



# City of Corpus Christi

1201 Leopard Street  
Corpus Christi, TX 78401  
cctexas.com

## Meeting Minutes

### City Council

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Tuesday, October 10, 2023

11:30 AM Corpus Christi Regional Transportation Authority, 602 N.  
Staples St., 2nd Floor Board Room (Rm. 210)

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**Addendums may be added on Friday.**

**A. Mayor Paulette Guajardo to call the meeting to order.**

Mayor Guajardo called the meeting to order at 11:32 a.m.

**B. Invocation to be given by Pastor Greg Hood, REACH Ministries.**

Pastor Greg Hood, REACH Ministries, gave the invocation.

**C. Pledge of Allegiance to the Flag of the United States and to the Texas Flag to be led by Katie Baker, Junior at Veterans Memorial High School.**

Katie Baker, Junior at Veterans Memorial High School, led the Pledge of Allegiance to the Flag of the United States of America and to the Texas Flag.

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

City Secretary Rebecca Huerta called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

Charter Officers: City Manager Peter Zanoni, City Attorney Miles Risley and City Secretary Rebecca Huerta

**Present:** 9 - Mayor Paulette Guajardo, Council Member Roland Barrera, Council Member Gil Hernandez, Council Member Michael Hunter, Council Member Mike Pusley, Council Member Dan Suckley, Council Member Everett Roy, Council Member Jim Klein, and Council Member Sylvia Campos

**E. SECURITY BRIEFING**

Assistant City Secretary Stephanie Box provided a security briefing.

**F. CITY MANAGER'S COMMENTS / UPDATE ON CITY OPERATIONS:**

- [23-1624](#) Staff Announcements:  
Billy Beyleu - Corpus Christi Assistant Fire Chief  
Nick Winkleman - Assistant Director of Planning and Infrastructure

City Manager Peter Zanoni announced Nick Winkleman as Assistant Director of Planning and Infrastructure. Mr. Winkleman is responsible for overseeing capital projects for water

and wastewater infrastructure.

2. [23-1515](#) FY 2023 3rd Quarter Budget Report

City Manager Peter Zanoni presented information on the FY 2023 3rd Quarter Budget Report as follows: presentation overview; general fund revenues; general fund expenses; FY 2023 budget initiatives (all funds); HOT tax revenue; water fund revenues and expenses; wastewater fund revenues and expenses; capital improvement program; 3rd quarter summary; and next steps.

Council Members and City Manager Zanoni discussed the following topics: a request for a complete list of the fund balances for each department; how to best address short-term rental violations; and staff will provide Council a trend analysis for expenses.

3. [23-1631](#) 2023 City Council Meeting Calendar Update

City Manager Peter Zanoni provided an update on the 2023 City Council meeting calendar as follows: October 24 City Council meeting canceled; November 7 City Council meeting canceled and rescheduled to November 28; tentative special meeting to canvass the election results on November 17 or November 20; and December 19 Council meeting canceled and rescheduled to December 5.

4. [23-1653](#) 2023 Solar Eclipse - Saturday, October 14, 2023

City Manager Peter Zanoni presented information on the 2023 Solar Eclipse as follows: solar eclipse viewing safety; eclipse over the coast-Saturday, October 14, 2023 at 11:55 a.m.; safety tips; and 2023 Solar Eclipse Preview Event on Friday, October 13, from 5:30 p.m. to 8:00 p.m. at Cole Park.

**G. PUBLIC COMMENT**

Mayor Guajardo opened public comment.

Isabel Araiza, 326 Poenisch Dr., Autumn Hensiek, 325 Louisiana Ave., Alexis Vuong, 2333 Vaughn Dr., Blanca Parkinson, 10801 Silverton Dr., Jake Hernandez, 488 Palmetto St., and Lamont Taylor, 522 Hancock, spoke in opposition to Item 25.

Susie Saldana, 4710 Hakel Dr., would like clarification about Proposition A.

