

# THE BUZBEE LAW FIRM

*www.txattorneys.com*

Reply to: Galveston Office

February 21, 2008

Mayor and Council  
City of Friendswood  
Friendswood, Texas 77546

Re: Commercial Development, Friendswood Downtown

Dear Mayor and Council:

Buzbee Properties, Inc. ("BPI") began more than one year ago a concerted effort to redevelop, revitalize, and beautify the old part of Friendswood. In that regard, BPI spent more than twelve million dollars acquiring properties, and clearing and removing old eyesores along Friendswood Drive. For example: BPI purchased the 2.8 acre tract where the old pawn shop was located, and within thirty days the pawn shop was gone. On that lot, BPI had planned a 60,000 square feet, mixed use building. Several tenants, including a title company, a realty company, a bank, and a coffee shop had already committed to the venture. That project alone would have brought at least fifty jobs to Friendswood. Moreover, BPI purchased the old Texaco lot, and the three lots behind it. Now, the dilapidated Texaco building, and the three underground tanks, are gone. Further, BPI acquired the old Sonic, and within twenty days the old, rundown Sonic building was demolished and removed. BPI also purchased the old Robert's Auto Parts building; that property was quickly cleaned up and all the junk and old cars that had been sitting out front of it for years were hauled away. BPI had further plans for the Robert's Auto building; those included renovation of the site into four office suites. Several tenants had already expressed interest in the project. BPI also acquired and renovated the massage parlor adjacent to the City's library. That property was to be used as a realty office, and would eventually have been a leasing office for a condo project on the property next door. BPI purchased the old Conoco Station, and had recently begun efforts to renovate and expand that property. BPI also purchased the Lee's Landscaping property. And, BPI purchased the Albritton Soil Yard, which was to be the site for another mixed use, condo project. Further, BPI purchased various other vacant and unused properties along Friendswood Drive. All of these acquisitions were planned to attract high quality businesses to Friendswood, as part of an effort to make the downtown area of Friendswood pedestrian friendly, and inviting for citizens to visit. The reaction from proposed tenants and occupants of the various projects along Friendswood Drive was extremely positive. Importantly, the reaction from the citizens of Friendswood was overwhelmingly supportive.

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In addition to monies spent acquiring properties and razing eyesores, BPI also spent more than a quarter of a million dollars on architecture plans, civil engineering work, and surveys. At least two of the proposed tenants also spent their own monies on these items as well. Importantly, BPI enlisted some of Friendswood's best and brightest people in this effort, including former mayors, former council persons, and many highly respected business persons. With no exceptions, all of these various individuals worked many hours, without pay, with only one goal in mind: to benefit the City of Friendswood. Some of these people even put their reputations on the line outside of the City, in an effort to attract business to our City. Unfortunately, they now are forced to go back to their business contacts and inform them that the effort they had touted so proudly has now failed.

As you know, redevelopment and beautification of the old part of Friendswood along Friendswood Drive has been talked about by the City and various committees for many years, but nothing substantive had ever occurred. Our team wanted to change that. Rather than talking about it, we acted. You may recall I sent you a letter more than one year ago describing our plans and hopes regarding the redevelopment of old Friendswood. I asked you in that letter for your help and support. I've personally met with most of you. I and members of my team have attended numerous planning and zoning meetings. We've attended many City Council meetings. We've met repeatedly with City staff. We've literally spent hundreds upon hundreds of hours on this effort. I am aware that many of you have repeatedly talked favorably about our efforts publicly in various speeches, and some of you have even used BPI's efforts at development in your election campaigns.

I can tell you that over the past year the process of dealing with the City has been very, very difficult. Whether it's been scheduling delays, indecision, mistakes, incompetence, and just the overall inertia that exists when trying to get approvals, the bottom line is that the City's processes regarding development approval are fatally flawed. Unfortunately, there is an anti-development attitude in the City that is almost impossible to overcome. The bottom line is this: Based on my experience and the experience of others, I can tell you that the City's process for development approval is broken. Despite all the rhetoric from the City claiming to be pro-development, our team's efforts failed, miserably. The process simply does not work. Understand, I am a former Marine. I'm used to challenges and don't give up easily. Unfortunately, I cannot see any positive changes coming out of the City in the near future. The failure here will have major ramifications for any future developer who wants to do something positive in Friendswood. I can tell you that if I'm ever asked, I will quickly reply: "don't bother to waste your time and money." I sincerely believe that the City of Friendswood is not serious about attracting high quality development.

I want you to know that I am not pointing fingers, and I can't say with any proof that there is one particular person at the City who was purposefully causing the many problems we encountered. No doubt part of the problem is nothing more than growing pains, and the fact that what we were trying to do has not been done before, in Friendswood. But, Friendswood is not a large city. It simply should not be that difficult to obtain approval for a project that everyone agrees is the best thing for the City. After more than 12 million dollars into this, BPI simply cannot continue to wait as the various, arcane issues are "worked through" and discussed ad nauseam by people with no concept of the practical implications of their actions. BPI simply

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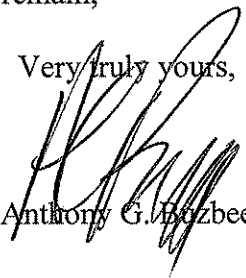
cannot wait as people with authority decide upon their “whim” to put into place further costly requirements, or decide to interpret grey rules as they see fit at the time, with no logic or understanding that such behavior costs someone a lot of money; BPI can no longer have the City learn on its dime, and will no longer subject itself to the City’s wants and desires—which change almost like the wind. You must understand that every day of delay in a project means that more monies are being spent on various professionals involved. Worse, every day a project is delayed, potential tenants are going elsewhere, franchises are opening elsewhere, and BPI is paying taxes and insurance on vacant lots that, based on the City’s almost irrational actions, are in some cases rendered almost un-useable. Life is too short; our team has had enough. It is now time to cut our losses and focus elsewhere.

Finally, for future reference, I want to tell you that with a few obvious exceptions (Frank Manigold and Karen Capps being two), the attitude my folks and I have gotten from the various city departments has not been good; indeed, it has generally been condescending and usually rude. There is also a sense of arrogance within the staff that is very disheartening. Moreover, it seems that there is a general attitude at city hall where whoever is in authority goes about finding every reason a project should not be approved; rather than a can-do attitude of working together for the good of the city. As a former military officer, I am very familiar with the “I’ve got the power attitude so you had better do exactly what I tell you.” Such attitude is pervasive at the staff level at the City, and, frankly, our team has grown weary of it. It is my personal belief that what is needed in our City staff is a wholesale changing of the guard, beginning immediately with the City Manager.

All these things being said, after talking to my staff, my architect, my contractors, and others, I have decided to halt all work and to cancel any Friendswood development BPI had previously planned. Let this letter serve as formal notice that any permit application previously submitted is being withdrawn. Let this letter also serve as formal notice that BPI will not be using the development grant previously awarded by the City. We will at some point list each of the properties previously acquired for sale, and will move on to other ventures.

As stated, a lot of good people were working on this project in the hopes of making Friendswood better. It is unfortunate that it had to come to this. This opportunity has passed. Thanks for you attention. As always, I remain,

Very truly yours,



Anthony G. Bozbee

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