



El Paso Downtown Management District Annual Report 2017



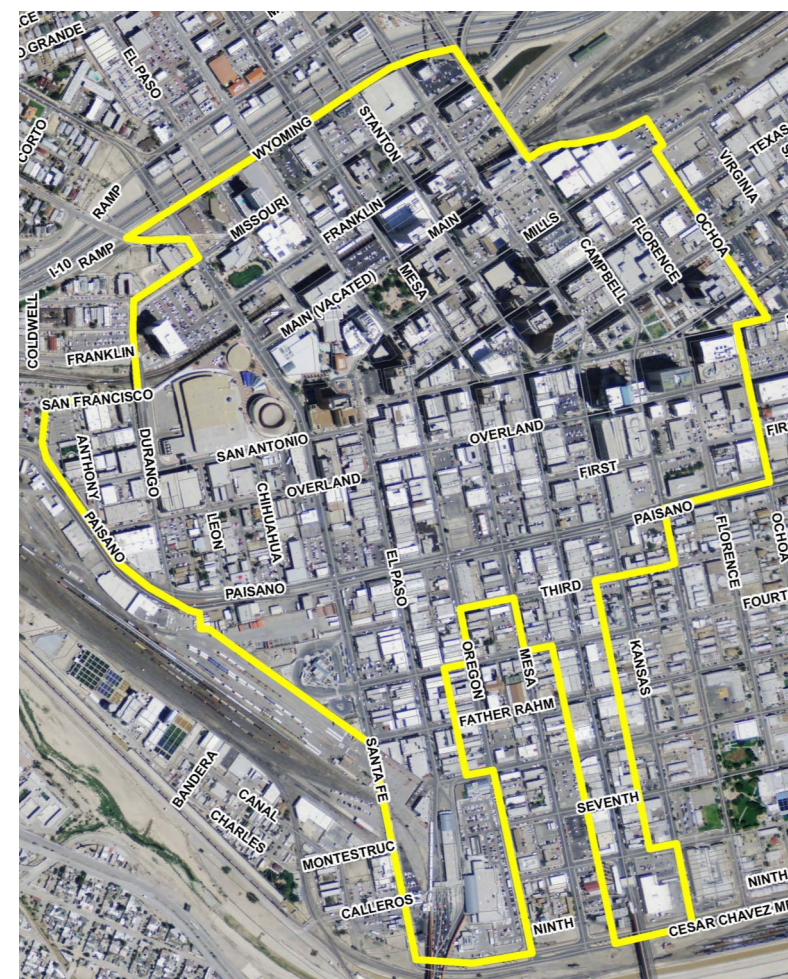


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Segundo Barrio Backpack and School Supply Drive



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 2017-2018 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

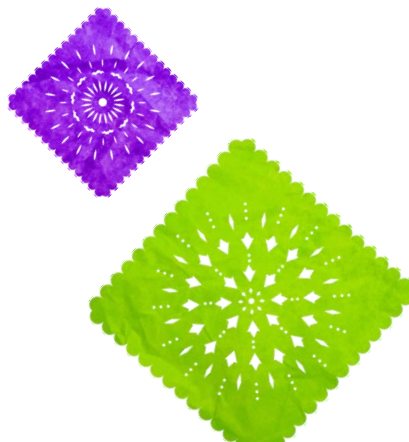
This last August, I had the honor of being selected by the Downtown Management District Board of Directors to serve as the board's president. I appreciate the opportunity and look forward to serving in this capacity.

The Downtown Management District and our downtown as a whole are well positioned. More and more people are looking to the downtown as a place for entertainment, opportunity, living, and investment. Our organization continues to fulfill the promises made to property owners over 20 years ago, by maintaining a clean and inviting downtown, and promoting our unique assets and qualities to the general public. At the same time, we strive to be creative, flexible and responsive to our evolving environment and to opportunities as they present themselves. With the support of our outstanding Board of Directors and extremely capable staff, we will continue to contribute to the strengthening of El Paso's downtown community.

