

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 30th day of June 2015, the Amarillo City Council met at 1:30 p.m. at City Hall on the third floor in Room 303 in the Conference Room for review of agenda items, and consideration of future agenda items.

The City Council met at 3:00 p.m. in regular session 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

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

JARRETT ATKINSON
VICKI COVEY
MARCUS NORRIS
KELLEY SHAW
FRANCES HIBBS

CITY MANAGER
DEPUTY CITY MANAGER
CITY ATTORNEY
PLANNING DIRECTOR
CITY SECRETARY

The invocation was given by Davlyn Duesterhaus, Baptist St. Anthony's Health Systems. 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 of June 23, 2015. Motion was made by Councilmember Demerson to approve the minutes as presented; motion was seconded by Councilmember Burkett, and unanimously carried to approve the minutes.

ITEM 2: The Oath of Office for the incoming Councilmember Place 4 was conducted by the Honorable Nancy Tanner.

ITEM 3: Councilmember Mark Nair made comments regarding his service on the City Council.

Item taken out of order:

ITEM 8: City of Amarillo accepted a donation from the Ambucs for Medi-Park playground equipment.

ITEM 4: Mayor Harpole presented an ordinance rezoning a 5.38 acre tract of land in Section 191, Block 2, AB&M Survey, Potter County, from Agricultural District to Residential District 3, in the vicinity of Broadway Drive and St. Francis Avenue/Loop 335. It is recommended for approval by a 6:0 vote of the Planning and Zoning Commission. Motion was made by Councilmember Demerson, seconded by Councilmember Burkett, that the following captioned ordinance be passed on first reading:

ORDINANCE NO. 7534

AN ORDINANCE OF THE CITY OF AMARILLO, TEXAS: PROVIDING FOR SPECIFIED CHANGES IN THE OFFICIAL ZONING MAP OF THE CITY OF AMARILLO, TEXAS; PROVIDING FOR CHANGE OF USE DISTRICT CLASSIFICATION OF SPECIFIED PROPERTY IN THE VICINITY OF BROADWAY DRIVE AND SAINT FRANCIS AVENUE/LOOP HIGHWAY 335, POTTER COUNTY, TEXAS; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALER CLAUSE; AND 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 5: Mayor Harpole stated this item conducted a public hearing on and considered approval of the proposed time schedule changes to Route 2 of the Amarillo City Transit system. The schedule change is a passenger request for more timely service between routes. The route change was recommended by the Advisory Committee for People with Disabilities (ACPD) on June 4, 2015. A public notice of the proposed schedule change was published in the Amarillo Globe News on May 17, 2015 soliciting public comments. The Transit Department interviewed the passengers that traveled on the Route 2 bus from June 8 to June 19, 2015 resulting in 95 completed surveys. Of those, 94 passengers were in favor of the change, one had no comment, and none were opposed. No other public comments have been received to date. If approved the Route 2 changes will be effective on July 23, 2015. Judy Phelps, Transit Manager, stated the changes were being made to Route 2 to serve Route 8 better. She further stated that ACPD recommended the change and that riders were in favor of the change. Jesse Pfrimmer, 5723 South Milam Street, inquired where the connectivity between Routes 2 and 8 was located. Ms. Phelps answered at the transfer station at 3rd Avenue and Fillmore Street. Mayor Harpole closed the public hearing. Motion was made by Councilmember Burkett, seconded by Councilmember Eades.

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 an item approving an Amarillo Economic Development Corporation (AEDC) project for Gestamp Renewal Industries (GRI). GRI is a subsidiary of Corporacion Gestamp, which is a multi-national corporation organized in Spain. GRI plans to construct a new 200,000+ square foot manufacturing facility on a 48 acre rail served site in the CenterPort Business Park to construct wind turbine towers. The project anticipates GRI making a \$41 million investment to construct and equip a facility with 300+ full time jobs when the plant reaches capacity. The estimated annual payroll is \$13+ million.

Under the terms of the proposed Location Incentive Agreement (LIA), the AEDC will convey a 48 acre site by March 1, 2016 and GRI will have two years to put the facility into service. The AEDC grant of the land will be secured by an instrument provided by the company. The AEDC will reimburse Gestamp for a one-time real estate brokerage commission of \$57,000 when the facility begins operations. The job incentive creation grant is equivalent to \$10,000/job, up to a maximum of \$3.3 million. The total incentive package, including the job creation funding and the land will be covered by a no-interest promissory note with a 12-year term and a 7-year amortization period. The note payments can be abated if GRI achieves an annual gross payroll target of \$13,028,730 during the performance period. GRI will further seek tax abatements from the eligible local taxing jurisdictions. This project is recommended for approval by the AEDC Board of Directors by a 4:0 vote.

