

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 19th day of January 2016, the Amarillo City Council met at 3:00 p.m. for work session and at 5:00 p.m. for the regular session both held in the Council Chamber located on the third floor of City Hall at 509 Southeast 7th Avenue, with the following members present:

PAUL HARPOLE
ELISHA L. DEMERSON
BRIAN J. EADES
RANDY BURKETT
MARK NAIR

MAYOR
COUNCILMEMBER NO. 1
COUNCILMEMBER NO. 2
COUNCILMEMBER NO. 3
COUNCILMEMBER NO. 4

There were none. Also in attendance were the following administrative officials:

TERRY CHILDERS
WILLIAM MCKAMIE
KELLEY SHAW
FRANCES HIBBS

INTERIM CITY MANAGER
INTERIM CITY ATTORNEY
PLANNING DIRECTOR
CITY SECRETARY

The invocation was given by Alan Abraham. Mayor Harpole led the audience in the Pledge of Allegiance.

Mayor Harpole established a quorum, called the meeting to order, welcomed those in attendance and the following items of business were conducted:

ITEM 1: Mayor Harpole presented the minutes for January 12, 2016. Motion was made by Councilmember Burkett to approve the minutes; motion was seconded by Councilmember Eades, and unanimously carried to approve the minutes.

ITEM 2: Mayor Harpole presented a resolution adopting the guidelines and associated criteria for the possible abatement of the taxable value of improvements to real property or tangible personal property that is brought to real property on land located within a reinvestment zone created in the City of Amarillo. The City must adopt tax abatement guidelines every two years. The guidelines and associated criteria were last approved in 2014. Motion was made by Councilmember Nair, seconded by Councilmember Eades, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-1
A RESOLUTION OF THE CITY OF AMARILLO, TEXAS CITY COUNCIL:
ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT
WITHIN REINVESTMENT ZONES FOR THE CITY OF AMARILLO;
PROVIDING A SEVERANCE CLAUSE; PROVIDING AN EFFECTIVE
DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 3: Mayor Harpole presented a resolution correcting Resolution No. 11-17-15-3 by considering a resolution nominating BSA Hospital, LLC to the Office of the Governor Economic Development and Tourism through the Economic Development Bank for designation as a qualified business and enterprise project under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act. This request is related to a planned BSA capital projects totaling \$25 Million for a new emergency room. Staff has reviewed the application and finds that it meets all stated criteria for this program. BSA is seeking the nomination to secure incentives offered by the State of Texas. There are no local incentives involved in this nomination request. Motion was made by Councilmember Demerson, seconded by Councilmember Burkett, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-2

A RESOLUTION OF THE CITY OF AMARILLO; AUTHORIZING THE CITY OF AMARILLO TO NOMINATE BSA HOSPITAL, LLC TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT AND TOURISM THROUGH THE ECONOMIC DEVELOPMENT BANK FOR DESIGNATION AS A QUALIFIED BUSINESS AND ENTERPRISE PROJECT UNDER THE TEXAS ENTERPRISE ZONE PROGRAM UNDER THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE; PROVIDING SEVERANCE CLAUSE; PROVIDING SAVING CLAUSE; PROVIDING EFFECTIVE DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 4: Mayor Harpole presented a resolution supporting an application for Affordable Housing to the Texas Department of Housing and Community Affairs, Housing Tax Credit Program by SH Amarillo Soncy, LP, a private entity, Las Palmas, a development for affordable rental property located at 7525 South Soncy Road.

James Allen, Community Development Administrator, stated the tax credits are very competitive and reviewed by the Texas Department of Housing and Community Affairs, Housing Tax Credit Program staff. Amarillo will only be in the running for one project but five programs will be presented to Council. Staff recommends approval of all five projects. Paul Stell, SH Amarillo, Managing Director, Lubbock, Texas, presented three properties. Mr. Stell further requested a \$100 reduction in permit fees.

Jess Pfrimmer, 5723 South Milam Street, stated he has a problem with the first site because of the drainage area and his concern on the quality of construction. Dutch Hartfelder Worth, 1004 South Lamar Street, inquired if HUD would be involved. Mr. Allen replied that no HUD dollars would be invested in the project although the property fits into the HUD guidelines as affordable housing. Charlene Taylor, 906 Crockett Street, inquired if the surrounding property owners knew these projects were being considered. Mayor Harpole replied that the plans were preliminary at this point.

