



Meeting Minutes

Reinvestment Zone No. 2 - Island

Tuesday, October 25, 2022

9:00 AM

Council Chambers

A. Chairman Greg Smith to call the meeting to order.

Chairman Smith called the meeting to order at 9:10 a.m.

B. Assistant City Secretary Ruth Bocchino to call roll of the Corporation Directors.

Assistant City Secretary Ruth Bocchino called the roll and verified that a quorum of the Board was present to conduct the meeting.

Note: Board Members Barbara Canales, Dr. Laurie Turner and Jim Needham participated by video conference. Board Member Hunter arrived at 9:18 a.m. and Board Member Barrera arrived at 9:27 a.m.

Present 13 - Chair Greg Smith, Board Member Roland Barrera, Board Member Barbara Canales, Board Member Paulette Guajardo, Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Billy A. Lerma, Board Member John Martinez, Board Member Ben Molina, Board Member Jim Needham, Vice Chair Mike Pusley, Board Member Laurie Turner, and Board Member Brent Chesney

Absent 1 - Board Member Sylvia Oliver

C. PUBLIC COMMENT:

Chairman Smith referred to Public Comment.

There were no comments from the public.

D. MINUTES:

1. 22-1802 Approval of the Reinvestment Zone No. 2 Regular Meeting Minutes

Chairman Smith referred to Item 1.

Board Member Pusley made a motion to approve the minutes, seconded by Board Member Guajardo and passed unanimously.

E. FINANCIAL REPORT:

2. [22-1716](#) TIRZ #2 Financial Reports as of August 31, 2022

Chairman Smith referred to Item 2.

Director of Finance Heather Hurlbert presented the financial position for the eight months ending August 31, 2022; and TIRZ No. 2 CIP projects.

There were no questions from the Board Members.

F. EXECUTIVE SESSION ITEMS: (None)

G. AGENDA ITEMS:

3. [22-1747](#) Motion approving Tax Increment Reinvestment Zone #2 Board Meeting Calendar and Staff updates on future agenda items, including amending the project and financing plan, and the extension of the TIRZ #2.

Chairman Smith referred to Item 3.

Director of Finance and Procurement Heather Hurlbert stated that this is the set calendar for 2023. Special meetings can be added at any time.

There were no questions from the Board Members.

Board Member Chesney made a motion to approve the motion, seconded by Board Member Guajardo. This Motion was passed and approved with the following vote:

Aye: 12 - Chair Greg Smith, Board Member Barbara Canales, Board Member Paulette Guajardo, Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Billy A. Lerma, Board Member John Martinez, Board Member Ben Molina, Board Member Jim Needham, Vice Chair Mike Pusley, Board Member Laurie Turner, and Board Member Brent Chesney

Absent: 2 - Board Member Roland Barrera, and Board Member Sylvia Oliver

Abstained: 0

4. [22-1862](#) Motion recommending that City Council extend the term of the Tax Increment Reinvestment Zone #2 (TIRZ #2) for an additional 20 years with an expiration date of December 31, 2042.

Chairman Smith referred to Item 4.

Director of Finance and Procurement Heather Hurlbert presented information on the following topics: agenda; process overview; TIRZ extension steps; recommendations needing action today; discussion and action at future meetings; TIRZ outlook; anticipated future development within the zone; current and future revenue; development progress-Whitcap development; Lake Padre development; extension of term; permissibility of term; and recommendation for term extension.

Board Members, Director of Finance and Procurement Hurlbert, and Assistant City

Attorney Aimee Alcorn-Reed discussed the following topics: this is the county's first request for a TIRZ extension; the TIRZ will earn \$23.3M a year at 100% contribution for the next 20 years; the county would like to contribute 75% for the first five years, then down 5% each year until year ten, and then down to 50% for years 11-20; the reason for the TIRZ is to capture funds from multiple taxing entities and then dedicate those funds directly to projects within the TIRZ; the City does not have to comply with the legislation for a designated reinvestment zone to renew it; does the TIRZ need more than \$12M a year at 50%; staff will bring to the Board a list of recommendations that could be funded with the TIRZ to benefit the district; if any of this funding is being used to promote the Regional Parkway; the City sets their contribution percentage, the county's contribution percentage is set through the interlocal agreement, and different entities can have different contribution levels; this Board only sets the TIRZ's participation rate; staff will bring this to Council within the next six months; and public improvement is important for the Island.

Board Member Hunter made a motion to approve the motion, seconded by Board Member Guajardo.

Board Member Hunter made a motion to amend to add two additional members to be appointed by City Council on the recommendation of the County, seconded by Board Member Guajardo and passed unanimously.

Board Member Hunter made a motion recommending that City Council extend the term of the Tax Increment Reinvestment Zone #2 for an additional 20 years with an expiration date of December 31, 2042, and to add two additional board members to be appointed by the City Council on the recommendation of Nueces County, seconded by Board Member Guajardo and passed with the following vote: Board Members Barrera, Canales, Chesney, Guajardo, Hunter, Lerma, Martinez, Molina, Needham, Pusley and Smith voting "yes"; Board Members Oliver and Turner were absent; and Board Member Hernandez-abstained.

