



Meeting Minutes

Reinvestment Zone No. 3 - Downtown

Tuesday, January 24, 2023

9:30 AM

Council Chambers

A. Chairman Mike Pusley to call the meeting to order.

Chairman Pusley called the meeting to order at 9:32 a.m.

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

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

Note: Board Member Guajardo arrived at 9:35 a.m.

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

Absent 3 - Board Member Barbara Canales, Board Member Susan Hutchinson, and Board Member James Sedwick

C. PUBLIC COMMENT:

Chairman Pusley referred to Public Comment. There were no comments from the public.

D. MINUTES:

1. **23-0167** Approval of the Reinvestment Zone No. 3 November 15, 2022 Regular Meeting Minutes and December 6, 2022 Special Meeting Minutes

Chairman Pusley referred to Item 1.

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

E. FINANCIAL REPORT:

2. [23-0185](#) TIRZ #3 Financial Reports as of November 30, 2022

Chairman Pusley referred to Item 2.

Director of Finance and Procurement Heather Hurlbert presented information on the following topics: TIRZ No. 3 financial position for the two months ended November 30, 2022; commitments as of November 30, 2022; project specific development

commitments as of November 30, 2022; vacant property improvement commitments as of November 30, 2022; downtown living initiative commitments as of November 30, 2022; commercial tenant finish out commitments as of November 30, 2022; and streetscape and safety improvement program commitments as of November 30, 2022.

There were no questions from the Board.

F. EXECUTIVE SESSION ITEMS:

Chairman Pusley referred to Executive Session Item 4. The Board went into executive session at 10:19 a.m. The Board returned from executive session at 10:40 a.m.

3. [23-0152](#) **Executive session pursuant to Texas Government Code § 551.071** and Texas Disciplinary Rules of Professional Conduct Rule 1.05 to consult with attorneys concerning legal issues related to economic development agreement(s) involving 326 N Chaparral LLC and/or other entities involved with a commercial development at 326 N Chaparral in the downtown area; **and pursuant to Texas Government Code § 551.087** to discuss or deliberate regarding commercial or financial information relating to some or all of the aforementioned matter(s) or entities that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations and/or financial or other incentives in an amount not to exceed \$169,000 involving said business prospect.

Chairman Pusley referred to Item 3. This item was discussed in open session.

Executive Director of Downtown Management District (DMD) Alyssa Barrera Mason presented information on the following topics: Retro; front entrance and signage; paint and stucco repairs; security and lighting; and recommendation.

Board Members, City Manager Peter Zanoni, Director of Finance Heather Hurlbert, Assistant City Attorney Aimee Alcorn-Reed, Executive Director of DMD Barrera Mason, and Owner of Retro Freddy Rodriguez discussed the following topics: the investor is requesting that the city complete the reimbursement for the exterior improvements while the interior is being finished out; the project completion date is March 2023; staff recommends not splitting up the contract due to the risk of the project not being completed; DMD recommends the reimbursement because the developer incurred an extra \$50,000 that he didn't budget for; the developer has spent about \$1 million on the interior finish out; staff is concerned about paying out the contract two or three months in advance due to past projects failing; in order to obtain a certificate of occupancy, a building needs to pass a fire inspection; the elevator was part of the original plans; the developer plans to open this business before spring break; DMD's incentives are performance based; and a board member's request for staff to add fire inspection requirements to the contracts.

Board Member Hunter made the following motion:

Motion authorizing an amendment to the agreement with 326 N. Chaparral LLC that allows payment of \$69,000 upon completion of the streetscape and safety improvements on the condition that such funds must be immediately repaid in the event that the project is not completed by the deadline, seconded by Board Member Klein. This Motion was passed and approved with the following vote:

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

Absent: 3 - Board Member Barbara Canales, Board Member Susan Hutchinson, and Board Member James Sedwick

Abstained: 0

Enactment No:

4. [23-0153](#) **Executive Session pursuant to Texas Government Code § 551.071** and Texas Disciplinary Rules of Professional Conduct Rule 1.05 to consult with attorneys concerning legal issues related to economic development agreement(s) involving Peoples Street Project LLC and/or other persons or entities desiring to engage in commercial development at or in the vicinity of 541 N Chaparral Street.

This E-Session Item was discussed in executive session.

G. AGENDA ITEMS:

5. [23-0182](#) Election of Officers - Vice Chair

Chairman Pusley referred to Item 5, and opened nominations for Vice-Chair.

Board Member Barrera nominated Board Member Roy as Vice-Chair, seconded by Board Member Hunter. Hearing no other nominations, Chairman Pusley closed nominations.

Board Member Barrera made a motion to elect Board Member Roy as Vice-Chair, seconded by Board Member Campos. This Motion was passed and approved with the following vote:

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

Absent: 3 - Board Member Barbara Canales, Board Member Susan Hutchinson, and Board Member James Sedwick

Abstained: 0

6. [23-0148](#) Motion to approve a Streetscape & Safety Improvement Program Reimbursement Agreement for Sabal Dental Bay Area PLLC located at 1200 Santa Fe Street for a total incentive amount not to exceed \$23,485, effective upon signature by the City Manager or designee.

Chairman Pusley referred to Item 6.

Executive Director of Downtown Management District (DMD) Alyssa Barrera Mason presented information on the following topics: Sabal Dental; Dr. Valerie Drake; current condition; project concept; project cost; and recommendation.

There were no questions from the Board.

Board Member Barrera made a motion to approve the motion, seconded by Board Member Roy. This Motion was passed and approved with the following vote:

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

Absent: 3 - Board Member Barbara Canales, Board Member Susan Hutchinson, and Board Member James Sedwick

Abstained: 0

H. PRESENTATION ITEMS: (NONE)

I. ADJOURNMENT

There being no further business, Chairman Pusley adjourned the meeting at 10:44 a.m.