

ANNUAL REPORT 2009 & 2010

AMARILLO CENTER CITY



TIRZ

Tax Increment Reinvestment Zone

Housing
Hotels
Office Space
Family Venues
Landscaping
Historic Buildings
Parking



Message from Richard Brown, Chairman

Amarillo's first Tax Increment Reinvestment Zone (TIRZ) was created December 2006 to encourage economic development or redevelopment within the downtown area. Private and public projects within the boundaries of the TIRZ may be eligible for assistance from Tax Increment Financing (TIF). The source of funds for TIF is the incremental increase above the base year 2006 in real property tax revenue resulting from increases in taxable value from properties inside the TIRZ boundaries. The TIRZ Board administers the TIF.

Goals for Amarillo's TIRZ #1 include strengthening the employment and economic base of downtown by creating a diversity of mixed land uses, eliminating blight, reducing unsanitary and unsafe conditions, improving public infrastructure and stabilizing and revitalizing neighborhood and business areas. Our goals for the 20-year life of the zone include the development of 1,200 hotel rooms, 2,100 residential units for owners or renters, 1.5 million sq ft of office, retail and commercial space, and the development of family entertainment venues. To accomplish those goals, the Board is dedicated to leveraging the use of TIF and working with other parties and agencies promoting development within TIRZ.

The Board spent much of the first year formulating general policy and adopting a tiered application process and marketing material for Amarillo's first TIRZ. It is the current policy of the TIRZ Board to consider judicious use of TIF funds for those projects that demonstrate a substantial and significant public benefit and to give preference to projects in which:

- TIF investment is distributed upon completion of the project.
- Funding is limited to reimbursement of a maximum of 90% of the value of the project's tax increment over a 20-year period.
- TIF Fund retains a minimum of 10% of the tax increment of the project to fund other projects.

Interest in downtown continues to grow. Our TIRZ projects have included the Barfield Building, the Courtyard by Marriott at the Fist Building, Double R Lofts and streetscape projects for the Potter County Courthouse and the Polk Street United Methodist Church Expansion.

Since creation of the TIRZ, Amarillo has embarked on an aggressive development program in partnership with Downtown Amarillo Inc., Center City of Amarillo Inc., a newly formed Local Government Corporation, and the development firm of Wallace-Bajjali Development Partners as the Master Developer. The public/private partnership will initially focus on a convention center hotel, parking structures and multi-purpose event venue. Private sector development in housing, restaurants and mixed-use developments is expected to follow the first phase.



Projects



Downtown Land Use Study

The TIRZ partnered with Downtown Amarillo Inc. to undertake planning studies on the housing market and a parking inventory and study. Most importantly TIRZ funding helped produce land use concepts for the city-owned property in the 50 block area around the Civic Center complex.



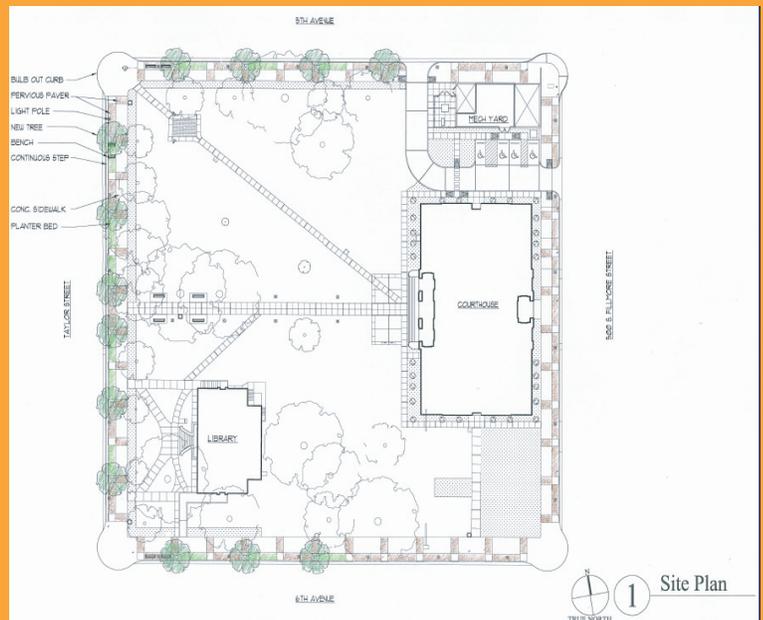
Double R Lofts

The Double R Lofts, at 705 S. Grant St., will convert a warehouse space into 20 residential lofts. The developer finished one unit as a model unit.



Courtyard by Marriott

The Courtyard by Marriott at the Fisk Building, at 724 S. Polk St., is the first completed TIRZ project. The Marriott opened in late December, 2010 with 108 rooms. The project is eligible to receive tax increment rebates in 2012.

