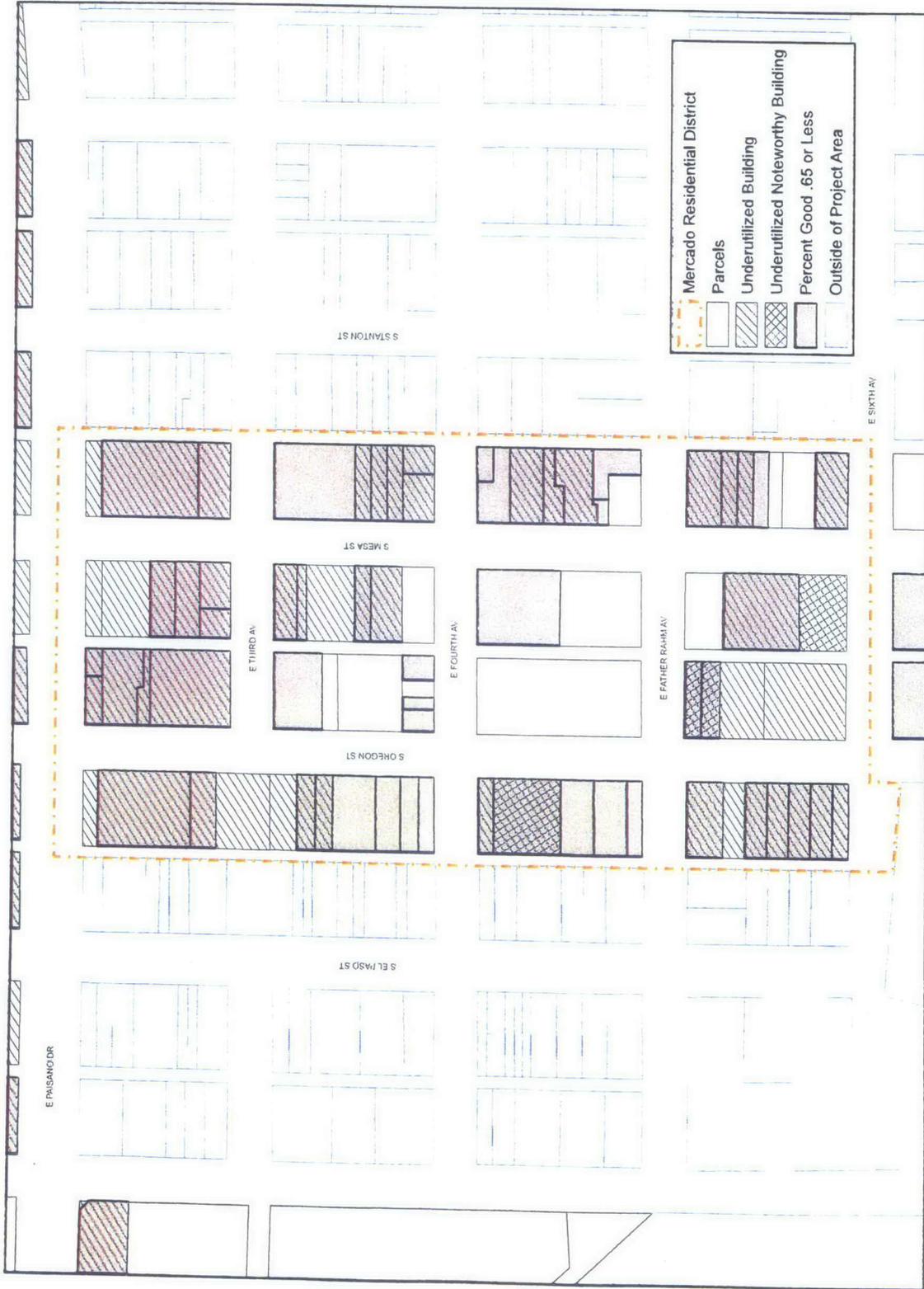
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-2

