



Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes City Council

Tuesday, August 26, 2014

11:30 AM

Council Chambers

Public Notice - - THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE CITY COUNCIL CHAMBERS DURING MEETINGS OF THE CITY COUNCIL.

A. Mayor Nelda Martinez to call the meeting to order.

Mayor Martinez called the meeting to order.

B. Invocation to be given by Pastor Greg Hackett, First United Methodist Church.

Pastor Greg Hackett gave the invocation.

C. Pledge of Allegiance to the Flag of the United States to be led by Arlena Sones, City Auditor.

City Auditor Arlena Sones led the Pledge of Allegiance.

D. City Secretary Rebecca Huerta to call the roll of the required Charter Officers.

City Secretary Rebecca Huerta called the roll and stated that a quorum of the Council and the required Charter Officers were present to conduct the meeting. City Secretary Huerta announced the Council Member Leal has been granted a leave of absence.

Charter Officers:

City Manager Ron Olson, City Attorney Miles K. Risley, and City Secretary Rebecca Huerta.

Present: 8 - Mayor Nelda Martinez, Council Member Kelley Allen, Council Member Rudy Garza, Council Member David Loeb, Council Member Chad Magill, Council Member Colleen McIntyre, Council Member Lillian Riojas, and Council Member Mark Scott

Absent: 1 - Council Member Priscilla Leal

E. Proclamations / Commendations

1. Proclamation declaring August 26, 2014 as, "2014 United States Jr. League World Series National Champions, Oil Belt Junior League Baseball Day"
Proclamation declaring September 5, 2014 as, "Stand Up to Finish the Fight Day"

Swearing-in Ceremony for Newly Appointed Board, Commission and Committee Members

Mayor Martinez presented the proclamations and conducted the swearing-in ceremony for the newly appointed board, commission and committee members.

I. MINUTES:

4. Regular Meeting of August 19, 2014

Mayor Martinez deviated from the agenda and referred to approval of the minutes. Council Member Magill made a motion to approve the minutes, seconded by Council Member McIntyre and passed unanimously.

J. BOARD & COMMITTEE APPOINTMENTS: (NONE)

K. EXPLANATION OF COUNCIL ACTION:

L. CONSENT AGENDA: (ITEMS 5 - 11)

Approval of the Consent Agenda

Mayor Martinez referred to the Consent Agenda. There were no comments from the Council or the public. The consent agenda items were passed by one vote as follows:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

5. Second Reading Ordinance - Rezoning from the "RM-3" Multifamily 3 District to the "RS-TH/PUD" Townhouse District with a Planned Unit Development Overlay, on property located at 14106 and 14118 Ambrosia Street (1st Reading 8/19/14)

Case No. 0714-03 Brite Star Remodeling, LLC: A change of zoning from the "RM-3" Multifamily 3 District to the "RS-TH/PUD" Townhouse District with a Planned Unit Development Overlay, not resulting in a change to the Future Land Use Plan. The property is described as Lots 2B, 3B, 4B and 5B, Block 1, Padre Island-Corpus Christi No. 1, located along the west side of Ambrosia Street, southwest of South Padre Island Drive (PR 22) and north of Marina Drive.

Planning Commission and Staff Recommendation (July 16, 2014):
Approval of the change of zoning from the "RM-3" Multifamily 3 District

to the "RS-TH/PUD" Townhouse District with a Planned Unit Development Overlay, subject to nine development conditions.

Ordinance:

Ordinance amending the Unified Development Code ("UDC") upon application by Brite Star Remodeling, Inc. ("Owner"), by changing the UDC Zoning Map in reference to Lots 2B, 3B, 4B and 5B, Block 1, Padre Island-Corpus Christi, No. 1, from the "RM-3" Multifamily 3 District to the "RS-TH/PUD" Townhouse District with a Planned Unit Development Overlay; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause, penalties, and publication.

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030258

6.

Second Reading Ordinance - Rezoning from the "RM-AT" Multifamily AT District to the "CR-2/IO" Resort Commercial District with Island Overlay, on property located at 14845 South Padre Island Drive (1st Reading 8/19/14)

Case No. 0714-05 Gabriele Stauder-Hilpold: A change of zoning from the "RM-AT" Multifamily AT District to the "CR-2/IO" Resort Commercial District with Island Overlay. The property to be rezoned is described as a 6.28 acre tract of land out of a portion of Lot 1, Block 27B and all of Lots 3, 4 and 5, Block 41, Padre Island - Corpus Christi Island Fairway Estates, located at the southwest corner of South Padre Island Drive (PR 22) and Compass Street.

