

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

**DEPARTMENT:** Planning and Inspections Department

**AGENDA DATE:** First Reading: May 30, 2017  
Second Reading: June 13, 2017

**CONTACT PERSON:** Elizabeth Triggs, (915) 212-1500,  
[TriggsEK@elpasotexas.gov](mailto:TriggsEK@elpasotexas.gov)

**DISTRICT(S) AFFECTED:** District 5

**SUBJECT:**

An ordinance approving a project and financing plan for Tax Increment Reinvestment Zone Number Nine, City of El Paso, Texas; making various findings related to such plan; providing for severability; and providing an effective date.

**BACKGROUND / DISCUSSION:**

On May 16, 2017, the City of El Paso City Council created Tax Increment Reinvestment Zone Number Nine. The purpose of the Zone is to fund a portion of the construction costs and maintenance costs associated with the Eastside Sports Complex as well as other public spaces and infrastructure. The creation of a public improvement district (PID) is also being contemplated to fund a portion this same project. In 2012, partial funding for the Eastside Sports Complex was approved by City of El Paso voters as part of the quality of life bonds; together funds generated from the proposed TIRZ and PID would fund Phase II of the park's construction costs. This ordinance, if approved, adopts the final project and financing plan for TIRZ No. 9 and serves as the guiding document for projects undertaken within the Zone.

**Attachments:**

Ordinance Adopting the Final Plan for TIRZ No. 9  
Exhibit A –Tax Increment Reinvestment Zone 9 Final Project & Financing Plan

**PRIOR COUNCIL ACTION:**

In March 2016, City Council approved a development agreement, which identifies the area for the proposed TIRZ and outlines how that area will be developed. On May 16, 2017, City Council approved an ordinance designating the Zone, known as Tax Increment Reinvestment Zone Number 9.

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**BOARD / COMMISSION ACTION:**

As required by Section 311.011(d) of the Texas Tax Code, the TIRZ No. 9 Board of Directors must adopt the final plan prior to adoption of the plan by the El Paso City Council.

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

**DEPARTMENT HEAD:** Mathew S. McElroy, Director  
International Bridges Department

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**AN ORDINANCE APPROVING A PROJECT AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER NINE, CITY OF EL PASO, TEXAS; MAKING VARIOUS FINDINGS RELATED TO SUCH PLAN; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, as authorized by Chapter 311 of the Texas Tax Code (the “**Act**”) and pursuant to Ordinance No. 018680, adopted by the City Council of the City of El Paso, Texas (the “**City**”) on May 16, 2017, the City created Tax Increment Reinvestment Zone Number Nine, City of El Paso, Texas (the “**Zone**”); and

**WHEREAS**, on May 30, 2017, the board of directors of the Zone (the “**Board**”) adopted a Project and Financing Plan for the Zone, which is attached hereto as Exhibit “**A**” (the “**Plan**”), as requested by Section 311.011(a) of the Act; and

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

**Section 1. Findings.**

That the City Council hereby makes the following findings of fact:

- 1.1 The statements and facts set forth in the recitals of this Ordinance are true and correct.
- 1.2 That the Plan includes all information required by Section 311.011 of the Act.
- 1.3 That the Plan is feasible and the project plan conforms to the City’s comprehensive plan.

**Section 2. Approval of Plan.**

That based on the findings set forth in Section 1 of this Ordinance, the Plan is hereby approved.

**Section 3. Severability.**

That if any portion, section or part of a section of this Ordinance is subsequently declared invalid, inoperative or void for any reason by a court of competent jurisdiction, the remaining portions, sections or parts of sections of this Ordinance shall be and remain in full force and effect and shall not in any way be impaired or affected by such decision, opinion or judgement.

**Section 4. Effective Date.**

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the City Charter.

**PASSED AND ADOPTED** on this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**CITY OF EL PASO**

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Oscar Leeser  
Mayor

**ATTEST:**

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Richarda Duffy Momsen  
City Clerk

**APPROVED AS TO FORM:**



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Karla M. Meman  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

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Mathew S. McElroy, Director  
International Bridges Department

# *Exhibit A*

## Eastside Sports Complex Tax Increment Reinvestment Zone 9 Final Project & Financing Plan

City of El Paso, Texas  
May 19, 2017



Prepared by



**TXP, Inc.**  
1310 South 1st Street, Suite 105  
Austin, Texas 78704  
(512) 328-8300 phone  
[www.txp.com](http://www.txp.com)

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# *Exhibit A*

## **Section 1 – Project Plan**

### **Overview**

The City of El Paso, Texas is considering implementing a tax increment reinvestment zone (TIRZ) and public improvement district (PID) to fund a portion of the construction costs and maintenance costs associated with the Eastside Sports Complex as well as other public spaces and infrastructure. In 2012, partial funding for the Eastside Sports Complex was approved by City of El Paso voters as part of the quality of life bonds. The proposed new zone would be named TIRZ District Number 9 – Eastside Sports Complex (TIRZ 9).

In March 2016, the City of El Paso, the El Paso Water Utilities Public Service Board, and Ranchos Real Land Holdings, LLC entered into a development agreement that outlines how the area within the TIRZ will be developed, how a PID (including assessment and duration) will be managed, and the development of the Eastside Sports Complex. The policy guidelines contained in development agreement provide the overarching framework for the proposed TIRZ including the development potential of the area and related infrastructure.

This document is designed to meet the legal requirements of designating a TIRZ and to provide guidance for the TIRZ Board that would be established to manage TIRZ 9. The statutes governing tax increment financing (TIF) are located in Chapter 311 of the State of Texas Tax Code.

This feasibility study and project plan is required by state law. However, to assist the City of El Paso in understanding the overall financing of the project, TXP has included the revenue projects for both the PID and TIRZ. The PID would be created by the City of El Paso as part of a separate process.

### **Existing Tax Increment Financing Districts in the City of El Paso**

The City of El Paso has four active TIRZs. According to state law, a city may not create a new TIRZ if more than 30.0 percent of the property in the proposed new reinvestment zone is used for residential purposes at the time of designation. In addition, the total appraised value of taxable real property in the proposed reinvestment zone and in the existing reinvestment zones may not exceed 25.0 percent of the total appraised value of taxable real property within the city and its industrial districts. The proposed TIRZ 9 complies with these rules.

# Exhibit A

**Table 1: Existing Tax Increment Reinvestment Zones in the City of El Paso (Appraised Value)**

Tax Increment Reinvestment Zone	2016 Certified
TIRZ 5 – Downtown	\$311,385,796
TIRZ 6 – Medical Center of the Americas	\$0
TIRZ 7 – Northgate Transit-Oriented Redevelopment Project	\$0
TIRZ 8 –	\$0
TIRZ 9 – Eastside Sports Complex (Proposed)	\$10,516,608
TIRZ Total	\$321,902,404
City of El Paso Total Real Property	\$27,870,227,162
TIRZs as a % of City of El Paso	1.2%

Source: El Paso Central Appraisal District, City of El Paso, TXP

**Description of the Tax Increment Reinvestment Zone 9**

The proposed TIRZ 9 will cover 788.8 acres. The proposed TIRZ will include the following:

- All of Tierra Del Este III Phase V which consists of approximately 610 acres.
- A portion of Tierra Del Este III Phase IV which consists of approximately 80 acres where the proposed sports complex improvements would be located.
- A portion of Tierra Del Este III Phase I.
- A portion of Tierra Del Este III Phase II.
- A portion of Tierra Del Este III Phase IV.

There are two parcels that are not completely within the TIRZ boundary. One property is owned by the City of El Paso. The other property segment is dedicated to a future road named Honey Dew. While this acreage should be included in the legal description of the TIRZ, TXP has assumed the Appraisal District would give a \$0 taxable value for these areas.

The 2016 base taxable property value of the TIRZ is \$10,516,608. By law, the baseline value must use 2017 values, but the certified totals will not be available until the fall of 2017. Because some properties were recently annexed by the City of El Paso (2016), the El Paso Central Appraisal District does not have a City of El Paso value for these parcels in the 2016 appraisal roll. For these properties, TXP used the 2016 El Paso County taxable value.

