



Type A Sales Tax Reauthorization Update

June 18, 2024



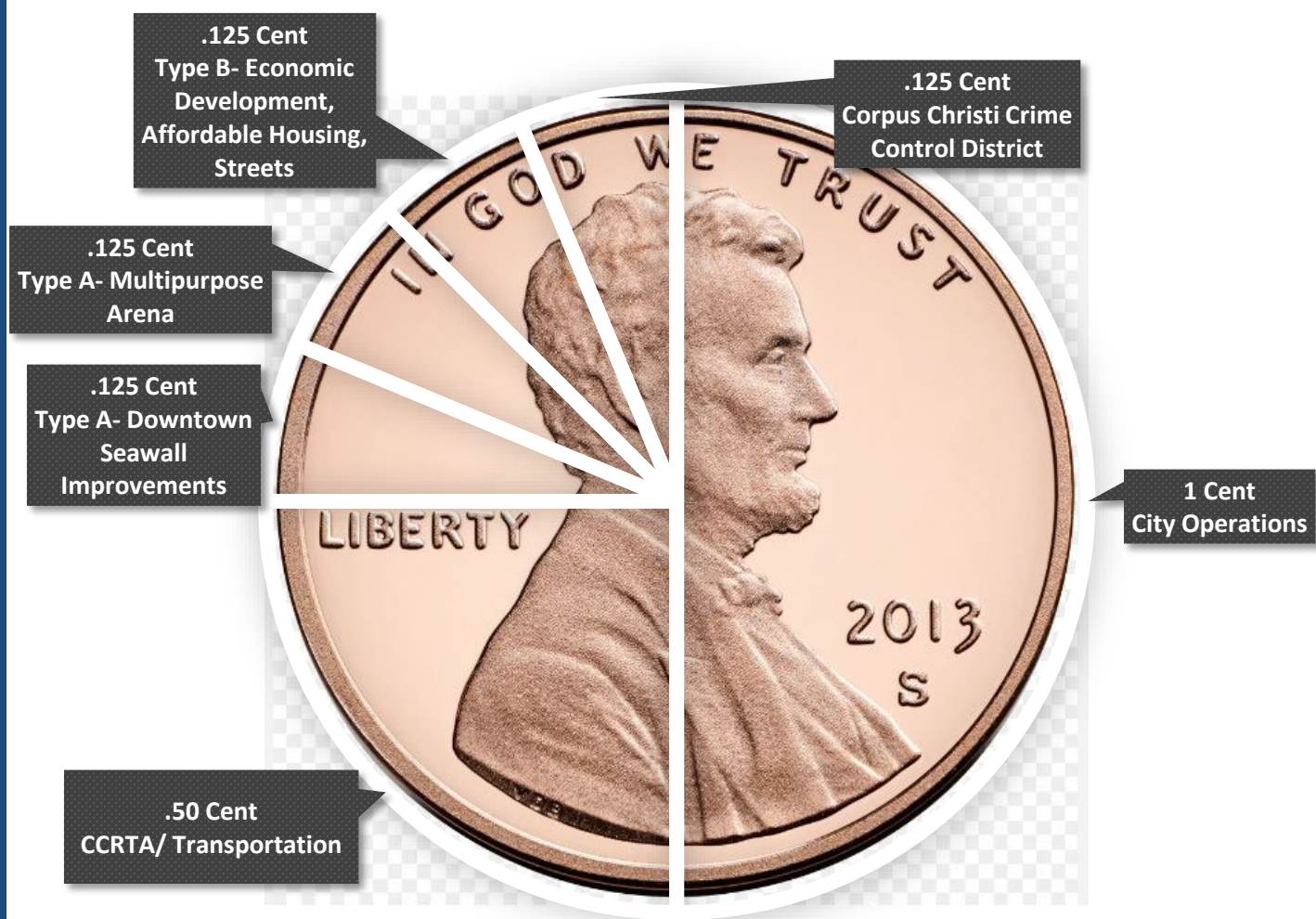
Local Sales Tax

City of Corpus Christi residents currently pay the maximum 8.25 cents per \$1 of certain goods and services for sales and use tax. Of this, 6.25 cents is allocated to the state and up to 2 cents is used for local purposes

Entity	Use	Allocation	Expiration	Estimated FY 24 Collections
State of Texas	State Operations	6.25 cents	None	\$445.0M
CCRTA	Transportation	1/2 of 1 cent	None	\$ 35.6M
City of Corpus Christi	City Operations	1 cent	None	\$ 71.2M
City of Corpus Christi	Type A-Improvements to the Downtown Seawall	1/8 of 1 cent	March 2026	\$ 8.9M
City of Corpus Christi	Type A-Multipurpose arena	1/8 of 1 cent	Sept 2025	\$ 8.9M
City of Corpus Christi	Type B-Economic development, affordable housing, streets	1/8 of 1 cent	April 2038	\$ 8.9M
City of Corpus Christi	Corpus Christi Crime Control District	1/8 of 1 cent	March 2028	\$ 8.9M

City of Corpus Christi Total FY 24 Collections-\$106.8M

2 Cents Local Sales Tax Distribution





Type A/B Sales Tax Authorization

- The City of Corpus Christi has two economic development corporations:
 - Corpus Christi Business and Job Development Corporation (Type A)
 - Corpus Christi B Corporation (Type B)
- Legislative changes have eliminated the delineation between use under Type A vs Type B and the uses are essentially the same under both authorizations
- Key difference between the two authorizations is the voter approval
 - Type A requires approval of projects
 - Seawall Improvements
 - Development of an arena
 - Type B only requires approval of a purposes
 - Economic Development
 - Affordable Housing
 - Street repair and construction





Allowable Uses of Type A/B Sales Tax

Projects related to creation or retention of Primary Jobs

Including manufacturing, industrial, research and development, military, distribution, warehousing, primary job training for use by higher education, sewer, solid waste/recycling, or regional or national corporate headquarter facilities.

