



Regrow, Renew & Reinvest
El Paso's Urban Redevelopment Future

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An analysis of El Paso's urban redevelopment efforts since the passage of the 2006 Downtown Plan, as well as the transit corridors, Dyer, Alameda and Segundo Barrio redevelopment efforts. The report looks at different theories of urban development, other cities redevelopment efforts and property value increases since 2006.

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Urban redevelopment (or urban renewal) by definition is the redevelopment or redevelopment of a property in an area as a result of a supportive effort by either public or private sectors.¹ It is a state-sanctioned program that first emerged in the 1940's to revitalize central cities, which had been losing much of its population to growing suburbs. Urban redevelopment was created in order to aid communities restore and recover certain areas that were considered unsafe, out dated or poorly planned. Up until the 1960's, urban redevelopment was initially created as a method of clearing large areas of land and creating housing for citizens that was considered, at the time, an improvement.²

The first four decades of the redevelopment period resulted in no meaningful change. Although the Roosevelt Administration sponsored the 1934 Housing Act, the government did not establish an urban-oriented agency to formally take responsibility for the condition of cities. The responsibility for these areas was left solely to the local authorities. It was in the 1950s that local governments drew attention to urban development and massive slum clearance.³ Urban redevelopment used to be a federal program and the construction of civic centers, hospitals and highways were some projects that were funded through it. Today, urban renewal is the local redevelopment of existing areas, with a mission to strengthen communities as a whole.⁴

Urban redevelopment is meant to strengthen communities, and ultimately result in economic development that everyone in the area benefits from.⁵ Redevelopment of these areas is meant to attract more businesses to build 'in city' and serves as an incentive for people to invest in these growing urban areas. El Paso City Representative Beto O'Rourke (District 8) states that the main goal of urban redevelopment is answering the problems that are reflected in the numbers of people leaving the core. O'Rourke says that the main goal is utilizing urban redevelopment to "radiate prosperity" for the city of El Paso from the core.⁶ The downtown core has a relatively lower income level than those of families living in sprawl. This characteristic is one associated with sprawled communities.⁷

Another goal that redevelopment focuses on is revamping of the city codes. As a result of urban redevelopment, city building codes tend to be more flexible, yet, the development codes progress inversely: they become stricter. Dover, Kohl & Partners suggest straying away from current policy, which favors growth along the edges of the city, enables retail overbuild and promotes auto-oriented streets and neighborhoods.⁸ Urban development also results in various impact fees. The developer now pays for streets, sewage lines, parks and other quality of life services, which switches the burden of paying for development from taxpayers to the developer. It also engages city council in passing various incentives to promote the redevelopment of certain areas. In the urban redevelopment movement, certain advocates emerge: businessmen, developers, and the portion of the community that is not directly impacted by the changes. According to Carlos Gallinar, El Paso Comprehensive Plan Manager, El Paso can focus on urban

¹ (McCracken 2005)

² (Portland Development Commission No Date)

³ (Diaz 2005)

⁴ (Portland Development Commission No Date)

⁵ (Massachusetts Housing and Economic Development 2010)

⁶ (O'Rourke 2010)

⁷ (Dover, Kohl & Partners 2010)

⁸ (Dover, Kohl & Partners 2010)

redevelopment through its resources and tax dollars so there is more of a balance with other more suburban areas of the city.⁹

All data collected for this report was gathered from various government agency databases, personal interviews, news sources, current literature regarding urban planning and municipal service distribution and information from the City of El Paso's website and its respective departments.

Existing Development Codes

In order to understand the types of codes and regulations by which El Paso abides by, Euclidean Zoning, SmartCode, Form-Based Codes, International Building Codes and International Existing Codes must be examined. It is important to note how each code has affected and contributed to the long-term effects of sprawl. Although complex, each aspect of each code must be taken into consideration in order to benefit the upcoming stages of development and choose the adequate codes that benefit the community that is either being developed or redeveloped.

Euclidean Zoning

Euclidean zoning is the most common and conventional type of zoning. It is also known as "Building Block" zoning.¹⁰ It is named Euclid, after the town of Euclid, Ohio. There a landowner challenged the city's current zoning code at the time. The case ended up in the United States Supreme Court, which ended up supporting the codes. The term Euclidean zoning came to be known after the 1926 case. This code affected the design and content of the codes that were to be enforced throughout the country.¹¹

El Paso, like the rest of the country, utilizes Euclidean zoning.¹² The goals that are associated with Euclidean zoning are traditional; aiming to promote organized growth, prevent an area of being overcrowded with land or people and relieve traffic obstructions. One other goal of Euclidean zoning is to separate the use of lands that are not relative to each other such as, a factory juxtaposition to a residential area. However, the Euclidean zoning code has received criticism for its lack of flexibility and out dated planning theory.¹³ El Paso City Representative Susie Byrd (District 2) stated that the Euclidean zoning needed to be repaired by providing an overlay for older neighborhoods in order to preserve character.¹⁴

Form-Based Codes (FBC)

The FBC is best described as an instrument to unite and reinforce the building to street relationship.¹⁵ FBC use the physical form of a building, instead of separation of uses, as the organizing principle for the code. It is an alternative to contemporary zoning and promotes

⁹ (Gallinar 2010)

¹⁰ (Webvest No Date)

¹¹ (Zoning Matters No Date)

¹² (Gallinar 2010)

¹³ (Zoning Matters No Date)

¹⁴ (Byrd 2010)

¹⁵ (Dover, Kohl & Partners 2010)

predictable build results and a public area of high quality. FBC are approved by a city or county law not as guidelines, but as regulations. It addresses the relativity between facades of buildings and the public vicinity, the design and mass of buildings when compared to each other and scale degree and types of blocks and streets. FBC focus on the aesthetics of the building, but are not design guidelines or general policy statements; they are regulatory and not advised. It is a tool for developers to generate a high quality of developments and achieve the general community aspirations.¹⁶

SmartCode

SmartCode is not a building code, it is a land development ordinance aimed towards planning and urban design. It is referred to as a “form-based code,” due to the fact that SmartCode bases its guidelines towards the physical construction of a building. The SmartCode makes certain that a community has access to diversity in the types of buildings that are located in the surrounding area, which means that the SmartCode is also a transect-based code¹⁷. The Transect is divided in to six areas known as Transect-Zones (T-Zones). The six T-Zones are:

- Natural (T-1)
- Rural (T-2)
- Sub-Urban (T-3)
- General Urban (T-4)
- Urban Center (T-5)
- Urban Core (T-6)¹⁸

A SmartCode document contains zoning, subdivision regulations and urban design. Architectural standards are optional. It is meant to be adapted and regulated by a city, which is also called calibrating. It is meant to provide political officials with the power to allow buy-ins from stakeholders. The SmartCode strives to support community individuality and vision, preservation of land, wide range of public transportation options and pedestrian friendly mixed use neighborhoods. SmartCode aims to prevent urban sprawl, streets that are prevalent with motor vehicles, vacant downtown areas of a city and an overall hostile public area.¹⁹

On July 29, 2008, the City of El Paso adopted the SmartCode.²⁰ It will be used as an optional development alternative.²¹ In El Paso, the following areas will be classified as T-Zones: Kern Place (T-3), Sunset Heights (T-4), El Paso Street (T-5) and San Jacinto Plaza (T-6).²² A disadvantage to the SmartCode in El Paso is that it is not mandatory, and that nobody is taking advantage of it.²³ El Paso City Representative Steve Ortega stated in an interview that it was nice to have the SmartCode, but it is useless if it is not utilized.²⁴ It is difficult to entice developers to use SmartCode; this is why incentives are created. Currently, there have been no applications

¹⁶ (Form-Based Codes Institute 2009)

¹⁷ (SmartCode Complete No Date)

¹⁸ (SmartCode Complete No Date)

¹⁹ (SmartCode Complete No Date)

²⁰ (The City of El Paso n.d.)

