

STATE OF TEXAS §
COUNTIES OF POTTER §
AND RANDALL §
CITY OF AMARILLO §

On the 14th day of October 2010, the Tax Increment Reinvestment Zone Board met in a regularly scheduled meeting at 12:00 PM, in Room 306, City Hall, 509 SE 7th Avenue, Amarillo, Texas with the following members present:

VOTING MEMBERS	PRESENT	MEETINGS HELD	MEETING ATTENDED
Lilia Escajeda, Amarillo College	No	30	26
Dr. Paul Proffer, Amarillo Hospital District	Yes	19	17
John Ben Blanchard, Amarillo Independent School District	Yes	9	8
Paula Bliss, City of Amarillo	Yes	34	31
Richard Brown, Chairman, City of Amarillo	Yes	34	31
Paul Harpole, Vice-Chair, City of Amarillo	Yes	34	31
James Wester, Panhandle Groundwater Conservation District	Yes	2	2
Carol Autry, Potter County	Yes	31	29
H.R. Kelley, Potter County	Yes	17	15
Sonya Letson, Potter County	No	34	27

OTHERS PRESENT:

Vicki Covey, Assistant City Manager
Dean Frigo, Assistant City Manager
Kelley Shaw, Planning Director

Marcus Norris, City Attorney
Karon Watkins, Recording Secretary

Chairman Brown opened the meeting at 12:04 PM, established a quorum and conducted the consideration of the following items.

ITEM 1 Approve the minutes of the regular meeting of September 27, 2010.

Chairman Brown asked for corrections, deletions or changes to minutes and hearing none approved the September 27, 2010 minutes as distributed and corrected.

ITEM 2 Consider the project for the construction of the streetscape at the Potter County Courthouse as requested by the Potter County Commission for TIRZ assistance as provided in the TIRZ Participation Agreement.

Mr. Frigo reviewed the fiscal year 2010-2011 budget and indicated a change from \$96,500 to \$54,679 in Certificate of Obligation expenses based on \$760,000 in debt, which averaged over 20 years, at a true interest cost of approximately 3.4% is \$54,679. Mr. Frigo stated with the City's AAA rating, he believes the Board can get a low debt and estimates at the end of 2010 having slightly more than \$1MM in available funds. Chairman Brown asked Mr. Frigo to explain the difference between immediate funding and debt. Mr. Frigo explained the \$1,234,000 previous commitment to Potter County, created an average debt service of \$96,500. He said using the Potter County proposal of \$745,000 plus \$15,000 for issuance cost (bond lawyers, underwriters, etc.) creating a total debt of \$760,000, depositing \$745,000 for construction expenditures, with coupons at a true interest cost of 3.3579% and dividing the Total P&I of \$1,093,586 by 20 years an average debt service of \$54,679 is generated with an estimated income of 451,800. Chairman Brown asked about the process associated getting the bonds. Mr. Frigo explained this type of debt would be bid out to local banks and one out of town bank and the lowest rate bid would be

awarded the bond. Board Member Blanchard asked what the advantage was to paying it out of debt vs. paying it out of cash on hand. Mr. Frigo explained he was trying to preserve the cash funds for other downtown projects. Board Member Blanchard questioned whether it would be more feasible to do the bonds incrementally as projects develop assuming the Board decides to fund this proposal with cash and issues bonds when new projects are proposed. Mr. Frigo stated once there is a half-way economic size of \$500,000+, the Board might consider issuing debt. Vice Chairman Harpole commented this was a good, practical bond that is not hard to bid. Chairman Brown asked if the Board should bond more than is actually needed for future projects since rates are low at this time and Mr. Frigo stated he would rather not bond without an open project since that information is disclosed in the bond document and the three-year IRS spending rule in which that money would have to be used would still apply. Board Member Harpole asked if the Board decided in the future to warehouse light poles for streetscape projects, couldn't another bond be done at that time and Mr. Frigo said all bonds should be done at one time as there are additional transaction costs, therefore if the Board feels more money is needed, the bond amount should be adjusted. Mr. Shaw added the cost of one pedestrian light is \$3,700 subsequently, if the Board wanted to warehouse 100 light poles and fixtures, the cost would be \$370,000.