Planning Commission and Staff Recommendation (July 16, 2014):

Approval of the change of zoning from the "RM-AT" Multifamily AT District to the "CR-2/IO" Resort Commercial District with Island Overlay.

Ordinance:

Ordinance amending the Unified Development Code ("UDC"), upon application by Gabriele Stauder-Hilpold, Trustee ("Owner"), by changing the UDC Zoning Map in reference to a 6.28 acre tract of land out of a portion of Lot 1, Block 27B and all of Lots 3, 4 and 5, Block 41, Padre Island - Corpus Christi Island Fairway Estates, from the "RM-AT" Multifamily AT District to the "CR-2/IO" Resort Commercial District with Island Overlay; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause and publication.

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030259

7. Second Reading Ordinance - Authorizing City to participate in the Texas Enterprise Zone Program (1st Reading 8/19/14)

Ordinance authorizing the City Of Corpus Christi to participate in the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (The "Act"), providing tax incentives; Designating a liaison for overseeing Enterprise Projects and communicating with interested Parties

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030260

8. Second Reading Ordinance- Approving a waterline reimbursement agreement and appropriating funds for property located at the southeast corner of Yorktown Boulevard and Boston Drive (1st Reading 8/19/14)

Ordinance authorizing execution of a distribution main extension construction and reimbursement Agreement ("Agreement") with The John G. and Marie Stella Kenedy Memorial Foundation ("Developer"), for the construction of a distribution waterline and appropriating \$21,331.74 from the No. 4030 Water Distribution Main Trust Fund to reimburse the developer in accordance with the agreement.

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030261

9. Second Reading Ordinance- Approving a wastewater reimbursement agreement and appropriating funds for property located at the southeast corner of Yorktown Boulevard and Boston Drive (1st Reading 8/19/14)

Ordinance authorizing execution of a wastewater collection line extension construction and reimbursement agreement ("Agreement") with The John G. and Marie Stella Kenedy Foundation ("Developer"), for the construction of a wastewater collection line and appropriating \$12,819.36 from the No. 4220 Sanitary Sewer Collection Line Trust Fund to reimburse the Developer in accordance with the Agreement.

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030262

10. Second Reading Ordinance- Approving a waterline reimbursement agreement and appropriating funds for property located at the southside of Safety Steel Drive, west of Rodd Field Road and south of Yorktown Boulevard (1st Reading 8/19/14)

Ordinance authorizing execution of a distribution main extension construction and reimbursement Agreement ("Agreement") with MPM Development, L.P., ("Developer"), for the construction of a distribution waterline and appropriating \$22,691.12 from the No. 4030 Water Distribution Main Trust Fund to reimburse the developer in accordance with the agreement.

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030263

11. Second Reading Ordinance - Approving an engineering construction contract and amendment no. 2 of a professional services contract for construction inspection services for Horne Road from Ayers Street to Port Avenue (Bond 2012) (1st Reading 8/19/14)

Ordinance amending the FY 2014 Capital Improvement Budget adopted by Ordinance No. 029916 by adding \$25,000 in Gas Capital Improvement Program Reserves from Fund 4551 Gas 2009 CIP Fund; transferring \$650,000 from Bond 2012 Project #E12103 Leopard Street from Crosstown to Palm from FY 2015 to Bond 2012 Project E12100 Horne Road from Ayers Street to Port Avenue; increasing expenditures in the amount of \$25,000; and authorizing the City Manager or designee to execute a construction contract with Salinas Construction Technologies, Ltd. from Pleasanton, Texas in the amount of \$1,884,600.57, for the Bond 2012 Project Horne Road from Ayers Street to Port Avenue for the total base bid and executing Amendment No. 2 to a Professional Services Contract with Naismith Engineering, Inc. of Corpus Christi, Texas in the amount of \$104,000 for restated total price of \$365,362.50 for the Bond 2012 Project Horne Road from Ayers Street to Port Avenue for Construction Inspection Services.

This Ordinance was passed on second reading on the Consent Agenda.

