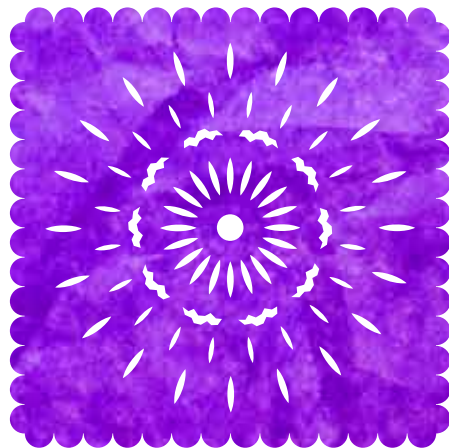
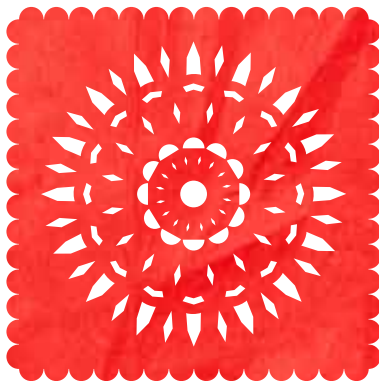
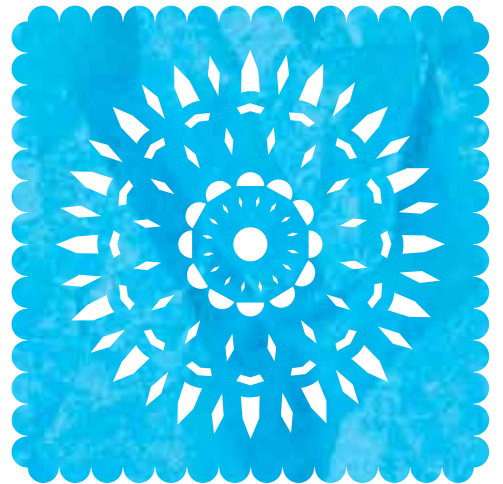
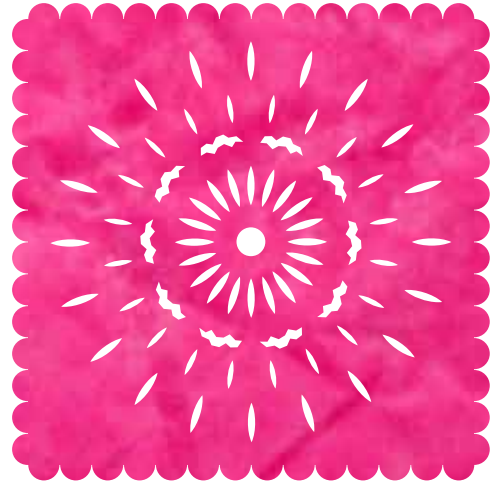
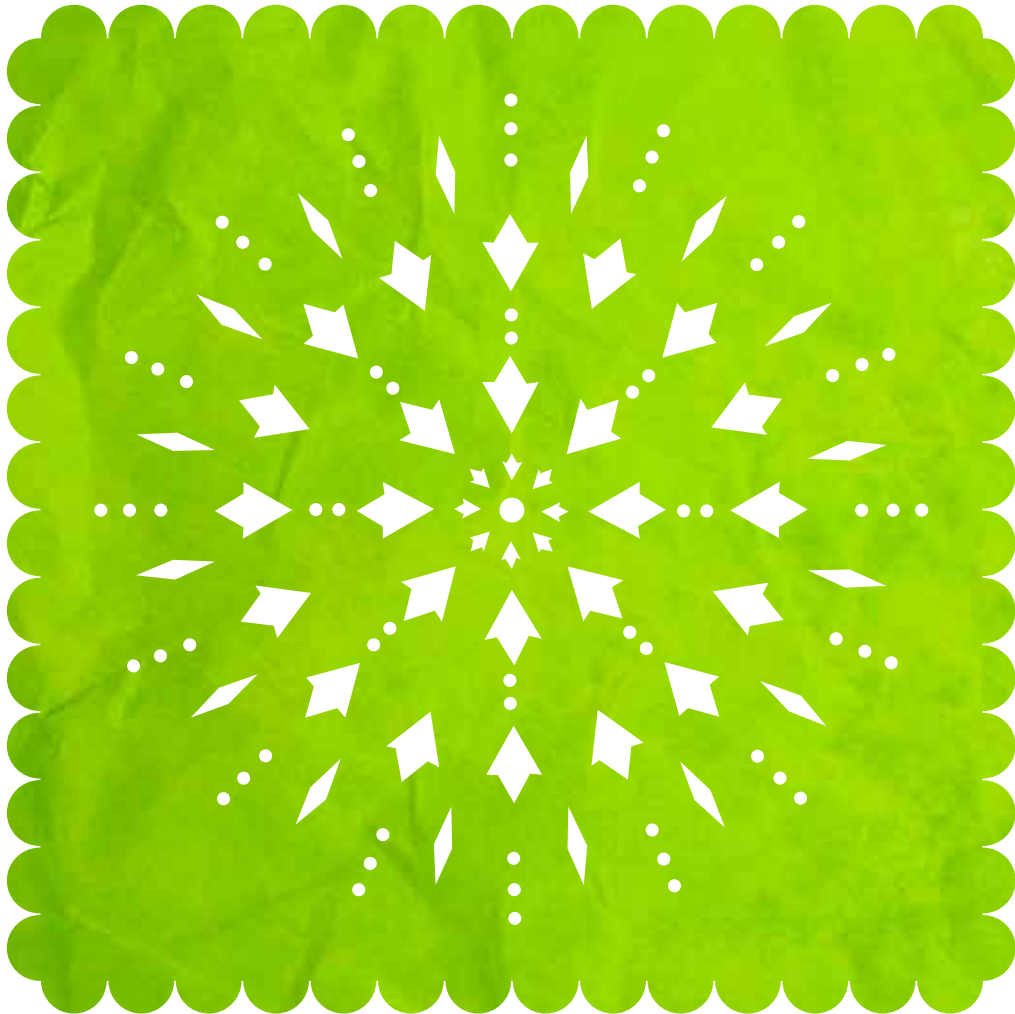


