



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of September 2, 2025  
Second Reading for the City Council Meeting of September 10, 2025

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**DATE:** September 2, 2025

**TO:** Peter Zaroni, City Manager

**FROM:** Ernesto De La Garza, Interim Assistant City Manager/Public Works Director  
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Ordinance Amending Section 55-709, Drainage Utility Charge, of the City Code of Ordinances to levy an Amended Schedule of Storm Water Drainage Charges
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### **CAPTION:**

Public Hearing and first reading ordinance amending Corpus Christi Code Section 55-709 Drainage Utility Charge to update the storm water drainage charges, effective January 1, 2026.

### **SUMMARY:**

Ordinance amending Section 55-709, Drainage Utility Charge, of the City Code of Ordinances to levy an amended schedule of storm water drainage charges to all benefited properties in the service area of the City of Corpus Christi, Texas; and repealing conflicting provisions.

### **BACKGROUND AND FINDINGS:**

From 1989-2021, the City of Corpus Christi funded storm water services through the water utility rate. In September 2021, the City's first Municipal Drainage Fee ("Storm Water Fee") was adopted by City Council and went into effect for ratepayers on January 1, 2022.

The FY 2025 estimated Storm Water Fund revenues total \$35 million and stem from the Storm Water fee (\$14M residential and \$21M non-residential).

Closing out FY2025 the Storm Water Fund had \$209,893,658.61 in debt service expenses but was projected to bring in \$35.7 million in revenue.

The purpose of the Municipal Drainage fee was to maintain a fair and equitable fee structure for storm water infrastructure and operations, that more accurately reflects usage of the City's drainage system.

The objectives of the Storm Water fee are threefold:

- To create a stable revenue stream that allows Public Works to properly maintain and increase services to the storm water system to include capital improvement projects

- Create financial transparency by removing storm water from the water rate
- Create a fair fee structure for storm water management that is tied to drainage runoff

During the initial adoption of the Storm Water fee, staff was tasked with developing a comprehensive five-year plan for FY 2022 - 2026 to recommend improvements based on the City's critical storm water needs, to include the prevention of regional flooding, resident demands for services, and pollution mitigation efforts aimed at reducing floatable (trash) from entering our creeks, bays, estuaries, and ocean. On June 1, 2025, and July 30, 2025, staff implemented Cartegraph and Samsara to automate tracking of the five-year plan. This software implementation provided more comprehensive productivity results which allow for more accurate tracking of the costs for storm water services. The new plan metrics are attached. To meet debt service expenses, and the proposed increased level of service, more revenue is required.

In FY2026, a proposed fee increase from \$10.32 to \$11.59 is scheduled to produce an additional \$3.1M to provide for the following increase in debt service. Current annual debt service payment is \$4.9M and the anticipated debt service payment in FY2026 is expected to be \$6.4M, resulting in an \$1.5M additional funds.

### **Sec. 55-709. Drainage Utility Charge**

- Drainage Utility Charge is hereby imposed upon each improved lot and parcel within the Service Area. The Drainage Utility Charge began on January 1, 2022, and will be amended on January 1, 2026, to the charges established herein. Drainage Utility Charges shall be billed on a monthly basis thereafter for the duration of the drainage utility.
- For purposes of imposing the Drainage Utility Charge, all lots and parcels within the City are classified into the following customer categories: (1) Residential Single-Family Property and (2) Non-Single-Family Residential (commercial) Property.
- The Equivalent Residential Unit (ERU) value for the City is determined through an inventory of all improved single-family residential parcels in the City and determination of Impervious Area for each parcel. This study shows that the impervious area for an average single-family residence in the City is 3,280 square feet.
- The monthly Drainage Utility Charge for properties shall be calculated by multiplying the total number of ERU's for the parcel by the ERU monthly billing rate.

### **SINGLE FAMILY RESIDENTIAL PARCELS:**

	Numbers of Parcels	Stormwater Unit Equivalent
Single Family Residential	94,111	1

### **TIERED SINGLE-FAMILY RESIDENTIAL DRAINAGE FEES:**

	Estimated Impervious Area	Equivalent Residential Unit	<b><i>FY2025FY 2026</i></b>
Tier 1	Less than 3,000 sq. ft.	0.75	<b><i>\$7.74 \$8.69</i></b>

Tier 2	3,000 sq. ft.- 4,500 sq. ft.	1.00	<del>\$10.32</del> <b>\$11.59</b>
Tier 3	Greater than 4,500 sq. ft.	1.75	<del>\$18.06</del> <b>\$20.28</b>

### **NON-SINGLE FAMILY RESIDENTIAL (COMMERCIAL) FACTORS:**

Intensity of Development (IDF) factors derived from City Drainage Manual	Property's State Code determines which IDF is used
Rate Calculation = (Gross area x IDF) / 3,280 sq.ft.	1 stormwater unit = 3280 square feet
All properties (Non-SFR)	1 or more Stormwater Units based on calculation (area x factor)

### **INTENSITY OF DEVELOPMENT FACTOR (for Non-Single Family Commercial)**

Land Use	State Code Land Uses	Intensity of Development Factor	Number of Parcels
Townhouse Dwellings/ Multiple Dwellings District; Manufactured Homes	B11, B3, B5, B7, B8, B9	0.65	<del>265</del> <b>362</b>
Apartments	B1, B10, B6	0.80	<del>886</del> <b>1,102</b>
Business District	F1	0.85	<del>7,128</del> <b>7,555</b>
Industrial District	F2, F3, F4, F5, J3, J4, J5	0.7	<del>344</del> <b>439</b>
Railroad Yard Areas		0.30	0
Parks, Playgrounds, Greenbelts, Cemeteries		0.31	4-24
Private Streets		0.83	<del>0</del> 51
Agriculture Uses	D1, E5R, E2, E3	0.05	<del>96</del> <b>99</b>
Commercial Stock	C1	0.17	<del>4,934</del> <b>1,791</b>

### **NON-SINGLE FAMILY RESIDENTIAL (COMMERCIAL) RATE:**

Type of Use (Non-Single-Family Commercial)	YR-2025 <b>FY 2026</b>
Non-Single Family Rate (Commercial)	<del>\$10.32 per unit</del> <b>\$11.59 per unit</b>

### **ALTERNATIVES:**

The alternative would be to maintain storm water revenues to be collected at FY 2025 rates, whereby Public Works would be forced to reduce storm water service levels currently provided to residents so that the city can successfully meet their storm water utility revenue bond debt obligations for FY 2026.

**FISCAL IMPACT:**

The adjustments to residential and non-residential Storm Water rates are projected to generate an additional \$3,166,901.00 in revenue for the Storm Water Fund (4300) in FY26.

**Funding Detail:**

Fund:	4300
Organization/Activity:	32000
Department:	47
Project # (CIP Only):	N/A
Account:	324500 Storm Water Fees - Residential
Amount:	\$14,017,688

Fund:	4300
Organization/Activity:	32000
Department:	47
Project # (CIP Only):	N/A
Account:	324510 Storm Water Fees – Non-Residential
Amount:	\$21,049,212

**RECOMMENDATION:**

Staff recommends approval of the ordinance to amend Section 55-709, Drainage Utility Charge, of the Corpus Christi Code, to levy an amended schedule of storm water drainage charges.

**LIST OF SUPPORTING DOCUMENTS:**

- Ordinance
- Council Presentation