

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 2nd day of March 2022, 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
Howard Smith, Councilmember & Board Member	Y	43	40
Michael Haning, President	Y	34	34
Alfonso Zambrano, Vice President	Y	25	22
Jennifer Gallardo, Board Member	Y	5	5
Megan Zanchettin, Board Member	Y	2	2
Cole Stanley, Councilmember & Board Member	Y	1	1
Gary Jennings, Board Member	Y	1	1
EX-OFFICIO MEMBERS			
Jared Miller, City Manager	Y	47	31
Nancy Tanner, Potter County Judge	N	20	14

Also in Attendance:

Andrew Freeman, Assistant City Manager
Laura Storrs, Assistant City Manager
Bryan McWilliams, City Attorney
William "Mick" McKamie, Of Counsel
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. There were no comments.

ITEM 3: *Minutes.* Minutes of the regular meeting held on December 1, 2021 were presented. Motion was made by Mr. Zambrano to accept the minutes and seconded by Mr. Stanley. The motion carried by a 6-0 vote.

ITEM 4: *Project Updates from City Staff or Project Representatives.* Tony Ensor, Amarillo Professional Baseball, gave an update on Hodgetown. Hodgetown finished #1 in attendance in not only the Texas League (now AACentral) last year, but also #1 across the nation for AA. They

finished #12 across the nation for all minor league teams including AAA. 2022 will be the first “normal” Sod Poodle season in Amarillo. Playing a full XX game schedule kicking off in April – will not be impacted by major league challenges. Mr. Ensor explained how the farm system works from AAA to AA to high A to low A. A goal within the APB organization is to enhance the quality of life for the people in Amarillo and West Texas. Mr. Stanley requested some background from Mr. Ensor. Mr. Smith asked if a schedule was out yet, and Mr. Ensor stated it is on the website and pocket schedules would be printed and available soon.

Monica Pitt, General Manager, gave an update on Embassy Suites. The hotel has recently been through an ownership and management change. Embassy Suites is now owned by Aimbridge Hospitality This ownership has a lot of history experience, including two hotels in Amarillo. They have good ideas and opportunities to address some areas needing attention. The Embassy Suites is working with Mr. Danforth and his team to request some revisions to the parking garage contract. The industry is anticipating the best spring break on record. The performance guarantee that was in place expired in December, and Mr. Freeman directed the Board to a copy of this report in the agenda packet. Mr. Stanley asked if the tax rebate agreement was new, and staff confirmed that it was already in place. It is in year five of a twenty-year agreement. Mr. McKamie explained his role in the original process of the tax abatement agreement.

Mr. Danforth gave an update on the Parking Garage and Retail Space. He shared a video with the Board showing examples of patrons breaking parking garage equipment. Ms. Gallardo asked what the volume of repairs is. Mr. Danforth estimated gate problems are 3-4 times per month, increased during baseball season. Mr. Danforth shared we will be looking at some changes to Hodgetown by 2024 due to some MLB changes. Amarillo’s impact will be smaller than other facilities due to how Hodgetown was originally built. Mr. Ensor shared this resulted from the change of APB from and affiliate of MLB to a franchisee of APB. Mr. Stanley asked if it was tenant or landlord improvements. Mr. Ensor shared that it will be a combination of both. Mr. Danforth stated that any improvements would increase the value of the property – even tenant improvements, once attached to the property, will belong to the City. Mr. Stanley asked when this info would be provided to LGC, and Mr. Danforth stated staff was working on it and would bring something soon. Ms. Pitt mentioned the Hotel is interested and willing to help pay for is the ability for guests to have parking validated longer than a 24-hour period. We are having conversations with Civic Center to add functionality on Ticketmaster to let patrons buy their parking pass when they purchase event tickets.

ITEM 5: *Election of Officers of the Board of Directors.* Mr. Smith moved to reappoint Michael Haning as President and Mr. Zambrano seconded. The motion carried unanimously. Mr. Smith moved to reappoint Alfonso Zambrano for Vice President and Mr. Stanley seconded. The motion carried unanimously. Mr. Jennings moved to reappoint Laura Storrs as Treasurer and Stephanie Coggins as Secretary to the Board, and Mr. Smith seconded. The motion carried unanimously.

ITEM 6: *Discuss and Consider Appointment of Members to serve on Standing Committee.* Mr. McKamie explained the Executive Committee is made up of the President, Vice President and one other member of LGC. He explained that the Executive Committee meets upon a request from any member of the EC to meet. They take on special projects that need addressed timely – before an LGC meeting. Howard moved to keep the President and Vice President on the Executive Committee

and Mr. Stanley seconded. The motion passed unanimously. Mr. Smith moved to add Jennifer Gallardo to the Executive Committee and Mr. Jennings seconded. The motion passed unanimously.

