

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

On the 18th day of July, 2012, the Tax Increment Reinvestment Zone Board met in a regularly scheduled meeting at 9:30 AM, in Room 306 of City Hall, at 509 E. 7th Street, Amarillo, Texas with the following members present:

Voting Members	Present	Meetings Held	Meetings Attended
Richard Brown, Chairman, City of Amarillo	Yes	50	46
Dr. David Woodburn, Amarillo College	No	12	6
Greg Graham, Amarillo Hospital District	Yes	8	6
John Ben Blanchard, Amarillo Independent School District	Yes	25	24
Jason Herrick, City of Amarillo	Yes	1	1
Scott Bentley, City of Amarillo	Yes	13	13
James Wester, Panhandle Groundwater Conservation District	No	18	13
Carol Autry, Potter County	Yes	47	44
H.R. Kelly, Potter County	Yes	33	30
John Betancourt, Potter County	Yes	2	2

Others Present:

Vicki Covey, Assistant City Manager for Public Services Marcus Norris, City Attorney
Dean Frigo, Assistant City Manager for Finance Kelley Shaw, Planning Director

Chairman Brown opened the meeting at 9:30 AM, established a quorum and conducted the consideration of the following items listed below.

Chairman Brown welcomed and introduced Jason Herrick, new board member representing the City of Amarillo, as Paula Bliss has resigned. Chairman Brown announced the order of the agenda would be revised to consider Item 3 at the end of the published agenda.

ITEM 1 Approve the minutes of the meeting of May 10, 2012.

Chairman Brown asked for corrections, deletions or changes to the minutes of May 10, 2012. Hearing none, the minutes were approved as submitted.

ITEM 2 Review TIRZ #1 Quarterly Financial Statements as of June 30, 2012.

Dean Frigo, Assistant City Manager for Finance, reported total assets of \$3,730,179, of which \$1,523,047 is in cash/money market, \$1,233,599 in restricted investments (bond proceeds), and \$973,534 in construction in progress. Current liabilities reflect \$50,000 for the Amarillo College Polk Street project. Mr. Frigo stated total third quarter revenues are \$498,128, consisting of

\$494,761 in tax collections, and \$3,367 interest income. To date, total operating expenditures equal \$253,884 leaving an excess of \$244,244 in revenues over expenditures.

ITEM 4 Consider approval of a TIRZ tax rebate agreement with Wallace Bajjali Developer Partners, LP for the convention center hotel.

ITEM 5 Consider approval of a TIRZ grant agreement with the Amarillo Local Government Corporation for streetscape improvements around the hotel, parking garage and multi-purpose event venue.

For discussion purposes, Item 4 & Item 5 were reviewed simultaneously. Chairman Brown gave the Board a recap on the history of the project, and explained the 90% tax rebate between TIRZ and the Developer. The rebate takes effect upon completion of the structure, after the Developer pays the property taxes each year, and with a term of 20 years. Marcus Norris, City Attorney, added per the Texas Tax Code, the term of the tax rebate is for 20 years or the repayment of 40% of construction costs, whichever occurs first. Mr. Norris stated the Texas Tax Code allows for this type of financing for hotels and affects the interpretation of this contract.

Chairman Brown spoke of the August 2011 TIRZ meeting where the Board committed to funding assistance, up to \$2.7 million, for the proposed streetscape improvements around the three downtown projects. Chairman Brown stated the TIRZ #1 principle contribution is funding assistance for the proposed streetscape improvements and to put in place the conditional rebate of ad valorem taxes.

Motion was made by John Ben Blanchard, seconded by Carol Autry to approve the execution of the two agreements as presented. The motion carried unanimously.

ITEM 6 Report on status of TIRZ #1 Projects:

- a. Fisk Courtyard by Marriott Redevelopment Project
Mr. Shaw stated the first reimbursement for 90% of annual ad valorem taxes was paid in the amount of \$51,921.
- b. Potter County Courthouse Streetscape Project
Mr. Shaw stated the Courthouse streetscape appears complete and will visit with Mike Head, Director of Facilities at Potter County, to confirm.
- c. Polk Street Methodist Church Streetscape Project
No report.
- d. Vineyard Manor Apartments/Streetscape Project
No report.
- e. Downtown Amarillo Inc. Studies
Mr. Shaw stated Melissa Dailey is out of town, but is ready and will go in-depth over the three studies at a future board meeting.

H.R. Kelly had to leave the TIRZ meeting for a prior commitment.

ITEM 3 Presentation and discussion regarding a pending application for TIRZ Incentives for the Restoration and Renovation at the Hotel Herring at 311 SE 3rd Ave submitted by Robert and Leticia Goodrich.

Leticia Goodrich stated she and Robert have had a dream for 20+ years in restoring and renovating the historic Herring Hotel. Mrs. Goodrich stated they felt the restoration would contribute significantly with the downtown revitalization plan and introduced Robert Gallup, development consultant, to further present their application. Mr. Gallup presented a power point of the \$33.5 million project with a brief history of the 13 story hotel. The proposed plan includes a ground level restaurant and bar, banquet and meeting rooms, 144 guest rooms, and 47 residential units with a total of 200,000 sq. ft. Mr. Gallup stated the Herring is two blocks from the Civic Center and the Globe News for the Performing Arts. Whereby having two quality hotels within walking distance should help in attracting larger events/conventions to the downtown area. Mr. Gallup concluded stating Mr. and Mrs. Goodrich want to restore history, not re-create or invent history and have submitted a TIRZ application for a 90% tax rebate on their hotel project.

Chairman Brown advised the Board Item 3 was a discussion item only and no action would be taken this date.

Chairman Brown asked Marcus Norris, City Attorney to begin an executive session. Mr. Norris called for an executive session, at 11:01 AM, (i) attorney-client communication and advice regarding same, and (ii) to discuss the commercial or financial information received from an existing business or business prospect, per Texas Government Code section 551.071, and .087, as related to proposed projects for downtown redevelopment. Chairman Brown requested Leticia Goodrich and Mr. Gallup be included in the executive session. The executive session concluded at 12:21 PM.

ITEM 7 Public Forum.

Chairman Brown reminded Board members and those in the audience the Board can take no action on matters presented or discussed. No items were mentioned.

ITEM 8 Discuss Items for Future Agendas.

No items were mentioned.

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No one spoke from the audience and there being no further items before the Board, the meeting adjourned at 12:22 PM. All remarks are recorded and are on file in the Planning Department.