Job training

Required or suitable for the promotion of development and expansion of business enterprises

Infrastructure

Streets, rail spurs, drainage, and water, sewer, electric, and gas utilities in support of new or expanded business enterprises

Military

Promoting or supporting an active military base to prevent future closure, attracting new military missions to an existing base, or redeveloping a base that has been closed

Water Supply Facilities and Conservation Programs

Water supply facilities including dams, transmission lines, well field development and other supply alternatives. Conservation programs including education, water saving fixtures, brush control, and replacement of malfunctioning or leaking infrastructure

Affordable Housing

Promotion of development and expansion of affordable housing as described by 42 U.S.C. Section 12745

Recreational or Community Facilities

Sports, entertainment, tourist, convention, public parks, museums, open space, store, restaurant, concession, parking

Business Enterprises that create or retain primary jobs

Facilities for public safety, streets and roads, drainage improvements, demolition of existing structures, general municipally owned improvements, and any other projects that promotes or develops new or expanded businesses enterprises that create or retain primary jobs.

Proposed Uses for each 1/8 cent

Proposed Project #1

- Expand use to the whole American Bank Center:
 - Arena
 - Convention Center
 - Selena Auditorium
- Add City owned facilities located in the Sports, Entertainment, and Arts (SEA) District:
 - Museums
 - Corpus Christi Museum of Science and History
 - Art Museum of South Texas
 - Texas State Museum of Asian Cultures and Education Center
 - Harbor Playhouse
 - Water Garden

Proposed Project #2

- Continue the use for the Downtown Seawall Flood Control structures including maintenance and improvements to the breakwater, salt flat levee, T and L Head land masses, Marina basin and flood control pumps to protect the City's downtown businesses
- Add City-wide flood control and coastal resiliency projects to expand or create new business areas



Possible Capital Projects





Term

Propose to reauthorize both 1/8 cents for another 25-year term

Term	Forecasted Revenue
10 Years	\$ 95,000,000
15 Years	\$146,000,000
20 Years	\$200,000,000
25 Years	\$256,000,000

- Forecasted with the conservative assumption of a 1% increase in sales tax revenue per fiscal year
- Not adjusted for interest or time value of money



Alternatives Discussed

- Chapter 327-Provides for the use of sales tax revenue to maintain and repair municipal streets or sidewalks existing on the date of the election
- Addition of a use focused on infrastructure in support of the military
- Shorter than 25-year term for both 1/8 cents
- Reauthorization of one or both 1/8 cents under Type B to better accommodate the proposed use



Sample Ballot Language

Existing Seawall Tax

Repurposing as a Type A

“[Repurposing] the expiring Type A sales and use tax of 1/8 of 1% (being 0.125 cents per \$1) for seawall improvements by the adoption of a sales and use tax for the promotion and development of new and expanded business enterprises limited to infrastructure improvement projects pertaining to City-wide drainage, stormwater, and coastal resiliency, [including the seawall, at the rate of 1/8 of 1% (being 0.125 cents per \$1) [to be imposed for [_____] years].

With expanded project language

“[Repurposing] the expiring Type A sales and use tax of 1/8 of 1% (being 0.125 cents per \$1) for seawall improvements by the adoption of a sales and use tax for the promotion and development of new and expanded business enterprises limited to infrastructure improvement projects pertaining to City-wide drainage, stormwater, and coastal resiliency, [including the Fm 624, Turkey Creek, North Beach Phase 2, Corpus Christi Bay Shore Erosion Mitigation & Protection, Clarkwood Ditch/Oso Tributary, William’s Ditch, Oso Creek and seawall], at the rate of 1/8 of 1% (being 0.125 cents per \$1) [to be imposed for [_____] years].



Sample Ballot Language

Multipurpose Arena Tax

Repurposing as a Type B with use for streets, military and SEA District facilities

“[Repurposing] the expiring Type A sales and use tax of 1/8 of 1% (being 0.125 cents per \$1) for arena improvements by the adoption of a Type B sales and use tax at the rate of 1/8 of 1% (being 0.125 cents per \$1), with proceeds to be used for promotion and development of new and expanded business enterprises limited to infrastructure improvement projects pertaining to City-wide commercial and industrial streets, military facilities which create or retain primary jobs, and the city-owned facilities within the [SEA District/qualified project], each as authorized by the Development Corporation Act and available to Type B corporations, [to be imposed for [____] years].”



Citizen Survey

- Planned Citizen Survey went live Friday, June 7
- This was the third part of the planned outreach which included:
 - Stakeholder input meetings
 - Community input sessions
 - Communitywide survey
- Survey is available in English and Spanish and will be open until Sunday, June 23



Calendar and Next Steps

DATE	ACTIVITY
February 27, 2024	Discussion at City Council Meeting to set baseline
March – April 2024	Discussions with Stakeholders and Community Partners
May 8, 2024	City Council Workshop
May 2024	Community Engagement Meetings and Community Survey
June 2024	Refinement of proposed uses for the Sales Tax Reauthorization
June 18, 2024	Presentation to City Council to discuss final recommendation for sales tax uses
June 23, 2024	Citizen Survey Closes
July-August 2024	Continued Community Engagement and Education
July 23, 2024	Presentation to City Council for vote on sales tax reauthorization projects
August 13, 2024	Vote to call election for sales tax reauthorization
November 5, 2024	Election Day



Questions, Discussion, and Feedback