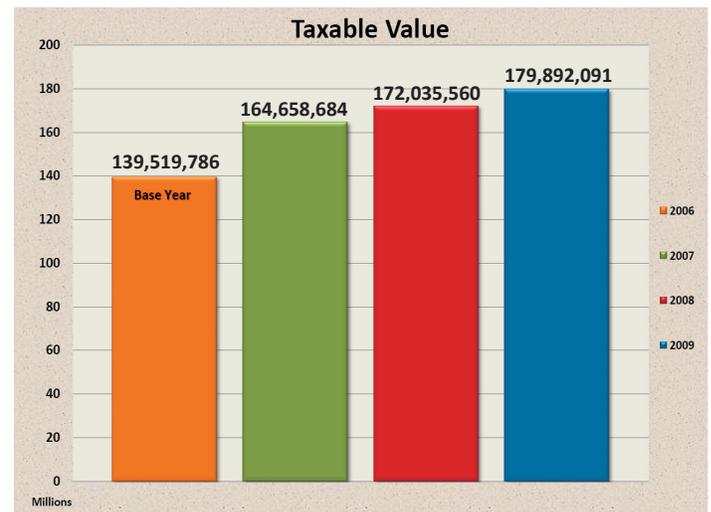
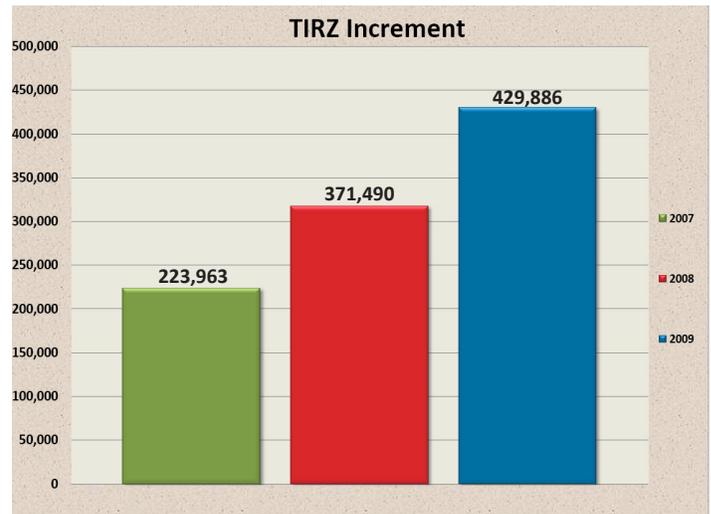
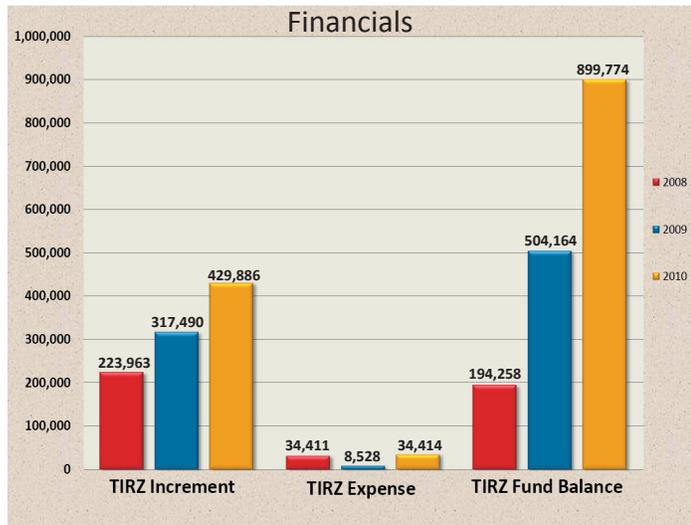


Potter County Courthouse Streetscape

Potter County Courthouse Streetscape, 600 S. Fillmore St., a grant will fund the construction of new sidewalks, pedestrian lighting, benches, trees and landscaping around the courthouse square.

FINANCIALS

When TIRZ was created, 2006 was established as the base year for existing taxable value of all the real property on the Zone. The taxing entities continue to receive the base year value of the property taxes throughout the life of the 30-year zone. The TIRZ's "increment" is the increase in real property tax revenue above the base year resulting from increases in taxable value of property.



TIRZ BOARD

The TIRZ Board of Directors is made up of representatives of all taxing entities within the TIRZ. The Board considers projects to implement the strategic plan for downtown Amarillo and recommends appropriate TIRZ incentives to the City Commission for approval. Before consideration by the City Commission, TIRZ incentives for a specific project are submitted to the Potter County Commissioner's Court for review.

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| Richard Brown, Chairman | City of Amarillo |
| Scott Bentley | City of Amarillo |
| Paula Bliss | City of Amarillo |
| Dr. David Woodburn | Amarillo College |
| Dr. Paul Proffer | Amarillo Hospital District |
| John Ben Blanchard | Amarillo Independent School District |
| James Wester | Panhandle Groundwater Conservation District |
| H.R. Kelly, Commissioner | Potter County |
| Sonya Letson | Potter County |
| Carol Autry | Potter County |

PARTNERSHIPS

- City of Amarillo
- Center City of Amarillo, Inc.
- Downtown Amarillo Inc.

