

The Truth Regarding Property Taxes In The Downtown “Redevelopment Zone.”

Exposing the Campaign of Deception and Lies.

Since the day the Paso Del Norte Group Plan for “downtown revitalization” was revealed in late March 2006, the plan’s proponents have repeatedly claimed that the area (originally 128 acres) targeted for “redevelopment” does not produce its fair share of property taxes. Most El Pasoans now believe that the “Redevelopment Zone” only pays between \$400,000 and \$450,000 in TOTAL property taxes.

The proponents have repeatedly suggested to El Pasoans that if the Paso Del Norte Group Plan, adopted by City Council into the City’s Master Plan in December, is implemented, El Pasoans will realize a reduction in their home property taxes.

Both claims and suggestions are false. In fact, the “Redevelopment Zone” paid more than 1.8 million (\$1,852,954.19) in TOTAL property taxes in 2005, more than FOUR TIMES the highly publicized amount. There will be no reduction in homeowners’ property taxes if the plan is implemented.

Deception Regarding Total Property Taxes Paid

As stated above, the great majority of El Pasoans are under the impression that the area targeted for takeover and “redevelopment” under the City’s “downtown revitalization” plan “only” pays between \$400,000 to \$450,000 in TOTAL property taxes. BUT THIS AMOUNT IS ONLY THE CITY’S PORTION, WHICH IS LESS THAN 25% OF THE TOTAL.

The TRUTH is that the area targeted for takeover and “redevelopment” paid \$1,852,954.19 in TOTAL PROPERTY TAXES in 2005. The appraised value of all the taxable properties in this area was \$59,343,756.14 in 2005. The properties owned by non-profit organizations are not taxable. The breakdown of the TOTAL 2005 property taxes, by taxing entity, for the taxable properties in the “Redevelopment Zone” area is as follows:

<u>Taxing Entity</u>	<u>Tax Rate</u>	<u>Tax Levy</u>
City of El Paso	0.696677	\$ 413,434.30
County of El Paso	0.432259	\$ 256,518.73
El Paso ISD	1.673500	\$ 993,117.76
EPCC	0.132844	\$ 78,834.62
R.E.T.G. Hosp.	0.187128	\$ 111,048.78
	Total:	\$1,852,954.19

This total does not include the Downtown Management District Assessment paid by some commercial properties in the area.

On April 24, 2006, City Representative Ann Morgan Lilly stated on the David K radio show (1650AM) that the target area produced “only \$450,000 in *PROPERTY TAXES*” in 2006. She did not clarify that this figure was only the City’s portion of the TOTAL property taxes collected by the City tax office. She then proceeded to make a side by side comparison of this \$450,000 (City portion of property taxes) with the TOTAL PROPERTY TAXES generated by Sunland Park Mall (\$1,463,084.82) and Cielo Vista Mall (\$3,055,740.14) in 2006. In doing so, she clearly intended to mislead the public into believing that the “Redevelopment Zone” only generated \$450,000 in TOTAL property taxes, unless she herself was not aware that \$450,000 was not the TOTAL property tax amount.

WHY HAVE THE PROPONENTS OF THE PLAN ONLY TALKED ABOUT THE CITY’S PORTION (\$413,434.30) OF THE TOTAL PROPERTY TAXES PRODUCED BY THE “REDEVELOPMENT ZONE” AREA IN 2005, WHICH IS LESS THAN ONE-FOURTH OF THE TOTAL PROPERTY TAXES GENERATED?

WHY HAVEN’T THE PROPONENTS GIVEN OUT THE TOTAL AMOUNT (\$1,852,954.19) PAID IN PROPERTY TAXES BY THIS AREA?

WHY HAVEN’T THE PROPONENTS CLARIFIED THAT \$413,434.30 WAS ONLY THE CITY OF EL PASO’S PORTION OF THE TOTAL PROPERTY TAXES GENERATED BY THE “REDEVELOPMENT ZONE” IN 2005? WHY THIS DECEPTION?

On June 10, 2006, City Representative Robert “Beto” O’Rourke was a guest on the Leon Metz radio show (690AM). O’Rourke stated, “it’s been mentioned time and time again, in that 127 acre redevelopment area there are only 414,000 dollars being paid back into the City in taxes.” A caller to the show, Tom, expressed outrage that “that whole area ... only pays \$400,000 worth of taxes a year” and that “everybody in the whole city ... is subsidizing that 127, 127 acres.” It was apparent that this caller believed that \$400,000 was the *TOTAL PROPERTY TAXES* paid, not just the City’s portion. Nevertheless, O’Rourke made no effort whatsoever to correct the misunderstanding for the caller or for the listening audience.

