



# City of Corpus Christi

1201 Leopard Street  
Corpus Christi, TX 78401  
cctexas.com

## Meeting Minutes

### Reinvestment Zone No. 4

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Thursday, August 27, 2020

11:15 AM

Council Chambers

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**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 11:21 a.m.

**B. City Secretary Rebecca Huerta to call roll of the Corporation Directors.  
TIRZ No. 4 Board Members:**

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, Carol Scott, Tom Schmid, Roland Barrera, Ben Molina, Greg Smith and Paulette Guajardo participated by video conference. Board Member Michael Hunter participated telephonically.**

**Present** 15 - 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 Michael Hunter, Board Member Joe McComb, 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

**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, July 21, 2020.**

Chairman Roy referred to Item 1.

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

**E. FINANCIAL REPORT: None**

**F. EXECUTIVE SESSION ITEMS:**

2. **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 agreements(s) involving The Breakers at North Beach, L.P. and/or other persons or entities desiring to engage in commercial development at or in the vicinity of 3612 Surfside Blvd. This item is for discussion purposes only. There will be no action taken and public comment will not be solicited.

**This E-session Item was withdrawn.**

**G. AGENDA ITEMS:**

3. Motion to approve Rules of Procedure for the TIRZ #4, which set quarterly meetings and provide an alternative method in which items are placed on a meeting agenda.

**Chairman Roy referred to Item 3.**

**Senior Management Analyst Randy Almaguer presented the following information: the purpose of this item is to set a quarterly schedule for the TIRZ #4 meetings (January, April, July and October) and hold special meetings as needed; and to approve an alternative method in which items are placed on the agenda.**

**Board Members, City Manager Peter Zanoni, City Secretary Rebecca Huerta, Senior Analyst Almaguer and Assistant City Attorney Aimee Alcorn-Reed discussed the following topics: staff's recommendation is items may be placed on the agenda by the 1) Chair, Vice-Chair or other presiding officer in the Chair's absence, 2) the City Manager, or 3) at least four Board Members who sign a memorandum making the request; other TIRZ boards do not have a policy regarding how items are placed on the agenda; it is up to each TIRZ Board to decide on their process; a board member's request that the policy be consistent across all TIRZ Boards; staff is presenting a policy at the request of a board member made during the last meeting; clarification that the Board Member requesting that an item be placed on an agenda can contact the other three Board Members directly about the request since it's less than a quorum; a request from a Board Member to have the City Secretary's Office send a memo regarding the process for placing an item on the agenda; a Board Member's request to amend Section c. of the Rules of Procedure from "inquire" to "confirm"; a request that Section a.4. of the Rules of Procedure be amended to say a special or workshop session can be called by four members of the board rather than a majority of the board; and a special meeting will be held in September; the quarterly meetings will begin in October 2020;**

**Board Member Hernandez made a motion to amend the Rules of Procedure, Section a(4) to allow a special or workshop session to be called by four members of the board rather than a majority of the board; and Section c. to replace the word "inquire" with "confirm," seconded by Board Member Vaughn. The motion to amend was approved unanimously. Mr. Hernandez**

made a motion to approve the motion as amended, seconded by Ms. Vaughn, with the following vote:

**Aye:** 15 - Chair Roy, Board Member Banta, Board Member Barrera, Vice Chair Canales, Board Member Garza, Board Member Guajardo, Board Member Hernandez, Board Member Hunter, Board Member McComb, Board Member Meyer, Board Member Molina, Board Member Schmid, Board Member Scott, Board Member Smith, and Board Member Vaughn

**Abstained:** 0

## **H. PRESENTATION ITEMS:**

4. Staff update on the Breakers at North Beach, L.P. "Frazier Hotel" project and associated TIRZ funded incentive agreement, located at 3612 Surfside Boulevard. The incentive award totaled an amount not to exceed \$7,826,200 and required completion by July 31, 2022.

Chairman Roy referred to Item 4.

