

STATE OF TEXAS §
COUNTIES OF POTTER §
AND RANDALL §
CITY OF AMARILLO §

On the 8th day of December 2022, the Center City Tax Increment Reinvestment Zone No. 1 Board met in a scheduled meeting at 12:00PM, in Room 306 of City Hall, at 601 South Buchanan Street, Amarillo, Texas with the following members present:

| Voting Members | Present | Meetings Held | Meetings Attended |
|--|---------|---------------|-------------------|
| Dean Frigo, Chairman, Amarillo Hospital District | No | 31 | 26 |
| Austin Sharp, City of Amarillo | No | 27 | 13 |
| Dr. David Woodburn, Amarillo College | No | 11 | 7 |
| Gary Jennings | Yes | 5 | 5 |
| Dick Ford, Amarillo Independent School District | Yes | 8 | 8 |
| Kimberly Warminski, Panhandle Groundwater Conservation Dist. | Yes | 35 | 31 |
| Jackson Latimer, Potter County | Yes | 7 | 7 |
| John Coffee, Potter County | Yes | 7 | 7 |
| H.R. Kelly, Potter County | Yes | 16 | 14 |
| Joseph Peterson, Jr., City of Amarillo | Yes | 36 | 33 |

Staff Present:

- Cris Valverde, Director of Planning
- Emily Koller, Assistant Director of Planning
- Cody Balzen, Economic Development Specialist
- Andrew Freeman, Assistant City Manager
- Jared Miller, City Manager
- Bryan McWilliams, City Attorney
- Laura Storrs, Assistant City Manager
- Blair Snow, Assistant Director of Finance
- Andreanna Jarrett, Recording Secretary

ITEM 1. Call to Order.

Chairman pro tem Joseph Peterson opened the meeting at 12:09 PM, established a quorum, and conducted the consideration of the following items listed below.

ITEM 2. Public Address

Joseph Peterson inquired if anyone in the audience wished to speak for Public Address.

No comment was made.

ITEM 3. Minutes.

Joseph Peterson asked for corrections, deletions, or changes to the minutes of October 26th, 2022.

A motion was made by H.R. Kelly and seconded by John Coffee, to approve the minutes as submitted.

The motion passed unanimously.

ITEM 4. Presentation of the TIRZ#1 Quarterly Financial Report Ending September 30th, 2022.

Laura Storrs, Assistant City Manager, presented the above item starting with the Statement of Net Position. The assets held by the TIRZ included \$1,099,424 in cash and cash equivalents, \$325 in accrued interest, \$1,500,000 in investments, and \$2,081,338 in loan receivable from LGC. This brings the total assets to \$4,681,087. The Current Liabilities include an accrued interest payable of \$10,844 and the current portion of the loan from the city of \$67,578. Noncurrent Liabilities of the loan from the city was \$1,114,666. This brings the total liabilities to \$1,193,088. This puts the TIRZ#1 net position at \$3,487,999.

Ms. Storrs continued to present the Statement of Activities. The actual total revenue for the year was \$1,632,893. Total operating expenditures for the year was \$769,440. Ms. Storrs stated that these expenditures added to the commitments from previous years comes to a total of \$969,440, creating an excess revenue for the year of \$663,453. This added to the net position at the beginning of the year of \$2,824,546 brings the net position at the end of the quarter to \$3,487,999. Ms. Storrs then went over the project commitments, stating that the remaining commitment amount was \$1,120,100.

Ms. Storrs asked if there were any questions.

Joseph Peterson asked about the \$10,000 commitment remaining for 5 years and if this was the first year.

Ms. Storrs stated that the agreement is with First Bank Southwest for \$10,000 per year for 5 years, and this is the first year. Each remaining year, staff are going to put \$10,000 into this budget line.

Mr. Peterson asked if this reoccurring commitment could be noted in the budget some way.

Gary Jennings asked about the \$50,000 for the Pergola Shop

Andrew Freeman stated that it was a part of the Streetscape Project that is only paid when the project is complete.

John Coffee stated he would like an update on outstanding projects.

Mr. Freeman stated Sharpened Iron Studios doesn't have permits anymore as the previous ones expired, and he will get an update on the Gateway Arches from the Engineering Department. The Pergola shop is still exploring options for designs along 10th Avenue due to a lack of right of way space able to be used for pedestrian infrastructure.