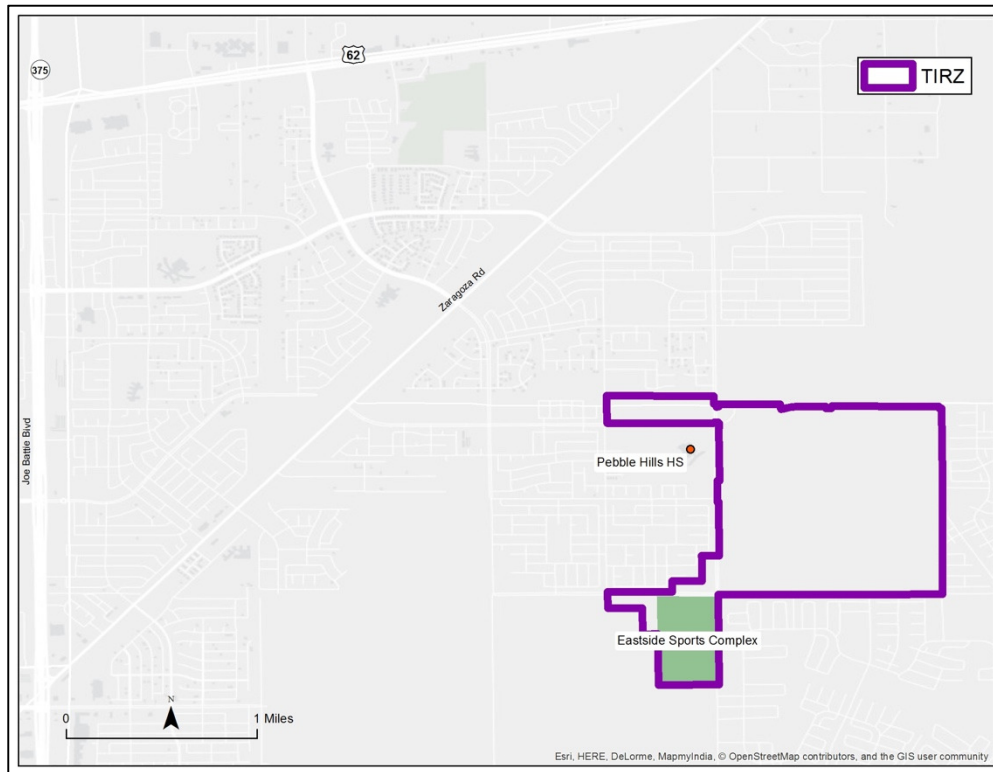
**Table 2: Existing Land Use & Real Property Value (2016) of the Proposed TIRZ**

Land Use	Parcel Count	Acreage	Estimated City Taxable Value
Farm/Ranch Land	5	27.3	\$320,533
Vacant	10	669.6	\$10,196,075
Totally Exempt	4	92.0	\$0
<b>Grand Total</b>	<b>19</b>	<b>788.9</b>	<b>\$10,516,608</b>

Source: El Paso Central Appraisal District

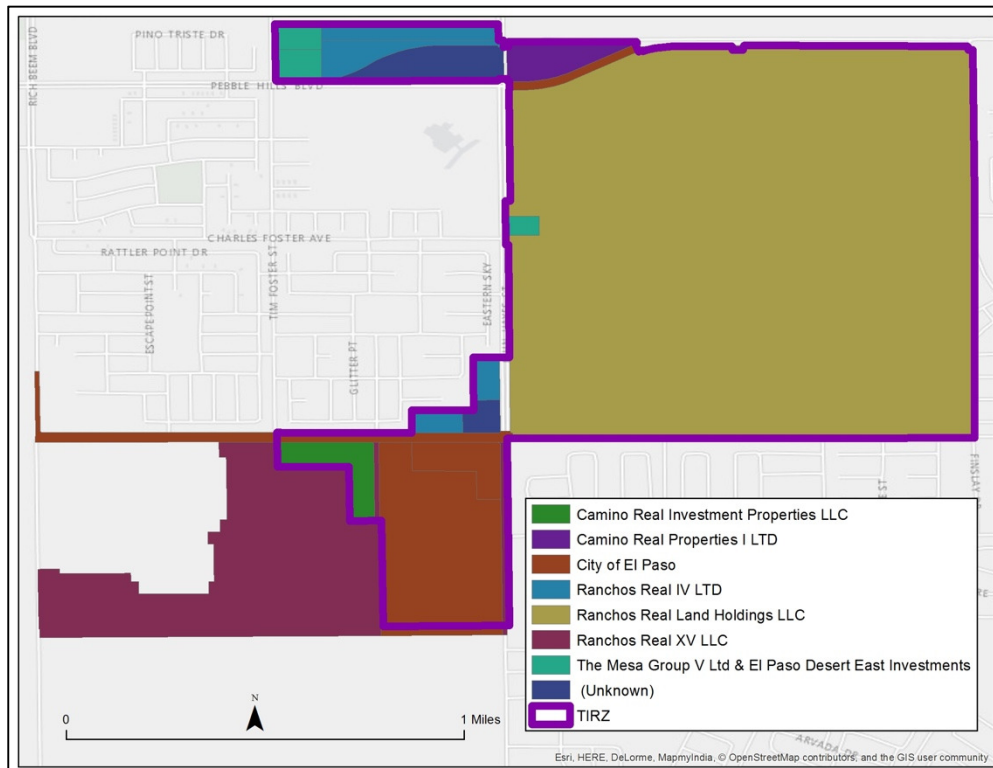
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Figure 1: Proposed TIRZ 9 Geographic Boundary



Source: TXP

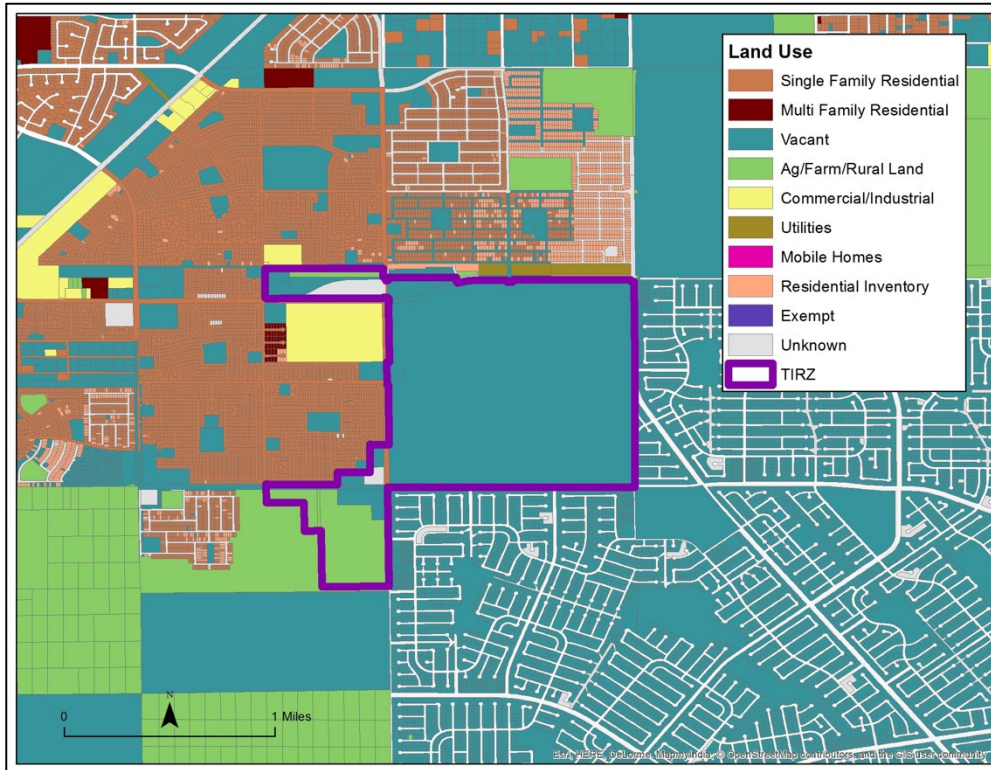
Figure 2: Proposed TIRZ 9 Ownership (2016) Map



