

**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 PM 4:50

**SUBJECT:**

That the City Manager be authorized to sign a Chapter 380 Economic Development Program 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.

**BACKGROUND / DISCUSSION:**

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

To formalize the term sheet, City Economic Development Department Staff is recommending City Council approval of the Chapter 380 Economic Incentive Agreement with MILLS PLAZA PROPERTIES II.

MILLS PLAZA PROPERTIES II is eligible to receive an incentive package composed of: Historic Development Grant, State Hotel Occupancy Tax Rebate, State Retail Sales and Use Tax Rebate, Property Tax Rebate, City Hotel Occupancy Tax Rebate, City Retail Sales and Use Tax Rebate, Permit Fee Rebates and Parking Garage Property Tax Rebate. The total aggregate amount of all grants is not to exceed \$21,794,914.71. The hotel development will stabilize and expand El Paso's tax base; and help stimulate Downtown redevelopment efforts.

**PRIOR COUNCIL ACTION:**

Has the Council previously considered this item or a closely related one?  
Executive Session 9/19/2017

**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:**



**RESOLUTION**

CITY CLERK DEPT.  
2018 JAN 30 PM4:50

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

That the City Manager be authorized to sign a Chapter 380 Economic Development Program 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:**

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Roberta Brito  
Assistant City Attorney

  
\_\_\_\_\_  
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



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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



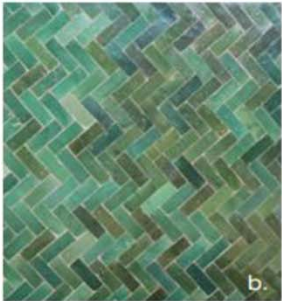
## Square Footage

- 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	Hotel State Incentives	Parking	Historic Development Grant
<b>\$5,332,893.47</b>	<b>\$6,990,240.94</b>	<b>\$461,441.07</b>	<b>\$10,000,000</b>
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	10 Year 100% State HOT Rebate 10 Year 100% Sales Tax Rebate	20 Year 100% Property Tax Rebate	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

## 10 Year Property Tax Inflow

\*\*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 2<sup>nd</sup> floor



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ECONOMIC-DEVELOPMENT