

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

On the 5th day of May 2022, the Center City Tax Increment Reinvestment Zone No. 1 Board met in a regularly 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	Yes	28	24
Austin Sharp, City of Amarillo	No	24	13
Dr. David Woodburn, Amarillo College	Yes	8	6
Gary Jennings	Yes	2	2
Dick Ford, Amarillo Independent School District	Yes	5	5
Kimberly Warminski, Panhandle Groundwater Conservation Dist.	Yes	32	28
Jackson Latimer, Potter County	Yes	4	4
John Coffee, Potter County	Yes	4	4
H.R. Kelly, Potter County	Yes	13	11
Joseph Peterson, Jr., City of Amarillo	No	33	30

Staff Present:

Emily Koller, Assistant Director of Planning
Cody Balzen, Economic Development Specialist
Andrew Freeman, Assistant City Manager
Bryan McWilliam, City Attorney
Laura Storrs, Assistant City Manager,
Andreanna Jarrett, Recording Secretary

ITEM 1. Call to Order.

Chairman Frigo opened the meeting at 12:03 PM, established a quorum and conducted the consideration of the following items listed below.

ITEM 2. Public Address

Chairman Frigo inquired if anyone in the audience wished to speak for Public Address.

No comments were made.

ITEM 3. Minutes.

Chairman Frigo asked for corrections, deletions, or changes to the minutes of February 10, 2022.

A motion was made by H.R. Kelly, seconded by Jackson Latimer, to approve the minutes as submitted.

The motion passed unanimously.

ITEM 4. Receive and Accept the TIRZ #1 September 30, 2021 Audit

Katrina Owens presented the above item. Ms. Owens started with the required communications letter for any difficulties encountered in the audit, audit adjustments, or any findings outside of the scope of the internal control finding. There were no such matters to report. Next the "Internal Control Over Financial Reporting" was presented. If any significant deficiencies or material weakness in internal control were identified, they would have been presented here. There were no such matters identified.

Ms. Owens then presented the financial statement. TIRZ #1 received an unmodified opinion, which is what you would want to have. This means your financial statements are materially correct and in compliance. Ms. Owens went over the MD&A which is prepared and provided by management. This provides a quick summary of historic and economic information as well as financial highlights for the year. Chairman Frigo pointed out the significant increase in value for the zone.

Ms. Owens then presented the Financial Statement which shows \$4 million in total assets, an increase of \$651,000 from the prior year. Some of this comes from cash, cash equivalence, and investment. That category increased \$192,000. Current liabilities were relatively flat at \$1.2 million with an increase of \$83,000 for the year. Then for net position, debt service was at \$1.2 million, unrestricted was at \$1.5 million, totaling \$2.8 million which was an increase of \$734,000 for the year. Ms. Owens presented the statement of activities. The total revenues were \$1.5 million, a \$42,000 increase from the prior year. Expenditures were \$802,000, a \$127,000 decrease. Expenditures were lower for this year than prior years. This left revenues over expenditures at \$734,000, which was an increase of \$169,000 from prior year.

Next, Ms. Owens went over the footnotes that had significance to the board. The first being the note receivable with LGC, which at year end was \$1.6 million with \$276,000 in interest. The loan with the city has a principle of \$1.2 million, an interest of \$375,000, leaving an outstanding balance of \$1.6 million. For tax abatement, grants, and commitments, the TIRZ had \$50,000 in incentive payments and \$560,000 in property tax rebates. The last footnote pointed out by Ms. Owens is the subsequent events footnote on page 36. The covid note is still in the report from the prior year as best practice. In October TIRZ#1 had \$50,000 approved for the Happy State Bank streetscape and parking project and \$125,000 for the wayfinding project. In December there were two incentive agreements that were transferred; Amarillo Hospitality, LLC transferred to Summit Hospitality 177, LLC, and Supreme Bright Amarillo II, LLC transferred to Summit Hospitality 178, LLC.

Ms. Owens asked if anyone had any questions over the financials.

Chairman Dean Frigo asked if on page 38 the 'investment earnings' were from the 'note receivable' footnotes.

Ms. Owens stated that is correct.

Chairman Dean Frigo asked if anyone had any questions on the audit.

No other questions were asked.

A motion was made by John Coffee and seconded by David Woodburn for the acceptance of the TIRZ#1 September 30, 2021 audit.

The motion passed unanimously.