Source: TXP

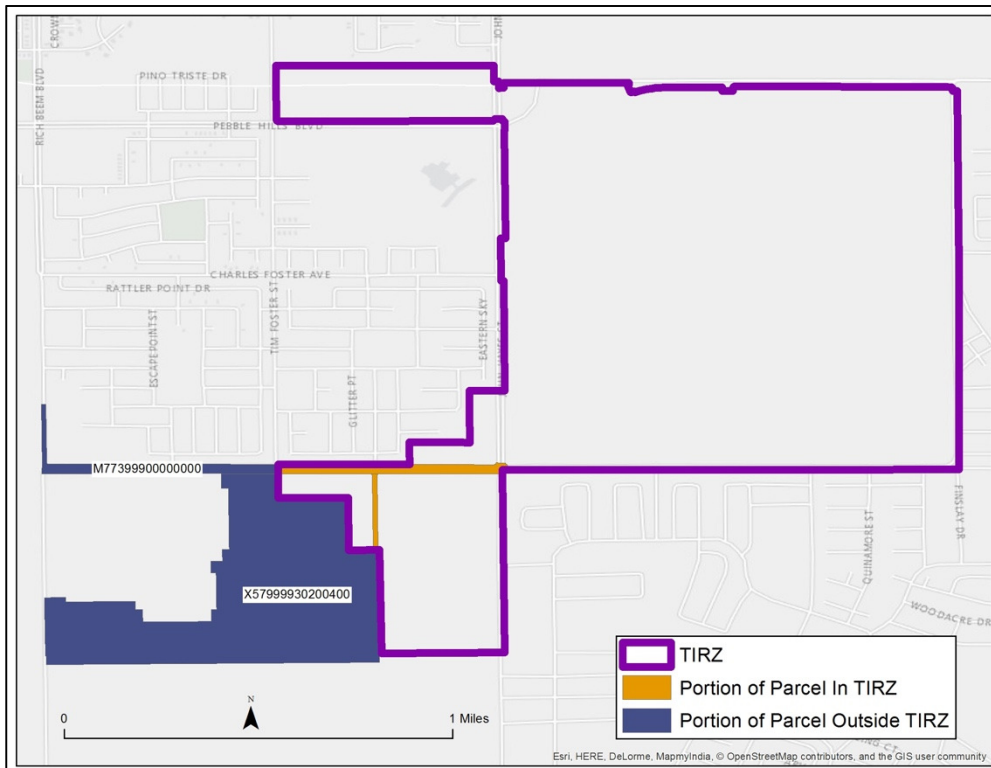
# Exhibit A

Figure 3: Current Land Use (2016) Around the Proposed TIRZ



Source: El Paso Central Appraisal District

Figure 4: Partial Parcel in TIRZ 9 Geographic Boundary



Source: El Paso Central Appraisal District

# Exhibit A

## **Existing Zoning and Land Use Guidelines Applicable to TIRZ 9**

The development agreement between the City of El Paso and Ranchos Real Land Holdings, LLC outlines how the area within the TIRZ will be developed, how a PID (including assessment and duration) will be managed, and the development of the Eastside Sports Complex. The policy guidelines contained in development agreement provide the overarching framework for the proposed TIRZ including the development potential of the area and related infrastructure. Existing City of El Paso land use and zoning guidelines and policies would apply to issues not addressed by the development agreement.

The following table describes the expected build out of the residential phases of the TIRZ. Other land uses such as a school, commercial space, and neighborhood parks are also anticipated in the area.

**Table 3: Tierra Del Este III Phase V Housing Units by Section**

<b>Section</b>	<b>Estimated Number of Housing Units</b>
Section 73	186
Section 74	269
Section 81	795
Section 83	1,000
<b>Total Housing Units</b>	<b>2,250</b>

Source: Ranchos Real Land Holdings, LLC

## **Taxing Jurisdictions Applicable to TIRZ**

The proposed TIRZ 9 is located within the following taxing jurisdictions: City of El Paso, El Paso County, Socorro I.S.D, El Paso Community College, and the University Medical Center of El Paso.

## **Proposed Changes in Master Plans, Zoning Ordinances, and Building Codes**

There are no anticipated changes to the master development and zoning ordinances.

## **Relocation of Displaced Persons**

This plan currently does not call for nor anticipate the displacement and relocation of persons for the proposed projects.

## Section 2 – Project Plan Improvements

TIRZ 9 will provide support for catalytic infrastructure and economic development projects that will facilitate the development of properties within the zone. A significant amount of public infrastructure investment is required to develop the Eastside Sports Complex. This is the priority project of TIRZ 9 and the proposed PID. Additional infrastructure and enhancement projects are included in the project plan if the resources are available. In addition, other projects might be added to the list as future development projects and related opportunities present themselves. The anticipated project costs are divided into five major categories. Based on the revenue forecast and priority of the Eastside Sports Complex, it is anticipated that most these expenses will occur within 5 years of the TIRZ being established.

### Eligible Project Costs

#### **1. Parks & Streetscape Enhancements**

This category includes gateway features, linear parks, corridor landscaping, public plazas, etc. The Eastside Sports Complex falls under this category.

#### **2. Infrastructure Improvements**

This category includes water, sanitary sewer and storm water improvements, roadway and street intersection enhancements, public transportation, relocation of aboveground utilities, public sidewalks, etc.

#### **3. Economic Development Grants**

It is anticipated that economic development loans or grants might be made to assist in implementing the project plan. The City, with advisement from the TIRZ Board shall have the authority to establish and administer economic development programs, including but not limited to grants and loans, authorized under Chapter 380 of the Texas Local Government Code. Should such loans or grants be made, it will be done with the intent to fulfill the public purposes of developing and diversifying the economy, eliminating unemployment or underemployment, and developing or expanding transportation, business, and commercial activity in the TIRZ.

#### **4. Non-Project Costs**

It is not possible to quantify other non-project costs at this time, other than to say that they are anticipated. However, these costs should not exceed TIRZ 9 revenue less other costs delineated in the project plan. Consultants, engineers, surveyors, and other costs incurred not related to the other categories and other unforeseen costs are included in this category.

# Exhibit A

## 5. Administration & Implementation

Administration costs, including reasonable charges for time spent by City of El Paso employees, will be eligible for reimbursement as project costs. Administration costs are estimated at \$10,000 per year.

### Summary of Project Costs

The total estimated cost of TIRZ 9 public infrastructure investment in the district is approximately \$13,631,349 (\$2017). The following table summarizes the anticipated project costs and type of investment.

As described in Section 3 – Financing Plan, TIRZ 9 could generate between \$38.8 million and \$42.3 million in nominal incremental tax revenue. Depending on how the PID funds are used and debt issuance, this might provide TIRZ 9 with financial resources beyond what is required for the Eastside Sports Complex. These financial resources could be used for any project category outlined above. TXP has not allocated these funds to a category because it is not possible to determine the level of assistance necessary for additional public infrastructure projects.

**Table 4: Summary of Major Public Infrastructure Costs by Project Category**

Category	Estimated Costs (\$2017)
Park & Streetscape Enhancements	\$13,631,349
Infrastructure Improvements	TBD
Economic Development Grants	TBD
Non-Project Costs	TBD
Administration & Implementation	\$300,000
<b>Total</b>	<b>\$13,931,349</b>

Source: TXP

**Table 5: Park & Streetscape Enhancements Infrastructure Improvements Estimated Costs**

Project Component	Estimated Cost
<b>Phase I - Additional Features</b>	<b>\$456,490</b>
<b>Phase II - Design/Build</b>	<b>\$11,751,351</b>
FF&E	\$100,000
IT Equipment	\$250,000
Admin Costs	\$467,200
Materials Testing	\$250,000
Contract Const Mgmt	\$200,000
Construction	\$9,531,047
Contingency	\$953,105
<b>Developer's Agreement</b>	<b>\$1,423,507</b>
<b>Total Cost</b>	<b>\$13,631,349</b>

Source: City of El Paso

## Section 3 – Financing Plan

Tax increment financing is a tool used by local governments to publicly finance needed infrastructure and other improvements within a defined area. These improvements usually are undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the area. The statutes governing tax increment financing are located in Chapter 311 of the State of Texas Tax Code.

The costs of improvements in the defined zone are repaid by the contribution of future property tax revenues by each taxing unit that levies taxes against the property. Specifically, each taxing unit can choose to dedicate all, a portion, or none of the tax revenue that is attributable to the increase in property values due to the improvements within the reinvestment zone. The additional tax revenue that is received from the affected properties is referred to as the tax increment. Each taxing unit determines what percentage of its tax increment, if any, it will commit to repayment of the cost of financing the public improvements.

Given the costs outlined in the project plan, it is appropriate for the City of El Paso to implement a tax increment reinvestment zone to help pay for these expenses. While cities and municipalities can allocate a portion of sales tax revenue to a TIRZ, this financing plan assumes the City of El Paso only contributes incremental property tax revenue.

As part of the process when creating a reinvestment zone for tax increment financing purposes, the City of El Paso will create a TIRZ Board for the reinvestment zone. Based on state law and in conjunction with the City of El Paso, the TIRZ Board may periodically recommend amendments and changes to the financial policies of the TIRZ.

The financing plan assumes TIRZ 9 is designed for a thirty (30) year term. The TIRZ 9 base year is 2017. The collection period for tax increment revenues shall begin on January 1, 2018 and end on December 31, 2047. Note, TIRZ tax revenue is typically collected the following calendar year based on an accounting of which property owners actually made payments to the tax office.

### **Compliance & Reporting**

The TIRZ Board policies shall comply with all federal, state, and local laws, rules and regulations. The TIRZ Board will submit project status reports and financial reports as required by state law.

# Exhibit A

## **Public Sector Entities Participating in TIRZ 9**

All project costs will be paid through the contribution of incremental property taxes and PID collections. No other property taxing jurisdiction will contribute any incremental revenue to the TIRZ. This plan assumes that the City of El Paso will contribute 42.5 percent of its maintenance and operations (M&O) and interest and sinking (I&S) ad valorem tax rate for 30 years. For 2016, the combined ad valorem M&O and I&S tax rate was 0.759656 per \$100 valuation.

