

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

CITY CLERK DEPT.

2017 SEP 28 AM 9:18

DEPARTMENT: Economic and International Development Department

AGENDA DATE: First Reading: October 3, 2017
Second Reading: October 17, 2017

CONTACT PERSON: Elizabeth Triggs, (915) 212-1619,
TriggsEK@elpasotexas.gov

DISTRICT(S) AFFECTED: District 5

SUBJECT:

Discussion and action on an ordinance finding the proposed improvements in the El Paso Public Improvement District No. 2 (Eastside Sports Complex) are advisable and levying assessments for the cost of such improvements; establishing liens against the property in the District; providing for the collection of the assessment; and providing an effective date and closing the hearing of October 17, 2017.

BACKGROUND / DISCUSSION:

On June 27, 2017, the City Council approved creation of a public improvement district (PID) to fund a portion of the construction and maintenance costs associated with the Eastside Sports Complex as well as other public spaces and infrastructure within the proposed boundaries of the district. 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 PID and Tax Increment Reinvestment Zone No. 9 (created on May 16, 2017) would fund Phase II of the park's construction costs.

The PID is comprised of approximately 697 acres located in the far eastside of El Paso, generally bounded by Montwood Drive to the south, Tim Floyd Street to the east, Pebble Hills Blvd. to the north, and John Hayes St. to the west; and by Montwood Drive to the north, John Hayes St. to the east, El Paso County to the south, and the Tierra del Este #78 Subdivision to the west, located in City Council District 5.

The purpose of the proposed improvement within the district is the design and construction of Phase II of the Eastside Sports Complex, which may include: sodded irrigated competition flat fields, shade structures, sport field and parking lot lighting, parking lots, exercise stations along a hike and bike trail, shaded gathering areas, shaded and lighted events pavilion, ADA accessible auxiliary restrooms, perimeter fencing, drinking fountains, benches, trash receptacles, concrete sidewalks, handicap ramps, wayfinding signage, and landscape, among others. The estimated cost of these improvements is approximately \$13.6 million.

The proposed method of assessment is the levy of an assessment of \$3,000 on each platted, recorded and sold residential lot within the District to partially cover the costs of the improvements. Each assessment may be paid in full at any time or may be paid in annual installments not to exceed \$200 per year per platted lot for fifteen (15) years. The assessment will not be collected until the lot has been platted, recorded and sold by the developer. The remaining portion of costs associated with the improvements would be funded by other sources, such as Tax Increment Reinvestment Zone No. 9 (created on May 16, 2017).

The purpose of this ordinance is to close the public hearing to be held on October 17th, find that the proposed improvements are advisable and levy assessments for the cost of the eligible PID improvements. As per the related resolution, the public hearing to discuss levying of the assessment will be held on October 17, 2017 at 8 a.m. in the City Council Chambers at City Hall, 300 N. Campbell, El Paso, Texas 79901. In addition to notice posted via publication of the City Council agenda, notice will additionally be published in a newspaper of public circulation and sent to property owners within the PID, in accordance with Chapter 372 of the Texas Local Government Code.

Attachments:

Ordinance Closing the Hearing and Levying the Assessment
Exhibit A – Service and Assessment Plan

PRIOR COUNCIL ACTION:

In March 2016, City Council approved a development agreement, which identifies the area for the proposed PID and outlines how that area will be developed. On May 2, 2017, City Council approved a resolution accepting a petition for and calling for a public hearing on the creation of the PID. On May 16, 2017, City Council approved an ordinance designating Tax Increment Reinvestment Zone Number 9. On May 30, 2017, a public hearing was held as required by Chapter 372 of the Local Government Code on the advisability of the district and the proposed improvements within the district. On June 27, 2017, City Council approved creation of the District.

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

N/A

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

DEPARTMENT HEAD:

Monica Lombraña, Managing Director
Aviation and International Bridges

ORDINANCE NO. _____

AN ORDINANCE FINDING THE PROPOSED IMPROVEMENTS IN THE EL PASO PUBLIC IMPROVEMENT DISTRICT NO. 2 (EASTSIDE SPORTS COMPLEX) ARE ADVISABLE AND LEVYING ASSESSMENTS FOR THE COST OF SUCH IMPROVEMENTS; ESTABLISHING LIENS AGAINST THE PROPERTY IN THE DISTRICT; PROVIDING FOR THE COLLECTION OF THE ASSESSMENT; PROVIDING AN EFFECTIVE DATE AND CLOSING THE HEARING OF OCTOBER 17, 2017.

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

WHEREAS, on March 16, 2016, the City of El Paso, Texas (the "City") and Ranchos Real Land Holdings, LLC ("Petitioner") entered into a development agreement wherein the parties agreed to pursue a public improvement district; and

WHEREAS, on April 27, 2017, the City received a petition from Petitioner for the creation of a public improvement district (the "District"); and

WHEREAS, the City staff and City Council reviewed the Petition and determined:

- (i) the owners of taxable real property representing more than 50% of the appraised value of the taxable real property liable for assessment under the Petition and owning more than 50% of the area of all taxable real property within the District executed the Petition, and
- (ii) that the Petition complies with the Act, making it appropriate for the City Council to consider the advisability of the creation of the District including the special benefits to the property therein; and

WHEREAS, after providing notice 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 passed a resolution authorizing the creation of the El Paso Public Improvement District No. 2 Eastside Sports Complex (the "District") in accordance with its findings as to the advisability of the improvements, recommended and approved the District improvements and services (the "Resolution"); and

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

WHEREAS, City Council caused to be filed the proposed assessment roll with the City Clerk, and required that of the City's intention to consider the proposed assessments at a public hearing be published in compliance with Section 372.016 of the Act, in a newspaper of general circulation no later than the tenth (10th) day before the date of the October 17, 2017 hearing; and

WHEREAS, such notice was provided as required by the Act; City Council

ORDINANCE NO. _____

14-1007-1280.001 | 709702

Public Improvement District (PID) TDE III/Phase V

Eastside Sports Complex PID No. 2- Ordinance Levying Assessments

KMN

- (i) held a public hearing on October 17, 2017 to consider the levy of the proposed assessments on property within the District,
- (ii) heard and passed on any objections to the proposed assessments, and
- (iii) closed the public hearing.

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

PART I.

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2. The action of the City Council closing the October 17, 2017 public hearing in these proceedings is hereby ratified and confirmed.

Section 3. The City staff with input from the Petitioner and owners of the real property within the proposed District have prepared the Service and Assessment Plan attached hereto as **Exhibit “A”** and the City Council hereby approves the Service and Assessment Plan (**“Assessment Plan”**).