This annual report highlights our organization and our accomplishments over the past year. I hope it increases your knowledge of who we are, what we do, and most important, of our commitment to our stakeholders and the El Paso community. I invite you to join our efforts whether it be in a formal role on a committee, as a volunteer, or simply as an advocate for our downtown's progress. Together we will fuel our ongoing success.

Sincerely,

Jon Law, President
DMD Board of Directors



Board of Directors

Jon Law
President

Martin Morgades
Vice President

Michael McQueen
Secretary

Laura Pople
Treasurer

Bill Burton

Arlene Carroll

Lane Gaddy

Jamie Gallagher

Benjamin Gonzalez

Sam Legate

Madhi Nair

Steve Ortega

Eric Pearson

Alejo Restrepo

Monty Rogers

Y.I. Santoscoy

Wayne Soza

Peter Spier

Brad Taylor

Ruben Torres

Edie Zuvanich

Ex-Officio Members

City Mngr. Tommy Gonzalez

City Rep. Cissy Lizarraga

State Rep. Lina Ortega

Co. Comm. David Stout

Message from the DMD Executive Director

Change can be scary...but it can also spark creativity, excitement, opportunity and so much more. Change is also constant, and those who adapt to the changing environment are those who will be most successful. Downtown El Paso is changing, and as you can see throughout this report, the Downtown Management District is working to position itself to capitalize on the opportunities being presented for the benefit of all of our stakeholders.

New grant programs provide greater incentives to property and business owners to invest and enhance their properties, support the creation of murals, provide pedestrian amenities and highlight critical corridors. Ticketed events were created to not only attract people to the downtown but to highlight our unique assets and opportunities. Our marketing efforts capitalized on video creation to show off our downtown in a new way. All of these efforts complemented existing services and furthered our mission to promote economic development by providing services that champion a vibrant Downtown El Paso.



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

Most importantly, we further established our position as advocates for downtown progress. We built coalitions of like-minded organizations and individuals to champion our message, and we did so while respecting the opinions of others. There will always be skeptics of the changes occurring, and it will always be our job to work with them to highlight the advancements made, and enable them to take advantage of the opportunities provided within Downtown El Paso.

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 2017. We are driven by the mission to promote economic development by providing services that champion a vibrant Downtown El Paso, and work to create an environment where people enjoyably live, work, play, shop, dine, visit, and invest. We are not alone in these efforts and continually enlist the assistance of others through partnerships and teamwork. Over the last year, the DMD has continued to work aggressively and tirelessly to support, initiate and fuel the great momentum being experienced in 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, responsive and innovative 2017-2018 budget supporting new programs and adapting to the changing environment. Once again, the DMD's tax rate has remained the same as it has since 1996.
- Expanded our grant programs to include matching funds for murals, pedestrian amenities and iconic signage/lighting projects. Greater incentives were also made available to projects along the Streetcar route and Paseo de las Luces corridor (El Paso Street).
- Our marketing and promotion efforts were completely transformed to gain greater exposure, take advantage of the use of video and the attraction of events, and maximize the use of available funding.
- We continue to provide effective and efficient services we have become known for in the form of sanitation services, security patrols, welcome ambassadors, stakeholder engagement, event permitting, advocacy and more.

"I received this (DTEP INSIDER) in my email yesterday and was blown away. You really nailed what I was trying to get across and the video is top notch! Crazy!"

Thank you so much for spotlighting my business. I am really excited to part of the expanding downtown.

