

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

**DEPARTMENT:** Economic and International Development

**AGENDA DATE:** October 16, 2018

**CONTACT PERSON:** Elizabeth K. Triggs, (915) 212-1619  
[TriggsEK@elpasotexas.gov](mailto:TriggsEK@elpasotexas.gov)

**DISTRICT(S) AFFECTED:** All Districts

**SUBJECT:**

A resolution that the City Council approve the creation of the City of El Paso Auxiliary Fee Policy for the purpose of establishing guidelines for the use and management of the supplemental one percent (1%) increase in the street rental charge assessed against the El Paso Electric Company (the "Auxiliary Fee") as established by Ordinance No. 018772. The City of El Paso Auxiliary Fee Policy is attached hereto as Exhibit "A".

**BACKGROUND/DISCUSSION:**

In 2005, the City of El Paso ("City") adopted Ordinance No. 016090, which assessed a street rental charge against the El Paso Electric Company. The City amended Ordinance No. 016090 in 2010 and increased the street rental charge by three quarters of one percent (0.75%). This 0.75% increase, identified in Ordinance No. 017460 as the "Additional Fee," is reserved for the economic development purposes described within the Ordinance.

In 2011, the City approved a policy addressing the appropriate uses of the Additional Fee. The policy is entitled the "City of El Paso Economic Development Incentive Policy - 'Impact Fund.'" The Additional Fee is often referred to as the "Impact Fund" and its accompanying policy is often referred to as the "Impact Fund Policy."

On March 20, 2018, the City adopted Ordinance No. 018772, amending Ordinance No. 016090 a second time. This second amendment increased the street rental charge by a supplemental one percent (1%). Ordinance No. 018772 identifies the 1% increase as the "Auxiliary Fee" and reserves the Auxiliary Fee for economic development purposes described within the Ordinance.

Further, Ordinance No. 018772 establishes identical uses for both the Additional Fee and the Auxiliary Fee.

The purpose of this item is to establish a policy that provides guidelines for the use and management of the City of El Paso's Auxiliary Fee and Auxiliary Fee grants. The proposed policy specifies that the Auxiliary Fee shall be used in the same manner as the Additional Fee and therefore, justification of Auxiliary Fee grants shall rely on the City's adopted Impact Fund Policy.

In addition to the purposes and uses outlined in the Impact Fund Policy, the proposed policy authorizes use of the Auxiliary Fee to incentivize economic development projects that promote multi-day visits to the City to experience its unique attractions and amenities. The policy further provides criteria to be considered when evaluating a project for receipt of an Auxiliary Fee grant under this project category.

**PRIOR COUNCIL ACTION:**

See Background/Discussion.

**AMOUNT AND SOURCE OF FUNDING:**

City of El Paso Impact Fund, Auxiliary Fee as identified by Ordinance No. 018772 approved on March 20, 2018.

**BOARD/COMMISSION ACTION:**

N/A

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

**DEPARTMENT HEAD:**

  
\_\_\_\_\_  
Dr. Jessica Herrera, Director  
Economic & International Development

**RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Council approve the creation of the City of El Paso Auxiliary Fee Policy for the purpose of establishing guidelines for the use and management of the supplemental one percent (1%) increase in the street rental charge assessed against the El Paso Electric Company (the "Auxiliary Fee") as established by City Ordinance No. 018772. The City of El Paso Auxiliary Fee Policy is attached hereto as Exhibit "A".

**APPROVED** this \_\_\_\_ day of October, 2018.


**THE CITY OF EL PASO**

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

**ATTEST:**

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

**Approved As To Form:**

  
Roberta Brito  
Assistant City Attorney

**Approved As to Content:**

  
\_\_\_\_\_  
Ar. Jessica Herrera, Director  
Economic and International Development

**EXHIBIT "A"**  
**CITY OF EL PASO AUXILIARY FEE POLICY**

**SECTION 1. PURPOSE.**

The purpose of this policy is to establish guidelines for the use and management of the City of El Paso's Auxiliary Fee and Auxiliary Fee grants.

