



**DOWNTOWN
MANAGEMENT DISTRICT**

E L P A S O

El Paso Downtown Management District Annual Report 2016

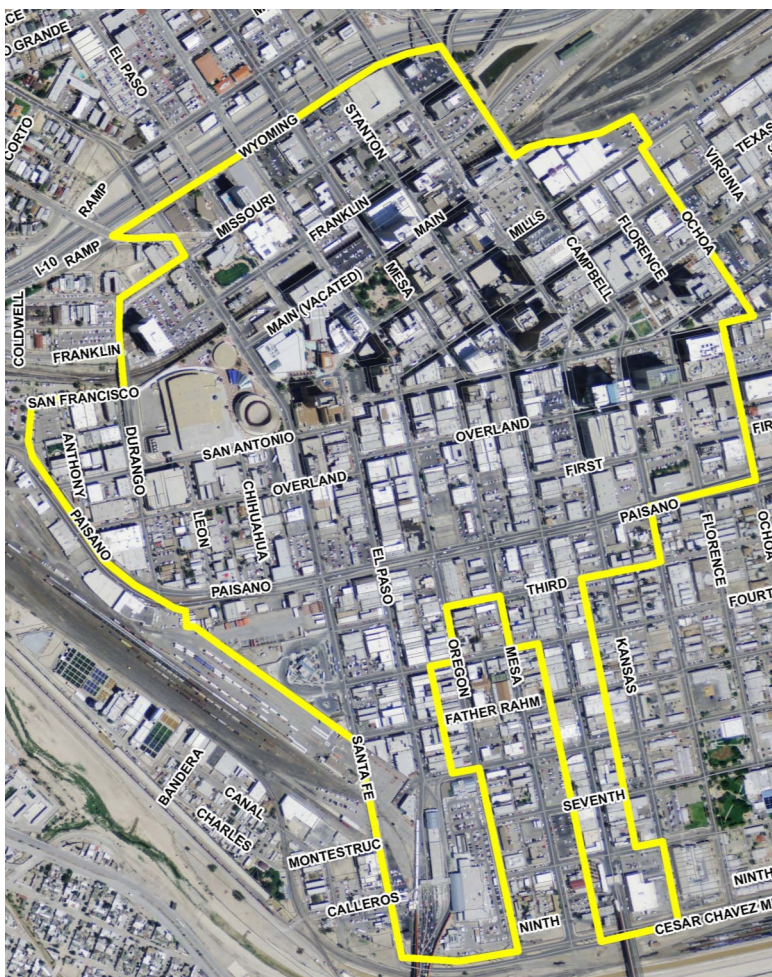


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About the Downtown Management District (DMD)



Mission: The El Paso Downtown Management District promotes economic development by providing services that champion a vibrant downtown El Paso.

Overview: The Downtown Management District is a municipal government district focused on economic development services within Downtown El Paso, and supplemental 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 2016-2017 assessment rate is \$0.12 per \$100 of property valuation, the same as the year the DMD was created (1997).

Message from the DMD Board President

In the 20-year existence of the El Paso Downtown Management District (DMD), there has never been such a period of constant and consistent change than what we have experienced over the past few years. We expect to see this continue into the near future. These changes are reshaping the downtown with increased interest in living, working, playing, visiting, shopping, investing and enjoying our downtown. With all of the benefits associated with our evolution, a new set of challenges arise for our property owners, businesses tenants, and the Downtown Management District.

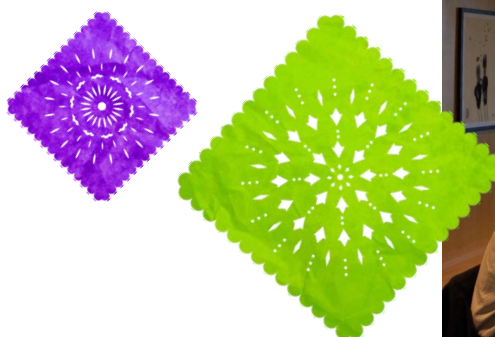
To ensure the DMD is up to the task, prepared to face challenges, and positioned to capitalize on new opportunities, we work to ensure we have the necessary leadership, resources and focus to operate within our changing environment and support the strong momentum fueling our community. In March of 2016, the DMD Board of Directors and staff held a day-long strategic planning session. This effort resulted in a new mission, short and long-term goals, and strategies aimed at supporting our stakeholders through targeted projects, programs and services.

