

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 16th day of September 2015, the Amarillo Local Government Corporation Board of Directors met at 11:30 a.m. on the Third Floor, Room 306, City Hall, 509 Southeast 7th Avenue, with the following members present:

VOTING MEMBERS	PRESENT	NO. MEETINGS HELD	NO. MEETINGS ATTENDED
Richard F. Brown, President	Y	74	68
Sunny Hodge-Campbell, Board Member	Y	1	1
Ron Boyd, Board Member	Y	74	65
Les Simpson, Board Member	Y	74	56
Brian Eades, Councilmember & Board Member	Y	74	68
John Lutz, Board Member	Y	18	16
Randy Burkett, Councilmember & Board Member	Y	1	1
EX-OFFICIO MEMBERS			
Jarrett Atkinson, City Manager	Y	74	73
Melissa Dailey, Executive Director of DAI	Y	74	73
Mercy Murguia, Potter County Commissioner	Y	18	10

Absent were none.

Staff in Attendance:

William McKamie, Interim City Attorney, Michelle Bonner, Assistant City Manager and Frances Hibbs, City Secretary.

ITEM 1: The meeting was called to order by Mr. Brown.

ITEM 2: Mr. Brown introduced Councilmember Randy Burkett and Sunny Hodge-Campbell. Mr. Atkinson also introduced William McKamie, Interim City Attorney.

ITEM 3: Minutes from the regular meeting held on July 29, 2015 were presented. Motion was made by Mr. Boyd and seconded by Councilmember Eades. The minutes were unanimously approved.

ITEM 4: Mr. Atkinson and City staff presented project updates on the following items: Temporary Parking Lot Project, Project Parking Committee and Update, Buchanan Street Storm Sewer Project, TxDOT Streetscape Project, Xcel Energy/Southwestern Public Service Company Headquarters, Convention Center Parking Garage and the Convention Center Hotel.

ITEM 5: Ms. Bonner presented the proposed budget for the Amarillo Local Government Corporation for fiscal year 2015/2016. Ms. Bonner stated the Amarillo Local Government Corporation was set to receive \$71,400 from the City's general fund. Ms. Bonner stated legal fees were the largest expense. The Capital Improvement Program (CIP) for the Local Government Corporation consists of \$14,211,133 for the parking garage; \$3,455,576 for the retail space; \$854,093 for the garage streetscape; \$622,376 for the hotel streetscape; and a payment due to Wallace Bajjali in the amount of \$177,500 for work prior to the Lease and Development Agreement termination making for total Capital Expenditures of \$19,320,678. Ms. Bonner stated she is in the process of re-doing the project pro formas and hoped to make a recommendation to the City Council in the next week or two. She would be asking to possibly move more cash into the debt service of the parking garage to reduce bond needs. Mr. Atkinson stated it would not change or increase the amount of cash available for the projects, just lower the debt service to make certain revenue covers debt service. Motion was made by Mr. Boyd, seconded by Mr. Lutz, to approve the proposed budget.

Voting AYE were Mr. Brown, Mr. Boyd, Mr. Simpson, Councilmember Eades, and Mr. Lutz, voting No were Mr. Burkett and Ms. Hodge-Campbell; Due to the lack of prior information; the motion carried by a 5:2 vote of the Board of Directors.

ITEM 6: Mr. Brown stated under the contract with Wallace Bajjali they are entitled to \$177,500 which has not been previously paid to them. Because of competing demands for the funds, the common procedure is to file an Interpleader suit and deposit the funds in the court and ask the Court to determine who is entitled to the funds. Mr. Brown stated Prime was apparently loaning money to Wallace Bajjali Development Partners, LP and LGC had received a claim letter that they had an interest. However, the LGC contract did not allow for an interest to be assigned. The LGC is prepared to tender into court the \$177,500. Paul Sander, Strasburger & Price, LP, who attended the meeting via conference call, stated this procedure would avoid attorney's fees and court cost. Motion was made by Mr. Boyd to authorize the LGC President to secure dismissal of the Amarillo Local Government Corporation and to ratify the filing of the Interpleader, motion was seconded by Councilmember Eades,

Voting AYE were Mr. Brown, Ms. Hodge-Campbell, Mr. Boyd, Mr. Simpson, Councilmember Eades, Mr. Lutz and Councilmember Burkett, voting No were none; the motion carried by a 7:0 vote of the Board of Directors.

