



**DATE:** September 11, 2018

**TO:** President and Honorable Board Members,  
Corpus Christi Business B Corporation

**FROM:** Arlene Medrano, Business Liaison, City Manager's Office  
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**Use of Type B arterial and collector funds for three streets**

**CAPTION:**

Resolution authorizing the City's Engineering Department to proceed with the use of Type B arterial and collector funds for three street projects.

**PURPOSE:**

To approve the resolution authorizing the City's Engineering Department to proceed with the use of Type B arterial and collector funds for three street projects.

**BACKGROUND AND FINDINGS:**

On November 8, 2016, residents of the City passed Proposition 2, Adopt Type B Sales Tax to Replace Expiring Portion of Type A Sales Tax, which authorized the adoption of a sales and use tax to be administered by a Type B Corporation at the rate of one-eighth of one percent to be imposed for 20 years with use of the proceeds for (1) 50% to the promotion and development of new and expanded enterprises to the full extent allowed by Texas law, (2) \$500,000 annually for affordable housing, and **(3) the balance of the proceeds for the construction, maintenance and repair of arterial and collector streets and roads.**

In order to effectively fund arterial and collector street and road projects, the City is willing to accept funds in support of its arterial and collector street bond program.

On June 18, 2018, the Type B Board approved an Agreement between the Corporation and the City to provide for the transfer of funds collected by the Type B Sales Tax approved by residents on November 8, 2016. The Corporation would transfer all arterial and collector street and road funds to the City for payment of debt associated with voter-approved arterial and collector street projects, as the funds are collected, for the purpose of supplementing debt obligation property tax revenues. The funds would be deposited in the City's debt service fund for payment towards debt on only arterial and collector projects as authorized by Proposition 2 at the November 8, 2016, election.

On July 23, 2018 at a City Council Workshop Session, the City Council passed a motion directing the Interim City Manager to adopt a street funding option proposed by Council Member Smith at the July 16, 2018 Workshop. This option provides that three streets designed to 100% (Slough Rd from Amethyst to Rodd Field \$2,200,000; Everhart Rd from Holly Rd to South Padre Island Drive \$5,300,000; and Holly Rd from Ennis Joslin Rd to Rodd Field Rd. \$3,050,000) be funded using a total of \$10,550,000 Type B Funds.

The Transfer to Street CIP total from FY19 to FY22 will total an estimated \$12,612,374. This Resolution authorizes the use of \$10,550,000 over the next four fiscal years or until such time that the total funding is available.

This Resolution replaces the previous Agreement approved by the Type B Board on June 18, 2018.

**ALTERNATIVES:**

N/A

**OTHER CONSIDERATIONS:**

None.

**CONFORMITY TO CITY POLICY:**

Conforms to policy.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency

**DEPARTMENTAL CLEARANCES:**

Interim City Manager  
 Finance  
 Legal  
 Engineering

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2017-2018</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$12,612,374	\$12,612,374
Encumbered / Expended Amount		0	0
This item		\$10,550,000	\$10,550,000
BALANCE		\$2,062,374	\$2,062,374

Fund(s): Type B Fund 1145

**Comments:** N/A

**RECOMMENDATION:**

City staff believe it is in the best interests of the residents of the City that the City be awarded sales and use tax revenue funds, by execution of this Resolution, to support the construction, maintenance and repair of the listed three streets.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution

Bond 2018 Presentation

Type B Fund 1145 FY19 Proposed Budget