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TRANSCRIPTION OF

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CITY OF CORPUS CHRISTI

8

BUILDING STANDARDS BOARD MEETING

9

AUGUST 10, 2015

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REGARDING THE PROPERTY AT 625 GORDON

12

MULTIFAMILY APARTMENT COMPLEX

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1                   SPEAKER: This case we have representation by  
2 Rebecca Pezzi, Code Enforcement Official. The case is  
3 14-1052. Owner of the property is listed as Corpus Note  
4 Acquisitions, LLC. Property is at 625 Gordon. It's  
5 multifamily apartment units.

6                   Staff recommendation is demolition. Structure  
7 is 62 percent delapidated overall. And under the  
8 provisions of Section 13-22H1C of the Corpus Christi  
9 Property Maintenance Code, and due to the substandard and  
10 delapidated condition of the property, of the structure,  
11 it is a hazard to the health and safety and welfare of  
12 the public and is henceforth declared -- yeah, sorry, I  
13 lost my place -- therefore, the owner will be required to  
14 demolish the structure within 30 days. If demolition is  
15 not started or completed as required, then the City will  
16 be authorized to demolish.

17                   And then we have Rebecca Pezzi presenting on  
18 this property.

19                   MS. PEZZI: Hi, I'm Rebecca Pezzi. I started  
20 this case in May 2014 from the occupants and tenants  
21 complaining to me about the living conditions. It was  
22 built in 1963, so it's been there a little bit, but the  
23 first building and apartment I'm going to -- sorry in  
24 advance, it's kind of long because there's so many  
25 apartments.

1                   In the first apartment, we found signs of mold  
2                   and mildew. There was heavy water damage, broken  
3                   windows. There's no screens on any of the windows.  
4                   Sheetrock damage and cracks in the walls. And we went  
5                   over there, and Norm from Development Services, and then  
6                   we brought other entities over there as well, but you can  
7                   see the water damage in there.

8                   Number 2, Apartment Number 2, there was damaged  
9                   sheetrock as well. The copper was taken out of the  
10                  walls. Water heater and the A/C were disconnected.

11                 SPEAKER: Were these occupied units at the  
12                 time?

13                 MS. PEZZI: When I first started, yes. But now  
14                 they're not in these pictures.

15                 SPEAKER: Okay. And how many units total are  
16                 there?

17                 MS. PEZZI: 42. There's broken windows, and  
18                 then also no screens. Water damage, ceiling damage in  
19                 the restroom area. Door frame damage, and the paint was  
20                 deteriorating. Door frame, holes in the wall, damaged  
21                 light fixtures, broken windows, missing screens.

22                 Number 16 had sheetrock damage, holes in the  
23                 walls. The copper was taken, mold and mildew, paint  
24                 deteriorating, ceiling damage in the restroom area.

25                 Number 34, again I'm sorry, this is very

1 consistent throughout all of them. But sheetrock damage,  
2 holes in the walls. This floor was very soft when I --  
3 it felt like it was buckling when I would walk on it.  
4 Exposed wiring. The floor was soft in here as well.  
5 That's what that picture is. More exposed wires. There  
6 was holes where people came in as well through the  
7 ceiling after it was boarded up. Damaged counter.

8 Apartment Number 35 had damaged sheetrock,  
9 holes in the walls. The copper was taken also from this  
10 apartment. The A/C and water heater were disconnected.  
11 Had broken glass at the window, and the A/C was  
12 disconnected. And this floor was buckling as well.

13 Apartment 36 had sheetrock damage, holes in the  
14 walls, damaged door frame, missing screens, taking --  
15 stolen copper from the walls.

16 Number 37 had a damaged door frame, the rotten  
17 sill, water damage, and possible signs of mold  
18 and mildew, a damaged front door. Exposed wiring,  
19 missing screens and broken glass, cracks in the ceilings  
20 and walls. And that's where the floor was soft. The  
21 switch covers were damaged, and someone coming in through  
22 the ceiling.

23 Number 17, damaged door frame from people  
24 coming in. This one had fire damage. This was one of  
25 the apartments that was set on fire. And it has, it had

1 heavy water damage before and after the fire, but there's  
2 damaged sheetrock, holes in the walls, and they took some  
3 of the copper from this apartment as well.

4 Number 18 had heavy water damage, and this is  
5 when people were living in there. Signs of mold  
6 and mildew, paint deterioration. It had a broken window  
7 frame and broken glass and no screens in that apartment  
8 as well.

9 Number 19 had water damage, holes in the walls,  
10 sheetrock damage, missing screens and broken glass. One  
11 of the lavatories is loose from the wall. Had a damaged  
12 countertop, cracks in the ceilings.

13 Apartment 38 upstairs, this is above the one  
14 that was on fire. They had some damage from that fire.  
15 A/C and water heater disconnected, sheetrock damage, door  
16 frame, broken glass and screens.

