

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED AUGUST 31, 2016

CITY OF EL PASO DOWNTOWN DEVELOPMENT
CORPORATION

SPECIAL REVENUE DEBT



FSC Continuing Disclosure Services
A Division of Hilltop Securities.

FINANCIAL STATEMENTS

The audited financial statements for the Corporation for the fiscal year ended August 31, 2016 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the Corporation and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or other matters described.

CITY OF EL PASO DOWNTOWN DEVELOPMENT CORPORATION

Mark Sutter
Treasurer

Approved for Submission:

Date

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: City of El Paso Downtown Development Corporation

Issue(s):

\$ 45,125,000 Special Revenue Bonds, Series 2013A (Downtown Ballpark Venue Project)
\$ 15,660,000 Special Revenue Bonds, Taxable Series 2013B (Downtown Ballpark Venue Project)
\$ 17,665,000 Special Revenue Refunding Bonds, Series 2016 (Downtown Ballpark Venue Project)

Filing Format electronic paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

Other (describe) _____

Fiscal Period Covered: FYE 2016

Monthly Quarterly Annual Other: _____

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: 

Name: Mark Sutter Title: Treasurer

Employer: City of El Paso Downtown Development Corporation

Voice Telephone Number: (915) 212-1063

Email Address: sutterm@elpasotexas.gov

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Special Revenue Bonds, Series 2013A (Downtown Ballpark Venue Project)

| Date | Principal | CUSIP |
|----------|---------------|-----------|
| 08/15/23 | \$ 5,170,000 | 283738AA0 |
| 08/15/38 | 22,500,000 | 283738AC6 |
| | \$ 27,670,000 | |

Special Revenue Bonds, Taxable Series 2013B (Downtown Ballpark Venue Project)

| Date | Principal | CUSIP |
|----------|---------------|-----------|
| 08/15/43 | \$ 15,660,000 | 283738AE2 |
| | \$ 15,660,000 | |

Special Revenue Refunding Bonds, Series 2016 (Downtown Ballpark Venue Project)

| Date | Principal | CUSIP |
|----------|---------------|-----------|
| 08/15/17 | \$ 425,000 | 283738AF9 |
| 08/15/18 | 530,000 | 283738AG7 |
| 08/15/19 | 550,000 | 283738AH5 |
| 08/15/20 | 570,000 | 283738AJ1 |
| 08/15/21 | 590,000 | 283738AK8 |
| 08/15/22 | 605,000 | 283738AL6 |
| 08/15/23 | 905,000 | 283738AM4 |
| 08/15/24 | 725,000 | 283738AN2 |
| 08/15/25 | 900,000 | 283738AP7 |
| 08/15/26 | 1,065,000 | 283738AQ5 |
| 08/15/27 | 1,230,000 | 283738AR3 |
| 08/15/30 | 175,000 | 283738AU6 |
| 08/15/32 | 785,000 | 283738AW2 |
| 08/15/33 | 520,000 | 283738AX0 |
| 08/15/34 | 695,000 | 283738AY8 |
| 08/15/36 | 1,530,000 | 283738BA9 |
| 08/15/39 | 2,355,000 | 283738BB7 |
| 08/15/43 | 3,510,000 | 283738BC5 |
| | \$ 17,665,000 | |

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the City of El Paso Downtown Development Corporation with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

FSC Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Karla Martinez

**2017 CITY OF EL PASO, TEXAS
DOWNTOWN DEVELOPMENT CORPORATION
REVENUE DEBT REPORT**

TABLE 1 – HISTORICAL HOTEL OCCUPANCY TAX REVENUES – 7% COLLECTION RATE

| <u>Fiscal Year Ended 8-31</u> | <u>Total Collections</u> | <u>% Increase/ Decrease</u> |
|-----------------------------------|------------------------------|---------------------------------|
| 2007 | \$ 7,943,240 | 11.00% |
| 2008 | 8,482,271 | 6.79% |
| 2009 | 7,984,068 | -5.87% |
| 2010 | 8,371,906 | 4.86% |
| 2011 | 8,621,061 | 2.98% |
| 2012 | 8,962,467 | 3.96% |
| 2013 | 8,923,275 | -0.44% |
| 2014 | 9,220,438 | 3.33% |
| 2015 | 10,279,997 | 11.49% |
| 2016 | 11,884,437 | 15.61% |
| 2017 | 857,876 ⁽¹⁾ | -92.78% |

(1) Collections as of January 23, 2017.

Source: Department of the Comptroller, City of El Paso.

TABLE 2 – ADDITIONAL HOTEL OCCUPANCY TAX REVENUE – 2% COLLECTION RATE

| <u>Fiscal Year Ended 8-31</u> | <u>Projected Collections ⁽¹⁾</u> | <u>Actual Collections</u> |
|-----------------------------------|---|-------------------------------|
| 2013 | N/A | \$ 1,478,116 |
| 2014 | N/A | 2,810,661 |
| 2015 | N/A | 2,905,482 |
| 2016 | N/A | 2,939,992 |
| 2017 | N/A | 280,144 ⁽²⁾ |

(1) Estimated, based upon historical HOT collections at 7%. For illustrative purposes only.