With our renewed focus, we will not stay on the sidelines but will engage with our stakeholders, our policy makers and the El Paso community at large to ensure the downtown environment provides opportunity for ongoing growth and development. We look forward to this effort, and are anxious to experience what the future holds for the downtown, the city of El Paso and our region.

This report highlights our efforts over the last year and provides insight into where we are headed. Enjoy this report and do not hesitate to join our efforts in building a stronger Downtown El Paso.

Sincerely,

Jamie Gallagher, President
DMD Board of Directors



Board of Directors

Jamie Gallagher
President

Jon Law
Vice President

Michael McQueen
Secretary

Laura Pople
Treasurer

Bill Burton

Arlene Carroll

Lane Gaddy

Sam Legate

Martin Morgades

Madhi Nair

Eric Pearson

Alejo Restrepo

Monty Rogers

Y.I. Santoscoy

Wayne Soza

Peter Spier

Brad Taylor

Ruben Torres

Edie Zuvanich

(2 Vacancies)



Message from the DMD Executive Director

2016 was a not only a transformative year for Downtown El Paso, but for the Downtown Management District as well. While San Jacinto Plaza was awoken from its slumber, and streetcar tracks literally and figuratively established a path connecting our past and future, new investments began to take shape as well. We started the year with a ribbon cutting ceremony at the new Essex Alley mixed-use development, and Bassett Tower began its transformation into a new Aloft hotel. Throughout the year, construction began on a new Urban Courtyard by Marriott and finished up on the Roderick Artspace lofts, Campbell Apartments and The Savoy apartments.

Internally we continued our focus on responding to the needs of our stakeholders, providing visible and impactful services, efficiently and effectively managing our budgets and developing new programs and services to help support out growing momentum. In February, we signed a new Interlocal Agreement with the City of El Paso. This agreement shifted more sanitation services under our purview and established a City Economic Development position dedicated to downtown development.



DMD Staff (Left to Right): Rudy Vaquez - Marketing & Communications Manager, Joe Gudenrath—Executive Director, Terry Mais—Office & Project Coordinator, and Frank Hernandez—Operations Manager. Analissa Carreon— Office & Marketing Assistant (Not Pictured).

The Board of Directors' adoption of a new Strategic Plan in July paved the way for a series of new programs to serve the community and engage our stakeholders. The plan's strategies include data and research gathering, an ambassador program, fundraising events, familiarization tours, new grant programs, and issue based stakeholder luncheons. These elements, along with others, will be developed and implemented over the next three years.

As we move in new directions, we remain committed to our core functions and responsibilities established 20 years ago, and to the property and business owners who support our efforts. This annual report will not only highlight our efforts over the past year, but will highlight some of the feedback we receive. We look forward to serving the El Paso community into the current year and beyond.



Sincerely,
Joe Gudenrath
DMD Executive Director

Year in Review

This Annual Report is a summary of the efforts, services, projects, and programs supported by the Downtown Management District (DMD) throughout 2016. We work to create an environment where people can enjoyably live, work, play, shop, dine, visit and invest, through the development of partnerships and direct services. Over the past year, the DMD has continued to work aggressively and tirelessly to support, initiate and fuel the great momentum which exists within Downtown El Paso. While this report will break down our efforts in greater detail, here are some highlights of how we have worked to build a stronger downtown:

- Developed an efficient and responsive 2016-2017 budget focusing on service delivery and stakeholder needs while maintaining the same tax rate that has existed for the last 20 years.
- Entered into a new 5-year Interlocal Agreement with the City of El Paso which streamlined our joint sanitation efforts and provided a downtown liaison within the City's Economic Development Department.
- We internalized and expanded a portion of our Sanitation Program to provide a broader scope of services and more effective delivery, while maintaining efficiency through our relationship with El Paso County.
- We provided a number of projects, programs and services including security patrols, holiday decorations, an ambassador program, stakeholder luncheons, promotional videos, promotions, event permitting, grant programs, advocacy, stakeholder surveys and more.