Jonathan Martinez, 101 N. Shoreline Blvd, and Barton Bailey, 2882 Holly Rd., spoke in support of an ordinance to prohibit smoking in all city parks recommended by the Parks and Recreation Advisory Committee.

Rachel Caballero, 522 Hancock, spoke in opposition to Items 20, 25, and Proposition A.

John Weber, 609 Naples St., spoke about communication between a Council Member and a Port of Corpus Christi Commissioner.

Eli McKay, 1008 Marguerite St., spoke in opposition to Items 20 and 25.

Jatin Patel, Michael Miller, 51 Camden Place, Joshua Tijerina, 5506 Wooldridge Rd., Katherine Dain, 3746 Castle River Dr., Taylor Johnson, 4609 Schwerin Lake Dr., and Daryl Genzer, 929 Navigation, spoke in opposition to Proposition A.

The following citizens submitted a written public comment which is attached to the minutes: Patricia Jones, 4334 St. George Dr.; John Weber, 609 Naples St.; and Kathryn Masten, Vienna, Maryland.

**H. BOARD & COMMITTEE APPOINTMENTS: (NONE)**

**I. EXPLANATION OF COUNCIL ACTION:**

**J. CONSENT AGENDA: (ITEMS 5 - 16)**

**Approval of the Consent Agenda**

Mayor Guajardo referred to the Consent Agenda. Items 13 and 15 were pulled for individual consideration.

Council Member Suckley moved to approve the consent agenda with the exception of Items 13 and 15, seconded by Council Member Campos. The motion carried by the following vote:

**Aye:** 9 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

**5. [23-1625](#) Approval of the September 19, 2023 Regular Meeting Minutes.**

The Minutes were approved on the consent agenda.

*Consent - Second Reading Ordinances*

**6. [23-1465](#) Zoning Case No. 0723-04, Eldon Sunrise (District 2). Ordinance rezoning a property at or near 4922 Everhart Road from the "RS-6" Single-Family 6 District to the "CN-1" Neighborhood Commercial District; Providing for a penalty not to exceed \$2,000 and publication. (Planning Commission and Staff recommend approval.)**

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 033182

7. [23-1405](#) Ordinance authorizing a Wastewater Trunk Line Construction and Reimbursement Agreement up to \$1,274,863.04 with Yasin Investments, LLC to construct a required wastewater trunk line for the proposed development located off South Padre Island Drive on the Island and South of Viento Del Mar Dr; and authorizing future transfer and appropriation of Water and Wastewater Trust Fund revenue up to \$1,274,863.04 to reimburse the developer in accordance with the agreement. (District 4).

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 033183

8. [23-1430](#) Ordinance designating the new Park Road 22 Bridge as the Don Patricio Bridge.

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 033184

9. [23-1505](#) Ordinance amending Section 14-556 of Corpus Christi Code to adopt regulations for nonstructural fill on North Beach; and providing for a penalty not to exceed \$500 per violation and publication.

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 033185

*Consent - Contracts and Procurement*

10. [23-0770](#) Motion authorizing execution of a one-year supply agreement with Ferguson Enterprises, LLC, of Corpus Christi, in an amount not to exceed \$73,644.52, to purchase retainers, restraints, gaskets, and related supplies utilized by the Corpus Christi Water Department, with FY 2024 funding in the amount of \$73,644.52 from the Water Fund.

This Motion was passed on the consent agenda.

Enactment No: M2023-155

11. [23-1230](#) Motion authorizing execution of a one-year service agreement, with two one-year options, with Corpus Christi C-D Electric Texas, for motor and clutch repairs and related supplies for the Corpus Christi Water Department's wastewater treatment plants and lift and pump stations in an amount not to exceed of \$151,250---.00, and a potential amount of \$453,750.00 if both one-year option periods are exercised, with FY 2024 funding in the amount of \$151,250.00 from the Wastewater Fund.

This Motion was passed on the consent agenda.

