

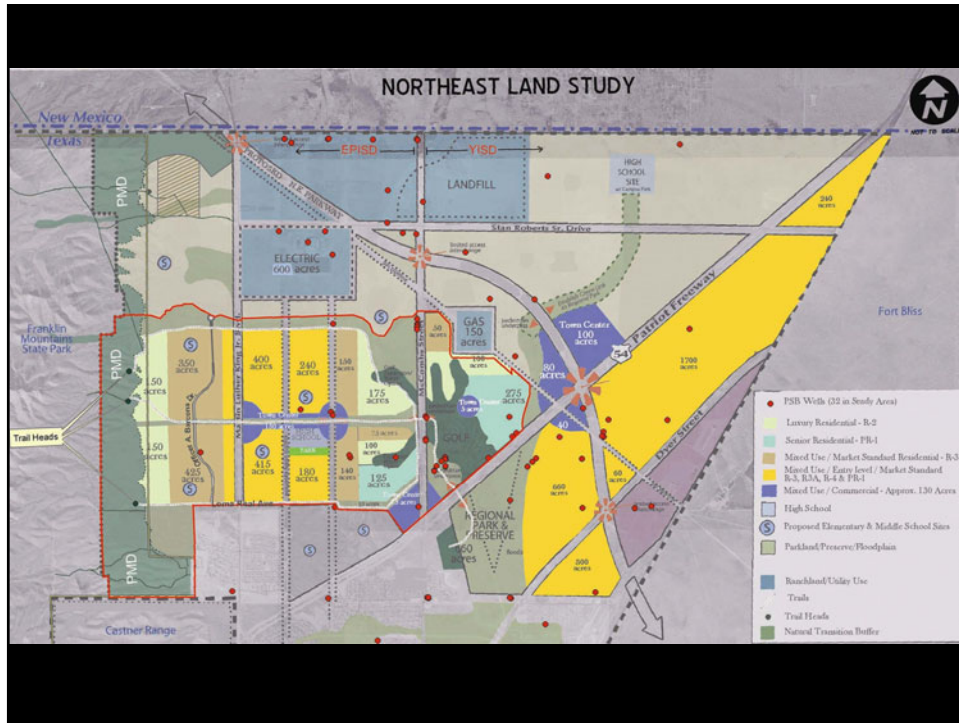
Presentation to City of El Paso

**Sale of Real Estate Parcel MPC,
Approximately 4,832 acres**

**El Paso Water Utilities
Public Service Board**

Background

- The PSB master planned 4,832 acres in Northeast El Paso
- The public, stake holders, city departments, City Planning Commission and the City Council all participated in the development of this master planned community



RFQ / Bid Process Goals

- Initiate a major public/private project to address El Paso and Ft. Bliss growth
- Create a significant and steady supply of parcels and lots
- Give to El Paso a major new community based on Smart Growth and Sustainability
- Obtain local involvement in creating community – in master plan and RFQ

RFQ / Bid Process Goals

- Provide long-term infrastructure, amenities and community facilities
- Leverage the value of a major parcel to attract high level of private investment
- RFQ Screening for Experience and Minimum Qualifications
- Sealed BID process to follow to insure best price and development standards
- Development requirements and covenants included in sale

Major Steps

- 2006
 - 1st Qtr – Market Analysis and Ft. Bliss Growth Analysis
 - 2nd Qtr – Infrastructure and Parcel Analysis
 - 3rd Qtr – Conceptual Master Plan and Community Input
 - 4th Qtr – Issuance of RFQ to attract qualified bidders
- 2007
 - 1st Qtr – Adoption of Amended Northeast Master Plan
 - **2nd Qtr – Receipt of RFQ Submissions and Interviews**
 - **3rd Qtr – Bid Process/Land Sale**
 - 4th Qtr – Developer Approvals/Site Planning underway
- 2008
 - 1st-4th Qtr – Phase I Infrastructure underway
- 2009
 - 1st Qtr – First residential communities underway

RFQ Status

- Ten teams submitted
- Eight teams interviewed on April 18-19
- Six teams determined as qualified
 - Two national teams
 - Four local/regional

Characteristics of Qualified Teams

- All teams are land developers – not homebuilders
- Every team planning first priority to qualified local homebuilders
- All willing to form partnerships, ventures, spec building, and flexible lot purchase terms with local builders and firms
- Some national or regional builders for new products – retirement, etc.