Mr. Shaw reviewed the request from Potter County, which is centered on streetscape elements that are associated with the restoration project. He added that this project was started prior to the adoption of the Downtown Amarillo Urban Design Standards ("DAUDS") and therefore not required to follow the DAUDS guidelines; however, all parties involved, which include Potter County, Downtown Amarillo Inc. ("DAI"), TIRZ Board and the City, feel this is an excellent opportunity to incorporate those elements into a project particularly keeping in mind the significances of the 6th Street corridor and the fact that the Potter County Courthouse is one of the largest buildings on Polk Street. Mr. Shaw explained once they began looking at the Potter County Courthouse project as a streetscape prospect, it was realized the cost to implement the new streetscape designs would be substantially more than the original streetscape improvements; and as a condition of Potter County's participation in the Tax Increment Reinvestment Zone, a statement was included in the agreement which called for the City to support a Potter County Courthouse improvement project up to \$1,234,605 by utilizing available TIRZ funds. He said this commitment to Potter County has been outstanding since 2007 and this would be a good opportunity to satisfy that commitment and at the same time include the new streetscape elements in the Potter County Restoration project. Mr. Shaw said Potter County Commissioners held discussions on September 27, 2010 and recommended approval of a Potter County project request for TIRZ funding assistance of \$745,000 for the additional streetscape improvements and if approved by the Board and City Commission, would fulfill the existing commitment to Potter County. He said the proposal was for sidewalk improvements which included sidewalk modifications, bulb-outs, additional landscape, brick pavers, raised planter beds and additional trees along the entire perimeter of the Potter County Courthouse. A preliminary estimate of \$745,426 was provided by Architexas Architects and this agreement would allow the architects to begin the actual design of the elements. Mr. Shaw introduced Mike Head, Potter County and John Quell, liaison between the Texas Historical Commission, Potter County and Panhandle Regional Planning Commission who were available to answer any questions. Chairman Brown asked for clarification on the factors in arriving at the estimated amount and how comfortable was Potter County with that estimate. Mr. Head stated he was very comfortable with the estimate given the information Potter County had. Mr. Shaw said there were concerns about having enough room to incorporate all of the streetscape improvements, which include a 7 ft. unobstructed walkway, planters, pavers and landscaping on the north side of 5th Street as well as on the south side of the property along 6th Street but the costs associated with pushing the curb out to accommodate all of the walkway improvements if needed, was included in the estimate. Mr. Shaw stated he felt some adjustments would have to be made along the 5th Street side to incorporate the streetscape elements in order to stay within the City of Amarillo right-of-way and prevent encroachment on Potter County property which is funded by the Texas Historical Commission; however, he felt there would be no issues on the 6th Street side. Chairman Brown

asked if the proposed improvements to the south side of 6th Street Commissioner Kirkwood mentioned at the last Board meeting were included in this request and Mr. Shaw stated they were not. Chairman Brown stated this project appears to meet the requirements for the Potter County commitment as well as the Design Standards Guidelines. Board Member Blanchard asked if the approval of the project and the funding mechanism would be two different issues for the Board to consider and suggested a 10% contingency be added to the proposal. Chairman Brown said yes; the Board would have to vote to approve the project and if approved, vote on how to fund it and Board Member Kelly stated a 10% contingency had been included in the proposal. Board Member Harpole asked what happened to any excess funds if the project came in under budget and Mr. Shaw stated approval for the project should stipulate funds up to \$745,000. A motion was made by Board Member Blanchard to approve the Potter County proposal with funding up to \$745,426 with funding options to be considered in a separate vote, seconded by Carol Autry and approved unanimously.

Chairman Brown asked if the discussion on funding measures could wait until Mr. Frigo was present and Ms. Covey said she felt the Board had time to discuss funding at a later meeting since the project would not begin until after the design work had been completed. Mr. Quell stated there would be an upfront redesign cost of approximately \$70,000. Ms. Covey suggested discussing the remaining agenda items and come back to the funding issue after hearing the other items. She also said Mr. Frigo would most likely include the upfront costs in the bonding costs in order for those funds to be eligible for reimbursement. Board Member Harpole stated, at the recent IDA conference he attended, it was discussed that the only mechanism which must be in place and filed prior to expenditure in order to receive reimbursement on a project was a letter of No Protest (LONP) and suggested the Board research this prior to making a final funding decision. Chairman Brown tabled the discussion about funding to the end of the meeting.

ITEM 3 Consider an additional request for pedestrian lighting for the Courtyard by Marriott at the Fisk TIRZ Project.

