

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

DEPARTMENT: Economic and International Development Department

AGENDA DATE: CCA Regular 02/06/2018

CONTACT PERSON/PH. No.: Jessica Herrera, Director 915-212-1624

DISTRICT(S) AFFECTED: District 8

CITY CLERK DEPT.
2018 JAN 30 PM4:50

SUBJECT:

That the City Manager be authorized to sign a Chapter 312 Abatement Agreement by and between the CITY OF EL PASO ("CITY") and Mills Plaza Properties II, LP (MPPII) ("Applicant") in support of the redevelopment, construction and operation of the Plaza Hotel located at 102 West Mills, El Paso, Texas. [Economic and International Development, Jessica Herrera, 915-212-1624].

BACKGROUND / DISCUSSION:

On September 19, 2017, the City approved the term sheet for Mills Plaza Properties II, LP (MPPII), Plaza Hotel, for the \$78 million redevelopment of a 4-star hotel, 100-room hotel to include parking garage located at 102 West Mills, El Paso, Texas.

The Chapter 312 Tax Abatement Agreement grants the applicant 100% Incremental Real and Personal property tax abatement for 10 consecutive years or \$1,089,660.78 (whichever comes first) to Mills Plaza Properties II, LP for the hotel property located at 102 West Mills, El Paso, Texas. In addition, the applicant will be receiving a 100% incremental tax abatement for the Parking Garage Property in an amount not to exceed \$207,950.53 during the same 10-year term. The first year of abatement begins the first tax year that begins after the hotel is fully open for business within 36 months of the effective date of the agreement.

PRIOR COUNCIL ACTION:

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

Yes. The related Term Sheet was approved by City Council September 19, 2017

AMOUNT AND SOURCE OF FUNDING:

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

General Fund

BOARD / COMMISSION ACTION:

N/A

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

DEPARTMENT HEAD: _____

Eluggs

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Chapter 312 Abatement Agreement in a form substantially similar to the attached document by and between CITY OF EL PASO ("City") and MILLS PLAZA PROPERTIES II ("Applicant") in support of the redevelopment, construction and operation of the Convention Center Hotel located at 106 Mills Avenue, El Paso, Texas, and known as the Plaza Hotel.

APPROVED this ____ day of February, 2018.


CITY OF EL PASO

Dee Margo
Mayor

ATTEST:

Laura D. Prine
Interim City Clerk

APPROVED AS TO FORM:


Roberta Brito
Assistant City Attorney

APPROVED AS TO CONTENT:


By: Jessica Herrera, Director
Economic & International Development

PLAZA HOTEL

Goal 1: Create an Environment Conducive to Strong, Sustainable
Economic Development

1.1 Stabilize and expand El Paso's tax base



2 / 6 / 18

Plaza Hotel

Project Summary

- The Plaza is proposing to reuse property in downtown El Paso for a Historic Renovation of at least 100 rooms 4.0 star boutique hotel
- Total Investment of \$78,000,000



Highlights



Hotel

- At least 100 Hotel Rooms
- 4.5 Star Boutique Hotel



Parking Garage

- 540 Car Parking Garage
- Attractive Façade



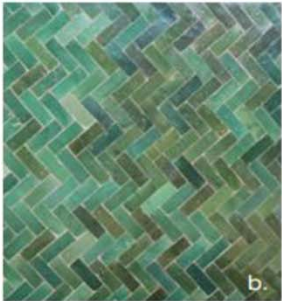
Square Footage

- 6,500 SF of Restaurant and Bar Space
- 7,600 SF of Function Space

Highlights



Highlights



a. Historic Details b. Mosaic Tiles c. Tooled Leather
d. Leather Craftsmanship e. Authentic Patterns f. Nailhead Accents g. Sculptural Portals h. Re-purposed Artifacts

Highlights



a. Door Concept b. Artwork Concept c. Door Signage d. Sconce e. Corridor Carpet
f. Elevator Door Concept g. Elevator Lobby Pendant h. Signage i. Elevator Lobby Floor

Highlights



Proposed City Incentives

Hotel City Incentives

\$5,332,893.47

- Property Tax Abatement Year 1-10
- Property Tax Rebate Year 11-20
- 10 Year 50% Rebate on City HOT
- 10 Year 100% Sales Tax Rebate
- Permit Fees Waived

Hotel State Incentives

\$6,990,240.94

- 10 Year 100% State HOT Rebate
- 10 Year 100% Sales Tax Rebate

Parking

\$461,441.07

- 20 Year 100% Property Tax Rebate

Historic Development Grant

\$10,000,000

- Amount to be Paid in 10 Yearly Payments

\$22,884,575.48

T o t a l I n c e n t i v e P a c k a g e

Consideration

1 0 Year Property T a x I n f l o w

**These calculations use valuations of 13.1 Million for Hotel and 2.5 Million for Parking with a yearly 2% escalator

City of El Paso	El Paso County	EPISD	EPCC	UMC	DMD
\$1,364,815	\$773,272	\$2,109,573	\$230,445	\$400,487	\$204,978

- Property Reuse
- Developer agrees to the current government rate for City reservation of guest rooms and meeting space with advanced notice from the City.
- Expend an amount to be determined per year for marketing and advertising services within and outside the City of El Paso during the term of this agreement commencing in the first full calendar year in which the property is open for business. Applicant agrees to coordinate these services with Economic Development Staff and Destination El Paso in an effort to increase visibility of the market.

THANK YOU

Jessica Herrera

Director, Economic and International Development

City 3 – 801 Texas 2nd floor



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ECONOMIC-DEVELOPMENT