

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

DEPARTMENT: Planning & Economic Development, Planning Division

AGENDA DATE: Introduction: February 14, 2012
Public Hearing: February 21, 2012

CONTACT PERSON/PHONE: Mathew S. McElroy, (915) 541-4193, McElroyMX@elpasotexas.gov

DISTRICT(S) AFFECTED: All Districts

SUBJECT:

An ordinance amending ordinance No. 016749 which established a policy regarding sales and use tax rebates within the area covered by the Downtown 2015 Plan to amend the sunset provision, reduce the expenditure amount, and add a new qualification criterion. Applicant: City of El Paso, Planning and Economic Development, (All Districts).

BACKGROUND / DISCUSSION:

In 2007, the El Paso City Council approved Ordinance No. 016749 which established a policy regarding Sales and Use Tax rebates within the area covered by the Downtown 2015 plan. The City Council found that establishing this policy served the public purposes of development and diversification of the economy of the state, the elimination of unemployment or underemployment in the state, or the development or expansion of commerce in the state and otherwise satisfied the requirements of Article III, Section 52-a of the Texas Constitution, and Chapter 380 of the Texas Government Code.

This revised ordinance will extend the sunset date of Ordinance No. 016749 from the current sunset date of September 25, 2012 to September 25, 2022, reduce the current minimum expenditure amount from \$100,000.00 to \$50,000.00, and add a new qualification requirement that property taxes must be current and participants shall not have any outstanding debts owed to the City.

PRIOR COUNCIL ACTION:

October 31, 2006, City Council passed Ordinance No 016487 approving the Downtown 2015 Plan and that the plan envisioned the use of various incentives to accomplish the goals and objectives of the Plan. September 25, 2007, the El Paso City Council approved Ordinance No. 016749 which established a policy regarding Sales and Use Tax rebates within the area covered by the Downtown 2015 plan.

AMOUNT AND SOURCE OF FUNDING:

N/A

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

LEGAL: (if required) N/A

FINANCE: (if required) N/A

DEPARTMENT HEAD: Mathew S. McElroy _____
Deputy Director- Planning & Economic Development

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 016749 WHICH ESTABLISHED A POLICY REGARDING SALES AND USE TAX REBATES WITHIN THE AREA COVERED BY THE DOWNTOWN 2015 PLAN TO AMEND THE SUNSET PROVISION, REDUCE THE EXPENDITURE AMOUNT, AND ADD A NEW QUALIFICATION CRITERION

WHEREAS, the downtown area is considered the economic heart of El Paso, Texas and its vibrancy is key to the investments made throughout the community; and,

WHEREAS, Article III, Section 52-a of the Texas Constitution provides in pertinent part for “the creation of programs and the making of loans and grants of public money, other than money otherwise dedicated by this constitution to use for a different purpose, for the public purposes of development and diversification of the economy of the state, the elimination of unemployment or underemployment in the state, the stimulation of agricultural innovation, the fostering of the growth of enterprises based on agriculture, or the development or expansion of transportation or commerce in the state”; and,

WHEREAS, Section 380.001(a) of the Texas Local Government Code provides that the City Council of the City of El Paso, Texas, “may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality”; and,

WHEREAS, on September 25, 2007 the City Council of the City of El Paso adopted Ordinance 016749 after determining that establishing a policy regarding sales and use tax refunds within the area covered by the Downtown 2015 Plan served the public purposes of development and diversification of the economy of the state, the elimination of unemployment or underemployment in the state, or the development or expansion of transportation or commerce in the state, and otherwise satisfies the requirements of article III, section 52-a of the Texas Constitution, and chapter 380 of the Texas Local Government; and,

WHEREAS, City Council wishes to amend the policy and Ordinance 016749 to revise the sunset date, revise the minimum expenditure amount, and add an additional qualification criterion;

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

That Ordinance 016749, adopted by City Council on September 25, 2007, is hereby amended as follows:

That Ordinance 016749 be sunsetted fifteen years after September 25, 2007; and,

That the minimum total aggregate expenditure amount for improvements or new construction amount be reduced from \$100,000.00 to \$50,000; and,

That the following additional qualification requirement be added:

12-1007-261/downtown 380 policy/doc#99300/1cue

Delinquent Taxes or other obligations. Property taxes must be current and participants shall not have any outstanding debts owed to the City.

Except as specifically herein amended, all other provisions of Ordinance 016749, adopted on September 25, 2007, remain in full force and effect.

ADOPTED this ____ day of _____, 2012.

THE CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Lupe Cuellar
Assistant City Attorney

APPROVED AS TO CONTENT:

Mathew S. McElroy, Deputy Director
Planning and Economic Development
Department

12-1007-261/downtown 380 policy/doc#99300/lcue

**PLANNING & ECONOMIC DEVELOPMENT
PLANNING DIVISION**

MEMORANDUM

DATE: February 6, 2012

TO: The Honorable Mayor and City Council
Joyce Wilson, City Manager

FROM: Mathew S. McElroy, Deputy Director, Planning & Economic Development

SUBJECT: Amendments to Ordinance No. 016749

The City of El Paso is proposing to amend Ordinance No. 016749 that is due to expire on September 25, 2012. The revised ordinance will extend the sunset date of Ordinance No. 016749 from the current sunset date of September 25, 2012 to September 25, 2022, reduce the current minimum expenditure amount from \$100,000.00 to \$50,000.00, and add a new qualification requirement that property taxes must be current and participants shall not have any outstanding debts owed to the City.

The City of El Paso has determined that the proposed amendment is a critical component to address the needs of the downtown area in order to foster and support economic growth and opportunity and to ensure new investments will market the area as a thriving place to work, live and visit.