ITEM 5. Discuss and Consider Updates to the Center City TIRZ #1 Final Project and Financing Plan

Andrew Freeman, Assistant City Manager presented the above item. Mr. Freeman stated that there is a minor update to the plan but doesn't affect the TIRZ in any of its financing. It is a mechanism for City Council to have flexibility in the Civic Center discussions. The City hired Garfield Public Private to study financial feasibility and private financing options and are now wrapping up their report. One of their suggestions was to include it in the downtown TIRZ plan so the City can qualify for different financial options. It is proposed to add a bullet point on page 21 of the plan that states, "Expansion and renovation, including the addition of an arena to the Amarillo Civic Center Complex, as well as improvements to the Amarillo Santa Fe Depot Property. It is not anticipated for the costs of these public improvements to be financed with TIRZ revenues." Also proposed in the update is to clarify that the total estimated cost of the initiatives intended to be financed by the TIRZ revenues is still the same amount at \$34 million net present value or \$1.2 million gross. The Downtown Amarillo Strategic action plan was updated in 2019 with similar language for the Civic Center complex, because when the zone was first established in 2006 and then the Strategic action plan adopted in 2008, the Civic Center hadn't been studied yet.

Chairman Dean Frigo asked if this board could help finance this project.

Mr. Freeman stated yes, the board could, but the intention of the updated language is that the Board would not finance this project. There may be a way to participate, such as streetscape improvements, but that is not specifically called for in the finance plan. The change is more about allowing the City Council flexibility in how they can fund a project within the context of state law changes.

Dick Ford asked being in a TIRZ zone they can fund it without issuing bonds.

Mr. Freeman stated that this could be done now, but the project being in the plan makes it more flexible to issue bonds.

John Coffee asked if this conflicts with what was presented to voters.

Mr. Freeman stated it doesn't. It is really the same conversation. The vote went to the bond election, and it didn't pass. What came out of that is that City Council hired Garfield Public Private to evaluate ways to phase the project, find private financing for the project, and different ways to lower that \$300 million cost. The expectation was that those recommendations would either be brought back to the voters or there would be alternative means recommended for financing the project.

Chairman Dean Frigo asked if financing streetscaping was the only thing that the TIRZ could participate in for the project.

Mr. Freeman stated he believed that would be the only capacity the TIRZ might participate, and that it could just be in the form of a grant for streetscape improvements if they wanted to.

John Coffee asked if this could open a door for a grant for the Civic Center.

Mr. Freeman stated it could. This update would at least help qualify them for a grant since, but as of now, it is not in the plan so technically they couldn't. This plan has been amended before. The parking garage language was amended to include retail.

Mr. Coffee asked if this had any conflict with the fairgrounds project, and if they are trying to do the

same thing as the fairground.

Mr. Freeman stated that there is no conflict. They have similar goals and objectives but no conflict between them. They would coordinate and collaborate together as far as the different types of events that they could bring in, and hopefully they would complement each other to help bring in bigger things to Amarillo.

Jackson Latimer asked if this effects the TIRZ boundary.

Mr. Freeman stated no, it does not change the boundary or terms.

Mr. Coffee asked if the fairgrounds are in a TIRZ zone.

Mr. Freeman stated no, it is just outside of the East Gateway TIRZ.

Mr. Coffee stated he didn't want to see citizens upset thinking money was wasted in two similar complexes. He wants to make sure we are going in the right direction.

Mr. Freeman stated that he thinks we are headed in the right direction. Both projects need help and are on similar paths. The language update would just allow City Council flexibility to at least address the Civic Center Complex.

Laura Storrs stated that she met with the president of Tri-State board and the general manager this morning, and they talked through some of those funding questions. They are getting together as much information as they can to move the project forward, and she hasn't heard anything in regard to conflict with both complexes.

Gary Jennings asked if Garfield was the same company that helped Lubbock with the Buddy Holly Center.

Mr. Freeman responded yes, and they are helping with Lubbock's fairground projects as well for their county.

Mr. Latimer stated that the language sounds very specific and asked why they would not expand it.

Mr. Freeman stated that it is based off the needs assessment from the Garfield report as far as the menu of project that could be used in the future, and that is also why it calls out the Santa Fe building separately because it isn't a part of the Civic Center complex.

H.R. Kelley asked if he had a figure that they have come up with.

Mr. Freeman stated City Council is working towards that.

Chairman Frigo wanted to make sure this language didn't limit it, and that they could do any expansion and renovation at the Civic Center including the arena.

Bryan McWilliams stated that is correct.

Chairman Frigo asked if there were any more questions.

No other questions or comments were made.

A motion to approve the update to the plan as presented was made by Jackson Latimer and

seconded by Kimberly Warminski.

The motion passed unanimously.

ITEM 6. Update on TIRZ #1 Projects

Emily Koller, Assistant Director of Planning presented the TIRZ #1 project updates. The first being the Wayfinding project. Ms. Koller stated there has been some setbacks due to signage materials being delayed until September. They have requested an extension to the contract for more time. They do have a prototype that will be put up on 8th and Pierce, but it will be in the Fall before we see the other signs.