²¹ (City of El Paso No Date)

²² (City of El paso No Date)

²³ (R. Soto 2010)

²⁴ (Ortega 2010)

from developers to construct under the SmartCode ordinance.²⁵ While the SmartCode is an option, Veronica R. Soto stated she would like to see downtown El Paso as a more walkable area, and would like to see the city's adopted SmartCode as the code that is utilized throughout El Paso.²⁶ El Paso City Representative Beto O'Rourke (District 8) stated that making SmartCode development mandatory would be difficult. He explained that the difficulty lay in the fact that the mandate would be a public sector initiative on private sector developers.²⁷

El Paso's Preservation Efforts

Existing historic resources are said to make a "connection between our past and enhance the quality of life." In order to ensure a link to the past and the region's cultural identity, preservation of historical sites is an integral component to the "maintenance of the region's memory."²⁸ According to El Paso City Representative Susie Byrd (District 2), a city can restore the identity and sense of place by investing in things that "stood the test of time." She states that currently, the city has built neighborhoods that are going to last thirty years, whereas, we used to build strong, relevant buildings and neighborhoods that have lasted a hundred years. Byrd recognizes the fact that reinvestment needs to be targeted at the core, but it needs to be a kind of reinvestment that respects the neighborhood's character.²⁹ The 21 historical buildings in the downtown area present El Paso with the opportunity to utilize and preserve this kind of asset.³⁰ In order to take advantage of these properties, proper stewardship is required to make these positive impacts really change the quality of life for all El Pasoans.³¹

Preservation of historical sites does not only encompass the maintenance of old buildings, restoring or rehabilitating historic buildings for residential or commercial uses strengthens the façade of neighborhoods and increases property value. This affects that neighborhood, the districts and the local economy. The revenue from heritage tourism experiences are also another advantage to a strong preservation program. From another economic standpoint, proper historical preservation programs yield new jobs, increases both public and private investments and are known to enhance community pride.³² According to Dover, Kohl & Partners, as they study the El Paso area, they describe preservation as "stuck at a strange stage where investment has followed a decreasing trend over the years." In order to fix this issue, they suggest a brand new start with new regulations, and extensive financial incentives to promote the forgotten practice.³³ A difficulty identified with redevelopment projects is their nature to be restrictive to property rights but open to tax credits, also, they often result in an increase of property value.³⁴

²⁵ (Lopez 2010)

²⁶ (R. Soto 2010)

²⁷ (O'Rourke 2010)

²⁸ (City of El Paso No Date)

²⁹ (Byrd 2010)

³⁰ (City of El Paso No Date)

³¹ (City of El Paso No Date)

³² (City of El Paso No Date)

³³ (Dover, Kohl & Partners 2010)

³⁴ (McLaughlin 2010)

The Historic Landmark Preservation Ordinance

On June 27, 1978 the El Paso City Council approved the Historic Landmark Preservation Ordinance (Ordinance 6243). This piece of legislation was enacted in order to preserve and protect the region's buildings, structures and archeological sites that portray history or a sense of place. The Historic Landmark Preservation Ordinance also requires that owners of property in designated historic districts submit any proposed exterior alterations to the property. These alterations are subject to review by the Historic Preservation Office or the El Paso Historic Landmark Commission prior to the issuance of the building permit required to make the suggested changes.³⁵

Alamo Elementary School Preservation Efforts

Alamo Elementary School is El Paso's first school and is 111 years old. For the past two years, Alamo Elementary has been vacant and as part of the 2007 bond issue at the El Paso Independent School District (EPISD), the public voted to demolish the existing school and construct a new institution in its place, which would cost \$14M. However, public officials question whether or not the intentions were clearly stated in the ballot. Voters may have not been provided a clear distinction between renovating the building or tearing it down. In a 6-1 vote, El Paso City Council has begun to take steps in preserving the 111-year-old school. Should the process of rezoning be completed, the school site would be unable to be demolished and would instead have to be renovated, or left alone, by EPISD.³⁶ The closing of urban core schools is an issue that is gaining awareness in the community.

To analyze the impact sprawl has had on educational institutions in the area, Community Scholars compared student populations in elementary schools in the Canutillo, El Paso, Socorro and Ysleta school districts. The populations were categorized as either part of the urban core or part of sprawled development. Community Scholars identified geographical boundaries for urban sprawl in the El Paso community: west of Executive Center Boulevard, north of Fred Wilson Drive and East of Yarbrough Drive. The following table displays these comparisons.

Table 1: Number of Elementary Schools

Area	0-100 Students/Grade	101+ Students/Grade	Total
Urban Core	35	15	50
	70 %	37.5%	
Sprawl	30	50	80
	37.5 %	62.5%	

Source: Texas Education Agency

It is apparent that there are more schools in the sprawl category. It is also noticeable that these sprawled schools have a higher percentage in the 101 or more students per grade category, being at 62.5 percent. Sprawl also has a higher amount of schools and student population than the Urban Core has. The Urban Core category has 10 percent of schools with less than 100 students

³⁵ (City of El Paso No Date)

³⁶ (Schladen 2010)

per grade level. It is clear that there are a larger number of schools in sprawled areas of the community, and that those schools have larger student populations than those found in the core.

Funding Urban Redevelopment

Urban renewal is usually preferred over other means of improvement because urban renewal has the potential to focus certain resources onto a particular area. Also, because of the use of public resources, the influence is greater than that of a private investment. An area can be redeveloped through the financial support of local, state and federal grants or other means of gathering funds. However, much of the funding that would be gathered would have certain standards and “strings attached.” Tax-increment financing would be the most effective. The concept of it is that funds collected through future taxes in the area being redeveloped will pay for the redevelopment efforts. This type of financing is the most commonly utilized method cities use to pay for urban renewal projects.³⁷

Tax Increment Financing (TIF)

TIF provides cities with the opportunity to certain districts and it also allows them to make improvements on those districts that will in turn produce private-sector development. TIF is meant to create revenue for redevelopments. The way this type of financing works is based on taxes collected. The tax base is frozen at the predevelopment level and is still frozen throughout the actual development. Property taxes for that area are still collected, but property taxes that have been assessed to be higher are called the tax increment. The increments are then placed in a special fund in order to pay for the developments or to be used in that area at another time. The community does not lose any of the taxes that were collected previous to the development program. The amount of time the tax base will be frozen is usually specified in the development plan.³⁸ The methodology behind raising funds through freezing property taxes is also found in tax increment reinvestment zones, better known as a TIRZ.

