



CITY CLERK DEPT.

2016 APR 18 PM 2:43

Economic and International Development Department

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Tax Increment Reinvestment Zone Number 5 (TIRZ No. 5) Board of Directors

Notice of Meeting

DATE: Monday, April 25th, 2016
TIME: 3:00 p.m.
PLACE: Main Conference Room (City Hall, 2nd Floor)
300 N. Campbell - El Paso, Texas 79901

AGENDA

1. Call to order and establishment of a quorum Ruben Torres
2. Discussion & Action Ruben Torres
 - (a) Approval of Meeting Minutes for March 28th, 2016 TIRZ 5 Board Meeting
 - (b) Define and Memorialize the TIRZ 5 Stance with regards to the County's Downtown Historic Preservation Survey Efforts
 - (c) Review of TIRZ 5 Current Project & Financing Plan and TIRZ 5 Project Financing Guidelines; Next Steps To Establish Project and Finance Committees
3. TIRZ 5 Announcements Jessica Herrera
 - (a) Review of 2014-2015 TIRZ 5 Annual Report Submitted to Texas State Comptroller's Office.
4. Identification and Discussion of Items for Future Agendas Ruben Torres
5. Adjournment

The Tax Increment Reinvestment Zone No. 5 Board may retire into Executive Session pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Section 551.071 – 551.076 to discuss any of the following and any item on the agenda:

Section 551.071	Consultation with Attorney
Section 551.072	Deliberations regarding Real Property
Section 551.073	Deliberations regarding Prospective Gifts
Section 551.074	Personnel Matters
Section 551.076	Deliberations regarding Security Devices

POSTED: Apr 18th, 2016 City Hall 3:00 pm. By: Francis Chen, Economic Development Department

PUBLIC NOTICE: Sign Language Interpreters will be provided for this hearing upon request. Request must be made to the City Development Department a minimum of 24 hours prior to the date and time of this hearing. Copies of this agenda will be provided in braille, large print or audio tape upon request. Requests must be made a minimum of 48 hours prior to the date and time of this meeting at the following number 212-1632.

Public comment on any item posted on the agenda may be taken at the discretion of the Chair in accordance to the Board's adopted by-laws so that any citizen of the City of El Paso shall have a reasonable opportunity to be heard.

Cary Westin – Managing Director
City 3 | 801 Texas Ave | El Paso, Texas 79901 | (915) 212-0094

"Delivering Outstanding Services"

TAX INCREMENT REINVESTMENT ZONE No. 5
BOARD MEETING MINUTES
Main Conference Room (City Hall, 2nd Floor)
March 28th, 2016
3:00 P.M.

Board Members in attendance:

David Stout
Noemi Tovar
Brett Goldberg
Ruben Torres
Tanny Berg
Rida Asfahani
Elke Cumming
David Stout
Ricardo Fernandez
Art Fierro
Lane Gaddy
Mike Murguia
Joe Gudenrath (Ex Officio)

Board Members absent:

Lane Gaddy
Chad North
Jon Law
George Salome (Ex-Officio)

Staff Members present:

Francis Chen
Jessica Herrera
Kevin Cardoza
Juan Gonzalez

MINUTES

1. Call to order and establishment of a quorum

Ruben Torres

The Tax Increment Reinvestment Zone No. 5 Board met at the above place and date. Meeting was officially called to order at 3:00 p.m. by Ruben Torres, and quorum was established.

2. Discussion & Action

Ruben Torres

Approval of TIRZ 5 Board Meeting Minutes – May 14th, 2015

Elke Cumming made the motion to approve the Meeting TIRZ 5 Board Meeting Minutes. Mike Murguria seconded the motion. The meeting minutes were approved unanimously, with Tanny Berg abstained from the vote.

3. Presentations

A. El Paso County – Historic Preservation Efforts County Commissioner Stout

El Paso County Commissioner David Stout presented on the El Paso County Commissioners Court's efforts to conduct an architectural historic resources survey that would allow Downtown El Paso to be in the National Registry of Historic

Places. The proposed boundaries would include Downtown El Paso, Segundo Barrio, and Chihuahuita.