17 MR. RODRIGUEZ: Isaac Rodriguez, Police  
18 Department. We were actually told by Development  
19 Services not to go to that apartment because the walkway  
20 to that was, looked dangerous. So I just wanted to put  
21 that in there. She still went, though.

22 MS. PEZZI: That's a different one.

23 MR. RODRIGUEZ: Sorry, I misspoke.

24 MS. PEZZI: Apartment 4 -- I'm sorry -- 39 had  
25 holes in the walls. This is when it was occupied. She

1 was showing me where all the floors were very soft and  
2 buckling when we walked on them. She wouldn't even let  
3 me go in certain areas because she knew the soft spots.  
4 Sheetrock damage. They had a leak in the bathroom,  
5 broken windows, no screens. And again, there's another  
6 soft spot in the floor.

7 Apartment 40, another upstairs apartment, had  
8 cracks in the ceilings, broken glass and no screens.

9 Apartment Number 20 had damaged sheetrock,  
10 water damage, stolen copper. The A/C and the water  
11 heater were disconnected. Broken switch covers, holes in  
12 the walls. Oops, I'm sorry.

13 Number 21 is the, where the fire was that he  
14 was talking about, or it -- we wouldn't go in there.  
15 Development Services wouldn't let us go in there. So we  
16 just took what we could from the door and -- but it was  
17 arson, correct?

18 MR. RODRIGUEZ: Yeah, I'll talk about that in a  
19 minute. But --

20 MS. PEZZI: Okay.

21 MR. RODRIGUEZ: They both were arson.

22 MS. PEZZI: Well, he had told me that, so I  
23 wasn't sure. But I'll let you talk about that in a  
24 minute.

25 Number 41 was sheetrock damage, holes in the

1 walls, and this is the upstairs apartment. Copper taken.  
2 The paint was deteriorating, and ceiling damage. Missing  
3 screens. The shower, this is how it was when they were,  
4 it was occupied. You can see next door.

5 And Apartment 42, Development Services didn't  
6 want -- Norm didn't want to go upstairs because of the,  
7 not the patio but the --

8 SPEAKER: The balcony.

9 THE WITNESS: Thank you, the balcony, it was  
10 not sound. They didn't want to walk on it. I went up  
11 there, I had went up there already and took pictures,  
12 just myself, and people had come in through the wall.  
13 The A/C and water heater were disconnected, broken glass,  
14 missing screens, and light fixtures were damaged as well,  
15 broken windows.

16 This, I just want to put a little bit in here,  
17 this is a laundry room. This is a, there's a hole on the  
18 right side of -- whoa, I'm sorry, I forgot it was a touch  
19 screen -- there's a hole to the outside. It's just a  
20 cover on the outside blocking that hole on the right side  
21 of the picture. When there were washer and dryers, it  
22 was like that.

23 Some of the exterior pictures of the outside,  
24 of the brick, and it's not veneer, so it's actual brick,  
25 and the cracks in the mortar.

1                   Here, there was a pipe attached to the wall  
2 with all the copper wiring, they had cut that down and  
3 removed it and cut all the wire off of that as well.

4                   This was taken from all the buildings. There's  
5 no one in particular in order. That's part of the  
6 balcony that was burned that you can see there. And the  
7 covers were all kind of patch job, and so they had water  
8 damage because they weren't weatherproof, so they're  
9 rotting.

10                  The porches and stairs were, weren't in really  
11 good condition. The stairs were replaced with pieces of  
12 wood. And some, if they weren't even, were wedged with  
13 pieces of wood to make them even, but it was very  
14 unstable. And it was separating from the actual balcony,  
15 the stairs in certain areas.

16                  They had rotten wood. Some were missing boards  
17 on the steps. And the balconies, some had inadequate  
18 support. It had missing handrails. Some were rusted  
19 through. Uneven landing on the balconies on the second  
20 floor, and loose support posts.

21                  The bottom right, you can see it's rusted.  
22 It's not even connected any more to, the railing, to the  
23 bottom of the stairs. More rust connecting to the patio.  
24 Again, that's not even connected, the post.

25                  This is what we had, just threw this in here,



1     what it looked like before we had filled it. The tenants  
2     were just throwing stuff in there. But it's no longer  
3     like that. We filled it. So it's just there now.

4             The roof, we had the drone come and assist us  
5     with this to take aerial photos. We found rotten eaves,  
6     rotten rafter tails, and the roof was weathered and worn  
7     on all the buildings. All right. I tried to hurry.

8             MR. RODRIGUEZ: I'm sorry, I'll try to hurry,  
9     too. Isaac Rodriguez, Police Department. Just to give  
10    you a background and kind of the criminal history of the  
11    property, this, due to the living conditions and due to  
12    the criminal activity at this location, it was turned  
13    into a Interdepartmental Nuisance Abatement Task Force  
14    case, and we contacted the landlord or the management  
15    company at that time. They agreed that it was in bad  
16    condition, so they were going to evict everybody to fix  
17    all the problems. They evicted everybody. Everybody was  
18    finally out in December of last year, and they said that  
19    they were going to fix it. They haven't done that since  
20    then.

