



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

Reinvestment Zone No. 4

Tuesday, September 22, 2020

10:00 AM

Council Chambers

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (at 361-826-3105) at least 48 hours in advance so that appropriate arrangements can be made.

A. Chairman Everett Roy to call the meeting to order.

Chairman Roy called the meeting to order at 10:03 a.m.

B. City Secretary Rebecca Huerta to call roll of the Corporation Directors.

City Secretary Rebecca L. Huerta called the roll and verified that a quorum of the Board was present to conduct the meeting.

NOTE: Steve Banta, Tom Schmid, Roland Barrera, Barbara Canales and Paulette Guajardo participated by video conference. Board Member McComb arrived at 10:02 a.m. and Board Member Hunter-absent.

Present 13 - Chair Everett Roy, Board Member Steve Banta, Board Member Roland Barrera, Vice Chair Barbara Canales, Board Member Rudy Garza, Board Member Paulette Guajardo, Board Member Gil Hernandez, Board Member Carrie Meyer, Board Member Ben Molina, Board Member Tom Schmid, Board Member Carol Scott, Board Member Greg Smith, and Board Member Carolyn Vaughn

Absent 2 - Board Member Michael Hunter, and Board Member Joe McComb

C. PUBLIC COMMENT:

Chairman Roy referred to Public Comment. There were no written public comments submitted.

D. MINUTES:

1. Approval of the Minutes of the Reinvestment Zone No. 4 August 27, 2020 Regular Meeting.

Chairman Roy referred to Item 1.

Board Member Smith made a motion to approve the minutes, seconded by Board Member Garza and passed unanimously.

E. FINANCIAL REPORT: None

F. EXECUTIVE SESSION ITEMS: None**G. AGENDA ITEMS:None**

2. Discussion and possible action to approve an extension to the deadline in section 3(a) of the agreement with The Breakers at North Beach, L.P. for the development located at 3612 Surfside Boulevard for a total incentive amount not to exceed \$7,826,200 or to authorize the City Manager to execute an amendment to said agreement.

Chairman Roy referred to Item 2.

Chief Financial Officer Constance Sanchez presented information on the following topics: the Frazier Hotel; site location; timeline; staff proposed amendments; developer's response; and City staff recommendation.

Board Members, Officer Sanchez, City Manager Peter Zanoni, Assistant City Attorney Aimee Alcorn-Reed and Legal Counsel for the Breakers at North Beach, L.P. Douglas Allison discussed the following topics: Board Members' opposition to terminating the contract; the developer's original proposal was for a luxury hotel with no associated star rating; developer did not meet the requirements set out in the first contract, so staff is proposing milestones to keep negotiations going; developer and his legal counsel's understanding that the negotiation would be limited to the extension, and the provisions being proposed were unanticipated; the original concept for the Frazier Hotel was a luxury hotel with no star rating associated; a Board Member's concern that the agreement would be terminated due to COVID-19; drainage issues need to be addressed before development can occur; this project is about growth on North Beach and using the tax payer dollar to do it; the developer came up with the idea of a "luxury" hotel; the overall goal of this TIRZ #4 Board is to economically develop North Beach not build a canal; the City is in charge of the agreement timeline; the engineering study for the drainage is set to be complete by December 2020; a Board Member's concern that the developer has reservations about adding the "4 star hotel" language; the importance of having a 4 to 5 star luxury hotel on North Beach to bring in sales tax, restaurants and tourists; the drainage problem on North Beach is due to elevation; a canal will not solve the drainage problem; the developer agrees with the proposed extension dates provided by the City; a Board Member's understanding that the \$7 million that the developer would be getting back is from the taxes they paid themselves; and the canal proposal includes digging out the canal and elevating the sides of the land to re-slope the streets and the land.

Board Member Vaughn made a motion authorizing the City Manager to execute an amendment to the agreement with The Breakers at North Beach, L.P. for the development located at 3612 Surfside Boulevard for a total incentive amount not to exceed \$7,826,200, which extends the performance deadlines in section 3(a) to require the Developer to obtain the necessary permits and commence construction on or before January 31, 2024 and in section 3(b) to require the Developer to complete construction on or before July 31, 2026, seconded by Board Member Hernandez. This motion was passed and approved with the following vote:

Aye: 14 - Chair Roy, Board Member Banta, Board Member Barrera, Vice Chair Canales, Board Member Garza, Board Member Guajardo, Board Member Hernandez, Board Member McComb, Board Member Meyer, Board Member Molina, Board Member Schmid, Board Member Scott, Board Member Smith, and Board Member Vaughn

Absent: 1 - Board Member Hunter

Abstained: 0

H. PRESENTATION ITEMS: None

I. IDENTIFY FUTURE AGENDA ITEMS:

Chairman Roy referred to Identify Future Agenda Items.

The following items were discussed: Board Member Smith requested a briefing on Bay Vista Pointe drainage issues; Board Member Canales requested a presentation from Dr. Ray Perryman; and Board Member Meyer requested a briefing regarding how TIRZ funds are used to reimburse the developer.

J. ADJOURNMENT

This meeting was adjourned at 11:13 a.m.

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