

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 23rd day of January 2020 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Mayor Heidemann
Sam Burke, Mayor Pro Tem
Scott Garber, Council Member
Tina Henderson, Council Member
Lowell Johnson, Council Member
Kelly Pickens, Council Member

Members Absent:

None

Staff Members Present

Bob Hart, City Manager
Kim Pence, City Secretary
Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director
Patricia Adams, Rockefeller, & Fort
Jerry Garner, Police Chief
Michael Ross, Fire Chief
Jason Alexander, Corinth Economic Development Corporation Director
Helen-Eve Liebman, Planning and Development Director
Cody Collier, Public Works Director
Ben Rodriguez, Planning and Development Manager
George Marshall, City Engineer
Cleve Joiner, Building Official
Brenton Copeland, Technology Services Assistant Manager

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:55 p.m.

WORKSHOP BUSINESS AGENDA:

- 1. Receive a presentation, hold a discussion, and provide staff direction on the Communication Strategic Plan.**

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – Today is one year since we adopted the Communications Strategic Plan. The presentation will include what we did in 2019 and what we will do in 2020.

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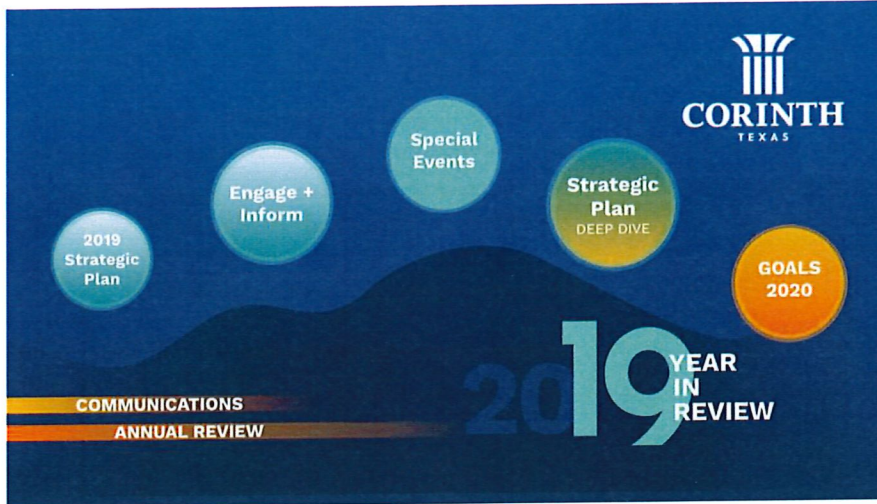
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We wanted to be transparent and get our community engaged.

Communication Priorities

- Priority #1: Transparency & Accountability**
Citizens perceive the City as an open, credible, and responsible organization.
- Priority #2: Timely & Accurate Information**
Accurate, non-biased information is provided to residents in a timely manner.
- Priority #3: Public Engagement**
Communication between residents and the City is two-way; residents understand their input is valued and used in decisions.
- Priority #4: Tell Our Story**
Define and develop a community identity, and promote the community's unique characteristics

We began doing news releases and attending HOA meetings. Cody, Bob and I talk about various subjects including state of the city, projects and mainly what is happening in our community.

Tell Our Story

6,355 Subscribers

News Releases	Corinth Connection	HOA Meetings
<p>Goal is to Publish 1 per week Published 58 since Jan 1 45% Average Open Rate</p> 	<p>Published Monthly 49.8% Average Open Rate 20.2% Click Through Rate</p> 	<p>Attended 5 meetings</p> 

We also began advertising in the Lake Cities Living magazine which reaches the four cities. We also had two cover features.

Tell Our Story

Magazine Advertisements	GET CONNECTED, STAY ENGAGED.
<p>Lake Cities Living 2 Feature Articles 1 advertisement per month</p>   	<p>Facebook, Instagram, Twitter and Nextdoor</p>   

Love MyCorinth came from the boards and commissions meeting last year. A planning and zoning member mentioned it. Emily and I started a social media campaign. We handed out give-a-ways at some of our events and it started a trend because people are using the #LoveMyCorinth. We will continue pushing this into next year.



The ambassador group is phenomenal. We have talked about a variety of topics. The group gives us feedback of what is and isn't working, things we may need to do differently. The group is great at sharing information with the community. We have 12 HOA's but only five represented so we are trying to increase involvement. If you know of anyone, please send them our way.

Citizen Ambassador Program

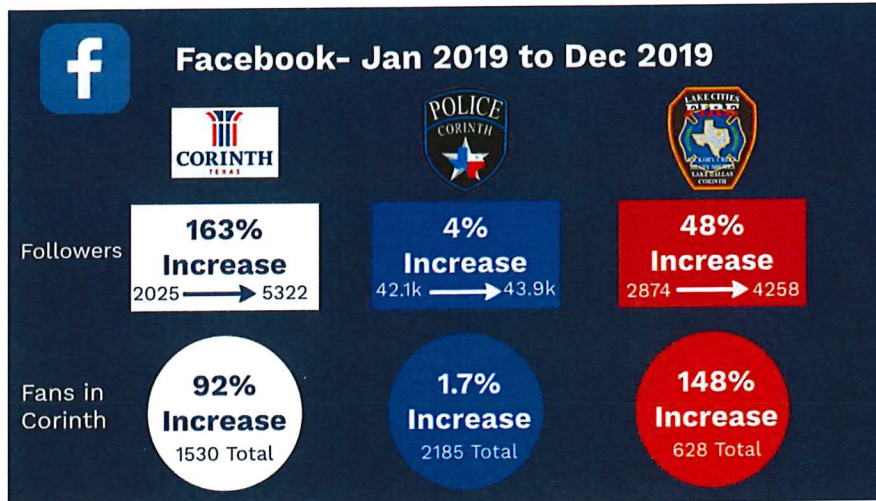
Established April 2019

- 10 Active Ambassadors
- 5 Neighborhoods Represented
- 6 meetings to date

Topics Covered:
 Fire Practices, Budget, Economic Development, Communication Plan, Water Conservation (UTRWD)

We increased our social media presence. When we started we had the city Facebook and Twitter pages. Twitter had very low interaction. The police department was the most successful page and still are. This year we created a Facebook page for KCB, helping the fire department with weekly posts. We also created Instagram, Next Door and YouTube for videos.

