

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

On the 11th day of November 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	Yes	31	27
Dr. Paul Proffer, Amarillo Hospital District	Yes	20	18
John Ben Blanchard, Amarillo Independent School District	Yes	10	9
Paula Bliss, City of Amarillo	Yes	35	32
Richard Brown, Chairman, City of Amarillo	Yes	35	32
Paul Harpole, Vice-Chair, City of Amarillo	Yes	35	32
James Wester, Panhandle Groundwater Conservation District	No	3	2
Carol Autry, Potter County	Yes	32	30
H.R. Kelley, Potter County	Yes	18	16
Sonya Letson, Potter County	Yes	35	28

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 12:00 PM, established a quorum and conducted the consideration of the following items.

ITEM 1 Approve the minutes of the regular meeting of October 11, 2010.

Chairman Brown asked for corrections, deletions or changes to minutes and hearing none approved the October 11, 2010 minutes as distributed and corrected.

ITEM 2 Consider Addendum #4 to the Developer Agreement with the Tax Increment Reinvestment Zone #1, the City of Amarillo and Amarillo Hospitality LLC amending SECTION 3, DEVELOPER'S OBLIGATIONS to extend the date for obtaining a Certificate of Occupancy for the building to on or before January 1, 2011, allowing finish-outs to be ongoing.

Mr. Shaw recommended approving Addendum #4 to the Developer Agreement since reimbursables are contingent on the Certificate of Occupancy. However, he suggested looking for a more efficient way to handle this in the future. A motion to approve Addendum #4 to the Developer Agreement was made by Board Member Escajeda, seconded by Board Member Letson and passed unanimously.

ITEM 3 Consider bond financing options for potential TIRZ projects.

Mr. Frigo began the discussion by explaining that the Potter County Courthouse Project could be funded by cash from available TIRZ funds and that with low interest rates, now is a good time to issue debt and furthermore, additional funds, over the Potter County Courthouse commitment, could be added to the bond debt if the TIRZ Board ("Board") preferred for future projects. Mr.

Frigo then described five different scenarios related to issuing bonds for the project. The scenarios included issuing bonds for an amount to cover the project, an amount of \$1.76 million, an amount of \$2.26 million, an amount of \$2.76 million and an amount of \$5.65 million. He stated the difference in the estimated bond issuance costs in the four examples is not very significant. Board Member Blanchard asked if more bond debt were issued, how long would the Board have to spend the additional funds and what would happen to the money if it were not spend within that time frame. Mr. Frigo stated the 3-year spending rule, regulated by the IRS, would apply and any remaining funds at the end of the period would require a yield restriction to prevent earning more than the bond yield. Board Member Harpole asked if the Marriott incentive was considered in the 2010 TIRZ assessment figures. Mr. Frigo explained the TIRZ assessment figures would include the anticipated commitments to the Marriot at The Fisk and Double R Lofts once the projects produced increments after completion.

Mr. Shaw presented several project options to consider, if the Board chose to bond additional debt. Mr. Shaw stated maintaining a light pole/fixture inventory at the city warehouse for future streetscape projects had been previously suggested. Mr. Frigo explained bond proceeds had to be applied directly to a project and could not be used to create or maintain an inventory. However, the City could purchase the inventory and then charged to a TIRZ project to reimburse the City for the cost of the lights.

Second, Mr. Shaw said TIRZ funds could be applied to a comprehensive Streetscape Improvement Project along one of the priority corridors and identified nine blocks, along 6th Street and Polk Street, which need various improvements. He stated the cost per block (one side) would be approximately \$240,000, and would include bulb-outs, all of the required streetscape elements and additional components such as benches and tree grates. Mr. Shaw estimated the total cost would be \$4,020,000.

Third, Mr. Shaw said TIRZ funds could be used for the installation of the electrical grid and wiring to be done by Xcel Energy on a block-by-block basis enabling tie-in accessibility for the pedestrian lighting as well as creating a convenient way to transfer usage charges from private to public if that option becomes available.

Fourth, Mr. Shaw stated a Land Use Plan is being evaluated by the City Commission. Downtown Amarillo Inc. ("DAI") and Wallace Bajjali Development Partners were interested in forming a partnership for downtown revitalization. He said the Board could wait to see what will be involved in implementing the Land Use Plan. Board Member Escajeda said priorities need to be set concerning the downtown infrastructure and suggested waiting on the specifics of the Land Use Plan. Vice Chairman Harpole agreed, but he added he felt confident if bonds were issued now, the money would be easy to disburse over the next three years. Mr. Shaw added that a meeting was being held on Monday, November 15th at the Globe-News Center to present the findings of a market feasibility study for a multi-purpose sports venue for downtown.

