



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

Reinvestment Zone No. 3

Tuesday, June 25, 2019

9:30 AM

City 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. Chairperson Everett Roy to call the meeting to order.

Chairman Roy 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 L. Huerta called the roll and verified that a quorum of the Board was present to conduct the meeting.

Present 10 - Chair Everett Roy, Board Member Roland Barrera, Board Member Rudy Garza, Board Member Paulette Guajardo, Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Susan Hutchinson, Board Member Joe McComb, Board Member Ben Molina, and Board Member Greg Smith

Absent 2 - Board Member Al Jones, and Vice Chair Carolyn Vaughn

Board Members Joe McComb and Paulette Guajardo arrived at 9:33 a.m.

C. PUBLIC COMMENT:

Chairperson Roy referred to Public Comment. There were no comments from the public.

D. MINUTES:

1. Approval of Minutes of the May 21, 2019 Regular Meeting

Chairperson Roy referred to approval of the minutes. Board Member Garza made a motion to approve the minutes, seconded by Board Member Hunter and passed unanimously (Board Members Vaughn and Jones - absent).

E. FINANCIAL REPORT:

2. TIRZ #3 Financial Reports as of April 30, 2019

Chairperson Roy referred to Item 2. Treasurer Constance Sanchez presented the financial report for Reinvestment Zone No. 3 ending April 30, 2019 including: total assets; revenues; expenditures; commitment reports; and fund balance.

F. EXECUTIVE SESSION ITEMS: (NONE)

G. AGENDA ITEMS: (3-4)

3. Motion approving the reimbursement request for Third Coast Beer, LLC under the Downtown Development Reimbursement Agreement for 401 S. Water Street and authorizing the expenditure of \$61,700.

Chairperson Roy referred to Item 3. Executive Director of the Downtown Management District Alyssa Barrera Mason stated that the purpose of this Item is a reimbursement request for Third Coast Beer, LLC dba Nueces Brewing Company at 401 S. Water St. because the project is now complete.

Ms. Mason presented information on the following topics: before-and-after photos; the original deadline; that there have been two extensions of the deadline; the business now has its certificate of occupancy; monies spent on the project; and a recommendation to approve the request for reimbursement.

Board Member Smith made a motion to approve Item 3, seconded by Board Member Molina and passed unanimously (Board Members Vaughn and Jones - absent).

4. Motion approving Amendment No. 4 to the Downtown Development Reimbursement Agreement for Studio 44 Apartments f/k/a "Studio 21" with Stonewater Properties 723 Broadway LLC and Stonewater Properties Carancahua Inc., which provides an extension of the deadline for completion of Phase 1.

Chairperson Roy referred to Item 4. Executive Director of the Downtown Management District Alyssa Barrera Mason presented information on the following topics: this project is at 817 N. Carancahua St.; that this project has the downtown living initiative and the project specific development agreements; progress to date; original project approval date; that the project consists of 44 micro units; the incentive allowed per unit; the number of units eligible for the incentive; the total incentive; the original deadline; previous extensions of the deadline; that the project is in its final phase; a trend related to projects being delayed due to fire system and elevator inspections; and that the developer is working to obtain the certificate of occupancy.

Board members and Ms. Mason discussed the following topics: the additional time needed to reach project completion; that the developer's fire safety and elevator companies are the reason for the inspection delay; the number of units associated with Phase 1 of the project; that the developer has provided notice that they will not proceed with Phase 2 of the project as they have sold the building; that the disposition of Phase 2 and the parking lot improvements will be brought back to the TIRZ #3 board of director for discussion and possible action; developer's cost overruns and associated reasons; and a suggestion that the developer's feedback regarding the project be sought.

Board Member Garza made a motion to approve Item 4, seconded by Board Member Molina and passed unanimously (Board Members Vaughn and Jones - absent).

H. PRESENTATION ITEMS: (5-7)

5. Update on efforts to promote Opportunity Zones in Corpus Christi

Chairperson Roy referred to Item 5. President and Chief Executive Officer of the Corpus Christi Regional Economic Development Corporation (CCREDC) Iain Vasey and Director of Business Retention and Expansion of the CCREDC Christine Bryant presented information on the following topics: the Tax Cuts and Jobs Act timeline; related tax credits; opportunity zones in practice; opportunity zones tax incentive; a map of the opportunity zone and the Tax Increment Reinvestment Zone No. 3 (TIRZ #3); the CCREDC's focus relating to opportunity zones; and the CCREDC's opportunity zones outreach.

Board members and Mr. Vasey and Ms. Bryant discussed the following topics: what percentage and when capital gains taxes are paid; and the area in which TIRZ #3 can participate in opportunity zones.

6. Proposed FY 19-20 Reinvestment Zone Number Three (TIRZ #3) Budget

Chairperson Roy referred to Item 6. Director of Management and Budget Eddie Houlihan presented the proposed FY 19-20 TIRZ #3 budget.

Board members and Director Houlihan discussed the following topics: monies paid relating to the Zagster Bike-Share Program; that the public subsidy for the bike-share program downtown is ending because the private sector is developing other modes of transport; revenues from the bike-share program; and the reasons for the change in the amount of the TIRZ #3 administrative service charge from FY18/19 to FY19/20.

7. Update on TIRZ #3 Approved Programs & Initiatives for June 2019

Chairperson Roy referred to Item 7. Business Liaison Arlene Medrano presented the update on the TIRZ #3 approved programs and initiatives for June 2019.

Board members, Ms. Medrano and Executive Director of the Downtown Management District (DMD) Alyssa Barrera Mason discussed the following topics: if projects in the report include extensions of completion deadlines, and, if so, which projects; if a request for an extension of a completion deadline has ever been not recommended by staff or not granted by TIRZ #3; that, with respect to extensions of completion deadlines, the purpose of of the TIRZ #3 is to assist and facilitate economic development; what can be done about repeated project delays for the same reason(s); if the DMD pursues grants; fundraising; why there are not more Engineering Department costs listed in the administrative service charge in the proposed FY19-20 TIRZ #3 budget; monies spent on administrative versus project costs; an overall strategy to rehabilitate buildings downtown; and contractor versus city delays in fire system inspections.

I. IDENTIFY FUTURE AGENDA ITEMS:

Chairperson Roy referred to Identify Future Agenda Items. The following items were identified: scooter discussion and recommendation; potential removal of Phase 2 of the Stonewater project; streetscape application; FY19/20 budget; and a revenue report on the Zagster bike-sharing program.

J. ADJOURNMENT

The meeting was adjourned at 10:23 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.*