Tax Increment Reinvestment Zone

The TIRZ was created in December 2006, in order to generate revenue for future public improvements within the specified zone. This would be accomplished by collecting any incremental increase in property taxes within the zone until the year 2036, this would mark thirty years. In December 2007, the TIRZ was expanded to include the core of Downtown. The districts that would be affected by the TIRZ are: Border Retail District, Mercado District, Lifestyle District, Entertainment District, Mixed Use Residential District and Historic Incentive District.³⁹ The TIRZ is in accordance to the City of El Paso’s Downtown 2015 Plan, which was adopted in 2006 by El Paso City Council. The cost for the proposed installation, extension, and/or renovation of streets, utilities, drainage and sidewalks is approximately \$57M. This will also include the costs of the construction of other improvements such as streetscape improvements and the construction of affordable housing.⁴⁰

³⁷ (Portland Development Commission No Date)

³⁸ (Eastern Michigan University No Date)

³⁹ (City of El Paso 2010)

⁴⁰ (City of El Paso 2009)

El Paso's Redevelopment Projects

By the 1970s, owning a suburban home became increasingly popular and was considered to be very fashionable.⁴¹ Although there is no distinct definition to sprawl, it does have a negative connotation to it. It has come to be known as a characteristic of a metropolitan area; it hinders the visual beauty of a city and it tends to acquire a sense of "sameness." There are many components that define urban sprawl, those of which can either help or hinder it. They are: density, diversity, centrality, connectivity, concentration, mixed uses and proximity.⁴² In order to reverse the effects of sprawl, El Paso is conducting redevelopment projects.

From the information Community Scholars has gathered, the city is taking a New Urbanism approach to redevelopment. New Urbanism promises the idea of a new "town life," and is a positive alternative to urban sprawl. The following surround the concept of New Urbanism:

- Pedestrian friendly neighborhoods, with the goal of destinations being about five minutes away.
- Developers view public transportation to be the prime priority when planning.
- A greater diversity in land use, with an emphasis at the neighborhood level.
- Housing affordability
- Strong citizen participation
- Diversity in income
- Strong physicality of infrastructure⁴³

These specific principles and ideals are to be implemented through various redevelopment programs/plans throughout the city. The following section describes development efforts aimed at providing a "facelift" to El Paso's traffic corridors.

El Paso Transit Corridors

Three of El Paso's transit corridors were the focus of transit-oriented-development planning by urban planning firm, Dover, Kohl & Partners. The firm's work on the corridors aimed to increase walkability in these neighborhoods and increase connectivity, all while planning to increase land use and density in any given area, reducing auto-dependency.⁴⁴ The three corridors that were studied and submitted for redevelopment strategies were the Oregon Corridor near the University of Texas at El Paso and Downtown, Five Points Area in Central El Paso and Remcon Circle on the Westside of El Paso. Dover, Kohl & Partners were not charged with developing redevelopment strategies for two other traffic corridors, Alameda and Dyer, which will be discussed in sections to follow.

According to Megan McLaughlin, planner for Dover, Kohl & Partners, there are several advantages and disadvantages to the current state of the different corridors. Overall, she states from observation that they are a "pretty exciting" part of the city, full with dense building

⁴¹ (Frumpkin, Frank and Jackson 2004)

⁴² (Frumpkin, Frank and Jackson 2004)

⁴³ (Fulton 1996)

⁴⁴ (Frumpkin, Frank and Jackson 2004)

practices and well-designed neighborhoods in close proximity. However, an obvious lack of interest in these areas has led to their deterioration. However, the current state of El Paso's economy is one that is "harnessing" development, which should benefit residents and businesses seeking redevelopment opportunities in these areas.⁴⁵

The following sections will describe what the citizens of El Paso described as their ideal redevelopment in each of the corridors. This input was gathered from the local charette process hosted by the City and the planning firm. These meetings allowed normal citizens to work alongside urban, transportation and economic planners to help visualize a new neighborhood. The final plans will be made available Fall 2010 to the City of El Paso and its citizens after edits, corrections and additions requested by the City have been made.

Remcon Circle

The residents of El Paso expressed their desire to preserve and improve quality of arroyos and take advantage of the views that the Remcon Circle has to offer. The community also would like the creation of a green network. Citizens also wanted increased connectivity, preferably an on ramp to I-10, regional commuter and local form of transportation, a new amphitheatre and a 24-hour mixed-use destination, such as plazas and other outdoor areas.⁴⁶

Five Points Area

The community expressed their urban development aspirations for the Five Points area. They were: the establishment of a shared parking system increases the overall compactness of the area and with a greater amount of mixed use that includes residential and the addition of more windows in order to increase security and safety. Residents also would like to see a gateway created, into the area. They also want to transform the existing alleys into designated areas for trash-pick up; make current roadways friendlier to pedestrians, which would include adding trees to augment the shade available, create wider sidewalks and generate underground utilities. Residents also want multiple types of transportation which would include bike lanes, include local and commuter services and the designation of Elm Street as a pedestrian only area.⁴⁷

Oregon Street

At the Charrettes, the public indicated that they would like to see an increase in the density of the neighborhood, with supplementary housing and mixed use buildings.⁴⁸ Seven out of the eight tables at the Charrettes were advocates of walkable, green and complete streets.⁴⁹ The foundation of public art and public spaces along the border and the construction of pocket parks are also wanted by the citizens of El Paso. El Pasoans also want: to use the current historic buildings' architecture as a model for other buildings to be built the production of a grocery store, an open air market and the hope for developers to take advantage of the grid pattern.

⁴⁵ (McLaughlin 2010)

⁴⁶ (City of El Paso 2010)

⁴⁷ (City of El Paso 2010)

⁴⁸ (City of El Paso 2010)

⁴⁹ (Dover, Kohl & Partners 2010)

Residents would like to see the implementation of the SmartCode in the Oregon Corridor as a guide for the development of mix use buildings and pedestrian friendly streets in the Shuster area, as well as an entertainment express bus which would be a transit option that would connect the entertainment districts during late night business hours.⁵⁰

The two following sections describe traffic corridors Dyer and Alameda, which as previously mentioned, were not studied by Dover, Kohl & Partners. Both corridors have independent and separate redevelopment strategies also aiming to refresh the state of commerce and residence along the corridors.

Dyer Street

In 2006, the El Paso Community Health Development Department (CHD) identified certain parts of El Paso and committed to redevelopment of distressed neighborhoods, including the Lower Dyer area. The recent increase in population presents a unique opportunity for redevelopment of the neighborhood, as residents, property owners and stakeholders have been made aware of current issues in the area through public meetings. This has helped promote a desire to see long-lasting positive impacts on the area's quality of life.⁵¹ The corridor is home to numerous abandoned buildings and other deteriorating properties that seem to promote a culture of drug, gang and illegal activity.⁵² Furthermore, law enforcement has stated that these activities are the root causes for other crimes.⁵³ The need for social change in the area becomes rather evident, as the El Paso City Council has begun to implement social service programs that promote education, job access and youth service to better the area's quality of life.⁵⁴

Partnerships between residents, property owners, business owners, community organizations, educational institutions and investors are the key to the project's success. The plan utilizes "benchmarks" to measure the success of each element and full implementation of the Dyer Plan is expected to take five years.⁵⁵ In addition to this social stimulus, Wright & Dalbin Architects, have begun to master plan and develop housing units in the area. The firm plans to analyze current land development and zoning in order to analyze where homes would be most beneficial, ultimately aiming to develop homes that offer certain New Urban principles, such as walkability, reduced car dependence and open space.⁵⁶

Alameda Avenue

Seen as perhaps the most challenging and problematic, but also as an area with great potential, Alameda Avenue remains defined as an area with incompatible land uses and a lot of historic challenges, but also great opportunities.⁵⁷ According to O'Rourke, Alameda is the most problematic corridor in the City of El Paso because of the low property values that surround the

