

TAX INCREMENT REINVESTMENT ZONE No. 5
BOARD MEETING MINUTES
Main Conference Room (City Hall, 2nd Floor)
March 28th, 2016
3:00 P.M.

Board Members in attendance:

David Stout
Noemi Tovar
Brett Goldberg
Ruben Torres
Tanny Berg
Rida Asfahani
Elke Cumming
David Stout
Ricardo Fernandez
Art Fierro
Lane Gaddy
Mike Murguia
Joe Gudenrath (Ex Officio)

Board Members absent:

~~Lane Gaddy~~
Chad North
Jon Law
George Salome (Ex-Officio)

Staff Members present:

Francis Chen
Jessica Herrera
Kevin Cardoza
Juan Gonzalez

MINUTES

1. Call to order and establishment of a quorum

Ruben Torres

The Tax Increment Reinvestment Zone No. 5 Board met at the above place and date. Meeting was officially called to order at 3:00 p.m. by Ruben Torres, and quorum was established.

2. Discussion & Action

Ruben Torres

Approval of TIRZ 5 Board Meeting Minutes – May 14th, 2015

Elke Cumming made the motion to approve the Meeting TIRZ 5 Board Meeting Minutes. Mike Murguria seconded the motion. The meeting minutes were approved unanimously, with Tanny Berg abstained from the vote.

3. Presentations

A. El Paso County – Historic Preservation Efforts County Commissioner Stout

El Paso County Commissioner David Stout presented on the El Paso County Commissioners Court's efforts to conduct an architectural historic resources survey that would allow Downtown El Paso to be in the National Registry of Historic

Places. The proposed boundaries would include Downtown El Paso, Segundo Barrio, and Chihuahuita.

Mr. Stout presented on the background of El Paso County's efforts. He stated that in an El Paso County Commissioner's Court 2015 Strategic Planning Meeting, it identified Economic Development as a key priority. In January of 2016, the Commissioner's Court concluded that Heritage Tourism was an untapped asset - and identified that historic preservation and restoration could grow El Paso's heritage tourism industry. Mr. Stout stated the County will be taking a more active role in Economic Development, as the County's role has been limited to Chapter 381 Economic Development Incentive Agreements.

Mr. Stout mentioned that the benefits of the National Register Designation included: federal tax credits up to 20% of the cost of rehabilitation of eligible properties; Texas state tax credit of up to 25% of rehabilitation costs; no regulations are imposed on property owners in a national historic district, unless the tax credits are applied to a project; and, property owners within national historic district would not have to go through cumbersome process to list properties individually.

Mr. Stout acknowledged that when the City of El Paso was deciding on whether to move forward with a Historic Survey, there was confusion among Downtown stakeholders; some stakeholders thought that National Historic District would place additional regulations on Downtown property owners. Mr. Stout emphasized that property owners only have to follow the building regulations only if they were applying for Federal and Texas rehabilitation historic tax credits for their properties.

Mr. Stout presented on statistics regarding the economic impact of federal and state historic tax credits in the State of Texas.

Mr. Stout mentioned that El Paso receives slightly more than two percent of heritage tourism dollars within the state of Texas.

Mr. Stout stated that El Paso County will be utilizing Hotel Occupancy Tax (HOT) funds - not to exceed \$140,000 - to fund the Downtown Historic Survey. The County plans to work with the El Paso County Historical Commission and the City of El Paso to identify grant funding that would reduce the financial impact of the historic survey. Mr. Stout stated they are preparing a Request for Proposals (RFP) to select consultants to perform the Downtown Historic Survey.

TIRZ 5 Board Chairman Ruben Torres stated to Assistant City Attorney Juan Gonzalez to verify if the TIRZ 5 Board is allowed to have a discussion on the El Paso County Historic Resources Survey. Mr. Torres also asked Mr. Gonzalez to verify if the TIRZ 5 Board is also allowed to formally take a stance on the El Paso County Historic Resources Survey.

TIRZ 5 Board Member Tanny Berg asked if El Paso County is aware that there was a City of El Paso Historic Resources Survey conducted in 2003-2004.

Mr. Stout says the County is not aware. Mr. Berg stated that the previous City Downtown Historic Survey conducted in 2003-2004 would be an ideal starting point to the Downtown Historic Survey.

City of El Paso Assistant Director of Economic Development Jessica Herrera stated that the City Historic Preservation Officer will provide documents to the County of El Paso that could assist with the County Downtown Historic Survey.

Mr. Berg stated that the 2003-2004 City Downtown Historic Survey goes block by block & building by building in Downtown El Paso. Mr. Berg stated that the County would not have to replicate existing documentation, but instead could update the survey and avoid re-doing the survey from scratch.

Mr. Berg stated that the existence of the 2003-2004 Downtown Historic Survey was one of the reasons why the City of El Paso wanted to wait before beginning with a Downtown Historic Survey in 2015. Mr. Berg stated that the 2003-2004 Downtown Historic Survey could help reduce the cost of the current County Downtown Historic Survey.

Mr. Berg stated that he would also like to make sure the County receives buy-in from Downtown Property Owners regarding the Historic Survey.

Commissioner Stout stated that the National Historic Designation provides an option for Downtown property owners who wish to rehabilitate their buildings and would like Federal and State Historic Tax Credits.

