

County of El Paso

Mission Trail Incentive Guidelines & Criteria

SECTION I. INTRODUCTION

This document outlines the main operational features for *business incentives guidelines* for El Paso County's Historic Mission Trail. These guidelines shall be implemented through Chapter 381 Agreements between the County and eligible business owners, residential owners or developers. Wherever possible these agreements may be supplemented by local Chapter 380 incentive agreements authorized and administered by the relevant municipality.

It is the policy of the County of El Paso, to provide incentives to **businesses** that will make a measurable difference in achieving economic growth and development along the Mission Trail, expanding and diversifying the tax base and creating new jobs within the County. The final goal of this policy is to foster the development of a vibrant, diverse and economically productive "art scene" along the Mission Trail.

In furtherance of the overarching objective, these guidelines define the financial incentives and establishes standards for implementation. New businesses or expansion of existing businesses and residential owners can be considered for financial incentives. In order to be eligible for incentives, businesses or individuals must be current on all county taxes or any other obligation to the County. Incentives cannot be transferred as a result of a change in the majority ownership of the business without the expressed written consent of the County of El Paso. Any new applicant shall file a new application for an economic development incentive. It shall be the responsibility of the business to notify the County of change with a 381 incentive application.

The County of El Paso is under no obligation to approve any requested incentive and a right to receive these incentives is neither intended nor implied.

SECTION II. OBJECTIVES AND PUBLIC PURPOSE

The County of El Paso, through the implementation of this policy, shall endeavor to accomplish the following objectives:

1. Create jobs and promote economic stability by encouraging the development of a vibrant, diverse economic base in support of the heritage tourism industry along the Historic Mission Trail;
2. Foster conditions that will contribute to the prosperity of *walkable commercial centers*, thereby making Mission Trail communities more attractive to increasing numbers of tourists and visitors.

The overall public purpose of this incentive program is to promote local economic development as a means to improve the quality of life of El Paso County residents.

SECTION III. GRANT INCENTIVES FOR THE HISTORIC MISSION TRAIL

The physical appearance of neighborhoods along the Historic Mission Trail could stand substantial improvements. Partly as a consequence of the appearance issues that exist some small businesses catering to tourists and visitors are coping to remain competitive. In order to effectively promote the Mission Trail as an attractive tourist destination, the County *and the cities involved* will need to commit resources to help local landowners and businesses improve the 'look' of Mission Trail neighborhoods while at the same time improving the chances for commercial success.

This section addresses the very particular needs of the Historic Mission Trail area in terms of economic development incentives for local prosperity and heritage tourism development.

1. Historic Façade Grants

Historic facades are at the very heart of the Mission Trail's appeal to visitors. Heritage tourists generally seek out quaint and beautiful locales where the distinct charm of historic architecture predominates. Many good examples of such architecture still exist in the communities along the Mission Trail, but many others have deteriorated through the ravages of time and the elements. In other cases, there are buildings along the Mission Trail of a much more recent vintage, and still others that have yet to be built but may be proposed in the years to come, all of which could benefit from a historically faithful 'makeover' following established guidelines.¹

The aim of the historic façade grant program would be to incentivize the construction and/or reconstruction of historic facades for those property owners along the Mission Trail who might not undertake such work without an incentive

Façade grants will be awarded to qualified applicants whose subject properties are situated within the boundaries of an established historic district along the Historic Mission Trail in the cities of Socorro, San Elizario., and the Ysleta District of the City of El Paso.²

This incentive requires establishing a funding budget request on an annual basis, subject to Commissioners court approval. Fund amount: \$100,000.00

¹ The relevant guidelines are to be found in the 1994 *Comprehensive Plan for the Mission Trail Area*. These guidelines may be updated to a certain degree when the comprehensive plan itself is updated.

² Socorro, San Elizario and the Ysleta district of the City of El Paso each have their own historic district and Historic Landmarks Commission. The City of El Paso also has a Mission Trail historic district, but El Paso currently has its own program of economic incentives for this area.

Boundaries for Mission Trail Development include the following will coincide with the boundaries of the designated historic districts in Socorro, San Elizario and the Ysleta District of the City of El Paso

Please see Exhibit A.

2. Chain-Link Fence Removal Grant

Most tourists tend to seek out destinations that are attractive and inviting. Attractive neighborhoods invite people to stroll around and explore the community – buying local products and services along the way.

Without a doubt there are many historic treasures all along El Paso's Historic Mission Trail, but there are also many instances of deterioration and blight that are difficult to overlook. One of the biggest contributors to the appearance of blight along the Mission Trail is the proliferation of **chain-link fences** facing the public view along streets and sidewalks. These fences can be found in various states of disrepair along Socorro Road and many side streets, but even the newest ones, gleaming in the sun, represent an extremely poor fit with the historic character of the community as a whole.