Mr. Stout presented on the background of El Paso County's efforts. He stated that in an El Paso County Commissioner's Court 2015 Strategic Planning Meeting, it identified Economic Development as a key priority. In January of 2016, the Commissioner's Court concluded that Heritage Tourism was an untapped asset - and identified that historic preservation and restoration could grow El Paso's heritage tourism industry. Mr. Stout stated the County will be taking a more active role in Economic Development, as the County's role has been limited to Chapter 381 Economic Development Incentive Agreements.

Mr. Stout mentioned that the benefits of the National Register Designation included: federal tax credits up to 20% of the cost of rehabilitation of eligible properties; Texas state tax credit of up to 25% of rehabilitation costs; no regulations are imposed on property owners in a national historic district, unless the tax credits are applied to a project; and, property owners within national historic district would not have to go through cumbersome process to list properties individually.

Mr. Stout acknowledged that when the City of El Paso was deciding on whether to move forward with a Historic Survey, there was confusion among Downtown stakeholders; some stakeholders thought that National Historic District would place additional regulations on Downtown property owners. Mr. Stout emphasized that property owners only have to follow the building regulations only if they were applying for Federal and Texas rehabilitation historic tax credits for their properties.

Mr. Stout presented on statistics regarding the economic impact of federal and state historic tax credits in the State of Texas.

Mr. Stout mentioned that El Paso receives slightly more than two percent of heritage tourism dollars within the state of Texas.

Mr. Stout stated that El Paso County will be utilizing Hotel Occupancy Tax (HOT) funds - not to exceed \$140,000 - to fund the Downtown Historic Survey. The County plans to work with the El Paso County Historical Commission and the City of El Paso to identify grant funding that would reduce the financial impact of the historic survey. Mr. Stout stated they are preparing a Request for Proposals (RFP) to select consultants to perform the Downtown Historic Survey.

TIRZ 5 Board Chairman Ruben Torres stated to Assistant City Attorney Juan Gonzalez to verify if the TIRZ 5 Board is allowed to have a discussion on the El Paso County Historic Resources Survey. Mr. Torres also asked Mr. Gonzalez to verify if the TIRZ 5 Board is also allowed to formally take a stance on the El Paso County Historic Resources Survey.

TIRZ 5 Board Member Tanny Berg asked if El Paso County is aware that there was a City of El Paso Historic Resources Survey conducted in 2003-2004.

Mr. Stout says the County is not aware. Mr. Berg stated that the previous City Downtown Historic Survey conducted in 2003-2004 would be an ideal starting point to the Downtown Historic Survey.

City of El Paso Assistant Director of Economic Development Jessica Herrera stated that the City Historic Preservation Officer will provide documents to the County of El Paso that could assist with the County Downtown Historic Survey.

Mr. Berg stated that the 2003-2004 City Downtown Historic Survey goes block by block & building by building in Downtown El Paso. Mr. Berg stated that the County would not have to replicate existing documentation, but instead could update the survey and avoid re-doing the survey from scratch.

Mr. Berg stated that the existence of the 2003-2004 Downtown Historic Survey was one of the reasons why the City of El Paso wanted to wait before beginning with a Downtown Historic Survey in 2015. Mr. Berg stated that the 2003-2004 Downtown Historic Survey could help reduce the cost of the current County Downtown Historic Survey.

Mr. Berg stated that he would also like to make sure the County receives buy-in from Downtown Property Owners regarding the Historic Survey.

Commissioner Stout stated that the National Historic Designation provides an option for Downtown property owners who wish to rehabilitate their buildings and would like Federal and State Historic Tax Credits.

B. El Paso Downtown Management District Overview Joe Gudenrath

A) Downtown Commercial Façade Improvement Grant Program

Executive Director of the El Paso Downtown Management District (DMD) Joe Gudenrath presented on TIRZ 5 Funds which fund DMD projects such as the Downtown Commercial Facade Improvement Program and the Pedestrian Way-finding Program.

Mr. Gudenrath stated that in 2011, the City of El Paso entered into a 5-year Inter-local Agreement with the Downtown Management District. Mr. Gudenrath stated that the DMD oversees the management of the grant program.