HOW MANY TIMES HAVE THE PROPONENTS, AWARE THAT \$413,434.30 WAS ONLY THE CITY’S PORTION, ALLOWED THE PUBLIC TO CONTINUE BELIEVING THAT \$413,434.30 WAS THE TOTAL AMOUNT OF 2005 PROPERTY TAXES PAID BY THE TARGET AREA?

Deception Regarding Whether “Redevelopment Zone” Pays Its “Fair Share” of Property Taxes

The next question is whether this \$1,852,954.19 amount paid in property taxes is low, average, or high. The best indicator is a comparison of the property values, PER SQUARE FOOT, of the properties within the target area with properties engaged in similar uses elsewhere in the City of El Paso.

The results of such a comparison CAST SERIOUS DOUBTS on the claims by the proponents of the downtown revitalization plan that the target area’s property tax production is too low.

Retail store properties in the “Redevelopment Zone” are valued higher PER SQUARE FOOT than the great majority of retail store properties in ALL other areas of El Paso. Tenement buildings in the “Redevelopment Zone” are also valued as high, or higher, PER SQUARE FOOT than market rental apartment complexes in ALL other areas of El Paso. The same is true for warehouse type facilities, fast food restaurants, the Chevron service station, and other commercial properties in the “Redevelopment Zone.”

Here are some comparisons (properties inside the “Redevelopment Area” are in *italics*):

<u>Name of business</u>	<u>Address</u>	<u>Value per Square Foot</u>	<u>CAD Acct. #</u>
<i>Comparisons of CAD property values for businesses operating within “Redevelopment Area” With same-name business operations elsewhere in the City:</i>			
<i>Starr Western Wear</i>	<i>112 E. Overland</i>	<i>\$55.62</i>	<i>M47399903408500</i>
Starr Western Wear	11751 Gateway West	\$ 6.34	V89399929700300
<i>Regis Bernard Furniture</i>	<i>304 S. Stanton</i>	<i>\$50.71</i>	<i>C05099914905300</i>
Regis Bernard Furniture	1446 Lee Treviño	\$11.27	V89399915700100
<i>Firestone</i>	<i>1031 Texas</i>	<i>\$18.77</i>	<i>F60799900308500</i>
Firestone	4224 N. Mesa	\$ 6.30	M32599900105000
<i>Martin Tire</i>	<i>901 Texas</i>	<i>\$16.80</i>	<i>C05099922600100</i>
Martin Tire	8008 N. Mesa	\$19.18	C96199900105300
Martin Tire	12110 Montwood	\$18.41	L64999900100180
<i>Chevron, Central</i>	<i>220 E. Paisano</i>	<i>\$32.93</i>	<i>C05099913503700</i>
Chevron, University	2119 N. Mesa (UTEP)	\$16.45	A46299915303100
Chevron, Airway	6631 Montana	\$13.22	E37899900508550
Chevron, Wedgewood	10101 Montana	\$ 8.73	I32699900305700
<i>McDonald’s, Paisano</i>	<i>217 Paisano at S. Mesa</i>	<i>\$35.64</i>	<i>M47399903501300</i>
McDonald’s,	901 Resler	\$25.27	W18999900100200
McDonald’s	6101 N. Mesa	\$17.65	T23899900100100
McDonald’s	1100 Yarbrough	\$12.26	V89399901100100

Warehouse facilities within the target area:

<i>El Paso Chili Co.</i>	<i>909 Texas</i>	<i>\$29.58</i>	<i>C05099922601500</i>
<i>Galeria San Ysidro</i>	<i>801 Texas</i>	<i>\$35.60</i>	<i>C05099922702400</i>
<i>Baron Chemical</i>	<i>817 Texas</i>	<i>\$42.65</i>	<i>C05099922704800</i>
<i>Paxton, Jack & June</i>	<i>214 Virginia</i>	<i>\$25.40</i>	<i>C05099922707400</i>
<i>Abraham, Harry</i>	<i>220 Saint Vrain</i>	<i>\$13.41</i>	<i>C05099922709600</i>

