



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

Corpus Christi Business and Job Development Corporation

Monday, October 15, 2018

4:30 PM

City Council Chambers

A. President Scott Harris to call the meeting to order.

President Scott Harris called the meeting to order at 4:33 p.m.

B. City Secretary Rebecca L. Huerta to Call Roll and Excuse Absences

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

Present: 6 - President Scott Harris, Board Member Gabriel Guerra, Vice-President Randy Maldonado, Board Member Leah Pagan Olivarri, Board Member Robert Tamez and Director John Valls

Absent: 1 - Board Member Lee Trujillo

Board Member Guerra arrived at 4:34 p.m. Board Member Maldonado arrived at 4:38 p.m.

Board Member Valls made a motion to excuse Board Member Guerra's absence from the September 17, 2018 meeting, seconded by Board Member Tamez, and passed unanimously (Board Members Maldonado and Trujillo - absent).

C. MINUTES

1. Approval of Minutes of the September 17, 2018 Regular Meeting

President Harris referred to Item 1.

City Secretary Huerta referred to the minutes of the September 17, 2018 meeting and said the vote on Item 3, Arena Marketing/Co-Promotion Fund Request - Corpus Christi Ice Rays, should be corrected as follows: President Harris and Board Members Maldonado and Tamez voting "Aye"; Board Member Trujillo voting "No" (Board Member Guerra - absent).

Board Member Tamez made a motion to approve the Minutes as amended, seconded by Board Member Guerra and passed unanimously (Board Members Maldonado and Trujillo - absent).

President Harris noted that today's meeting is the first for Board Members Olivarri and Valls.

D. FINANCIAL REPORT

2. Type A Financial Reports as of August 31, 2018

President Harris referred to Item 2. Assistant Director of Financial Services Alma Casas presented the financial report as of August 31, 2018.

A board member and staff clarified that the collection of Type A sales taxes has ceased and discussed how sales tax revenue from Type A and Type B are reflected in the financial report.

E. CLOSED SESSION ITEMS: (NONE)

F. AGENDA ITEMS: (3-5)

3. Discussion with Possible Action on Del Mar College Small Business Development Center Grant

President Harris referred to Item 3.

Chief Executive Officer of the Corpus Christi Regional Economic Development Corporation (CCREDC) Iain Vasey stated: the State of Texas has cut funding for Small Business Development Centers across Texas; the CCREDC has reviewed this request and is making a recommendation to provide the requested funding; and introduced Del Mar College's Vice President for Workforce Initiatives Lenora Keas.

Ms. Keas presented information on the following topics: the monies requested are for the Small Business Development Center (SBDC) at Del Mar College; \$150,000 each year for two years is being requested to offset funding cuts statewide to SBDCs; the funding percentages between the Corpus Christi Business and Job Development Corporation (Type A) and Del Mar College; other projects funded by Type A; the purpose of Del Mar College's Procurement Technical Assistance Center; the benefits of the SBDC; the number and status of SBDC advisors; Del Mar College's contribution of a facility and IT support; adding funding of the SBDC to the City's legislative agenda; what happens should the State of Texas fund the SBDC in future years; and that the second \$150,000 be contingent on the State of Texas not funding the SBDC in the year 2020.

Board Member Valls made a motion to approve the item as presented and appropriating \$300,000 out of the unreserved fund balance of Fund 1140 (Economic Development Fund) and changing the FY 2019 operating budget, seconded by Board Member Olivarri.

Board Members asked questions about appropriating the full amount; the begin and end of Del Mar College's fiscal year and the dollar amount to be used in each of the upcoming fiscal years.

The motion passed unanimously (Board Member Trujillo - absent).

4. Discussion with Possible Action on Del Mar College Contract Resource Center (CRC) Grant

President Harris referred to Item 4.

Chief Executive Officer of the Corpus Christi Regional Economic Development Corporation (CCREDC) Iain Vasey stated that the purpose of this item is to provide funding to teach small companies how to be competitive and to pursue subcontracts through larger companies.

Del Mar College's Vice President for Workforce Initiatives Lenora Keas stated that Del Mar College is requesting \$133,000 to help fund a Contractors' Resource Center for one year. Ms. Keas discussed the reporting metrics that would be used to gauge the effectiveness of the Contractors' Resource Center. Mr. Vasey discussed contractual language in economic development agreements with large companies relating to a preference for local companies.