The City contributes \$100,000 for projects within the Downtown Plan Area. The TIRZ 5 would contribute \$50,000 for projects within the TIRZ 5 Boundaries, and the DMD would contribute \$150,000 for projects within the DMD boundaries.

Mr. Gudenrath stated in 2016, the City of El Paso entered into a new 5-Year Inter-local Agreement with the Downtown Management District to continue

the DMD management of the Commercial Façade Improvement Grant Program. The agreement expires in September 30th, 2020.

Mr. Gudenrath stated that the purpose of the Downtown Commercial Facade Improvement Program is to providing dollar-for-dollar matching grants toward Downtown Projects that serve to restore, rehabilitate, enhance or beautify the exterior of the structure. The maximum matching grant amount is \$25,000. Previously, the grants were first come first served, but the new 2016-2020 Inter-local Agreement removes the clause. The DMD is working with the City of El Paso to establish objective criteria to better identify projects eligible for DMD Facade Improvement Grants.

Mr. Gudenrath also stated that there has been a total of \$450,000 in contributed funds into the Commercial Facade Improvement Program. There have been 27 total projects, and a total amount of \$447,187.24 granted to these projects. There is only \$2,812.76 in remaining funds.

Mr. Gudenrath stated that an additional investment to the Commercial Facade Improvement Program would be considered worthwhile to the TIRZ 5 Board.

Mr. Gudenrath stated that there have been 20 completed projects so far. He stated that there has been a \$25.35 increase in property valuation for every TIRZ dollar invested. The time frame the DMD uses is from 2012-2015.

TIRZ 5 Board Member Tanny Berg asked if the DMD spends the TIRZ 5 Board Funds prior to spending other funds on the Commercial Facade Improvement Program.

Mr. Gudenrath stated the DMD does spend TIRZ 5 Funds first before spending City and DMD funds. However, he also stated that there are properties that are not in the TIRZ 5 Boundaries but are in the DMD boundaries. In that particular case, those properties would depend only on DMD Funds and not TIRZ 5 funds.

Mr. Gudenrath presented on the history of the DMD Downtown Pedestrian Way-finding Program, and presented examples of signage, banners, and Pedestrian Way-finding kiosks. Mr. Gudenrath also discussed the four phases of the projects, and the locations of the signage and kiosks.

The DMD has requested reimbursement for \$419,878.04, and Mr. Gudenrath states that 50% of the Pedestrian Way-finding System remains incomplete.

City of El Paso Assistant Director of Economic Development Jessica Herrera stated that the new Deputy City Manager of Public Works will be working with the Museum and Cultural Affairs Department to review future vehicular and

pedestrian signage. Ms. Herrera says the City will provide an update at a future TIRZ 5 Board meeting.

4. TIRZ 5 Announcements

Jessica Herrera

Ms. Herrera stated that the TIRZ 5 Board will be meeting the last Monday of each month, at 3pm. She stated that the City will be providing parking permits for the board to park at metered spaces.

Ms. Herrera also stated that she would like to provide an overview of the five projects that the TIRZ 5 Board had committed itself to funding. She would like the Board to decide which direction to move the projects. She also stated that the Board could also create a Project and Finance Committee.

Ms. Herrera also stated that in the future, any information requested by individual TIRZ 5 Board members will be sent to the entire TIRZ 5 Board.

She stated that Joe Gudenrath and George Salom will be ex-officio TIRZ 5 Board Members.

Ms. Herrera stated that the City is working with Human Resources to establish a set time and date for the required TIRZ 5 Ethics Training.

Ms. Herrera stated that Chad North had resigned from the TIRZ 5 Board due to other time commitments.

Mr. Berg requested that the City provide TIRZ 5 annual financial reports, as required by the TIRZ 5 Bylaws, to the TIRZ 5 Board in order to address the current TIRZ 5 fund deficit. Mr. Berg also requested that the City provide a formal packet as required by the TIRZ 5 Board.

Ms. Herrera stated that there was not a TIRZ 5 Annual Report presentation made in 2015 to the El Paso City Council, but noted that in prior years, there had been presentations. Ms. Herrera also states that the Texas State Comptroller requires an Annual Report of the TIRZ, and the City plans to provide the Annual Report to the TIRZ 5 Board.

