

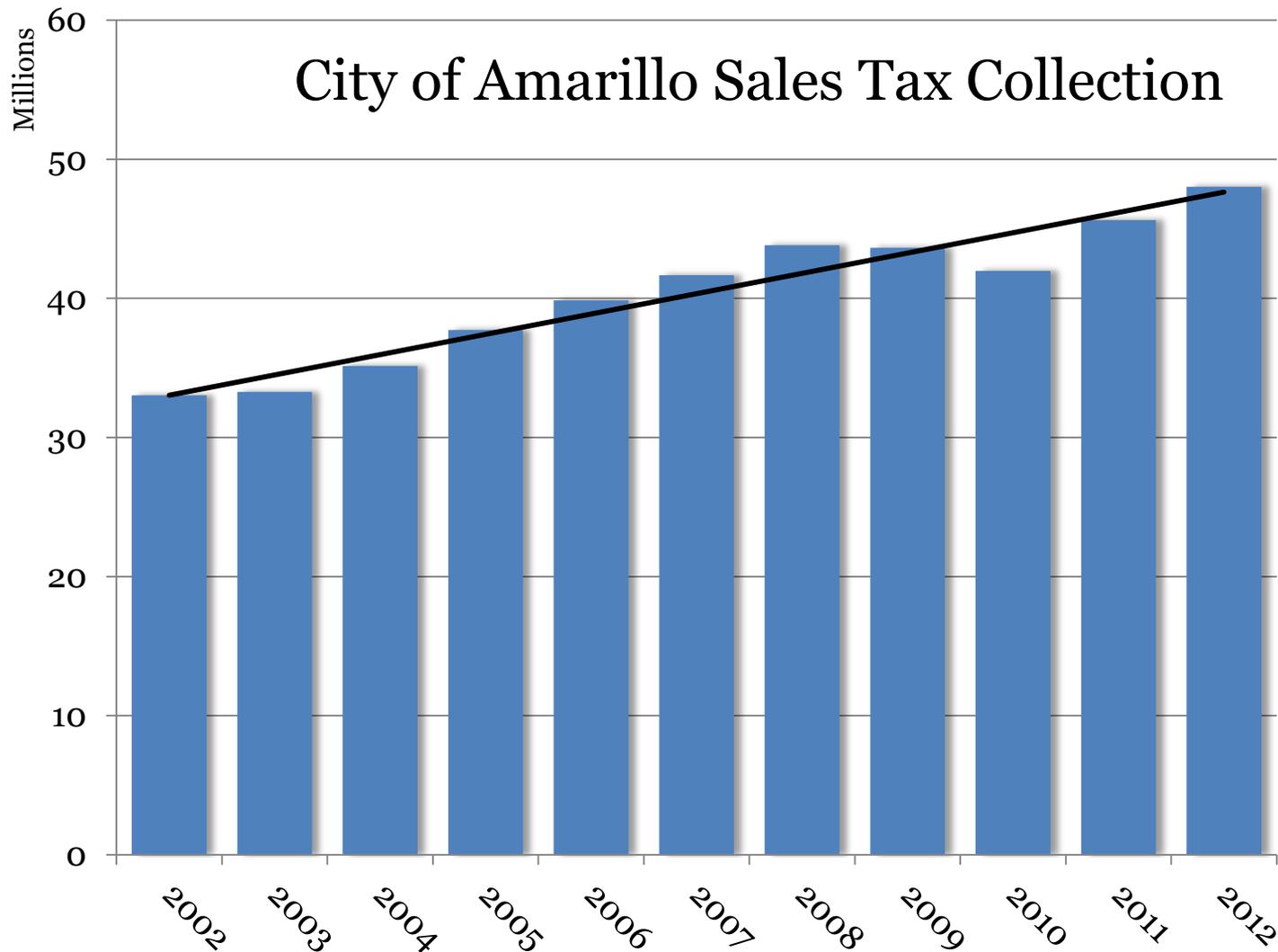
The Amarillo Economy

January 2013



Local Economy - Sales Tax

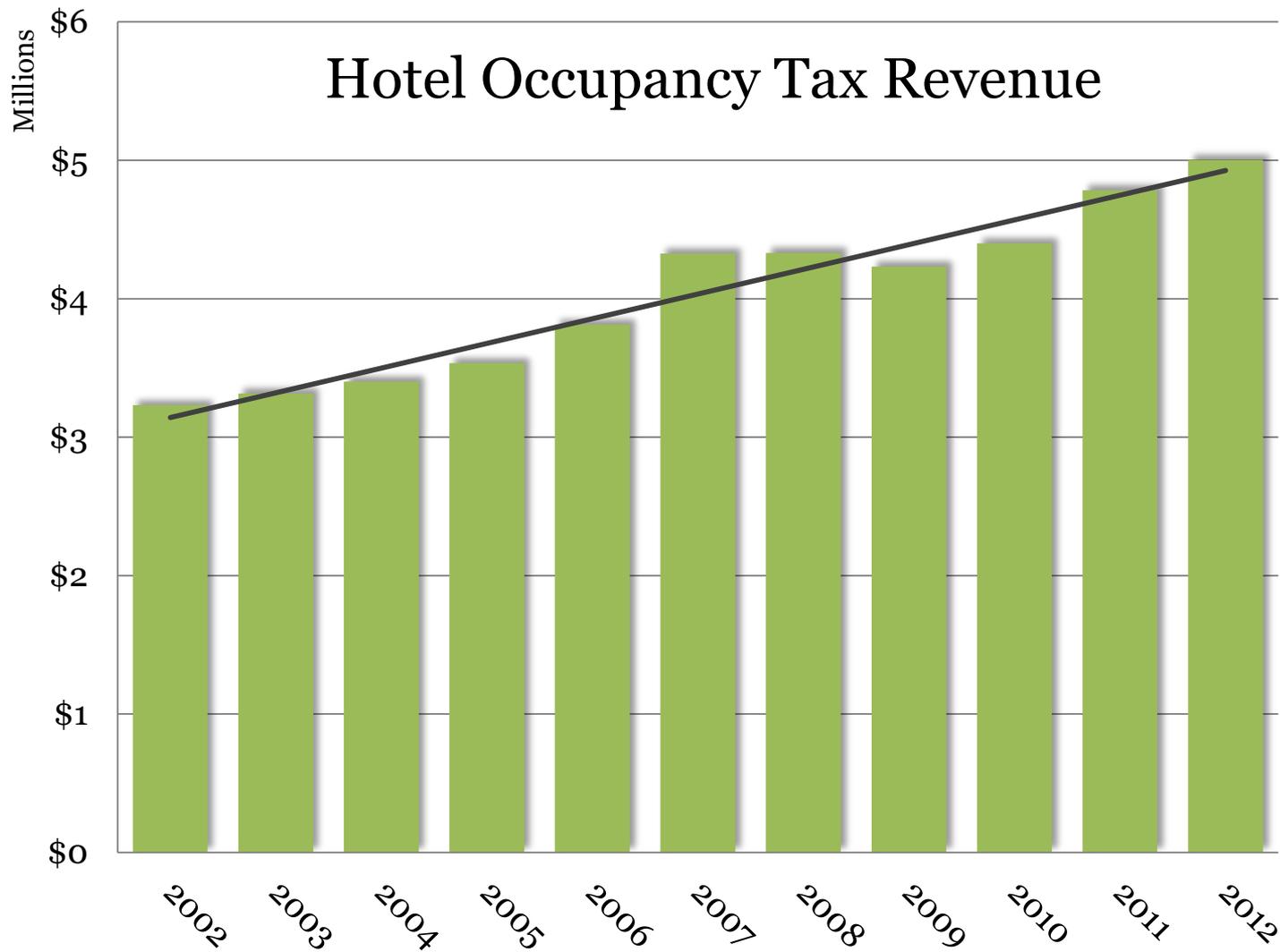
- 2011 was a record year with sales tax collections at \$45,619,081.
- 2012 set another record with collections at \$48,016,592.
- 2013 sales tax collection up 8.72% YTD
- Strong Retail Economy