Mr. Coffee asked about the probability of all these projects being funded next year and if there would be any issues with paying the commitments if they were.

Ms. Storrs and Mr. Freeman both explained that the “investments” funds can be moved around and utilized when needed so no issue should occur if this was to happen.

H.R Kelly asked if there were any other upcoming commitments.

Mr. Freeman stated that the \$120,000 for the First Responders Memorial project will be added once City Council approves the agreement. Most of this is already covered by the community projects line on the budget, but an amendment will need to be done to cover the rest.

Beth Duke explained how her team chooses what projects to help fund with the money granted to her program by the TIRZ.

Joseph Peterson asked if there were any other questions.

No other comments were made.

ITEM 5. Discussion Regarding Current TIRZ#1 Loan Agreement with the City of Amarillo and the Amarillo Local Government Corporation.

Andrew Freeman, Assistant City Manager, presented the above item. Mr. Freeman stated the Amarillo Local Government Corporation (LGC) has been evaluating the parking garage retail space and what they can do to get it leased out. It has been mentioned in prior meetings that there was a possibility they would not pay their loan back to the TIRZ. This was a LGC, City, and TIRZS partnership to get this project off the ground. LGC’s main priority was the parking garage. TIRZ was bought in concerning the retail space because that was a goal of the Downtown TIRZ. An option for the TIRZ board to consider is granting that funding amount to LGC through the forgiveness of the loan. If granted, it would no longer be a loan but a grant of money with no expectation of repayment. This way the LGC could get it off their books, which can give them the flexibility to adjust rent rates, still meet debt service numbers, and potentially get those open spaces leased out. The original loan amount was \$1,687,000. Mr. Freeman asked if this might be something the board would want to consider.

Kimberly Warminski inquired if the lack of interest in the spaces was from the amount of the rent or just lack of demand.

Mr. Freeman stated that it is a little of both, but if rent was lowered, it could help.

Joseph Peterson asked if staff has run any numbers on full or partial loan forgiveness.

Laura Storrs stated that it would not affect any of the cash flow portion of the annual revenues in the TIRZ budget since the loan had been kept separate from these numbers and LGC has not made any payments on the loan.

Mr. Freeman stated that with full forgiveness, the Loan Receivable from LGC would basically be scratched off the budget. The TIRZ would still make their annual payments of \$137,250 to the city, toward the \$1,114,666 remainder of the loan from the city to the TIRZ for use toward this LGC project. The hope would be that in forgiving the loan, LGC could get the spaces rented, and with them rented, TIRZ would see some increase in the annual tax collections portion of the budget revenues.

John Coffee expressed concerns that this loan to LGC was made with no expectations of being repaid.

Dick Ford expressed concerns that TIRZ would still owe payments to the city even if forgiving the loan to the LGC. He has concerns that what has been done and what is being requested is not being made clear enough to the taxpayers who paid for this. Mr. Ford might be in favor for loan forgiveness if the city forgave the loan to the TIRZ or assign the loans so that TIRZ is removed completely. This might be clearer from a disclosure standpoint.

Ms. Storrs and Mr. Freeman stated they were not sure if the city could consider forgiveness of the loan to the TIRZ.

Mr. Peterson stated that if this loan forgiveness was looked at as an incentive similar to what they have provided other businesses in the zone, this would be one of the biggest, if not the biggest, incentive the board has ever considered. Something to consider might be, in relation to the incentives given to other projects, does this size incentive fit with the size of the project.

Jared Miller, Amarillo City Manager, stated that something to keep in mind is what has occurred since this project was initiated. One such thing being the COVID pandemic.

Mr. Ford asked if there has been a change to the lease limitation that the spaces be leased out to retail uses only.

Mr. Freeman identified that this limitation has changed and that uses such as offices would be allowed there.

Mr. Coffee inquired about the rent rates of these spaces.

Ms. Storrs stated that these spaces had been listed at \$20 per square foot, but recently have been reduced to \$14 or \$15 per square foot to see if they could get any interest. With forgiveness of the loan, LGC could lower this rate to around \$10 per square foot, which would hopefully help the numbers for any potential businesses.