Mr. Art Fierro requested that an Agenda Item be added to the next TIRZ 5 Board Agenda regarding Discussion and Action for a Formal Stance for the County Historic Survey Stance.

5. Adjournment

Francis Chen

The meeting was adjourned at 3:52 pm.

Approved: _____

Recording Secretary



Tax Increment Finance (TIF) Registry

Annual Report by Municipality or County

Economic Development
and Analysis

Form 50-806

FOR COMPTROLLER USE ONLY

Log year	<input type="text"/>
TIF ID#	<input type="text"/>
Date rec'd	<input type="text"/>
<input type="checkbox"/> Complete	<input type="checkbox"/> Back-up Incomplete
<input type="checkbox"/> No Back-up	<input type="checkbox"/> No Form Submitted

PLEASE PRINT OR TYPE, DO NOT WRITE IN SHADED AREAS.

Please fill out the complete form and attach other documentation (See Instructions on page 2.)

STEP 1: Contact Information

City of El Paso

Designating City or County

Francis Chen

Economic Development Specialist

Contact Person

Title

801 Texas, 2nd Floor Economic Development

Current Mailing Address (number and street)

El Paso

El Paso

79901

City

County

ZIP Code

915-212-1632

chenFX@elpasotexas.gov

Phone (area code and number)

Fax Number

E-mail Address

STEP 2: Tax Increment Reinvestment Zone Information

1. TIF Reinvestment zone name: Tax Increment Reinvestment Zone Number 5

Report for fiscal year beginning Sep 2014 and ending Aug 2015

3. Size of the reinvestment zone in acres: 305.4

4. Property types: ☒ Residential ☒ Commercial/Industrial

5. Types of improvement projects (check all that are in progress or have been completed):

Public Projects

- ☒ Public Buildings and Facilities ☐ Roadwork
☒ Water/Sewer and Drainage ☒ Parks ☐ Other Infrastructure: _____

Other Projects

- ☒ Facade Renovation ☐ Parking ☐ Historical Preservation
☐ Transit ☐ Affordable Housing ☐ Economic Development ☐ Other: _____

6. TIF fund balance: \$ -904,206.86

7. List of fund revenues:

Total tax increments received	\$	409,510.00
Sales tax increments	\$	0.00
Loans	\$	0.00
Sale of bonds	\$	0.00
Sale of property	\$	0.00
Other	\$	0.00

TOTAL ANNUAL REVENUES \$ 409,510.00

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org

50-806 • 06-12/2

Tax Increment Finance (TIF) Registry, Annual Report by Municipality or County

List of fund expenditures:

Administrative	\$	21,455.01
Property purchased	\$	0.00
Public improvements	\$	296,510.31
Facade renovations	\$	100,000.00
Parking	\$	0.00
Historic preservation	\$	0.00
Transit	\$	0.00
Affordable housing	\$	0.00
Economic development programs	\$	0.00
Other	\$	0.00
TOTAL ANNUAL EXPENDITURES	\$	417,965.32

9. Bonded indebtedness:

Principal due	\$	0.00
Interest due	\$	0.00

Reinvestment zone values:

Tax increment base	\$	68,981,202.00
Current captured appraised value	\$	537,035.00

STEP 3: Signature of Person Completing Form

sign
here

Authorized Signature

Economic Development Director

Title

3/31/2016

Date

Instructions

State Law (Section Sec. 311.016, Tax Code) requires the governing body of a municipality or county, on or before the 150th day following the end of its fiscal year, to submit a report on the status of a reinvestment zone created by the municipality or county to the chief executive officer of each taxing unit that levies property taxes on real property in the zone. A copy of this annual report along with this form must be submitted to the Texas Comptroller of Public Accounts at the address below:

Comptroller of Public Accounts
Economic Development & Analysis Division
Post Office Box 13528
Austin, Texas 78711-3528

For assistance or to request additional forms, call toll free, 1-800-531-5441 ext. 3-4679. You may also obtain additional forms on the Texas Ahead webpage at www.TexasAhead.org/tax_programs/increment_finance. From Telecommunication Device for the Deaf (TDD), call 1-800-248-4099 or 512/463-4621.