21            Just to give you some more history as far as  
22    the criminal history, there have been, in the two-year  
23    period there the past two years, there have been 98  
24    reports filed for this location, and 19 of those were  
25    felonies.

1           Out of those 19 felonies, there are three  
2   arsons. One was a bed that was set on fire in the lot.  
3   The other two were the two apartments, and they were  
4   considered arson by the Fire Department. One they found  
5   lighter fluid and they saw -- they had a witness that saw  
6   three Hispanic males leaving the location.

7           Some of the other reports that have been placed  
8   there are prostitution, possession of controlled  
9   substance, of which I think one was heroin and the other  
10   one was for sure synthetic marijuana.

11           There are other cases where the Gang Unit  
12   advised me that it was, it's -- it was weird because they  
13   called it a gang melting pot. Usually gangs, they stick  
14   in one place and there's only one gang. This had several  
15   different gangs in one location. So they were constantly  
16   going by and they would find all this stuff going on.

17           And other criminal stuff that happened there  
18   were they had garbage, refuse and other waste, which they  
19   had raw sewage leaking out into public areas where the  
20   kids were playing, and that happened twice. We had to  
21   give them two citations, one on 6/11/2014 and the other  
22   on July 1st, 2014.

23           The property has been left, after, after it was  
24   empty, reports stopped being made because there was  
25   nobody there to make them. But officers still went by.

1 And I advised, after it was completely empty, I advised  
2 the management company that on 1/30/2015 that they were  
3 getting into the apartments and they were stealing the  
4 copper and that they needed to find a way to secure them,  
5 make sure that nobody got in there.

6 They didn't do anything. We had to secure the  
7 building. We had to board up all the apartments, and  
8 they are still going in there and stealing copper.  
9 They're still going in there to this day.

10 Actually, I have a report here on July 31st,  
11 there was an officer doing a routine patrol, because it  
12 is a very, very high traffic, high problem area, doing  
13 routine patrol. He found two individuals, one -- that  
14 were trying to steal copper. He arrested them for  
15 criminal trespass. They didn't get a chance to steal the  
16 copper, so he was unable to charge them with that.

17 We've done, I think, nine board-ups total in  
18 that place, and that's just the ones that we were able to  
19 get approved. We had to wait some time to where we can  
20 maybe get it done. We were trying to make contact with  
21 the landowner and get them to do it, but they wouldn't do  
22 it themselves.

23 And just also to go on, not only is the Police  
24 Department doing a continuous patrol of the area, the  
25 Fire Department does that as well. One time whenever we

1 were there doing an inspection, the Fire Department  
2 pulled up, and I was like, "Is there a call here?" They  
3 said, "No, we come here every once in a while to check  
4 the property because we've had so many calls here."

5 So it is a high crime area that is not being  
6 taken care of. The kids from the Ray High School right  
7 across the street, they make their way over there  
8 sometimes. It is a dangerous place. As you can see, the  
9 railings are there. Transients go in there. As you can  
10 see by some of the toilets on the pictures that were in  
11 the presentation, they go in there, they stay in there.  
12 They use the facilities. They sleep overnight. We're  
13 just kind of concerned about the kids going and being in  
14 contact with that, so --

15 MS. PEZZI: While I was there with Officer  
16 Mihalko, there was a man coming out of the boarded  
17 apartment. And they're -- at first they were taking them  
18 off and going in, and now they leave them on there and  
19 just kind of squeeze in. And we heard the wood hit the  
20 building, and we turned around and someone was walking  
21 out, and he ran from the officer.

22 MR. RODRIGUEZ: I do have a sampling of some of  
23 the, the reports here. I have 13 reports, and then I  
24 have the three arsons, if you do want to take a look.

25 MS. PEZZI: They also have \$44,411 in back

1 taxes as well. I mean, that's in the book, but --

2 MS. CANTU: I have a couple of things to add as  
3 well, Tracy Cantu with Code Enforcement. Up to this  
4 point, since we went back for September, and I think that  
5 was when the board-ups and the abatement events began,  
6 there have been a total of 11 abatement events that have  
7 had to be conducted by Code Enforcement, totaling almost  
8 \$20,000, as far as fees and funds expended for abatement.

9 We did also ask our Building Official, Gene  
10 Delauro, if he could make a general statement on some  
11 requirements from building inspections that might be  
12 needed if the property were to be rehabilitated, some of  
13 the requirements, just have him make a statement about  
14 that, if you don't mind, Gene.

15 MR. DELAURO: Gene Delauro, Building Official.  
16 So this project, as with any project, would be subject to  
17 the 50 percent rule. And the 50 percent rule is that if  
18 you perform work, the value of that work, if it exceeds  
19 50 percent of the taxable value of the building, then the  
20 entire building has to come up to current standards and  
21 codes.