**MERCADO/
RESIDENTIAL
DISTRICT**

20.72 AC

Total Parcels - 81
Percent Good .65 or Less - 60



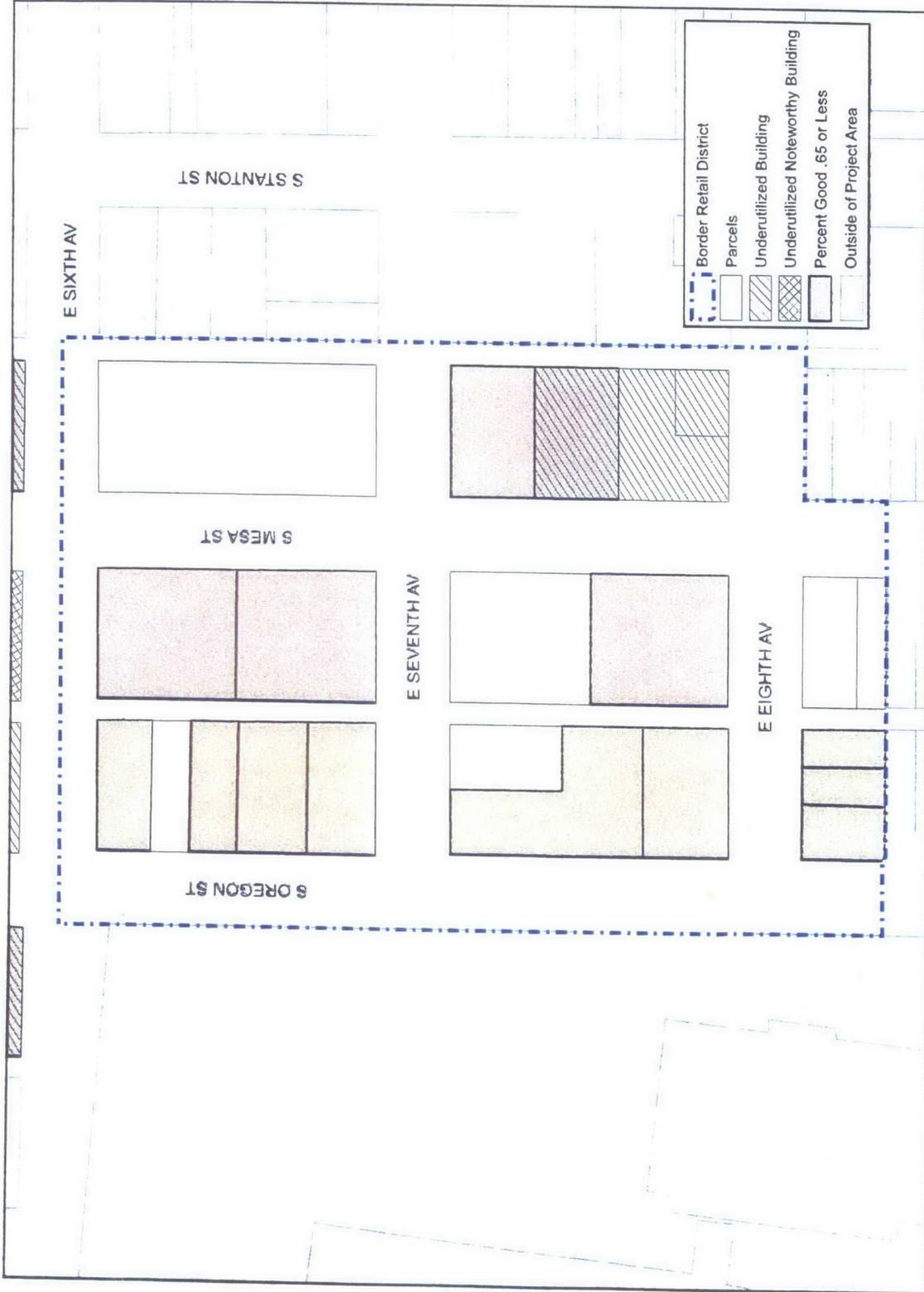
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-3