Director of Finance and Business Analysis Heather Hurlbert presented a timeline and next steps regarding the Frazier Hotel project as follows: the initial agreement between the TIRZ and the developer was adopted in December 2019; June 2, 2020 - deadline for first milestone in the agreement was not met by developer, resulting in the developer being in default of the agreement; July 15, 2020 - city sent developer a default notice; July 20, 2020 - city received request from Jeff Blackard to extend the deadline for 12 months; August 14, 2020 - city received a new request from an attorney who claimed to be sending the letter on behalf of the developer; August 21, 2020 - city responded via e-mail to Aug. 14th letter from attorney and sent a letter granting extension to cure period until Sept. 30, 2020. Ms. Hurlbert said city staff was working to reconcile the two different requests for an extension. She said the city is working with the developer to negotiate a cure provision to be presented to the Board during the September or October 2020 meeting.

Board Members, Director of Finance Hurlbert and City Manager Peter Zaroni discussed the following topics: there are permits for site development, but no other permits issued beyond that; a Board Member's concern regarding waiting to extend the deadline until September or October; a Board Member's concern about why the developer did not reach out to the City regarding the deadline, and perhaps it was an oversight; a Board Member's concern why the City did not reach out to the developer and why the media was notified; the City put a four year deadline on this project; when the agreement was approved by the TIRZ Board, it was known that there was not going to be an engineer at the time the project should have started; the engineering report will clarify "what is the project?" and "will the canal work?"; many entities are granting extensions due to the pandemic; the City staff recommends an extension; as soon as the City staff can meet with the developer's attorney, then a new deadline can be determined; the developer asked for a 12-month extension in the first extension request and the developer's attorney asked for a 12 month extension after COVID-19 in the second extension request; the developer clarified today that the city should work with his attorney regarding extension request; City needs clarification from the developer's attorney regarding his request; the purpose of this TIRZ is to encourage economic development on

North Beach; the contract includes language as to who the owner of the work is (the City), so the engineering firm knows who to work for and who to report to; and the developer will not be put in default.

Board Member Hernandez made a motion to negotiate an extension of this agreement, seconded by Board Member Vaughn. This motion was passed and approved with the following vote:

**Aye:** 15 - Chair Roy, Board Member Banta, Board Member Barrera, Vice Chair Canales, Board Member Garza, Board Member Guajardo, Board Member Hernandez, Board Member Hunter, Board Member McComb, Board Member Meyer, Board Member Molina, Board Member Schmid, Board Member Scott, Board Member Smith, and Board Member Vaughn

**Abstained:** 0

**5.** Presentation on the Texas General Land Office (GLO) Community Development Block Grant - Mitigation (CDBG-MIT) Program

Chairman Roy referred to Item 5.

Nueces County Grant Administrator Maria Bedia and Nueces County Judge Barbara Canales presented the following information: background; mitigation competitions; important notes; 2015 floods competition; 2015 flood competition projects; 2016 floods competition; Hurricane Harvey competition; eligible project activities; Hurricane Harvey competition-Nueces County as lone applicant; Hurricane Harvey competition-joint projects (up to 3 allowed); and Nueces County will put together a total of nine projects.

Board Members, City Manager Peter Zanoni and Grant Administrator Bedia discussed the following topics: grant applications are due on October 28, 2020; the deadline for LAN is December; the City is committed to working with Judge Canales on this grant; the infrastructure is part of the process; a Board Member's concern regarding coastal flooding issues; a Board Member's request for the City to authorize LAN to speak to Judge Canales and make this project a priority for staff; and the National Park Service gave the City a grant to develop a plan for the north end of North Beach for an eco-friendly park.

**I. IDENTIFY FUTURE AGENDA ITEMS:**

Chairman Roy referred to Identify Future Agenda Items.

The following items were discussed: Board Member Hernandez requested information regarding Flat Iron Dragado; Board Member Meyer wants to ensure that a September meeting will be held; Board Member Canales requested that Board Member Vaughn determine the default date is September 13, 2020; in response to Judge Canales', City Manager Peter Zanoni stated that the new default deadline for the Breakers project is September 30, 2020; and Board Member Meyer requested to put all Board Member in the Council Chambers for the meetings.

**J. ADJOURNMENT**

This meeting was adjourned at 12:49 p.m.

*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.*