

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 1st day of December 2021, the Amarillo Local Government Corporation (LGC) Board of Directors met at 11:30 a.m. on the Third Floor, City Hall, 601 South Buchanan Street, Room 306, with the following members present:

VOTING MEMBERS	PRESENT	NO. MEETINGS HELD	NO. MEETINGS ATTENDED
Dr. William Biggs, Board Member	Y	65	60
Dr. Eddy Sauer, Councilmember & Board Member	N	42	31
Howard Smith, Councilmember & Board Member	Y	42	39
Michael Haning, President	Y	33	33
Alfonso Zambrano, Vice President	Y	24	21
Jennifer Gallardo, Board Member	Y	4	4
Megan Zanchettin, Board Member	Y	1	1
EX-OFFICIO MEMBERS			
Jared Miller, City Manager	Y	46	30
Nancy Tanner, Potter County Judge	Y	19	14

Also in Attendance:

Andrew Freeman, Assistant City Manager
Laura Storrs, Assistant City Manager
Bryan McWilliams, City Attorney
William "Mick" McKamie, Interim Deputy City Attorney
Jerry Danforth, Director of Facilities and CIP
Stephanie Coggins, City Secretary

ITEM 1: *Call to Order.* President Haning called the meeting to order at 11:35 a.m.

ITEM 2: *Public Address.* President Haning stated that at this time the Board would invite comments from interested citizens on matters directly pertaining to policies, programs, or activities of the Amarillo Local Government Corporation. Mr. Dylan Patel and Mr. Dipak Patel, 46 Colonial Drive, Amarillo, Texas, spoke about the Embassy Suites being sold and their prior AAA status of the Four Diamond rating that was not upheld. He also questioned why Code Enforcement allowed it to be opened without that status. He stated that the Embassy Suites received benefits not given to other hotels in town due to the conventions that would come in, but no conventions have come. What benefits have come of this when the rest of the town is paying the Hotel Occupancy Tax that the rest of the hotels are having to pay that Embassy Suites is exempt from. The speakers shared that the Embassy is responsible to create a pathway from the Parking Garage, through the Embassy Suites hotel, to the Globe News Center and shared a map with the path highlighted. The speakers

shared that there is no signage declaring the path, and that the highlighted path is not reasonable for handicapped or senior individuals. The speakers shared that the City of Amarillo is shown as the owner of the first floor of the Embassy Suites Property Appraisal Card for 2021 and does not receive any revenues from activity on the first floor. There were no further comments.

ITEM 3: *Minutes.* Minutes of the regular meeting held on October 27, 2021 were presented. Motion was made by Mr. Zambrano to accept the minutes and seconded by Ms. Gallardo. The motion carried by a 6-0 vote.

ITEM 4: *Project Updates from City Staff or Project Representatives.* Mr. Danforth presented an update on the Parking Garage and upcoming automation improvements with SkiData. Mr. Danforth shared that staff is looking at new card readers with an option for “rebuilt” readers at a savings of approximately \$10,000. Staff is keeping a watch, and working with APD, to do random drive throughs to reduce homeless individuals from locating in the Parking Garage. There were some changes with Major League Baseball that will have impacts on what the City has to do at Hodgetown by the year 2024, such as creating locker rooms specifically for female umpires. The changes for Hodgetown are minimal compared to other venues, and staff doesn’t anticipate large costs. Staff will work with architects and a team over the next three months to address these needs. Dr. Biggs asked if the funds used for this are the amounts that have been set aside. Ms. Storrs explained the various funds available. President Haning asked if LGC should approach the team and ask to split costs since this is an unexpected change. Mr. Danforth stated that we are in a position talking with Elmore Sports Group about a five- and ten-year plan going forward. Mr. Freeman shared a performance update for Embassy Suites including a new handout in the packet. Their performance has met the requirements and staff does not anticipate a performance payment being needed.

