



ANNUAL REPORT 2015

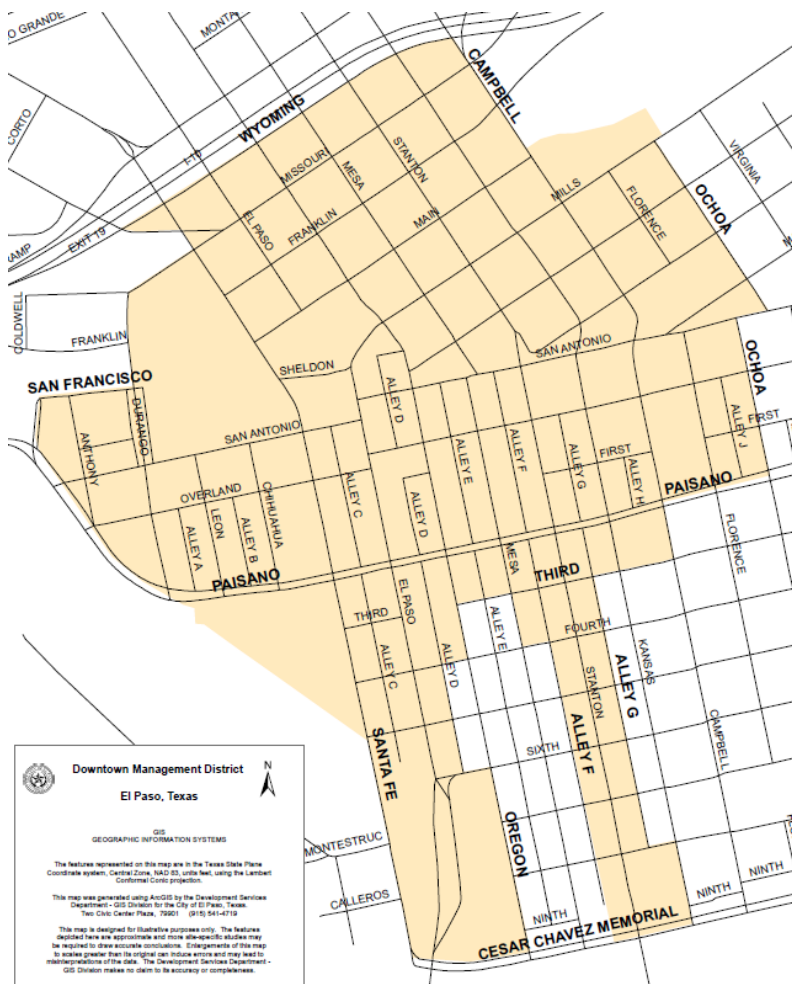


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The Downtown Management District (DMD)



Mission- Make Downtown El Paso the center of commercial, civic, and cultural activity in the region.

Overview- The Downtown Management District is a municipal government district focused on economic development-driven initiatives, programs and services within Downtown El Paso, and supplemental municipal services to create a more vibrant, welcoming environment. The DMD is governed by a 21-member Board of Directors which adopts the annual budget and provides strategic guidance to achieve the organization's mission. The organization is primarily funded by assessment revenue from property within the district and supplemented through collaboration on specific projects and programs with the City, County, and other local organizations and individuals. The FY 2015-2016 assessment rate was \$0.12 per \$100 of property valuation, the same as the year the DMD was created (1997).

FROM THE DMD BOARD

With an eye towards the future, the Downtown Management District Board of Directors is positioning itself to capitalize on recent public and private investments, to support ongoing development and to create the environment for future growth as new projects get underway.

First, we're looking internally to ensure we have the people, tools, processes, procedures, vision and mission to deliver. We've taken the following steps:

In August, the DMD nominated and the City Council approved the appointment and reappointment of the following seven individuals to new three year terms on the DMD Board of Directors: Jon Law; George Salom, Jr.; Juan Gonzalez Garza; Mike McQueen; Jorge Hernandez; Bill Burton; and Eric Pearson.

From November through January, DMD staff conducted numerous sessions to refine internal processes and establish production goals.

In February and March, DMD Board members will conduct a board and self-assessment, and participate in a strategic planning session to refine its vision and mission, and to develop goals for the next three to five years.

Second, we're looking externally to identify best practices and new opportunities from other success stories. In September, a delegation of DMD staff and board members attended the International Downtown Association Annual Meeting. Each of us brought back a wealth of knowledge and a better understanding on how to deliver high quality services and projects to downtown stakeholders.

Third, we're looking to our stakeholders to help guide our strategies. In July, we conducted a non-scientific survey to better understand the outlook, needs and priorities of property and business owners, employees, visitors and residents. We'll continue this practice to ensure that our work remains in line with the desires of the people who are making our downtown stronger.