Characteristics of Successful Teams

- All utilizing regional or national planning staff/firms, but local professionals for services available in El Paso
- All indicated it is most cost efficient to buy most of supplies locally
- All committed to meet or exceed the minority/disadvantaged HUB goals

Six Teams Qualified

- Cousins Properties – Atlanta
- E2M/EPT - Dallas and El Paso
- Forest City/Covington – Cleveland/
El Paso
- Hunt Communities – El Paso
- Scarborough Lane Development – Dallas
and El Paso
- Southwest Land Development – El Paso

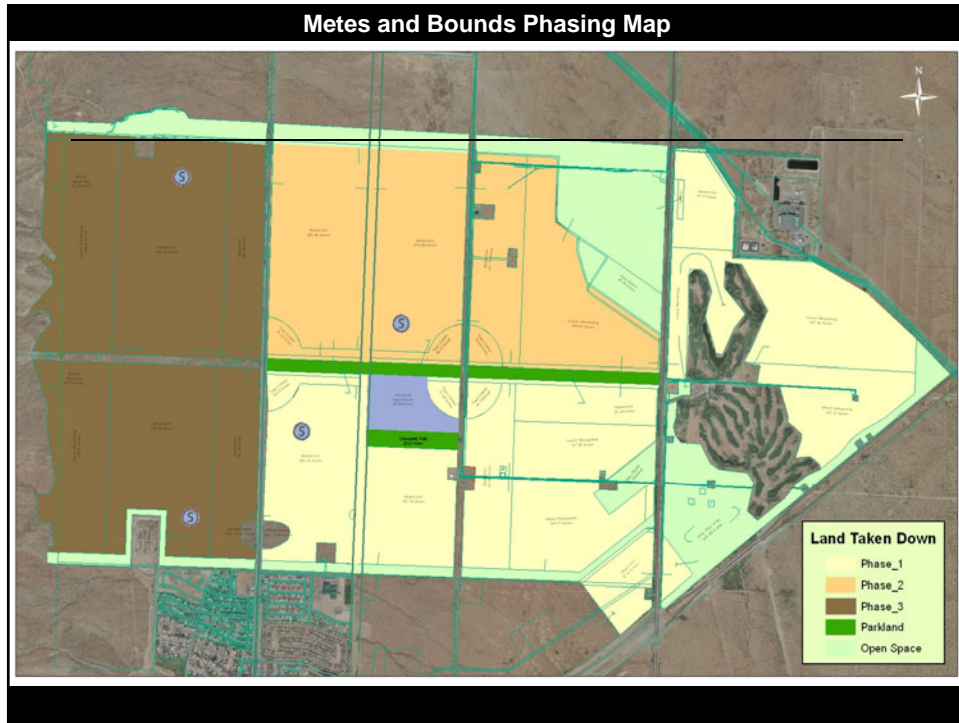
Presented in alphabetical order

Summary

- Six teams met criteria:
 - Organizational Strength and Capacity
 - Financial Requirements/Qualifications
 - Planning & Vision Qualifications
 - Local Participation and HUB
 - Minimum Qualifying Score

Acreage Breakdown

• Developable Acreage	3,845.67 acres
• Open space and storm water drainage areas	852.34 acres
• Community Park	25.01 acres
• Major street right of ways	109.97 acres
<hr/>	
• Total	4,832.99 acres



Bids

- Minimum Bid price \$20,923.00 per acre
- Two bids were received
- One “no bid” from Southwest Land Development
- EPT Land Communities \$22,400 per acre
- Hunt Communities \$27,132 per acre
- Recommend award to Hunt Communities

Hunt Communities

- Based in El Paso since 1947, four generations of family, strong financials
- Full-service investment, development, management, marketing capabilities
- Experienced in funding mechanisms and working with City and EPWU
- Committed to solicit primarily from local suppliers and builders
- Would be focused on “horizontal development” – with building by others

Hunt Communities

- Applying new urbanism/smart growth to El Paso: Cimarron and Paseo del Este
- Project management capabilities: over 19,000 units of military related housing
- Vision: hike and bike system, large park areas, comprehensive infrastructure
- Kimley-Horn designated as designer
 - original Northeast Master Plan
 - familiar with site
 - involved in other Hunt Communities
 - creates design guidelines

Schedule

- Notification of qualified teams – May 9, 2007
- Finalize appraisals, survey and bid document – June 12, 2007
- PSB sets minimum bid price – June 13 2007
- Request for bids – June 15, 2007
- Receipt of bids – July 31, 2007
- PSB recommends award August 8, 2007

Schedule

- City Council 1st reading - awards sale of Parcel MPC August 21, 2007
- City Council 2nd reading - awards sale of Parcel MPC September 4, 2007
- Close 45 days from City Council action
- Earnest money deposit
- Master Planned Community Developer Agreement – 15 days from award of bid by City Council
- Performance Bond to be released thru Phase I as developer meets milestones
- Phased takedown

Takedown Schedule

Phased takedown

- Phase I - year 1 2,416.71 acres
- Phase II* - year 5 1,090.90 acres
- Phase III* - year 8 1,325.38 acres

- **Total** **4,832.99 acres**

* Phase II and III price is bid price plus 7% annual accrued interest

Northeast Land Sale

- Provides approximately 15,000 homes inside existing city limits
- PSB will invest up to \$30 million in water, wastewater and road infrastructure
- Net proceeds from land sale above and beyond investment will be plus \$100 million to be reinvested in the water and sewer infrastructure for the benefit of all El Pasoans
- Water capacity available to serve planned growth
- Estimated \$2 to \$3 billion in property tax base at build out of this property

Recommendation

- Development and sale of this master planned community involved entire community
- Meets smart growth initiatives requested by the community, City Plan Commission and City Council
- Both bidders meet all qualifications set forth by the PSB
- Recommend award to highest bidder Hunt Communities \$27,132 per acre



Questions & Comments