



## MEMORANDUM

**To:** Mayor and City Council

**From:** Mike Land, City Manager

**Date:** February 23, 2021

**Reference:** Sales Tax Street Maintenance Authorization Resolution

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### Introduction:

The State of Texas created Chapter 327 Municipal Sales and Use Tax for Street Maintenance and outlined the procedures for communities to follow to authorize and re-authorize the sales and use tax. The initial authorization vote occurred in 2007, with 63% of the citizens of Coppell voting in favor of the adoption of the Sales and Use Tax for Street Maintenance. Subsequent to the initial authorization, two re-authorization elections have been held, one in 2011 and another in 2015. In 2011, 72% of the citizens of Coppell re-authorized the continued collection of the Sales and Use Tax for Street Maintenance, in 2015 83% of the citizens of Coppell voted in support of the continued collection of the Sales and Use Tax for Street Maintenance, and in 2019 76% of the citizens of Coppell voted in support of the continuation.

Currently the existing language in Chapter 327 limits the ability of the voters in Coppell to only consider a 4-year renewal, as opposed to a longer duration of either 8 or 10 years. The language proposing the modification of Chapter 327 will expand the choices for the citizens of Coppell in addressing critical infrastructure needs.

The Coppell City Council supports language that modifies Chapter 327 Municipal Sales and Use Tax for Street Maintenance that will allow the citizens of Coppell greater choice in re-authorizing the Sales and Use Tax for periods of up to 8 or 10 years.

City Council also supports the revenue to be used to main and repair a municipal street or sidewalk, or water, wastewater, or stormwater located in the municipal roadway.

### Background:

Since initial authorization, the City of Coppell has utilized these funds to design and construct a variety of on-going street maintenance projects, such as street and sidewalk repairs, pavement/parking lot markings and improvements, and ADA improvements; replacement of traffic signal controllers; and construction of roadway projects such as Parkway, Airline, and Oak Grove street projects.

Given the 4-year authorization window, it is very difficult to wrap long-range capital plans around

this revenue source. A longer planning window would allow the City to project the use and prioritization of projects in a more effective manner to maximize this fund.

**Fiscal Impact:** Amendment of Chapter 327 would provide the City with greater flexibility when considering of major capital projects for street maintenance and construction.

**Recommendation:** Staff recommends approval of the Resolution.