Section 4. The City Council may appoint an advisory body pursuant to Section 372.008, of the Act to develop and recommend an ongoing Service and Assessment Plan.

Section 5. The City Council finds that the improvements set forth in the Service and Assessment Plan are advisable and will provide special benefits to the property within the District to justify the levy of assessments for the costs of such improvements.

Section 6. The City Council finds that the assessments as set forth in the Service and Assessment Plan be made and levied against the property within the District, and are substantially in proportion to the benefits to the respective parcels of property by means of improvements in the District for which such assessments are levied, and establish substantial justice and equality and uniformity between the respective owners to the respective properties and between all parties concerned considering the benefits received and burdens imposed, and further finds that in each case the property assessed is specially benefited by means of the said improvements in the District, and further finds that the apportionment of the cost of the improvements are in accordance with the law in force in this City and State and the proceedings of the City hereto with reference to the formation of the District and the imposition of the assessments for said improvements are in all respects valid and regular.

Section 7. There shall be and is hereby levied and assessed against property within the District as set forth in the Service and Assessment Plan, the sums of money as listed in the Service and Assessment Plan attached hereto and made part hereof. In the event the property owners make periodic installment payments of such Assessments, such payments shall bear interest, but may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the public debt issued in accordance with Chapter 372, Texas Local Government

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Public Improvement District (PID) TDE III/Phase V

Eastside Sports Complex PID No. 2- Ordinance Levying Assessments

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Code, as amended. The levy of the assessment shall be effective on the date of execution of this Ordinance.

Section 8. The assessments against the said property together with any interest thereon, reasonable attorney's fees and costs of collection, if incurred, are hereby declared to be and are made a first, prior and superior lien upon the property against which the same are assessed, and a personal liability and charge against the real and true owners of such property, whether such owners be names herein or not, and the said liens shall be and constitute the first enforceable lien and claim against the Property on which such assessments are levied, and shall be a first and paramount lien thereon, superior to all other liens and claims except state, county, school district and city ad valorem taxes, as allowed by law.

Section 9. The assessments shall be due and payable as stated in the Service and Assessment Plan. If default be made in the payment of any of the said sums hereby assessed against the proper, collection thereof, costs and attorney's fees, shall be enforced by suit in any court having jurisdiction, or by lien foreclosure, or both in the same manner that an ad valorem tax lien against real property may be enforced by a governing body, pursuant to the Texas Tax Code, as allowed by law.

Section 10. All assessments levied are a personal liability and charged against the real and true owners of the portion of the Property described, notwithstanding such owners may not be named, or may be incorrectly named. An owner may pay the full and complete amount of the assessment plus interest that has accrued to the date of payment, and upon such payment of principal and interest receive a full and complete release of lien executed by the City. All interest payments on the assessments are calculated to the date of payment. All payments shall be in accordance with the Assessment Plan attached hereto.

Section 11. Assessment revenues shall be available to pay the actual costs of establishing, administering, and operating the District.

Section 12. City staff is hereby authorized to take all action necessary to effectuate the purposes of this Ordinance.

PART II.

Section 1. All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

Section 2. The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

Section 3. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance was adopted was posted and such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

ORDINANCE NO. _____

14-1007-1280.001 | 709702

Public Improvement District (PID) TDE III/Phase V

Eastside Sports Complex PID No. 2- Ordinance Levying Assessments

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ADOPTED on this _____ day of _____, 2017.

(SIGNATURES ON THE FOLLOWING PAGE)

CITY OF EL PASO

ATTEST:

Laura D. Prine,
Interim City Clerk

APPROVED AS TO FORM:

Karla M. Nieman
Senior Assistant City Attorney

Dee Margo,
Mayor

APPROVED AS TO CONTENT:

Monic Lombraña, Managing
Director, Aviation and International
Bridges

ORDINANCE NO. _____

14-1007-1280.001 | 709702

Public Improvement District (PID) TDE III/Phase V

Eastside Sports Complex PID No. 2- Ordinance Levying Assessments

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EXHIBIT A

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.

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.

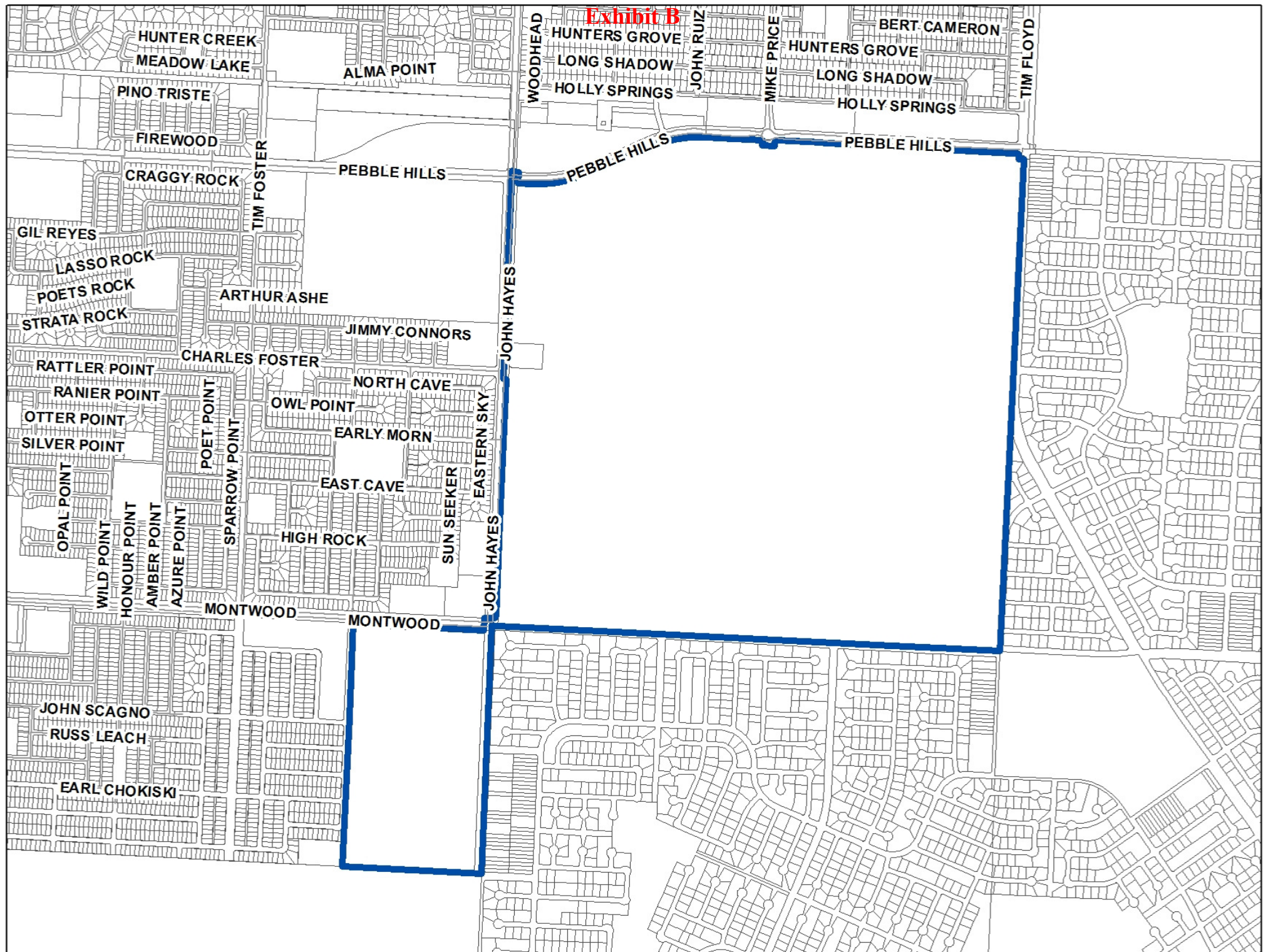
If practicable, the assessment shall be included in the City property tax statement. Notwithstanding the above, the assessment lien shall be perfected immediately as to the entire assessment, but may be executed only with respect to the amounts then due or past due for current or prior installments or 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.