Enactment No: 030264

M. PUBLIC HEARINGS: (ITEMS 13 - 15)

13. Public Hearing and First Reading Ordinance - Rezoning from the "RM-3" Multifamily 3 District to the "RM-AT" Multifamily Apartment Tourist District, on property located at 14202 Ambrosia Street.

Case No. 0714-07 Masterpiece Holdings, Inc.: A change of zoning from the "RM-3" Multifamily 3 District to the "RM-AT" Multifamily AT. The property is described as Lot 1C, Block 2, Padre Island No. 1, located on the north side of Ambrosia Street, southeast of South Padre Island Drive (PR 22) and east of Marina Drive.

Planning Commission and Staff Recommendation (July 30, 2014):

Approval of the change of zoning from the “RM-3” Multifamily 3 District to the “RM-AT” Multifamily Apartment Tourist District.

Ordinance:

Ordinance amending the Unified Development Code (“UDC”), upon application by Masterpiece Holdings, Inc., (“Owner”), by changing the UDC Zoning Map in reference to Lot 1C, Block 2, Padre Island No. 1, from the “RM-3” Multifamily 3 District to the “RM-AT” Multifamily AT; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause and publication.

Mayor Martinez referred to Item 13. Annika Gunning with Development Services stated that the purpose of this item is to rezone the subject property to allow construction of a 7-unit one (1) story condominium development. Ms. Gunning stated that the Planning Commission and staff were in favor of the zoning change. Council Member McIntyre made a motion to open the public hearing, seconded by Council Member Allen and passed. There were no comments from the Council or the public. Council Member McIntyre made a motion to close the public hearing, seconded by Council Member Garza and passed. This Ordinance was passed on first reading and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: 030272

14. Public Hearing and First Reading Ordinance - Rezoning from the “RM-AT/IO” Multifamily AT District with an Island Overlay to “RS-TH/IO/PUD” Townhouse District with an Island Overlay and Planned Unit Development Overlay, on property located at 14822 Leeward Drive.

Case No. 0714-04 Ocean Harbor, Inc.: A change of zoning from the “RM-AT/IO” Multifamily AT District with an Island Overlay to the “RS-TH/IO/PUD” Townhouse District with an Island Overlay and Planned Unit Development Overlay. The property is described as Lot 17A, Block 52, Padre Island - Corpus Christi, Section B, located along the east of Leeward Drive, approximately 270 feet south of St. Bartholomew Avenue.

Planning Commission and Staff Recommendation (July 30, 2014):

Approval of the change of zoning from “RM-AT/IO” Multifamily AT District with an Island Overlay to the “RS-TH/IO/PUD” Townhouse District with an Island Overlay and Planned Unit Development Overlay,

subject to 10 conditions.

Ordinance:

Ordinance amending the Unified Development Code (“UDC”) upon application by Ocean Harbor, Inc. (“Owner”), by changing the UDC Zoning Map in reference to 17A, Block 52, Padre Island-Corpus Christi, Section B, from the “RM-AT/IO” Multifamily AT District with Island Overlay to the “RS-TH/IO/PUD” Townhouse District with an Island Overlay and Planned Unit Development Overlay; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause, penalties, and publication.

Mayor Martinez referred to Item 14. Annika Gunning with Development Services stated that the purpose of this item is to rezone the subject property to allow for a 48 townhouse development. Ms. Gunning stated that the Planning Commission and staff were in favor of the zoning change. Council Member Scott made a motion to open the public hearing, seconded by Council Member McIntyre and passed. There were no comments from the Council or the public. Council Member McIntyre made a motion to close the public hearing, seconded by Council Member Scott and passed. This Ordinance was passed on first reading and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: 030273

15. Public Hearing and First Reading Ordinance - Rezoning from the “FR” Farm Rural District to the “RS-4.5” Single-Family 4.5 District, on property located at 7201 Yorktown Boulevard

Case No. 0714-06 Related Investors, Ltd.: A change of zoning from the “FR” Farm Rural District to the “RS-4.5” Single-Family 4.5 District, not resulting in a change to the Future Land Use Plan. The property is described as being a 12.28 acre tract of land out of Lots 1 and 2, Section 24 and Lots 31 and 32, Section 25, Flour Bluff and Encinal Farm and Garden Tracts, located along the east side of Rodd Field Road, approximately 2,200 feet south of Yorktown Boulevard.