***— Anne Hussman Mitchell,
So El Paso!***

Back to School Street Festival





Budget

Final 2016-2017, Approved 2017-2018

Final Actual FY 2016-2017

Annual Revenue

| | |
|------------------------------|------------------|
| Assessment | \$439,827 |
| Interlocal Agreements | \$344,487 |
| Interest Income/Other Income | \$35,321 |
| Total Income/Revenues | \$819,635 |

Annual Expenses

| | |
|-------------------------|------------------|
| General Administration | \$40,605 |
| Economic Development | \$196,904 |
| Infrastructure/Security | \$71,453 |
| Marketing | \$168,200 |
| Sanitation | \$283,073 |
| Transport & Parking | \$46,928 |
| Total Expenses | \$807,163 |

Approved FY 2017-2018 Budget

Annual Revenue

| | |
|------------------------------|------------------|
| Assessment | \$377,034 |
| Interlocal Agreements | \$346,598 |
| Interest Income/Other Income | \$66,418 |
| Total Income/Revenues | \$790,050 |

Annual Expenses

| | |
|-------------------------|------------------|
| General Administration | \$43,732 |
| Economic Development | \$197,936 |
| Infrastructure/Security | \$81,367 |
| Marketing | \$216,007 |
| Sanitation | \$279,971 |
| Transport & Parking | \$49,305 |
| Total Expenses | \$868,318 |

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 2017-2018 budget reflects a small dip in property values, the inclusion of the TIRZ Grant funding, and the addition of revenue generating events. The 2018-2019 DMD Budget will be created from June to July, and approved in August.

Marketing & Events

2017 brought major changes to the way the Downtown Management District promotes itself and Downtown El Paso. For years, we've known that downtown events attract a large amount and wide demographic of people, and highlight our community. The opportunity to combine the attraction of events with our quality assets, resulted in the DMD's production and support of a number of local events.

These events are specifically meant to highlight aspects of downtown that are likely still unfamiliar to most. The Downtown Living Tour exposed tour guests to eight new, modern, market rate residential developments. The Eat Authentico Restaurant Crawl took foodies on a culinary tour of five distinct downtown eateries. The Running of the Bulls took participants on a 5k tour of the streets of downtown, and the Barstool Open tapped into the community's love of miniature golf to highlight our bars in early 2018. These events were embraced by the public and generously supported by numerous sponsors.

In addition, the DMD supported other events such as Last Thursdays Gallery Crawl, DTEP Fitness Saturdays, the Segundo Barrio Back Pack and School Supply Drive, Back to School Street Festival, the One Table, One Region event and Winterfest.





“Awesome race!! Very organized!! I hope this becomes a yearly tradition!! Thank you so very much!!”

- Running of the Bulls Participant



“My sister and I loved the Savoy the best. The huge closets! I really like the idea of renovating old buildings for new living spaces. The wood floors, high ceilings and big windows are wonderful! My daughter loved the Art(space) building. She ‘s a millennial, and an artist. Overall, we really enjoyed this. The food was pretty great. Now we know the Downtown restaurants we want to visit. I think this is a great way to attract potential residents and restaurant patrons. I would do it again. Than you for all your hard work”

— Downtown Living Tour Guest



“Excellent experience and opportunity to discover local unique restaurants and great exposure. Would be great to have on a monthly basis.”

- Eddie, Eat Authentico Restaurant Crawl Participant

Social Media and Video Production

A shift to video production has allowed the DMD to share its stories, introduce people, promote events and highlight businesses in a new medium. The videos star as features to the INSIDER electronic newsletter distributed weekly, and provide the content for the DMD's YouTube page. In part to the new video features, INSIDER subscriptions grew by 31% in 2017.

Even with the new medium, content still remains king. Our creative team seeks out the interesting, unique and exciting aspects of Downtown El Paso. Whether it is the identical twins tending bar at Blackbird Cantina, the beach themed Coco Loko restaurant, or hundreds of people taking part in the Running of the Bulls, we are working to capture the true essence of our developing downtown.