**BORDER
RETAIL
DISTRICT**

9.32 AC

Total Parcels - 22
Percent Good .65 or Less - 14



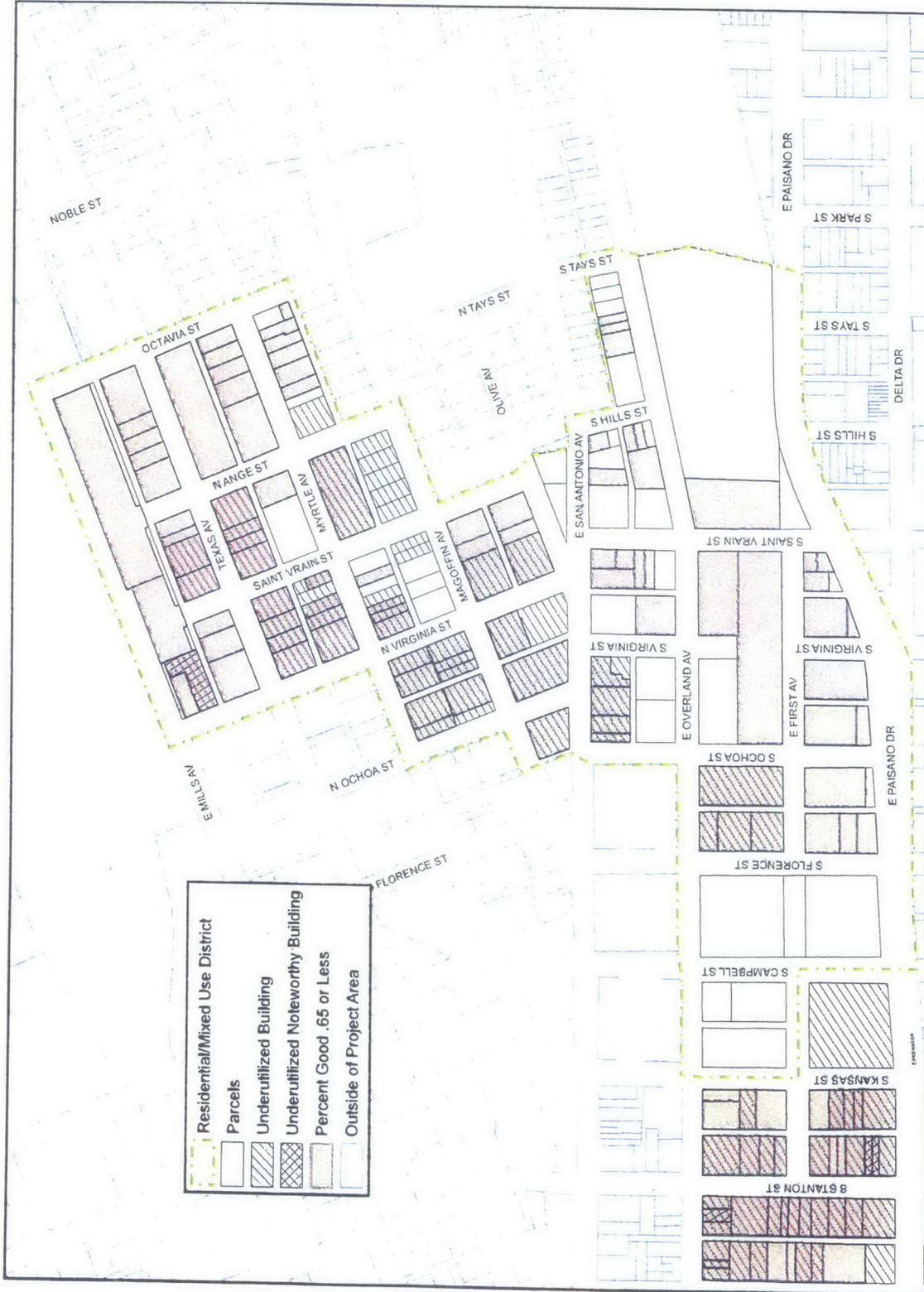
DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-4