Enjoy our Annual Report.

"Downtown has definitely become more lively over the last 6 years. Things appear to be going well although I hope El Paso focuses development more on local businesses and local attractions rather than bringing in franchises, chains and corporate run operations. El Paso has a very unique culture. Focusing on local businesses, local artists and local food will help preserve El Paso's flavor."

– Veronica Carrillo





Budget

Final 2015-2016, Approved 2016-2017

Final Actual FY 2015-2016

Annual Revenue

Assessment	\$413,356
Interlocal Agreements	\$239,094
Interest Income/Other Income	\$54,076
Total Income/Revenues	\$706,529

Annual Expenses

General Administration	\$38,664
Economic Development	\$129,751
Infrastructure/Security	\$58,104
Marketing	\$144,178
Sanitation	\$259,513
Transport & Parking	\$43,728
Total Expenses	\$673,938

Approved FY 2016-2017 Budget

Annual Revenue

Assessment	\$386,238
Interlocal Agreements	\$342,380
Interest Income/Other Income	\$33,265
Total Income/Revenues	\$761,883

Annual Expenses

General Administration	\$41,099
Economic Development	\$240,579
Infrastructure/Security	\$71,395
Marketing	\$168,141
Sanitation	\$249,266
Transport & Parking	\$73,303
Total Expenses	\$843,780

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.

The FY 2016-2017 budget reflects a small dip in property values, the inclusion of the TRIZ Façade Grant funding, and the development of additional projects, programs and services. The process for creating the 2017-2018 DMD Budget will be in June and approved in August.

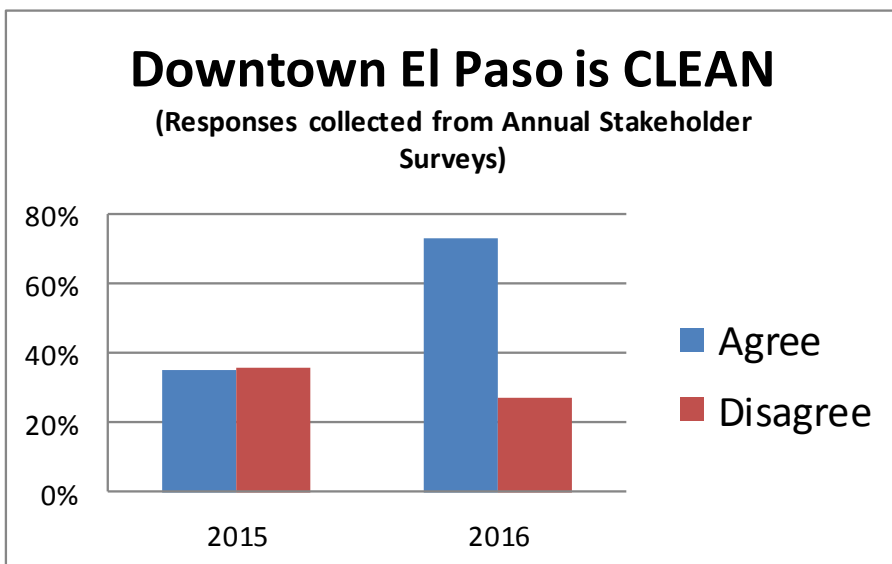
Sanitation Services

This year brought a number of organizational and operational changes within the DMD's Sanitation Services. In May, the positions of our Sanitation Supervisors transitioned from employees of El Paso County to being directly employed by the DMD. Our relationship with the County and the use of community service clients for service delivery continues to exist. Thanks to the professionalism of the existing and newly hired supervisors, this transition was virtually flawless without any interruption to our normal services.

The shift in employment status of our supervisors brought with it savings that has allowed for the hiring of additional part-time staff who we have dedicated to special projects. Such projects include light pole and trashing can painting, deep cleaning of trash cans, additional power washing, wiping down phone booths and benches, and all other minor maintenance projects

that improve the pedestrian environment and allow our traditional crews to efficiently tackle our main streets and alleyways.

These operational changes have allowed us to make significant strides in the appearance of Downtown El Paso. These efforts are reflected not just in our work, but in the opinions of our stakeholders. In our 2016 stakeholder survey, 73% of respondents agreed that Downtown El Paso is clean. That is a nearly 40% increase over the previous year's response.