We have increased followers since the presentation in January 2019. We are concentrating on growing the fire department's base not just with Corinth but in the Lake Cities area.



We have the following followers on Instagram, Next Door and Twitter.



We have received really good feedback on our social media accounts. There have been a lot of positive comments about the direction the city is going. That positive feedback and the success of our social media could be seen in your boards and commission applications. I think we had more applications this year that we ever have.

We redesigned the website in May. Our project sites are popular. Brett and George added all the Capital Improvement Projects on the website and Jason adds the economic development projects so folks can review them at any time to check our status.

We had about 11,000 views per month about two years ago and are now up to 18,000. We link our newsletters and news releases to the website so I think that is what is driving

everyone back to the website.

New Website




cityofcorinth.com

Average 18,000 Views a Month

- Easier to Navigate
- Community Calendar
- Resident Resource Center
- Project Sites
- Transparency Center
- New Resident Guide
- Report a Concern
- Business Directory

We launched the MyCorinth mobile app earlier this year. The app ties to the website and you can also look at the community calendar, social media and report a concern.

MyCorinth Mobile App



- Mobile Environment
- Easy Access to Information
- City Alerts
- Community Calendar
- Report a Concern
- Business Directory

- 720 Downloads
- 956 Average Monthly Visits
- 373 Reported Concerns

Top Category:
Code Enforcement, Parked Vehicles

Envisio is active but haven't pushed it out yet. It is an interactive platform for our strategic plan. Folks can see the status of projects that are on our strategic plan. We hope to have it published out in the next 30-45 days. We will come back and discuss in depth how the system works and the reporting mechanisms we will be providing to council.

Envisio

- Interactive Platform
- Provides updates on progress on the Strategic Plan



Nixle is a texting-based system that provides community alerts. We were looking for a system for our fields, for when they were rained out. People could call in or we could text our residents. This will be beneficial for events, community updates and also notifications of utility disruptions.

Nixle

Alerts directly to your smartphone by TEXTING the following key words to 888-777

MYFIELDS

August 2019 Launch
819 Subscriptions
Field closures

MYCORINTH

March 2020 Launch
Events & community updates

MYUTILITIES

May 2020 Launch
Notifications of water, sewer, and garbage disruptions



In October or November we launched MyCorinth.com. This is our biggest interactive site for resident engagement. So far, I believe it was the end of October – December, we had 390 people register and have had feedback. We are averaging between 1,000 – 2,000 people looking at it on a monthly basis. We will continue with it. I think this is where we had our boar and RV survey, we had a lot of folks commenting about it.

MyCorinth.com

My Choice. My Voice. My Corinth.

- Resident Engagement
- Surveys
- Forums
- Feedback




2018 VISITS	2018 COMMENTS	2018 PAGES VIEWED
2.9k	200	390
2018 PAGES VIEWED	2018 COMMENTS	2018 VISITS
345	1k	2.2k




Special Events

Creating a Sense of Community

- Event Committee
- Community Events
- State of the City
- Sponsors

This is our committee. They decide the rides or graphics for the events. It takes a lot of people to put on these events. We have to have feedback and interaction from police and fire. The unsung heroes are our Public Works employees. Two or three weeks before our events they are making sure the areas are ready. They are the first there and the last to leave because they're cleaning up. We couldn't do this without their support.

Special Event Committee

Finance & Admin

Lee Ann Bunselmeyer
Emily Beck
Chris Rodriguez
Angie Watson
Shea Rodgers

Public Works

Cody Collier
Melissa Dolan
Jason Cao
Gary Parker

Police

Kevin Tyson
Jimmie Gregg

Fire

Michael Ross
Chad Thiessen

Planning

Garrett Skrehart
George Marshal

Easter attendance was up. We typically have 2,500, this year we were up to 6 – 7,000. It caught us a bit unprepared but we were able to handle it because of everyone working together. Pumpkin Palooza's attendance was down, we estimated it at about 9,000. We competed with a lot of events this year. It was a great day and turnout.

Daddy Daughter Dance
Fish 'N Fun
Tree Lighting
Easter Egg'Stravaganza
Pumpkin Palooza



We assisted with these events also.



All of our dates are set for 2020. This year, for Pumpkin Palooza, this is the city's 60th anniversary of incorporation, we discussed having a second event for this occasion. As a committee we decided to have the Pumpkin Palooza event as a two-day event. We wanted to get council's pulse as to how to move forward with the event. With Senate Bill 2 and having less money, we are looking at some of the ways we can curb cost for our special events. We entertained charging for rides and parking but when we spoke with folks attending the events, they like that it is free, especially those with families of three and four children because it doesn't break the bank.

The option we came up with is to see if council would consider us selling beer and wine at Pumpkin Palooza. We've talked with TML, we haven't discussed with the city attorney yet because we wanted to see council's reaction. TML said it would be fine, if we had a beer and wine vendor, that they have their own insurance and they list the city as an insured. We can also sell it as a city department, we are covered under the general liability under TML. There is some other red tape that we would have to go through. As a committee, we would prefer to sell it as a city because we could keep more of the money that would offset costs of the event.

If the council is okay with us selling beer and wine, we would work with the city attorney to figure out the best option for the city with the least liability and then we would bring that back to the council for further review. We also have Chief Ross and Chief Garner here and have discussed it with Public Safety to see if there would be additional impact or cause any hardship on the departments.

Michael Ross, Fire Chief – I was the primary event planner for the public safety side of the event that saw anywhere from 9,000 to 20,000 plus people when filming music videos. There were alcohol sales. It was a great event that they still have today. I have a lot of experience with it. You may have the occasional individual but for the most part, that is not why they are there, it is just an added piece to the experience and financially it went over well. It isn't anything we cannot handle.

Kelly Pickens, Council Member – What do you estimate the revenue to be if we did it ourselves? I think that would be the way to go.