## **General Financial Policies & Guidelines**

TIRZ 9 and the PID will use a combination of methods to pay for or reimburse the costs outlined in the project plan. Because each agreement is unique, the nature and extent of support from TIRZ 9 will evolve over time. A past agreement creates no obligation for TIRZ 9 to enter into a similar agreement in the future.

- **Debt Financing** – The City of El Paso and TIRZ Board may use bonds or other debt obligations to aid in the funding of projects within TIRZ 9. The financial projections that follow do not, by themselves, create a marketable basis for debt financing. Therefore, any debt to be issued to pay for public infrastructure prior to the collection of actual TIRZ 9 revenues is likely to require credit support from the City of El Paso. The bonding capacity and credit-worthiness of TIRZ 9 should be a function of its performance.
- **Grants from the City of El Paso** – The City of El Paso could directly fund infrastructure projects. The City of El Paso would be reimbursed by the TIRZ. This funding option does not generate “extra” money for the TIRZ, but rather it creates upfront resources to develop the infrastructure immediately.
- **Reimburse Developers and Landowners** – The TIRZ Board will recommend guidelines and policies for consideration by the City Council for developer funded and built infrastructure improvements outlined in the project plan. Reimbursement payments are made based on available TIRZ increment. Any public improvement infrastructure costs incurred by a developer shall be paid solely from TIRZ 9 revenues and shall never constitute a debt, indebtedness, or a pledge of the faith and credit or taxing power of the City of El Paso.
- **Economic Development Grants** – Economic development loans or grants might be made to assist in implementing the project plan. The City with recommendations and input from the TIRZ Board shall have the authority to establish and administer economic development programs, including but not limited to grants and loans, authorized under Chapter 380 of the Texas Local Government Code.

# Exhibit A

## Financial Forecast Assumptions

The initial funding source for the improvements to the Eastside Sports Complex will come from debt issued by the City of El Paso. The debt payments will be structured so that the revenue from the PID and TIRZ will reimburse the City of El Paso. To assist the City of El Paso in understanding the overall financing of the project, TXP has included the revenue projects for both the PID and TIRZ.

## Financial Forecast Assumptions

- **TIRZ Duration** – TXP has assumed the TIRZ will have a 30-year lifespan.
- **TIRZ Allocation** – TXP has assumed the City of El Paso will allocate 42.5 percent of total ad valorem tax collections.
- **Tax Rate** – While tax rates do change over time, the 2016 tax rate (\$0.759656 per \$100 valuation) was held constant for the duration of the TIRZ.
- **Existing Properties** – The 2016 base taxable property value of the TIRZ is \$10,516,608. By law, the baseline value must use 2017 values, but the certified totals will not be available until the fall of 2017. To be conservative, any appreciation of these properties is excluded from the TIRZ tax revenue calculations. Because some properties were recently annexed by the City of El Paso, the El Paso Central Appraisal District does not have a City of El Paso value for these parcels in the 2016 appraisal roll. For these properties, TXP used the 2016 El Paso County taxable value. For this forecast, TXP used the 2016 taxable value for the 2017 baseline. This should be updated when the El Paso Central Appraisal District releases the certified 2017 data.
- **Real Property** – Only taxable real property values are included in the tax increment calculations. By law, business personal property values are excluded from TIRZ.
- **Inflation & Appreciation Rate** – The inflation rate used for construction costs and the value of improvements is 2.0 percent per year.
- **Net Present Value** – The net present values of the tax increment were calculated at a discount rate of 4.0 percent.
- **Taxable Value per Commercial Square Foot** – Based on conversations with the developer, the commercial sections of the PID and TIRZ will probably not develop within the next 15 years. Therefore, TXP has excluded commercial development from the TIRZ forecast. Note, the commercial space is not subject to the PID assessment.

# Exhibit A

## Development Scenarios

Demand for real estate over time is directly connected to the performance of a regional economy, as net new job creation and household formation creates the need for new commercial and residential space. For analysis, three development scenarios are included in this document, all of which assume a 15-year horizon. The major difference between each scenario is the starting price of each unit and absorption rate.

- **Scenario 1 (Developer Build Out)** – This forecast represents information provided by the developer during interviews.
- **Scenario 2 (Comparable Home Value)** – This forecast uses the assumptions in the developer build out scenario. However, this forecast incorporates additional data regarding the assessed value of comparable homes at adjacent completed Tierra Del Este phases.
- **Scenario 3 (Market Absorption)** – Is based on a blend of the developer build out and comparable home value forecast models. Overall, this scenario has been adjusted downward to reflect it taking longer to absorb this much new developable land. This scenario assumes Section 74 takes longer to develop.

**Table 6: Scenario 1 (Developer Build Out) Development Assumptions**

Section	Housing Units	Avg. Home Value (2017)	Years to Build Out
Section 73	186	\$200,000	3
Section 74	269	\$350,000	5
Section 81	795	\$175,000	3
Section 83	1,000	\$175,000	3

Source: TXP, Ranchos Real Land Holdings, LLC

**Table 7: Scenario 2 (Comparable Home Value) Development Assumptions**

Section	Housing Units	Avg. Home Value (2017)	Years to Build Out
Section 73	186	\$155,000	3
Section 74	269	\$350,000	5
Section 81	795	\$155,000	3
Section 83	1,000	\$155,000	4

Source: TXP, Ranchos Real Land Holdings, LLC

**Table 8: Scenario 3 (Market Absorption) Development Assumptions**

Section	Housing Units	Avg. Home Value (2017)	Years to Build Out
Section 73	186	\$150,000	3
Section 74	269	\$350,000	12
Section 81	795	\$150,000	4
Section 83	1,000	\$150,000	5

Source: TXP, Ranchos Real Land Holdings, LLC

# Exhibit A

## **TIRZ & PID Revenue Projections**

As part of the validation process, TXP collected information on similar developments in the area around the TIRZ. Currently, there are three completed Tierra Del Este Phases in the area. The 2016 assessed value of a home in the area was between \$140,000 and \$160,000. This includes the cost of the land and housing structure. In 2016, the Texas A&M Real Estate Research Center reports the average value of a new home built excluding the land in El Paso County was \$164,654. Tierra Del Este Phases I and Phases II are similar in terms of total housing units built and absorbed. Each of these two phases built an average of 300 to 350 units per year over the life of the project.

**Table 9: Estimated Assessed Value per Housing (land and structure) Units by Year of Adjacent Tierra Del Este Phases**

Year	Phase I	Phase II	Phase III
2012	\$136,040	\$133,871	NA
2013	\$148,148	\$139,112	NA
2014	\$155,936	\$137,626	\$142,283
2015	\$159,096	\$142,580	\$153,041
2016	\$158,876	\$138,742	\$157,217

Source: TXP, El Paso Central Appraisal District

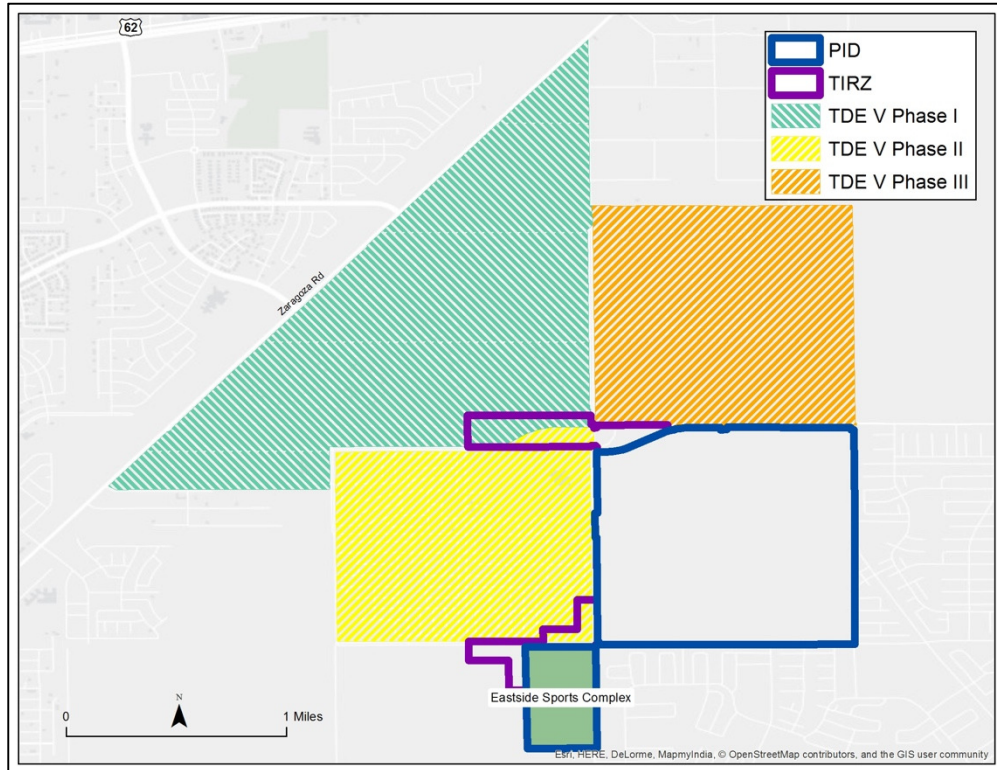
**Table 10: Estimated Number of Housing Units Completed by Year of Adjacent Tierra Del Este Phases**