“The crew took outstanding initiative in helping us make our business (exterior) look clean for the public...your service has a lot of value and stimulates local business.”

— Angel Villagran
Imperio Real Boutique



Downtown Management District Sanitation Supervisors

Richard Cortinas
Luis De La Cruz, Jr.
Albert Mendoza



Downtown Commercial Façade Improvement Grant Program

The Downtown Commercial Façade Improvement Grant Program continued to transform the look of downtown properties in 2016. Once again, with funding from the DMD and TIRZ #5, matching grants of up to \$25,000 were available. In total, seven grants were awarded totaling \$55,895.93 in grant funding and supporting over \$8,220,800 in private investment.

Property Address	Applicant Name	Property Owner	Amount Granted	Total Project Improvements
816 S. El Paso St.	Suk M. Kim	Suk M. &	\$13,571.25	\$40,000
810 Texas Ave. (Pictured Below)	El Paso Brewing Co., LLC	LUCMOR LLC	\$11,710.00	\$148,000
301 Texas Ave.	Bassett Partners EP, LLC	Bassett Partners EP, LLC	\$25,000.00	\$8,000,000
300 E. Overland Ave.	Marcus Real Estate Limited Partnership	Marcus Real Estate Limited Partnership	\$1,125.00	\$15,000
320 S. El Paso St.	EP Overland/Stanton Joint Venture	EP Overland/Stanton Joint Venture	\$511.87	\$2,417.50
324 S. El Paso St.	EP Overland/Stanton Joint Venture	EP Overland/Stanton Joint Venture	\$1,034.06	\$2,857.50
220 S. Oregon St.	BRT Realty Operating, LP	BRT Realty Operating, LP	\$2,943.75	\$12,525

Before



After





Downtown Welcome Ambassador Program

The re-opening of San Jacinto Plaza did more than simply provide accessible public space within Downtown El Paso. It created a gathering place, an activity space, a backdrop for photo sessions, ground zero for Pokémon Go players during the summer and a holiday backdrop that welcomed thousands of El Pasoans and visitors alike during the holiday season.

For this reason, in addition to the thousands of shoppers visiting the El Centro Shopping District, the DMD established the first Downtown Ambassador program to welcome and assist visitors to the area. This seasonal program was successful in its first phase and will return to San Jacinto, El Centro and Union Plaza in 2017.

By the Numbers

From Nov. 25—Jan. 8,

Ambassadors:

- Worked 369 Hours
- Greeted over 15,000 visitors
- Assisted 550 people
- Visited over 100 local businesses





DMD Promotions

The thrill of the hunt, a holiday tradition, or the opportunity to do something fun, and try something new are all reasons why the El Paso community has embraced many of the DMD's annual promotions. These cost effective ways to promote the downtown and attract visitors enable the DMD to reach a variety of audiences. From our Back to School/Tax Free Weekend Festival and School Supply Drive, to the holiday inspired Hidden Hearts and Mistletoe Kiss events, or the newly established Eat Authentico! Menu and Food Crawl, each of these promotions help fill the calendar with unique opportunities to experience Downtown El Paso.