⁵⁰ (City of El Paso 2010)

⁵¹ (City of El Paso 2008)

⁵² (Byrd 2010)

⁵³ (City of El Paso 2008)

⁵⁴ (Byrd 2010)

⁵⁵ (City of El Paso 2008)

⁵⁶ (Wright & Dalbin Architects 2010)

⁵⁷ (Lopez 2010)

corridor.⁵⁸ The desire to redevelop the corridor began to increase as the Medical Center of the Americas begun to develop further, adding pharmacies and restaurants near the medical campuses. This is hindered, however, by the high amount of car lots and auto salvage shops that line the corridor.⁵⁹

Initially, the Alameda corridor served as a principal function to the economy as a main trade corridor between the West Coast and Texas. This important corridor weakened as the construction of Interstate 10 wedged through the city.⁶⁰ In 2008, the City of El Paso determined that a redevelopment plan was needed to fix the critical issues of the Alameda Avenue. Through the establishment of an empowerment zone, the City hoped to support and spur economic and social growth along the corridor.⁶¹ Commercial properties that are located within the zone are eligible for grants that are valid up to 100 percent tax abatement of the City's portion of the real property taxes assessed against improvements to the real property within the zone. The improvement must be at least \$100,000 to be eligible, and the total abatement is available for up to five years.⁶²

El Paso Downtown Redevelopment

The Central Business District (CBD) of a particular city is usually the downtown area of any city. In major cities, downtowns usually have a good level of connectivity, high mixed use buildings and very high density. However, many downtown areas have failed in terms of housing, which is often taken as a key aspect in that determines the overall vivacity of a certain city. When this component is left out, the downtown area usually seems to be lifeless and empty after a working day.⁶³ A revitalized downtown means better opportunities to live, work, shop and prosper economically for all of El Paso.⁶⁴

In comparison to other cities, whose projects are currently on hold until more economically stable and less risky times, El Paso is moving forward with its downtown redevelopment plan. The slow progress and "unrealized redevelopment efforts" in the 1990s collectively instigated the re-emergence in downtown.⁶⁵ Currently, El Paso is renewing itself by following the Downtown 2015 Plan.⁶⁶ The plan envisions a joint effort from both the public and private sector to promote the aesthetics and value of downtown El Paso.⁶⁷ In an interview El Paso City Representative Beto O'Rourke (District 8) stated that it would be very difficult to have downtown redeveloped by a single company or firm, due to the numerous aspects that go into redeveloping a downtown.⁶⁸ The plan was adopted by El Paso City Council on October 31,

⁵⁸ (O'Rourke 2010)

⁵⁹ (Balderrama 2009)

⁶⁰ (El Paso Times Staff 2010)

⁶¹ (City of El Paso 2008)

⁶² (City of El Paso 2008)

⁶³ (Frumpkin, Frank and Jackson 2004)

⁶⁴ (Soto 2009)

⁶⁵ (Soto 2009)

⁶⁶ (City of El Paso n.d.)

⁶⁷ (Soto 2009)

⁶⁸ (O'Rourke 2010)

2006.⁶⁹ The plan is also aided along with a grant from the U.S. Economic Development Administration, which provided \$259,873 to the City for its plan⁷⁰

Downtown 2015 Plan

The Downtown 2015 Plan includes a comprehensive planning process which incorporates the Comprehensive Plan with a few specific area plans: regional, neighborhood, urban design, corridor and downtown. These plans serve as a guideline to provide detailed goals, policies and guidelines, along with describing land use and patterns.⁷¹ Work on the plan started in 2004 through the Paso Del Norte Group (PDNG) who hired a planning firm to begin studying the downtown area. The plan was presented, in its preliminary form, to the City of El Paso in March 2006 and adopted later that year.⁷² The entire process of approval involves numerous public hearings with city staff and the City Planning Commission, followed by the ultimate ordinance adoption by the City Council.⁷³

An issue commonly discussed in policy circles when studying downtown redevelopment efforts is gentrification. This occurs when individuals from a redeveloped area are essentially forced out of their homes either because of economic conditions (increasing rent) or because their homes were condemned through the use of eminent domain, often because of substandard housing units. As the plan continues to move forward, it is worth understanding what the City has done and plans to prevent, or decrease, gentrification from occurring. Currently, the plan requires that 30 percent of all new housing be deemed affordable to allow current residents to afford their current neighborhood.⁷⁴ O'Rourke also recognizes that the issue of gentrification has not been a problem yet, but it will definitely be something to look at and be careful with as soon as the real redevelopment starts downtown.⁷⁵

Areas both in and near downtown have seen decreases in population for various reasons, as the following table displays. It should be noted that *Segundo Barrio* is not located within the boundaries of the 2015 Downtown Plan, but it abuts said boundaries.

Table 2: Segundo Barrio Population 1960-2000

Year	Population
1960	24,243
1970	15,421
1980	9,565
1990	8,975
2000	8,003

Source: U.S. Census Bureau

⁶⁹ (City of El Paso n.d.)

⁷⁰ (Soto 2009)

⁷¹ (City of El Paso 2006)

⁷² (City of El Paso 2006)

⁷³ (City of El Paso 2006)

⁷⁴ (O'Rourke 2010)

⁷⁵ (O'Rourke 2010)

The pattern clearly conveys that people are moving out of the *Segundo Barrio* as time progresses. O'Rourke states that as the downtown area became less viable, it also became a less attractive place to live. He believes that the main reason why people move out of Segundo Barrio is currently not displacement, but that a family's increase in income causes them to seek an affordable home near the fringes of the city. *Segundo Barrio* is seen as a launching pad, and not as a permanent address.⁷⁶ This however remains an issue, regardless of cause, because as mentioned earlier, downtowns often fail with proper housing populations in their area. If people are not living in or near the redeveloped area, any future development may certainly remain as "lifeless" as downtown is today.

Along the same lines, Veronica R. Soto believes there is no way to prevent gentrification as whole, but you can be proactive with the affordable housing policies. She states that "in a sense you want gentrification to happen, to a certain extent, but not simply by pricing people out of their neighborhood." She followed up that statement by saying that the issue is not always revitalizing an area; it's revitalizing its people.⁷⁷

Incentives & Programs

Economically, several incentives for development in Downtown are available. The Façade Improvement Program was designed in order to aid downtown property owners and tenants to make the Downtown buildings more aesthetically pleasing by providing up to \$10,000 in grant funds for façade improvement. These incentives promote renovation and rehabilitation of the buildings' exteriors.⁷⁸ Funding for this program comes directly from the Downtown Management District and the City of El Paso. The program also provides reimbursable grants on a dollar-to-dollar match for approved improvements. The funds are approved on a first-come, first-serve basis and a pre-application is required.

The Sales & Use Tax Rebate Program was also designed to promote new construction and major renovation projects of Downtown properties. The city, through this project, offers a sales tax rebate on labor and materials used to remodel. A minimum of \$100,000 is required, and this program expires in 2012. The Free Reduction Program offers several reduced permit fees for projects within the TIRZ district. This program is in place for five years, and ends on August 31, 2012. The reductions vary for fees with a graduated percent reduction depending on the schedule shown below.⁷⁹

Table 3: Graduated Percent Reduction Schedule

Project Year (Fiscal Year)	Percent Reduction Spending
Year 1 (FY 2007-08)	100%
Year 2 (FY 2008-09)	80%
Year 3 (FY 2009-10)	60%
Year 4 (FY 2010-11)	40%
Year 5 (FY 2011-12)	20%

Source: City of El Paso: Economic Development

⁷⁶ (O'Rourke 2010)

⁷⁷ (R. Soto 2010)

⁷⁸ (City of El Paso n.d.)