Chain-link fence removal programs have been successfully implemented in at least four communities around the country.³ In each case, the motivation to undertake such a program came from a consensus appraisal that chain-link fences detract significantly from the overall image the community wants to portray to the world.

This incentive requires establishing a funding budget request on an annual basis, subject to commissioner's court approval. Fund amount: \$50,000.00

Chain-Link Fence Grants will be awarded according to the following schedule,

SECTION IV. TARGET AREA

The key target area in which the economic incentives for qualifying applicants shall be administered encompasses designated portions of the Mission Trail Historical Area situated in the City of Socorro, the City of San Elizario and the Ysleta District of the City of El Paso. These areas (depicted on the maps in this section) encompass conceptually defined "pedestrian sheds" which approximately represent the walkable ambit enjoyed by residents and tourists alike.⁴

³ The communities are: City of Elgin, IL; City of Rosemead, CA; City of Rancho Cordova, CA; City of Bradenton, FL.

⁴ The "pedestrian sheds" approach is ideal for defining the target area of an economic development incentives program such as this one, since it supports the overarching goal of achieving *walkable communities*.

This program will entertain competitive applications involving any business location within the historic districts Cities of Socorro, San Elizario and the Ysleta District of the City of El Paso. Applications involving business locations within the historic districts of the aforementioned cities must be from “qualified arts businesses” as defined herein, or transient lodging facilities.

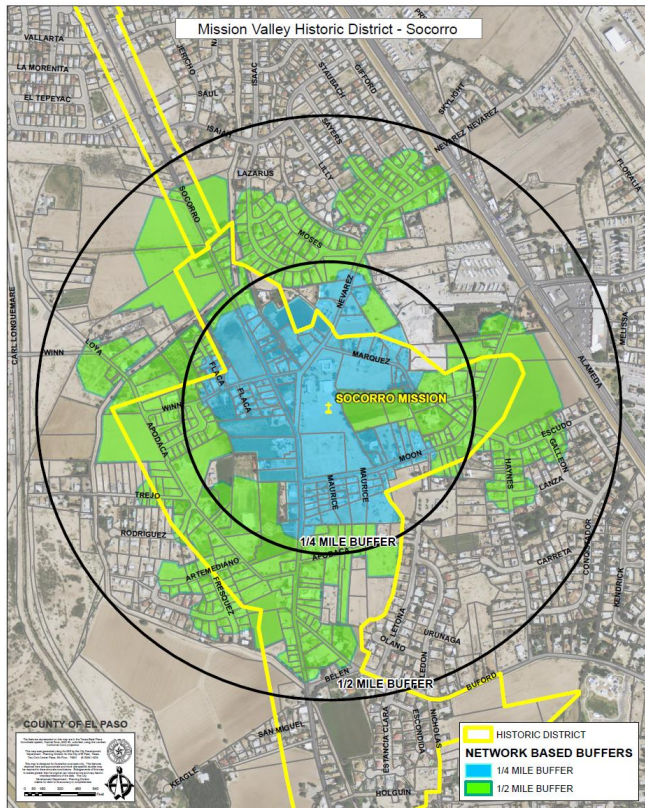


Figure 1. Functional Network Map of the **Socorro** area Historic Mission Trail Pedestrian Shed.

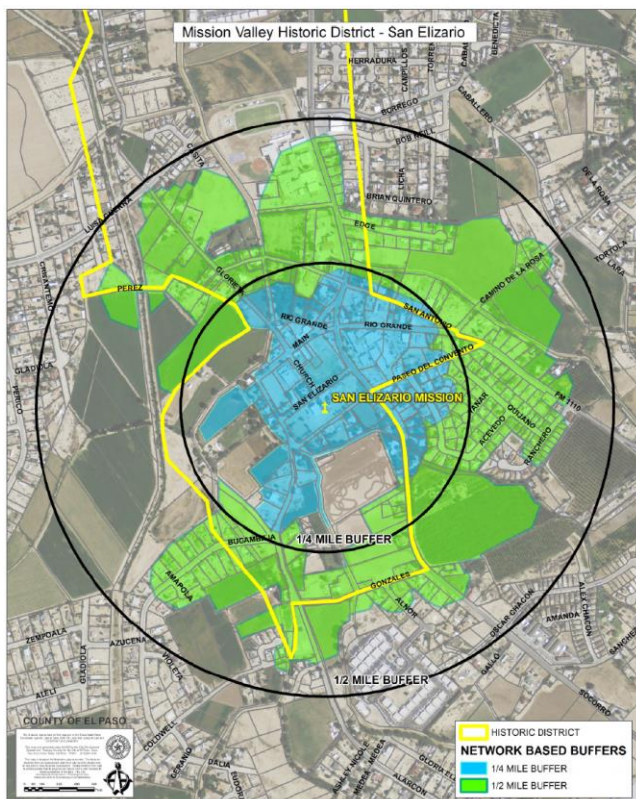


Figure 2. Functional Network Map of the **San Elizario** area Historic Mission Trail Pedestrian Shed.

