

STATE OF TEXAS

**COUNTIES OF POTTER
AND RANDALL**

CITY OF AMARILLO

On the 10th of August 2022, the Heritage Hills Public Improvement District (PID) Advisory Board met at 11:30 AM in Room 208 on the second floor of the Jim Simms Building, 808 S. Buchanan, Amarillo, TX with the following people present:

VOTING MEMBERS	MEMBERS PRESENT	TOTAL NO. MEETINGS HELD SINCE APPOINTMENT	TOTAL NO. MEETINGS ATTENDED SINCE APPOINTMENT
Perry Williams	No	14	6
Seth Williams	No	14	12
James Bentley	Yes	14	13
Aaron Johnson	Yes	10	10
Tolk Persons	Yes	4	4

CITY OF AMARILLO STAFF:

Justin Oppel, City of Amarillo
Devin Jones, City of Amarillo

OTHERS IN ATTENDANCE:

Blair Snow-McCurdy, Finance
Magali Moralez, Finance

ITEM 1: Approval of the June 6, 2022, Heritage Hills Advisory Board minutes.

Tolk Persons moved to approve the minutes as Written. Aaron Johnson Seconded, the motion passed unanimously.

ITEM 2: Discuss and Consider for recommendation 2022/23 Budget and 5-Year Service Plan

There was some discussions on the actuals for the year, as well as the square footage of the PID itself. Aaron asked if they would be able to bid out the project once the budget was approved, listing the bond if they would be able to bid the project out relatively soon after. Blair stated that yes, once council approved their budget, they would be able to put it out to bid. There was some discussion on where to raise the budgeted amount to equate for the extended amount of public greenspace being brought on with the current phase. Tolk asked if the Admin Fee was fixed. Blair explained that they had a new program that would help them calculate that cost, however it was not ready yet, so they had kept admin fees the same as the year previously.

With no further changes, Aaron motioned to approve the revised budget, and Tolk seconded. The budget was approved unanimously.

ITEM 3: Discuss Phase 3 of landscape improvements

James stated that he provided essentially the bid packet that they would be handing over to the city. So everything was finalized and ready for the board's approval. He stated that they adjusted for all the issues they had with Phase II as far as the different spray heads and the backflow preventers, and they considered the bores and flatwork for the ADA ramps and made it more obvious in their paperwork that those were proposed and not existing. James explained that it went from the current phase, West on Heritage Hills Parkway, and then North all the way to Arden on Tradition. He stated that this was a comparable size, but a higher cost. There would be a sign in this packet. Tolk asked if it would be the same as the existing sign. James answered that yes it would be, and it would also be in the proposed roundabout, just like the existing one. James also showed the lighting plan that would be in the next phase. He stated that a roundabout estimate for the lighting would be around \$128,000. Aaron asked if this estimate included the updating of Legacy. James stated that it looked like just for the proposed Phase III. Tolk asked if they were still including the extension of the Northern part of Legacy with this proposal. James stated they may have spoken about it previously, however he knew there were some other areas that were going to be developed later, so it was a question of if they wanted to bite it all off in one chunk with the budget, or if they wanted to spread it out. He also stated that there were some areas around Heritage Hills 15, and some maintenance on the area between the fences. Tolk asked if city staff had any guidance on issuing a revenue bond so that they wouldn't have to delay construction for another year to collect assessments. Leslie stated that City Council awarded bonds once a year, usually around May. Aaron stated that what he thought had been said before was that they started talking about bonds around this time of year, and then that would be ready to propose towards the first of the year and issued after. He asked if they wouldn't know if they had been issued a bond until May. Leslie stated that our CFO Laura Storrs would decide whether they would recommend to council that they award the bond, and council would vote after that. She stated that they wouldn't for sure have the bond until City Council had approved it. Tolk asked if they expanded the scope of phase 3, would be able to start based on projected assessments. Leslie explained they would have to go by what their annual budget stated, because the bond is not for sure.

Aaron asked if James knew a full cost associated with these improvements. James stated that he did not get a price per square foot on what they'd done on the last Phase, but he stated Phase II was around \$558,000 and this Phase would be more involved. It was concluded that with current budget, they would be unable to start on Phase III within the next fiscal year. Aaron asked when they had to pay for the improvements, when it was complete, or prior to the start of work. He stated that Phase I was not paid for several months after completion. Leslie stated that these questions really needed to be answered by Laura Storrs or Blair Snow. Blair was on her way, and when she arrived, she went over the bond process with the board. Blair explained that the city did not issue revenue bonds for anything less than \$1 million, however, there was a PID already requesting bond issuance, so they would be able to lump in whatever cost they needed into the same bond. She also stated that since the project was ready, they would simply show however much they were requesting for the bond, and they would start calculating the payments for the bond for the following year. Aaron asked if they should request more than the cost for Phase III, and when the next phase would be ready. James stated that the hope was one a year if they could get the funding and planning paperwork together. Blair stated that they can plan for future bond issuance in their 5 year service plan. Blair stated that it was better to aim high for their debt issuance in order to make certain that they had the full funds for the project. Tolk asked James for his best estimate of cost for the project with the changes discussed prior. James stated that to give themselves some breathing room, he'd assume \$1.25 million. There was some further discussion on cost, and James suggested more if they were looking at doing both Phase III and IV. Tolk stated

that he felt it was best to only borrow money for Phase III and the extension of Legacy, as those things were essentially ready to break ground, however, Phase IV might be a year or longer down the line, and he felt like paying for money they don't need right now was not the move they needed to make. James asked if it was possible to come back and budget for more if necessary, and Blair stated that a budget amendment could be made. Aaron stated that surely it shouldn't need to go above \$1.25 as that was doubling what was spent on the last phase.

ITEM 4: Discuss ongoing PID operations and maintenance.

Tolk said he knew that they had talked about the landscape maintenance issues for several meetings and stated that he understood that there were some issues in communication with the contract on that. He asked what their options were for either enforcing compliance with the contract, or what their options were for being able to reissue that bid in a timely manner. He stated that their living landscape was not being taken care of, and it was only going to get worse until it gets tended to. Justin stated that there were a few options available. He stated that typically the contractor will do the work, and then send the invoice in, which W Real Estate, in this case, and once they sign off on the invoice and approve it, that's when the city approves payment. Justin stated that about a month ago, the City realized that they did not have a contract with W Real Estate, or with The Landscape Company. He stated that he spoke to Kolten Wilder, asking for a copy of their contract, and has not received that from him, and for both of these companies, payment has been stopped.

Aaron stated that at the end of the day, the landscape was not being tended to, and they would need to put it out for bid anyway. Tolk asked if there was any form of emergency procedure that they could undergo in order to keep the ultimate cost from getting higher in the meantime. Leslie stated that no, there was not an option for this. Tolk asked who came up with the specifications and what needed to be done. Justin explained that several of the other PIDs use a third party to come up with the specs of what needs to be done.

There was some discussion on getting the developer's architect to develop the specs, as well as clarification from James that The Landscape Company was subcontracted through W Real Estate. Aaron stated that regardless, W Real Estate was responsible for making sure everything was watered and taken care of. Tolk asked for examples of PID Specs, and asked to look back and see if there was original bids for W Real Estate. James stated that there would be no contract for the landscape maintenance because it wasn't required since it was subcontracted.

ITEM 5: Discuss future agenda items.

The board requested Phase III on the agenda for the next meeting, as well as discussion on the landscape maintenance.

ITEM 6: Adjourn Meeting

With no further business to discuss, the meeting was adjourned.