**RESIDENTIAL/
MIXED USE
DISTRICT**

79.28 AC

Total Parcels - 152
Percent Good .65 or Less - 100



DOWNTOWN EL PASO REDEVELOPMENT PLAN

Exhibit D-5

EXHIBIT E

Physical Condition Factor Analysis

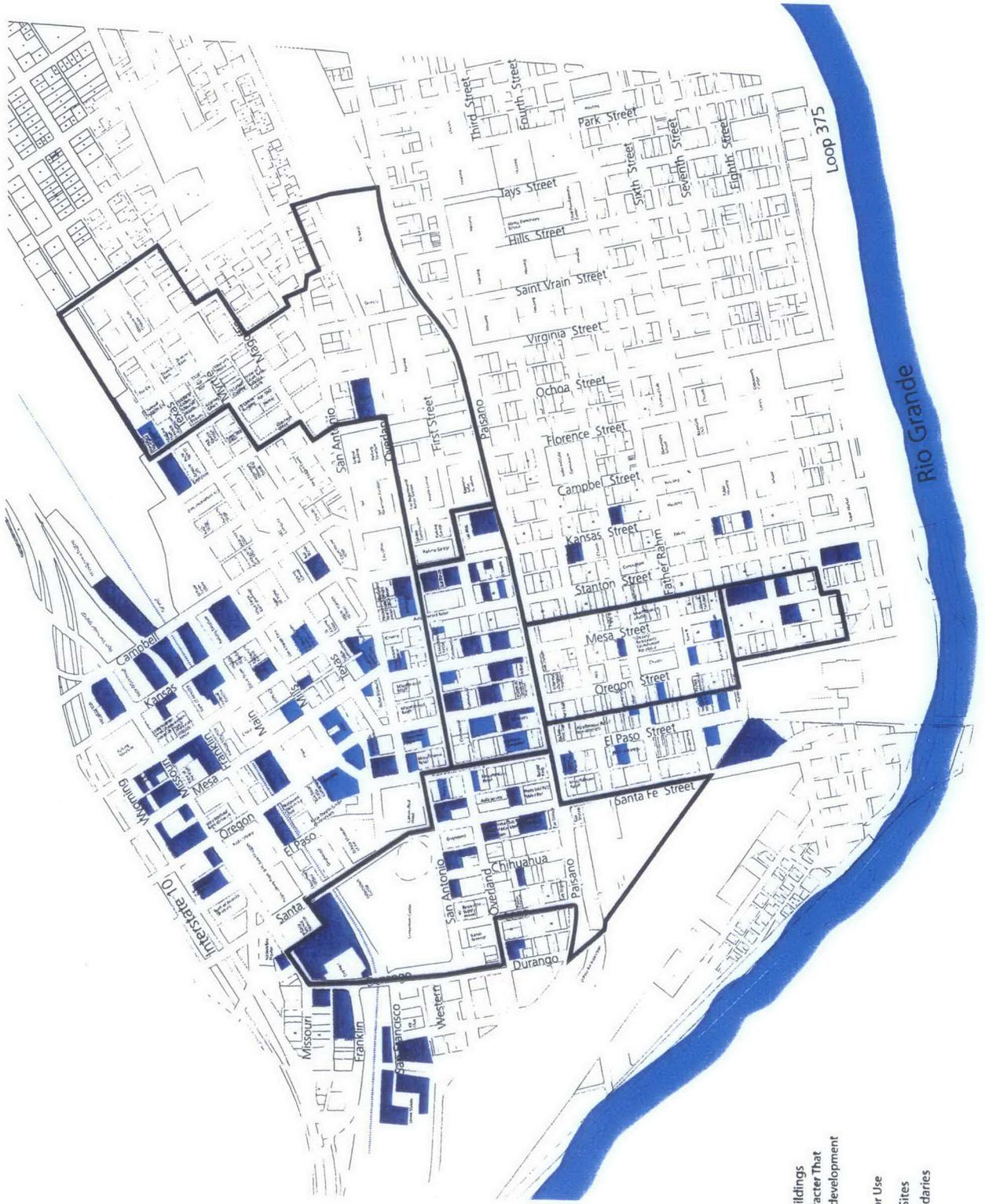
Detailed Analysis of the Property characteristics within the entire TIRZ.

- Residential - There are 40 single family residences, the largest is 2475 and the smallest is 336 sq ft. The average size is 1243 sq ft, two thirds are between 798 and 1688 sq ft. The average year built is 1933, two thirds were built between 1922 and 1944, the oldest was built in 1915 and the newest in 1954. The average residential building value for 2006 is \$25,034 or \$20.14/sq ft. 77.5% of this class property is at an economic factor of .65 or less.
- Residential Duplex – There are 10 duplex and triplex residences, the largest is 3358 and the smallest is 845 sq ft. The average size is 1742 sq ft, two thirds are between 976 and 2578 sq ft. The average year built is 1928, two thirds were built between 1911 and 1945, the oldest was built in 1906 and the newest in 1956. The average residential duplex building value for 2006 is \$34,984 or \$20.08/sq ft. 90% of this class property is at an economic factor of .65 or less.
- Commercial Apartment - There are 48 commercial apartments, the largest is 25745 and the smallest is 1232 sq ft. The average size is 7251 sq ft, two thirds are between 2260 and 12242 sq ft. The average year built is 1926, two thirds were built between 1909 and 1943, the oldest was built in 1901 and the newest in 1961. The average commercial apartment building value for 2006 is \$135,578 or \$18.70/sq ft. 97.9% of this class property is at an economic factor of .65 or less.
- Commercial – There are 254 commercial properties however only 193 have sufficient building information to accomplish a detailed analysis. The largest is 57942 and the smallest is 180 sq ft. The average size is 9478 sq ft, two thirds are between 180 and 12242 sq ft. The average year built is 1938, two thirds were built between 1913 and 1963, the oldest was built in 1897 and the newest in 2003. The average commercial building value for 2006 is \$154,933 or \$16.35/sq ft. 91.7% of this class property is at an economic factor of .65 or less.
- Industrial – There are only 3 industrial properties within the TIRZ. All of the industrial properties contain only land value and two do not have building descriptions. The third property is described as a 44915 sq ft building built in 1930 with an economic factor of 40% good.

