

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

DEPARTMENT: Office of the Comptroller

AGENDA DATE: August 21, 2018

PUBLIC HEARING DATE:

CONTACT PERSON NAME AND PHONE NUMBER: Pat Degman, Comptroller (915) 212-1170

DISTRICT(S) AFFECTED: 5

STRATEGIC GOAL: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

Approve a Resolution to accept the annual review of the Service and Assessment Plan for the El Paso Public Improvement District No. 2 (Eastside Sports Complex), approved on April 27, 2017.

BACKGROUND / DISCUSSION:

Council approved the creation of PID No. 2 on June 27, 2017. The Service and Assessment Plan and the levy of the assessment was approved on October 17, 2017, as described in Ordinance No. 018734.

As required by Chapter 372 of the Texas Local Government Code, an annual review of the Service and Assessment Plan (Plan) for Eastside Sports Complex should be held in conjunction with the annual budget hearing and adoption. No changes are recommended for the Plan, and, as a result, there is no need to update the annual budget. All assessments should remain as described in ordinance No. 018734.

PRIOR COUNCIL ACTION:

N/A

AMOUNT AND SOURCE OF FUNDING:

Property owners within PID No. 2 are responsible for the cost of the assessment.

BOARD/COMMISSION ACTION:

N/A

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

DEPARTMENT HEAD:

Pat Degman, Comptroller
Name


Signature

8/15/18
Date

RESOLUTION

WHEREAS, Chapter 372 of the Texas Local Government Code (the "Act") allows for the creation of public improvement districts; and

WHEREAS, on April 27, 2017, Ranchos Real Land Holdings, LLC., owner of real property located within El Paso Public Improvement District No. 2 (Eastside Sports Complex) delivered to the City of El Paso, Texas (the "City") a Petition (the "Petition") to create El Paso Public Improvement District No. 2 (Eastside Sports Complex) (the "District"); and

WHEREAS, after providing notices required by Section 372.009 of the Act, the City Council on May 30, 2017, conducted a public hearing on the advisability of the improvements and the creation of the District; and

WHEREAS, on June 27, 2017, the City Council passed a Resolution authorizing and approving the creation of the El Paso Public Improvement District No. 2 Eastside Sports Complex; and

WHEREAS, the authorization of the District took effect on June 30, 2017 when notice of the passage of the Resolution was published in a newspaper of general circulation in the City; and

WHEREAS, after statutory notice was provided, on October 17, 2017, the El Paso City Council approved Ordinance No. 018734 which approved the Service and Assessment Plan and the levying of assessments for the District; and

WHEREAS, the Act requires an annual review and update of the service plan for the purpose of determining the annual budget for improvements; and

WHEREAS, the City staff has reviewed the October 17, 2017 Service and Assessment Plan and has recommended that no changes or revisions are needed to the October 17, 2017 Service and Assessment Plan.

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

That the Service and Assessment Plan for the El Paso Public Improvement District No. 2 (Eastside Sports Complex) approved on October 17, 2017, as described in Ordinance No. 018734, has been reviewed annually as required by Chapter 372 of the Texas Local Government Code, and the City Council finds that there is no need to revise the adopted Service and Assessment Plan, and, as a result, there is no need to update the annual budget and all assessments shall remain the same as described in Ordinance No. 018734.

(Signatures appear on the following page)

ADOPTED this _____ day of _____, 2018.

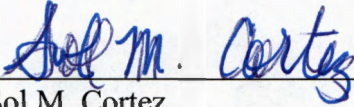
THE CITY OF EL PASO

ATTEST:

Dee Margo
Mayor

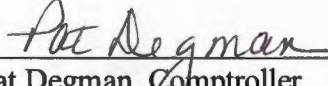
Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Sol M. Cortez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Pat Degman, Comptroller
Office of the Comptroller

**Service and Assessment Plan
Eastside Sports Complex Public Improvement District
Public Improvement District Number 2
City of El Paso, Texas**

1. Introduction

This Service and Assessment Plan (the "Plan") is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code (the "Act"), and pursuant to the resolution approved by the City Council on June 27, 2017, creating the Eastside Sports Complex Public Improvement District (the "PID") No. 2, City of El Paso (the "City"), Texas. The PID, in combination with a tax increment reinvestment zone (TIRZ), will fund a portion of the construction and maintenance costs associated with the Eastside Sports Complex, as described herein, as well as other public amenities within the PID boundaries.

In 2012, partial funding for the Eastside Sports Complex was approved by El Paso voters as part of the quality of life bonds. In March 2016, the City of El Paso, the El Paso Water Utilities Public Service Board, and Ranchos Real Land Holdings, LLC ("Developer") entered into a development agreement for the annexation of approximately 697 acres of land; the agreement requires that both a TIRZ and PID be created and provides the overarching framework for how the TIRZ and PID will be managed, as well as outlining the development potential of the area and related infrastructure.

The Act requires a service plan cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the improvement projects undertaken within the PID. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for said improvements.