Planning Commission & Staff Recommendation (July 30, 2014):

Approval of the change of zoning from the “FR” Farm Rural District to the “RS-4.5” Single-Family 4.5 District.

Ordinance:

Ordinance amending the Unified Development Code (“UDC”) upon application by Related Investors, Ltd. (“Owner”), by changing the UDC Zoning Map in reference to a 12.28 acre tract of land out of Lots 1 and

2, Section 24 and Lots 31 and 32, Section 25, Flour Bluff and Encinal Farm and Garden Tracts, from the "FR" Farm Rural District to the "RS-4.5" Single-Family 4.5 District; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause, penalties, and publication.

Mayor Martinez referred to Item 15. Annika Gunning with Development Services stated that the purpose of this item is to rezone the subject property to allow for the expansion of the Rancho Vista subdivision. Ms. Gunning stated that the Planning Commission and staff were in favor of the zoning change. Council Member McIntyre made a motion to open the public hearing, seconded by Council Member Garza and passed. There were no comments from the Council or the public. Council Member McIntyre made a motion to close the public hearing, seconded by Council Member Garza and passed. This Ordinance was passed on first reading and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: 030274

F. PUBLIC COMMENT FROM THE AUDIENCE ON MATTERS NOT SCHEDULED ON THE AGENDA WILL BE HEARD AT APPROXIMATELY 12:00 P.M. PLEASE LIMIT PRESENTATIONS TO THREE MINUTES. A recording is made of the meeting; therefore, please speak into the microphone located at the podium and state your name and address. If you have a petition or other information pertaining to your subject, please present it to the City Secretary.

Mayor Martinez deviated from the agenda and called for comments from the public. Susie Luna Saldana spoke regarding the proposed utility rate increases. James L. Freerks spoke regarding the lack of water at his residence since August 23rd and requested that his water service be turned on today. Mr. Freerks also expressed appreciation to the fire and police departments for their corporation during calls made to their respective departments. Mary Ann Kelly requested that streets and infrastructure be addressed and spoke regarding voters not receiving information on the public access channel. Juan Araiza requested that the City Code of Ethics be reinforced to keep people from lobbying for special interests and expressed concern to the City Manager regarding comments made to him by department heads.

G. CITY MANAGER'S COMMENTS / UPDATE ON CITY OPERATIONS:

Mayor Martinez deviated from the agenda and referred to City Manager's Comments. City Manager Ron Olson spoke regarding the following topics:

a. Other

1) Mr. Olson introduced the new City Attorney Miles K. Risley and welcomed him to his first City Council meeting. 2) Mr. Olson informed the Council of the new information desk in the atrium to improve customer relations. 3)The City

applied for 17 street grants offered by the Texas Department of Transportation and has been awarded 14 grants for a total of \$7 million that will be applied to improve highway safety on Agnes, Ayers, Greenwood, Kostoryz and Port Streets.

PUBLIC HEARINGS: (ITEM 16)

16. First Public Hearing on Fiscal Year 2015 Ad Valorem Tax Rate

Public Hearing on Fiscal Year 2015 Ad Valorem Tax Rate.

Mayor Martinez referred to Item 16. Director of Financial Services Constance Sanchez stated that the State Property Tax Code requires that two public hearings be held on the proposed ad valorem tax rate if the proposed rate exceeds either the rollback rate or the effective tax rate. Ms. Sanchez said that since the proposed rate of \$0.585264 per \$100 valuation exceeds the effective tax rate, two public hearings are required. The first public hearing is being held today and the second public hearing will be held on September 9, 2014. Council Member McIntyre made a motion to open the public hearing, seconded by Council Member Loeb and passed. There were no comments from the Council or the public. Council Member Loeb made a motion to close the public hearing, seconded by Council Member Allen and passed. Mayor Martinez read the following statement: "During the September 16, 2014 City Council Meeting, beginning at 11:30 a.m. at City Hall, the City Council will vote on the proposed tax rate."

N. REGULAR AGENDA: (ITEM 17-18)

17. Approving the extension and modified terms of the management agreement for the Corpus Christi Museum of Science and History

Motion authorizing the City Manager or his designee to extend and modify terms of Professional Services Management Agreement with CCMJV for the operation of the Corpus Christi Museum of Science and History.

