

Type A Sales Tax Reauthorization Discussion

City Council Meeting on February 27, 2024

Presented by
Peter Zanoni, City Manager



Current Type A Sales Tax Venues

Currently the City has two 1/8 cent sales tax venues authorized

- Approved by voters on November 2000
- Approved for a 25 year term to bond Arena and Seawall projects
- Both are overseen by the Corpus Christi Business and Job Development Corporation Type A Board of Directors appointed by City Council
- The Type A Board is made up of seven members

Arena-1/8 cent

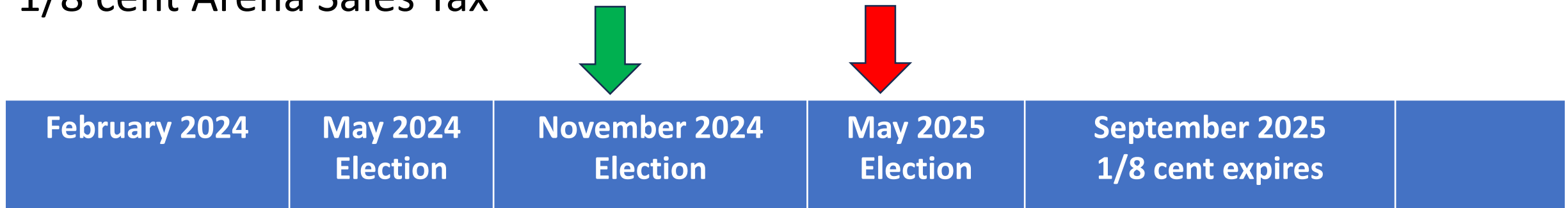
- Currently authorized for Arena debt service, capital projects, and operational needs of the Arena
- Expires September 2025
- 1/8 cent of the sales tax collection is approximately \$8 Million annually

Seawall-1/8 cent

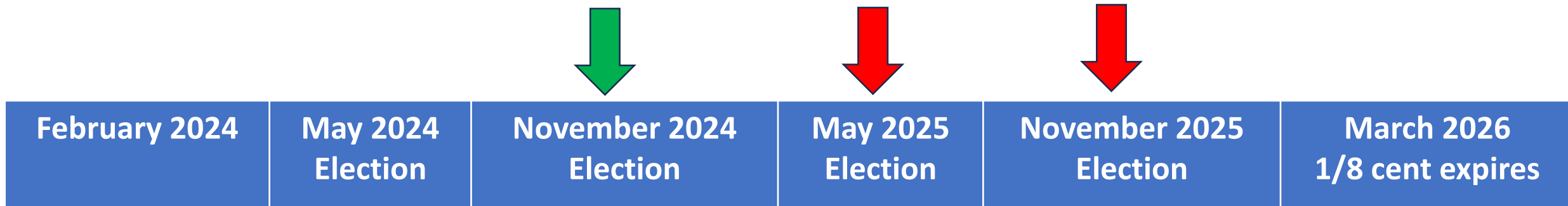
- Currently authorized for Seawall debt service, capital projects, and operational needs
- Expires March 2026
- 1/8 cent of the sales tax collection is approximately \$8 Million annually

Possible Election Dates for Reauthorization

1/8 cent Arena Sales Tax



1/8 cent Seawall Sales Tax



Engagement to Date

- City Manager one on one meetings with all City Council members
- Visit Corpus Christi
- OVG360
- Marina Advisory Committee
- Buccaneer Commission
- United Chamber of Commerce
- Black Chamber of Commerce
- David Loeb
- RGB Hospitality
- ZJZ Hospitality

Type A Possible Use Discussed 1/8 cent Arena

- Arena
- Expand use to entire American Bank Center Complex: Arena, Convention Center, and Selena Auditorium
- Regional Parks
 - **Commodores, Billish, Bill Witt, Cole, Labonte, Parker, Salinas, and West Guth**
 - Park activities that generate tourism: birding, fishing, running, cycling, kite-boarding, windsurfing, surfing, beach volleyball, sailing/ boating, TAMUCC sports
- Projects within the City's Area Development Plans
- Arterial Roads and Collector Streets

Hotel Occupancy Tax (HOT) Fund

- Currently the HOT Fund collections are \$21.5 Million
- City is authorized to collect 9% HOT
 - 2% venue tax committed to the American Bank Center Complex
 - 7% for tourism (VCC), beach maintenance, several arts programs
- Re-evaluate current use of funds
- Possibility to transfer some expenditures to General Fund, freeing up HOT Funds for the American Bank Center

Type A Possible Use Discussed 1/8 cent Seawall

- Downtown Seawall Flood Control structure including maintenance and improvements to the breakwater
- Downtown Seawall plus other Flood Control projects City wide in eligible areas in support of economic development
- Does not include Marina, Art Museum, Art Center, and other public facilities along the Seawall
- City-wide coastal defense

Term

- Consensus among all to have term
 - 10 year term
 - 20 year term

Next Steps

- City Council Input
- Stakeholder Input
- Hotelier Input
- Community Input Meetings
 - April 15, 2024 to May 15, 2024
- Surveys

No City Council
Action today

Questions and
Discussion