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.

Exhibit B



Eastside Sports Complex

Public Improvement District Feasibility Study

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

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Introduction

The City of El Paso, Texas is considering implementing a public improvement district (PID) and a tax increment reinvestment zone (TIRZ) to fund a portion of the construction and maintenance costs associated with the Eastside Sports Complex as well as other public amenities within the PID. In 2012, partial funding for the Eastside Sports Complex was approved by El Paso voters as part of the quality of life bonds. The proposed new zone would be named Public Improvement District No 2 (Eastside Sports Complex PID). The statutes governing public improvement districts are in Chapter 372 of the State of Texas Tax Code.

This feasibility study 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 TIRZ would be created by the City of El Paso as part of a separate process. Neither financing tool generates sufficient revenue and coverage ratio on its own.

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 and PID including the development potential of the area and related infrastructure.

Proposed Method of Eastside Sports Complex PID Assessment

The City would levy an assessment of \$3,000 on each platted lot within the PID to pay the cost of the Improvements. Each assessment may be paid in full at any time or may be paid in annual installments not to exceed \$200 per year per platted lot.

Description & Boundaries of Proposed Eastside Sports Complex PID

The proposed PID will include all 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 proposed sports complex improvements would be located. Tierra Del Este III Phase V will be divided into four sections.

Table 1: Tierra Del Este III Phase V Housing Units by Section

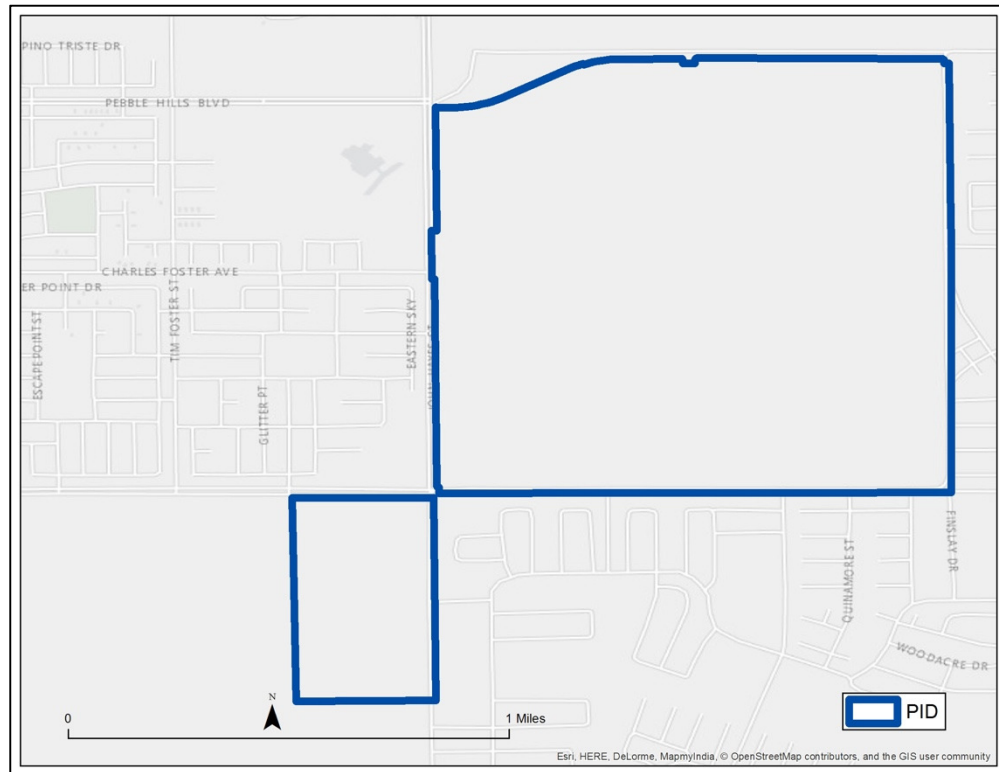
Section	Estimated Number of Housing Units
Section 73	186
Section 74	269
Section 81	795
Section 83	1,000
Total Housing Units	2,250