22 So, difficult to tell, we have big buildings  
23 here. We've got obviously a lot of damage that needs to  
24 be done. But what's probably unknown at this time is  
25 what's behind those walls and how that water has

1 deteriorated that building. And that probably wouldn't  
2 be known until, until that was all removed.

3           So, but if the value of the work exceeded the  
4 taxable value, the entire, all the buildings would have  
5 to come up. And I don't know what the taxable value of  
6 these buildings are. Given their current state, they're  
7 liable not to be very high, which means the threshold for  
8 doing the amount of work you want to do is probably,  
9 could push these things to be brought up to current  
10 standards.

11           SPEAKER: The current taxable value is  
12 \$1,233,000.

13           MR. DELAURO: So if you did -- I'm sorry,  
14 1.2 million? So if you did in excess of \$600,000 of work  
15 to these buildings, you'd have to bring, bring all the  
16 buildings up to current standard.

17           And that is measured in a 12-month period. So  
18 you can't, you can't do a certain portion of work one  
19 year, come back the next year. You know, you have to --  
20 can't do a project in January, do another one in May, do  
21 another one in November. We count all the work across  
22 twelve months for that valuation.

23           SPEAKER: Anything more from staff?

24           MR. RODRIGUEZ: Just add one more thing for  
25 Apartment 17 with all that water damage, we were the ones

1     that found the leak. We were the ones that had to get it  
2     shut off to prevent further damage. I just wanted to let  
3     you know that the City has been taking care of this place  
4     for a very long time.

5                 SPEAKER: Okay. Any questions of the board to  
6     the staff?

7                 SPEAKER: About how many people were living  
8     there whenever you went?

9                 MS. PEZZI: They were full, occupied, and there  
10    was more than two to three in each one, so -- including  
11    children and --

12                SPEAKER: So all 42 units? Wow.

13                MS. PEZZI: 40, Apartment 40 -- actually,  
14    Apartment 40 was the only one that was not in horrible  
15    condition. I guess she was good in with the previous  
16    owner and he kind of took care of her. But the rest of  
17    them were kind of, they took their money and that's it.

18                SPEAKER: And was management on site, or no  
19    management on site?

20                MS. PEZZI: We would call her and she would --  
21    the previous manager would kind of avoid our calls and  
22    didn't communicate what was happening, and then when she  
23    did, it was kind of like not happening. It was kind of  
24    like blowing smoke kind of thing, just to prolong it or  
25    kind of hold off.

1                   SPEAKER: Do we have ownership representation  
2 here? Okay. Then at this time I'd like to open a public  
3 hearing for the property at 625 Gordon.

4                   SPEAKER: (Inaudible) -- licensed engineer here  
5 in the State of Texas. Right now I'm representing the  
6 management company (inaudible). If I could get  
7 (inaudible). It's a very good report, I've heard. I do  
8 appreciate the thoroughness of it. One thing I'd like to  
9 mention, though, is that it does sound like it's more of  
10 an indictment of the management and the maintenance  
11 operations of the previous owner. There's currently a  
12 new owner now. It's a different owner.

13                  SPEAKER: Well --

14                  SPEAKER: I'm sorry?

15                  SPEAKER: I'm sorry, go ahead.

16                  SPEAKER: This owner is wanting to repair the  
17 property and bring it up to speed and has been making  
18 some visible changes. I understand, and I do appreciate  
19 the law enforcement's opinion of this, and we don't want  
20 the property to be any part of a detrimental or  
21 deleterious facility in the community. We don't want to  
22 see that.

23                         We are in the process of putting up a fence  
24 around it and boarding up windows. In the report, it was  
25 noted that there was damage in various areas, including



1 doors, windows, walls, ceilings, roofs, seemed to cover  
2 everything. What I did see, though, is that most of the  
3 damage now did seem superficial in its nature, in that it  
4 was people pulling off sheetrock to be able to get to the  
5 copper behind it. They pulled the copper out.

6 That's, if you look at those photos again, you  
7 could see the studs in the wall were still red. They  
8 weren't that dull gray that you get when wood gets old  
9 and is not in very good shape.

10 So when I walked the site, yes, I did notice  
11 that you had a lot of damage to the sheetrock. You had a  
12 lot of damage to doors. You had a lot of damage to  
13 windows. The property was purchased in a foreclosed  
14 condition. It was a distressed property. I don't think  
15 that the current owner was fully aware of what, of how  
16 bad it might have been. However, since that, we've done  
17 some walk-throughs. We've looked at it. We've done a  
18 couple of reports internally to look at it to see what it  
19 might would take to bring it up to speed.

20 I do understand that there's a lot of damage,  
21 but in terms of sheetrock, we're going to replace the  
22 sheetrock. In terms of the windows, if we're going to  
23 bring it up, as Mr. Delauro said, to Windstorm  
24 compliance, I've got to put new windows in. I've got to  
25 put new doors in. The windows and doors are going to

1 have to be Windstorm required.