DWNTWN EL PASO

ANNUAL REPORT 2011

FEBRUARY 1, 2011 – JANUARY 31, 2012



**EAT
SHOP
PLAY**





EL PASO DOWNTOWN MANAGEMENT DISTRICT

As Executive Director of the El Paso Downtown Management District since February 2011, I'm delighted to have a front row seat to the transformation of Downtown El Paso as the key destination for commerce, culture and tourism for our region. 2011 was a year of transition for the El Paso Downtown Management District. With a strong mandate from the City of El Paso and high expectations from the Board of Directors, we added new programs to our portfolio of services that generated increased interest in events and investment opportunities in Downtown El Paso. Our annual report highlights the work of the organization in 2011.

A new interlocal agreement with the City of El Paso calls for the DMD to actively participate in public outreach and development for economic development in connection with the City's downtown revitalization efforts, to lead the overall marketing efforts for downtown in a comprehensive manner and to continue to provide the supplemental sanitation services, a DMD core service for over a decade.

Our increased capabilities allow the DMD to play a larger role in future capital projects and investment in downtown El Paso. We have improved outreach to our Downtown Stakeholders via our downtown newsletter, increased media outreach for events, and through our promotional and sanitation programs.

As an entity, we increased our resources and staffing to continue to enhance Downtown El Paso's future and make Downtown El Paso the

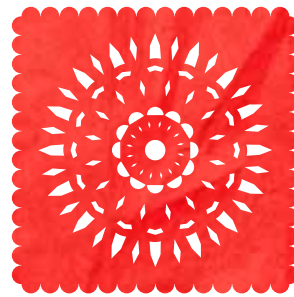
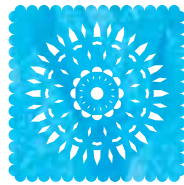
center of commerce, culture, and tourism. We added new staff positions to expand our organizational capabilities. New programs include the Downtown survey-census, implementation of the Downtown marketing plan, special privilege permit processing for special events downtown, the façade improvement grant program, and the banner program promoting downtown events and activities. Our team includes a professional marketing firm and seasoned advisors for the Downtown survey-census and key partnerships with institutions with deep knowledge bases in our community.

2011 has been a transitional and transformative year for the DMD and there is more work to be done this year as Downtown El Paso continues its transformation. The DMD Board of Directors is fully engaged in this transformation through our work on capital projects for a fall 2012 bond election that will include signature downtown projects and as the staff and professional on the team conduct the second downtown survey-census and go live with our webpage and social media marketing efforts.