Mayor Martinez referred to Item 17. Assistant City Manager Wes Pierson stated that the purpose of this item is to extend and modify the term of the professional services management agreement with CCMJV for the operation to the Corpus Christi Museum of Science and History. Mr. Pierson outlined the three main changes of the contract. There were no comments from the Council or the public. This Motion was passed and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: M2014-114

18. Amending the Financial Budgetary Policies

Resolution amending Financial Budgetary Policies adopted by Resolution 029848 and providing financial policy direction on preparation of the annual budgets.

Mayor Martinez referred to Item 18. Assistant City Manager Wes Pierson stated that the purpose of this item is to amend the Financial Budgetary Policies. Mr. Pierson explained that the recommended amendments include amending Section 6 to specify the funding levels from the General Fund for street maintenance beginning in Fiscal Year 2015; adding Section 7 to specify a plan to address long-term funding mechanism for capital improvements to streets; and adding Section 8 to address the City's annual increasing contribution to the Texas Municipal Retirement System (TMRS) obligations. Mr. Pierson presented a street funds matrix to address how the funds will impact the streets.

Council members spoke regarding the following topics: the street capital improvement plan to address residential/local streets; the issues with the assessment program; having a future conversation on creating a policy on how to spend the funds for residential/local streets; clarifying the transfer from industrial district revenues; the residential street vitality program in St. Paul, Minnesota; whether the transfer to streets from the general fund is greater than last year; funding for maintenance of collector and arterial streets; the cost to taxpayers on a \$55 million bond program every 2 years; and consideration to decrease the street user fee as revenues increase.

Mayor Martinez delayed further discussion on Item 18 to hold the annexation public hearing scheduled for approximately 12:30 p.m.

Enactment No: 030265

M. PUBLIC HEARINGS: (ITEM 12)

12. Second Public Hearing- Southside FM 2444 Annexation (1st Public Hearing 8/19/14)

NOTICE TO THE PUBLIC: This item is scheduled to be heard at 12:30 pm.

Local Government Code, Chapter 43.063(a) requires the City to conduct two public hearings prior to First Reading of an Annexation Ordinance for the proposed Southside FM 2444 Annexation area commonly referred to as a portion of the Chapman Ranch / proposed APEX Wind Farm generally located along and on both sides of FM 2444, areas South of FM 2444 and west of County Road 41.

Mayor Martinez deviated from the agenda and referred to Item 12. Executive Director of Utilities Mark Van Vleck stated that the purpose of this item is to conduct the second public hearing for the Southside FM 2444 annexation. Council Member McIntyre made a motion to open the public hearing, seconded by Council Member Scott and passed. The following individuals spoke in support of the annexation: County Commissioner Mike Pusley; Scott Frazier; Dick Messenberger; Mark Garza, on behalf of the Builders Association of

Corpus Christi; Don Dunlap, representing local broadcasters; Dan Robins, President and General Manager of KIII TV; Gene Guernsey; Warren Andrich, on behalf of the Corpus Christi Association of Realtors; Joe Hopkins representing the Coves of Lago Vista; James Skrobarczyk; Ronnie Voss; Bart Braselton; Gabe Lopez; John Helm; Shane Torno, on behalf of Citizens for Responsible Growth; and Mike Bridges.

The following individuals spoke in opposition to the annexation: Carolyn Moon; Susie Luna Saldana; Peggy Duran; Jeff Ferguson, Vice President of Development for Apex Energy; Louise Chapman; Shannon Wilde, on behalf of several Chapman Ranch property owners; Carrie Robertson Meyer; Lauren Duke, on behalf of landowner, Elise Owen McLain; Mary Ann Kelly; Carol Kirkpatrick; Russell Samples, on behalf of seven (7) property owners;

Foster Edwards, President/CEO of the Corpus Christi Chamber of Commerce, stated that the Chamber has not voted on the issue of annexation. However, the Chamber does support asking the legislature to give the right to cities to control windfarm developments within their extraterritorial jurisdiction (ETJ). Mr. Edwards stated that the Chamber is concerned with the effects windfarms have to flight patterns for the military and the airport and the growth of the city. Rene Ruiz, on behalf of the Coles Charitable Trust and Coles Memorial Trust, stated that the Trust's property is significantly impacted by the annexation and spoke regarding the development agreements and the service plan for the area. Johnny French provided general comments regarding annexation. Steven Andreas recommended that the comprehensive plan for the City should adequately address the issues of sustainability, energy, site selection, transmission lines, and utility extensions to make decisions easier in the future.