Lastly, as we near our 20th year in existence we continue to deliver exceptional services while maintaining an assessment rate equal to what was first levied in 1997. To minimize the impact our assessment on property owners, we will look to keep our rate flat as we develop our 2016-2017 budget. That said, the time is fast approaching where a rate increase will be necessary to maintain our level of services and to accelerate efforts to further strengthen our downtown. We hope at that time, you will recognize the value of the work we provide and support the needed increase.

We are proud of the work we have accomplished in the past year, and look forward to working with you to build an even brighter future for our downtown and community as a whole.

Sincerely,

Jamie Gallagher, President
DMD Board of Directors

DMD BOARD

JAMIE GALLAGHER- **PRESIDENT**
JON LAW- **VICE PRESIDENT**
MICHAEL MCQUEEN- **SECRETARY**
LAURA POPE- **TREASURER**
BILL BURTON
ARLENE CARROLL
JUAN GONZALEZ GARZA
BRENT HARRIS
JORGE HERNANDEZ
SAM LEGATE
MARTIN MORGADES
MADHI NAIR
ERIC PEARSON
ALEJO RESTREPO
GEORGE SALOM JR.
Y.I. SANTOSCOY
JASON SHAFFER
WAYNE SOZA
PETER SPIER
BRAD TAYLOR
RUBEN TORRES



FROM THE DMD EXECUTIVE DIRECTOR

Downtown El Paso continued to ride a wave of great momentum throughout 2015 and into 2016. Ongoing public and private investment led to the opening/completion of projects such as the Digital Wall at the Museum of History, the Pedestrian Pathway, Union Plaza's newest mixed use development Essex Alley, Sun Cycle Bike Sharing program, the Indigo Hotel, and Deadbeach Brewery. These projects have helped fuel a new enthusiasm for Downtown El Paso and generated new investments that will lead to many ribbon cuttings and celebrations in 2016 and beyond. These newly initiated or soon to be completed projects including the historic streetcar system, ArtSpace, the Martin Building's new residences, the Stanton Boutique Hotel, and the Basset Tower Aloft Hotel, The Savoy apartments, the International bar and San Jacinto Plaza will bring even greater investment, employment, cultural, entertainment and lifestyle options to our downtown community.

The Downtown Management District works to create the environment where these opportunities can flourish. Through our sanitation services, façade grant program, security patrols, marketing, promotions, pedestrian amenities, asset management and advocacy on issues such as public parking, street/sidewalk vending, and historic preservation, we work to effectively and efficiently utilize the resources in the most meaningful way to benefit our stakeholders and the greater El Paso Community. In order to be more responsive, the DMD initiated its first unscientific public input survey aimed at assessing the public's views on the current condition of downtown, future priorities and the performance of the DMD. Nearly 650 people completed the online survey and provided valuable insight into our efforts, including 75% of respondents saying downtown is progressing (more results are described later in this report).

In the coming year, we will host another survey, and continue to listen to our stakeholders and the El Paso community in order to further develop the downtown environment reflective of our citizens, our culture and our history. We look forward to the coming year and look forward to even greater success in 2016.

Joe Gudenrath
Executive Director



DMD STAFF (LEFT TO RIGHT)

FRANK HERNANDEZ- OPERATIONS MANAGER

JOE GUDENRATH- EXECUTIVE DIRECTOR

RUDY VASQUEZ- MARKETING & COMMUNICATIONS MANAGER

TERRY MAIS- OFFICE & PROJECT COORDINATOR

LILY GONZALEZ - OFFICE & MARKETING ASSISTANT

Year in Review

This Annual Report is a summary of the efforts, services, projects, and programs supported by the Downtown Management District throughout 2015. While the DMD may not be responsible for building buildings, hosting large-scale events, or operating a store or restaurant, we are focused on creating an environment where people can enjoyably live, work, play, shop, dine, visit and invest.