By the Numbers

- 59 Videos Created
- 60,641 Facebook Video Views
- 8,996 YouTube views
- Most Watched Video—"Amen for Nishi Ramen" (13,000 Views)
- 4,683 INSIDER Subscribers
- Facebook reach 3,166,024



Downtown El Paso

✓ Subscribed 64

Home Videos Playlists Channels Discussion About



DTEP INSIDER: Co-Working Spaces/CoWork Oasis
47 views • 1 week ago



DTEP INSIDER: Co-Working Spaces
69 views • 3 weeks ago



Register for the Downtown El Paso Barstool Open!
193 views • 1 month ago



2017 DTEP Rewind
51 views • 1 month ago



Order Your DTEP Calendar Now!
74 views • 1 month ago



Faces of Small Business: Craft Cafe
44 views • 2 months ago



Faces of Small Business: Cafe De Tolteca
46 views • 2 months ago



Faces of Small Business: Nomu Cafe
51 views • 2 months ago



Faces of Small Business: Atomic Wax
85 views • 2 months ago



Faces of Small Business: Kalavera Culture Shop
47 views • 2 months ago



Sanitation Services

A cornerstone of DMD Operations is our Sanitation Program. Through agreements with the City of El Paso and El Paso County, we are able to provide proactive 7 day a week service including AM/PM service 5 days a week, and respond to any issues within 24 hours.

Downtown Management District Sanitation Supervisors

Richard Cortinas
Luis De La Cruz, Jr.
Albert Mendoza
Ponce Melendez

“Sending a big MUCHAS GRACIAS to you and the Downtown Management District crews that are cleaning the streets along Texas Street this beautiful Sunday morning. I have been a lifelong resident of El Paso and in all my years the Downtown Management District is the first organization that is truly having a positive impact on Downtown El Paso. I had dinner with a group of friends this weekend that had not been to Downtown El Paso in a while, they were pleasantly surprised when they attended the Symphony Friday night. The efforts fo the DMD are not going unnoticed, your efforts are a major contributor to brining more activity to our beautiful Downtown El Paso.”

— Patrica Olivas

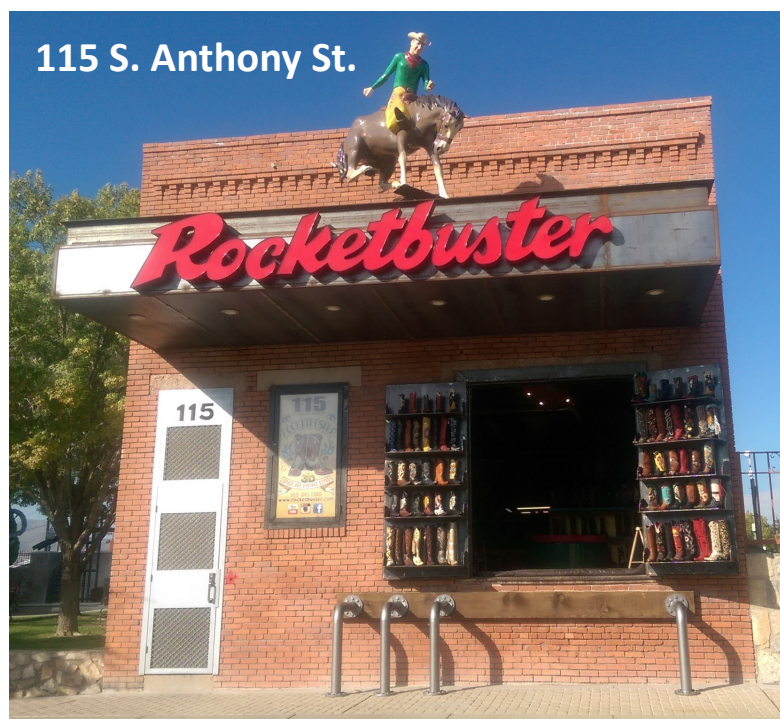


Downtown Grant Programs

In January 2017, the DMD announced the creation of three new grant programs and additional targeted incentives to spur additional private sector improvements and investments. The Downtown Iconic Signage & Lighting Grant Program is aimed at restoring signature signage the previously existed and bringing our buildings to life during the evenings with light. The Downtown Pedestrian Corridor Improvement Grant Program is meant to complement the Façade program with improvements to the spaces adjacent to properties or businesses. The Downtown Mural Program is just that, an incentive to property/business owners to invest in the creation or restoration of murals.