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – We haven't inquired but we do know of other cities that recoup a good portion of their event.

Sam Burke, Mayor Pro Tem – You might be able to get a charity to sell it.

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – We have reached out to Carol Short to see how they handle it, she runs the Denton Arts and Jazz Festival but she hasn't responded yet. We wanted, with the council's permission, to do more research and bring it back at a later date if the council approves.

Mayor Heidemann – Sounds good

Tina Henderson, Council Member – Belle Ann on your ambassador committee would be a good resource to get to Carol.

2020 Community Events

- State of the City - Saturday, March 21
- Easter Eggstravaganza - Saturday, April 4
- Boards & Commissions - Thursday, April 30
- Fish N Fun - Saturday, May 2
- Pumpkin Palooza - Friday, Saturday, October 16 & 17
- Fire Open House - Saturday, October 24
- Tree Lighting - Monday, December 7

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – A new event will be the state of the city. The City Manager will give an address at 9:30 a.m. and 10:30 a.m. We plan to have a duo engagement fair with city departments with information. We will also have DCTA, CWD, iChoos, KCB and some others who have signed up to be here. It is a time for residents to hear the presentation and also ask questions. Council will have a table also.

State of the City

- NEW Event held in City Hall
- Presentation given by City Manager
- Allow Departments and local partners to engage and inform
- Reception time to connect with city staff, and council

Saturday, March 21
9am-12pm
Corinth City Hall
Address to be given
at 9:30 & 10:30

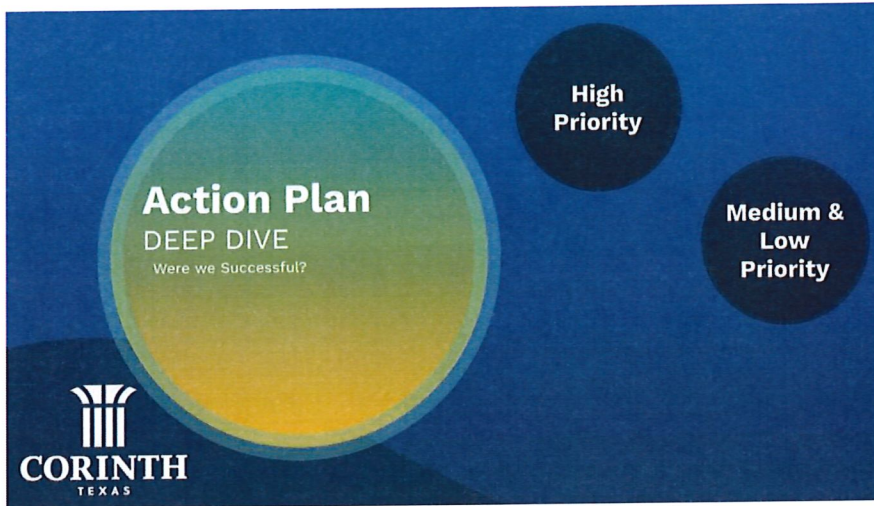


We had an increase in our sponsorships this year. A lot of it was unsolicited. We currently have the majority of these from last year who have signed up for next year's event and Twisted Cycles, which is a new organization, they have signed up to be our main stage sponsor for this year.

Scott Garber, Council Member – Would we have any issues with the beer and wine, upsetting sponsors? Do they know we may be considering it?

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – No, we have not reached out but we have had a lot of folks reach out to us wanting to know why we are not selling which is one of the reasons we started having conversations about it. We can definitely share to see if they are supportive of it. Most of these have already signed up with the exception of one or two. We are seeing an increase for all of our events.





Looking into our strategic plan and how we have done, these were the items listed as high priority, we have completed all of them with the exception of the development review process infographics. My focus this year was establishing the base and establishing the platform to move forward. Now that we have that done we can jump into some other things.

We will be working with Helen-Eve and her staff to see how we can assist them in developing that but everything else, as far as the letters and summaries of development plans, Helen-Eve and her staff give us quarterly updates and we are able to submit those and we have done all the branding guidelines with the logo. We also have completed all of the low priority items this year.

We are focusing this year on the medium priorities. We established a page on the MyCorinth.com for the new budget year to try to get citizen input on what they would like to see in the budget. We have already received a handful of comments and they are public for anyone to see. We will be posting statuses just like we do for the water meter audits.

We are also reviewing and coming up with all communication policies. Our social media policies for employees, boards and also reviewing our media protocol. We should have all of the medium priority items completed by August or September of this fiscal year.

High Priority

- ✓ Standard Communication Process
- ✓ Post Meeting EBlasts
- ✓ Consistent City Updates and Monthly E-Newsletters
- ✓ Summaries of Major Development Projects
- ✓ Booths at Local Events
- ✓ Editorial Calendars
- ✓ Brand Guidelines & Branded Collateral
- ✓ Communication Ambassador Program
- ✓ High-Quality Photo and Video Footage
- Development Review Process Infographic

Medium Priority

To Be Completed in 2020

- Annual Report
- Annual Budget Summaries
- Review and Standardize Media Protocol
- Meetings with Media Outlets
- Social Media Policy
- Economic Development Collateral

Low Priority

- ✓ Columns, Editorial and Paid Content Opportunities
- ✓ Ask the City Program
- ✓ Citizen Polling


Where do we go from here? My plan, with the approval of council, is to continue with the plan we have.



One of our interns has a film degree so she is helping us do some service announcements and we are about to launch some videos for the fire department which will go out next week. Our plan is to jump into the video platform.

Continue with the Plan

- Strong Social Media Presence
- Community Connections through Ambassadors and Outreach
- Capturing moments through photo and educating through video
- Develop Communication Policies
- Tell our Story!