Warehouse facilities elsewhere:

ASLM, LTD	6914 Industrial	\$ 7.27	E13199900800100
Realty Southwest	6968 Industrial	\$13.53	E13199900800700
Johnson, Robert & Resa	6923 Industrial	\$13.22	E13199900704200
EEC Partnership	6969 Industrial	\$15.54	E13199900704500
Brokers El Paso Warehouse	6988 Industrial	\$ 6.09	E13199900707300
Verde 360 Americas	360 Americas	\$ 7.88	M43099900100500
Verde 420 Pan American	420 Pan American	\$ 7.37	P196999002A0150
Verde 424 Pan American	425 Pan American	\$ 8.99	P19699900100100
Verde Joe Rodriguez	9660 Joe Rodriguez	\$10.96	A52699900201000

<u>Name of business</u>	<u>Address</u>	<u>Value per Square Foot</u>	<u>CAD Acct. #</u>
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Retail store properties within the "Redevelopment Area" by owner:

<i>MSG Properties</i>	<i>800 S. El Paso</i>	<i>\$55.20</i>	<i>C05099908805700</i>
<i>Sunview Inc.</i>	<i>106 Father Rahm</i>	<i>\$30.12</i>	<i>C05099908806100</i>
<i>Salom, Anthony & Soledad</i>	<i>810-812 S. El Paso</i>	<i>\$33.44</i>	<i>C05099908806500</i>
<i>Santa Ana</i>	<i>814 S. El Paso</i>	<i>\$31.66</i>	<i>C05099908807300</i>
<i>Venegas</i>	<i>816 S. El Paso</i>	<i>\$67.66</i>	<i>C05099908808100</i>
<i>River Oaks</i>	<i>818-820 S. El Paso</i>	<i>\$45.76</i>	<i>C05099908808900</i>
<i>Leeds</i>	<i>210-212 Overland</i>	<i>\$41.36</i>	<i>M47399903503700</i>
<i>Columbia</i>	<i>216 Overland</i>	<i>\$37.49</i>	<i>M47399903503300</i>
<i>Marcus</i>	<i>300 Overland</i>	<i>\$61.34</i>	<i>M47399903605700</i>
<i>Four Jo's</i>	<i>304 Overland</i>	<i>\$65.80</i>	<i>M47399903605300</i>
<i>Rosen</i>	<i>306-310 Overland</i>	<i>\$52.98</i>	<i>M47399903604900</i>
<i>Díaz</i>	<i>312 Overland</i>	<i>\$48.25</i>	<i>M47399903604500</i>
<i>Rosen</i>	<i>318 Overland</i>	<i>\$67.66</i>	<i>M47399903604100</i>
<i>MKI LP</i>	<i>320 Overland</i>	<i>\$49.30</i>	<i>M47399903603700</i>

Retail store properties elsewhere:

<i>Wal-Mart</i>	<i>7101 Gateway West</i>	<i>\$16.50</i>	<i>C32899900500100</i>
<i>Wal-Mart</i>	<i>10727 Gateway West</i>	<i>\$14.66</i>	<i>V89399901104600</i>
<i>Target</i>	<i>1901 George Dieter</i>	<i>\$18.49</i>	<i>N24199901300150</i>
<i>Bassett Place (33.2882 acres)</i>	<i>6001 Gateway West</i>	<i>\$11.38</i>	<i>B22099900102100</i>
<i>Bassett Place (10.0456 acres)</i>	<i>6001 Gateway West</i>	<i>\$20.50</i>	<i>B22099900102000</i>
<i>Simon Group Sunland Park Mall (35.3917 acres)</i>	<i>750 Sunland Park</i>	<i>\$32.79</i>	<i>P39599900400100</i>
<i>Simon Group Cielo Vista Mall (23.5037 acres)</i>	<i>8401 Gateway West</i>	<i>\$103.12</i>	<i>C32899900300100</i>

Apartment, Multi-unit Housing:

Tenements in Target Area, location:

<i>Union Plaza</i>	<i>305 Chihuahua</i>	<i>\$16.84</i>	<i>M47399904500600</i>
<i>Union Plaza</i>	<i>219 Overland</i>	<i>\$19.22</i>	<i>M47399902505600</i>
<i>Union Plaza</i>	<i>332 Leon</i>	<i>\$23.18</i>	<i>M47399904507100</i>
<i>Union Plaza</i>	<i>315 Overland</i>	<i>\$26.31</i>	<i>M47399903106100</i>
<i>Magoffin</i>	<i>1014 Myrtle</i>	<i>\$40.22</i>	<i>F60799900101900</i>
<i>Magoffin</i>	<i>1015 Myrtle</i>	<i>\$29.26</i>	<i>F60799900206400</i>
<i>Magoffin</i>	<i>800 Myrtle</i>	<i>\$36.70</i>	<i>C05099921509100</i>
<i>Segundo Barrio</i>	<i>500 S. Oregon</i>	<i>\$17.64</i>	<i>C05099911704300</i>
<i>Segundo Barrio</i>	<i>520 S. Oregon</i>	<i>\$79.47</i>	<i>C05099911706400</i>
<i>Segundo Barrio</i>	<i>605 S. Oregon</i>	<i>\$25.66</i>	<i>C05099910104100</i>
<i>Segundo Barrio</i>	<i>613 S. Oregon</i>	<i>\$23.19</i>	<i>C05099910103300</i>
<i>Segundo Barrio</i>	<i>601-609 S. Mesa</i>	<i>\$37.00</i>	<i>C05099910203300</i>
<i>Segundo Barrio</i>	<i>801-813 S. Mesa</i>	<i>\$32.45</i>	<i>C05099907403300</i>
<i>Segundo Barrio</i>	<i>827-831 S. Mesa</i>	<i>\$ 8.80</i>	<i>C05099907400100</i>
<i>Segundo Barrio</i>	<i>900 S. Oregon</i>	<i>\$12.22</i>	<i>C05099905906100</i>
<i>Segundo Barrio</i>	<i>1021 S. Mesa</i>	<i>\$ 8.77</i>	<i>C05099904600100</i>

<u>Name of business</u>	<u>Address</u>	<u>Value per Square Foot</u>	<u>CAD Acct. #</u>
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Apartment Complexes elsewhere:

Villa Sierra	2435 McKinley	\$13.86	R84399900702000
West Town	734 Mesa Hills	\$19.26	P39399900206000
Legends of El Paso	200 Belvidere	\$ 5.27	D46099900300100
Colinas del Sol	945 Mesa Hills	\$17.31	C81599900300150
Coronado Villas	6115 Escondido	\$20.76	S37399900102000
Crest Apartments	345 Shadow Mt.	\$21.09	M84499900100100
Kings Hill	299 Kings Point	\$12.43	X21699900008900
Las Norias	2150 Trawood	\$22.16	H21399900100100
La Plaza	9578 Sims	\$ 9.95	C52299900201000
Lake Fairway	1642 Lomaland	\$12.51	C16699900200100
Shadow Ridge	9375 Viscount	\$15.90	A765999002D0439
Citadel	9455 Viscount	\$13.94	A765999002D0448
Spring Park	9535 Acer	\$11.89	C52299900500100
Vista Village	10535 Montwood	\$ 8.32	V89399904101300

Other Per Square values of interest:

<i>El Paso Los Angeles Limousine</i>	<i>720 S. Oregon</i>	<i>\$16.13</i>	<i>C05099908708500</i>
Phelps Dodge Refinery	7135 N. Loop	\$ 6.30	A76599900400101
Western Refining Co	6500 Trowbridge	\$45.08	A76599900300201

As can be seen by the above listed comparisons, many of the properties in the “redevelopment zone” are valued higher, PER SQUARE FOOT, than properties engaged in similar uses elsewhere in the City, and therefore produce higher amounts of property tax PER SQUARE FOOT. In general, the TRUTH is that the properties in the “redevelopment zone” are paying at least as much, and often much more property tax, PER SQUARE FOOT than properties considered economically productive in other areas of El Paso. The PER SQUARE FOOT comparison is the most reliable indicator of whether a property is paying its “FAIR SHARE” of property taxes.

Deception Regarding Reduction of Homeowners’ Property Taxes

The City of El Paso has no plans to reduce property taxes for homeowners if the “downtown revitalization” plan is fully implemented. In fact, under the TIRZ (Tax Increment Refinancing Zone) which was created by the City Council, any increases in CITY OF EL PASO property tax revenues from downtown, will only be spent in the downtown area.