Mr. Shaw stated at the last Board meeting on September 27th, consideration was made for a request for the Marriott at Fisk project for additional funding for Downtown Amarillo Urban Design Standards (“DAUDS”) streetscape elements which had not been included in their original budget. Mr. Shaw added the Marriott project was started prior to the adoption of the DAUDS, but all parties involved agreed that this project, being such a high-profile project along a strategically important corridor, would make a substantial impact on downtown and be a visible indicator of the improvements outlined in the DAUDS. Mr. Shaw explained the prior request for funds on September 27th did not however, include pedestrian lighting. He said a key concern for this project is the time-constraint associated with the opening of the Marriott around Thanksgiving. At the time of the last Board meeting, neither the specific type nor cost of the pedestrian lighting had been determined; those specifications have been set, and the Marriott is requesting additional funding for the installation of six pedestrian lights. Mr. Shaw explained a double-globe, 12 ft., LED light standard had been selected at a cost of \$3,700 per light, therefore the additional funds being requested by the Marriott is \$22,014 making a total request of \$68,163. Mr. Shaw suggested amending the original addendum to include the \$22, 014 for a total incremental funding for the Marriott by Fisk project in an amount not to exceed \$70,000, payable upon paid receipts. Mr. Shaw said the addendum was presented to and approved by the Potter County Commissioners on October 11th with the pedestrian lighting included and as a result, the amended addendum will not need to be taken before the Potter County Commissioners a second time. Mr. Shaw stated that if approved by the Board, the amended addendum would be presented to the City Commissioners at their next scheduled meeting.

Chairman Brown asked for a description of the approved light standard. Ms. Covey stated discussions were held with representatives from Center City, Downtown Amarillo Inc. (“DAI”), City of Amarillo, Xcel Energy and businesses that are beginning to apply the new streetscape design standards such as Marriott at Fisk, Potter County Courthouse, Happy State Bank, 911 and

Panhandle Regional Planning Commission (“PRPC”). She said a double-globe, 12-foot, LED light was selected as the standard for both pedestrian lighting and intersection lighting based on operating costs, color, estimated lifetime and availability of replacement parts. Ms. Covey said Cooper Lighting, a supplier used by Xcel, will be able to provide the new light poles and fixtures. Board Member Bliss asked if all of the light fixtures would be double-globed since single-globed fixtures are mentioned in the DAUDS as well and Ms. Covey commented yes they would all be double-globed, including the intersection lights. Chairman Brown asked about the color of the LED versus the metal-halide and how the new pedestrian lighting would affect the neon lighting on Polk Street. Ms. Covey explained the LED light was more of a true white light, remaining consistent throughout its life and the metal-halide had a tendency to fade causing a green hue with time. She maintained the new pedestrian lighting would most likely enhance the neon corridor because the pedestrian lighting will target the lower level street area, meanwhile, the neon signage will be on an elevated level. Ms. Dailey, DAI, stated the new lighting standard is consistent with the consultant’s recommendations.

Chairman Brown stated his concern about the usage charge responsibility and light ownership. Ms. Covey explained discussions about usage charge were on-going and one option was to include pedestrian lighting in the City’s Street Light Budget however, no decision has been made to that effect, and a cost analysis is being conducted on the current operating costs. In the interim, it will be the responsibility of the developer/property owner to pay the operating costs. She said the lights were being installed so that conversion of the usage costs from the property owners to the City would be less problematic should that option become available and Xcel is working on a process to bring power to the sidewalks on a block-by-block basis, through a grid in the street at or behind the curb line.

Ms. Covey suggested keeping an stock inventory of light poles and fixtures in the City’s warehouse to be made available for future projects since there are already 61 lights being installed for current projects. She added the reimbursement cost of the poles and fixtures to the City might be a potential TIRZ Board project. Mr. Norris addressed the matter of pedestrian lighting ownership, confirming that these lights will be treated as all other city lights, which are being installed on City’s right-of-ways, and will belong to the City and therefore maintained by the City.

Mr. Robert DeShay, Newcrest Hotels, Ltd / Newcrest Management LLC, wanted to clarify that the cost of the 6 pedestrian lights was \$22,194 rather than \$22,104 as previously stated and reimbursement of the cost would be made directly from the TIRZ Board to the City. Mr. DeShay also wanted to acknowledge and thank Xcel Energy for their extensive support and assistance. A motion to amend the original addendum requesting additional TIRZ incentive funding for the Marriott by Fisk project in an amount not to exceed \$70,000, payable upon paid receipts and by deleting the first bullet point under Section 3 regarding Certificate of Occupancy was made by Vice Chairman Harpole, seconded by Board Member Blanchard and carried unanimously.