Enactment No: M2023-156

12. [23-1524](#) Motion authorizing execution of a one-year service agreement, with two one-year

options, with C & S Plating & Bumper Recycling, Inc., dba C & S Truck and Van Equipment, of Austin, with an office in Corpus Christi, in an amount not to exceed \$333,000.00 and up to \$999,000.00 if the options are exercised, for upfitting services and repairs for Asset Management, with FY 2024 funding from the Fleet Maintenance Service Fund.

This Motion was passed on the consent agenda.

Enactment No: M2023-157

13. [23-1644](#) Resolution authorizing the use of the public health and safety statutory exemption to purchase up to 15 trucks from various unidentified regional dealerships in an amount not to exceed \$686,488.44 with funding from the Fleet Equipment Replacement Fund.

Mayor Guajardo referred to Item 13.

Council Members, City Manager Peter Zanoni, and Director of Engineering Services Jeff Edmonds discussed the following topics: staff is in the process of filling the 15 vacant inspectors and this will allow staff to procure the vehicles; trucks are needed for construction zone areas; and whether a financial analysis was done to outsource these vehicles versus in house.

Council Member Hunter moved to approve the resolution, seconded by Council Member Campos. This Resolution was passed and approved with the following vote:

**Aye:** 8 - Mayor Guajardo, Council Member Barrera, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Nay:** 1 - Council Member Hernandez

**Abstained:** 0

Enactment No: 033186

*General Consent Items*

14. [23-1578](#) Resolution authorizing the submission of a grant application for the Firehouse Subs Public Safety Foundation Grant for funding in the amount of \$22,745.74 for five replacement and one additional emergency medical services patrol bikes and one replacement rescue boat to support the Corpus Christi Fire Department.

This Resolution was passed on the consent agenda.

Enactment No: 033187

*Consent - First Reading Ordinances*

15. [23-1355](#) Ordinance authorizing a three-year lease agreement with five one-year options

to renew, with Texas A&M University-Corpus Christi Lone Star UAS Center of Excellence and Innovation (LSUASC) for 3,000 square feet of shop space, 19,000 square feet of unimproved land, and 1,400 square feet of the vehicle parking at the Corpus Christi International Airport.

Mayor Guajardo referred to Item 15.

A Council Member, Director of Aviation Kevin Smith, and Michael Sanders with Texas A&M Corpus Christi Drone Program discussed the following topic: authorizing this lease agreement will allow TAMU-CC to do research, development, and test flights under Federal Aviation Administration authority.

Council Member Pusley moved to approve the ordinance, seconded by Council Member Hunter. This Ordinance was passed on first reading and approved with the following vote:

**Aye:** 9 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

16. [23-1553](#) Ordinance appropriating \$48,348 and cash match of \$9,670 for an increase of \$58,018 in the Tuberculosis Prevention and Control Grant from the Department of State Health Services (DSHS) to provide tuberculosis prevention and control services for the period January 1, 2022, through August 31, 2024, and authorizing one grant position. This second amendment to the Tuberculosis Prevention and Control Federal Grant amendment will increase funding to a total not-to-exceed \$154,710.

This Ordinance was passed on first reading on the consent agenda.

**K. RECESS FOR LUNCH**

Mayor Guajardo recessed the Council meeting for lunch at 1:23 p.m. Mayor Guajardo reconvened the meeting at 2:05 p.m.

**L. PUBLIC HEARINGS: (ITEMS 17 - 18)**

17. [23-1566](#) Zoning Case No. 0723-05, Circle K Store (District 1). Ordinance rezoning property at or near 11102 Up River Road from the "RS-6" Single-Family 6 District to the "CG-2" General Commercial District; providing for a penalty not to exceed \$2,000 and publication. (Planning Commission and Staff recommend approval).

Mayor Guajardo referred to Item 17.

Mayor Guajardo opened the public hearing.

There were no comments from the Council or the public.

Mayor Guajardo closed the public hearing.