Year	Phase I	Phase II	Phase III	Total
2006	1	0	0	1
2007	94	0	0	94
2008	594	0	0	594
2009	375	2	0	377
2010	587	386	0	973
2011	375	674	0	1,049
2012	244	756	0	1,000
2013	107	175	508	790
2014	277	50	531	858
2015	139	10	103	252
2016	0	1	0	1
<b>Total</b>	<b>2,793</b>	<b>2,054</b>	<b>1,142</b>	<b>5,989</b>

Source: TXP, El Paso Central Appraisal District

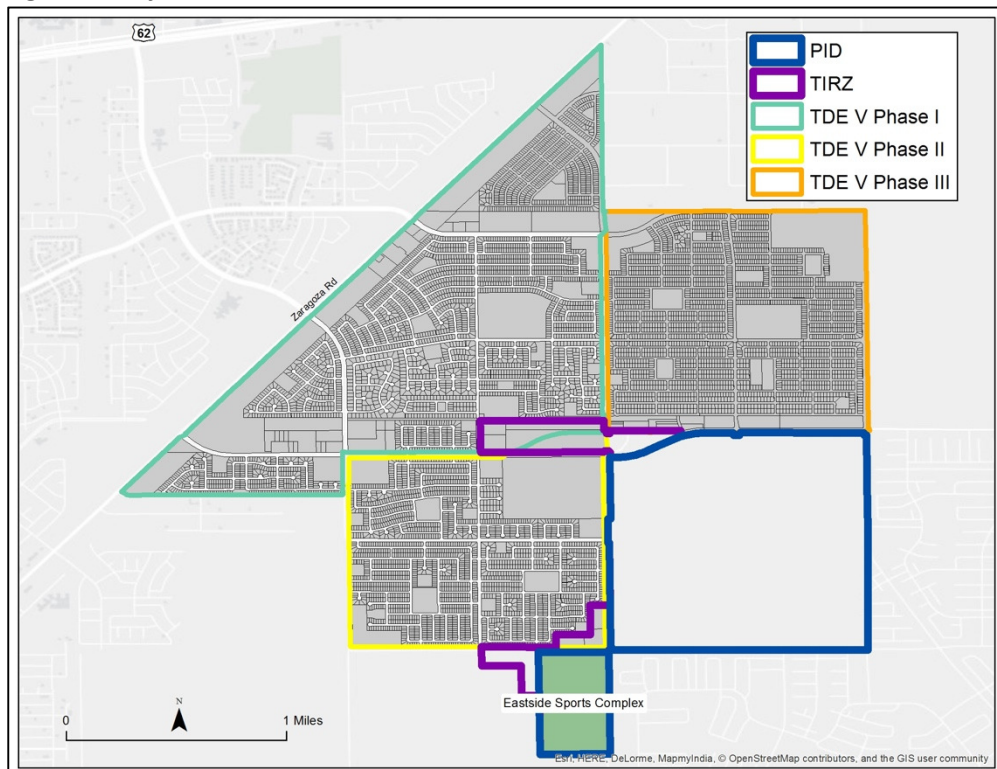
# Exhibit A

**Figure 5: Adjacent Tierra Del Este III Phases**



Source: El Paso Central Appraisal District

**Figure 6: Adjacent Tierra Del Este III Phases Parcel Outlines**



Source: El Paso Central Appraisal District

# *Exhibit A*

## **Financial Forecast Summary Results**

The following tables depict the anticipated number of units completed by year as well as the combined revenue for the PID and TIRZ for each of the three scenarios. All scenarios indicated sufficient revenue is generated to pay for the Eastside Sports Complex.

The PID forecast is driven by the number of lots sold each year by the developer as outlined in the development agreement. The PID assessment is charged and collected whether or not a home is built. The TIRZ forecast is determined by the number of lots sold, homes built, the value of each unit, and appreciation. Based on market forces, TXP assumes lot sales and home construction will occur in the same calendar year. While this will not always be correct, it provides a reasonable assumption for the model.

The revenue forecast assumes the PID and TIRZ are established in 2017 (baseline year). The first TIRZ increment will occur in 2018 (total 2018 value less 2017 baseline value). Note, 2018 taxes are not due until January 2019.

The PID assessment will also be billed as part of the annual property tax notice. Similar to property taxes, the determination of lots sold will occur in the first quarter of each year. For example, any lots sold by the master developer and subject to the PID assessment in the summer or fall of a given year, will not be charged a PID assessment until the following year. The timing of when lots are sold and recorded will only impact the PID until all lots are sold.

# Exhibit A

**Table 11: Total Housing Units Subject to PID by Year by Scenario**

Year	1 – Developer Build Out	2 – Comparable Home Value	3 – Market Absorption
2017	116	116	84
2018	830	747	568
2019	1,544	1,377	1,051
2020	2,196	1,946	1,472
2021	2,250	2,250	1,893
2022	2,250	2,250	2,116
2023	2,250	2,250	2,138
2024	2,250	2,250	2,160
2025	2,250	2,250	2,183
2026	2,250	2,250	2,205
2027	2,250	2,250	2,228
2028	2,250	2,250	2,250
2029	2,250	2,250	2,250
2030	2,250	2,250	2,250
2031	2,250	2,250	2,250
2032	2,134	2,134	2,166
2033	1,420	1,503	1,682
2034	706	873	1,199
2035	54	304	778
2036	0	0	357
2037	0	0	134
2038	0	0	112
2039	0	0	90
2040	0	0	67
2041	0	0	45
2042	0	0	22
2043	0	0	0
2044	0	0	0
2045	0	0	0

Source: TXP

# Exhibit A

**Table 12: Scenario 1 (Developer Build Out) Estimated TIRZ Revenue Forecast**

Year of TIRZ/PID	Calendar Year	Total Taxable Value	Less Baseline 2017 Value	Total El Paso Tax Revenue	Allocation to TIRZ 9
0	2017	\$10,516,608	\$0	\$0	\$0
1	2018	\$31,230,000	\$20,713,392	\$157,351	\$66,874
2	2019	\$170,511,700	\$159,995,092	\$1,215,412	\$516,550
3	2020	\$315,352,176	\$304,835,568	\$2,315,702	\$984,173
4	2021	\$452,759,087	\$442,242,479	\$3,359,522	\$1,427,797
5	2022	\$482,196,466	\$471,679,858	\$3,583,144	\$1,522,836
6	2023	\$491,840,396	\$481,323,788	\$3,656,405	\$1,553,972
7	2024	\$501,677,204	\$491,160,596	\$3,731,131	\$1,585,731
8	2025	\$511,710,748	\$501,194,140	\$3,807,351	\$1,618,124
9	2026	\$521,944,963	\$511,428,355	\$3,885,096	\$1,651,166
10	2027	\$532,383,862	\$521,867,254	\$3,964,396	\$1,684,868
11	2028	\$543,031,539	\$532,514,931	\$4,045,282	\$1,719,245
12	2029	\$553,892,170	\$543,375,562	\$4,127,785	\$1,754,309
13	2030	\$564,970,013	\$554,453,405	\$4,211,939	\$1,790,074
14	2031	\$576,269,414	\$565,752,806	\$4,297,775	\$1,826,554
15	2032	\$587,794,802	\$577,278,194	\$4,385,328	\$1,863,765
16	2033	\$599,550,698	\$589,034,090	\$4,474,633	\$1,901,719
17	2034	\$611,541,712	\$601,025,104	\$4,565,723	\$1,940,432
18	2035	\$623,772,546	\$613,255,938	\$4,658,636	\$1,979,920
19	2036	\$636,247,997	\$625,731,389	\$4,753,406	\$2,020,198
20	2037	\$648,972,957	\$638,456,349	\$4,850,072	\$2,061,281
21	2038	\$661,952,416	\$651,435,808	\$4,948,671	\$2,103,185
22	2039	\$675,191,465	\$664,674,857	\$5,049,242	\$2,145,928
23	2040	\$688,695,294	\$678,178,686	\$5,151,825	\$2,189,526
24	2041	\$702,469,200	\$691,952,592	\$5,256,459	\$2,233,995
25	2042	\$716,518,584	\$706,001,976	\$5,363,186	\$2,279,354
26	2043	\$730,848,955	\$720,332,347	\$5,472,048	\$2,325,620
27	2044	\$745,465,934	\$734,949,326	\$5,583,087	\$2,372,812
28	2045	\$760,375,253	\$749,858,645	\$5,696,346	\$2,420,947
29	2046	\$775,582,758	\$765,066,150	\$5,811,871	\$2,470,045
30	2047	\$791,094,413	\$780,577,805	\$5,929,706	\$2,520,125
				<b>Total</b>	<b>\$54,531,125</b>