Step 1: Contact information

This information provides the Comptroller information on the entity initiating the tax increment reinvestment zone and a contact person for the annual report.

Step 2: Tax Increment Reinvestment Zone Information

Please include the reinvestment zone name listed in the ordinance or resolution creating the zone, the size of the zone in acres, and the types of property in the zone. Indicate all improvement projects in progress or completed within the zone. List the TIF fund balance at the end of the fiscal year, all revenues received by the fund during the fiscal year, and all expenditures made by the fund during the fiscal year. List principal and interest due on bonded indebtedness, the tax increment base at the creation of the zone and the current captured appraised value (the increase in property value over the tax increment base.)

Step 3: Signature of Person Completing Form

The person signing the report should be the same person listed in Step 1 as the contact person.

For more information, visit our website: www.TexasAhead.org

Tax Increment Reinvestment Zone No. 5

Project Financing Guidelines

The Tax Increment Financing Zone (TIRZ) 5 is a reinvestment zone whose goal is to stimulate new private investment in downtown El Paso and create new housing, shopping and entertainment alternatives, all of which will significantly increase tax revenues for all downtown taxing authorities. Any increase in tax revenues is paid into a special TIRZ fund to finance improvements.

Program Description

The purpose of the program is to provide funding to Private Investors in order to make Public Improvements within the TIRZ 5 boundary. The program will provide matching grants for Public Improvements on a reimbursement basis only.

Program Goals

- 1) Revitalize and improve the appearance of Downtown through strategic investment;
- 2) Offer the private sector an incentive to invest in downtown buildings
- 3) Increase Public/Private Downtown Redevelopment Partnerships

Eligible Applicants

To participate in the program, the property owners and tenant/business owners of properties located within any part of the current Zone boundaries, as identified in Exhibit "A" will be eligible to participate in the program. Applicants must complete and submit the Program application form provided by the Economic Development Department along with the required attachments. Retroactive applications for improvement work that has already been completed will not be accepted. Applicants will have to provide:

- 1) Proof of ownership on the property
- 2) Tax Certificate
- 3) Photos of the building in its current status
- 4) Conceptual renderings of the finished improvements
- 5) Detailed cost breakdown of eligible improvements by an architect or general contractor

Eligible Improvements

Subject to application approval and funding availability, grants will be awarded for public improvements that restore, preserve, rehabilitate, enhance or beautify a structure.

Eligible improvements include:

- Sidewalks
- Water main lines
- Public landscaping
- Lighting
- Environmental Remediation
- Demolition
- Building facades
- Sewer taps
- Utility relocation & burial
- Fees for architectural, planning & engineering work related to eligible public improvements

Property Acquisition will not be considered an eligible expense for reimbursement.

Eligible Expenses

When available, appropriate and practicable reimbursement of the following Project Costs will be considered:

1. Capital Expenses related to demolition, environmental abatement and remediation including site work and fill necessary to prepare sites and existing structures for new use;
2. Land Costs associated with property formally conveyed to the public in conjunction with the implementation of project otherwise eligible for reimbursement may also be eligible for reimbursement, and the City and the Zone may establish procedures for determining the eligibility for reimbursement of such costs;
3. Matching Funds may be contributed in support of local, state, federal or other capital improvements programs that benefit the project and region;
4. Streetscape, gateways, parks and community facilities that enhance or serve the existing or future development, including but not limited to lighting, walks, landscaping, street furniture, greenbelts, paths, parks, outdoor pavilions, arts space and recreational/sports facilities;
5. Professional Fees incurred for architectural, planning, engineering, legal, landscape architecture, financial, marketing, public relations, management, leasing, bookkeeping, tax roll verification, environmental, archaeological, and other services and advice to the project;
6. Financing Costs related to developer interest and financing interest, if any; legal fees; underwriter fees, if any; brokerage charges; premium and fees paid for loans, if any; credit enhancement fees, if any; and notes, bonds, or other instruments of credit issued to pay for Project Costs, if any.

