



AGENDA MEMORANDUM
Corpus Christi B Corporation Meeting
6/18/2018

DATE: June 13, 2018

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

FROM: Keith Selman, Interim City Manager
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Agreement Between The Corporation And The City For Contribution Of Arterial And Collector Street Funds

CAPTION:

Motion approving an agreement between the Corporation and the City of Corpus Christi for contribution of all arterial and collector street funds with an initial term from April 1, 2018 to September 30, 2019 and automatic renewal for consecutive one-year terms.

PURPOSE:

To approve the motion approving an agreement between the Corporation and the City of Corpus Christi for contribution of arterial and collector street funds.

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.

This Agreement between the Corporation and the City is executed to provide for the transfer of funds collected by the Type B Sales Tax approved by residents on November 8, 2016. The Corporation will 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 will 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.

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

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 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 Agreement, to support the construction, maintenance and repair of arterial and collector streets and roads.

LIST OF SUPPORTING DOCUMENTS:

Draft Agreement
Bond 2018 Presentation