2016 DMD Promotional Events

Hidden Hearts

Last Thursdays

Authentico Photo Contest

Back to School/Tax Free Weekend Festival
& School Supply Drive

Eat Authentico! Menu & Restaurant Crawl

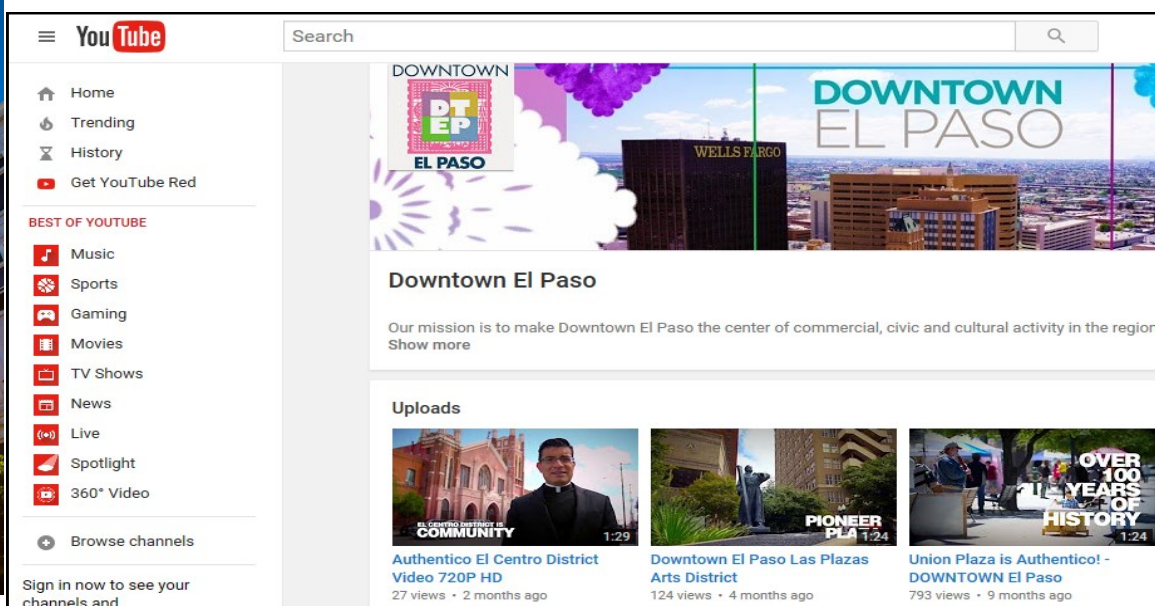
Mistletoe Kiss



"Thank you so much for selecting Kristin and me as winners of the EAT Authentico Restaurant Crawl. We had a great time last night! We were impressed by how well the event was organized, enjoyed the company of everyone involved, and absolutely loved the food and drink. Kristin and I have come to really like downtown El Paso in the short time we have lived in the area and will continue to eat and drink in that part of the city. Plus we plan to go back to the bars and restaurants we visited last night...as well as tell our friends about them! "

- Andres Calderon

(Eat Authentico Promotion Restaurant Crawl Winner)



Marketing, Branding & Social Media

Building off the establishment and integration of the DTEP and district branding developed in 2015, over the past year the DMD has furthered their use through a variety of different means. District branding can now be recognized on light pole banners, as Snapchat filters, in videos posted to the Downtown El Paso Youtube Channel, the INSIDER electronic newsletter and throughout our daily social media efforts.

“AWESOME VIDEO!!!”

- Visit El Paso

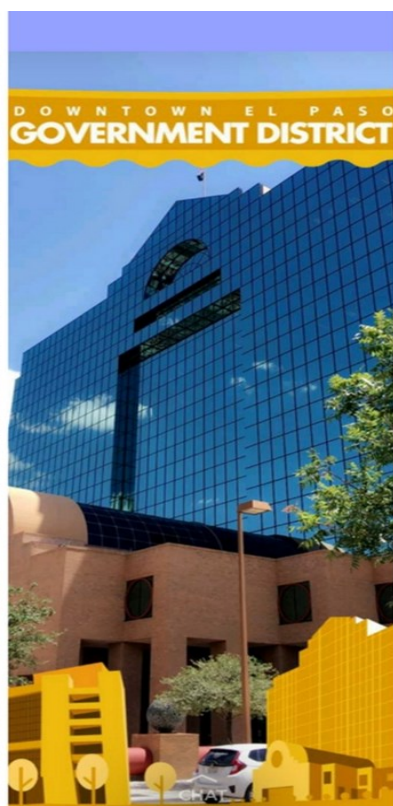
2016 Social Media Growth

Facebook Followers +6,442

Twitter Followers +2,276

Instagram Followers +10.867

INSIDER Subscribers +1,020



In 2016, the DMD worked with Mithoff Burton Partners to develop, submit and gain approval for district specific Snapchat filters (pictured to the left) for use within Downtown El Paso.

"I just wanted to send you a quick note regarding your help with my events last year. Thank you very much for all that you do, you helped me a ton. The DMD has really made it a great process in event planning downtown. I have seriously cut down on the amount of leg work that I need to get everything done!