Over the past year, the DMD worked aggressively and tirelessly to support, initiate and fuel the great momentum recently established within Downtown El Paso. While this report will breakdown our contributions in greater detail, here are some highlights of how we have worked to build a stronger downtown:

- Developed an efficient and responsive 2015-2016 budget that utilizes available funds to focus on service delivery and stakeholder needs.
- Conducted the first unscientific Public Input Survey to solicit feedback from DMD stakeholders and the El Paso community and to help identify future priorities.
- DMD Staff engaged in a comprehensive effort to review and improve internal processes and procedures, and to develop internal and individual performance goals and measures.
- Six properties received Downtown Commercial Façade Improvement Grants totaling over \$140,000. The grant funds will be matched by the property owner.
- The number of public, outdoor events permitted by the DMD increased from 20 to 29. Overall attendance at these events saw a year over year increase of 6,000 people.
- 45,477 work hours were dedicated to keeping downtown El Paso clean, inviting and attractive. Through a contract with El Paso County, 39,483 of those hours were provided free of charge by West Texas CSCD equaling \$409,044 worth of savings for the DMD.
- During specific high traffic times, the DMD hired off-duty police officers to patrol the El Centro Shopping District and the Union Plaza Entertainment District. These patrol added additional eyes on the street and promoted a safe and inviting area for customers and employees.
- Following the establishment of our downtown district branding efforts, the DMD focused its efforts on brand awareness. Over 1 million impressions were delivered through the El Paso Times, El Paso Chihuahuas and social media.
- Hosted the first Downtown Social events to encourage networking, conversation and relationship building between downtown stakeholders.
- Built partnerships to leverage DMD resources and enhance the benefits received by Downtown stakeholders and visitors.

Enjoy our Annual Report.





Budget

Final 2014-2015, Approved 2015-2016

(Final Actual FY 2014-2015)

Annual Revenue

Assessment	\$365,520
Interlocal Agreements	\$270,130
Interest Income/Other Income	\$3,329
Total Income/Revenues	\$638,979

Annual Expenses

General Administration	\$38,620
Economic Development	\$116,668
Infrastructure/Security	\$76,857
Marketing	\$113,310
Sanitation	\$277,547
Transport & Parking	\$53,962
Total Expenses	\$696,964

(Approved FY 2015-2016 Budget)

Annual Revenue

Assessment	\$389,361
Interlocal Agreements	\$257,220
Interest Income/Other Income	\$3,399
Total Income/Revenues	\$649,980

Annual Expenses

General Administration	\$37,801
Economic Development	\$122,301
Infrastructure/Security	\$85,497
Marketing	\$151,612
Sanitation	\$308,040
Transport & Parking	\$43,952
Total Expenses	\$749,203

The DMD's budget consistently focuses on service, program, and project delivery that provides highly visible, effective and efficient results for downtown stakeholders. It is the organization's goal to strategically identify budget priorities and prudently utilize available funds to address those priorities.

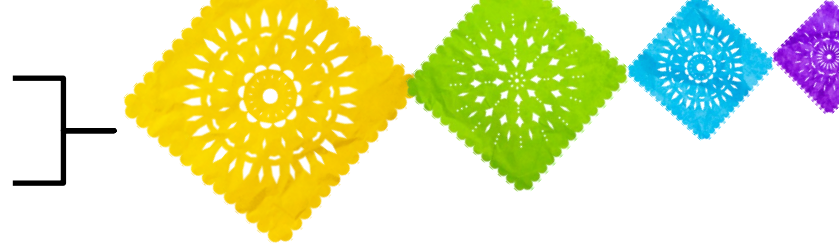
DMD revenues continue to be supported primarily by property taxes followed by interlocal agreements with the City of El Paso and carry over funding. This funding is supplemented with additional revenues generated through our Special Event Permitting, Banner Program and various partnerships.

Property tax revenue rebounded in 2015 following a dip in property values in 2014. Total taxable value of properties within the DMD boundaries increased to \$339,778,184 in 2015. The graph to the right represents the general growth in value over the last 10 years and the recent volatility.

The majority of revenues are dedicated to Sanitation Services followed by Economic Development/Promotion, Marketing & Education, Transport & Parking, and Infrastructure/Security. The 2015-2016 budget is balance by available carry over funding. Minimal carry over funds will be available for the 2016-2017 budget year.

The 2015-2016 budget once again prioritizes a variety of projects, programs and services while maintaining administrative costs. The process for creating the 2016-2017 DMD Budget will begin in June and be brought before the DMD for approval in August.

[Façade Program]



While the DMD plays a critical role in creating an environment where people are willing to invest, Downtown El Paso's success will depend on property and business owners who make the investment. The Downtown Commercial Façade Improvement Program brings both the DMD and downtown property/business owners together in an effort improve the appearance of downtown buildings.

Under DMD management, from 2011 through September 2015, the program has provided downtown property owners and business tenants 38 grants totaling \$714,456 for façade improvements to their buildings. Each of these dollars were matched and often multiplied by the property owners' investment.