While there are many uncertainties and challenges ahead, we are optimistic about Downtown El Paso's future and the role the El Paso DMD can continue to play to make it the place we all envision. Thank you for a great seat in downtown El Paso's transformation.

Verónica R. Soto, AICP, Executive Director
El Paso Downtown Management District

DMD AT A GLANCE



The El Paso Downtown Management District is a municipal improvement district focused on economic development-driven initiatives and programs in Downtown El Paso.

The DMD provides supplemental services paid for by the annual assessment levied on property owners in Downtown

The DMD Board of Directors represents Downtown property owners, business representatives and tenants

The district totals 630 individual parcels including various key city, county, state and federal properties

Fiscal year 2011-12 assessment rate for the DMD: 0.12 cents per \$100 of valuation

OUR MISSION

Make Downtown El Paso the center of commercial, civic, and cultural activity.

CORE SERVICES

ECONOMIC DEVELOPMENT PROGRAMS, MARKETING, SECURITY, & SANITATION

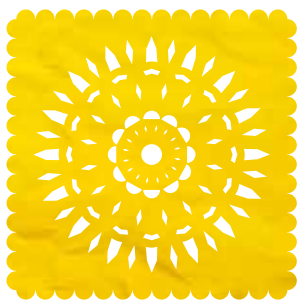
Primary clearinghouse for public and private activities and economic incentives programs in Downtown El Paso

Create targeted marketing and media visibility to promote Downtown El Paso as a designation for events, employment, and downtown living

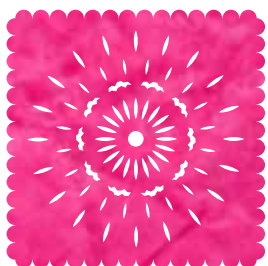
Reimagine Downtown El Paso's image with one clear message and plan and improve the economic environment and public space, and cleanliness in partnership with the City and County of El Paso

TABLE OF CONTENTS

A WORD FROM THE DMD	1
DMD AT A GLANCE	2
INTRODUCTION	3
MARKETING DOWNTOWN	4
DMD PRIORITIES	5
DOWNTOWN PROJECTS	6-9
REVENUE AND SPENDING / MOVING FORWARD	10



EVERYONE'S DOWNTOWN



The El Paso Downtown Management District (DMD) is quickly becoming a driving force for downtown revitalization. From maximizing incentives to generating new business growth to targeted programs that attract more people to experience Downtown first-hand, the DMD is becoming a clearinghouse for all things downtown.

Taking on an active role as both convener and problem-solver, the DMD understands the challenges that lay ahead. We need to better communicate a vision and plan for Downtown El Paso. We have to strategically concentrate our resources, and think smart about how to make targeted investments. We need to attract substantive capital projects to downtown, which will bring new businesses, tenants, and in time more residents. There is already vibrancy seen in the vast number of cultural events and activities in the city's center. This year downtown is already projected to see a 66 percent increase in the number of festivals and events planned for the calendar year. We have new housing developments in the mix, and plans to restore many existing properties and landmarks.

The plan is simple: we have to make it easier to develop in downtown and create attractive places for residents to make transformative change in what we hope is a revitalized center of cultural, civic, and economic life. Momentum is on our side as the DMD amplifies the energy, interest, and investment in Downtown El Paso. These next few years will be critical as we highlight how we can eat, shop, and play to a successful downtown rebirth. Not since the 1970's have we seen so much concentrated focus on our city's center, and we cannot let this opportunity be wasted.

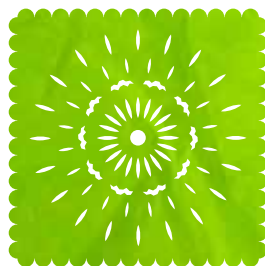
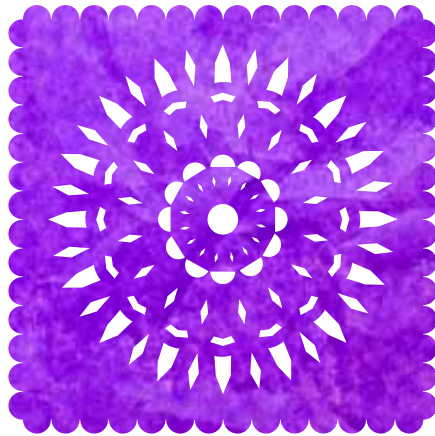
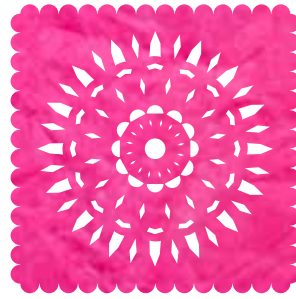
We need to chart a clear direction for downtown, and the first step is bringing everyone to the table: from our downtown loyalists, including our Korean merchants and long-time property owners to potential Juarez investors and young professionals stepping forward with new ideas and creative talent.