Source: Ranchos Real Land Holdings, LLC

EXHIBIT A

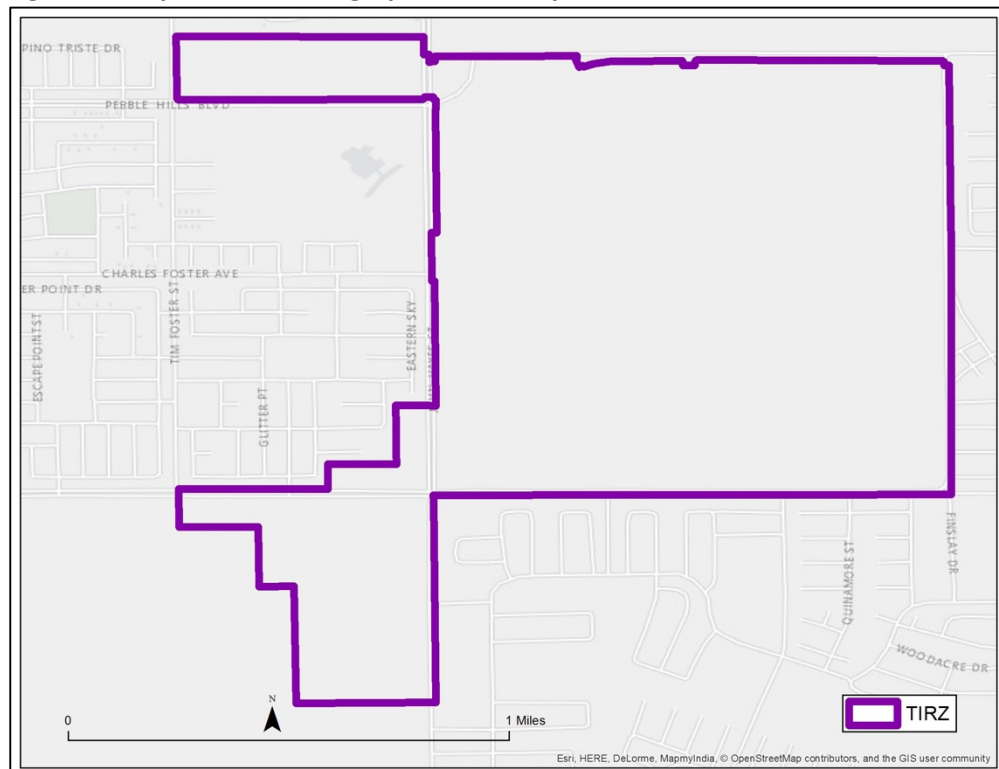
Exhibit C

Figure 1: Proposed Eastside Sports Complex PID Geographic Boundary



Source: TXP

Figure 2: Proposed TIRZ Geographic Boundary

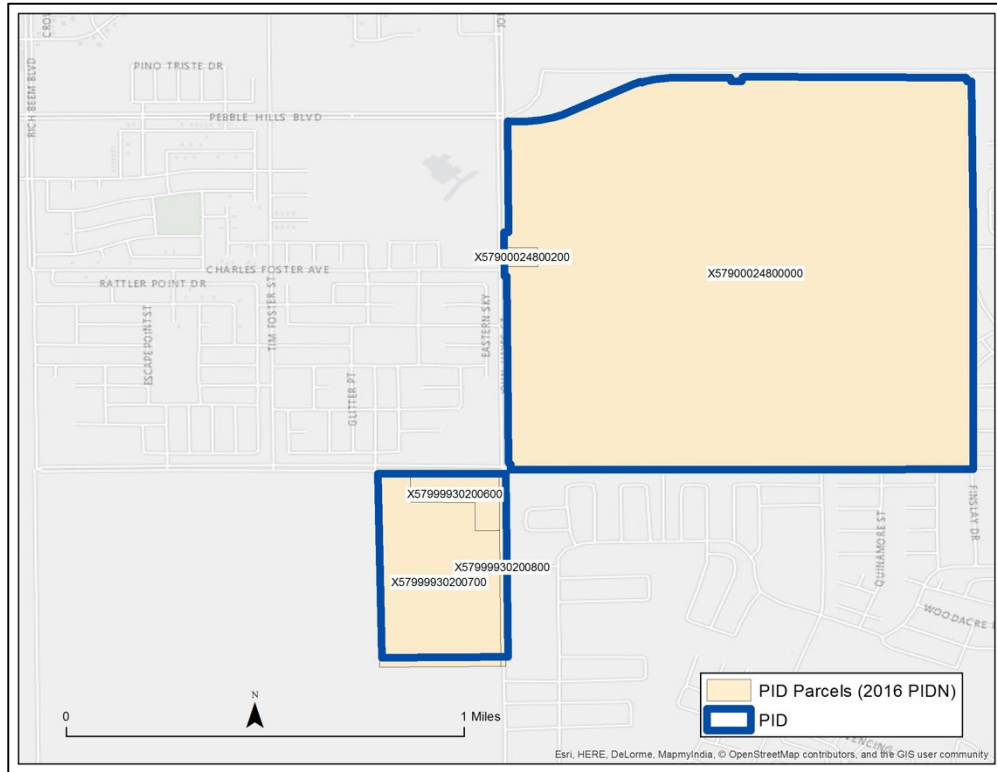


Source: TXP

EXHIBIT A

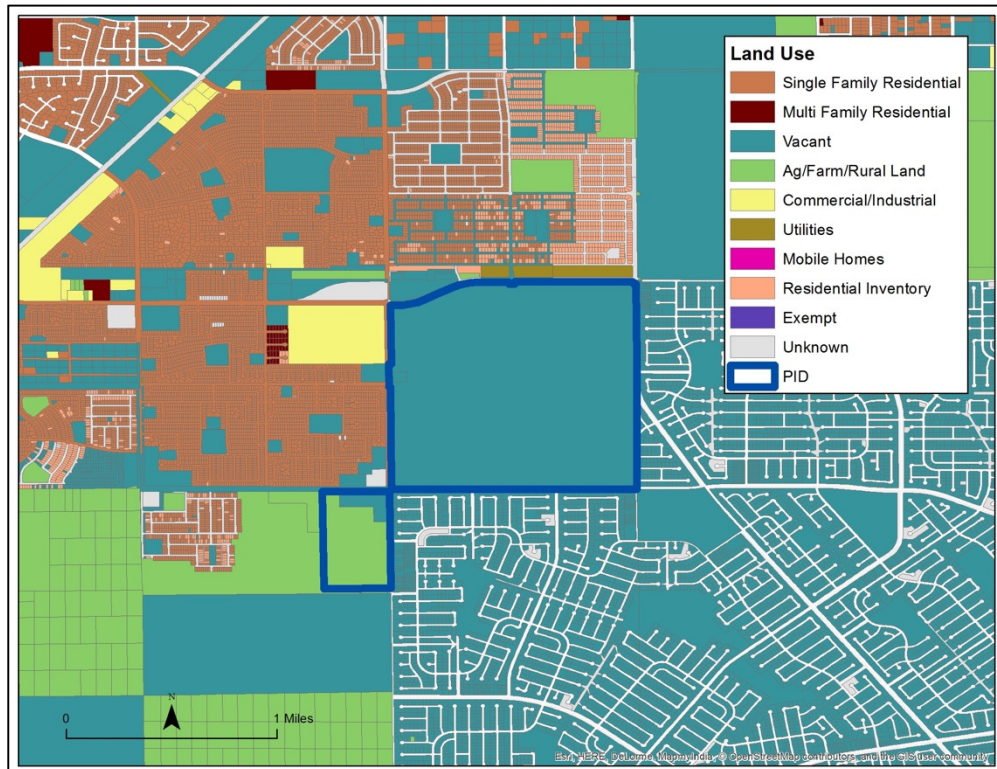
Exhibit C

Figure 3: Parcels within the Eastside Sports Complex PID by PIDN



Source: El Paso Central Appraisal District

Figure 4: Current Land Around the Proposed PID (2016)



Source: El Paso Central Appraisal District

Proposed Public Improvements

The purpose of a PID is to finance the design and construction of a public improvement project authorized by Section 372.003(b) of the local government codes. Specifically, the proposed PID would fund park improvements within its boundary. The primary focus of the PID is the Eastside Sports Complex. The Improvements shall promote the interests of the City of El Paso and confer a special benefit on the property. The master plan for Tierra Del Este III Phase V includes other park facilities that would be owned by the City of El Paso. If funding is available, these other city parks within the PID would be eligible to access PID resources.