⁷⁹ (City of El Paso n.d.)

The City of El Paso also created a Neighborhood Empowerment Zone (NEZ) to draw private sector development to targeted areas. Currently, Dyer Street and the Texas/Alameda Corridor are the pilot areas for NEZ. This is because of the economic adjustment that is being caused by Fort Bliss, the Downtown redevelopment and the Texas Tech Medical School. Property owners have the option of investing into their property. However, if they invest at least \$100,000 into their property, they will be eligible for a tax incentive as well as reductions in permit fees for up to five years, as previously discussed.⁸⁰

Economic development officials are working on a policy that would establish an incentive program for developers and builders who choose to be part of the redevelopment program. City Council wants builders to develop vacant lots and empty buildings in the “core of El Paso,” better known as infill development. In order to accomplish this, City may consider waiving all fees and permit costs associated with building practices in already established neighborhoods.⁸¹

Results

To date, downtown redevelopment has increased property valuations, which reversed the decreasing trend of the past decade.⁸² Since 2006, more than \$203M in public and private investment, along with 14 major projects and renovations to some current projects, point downtown down a road of economic prosperity and major economic promise.⁸³ Since the creation of TIRZ in December 2006, the El Paso Department of Economic Development has cited \$54M in private investment in the downtown area. Private investment has brought the Doubletree Hotel, First Avenue Lofts, The Garden Bar and Restaurant, renovation of the Mills Building and ONIHC bar (currently Black Pearl Lounge) back to life. The public sector has also invested an approximated \$149M in projects like the new United States Federal Courthouse, the new transit terminal and improvements on the international bridges.⁸⁴

Downtown Business Elite Theory

When discussing and analyzing urban redevelopment, various planning theories and paradigms can be found. One of these theories studies and analyzes the role that prominent business and community leaders may play in urban redevelopment. The business elite theory was created as a theory of study following the resurgence of urban redevelopment following World War II, continuing to develop further today. The theory states that “businessmen” have had, and continue to have, an organized and influential power to impact redevelopment policy. This influence best takes form in businessmen’s “development committees,” whose membership is heavily dominated by business elites who wish to promote plans for the redevelopment of the center city. These committees are led by the expectation that urban problems are best resolved through activating the business community in a sustained partnership with public officials.⁸⁵

⁸⁰ (City of El Paso 2008)

⁸¹ (Reveles Acosta 2010)

⁸² (Soto 2009)

⁸³ (Soto 2009)

⁸⁴ (Roberts 2010)

⁸⁵ (Barnekov and Rich 1977)

The theory itself is worth discussing when analyzing redevelopment efforts in communities to identify both positive and negative patterns of behavior, as well as understand the inner-workings of a community's sociopolitical structure. Furthermore, it should be stated that the theory initially labeled actors in these committees as "businessmen," but this may now be expanded to include executives, business professionals and elected leaders, both male and female, who have influence in a given area dealing with downtown redevelopment. While individuals associated with redevelopments may stand to gain financially through their efforts, this is not necessarily always the case or motive for redevelopment. To maintain continuity in regards to the theory, the term businessmen will be used throughout the section when discussing the theory and its multiple facets.

With the urban elite, comes the "trickle down" planning theory, which assumes that the resources in a city are dominated and controlled by the downtown urban elites. Power is concentrated in a small group of individuals who then guide (re)development for a community. It is said that the benefits if redevelopment start from the top and then eventually shift towards the least-empowered citizens of any given area. Steps have been taken to alleviate such a concentration of power however, including the creation of city planning commissions and boards, which aim to afford "citizen planners" the ability to voice an opinion regarding future development in their community.⁸⁶ Downtown El Paso's redevelopment efforts were spearheaded by the private Paso del Norte Group, a group Community Scholars has identified to fit the business elite theory framework.

Paso del Norte Group (PDNG)

The PDNG is a membership organization that consists of business and community leaders whose mission is to promote the economic, social and cultural vitality of the region by cooperative effort, social interaction and the free exchange of ideas and views. It is patterned after similar leadership groups in cities across the United States, an example is the Commercial Club of Chicago. They also strive to make the Paso del Norte Region North America's epicenter of U.S. and Mexican Commerce. The PDNG is a private organization of more than 300 people that represent leaders and businesses in the civic sectors of El Paso. The group also incorporates representatives from Juarez and Southern New Mexico. On February 15, 2005, the PDNG went to the El Paso City Council to ask for \$250,000 for a Downtown Plan.

The PDNG is involved in major issues and policy incentives as the Regional Mobility Authority and the Medical School of the Americas. The downtown plan, however, is the issue that recently pushed the PDNG into public view. Opponents of the plan started questioning the group and its membership, but the PDNG did not engage in discussion regarding its membership, choosing to keep the focus of the group on the plan. Most agreed that the aims of the group are positive, even when they had concerns about the process by which decisions were made.

Borderplex Community Trust

The Borderplex Community Trust (BCT) is a real estate investment trust (REIT) created in January of 2004. The trust contains a diverse group of members, including some members of

⁸⁶ (Diaz 2005)

the Paso Del Norte Group.⁸⁷ The registration to conduct business with Texas is required because the BCT is considered a “foreign” REIT because of its establishment on October 30, 2006 in the Maryland Secretary of State’s Office, thus, making it subject to Maryland law.⁸⁸ The trust has a mission to acquire some 150 contiguous acres of property in Downtown El Paso through either cash deals or trades for REIT shares. The trust then positions itself to coordinate future development, commercial or residential, possibly in line with the Downtown 2015 Plan.⁸⁹ Representative O’Rourke states that the trust is an asset to the redevelopment process because without their participation Downtown would not be moving along as it is.⁹⁰

Although REIT registration exists in Texas, most sophisticated REIT organizers register in Maryland because that state’s laws allow the board of trustees to exercise more control without having to poll shareholders. The declaration also allows Borderplex trustees the right to issue 250M common shares and 50M preferred shares.⁹¹ Another advantage to Maryland law is it grants REIT the governing convenience of permitting trustees to amend the declaration of trust without the approval or input of shareholders. Maryland law is out-of-state friendly, which means REIT neither organizers nor trustees need to be residents of Maryland.⁹²

The trust invested an initial estimated \$12M in the downtown area, however, investors have come forward with a sum around \$26M.⁹³ The trust currently owns three of the tallest and most visible office buildings in the area: The Chase Towers, Wells Fargo Building and O.T. Basset Tower, all of which are outside of the designated redevelopment area.⁹⁴ The trust’s investment in the Chase Building is considered the first “real” investment in property.⁹⁵ Over the past year, the trust has increased the number of properties it owns from nine to 11, according to El Paso County Central Appraisal District records.⁹⁶ Furthermore, the BTC portfolio rose an approximated 64 percent from \$13.4M to \$22N, which would be higher if it were not for property value adjustments made by the appraisal district and fought for by the trust.⁹⁷

***Segundo Barrio* Redevelopment Strategy**

Segundo Barrio is one of the oldest and most culturally historic neighborhoods in the City of El Paso. The neighborhood is located south of Downtown in the Central Planning Area and is part of District 8. In 1887, the City of El Paso was divided into four political districts and *Segundo Barrio* represented the majority of Mexican-Americans that were living in El Paso. The city is currently in the process of seeking funding from federal and state agencies to redevelop the existing neighborhood.⁹⁸ Before analyzing ways to revitalize the area, it is crucial to study why areas with high concentrations of poverty exist. As previously stated, the *barrio* is not