The time has come for our community not to settle for a second-class downtown, fragmented and divided. We need a new player to truly change the downtown landscape to a place of civic and cultural revitalization. The DMD is up to the challenge with a strategic focus on targeted investment and visibility.

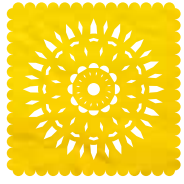
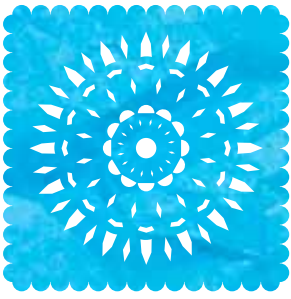
The hard work is still ahead. We have to create a first class visitor center for tourists, great directional signage, fresh new marketing and aesthetics, a modern web and media presence, more visible security and cleanliness – and all in the name of unifying an image and a mission for downtown's future.

This is everyone's downtown. Let's make change happen.

MARKETING DOWNTOWN



The Downtown Management District (DMD) has committed a considerable amount of resources to Downtown marketing, promotions, and special events in order to draw more El Pasoans to eat, shop, and play in Downtown. Based on the H&K Downtown Marketing Study conducted for the City of El Paso back in 2010, the DMD will begin to move the implementation phase forward for all Downtown marketing while bridging the necessary partnerships that will sustain a consistent and overall image and truly make the city center a place of cultural, civic, and economic life for the region. In doing so, the DMD has doubled the marketing budget for 2011-2012 from the previous year in order to build the necessary infrastructure – from a new Downtown website to marketing implementation plans – that strategically creates visibility and lays the foundation for more targeted marketing initiatives.



2011 - 2012 PRIORITIES

DOWNTOWN CENSUS SURVEY

2011-2012 marks the first Survey-Census ever conducted for Downtown El Paso, which has identified key demographics and now benchmarks to move downtown revitalization forward. The key Census-type information targeted employers, employees, and households in the downtown area about who eats, shops, and plays in Downtown El Paso. This invaluable information will be shared with entrepreneurs and companies evaluating business investment opportunities in the downtown area and property owners seeking new tenants so they can better target their marketing, recruitment and outreach efforts.



DOWNTOWN EMPLOYERS

- 34%** A third have been in business for more than 50 years
- 39%** More than a third own their own building
- 84%** A majority did not plan to relocate their business in the next year
- 39%** More than a third of all businesses have ten or less employees

Primary ways they become aware of Downtown events and activities:

- 31%** newspapers
- 25%** word of mouth/friends

DOWNTOWN EMPLOYEES

Most employees that visited Downtown outside of working hours are 35 years old or younger.

- 58%** Are college educated
- 35%** Have an undergraduate degree
- 23%** Have a graduate degree
- 15%** Earn over \$100,000 annually
- 83%** Own their home

Primary ways they become aware of Downtown events and activities:

- 29%** newspapers
- 19%** word of mouth/friends

DOWNTOWN HOUSEHOLDS

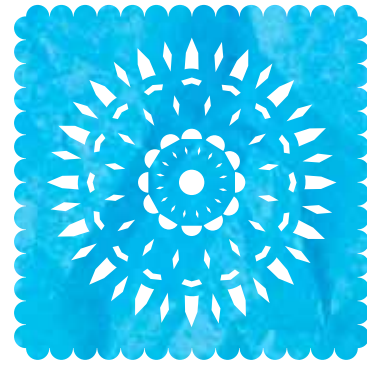
- 62%** A majority visit Downtown on weekdays compared to weekends
- 38%** Visit Downtown at least once a month at least once a week
- 22%** Reasons for visiting downtown include:
 - 48%** shopping
 - 15%** services
 - 10%** arts and cultural events
 - 8%** music & entertainment events

Primary ways they become aware of Downtown events and activities:

- 39%** television
- 35%** newspapers

DOWNTOWN PROGRAMS

To assist downtown businesses and events and attract more people to eat, shop, and play in downtown, the DMD has initiated a series of new downtown incentives and assistance programs in 2011.