Board members, Mr. Vasey and Ms. Keas discussed the following topics: the purpose of Del Mar College's Procurement Technical Assistance Center; assistance with the Davis Bacon Act; contractual language regarding a preference to use local businesses; the definition of a local business; and that the use of local businesses is a goal and not a requirement.

Board Member Valls made a motion to approve the Del Mar College Contract Resource Center grant in the amount of \$133,000 and appropriating \$133,000 from the unreserved fund balance in Fund 1140 (Economic Development Fund) and changing the 2019 fiscal year operating budget, seconded by Board Member Guerra and passed with the following vote: President Harris and Board Members Olivarri, Valls and Guerra voting "Aye"; Board Members Maldonado and Tamez voting "No"; Board Member Trujillo absent.

5. Amendment No. 1 for Seawall Capital Repairs Contract

Motion recommending City Council authorize the execution of Amendment No. 1 to a professional services contract with Munoz Engineering of Corpus Christi, Texas in the amount of \$91,213 for a total restated fee of \$108,493 for the Seawall Capital Repairs project.

President Harris referred to Item 5.

Director of Engineering Services Jeff Edmonds stated that a recently completed end-to-end inspection of the seawall revealed no major deficiencies, but did identify numerous minor maintenance-related deficiencies; and that the purpose of this item is to authorize the execution of Amendment No. 1 to an engineering contract with Munoz Engineering of Corpus Christi, Texas in the amount of \$91,213, to produce a construction procurement package and provide construction phase services to make capital repairs on the seawall.

Board members and staff discussed the following topics; removal of gum from the seawall; the dollar amount of the amendment in comparison to the dollar amount of the original contract and related procurement requirements applicable to Corpus Christi Business and Job Development Corporation (Type A); how the engineering firm was originally selected; the procurement process

to be used to procure a contractor to complete the needed repair work; and addressing repair of water fountains in the miradors along the seawall.

Board Member Olivarri made a motion to recommend that City Council authorize execution of Amendment No. 1 to a professional services contract with Munoz Engineering of Corpus Christi, Texas in the amount of \$91,213 for a total restated fee of \$108,493 for the Seawall Capital Repairs project, seconded by Board Member Tamez and passed unanimously (Board Members Trujillo and Guerra - absent).

G. PRESENTATION ITEMS: (6-10)

6. Update on Sam Kane and Nueces County Courthouse Agreements

President Harris referred to Item 6.

On behalf of Chief Operating Officer of the Corpus Christi Regional Economic Development Corporation Mike Culbertson, Assistant City Attorney Aimee Alcorn-Reed presented information on the following topics: that Sam Kane Beef Processors, LLC (Kane Beef) did not meet the job creation requirements of the agreement, which term has ended; amounts paid to Kane Beef to date; the claw-back provision in the agreement; and that staff is recommending that a letter, requesting the \$175,200 claw-back amount, be sent to Kane Beef requesting payment of same.

Board members and Ms. Alcorn-Reed discussed the following topics: available options should Kane Beef choose to not pay the \$175,200; and the length of the cure period for payment to be made.

MOTION OF DIRECTION

Board Member Valls made a motion directing City staff to send a letter to Kane Beef requesting that the \$175,200 claw-back amount be remitted to the City of Corpus Christi within 60 days, seconded by Board Member Tamez and passed unanimously (Board Member Trujillo - absent).

On behalf of Mr. Culbertson, Ms. Alcorn-Reed presented information on the following topics: Nueces County Courthouse Development Partners, LLC (Courthouse Development Partners) is no longer in the process of purchasing the old Nueces County Courthouse, making performance under their business incentive agreement with the Corpus Christi Business and Job Development Corporation (Type A) an impossibility; that staff has contacted Courthouse Development Partners regarding termination of the agreement, with no response; staff's recommendation to send a formal letter requesting termination of the agreement; and lessons learned regarding the inclusion of an automatic termination clause by a date certain in future agreements.

MOTION OF DIRECTION

Board Member Olivarri made a motion directing City staff to send a formal letter to Courthouse Development Partners requesting termination of its agreement with Type A, seconded by Board Member Valls.

A board member and Ms. Alcorn-Reed discussed next steps in the event

Courthouse Development Partners does not respond to the recommended letter.

