MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Adrian Ocegueda, Executive Assistant to the Mayor

SUBJECT: Amendment to Tax Increment Finance District Number One

DATE: August 18, 2004

The Tax Increment Finance (TIF) District was terminated in 1998. At that time the parties had mutually agreed that the remaining balance of the fund was to be used for a festival marketplace, hotel development, downtown housing, or an expansion to the library. All of these authorized uses were to fall within the boundaries of the TIF District. If the funds were to be used for projects outside of the scope the agreement would require an amendment. Currently there is a balance of $1,885,686.22 in the TIF District Number One.

The City is proposing to use the balance of the funds for exhibit design, fabrication and installation to be utilized for the new History Museum currently under construction as part of the Cleveland Square Project. Specifically, these funds will be used in the development of exhibit space for the museum. As required under the TIF District this project is located and benefits the boundaries encompassed in TIF District Number One. The City's Museum has estimated a range of costs needed to build out the exhibit space, the current funds remaining in the TIF District fall within that range of costs. Project scope will be modified in order to meet the required estimates.

To date, the chronology of TIF Number One Amendment is as follows:

6-8-04 – Amendment approved by EPISD.

6-9-04 – Letters to Hospital District, EPCC and County re: Proposed Amendment to TIF #1 Termination Agreement and requesting placement on next available board/commission meeting.

6-16-04 – Letter from Edward Sosa regarding placement on RETGH Board agenda and request for information. Mr. Sosa stated the item would appear on the Finance Committee agenda of June 24 and on the Board of Managers agenda for July 13, 2004.

6-23-04 – Letter to Edward Sosa transmitting requested information.

6-24-04 – Item appeared on Thomason Hospital Finance Committee Meeting
No action taken City staff believed Item was tabled to next Finance Committee Meeting.

7-12-04 – Amendment approved by County Commissioners.

7-14-04 – Amendment approved by EPCC at meeting.

7-29-04 – Thomason Finance Committee Meeting – Item not on agenda.

7-30-04 – Letter sent via fax to Edward Sosa requesting placement on Board of Managers agenda as soon as possible.

8-2-04 – Letter sent via fax to Edward Sosa requesting confirmation of placement on agenda.

8-3-04 –Letter from Edward Sosa confirming the item will appear on Board Agenda August 10, 2004.

8-10-04 – Matter referred to Thomason Finance Committee by Board.

8-24-04 – Item to be placed on City Council agenda.

8-26-04 – Item to be considered by Thomason Finance Committee.

I respectfully request that the City Council approve this amendment to the 1998 termination agreement in order to allow the remaining TIF funds to be used for this purpose. All funds are projected to be utilized, thus leaving the TIF fund balance zero and completing all of the party's commitments to the Tax Increment Finance District Number One.

RESOLUTION

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

That the Mayor be authorized to sign the Amendment to Tax Increment Finance District No. 1 Termination Agreement by and between the City of El Paso, the County of El Paso, the El Paso Independent School District, the El Paso County Hospital District and the El Paso County Community College District allowing the City of El Paso to utilize the remaining fund balance in the TIF No. 1 fund in connection with the History Museum to be constructed by the City of El Paso as part of the Cleveland Square Project.

ADOPTED this the 24th day of August 2004.

THE CITY OF EL PASO

_____
Joe Wardy
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Sylvia Borunda Firth
Assistant City Attorney

APPROVED AS TO CONTENT:

Deborah G. Hamlyn, Deputy CAO
Quality of Life Services

#3363/SFIR/ECO/5/Reso

STATE OF TEXAS	)	
	)	**AMENDMENT TO TAX INCREMENT FINANCE**
COUNTY OF EL PASO	)	**DISTRICT NO. 1 TERMINATION AGREEMENT**

This Amendment to Tax Increment Finance District No. 1 Termination Agreement is made by and between the City of El Paso ("City"), the County of El Paso ("County"), the El Paso Independent School District ("EPISD"), the El Paso County Hospital District ("Hospital District") and the El Paso County Community College District ("EPCC") on the 24th day of August 2004.

WHEREAS, the City, County, EPISD, the Hospital District, and EPCC entered into an agreement regarding the Termination of Tax Increment Finance District Number One ("Agreement") on June 9, 1998;

WHEREAS, pursuant to the terms of the Agreement, the City was authorized to utilize the funds remaining in the TIF No. 1 fund to defease the outstanding TIF bonds and to fund projects which were approved by the parties;

WHEREAS, the City did defease the bonded indebtedness and expend funds in connection with some of the approved projects; and

WHEREAS, the TIF fund still contains funds and the parties desire to amend the Agreement to approve another project upon which the funds may be spent.

NOW, THEREFORE, it is mutually agreed as follows:

1. **Remaining Balance.** The funds remaining in the TIF No. 1 fund as of the date of this Amendment are $1,885,686.22 ("Remaining Balance").

2. **Approved Project.** The parties agree that the Remaining Balance may be utilized in connection with the exhibit design, fabrication and installation in the History Museum to be constructed by the City as part of the Cleveland Square Project.

3. **History Museum.** The City does not anticipate charging an admission fee at the History Museum when it is opened. However, as additional consideration for EPISD's and EPCC's agreement to add the History Museum to the list of approved projects, the City covenants and agrees that even if there is a charge to the general public, the students of EPISD and EPCC will be permitted to enter the History Museum upon presentation of appropriate student identification without payment of an admission charge for the first ten (10) years the History Museum is in operation.

4. **No Further Approval.** The City shall be solely responsible for the disbursement of funds and will need no further approval from the County, EPISD, the Hospital District, or EPCC to proceed with funding.

5. **Final Project.** The parties agree that upon the expenditure of the Remaining Balance, all matters involving Tax Increment Finance District Number One are concluded and the parties will have no further responsibilities with regard to Tax Increment Finance District Number One.

6. **Ratification.** Except as herein amended, all other terms and conditions of the Termination Agreement dated June 9, 1998 remain in full force and effect.

7. **Effective Date.** The effective date of this Amendment shall be the date it is approved by the City Council of the City of El Paso.

APPROVED and effective this 24th day of August, 2004.

CITY OF EL PASO

_____
Joe Wardy
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Sylvia Borunda Firth
Assistant City Attorney

APPROVED AS TO CONTENT:

Deborah G. Hamlyn
Deputy CAO Quality of Life Services

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

THE COUNTY OF EL PASO

ATTEST:

_____
Printed Name:_____
Title:_____

_____
Dolores Briones
County Judge

EL PASO INDEPENDENT SCHOOL DISTRICT

ATTEST:

_____
Carlos Cordova
Secretary

By:_____
Sal Mena, Jr.
President

EL PASO COUNTY HOSPITAL DISTRICT

ATTEST:

_____
Printed Name:_____
Title:_____

By:_____
Printed Name: _____
Title: _____

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

ATTEST:

_____
Printed Name:_____
Title:_____

By:_____
Printed Name: _____
Title: _____