



DATE: July 10, 2018

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

FROM: Arlene Medrano, Office of Business Liaison
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Type B Economic Development Agreement

CAPTION:

Motion approving an agreement with the City of Corpus Christi for management of the Corporation's economic development funds.

PURPOSE:

The purpose of this item is to approve an agreement between the City of Corpus Christi and the Corpus Christi B Corporation for management of the Type B Economic Development Incentive Program.

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.

This Agreement between the Corporation and the City is executed to provide the specific and measurable services for the promotion and development of new and expanded business enterprises. The City may continue to contract with the CCREDC for the provision of these Services to the Corporation. The funds provided under this Agreement may not be used for any expenditures not related to the provision of the Services.

For the initial term of the agreement, the City will not request reimbursement from the Corporation as the Services will be minimal. For renewal years, the City will request reimbursement in the annual budget process.

ALTERNATIVES:

N/A

OTHER CONSIDERATIONS:

None.

CONFORMITY TO CITY POLICY:

Conforms to policy.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Finance

Legal

FINANCIAL IMPACT:

Operating

Revenue

Capital

Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s):

Comments: N/A

RECOMMENDATION:

City staff recommend approval of this agreement.

LIST OF SUPPORTING DOCUMENTS:

Draft Agreement