Mr. Ford stated concerns with potentially relocating existing businesses.

It was identified that staff should bring back an item with different options, amounts of loan forgiveness, and what each might do to help with leasing.

ITEM 6. Update and Discussion on Next Steps for the Downtown Wayfinding Project

Emily Koller, Assistant Director of Planning, presented the above item. Ms. Koller stated that the board had previously discussed having staff bring back different options for the project and a potential interim solution for the project. Ms. Koller stated she worked with Beth Duke from Center City and Braley Beck from the Amarillo Convention and Visitors Bureau to come up with some design options. An interim design the board had been interested in during a previous meeting was a simple map sign that would bolt onto pedestrian light poles. It was estimated that these would cost \$40 each and include a map and QR code. A slight issue was identified that this design was shown on a light pole with a single banner, but Amarillo's downtown pedestrian light poles have two banners. Taking this into consideration, Beth has come up with a potential option for us.

Beth Duke from Center City presented the interim design idea of utilizing one of the banners on these pedestrian light poles to display the map and QR code. This would be an inexpensive interim plan for downtown wayfinding and could utilize local vendors as is currently being done with the existing banners.

John Coffee asked if this would be done instead of the marker on the ground.

Ms. Duke stated yes for an interim solution that would need no additional hardware.

Joseph Peterson asked if one side would be wayfinding and the other side Center City.

Ms. Duke confirmed that was correct.

Gary Jennings asked how long this is going to be our transitional wayfinding.

Ms. Duke stated that it would be until we all could come together and figure out a solution that is viable. This could be something that can compliment future wayfinding as well, and if we all agree on the local landmarks and design, we could get it out by February.

Kimberly Warminski stated that she thinks the interim solution is a good idea since the board seems to be starting over of the full wayfinding design.

Ms. Koller stated that this was not an action item, but staff will take direction from the board on the next steps to move forward.

The board stated that they like the idea, and that staff should move forward with the design presented.

ITEM 7. Update and Discussion on Potential TIRZ#1 Food Truck Park Project.

Cody Balzen, Economic Development Specialist, presented the above item. Mr. Balzen stated he went through the TIRZ#1 Policy and Procedures document, the TIRZ#1 Project and Financing Plan, and the Texas Tax Code to see if the TIRZ has the ability to fund a Food Truck Park. Texas Tax Code does allow for funding of this type of project. There could be a possible amendment needed to the Project and Financing Plan due to unspecific wording, but the TIRZ#1 documents do indicate an ability to pursue such a project.

Emily Koller presented a video on an award-winning urban park in Mesquite, Texas, which was funded through their TIRZ. It has a similar concept to what might work well here.

Andrew Freeman stated this is an alley with parking that has all the infrastructure to hold events.

Ms. Koller stated that it had been discussed that the Santa Fe Depot would be a potential option for this type of project since there isn't really an area downtown with a large amount of space for this idea with lots of green space and amenities with somewhere to hang out. She also stated that as we discuss this food truck park idea, we should be thinking about this as an overall urban park that can provide some food truck stalls since the plans talk more toward this type of public space.

Beth Duke stated that the Santa Fe Depot is well situated. Center City has tried to have several events at the Santa Fe Depot, but the main problems were no shade, no green space, and a lack of infrastructure for events, such as water.

Jared Miller spoke on what the new Santa Fe Depot Pavilion might bring to the area.

Mr. Peterson asked about how the TIRZ could move forward with this idea.

Mr. Freeman stated that staff could bring the board some options.

Mr. Peterson confirmed a consensus from the board for staff to go forth with the idea.

ITEM 8. Discuss Items for Future Agendas

Joseph Peterson asked if there were any items for future agendas.

Cody Balzen stated that staff will bring back an item next meeting for the appointment of a Vice Chairman.

Gary Jennings stated that a project he is working on downtown may be brought to the board later.

No other comments were made for future agenda items.

ITEM 9. Adjourn

There being no further items before the Board, the meeting adjourned at 1:19 PM. All remarks are recorded and are on file in the City Manager's Office.

Handwritten signature of Cris Valverde in black ink.

Cris Valverde
Director of Planning and Development Services