Local Economy - Hotel Occupancy Tax Receipts

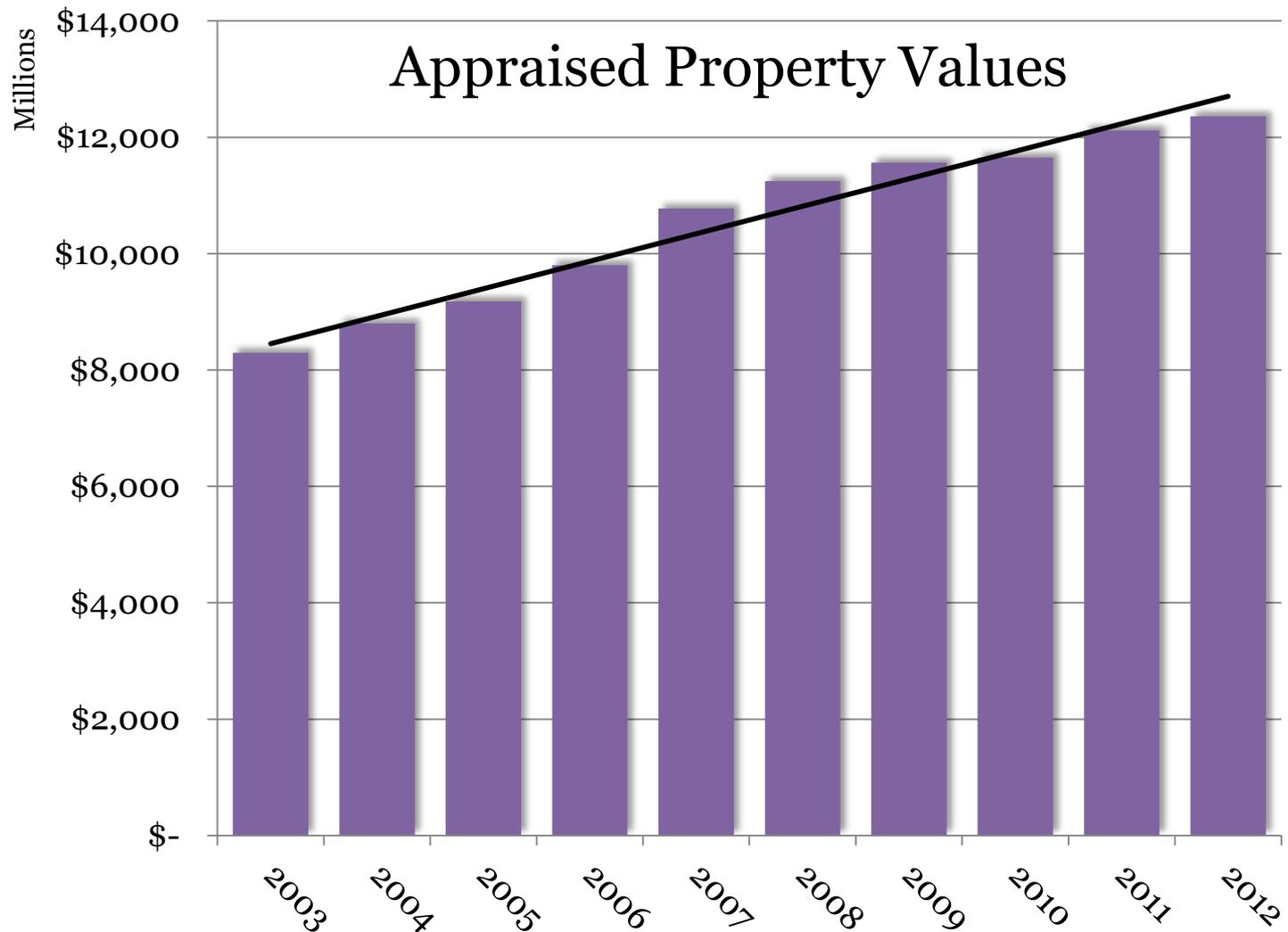
- Strong HOT Receipts
- Market Absorbed 660 Limited Service Rooms and 150 Full Service Rooms since 2009
- 2.94% annual avg. revenue increase last five years