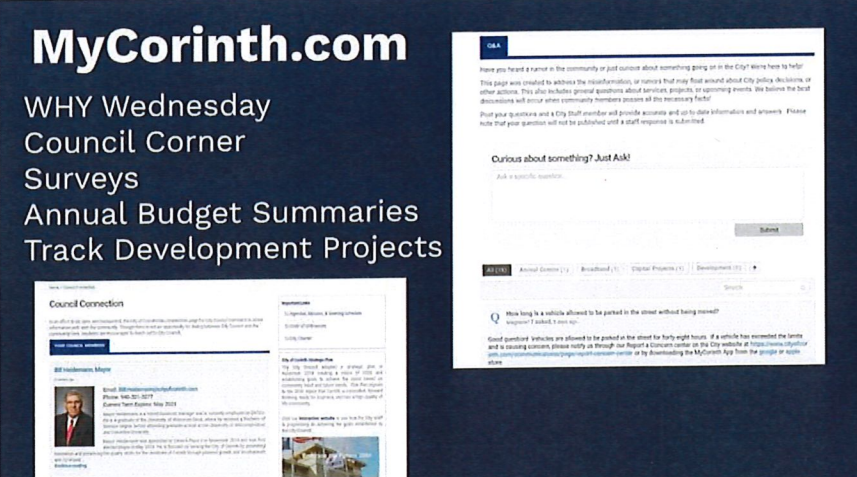


Topic	Percentage
Community Safety	4%
Development	44%
Events and Activities	19%
Park, Recreation and Open Spaces	19%
City Budget Information	13%
Transportation	0%

We did a poll on MyCorinth.com as to topics that interested everyone. It was development, followed by events, activities, parks and recreation and open spaces. We are going to try to do a better job. Planning gives us a report every quarter, we were adding them to our newsletter, and I realized we were not doing specific posts on social media so this next year we will put them on our social media. Our biggest platform that we will push information and have resident engagement will be our MyCorinth.com. With the Council Corner, it is static but we can make it as interactive as council would like. Please let me know if an engagement platform is what you would like and we can push it out.

MyCorinth.com

WHY Wednesday
Council Corner
Surveys
Annual Budget Summaries
Track Development Projects



Council Connection

Curious about something? Just Ask!

Ask a specific question

Submit

What long is a vehicle allowed to be parked in the street without being moved?

Good question! Vehicles are allowed to be parked in the street for forty-eight hours. If a vehicle has exceeded the limits and is causing concern, please notify us through our Report a Concern center on the City website at www.ci.mccorinth.com or by emailing the Mayor's Office from the group or website.

Our biggest initiative is to get out of city hall. We have signed up for the Lake Dallas trunk or treat and the fourth of July celebration.

Out of City Hall

Taking steps to connect with our community, out from behind our computers!

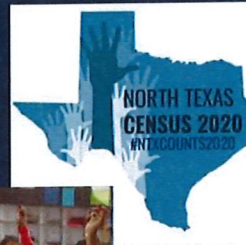
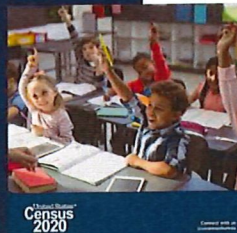


Finally, the census is a big initiative for the city and for our community. We started our social media campaign in December. Now until April we will have one to two posts per week. Our ambassadors are also pushing this out on their social media sites.

Census

The 2020 Census is vitally important to Corinth's future.

- Census Day is April 1
- Social Media Campaign
- Newsletters, News Releases
- Promotion by Ambassadors

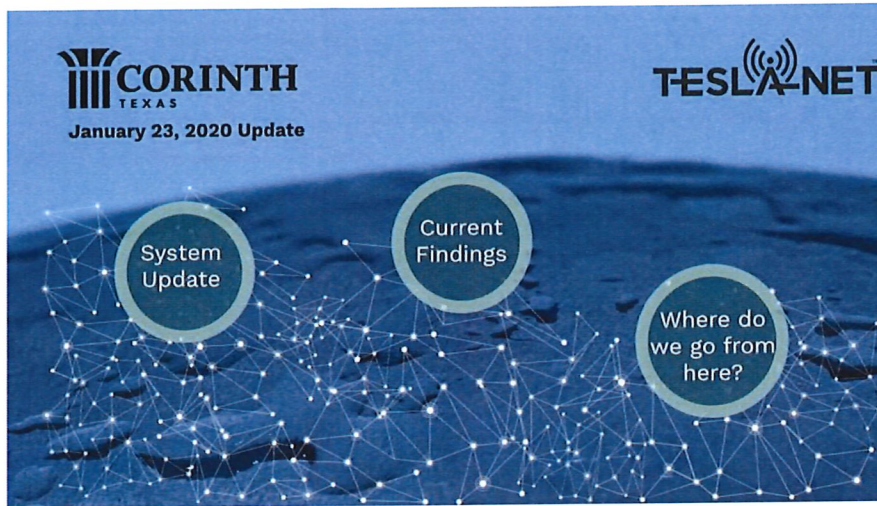


That is our plan. If city council would like us to have any initiatives or any other direction, we will be happy to.

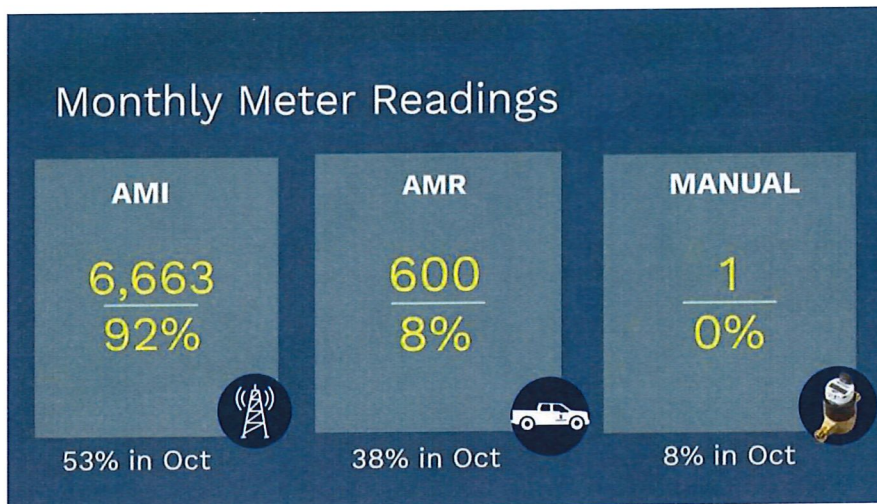
Tina Henderson, Council Member – You mentioned that we only have five of 12 HOA's represented. Can you give us a list of those who aren't represented so if we know someone, we can reach out to them.