2. Boundaries

The PID includes all of the property comprising Tierra Del Este III Phase V which consists of approximately 617 acres and a portion of Tierra Del Este III Phase IV which consists of approximately 80 acres and where the sports complex improvements will be located as further described in the metes and bounds attached as Exhibit "A", and boundary map attached as Exhibit "B".

3. Administration of the PID

The City of El Paso will administer the PID, including all Annual Service Plan Updates.

EXHIBIT A

4. Authorized Improvements & Eligible Expenses

The authorized improvements to be provided by the District will include all eligible costs allowable by the Act associated with developing and operating the Eastside Sports Complex, which will confer a special benefit to properties within the PID. Eligible costs also include expenses incurred by the City of El Paso in the establishment, administration, and operation of the district; see Table 1 for a list of Eastside Sports Complex PID authorized improvements and expenses. Based on the PID Feasibility Study, the PID will pay for a portion of the Eastside Sports Complex Phase 2 costs (attached hereto as Exhibit "C").

The Eastside Sports Complex is an 80-acre athletic facility that will be developed in two phases. The complex at full build out will have 16 flat fields, restroom facilities, a hike and bike trail, and paved parking lots; see Exhibit "D" for a list of facilities to be constructed during Phase 2. Phase 1 of the Eastside Sports Complex, approximately \$10.0 million, will be funded from the 2012 quality of life bonds. Phase 2 costs, approximately \$13.6 million, will be funded from the PID and TIRZ; of this amount, approximately \$11.8 million is associated with eligible PID projects. Note that the costs shown in Table 1 are estimates and may be revised in Annual Service Plan Updates.

Table 1: Eastside Sports Complex PID Authorized Improvements & Expenses*

Project Component	Estimated Cost
Phase II - Design/Build	\$11,751,351
FF&E	\$100,000
IT Equipment	\$250,000
Admin Costs	\$467,200
Materials Testing	\$250,000
Contract Construction Management	\$200,000
Construction	\$9,531,047
Contingency	\$953,105
Consultant & Legal Fees to Establish PID	\$95,000
Total Cost	\$11,846,351

Source: City of El Paso

*It is anticipated that the cost of annual maintenance shall be borne by the City or the TIRZ. However, annual maintenance is an eligible PID expense subject to funding availability.

The City of El Paso anticipates that debt will be issued to cover the cost associated with Phase 2 construction of Eastside Sports Complex and reimbursed by the PID and TIRZ. Table 2 depicts the projected annual revenue of the PID based on three development scenarios and anticipated annual indebtedness for PID eligible improvements (see Exhibit "C" for detail).

EXHIBIT A

Table 2: PID Revenue Forecast and Estimated Indebtedness by Year by Development Scenario

Period	Calendar Year	Year Money Received	Scenario 1	Scenario 2	Scenario 3	Annual Indebtedness**
0	2017	NA	\$0	\$0	\$0	\$0
1	2018	2019	\$23,200	\$23,200	\$16,800	\$11,846,351
2	2019	2020	\$166,000	\$149,400	\$113,600	\$0
3	2020	2021	\$308,800	\$275,400	\$210,200	\$0
4	2021	2022	\$439,200	\$389,200	\$294,400	\$0
5	2022	2023	\$450,000	\$450,000	\$378,600	\$0
6	2023	2024	\$450,000	\$450,000	\$423,200	\$0
7	2024	2025	\$450,000	\$450,000	\$427,600	\$0
8	2025	2026	\$450,000	\$450,000	\$432,000	\$0
9	2026	2027	\$450,000	\$450,000	\$436,600	\$0
10	2027	2028	\$450,000	\$450,000	\$441,000	\$0
11	2028	2029	\$450,000	\$450,000	\$445,600	\$0
12	2029	2030	\$450,000	\$450,000	\$450,000	\$0
13	2030	2031	\$450,000	\$450,000	\$450,000	\$0
14	2031	2032	\$450,000	\$450,000	\$450,000	\$0
15	2032	2033	\$450,000	\$450,000	\$450,000	\$0
16	2033	2034	\$426,800	\$426,800	\$433,200	\$0
17	2034	2035	\$284,000	\$300,600	\$336,400	\$0
18	2035	2036	\$141,200	\$174,600	\$239,800	\$0
19	2036	2037	\$10,800	\$60,800	\$155,600	\$0
20	2037	2038	\$0	\$0	\$71,400	\$0
21	2038	2039	\$0	\$0	\$26,800	\$0
22	2039	2040	\$0	\$0	\$22,400	\$0
23	2040	2041	\$0	\$0	\$18,000	\$0
24	2041	2042	\$0	\$0	\$13,400	\$0
25	2042	2043	\$0	\$0	\$9,000	\$0
26	2043	2044	\$0	\$0	\$4,400	\$0
27	2044	2045	\$0	\$0	\$0	\$0
28	2045	2046	\$0	\$0	\$0	\$0
29	2046	2047	\$0	\$0	\$0	\$0
30	2047	2048	\$0	\$0	\$0	\$0
Total*			\$6,750,000	\$6,750,000	\$6,750,000	\$11,846,351

Source: TXP

*Total revenue forecasts sum to \$6,750,000 or the sum of an annual installment of \$200 per residential lot for a total of 2,250 lots over a period of 15 years commencing on the date the lot is sold by the developer. See Exhibit "C" for additional detail regarding assumptions made in forecasting PID revenue.