Chairman Brown stated he still supported bonding now with interest rates being so low. Ms. Covey asked how job specific would a bond issuance need to be. Mr. Frigo stated the project criteria must be covered by the Financing Plan and added bond proceeds must be used for public projects only. However, bond earnings could be assigned to a private project such as a hotel, but the bonds would have to be issued as private activity bonds. A motion to issue \$2,260,000 in bond debt was made by Vice Chairman Harpole, seconded by Board Member Escajeda and carried unanimously. Chairman Brown asked what the next step was in the bonding procedure. Mr. Norris explained a Notice of Intention to Issue Obligations would be presented to the City Commission for approval and if approved, after a 30-day waiting period, the bonds would be put out to bid.

ITEM 4 Consider the financing plan for the \$745,426 approved for the Potter County Courthouse Streetscape TIRZ Project.

Chairman Brown stated the Potter County Courthouse project was discussed under Item 3, and suggested the Board approve to fund the project out of the bond proceeds, and pay the interim architectural design costs out of cash with a Reimbursement Resolution. A motion to finance the Potter County Courthouse Streetscape TIRZ Project out of bond proceeds, paying interim costs out of cash with a Reimbursement Resolution was made by Board Member Blanchard, seconded by Vice Chairman Harpole and carried unanimously.

ITEM 5 Review and approve the 2011 Letters of Invoice to Participating Jurisdictions

Mr. Frigo stated the Letters of Invoice were the standard letters sent out every year. A motion to approve issuance of the Letters of Invoice was made by Vice Chairman Harpole, seconded by Board Member Kelly and carried unanimously.

ITEM 6 Review of the Financial Statements for the year ending September 2010

Mr. Frigo confirmed the total revenue for the year ending September 2010 was approximately \$430,000, total expenditures was approximately \$34,000 with a fund balance for the year of approximately \$900,000. Mr. Frigo added approximately \$25,000 was an open commitment to fund half of the studies being conducted by DAI.

ITEM 7 Reports by Carol Autry, Lilia Escajeda and Paul Harpole in the International Downtown Association Conference in October 2010

Vice Chairman Harpole stated he attended funding option presentations and learned there are many funding options available, including obtaining federal funds depending on the type of streetscape project, its location and whether the project lies within any area being federally funded. Mr. Harpole said he felt the Board needed to research these funding resources.

Board Member Autry said she focused on presentations relating to living in urban environments. She stated the demand for downtown housing was on the rise due to the downsizing of homes, a decrease in the average family size and the desire to be in a closer to work. She explained there were many ways to promote and encourage urban living such as making furnished housing models available for prospective renters/buyers and making sure realtors use the correct language associated with urban living vs. suburban living (urban-ese).

Board Member Escajeda stated most of the presentations she attended pertained to the successes and problems with maintaining downtown urbanization. She said overcoming challenges like retaining existing businesses downtown while attracting new businesses such as retail and grocery stores and entertainment and aiding the homeless was essential to the success of an downtown environment. Board Member Kelly asked if any reasons were given for the failure of some urban revitalization programs. Board Member Autry said the most common reason given for failure was the lack of well-defined programs, dealing with other government entities and the inability to use tax credits effectively. Board Members Harpole, Escajeda and Autry all agreed the information presented at the conference was applicable to what is being accomplished in Downtown Amarillo and recommended everyone to attend next year's conference.

ITEM 6 Report on Status of Projects:

a. Fisk Courtyard by Marriott Redevelopment Project

Mr. Shaw stated there was nothing new to report. He said the installation of the streetscape elements was on schedule.

b. Double R Lofts

Mr. Shaw stated there was nothing to report.

c. Downtown Amarillo Inc. Consultant Planning Studies

Ms. Covey stated there was nothing to report.

d. Potter County Courthouse Streetscape

Mr. Shaw stated Potter County moved their meeting with Architexas Architects, the design architects, to November 22nd to accommodate the TIRZ schedule.

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.

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There being no further items before the Board, the meeting adjourned at 1:10 PM. All remarks are recorded and are on file in the Planning Department.