Council Member Roy moved to approve the ordinance, seconded by Council Member Pusley. This Ordinance was passed on first reading and approved with the following vote:

**Aye:** 9 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

18. [23-1567](#) Zoning Case No. 0823-01, Sharky Transportation (District 1). Ordinance rezoning a property at or near 4757 Sharpsburg Road from the "IL" Light Industrial District to the "IL/SP" Light Industrial District with a Special Permit; Providing for a penalty not to exceed \$2,000 and publication. (Planning Commission and Staff recommend approval).

Mayor Guajardo referred to Item 18.

Mayor Guajardo opened the public hearing.

There were no comments from the public.

Mayor Guajardo closed the public hearing.

Council Member Roy stated this project will improve cell phone service in District 1.

Council Member Roy moved to approve the ordinance, seconded by Council Member Pusley. This Ordinance was passed on first reading and approved with the following vote:

**Aye:** 9 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

**M. INDIVIDUAL CONSIDERATION ITEMS: (ITEMS 19 - 25)**

19. [23-1650](#) Resolution in support of the continued protection of the City's downtown Seawall Flood Control Structure and the establishment of an endowment dedicated to the future maintenance and repair of the Seawall.

Mayor Guajardo referred to Item 19.

Assistant City Manager Heather Hurlbert presented information on the following topics: investment in the seawall structure; recent seawall protection; future seawall protection;

seawall resolution; seawall endowment; and staff's recommendation.

Council Members, City Manager Peter Zanoni, Assistant City Manager Hurlbert, and Director of Engineering Services Jeff Edmonds discussed the following topics: there were no signs of deterioration during the last seawall inspection; approximately \$14 million is going to be put into an endowment from Type A once the sales tax expires in 2026; a minimum of five percent of 1/4 of 1% of the Type A sales tax has to be spent on the convention center complex, which includes the arena, Selena Auditorium, convention center, and seawall; and this endowment ensures that \$14 million is set aside for seawall needs.

Council Member Suckley moved to approve the resolution, seconded by Council Member Barrera.

Council Member Barrera moved to amend Section 1 of the resolution to state, "The City Council supports the continued protection of the City's downtown Seawall Flood Control Structure and the establishment of an endowment estimated to be \$14,000,000 as of the expiration of the sales tax authorization in 2026 dedicated to the future maintenance and repair of the Seawall," seconded by Council Member Suckley and passed unanimously.

This Resolution was passed as amended and approved with the following vote:

**Aye:** 6 - Mayor Guajardo, Council Member Barrera, Council Member Hunter, Council Member Suckley, Council Member Roy and Council Member Klein  
**Nay:** 2 - Council Member Hernandez and Council Member Pusley  
**Absent:** 1 - Council Member Campos  
**Abstained:** 0

Enactment No: 033188

20. [23-1422](#) Motion to amend section 3.08 Required Development of the Industrial Development Agreement 110-B with Bootstrap LLC to allow for development of a Battery Energy Storage facility and extension of the placed in-use requirement from December 31, 2023 to December 31, 2025.

Mayor Guajardo referred to Item 20.

Council Members, Assistant City Manager Heather Hurlbert, and Property Owner of Bootstrap Energy LLC Matthew Held discussed the following topics: Phase II of the battery pack is within the Industrial District Agreement; Bootstrap Energy contracts with the Refinery Terminal Fire Company; the batteries are stored in a container with a built-in fire suppression system; a Council Member's concern with the crypto currency mining; and Parcel 110-B is for battery storage and not crypto mining.