Ms. Taylor further inquired on who would be paying for the tax credits. Mr. Childers stated the tax credits were used to build facilities, investors build the properties then sell them to private investors. James Schenck, 6216 Gainsborough Street, inquired as to where the tax credits come from. Mr. Lang stated that tax credits were issued by the U.S. Treasury. They are administrated to every state, and every state is handled differently. The tax credits are allotted to each of the 13 regions within the state. They compete with other developers then sell the tax credits bundled together, receiving a certain percentage on the dollar and the benefit of depreciation for the first 17 years of the property. They obtain equity upfront. Mr. Schenck replied there has been affordable housing going on around the country that has turned out disastrous. Gary Jennings, 4503 Greenwich Place, encouraged the Council to adopt the resolutions. Motion was made by Councilmember Nair, seconded by Councilmember Burkett, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-4

A RESOLUTION BY THE CITY OF AMARILLO, TEXAS, DECLARING SUPPORT FOR LAS PALAMAS, A DEVELOPMENT FOR AFFORDABLE RENTAL PROPERTY LOCATED AT 7525 SOUTH SONCY ROAD; AND PROVIDING FOR AN EFFECTIVE DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 5: Mayor Harpole presented a resolution supporting an application for Affordable Housing to the Texas Department of Housing and Community Affairs, Housing Tax Credit Program by SH Amarillo 77th, LP, a private entity, Valencia, a development for affordable rental property located at 7584 Southwest 77th Avenue. Motion was made by Councilmember Demerson, seconded by Councilmember Burkett, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-5

A RESOLUTION BY THE CITY OF AMARILLO, TEXAS, DECLARING SUPPORT FOR VALENCIA, A DEVELOPMENT OF FOR AFFORDABLE RENTAL HOUSING LOCATED AT 7584 SOUTHWEST 77TH AVENUE; AND PROVIDING FOR AN EFFECTIVE DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 6: Mayor Harpole presented a resolution supporting an application for Affordable Housing to the Texas Department of Housing and Community Affairs, Housing Tax Credit Program by SH Amarillo GW, LP, a private entity, Marabella, a development for affordable rental property located on Arden Road and South Coulter Street. Muff London, 6006 Tuscan Village, stated on behalf of Mr. Eddie Scott and The Greenways, Mr. Stell was currently under contract with Mr. Scott and they recommend the Council approve the projects. Motion was made by Councilmember Demerson, seconded by Councilmember Eades, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-6

A RESOLUTION BY THE CITY OF AMARILLO, TEXAS, DECLARING SUPPORT FOR MARABELLA, A DEVELOPMENT FOR AFFORDABLE RENTAL PROPERTY ON +/- 5 ACRES LOCATED NEAR THE NWC OF ARDEN ROAD AND S. COULTER STREET; AND PROVIDING FOR AN EFFECTIVE DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 7: Mayor Harpole presented a resolution supporting an application for Affordable Housing to the Texas Department of Housing and Community Affairs, Housing Tax Credit Program by Liberty Vista, LP, a private entity, Liberty Vista, a development for affordable rental property located on Plum Creek Drive.

Tim Lang, Tejas Housing, Austin, Texas, stated the area they chose was close to shopping and the VA hospital. They have spoken to the VA hospital about their housing first program. They also provide social services, financial counseling, health and nutrition classes, individuals rise up to a better situation and eventually move out of affordable housing. The programs are geared mostly toward children and after school programs like Tejas Kids Opportunity (TKO), which offers summer camps providing structure for children and guidance where it might be lacking. Councilmember Nair noted there were amenities nearby but the area did not provide a safe access for walking. Councilmember Demerson stated the last tax credit awarded in Amarillo was six years ago. Motion was made by Councilmember Burkett, seconded by Councilmember Demerson, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-7

A RESOLUTION BY THE CITY OF AMARILLO, TEXAS, DECLARING SUPPORT FOR THE LIBERTY VISTA, A GENERAL DEVELOPMENT OF UP TO 96 FAMILY UNITS TO BE LOCATED ON THE SOUTHEAST PORTION OF PLUM CREEK DRIVE, A HOUSING TAX CREDIT PROGRAM APPLICATION (#16222) TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE YEAR 2016 BY LIBERTY VISTA LP; AND PROVIDING FOR AN EFFECTIVE DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 8: Mayor Harpole presented a resolution supporting an application for Affordable Housing to the Texas Department of Housing and Community Affairs, Housing Tax Credit Program by OPG Coulter Partners, LLC, private entity, The Residence at Coulter, a development for affordable rental property located at 5000 South Coulter Street.

Brett Johnson, Overland Property Group (OPG), Kansas City, stated it was time for Amarillo to receive an affordable senior housing project. The Housing and Community Affairs does not want affordable housing in the same areas of town and wants to see it integrated throughout every level of the community. Motion was made by

Councilmember Eades, seconded by Councilmember Demerson, that the following captioned resolution be passed:

RESOLUTION NO. 01-19-16-8

A RESOLUTION BY THE CITY OF AMARILLO, TEXAS, DECLARING SUPPORT FOR THE RESIDENCE AT COULTER, A DEVELOPMENT FOR AFFORDABLE RENTAL PROPERTY LOCATED IN THE 5000 BLOCK OF SOUTH COULTER STREET; AND PROVIDING FOR AN EFFECTIVE DATE.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 9: Mayor Harpole advised that an appointment is needed for a certain board. Motion was made by Councilmember Eades, seconded by Councilmember Burkett and unanimously carried to appoint Dr. Kellie Dodson to replace Dr. Jim Cook on the Animal Management & Welfare Advisory Board Advisory, such term to expire January 6, 2019.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, Burkett and Nair; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 10: Mayor Harpole presented the consent agenda and asked if any item should be removed for discussion or separate consideration.

