



Downtown Developers Announce Financing Strategy

Plan Includes No Property Tax Increases, No City of Amarillo CO's

Dateline: Amarillo, August 3, 2011 — Wallace-Bajjali Development Partners, LLC and Downtown Amarillo, Inc. (DAI) today recommended an implementation and funding strategy for Civic Center Area projects that excludes increased property taxes and municipal funding instruments such as Certificates of Obligation (CO's) or General Obligation Bonds (GO's). Under Wallace-Bajjali's plan, the three initial projects (Multi-Purpose Event Venue, Full Service Hotel, Parking Garage) will be paid for by a combination of public sources, private investments and user fees—and no property taxes. An example of public sources is the existing Hotel Occupancy Tax, in which proceeds from hotel stays are reinvested in the development of the Multi-Purpose Event Venue and Parking Garage.

"In February, we entered into an agreement with the City of Amarillo to assess the benefits and feasibility of specific redevelopment projects in the Civic Center area, and to deliver recommendations this summer," said David Wallace, partner and co-founder of Wallace-Bajjali. "After months of due diligence including transparent public dialogue and public input, we're excited to recommend a path forward that benefits the City, benefits the citizens, and does not raise property taxes or depend on CO's or GO's."

"This is great news for Amarillo," said Les Simpson, Chairman of Downtown Amarillo, Inc. (DAI) the city-chartered non-profit entrusted with guiding the redevelopment of downtown. "Our development team promised the people of Amarillo we wouldn't go forward unless redevelopment made sense. I'm happy to report that these projects make sense—they benefit all of Amarillo—and they won't rely upon increased property taxation for funding."

Wallace-Bajjali made the recommendations today to the Local Government Corporation (LGC), the Board charged with assessing the redevelopment process for the City. The seven-member LGC will review the proposal before deciding whether or not to forward the recommendations to the City for consideration.

"We're confident the funding plan is a secure path forward for Amarillo," said Wallace. "Contemporary construction pricing and cash flow estimates forecast a gap in the funding that could have required the City to provide more than \$80 million. However, that's not happening in our plan. Private investors are stepping up to the plate, appropriate public sources have been identified, and ultimately the people who use the new developments will fund them through user fees, sales taxes and other user-generated revenue."

Public input has been a cornerstone of the redevelopment process for DAI and Wallace-Bajjali, and the development team will share the LGC recommendation details to the public Monday, August 8, at 6:00 p.m. at the Civic Center. "We will continue to engage in transparent public dialogue with the people of Amarillo," said Wallace.

For more information about the public redevelopment process for Downtown Amarillo, and to provide feedback, please explore the resources online at www.downtownamarillo.com.

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