

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 25th day of May 2022, the Amarillo Local Government Corporation (LGC) Board of Directors met at 11:35 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	44	41
Michael Haning, President	Y	35	35
Alfonso Zambrano, Vice President	Y	26	23
Jennifer Gallardo, Board Member	Y	6	6
Megan Zanchettin, Board Member	Y	3	3
Cole Stanley, Councilmember & Board Member	Y	2	2
Gary Jennings, Board Member	N	2	1
EX-OFFICIO MEMBERS			
Jared Miller, City Manager	Y	48	31
Nancy Tanner, Potter County Judge	Y	21	16

Also in Attendance:

Andrew Freeman, Assistant City Manager
Laura Storrs, Assistant City Manager
Bryan McWilliams, City Attorney
Jerry Danforth, Director of Facilities and CIP
Stephanie Coggins, City Secretary

Also in Attendance by telephone:

William "Mick" McKamie, Of Counsel

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 March 2, 2022 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.* Jerry Danforth shared an update on Parking Garage. Traffic is picking up, but staffing remains a challenge. We are hiring some temporary staff and should have them starting soon. There is a lot of training involved with new employees, so permanent staff is preferred. The city has been working with Tony Ensor about what MLB will require of the Sod Poodles/HODGETOWN in the future. MLB will be in town next week to do a final audit and ensure we meet the standards of MLB. We will know and be able to address any deficiencies to the MLB standards. We will also look at what's working and any additional scope that may be added. We have requested that MLB give something in writing that says once we meet these items from the audit that we will be considered good. Mr. Hanning asked about the maintenance capital fund. Ms. Storrs shared that we have a lease agreement, and a portion of these payments go into a capital maintenance and lease account. The City then works with the Sod Poodles to identify the expenses needed to be reimbursed from it.

Tony Ensor, Amarillo Professional Baseball, gave an update on Hodgetown. Everything is going great with the Sod Poodles. The season has been going great. Sod Poodles have the number one minor league offense team in the country. Sod Poodles have just taken over as number one in attendance in all of the Texas League. We are in a very good place with the new MLB standards because Hodgetown was a good facility when built. There are some teams that will have to build new to meet the standards which are all focused on better accommodating the teams' players and staffs. There will be playoffs this season after a year off due to COVID-19. Sod Poodles are the number 2 season ticket seller of all minor league baseball teams in the nation. Amarillo College graduation filled Hodgetown up twice. Sod Poodles are doing more off-date and corporate events than any prior year. Mr. Zambrano asked about the new Amarillo College (AC) baseball team playing at Hodgetown. Mr. Ensor shared that AC will pay a fee to play at Hodgetown, but there will be little conflict between AC games and Sod Poodle games. With this partnership, Sod Poodles can raise the level of Amarillo College's recruitment of young athletes to Amarillo.

Chairman Haning discussed the retail space conversation with Bob Garrett who agreed to release the LGC from the last two months of the agreement for the retail space. We still hold the listing agreement through the end of next year.

ITEM 5: *Receive and Accept the LGC September 30, 2021 Audit.* Katrina Vernon, with CMMS, presented the draft financial audit, including the required communications letter, the report on internal controls, and the draft financials. Ms. Vernon stated there were not required communications in the first letter that needed to be given. There were no concerns with internal controls. LGC received a clean opinion which means there were no ... Total assets ended the year at \$51.3 million, total liabilities at \$2.4 million, and net position of \$48.9 million. This is a decrease in net position of \$1.9 million. LGC has two notes payable: one with TIRZ #1 for \$1.9 million and one for City of Amarillo with \$0.4 million. The hotel did meet its performance requirements for the year. Ms. Storrs shared that we should add a brief note to the audited financials for the subsequent event of early termination of BG's contract. A motion was made to accept the audit with the added subsequent event by Mr. Zambrano, seconded by Mr. Stanley. The motion passed by a vote of 6-0.

ITEM 6: *Discuss and Consider Ratifying the Annual Sod Poodles Parking Garage Agreement for the 2022 Season.* Mr. Freeman handed out copies of the agreement for the Board to discuss and

consider ratification. Mr. Ensor shared that the Sod Poodles are interested in continuing the agreement as it is beneficial to season ticketholders. Chairman Haning explained how the agreement works. A motion was made to ratify the agreement by Mr. Stanley, seconded by Ms. Zanchettin. This motion carried with a vote of 6-0.

ITEM 7: *Presentation and Discussion of Current and Future Parking Garage Rate Structure.* Ms. Storrs handed out copies of a cash flow for the Downtown Parking Garage including data modeling out rate increases to increase the funding for debt service to an ending level of \$425,000 in fiscal 2026/27. The model would step up hourly and daily rates in 2022/23, 2024/25, and 2026/27. We will have City Council budget meetings in July. If the LGC Board would like to make any recommendations to City Council to change rates for the Downtown Parking Garage, this would be a good time to share it. Ms. Storrs shared that City Council approved a project at their weekly meeting that may impact usage of the Garage. Mr. Haning and Mr. Zambrano inquired as to what was approved. Mr. Smith shared that City Council approved a \$260 million project to improve and build onto the Civic Center. Mr. Haning asked about the timing of that project, and Mr. Danforth estimated it may be a three-to-four-year project. For daily rates, the Embassy Suites currently charges \$25 per day for valet parking in the Garage. When staff researched other municipally owned parking garages, there are not many to compare to. Ms. Gallardo shared consensus with increasing a daily rate to \$10. Ms. Zanchettin asked if we think an increase in the cost will decrease usage. Ms. Storrs said we don't have a way to measure that yet. Ms. Zanchettin stated she thinks if we grow it for price, we should include a small increase in usage to be conservative. Mr. Smith asked how many spaces are in the parking garage. Mr. Danforth shared we currently have 760 slots, with the Embassy Suites having 150 of these reserved. Mr. Smith asked if Potter County rents any slots, and Mr. Freeman confirmed that they do rent some and have some slots reserved for 25 years as part of their initial investment in the project. The Embassy Suites has approached the City and asked us to raise our rates so they are able to. Mr. Danforth explained that special event parking would need to be considered, and Mr. Freeman mentioned that Joe Taco gets 90 minutes of validation for their customers parking in the Garage. Mr. Stanley would like to see the information modeled at \$1 more than it currently is based on what others are charging. He stated City Council would prefer to see a bigger increase upfront so that we don't have to change it every few years. Mr. Ensor shared that planning out increases over a few years can be better received by users than implementing one big increase. Ms. Storrs will model this information and bring it back for the LGC Board to review with options to consider a recommendation to City Council.

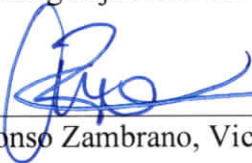
ITEM 8: *Discussion Regarding Potter County's Agreement for Spaces in the Parking Garage.* Judge Tanner shared that the Potter County has multiple vehicles that are used for surveillance. The county currently parks these vehicles in the District Court parking lot that were recently hailed on. As a result, Potter County is requiring an amendment for 10 slots in the Parking Garage. The main time these cars would be located in the Parking Garage would be overnight and weekends. Mr. Freeman stated that staff can bring back an amended agreement for the

ITEM 9: *Executive Session.*

ITEM 10: *Discussion – Future Agenda Items.* Parking Rates, Budget, Amendment to Potter County's Agreement for Spaces in the Parking Garage.

ITEM 11: *Next Meeting Date.* June 15, 2022

There being no further business to conduct, President Haning adjourned the meeting at 12:35 p.m.



Alfonso Zambrano, Vice President

ATTEST:



Stephanie Coggins
City Secretary