Local Economy - Appraised Values

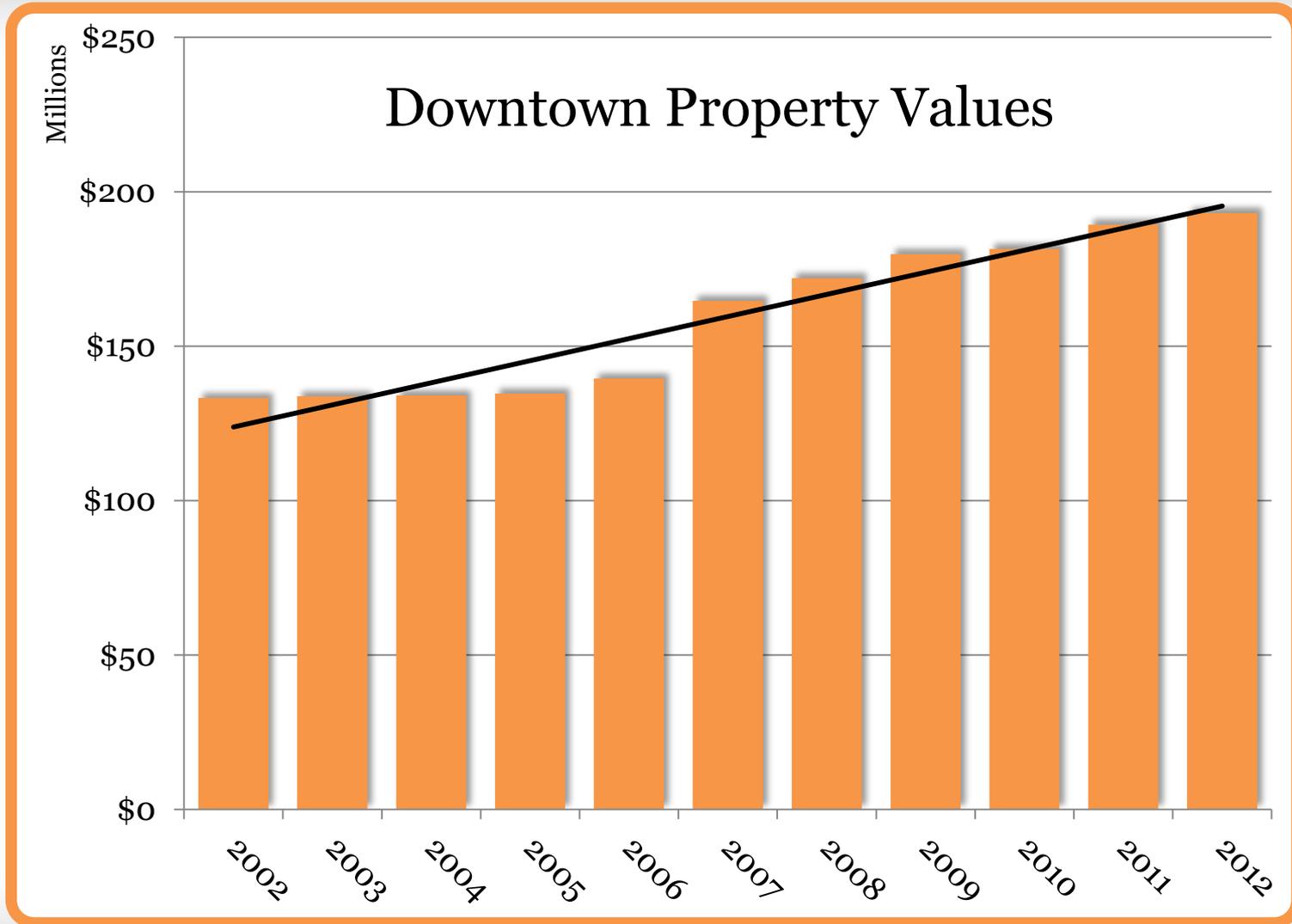
- Steady & Manageable Growth
- 2011 Building Permits - \$276 million
- 2012 Building Permits - \$346 million
(source – ANB Economic Forecast 2013)