EXHIBIT A

**The City anticipates issuing debt for the total cost of Phase 2 construction of the Eastside Sports Complex, or approximately \$13.6M, in 2018. The total indebtedness figure reflected in this table represents the portion of debt that may be funded by the PID. Note that this figure does not include costs associated with debt issuance, such as but not limited to the underwriter's discount, administrative costs, etc.

5. Apportionment of Costs and Levy of Assessment

The PID assessment is assessed based on the number of single-family residential lots expected to be platted, recorded and sold by the Developer. Each platted, recorded and sold lot will be assessed \$3,000 paid in full or \$200 per year for 15 years. It is anticipated that the El Paso Central Appraisal District Assessment Roll will need to be revised semi-annually to reflect the single-family residential lots platted, recorded and sold by the Developer.

Table 3 below identifies lots currently contained within the PID and the total assessment levied and expected to be collected over a period of 15 years, however, collection shall not commence until the lot is platted, recorded and sold by the Developer. These figures are based on the assumption that the Developer will subdivide the PID area into four sections containing a total of 2,250 single-family residential lots, as further described by the PID Feasibility Report, attached hereto as Exhibit "C".

Table 3: Current PID Properties and Total Assessment Levied

Owner	PID No.	Total Assessment Levied*	Assessment per Year
City of El Paso	X57999930200600	\$0	\$0
City of El Paso	X57999930200700	\$0	\$0
City of El Paso	X57900024800200	\$0	\$0
Ranchos Real Xv LLC	X57999930200800	\$0	\$0
Ranchos Real Land Holdings LLC	X57900024800000	\$6,750,000	\$450,000

*Note that collection of the levied assessment shall not commence until the lot has been platted, recorded and sold by the developer. Any amounts levied and not triggered for collection by the platting, recordation and sale of the lot by the developer within 15 years of the date of levy shall expire.

6. Collection of Assessments

The current number of properties within the PID is attached as Exhibit "E". As lots are platted, recorded and sold by the Developer, the number of properties within the PID shall increase. The first annual installment of \$200 per lot for PID Improvements shall be due and payable on or before January 31 of the year following the platting, recordation, and sale of the lot by the Developer. Each annual assessment, thereafter, shall be payable on or before each January 31 until all lots have paid \$3,000.

EXHIBIT A

Assessments may be paid in partial, full or annual installments of \$200 per year for 15 years for sold lots ("installments/assessments"). Total assessment per lot shall not exceed \$3,000 and the collection of the annual assessment shall not commence until the lot has been platted, recorded, and sold by the Developer. Any amounts levied and not triggered for collection by the platting, recordation, and sale of a lot by the developer within 15 years of the date of levy shall expire.

Notice of the levy of the assessment will be given as provided in the Act. The installment statement will be sent to each property owner in the PID, and the annual installment will be due and payable at the same time property taxes are due and payable to the City.

The City will invoice each owner of property for the installment payment in conjunction with the City's annual property tax bill, and the installments shall be due and payable, and incur penalty and interest for unpaid installments in the same manner as provided for the City's property taxes. Thereafter, subsequent installments shall be due in the same manner in each succeeding calendar year until the assessment as provided herein has been paid in full. The owner of assessed property may pay at any time the entire assessment then due on each property. Failure of an owner to receive an invoice shall not relieve the owner of the responsibility for the assessment.

A lien will be established against the property assessed effective as of the date of the ordinance levying the assessment, made a first, prior and superior lien upon the property above all other liens, including prior mortgage liens, to the extent allowed by Section 372.018(b) of the Local Government Code. Assessment installments shall be considered delinquent on the same date as the City's property taxes. Delinquent assessment or installments shall incur the costs of collection.

If practicable, the assessment shall be included in the City property tax statement. Notwithstanding the above, the assessment lien shall be perfected immediately as to the entire assessment, but may be executed only with respect to the amounts then due or past due for current or prior installments or final payment plus interest thereon. Assessments are personal obligations of the person owning the property assessed in the year an installment payment becomes due, and only to the extent of such installment(s).

As the assessments are collected, they shall be irrevocably placed into a separately maintained escrow account set up by the City for such PID assessments. The PID assessments shall be held in trust and cannot be withdrawn except upon written authorization and certification from the City's Chief Financial Officer.

EXHIBIT A

Service and Assessment Plan

PID No. 2 – Eastside Sports Complex

7. Advisory Body

Section 372.008 of the Act provides that the City may appoint all advisory body with the responsibility of developing, and recommending an improvement plan to the City Council.