ITEM 5: *Presentation of Quarterly Financials.* Ms. Storrs presented the unaudited financial statements for the year ended September 30, 2021. As of September 30, 2021, LGC held current assets of \$0.48 million and noncurrent assets of \$50.82 million, net of accumulated depreciation of \$7.16 million. LGC held \$2.29 in liabilities, for a net position of \$49.00 million as of September 30, 2021. For the fiscal year ended September 30, 2021, LGC revenues were \$1,115 and expenses were \$1.03 million, for a net loss of \$1.03 million. Parking Garage revenues for the year ended September 30, 2021 were \$0.38 million and total expenditures were \$1.05 million, for a net loss of \$0.66 million. The largest Parking Garage expenses were depreciation expense and a transfer to debt service. Ms. Storrs shared that the city is experiencing staffing shortages that have impacted expenses for the current year, and the city is working to help reduce these increased expenses going forward. For the fiscal year ended September 30, 2021, the Parking Garage Retail Space had total revenues of \$28,298 and total expenses of \$175,395, for a net loss of \$147,098. Ms. Storrs then presented a three-year history of Parking Garage revenue. For fiscal 2020/21, Parking Garage revenue for daily parking was \$205,504 and revenue for special events was \$66,472. Special event revenue is down compared to fiscal 2018/19 but anticipated to improve in the new fiscal year. Daily parking revenue is up slightly from 2019/20.

ITEM 6: *Discussion and Consideration of Amendment to the Lease and Development Agreement between LGC and Supreme Bright Amarillo II, LLC.* Mr. Freeman presented the item which will add transfer language necessary due to a change in the ownership/operating structure of the

Embassy Suites. This amendment also includes a revision to Section 3.62 of the Lease and Development Agreement to make CPI increases to the rent for parking spaces allowable with either paid parking meters or free short-term time limited parking. Currently the Lease Agreement only allows increases with paid parking meters. Mr. McKamie stated that this type of structure change was never anticipated, and he agreed with the amendments presented to address the change. Dr. Biggs stated that he's been happy with the new ownership and supports the item. Ms. Zanchettin asked for clarification on if there will be two parties now: owner and operator. Mr. Biggs confirmed this is correct. A motion was made to approve the amendment to the Lease by Dr. Biggs, seconded by Ms. Gallardo. The item carried by a 6-0 vote.

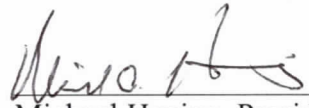
ITEM 7: *Discussion and Consideration of Assignment and Assumption of Lease and Development Agreement between LGC and Supreme Bright Amarillo II, LLC to Summit Hospitality 178, LLC.* This item was discussed as part of Item 6 above. President Haning asked if there were any further comments or questions, and there were none. A motion was made to transfer the lease by Mr. Zambrano, seconded by Dr. Biggs. The motion carried by a 6-0 vote.

ITEM 8: *Discussion and Consideration of Ground Lessor's Estoppel Certificate to Summit Hospitality 178, LLC and Summit Hotel TRS 178, LLC.* This item was discussed during ITEM 6, above. President Haning asked if there were any comments on the item. Mr. McWilliams shared that this item is needed due to the change in operating structure to adjust the transferee. A motion was made to accept the Estoppel Certificate, as presented by Dr. Biggs, seconded by Mr. Zambrano. The motion carried by a 6-0 vote.

ITEM 9: *Discussion – Future Agenda Items.* Ms. Storrs shared that the Investment Policy should be included on an upcoming agenda in January or February. Mr. Freeman stated that the agreement with Mr. Garrett for Retail Space will be coming up. Mr. Biggs shared that an item for the Retail Space to discuss requests for proposal/requests for qualifications would need to be considered in time to make any applicable changes. Mr. Biggs suggested that the LGC Board should discuss options related the future of the City's role in the Retail Space at a future meeting. President Haning concurred. Mr. McKamie stated that officers would need to be appointed at the next meeting.

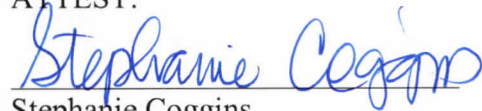
ITEM 10: *Announcement – Next Meeting Date.* President Haning stated that the next meeting date will be January 19, 2022.

There being no further business to conduct, President Haning adjourned the meeting at 12:29 p.m.



Michael Haning, President

ATTEST:



Stephanie Coggins
City Secretary