Council Member Scott made a motion to close the public hearing, seconded by Council Member McIntyre and passed. Council members spoke regarding private property rights, the windfarm effecting the Navy base and encroachment on the Navy's airspace; the legislation regarding the City's right to control their ETJ; whether wind turbines need their own fire station; an explanation on utility build outs; and the Council being proactive on infill development. City Secretary Huerta announced that Council Member Magill recused himself from the discussion on Item 12.

trH. EXECUTIVE SESSION: (ITEMS 2-3)

Mayor Martinez deviated from the agenda and referred to the day's executive sessions. The Council went into executive session.

2. Executive session pursuant to Section 551.071(1)(A) of the Texas Government Code to consult with attorneys regarding Cause No. 2014-DCV-1755-G, styled City of Corpus Christi and Corpus Christi Community Improvement Corporation vs. Texas League of United Latin American Citizens (LULAC) Apartments of the Village, et al, for discussion and possible action in open session

This E-Session Item was discussed in executive session.

3. Executive session pursuant to Section 551.071 of the Texas Government Code for consultation with attorneys regarding fire

collective bargaining negotiations with possible discussion and action in open session.

This E-Session Item was discussed in executive session.

REGULAR AGENDA: (ITEMS 18 - 21)

18. Amending the Financial Budgetary Policies

Resolution amending Financial Budgetary Policies adopted by Resolution 029848 and providing financial policy direction on preparation of the annual budgets.

Mayor Martinez referred to Item 18. Assistant City Manager Wes Pierson returned to the discussion on the amendments to the Financial Budgetary Policies and referred to Section 8, Funding of the Texas Municipal Retirement System (TMRS) Contributions. Mr. Pierson stated that an additional 1% will be added to the City's contribution to TMRS each year until the actuarially determined fully funded rate is met. Mr. Pierson presented two graphs detailing the City's annual current funding contribution and full funding percentages and a comparison of pension "funded ratios" for Texas cities. Council members asked questions regarding the following topics: the industrial district contract negotiations to help fund streets; future discussions to use the incremental increases from the industrial district agreements as additional revenue for streets; and designating the street improvement plan to focus on residential/local streets. There were no comments from the public.

Council Member Loeb made a motion to amend the resolution to designate that the street improvement plan is focused on residential/local streets, seconded by Council Member McIntyre and passed unanimously. This Resolution was passed as amended and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: 030265

19. Second Reading Ordinance - Approving a construction contract for the Hike and Bike Trail Development - Bear Creek Trail project (Bond 2012) (1st Reading 8/19/14)

Ordinance amending the FY 2014 Capital Improvement Budget adopted by Ordinance No. 029916 by adding \$74,969.52 from Fund 4526 Storm Water 2009 Revenue Bond Project Reserves to the Hike and Bike Trail Development Project (Bond 2012); increasing expenditures in the amount of \$74,969.52; and authorizing the City Manager, or designee, to execute a construction contract with Gourley Contracting, LLC. of Corpus Christi, Texas in the amount of

\$1,047,070.40 for the Hike and Bike Trail Development - Bear Creek project for the base bid only (Bond 2012).

Mayor Martinez referred to Item 19. Interim Executive Director of Public Works Valerie Gray stated that the purpose of this item is to execute a construction contract for the Hike and Bike Trail Development - Bear Creek Trail project. Ms. Gray referred to a revised breakdown of the project budget and provided a city-wide map of the hike and bike trails. Council members asked questions regarding the cost per square foot for the trail; the percentage for engineering costs; and the reason engineering fees are based contingent to the total cost of the contract and not a flat fee. There were no comments from the public. This Ordinance was passed and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: 030266

20.

Second Reading Ordinance - Rezoning from the "CR-2/IO" Resort Commercial District (Barrier Island Business) with an Island Overlay to the "RS-TH/IO/PUD" Townhouse District with an Island Overlay and Planned Unit Development Overlay, on property located at 14702, 14714, 14726, 14734 Compass Street (1st Reading 8/19/14)

Case No. 0714-02 Compass Revenge, Inc.: A change of zoning from the "CR-2/IO" Resort Commercial District (Barrier Island Business) with an Island Overlay to the "RS-TH/IO/PUD" Townhouse District with an Island Overlay and Planned Unit Development Overlay, not resulting in a change to the Future Land Use Plan. The property is described as Lots 23, 24, 25 and 26, Block 42, Padre Island - Corpus Christi Island Fairway Estates, located along the east side of Compass Street, approximately 520 feet south of Commodores Drive.

