



Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes Corpus Christi Business and Job Development Corporation

Monday, February 16, 2015

3:00 PM

City Council Chambers

A. President Bart Braselton to call the meeting to order.

President Braselton called the meeting to order.

B. Call Roll

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

Present: 5 - Bart Braselton, Gabriel Guerra, R. Bryan Gulley, Chris Hamilton and Debbie Lindsey-Opel

C. MINUTES

1. Approval of Regular Meeting of January 19, 2015.

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

E. CLOSED SESSION ITEMS: (ITEM 3)

3. Closed session pursuant to Section 551.087 of the Texas Government Code to discuss confidential commercial or financial information pertaining to a business prospect that the Corporation seeks to have locate, stay, or expand within the City limits and with which the Corporation is conducting economic development negotiations and to deliberate possible offers of financial or other incentives to said business prospect with no discussion or action in open session.

President Braselton deviated from the agenda and referred to the day's executive session. The Board went into executive session.

D. FINANCIAL REPORT

2. Financial Report as of December 31, 2014.

President Braselton referred to Item 2. Director of Financial Services Constance Sanchez presented the sales tax report for December, the cash flow statements; the commitment reports; the pro forma report for the economic development fund; and the since inception reports for the three funds. Board

members spoke regarding the following topics: the projected sales tax for the budget year; the transfer to visitors facility fund in the arena fund; a breakdown of the transfer to seawall CIP fund in the seawall fund; the monthly activity for affordable housing; and the "since inception" report totals.

F. AGENDA ITEMS: (ITEMS 4-10)

4. Arena Marketing Co-Promotion Fund Request for the American Spirit Championship

Motion authorizing the expenditure of \$15,000 from the Arena Marketing Co-Promotion Fund to SMG/American Bank Center as an incentive for the American Spirit Championship (ASC) - South Texas Express Nationals.

President Braselton referred to Item 4. Donna Cannatella, Senior Regional Director of Sales for SMG, stated that the purpose of this item is to authorize the expenditure of \$15,000 from the Arena Marketing Co-Promotion Fund for the American Spirit Championship (ASC) - South Texas Express Nationals to act as an incentive to consider Corpus Christi and the American Bank Center Arena for their cheer competition. Ms. Cannatella provided information on the the revenue from the event and the historical financial impact to the City. Mr. Hamilton made a motion to approve Item 4, seconded by Ms. Opel and passed unanimously.

5. Arena Marketing Co-Promotion Fund Request for Texas Skills USA

Motion authorizing the expenditure of \$25,000 from American Bank Center Arena Marketing Co-Promotion Fund for Texas Skills USA Convention in April 2015.

President Braselton referred to Item 5. Donna Cannatella, Senior Regional Director of Sales for SMG, stated that the purpose of this item is to request an expenditure of \$25,000 from the American Bank Center Arena Marketing Co-Promotion Fund for the Texas Skills USA Convention in April 2015 to be used as an incentive to secure the Texas Skills USA Convention. Ms. Cannatella explained that the Texas Skills USA's Executive Director has informed the American Bank Center that the association's continued use of the American Bank Center is contingent upon support of its internal and external partners. Ms. Cannatella also provided the historical financial impact of the convention. Board members spoke regarding the following topics: partnership with the Corpus Christi Convention and Visitors Bureau to develop a video capturing these youth events and consideration for developing long term agreements. Ms. Opel made a motion to approve Item 5, seconded by Dr. Gulley and passed.

6. Arena Marketing Co-Promotion Fund Request for Texas Future Farmers Association

Motion authorizing the expenditure of \$25,000 from Arena Marketing Co-Promotion Fund to use as an incentive for the Texas Future

Farmers Association (TFFA) July 2015 Convention.

President Braselton referred to Item 6. Donna Cannatella, Senior Regional Director of Sales for SMG, stated that the purpose of this item is to request authorization for the expenditure of \$25,000 from the Arena Marketing Co-Promotion fund in the amount of \$25,000 to be used as an incentive to secure the Texas Future Farmers Association (TFFA) 2015 convention. The TFFA is currently on a three-year rotation for the American Bank Center and the incentive is deemed advisable in order to compete with other Texas markets vying for TFFA business in future years. Ms. Cannatella provided information on the historical financial impact to the City. Mr. Hamilton made a motion to approve Item 6, seconded by Dr. Gulley and passed.

7. Oversight and Maintenance of Approved Projects

Discussion with possible action regarding oversight and maintenance responsibility of projects approved by the Corpus Christi Business and Job Development Corporation.

President Braselton referred to Item 7 and stated that he requested that this item be placed on the agenda to discuss and explore the maintenance program for projects approved by the Type A Board, who is responsible for the oversight and maintenance of these projects, and give the Board an opportunity to visit with the individuals overseeing these projects. Deputy City Manager Margie Rose said staff would provide this information as part of the updates.

8. Discuss March 16, 2015 Meeting

Discussion with possible action pertaining to the March 16, 2015 Type A Board meeting.

President Braselton referred to Item 8. Deputy City Manager Rose stated that the purpose of this item is to discuss whether the Board was interested in changing the March 16th meeting due to Spring Break. Mr. Hamilton made a motion to move the March 16, 2015 meeting to March 9, 2015, seconded by Ms. Opel and passed.

9. Discuss Agreements Process

Discussion related to the general process associated with Type A Corporation agreements.

President Braselton referred to Item 9. Deputy City Manager Rose stated that this item was placed on the agenda in the event that the Board was not able to get information from the Legal Department related to the Corpus Christi Housing Authority. President Braselton stated that this item was no longer needed. Ms. Opel requested that items placed on the agenda include background documentation.