Source: TXP

# Exhibit A

**Table 13: Scenario 1 (Developer Build Out) Revenue Forecast Combined TIRZ 9 & PID**

Year of TIRZ/PID	Calendar Year	Year Money Received	TIRZ Revenue	PID Revenue	Total Revenue
0	2017	NA	\$0	\$0	\$0
1	2018	2019	\$66,874	\$23,200	\$90,074
2	2019	2020	\$516,550	\$166,000	\$682,550
3	2020	2021	\$984,173	\$308,800	\$1,292,973
4	2021	2022	\$1,427,797	\$439,200	\$1,866,997
5	2022	2023	\$1,522,836	\$450,000	\$1,972,836
6	2023	2024	\$1,553,972	\$450,000	\$2,003,972
7	2024	2025	\$1,585,731	\$450,000	\$2,035,731
8	2025	2026	\$1,618,124	\$450,000	\$2,068,124
9	2026	2027	\$1,651,166	\$450,000	\$2,101,166
10	2027	2028	\$1,684,868	\$450,000	\$2,134,868
11	2028	2029	\$1,719,245	\$450,000	\$2,169,245
12	2029	2030	\$1,754,309	\$450,000	\$2,204,309
13	2030	2031	\$1,790,074	\$450,000	\$2,240,074
14	2031	2032	\$1,826,554	\$450,000	\$2,276,554
15	2032	2033	\$1,863,765	\$450,000	\$2,313,765
16	2033	2034	\$1,901,719	\$426,800	\$2,328,519
17	2034	2035	\$1,940,432	\$284,000	\$2,224,432
18	2035	2036	\$1,979,920	\$141,200	\$2,121,120
19	2036	2037	\$2,020,198	\$10,800	\$2,030,998
20	2037	2038	\$2,061,281	\$0	\$2,061,281
21	2038	2039	\$2,103,185	\$0	\$2,103,185
22	2039	2040	\$2,145,928	\$0	\$2,145,928
23	2040	2041	\$2,189,526	\$0	\$2,189,526
24	2041	2042	\$2,233,995	\$0	\$2,233,995
25	2042	2043	\$2,279,354	\$0	\$2,279,354
26	2043	2044	\$2,325,620	\$0	\$2,325,620
27	2044	2045	\$2,372,812	\$0	\$2,372,812
28	2045	2046	\$2,420,947	\$0	\$2,420,947
29	2046	2047	\$2,470,045	\$0	\$2,470,045
30	2047	2048	\$2,520,125	\$0	\$2,520,125
<b>Total</b>			<b>\$54,531,125</b>	<b>\$6,750,000</b>	<b>\$61,281,125</b>
<b>Net Present Value</b>			<b>\$27,451,887</b>	<b>\$4,465,437</b>	<b>\$31,917,324</b>

Source: TXP, El Paso Central Appraisal District

# Exhibit A

**Table 14: Scenario 2 (Comparable Home Value) Estimated TIRZ Revenue Forecast**

Year of TIRZ/PID	Calendar Year	Total Taxable Value	Less Baseline 2017 Value	Total El Paso Tax Revenue	Allocation to TIRZ 9
0	2017	\$10,516,608	\$0	\$0	\$0
1	2018	\$28,440,000	\$17,923,392	\$136,156	\$57,866
2	2019	\$139,439,100	\$128,922,492	\$979,367	\$416,231
3	2020	\$254,866,788	\$244,350,180	\$1,856,221	\$788,894
4	2021	\$364,657,599	\$354,140,991	\$2,690,253	\$1,143,358
5	2022	\$434,277,195	\$423,760,587	\$3,219,123	\$1,368,127
6	2023	\$442,962,739	\$432,446,131	\$3,285,103	\$1,396,169
7	2024	\$451,821,993	\$441,305,385	\$3,352,403	\$1,424,771
8	2025	\$460,858,433	\$450,341,825	\$3,421,049	\$1,453,946
9	2026	\$470,075,602	\$459,558,994	\$3,491,067	\$1,483,704
10	2027	\$479,477,114	\$468,960,506	\$3,562,487	\$1,514,057
11	2028	\$489,066,656	\$478,550,048	\$3,635,334	\$1,545,017
12	2029	\$498,847,989	\$488,331,381	\$3,709,639	\$1,576,596
13	2030	\$508,824,949	\$498,308,341	\$3,785,429	\$1,608,807
14	2031	\$519,001,448	\$508,484,840	\$3,862,736	\$1,641,663
15	2032	\$529,381,477	\$518,864,869	\$3,941,588	\$1,675,175
16	2033	\$539,969,107	\$529,452,499	\$4,022,018	\$1,709,358
17	2034	\$550,768,489	\$540,251,881	\$4,104,056	\$1,744,224
18	2035	\$561,783,859	\$551,267,251	\$4,187,735	\$1,779,787
19	2036	\$573,019,536	\$562,502,928	\$4,273,087	\$1,816,062
20	2037	\$584,479,926	\$573,963,318	\$4,360,147	\$1,853,062
21	2038	\$596,169,525	\$585,652,917	\$4,448,948	\$1,890,803
22	2039	\$608,092,916	\$597,576,308	\$4,539,524	\$1,929,298
23	2040	\$620,254,774	\$609,738,166	\$4,631,913	\$1,968,563
24	2041	\$632,659,869	\$622,143,261	\$4,726,149	\$2,008,613
25	2042	\$645,313,067	\$634,796,459	\$4,822,269	\$2,049,464
26	2043	\$658,219,328	\$647,702,720	\$4,920,313	\$2,091,133
27	2044	\$671,383,715	\$660,867,107	\$5,020,317	\$2,133,635
28	2045	\$684,811,389	\$674,294,781	\$5,122,321	\$2,176,986
29	2046	\$698,507,617	\$687,991,009	\$5,226,365	\$2,221,205
30	2047	\$712,477,769	\$701,961,161	\$5,332,490	\$2,266,308
				<b>Total</b>	<b>\$48,732,882</b>

Source: TXP

# Exhibit A

**Table 15: Scenario 2 (Comparable Home Value) Revenue Forecast Combined TIRZ 9 & PID**

Year of TIRZ/PID	Calendar Year	Year Money Received	TIRZ Revenue	PID Revenue	Total Revenue
0	2017	NA	\$0	\$0	\$0
1	2018	2019	\$57,866	\$23,200	\$81,066
2	2019	2020	\$416,231	\$149,400	\$565,631
3	2020	2021	\$788,894	\$275,400	\$1,064,294
4	2021	2022	\$1,143,358	\$389,200	\$1,532,558
5	2022	2023	\$1,368,127	\$450,000	\$1,818,127
6	2023	2024	\$1,396,169	\$450,000	\$1,846,169
7	2024	2025	\$1,424,771	\$450,000	\$1,874,771
8	2025	2026	\$1,453,946	\$450,000	\$1,903,946
9	2026	2027	\$1,483,704	\$450,000	\$1,933,704
10	2027	2028	\$1,514,057	\$450,000	\$1,964,057
11	2028	2029	\$1,545,017	\$450,000	\$1,995,017
12	2029	2030	\$1,576,596	\$450,000	\$2,026,596
13	2030	2031	\$1,608,807	\$450,000	\$2,058,807
14	2031	2032	\$1,641,663	\$450,000	\$2,091,663
15	2032	2033	\$1,675,175	\$450,000	\$2,125,175
16	2033	2034	\$1,709,358	\$426,800	\$2,136,158
17	2034	2035	\$1,744,224	\$300,600	\$2,044,824
18	2035	2036	\$1,779,787	\$174,600	\$1,954,387
19	2036	2037	\$1,816,062	\$60,800	\$1,876,862
20	2037	2038	\$1,853,062	\$0	\$1,853,062
21	2038	2039	\$1,890,803	\$0	\$1,890,803
22	2039	2040	\$1,929,298	\$0	\$1,929,298
23	2040	2041	\$1,968,563	\$0	\$1,968,563
24	2041	2042	\$2,008,613	\$0	\$2,008,613
25	2042	2043	\$2,049,464	\$0	\$2,049,464
26	2043	2044	\$2,091,133	\$0	\$2,091,133
27	2044	2045	\$2,133,635	\$0	\$2,133,635
28	2045	2046	\$2,176,986	\$0	\$2,176,986
29	2046	2047	\$2,221,205	\$0	\$2,221,205
30	2047	2048	\$2,266,308	\$0	\$2,266,308
<b>Total</b>			<b>\$48,732,882</b>	<b>\$6,750,000</b>	<b>\$55,482,882</b>
<b>Net Present Value</b>			<b>\$24,433,255</b>	<b>\$4,427,899</b>	<b>\$28,861,154</b>