Claudia Stravato, 210 South Avondale Street, inquired if GRI would own any of the property. Buzz David, replied they will own the 48-acre site. Brian Jennings presented the GRI project. The facility would be a 200,000 sq ft manufacturing facility with rail service. Councilmember Burkett inquired if the 330 jobs were salary driven. Councilmember Nair inquired as to how long the performance period was. Brian Jennings answered there would be time for them to construct the facility and ramp up production and the performance period was for seven years.

Councilmember Burkett inquired if this was GRI's first entry into the U.S. Rattan D'Souza, gave an overview of Gestamp. He stated the company was 60-years old, founded in Spain but they are now in 25 countries with 100 locations. They have 27,000 employees and work is centered around metal work. Claudia Stravato, 210 South Avondale Street, inquired as to how many other foreign corporations the City has extended tax abatements. Brian Jennings answered two, but they were U.S. corporations organized in Delaware. Roy Bara, 4704 Van Winkle Street, stated as a concerned citizen and a business person he supported this project. Dipak Patel, 46 Colonial Drive, suggested their history be checked to prevent possible mistakes.

Craig Gualtiere, 3509 South Lamar Street, stated tax abatements do not work and he was against the process. Councilmember Eades replied this was not a final decision, but an opportunity to see what Amarillo was willing to do for them and allow the public to express their positive or negative concerns. Charles Ferrell, 2513 Orange Street, inquired how it is decided who receives funds. Mayor Harpole stated AEDC was established in 1989 and works within the framework set by the state. Craig Gualtiere stated the lack of transparency of the AEDC. Linda Roberts, 5412 Southside Drive, inquired if failures in other parts of the country were checked. Rattan D'Souza, stated GRI was a private company not a public company with multi-lines of businesses. The steel plates used to make towers cannot be imported from China. Towers made in China and Vietnam cannot be imported. This company has locations in Spain and Turkey and has a good relationship with people who buy their towers.

Cindi Bulla, 1400 Bull Regan Court, stated Amarillo survived the terrible downturn in 2008 because of successes and diversity in our economy. She stated the need to continue to compete with other cities to attract companies. Allen Finegold, 2601 North Grand Street, stated he was in an ironic position defending AEDC, but the potential benefits were great. Councilmember Nair asked what the goal from the Council was today. Buzz David replied there was no contract at this time but to move ahead they need a list of incentives and guarantees to bring the Council back a contract for approval. Mr. David stated there were other taxing entities that would need to approve the contract. Carolyn Thornton, 1927 South Marrs Street, welcomed Gestamp to Amarillo. Motion was made by Councilmember Eades, seconded by Councilmember Nair.

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 an item approving a Tax Abatement Agreement between the City of Amarillo and Gestamp Wind Steel US, Inc. (Gestamp) associated with the Amarillo Economic Development Corporation (AEDC) incentive project on Item 6 above. The requested tax abatement agreement is for a 10-year, 100% abatement on real and business property for the approximately \$41 million project noted above, less the real property's current value. The Amarillo City Council adopted the required Guidelines and Criteria for Tax Abatement in January, 2014. The project is located within Reinvestment Zone #7, which was originally established by the Amarillo City Council in 2010 and was renewed in February, 2015. The project is eligible to be considered for ad-valorem tax abatement.

Councilmember Demerson inquired about the need for the Council to approve this item. Buzz David, AEDC, stated the approval action by the Council allows AEDC to move forward and the ability to offer financial incentives. The Council would approve a contract at a later date. Marcus Norris stated the location incentive agreement and the tax abatement need to be approved separately. Craig Gualtiere, 3509 South Lamar Street, inquired as to who the broker was that would receive the commission on the sale of land. Mr. Jennings answered Gestamp will be reimbursed 3% of the commission once the factory is open and they would pay Cassidy Turley (recently purchased by DTZ) for their real estate commission. Motion was made by Councilmember Eades to approve the tax abatement with the final agreement returning to the Council at a later date, seconded by Councilmember Burkett.

Voting AYE were Mayor Harpole, Councilmembers Eades, Burkett and Nair; voting NO was Councilmember Demerson; the motion carried by a 4:1 vote of the Council.

ITEM 8: Mayor Harpole presented the consent agenda and asked if any item should be removed for discussion or separate consideration. There were none. Motion was made by Councilmember Burkett, to approve the consent agenda, motion was seconded by Councilmember Eades, and unanimously carried, to approve the consent agenda and authorize the City Manager to execute all documents necessary for each transaction.