⁸⁷ (Mrkvicka, Downtown REIT on Track 2004)

⁸⁸ (Mrkvicka, A Look Behind the REIT Acquisition of the Chase Building 2007)

⁸⁹ (Mrkvicka, Downtown REIT on Track 2004)

⁹⁰ (O’Rourke 2010)

⁹¹ (Mrkvicka, Downtown REIT on Track 2004)

⁹² (Mrkvicka, Downtown REIT on Track 2004)

⁹³ (Mrkvicka, Downtown REIT on Track 2004)

⁹⁴ (Roberts 2010)

⁹⁵ (Mrkvicka, A Look Behind the REIT Acquisition of the Chase Building 2007)

⁹⁶ (Roberts 2010)

⁹⁷ (Roberts 2010)

⁹⁸ (Narvaiz 2010)

within the redevelopment boundaries of the Downtown 2015 Plan. However, it is worth discussing as the neighborhood will be a neighbor of the newly redeveloped urban core, which will undoubtedly have an impact, positive or negative, on the exiting neighborhood. Also, the neighborhood is currently developing a plan to help renew the area's economic and social infrastructure in the form of a unique development plan.

***Segundo Barrio* Development**

Suburban expansion, or urban sprawl, after World War II had its impacts on the economy and social identity of *barrios* in the Southwest. During the early stages of suburban sprawl, Mexican-American homeowners were divided geographically by both the state and the private sector's prejudiced policies. These policies gave this specific group very limited residential options and created "socio-political" barriers that ensured that overcrowded, underserved and underdeveloped *barrios* like *Segundo Barrio* continued to exist.⁹⁹ Suburbanization during this time was heavily subsidized, dependent on state policy and deliberately left out minorities.¹⁰⁰ With time, the decomposition of *barrios* gradually occurred along with the increased migration patterns of Mexican-Americans to the suburbs. The start of overcrowded ghettos and *barrios* find their roots at the elimination of affordable housing units, displacement, population increase and low wages.¹⁰¹ *Barrios* that had never addressed the housing demand were converted into extremely dense, economically deprived urban zones.¹⁰²

***Barrios* during Redevelopment Periods**

When it comes to urban reconstruction, *barrios* were the most wounded and abused in terms of dismantled communities and exclusion from development projects. Mexican-Americans had lower household incomes and a higher percentage of families at or below the Federal Poverty Guidelines. This had a direct impact on the quality of the housing. In areas like this, the limited access to capital weakened the area's ability to incorporate itself into the regional economy.¹⁰³ As urban sprawl continued to demand increased mobility to the newly developing suburbs, Federal Highway Administration and state transportation policies introduced new highways and routes right through existing *barrios*. The new infrastructure isolated neighborhoods and created economic dead zones, adding tension to the already existent housing crisis in these areas.¹⁰⁴

Area Demographics

Segundo Barrio's current demographics make it a challenge to revitalize, yet categorize it as a unique area that has a lot of potential because of its location. According to U.S. Census 2000 tracts, (18, 19 and 20) *Segundo Barrio* has 8,003 residents. Ninety-six percent of the population is Hispanic/Latino and 65 percent is native-born or naturalized citizens. An astounding 62 percent of the population lives below the federal poverty line. Educational attainment is low with

⁹⁹ (Diaz 2005)

¹⁰⁰ (Diaz 2005)

¹⁰¹ (Diaz 2005)

¹⁰² (Diaz 2005)

¹⁰³ (Diaz 2005)

¹⁰⁴ (Diaz 2005)

only 21 percent of adults having a high school diploma or GED, while the high school dropout rate is 23 percent. The unemployment rate is 29 percent and 47 percent of *Segundo Barrio* residents have limited English proficiency. The median household income is \$10,240 and 41 percent of households earn less than \$10,000. The area also suffers from low homeownership, a 13 percent rate. The following table displays the area’s socioeconomic statistics as compared to the city, state and nation.¹⁰⁵

Table 4: Segundo Barrio Demographics vs. Bigger Picture

	Barrio	El Paso	Texas	U.S.
Population	8,003	563,662	20,851,820	281,421,906
Below FPL	62.1%	22.2%	15.4%	12.4%
Race/Ethnicity				
Hispanic/Latino	96.2%	76.6%	32.0%	12.5%
White	2.5%	18.3%	52.4%	69.1%
Black	0.3%	2.8%	11.3%	12.1%
Asian	0.5%	1.1%	2.7%	3.7%
American Indian	0.1%	0.3%	0.3%	0.7%
2 or More Races	0.4%	0.8%	1.2%	1.8%
Med. Household Income	\$10,240	\$32,124	\$39,927	\$41,994

Source: U.S. Census Bureau

Neighborhood Redevelopment Plan

In September 2008, the City of El Paso started the process of developing a Neighborhood Redevelopment Strategy for Segundo Barrio. This strategy is independent from the El Paso Downtown 2015 Plan. The Community and Human Development Department is responsible for overseeing the strategies encompassed by this plan. The Redevelopment Strategy addresses the following categories:

- Housing
- Safety and Security
- Neighborhood Façade
- Infrastructure
- Community Services and Education
- Economic/Workforce Development

Residents and stakeholders wanted to ensure that the strategies presented in the neighborhood redevelopment plan protected residents from displacement, including the use of eminent domain. Substandard housing was another concern voiced by the area’s citizenry, including the use of tenement structures, housing units that often failed to meet housing codes with violations such as no running water or outside bathroom facilities.¹⁰⁶

The main goal of this strategy is to establish a collaboration process for residents to work with city government and community organizations to clean up target areas and improve the

¹⁰⁵ (United States Census Bureau 2008)

¹⁰⁶ (City of El Paso 2010)

quality of life in this area. It mainly serves as a guide for a comprehensive community-building approach. It is described as a “leveraging tool” for the City and other community organizations to apply for additional federal or private funding opportunities. The document also identifies neighborhood goals and objectives, recommends actions and potential resources, along with viable partnerships, projected estimated costs, timeframes and community partners. The goals are as follows:

- Increase homeownership opportunities
- Increase housing options for various household sizes
- Improve/preserve the quality of a single-family owner-occupied residential homes
- Preserve and improve the quality of affordable rental housing units
- Improve infrastructure needs in the neighborhood
- Improve educational opportunities for the youth and adults
- Better the employability skill for residents in the neighborhood
- Enhance the historical , cultural and aesthetic value in the neighborhood

These goals are perceived as viable through the collaboration and joint projects among already existing organizations. These goals also require financial contributions from the state and federal government.¹⁰⁷ Many of the goals outlined by residents have been goals of City funding in the 1980s. During this time period, CDBG funds were made available to sponsor infill development within this existing area to rehabilitate and create new single and multi-family housing. Furthermore, a downzoning plan for this area created the Special Residential Redevelopment zoning code, which promotes development and provides incentives on plats older than 50 years with a building requiring at least 30 percent repair¹⁰⁸