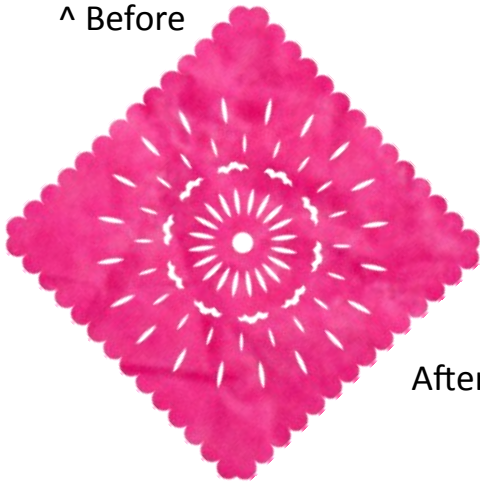
From October 2014 to September 2015, over \$140,336 was granted to six applicants. The grants are resulting in over \$926,000 worth of improvements to downtown buildings. This year's projects include:

Property Address	Applicant Name	Property Owner	Amount Granted	Total Project Improvements
909 E. San Antonio	Jerry Villanueva	Lomaland West, LLC	\$25,000	\$635,000
500 San Francisco	Robert Chen	Lampshade Coco, LLC	\$25,000	\$100,000
215 E. San Antonio	Roger Brown	Brown Coles Wilcox	\$25,000	\$50,000
504 San Francisco	Andrea Gates-Ingle	Creative Kids, Inc.	\$24,112.50	\$50,000
502 N. Oregon	Stan Okies	502 N. Oregon, LLC	\$16,224.42	\$41,000
702 Myrtle	Mario, Jr. & Angelina Chavez	Mario, Jr. & Angelina Chavez	\$25,000	\$50,000



504 San Francisco

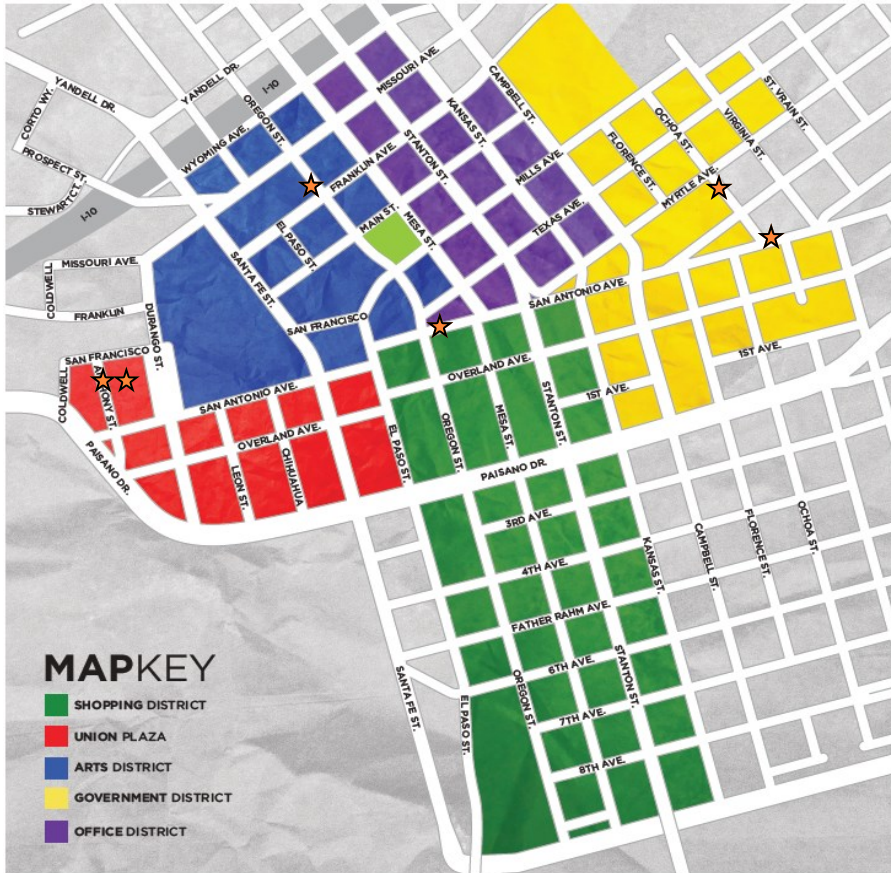
^ Before



After >



Façade Program Continued...



Approved Façade Grants

October 2014—September 2015

- ★ 909 E. San Antonio
- ★ 500 San Francisco
- ★ 215 E. San Antonio
- ★ 504 San Francisco
- ★ 502 N. Oregon
- ★ 702 Myrtle

The program has continued into the current 2014-2015 program year with additional funding provided by TIRZ #5 and the DMD. Interested property owners and business tenants can contact the DMD to apply.