Local Economy - TIRZ Values

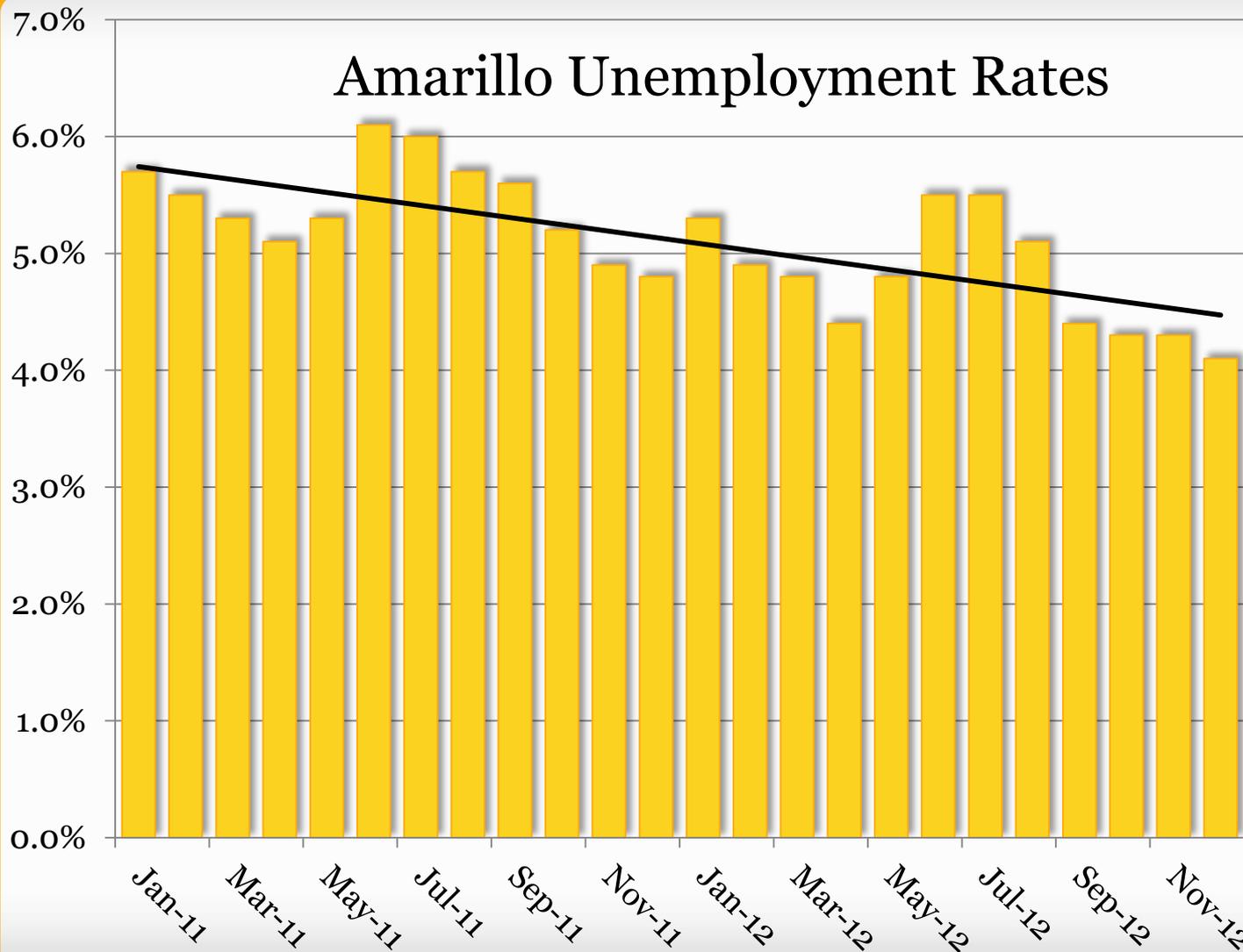
- TIRZ # 1 = Amarillo Central Business District and Surrounding Area
- 38% Growth in Valuation since creation (2007)





