



Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
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Meeting Minutes

Corpus Christi Business and Job Development Corporation

Monday, May 16, 2016

4:00 PM

City Council Chambers

A. President Bryan Gulley to call the meeting to order.

President Gulley called the meeting to order at 4:08 p.m.

B. Call Roll

President Gulley verified that a quorum of the Board was present to conduct the meeting.

(Note: Mr. Guerra arrived at 4:11 p.m.)

Present: 5 - President R. Bryan Gulley, Vice-President Debbie Lindsey-Opel, Secretary Gabriel Guerra, Bart Braselton and Randy Maldonado

C. MINUTES

1. Approval of the Minutes of the April 18, 2016 Meeting.

President Gulley called for approval of the minutes. Ms. Opel made a motion to approve the minutes, seconded by Mr. Braselton and passed unanimously.

E. CLOSED SESSION ITEMS: (NONE)

F. AGENDA ITEMS: (ITEM 9)

9. Seawall Fund - McGee Beach Dredging Contract

Motion recommending approval of an engineering contract with HDR Engineering, Inc. in the amount of \$28,651 to provide a feasibility assessment for dredging the southern portion of the downtown marina to improve boat access to the new 'R' Pier south of the Cooper's Alley L-Head with the possibility of beneficial placement of dredged material on McGee Beach.

President Gulley deviated from the agenda and referred to Item 9. Director of Engineering Services Jeff Edmonds stated that the purpose of this item is to approve the authorization of Type A funds for an engineering contract with HDR Engineering, Inc. to provide a feasibility assessment for dredging at McGee Beach.

Board members spoke regarding the following topics: the previous dredging at McGee Beach; a copy of the data from the previous assessment; the location of the dredge and quality of the material; permit from the Corps of Engineers;

geotechnical sampling; cost for the project; what was done with the sand after the last dredging; the urgency for the project; whether there will be additional costs for analytical testing; the location of the previous dredging; whether the contract has already been approved; the scope of the project; the sand presently sitting by the marina and breakwater; and tabling the item until the next meeting.

Mr. Braselton made a motion to table Item 9, seconded by Mr. Guerra and passed unanimously.

G. PRESENTATION ITEMS: (ITEM 10)

10. Engineering Services Update - May 2016

President Gulley deviated from the agenda and referred to Item 10. Director of Engineering Services Jeff Edmonds presented the Engineering Services monthly project update.

Board members spoke regarding the following topics: the breakwater safety improvements; the installation of a new breakwater walkway; whether there is a need to install a fishing pier and other amenities; and the status of the Salt Flats Levee System.

D. FINANCIAL REPORT

2. Financial Report as of March 31, 2016.

President Gulley referred to Item 2. Director of Financial Services Constance Sanchez presented the sales tax collections; cash flow statements; the commitment reports; the pro forma for the economic development fund; and the since inception reports.

Board members spoke regarding the following topics: the annual administrative service charges; leveraging the affordable housing funds; the increased budget in FY2014-2015; the pro forma report; the payment of the insurance and maintenance for the baseball stadium at the end of the sales tax; and the amount of revenue the City receives from Whataburger Field.

AGENDA ITEMS: (ITEMS 3 - 8)

3. Affordable Housing - Corpus Christi Housing Authority's La Armada II

Motion to approve the expenditure of \$150,000 from the "Available for Projects" line item and transfer the \$150,000 to the "CC Housing Authority La Armada II" line item.

President Gulley referred to Item 3. Director of Housing and Community Development Rudy Bentancourt stated that the purpose of this item is to approve the expenditure of \$150,000 to the Corpus Christi Housing Authority for the rehabilitation of La Armada II. Gary Allsup, CEO and President of the Corpus Christi Housing Authority, provided a brief update of the project, the project timeline; photos of the revitalization; funding sources, and an updated

cost summary.

Board members spoke regarding the following topics: the major factors contributing to the increase in costs; rehabilitation of the units; the waiting list for housing; and the kickoff date for construction.

Mr. Braselton made a motion to approve Item 3, seconded by Ms. Opel and passed unanimously.

4. Arena Fund - HVAC Emergency Expenditure

Motion approving and authorizing an emergency expenditure in the amount of \$70,000 from the 1130 Arena Facility Fund for repairs to the HVAC system at the Arena.