Eastside Sports Complex Estimated Costs

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. 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 a new PID and TIRZ

Table 2: Eastside Sports Complex Estimated Costs

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	\$467,200
Materials Testing	\$250,000
Contract Construction Management	\$200,000
Construction	\$9,531,047
Contingency	\$953,105
Developer's Agreement	\$1,423,507
Total Cost	\$13,631,349

Source: City of El Paso

Revenue Forecast & Financing Strategy

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 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** – 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 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.

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 to 20-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 3: 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 4: 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 5: 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

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PID & TIRZ Revenue Projections

As part of the validation process, TXP collected information on similar developments around the PID. 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 6: 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

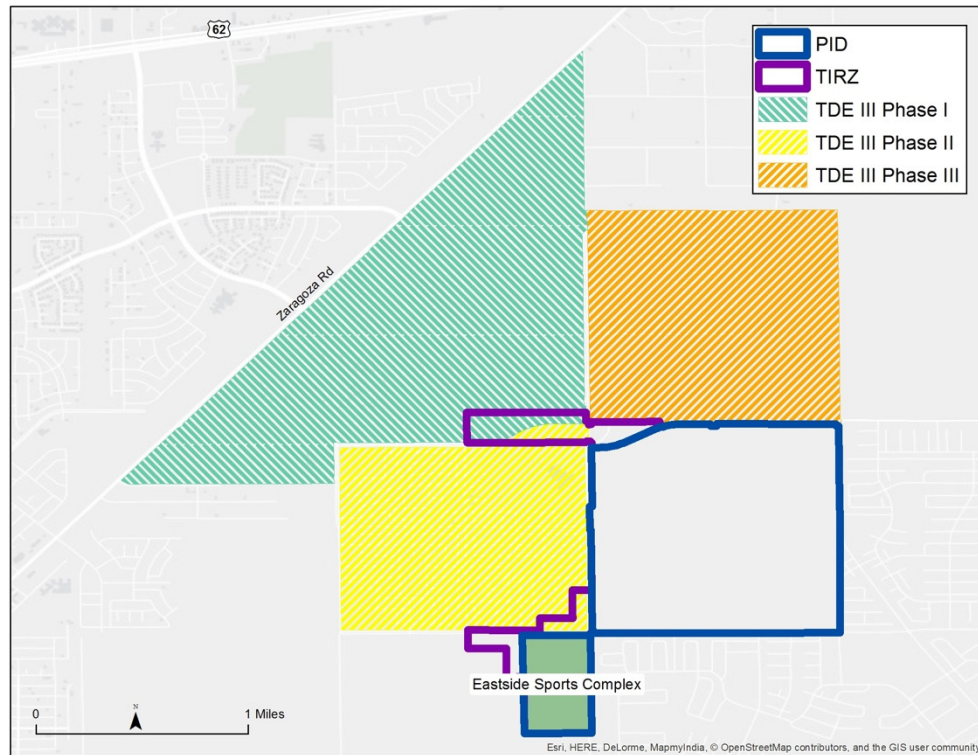
Source: TXP, El Paso Central Appraisal District

Table 7: 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
Total	2,793	2,054	1,142	5,989

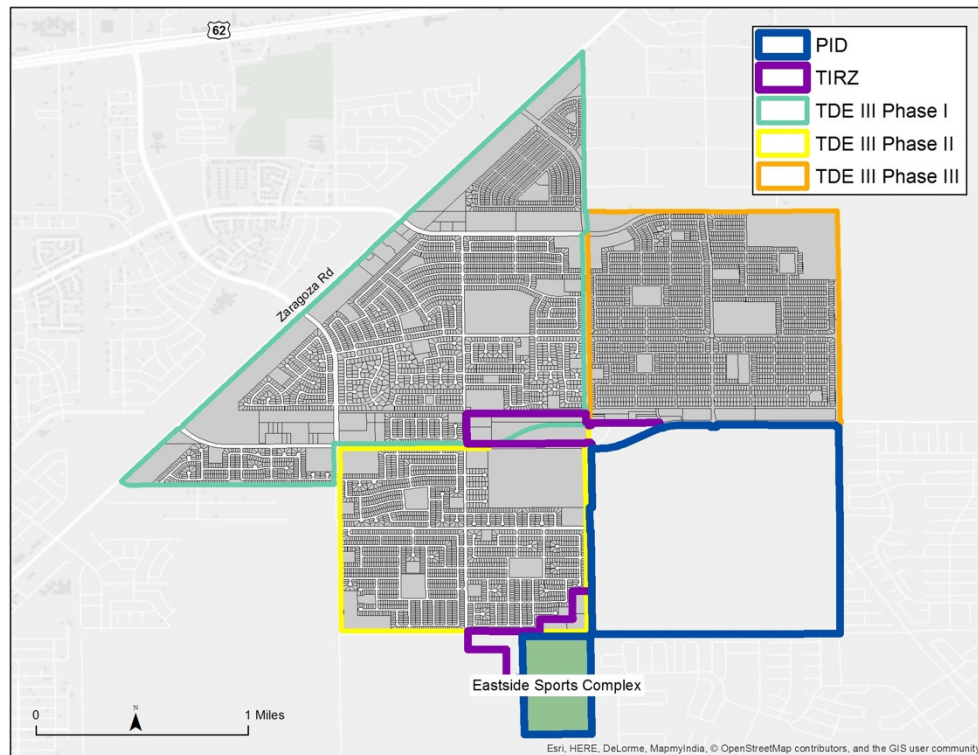
Source: TXP, El Paso Central Appraisal District

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

Financial Forecast Summary Results

The following tables depict units completed by year as well as the combined revenue for the PID and TIRZ. 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

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Table 8: 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

Exhibit C

Table 9: 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
Total			\$54,531,125	\$6,750,000	\$61,281,125
Net Present Value			\$27,451,887	\$4,465,437	\$31,917,324

Source: TXP, El Paso Central Appraisal District

EXHIBIT A

Exhibit C

Table 10: 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
Total			\$48,732,882	\$6,750,000	\$55,482,882
Net Present Value			\$24,433,255	\$4,427,899	\$28,861,154

Source: TXP, El Paso Central Appraisal District

EXHIBIT A

Exhibit C

Table 11: 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
Total			\$42,581,112	\$6,750,000	\$49,331,112
Net Present Value			\$21,250,761	\$4,296,769	\$25,547,530

Source: TXP, El Paso Central Appraisal District

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.