FAÇADE GRANT PROGRAM

The DMD administers Downtown El Paso's Façade Program. The purpose of the program is to provide funding to existing downtown businesses and property owners to make improvements to the exterior of their buildings. The program provides matching grants for exterior renovation, restoration, preservation, and/or rehabilitation of commercial properties on a reimbursement basis.

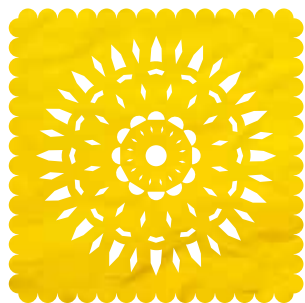
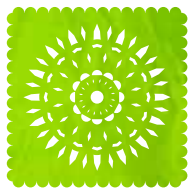
To be eligible, business owners/tenants must have been at the location for at least one year and have the property owner's express consent for the proposed improvements. This is a matching grant program, meaning funds will be matched for a maximum reimbursement of \$25,000 and a minimum of \$1,000 per façade project.

The program is expected to spur immediate and striking improvement, with \$200,00 earmarked from both city and DMD funds. Launched in November 2011, over \$100,00 has already been earmarked from applications in January 2012.

DOWNTOWN EVENTS PERMITTING PROGRAM

The City of El Paso has partnered with the DMD to provide a clear and an efficient permitting process to bring more visibility and attractions to downtown.

For event planners or organizations interested in organizing a downtown event that involves street closures, the DMD will be streamlining the processing and issuance of special privilege permits, including an online permitting process offering a consolidated, all-in-one application and payment process. The DMD took over the permitting process in 2012, with the online process available by spring of 2012 through its new downtown website at www.downtownelpaso.com. The DMD officially took over the program in January 2012, with 11 downtown events already planned for 2012, with three new events planned that have never before been hosted in the downtown area.



DOWNTOWN EVENT SUPPORT & MARKETING

In 2011, the DMD partnered with a variety of Downtown events, including Chalk the Block, EPCON 2011 comic book convention, and the 10th Anniversary 9-11 events. The DMD also assisted with Spanish-language outreach for the Downtown Arts District launch and provided street banner support for downtown's signature events such as the Broadway Show Wicked and El Paso Pro-Musica's Chamber Festival. The DMD has also created partnerships facilitating a new Homeless Summit Education Committee and assistance for the Police Department Foundation.

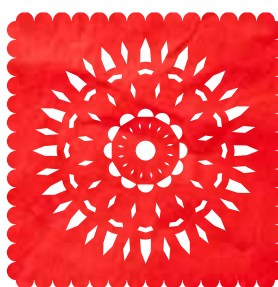
2012 will be the pilot launch of a new DMD Event Support Program, which the DMD hopes to reach new partners and organizations to bring new events and programs to downtown. The DMD has allocated \$25,000 already budgeted for this program. The DMD wants to assist organizations with supplemental support services, which can include in-kind support such as Spanish-language media outreach or a new design recommendation for a new sheet banner. The DMD aims to fill in the marketing gaps for new events, which can include sponsorship funding to cover the costs of materials or other event needs. New events must be geared toward 500 or more attendees with reimbursement support up to \$3,000.

WELCOME PACKETS & MARKETING MATERIALS

The DMD has created two of the most invaluable resources to navigate Downtown: 1) a new Downtown map highlighting walking distances to nearby restaurants, ATMS, and parking; 2) a comprehensive retail directory of all 300+ shopping options in the Downtown area. These materials will be included a new Downtown Welcome Packet for new tenants and downtown employees/employers. Along with maps and directories, the DMD is also in the process of creating brochures, fact sheets, presentations, and future annual report designs that will mirror the new website and newsletter.