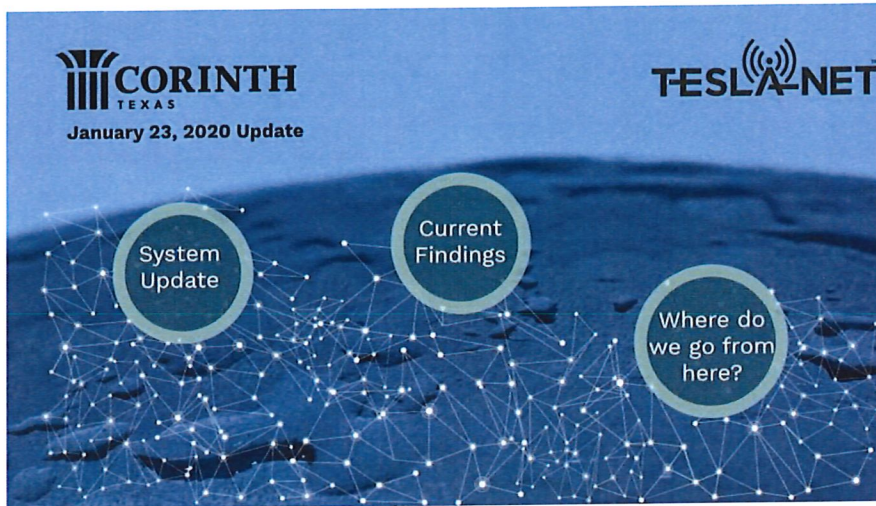
Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – Absolutely, the ambassadors we have now are very engaged and very dedicated. We had some HOA presidents who signed up but didn't show up to any of the meetings.

2. **Receive a report, hold a discussion and receive direction on the system wide review of the digital water meter system.**



Cody Collier, Public Works Director – We are making good progress. We selected the AMI system so we don't have to drive around and read meters. RG3 is in town, they are figuring out why the remaining AMR systems are not getting a reading.






The transponder issue, we have been seeing steady decrease. In January it increased but this should be an anomaly. It is possible the weather contributed to their failure. The new transponders are not failing. Our equipment has allowed us up to the minute data where if something isn't working, we will know when we check the dashboard.

Transponder Equipment Update

- Decrease in the number of equipment failures and corrections
 - October - 645
 - November - 241
 - December - 52
 - January - 187
- The January error ratio is 2.5%



You can see the numbers for 2019. This picture shows the new unit, it is all one unit, no connectors or secondary component. They are working well. We swapped the older units out with these, they offer a single point so you eliminate several options for failure.

Register Equipment Update

- 2019 Register Failures - 334 Total
 - Jan - Sept - 125
 - Oct - 16
 - Nov - 80
 - Dec - 113
- 82 faulty registers were identified in January.



Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – We have been working on the adjustments. The new audit for high consumption, accounts over 100,000 gallons, we have audited 75 accounts. For those who called in, we adjusted 54 of those accounts. If the adjustment wasn't enough or if they filed an appeal, our review committee reviewed five accounts and adjusted three. We adjusted roughly 11-12% of the total accounts.

Total Adjustments

Kensington (17 of 267)	\$ 2,994
High Consumption (75 of 170)	11,864
Account Inquiries (54 of 398)	10,493
Review Committee (3 of 5)	437

Total Adjustments
149 of 840 Accounts
\$25,788

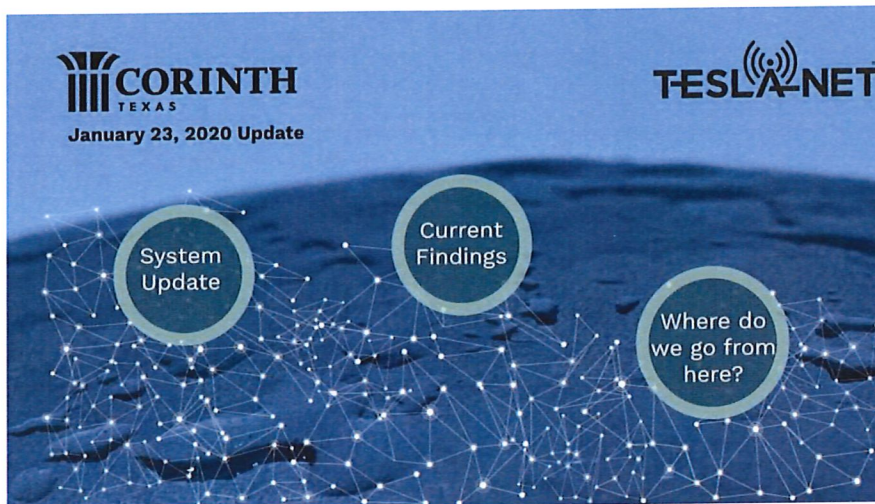
We are in the process of reviewing the following accounts. We will have this completed by February 28th. This is about the same number of accounts we already reviewed. We think \$50,000 will be the amount we will lose if it stays the same.