2 So in my mind, we've got an owner here who is  
3 willing to spend the money, and it's probably the only  
4 man in the world that's willing to spend the money to  
5 bring this place up to speed. We're not asking for time  
6 for us to get the money to work on it. We're asking for  
7 time to be able to set aside the legal issues that we  
8 have currently from the transfer of the property from the  
9 previous owner to the current owner, because the previous  
10 owner left the property in a distressed condition.

11 And so what we would like to do is develop the  
12 property. We'd like to rip out all that sheetrock. We'd  
13 like to rip out all that wiring. We'd like to put on a  
14 new roof. We'd like to fix the doors. We'd like to fix  
15 it all. And we've got the money to do it.

16 And we're taking steps currently to put a fence  
17 around and keep it up. And we understand the previous  
18 owner just threw his hands up and had nothing to say or  
19 do about it, and that caused the City actually to shell  
20 out the money to do that previous owner's responsibility.

21 And we're not that type of owner. We don't  
22 want to do that. We don't want to see that. We want to  
23 be a responsible owner of the building in the community.  
24 We know that -- we want people to move back in there.  
25 That will increase the tax base.

1           We don't want to see it flattened and go to a  
2       vacant lot, and who knows how long it will sit there as  
3       vacant. That's kind of a built-up area, and people are  
4       wanting to build up in other areas of town.

5           So what we'd like to do at this point is ask  
6       you for the ability to allow us to rehabilitate the  
7       facility. And I understand, as Mr. Delauro says, we are,  
8       I can guarantee you, above that 50 percent, so we will  
9       have to bring this up to code. And so we're not asking  
10      for it to be any code waivers or anything like that.

11          And again, as Mr. Delauro said, when we get in  
12      there and start ripping up boards and find some of these  
13      spongy floors, it might be that it's just the plywood, or  
14      it might be that it's the structure. But in either case,  
15      we plan on fixing that.

16          Is there anything that you guys have, a  
17      question for me in terms of how we're intending on  
18      proceeding forward that might help you with your  
19      decisions?

20                SPEAKER: When do you intend on beginning this  
21      project?

22                SPEAKER: Right now, we are currently fencing  
23      it in, and we understand the law enforcement community's  
24      issues and concerns about having it open to the public.  
25      I have children in school. I don't want them -- you

1 know, I understand kids from Ray getting over in  
2 there and doing things. We don't want that either. So  
3 we are currently wrapping it now with a fence.

4 SPEAKER: Has the Police Department seen the  
5 fencing that's being installed? Is that adequate to  
6 secure the property?

7 MR. RODRIGUEZ: If they continue, yes. But  
8 they only have put fence in the front part of the  
9 property and not the back part where the school is.

10 SPEAKER: We're waiting on the remainder of the  
11 fence to be brought in. But yes, we do plan on bringing  
12 the whole site and locking and securing it.

13 SPEAKER: And damage to the floors, a lot of  
14 comments and photographs of floor condition --

15 SPEAKER: Spongy floors? Go ahead, yes, sir.

16 SPEAKER: And then also the exterior, all the  
17 cracking in the brick. There is a structural engineer  
18 who's going to be involved in the assessment?

19 SPEAKER: We would have a full team, yes. It  
20 would be an architect, civil engineer, structural  
21 engineer, and a MEP team.

22 SPEAKER: When did the owner acquire this  
23 property? I don't think I --

24 SPEAKER: (Inaudible) -- I'm with McLemore  
25 Management. The owner has asked me to get involved since

1 about August 1st. I believe he acquired the property in  
2 2014, sometime August, September. At that time when he  
3 acquired the property, he became aware of the dire nature  
4 of, you know, the issues that the property had and went  
5 through an eviction process to get everybody off the  
6 property.

7 He's since then been kind of tied up in  
8 litigation with the previous owner trying to work out,  
9 you know, getting some money back for this deal. He  
10 acquired this as a package of, with multiple other  
11 properties, so he wasn't fully aware of the conditions of  
12 the place.

13 So, yeah, you know, he's ready to move forward  
14 with at a minimum an evaluation on what it's going to  
15 cost to really get this property up, up to speed. That's  
16 what we'd like right now is just some time to do that.

17 We're going to secure the property. We're  
18 actually doing that as we speak. It's taken a little  
19 time getting the temporary fence up around there because  
20 there is so much construction in Corpus right now. So,  
21 you know, within a couple of weeks, though, that should  
22 be secure.

23 We're looking to hire a security company to do  
24 a daily patrol there. They're maintaining the landscape,  
25 keeping the grass cut. We're keeping the trash off the

1 property. I have a guy that goes out there once a week  
2 to check on all that stuff.