**SECTION 2. BACKGROUND.**

In 2005, the City of El Paso ("City") adopted Ordinance No. 016090, which assessed a street rental charge against the El Paso Electric Company. The City amended Ordinance No. 016090 in 2010 and increased the street rental charge by three quarters of one percent (0.75%). This 0.75% increase, identified in Ordinance No. 017460 as the "Additional Fee," is reserved for the economic development purposes described within the Ordinance.

In 2011, the City approved a policy addressing the appropriate uses of the Additional Fee. The policy is entitled the "City of El Paso Economic Development Incentive Policy - 'Impact Fund.'" The Additional Fee is often referred to as the "Impact Fund" and its accompanying policy is often referred to as the "Impact Fund Policy."

On March 20, 2018, the City adopted Ordinance No. 018772, amending Ordinance No. 016090 a second time. This second amendment increased the street rental charge by a supplemental one percent (1%). Ordinance No. 018772 identifies the 1% increase as the "Auxiliary Fee" and reserves the Auxiliary Fee for economic development purposes described within the Ordinance. Further, Ordinance No. 018772 establishes identical uses for both the Additional Fee and the Auxiliary Fee.

**SECTION 3. MANAGING DEPARTMENT.**

The City's Economic and International Development Department (the "Department") shall manage and oversee the Auxiliary Fee Policy and shall undertake all responsibilities concerning the evaluation, awarding, and management of Auxiliary Fee grants, subject to the provisions of this Policy and any required approval by City Council.

**SECTION 4. USE OF THE AUXILIARY FEE.**

The Auxiliary Fee shall be used in the same manner as the Additional Fee. Therefore, to determine the appropriate purposes and uses of the Auxiliary Fee, the Department shall refer to the City's Impact Fund Policy.

In addition to the purposes and uses outlined in the Impact Fund Policy, the Auxiliary Fee may also be used to incentivize Destination Tourism projects. For purposes of this Policy, "Destination Tourism" means "the activity of people planning multi-day visits to the City to experience its unique attractions and amenities."

## **SECTION 5. EVALUATION OF DESTINATION TOURISM PROJECTS.**

When evaluating a Destination Tourism project for receipt of an Auxiliary Fee grant, the Department shall consider the project in light of the following benchmarks:

- A. Will the project increase tourism-related dollars within the City of El Paso?
- B. Will the project increase overnight stays in City of El Paso?
- C. Does the project include the construction of a new recreational or tourist attraction or the enhancement of an existing recreational or tourist attraction?
- D. Will the project be advertised regionally, nationally, or internationally to promote travel to the City of El Paso?
- E. Is the project associated with a well-established organization that has national or international brand recognition?
- F. Will the project significantly increase job opportunities for City residents?
- G. Does the project align with, and add to, the City's positive image?

To receive an Auxiliary Fee grant, a Destination Tourism project is not required to meet every benchmark provided in Paragraphs A-G, above. However, the Department must use the benchmarks to guide the evaluation process.

## **SECTION 6. ELIGIBILITY FOR OTHER INCENTIVES.**

A project that receives an Auxiliary Fee grant is eligible to receive other economic development incentives.

## **SECTION 7. COMMITMENT TO AUXILIARY FEE GRANT.**

The delivery mechanism for an Auxiliary Fee grant is a Chapter 380 Economic Development Program Agreement; however, the Department may use a different delivery mechanism for the Auxiliary Fee grant upon approval by the City Council. Upon approval and execution of the delivery mechanism, the City commits to the terms and provisions established by the delivery mechanism, including payment of the Auxiliary Fee grant as detailed in the delivery mechanism.

## **SECTION 8. TERM OF POLICY.**

This Policy and its provisions shall apply upon adoption by resolution of City Council and shall remain in effect through the term of the El Paso Electric Company franchise fee agreement and may be reviewed and revised periodically to assure impact and effective performance.