^ Before

909 E. San Antonio

After >



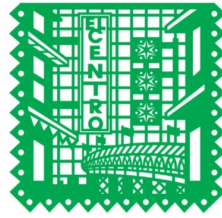
502 N. Oregon

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After >



Marketing Program and Social Media



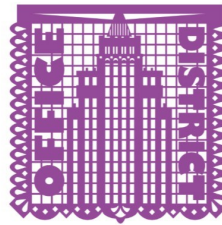
EL CENTRO
Shops On The Border



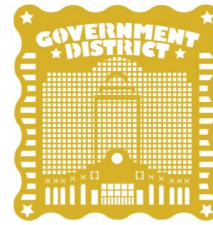
UNION PLAZA
*Nightlife and
Entertainment*



LAS PLAZAS
Arts District



**OFFICE
DISTRICT**



**GOVERNMENT
DISTRICT**

District Branding

In 2015, the DMD's district branding effort progressed into a brand awareness campaign. Paid advertising with the El Paso Times (print and digital), El Paso Chihuahuas (in game video board and voice overs), El Paso y Mas, and Spanish radio provided well over 1 million impressions with countless additional impressions provided through social media, direct emails, newsletters, earned media, and streetlight banner displays.





Social Media

Our social media, INSIDER email newsletter and website content continue to serve as the DMD's most cost effective way to communicate. Traffic on www.downtownelpaso.com, "likes" on Facebook, subscribers to the INSIDER and followers on Instagram and Twitter continue to grow at a steady pace. Future marketing efforts will continue to capitalize on these effective tools.

By the numbers....

- DWNTWN El Paso Facebook "likes" = 12k
- DWNTWN Twitter Followers = 6k
- DWNTWN Instagram Followers = 12.4k
- Downtown INSIDER Subscribers = 3k

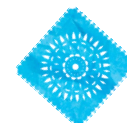
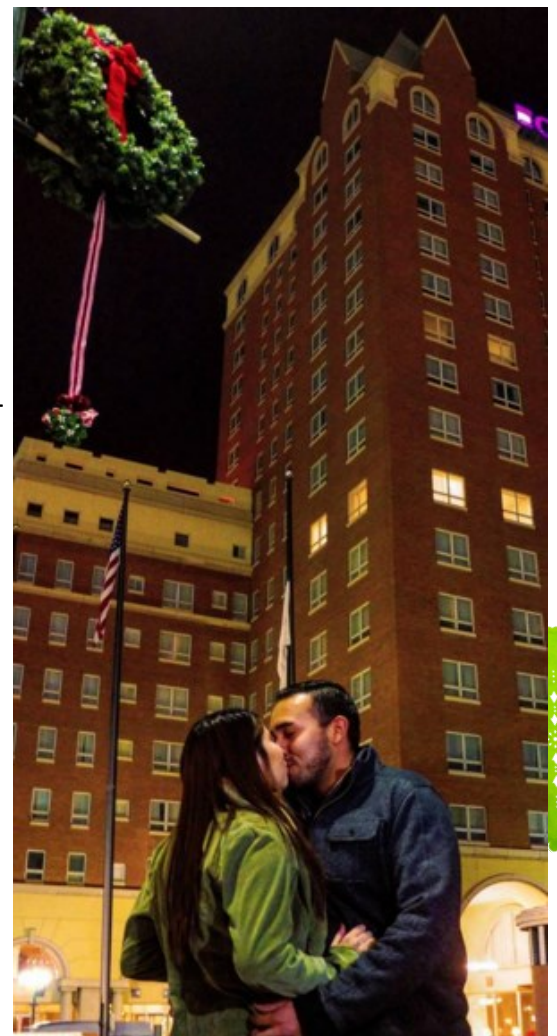
Promotions

Efforts to engage our stakeholders through promotional activities and prize give aways expanded in 2015. These efforts help spark renewed interest in downtown, generated earned media coverage from local news organizations and provided a call to action for employees, customers and visitors.

In 2015 the DMD doubled the number of promotions to include Hidden Hearts; I Scream for Public Art; Back to School/ Tax Free Weekend; Small Business Saturday; and the 2nd Annual Mistletoe Kiss

Assets

Downtown banners, trash receptacles, and kiosks continue to be attractive ways to promote events, community celebrations, and public awareness campaigns. In 2015, over 300 sponsor banners were displayed along with DMD district and holiday banners. The banner program helped celebrate the U.S. Bowling Championship, the Paso del Norte Health Foundation's 20th Anniversary, Tom Lea Month, the Triple A Baseball Championship Game, along with fine dining and other major events. The banner program generated over \$35,000 in sponsorship revenue for the DMD.