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.

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.

Table 12: PID and TIRZ Revenue Summary

	1 – Developer Build Out	2 – Comparable Home Value	3 – Market Absorption
Nominal Value			
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
Net Present Value			
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 30 years.

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

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

Legal Disclaimer

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Any statements involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinions or estimates will be realized. The information and expressions of opinion contained herein are subject to change without notice, and shall not, under any circumstances, create any implications that there has been no change or updates.

EXHIBIT A

Exhibit D

Exhibit E: Eastside Sports Complex: Phase II Project Summary

- 8 sodded irrigated competition flat fields within secondary fencing for the remaining 32 acre area;
- Sports complex rock wall/wrought iron fencing perimeter;
- Shade structures for team and public;
- MUSCO sports field lighting;
- Parking lot adequate for Phase II;
- Parking lot lighting;
- Exercise stations around hike and bike perimeter;
- Gatherings with shade trees, landscaping and drip irrigation system;
- A shaded and lighted events pavilion;
- ADA auxiliary restrooms;
- Drinking fountains, benches, trash receptacles, concrete sidewalks, adequate shade structures (built in, standalone or combination thereof), handicap ramps, wayfinding signage and landscape.

EXHIBIT A
Exhibit E

Exhibit C

Properties within PID

Table 3: PIDN for Eastside Sports Complex PID

PID Number	Owner
X57999930200600	City of El Paso
X57999930200800	Ranchos Real Xv LLC
X57999930200700	City of El Paso
X57900024800000	Ranchos Real Land Holdings LLC
X57900024800200	City of El Paso

Source: El Paso Central Appraisal District



Public Improvement District No. 2: Eastside Sports Complex

Ordinance levying assessment and adopting
the Service and Assessment Plan.

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



An Ordinance:

- Finding the proposed improvements are advisable;
- Levying the assessments for the cost of the improvements;
- Establishing liens against the property in the district;
- Providing for collection of the assessment;
- Providing an effective date;
- Closing the hearing of October 17, 2017; and
- Adopting the Service and Assessment Plan.
 - The Service Plan covers a period of at least five years, defines annual indebtedness, and projected costs for improvements; and must be updated annually.
 - The Assessment Plan is included within the Service Plan and defines the assessment to be levied within the District.