To support major infrastructure improvements such as the Streetcar and the Paso de Las Luces project, the DMD decreased the required private match for projects adjacent to the project areas. Property/business owners can now receive \$1 for every \$.50 of private investment. In other areas the required match remains at \$1 for every \$1 in grant funds.

In addition, the TIRZ #5 Board expanded its grant programming to include signage and lighting, and increased its annual commitment to its grant programs by an additional \$75,000. The expanded grant programs will also be managed by the DMD via its Interlocal Agreement with the City of El Paso.



2016-2017 Grants Awarded

| Type of Grant | Property Address | Applicant Name | Property Owner | Amount Granted | Total Project Improvements |
|---------------------|--------------------|--------------------------------|-----------------------------------|----------------|----------------------------|
| Facade | 115 S. Anthony St. | Rocketbuster Boots | Martin F. Snortum | \$25,000 | \$53,121 |
| Façade | 115 N. Mesa | Ben Marcus | Urban Lion LLC | \$25,000 | \$500,000 |
| Facade | 601 Texas Ave. | Stanton Street Development LLC | Stanton Street Development LLC | \$25,000 | \$162,234 |
| Signage & Lighting | 204 Mills Ave. | 204 Mills LLC | EP Downtown Partners | \$5,941 | \$825,000* |
| Mural | 325 N. Kansas | Summit 11 Investment Group | Madhi & Priya Nair | \$3,426 | \$7,256 |
| Mural | 601 N. Oregon | Artspace | Artspace El Paso Lofts Housing LP | \$9,500 | \$20,000 |
| Pedestrian Corridor | 204 Mills Ave. | 204 Mills LLC | EP Downtown Partners | \$8,144 | \$825,000* |



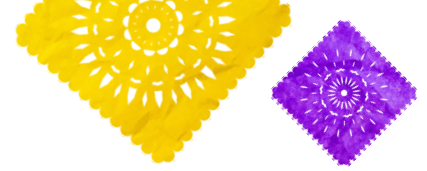
This was one of the most successful events I have ever experienced!
- Mark, Mariachi Loco Music Festival Attendee

Downtown Special Event Permitting

The DMD's 2017 Stakeholder Survey indicated that 55% of visitors to the downtown came for events and continue to see growth in the popularity of outdoor events permitted by the DMD. Despite a decrease in the number of permits issued in 2017, overall attendance increased by nearly 50,000 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 committed to working with event organizers and City departments to ensure safe events for the public to enjoy.

The DMD assisted with permitting of the following special events in 2017:

| | |
|---|---|
| El Paso March for Life | The Morning After Brunch |
| Over the Edge & Into the Fun | DeadBeach Block Party |
| Downtown Artist & Farmers Market | KidsPalooza |
| Neon Desert Music Festival | Easter Eggstravaganza Egg Hunt |
| Bacon Fest | Mariachi Loco Music Festival |
| El Paso Downtown Street Festival | EP Sun City Pride |
| Bikini Beach Fest | Independence Day Celebration |
| Plaza Classic Film Festival | Last Thursdays Street Gallery |
| Trapfest Block Party | The Mexican Food Fest |
| One Region, One Table | Walk a Mile in Her Shoes |
| 16 de Septiembre Celebration | Back to School/Tax Free Weekend |
| DeadBeach Bottle Release Party | Way Out West Fest |
| Chalk the Block | DeadBeach 2nd Anniversary |
| Downtown Halloween Zombie Walk | Christmas Tree Lighting Ceremony |
| Dia de los Muertos Fronterizo | Holiday Posadas at San Jacinto Plaza |
| Holiday Market | |



Downtown Outreach & 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 by 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.