Planning Commission and Staff Recommendation (July 16, 2014): Approval of the change of zoning from "CR-2/IO" Resort Commercial District (Barrier Island Business) with an Island Overlay to the "RS-TH/IO/PUD" Townhouse District with an Island Overlay and Planned Unit Development Overlay, subject to 10 conditions.

Ordinance:

Ordinance amending the Unified Development Code ("UDC") upon application by Compass Revenge, Inc. ("Owner"), by changing the UDC Zoning Map in reference to Lots 23, 24, 25, and 26, Block 42, Padre Island - Corpus Christi, Island Fairway Estates from the "CR-2/IO" Resort Commercial District (Barrier Island Business) with an Island Overlay to the "RS-TH/IO/PUD" Townhouse District with an

Island Overlay and a Planned Unit Development Overlay; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause, penalties, and publication.

Mayor Martinez referred to Item 20. Annika Gunning with Development Service stated that the purpose of this item is to present the second reading of a rezoning to allow for construction of townhouses on Compass Street. Ms. Gunning responded to a question raised during the first reading and confirmed that the internal private street is one-way. Ms. Gunning stated that the zoning report has been updated to reflect that change. There were no comments from the Council or the public. This Ordinance was passed on second reading and approved with the following vote:

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

Enactment No: 030267

21.

Second Reading Ordinance - Rezoning from the "RE" Residential Estate District to the "RE/SP" Residential Estate District with a Special Permit, on property located at 822 Graham Road (Tabled 7/29/14)

Case No. 0614-03 CCSemloh Partnership, Ltd.: A change of zoning from the "RE" Residential Estate District to the "CG-2" General Commercial District. The property to be rezoned is described as a 10.861-acre tract of land out of Lot 10, Section 48, Flour Bluff and Encinal Farm and Garden Tracts, located along the south side of Compton Road between the intersections with First National Boulevard and Waldron Road.

Staff Recommendation:

Denial of the change of zoning from the "RE" Residential Estate District to the "CG-2" General Commercial District and in lieu thereof, approval of a Special Permit for a boat storage facility subject to a site plan and ten conditions.

Planning Commission:

Approval of the change of zoning from the "RE" Residential Estate District to the "CG-2" General Commercial District.

Ordinance passed on first reading:

Ordinance amending the Unified Development Code ("UDC"), upon application by CCSemloh Partnership, Ltd. ("Owner"), by changing the UDC Zoning Map in reference to a 10.861-acre tract of land out of Lot 10, Section 48, Flour Bluff and Encinal Farm and Garden Tracts, from

the "RE" Residential Estate District to the "RE/SP" Residential Estate District with a Special Permit; amending the Comprehensive Plan to account for any deviations; and providing for a repealer clause and publication.

Mayor Martinez referred to Item 21. Annika Gunning with Development Services stated that the purpose of this item is to present the second reading of a rezoning request by CCSemloh Partnership, Ltd, changing the zoning from "RE" Residential Estate District to a "RE/SP" Residential Estate District with a Special Permit. Ms. Gunning explained that at the July 22nd meeting, staff was asked to work with the applicant and to create flexibility in the Special Permit site plan. Staff modified that Special Permit ordinance and has prepared it for second reading. Ms. Gunning stated that the applicant has indicated that he would strongly prefer the "CG-2" General Commercial District, which was his original request and recommended by the Planning Commission, to give him flexibility for developing the property in the future. Ms. Gunning presented the options for consideration. There were no comments from the public.

Council Member McIntyre made a motion to withdraw the ordinance for the "RE/SP" Residential Estate District with a Special Permit, seconded by Council Member Scott and passed. Council Member McIntyre made a motion to postpone the zoning case until September 9th to allow staff to come back with a first reading ordinance for the "CG-2", seconded by Council Member Riojas and passed.