10. Modification to Govind Development, LLC Grant

Motion to modify grant for Govind Development from 206 retained jobs

to 162 retained jobs and from \$1,000,000 in investment to \$2,100,000 in investment.

President Braselton referred to Item 10. Emily Martinez with the Corpus Christi Regional Economic Development Corporation stated that the purpose of this item is to provide a clarification on the terms of the Govind Development LLC project, which was previously approved by the Type A Board. Ms. Martinez said it was previously indicated that 206 jobs would be retained and an additional 44 jobs would be added with an average annual salary of approximately \$87,000 per year and an investment of \$1,000,000. Ms. Martinez stated that the EDC has received a letter from Oscar Martinez, who is representing Govind Development, LLC, indicating that there was a miscommunication between Mr. Martinez and Govind Development regarding the retention of jobs which should have been reflected as 162 retained jobs and an increased capital investment to \$2,100,000. Ms. Martinez said this change does not affect the incentive award recommended by the EDC Board and presented to the Type A Board last month in the amount of \$915,000. Mr. Guerra made a motion for the Board to discuss in executive session, seconded by Dr. Gulley and passed; Mr. Hamilton abstaining.

President Braselton stated that the Board would go into closed session pursuant to Section 551.087 of the Texas Government Code to discuss confidential commercial or financial information pertaining to Govind Development, LLC that the Corporation seeks to have locate, stay, or expand within the City limits and with which the Corporation is conducting economic development negotiations. The Board went into executive session.

The Board returned from executive session and no action was taken.

G. PRESENTATION ITEMS: (ITEMS 11-17)

11. Update - City Owned Vacant Surplus Vacant Property

President Braselton referred to Item 11. Director of Facilities and Property Management Carlos Gonzalez stated that at this time, there are no additional properties to report regarding City owned surplus vacant property. Mr. Gonzalez said staff is currently working on a list of an additional 21 properties that could potential be sold and will determine if these properties are buildable. Board members asked questions regarding the following topics: the total number of surplus properties; properties earmarked for housing; and the process on how the City divests itself of surplus property.

12. Update - McGee Beach Nourishment Project

President Braselton referred to Item 12. Acting Director of Capital Programs Jerry Shoemaker stated that there are no new updates to report regarding the McGee Beach Nourishment Project. Board members asked questions regarding the loss of material on the beach; concern with Type A funds being used to pay outside engineering firms with the Type A board "piggy backs" with the North Beach project; the funds the Type A board is paying HDR Engineering; clarification of the contract between the Texas General Land Office and HDR Engineering; the breakdown of costs paid to HDR and the scope of the project; the cost savings for bidding North Beach and Magee Beach at the same time; the permit from the Corps of Engineers; the

monitoring schedule for the beaches; a request for a reconciliation of seawall funds; and whether the boat basin will be cleaned out as part of the project.

13. Update - Miradores Improvements and the JOC Program

President Braselton referred to Item 13. Acting Director of Capital Programs Jerry Shoemaker stated that an update was provided in the packet regarding the Miradores improvements and Job Order Contract process. Board members spoke regarding the following topics: the contractor for the project; the two different project scopes; the use of Job Order Contracts; whether the repairs will be completed by summer; lighting at the Selena Mirador area and whether the repairs will be made prior to the Fiesta de la Flor event; who is responsible for the maintenance of the seawall and jetties; the cost and funding for maintenance; other entities that would contribute to the maintenance of the seawall; and the Type A Board's level of responsibility.

14. Update - Capital Programs Monthly Project Report

President Braselton referred to Item 14. Acting Director of Capital Programs Jerry Shoemaker stated that the update for the Capital Programs Monthly report was submitted in the packet. In response to a board members, Mr. Shoemaker said he has a meeting this week on on the Salt Flats Levee project and can provide additional information at next month's meeting.

15. Update - Communication Initiatives

President Braselton referred to Item 15. Director of Communications, Media Relations & E-Government Kim Womack stated that the purpose of this item is to provide an update on the communication initiatives. Ms. Womack said that she and Ms. Opel met and identified Texas A & M University - Corpus Christi and Del Mar College as key recipients of funds and requested that both entities met with staff to discuss Type A branding. Ms. Womack stated that staff is asking the board to consider including a communication deliverable as a compliance procedure in the contract language

16. Update - Housing and Community Development Monthly Report

President Braselton referred to Item 16. Director of Housing and Community Development Eddie Ortega stated that the Housing and Community Development Activity reports for December 2014 and January 2015 were provided in the packet. Board members spoke regarding the following topics: keeping the housing and community development report as a separate report quarterly or every other month; whether the vote for the Corpus Christi Housing Authority was required; informing the Board when approval is not required but necessary; a future discussion on funding \$20,000 per housing project; and future reports including programmatic updates related to affordable housing.

17. Update - Type A Projects

President Braselton referred to Item 17. Mike Culbertson with Corpus Christi Regional Economic Development provided an update on the small business support programs and large business incentives. Mr. Culbertson also provided information on Accion's name change to LiftFund.

H. EXECUTIVE DIRECTOR COMMENTS:

• Council/Board Meeting

Deputy City Manager Rose stated that the joint meeting between the Type A Board, City Council and the Economic Development Corporation Executive Committee was originally scheduled for March 3, 2015. Toby Futrull will be facilitating the meeting and needs additional time for this meeting and staff recommended to City Council an alternate date of April 7, 2015 at 1:30 p.m. Ms. Rose asked board members if they would be available for this date. Ms. Opel said she may be unavailable for that date.

I. PUBLIC COMMENT

None.

J. IDENTIFY FUTURE AGENDA ITEMS

None.

K. ADJOURNMENT

The meeting was adjourned at 6:08 p.m.