Event Permitting

Downtown Special Event Permitting

Downtown's outdoor, public events are growing in frequency, size and quality. These events are a critical component of a thriving, vibrant downtown. A wide array of events attract a diverse section of event goers and expose the downtown to all demographics and interests. Through close collaboration with the City of El Paso's public safety, health and recreation departments, the DMD's nationally recognized Event Permitting process helps event organizers navigate the permit process.

The DMD's commitment to events does not end with a permit. The DMD provides technical and logistical support to event organizers from submission of the permit application to tear down of the event. We share event information to excite and inform the public about the activity throughout the year, provide traffic and parking updates, and share messaging through downtownelpaso.com and our social media outlets.

In 2015, 29 special event permits were issued within Downtown El Paso by the DMD. This represents an increase of nine event permits. Overall attendance also grew by 6,000 people to a total of 197,000. This growth reflects an ongoing trend in the frequency and size of public events.

The DMD assisted with the permitting of the following special events in 2015:

MARDI GRAS BLOCK PARTY

MORNING AFTER BRUNCH (x6)

EARTH DAY EVERYDAY COMMUNITY CELEBRATION

6TH WALL OF GIANTS

NEON DESERT

SACRED HEART BAZAAR

I SHINE YOUTH EVENT

MOTHER OF PEARL BLOCK PARTY

NATIONAL CONFERENCE OF WOMEN IN BUSINESS

GROFIT/TRAP FEST

INDIAN FOOD FESTIVAL

THANKSGIVING EVE CELEBRATION

SUSAN G. KOMEN RACE FOR THE CURE

KIDSPALOOZA

BACONFEST

MARIACHI FESTIVAL

SUN CITY PRIDE FEST

STREETFEST

PLAZA CLASSIC FILM FESTIVAL

UTEP AWARDS SUMMIT

MEXICAN FOOD COOK-OFF

CHALK THE BLOCK

FEMALE ART SHOW

LATIN HEAT WAVE HOLIDAY COOL DOWN





Downtown Programs

The DMD is always looking for creative and innovative ways to meet the needs of our stakeholders and to lead efforts for major improvements within Downtown El Paso. Over the past year we've been working on a number of efforts including security services, public parking improvements, and expanded holiday decorations.

Security

El Paso is an extremely safe city and the downtown is no different. To maintain that image and to provide a safe and welcoming area for visitors, the DMD worked with local off-duty officers to establish patrols during high traffic periods in select parts of the downtown. Patrols were dedicated to the Union Plaza Entertainment District and the El Centro Shopping District during periods of high activity. The effort was appreciated and commended by business owners. So much so, funds to maintain the patrols were included in the 2015-2016 budget.

Downtown Socials

In 2015, the DMD hosted its first Downtown Socials. These periodic events provide an opportunity to bring together downtown stakeholders, community leaders, elected officials, and downtown advocates in an informal setting to meet, learn about each other, and find common ways to further strengthen Downtown El Paso. Each event is hosted by a sponsor. Mithoff Burton Partners and Destination El Paso hosted the first Downtown Socials.

Holiday Decorations

In 2014, the DMD lined the El Paso Street corridor with holiday wreaths and banners to welcome holiday shoppers to the area. Due to the overwhelming positive response, this effort was expanded to the Stanton Street corridor. The DMD looks to continue to expand these efforts in the coming years to include additional corridors.

Union Plaza Art Project

Public art can impact any public space. With that in mind, the DMD partnered with Creative Kids to displace some of the amazing work of local young artists in kiosks located throughout the Union Plaza Entertainment District.

[Sanitation Program]

An attractive, vibrant, clean downtown is extremely important in our efforts to attract investment. As a result, the DMD's Sanitation Program is one of our most important services. Over 40% of our annual budget goes to providing service seven days a week and most evenings to keep downtown streets, sidewalks, and alleyways clean and litter free.

This effort is augmented by the DMD's agreement with the County of El Paso's Community Supervision and Correction Department that provides personnel to staff our crews at no charge. Crews are comprised of defendants required to meet court mandated community service obligations. The DMD funded supervisors utilize the man-power as a resource for highly visible sanitation teams. This arrangement with the County saved the DMD over \$400,000 in hourly wages in 2015. DMD crews also provide select municipal sanitation services as directed through an inter-local agreement with the City of El Paso.

Additional sanitation services include graffiti clean-up and removal, power washing sidewalks, gum busting, trash container collection and maintenance, and a variety of other tasks that are necessary to maintain a clean environment. Keeping downtown clean is a constant challenge for our partners and a significant use of resources, but this work is critical to elevating the standards of downtown and will continue to be a major focus of the DMD.