In 2017, the DMD Board approved position statements on the following topics:

- El Paso County's Historical Survey and a potential National Register District
- Multi Purpose Performing Arts and Entertainment Facility (Update)
- Quality of Life Bond Project implementation
- The City of El Paso's Return to a 5 day work week

The DMD Board of Directors will continue to identify and engage itself in issues of importance to the downtown and its ongoing revitalization.

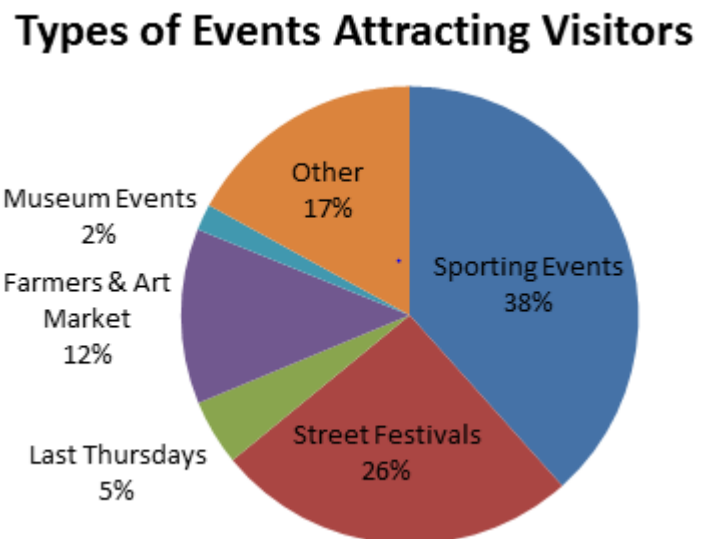
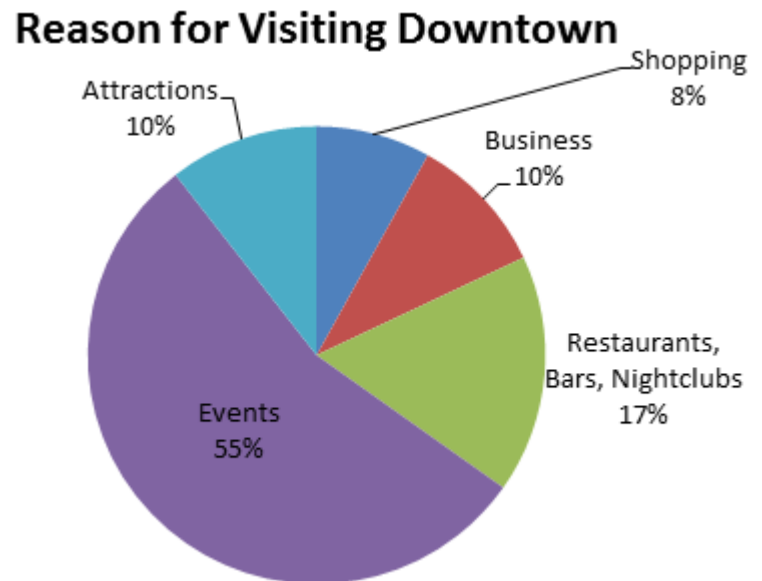
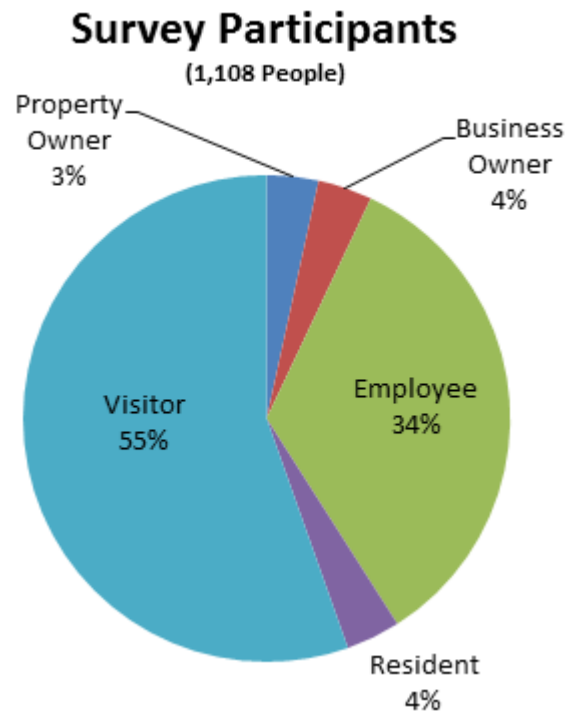