Alan Abraham, 7205 Southwest 35th Avenue, inquired as to why Item C was for 20-years. Councilmember Demerson asked that Item C be removed for separate consideration. Motion was made by Councilmember Eades to approve Items A and B, seconded by Councilmember Demerson.

Darren Hudson, 705 South Grant Street, property owner, stated the loan was granted because of the 20-year term, and he further stated the project is over budget. Mr. Hudson stated he is currently paying around \$3,800 for taxes per year on the property and after the project is complete and reevaluated the taxes will be approximately \$105,000 per year. Councilmember Nair left during this time. Councilmember Burkett stated Mr. Hudson borrowed money and is trying to finish his project based on the previous commitment. Mr. Abraham stated he withdraws his objection of the 20-year rebate that was previously granted. Mr. Shaw stated that TIRZ has approved a written policy and there will not be many 20-year rebates in the future. Motion made by Councilmember Eades to approve Item C, seconded by Councilmember Demerson.

A. Approval – WIC Contract:

Texas Department of State Health Services -- \$1,698,837.00

This item approves a WIC Nutrition Program FY 2016 contract from the Texas Department of State Health Services (DSHS).

B. Approval – Center City Tax Increment Reinvestment Zone #1 Developer Agreement for Lofts on 10th Avenue:

This item authorizes the City Manager to execute a Tax Increment Reinvestment Zone #1 Developer Agreement with Mays, Inc. for the Lofts on 10th Avenue redevelopment project located at 202 Southwest 10 Avenue. The agreement is for the reimbursement of 90% of the annual ad valorem tax increment from the participating taxing jurisdictions generated annually for a term of ten (10) years. The development includes seven (7) second floor residential units and ground level retail space. This project is consistent with the goals of the Downtown Strategic Acton Plan and recommended for approval by the TIRZ #1 Board of Directors. The agreement was presented to the Potter County Commissioners Court on January 11, 2016 for their review and comment.

C. Approval – Center City Tax Increment Reinvestment Zone #1 Developer Agreement for Double R Lofts:

This item authorizes the City Manager to execute a Tax Increment Reinvestment Zone #1 Developer Agreement with Lofty, LLC for Double R Lofts redevelopment project located at 705 South Grant Street. The agreement is for the reimbursement of 90% of the annual ad valorem tax increment from the participating taxing jurisdictions generated annually for

a term of twenty (20) years. The development will result in the conversion of a warehouse into 25 residential units. This project is consistent with the goals of the Downtown Strategic Acton Plan and recommended for approval by the TIRZ #1 Board of Directors. The agreement was presented to the Potter County Commissioners Court on January 11, 2016 for their review and comment.

Voting AYE were Mayor Harpole, Councilmembers Demerson, Eades, and Burkett; Voting NO were none; the motion carried by a 4:0 vote of the Council.


Mayor Harpole announced that this is the end of the regular agenda, but this time is reserved to hear from any citizen concerning matters pertaining to City policies, programs or services not on today's agenda. The public forum is set under the Open Meetings Act and that during the public forum the City Council can respond with a statement of fact, a statement of City policy or decide whether to place an item on a future agenda.

Mr. Childers stated he plans to meet with DAI tomorrow and discuss moving forward and will make a recommendation to the Council next week during work session.

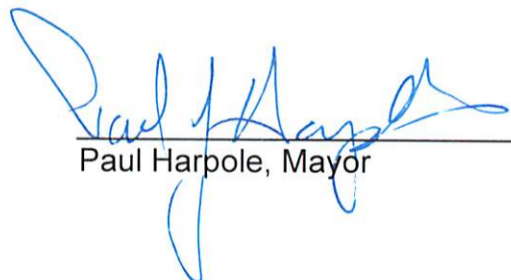
Darren Hudson, 705 South Grant Street, stated he plans to move forward on more warehouse developments and needed to discuss the City's restrictions. Dutch Hartfelder Worth, 1004 South Lamar Street Dutch, inquired about the new seating arrangement on the dais. Mr. McKamie replied he would visit with Ms. Worth after the meeting. James Schenek, 6216 Gainsborough Street, stated he was not clear on the DAI issue. Mr. Childers stated this issue could not be discussed at this time. Chris Jackson, Millennial Movement, stated that downtown development was critical to Amarillo and DAI needs to stay in charge and see it though. Carolyn Thornton, 4501 Southwest 45th Avenue, stated the Council was becoming more professional and as a citizen, she appreciated it. There were no further comments.

Mayor Harpole advised that the meeting was adjourned.

ATTEST:



Frances Hibbs, City Secretary



Paul Harpole, Mayor