By the numbers for 2015.....

- 39,483 community service hours
- 5,994 paid supervisor hours
- \$409,044 saved through the DMD's agreement with the County
(based on \$10.36 per hour)
- 4,142 alleys cleaned
- 558 cases of graffiti cleared
- 805 trailer loads of trash removed from the district

DMD SUPERVISORS

MANNY LUCAS

EDDIE SIDA

JOE SANCHEZ

STEVE (SUB)

PONCE (SUB)

Join the DMD in helping keep downtown clean. Report illegal dumping, noncompliant business owners to 915.599.6290

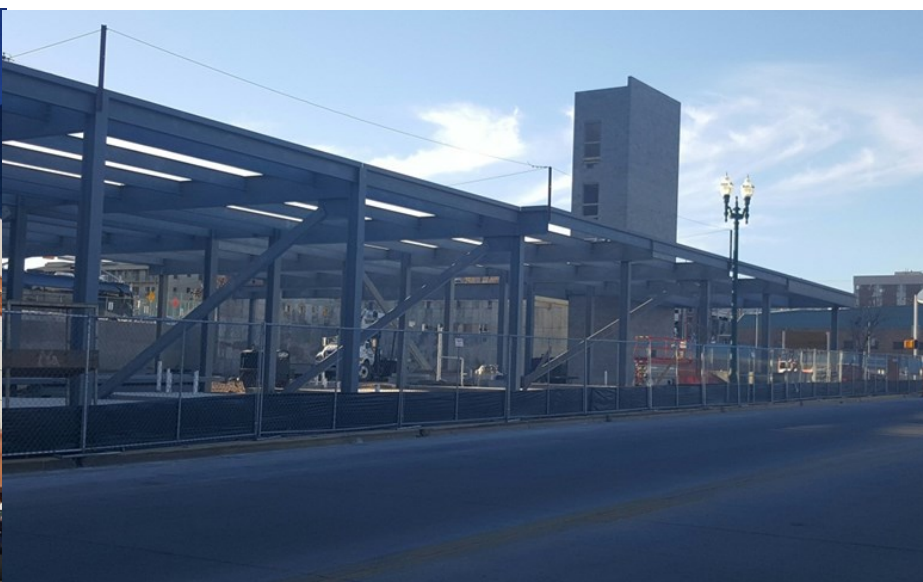




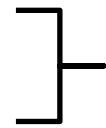
[Looking Ahead]

The DMD works to maximize assessment funding through the establishment of partnerships and relationships that benefit our downtown stakeholders. As noted throughout this report, many of our efforts involve one or more partnerships. We value these relationships and continue to foster teamwork throughout the downtown.

Looking toward the future, we will continue to work to not only deliver basic services effectively and efficiently, but to also look for ways to enhance delivery and build a higher standard for Downtown El Paso. We will advocate on behalf of downtown stakeholders and support efforts to enhance Downtown El Paso including the development and construction of Artspace, the Arena, Hispanic Cultural Center, Children's Museum, parking facilities, the downtown streetcar, housing, restaurants, and other business investment. Most importantly, we will work to make Downtown El Paso the center of commercial, civic, and cultural activity in the region.



[Stakeholder Survey]



In order to better gauge the perspective and interests of downtown stakeholders, the DMD conducted an unscientific, online survey. The survey asked participants to answer 10 questions pertaining to the current state of the downtown, the future of downtown, and the performance of the DMD. Results of the survey indicate that a strong majority of respondents (75%) see Downtown El Paso progressing.

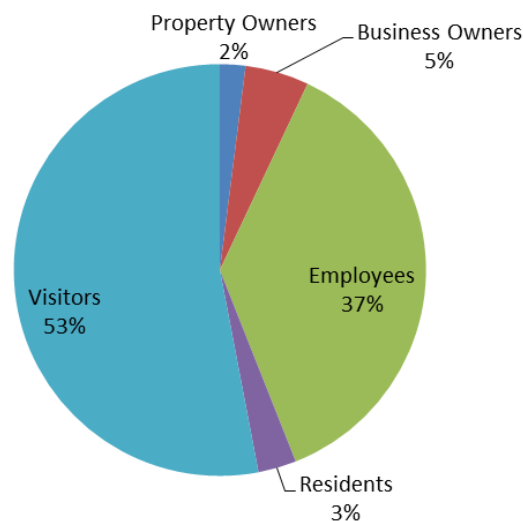
The survey made available during the month of July was available in both English and Spanish. A total of 647 people took the survey. The respondents represented downtown property owners, downtown businesses, downtown employees, downtown residents, and visitors to the downtown.

