



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of November 13, 2018  
Action Item for the City Council Meeting of November 27, 2018

**DATE:** November 1, 2018

**TO:** Keith Selman, Interim City Manager

**FROM:** Mike Culbertson, COO/CCREDC  
(361) 882-7448  
mculbertson@ccredc.com

### **Approving the Type B Corporation Economic Development Guidelines**

#### **CAPTION:**

Resolution approving the Corpus Christi B Corporation Guidelines and Criteria for Granting Business Incentives.

#### **PURPOSE:**

Approval of the Type B guidelines as required by the statute

#### **BACKGROUND AND FINDINGS:**

The economic development sales tax was created in 2016 as a ballot measure, Proposition No.1. The ordinance read: *Replacing the portion of the Type A sales tax that expires in 2018 with the adoption of a one-eighth of one percent sales and use tax (maintaining current level) to be administered by a Type B Corporation under Chapter 505 of the Texas Local Government Code to be effective for 20 years, with the use of the proceeds for:*

- (1) 50% for Economic Development, specifically the promotion and development of new and expanded business enterprises to the full extent allowed by Texas law;*
- (2) Up to \$500,000 annually on affordable housing; and*
- (3) Balance of proceeds to be used for construction, maintenance and repair of arterial and collector streets and roads.*

The Corpus Christi Economic Development Corporation passed draft guidelines at its March 19, 2018 meeting. After a joint meeting of the Type B Corporation Board, the City Council, and the CEO and Executive Committee of the CCREDC on October 15, 2018, these draft guidelines were finalized. The Type B Corporation voted to approve the guidelines at its November 12, 2018 meeting.

**ALTERNATIVES:**

City Council could choose not to approve the guidelines or to recommend changes to guidelines.

**OTHER CONSIDERATIONS:**

None

**CONFORMITY TO CITY POLICY:**

This project is consistent with the City's stated goals of promoting economic development and incentivizing business to expand and thrive in Corpus Christi.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Corpus Christi B Corporation (Type B Board)  
Legal

**FINANCIAL IMPACT:**

☐ Operating      ☐ Revenue      ☐ Capital      ☒ Not applicable

<b>Fiscal Year: 2018-2019</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

**RECOMMENDATION:**

Staff recommends approval of the Type B Corporation guidelines.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution  
Draft Type B Guidelines