ITEM 2 Reopened

Chairman Brown reopened Item 2 for discussion to consider funding choices for the Potter County Courthouse commitment. Mr. Norris suggested, if possible, waiting until the November meeting to continue discussions concerning funding mechanisms until Mr. Frigo could be present for guidance. Ms. Covey asked if a financing mechanism had to be in place prior to the recommendation of a project. Mr. Gary Pitner, PRPC, stated from Potter County’s perspective, a payment of \$70,000 for the architectural design study and a confirmed commitment for the balance of \$745,000 once the project started would be sufficient. Mr. Norris added if payment were made from currently available funds for the design study, a Reimbursement Resolution should be passed prior to disbursement of funds so that the \$70,000 will be eligible for reimbursement once debt is issued and recommended putting discussion of the Reimbursement Resolution on the November agenda. Mr. Norris suggested recommending approval of the Potter County Courthouse project up to \$760,000 with a forthcoming recommendation addressing financing mechanism. No motion was made.

ITEM 4 Report from Downtown Amarillo on the results of the Housing Market Study funded in part with TIRZ assistance.

Ms. Dailey presented an overview of the results of the Downtown Housing Market Strategy done by Jacobs in conjunction with Leland Consulting Group out of Denver, Colorado. Ms. Dailey said population growth continues to be steady but is mainly concentrated on the community borders partially due to lack of housing choices in the central area; however, a study of the area's demographics suggests smaller household sizes and active lifestyles make these groups prospective urban living participants. Based on future household growth, Downtown Amarillo could support 125 – 155 new attached ownership units and 300 – 360 new rental units over the next 10 years. Ms. Dailey explained completion of the City's new Comprehensive Plan, preparation of the Civic Center Master Plan and Downtown Housing Market Strategy, downtown private sector redevelopment projects such as the Courtyard Marriott and the Globe Center and the creation of a loan consortium for Downtown project financing are some of the enhancements which are increasing the demand for urban housing. She said the adoption of the Civic Center Master Plan by the City of Amarillo would be an important step in moving towards urban housing development, defining a coordinated effort by both organizations for downtown redevelopment. Ms. Dailey identified adherence to a long-term vision, capitalizing on market opportunities, and committed leadership as some of the success factors that other cities have found useful. She said urban housing is beneficial as it makes working downtown more appealing, offers a greater diversity of lifestyle choices and adds activity to downtown on evenings and weekends presenting opportunities for changing demographics such as young professionals, growing white-color workforce and dissatisfied suburban dwellers. Ms. Dailey explained even with greater benefits and more opportunities there are still challenges such as comparatively high land costs, higher development costs and the restoration and repair needed to the existing infrastructure to be surmounted. Ms. Dailey concluded by giving examples of public-private actions which could aid in developing a more desirable urban housing market such as maintaining a database of market conditions, developing marketing materials which summarize housing market opportunities, evaluating the potential for using tax credits, developing prototypes of desired housing products and building public-public partnerships between key Downtown stakeholders to present a consistent housing vision for Downtown.

ITEM 5 Report on Status of Projects:

- a. Fisk Courtyard by Marriott Redevelopment Project

This project was addressed under Item 3 for discussion.

- b. Double R Lofts

Mr. Shaw stated there was nothing to report.

- c. Downtown Amarillo Inc. Consultant Planning Studies

This was addressed under Item 4 by Ms. Dailey.

ITEM 6 Committee Reports:

- a. Marketing

There was nothing to report.

- b. Hotel Development

There was nothing to report.

- c. Subcommittee on Extensions

There was nothing to report.

ITEM 4 Public Comments

The Board can take no action on matters presented or discussed.

Beth Duke
Center City

Ms. Duke stated as influential participants behind the revitalization of Downtown Amarillo, the Board members would be receiving invitations from the First Baptist Church to join them in presenting their streetscape project. She also wanted to announce that Center City was partnering with KACV to provide brown bag lunch tours of area churches.

Mr. Frigo reminded the Board to have the Reimbursement Resolution on the November agenda and Vice Chairman Harpole asked for a report on the Letter of No Protest.

Chairman Brown asked Vice Chairman Harpole and Board Member Autry to report on their trip to the IDA Conference in Ft. Worth, Texas.

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There being no further items before the Board, the meeting adjourned at 1:50 PM. All remarks are recorded and are on file in the Planning Department.