

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

**DEPARTMENT:** Economic and International Development Department  
**AGENDA DATE:** Intro: 2/26/2019 CCA Regular  
Final: 3/5/2019 CCA Regular  
**CONTACT PERSON/PH. No.:** Paola A. Gallegos, Economic & International Development 212-1623  
**DISTRICT(S) AFFECTED:** District 8

**SUBJECT:**

An ordinance amending Ordinance No. 016528 to modify requirements for membership on the board of directors of the Tax Reinvestment Zone Number Five, City Of El Paso, Texas. (District 8) [Economic and International Development Department, Jessica Herrera, ED Director, (915) 212-1614]

**BACKGROUND / DISCUSSION:**

The goal of the Tax Increment Reinvestment Zone #5 (TIRZ) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. House Bill 2853, which was passed by the 82nd Texas Legislature and took effect on June 17, 2011, amended portions of Section 311.009 of the Act pursuant to Section 311.009 (a) of the Act. As amended by House Bill 2853, a taxing unit may no longer appoint a member to the Board if the taxing unit does not contribute tax increment to the Zone pursuant to Section 311.009 (e) (1) of the Act. As amended by House Bill 2853, to be eligible for appointment to the Board by the City, an individual must be a resident of the county in which the Zone is located (or a resident of the adjacent county) or own real property in the Zone

The purpose of the proposed amendment is to bring the composition of the TIRZ 5 Board to compliance with the amended state law. In addition, the proposed amendment will update the board composition in accordance with Section 311.009 (a) to be made up of nine (9) members appointed by the Mayor with the approval of the City Council. The Mayor will appoint a chair every year with the approval of City Council. Additionally, each taxing unit that levies real property taxes in the zone may appoint one member of the board if the Taxing Unit contributes all or part of the tax increment produced by the Unit into the Zone's tax increment fund. The number of directors on the Board shall be increased by one for each Taxing Unit that appoints a director to the Board, provided that the maximum number of directors shall not exceed fifteen (15).

**PRIOR COUNCIL ACTION:**

Has the Council previously considered this item or a closely related one?  
No.

**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?  
N/A

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:**  \_\_\_\_\_

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING ORDINANCE NO. 016528 TO MODIFY REQUIREMENTS FOR MEMBERSHIP ON THE BOARD OF DIRECTORS OF THE TAX REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS.**

**WHEREAS**, by Ordinance No. 016528, adopted December 19, 2006, the City of El Paso City Council designated Tax Increment Reinvestment Zone Number Five (“the Zone”) pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code (the “Act”), establishing the boundaries of the Zone; creating a Board of Directors (the “Board”); providing an effective and termination date for the Zone; and containing other provisions related thereto; and

**WHEREAS**, Ordinance No. 016528 has been amended multiple times since its enactment, including by Ordinances Nos. 016803 and 016804 on December 18, 2007; by Ordinance No. 017821 on July 17, 2012; by Ordinance No. 017861 on August 28, 2012; and by Ordinance No. 018049 July 30, 2013; and

**WHEREAS**, in 2006 when Ordinance No. 016528 was adopted, Section 311.009 (a) of the Act provided that each taxing unit that levied taxes within the Zone could appoint a member of the Board regardless of whether the taxing unit contributed tax increment to the tax increment fund for the Zone; and

**WHEREAS**, in 2006 when Ordinance No. 016528 was adopted, Section 311.009 (e) (1) of the Act provided that, to be eligible for appointment to the Board, an individual had to be a qualified voter of the municipality or county that created the Zone or own real property in the Zone; and

**WHEREAS**, House Bill 2853, which was passed by the 82<sup>nd</sup> Texas Legislature and took effect on June 17, 2011, amended portions of Section 311.009 of the Act; and

**WHEREAS**, pursuant to Section 311.009 (a) of the Act, as amended by House Bill 2853, a taxing unit may no longer appoint a member to the Board if the taxing unit does not contribute tax increment to the Zone; and

**WHEREAS**, pursuant to Section 311.009 (e) (1) of the Act, as amended by House Bill 2853, to be eligible for appointment to the Board by the City, an individual must be a resident of the county in which the Zone is located (or a resident of the adjacent county) or own real property in the Zone; and

**WHEREAS**, the City Council recognizes that the amendments made by House Bill 2853 prevail over any conflicting provisions of Ordinance No. 016528 and hereby amends Ordinance No. 016528 to reflect the current version of Section 311.009 of the Act.

ORDINANCE NO. \_\_\_\_\_

16-1007-1779 | 864892 | Amendment – TIRZ 5 Board Eligibility | rab

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

1. That Section 4 of Ordinance No. 016528 is hereby amended to read as follows:

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 nine (9) members appointed by the Mayor with the approval of the City Council. Each year, the Mayor, with the approval of the City Council, shall appoint one member of the Board to serve as chair for a term of one year consistent with Section 311.009 (f) of the Act. The Board may elect a vice-chair and such other officers as the Board considers appropriate.

Additionally, each Taxing Unit that levies real property taxes in the Zone may appoint one member of the Board if the Taxing Unit contributes all or part of the tax increment produced by the Unit into the Zone’s tax increment fund. The number of directors on the Board shall be increased by one for each Taxing Unit that appoints a director to the Board, provided that the maximum number of directors shall not exceed fifteen (15).

All persons appointed must meet the eligibility requirements of Section 311.009 (e) (1) of the Act, as amended, 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;
- (i) Strong desire for public service, but no an elected official.

Members of the Board are appointed for terms of two years. City-appointed members shall serve staggered terms. During the initial year of the Board, or should there ever be a vacancy of the entire Board, five members of the Board shall be appointed for two year terms, and four members of the Board shall be appointed for one year terms. Thereafter, all terms shall be two years. A vacancy on the Board is filled for the unexpired term by appointment of the Taxing Unit that appointed the director who served in the vacant position. Upon expiration of a term, replacements to the Board shall be appointed for a two year term, in the same manner as originally appointed.

2. Except as expressly herein amended, Ordinance No. 016528 shall remain in full force and effect.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2019.


**CITY OF EL PASO**

\_\_\_\_\_  
Dee Margo  
Mayor

**ATTEST:**

\_\_\_\_\_  
Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**

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

**APPROVED AS TO CONTENT:**

  
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Jessica Herrera, Director  
Economic & Int'l Development