Review in Progress

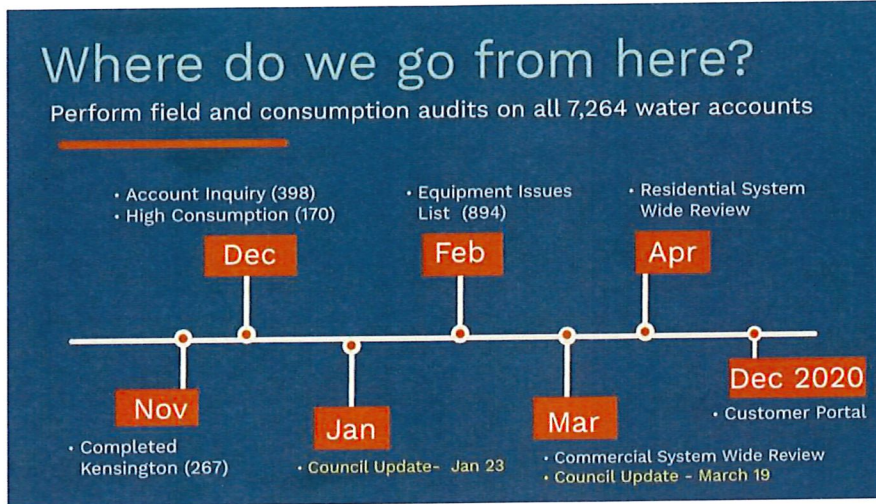
Accounts currently under review:

- 894 accounts identified with equipment Issues
- 36 Account Inquiries received from December 4

Review completion target date is February 28.



Once we finish those reviews we will report to council on March 19th to let you know how the audit has come on the additional 900 accounts. We will then start the system wide review going through every account to be sure we missed nothing. We will begin with commercial accounts and then the residential customers. As of right now we believe we will have it completed this year. Once we complete the adjustments and audit and we feel the system is at 100% we will wipe out the data on the online portal so we can start with good data. Once we have about three months of consistent reads, we will open up the customer portal for residents to login to review their consumption and set alerts. We are confident we could have that portal done no later than December 2020. If we can get it done sooner, we will strive to do that.

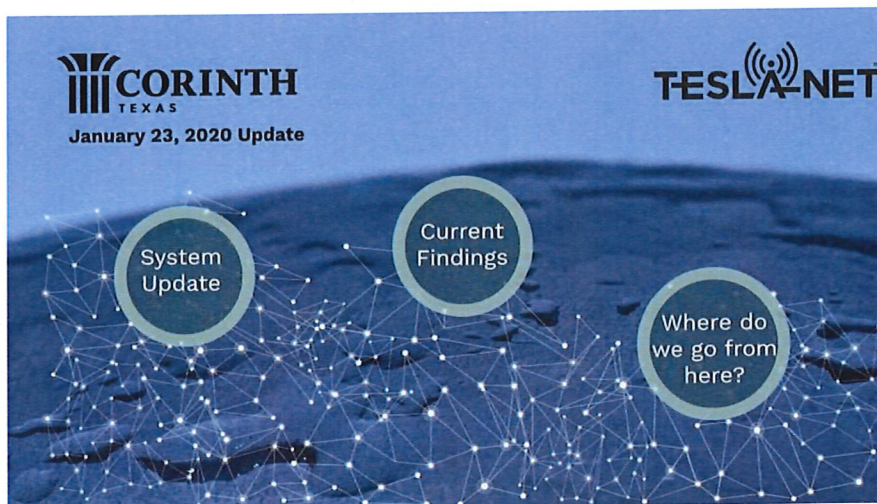


Scott Garber, Council Member – How many accounts were underbilled?

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – The accounts with faulty registers had a consumption of zero. We did not charge them for water because we didn't have the estimation procedure in place. For the 113 from December on, we started billing based on estimates based on the criteria. I don't know the dollar amounts.

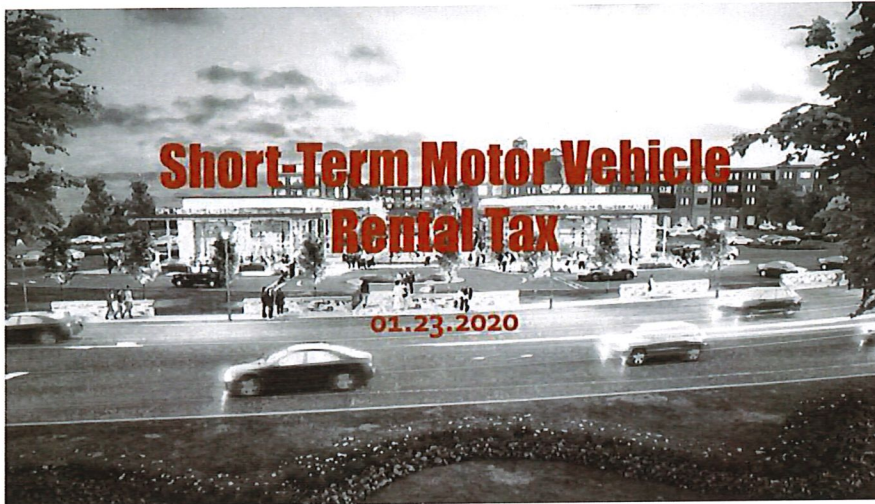
Mayor Heidemann - You say our max is probably going to be around \$50,000.00?

Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director – That is what we are estimating because it is about the same count of the other accounts. We will know for sure when we come to you in March. We will have adjusted all of those with issues.



3. Hold a discussion and provide staff direction on the implementation of a Short-Term Motor Vehicle Rental Tax.

Jason Alexander, Corinth Economic Development Corporation Director – We have been talking about being more strategic and how we generate streams of revenue to help with Senate Bill No. 2 and also in terms of how we start to create our emerging downtown area at I-35 and Corinth Parkway.



One of those such avenues that we can do that is Chapter 334 of the Local Government Code. It is called the venue statute and it deals with positioning cities and counties to finance tourism, sports and community venues that are planned, acquired, established, developed, constructed or renovated with a variety of taxes. That can be hotel occupancy tax, sales and use tax, property tax but the one that I want to focus in on is the short-term motor vehicle rental tax.

The tax, in basic, is that it can be imposed up to 1/8% increments. It cannot exceed a total of 5% except in rare instances per Chapter 334 and it can only be imposed on motor vehicles that are being rented for 30 days or less. It cannot be used to finance municipal park systems. What is also very interesting about the tax is that it can be used for related infrastructure. The code defines that as any store, restaurant, on-site hotel, road, water or sewer facility, etc., that also includes environmental remediation.