(2) Collections as of January 23, 2017.

Source: Department of the Comptroller, City of El Paso.

TABLE 3 – EL PASO HOTEL OCCUPANCIES AND AVERAGE DAILY RATES/HISTORY

| Calendar Year | Room Count | % Increase/ Decrease | Average Daily | | Hotel Occupancy | % Increase/ Decrease |
|---------------|------------|-------------------------|---------------|-------------------------|-----------------|-------------------------|
| | | | Room Rate | % Increase/ Decrease | | |
| 2012 | 9,024 | 1.62% | \$ 72.89 | -1.02% | 67.5% | -0.30% |
| 2013 | 8,977 | -0.52% | 73.10 | 0.29% | 64.2% | -4.89% |
| 2014 | 9,200 | 2.48% | 76.90 | 5.20% | 67.6% | 5.30% |
| 2015 | 9,392 | 2.09% | 79.12 | 2.89% | 67.8% | 0.30% |
| 2016 | 9,324 | -0.72% | 80.96 | 2.33% | 67.4% | -0.59% |

Source: El Paso Convention and Visitor's Bureau.

TABLE 4 – DEBT SERVICE REQUIREMENTS

| Fiscal Year Ending 8-31 | Outstanding Debt Service | | | % of Principal Retired |
|-------------------------|--------------------------|----------------------|-----------------------|------------------------|
| | Principal | Interest | Total | |
| | 2017 | \$ 425,000 | \$ 3,850,207 | |
| 2018 | 530,000 | 3,755,544 | 4,285,544 | |
| 2019 | 605,000 | 3,734,344 | 4,339,344 | |
| 2020 | 625,000 | 3,708,356 | 4,333,356 | |
| 2021 | 650,000 | 3,681,569 | 4,331,569 | 4.65% |
| 2022 | 670,000 | 3,647,719 | 4,317,719 | |
| 2023 | 6,145,000 | 3,612,756 | 9,757,756 | |
| 2024 | 940,000 | 3,239,306 | 4,179,306 | |
| 2025 | 1,130,000 | 3,187,469 | 4,317,469 | |
| 2026 | 1,310,000 | 3,125,794 | 4,435,794 | 21.36% |
| 2027 | 1,495,000 | 3,054,781 | 4,549,781 | |
| 2028 | 1,690,000 | 2,974,069 | 4,664,069 | |
| 2029 | 1,965,000 | 2,851,544 | 4,816,544 | |
| 2030 | 2,280,000 | 2,709,081 | 4,989,081 | |
| 2031 | 2,570,000 | 2,551,219 | 5,121,219 | 37.76% |
| 2032 | 2,890,000 | 2,378,281 | 5,268,281 | |
| 2033 | 3,115,000 | 2,188,731 | 5,303,731 | |
| 2034 | 3,635,000 | 1,984,994 | 5,619,994 | |
| 2035 | 3,905,000 | 1,750,994 | 5,655,994 | |
| 2036 | 4,160,000 | 1,499,969 | 5,659,969 | 66.78% |
| 2037 | 4,385,000 | 1,231,306 | 5,616,306 | |
| 2038 | 4,675,000 | 944,744 | 5,619,744 | |
| 2039 | 2,000,000 | 638,188 | 2,638,188 | |
| 2040 | 2,110,000 | 526,600 | 2,636,600 | |
| 2041 | 2,235,000 | 407,025 | 2,642,025 | 92.04% |
| 2042 | 2,360,000 | 279,588 | 2,639,588 | |
| 2043 | 2,495,000 | 144,088 | 2,639,088 | 100.00% |
| | <u>\$ 60,995,000</u> | <u>\$ 63,658,263</u> | <u>\$ 124,653,263</u> | |

TABLE 5 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES

The following statements set forth in condensed form reflect the historical operations of the City. The City has prepared such summary for inclusion herein based upon information obtained from the City’s Comprehensive Annual Financial Report (“CAFR”) and financial records. Reference is made to such statements for further and complete information.

