

The Facts Behind The August 11th Sales Tax Election

WHAT IS THIS SALES TAX ELECTION ALL ABOUT?

In the Spring of 1989, the Texas Legislature passed a bill allowing cities like Corpus Christi, with voter approval, to use a half-cent sales tax to help create more job opportunities for its citizens. That is what this election is all about.

WHO ARE THE PEOPLE BEHIND THIS ELECTION?

After it was passed, a group of Corpus Christi business and civic leaders gathered to study the bill and the ways it might help improve our economy, create more jobs and enhance the quality of life in our community. This group is called the Corpus Christi Community Investment Task Force and is co-chaired by former Mayor Luther Jones and American G.I. Forum founder Dr. Hector Garcia.

Its mission is simple...to help insure the future of our city by investing in that future.

Originally, the Task Force planned to call for this election in January, 1991.

WHY THE BIG RUSH TO HAVE THIS ELECTION IN AUGUST?

Two words...Continental Airlines. Corpus Christi is currently competing with 5 other cities for Continental's huge **5,000-job aircraft maintenance facility**. Continental will make its decision in the Fall. For our bid to have a real chance of success, we need to know now that funds from this sales tax will be available to train local citizens for Continental employment and make improvements at the airport to accomodate this facility. The training will be done at Del Mar College. *This facility will have an annual payroll of \$185,000,000 and the jobs would pay from \$30,000 to \$40,000 a year.* Corpus Christi has never before had such an enormous economic opportunity. That is why the Community Investment Task Force asked the City Council for a speedy election. To take advantage of this opportunity, immediate action is necessary.

DO WE REALLY HAVE A CHANCE TO WIN THE CONTINENTAL MAINTENANCE FACILITY?

Yes! Continental is not necessarily looking to locate this facility at one of their "hubs." Not only do we have a large labor pool trained in aircraft maintenance repair (thanks to the Army Depot), but Continental is also impressed by our city's quality of life, and the quality of our people. Continental has assured our economic development officials that they are seriously considering our proposal. These extra sales tax funds may prove to be the margin of victory in winning this 5,000-job facility.

HOW MUCH MONEY WILL THIS SALES TAX RAISE, AND HOW MUCH WILL GO TO CONTINENTAL JOB TRAINING?

This half-cent sales tax will generate about \$9 million a year. About \$5 million of this would be a one-time aircraft maintenance training cost at Del Mar if Corpus Christi is chosen as the site.

WHAT HAPPENS TO THE REST OF THIS MONEY? ON WHAT WILL IT BE SPENT?

The bill allows the sales tax revenues to be spent only on certain types of projects. The Community Investment Task Force has identified three areas of priority funding for these funds. They are...

***Visitor Industry/Community Facilities *Education Enhancement *Economic Opportunity Trust Fund**

GIVE ME SOME EXAMPLES OF PROJECTS THIS SALES TAX COULD FUND.

The Continental bid is one example of how an Economic Opportunity Trust Fund could work. Other opportunities such as Continental will come along in the future and money needs to be readily available if we hope to seriously compete with other cities for these prize projects.

An example of Visitor Industry/Community Facilities funding is a much needed expansion to the convention center. In 1992, during the American Bowling Congress Convention, we have already lost 6-8 conventions which could have met here had the expanded facilities existed. *In all, because of this space problem, we have recently lost some 20 conventions. That means we've lost out on \$40 million in direct expenditures, over \$600,000 in city lodging taxes and over \$300,000 in city sales taxes.* Another example of Community Facilities funding could be to aid in the rebirth of downtown Corpus Christi, an area vital to the future growth of our important visitor/tourism industry.

The Task Force would like to see a sizeable portion of these sales tax funds go towards Education Enhancement. One example of this is to use some of the funds to help make CCSU a premier university. In the future this would produce thousands upon thousands of good-paying jobs for South Texans. CCSU could develop an Applied Research Center that will greatly enhance South Texas' economic position well into the 21st century. Now that CCSU is a part of the Texas A&M system, the addition of these sales tax funds can make this goal a reality.

WHO WILL REALLY DECIDE HOW THIS MONEY IS SPENT?

If approved by the voters, the funds would be distributed through a non-profit foundation (the Corpus Christi Community Investment Foundation), which would be governed by a five-member Board of Trustees appointed by the City Council. The Board would review proposed projects, but all programs and expenditures would require City Council approval. Therefore, through the process of representative government, the voters will decide how this money is spent.

WILL THIS FOUNDATION BE AN EXPENSIVE BUREAURACY?

No. To implement its programs, the Foundation will contract services with existing community organizations. No costly bureaucracy will be established.

WHAT WILL IT COST ME PERSONALLY?

For a family household earning \$30,000 a year, it would increase their yearly sales taxes by about \$27. For a \$12,000-income family household about \$13 a year, and for a \$50,000-income household about \$36 a year. The tax does not apply to medicines, grocery food items or automobile purchases.

IF WE DON'T LIKE THE WAY THE MONEY IS BEING SPENT CAN WE REPEAL THE TAX?

Yes. The foundation can be dissolved and the tax terminated by a vote of the City Council or by a referendum vote by the citizens.

WHAT OTHER TEXAS CITIES HAVE PASSED THIS TAX?

To date more than 30 Texas cities have passed this sales tax. *If we pass the tax, Corpus Christi will have exactly the same tax rate as Houston, Dallas, San Antonio and more than 100 other Texas cities.*

Never before can so little do so much for so many.

That's what the half-cent sales tax election is all about.