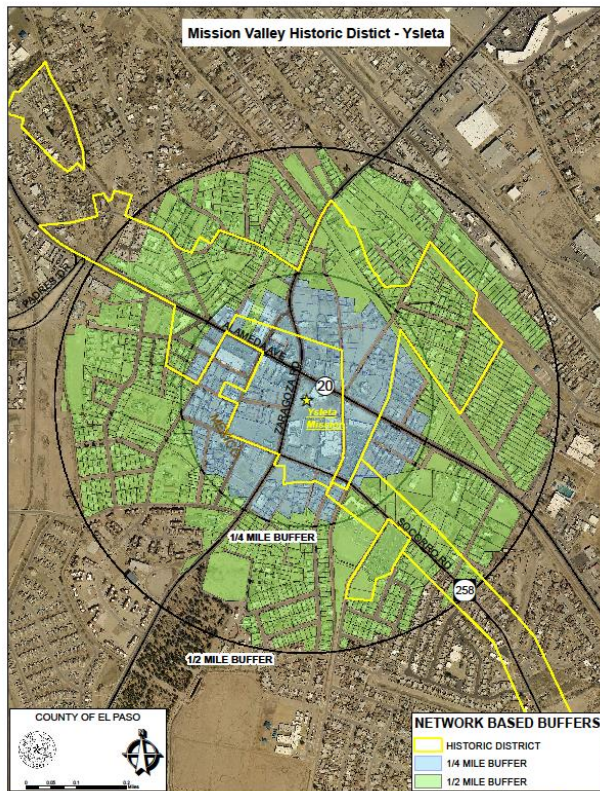


Figure 3. Functional Network Map of the Ysleta area Historic Mission Trail Pedestrian shed.

SECTION V. GENERAL CRITERIA

The County of El Paso may provide incentives for any business or commercial development and residential project if that project:

1. Will substantially enhance the economic health and tourism potential of the County of El Paso;
2. Will result in a net increase or retention of jobs in the County or add to the tax base or will otherwise improve or enhance the economic welfare of the residents or businesses of the County; or
3. Demonstrates the potential to generate revenues to the County which outweigh costs associated with incentives.

In addition, the following criteria must be satisfied.

The project MUST:

1. Show a clear demonstration of public purpose and economic benefit through advancement of the County's economic goals which include expanding the tax base, creating quality jobs, increasing private capital investment in the community, spurring

development in targeted County locations; or encouraging development of economically viable arts districts along the historic Mission Trail;

2. Include solid evidence provided by the applicant that demonstrates the applicant's financial stability and capacity to complete the project;
3. Be in compliance with all local, state and federal laws.

AND:

The applicant MUST:

1. Be a U.S. citizen or a registered legal permanent resident of the United States; and
2. Possess, or be prepared to file with the County for, an "Assumed Name/Doing Business As" Certificate for his/her business of any type (e.g., sole proprietorship; limited liability partnership; Texas corporation) whenever applicable.

Any business applicant physically located (or proposing to locate) *within* a designated historic district of the City of Socorro, San Elizario and the Ysleta Historic District of the City of El Paso must be a **qualified arts business**, as defined below, culinary arts, and **transient lodging facilities** such as a hotel, motel, or bed and breakfast, expansion of an existing business, new businesses or individual (residential) conforming to designation conforming to the requirements and review provisions of the Historic Landmark Commission of the relevant municipality.

Definition of Qualified Arts Business: A Qualified Arts Business shall mean a new business or expanded business, as defined below, or a not-for-profit organization that carries on at least one of the following business activities in the arts district:

- A business for profit or not-for-profit organization that presents live performances of theatre, dance, music, or other imaginative work and/or produces or exhibits physical works created by, or under the direction of one or more artists, which are intended for unique production or limited reproduction. Museums or historic sites, the primary mission of which is education, history, or historic preservation, also qualify as arts and culture organizations.
- A creative economy business, which is a business whose primary economic activities are the generation or utilization of innovation, knowledge and information involving individual creativity, skill and talent which activities have a potential for wealth and job creation through the generation of ideas, products and/or services. Standard categories may include, but are not limited to: advertising, architecture, art and antiques, designing computer games or software, culinary arts, crafts, design, designer fashion, film and video, music, performing arts, publishing, TV and radio. Offices such as a bank, real estate office, medical office, attorney's office or any other general office use do not qualify as a Qualified Arts Business for the purposes of this program.

Additionally, a restaurant or retail shop that is a franchise or chain with three or more physical locations qualify as a Qualified Arts Business for the purposes of this program.