2017 Annual DMD Stakeholder Survey

For the third consecutive year, the Downtown Management District solicited stakeholder input and feedback through an unscientific, open invitation, online survey during the month of July. This year, a record 1,108 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 once again 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, “events” was the leading reason for visiting Downtown El Paso (55%). Of those respondents, 38% attended sporting events and another 26% attended street festivals.

The survey results, while dipping from last year’s extremely high marks, were overwhelmingly positive as a whole. Possible factors for the decline include construction, the arena debate, and a decrease in retail tenants. Participants strongly believe Downtown El Paso is heading in the right direction (75%). The perception of how things have changed over the past 12 months maintained high at 66%, but dipped from last year’s high of 87%.



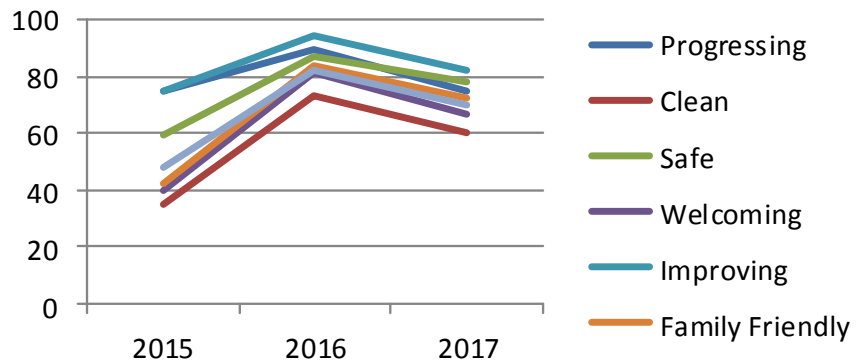
“I think the progress is good, but I wish it would move more quickly.” — Rachel

"Downtown has come a LONG way and continues to make improvements, however, as can be expected, constant construction and street closures tend to put a damper on things.

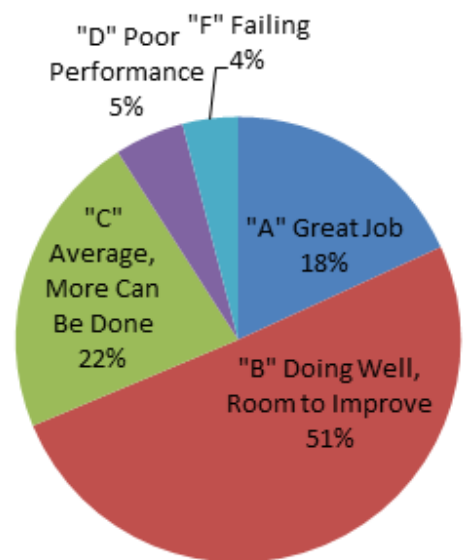
— Valerie

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 70% of participants agreed with 4 of the 6 individual statements, with cleanliness (60%) and welcoming (67%) being recognized by 60% or more of the respondents.

% Who Agree "Downtown is..."



Lastly, the DMD strives to perform at a high level and meet the expectations of our stakeholders. This survey allows us to gauge our performance with input from those who know us best. 69% of survey participants who identified themselves as being familiar with the efforts of the DMD gave the organization a grade of "A" or "B", with an additional 22% providing the organization a passing grade of "C". The grades of "D", and "F" were given by only 9% of the participants. We are proud of these marks and will continue to work to improve upon them in the coming years.