HR Kelly asked if locations have already been designated.

Ms. Koller explained that locations have already been identified, and site plan and engineering work has already been done.

Chairman Frigo asked about the timeline for the sign at 8th and Pierce.

Ms. Koller stated they expected it to be installed around mid-June.

Gary Jennings asked what was near 8th and Pierce to better visualize where the prototype is going.

Mr. Freeman stated it will be to the west, across the street, of the Xcel parking garage.

Mr. Freeman asked if this was a permanent location or a practice location.

Ms. Koller stated this is a permanent site for the sign.

Chairman Frigo asked if this was for pedestrians and people driving.

Ms. Koller stated that yes, it has large lettering to help with driver wayfinding, and on the back, it has a map of attractions and amenities for pedestrians to engage with.

Chairman Frigo asked if there were any other questions.

John Coffee asked if there was a way the sign could be updated.

Ms. Koller stated that the design provides for pieces to slide in and out to be updated easily. There might also be the possibility of doing temporary signage for events as well.

Mr. Kelly asked if there was any lock to prevent vandalism.

Ms. Koller stated that the pieces have a mechanism to lock them in and that the material is durable to hold up to any graffiti also. There is also a 7-year workmanship warrantee on the signs.

No comments were made.

Andrew Freeman, Assistant City Manager presented the Community Development Housing Study. The study was completed last month and presented to City Council and the Realtors' Association for which TIRZ and AEDC was invited to. It is posted online with a video of the City Council presentation if anyone wants to look into that. There is a lot of good information on this subject that

will help us move forward on housing. The study did a downtown study on rental housing, and we could support some smaller, 50 unit or less, complexes in the \$1200-\$1500 range, as well as opportunities around Texas A&M for smaller, efficiency type units around the \$1000-\$1250 range. It also stated 50-80 units could be supported annually over time. According to the study there is a market for downtown "for sale" housing around 10-15 units, priced around the \$300k-\$400k range, which could be condos, detached town homes, or tiny homes particularly to the west or southeast of main downtown.

Chairman Frigo asked if they were going to develop a plan.

Mr. Freeman stated yes, there are multiple things that we can work on, such as zoning, and improving the development process to speed up review. Some of the changes presented in the proposed Zoning Code update would also help with this development as well.

Chairman Frigo ask Ms. Koller what our goal on downtown housing was.

Ms. Koller stated that the goal is to have 2100 new residential units over the 30-year time zone, 600 within the first 7 years, and right now we have about 280.

Mr. Freeman stated that the hope is this housing report will help identify this need downtown and direct more development of residential units for the area. There has been a local developer that is in contact with the city for the development of some units that fit our downtown needs, and this study helps identify what type of housing and how much rent should be for the area.

Ms. Koller stated she went to a seminar in Lubbock at which they spoke on the 3% rule. The "rule" identifies where best practices show that 3% of the town's population should be able to live downtown. In Amarillo that would be about 6000 and the 2100 units would be in agreement with that.

Mr. Coffee asked if the units at the old firestone building are doing well and if they buy and rent or just rent.

Mr. Freeman stated that the units stay pretty full and identified that this is owned by board member Gary Jennings.

Mr. Jennings stated that when dealing with tax credits the units have to be rentable space for 5 years, and the 5 years will be up this December. They will then have more flexibility on what they can do with the property and the ability to be able to sell the units.

The board had an open discussion on identifying most of the residential lease spaces in the downtown area.

Mr. Jennings stated that he is working with Greg Bliss on a plan for a property near SW 10th and Van Buren for some urban living, mixed use type of development with a market grocery store.

Mr. Coffee asked if the relocation of the bus terminal out of downtown would help with downtown development.

Mr. Jennings stated he thinks it will, and that the general trend of development downtown in positive.

Mr. Jennings stated that if his development gets closer to fruition in the future then he might approach TIRZ for some help.

No other comments or questions were made.

ITEM 7. Discuss Items for Future Agendas

Chairman Dean Frigo asked if anyone had any items for future agendas.

Mr. Freeman stated that budget will be coming up soon.

Dick Ford asked if there were any projects coming to them soon for consideration of incentives.

Mr. Freeman stated that there was nothing on the radar yet.

There was discussion about having the next meeting in the Simms building to see the new wayfinding sign when it is built.

John Coffee wanted an update on the Santa Fe building.

It was agreed that the June 9th meeting will be held at the Simms Building if the wayfinding sign is built in time.

No other items were discussed.

ITEM 8. Adjourn.

There being no further items before the Board, the meeting adjourned at 12:47 PM. All remarks are recorded and are on file in the City Manager's Office.

A handwritten signature in dark ink, appearing to read "CRIS VALVERDE" followed by a stylized flourish.

Cris Valverde
Director of Planning and Development Services