Aye: 8 - Mayor Martinez, Council Member Allen, Council Member Garza, Council Member Loeb, Council Member Magill, Council Member McIntyre, Council Member Riojas and Council Member Scott

Absent: 1 - Council Member Leal

Abstained: 0

O. FIRST READING ORDINANCES: (NONE)

P. FUTURE AGENDA ITEMS: (NONE)

Q. BRIEFINGS TO CITY COUNCIL: (ITEMS 22 - 24)

22. Proposed FY2015 Enterprise Funds Budget

Mayor Martinez referred to Item 22. City Manager Olson provided an overview of the enterprise, special revenue and debt service funds including the number of employees; total revenues and expenditures; the list of enterprise funds; the mission of the enterprise funds; the challenges in the enterprise fund; the utility rate impact; the three things driving the utility rate increases: 1) covering the fixed costs and consumption, the capital improvement program and Mary Rhodes Pipeline Phase 2; the seven (7) special revenue funds; the mission of the special revenue funds; the challenges of the street fund; the investment of street maintenance; the 2014 street preventive maintenance work plan map; the mission of the debt service fund; the debt ratings; and the City's total debt.

Assistant City Manager Gus Gonzalez referred to a powerpoint presentation of the enterprise funds including the mission; the pinnacle issues for utilities, the

airport, and the marina; the major accomplishments for utilities, the airport, the marina, and gas; the number of employees; the utility rate impact; the revenues; the total expenditures; the summary of the fund balances; the total enterprise fund balance; and the decision packages.

Council members spoke regarding the following topics: the reduction in water consumption from this year to last year; the creation of 4,500 acre feet in water supply this year; the cost to purchase the same volume of water for the price of Mary Rhodes Pipeline, Phase 2; the utility rate impact; the large portion of reserves tied to debt service and whether the City is allowed to spend reserves to lower rate increases; changing the rate structure; development of a plan for citizens to be rewarded for conserving greater amounts of water; whether the increase in wastewater rates is due to EPA regulations; infrastructure maintenance; including a breakdown in utility bills on how utility rates are being used; restricted versus unrestricted reserves; other efficiencies to decrease the utility rates; reorganization of the utility departments; the potential savings with McKinstry, Phase 3; communication of the water supply strategies; the rate increase for gas; aggressive planning to improving the stormwater runoff into the Bay; plans to work with the Downtown Management District to address street sweeping and littering.

23. Proposed FY2015 Special Revenue Funds Budget

Mayor Pro Tem Rudy Garza referred to Item 23. Assistant City Manager Wes Pierson stated that the purpose of this item is to discuss the special revenue funds. Mr. Pierson referred to a powerpoint presentation of the mission; the pinnacle issues; the major accomplishments for FY2014; the number of full-time equivalents; the revenues and expenditures; the summary of fund balances; the projected change in the fund balance; and the decision packages.

Council members spoke regarding the following topics: the fee increases for Development services; changing the culture at Development Services on first responses from staff; the new software for Development Services; making changes to the website to provide a base level of knowledge of the process for Development Services; the Hotel Occupancy Tax income projections; whether seawall funds can be used for cleaning, maintenance and security of the seawall; additional dog waste dispensers; data from the Commission on Children and Youth regarding the increase in crime due to reducing swimming pool and recreation center hours; and the cost to have the recreation centers and pools open full time during the summer.

Council Member Loeb made a motion directing the City Manager to look into the option of transferring \$500,000 from the Hotel Occupancy Tax fund allocation for convention center maintenance; and reallocating the monies to allow entities and organizations within a half mile of a hotel or tourist center to fund pedestrian wayfinding, beach improvements, public space improvements, and pedestrian improvements; and to work on a scoring system at a later time. The motion was seconded by Council Member Scott, and passed unanimously. Assistant City Manager Susan Thorpe provided a 20-year proforma for the Crime Control and Prevention District Fund that shows the accommodation of eleven officers and two (2) lieutenants, the associated equipment and vehicles.

24. Proposed FY2015 Debt Service Funds Budget

Mayor Pro Tem Rudy Garza referred to Item 24. Director of Financial Services Constance Sanchez stated that the purpose of this item is to provide a an overview of debt services funds including the mission; the major revenues used to pay the debt; the tax cap; the outstanding obligations; the utility revenue debt; the debt ratings; the impact of the AAA ratings; comparison with other cities on the debt per capita, and debt as compared to the net assessed values.

R. ADJOURNMENT

The meeting was adjourned at 6:24 p.m.