Source: TXP, El Paso Central Appraisal District

# Exhibit A

**Table 16: Scenario 3 (Market Absorption) Estimated TIRZ Revenue Forecast**

Year of TIRZ/PID	Calendar Year	Total Taxable Value	Less Baseline 2017 Value	Total El Paso Tax Revenue	Allocation to TIRZ 9
0	2017	\$10,516,608	\$0	\$0	\$0
1	2018	\$17,145,833	\$6,629,225	\$50,359	\$21,403
2	2019	\$95,986,250	\$85,469,642	\$649,275	\$275,942
3	2020	\$177,973,425	\$167,456,817	\$1,272,096	\$540,641
4	2021	\$253,332,458	\$242,815,850	\$1,844,565	\$783,940
5	2022	\$331,634,663	\$321,118,055	\$2,439,393	\$1,036,742
6	2023	\$380,052,214	\$369,535,606	\$2,807,199	\$1,193,060
7	2024	\$396,488,941	\$385,972,333	\$2,932,062	\$1,246,126
8	2025	\$413,431,117	\$402,914,509	\$3,060,764	\$1,300,825
9	2026	\$430,892,383	\$420,375,775	\$3,193,410	\$1,357,199
10	2027	\$448,886,728	\$438,370,120	\$3,330,105	\$1,415,295
11	2028	\$467,428,489	\$456,911,881	\$3,470,959	\$1,475,157
12	2029	\$486,532,367	\$476,015,759	\$3,616,082	\$1,536,835
13	2030	\$496,263,014	\$485,746,406	\$3,690,002	\$1,568,251
14	2031	\$506,188,274	\$495,671,666	\$3,765,400	\$1,600,295
15	2032	\$516,312,040	\$505,795,432	\$3,842,305	\$1,632,980
16	2033	\$599,550,698	\$589,034,090	\$4,474,633	\$1,901,719
17	2034	\$611,541,712	\$601,025,104	\$4,565,723	\$1,940,432
18	2035	\$623,772,546	\$613,255,938	\$4,658,636	\$1,979,920
19	2036	\$636,247,997	\$625,731,389	\$4,753,406	\$2,020,198
20	2037	\$648,972,957	\$638,456,349	\$4,850,072	\$2,061,281
21	2038	\$661,952,416	\$651,435,808	\$4,948,671	\$2,103,185
22	2039	\$675,191,465	\$664,674,857	\$5,049,242	\$2,145,928
23	2040	\$688,695,294	\$678,178,686	\$5,151,825	\$2,189,526
24	2041	\$702,469,200	\$691,952,592	\$5,256,459	\$2,233,995
25	2042	\$716,518,584	\$706,001,976	\$5,363,186	\$2,279,354
26	2043	\$730,848,955	\$720,332,347	\$5,472,048	\$2,325,620
27	2044	\$745,465,934	\$734,949,326	\$5,583,087	\$2,372,812
28	2045	\$760,375,253	\$749,858,645	\$5,696,346	\$2,420,947
29	2046	\$775,582,758	\$765,066,150	\$5,811,871	\$2,470,045
30	2047	\$791,094,413	\$780,577,805	\$5,929,706	\$2,520,125
				<b>Total</b>	<b>\$49,949,777</b>

Source: TXP

# Exhibit A

**Table 17: Scenario 3 (Market Absorption) Revenue Forecast Combined TIRZ 9 & PID**

Period	Calendar Year	Year Money Received	TIRZ Revenue	PID Revenue	Total Revenue
0	2017	NA	\$0	\$0	\$0
1	2018	2019	\$21,403	\$16,800	\$38,203
2	2019	2020	\$275,942	\$113,600	\$389,542
3	2020	2021	\$540,641	\$210,200	\$750,841
4	2021	2022	\$783,940	\$294,400	\$1,078,340
5	2022	2023	\$1,036,742	\$378,600	\$1,415,342
6	2023	2024	\$1,193,060	\$423,200	\$1,616,260
7	2024	2025	\$1,246,126	\$427,600	\$1,673,726
8	2025	2026	\$1,300,825	\$432,000	\$1,732,825
9	2026	2027	\$1,357,199	\$436,600	\$1,793,799
10	2027	2028	\$1,415,295	\$441,000	\$1,856,295
11	2028	2029	\$1,475,157	\$445,600	\$1,920,757
12	2029	2030	\$1,536,835	\$450,000	\$1,986,835
13	2030	2031	\$1,568,251	\$450,000	\$2,018,251
14	2031	2032	\$1,600,295	\$450,000	\$2,050,295
15	2032	2033	\$1,632,980	\$450,000	\$2,082,980
16	2033	2034	\$1,476,629	\$433,200	\$1,909,829
17	2034	2035	\$1,506,689	\$336,400	\$1,843,089
18	2035	2036	\$1,537,350	\$239,800	\$1,777,150
19	2036	2037	\$1,568,624	\$155,600	\$1,724,224
20	2037	2038	\$1,600,524	\$71,400	\$1,671,924
21	2038	2039	\$1,633,061	\$26,800	\$1,659,861
22	2039	2040	\$1,666,250	\$22,400	\$1,688,650
23	2040	2041	\$1,700,102	\$18,000	\$1,718,102
24	2041	2042	\$1,734,632	\$13,400	\$1,748,032
25	2042	2043	\$1,769,852	\$9,000	\$1,778,852
26	2043	2044	\$1,805,776	\$4,400	\$1,810,176
27	2044	2045	\$1,842,419	\$0	\$1,842,419
28	2045	2046	\$1,879,794	\$0	\$1,879,794
29	2046	2047	\$1,917,917	\$0	\$1,917,917
30	2047	2048	\$1,956,803	\$0	\$1,956,803
<b>Total</b>			<b>\$42,581,112</b>	<b>\$6,750,000</b>	<b>\$49,331,112</b>
<b>Net Present Value</b>			<b>\$21,250,761</b>	<b>\$4,296,769</b>	<b>\$25,547,530</b>

Source: TXP, El Paso Central Appraisal District

# *Exhibit A*

## **Financial & Economic Feasibility**

Based on the project plan, anticipated tax revenue, and market demand projections, the plan is economically and financially feasible. The TIRZ and PID combined should generate sufficient revenue to pay for the \$13.6 million in park infrastructure and administrative costs. The financial policies and guidelines also help ensure the feasibility of the plan by making sure funds are not committed unless there is a positive indication the TIRZ can repay the costs incurred.

# Exhibit A

## Conclusion

Based on the project plan, anticipated tax revenue, and market demand projections, the plan is economically and financially feasible. The PID and TIRZ combined should generate sufficient revenue to pay for the \$13.6 million in park infrastructure costs as well as administrative costs.

Over the next 30 years, the TIRZ could generate between \$42.6 million and \$54.5 million in nominal TIRZ revenue. Using a 4.0 percent discount rate, the anticipated TIRZ could generate between \$21.2million and \$27.5 million.

Over the next 30 years, the PID would generate \$6.7 million in nominal PID revenue. Using a 4.0 percent discount rate, the proposed PID could generate between \$4.3 million and \$4.5 million.

**Table 18: PID and TIRZ Revenue Summary**

	1 – Developer Build Out	2 – Comparable Home Value	3 – Market Absorption
<b>Nominal Value</b>			
PID	\$6,750,000	\$6,750,000	\$6,750,000
TIRZ	\$54,531,125	\$48,732,882	\$42,581,112
Total	\$61,281,125	\$55,482,882	\$49,331,112
<b>Net Present Value</b>			
PID	\$4,465,437	\$4,427,899	\$4,296,769
TIRZ	\$27,451,887	\$24,433,255	\$21,250,761
Total	\$31,917,324	\$28,861,154	\$25,547,530

Source: TXP

These projections are based on the best available datasets and information related to market conditions in the region. Given the high visibility of this project, for example, the substantial commitment of a few large developers could have a significantly positive impact on both the level and timing of future growth. Moreover, the financial projections make no allowance for positive spillover to the value of other properties in area as a result of new development (beyond inflation), which easily could occur. At the same time, a slowdown in development as a result of a weaker national economy, negative changes in key drivers of regional economy, or other unforeseen issues could materially reduce the volume of construction put in place, and resulting tax revenue, over the next 15 years.