Board Member Hunter made a motion to approve the motion as amended, seconded by Board Member Guajardo. This Motion was passed as amended and approved with the following vote:

Aye: 11 - Chair Greg Smith, Board Member Roland Barrera, Board Member Barbara Canales, Board Member Paulette Guajardo, Board Member Michael Hunter, Board Member Billy A. Lerma, Board Member John Martinez, Board Member Ben Molina, Board Member Jim Needham, Vice Chair Mike Pusley, and Board Member Brent Chesney

Absent: 2 - Board Member Sylvia Oliver, and Board Member Laurie Turner

Abstained: 1 - Board Member Gil Hernandez

5. [22-1860](#) Motion recommending that City Council expand the boundaries of the Tax Increment Reinvestment Zone #2 (TIRZ #2) to include all portions of the Whitecap Public Improvement District (PID) that are currently outside of the zone.

Chairman Smith referred to Item 5.

Director of Finance and Procurement Heather Hurlbert presented information on the following topics: boundary modification; current TIRZ boundaries; proposed TIRZ boundaries; and Whitecap boundary modification.

Board Members, Director of Finance and Procurement Heather Hurlbert, and Assistant City Attorney Aimee Alcorn-Reed discussed the following topics: TIRZ funds can be used for beach infrastructure; and the need for Packery Channel Nature Park is road infrastructure.

Board Member Hunter made a motion recommending that City Council expand the boundaries of the Tax Increment Reinvestment Zone #2 to include all portions of the Whitecap Public Improvement District that are currently outside of the zone, seconded by Board Member Lerma. This Motion was passed and approved with the following vote: Board Members Barrera, Canales, Chesney Guajardo, Hernandez, Hunter, Lerma, Martinez, Molina, Needham, Pusley and Smith voting "yes"; Board Members Oliver and Turner were absent.

Director of Finance and Procurement Heather Hurlbert stated that the boundary would contain the county's park area and extending the boundaries along the coastline to include the county park, along with the Briscoe King Pavilion area. The Board can recommend to include these areas, and then City Council will approve the metes and bounds being requested.

Board Members, Assistant City Attorney Aimee Alcorn-Reed, and Director of Finance and Procurement Hurlbert discussed the following topics: a Board Member's concern that this item is not on the agenda; and the TIRZ #2 boundary discussion will go to Council on November 15.

Board Member Chesney made a motion recommending that City Council expand the boundaries of the Tax Increment Reinvestment Zone #2 to include the areas recommended by Nueces County, including the Packery Channel Nature Park and Padre Balli Park, seconded by Board Member Hunter. This Motion was passed and approved with the following vote:

Aye: 12 - Chair Greg Smith, Board Member Roland Barrera, Board Member Barbara Canales, Board Member Paulette Guajardo, Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Billy A. Lerma, Board Member John Martinez, Board Member Ben Molina, Board Member Jim Needham, Vice Chair Mike Pusley, and Board Member Brent Chesney

Absent: 2 - Board Member Sylvia Oliver, and Board Member Laurie Turner

Abstained: 0

- 6. [22-1864](#) Motion recommending the amendment of Tax Increment Reinvestment Zone #2 (TIRZ #2) to include up to \$13,000,000 for public infrastructure associated with the Whitecap Public Improvement District (PID) project, up to \$2,000,000 for

improvements to R Biscoe King Pavilion, up to \$150,000 for a multi-mobility study for the Zone, and up to \$36,400,000 for maintenance to Packery Channel.

Chairman Smith referred to Item 6.

Board Member Chesney stated that the R Briscoe King Pavilion is an aging facility. It has a boardwalk to the beach and has been on the park board's master plan for years. Staff recommends that this meets the requirements for funding for the direct benefit of the TIRZ.

Board Members discussed the following topics: the pavilion is about 2,000 square feet; this project may cost \$3M to \$4M; and a smarter financing plan for Briscoe King would be to get the assessment from the Coastal Parks Board.

Board Member Chesney made a motion recommending the amendment to the Tax Increment Reinvestment Zone #2 project and financing plan to include up to \$2,000,000 for the improvements to R Briscoe King Pavilion, seconded by Board Member Guajardo. This Motion was passed and approved with the following vote: Board Members Barrera, Canales, Chesney Guajardo, Lerma, Martinez, Molina, Needham, Pusley and Smith voting "yes"; and Board Members Hernandez, Hunter, Oliver, Turner were absent.

Aye: 10 - Chair Greg Smith, Board Member Roland Barrera, Board Member Barbara Canales, Board Member Paulette Guajardo, Board Member Billy A. Lerma, Board Member John Martinez, Board Member Ben Molina, Board Member Jim Needham, Vice Chair Mike Pusley, and Board Member Brent Chesney

Absent: 4 - Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Sylvia Oliver, and Board Member Laurie Turner

Abstained: 0

H. PRESENTATION ITEMS: (None)

I. ADJOURNMENT:

Chairman Smith recessed the meeting at 10:55 a.m

Chairman Smith reconvened and adjourned this meeting at 3:27 p.m.