Council Member Hunter moved to approve the motion, seconded by Council Member Barrera. This Motion was passed and approved with the following vote:



- Aye:** 6 - Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley and Council Member Roy
- Nay:** 1 - Council Member Klein
- Absent:** 2 - Mayor Guajardo and Council Member Campos
- Abstained:** 0

Enactment No: M2023-158

21. [23-1311](#) Ordinance authorizing execution of a professional services agreement with Coffman Associates, Inc., of Overland Park, Kansas, for an updated Airport Master Plan in an amount not to exceed \$1,610,689.00; appropriating Airport Grant No. 72 from the Federal Aviation Administration for \$1,449,620.00 in Airport CIP Grants Fund No. 3020; appropriating \$161,069.00 from the FY 2023-2024 Operating Budget, Airport Fund No. 4610, and transferring to Airport Capital Reserve Fund No. 3018.

Mayor Guajardo referred to Item 21.

There were no comments from the Council.

Council Member Roy moved to approve the ordinance, seconded by Council Member Barrera. This Ordinance was passed on first reading and approved with the following vote:

- Aye:** 7 - Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy and Council Member Klein
- Absent:** 2 - Mayor Guajardo and Council Member Campos
- Abstained:** 0

22. [23-1601](#) Motion awarding a professional services contract to Garver, LLC, Houston, Texas, to provide design, bid, and construction phase services for the Sand Dollar 16-Inch Connection Line from the Sand Dollar Water Pump Station to the Coral Vine elevated storage tank in an amount not to exceed \$683,960.00, with FY 2024 funding available from Water Capital Fund.

Mayor Guajardo referred to Item 22.

Mayor Guajardo opened public comment.

There were no comments from the Council or the public.

Mayor Guajardo closed public comment.

Council Member Hunter moved to approve the motion, seconded by Council Member Barrera. This Motion was passed and approved with the following vote:

**Aye:** 8 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy and Council Member Klein

**Absent:** 1 - Council Member Campos

**Abstained:** 0

Enactment No: M2023-159

23. [23-1619](#) Resolution authorizing the submission of a grant application of up to \$306,087.50 to the Office of the Governor for funding from the Texas Military Preparedness Commission's Defense Economic Adjustment Assistance Grant Program for the replacement of 15 Condensate Return Stations with new and larger Condensate Return Stations at the Corpus Christi Army Depot Building 8; this grant application requires a match contribution of up to \$36,730.50 from the City to fund project management and grant administration services.

Mayor Guajardo referred to Items 23 and 24.

Director of Intergovernmental Relations Ryan Skrobarczyk stated that the City values their partnership with the military and the success with Defense Economic Adjustment Assistant Grant Program (DEAAG).

Council Member Pusley moved to approve the resolution, seconded by Council Member Hunter. This Resolution was passed and approved with the following vote:

**Aye:** 9 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

Enactment No: 033189

24. [23-1642](#) Resolution authorizing the submission of a grant application of up to \$922,059.90 to the Office of the Governor for funding from the Texas Military Preparedness Commission's Defense Economic Adjustment Assistance Grant Program to remove and replace two aging and deteriorating pumps and motors at two wastewater lift stations within the NASCC and to install two new diesel-powered emergency generators at each lift station; the grant will require a match contribution of up to 110,647.19 from the City to fund project management and grant administration services.

See Item 23.

**Aye:** 9 - Mayor Guajardo, Council Member Barrera, Council Member Hernandez, Council Member Hunter, Council Member Pusley, Council Member Suckley, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

Enactment No: 033190

25. [23-1675](#) Discussion with possible action regarding a Memorandum of Understanding with Port of Corpus Christi Authority on Desalination as proposed by **Councilman Mike Pusley, Councilman Dan Suckley, and Councilman Gil Hernandez.**

Mayor Guajardo referred to Item 25.

Mayor Guajardo opened public comment.

There were no comments from the public.

Mayor Guajardo closed public comment.

Council Members, City Manager Peter Zaroni, and City Secretary Rebecca Huerta discussed the following topics: the motivation behind the Memorandum of Understanding (MOU) was to partner with the Port of Corpus Christi (the Port) to share the risk and expense for desalination; and City staff meets with the Port on a weekly basis to maintain good communication.