The motion of direction passed unanimously (Board Member Trujillo - absent).

7. Baseball Stadium Semi-Annual Report

President Harris referred to Item 7.

Business Liaison Arlene Medrano presented the baseball stadium semi-annual report and information on the following topics: monies spent on scheduled maintenance and capital repairs over past fiscal years and budgeted for this fiscal year; contractually required maintenance and the amount the City reimburses from Hotel Occupancy Tax; verifying that the maintenance work was completed; asking for receipts; inspection and auditing; for which portion of maintenance receipts are needed; that the monies reimbursed the vendor are not Type A funds; the status of a plaque commemorating the paying off of Whataburger Field debt; re-branding of concession stands on the concourse level; and maintenance versus corporate marketing.

8. Seawall Steward Proposal - Follow-Up Discussion

President Harris deviated from the agenda and referred to Item 8.

Business Liaison Arlene Medrano stated that the purpose of this item is to follow-up on the Downtown Management District's Seawall Steward Proposal. Ms. Medrano introduced the presentation team, which included: Director of Parks and Recreation Jay Ellington, Chief Executive Officer of the Downtown Management District (DMD) Alyssa Barrera, City Treasurer Judy Villalon and Investment Analyst Jacey Reeves.

Board members, staff and the presentation team discussed the following topics: if the seawall funds can be used to fund the Seawall Steward Proposal; the City's current seawall maintenance program; a long-term seawall maintenance funding plan; how the City is investing its funds to allow for seawall maintenance; paying fair market value for services provided through the proposed Seawall Steward Proposal; earnings on investments; and preventive versus General Fund maintenance.

Ms. Barrera presented information on the following topics: opportunity for a seawall program; the DMD's Clean Team; Seawall Steward Program summary; seawall equipment needed; annual program staffing costs; use of seawall funds; and next steps.

Board members, staff and the presentation team discussed the following topics: amount available for seawall capital repairs; General Fund maintenance versus capital repairs; the number of City staff who perform maintenance on the seawall and associated costs; the budget for the Seawall Maintenance District; the number of additional staff contemplated in the Seawall Steward Proposal; current maintenance gaps; sufficiency of existing staff; long-term funding of the proposal, to include the effect of Type A sales tax revenue ending; the geographic area and type of maintenance that is contemplated in the proposal; initiating a pilot program; available monies in the Seawall Fund; the purpose of seawall funding; the scope of the program;

the cost to implement the program; if the Marina is included in the program; scaling back the program and its associated costs; and if the original bond language includes maintenance.

9. Affordable Housing Program Update

President Harris referred to Item 9.

Director of Housing and Community Development Rudy Bentancourt presented information on the following topics: the affordable housing quarterly activity report; and information relating to a request for reimbursement from the Corpus Christi Business and Job Development Corporation (Type A) for City staff time administering the Type A Affordable Housing Program.

10. Engineering Services Update - October 2018

President Harris referred to Item 10.

Director of Engineering Services Jeff Edmonds discussed the following topics: recent approval of the Capital Improvements Program (CIP) and related contracts; the CIP projects procurement process; Type A projects included in the CIP; and a comprehensive CIP for Type A funds.

Board members and Mr. Edmonds discussed the following topics: a list of future projects; a list of the projects yet to be completed from a study completed about 10 years ago; repairs needed in the Marina area; and that various structural components of the Marina are part of the seawall, including the L- and T-Heads.

H. EXECUTIVE DIRECTOR COMMENTS:

President Harris referred to Executive Director Comments.

Executive Director Constance Sanchez stated that the Corpus Christi Business and Job Development Corporation's next meeting is on November 12, 2018.

I. PUBLIC COMMENT

President Harris referred to Public Comment.

There were no comments from the public.

J. IDENTIFY FUTURE AGENDA ITEMS

President Harris referred to Identify Future Agenda Items.

Executive Director Constance Sanchez and board members discussed the following items: Quarterly Seawall and Mirador Maintenance Report; Seawall Steward Proposal; whether to hold a meeting in November; requests to identify gaps addressed in the Seawall Steward Proposal and the amount of money the Downtown Management District spends on the seawall; the Corpus Christi Regional Economic Development Corporation's Quarterly Report; and that the Corpus Christi B Corporation is holding a meeting in November.

K. ADJOURNMENT

The meeting was adjourned at 6:13 p.m.