ITEM 7: Mr. Brown presented a broad overview of the Hotel Lease and Development Agreement. He further stated the lease would not go into effect until the conditions to commencement were satisfied. The plan is for Supreme Bright to close with their Lender on or about October 1, 2015, and to commence construction immediately thereafter.

Mr. Brown stated the need to focus on LGC's agreement and to deliver the site (the parking lot next to the Globe News Center) and have it ready for construction, utilities relocated, and satisfy the other contractual covenant things in Article 8, Conditions to Commencement Term. Mr. Burkett inquired if LGC could ask for a 30-day extension. Mr. Brown stressed the need to commence and get going on the garage side to meet this schedule as well. Mr. Atkinson distributed and reviewed various documents listed on the checklist.

Mr. Brown stated the lender's commitment letter has an expiration date of October 16, 2015. Mr. Atkinson stated Supreme Bright has submitted their building plans and requested permits. Mr. Atkinson stated the construction lay-down lot was originally contemplated at the south end of the Santa Fe Depot property. He stated they are working with the Tenant to move it to the south end of the Coca-Cola property, which is fenced on three sides and would have less impact on traffic. The City Council will be required to consider the new laydown area and also a request from Supreme bright for a location to construct two model hotel rooms. If changes occur during the construction, or if there are project specifications changes, they will come to the Landlord. Fundamental changes in the schematics or major drawing changes will also come to this Board. LGC will also be listed as an additional insured on all insurance coverages. Project status reports will be required from Supreme Bright once a month during the construction.

Ms. Murguia left the meeting at 1:06 p.m.

Motion was made by Councilmember Eades, seconded by Mr. Boyd, to authorize the President to document the hotel lease and development agreement to meet the closing of the finance and commencement for construction, excluding pending matters.

Mr. Brown accepted comments from the public. James Schenck, 6216 Gainsborough Street, inquired if there was a confirmation on who the lenders were, and if they have the funds. Mr. Brown stated the Tenant has all that in place, and a commitment letter from the Lender, but they do not have finance agreements yet. Mr. Schenk inquired if they knew who the banks were. Mr. Brown stated Supreme Bright will have a commitment letter from the lead bank, Southwest Bank of Fort Worth for \$28 million in place and \$12 million in escrow before they execute documents. There was nothing irreversible until final documents are executed. Mr. Atkinson stated the only thing irreversible would be the Globe News Center parking lot. Mr. Brown stated the parking lot would be the only thing the City has committed. Mr. Lutz reminded the Board that Mr. Patel was a current business operator in the community with a good business record who has achieved success. Mr. Atkinson reiterated there would be no shovels in the dirt until after the \$28 million and the \$12 million in equity was in escrow and in control of the bank 100%. Mr. Burkett stated banks were going to protect themselves first. There were no further comments.

The Amarillo Local Government Corporation voted on this issue after returning from Closed Session at 2:02 p.m.

Voting AYE were Mr. Brown, Mr. Boyd, Mr. Simpson, Councilmember Eades, and Mr. Lutz, voting No were Mr. Burkett; the motion carried by a 5:1 vote of the Board of Directors.

ITEM 8: Mr. McKamie advised at 1:06 p.m. that the Board would convene in Closed Session after a short break in Closed Session to discuss the potential purchase, sale, or lease of downtown property, together with (i) economic incentives that may be available for a prospective or existing business and (ii) attorney-client communication and advice regarding same, per Texas Government Code sections 551.071, .072 and .087, as they relate to proposed projects for downtown redevelopment.

The two newly appointed Board members, William Biggs and Bryan Poff were asked to stay for closed session.

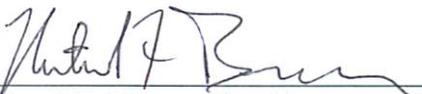
Ms. Sunny Hodge-Campbell left the meeting at 1:23 p.m.

Mr. McKamie announced that the Closed Session was adjourned at 2:02 p.m. and reconvened the Regular Meeting.

ITEM 9: Mr. Brown accepted comments from interested citizens during Item 7.

ITEM 10: Mr. Brown stated that the next meeting would be tentatively scheduled for September 29, 2015 to work on any additional items.

ITEM 11: Mr. Brown announced the meeting was adjourned.


Richard F. Brown, President

ATTEST:


Frances Hibbs, City Secretary