Council Member Hernandez moved to approve the Memorandum of Understanding, seconded by Council Member Pusley. This Motion failed with the following vote:

**Aye:** 4 - Council Member Hernandez, Council Member Hunter, Council Member Pusley and Council Member Suckley

**Nay:** 5 - Mayor Guajardo, Council Member Barrera, Council Member Roy, Council Member Klein and Council Member Campos

**Abstained:** 0

**N. BRIEFINGS: (NONE)**

**O. EXECUTIVE SESSION: (NONE)**

**P. ADJOURNMENT**

There being no further business, Mayor Guajardo adjourned this meeting at 3:33 p.m.



## Sarah Brunkenhoefer

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**From:** CitySecretary  
**Sent:** Monday, October 9, 2023 8:02 AM  
**To:** Sarah Brunkenhoefer  
**Subject:** FW: [EXTERNAL]Public Input: 10-10-2023 - Patricia Jones

**From:** Jotform <noreply@jotform.com>  
**Sent:** Sunday, October 8, 2023 9:37 PM  
**To:** CitySecretary <CitySecretary@cctexas.com>; Norma Duran <NormaD2@cctexas.com>  
**Subject:** [EXTERNAL]Public Input: 10-10-2023 - Patricia Jones

[ [ **WARNING:** External e-mail. Avoid clicking on links or attachments. We will **NEVER** ask for a password, username, payment or to take action from an email. When in doubt, please forward to SecurityAlert@cctexas.com. ] ]

<input type="checkbox"/>	<b>Public Comment &amp; Input Form</b>
Date of Meeting	10-10-2023
Name	Patricia Jones
Address	Street Address: 4334 St. George Drive City: Corpus Christi State / Province: TX Postal / Zip Code: 78413
Topic	Bitcoin
Agenda Item Number	20
Describe Feedback:	<p>Dear Mayor, Council &amp; Manager,</p> <p>I have grave concerns about the city finalizing a deal with the Bootstrap Energy/ Navitas Energy bitcoin mining operations. Much more scrutiny needs to be done. Bitcoin operations are highly risky operations subject to crashing. The stability of the companies needs much further investigation. Does the city really know with whom they are entering a deal? The projected number of employees looks to be much less than originally projected. As a taxpayer I am tired of all the tax relief being passed out to industry while residents are saddled with such high taxes!</p> <p>If the bitcoin company is going to employ so few people, will be relieved of paying taxes, is an enormous consumer of energy and is extremely</p>

risky subject to crashing, what real benefit is Bitcoin to the city and its residents? I don't see any real benefit at all! I see potential danger! Please don't cement a deal that the council and residents will likely regret.

Sincerely,  
Patricia Jones

Provide an email to receive a copy of your submission.

pattyjones52@hotmail.com



## Sarah Brunkenhoefer

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**From:** CitySecretary  
**Sent:** Monday, October 9, 2023 8:00 AM  
**To:** Sarah Brunkenhoefer  
**Subject:** FW: [EXTERNAL]Public Input: 10-10-2023 - John Weber

**From:** Jotform <noreply@jotform.com>  
**Sent:** Sunday, October 8, 2023 10:18 AM  
**To:** CitySecretary <CitySecretary@cctexas.com>; Norma Duran <NormaD2@cctexas.com>  
**Subject:** [EXTERNAL]Public Input: 10-10-2023 - John Weber

[ [ **WARNING:** External e-mail. Avoid clicking on links or attachments. We will **NEVER** ask for a password, username, payment or to take action from an email. When in doubt, please forward to SecurityAlert@cctexas.com. ] ]

<input type="checkbox"/>	<b>Public Comment &amp; Input Form</b>
Date of Meeting	10-10-2023
Name	John Weber
Address	Street Address: 609 Naples St City: Corpus Christi State / Province: Texas Postal / Zip Code: 78404
Topic	Agenda item 20. 23-1422
Agenda Item Number	Agenda item 20. 23-1422
Describe Feedback:	Please see attached Word document. Thank you.
Uploads:	<a href="#">Bootstrap-Navitas.docx</a>
Provide an email to receive a copy of your submission.	js_weber@hotmail.com