NEW WEBSITE AND SOCIAL MEDIA STRATEGY

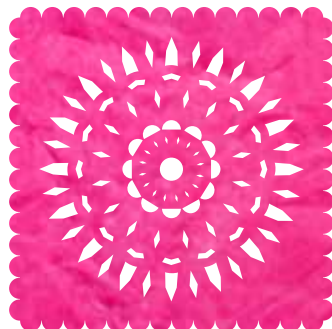
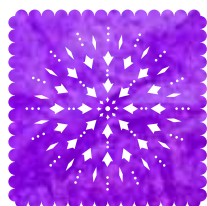
The DMD is working on a new and interactive Downtown website – www.downtownelpaso.com -- that takes a page from social media and news sites by providing instantly sharable information through Facebook or Twitter. The new website will instantly share breaking news stories to highlighting Downtown's best kept secrets, such as the best lunch and dinner specials and the latest shopping offers. This also includes implementing a savvy social media strategy that keeps all users informed as an extension of the main Downtown site.





WAYFINDING

The DMD is working in partnership with the City of El Paso to create pedestrian-friendly signage throughout Downtown to clearly map our Downtown and make it easier to identify important Downtown landmarks, museums, government services. This also includes identifying all restaurants, hotels, ATMS, parking, and retailers in order easy-to-read walking maps and shopping directories to accompany the city's Wayfinding project. The DMD is specifically providing input on the placement of information kiosks and suggesting design elements that will help unify the overall image and aesthetics for Downtown.



SANITATION AND SECURITY

The DMD provides supplemental services to the municipal sanitation effort in the downtown area. The DMD sanitation services include picking up trash on streets and sidewalks nearly every day, including graffiti clean-up and removal, power washing sidewalks, and gum-busting machine services.

In 2011, the DMD expanded the gum-busting initiative and power-washing program from two to now three crews in order to have cleaner sidewalks as the demand for the service from more property owners has grown. The DMD also has a great partnership with the City of El Paso's Environmental Services to maximize resources. Cleaning up downtown is a constant challenge for our partners and resources, which is certainly why the DMD continues to focus on core services emphasizing cleanliness and safety.

SANITATION PROGRAM

Feb 1, 2011 to Feb. 1, 2012

Community Service Clients	3,911
Community Service Hours	31,498
Dollars Saved at \$7.25/hour	\$228,358.70
Graffiti Removal Total	1,221
Painting	147
Chemical	573
Other	501
Sidewalk Pressure Washing	345
Estimated total linear footage:	92,000-95,000
Sidewalk Litter Abatement	35,372
Each Sidewalk is equal to 1/4 of a square block	
Alleys Cleaned	3,736
Trash Trailer Loads Removed	620.25
1 Trailer load equals 6 cubic yards	

MARKETING IMPLEMENTATION PLANS

Create marketing implementation plans for Downtown El Paso, including specific strategy and branding plans for the newly designated Downtown Shopping District and working in partnership with the new state-designated Downtown Arts District and expanding the marketing reach of the Union Plaza Entertainment District.

EAT SHOP PLAY

MILITARY & GROUP DOWNTOWN WALKING TOURS

In partnership with many organizations and government entities, including the El Paso Convention and Visitor's Bureau, Fort Bliss, the Central Business Association, the El Paso Museum and Cultural Affairs Department, and the Railroad and Transportation Museum, the DMD will be facilitating military and general downtown walking tours. These tours will strategically bring El Pasoans and visitors to a variety of Downtown hotspots, including the Downtown Shopping District, the Art Mkt in Union Plaza, and possibly the Plaza Theatre and Oasis Bistro.

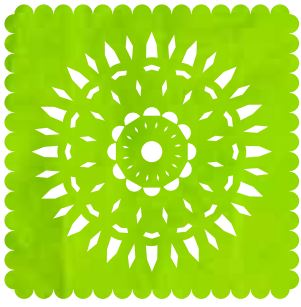
NEW DWNTWN INSIDER NEWSLETTER

The DMD has a fresh new take on the El Centro Newsletter that the City created for Downtown El Paso. The new DWNTWN INSIDER newsletter will become its successor, which compliments the website's new interactivity with the latest downtown insider news – from the latest lunch and dinner specials to the very best shopping deals and downtown events.

DOWNTOWN STREET BANNER PROGRAM

2011 marked the launch of the DMD's Street Banner Program aimed at promoting community celebrations, downtown events and general promotions. The program uses banners placed on city streetlights to showcase the downtown street scene while marketing events and activities. This is a great promotional tool for entertainment, cultural, retail, and convention events in the downtown area as the DMD expect even bigger banner inventory come 2012. The El Paso Symphony Orchestra, El Paso Pro-Musica, the El Paso Museum and Cultural Affairs Department, and the show Wicked took advantage of the program in 2011; the DMD expects many more organizations take advantage of this program in 2012.