When we start to talk about the tax and the process for implementing the tax, you have four steps here. One is, it has to have a resolution come from city council that you want to move forward with implementing the tax and that resolution has to talk about the proposed tax that is going to finance it in terms of the amount as well as the type of project. That resolution then goes to the controller, the controller is responsible for reviewing it, making sure that they are not going to be adversely impacted by the tax if it's imposed for the venue, a project and that venue project basically means any sports or community related facility.

It then comes back to city council. If the controller finds that the tax will not place them in a precarious position financially then city council can call an election. That election then goes to the voters and then the voters would have to approve the tax as well as the venue project.

Chapter 334 is very specific about the process and about the ballot language.

If the tax is approved then the ordinance would be adopted by the city that states what the tax would be. The tax revenues would be collected at the place of business. The tax revenues would have to be inserted or deposited into a venue project fund and then the tax would take effect on the date that is prescribed by the ordinance and it will expire after all the venue project funds are paid in full.

Some municipalities and counties that have the tax, you can see the list. I just want to highlight two if I may. The first one is Arlington. Arlington used a short-term motor vehicle rental tax and combined that with the hotel occupancy tax. The sales and use tax actually developed the Ranger's ballpark and then McLennan County rather recently, that is where Waco is located, they used it to redevelop the Extraco Events facility. These are some examples of the cities and counties that have the tax. You don't see Austin, Austin used it before but it expired.

Municipalities and counties with the tax

- | | |
|-----------------------|--------------------------------|
| ◆ Arlington (5%) | ◆ Fort Worth (5%) |
| ◆ Bexar County (5%) | ◆ Hill Country Village (2%) |
| ◆ Cameron County (5%) | ◆ Houston / Harris County (5%) |
| ◆ Dallas (5%) | ◆ Lubbock County (5%) |
| ◆ Euless (5%) | ◆ McLennan County (5%) 6 |

How this could affect us is that with the tax, if city council decides to move forward with it, it could actually provide another source of revenue for our amphitheater which we are calling the heart and the soul of our transit oriented development district and it improves the financial capabilities of the TIRZ.

Application of the tax in Corinth

- ◆ Generates additional revenue source to fund the Amphitheater and its related infrastructure in the Tax Increment Reinvestment Zone (TIRZ) and Transit-Oriented Development (TOD) District
- ◆ Improves financial capabilities of the TIRZ

7

Allow me to delve into that a little further. We presented this to you guys a while back and in it you saw the total for the TOD projects, about \$96 million. Then you saw the total for the TIRZ projects being outside the TOD at about \$35.5 million. We are still working on the rail stop figures but the total for all of those projects was about \$131.5 million. Per David Pettit, Economic Development, he is projecting revenues from the TIRZ to be generated about \$124.3 million and we have that shortfall of about \$7.1 million.

The total for all TIRZ / TOD Projects

TIRZ (TOD) Projects	\$ 95,939,287.00
TIRZ Projects	\$ 35,546,478.00
Rail Stop Construction	To Be Determined
TOTAL FOR ALL PROJECTS	\$ 131,485,765.00
LESS PROJECTED REVENUES	\$ 124,374,355.00
ADDITIONAL FUNDING REQUESTED	(\$ 7,111,410.00)

8

If the taxes impose, at your direction, it would reduce the financial dependence on the TIRZ, meaning that we have an additional source of revenue now that could help offset some of those monies that would be required under the TIRZ for projects, including the amphitheater. Secondly, the shorting fund that we are talking about at \$7.1 million, this could also reduce that. Again, it provides another source of revenue and most importantly it improves our capabilities to construct an amphitheater and we can't discount the related infrastructure which includes retail, restaurant, public works and other related facilities that would be enhanced by the presence of the amphitheater.

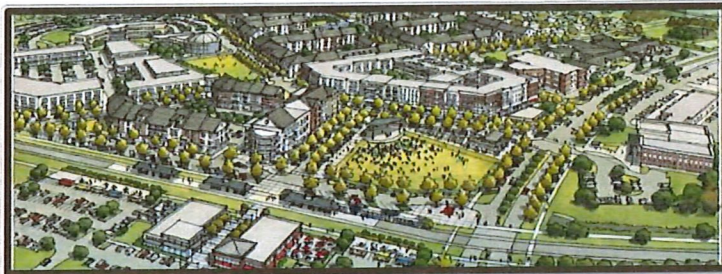
Imposition of the tax can

- ◆ Reduce financial dependence on the TIRZ
- ◆ Reduce the TIRZ funding shortage
- ◆ Provide an additional revenue source
- ◆ Improve the City's financial capabilities to construct the Amphitheater

and construct related infrastructure

9

Just to highlight a little bit of that, you can see everything we have been talking about with the streets. You see Corinth Parkway, the narrowing of Corinth Parkway to create more parking. You see the parking structure, the actual amphitheater, the realignment of North Corinth Street, the construction of Main Street. Those are all the types of projects that we are talking about that could be potentially funded by this tax.



AMPHITHEATER

Tax can be used to finance Amphitheater and attract restaurant, retail and related activities

10

Here is a list of the motor vehicle rentals in Corinth currently. You see those with rental service only on your left and those with or without service on your right.

Motor vehicle rentals in Corinth

<u>Rental (with service only)</u>	<u>Rental (with or without service)</u>
◇ Caliber Collision	◇ Harley Davidson
◇ Classic of Denton	
◇ Classic Pre-Owned of Denton	
◇ Gunn Nissan	
◇ Huffines Kia and Subaru	

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Mayor Heidemann – Is Bill Utter on the list?

Jason Alexander, Corinth Economic Development Corporation Director – I did not see Bill Utter when I looked at the list.

Mayor Heidemann – They lease cars.

Jason Alexander, Corinth Economic Development Corporation Director – We will look into it.

Lowell Johnson, Council Member – Is it short-term rental? Do they have Hertz?

Jason Alexander, Corinth Economic Development Corporation Director – It is short term rentals, 30 days or less.

Kelly Pickens, Council Member – How many cars are leased in a month in the City of Corinth?

Jason Alexander, Corinth Economic Development Corporation Director – I do not know.

Tina Henderson, Council Member – So we do not know the financial impact.