President Gulley referred to Item 4. John Meyer, Director of Convention Center Operations at the American Bank Center, stated that the purpose of this item is to an emergency expenditure to repair the Arena's HVAC system. Mr. Meyer provided a brief background of the Arena's chiller system. Board members spoke regarding the following topics: the cost for a new chiller and the savings to repair the chiller.

Ms. Opel made a motion to approve Item 4, seconded by Mr. Guerra and passed unanimously.

5. Board Recommendation - Sales Tax Authorization Allocation

Discussion and possible action regarding Economic Development Sales Tax Authorization Allocation.

President Gulley referred to Item 5. Executive Director Margie C. Rose stated that the purpose of this item is to provide a presentation on the Economic Development Sales Tax authorization with discussion and possible action. Executive Director Rose stated that during the March 22, 2016 City Council Retreat, Council requested that staff ask the Type A Board for their recommendation on allocation of funds before the ballot language is drafted. Executive Director Rose provided the following information: a background of the 1/8 cent dedicated sales tax; the differences between Type A, Type B, or General Revenue Tax; and a 3-year snapshot of expenditures made.

Iain Vasey, President/CEO of the Corpus Christi Regional Economic Development Corporation (EDC) stated that the EDC board passed a resolution on April 14, 2016 supporting the following positions: 1) Minimum of 50% of the total funds for Economic Development; 2) Up to \$500, 000 to affordable housing programs; 3) Balance of funds to arterial/collector streets; and 4) The EDC supports the continuance of the sales tax for 20 years, maintaining a review/recommendation panel, supports a Type B structure, and appropriate protection mechanisms to ensure funds for economic development are maintained.

Board members spoke regarding the following topics: the comparison between the General Revenue and Type B; whether the ordinance establishing a contract with the voters on specific uses for a general revenue sales tax could be amended; concerns with the General Revenue sales tax; keeping the affordable housing component; consideration for the Type B sales tax; funding for residential streets; a fixed amount for residential streets in the amount of \$3

million; recommendation to keep the same board for Type A and Type B; the Chamber of Commerce's position in-line with the EDC; whether affordable housing could be redefined by ordinance; use of the federal definition of affordable housing for Type A and Type B;

Mr. Guerra announced that he would be abstaining from the discussion and vote on this item.

President Gulley made a motion to recommend the following: to support the Type B structure; set a fixed amount of \$3 million for city streets; set a fixed amount of \$500,000 for affordable housing; and the remainder of the funds dedicated to economic development, seconded by Ms. Opel and passed unanimously (Guerra - abstained). There was a brief discussion regarding the same board for both the Type A and Type B. City Secretary Huerta stated that Council Policy prohibits individuals from serving on two boards, and would research and provide an opinion on whether there would be a conflict.

6. Affordable Housing - Reimbursement of HCD Staff Expenditures

Motion allocating and transferring \$31,993.89 in Fund 1140 Economic Development Fund from the Affordable Housing's "Available for Projects" balance on the Contracts and Commitment monthly report to the Affordable Housing's "City of Corpus Christi - Reimbursement" balance to reimburse staff time from the Housing and Community Development Department for Type A activities performed during the last quarter of FY14-15 in the amount of \$10,345.97 and the first quarter of FY15-16 in the amount of \$10,549.63, and the second quarter of FY 15-16 in the amount of \$11,098.29.

President Gulley referred to Item 6. Director of Housing and Community Development Rudy Bentancourt stated that the purpose of this item is to allocate and transfer \$20,895.60 to reimburse staff time spent on Type A activities from July 1, 2015 to December 31, 2015.

Board members spoke regarding the following topics: whether additional staff was hired to administer the program; whether there would be a reduction in staff if the program did not exist; 5% of the available funding for affordable housing spent on administration; the amount of funds allocated since inception; additional information and background justifying the need for additional funding; the funding necessary to administer Type A activities; and the number of loans processed and costs.

Mr. Guerra made a motion to table Item 6, seconded by Mr. Braselton and passed unanimously.

7. Affordable Housing - Homebuyer Assistance Program Guidelines

Discussion and possible action to adopt the Affordable Housing Program's Homebuyer Assistance Program Guidelines.