In addition to identifying ongoing downtown progress, respondents identified room for improvement and that cleanliness, safety/security and building restoration & construction are top priorities for the future of Downtown El Paso. The DMD received high marks in terms of recognition and performance.

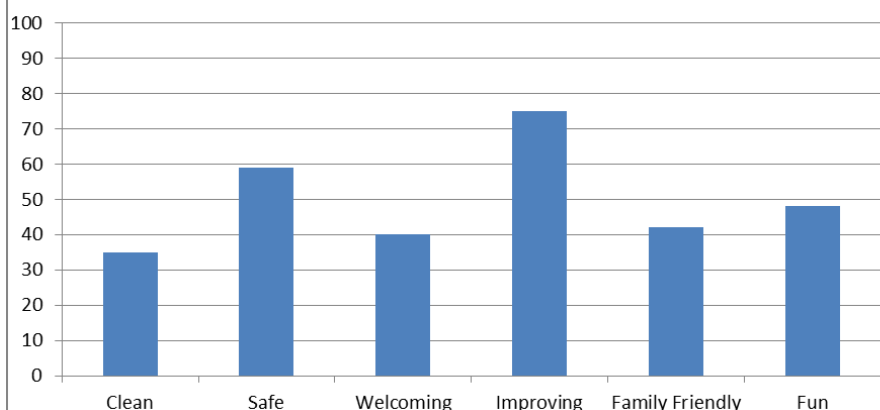
The survey was distributed via local media, social media and direct e-mails in the month of July. Respondents also had the opportunity to register for a chance to win a \$100 gift certificate to a downtown restaurant of their choice. Leah Eskew was the lucky winner and received a gift certificate from The Green Ingredient.

When asked about the future development of Downtown El Paso, respondents indicated that the most important elements included: Cleanliness; Safety/Security; Building Restoration & Construction; Diverse Retail & Shopping Options; Parking; and a Family Friendly Atmosphere.

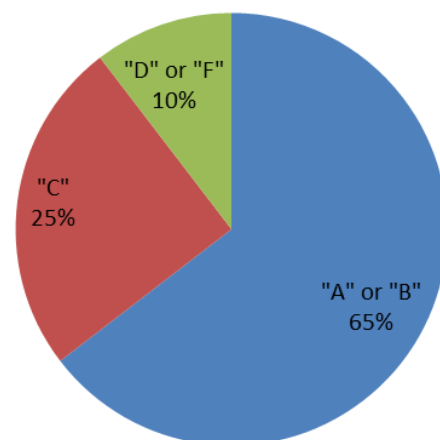
Survey Participants



Percent of Respondents Who Say "Downtown is..."



Grade the DMD





— [Downtown Partners] —

We would like to thank the following partners who have gone above and beyond to support our efforts over the past year. We could not have accomplished nearly as much as we did without your support and we apologize if we missed anybody!

EL PASO MAYOR AND CITY REPRESENTATIVES
EL PASO COMMUNITY FOUNDATION
DESTINATION EL PASO
CITY ENVIRONMENTAL SERVICES DEPT.
CITY CAPITAL IMPROVEMENTS DEPT.
CITY MUSEUM AND CULTURAL AFFAIRS
CITY ONE STOP SHOP
CITY ECONOMIC DEVELOPMENT DEPT.
POLICE DEPT./CENTRAL REGIONAL COMMAND
EL PASO CENTRAL BUSINESS ASSOCIATION
UNITED BANK
MITHOFF BURTON PARTNERS
EL PASO LIVE!
NOLITA CORNER BISTRO
STARR WESTERN WEAR
ANSON 11
TABLA
EL PASO PRO-MUSICA
DOWNTOWN DELI
TCBY/Mrs. Fields
Continental Dry Goods
House of Pizza Downtown

EL PASO COUNTY/WEST TEXAS CSCD
SUN METRO
THE GARDEN
MANCHOT
CREATIVE KIDS
THE GREEN INGREDIENT
TAX INCREMENT REINVESTMENT ZONE NO. 5
CITY STREET & MAINTENANCE DEPT.
EL PASO FIRE DEPT.
CITY INTERNATIONAL BRIDGES DEPT.
DESTINATION EL PASO
MAC'S PLACE
HOUSE OF PIZZA
THE TAP BAR AND RESTAURANT
EL PASO CHIHUAHUAS
501 BAR AND BISTRO
EL PASO PEDICABS
LA HUERTA RESTAURANT
CRAFT AND SOCIAL
360 Cocina Urbana
Ruben Gomez Photography



El Paso Downtown Management District
201 E. Main Suite 107
El Paso, TX 79901
915.400.2294
WWW.DOWNTOWNELPASO.COM