3 So, you know, that's what we're asking for at  
4 this time.

5 SPEAKER: In your letter, it says it's about an  
6 18- to 24-month time frame to complete all of the  
7 repairs?

8 SPEAKER: Total construction. That's total  
9 construction. We intend on gutting the facility,  
10 bringing, taking everything back down to structure so  
11 that we can get in there and find out where any issues  
12 are. Such as if we've had water leaks around a window,  
13 we want to pull that floor up, we want to open that wall  
14 up to see how the structure is in there. And if we need  
15 to make repairs in there, then we need to do that.

16 But in terms of the overall construction, I'm  
17 estimating about a year-and-a-half to two years for the  
18 total construction, before they can start leasing out  
19 again.

20 SPEAKER: (Inaudible) -- pictures looked really  
21 bad (inaudible) and they are, but a lot of it is just  
22 cleaning it up, getting that out of there, the sheetrock.  
23 As Ward said, you know, the framing generally looks  
24 pretty good. It's a brick building. It's not like we've  
25 got a bunch of siding that's rotted (inaudible). You

1 know, our client would like to not (inaudible) by tearing  
2 it down, so --

3 SPEAKER: How much do you think it's going to  
4 take to --

5 SPEAKER: We're thinking in the range of  
6 a million, maybe (inaudible). Yeah, we're going to do a  
7 thorough evaluation. If it comes back and it's two  
8 (inaudible), this is not (inaudible) -- like the time to  
9 evaluate (inaudible), get the job done within the  
10 1.2 million, like (inaudible).

11 SPEAKER: When will you have that decision made  
12 on the total renovation versus demolition?

13 SPEAKER: Mr. Ward on his time line there kind  
14 of has some points there that (inaudible).

15 SPEAKER: Well, we need probably, Shane, about  
16 two or three weeks to be able to get in there, do some  
17 destructive testing of our own. What you all were seeing  
18 earlier was our advanced destructive demolition team.  
19 They were pretty good, weren't they?

20 But beyond all that, we would need maybe a  
21 month to get in there to look, to see, to contract with a  
22 structural engineer to get in there and really look, to  
23 bring in an architect.

24 I noticed that, you know, a lot of the plumbing  
25 fixtures are gone. We're going to replace those anyway.

1 So the water heaters, we're going to replace those  
2 anyway. Air handlers, air conditioning units, we're  
3 going to replace those anyway. And we have money set  
4 aside for that.

5 But to be able to go in and make that initial  
6 determination as to whether or not to release those funds  
7 to be able to do that work, we would need a little bit of  
8 time to bring professionals in, do some destructive  
9 testing, so that we can visually get in there and see  
10 what we need to do and what's going to be required to be  
11 able to do that.

12 SPEAKER: When's our next scheduled board  
13 meeting?

14 SPEAKER: September 23rd is the next  
15 scheduled --

16 SPEAKER: 24th (inaudible). Y'all mention  
17 affordable housing in your packet here. What is  
18 affordable housing? What are these units expected to  
19 rent for?

20 SPEAKER: (Inaudible) would manage that or  
21 have -- units of this size would be in the range from 700  
22 to \$900 a month. Generally renting apartments for about  
23 700 bucks for a one bedroom. Two bedrooms are going in  
24 the \$800 range; three bedrooms in the \$900 range.

25 SPEAKER: (Inaudible) I mean, as we understand



1 it, there's a bit of a affordable housing crisis here  
2 (inaudible).

3 SPEAKER: Further questions from the board?  
4 The security company you mentioned, that would be --  
5 what's the plan for the requirements?

6 SPEAKER: I'm sorry? Say that again?

7 SPEAKER: What's the plan to require them to  
8 patrol?

9 SPEAKER: Right now we're actively just looking  
10 to find a company that can do the job. We haven't  
11 secured a company yet.

12 SPEAKER: You understand the Police  
13 Department's concern and the neighborhood concern about  
14 crime in the area.

15 SPEAKER: Absolutely. Absolutely. And we're  
16 taking steps to secure the property. You know, if  
17 somebody really, really wants to get on that property,  
18 they're going to be able to. There's nothing we can do  
19 about that, other than catch it quickly.

20 But we're going to make it difficult for people  
21 to get on there, and we're paying attention to it. And  
22 you know, in the last year, nobody's paid attention to  
23 the property, other than the City apparently. So that's  
24 changed now.

25 SPEAKER: I think to Shane's point, though, if

1 you only have a security company that's going around once  
2 a day, that's really not going to be enough to -- people  
3 will figure out the patterns.

4 SPEAKER: You know, we, we need some help from  
5 the City as well. I mean, my client has multiple  
6 properties in this town, pay a lot of taxes, you know, we  
7 need some help from the City, too.

8 SPEAKER: Yeah, well, we don't want to see the  
9 City lose \$45,000 in revenue off of the taxes.

10 SPEAKER: (Inaudible) -- a lot of that is  
11 because it's an easy (inaudible) close to certain things,  
12 like (inaudible). Hopefully some of that nuisance  
13 (inaudible). Property certainly (inaudible) back onto  
14 the site, grab whatever remaining (inaudible) hopefully  
15 that kind of nuisance. Before now, I mean, you could  
16 just grab and run (inaudible). As before, someone came  
17 out of an apartment while they were there and took off  
18 running.