Eligible Costs

The Program is a matching grant program, which means that matching funds must be matched dollar for dollar (1:1 ratio) by the applicant for qualified expenditures. Grant funds are dispersed on a reimbursement basis only. Labor, design, and material costs are eligible costs. Costs incurred for alternations or improvements completed prior to receipt of formal written approval by the Program's Review Committee and issuance of the "Notice to Proceed with Improvements" are not eligible for reimbursement.

Funding Availability

Funding is limited and reimbursement will be subject to funding availability. Project Applicants will be prioritized on a first-come, first-serve basis. A commitment letter allocating the project funds for a particular approved project will be issued and a commitment period established so that if funds are not used within that period, program funds can be reallocated for other eligible projects.

Application Process

An application with the following information, at a minimum, is to be submitted for consideration:

- Property address
- Applicant and Property owner(s) name, address(es), and signature(s)
- Proof of ownership or if tenant, copy of lease or other property agreement and written consent of Property owner to complete the proposed improvements
- Verification that property taxes on the property are paid and current
- Project scope description, to include a detailed plan and sketch
- Conceptual or actual building permit plans for the work to be completed
- Photographs
- Project budget (detailed estimated costs by materials, labor, services and fees)

The required application form is available at the City of El Paso's Economic Development Division. Incomplete applications will not be processed and will be returned to the Applicant without consideration.

The Project Committee for the Program will review and approve applications and select grant award recipients. The Project Committee will be comprised of members of the TIRZ 5 Board. Applications for project reimbursement will be considered by the Project Committee on a case-by-case basis. Applicants may be contacted directly by Economic Development staff to review their application or invited to present their applications before the Review Committee. The Project Committee can deny an application for any reason.

Applicants will be notified in writing as to whether his/her application has been rejected or approved by the Project Committee via a commitment letter issuance that allocates funds to the project if approved. Upon approval, the application will be taken to the full Board of Directors of the TIRZ #5 for presentation and approval. Once approved by the TIRZ 5 Board, the Applicant must enter into a reimbursement agreement with the City of El Paso, regarding the terms and conditions of his/her participation and receipt of the reimbursement grant to include the following:

1. Project scope, and property location and attachment(s) identifying the specific improvements;
2. Maximum amount of the allowed reimbursement grant;
3. Work commencement date;
4. Submission of building permit(s) and other applicable permits or approvals;
5. Monitoring and right of final inspection by Economic Development staff or other City personnel;
6. Compliance with applicable local, state, and federal laws;
7. Promotional Rights to the City; and
8. Maintenance Requirements for Removal of Improvements within two years of the date in which the agreement is signed by the applicant.

An amendment to the TIRZ 5 Final Project and Financing Plan will be made and final consideration will be made by City Council. Requests for reimbursement will only be processed after the improvement work is completed and approved following a final field inspection by Economic Development Staff and/or authorized City personnel in order to verify compliance with the project scope. Further, reimbursement under the Program means that no payment will be issued until the Applicant has paid for the improvement work in full. Reimbursement claims must be accompanied by the following supporting documents: proof of payments (e.g., cancelled checks, paid invoices/receipts of eligible expenses), statements from architects, contractors and/or subcontractors acknowledging that all payments have been received, notarized final lien waivers from all contractors and/or subcontractors, if applicable, proof of final government inspections and a hard copy and digital “after” photograph of the improvements. Applicant must complete, sign and submit a request for reimbursement. Required reimbursement forms will be issued along with the commitment letter. A photocopy of the front and back of all cancelled checks must be submitted for reimbursement along with an invoice marked “paid.” All invoices must clearly indicate the work that was performed, the amount of the invoice as well as the corresponding check number(s). All payments are subject to the review and approval of Economic Development Staff or authorized City personnel. Please allow eight weeks for receipt of the reimbursement check.

Promotional Rights

By accepting grant funds, Applicant authorizes the City to promote the project and property including, but not limited to, displaying a sign at the site during and after construction indicating participation in the Program, and using photographs and descriptions of the project and property in the City’s printed promotional materials, press releases, and websites.

Recapture

If a project is not completed as specified, or if the terms of the agreement are not met, the City has the right to cancel or amend the incentive agreement, recapture any rebated taxes, and rebated taxes shall become due to the City.

EXHIBIT A