In order to receive any such incentives from the County of El Paso, each business is required to complete an application and provide true and correct information, including but not limited to capital investment and employment projections. To enable the County to properly evaluate the proposal, the applicant will also make available an update of the data above described available annually after business operations begin. The decision to provide economic development incentives will be considered on a project-by-project basis, in accordance with the criteria set forth in this policy, and at the discretion of the El Paso County Commissioners Court.

SECTION VI. APPROACH

The Incentives Policy offers a *menu* of incentive options which will appeal to different types of commercial property owners, business owners and prospective business owners and residential owners. It is the intent of this program to provide incentives for commercial and residential property development while at the same time providing meaningful incentives to business owners regardless of whether they own or rent their place of business.

The details of the approach outlined below will be subject to periodic review, in order to make the overall incentives program respond meaningfully to the needs of the business community and residential owners. Under this Incentives Policy the following incentive mechanisms are proposed:

Business Development Incentive: These are business site construction rebates of up to a maximum of 90% of real and/or personal property that can be applied to expansion and attraction enhancements that are compatible with the historic character of the community. Every project receiving an incentive must comply with those design guidelines and historic preservation requirements that are applicable to area or district where it is situated. (*See attached Design Guidelines, excerpted from the 1994 Comprehensive Plan for the Mission Trail Historical Area*)

In addition to expansion/attraction and related improvements, the cost of *interior* structural improvements may also be reimbursable under this rebate if the intended purpose of the structure in question can be meaningfully related to a valid public purpose (such as a visitors center or a business incubator⁵).

Each Applicant for the Business Development Incentive must be able to document a level of private investment in the proposed project that is at least as great as the grant amount awarded

⁵ **Business incubators** are defined as programs designed to support the successful development of entrepreneurial companies through an array of business support resources and services, developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Although most incubators offer their clients office space and shared administrative services, the heart of a true business incubation program is the services it provides to startup companies.

(i.e., a 50 percent grant, based on total project cost). The goal of this incentive focusing on the physical environment is to promote the development of a viable and exciting tourism industry while creating jobs for the local populace.

Recognizing that structural improvements will often result in a property reassessment, the program offers an *Incremental Value Property-Tax Rebate*: This program element aims to further encourage qualified businesses by including property tax rebate incentives aimed at property owners who provide spaces for commercial establishments.

Lodging Business Improvements: Qualifying private-sector applicants that develop new or restored hotel facilities within the Cities of Socorro, San Elizario and the Ysleta District of the City of El Paso will be eligible for property tax rebates or sales tax rebates.

Cultivating a community “arts scene” that is not only commercially viable but *vibrant and memorable* will require, among other things: Local ***lodging alternatives*** to maximize the amount of time visitors spend in this area.

Sales Tax Rebate: A county sales tax-rebate option will be provided to qualifying applicants and will be computed with reference to sales taxes derived from the recipient’s particular development, at a rate equaling a fixed percentage of the County’s 0.5% sales tax revenue according to the following schedule:

This particular rebate will be distributed in reimbursement form on a quarterly basis, from funds derived off the sales taxes associated with that particular applicant’s business sales. The sales tax rebate disbursement will only be distributed after the applicant has submitted, (and the County has approved) all official tax and sales records.

Property Tax Rebate: Applicants that propose to undertake major construction of new business installations, or substantial redevelopment of blighted areas, may be eligible to receive a up to 90% rebate of the property taxes associated with the property where the project takes place.

The awarding of any incentives relating to physical construction or redevelopment of real property will be contingent upon strict adherence to the design and conforming development standards corresponding to the Cities of Socorro, San Elizario and the Ysleta District of the City of El Paso.

SECTION VII. APPLICANT ELIGIBILITY CRITERIA

1. The Applicant must fulfill the General Criteria enumerated in Section V, above.
2. The Applicant’s ongoing or proposed business must be physically located within the Cities of Socorro, San Elizario or the Ysleta District of the City of El Paso.
3. Each *Façade/Structural Grant* applicant must be able to evidence through a cost estimate or construction pro-forma, a level of private investment in the proposed project that is at least equal to the grant amount awarded.

4. The applicant must be able to fully document all business expenditures and capital investments, as well as sales taxes collected.
5. The applicant must demonstrate the ability to complete the proposed project within the agreed timeframe.
6. The applicant must submit an approvable application that includes all relevant supporting documentation.

SECTION VIII. ADDITIONAL STIPULATIONS

- Applicant agrees to be “open for business” within one (1) year of the beginning of renovation, with special exceptions to be approved by the County.
- Applicant agrees to provide documentation of expenditures within 2 months of the agreement.
- The County agrees to process payments within 60 days of submittals.

SECTION IX. TAXES COLLECTED

Applicant is responsible for collecting sales tax payment information. The County is not obliged to request “waivers of confidentiality” for this information. Applicant must pay taxes by January 31st.

Exhibit A