# Exhibit A

## Appendix 1 – Property Accounts in Proposed Eastside Sports Complex PID

**Table A1: PIDN for Proposed Eastside Sports Complex PID**

PID Number
X57999930200600
X57999930200800
X57999930200700
X57900024800000
X57900024800200

Source: El Paso Central Appraisal District

# Exhibit A

## Appendix 2 – Property Accounts in Proposed Eastside Sports Complex TIRZ

**Table A2: PIDN for Proposed Eastside Sports Complex TIRZ**

PID Number
X57999924701070
X57900024701100
X57999924701520
X57999923700705
X57900024700400
X57999930200400
M77399900000000
X57999924800460
X57999930200500
X57999930200600
X57999930200800
X57999930200700
X57999924700000
X57999923806000
X57900024800000
X57999924800500
X57999923806500
X57999924701700
X57900024800200

Source: El Paso Central Appraisal District

# *Exhibit A*

## **Legal Disclaimer**

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## Item 21.1

# An Ordinance Approving the Project and Financing Plan for Tax Increment Reinvestment Zone Number Nine (Eastside Sports Complex)

**Strategic Goal 4:** Enhance El Paso's Quality of Life through Recreational, Cultural and Educational Environments

*"Delivering Outstanding Services"*




## Before Council today is:

An ordinance **approving a project and financing plan for Tax Increment Reinvestment Zone Number Nine**, City of El Paso, Texas; making various findings related to such plan; providing for severability; and providing an effective date.



# Steps to Create a TIRZ:

1. Develop a Preliminary Reinvestment Zone Financing Plan (April – May);
2. TIRZ public hearing to create the zone and appoint the board (May 16<sup>th</sup>);
3. TIRZ Board adopts the TIRZ No. 9 Final Project and Financing Plan (May 30<sup>th</sup>);
4.  City Council adopts the TIRZ No. 9 Final Project and Financing Plan (June 13<sup>th</sup>).



# Eastside Sports Complex



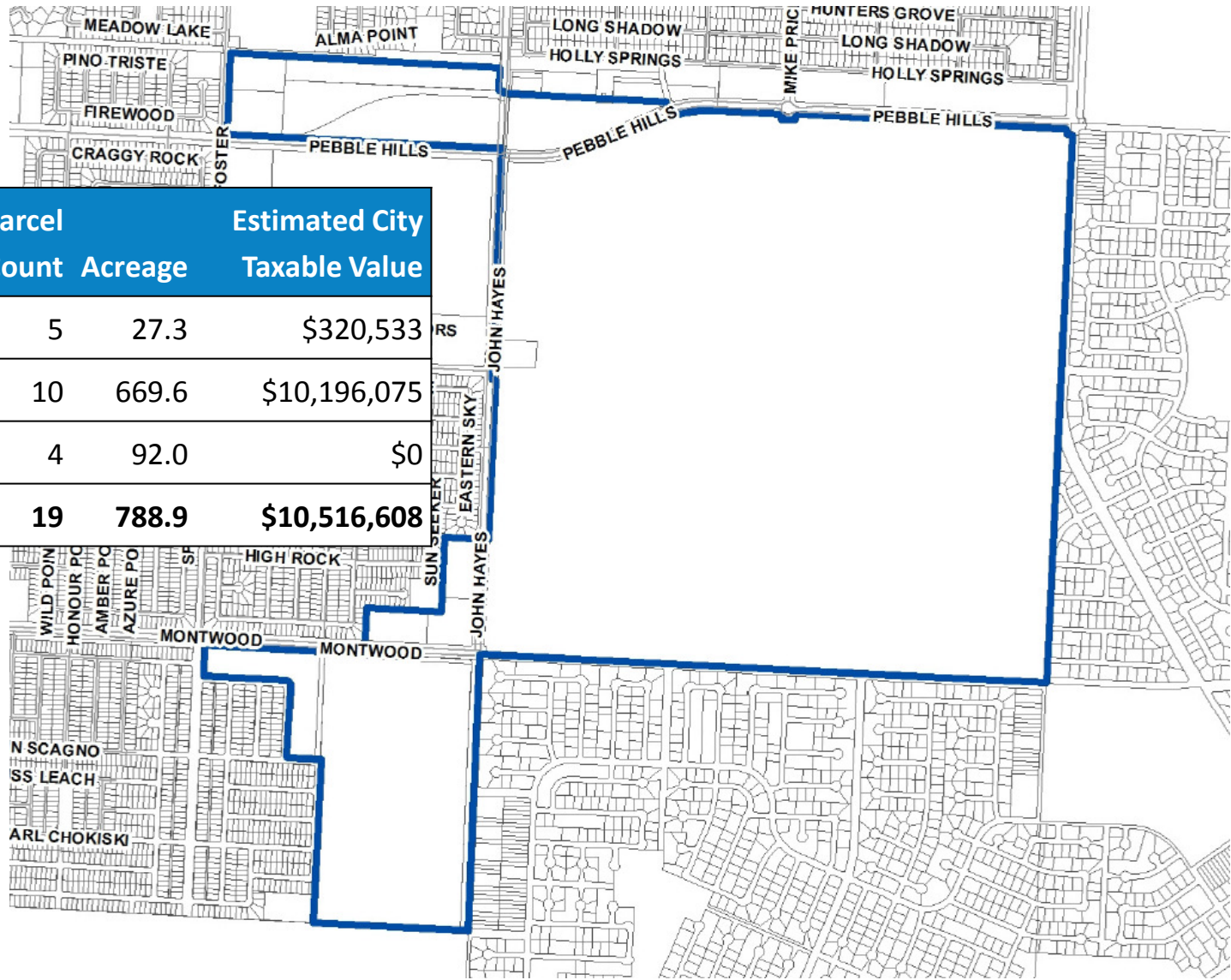
Project Component	Estimated Cost
Phase I – Additional Features	\$456,490
Phase II – Design/Build	\$11,751,351
FF&E	\$100,000
IT Equipment	\$250,000
Admin Costs	\$467,000
Materials & Testing	\$250,000
Contract Const Mgmt	\$200,000
Construction	\$9,531,047
Contingency	\$953,105
Developer's Agreement*	\$1,423,507
<b>Total Cost</b>	<b>\$13,631,349</b>

\*Cannot be funded through PID.

*"Delivering Outstanding Services"*



# TIRZ Boundary Map



Land Use	Parcel Count	Acreage	Estimated City Taxable Value
Farm/Ranch	5	27.3	\$320,533
Vacant	10	669.6	\$10,196,075
Totally Exempt	4	92.0	\$0
<b>Grand Total</b>	<b>19</b>	<b>788.9</b>	<b>\$10,516,608</b>

*"Delivering Outstanding Services"*





# TIRZ 9 Buildout & Assumptions

## Forecast Assumptions

- TIRZ 9 Duration – 30 years (2017 to 2047);
- TIRZ 9 Allocation – City of El Paso contributes 42.5% to TIRZ 9;
- Tax Rate – Held constant at 2016 tax rate (\$0.759656 per \$100 valuation);
- Only real property is included in TIRZ 9 revenue calculation;
- Commercial properties not included in TIRZ 9 revenue calculation;
- Inflation Rate – calculated at 2.0% per year;
- Net Present Value – calculated at 4.0% discount rate;

Section	Estimated Number of Housing Units
Section 73	186
Section 74	269
Section 81	795
Section 83	1,000
<b>Total Housing Units</b>	<b>2,250</b>

*“Delivering Outstanding Services”*



# Development Scenarios

- **Scenario 1 (Developer Build Out)** – This forecast represents information provided by the developer.
- **Scenario 2 (Comparable Home Value)** – This forecast uses the assumptions in the developer build out, but incorporates additional data regarding the assessed value of comparable homes at adjacent completed subdivisions.
- **Scenario 3 (Market Absorption)** – This forecast is based on a blend of the developer build out and comparable home value forecast models. Overall, this scenario has been adjusted downward to reflect it taking longer to absorb this much new developable land.



# TIRZ 9 & PID Revenue Forecasts

	Scenario 1	Scenario 2	Scenario 3
<b>Nominal Value</b>			
PID	\$6,750,000	\$6,750,000	\$6,750,000
TIRZ 9	\$54,531,125	\$48,732,882	\$42,581,112
<b>Total</b>	<b>\$61,281,125</b>	<b>\$55,482,882</b>	<b>\$49,331,112</b>
<b>Net Present Value</b>			
PID	\$4,465,437	\$4,427,899	\$4,296,769
TIRZ 9	\$27,451,887	\$24,433,255	\$21,250,761
<b>Total</b>	<b>\$31,917,324</b>	<b>\$28,861,154</b>	<b>\$25,547,530</b>

\*Table above represents forecasted revenue over the 30 year term of TIRZ 9.

Cost to complete the Eastside Sports Complex is **\$13,631,349**.

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# Eligible Project Costs

- Public Infrastructure Improvements
  - **Eastside Sport Complex**
- Park & Streetscape Enhancements
- Economic Development Grants
- Non-Project Costs
- Administration & Implementation

Category	Estimated Costs (\$2017)
Park & Streetscape Enhancements	\$13,631,349
Infrastructure Improvements	TBD
Economic Development Grants	TBD
Non-Project Costs	TBD
Administration & Implementation	\$300,000
<b>Total</b>	<b>\$13,931,349</b>



## Before Council today is:

An ordinance **approving a project and financing plan for Tax Increment Reinvestment Zone Number Nine**, City of El Paso, Texas; making various findings related to such plan; providing for severability; and providing an effective date.