Veronica Hernandez
Live Events Manager
Townsquare Media

Downtown Special Event Permitting

Downtown El Paso continues to see growth in the number and popularity of outdoor events. In 2016, the number of permits issued increased from 29 to 37, with overall attendance increasing by 35,000 people. These events attract a diverse section of event goers and expose the downtown to all demographics and interests. As the permitting authority, we are proud to work with organizers to ensure great events for all to enjoy.



The DMD assisted with permitting of the following special events in 2016:

Morning After Brunch (x7)

Over the Edge

San Jacinto Plaza Grand Opening

El Paso Burger Bash & Craft Beer Fest

Healthy Eating Active Living Food Fiesta

Sun City Pride Fest

Street Fest

Plaza Classic Film Festival

Mexican Food Cook-Off

Way Out West

Trap Fest

Walk a Mile in Her Shoes

Union Plaza Halloween Block Party

El Paso Christmas Tree Lighting Ceremony

Hospitals of Providence Holiday Party

Mardi Gras Street Party

Downtown Kidspalooza

KLAQ BaconFest

Mariachi Loco Music Fest

Neon Desert Music Festival

Black Pearl Concert Series

Independence Day Celebration

Back to School Weekend

16th de Septiembre Grito

Mother of Pearl Block Party

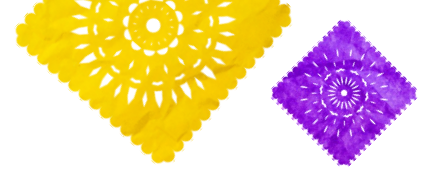
Chalk the Block

Indian Food Festival

Deadbeach Brewery Anniversary Celebration

Holiday Market

Holiday Posadas (x2)



Downtown Advocacy

From time to time, the Downtown Management District Board of Directors has the need to involve the organization in and advocate on behalf of public issues related to the growth and development of Downtown El Paso. The position taken by the DMD Board is established a process where issues are identified within the Infrastructure & Advocacy Committee, position statements are then drafted and posted for discussion and action on a Board meeting agenda, and then ultimately voted on at a Board meeting. The approved position statement then becomes the official position of the Downtown Management District Board of Directors.



Since 2015, the DMD Board has approved position statements on the following topics: Economic Development, Mobile Food Vending, Code Enforcement, the Urban Courtyard by Marriott, Public Parking Management, the Sun City Lights/Paseo de las Luces project, and the Arena Location. The DMD Board of Directors will continue to identify and engage itself in issues of importance to the downtown and its ongoing revitalization.