REVENUE & SPENDING

FY2011-2012

ANNUAL REVENUE \$537,888

Estimated Assesment* \$328,426
TexPool Interest Income \$2,050
Additional Funding -
Permitting & Banner Programs \$20,000
Donated Salary for Executive Director.. \$87,412
Interlocal Agreement for Sanitation.. \$100,000

ANNUAL EXPENSES \$690,398

Sanitation & Security \$185,966 27%
Security \$1,030
Parking/Transportation \$3,090
Capital Expenditure (truck) \$35,000
Capital Projects \$20,000
Promotion and Advertising \$200,000 29%
Administrative Staff** \$187,812 27%
Contracted Services (Administrative)... \$17,500 3%
Administration - Office \$40,000 6%

YEAREND BALANCE -(\$152,510)
(Revenue - Expenses)

PREVIOUS YEAR FUNDS \$785,432

Certificate of Deposit (CD) \$100,000
Funds Brought forward \$685,463
(Estimated on hand)

YEAREND BALANCE \$632,953

* Assessment is \$0.12 per \$100 valuation.

** Includes donated salary/benefits for Executive Director through City-DMD Interlocal Agreement

MOVING FORWARD

As the DMD moves forward into 2012-2013, there will be some interesting opportunities to strengthen the overall DMD mission.

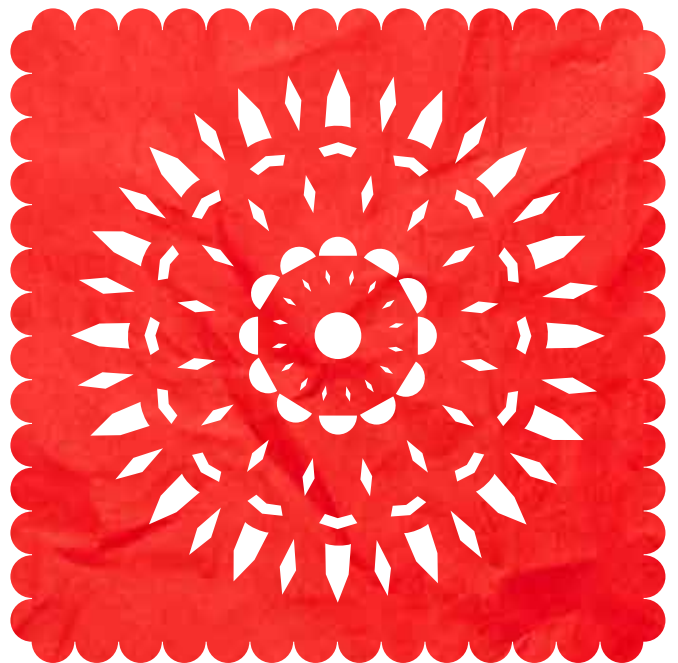
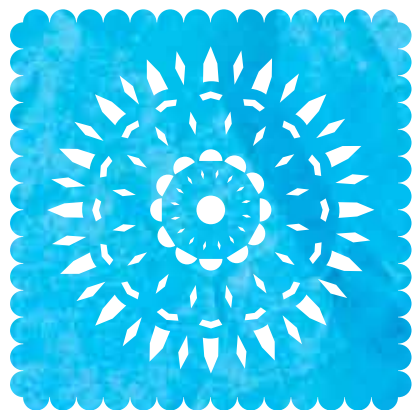
The DMD will likely undergo a rebranding of its own to realign its specific mission to economic development-driven initiatives in the same way the City of El Paso is repositioning its economic development programs.

The DMD hopes to become a one-stop resource for all things downtown, including key capital projects and a new five-year strategic plan for the DMD. This includes working with the Paso Del Norte Group and the City on identifying key projects for the fall bond election and provide input as the San Jacinto Park Plaza re-design moves to the implementation phase.

2011 SUCCESSES

- Allocated additional \$100,000 to marketing
- Enhanced and improved sanitation
- Created a focus on promoting events and streamlining permitting
- Allocated funds to façade improvement and assumed responsibility for program administration
- Created dialogue with all event planners and continued improvements to city permitting processes
- Creating and improving signage and marketing material to promote downtown
- Moving aggressively to involve the retailers in downtown events





WWW.DOWNTOWNELPASO.COM