

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

DEPARTMENT: Economic Development

AGENDA DATE: Introduction: November 10, 2009; Public Hearing: November 17, 2009 (Regular)

CONTACT PERSON NAME AND PHONE NUMBER: Kathy Dodson, (915)541-4670

DISTRICT(S) AFFECTED: 8

SUBJECT:

Discussion and Action on an Ordinance amending the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax increment Reinvestment Zone Number Five, City of El Paso; Adopting said amendments as required by section 311.011(E) Texas Tax Code; Also providing a severability clause. (District 8) [Economic Development, Kathy Dodson, (915) 541-4670]

BACKGROUND / DISCUSSION:

The Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone No. 5 was adopted by City Council Ordinance No. 017081 on March 10, 2009. The document is formatted to allow for incorporation of projects eligible for TIRZ funding via an amendment process. The Reinvestment Zone Board recommended increasing the TIRZ funding for Project No. 2: First Avenue Lofts (Mixed-Use Residential) for eligible project costs as described in the amending Ordinance. The project is the first privately-funded mixed use development with a strong housing component within the Residential-Mixed Use district of the Downtown 2015 Plan.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Final Project Plan and Final Reinvestment Zone Financing Plan adopted by Ordinance No. 017081 on March 10, 2009 and amended by Ordinance No. 017102 on April 7, 2009.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Item will be funded from existing TIRZ Fund Account No. 502215 / 07412 / 72153041 / 72300 (TIRZ No. 5 Fund). Project No. 2 funding to be amended to add \$22,000 to previously funded \$28,000 to bring the total for this project to \$50,000

BOARD / COMMISSION ACTION:

Tax Increment Reinvestment Zone No. 5 Board unanimous approval recommendation on October 24, 2009

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

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE FINAL PROJECT PLAN AND FINAL REINVESTMENT ZONE FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE, CITY OF EL PASO, TEXAS; ADOPTING SAID AMENDMENTS AS REQUIRED BY SECTION 311.011(E) TEXAS TAX CODE; ALSO PROVIDING A SEVERABILITY CLAUSE

WHEREAS, by City of El Paso Ordinance No. 016528, adopted December 19, 2006, later amended by Ordinances Nos. 016803 and 016804 on December 18, 2007, the City created Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas (the "Zone") in accordance with the Tax Increment Financing Act (the "Act") for the purposes of development within the Redevelopment Districts in the Downtown 2015 Plan through the use of tax increment financing; and

WHEREAS, on March 10, 2009, by Ordinance No. 017081, pursuant to Section 311.011(d) of the Act, the City Council approved the Final Project Plan and Final Reinvestment Zone Financing Plan after their adoption by the Board of Directors (the "Board") of the Zone; and

WHEREAS, on April 7, 2009, by Ordinance No. 017102, City Council adopted an amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan to include approved projects eligible for tax increment finance funds under the plans, including Project No. 2: First Avenue Lofts (Mixed-Use Residential), following adoption of the amendment by the Board; and

WHEREAS, the Board continues to support the City in development activities for the Zone and actively participates in planning and identifying potential Zone projects; and

WHEREAS, on September 24, 2009, the Board adopted an amendment to the Final Project Plan and Final Reinvestment Zone Financing Plan to include additional funding in the amount of \$22,000 for additional eligible project costs for Project No. 2: First Avenue Lofts (Mixed-Use Residential); and

WHEREAS, pursuant to Section 311.011(e) of the Act, the Board may adopt amendments to the plans consistent with the requirements and limitations of the Act, which become effective when approved by the governing body of the municipality by a duly authorized ordinance; and

WHEREAS, the City desires to amend the Final Project and Final Reinvestment Zone Financing Plans as approved by the Board, in support of community revitalization and economic development within the Zone; and

WHEREAS, it is officially found and determined that the meeting at which this Ordinance was passed was open to the public and public notice of the time, place and subject of said meeting was given all as required by Chapter 551, Texas Government Code; and

WHEREAS, the City Council, as the governing body of the City, approves the amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan, as evidenced by this Ordinance.

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

1. That the Final Project Plan and Final Reinvestment Zone Financing Plan are hereby amended in the manner set forth below:

- A. The Final Project Plan is amended to incorporate the following additional funding to the following project on the list of approved proposed projects eligible for tax increment finance funds of the Zone, which will be allocated to as described herein:

Project No. 2: First Avenue Lofts Project (Mixed Use Residential).

Original Amount: \$28,000

Amended Amount: \$50,000 (increased by \$22,000)

Description of the Project:

Located at 300 S. Florence El Paso, Texas, the First Avenue Lofts Project consists of the adaptive reuse of an old warehouse building into a mixed-use development project with retail at the ground floor and eight dwelling units described as upscale lofts in the upper floors. The project developer is The El Paso Project, LLC. The conversion of the warehouse will necessitate public improvements in the sidewalk area; there are currently no sidewalks along one side of the building. The improvements include installation of the sidewalk, street lighting and related amenities in the public right of way. The age and the change of use of the building require retrofitting of the public utility connections.

Public improvement costs that will be eligible for reimbursement through the use of tax increment finance funds of the Zone are: installation, extension and/or renovation of sidewalks and abutting improvements to the adjacent street, and the construction of other public improvements including streetscape improvements and amenities such as street lighting.

The additional tax increment finance funds for the project in the amount of \$22,000 are allocated to fund public utility connection costs associated with installation of water, sewer and fire lines to the building.

This amendment to the Final Project Plan does not constitute a contractual or financial obligation to the project developer, but merely indicates the City's intent to continue the project development and negotiation process. By separate formal action, the City Council will consider execution of an amendment to the Development Agreement by and between the City and the project developer to govern the contractual and financial obligations of the parties related to construction of the public infrastructure improvements and reimbursement of eligible project costs through the use of tax increment finance funds of the Zone.

B. The Final Reinvestment Zone Financing Plan is hereby amended to reflect the additional funding allocated to the project identified in Section A.

2. That the amendments to the Final Project Plan and Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Five, City of El Paso, Texas, are hereby determined to be feasible and in conformity with the City's master plan and said amendments are hereby approved.

3. That the statements set forth in the recitals of this Ordinance are declared to be true and correct and are incorporated as part of this Ordinance.

4. That the provisions of this Ordinance are severable. If any provision of this Ordinance or the application thereof to any circumstances shall be held to be invalid or unconstitutional, the remainder of this Ordinance shall nevertheless be valid.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2009.

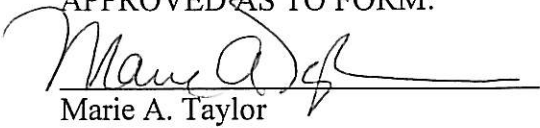
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

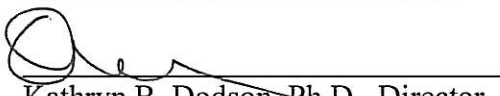
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn B. Dodson, Ph.D., Director
Economic Development Department