B. El Paso Downtown Management District Overview Joe Gudenrath

A) Downtown Commercial Façade Improvement Grant Program

Executive Director of the El Paso Downtown Management District (DMD) Joe Gudenrath presented on TIRZ 5 Funds which fund DMD projects such as the Downtown Commercial Facade Improvement Program and the Pedestrian Way-finding Program.

Mr. Gudenrath stated that in 2011, the City of El Paso entered into a 5-year Inter-local Agreement with the Downtown Management District. Mr. Gudenrath stated that the DMD oversees the management of the grant program.

The City contributes \$100,000 for projects within the Downtown Plan Area. The TIRZ 5 would contribute \$50,000 for projects within the TIRZ 5 Boundaries, and the DMD would contribute \$150,000 for projects within the DMD boundaries.

Mr. Gudenrath stated in 2016, the City of El Paso entered into a new 5-Year Inter-local Agreement with the Downtown Management District to continue

the DMD management of the Commercial Façade Improvement Grant Program. The agreement expires in September 30th, 2020.

Mr. Gudenrath stated that the purpose of the Downtown Commercial Facade Improvement Program is to providing dollar-for-dollar matching grants toward Downtown Projects that serve to restore, rehabilitate, enhance or beautify the exterior of the structure. The maximum matching grant amount is \$25,000. Previously, the grants were first come first served, but the new 2016-2020 Inter-local Agreement removes the clause. The DMD is working with the City of El Paso to establish objective criteria to better identify projects eligible for DMD Facade Improvement Grants.

Mr. Gudenrath also stated that there has been a total of \$450,000 in contributed funds into the Commercial Facade Improvement Program. There have been 27 total projects, and a total amount of \$447,187.24 granted to these projects. There is only \$2,812.76 in remaining funds.

Mr. Gudenrath stated that an additional investment to the Commercial Facade Improvement Program would be considered worthwhile to the TIRZ 5 Board.

Mr. Gudenrath stated that there have been 20 completed projects so far. He stated that there has been a \$25.35 increase in property valuation for every TIRZ dollar invested. The time frame the DMD uses is from 2012-2015.

TIRZ 5 Board Member Tanny Berg asked if the DMD spends the TIRZ 5 Board Funds prior to spending other funds on the Commercial Facade Improvement Program.

Mr. Gudenrath stated the DMD does spend TIRZ 5 Funds first before spending City and DMD funds. However, he also stated that there are properties that are not in the TIRZ 5 Boundaries but are in the DMD boundaries. In that particular case, those properties would depend only on DMD Funds and not TIRZ 5 funds.

Mr. Gudenrath presented on the history of the DMD Downtown Pedestrian Way-finding Program, and presented examples of signage, banners, and Pedestrian Way-finding kiosks. Mr. Gudenrath also discussed the four phases of the projects, and the locations of the signage and kiosks.

The DMD has requested reimbursement for \$419,878.04, and Mr. Gudenrath states that 50% of the Pedestrian Way-finding System remains incomplete.

City of El Paso Assistant Director of Economic Development Jessica Herrera stated that the new Deputy City Manager of Public Works will be working with the Museum and Cultural Affairs Department to review future vehicular and

pedestrian signage. Ms. Herrera says the City will provide an update at a future TIRZ 5 Board meeting.

4. TIRZ 5 Announcements

Jessica Herrera

Ms. Herrera stated that the TIRZ 5 Board will be meeting the last Monday of each month, at 3pm. She stated that the City will be providing parking permits for the board to park at metered spaces.

Ms. Herrera also stated that she would like to provide an overview of the five projects that the TIRZ 5 Board had committed itself to funding. She would like the Board to decide which direction to move the projects. She also stated that the Board could also create a Project and Finance Committee.

Ms. Herrera also stated that in the future, any information requested by individual TIRZ 5 Board members will be sent to the entire TIRZ 5 Board.

She stated that Joe Gudenrath and George Salom will be ex-officio TIRZ 5 Board Members.

Ms. Herrera stated that the City is working with Human Resources to establish a set time and date for the required TIRZ 5 Ethics Training.

Ms. Herrera stated that Chad North had resigned from the TIRZ 5 Board due to other time commitments.

Mr. Berg requested that the City provide TIRZ 5 annual financial reports, as required by the TIRZ 5 Bylaws, to the TIRZ 5 Board in order to address the current TIRZ 5 fund deficit. Mr. Berg also requested that the City provide a formal packet as required by the TIRZ 5 Board.

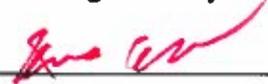
Ms. Herrera stated that there was not a TIRZ 5 Annual Report presentation made in 2015 to the El Paso City Council, but noted that in prior years, there had been presentations. Ms. Herrera also states that the Texas State Comptroller requires an Annual Report of the TIRZ, and the City plans to provide the Annual Report to the TIRZ 5 Board.

Mr. Art Fierro requested that an Agenda Item be added to the next TIRZ 5 Board Agenda regarding Discussion and Action for a Formal Stance for the County Historic Survey Stance.

5. Adjournment

Francis Chen

The meeting was adjourned at 3:52 pm.

Approved:  _____

Recording Secretary