Displacement of People Today

Both commercial and residential development present cities with one controversy: in order to restore their economic and fiscal liveliness, cities must attract property investment by both companies and common households. Redevelopment in any of these areas directly leads to the displacement of lower-income residents.¹⁰⁹ Internally displaced people are often defined as those that were uprooted by conflict, human rights violations or natural and human-made disasters; however, this definition also includes people displaced by development projects.¹¹⁰ Between 1950 and 1980, urban renewal displaced around one million families. Since urban renewal often clears slums and turns them into luxurious housing, urban redevelopment is considered to be successful in materially decreasing the supply of low-cost affordable housing in America.¹¹¹ When properties are upgraded and renewed, the increase in value causes involuntary displacement to happen as well. In other words, individuals may not lose their house directly, but may be “priced-out” of their existing neighborhood or abutting neighborhoods.¹¹² The only protection tenants have is the terms of the lease, and state’s landlord-tenant laws. There has been

¹⁰⁷ (City of El Paso 2010)

¹⁰⁸ (City of El Paso 2010)

¹⁰⁹ (Koebel 1996)

¹¹⁰ (Robinson 2003)

¹¹¹ (Lang 2007)

¹¹² (Koebel 1996)

no recorded legal or cultural extension of long-term occupancy rights for tenants in the United States.¹¹³

Displacement policies that somehow affect private development become problematic on constitutional and political thresholds. When a policy requires developers to compensate displaced tenants, provide alternative housing units or make some contribution to a city fund, it may not necessarily be a permanent solution. These requirements may be challenged at the courts on the grounds of taking of private property without just compensation. Each municipality adopts different policies that affect the displacement of people.¹¹⁴

The policies that local municipalities adopt are categorized into three sections: preservation, mitigation and replacement. Housing preservation policies are those policies designed to prevent developers from converting or demolishing property. Displacement mitigation programs require private developers to provide directly for affordable replacement or make monetary contributions to the local government to provide that housing. When the Cincinnati Neighborhood Retention Ordinance was passed in 1981, it created a Housing Retention District that required replacement housing to be built for any demolition or conversion. This specific ordinance significantly slowed the pace of demolition.¹¹⁵

Communities are more likely to efficiently provide relocation or replacement units with public resources that are independent of the private developer. Denver provided temporary financing for a non-profit organization to buy and renovate downtown residential hotels to protect and improve housing for low-income elderly who were being displaced specifically by redevelopment. Along with that policy, Denver also promotes affordable ownership opportunities through mortgage assistance. In areas where ownership is not a feasible option, Denver provides a specific rental assistance that is set aside, such as Section 8 Vouchers.¹¹⁶ As currently discussed, the City of El Paso is seeking to address any sort of displacement by mandating affordable housing and engaging in a “keys for keys” approach to homeowners in the area through a resolution.¹¹⁷ However, analysis of the Texas Local Government Code Chapter 54 makes it clear that only ordinances may be enforced by the City or local law enforcement.¹¹⁸ This may mean that the provisions outlined in the City’s resolution may fail to be enforced, ultimately hindering any displacement prevention.

Redevelopment Practices across the Nation

In order to help develop a list of “best practices” for all redevelopment efforts currently underway in the Sun City, Community Scholars compared various efforts across metropolitan areas in the nation. Certain areas have already completed their redevelopment projects while others are currently in the middle of it, as El Paso is. The developments to be compared are transit corridors and downtown redevelopments. These case studies should not imply that the overall project either succeeded or failed, but rather, help Community Scholars identify what are

¹¹³ (Koebel 1996)

¹¹⁴ (Carpenter and Ross 2007)

¹¹⁵ (Koebel 1996)

¹¹⁶ (Koebel 1996)

¹¹⁷ (City of El Paso 2006)

¹¹⁸ (Justia 2010)

positive sets of practices and which practices would provide negative consequences in a given area. Simply stated, a redevelopment project may be considered successful today, but may have encountered numerous obstacles along its path.

Corridor Redevelopments

Cities have redeveloped corridors within the city as a way of improving the overall vivacity of the area. However, some cities redevelop better than others, and because of this Community Scholars will analyze what cities such as, Minneapolis and Chicago, are doing right or doing wrong.

Minneapolis, MN The City of Minneapolis has a population of 358,896.¹¹⁹ While the population is smaller than that of El Paso, the city is often referred to as a good model for redevelopment and in 1999, the city redeveloped four commercial corridors: Nicollet, Central, Franklin and Lake.¹²⁰ During the redevelopment process, a non-profit organization, Local Initiative Support Corporation, was established to collect community input for the redevelopment.¹²¹ Once construction was completed, Franklin Avenue noted a decrease in crime and an increase in property values, specifically, a 118 percent increase since 1999 to 1.4M per acre in 2005. The Lake Street area saw a reduction of slums and the creation of a *Mercado*, leading to 34 percent of formerly vacant buildings being occupied. However, while Central Avenue's property values rose by 151 percent, vacancy actually doubled and the area saw an increase in property time. The Nicollet corridor saw similar results, leading to an \$800,000 investment for a study to be performed to identify what went wrong.¹²²

The city also implements a Neighborhood Redevelopment Program (NRP) to promote community input in the overall (re)development of a neighborhood. Citizens work together to produce a Neighborhood Action Plan (NAP) that lists and shows city planners and staff what residents want in a given area. Once these plans have been developed and reviewed, the NRP begins to individually fund NAPs to ensure that citizens of the city have access to the type of neighborhood they envisioned.¹²³ This process is very similar to the charette process implemented by Dover, Kohl & Partners during the 2010 summer in El Paso. However, this program is a reoccurring part of urban planning in Minneapolis.

Chicago, IL In the 1970s, the City of Chicago experienced redevelopment in its North Lawndale area and in the Englewood commercial district.¹²⁴ These two middle-class neighborhoods were comparatively stable in the 1930s.¹²⁵ In the mid-1970s, Chicago's Englewood had lost many of the major retail companies. This led to the many failed efforts to revitalize the commercial district.¹²⁶ By the late 1980s, the two communities began to see themselves become two of the most economically and socially problematic areas in the nation. The crime rates in the vicinity

¹¹⁹ (U.S. Census Bureau 2008)

¹²⁰ (Local Initiatives Support Corporation No Date)

¹²¹ (City of Minneapolis No Date)

¹²² (City of Minneapolis No Date)

¹²³ (Neighborhood Revitalization Program No Date)

¹²⁴ (Seidman 1996)

¹²⁵ (Zielenbach 2000)

¹²⁶ (Seidman 1996)

were some of the highest in the City of Chicago and more than 60 percent of the residents were impoverished. Englewood failed to see any redevelopment in its area due to a general lack of commitment from a range of “neighborhood institutions.”¹²⁷

A historical inventory shows that numerous small-scale developments yielded the best results in the North Lawndale area. In other words, larger-scale redevelopments, plans on the scale of the Downtown 2015 Plan, often failed and brought little to no economic growth to the commercial corridor.¹²⁸ Almost twenty years later, North Lawndale has seen some economic growth, but Englewood has not been so fortunate. Between 1979 to 1995, North Lawndale’s property values rose by 24 percentage points, while Englewood’s fell by 24 points.¹²⁹

Downtown Redevelopments

A vacant and lifeless downtown is a characteristic of urban sprawl. This factor can cause the urban core to lose its economic vitality and overall influence upon the city. To reverse the effects a city typically utilizes a strategy to redevelop or revitalize their downtown area. Community Scholars will analyze redevelopment efforts of Albuquerque and San Antonio, two cities El Paso is often compared to in regards to job attraction and economic status.