Jason Alexander, Corinth Economic Development Corporation Director – No. What I would like to leave city council with, this is an alternate source of revenue that can help us fund our amphitheater and with the other activities that we are wanting to bring to this area we could use it to enhance as well, that being retail, restaurants, so forth and so on. It can also reduce the amount of our dependence on the TIRZ to help finance some of these projects within the core of the community.

Closing thoughts

- ◆ Imposing a Short-Term Motor Vehicle Rental Tax can help finance the Amphitheater and related improvements that will enhance the use, value and appeal of the venue and increase economic opportunities
- ◆ Imposing the tax can also reduce financial dependency on the TIRZ

12

Scott Garber, Council Member – Would this in any way put Corinth rental cars at a competitive disadvantage in that the ultimate price to rent a car in Corinth would be 5% higher if we established a 5% rental tax?

Jason Alexander, Corinth Economic Development Corporation Director – If you went up to that and would be in 1/8th increments. For example, and I still haven't been able to figure out what they are using their tax on, the Hill Country Village has it at 2% and it is only at places of business. In Highland Village, I can't recall a place being there, they may have one but it would not put us at a competitive disadvantage because when you are looking at the other communities and what they have used that for, the amount of sales tax and activity that is brought in it has been substantial.

Scott Garber, Council Member – Would you rather just drive to Denton to rent a car because it is less expensive there than here?

Jason Alexander, Corinth Economic Development Corporation Director – I can't answer per se.

Kelly Pickens, Council Member – Denton doesn't have it?

Jason Alexander, Corinth Economic Development Corporation Director – I know Denton has some rental car places, but I did not see them with an actual tax.

Tina Henderson, Council Member – Would it affect Huffines and Gunn's and would it affect their business?

Jason Alexander, Corinth Economic Development Corporation Director – It could and again, it is on the place of business, just as you said, with Gunn and Huffines and it is only on 30 day or less motor vehicle rentals. The idea is to perhaps use a tax on the rental of vehicles like some other communities have to kind of help us out on some of our economic development efforts.

Scott Garber, Council Member – Most of these, from Caliber Collision all the way down to Huffines, you would be obtaining a rental car as a result of yours being wrecked or broken. I would imagine in most cases that would be insurance paying so I couldn't imagine them driving to Denton to get a rental car when there is one right there. Harley Davidson is probably the same, but this is the only dealership within 30 miles. It probably would not affect us super negatively.

Jason Alexander, Corinth Economic Development Corporation Director – I think in terms of what you are looking at discouraging people, no. I think in terms that if city council would like to move in that direction, the benefits from that could be extraordinary.

Scott Garber, Council Member – So are we suggesting 5%?

Jason Alexander, Corinth Economic Development Corporation Director – that is at the discretion of the council, but it can go up to 5%.

Kelly Pickens, Council Member – So is the average probably \$50.00 per day to rent a car? Giving \$50 per day, you're talking \$2.50 in tax per day.

Jason Alexander, Corinth Economic Development Corporation Director – You have that part, but it is on gross receipts per state law so whatever else is on there, that 5% would be applied to it. It's not just to that particular figure you gave of \$50.00 per day, for example, let's say it is \$50.00 to rent a car but then you have other features or amenities added to it.

Kelly Pickens, Council Member – If they get insurance, that is also included?

Jason Alexander, Corinth Economic Development Corporation Director – Yes, the gross receipt.

Kelly Pickens, Council Member – It probably still would not be cost prohibitive for the consumer for convenience, more than anything. If you are talking \$4.00 per day.

Lowell Johnson, Council Member - On rental if we use your \$50.00 rental as an example, the state has a 10% tax on that and then we add 5%, that would be \$7.50 per day.

Kelly Pickens, Council Member – But they are paying that 10% no matter what city.

Jason Alexander, Corinth Economic Development Corporation Director – Again, the revenues that will come from it would not be on the level of Houston or Harris County, Ft. Worth, Dallas or Euless.

Kelly Pickens, Council Member – I am curious to know how many cars are rented every month in the city of Corinth.

Bob Hart, City Manager – We need a resolution from you all to receive that.

Jason Alexander, Corinth Economic Development Corporation Director – We are thinking it will certainly create that additional stream of revenue.

Kelly Pickens, Council Member – What is our hotel tax?

Jason Alexander, Corinth Economic Development Corporation Director – It is 7%.

Lowell Johnson, Council Member – I think we have to be careful about the administrative cost on the 5%. How much is it going to cost us to collect?

Sam Burke, Mayor Pro Tem – Does the comptroller do that?

Jason Alexander, Corinth Economic Development Corporation Director – No, it is collected by us and then per state law at the place of business, we could give up to 1% the remittance fee for collection.

Sam Burke, Mayor Pro Tem – We could try it for a year and then get feedback from staff.

Bob Hart, City Manager – If we move forward and bring you the resolution, then you get the comptroller to do the study. Then you will have a much better sense to make a decision to whether or not you want to call the election. It would go on the May ballot.

Kelly Pickens, Council Member – When do we have to have all that information and decide for it to be on the May ballot?

Bob Hart, City Manager – The resolution would be on the next agenda and then the issue of the ballot.

Kim Pence, City Secretary – The ballot language has to be into Denton County by February 26th.

Jason Alexander, Corinth Economic Development Corporation Director – The timeline for the comptroller report is typically 15 days or less and I will say that the one I saw from McLennan County, they approved the resolution for them in eight days.

Mayor Heidemann - You are looking for the consensus of the council?

Jason Alexander, Corinth Economic Development Corporation Director – Yes

It was the consensus of the council to move forward with the sales tax resolution for the comptroller.

4. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

There were no items discussed on the Regular Session Agenda

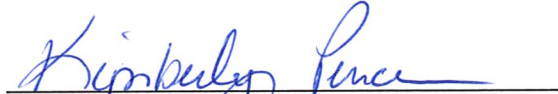
ADJOURN:

Mayor Heidemann adjourned the meeting at 6:50 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the 5 day of March, 2020



Kimberly Pence, City Secretary
City of Corinth, Texas

