



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 1, 2024

DATE: July 26, 2024

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, Assistant City Manager
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City Sales Tax Reauthorization: Project #1

CAPTION:

Motion to consider on the next Council agenda reauthorization of the Type A Sales and Use Tax to repurpose the expiring Type A Sales and Use Tax with the adoption of a one-eighth of one percent Sales and Use Tax for Construction and Maintenance of City facilities in the Sports, Entertainment, and Arts (SEA) District including the American Bank Center. (alternate potential uses include (1) Construction and Maintenance of the City facilities in the Sports, Entertainment, and Arts (SEA) District including the American Bank Center, and Construction and Maintenance of Industrial Streets and infrastructure in support of the military or (2) maintenance and repair of municipal streets).

SUMMARY:

This motion will declare the City Council's project of choice for the purpose of reallocating Type A sales tax funding from the existing 1/8 cent for the American Bank Center Arena (Project #1).

BACKGROUND AND FINDINGS:

On February 27, 2024, City Council members discussed initial concepts and uses for the City Sales Tax Reauthorization. Staff developed potential baseline uses based on City Council dialogue from that meeting. A workshop for further discussion was conducted on May 8, 2024, to ensure consensus as well as understanding of the reauthorization, eligible projects, and the subsequent timeline. A briefing was also provided to the City Council at the June 18, 2024, meeting.

Since the beginning of April, city staff have conducted 62 meetings and informational sessions with stakeholders ranging from the Chamber of Commerce to the Westside Business Association. In addition, a survey to collect community input closed on Sunday, June 23, 2024, and received a total of 2,206 responses. 60% of respondents indicated support of the use of Sales Tax for Project #1A, with the American Bank Center Complex ranked as the highest preference for use of the Sales Tax, the Museum of Science and History as second, and the Art

Museum of South Texas third. Utilizing the information from the various meetings and the survey, staff is requesting council direction on the following options for proposed project #1 for the potential election in November.

Proposed Project #1A: Expand the use of the 1/8 cent to the entire American Bank Center including the Arena, Convention Center, and Selena Auditorium with the addition of City-owned facilities located in the Sports, Entertainment, and Arts (SEA) District. These facilities include the Corpus Christi Museum of Science and History, the Art Museum of South Texas, The Texas State Museum of Asian Cultures and Education Center, the Harbor Playhouse, and the Water Garden.

Proposed Project #1B: To include all projects proposed in Project #1A with the addition of industrial streets and infrastructure in support of the military. This project would require reauthorization as Type B.

Proposed Project #1C: Reauthorize the Type A Sales Tax under Chapter 327 to allow for use on City-owned streets and sidewalks existing on the date of the election.

Proposed Project #2: Continue the use of the 1/8 cent allocated for 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 with the addition of City-wide flood control and coastal resiliency projects to expand or create new business areas.

Other items for consideration include the length of the term and a potential reauthorization of one or both 1/8 cents under Type B to better accommodate proposed uses.

ALTERNATIVES:

The City Council could choose an alternative use than what has been proposed.

FISCAL IMPACT:

There is not a fiscal impact associated with this item.

RECOMMENDATION:

Staff recommends approval of the motion to include the City Council's choice in Project #1.

LIST OF SUPPORTING DOCUMENTS:

Presentation – City Sales Tax Reauthorization Projects