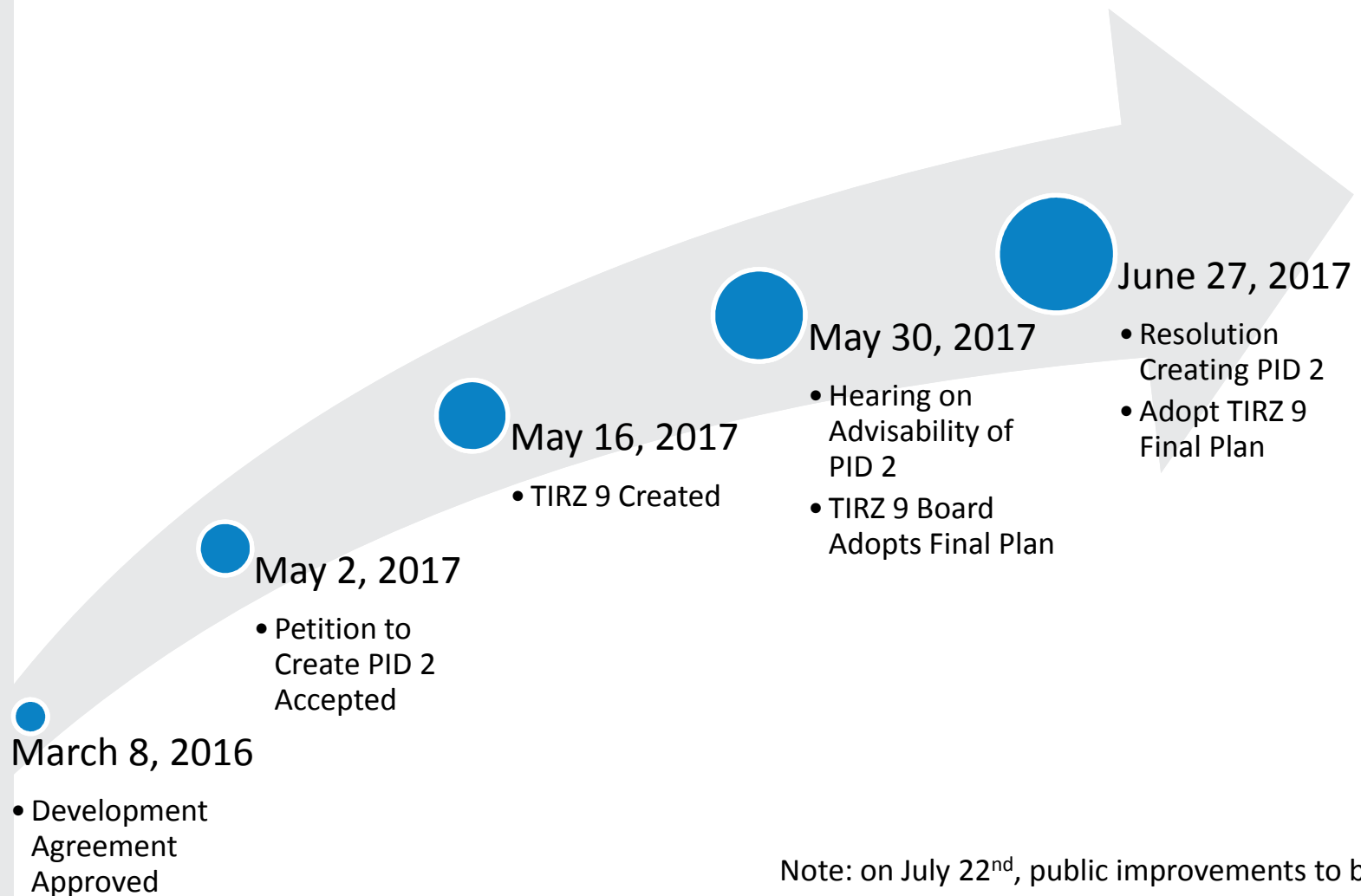


Background

- On March 8, 2016, City Council approved a Development Agreement for the annexation of 617 acres of vacant land in El Paso County.
 - East of John Hayes and south of Pebble Hills Blvd., adjacent to the existing City limits.
- As part of the agreement, the developer agreed to:
 - Create a Public Improvement District on the property with a maximum assessment of \$200 per residential lot per year for 15 years.
 - ✓ Collection of the assessment is triggered when the lot is platted, recorded and sold by the developer.
 - Cooperate in the creation of a Tax Increment Reinvestment Zone (TIRZ 9 was created on May 16, 2017).
 - ✓ 30 year TIRZ, with 42.5% of increment devoted to TIRZ fund, while remaining 57.5% goes to the General Fund.
- Revenue generated from the PID and TIRZ is intended to fund a portion of the construction costs associated with the Eastside Sports Complex.
 - Phase I of the Complex is funded by the Quality of Life bonds approved in 2012.



Eastside Sports Complex – History of PID 2 & TIRZ 9 Creation, To-Date



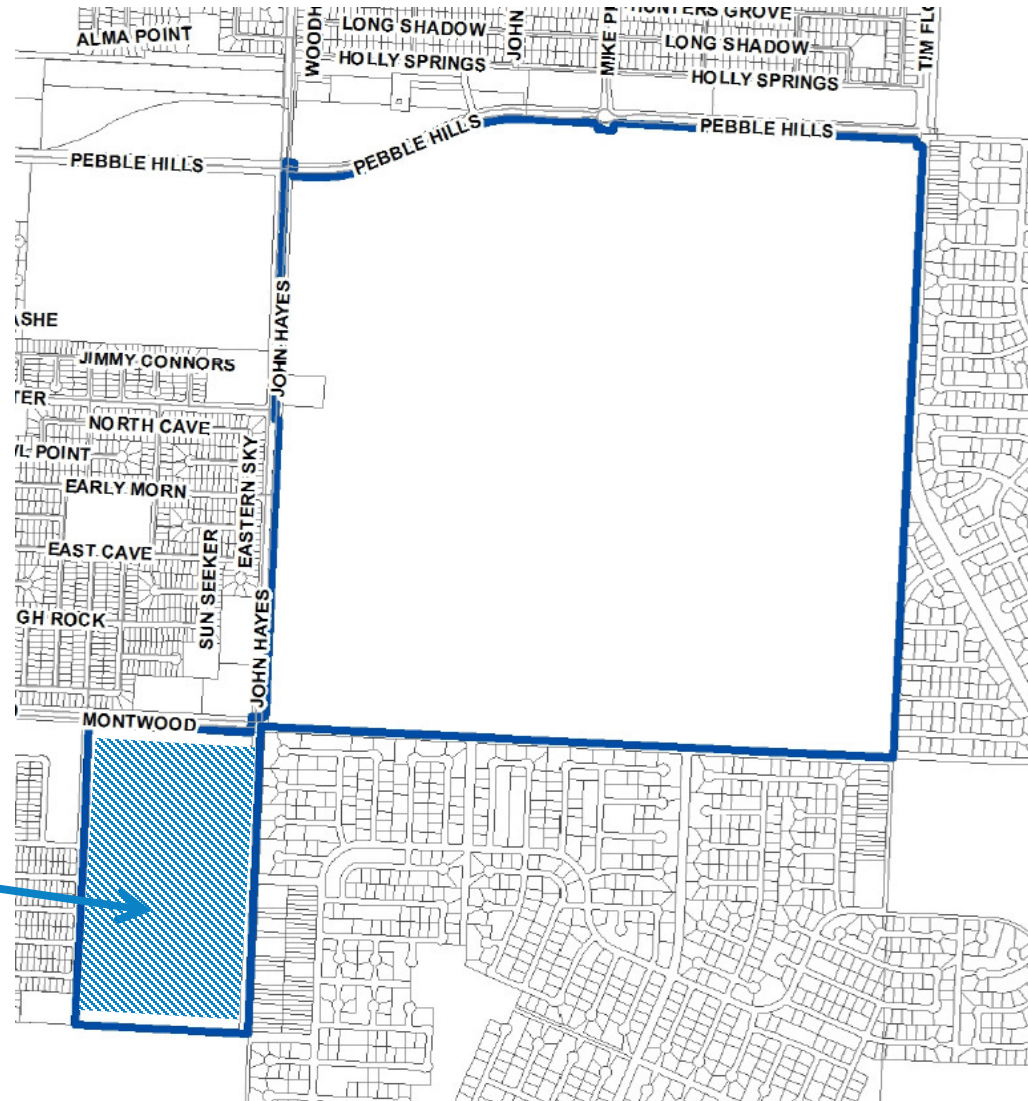
Note: on July 22nd, public improvements to be funded by PID is legally permitted to begin.

"Delivering Outstanding Services"



Boundaries of PID No. 2

617 acres annexed under
Development Agreement
(2,250 residential lots at buildout)



