



AGENDA MEMORANDUM

Action Item for the City Council Meeting of October 27, 2020

DATE: October 1, 2020

TO: Peter Zanoni, City Manager

FROM: Al Raymond, Director Development Services
alraymond@cctexas.com
(361) 826-3276

| |
|--|
| <p>Appeal of Construction Trade Advisory and Appeal Board's Suspension of Vargo Plumbing & Utilities, Inc. City Plumbing Contractors Registration</p> |
|--|

CAPTION:

City Council consideration of an appeal of Vargo Plumbing & Utilities Plumbing Contractor's six-month suspension of City plumbing contractor's registration upheld by the Corpus Christi Construction Trade Advisory and Appeal Board on September 17, 2020.

SUMMARY:

The purpose of this appeal is to determine whether to uphold, modify, or set aside the six-month suspension of the Vargo Plumbing & Utilities, Inc. Contractor's City registration approved by the Construction Trade Advisory and Appeal Board on September 17, 2020.

BACKGROUND AND FINDINGS:

As recently as 2016, the property at 4202 Up River Road consisted of two single family homes and a detached shed structure. According to the Nueces County Appraisal District (NCAD), on May 22, 2017, Mr. Federico Vargas purchased the property. City registration records indicate Mr. Federico Vargas is the Master Plumber / Owner of Record for Vargo Plumbing & Utilities, Inc. (VPU). Thereafter, a building addition was constructed to expand the existing detached shed structure, without City approved plans or permits. Aerial photographs reviewed indicate by January 1, 2020, the shed structure had been converted to a multi-family commercial structure along with construction of another multi-family structure without City approved plans or permits. After January 1, 2020, an additional multi-family commercial structure was constructed on the property, without City approved plans or permits.

VPU submitted a water tap application to Development Services on July 16, 2020.

Department staff processing the application, determined there was no building permit associated with the tap application request. The information was relayed to Department management and a directive was issued to deny the issuance of any permits until a site investigation could be performed. Senior Inspection staff visited the property on July 30, 2020, obtained photographic documentation and issued a Stop Work Order directing the Owner to stop all work and submit construction plans for City review and approval. As currently constructed, the occupied dwelling units do not contain fire sprinkler systems and proper fire rated walls between individual units. Additional life safety features may be required depending on the buildings' occupancy classification and our review of the construction drawings, when submitted.

Upon review and consideration of all relevant information, we concluded VPU installed the plumbing systems for multiple multifamily commercial structures and allowed portions of those structures to be occupied by the public without City approved plans, permits and inspections. These actions constitute gross negligence and misconduct by a City of Corpus Christi registered Contractor. On August 14, 2020, the City Contractor registration for VPU was suspended by the Building Official for a period of six (6) months.

On August 28, 2020, VPU submitted an appeal to the City's Construction Trade Advisory & Appeal Board (CTAAB). On September 17, 2020, CTAAB met and deliberated on the facts of the case and disciplinary action by the Building Official. A motion to uphold the suspension for a period of six-months unanimously passed.

On September 24, 2020, VPU filed an appeal of the CTAAB decision with the City Secretary's office. The suspension is currently stayed pending the appeal to the Corpus Christi City Council.

ALTERNATIVES:

Possible Motions for City Council consideration:

- A. Motion to deny the Appellant's appeal {thereby Vargo Plumbing & Utilities, Inc. Contractor's would complete suspension ending April 6, 2021}.
- B. Motion to modify the Board's Decision {Plumbing Contractor Registration may be suspended up to one year and Plumbing Contractor Registration may be revoked for a term between one and three years}.
- C. Motion to set aside the Board's Decision {no suspension or revocation}

FINANCIAL IMPACT:

This item has no financial impact to the City.

RECOMMENDATION:

Staff recommends denial of the appeal. The unpermitted construction that occurred and was coordinated by VPU: (1) is a violation of Texas Department of License & Regulation & City of Corpus Christi regulations; (2) creates an unacceptable safety risk to building occupants and the public; and (3) creates an unfair business advantage over a company operating in accordance with the rules.

LIST OF SUPPORTING DOCUMENTS:

Transcript of Construction Trade Advisory and Appeal Board Meeting (September 17, 2020)
Notice of Board Hearing – Vargo Plumbing & Utilities, Inc.
Mr. Federico Vargas' Appeal
Presentation – Vargo Plumbing & Utilities, Inc.