Local Economy - Unemployment Rates

- One of the lowest rates in the state.
- At **4.3%** in November, Amarillo is well below the state's rate of **6.2%** and the national rate of **7.8%**.
- Significant Local Job Growth – 2012 and 2013 (forecast)





Amarillo – Economic Summary

- Excellent Financial Condition and Standing
 - \$0.32009 Total Ad-Valorem Tax Rate –lowest amongst 19 peer cities
 - Amarillo has a 1AAA rating for General Obligation Debt and a 1AAA rating for Water & Sewer Debt
 - 1 of only 28 Cities in the United States with both
 - 1 of only 5 Cities in Texas with both



Amarillo – Economic Summary

- Standard & Poor's Ratings Comment – Nov. 2012

“Standard & Poor's Ratings Services assigned its 'AAA' rating to Amarillo, Texas' series 2012A and 2012B combination tax and revenue certificates of obligation (GO) bonds. At the same time, Standard & Poor's affirmed its 'AAA' long-term and underlying rating (SPUR) on the city's parity general obligation (GO) debt. ***The outlook on all ratings is stable.***”

The ratings reflect our view of the city's: • ***Role as a regional retail, medical, and service center;*** • ***Stable and diversifying economic base;*** • ***Steady property tax base growth;*** • ***Consistently strong financial performance and position;*** • ***Low overall debt burden;*** and • Adequate income level, which is partly offset by a lower cost of living and a low tax rate.” (S&P Ratings Direct, November 7, 2012)

Emphasis Added

**STANDARD
& POOR'S**



Amarillo – Quality of Life

- Quality of Life

- Amarillo Now Ranks 17th Best Performing U.S. Small City out of 179 metro areas (Milken Survey)
- Amarillo Residential Real Estate market – 7th Spot on the Top 10 “Markets to Watch”
- Recipient of Bill & Melinda Gates – Partners for Postsecondary Success Grant