DMD Performance

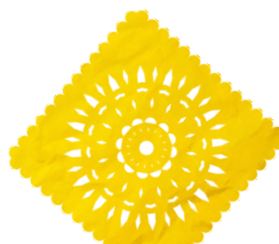


Survey respondents were invited to enter their name into a drawing for a chance to win a \$100 gift certificate to the downtown restaurant of their choice. Our winner, Jose Montoya, selected from among 669 entries and opted for a \$100 gift certificate to The Pizza Joint. Congratulations Jose!

Looking Ahead!

In recent history, every year has brought greater improvements, opportunities and possibilities within Downtown El Paso. 2018 is no different with many anticipated openings and new DMD efforts to further build off the great momentum which continues to fuel our revitalization. Here is what is in store for 2018:

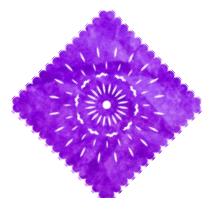
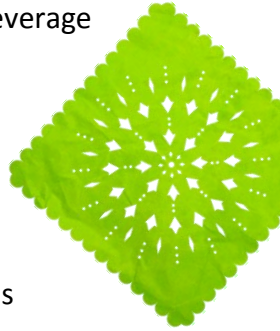
- The DMD is hosting a new event to highlight our local watering holes. The Downtown Barstool Open invites guests to compete in miniature golf while enjoying local establishments.
- With the goals of making Downtown El Paso the greatest place to work we're bringing HR professionals together to determine how best to meet the needs of employees.
- Parking is a high priority for every downtown. We're working with private and public parking managers to improve the parking experience.
- The orange barrels will continue to be around as two major projects are completed this year—the El Paso Streetcar and the Paseo de las Luces. We'll work to minimize the impact and celebrate their completion.



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 supported 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 Reps | Starr Western Wear | Economy Cash and Carry |
| El Paso County/West Texas CSCD | City International Bridges Dep. | iHeart Media |
| City Manager and Staff | Nishi Ramen | The 501 |
| Destination El Paso | Pot au Feu | Run El Paso |
| City Museums & Cultural Affairs Dep. | Delight | Glazer's Beer & Beverage |
| Police Dept./Central Reg. Command | Coco Loko | Emajj |
| El Paso Central Business Association | Park Tavern | KTSM |
| Hunt Companies | Cupa Fitness | KVIA |
| Parkhill Smith Cooper | Plaza Classic Film Festival | KFOX |
| Hotel Indigo | Martin Lofts | El Paso Chihuahuas |
| United Bank | Evolution Branding | T-Mobile |
| City Economic Development Dep. | Mills Plaza Parking LP | Anson 11 |
| TIRZ No. 5 | Mithoff Burton Partners | Café Central |
| Sacred Heart Church | Kemp Smith LLP | HERO Athletic |
| El Paso Community Foundation | Benjamin Gonzalez | Desert Modern Florals |
| Roderick Artspace Lofts | Jamie Gallagher | Los Colorines |
| City Environmental Services Dept. | Jon Law | Craft Café |
| Last Thursdays | El Paso Electric | Mac's Place |
| Franklin Avenue Apartments | Diversified Parking | Lalo Elan |
| The Abdou Building | Best Real Estate Management | Java Bean |
| Essex Alley | National American Investment Co. | Porkie's BBQ Smokehouse |
| The Mix | Sotoak Realty | Monkey Green Café |
| The Savoy | Mimco, Inc. | Crepe & Co |
| Tabla | Workforce Solutions | Drea 22 |
| Scherr Legate Attorneys at Law | Paso del Norte Health Foundation | Coffee Box |
| Greater El Paso Chamber of Comm | Segundo Barrio Apparel | El Tenedor |
| State Rep. Lina Ortega | Charlie Clark Nissan | BS Printing |
| Krystal Jeans | Wells Fargo | Tovar Printing |





El Paso Downtown Management District

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