Dear Mayor and City Council,

I will try to be brief. I am open for comments, corrections, clarifications, and questions. This all started about March 3, 2022 with a memo to Peter Zanoni from Iain Vasey and Andrea Gardner. I will note that both Iain Vasey and Andrea Gardner both resigned not long after the Council approved the agreement. My recommended reading includes that memo, both IDA 110 and IDA 110B, the presentation, all written comments, as well as "Driverless Finance" by Allen and "Popping the Crypto Bubble" by Diehl, Akalin, Tseng. I also recommend watching the Council meetings on YouTube and listening to the public comments.

This was a very rushed process and it appears the Council was taken in and approved the IDA without much due diligence. The company Bootstrap Energy, LLC has always appeared to me as not much of a company. It appears to be just two people trying to get investor funding. It appears their only project is this one. Checking out their website should raise many red flags. <https://www.bootstrap-energy.com/>

The City should request at least the last two years of audited financial statements as part of its due diligence process. Maybe even a drive to Dallas and knock on their office door to confirm they exist.

On August 3, 2023 the City received a letter from Bootstrap Energy, LLC. It appears that Navitas Energy, LLC has purchase over a 50% stake in the property in the IDA 110B. Navitas Energy, LLC appears to be a little bit more of a company than Bootstrap Energy, LLC but not much.

<https://www.navitasenergy.org/projects> The same due diligence process should be carried out by the City as for Bootstrap, LLC. August 29, 2023 Agenda Memorandum includes a motion allow battery storage and push off the placed in use date by 2 years. It states the company will have an estimated capital investment of \$100 million. Most of the tax money the City would receive is from the 100% of Business Personal Property in year 1. In the original plan. See below from original plan.

## Infrastructure Investment

Description	Phase-1	Phase-2	Total Value
Substation (High to Medium Voltage)	10,000,000	10,000,000	20,000,000
Power Distribution (Medium to Low Voltage)	25,250,000	25,250,000	50,500,000
Land Improvements (civil construction)	7,500,000	7,500,000	15,000,000
Facilities (buildings, cooling)	22,500,000	22,500,000	45,000,000
<b>Real Property</b>	<b>65,250,000</b>	<b>65,250,000</b>	<b>130,500,000</b>

Description	Phase-1	Phase-2	Total Value
ASIC computers	500,000,000	500,000,000	1,000,000,000
<b>Business Personal Property</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>1,000,000,000</b>

In the original plan the capital investment in each IDA is \$562,250,000. Now they want to only invest \$100 million in one IDA. This will have a large fiscal impact.



On review of the new presentation, they speak of the Bitcoin price collapse. It is interesting because all the public comment given was against the City signing this agreement. Some of the comments suggested this very thing might happen. All informed investors know cryptocurrencies have no intrinsic value, have no earning, and pay no dividends. They are referred to as a zero-sum game, a Ponzi scheme, a greater fool's game, or just a scheme to take investor money. Everyone knows cryptocurrencies will crash, nobody knows when. Public comments should have been a warning to the Council. The company claims to be approached "by numerous energy storage developers." This could be true because the company negotiated a sweetheart deal with the City. What the Council failed to see was the strategic value of the location of the property and by disannexing the property they were giving up millions in franchise fees and sales tax for electricity sales. The electrical demand for cryptocurrencies and battery storage is enormous. From the City's original presentation.

***Having the Development with two IDAs gives maximum tax relief that equates to a property tax, sales tax and franchise fee reduction of \$70,501,509 over a 10 year period or \$7,050,151 a year.***

Navitas Energy, LLC is now the majority owner of the property. The City's agreement is with Bootstrap Energy, LLC. The site renderings are much different than the original plan. Originally the mining equipment was going to be in 150 containers on each IDA. Now it appears the mining equipment will be in buildings with a detention pond. The original plan was to provide 35 jobs per IDA. Now it sounds like there will be zero employees on IDA 110B.

