

RESOLUTION NO. 2015-

A RESOLUTION SUPPORTING THE SUBMITTAL TO THE QUALIFIED VOTERS OF THE CITY OF LEAGUE CITY A PROPOSITION AUTHORIZING THE CREATION OF THE CITY OF LEAGUE CITY MUNICIPAL DEVELOPMENT DISTRICT AND THE IMPOSITION OF A SALES AND USE TAX OF ONE-FOURTH OF ONE PERCENT FOR THE PURPOSE OF FINANCING INFRASTRUCTURE AND ECONOMIC DEVELOPMENT PROJECTS AND PROGRAMS BENEFICIAL TO THE CITIZENS OF LEAGUE CITY AND ITS TERRITORY

WHEREAS, the majority of Cities surrounding League City are at their sales tax capacity of 8.25% and utilize their local 2% sales tax to support their economic development programs and other areas to assist in growing their communities, and

WHEREAS, the City of League City sales tax is at 8% and utilizes only 1.75% of its local sales tax so it is at a competitive disadvantage with other cities in the region and State when vying for economic development projects with the lack of a funding source for infrastructure improvements and economic development programs; and

WHEREAS, the Citizens and City Council voiced these concerns at a January 24<sup>th</sup> envisioning process that resulted in the development of a “Roadmap to the Future” for League City; and

WHEREAS, as part of the “Roadmap to the Future” the Citizens and City Council identified advancing the adoption of a quarter cent sales tax as one of their highest ranking priorities; and

WHEREAS, the “Roadmap to the Future” was adopted by Resolution No. 2015-10 on the 24<sup>th</sup> day of February 2015; and

WHEREAS, City staff researched three possibilities of adopting the quarter cent sales tax by developing a Type A sales tax, expand the Type B sales tax or creating a Municipal Development District; and

WHEREAS, the City Council decided that the most advantageous way for the City to adopt the sales tax was to create a Municipal Development District as it allows the Municipal Development District to undertake Type A and Type B projects, along with other improvements and programs and further allows the collection of this sales tax in the City’s extra territorial jurisdiction; and

WHEREAS, the creation of a Municipal Development District, which includes the quarter cent sales tax proposal, will be put on the ballot for the November 3<sup>rd</sup>, 2015 election and the citizens of League City and its extra territorial jurisdiction will vote on the proposal; and

WHEREAS, it is estimated that approximately 40% of the quarter cent sales tax will be paid by non League City residents purchasing goods in League City; and

WHEREAS, if the quarter cent sales tax is adopted by the citizens, fifty percent may be utilized for infrastructure improvements which will include intersection and roadway improvements in League City (See Exhibit A Attached); and

WHEREAS, if the quarter cent sales tax is adopted by the citizens, fifty percent may be utilized for economic development projects and programs which will support business retention and job creation and business attraction (See Exhibit A Attached); and

WHEREAS, possible future projects may include quality of life enhancements, and

WHEREAS, the Municipal Development District bylaws will state that League City citizens will have the opportunity to voice their opinion on the proposed infrastructure projects at least once a year through the public hearing process; and

WHEREAS, the Municipal Development District bylaws will state that League City citizens will have the opportunity to apply to be on the board of directors of the Municipal Development District; and

WHEREAS, the Municipal Development District bylaws will state that the annual budget of the Municipal Development District will be approved by the League City City Council

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions contained in the preamble of this resolution are true and correct.

Section 2. The City Council of the City of League City hereby expresses its support of the submittal to the qualified voters of the City of League City and its territory a proposition authorizing the creation of the City of League City Municipal Development District and the imposition of a sales and use tax of one-fourth of one percent for the purpose of financing infrastructure and economic development projects and programs beneficial to the citizens of League City and its territory.

Section 3. All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

PASSED AND APPROVED the \_\_\_\_\_ of \_\_\_\_\_, 2015

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TIMOTHY PAULISSEN  
Mayor

ATTEST:

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DIANA M. STAPP  
City Secretary