

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

On the 12<sup>th</sup> day of March, 2015, the Tax Increment Reinvestment Zone Board met in a regularly scheduled meeting at 12:00 PM, in Room 306 of City Hall, at 509 E. 7<sup>th</sup> Street, Amarillo, Texas with the following members present:

Voting Members	Present	Meetings Held	Meetings Attended
Richard Brown, Vice-Chairman, City of Amarillo	Yes	67	63
Dr. David Woodburn, Amarillo College	Yes	29	20
Chuck Speed, Amarillo Hospital District	Yes	14	10
Anette Carlisle, Amarillo Independent School District	No	16	13
Jason Herrick, City of Amarillo	Yes	18	13
Scott Bentley, Chairman, City of Amarillo	Yes	30	29
Johnny Merritt, Panhandle Groundwater Conservation District	No	10	8
Nick Ward, Potter County	Yes	5	5
Leon Church, Potter County	Yes	5	4
Judge Thomas Jones, Potter County	Yes	5	5

Others Present:

Bob Cowell, Asst. City Manager – Development Services  
Michelle Bonner, Asst. City Manager - Finance  
Jan Sanders, Recording Secretary

Marcus Norris, City Attorney  
Kelley Shaw, Planning Director

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

ITEM 1 Approve the minutes of the meeting of February 12, 2015.

Chairman Bentley asked for corrections, deletions or changes to the minutes of February 12, 2015. Motion was made by Chuck Speed, seconded by Leon Church, to approve the minutes as submitted. Motion passed unanimously.

ITEM 2 Discuss a previous TIRZ incentive request regarding the redevelopment of the Herring Hotel located at SE 3<sup>rd</sup> Avenue and Pierce Street.

Chairman Bentley stated the Herring Hotel application was presented in August of 2012. The item today will be for discussion purposes only, to update the Board on the facts of the application, action that was taken in 2012, and not a representing of the application. Chairman Bentley asked Kelley Shaw, Planning Director, to present the factual background. Mr. Shaw distributed copies of the project application and the Herring Hotel presentation, given by the applicant's representative. Mr. Shaw advised the application, from Robert and Leticia Goodrich, is proposing a \$35 million hotel restoration project. The proposed plan includes 144 guest rooms, 47 residential units, meeting rooms, and a restaurant/lounge area. The application requested a 90% rebate of the tax revenue increment created by the increase of the taxable value of the property. Mr. Shaw concluded discussions were held by the Board after reviewing the cost of the project, which was shown as \$35 million, and the capital structure of the project that was shown and totaled \$35 million, and questioned if there was an actual financial gap creating a need for the incentive.

Chairman Bentley asked Marcus Norris, City Attorney, to present on the reasons for action taken in 2012.

Mr. Norris stated the item was tabled in the August, 2012 meeting, and proceeded to explain the reasons behind the action. The TIRZ #1 Board was created pursuant to the Texas Tax Code, Section 311.003(c), to act as an advisory body to the City Council on downtown development. City Council's goals for the TIRZ Board were Hotel Development of 1,200 rooms within walkable range of the central city core over next 30 years, with 300 rooms acquired within the first 7 years. Other goals are, Urban Residential development, Office/Commercial/Retail development, and Family Entertainment Venue/Ballpark development. Before Mr. Goodrich's application, the TIRZ Board had approved incentives for the Courtyard by Marriott for 107 rooms, and had approved, and committed under contract, support of the downtown convention hotel with 225 rooms, thus exceeding the interim goal of 300 rooms. With the goal met of over 300 hotel rooms, the Board felt the pursuit of other goals should be considered in future projects.

Next, Mr. Norris explained the City Council's position in regards to the Herring Hotel. Resolution 08-23-11-1, Section 2, "the developer recommends acquisition of the Herring Hotel to preserve it for subsequent development consideration. The City Commission finds the Herring Hotel is a significant downtown asset with historical and cultural value, and should be preserved for future development possibilities. On this recommendation, the City Commission instructs the Amarillo Local Government Corporation, City staff, and developer to investigate the possibility of the acquisition of the Herring Hotel and to provide specific recommendations at the appropriate time". Mr. Norris advised the City Council had revisited the Resolution in the fall of 2014 and the language has remained the same.

Mr. Norris advised the reasons the application was tabled were as follows: 1) the timing was just not right (Resolution 08-23-11-1), the City Council advised saving the hotel for a future

phase of development; 2) the 7 year goal of hotel rooms had been met and a desire to accomplish additional goals; 3) the application did not show a funding gap, and therefore no need for the incentive to make the project a reality; 4) a Non-Compete clause, on the ability to offer any incentives for another downtown hotel, is in effect for five years commencing on the first day of operation, is contained in the agreement between the developer and City regarding the downtown convention hotel; and 5) a legal point that can only be shared in closed session.

Chairman Bentley asked Marcus Norris, City Attorney, to begin the executive session. Mr. Norris announced an executive session, at 12:35 PM, (i) attorney-client communication and advice regarding same, per Texas Government Code section 551.071, as related to proposed projects for downtown development. The executive session concluded at 1:03 PM.

Chairman Bentley announced the TIRZ #1 board has reconvened into public session and asked Mr. Goodrich for his comments. Robert Goodrich, applicant and owner of the Herring Hotel, stated he feels the restoration of the hotel would make a serious contribution to the revitalization of downtown. Mr. Goodrich stated the application for tax incentives was submitted to stimulate the growth of downtown, just as previous applicants had applied, regardless if gap financing was needed. Mr. Goodrich thanked the board for their time and consideration, and asked for approval of his TIRZ application for a 90% tax rebate on the hotel project.

#### ITEM 3 Report on Status of Projects:

a. Downtown Convention Hotel, and Parking Structure Projects

Richard Brown stated further tweaking of the hotel renderings and schematics is underway. Also the preliminary renderings of the parking garage were presented to the Local Government Corporation Board (LGC). Bob Cowell, Assistant City Manager, advised the City is meeting with the architecture firm of the parking garage and the project is progressing as scheduled. Additionally, revised parking garage drawings should be shown at the next LGC meeting.

#### ITEM 4 Public Forum.

Chairman Bentley reminded Board members and those in the audience the Board can take no action on matters presented or discussed.

Mr. Goodrich asked if he could be apprised as to what was discussed in Executive Session pertaining to the 5<sup>th</sup> item of concern on his application. Mr. Norris stated the information could not be disclosed as the matter is under attorney-client confidential communication.

Beth Duke, Executive Director, Center City, informed the board a Texas Commission on the Arts workshop will be held to explore the possibility of applying to become a cultural district. This honor would be a great way to further promote the cultural assets downtown through state-wide recognition.

ITEM 5 Discuss Items for Future Agendas.

No items were mentioned.

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There being no further items before the Board, the meeting adjourned at 1:18 PM. All remarks are recorded and are on file in the Planning Department.