President Gulley referred to Item 7. Director of Housing and Community Development Rudy Bentancourt stated that the purpose of this item is to formally adopt the Homebuyer Assistance Program Guidelines. The Type A

Board last approved the guidelines on October 20, 2014. These guidelines were for the Existing Housing Inventory Guidelines and the New Construction Program Guidelines. In 2015, Housing and Community Development combined both sets of guidelines into one. The Type A Board was provided with the Homebuyer Assistance Program Guidelines, the Existing Housing Inventory Guidelines, the Builder's New Construction Guidelines and the Homebuyer Assistance Program Guidelines with Legislative changes which include all three of the previous guidelines. Mr. Bentancourt provided an overview of the Homebuyer Assistance Program Guidelines Legislative Changes.

Board members spoke regarding the following topics: putting a placeholder in Section II for the purchase price of the home which changes from year to year; clarification on Section IV. Homebuyer Eligibility regarding HCD requirements for future income; whether HOME funds can be separated from Type A funds; the requirement for paycheck stubs for last 6 months; whether Type A funds can be used for closing costs; and utilization of the program.

No action was taken on this item.

8. Affordable Housing - FY 16 Homebuyer Assistance Program Agreement

Motion allocating and transferring \$25,000 in Fund 1140 Economic Development Fund from the Affordable Housing's "Available for Projects" balance on the Contracts and Commitment monthly report to the Affordable Housing's "City of Corpus Christi - Reimbursement" balance in the amount of \$25,000 to reimburse the City for staff time in implementing the Program; and authorizing the president to execute an affordable housing services agreement with the City's Housing and Community Development Department.

President Gulley referred to Item 8. Director of Housing and Community Development Rudy Bentancourt stated that the purpose of this item is to allocate and transfer \$200,000 from the Affordable Housing's "Available for Projects" balance to the Homebuyer Assistance Program; allocate and transfer \$50,000 from the "Available for Projects" to the "City of Corpus Christi - Reimbursement" for staff time in implementing the Homebuyer Assistance Program; and to authorize the President to execute an affordable housing services agreement with the City's Housing and Community Development (HCD) Program. This funding will assist 20 potential homebuyers at \$10,000 each for down payment assistance.

Board members spoke regarding the following topics: the request for an additional \$50,000 for administrative costs; whether the language in the agreement states that the funds are no longer under the control of the Type A Board; whether the funds are transferred to HCD Department; granting the funds to be spent based on the approved guidelines; background on the administrative costs in a matrix format; whether the funds could be spent for anything other than the Homebuyer Assistance Program; approval of the transfer of funds until the new guidelines are approved; changes to the language in the contract to have HCD administer the funds only; and whether someone else can administer the funds for less.

Mr. Braselton made a motion to allocate and transfer \$200,000 in Fund 1140 Economic Development Fund from the Affordable Housing's "Available for Projects" balance on the Contracts and Commitment monthly report to the Affordable Housing's "Homebuyer Assistance Program" balance in the amount of \$200,000, seconded by Ms. Opel and passed (Guerra and Maldonado - absent).

I. PUBLIC COMMENT

President Gulley referred to comments from the public. Garrett Dorsey, 14878 Granada, spoke regarding the processing of loan applications and the concept of "Tiny Homes" for the homeless population.

H. EXECUTIVE DIRECTOR COMMENTS:

None.

J. IDENTIFY FUTURE AGENDA ITEMS

President Gulley referred to Identifying Future Agenda Items. The following items were identified: the items tabled at today's meeting and the status of the Miradores maintenance.

K. ADJOURNMENT

The meeting was adjourned at 6:55 p.m.

** Regardless of the agenda heading under which any item is listed, any word or phrase of any item listed on this agenda shall be considered a subject for consideration for purposes of the Texas Open Meetings Act and other relevant laws, and the Board of Directors may deliberate and vote upon any such subject and resolutions related thereto. Any descriptions of property or amounts stated in this agenda are descriptive and not restrictive, and property and amounts may be changed in the motions, actions or documents. In addition to other items listed in this agenda, policies and procedures of this corporation, legal analysis of any items, policies or procedures, and any items that are currently receiving funding from this corporation may be discussed and deliberated and these matters are added as subjects of discussion to this meeting. This agenda has been reviewed and approved by the attorney for the governing body, and the presence of any subject or description in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for this corporation indicating that said subject or description thereof may be legally discussed in a closed meeting.*