19 SPEAKER: You know, a daily patrol is at least  
20 going to, if somebody's in a unit and squatting in a unit  
21 or staying in a unit overnight, they're going to catch it  
22 quickly. And I think once somebody's checking on that  
23 place on a daily basis, you know, it's going to cut it  
24 down dramatically.

25 I mean most, most crime like this is easy

1 opportunity. And as Jim's saying, like right now you can  
2 just freely walk through the property. And making it  
3 difficult to do that is going to prevent that, or at  
4 least prevent 90 percent of it, you'd think.

5 SPEAKER: What we'd like to present is that you  
6 have a new owner, and (inaudible) previous owner did not  
7 care (inaudible) call and complain with water leakage and  
8 things like that, and the management company would not  
9 respond. And that's one of the reasons that we led into  
10 this sale where it was in foreclosed condition.

11 So with the new owner now, we're going to bring  
12 this away from -- we want to get away from that kind of  
13 management, be able to bring it back up. We think we  
14 have the money to rebuild it. We'd like to be able to do  
15 a little bit more investigation just to be sure, but we  
16 think we have everything in place to be able to move  
17 forward in a positive way. We'd just like to ask for  
18 assistance in that, allow us to do that.

19 SPEAKER: In our City ordinance --

20 SPEAKER: Yes, sir.

21 SPEAKER: -- codes, I'm sorry.

22 SPEAKER: Yes, sir.

23 SPEAKER: (Inaudible) about the bond?

24 SPEAKER: (Inaudible) about the watchman  
25 requirement she's about to read just to remind the

1 property manager.

2 SPEAKER: It's in the UBC, Section 13-3012,  
3 Watchman Required: "If boarding, fencing, or the use of  
4 electronic monitoring systems, or the use of other  
5 methods fails to keep unauthorized persons from entering  
6 or occupying a vacant building, the owner shall have a  
7 watchman on duty upon the premises every day continuously  
8 between the hours of 4:00 p.m. and 8:00 a.m."

9 Section B, "The watchman must remain on duty  
10 daily during the required hours until the building is  
11 either legally occupied, demolished, or sold." So I  
12 think it would take a little bit more than a drive by.

13 SPEAKER: That sounds like the trigger is if  
14 law enforcement comes back and says we still have a  
15 nuisance. And they can't stop that nuisance from  
16 happening, other than putting a watchman on 24/7, then we  
17 might can do that.

18 But at this point, let's do what the ordinance  
19 says, let us put the fence on, let us board the windows  
20 up, and if we still hear from Officer Isaac that we have  
21 an issue there, then we'll look at other options. We  
22 certainly will, yes, sir.

23 MR. RODRIGUEZ: Let me add something real  
24 quick. I was -- that would be the next course of action,  
25 because the board-ups are definitely not working. So the

1 next way would be to put the fence up. So I do concede  
2 that.

3 But I do want to also just let you know, this  
4 is not a new owner. The owner, this owner has had the  
5 property since we've been working the case the whole  
6 entire time. So he keeps saying new owner, new owner.

7 SPEAKER: Well, that's why I asked when he  
8 acquired the property.

9 SPEAKER: It is a new owner in terms of the  
10 issues that we're having. The issues that we're having  
11 are coming from the previous owner, the previous  
12 management, and the style they had to operate the place.  
13 The style was that we take the tenants' money and we do  
14 nothing. And that's why it, over time, deteriorated. It  
15 went into foreclosure. The new owner bought it in a  
16 distressed condition and has been tied up legally and  
17 can't, we can't go on to the property now and do anything  
18 really until we get the legalities out of the way.

19 SPEAKER: So what's the time frame for that?  
20 Because earlier you said that we would be able to  
21 determine a month from now the feasibility of rehabbing  
22 it, but --

23 SPEAKER: I'm not directly involved in that,  
24 but as I understand it, that has been resolved to the  
25 point where we can move forward.

1 I think the main thing here is our client took  
2 the property over in August, September of last year.  
3 There was three or four months of getting everybody off  
4 the property, and he's been in this litigation with the  
5 previous (inaudible) trying to get some things resolved.

6 So, you know, things probably could have  
7 progressed a little more quickly. He also had, the Reid  
8 property was part of (inaudible) and these properties  
9 came in, tied up with that. You know, he's spending a  
10 lot of money. He doesn't have an endless supply of  
11 money. You know, we, he has to raise funds (inaudible).

12 You know, he's had (inaudible) related to this  
13 deal (inaudible), the Reid Apartments, which is across  
14 the street that we had torn down (inaudible). Gordon has  
15 just unfortunately been a little bit pushed back, but  
16 we're ready to do something now.