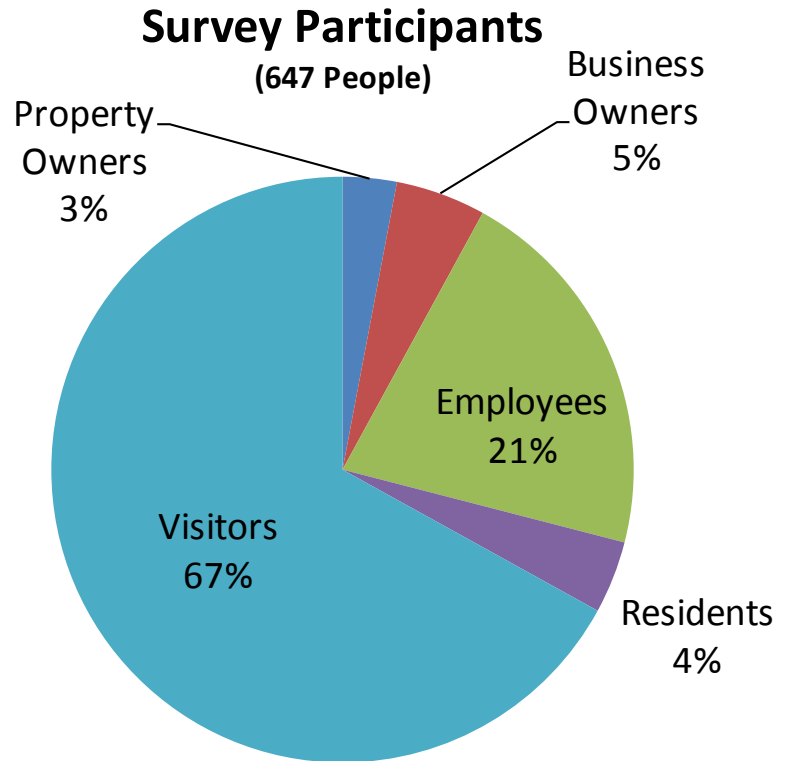
2016 Annual DMD Stakeholder Survey

For the second straight year, the Downtown Management District solicited stakeholder input and feedback through an unscientific, open invitation, online survey during the month of July. A total of 647 people participated in the survey which was available in both English and Spanish. The survey was promoted by local media, social media, direct e-mails and fliers placed within local retail stores. Participants also had the opportunity to register for a chance to win a \$100 gift certificate to a downtown restaurant of their choice.

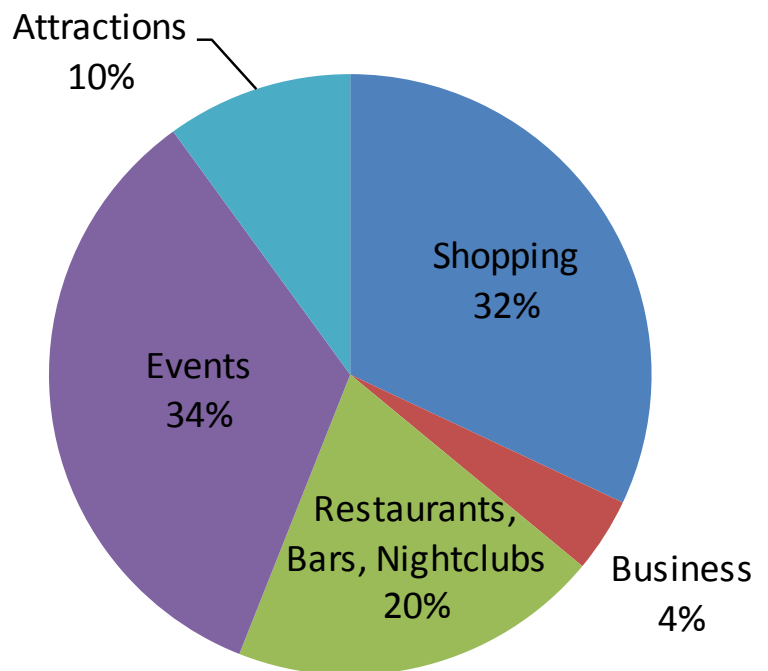
The survey focused on three main areas: the current status of the downtown, the future of the downtown and the performance of the Downtown Management District. The participants included a mix of property owners, business owners, residents, employees, and visitors. Of the visitors, the two leading reasons for visiting Downtown El Paso were Events (34%) and Shopping (32%).

The survey results were overwhelmingly positive as a whole. Participants strongly believe Downtown El Paso is heading in the right direction. This

sentiment increased from 75% of participants to 89% in 2016. This positivity held true for the perception of how things have changed over the past 12 months. 87% of participants indicated that their perception has improved over the past year compared to 68% who responded similarly in 2015.