### **Site During BESS Operating Life**

- Noiseless, no personnel on site
- Remote security monitoring
- Automated operations
- No emissions or pollutants
- No hazardous liquids or chemicals
- RTFC Fire and emergency response
- Occasional repairs and testing
- Contracted electrical maintenance

In conclusion, it is recommended that the staff come back to the Council after proper due diligence is complete. After that, if the companies pass financial requirements, updated financials with the lower \$100 million capital investment be figured and presented. The City renegotiate the IDA knowing how valuable the property is and how much the City will be losing in electricity franchise fees and sales tax revenue. A good fallback for the City is to honor the original agreement and when Bootstrap Energy, LLC doesn't meet the terms, the City reannexes the property. There is no need to rush this like when it was first approved. The City is holding all the cards and can negotiate a better deal knowing that it is highly unlikely that the company can hold up its end of the agreement. I personally would use the massive leverage the City holds to renegotiate both IDAs. I would require they do energy storage on both sites.



My reasoning is related to risk to the City. Energy storage is useful and if correctly planned, developed, and installed should be profitable and assist the electrical grid in functioning for many years into the future. Cryptocurrency mining on the other hand could go bankrupt again (see presentation and pasted below). If the bankruptcy happens, the City receives no revenue and gets a property filled with electronic waste. The less risky bet by far is energy storage.

## CN files for Chapter-11 bankruptcy protection (Sep 22, 2022)

Regards,

John Weber

### **Default Terms**

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- **Bootstrap Energy LLC agrees to include a petition for annexation for Phase 2 IDA that becomes effective if a default occurs, which would allow for the voluntary annexation of the 75.58-acre tract of land to the City**

**From:** [CitySecretary](#)  
**To:** [Sarah Brunkenhoefer](#)  
**Subject:** FW: [EXTERNAL]Public Input: 10-10-2023 - Kathryn Masten  
**Date:** Tuesday, October 10, 2023 9:27:58 AM

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**From:** Jotform <noreply@jotform.com>  
**Sent:** Tuesday, October 10, 2023 9:24 AM  
**To:** CitySecretary <CitySecretary@cctexas.com>; Norma Duran <NormaD2@cctexas.com>  
**Subject:** [EXTERNAL]Public Input: 10-10-2023 - Kathryn Masten

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Public Comment & Input Form	
Date of Meeting	10-10-2023
Name	Kathryn Masten
Address	Street Address: 306 Linden Ln #25 City: Vienna State / Province: Maryland Postal / Zip Code: 21869
Topic	MOU with Port of Corpus Christi
Agenda Item Number	25
Describe Feedback:	See attached. Since I could not attach it here (because of the 5 file limit), just know that Attachment E included the Crestline Consulting Contract Amendment, where the Port hired one of Texas' highest paid lobbyists, former Chief of Staff to Governor Abbott, Reed Clay of Crestline, for \$164,000 to "advocate on behalf of the Port before key executive agencies, including Texas Commission on Environmental Quality, Texas Water Development Board, and the Governor's Office of Budget and Policy regarding the Nueces County desalination project" and "provide local and community affairs advocacy efforts through coordinated support of existing consultants and strategies". I got copies of the "detailed invoices"

which were supposed to show "Direct Costs, milestone achievements, tasks performed or completed", but all the invoices showed was the amount paid.

Uploads:

[AttachmentA\\_WCP.pdf](#)

[AttachmentB\\_2021\\_Parsons\\_Brine Mgmt Study\\_DRAFT.pdf](#)

[AttachmentC\\_2019\\_05\\_14\\_Presentation - Desalination Council Update\\_14MAY2019.pdf](#)

[AttachmentD\\_LVWU\\_Letter.pdf](#)

[To the Mayor and City Council of Corpus Christi.docx](#)

Provide an email to receive a copy of your submission.

kathrynmasten@yahoo.com