ITEM 7: Presentation of Quarterly Financials. Ms. Storrs shared a quarterly update of financial statements as of December 31, 2021. Cash on hand for the quarter was \$502,000 and receivables of \$10,000, for total current assets of \$512,907. Noncurrent assets totaled \$50,390,000, for total assets of \$50,903,000. Liabilities totaled \$2,396,000, and net position totaled \$48,506,000. The income statement for the LGC operating account... For the Parking Garage, revenues for the quarter totaled \$76,000 and expenses totaled \$206,000, providing a net loss of \$130,000. For the retail space, revenues for the quarter totaled \$15,000 and expenses totaled \$44,000, for a net loss of \$29,000. Net losses are driven by depreciation on each of these statements. Mr. Stanley asked about how depreciation impacts the financials, and Ms. Storrs shared that depreciation is included per GASB and GAAP rules, but it is a non-cash item and has no impact on cash flows or revenues. Ms. Storrs presented a revenue history for the Parking Garage and discussed the first quarter activity. Ms. Storrs shared a cash flow report that has been shared with City Council. LGC may need to look at daily revenue rates and consider increasing them. This report models out options to increase. This model allows for some continued capacity and could get the LGCs cash flow to a level that can sustain the annual debt service amounts. Ms. Zanchettin confirmed what she is seeing – that 2021/22 is operating at a loss and the yellow columns propose an increase in rates to correct that. Ms. Storrs confirmed that is correct. Ms. Storrs shared that she is available to discuss this detail with individual members. Mr. Haning recommended we add an item on the next meeting agenda to discuss increasing the rates. There was consensus.

ITEM 8: Discussion and Possible Direction Related to Current Management Agreement and Listing Agreement. Rachel Shreffler, with Amarillo Retail, LLC/Coldwell Banker Commercial Amarillo, shared an update on the current status of the retail space. They are still working to lease out the space. Chairman Haning stated that we have a current management agreement with Bob Garrett, and LGC no longer needs this service. The listing agreement with Coldwell Bankers that expires next year and would be considered at that time. Staff is looking for direction from the Board on if we want to send notice to expire the management agreement. It will automatically renew if written notice is not provided. Mr. Stanley asked how much we pay monthly and for what services. Mr. Haning and Mr. McKamie explained the background. Mr. Stanley asked if anyone from LGC has considered asking Mr. Garrett if we want to continue paying him the \$2,500 per month. Mr. Haning explained the background, and Mr. Stanley asked if the group would be open to discuss and approach Mr. Garrett again to ask if he would be willing to forgo the final months of the management agreement. Mr. Zambrano stated that Mr. Stanley's questions have been discussed in previous meetings where the Board discussed how to go about eliminating the contract. He gave consensus that it would be a good idea to approach Mr. Garrett and ask for an early termination of agreement, with a waiver releasing any liability for amounts due. Mr. Smith contacted Mr. Garrett a few months ago based on his understanding that the LGC wanted to finish out the agreement. Mr. Stanley asked for clarification on the monthly payment to Mr. Garrett, and Mr. Freeman shared that is for the regular management of the retail space. Mr. McKamie gave a background of how the management agreement came about in 2017. The City did not have the responses to manage a facility that was half occupied, and therefore the LGC went out to negotiate an agreement for these services. Based on anticipated lessees, the management contract made sense at the time. Mr. Stanley stated both sides have shown good faith and he doesn't think it hurts to ask Mr. Garrett. Chairman Haning asked

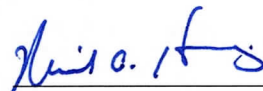
if anyone disagreed with this approach. Ms. Gallardo said she is neutral because everyone signed up not knowing what to expect, and therefore feels like the LGC should not ask. Mr. Smith concurred that we made a deal and should see it through to the end. Mr. Jennings gave consensus to honor the agreement. Ms. Shreffler brought up Mr. Garrett sending a letter pausing the agreement and extending it a year due to COVID-19. The Board decided not to accept that offer at the time. Mr. Zambrano provided direction that he sees no harm in asking Mr. Garrett the question. Mr. Haning shared consensus since this is the City we are dealing with. Mr. Stanley shared that we are just asking Mr. Garrett about fairness – we would respect his answer. Mr. Smith stated that we had a consensus to let it wind out, and he feels that to go back on that now would be wrong. Ms. Zanchettin asked if it is common practice for the City to go back and change things after agreements, and Mr. McKamie confirmed it is. Mr. Stanley moved the Executive Committee have a discussion with Mr. Garrett about the remaining fees. Mr. Zambrano seconded. The motion passed by a vote of 5- 2.

ITEM 9: *Executive Session.*

ITEM 10: *Discussion – Future Agenda Items.* Parking Garage agreement with Sod Poodles, Parking Garage rate discussion, Report from Executive Committee,

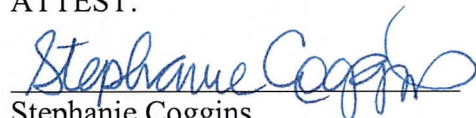
ITEM 11: *Next Meeting Date.* April 20, 2022

There being no further business to conduct, President Haning adjourned the meeting at 1:21 p.m. p.m.



Michael Haning, President

ATTEST:



Stephanie Coggins
City Secretary