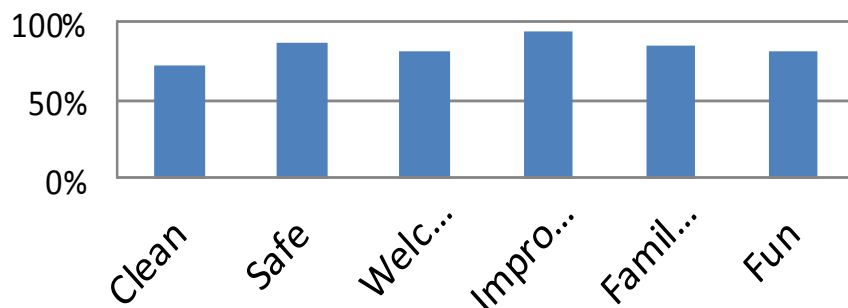
Reason for Visiting Downtown



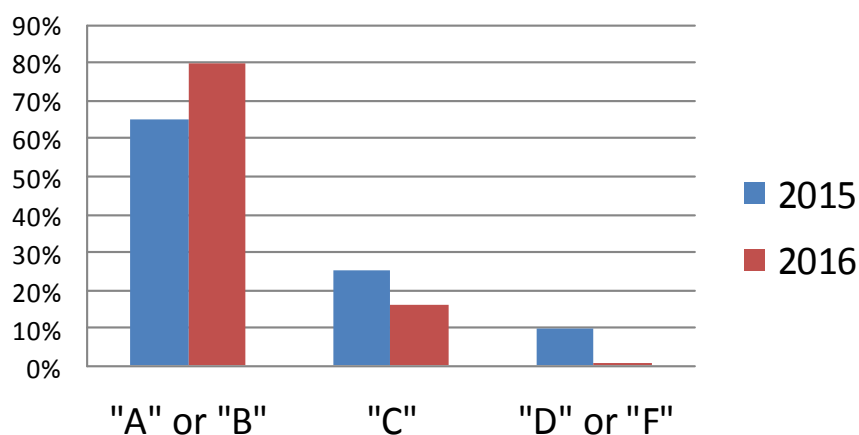
In regards to specific aspects of downtown, including cleanliness, safety, and a welcoming, family friendly, fun atmosphere, participants were supportive of the current condition of Downtown El Paso. At least 80% of participants agreed with 5 of the 6 individual statements. The sixth statement regarding cleanliness, while not reaching 80%, did see a 38% increase in agreement over the previous year.

Lastly, the DMD strives to perform at a high level and meet the expectations of our stakeholders. This survey allows us to gage our performance with input from those who know us best. 80% of survey participants who identified themselves as being familiar with the efforts of the DMD gave the organization a grade of "A" or "B". That is an increase of 18% over the previous year. The grades of "C", "D", and "F" all dropped below previous year levels. We are proud of these marks and will continue to work to improve upon them in the coming years.

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



Grade the DMD



Our Downtown survey winner, Briana Rodriguez, currently lives in San Diego but frequently visits family in the Sun City! She won a \$100 gift card to The Garden which was picked up by her primo Luis Moya for her next visit to Union Plaza!

Looking Ahead!

The Downtown Improvement District is looking toward 2017 with great anticipation and expectations. We expect progress to continue on great projects like the Aloft Hotel, the Urban Courtyard by Marriott, the streetcar, the arena, the children's museum and the Mexican American cultural center. At the same time, the DMD is actively engaging in efforts to build excitement, spur additional investment and develop relationships that pave the way toward a bright future. These efforts include:

- The Downtown Living Tour 2017—On April 1, 2017, Downtown El Paso will host its first event highlighting modern residential developments across downtown.
- Downtown El Paso's version of the Running of the Bulls will take place on Saturday, October 21, 2017. This 5k fun run will feature brave participants and fearless "bulls" running the downtown streets.
- On January 1, 2017 the DMD provided 4 new grant opportunities for business and property owners. The matching grants look to stimulate investment on El Paso Street and along the streetcar tracks, and support murals, pedestrian amenities, and iconic signage and lighting projects.
- Downtown El Paso will engage representatives from Downtown Juarez in the hopes of identifying joint projects and cooperative efforts to reinvigorate both sides of the border.



Downtown Partners

The Downtown Management District plays a small but influential role in the ongoing resurgence of the downtown area. Our efforts are maximized through the establishment of partnerships. 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 County /West Texas CSCD

El Paso County Historical Society

Destination El Paso

The Garden

Anson 11

The Downtowner

City Capital Improvement Dept.

City Museums & Cultural Affairs Dept.

Police Dept./Central Regional Command

Krystal Jeans

El Paso Central Business Association

United Bank

Pedicabs El Paso

Imperial Real Boutique

City Economic Development Dept.

TIRZ No. 5

Sacred Heart Church

Mac's Place

El Paso Chihuahuas

Healthy Bite

City Manager and City Staff

El Paso Community Foundation

Sun Metro

City Environmental Services Dept.

Café Central

Pot au feu

Hotel Indigo

Last Thursdays

City Street & Maintenance Dept.

El Paso Fire Department

Starr Western Wear

Mithoff Burton Partners

City International Bridges Dept.

City One-Stop-Shop

CoffeeBox

Nolita's Corner Bistro

Congressman Beto O'Rourke

Tabla

El Paso Pro-Musica

Deadbeach Brewery

Tommy's BBQ





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