17 SPEAKER: What's a reasonable time for the  
18 feasibility? Can y'all have it back by September 24th?

19 SPEAKER: (Inaudible) getting close  
20 (inaudible). We can give it a shot, but it's going to be  
21 close. We can probably get a preliminary one, not a  
22 thorough one, that would give you maybe a rough  
23 indication of kind of whether or not yea or nay.

24 We could pick some of the more worse areas,  
25 where we had the water damage and things and pull that up

1 and see where we're at, like the spongy floors and  
2 things. Some of the exterior work, like the balconies,  
3 patios and stair rails, we're planning on repairing that,  
4 replacing that in total. We're not going to try and put  
5 boards up.

6 SPEAKER: (Inaudible) have a pretty good idea  
7 by that time, but realistically we'd like two months to  
8 do that.

9 SPEAKER: Well, our next meeting isn't till  
10 November after that, which we're going to continue with  
11 maybe some of the same problems, hopefully not with the  
12 fence, but --

13 SPEAKER: Right.

14 SPEAKER: Prolonging some of this --

15 SPEAKER: I would like to -- I'd be more than  
16 happy to come back and kind of give you guys an update  
17 for your next hearing (inaudible) helpful, and  
18 (inaudible) at that point. It's a hard project we have  
19 ahead of ourselves here, and (inaudible).

20 SPEAKER: If we table this, we will expect it  
21 to be brought forward again. I mean, to table it will  
22 mean it comes forward to us again for action at the next  
23 meeting. And the Police Department and Code Enforcement  
24 will all be here with an update for us, including the  
25 owners, if y'all have something to add. If not, we have

1 the opportunity to take action at that time.

2 SPEAKER: That's reasonable.

3 SPEAKER: Any discussion questions further?

4 SPEAKER: I think also that we need to point  
5 out that the City also has the right to request a bond or  
6 a surety bond -- is that correct, right, on Page 5 --  
7 that will, you know, you put up a bond of a minimum of  
8 \$100,000, and then you've got to provide also a financing  
9 letter as well, or some kind of letter determining that  
10 this is something that the owner can do, because you did  
11 say that they have a bunch of other properties and not an  
12 endless supply of money. So I think that might be, might  
13 help your case as well, if that's --

14 SPEAKER: (Inaudible) state law is where she's  
15 at.

16 SPEAKER: (Inaudible.)

17 SPEAKER: Other questions? Okay. If not, I'm  
18 going to close the public hearing. Thank you.

19 SPEAKER: Thank you.

20 SPEAKER: And if there's nothing further from  
21 staff, we're going to have a motion made.

22 SPEAKER: All right. I would like to add one  
23 thing.

24 SPEAKER: Please.

25 SPEAKER: We did have the opportunity to meet



1 with the management yesterday, and they gave us a prelude  
2 to what they were going to discuss and their intent for  
3 the rehabilitation of the property. And we did explain  
4 to them that we had to go ahead and move forward with the  
5 board. The case had already been set to come to the  
6 board, and that was due to the neglect of the owner, the  
7 current owner, and his nonresponsiveness up until this  
8 point.

9 We have, you know, followed due diligence and  
10 due process of law to notify the owner and any  
11 responsible parties. Again, I made the point of the  
12 amount of money that the City has put out to maintain and  
13 to secure this property up to this point, and we are just  
14 looking for some assurance and accountability.

15 And you know, I know that they do have a plan  
16 now, but just making that point that, you know, the  
17 reason we had to get here was because of the  
18 nonresponsiveness.

19 So just, we would like to continue with the  
20 discussions with the management group in coming to, you  
21 know, with an actual formal plan so that when we do come  
22 back before you next month, you know, there is something  
23 more concrete with some firm deadlines and we'll continue  
24 working with them if that is what the board decides.

25 SPEAKER: (Inaudible) motion.

1                   SPEAKER: So I would like to make a motion --  
2     let's see if I can get through this -- that we table this  
3     for our next meeting for September -- what date is it?

4                   SPEAKER: 24th.

5                   SPEAKER: 24th, but in the meantime -- and we  
6     will rehear the case at that point. In the meantime,  
7     that the property be secured, that the fence be put up,  
8     that a third party security company be hired as well, and  
9     then that we will be provided with some financials and a  
10    more definitive plan at the next hearing.

11                  MR. TORNO: Shane Torno, second the motion.  
12    Discussion? Okay. Then we'll vote from left to right.

13                  SPEAKER: Aye.

14                  SPEAKER: Aye.

15                  SPEAKER: Aye.

16                  SPEAKER: Aye.

17                  MR. TORNO: Thank y'all.

18                  (End of recording.)  
19  
20  
21  
22  
23  
24  
25

1 STATE OF TEXAS )

2 COUNTY OF NUECES )

3

4 I, MOLLY CARTER, Certified Shorthand Reporter  
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11 Certified to by me this 25th day of January  
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