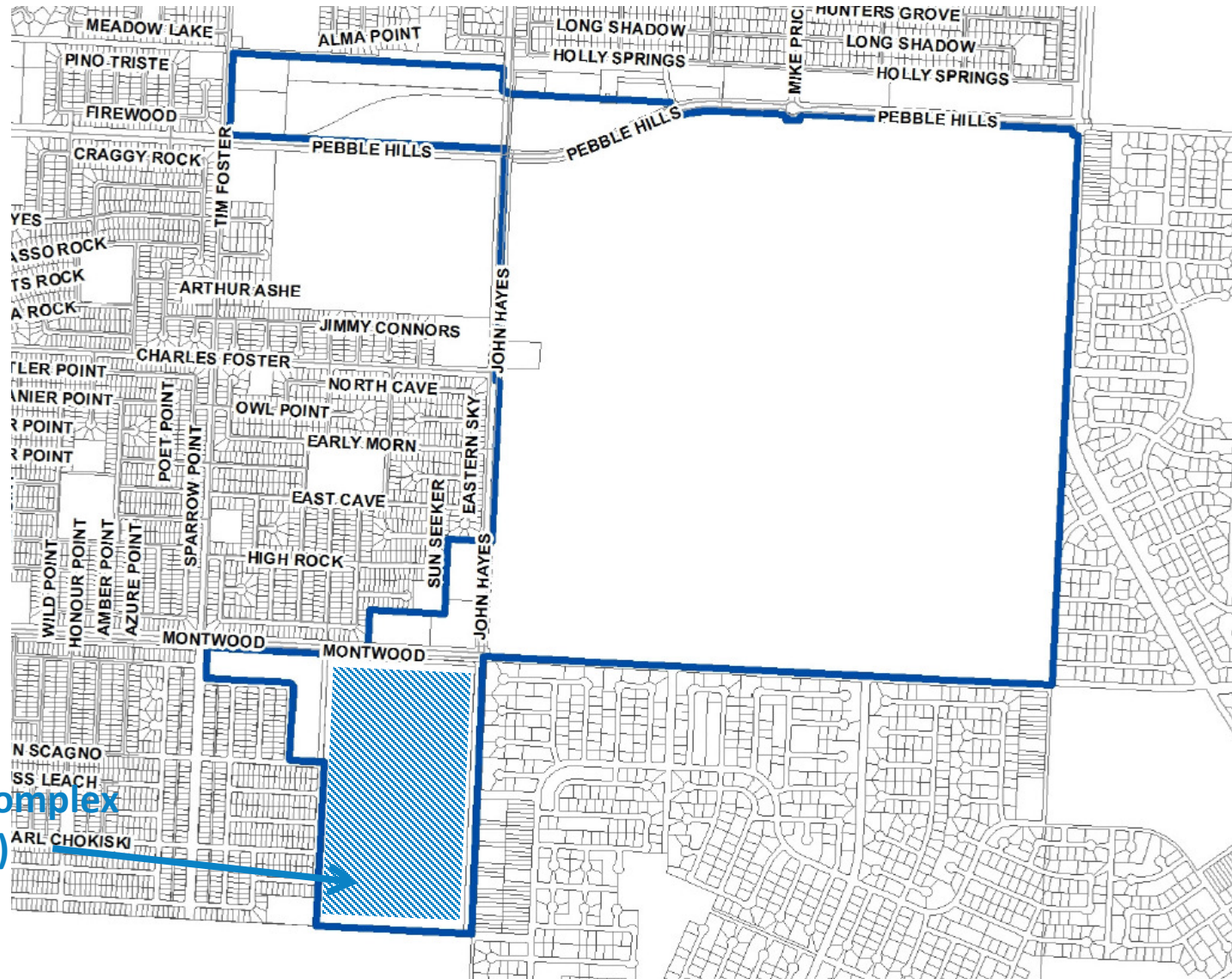
Eastside Sports Complex
(~ 80 acres)

"Delivering Outstanding Services"



Boundaries of TIRZ No. 9

Created on May 16, 2017
(~ 788.9 acres)



Eastside Sports Complex
(~ 80 acres)

"Delivering Outstanding Services"



Steps to Create a PID and Levy Assessment:

1. Petition to establish the PID is submitted by owners representing > 50% of the appraised value of taxable real property in the district (*complete*).
2. City Council accepts the petition and provides notice of a hearing on the proposed district (*May 2nd*).
3. City Council holds a public hearing on the creation of the PID (*May 30th*).
4. City Council adopts a resolution authorizing creation of the PID (*June 27th*).
5. Authorization of the PID is effective when published one time in a newspaper of general circulation (*July 22nd*).
6. Develop a 5 Year service plan to include an assessment plan (*July through September*).
7. Resolution announcing public hearing to levy assessment and publishing proposed assessment role (*October 3rd*).
8. City Council holds public hearing, levies assessment by ordinance and adopts Service and Assessment Plan (*October 17th*).



PID 2 – Proposed Public Improvements

Purpose of the proposed PID is to fund park improvements within its boundary:

1. Primary focus of the PID is the Eastside Sports Complex;
2. If funding is available, other City parks within the PID boundaries would be eligible to access PID resources.

Eastside Sports Complex Detail

- An 80-acre athletic facility in far east El Paso.
- Developed in two phases
 - Phase I funding through the 2012 Quality of Life Bonds; and
 - Phase II funding through TIRZ 9 and proposed PID);
- Complex includes: 16 flat fields, restroom facilities, a hike and bike trail surrounding its perimeter with exercise stations, paved parking lots, shaded gathering areas, lighting, shaded and lighted events pavilion, drinking fountains, benches, trash receptacles, wayfinding signage, landscaping, etc.



Eastside Sports Complex



Phase	Cost	Funding Source(s)
Phase I	\$8.6 M	2012 Quality of Life Bond
Phase II	\$13.6 M	TIRZ No. 9 PID No. 2

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PID 2 – Proposed Public Improvement Costs



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
Project Cost Reimbursement*	\$1,423,507
Total Cost	\$13,631,349

*Cannot be funded through PID.

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Sample Amenities



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PID 2 – Method of Assessment

- The City would levy an assessment of **\$3,000** on each platted lot within the PID to pay the cost of proposed improvements within the district's boundaries.
- Each assessment may be paid in full at any time or paid in annual installments not to exceed **\$200** per year per platted lot for 15 years.
- The assessment begins once the plat in which the lot is located is recorded.
- It is estimated there will be **2,250** housing units at buildout.

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

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PID 2 & TIRZ 9 Revenue Forecasts

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.

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.



PID 2 & TIRZ 9 Revenue Forecasts

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

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

*TIRZ revenue forecasts represent the 42.5% of the increment that will go to the TIRZ fund over a 30-year period (the remaining 57.5% goes to the general fund).

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Determination of Assessment

- In accordance with Chapter 372.015 of the Local Government Code, the City must apportion the cost of the improvement to be assessed against property in a PID.
- The apportionment must be made on the basis of special benefits accruing to the property because of the improvement.
- **Special benefits** to properties within the PID include:
 - ✓ Access to proximately located hike and bike trail surrounding the Eastside Sports Complex;
 - ✓ Access to proximately located exercise equipment along the hike and bike trail;
 - ✓ Access to proximately located playground;
 - ✓ Waived fees during 15 year period for:
 - Use of park pavilion or fields for private events;
 - Entrance to watch tournaments and other scheduled athletic events (e.g. football, soccer, flag football, rugby, cricket, etc.)
 - Entrance to sports camps;
 - Entrance to concerts, festivals and other community events;
 - Outdoor classes for fitness, gardening, etc.



An Ordinance:

- Finding the proposed improvements are advisable;
- Levying the assessments for the cost of the improvements;
- Establishing liens against the property in the district;
- Providing for collection of the assessment;
- Providing an effective date;
- Closing the hearing of October 17, 2017; and
- Adopting the Service and Assessment Plan.
 - The Service Plan covers a period of at least five years, defines annual indebtedness, and projected costs for improvements; and must be updated annually.
 - The Assessment Plan is included within the Service Plan and defines the assessment to be levied within the District.