Albuquerque, NM The City of Albuquerque is a metropolitan area with a population of 507,823 residents.¹³⁰ This is similar to El Paso, whose population is 593,496.¹³¹ A “broad-based” redevelopment strategy was implemented and strongly supported by Albuquerque’s city council back in 2008. The plan began the trend of redevelopment over the next three years by funding a new transit center, free downtown trolley circulators as well as the establishment of a business improvement district. Following this, the city “chartered” the Historic District Improvement Company (HDIC) to build an initial set of private sector projects in the downtown area, including a megaplex movie theater, restaurants, retail, office and residential space. HDIC was charged specifically with oversight of a six downtown blocks.¹³²

HDIC is a joint venture owned by the Arcadia Land Company and the McCune Foundation, a Santa Fe based non-profit organization. The HDIC coordinated a \$30M mixed-use project over five continuous lots in the downtown area, with funding coming from the City of Albuquerque (\$12M), HDIC (\$5M), private investors (\$1M) and the remainder in conventional debt from banking institutions.¹³³ The organization did not take the “normal” redevelopment route with the City of Albuquerque, mainly by not requesting large subsidies for the construction and redevelopment projects. Instead, the company engaged in an innovative financing tool known as time-tranche, or patient, financing. The tool divides financial risk into three tranches, first being private real estate investors, second is HDIC and the City of Albuquerque is the last tranche. As profits from projects begin to come in, cash flow is directed towards each tranche to

¹²⁷ (Zielenbach 2000)

¹²⁸ (Seidman 1996)

¹²⁹ (Zielenbach 2000)

¹³⁰ (U.S. Census Bureau 2008)

¹³¹ (United States Census Bureau 2008)

¹³² (Leinberger 2001)

¹³³ (Russell 2001)

ensure payment, beginning with private investors and ending with the City.¹³⁴ The strategy allows interested parties to play a role in downtown redevelopment while mitigating financial risk by dispersing it across multiple parties.

San Antonio, TX Population-wise, San Antonio is almost two times as big as El Paso, with a population of 1,277,322 residents.¹³⁵ Liberal Texas annexation laws granted San Antonio the opportunity to expand and follow its “sprawling suburban development.” David Tusk, former mayor of Albuquerque, New Mexico, has described San Antonio as one of “the elastic cities”, and in fact, through its post-war annexations, San Antonio increased its municipal territory practically fivefold, adding over 260 miles.¹³⁶

The mayor of San Antonio, Julian Castro, states that perhaps one of the most important things for a prosperous city is a “prosperous urban core.” Hoping to encourage more economic development in the city’s core, San Antonio leaders proposed several incentives to promote investment in the core of the fifth fastest growing city in the country. Competing with the development on the North side, San Antonio’s urban core, just like El Paso’s, has been left wanting. For example, the City is considering waiving city fees for public works and development service fees for developer who provide infill development projects.¹³⁷ In addition to this, San Antonio offers a 10-year, 100 percent tax-abatement program for new development in the inner city.¹³⁸ The potential tax abatement takes into consideration investment, job creation and location of the project.¹³⁹ El Paso currently offers a five year, 100 percent tax-abatement, as previously discussed.

While the Alamo and Riverwalk remain two of the most popular tourist sites in the city and state, The RiverCenter Mall experienced substantial loss of anchor-commercial stores following suburban expansion. However, this is contrasted by numerous construction projects that are converting once abandoned warehouses into new housing units and entertainment districts. The district along South Flores has already been named “So-Flo,” hoping to become a “hip new area” for residents in the downtown area.¹⁴⁰ Similarly, El Paso has the Fst Avenue Lofts, which are also attracting investors to settle down in the downtown area. This “repurposing” of older building into new commercial and residential space has led the City of San Antonio to offer a variety of incentives through the Economic and Development Department (EDD).

The EDD utilizes economic resources from the community and the incentive programs to catalyst the investment by the private sector. The goal of these incentives and business development programs is to make the cost of expansion or relocation of businesses in the core less costly. In the end, just like El Paso, San Antonio wants to grow economically, revitalize targeted areas, and promote a “strong, balanced growth.” Below is a list of the various incentives that San Antonio currently has in place to promote investment in its downtown area.

¹³⁴ (Leinberger 2001)

¹³⁵ (U.S. Census Bureau 2008)

¹³⁶ (Cisneros 1995)

¹³⁷ (Gerber 2010)

¹³⁸ (City of San Antonio 2009)

¹³⁹ (City of San Antonio 2009)

¹⁴⁰ (Glisson 2008)

- Creation of the Briefing Team
- Tax Abatements
- Designated Bexar County's Enterprise Zones
- Historic Tax Exemptions through the Historic Preservation Office
- Tax Increment Financing (TIF)
- Bonds: Industrial Development Authority, Health Facilities Development Corporation, Education Facilities Corporation and Empowerment Zone Facility
- Creation of Foreign Trade Zones
- Freeport Exemptions
- Historically Underutilized Business (HUB) Zone: This provides federal contracting assistance to small businesses that are located in historically underutilized business zones.

Discussion

Euclidean Zoning has contributed to the effects of sprawl in El Paso. The zoning guidelines that come with Euclidean Zoning are outdated and do not allow El Paso to build walkable neighborhoods. There are three steps the city could take to implement the better SmartCode planning with developers. The first would be to have El Paso City Council conduct a cost of living analysis directly related to the high costs of living in sprawled communities. This would inform future home buyers about the cost of living associated with lower priced sprawled homes. Next, the city should create one SmartCode project to convey its real benefits. Developers do not want to be the experiment with SmartCode, so if the city fully funds one and it shows real benefits, developers will not be afraid to utilize it. Once that is done, SmartCode should be made mandatory in downtown and along corridors if project succeeds.

Displacement issues due to redevelopment have not been an issue yet, like in other cities Community Scholars looked at. Temporary housing for people displaced by urban redevelopment should be provided. Affordable housing should be made mandatory (certain percent) for both private and public sectors, if they displaced people from a previous development. City Council and other redevelopment agents should also listen to what the people living in the redevelopment area want.

Landmarks are an invaluable cultural and economic asset and preservation efforts are currently lacking incentives, except for the downtown area. Downtown redevelopment incentives are good, they are just not as good as other cities. Due to our low tax base in El Paso, we cannot have the same type of incentives that San Antonio currently holds. El Paso's downtown has had 53 redevelopment plans in the last 50 years. There will need to be another plan once we have a better tax base, to offer better incentives.

The *urban elite* are an asset to the El Paso community since their ongoing investment is downtown's life line. They have funded many large scale projects like the Mills Plaza renovation, the creation of the Union Plaza Entertainment District and the acquisition of the Chase, Wells Fargo and Basset Tower buildings. Private sector investment in a lifeless downtown area is not only positive, it is almost a must. Governments are weary to assume such a high amount of financial risk, and as such, private investors can really pave the way for a downtown to truly flourish.

Smaller-redevelopment areas have seen success when they are led by one large and focused development, usually at the hands of a single entity. For example, Albuquerque's HDIC was only charged with redeveloping a six-block area of downtown, and at that, they were given specific instructions as to what type of development the area needed. Following this idea, a larger scale development area, such as an entire downtown, would succeed through the use of multiple public and private developments projects. In other words, a 36 block area would be best developed by six various developments. This type of development, not only in downtown, but also down the city's transit corridors, merits intense coordination between all parties involved, including the City's planning and economic development department, Sun Metro as well as the citizens and businesses immediately impacted by the development.

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