| | Fiscal Years Ended August 31, | | | | |
|--|-------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
| | 2016 ⁽²⁾ | 2015 | 2014 | 2013 | 2012 |
| Revenues: | | | | | |
| Property Taxes | \$ 153,490,605 | \$ 147,583,822 | \$ 141,420,945 | \$ 137,639,441 | \$ 131,331,232 |
| Penalties and Interest-Delinquent Taxes | 1,166,589 | 1,225,829 | 1,307,371 | 1,268,806 | 1,265,811 |
| Sales Taxes | 85,269,622 | 83,902,829 | 80,361,462 | 76,812,161 | 74,835,025 |
| Franchise Fees | 51,525,945 | 49,843,740 | 42,287,249 | 41,360,418 | 42,964,822 |
| Charges for Services | 38,179,887 | 32,758,457 | 29,133,558 | 24,762,092 | 21,253,301 |
| Fines and Forfeits | 10,649,110 | 11,009,509 | 11,146,619 | 12,553,686 | 12,164,954 |
| Licenses and Permits | 13,993,065 | 12,973,474 | 12,249,386 | 11,795,247 | 12,393,974 |
| Intergovernmental Revenues | 349,877 | 2,186,539 | 1,969,780 | 1,899,257 | 1,844,376 |
| County Participation | 469,169 | 630,388 | 752,847 | 448,013 | 522,500 |
| Interest | 85,405 | 26,428 | (116,499) | (32,936) | 122,074 |
| Rents and Other | 1,411,981 | 1,621,162 | 1,424,120 | 1,579,820 | 1,493,881 |
| Net change in the Fair Value of Investments | - | - | - | - | (1,715) |
| Total Revenues | \$ 356,591,255 | \$ 343,762,177 | \$ 321,936,838 | \$ 310,086,005 | \$ 300,190,235 |
| Expenditures: | | | | | |
| General Government | \$ 28,067,753 | \$ 24,501,826 | \$ 28,433,237 | \$ 32,956,034 | \$ 29,660,382 |
| Public Safety | 211,876,556 | 211,693,127 | 209,339,351 | 203,630,493 | 198,528,377 |
| Public Works | 35,790,708 | 16,976,661 | 18,442,640 | 15,834,323 | 16,290,395 |
| Public Health | 5,857,910 | 5,859,631 | 5,731,625 | 5,926,955 | 5,623,896 |
| Facilities Maintenance | - | 16,916,385 | 23,155,971 | 24,503,102 | 24,138,826 |
| Parks Department | 20,518,044 | 19,060,611 | 11,572,356 | 11,810,348 | 11,208,025 |
| Library | 8,702,007 | 8,532,286 | 8,543,753 | 8,393,380 | 8,397,095 |
| Non Departmental | 19,540,951 | 13,373,036 | 17,086,020 | 9,257,893 | 5,967,334 |
| Cultural and Recreation | 6,407,567 | 6,158,665 | 5,867,584 | 6,023,531 | 5,971,567 |
| Economic Development | 8,557,774 | 8,400,734 | 8,112,463 | 8,782,543 | 6,996,848 |
| Environmental Code Compliance | - | - | - | 2,178,796 | 2,270,643 |
| Community and Human Development | 1,038,045 | 500,798 | 509,993 | 331,949 | 485,398 |
| Debt Service Principal | 4,065,323 | 5,750,041 | 3,738,681 | 2,298,669 | 1,440,551 |
| Debt Service Interest | 425,030 | 521,194 | 623,068 | 587,217 | 412,702 |
| Fiscal Fees | - | - | - | - | - |
| Capital Outlay | 700,107 | 294,679 | 191,701 | 809,471 | 632,978 |
| Total Expenditures | \$ 351,547,775 | \$ 338,539,674 | \$ 341,348,443 | \$ 333,324,704 | \$ 318,025,017 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 5,043,480 | \$ 5,222,503 | \$ (19,411,605) | \$ (23,238,699) | \$ (17,834,782) |
| Other Financing Sources (Uses) | | | | | |
| Transfers from Other Funds | 16,920,895 | 14,649,651 | 20,879,603 | 18,946,861 | 17,873,183 |
| Transfers Out | (20,305,174) | (10,317,215) | (5,334,084) | (712,350) | (111,874) |
| Total Other Financing Sources (Uses) | \$ (3,384,279) | \$ 4,332,436 | \$ 15,545,519 | \$ 18,234,511 | \$ 17,761,309 |
| Net Change in Fund Balances | \$ 1,659,201 | \$ 9,554,939 | \$ (3,866,086) | \$ (5,004,188) ⁽¹⁾ | \$ (73,473) |
| Beginning Fund Balance | 42,944,336 | 33,389,397 | 37,255,483 | 42,259,671 | 42,333,144 |
| Ending Fund Balance | \$ 44,603,537 | \$ 42,944,336 | \$ 33,389,397 | \$ 37,255,483 | \$ 42,259,671 |

(1) The decline in the General Fund balance is associated with one-time relocation costs of City Hall, a net impact of settlement of protected property.

(2) Unaudited.

TABLE 6 – MUNICIPAL SALES TAX

| <u>Fiscal Year Ended 8-31</u> | <u>Total Collected</u> | <u>Ad Valorem Tax Levy</u> | <u>% of Ad Valorem Tax Levy</u> | <u>Net Taxable Assessed Valuation</u> | <u>Equivalent of Ad Valorem Tax Rate</u> |
|---------------------------------------|----------------------------|--------------------------------|---|---|--|
| 2013 | \$ 76,812,161 | \$ 210,991,914 | 36.41% | \$ 32,045,964,752 | \$ 0.2397 |
| 2014 | 80,361,462 | 220,315,596 | 36.48% | 32,476,819,147 | 0.2474 |
| 2015 | 83,902,829 | 228,100,419 | 36.78% | 32,736,245,334 | 0.2563 |
| 2016 | 100,080,066 | 239,858,850 | 41.72% | 33,122,336,852 | 0.3022 |
| 2017 | 26,642,708 ⁽¹⁾ | 256,535,442 | 10.39% | 33,774,165,835 | 0.0789 |

(1) Collections as of January 23, 2017.

Source: Department of the Comptroller, City of El Paso.