- A. Purchase – Gate Valves and Accessories:
Award to low responsive bidder: Water Technology Resources --
\$70,680.00

This item purchase 18" gate valves and the related fittings and pipe to be

used in the South Bonham Street line extension and valve replacement project. Funding for the proposed purchase is in the approved Water Distribution Capital Improvement Program project budget.

- B. Approval – Communications and Technology Service Agreement:
Texas DIR Contract #2687: Avaya Communications Inc. -- \$172,805.40
This item approves a three (3) year service agreement for support and software upgrades for the Avaya PBX telephone equipment. Avaya provides the City's communications system and connectivity between City Hall, Police Department and Public Health. Funding for the service agreement is a recurring cost budgeted annually in the respective departmental operation budgets.
- C. Approval – City Property Insurance:
Award one-year renewal to Affiliated FM Insurance Company through Neely, Craig and Walton, LLP
Annual premium -- \$566,355.00

This item approves the final one-year renewal for the City's property insurance coverage. The City insures approximately \$983 million in property and the policy includes terrorism, flood and earthquake, boiler and machinery, business interruption, fungus mold and mildew and other specific coverages. The property insurance policy includes a \$250,000 deductible per occurrence and the proposed premium represents a 10% increase over the prior policy premium.

The initial award to Affiliated FM was the result of a competitive Request for Proposal in 2013. With the 10% renewal rate increase, the annual premium is less than the proposed premium from the second proposer, which was \$625,818. As this is the final renewal under the existing policy, the City will institute a new request for proposals in 2016.

Mayor Harpole announced that this is the end of the regular agenda, but time is reserved to hear 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.

Robert Goodrich, 4111 Stony Point, thanked the Council for the due diligence performed today. David Rosas, 2101 S. Parker Street, inquired about a traffic study on the 4700 block of Western Street near Independent Village. He further stated senior people live nearby and two people have been recently struck by automobiles, one was a fatal accident. Mr. Atkinson stated he would request additional police presence in the area to work on traffic enforcement and a traffic study in that entire area.

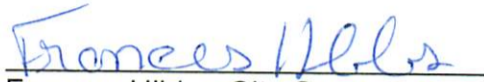
Dipak Patel, 46 Colonial Drive, stated he represented the local hoteliers. He stated the proposed downtown hotel incentives would hurt the local hoteliers currently paying hotel tax. He inquired about the cost of the Hunden Study. He further stated the sewer estimate of the new Sam's Club was twice as much as the actual cost and not fair market price. Robert Goodrich, 4111 Stony Point, stated he was President of the Amarillo Lodging Association and he encouraged hotel owners who would be interested in formalizing a complaint and sending it to the Texas Association of Hoteliers to contact him. Vince Nowak, 1301 Daws Street, inquired as to how much hotel financing was being funded by the hotel tax. Mr. Atkinson replied no hotel taxes from other hotels would be used for the downtown hotel, only the garage and MPEV. Councilmember Eades reminded the Council that they could not debate a topic not on the agenda and could only make a statement of fact or refer the comment to staff. Councilmember Nair invited everyone to tomorrow's meeting at the Civic Center.

Rameshchandra Patel, 112 West Amarillo Boulevard, inquired if the City had plans for improvements to Amarillo Boulevard. He further stated there was also a hotel on Amarillo Boulevard in terrible condition, and the sidewalks on Amarillo Boulevard are in bad shape. Mayor Harpole stated studies need to be done and perhaps creation of a TIRZ in that area of town which could help with the sidewalks. Alan Abraham, 7205 Southwest 35th Avenue, inquired about the structuring of tomorrow's meeting and


asked for flexibility throughout the day instead of waiting for comments at the end. Councilmember Eades stated questions would come last but they would encourage the audience to write down any questions they may have. Jesse Pfrimmer, 5723 South Milam Street, stated his surprise to hear there were 76 hotels in the city and those hoteliers were not being accommodated with incentives. Allen Finegold, 2601 North Grand Street, inquired if at the end of tomorrow's meeting if the audience would be able to present alternatives. Councilmember Eades replied the meeting would be open for questions and comments with a three minute limit in order to give everyone the opportunity to speak and the meeting would be videotaped. There were no further comments.

Mayor Harpole advised that the meeting was adjourned and the Council would return to Work Session then Closed Session.

ATTEST:



Frances Hibbs, City Secretary



Paul Harpole, Mayor