Amarillo – Economic Strength

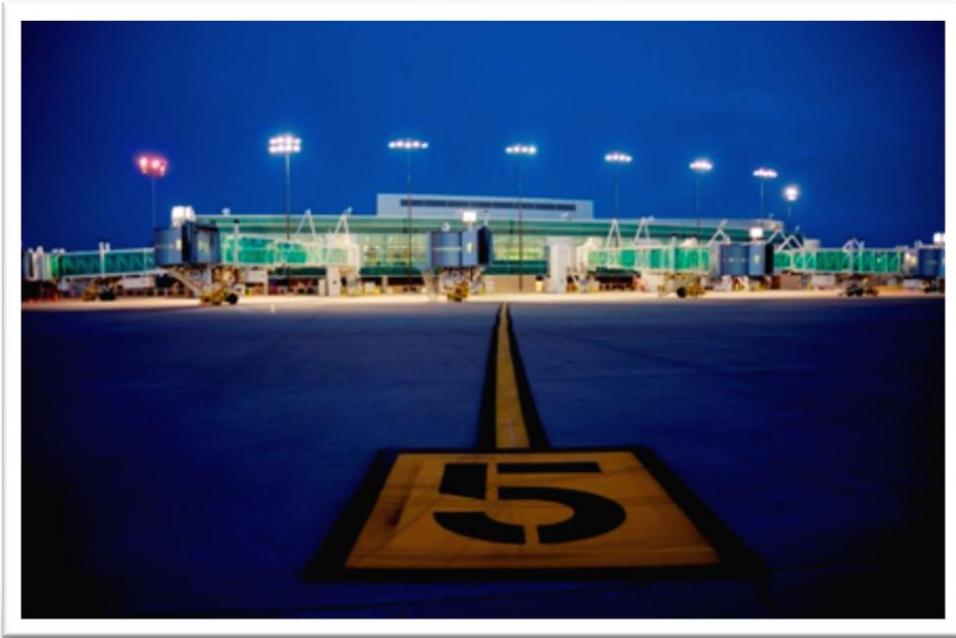
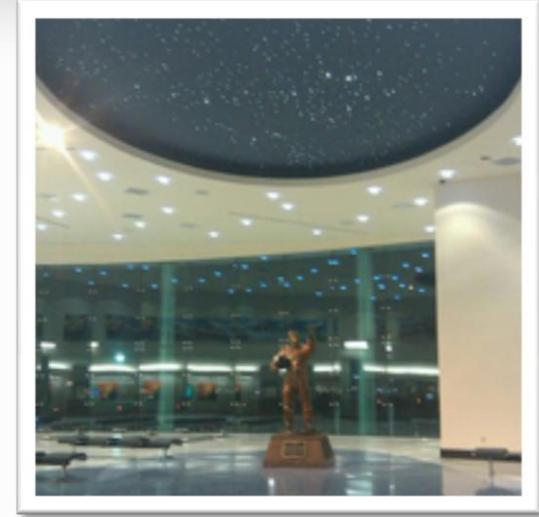
- Economic Strength Rankings
 - Amarillo Ranks #134 out of 366 MSA's in the Policom Survey
 - Up 22 from last year
 - Up 176 since 2004
 - Measure of “Rapid, Consistent Growth in Both Size and Quality for An Extended Period of Time” (Policom Corporation)





Amarillo – Economic Summary

- Recently Completed Major Capital Projects
 - \$50 Million Airport Terminal
 - \$89 Million Wellfield (first since 1957)
 - Newly Established Drainage Utility and Associated Capital Projects





Amarillo – Employment Summary

- Diversified Local & Regional Employment Base:
 - Bell Helicopter Textron – Military and Civilian Aircraft
 - Regional Medical Center
 - BSA Hospital
 - Northwest Texas Hospital
 - Texas Tech University Health Sciences Center
 - Texas Tech University School of Pharmacy





Amarillo – Employment Summary

- Diversified Local & Regional Employment Base:
 - Regional Educational Center
 - Amarillo College
 - West Texas A&M University
 - Texas A&M Experiment Station
 - USDA – Agricultural Research Service
 - Texas A&M Veterinary Diagnostic Laboratory
 - Texas Tech University Engineering Masters Degree Program
 - Wayland Baptist University





Amarillo – Employment Summary

- Diversified Local & Regional Employment Base:
 - AIG Insurance
 - Atmos Energy
 - Xcel Energy/Southwestern Public Service Company
 - Pacific Cheese Company
 - Affiliated Foods, Inc.
 - Ben E. Keith
 - Tyson Fresh Meats
 - Pantex





Conclusion

- Amarillo Enjoys an Envidable Financial Position Amongst Texas and U.S. Cities
- All Indicators Point to a Strong Local Economy
 - Sales Tax
 - HOT
 - Appraised Values
 - Building Permits
- Amarillo's Success Noted by National Authorities
 - Milken Survey
 - Policom Corporation
 - Inman News