



AGENDA MEMORANDUM

One-Time Action Item for the City Council Meeting of January 24, 2017

DATE: January 17, 2017

TO: Margie C. Rose, City Manager

FROM: Tom Tagliabue, Director, Intergovernmental Relations
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RESOLUTION
**Supporting The Introduction of Legislation Authorizing A Motor Fuels Tax On A
Local Option Basis For Residential Street Funding**

CAPTION:

Resolution of The City of Corpus Christi, Texas, supporting the introduction of legislation authorizing a motor fuel tax on a local option basis for residential street funding.

PURPOSE:

Requests members of the Coastal Bend legislative delegation to file legislation giving the City of Corpus Christi authority to have a local option election to levy a motor fuels tax (gasoline, diesel, gasoline blended fuel, compressed natural gas, liquefied natural gas, and other products, per Section 162.001 (42), Tax Code) sold within the city limits of the City of Corpus Christi for the specific purpose of generating funding to repair and maintain city streets.

BACKGROUND AND FINDINGS:

The City of Corpus Christi has approximately 1,234 miles of streets, including approximately 852 miles of residential streets. Street maintenance has been deferred to the point that 48% of City residential streets are considered to be in "Fair" and "Good" condition and 52% are considered to be in "Poor" condition. It is important for the City to prevent the Good streets from further deterioration.

On October 20, 2015, the City Council passed a resolution approving the formation of a Ad Hoc Residential Street Infrastructure Advisory Committee (Committee) to develop a Residential Street Reconstruction Plan. In its final report presented to City Council on June 21, 2016, the Committee found that the amount of money that the City would have

to spend to maintain and replace residential street on a 60-year cycle would be approximately \$71 million per year. The current City budget does not have sufficient funding to fully fund residential street repairs. , In 2013 and 2015, the City of Corpus Christi's legislative priorities for the 83rd and 84th Regular Sessions of the Texas Legislature included seeking statutory authority to generate additional revenues for street maintenance and repair, but to date, has not been successful in getting legislation filed.

The sale of motor fuels in Texas generates approximately \$3.6 billion in revenues annually for the State of Texas, but no funds are allocated for local residential streets. It is estimated that a local option motor fuels tax, if approved by voters, could generate approximately \$2.5 million annually in the City of Corpus Christi to address the funding gap for residential street repair and maintenance.

ALTERNATIVES:

The Council can choose to:

1. Adopt the resolution.
2. Not adopt the resolution.
3. Make revisions to the resolution.

OTHER CONSIDERATIONS:

CONFORMITY TO CITY POLICY:

n/a

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☒ Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s):

Comments: None

RECOMMENDATION:

Staff recommends adoption of the resolution.

LIST OF SUPPORTING DOCUMENTS:

Resolution