EXHIBIT F

Underutilized and Vacant Sites

[See attached Map]



- Legend**
- Underutilized Noteworthy Buildings
Interesting And/Or Historic Character That
May Present A Challenge For Redevelopment
 - Underutilized Buildings
Many Have Existing Ground Floor Use
 - Surface Parking Lots/Vacant Sites
 - Redevelopment District Boundaries

Exhibit F

EXHIBIT G

CDBG Area in El Paso

[See attached Map]

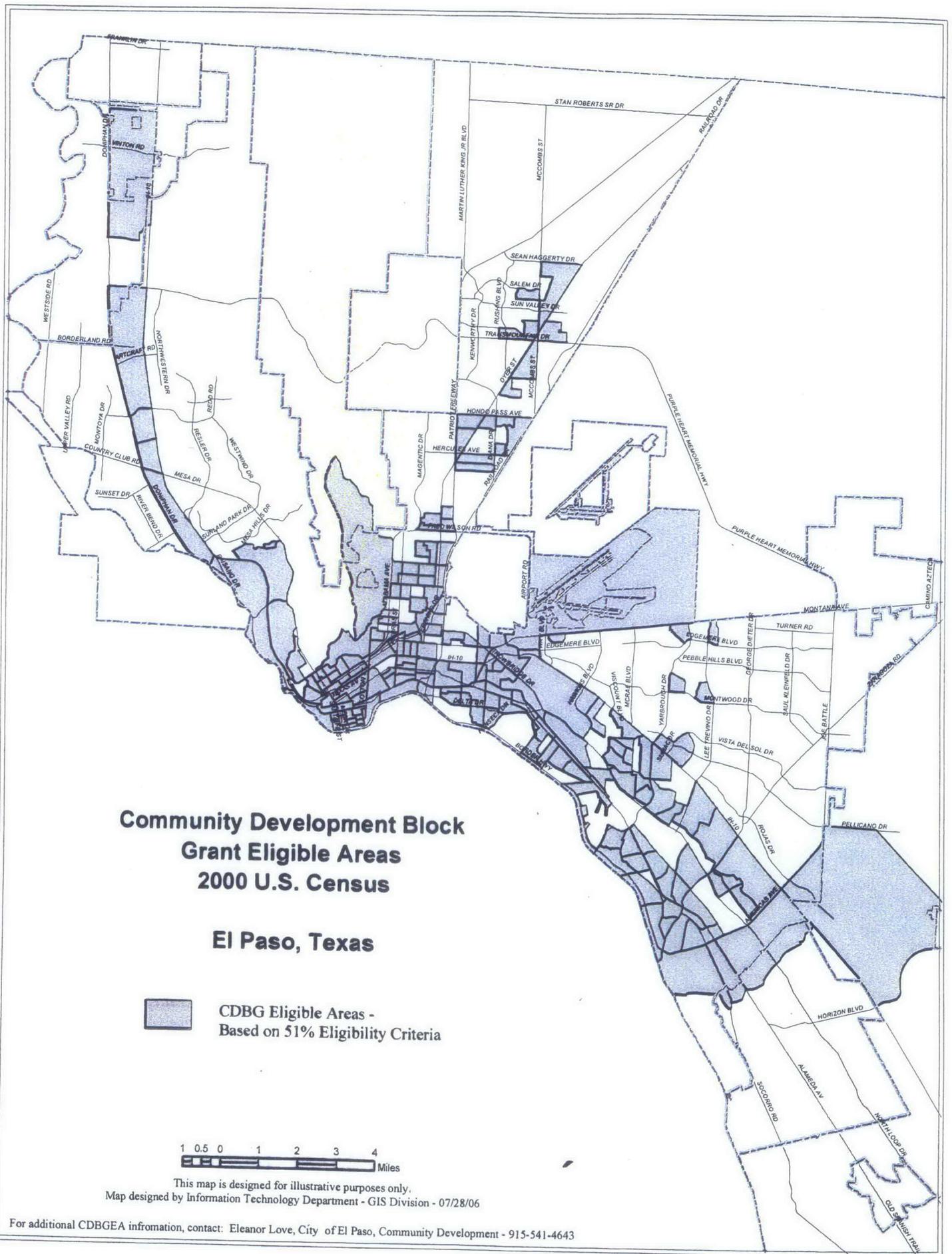


EXHIBIT H

El Paso Empowerment Zone

[See attached Map]

