



CITY OF  
**CORPUS CHRISTI**

**AGENDA MEMORANDUM**

Action Item for the City Council Meeting March 17, 2026

**DATE:** February 9, 2026  
**TO:** Peter Zanoni, City Manager  
**FROM:** Yvette Wallace  
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Ordinance amending the Unified Development Code (UDC) §8.4 and 8.5 to update Trust Fund Policy and participation agreements, and companion ordinance amending Chapter 14, Article XIII of the Corpus Christi Code to adopt water, wastewater, stormwater, and roadway impact fees effective October 1, 2026, and sunset Infrastructure Trust Fund

**CAPTION:**

Ordinance amending the Unified Development Code (UDC) §8.4 and 8.5 to update Trust Fund Policy and participation agreements, and companion ordinance amending Chapter 14, Article XIII of the Corpus Christi Code to adopt water, wastewater, stormwater, and roadway impact fees effective October 1, 2026, and sunset Infrastructure Trust Fund lot/acreage and pro-rata fees.

**SUMMARY:**

The Capital Improvement Advisory Committee (CIAC) recommends presenting City Council with two integrated actions:

1. Amend the UDC to streamline Trust Fund reimbursement/credit processes, clarify surcharge collection, and authorize City participation for wastewater lift stations.
2. Adopt Impact Fees for water, wastewater, stormwater (Oso Creek), and roadway infrastructure under Texas Local Government Code Chapter 395, effective October 1, 2026, and sunset existing Trust Fund lot/acreage and pro-rata fees to prevent duplicative charges.

## **BACKGROUND AND FINDINGS:**

**Impact Fees Transition:** Chapter 395 authorizes impact fees to fund growth-related capital improvements. Following Council direction (2019) and adoption of Water, Wastewater, Stormwater, and Roadway Master Plans (2024), CIAC recommends implementing impact fees effective October 1, 2026.

### **Impact Fees**

- April 2024- CIAC recommended total Assessed fees of \$1,662.00/ERU (equivalent residential unit). Assessed fees reflect proposed charges to development; adopted rates represent statutory maximums.

Infrastructure	Assessed	Adopted
Water	\$1,866.00/ERU	\$950.00/ERU
Wastewater	\$1,268.00/ERU	\$612.00/ERU
Commercial based on meter size		
Stormwater	\$30.54/KSF (thousand square feet)	\$100.00/ERU
Roadway	5% of Max Rate	\$0.00

Impact fees adopted under this ordinance will become effective on October 1, 2026, providing an orderly transition from the current Trust Fund system to the Chapter 395 framework.

Additionally, all existing Infrastructure Trust Fund lot, acreage, and pro-rata fees will be sunset and reduced to \$0.00 as of October 1, 2026, ensuring no duplicative charges once impact fees are implemented.

**Trust Fund History:** Since 1982, Trust Funds have reimbursed approximately \$41.5 million for water and wastewater infrastructure. Current structure includes four buckets; proposed amendments consolidate into two (Water and Wastewater), clarify eligibility, and formalize reimbursement agreements.

The proposed ordinance:

- Streamlines this into two buckets Water and Wastewater.
- Lift stations will no longer be eligible for reimbursement through Trust Funds and will instead be addressed through City participation agreements under UDC §8.4.
- Streamlines pro-rata fee collection and assessment
- Enhances requirements for submission documents; no longer allowing for design memorandum
- Limits extension to a one-time 12-month extension only if the project has begun. If development has not started the request for extension must be presented to City Council.
- No fee adjustment at this time with a fee revisit in FY28 to determine the level of solvency needed after the adjustments are made. All fees under the Trust Fund policy will continue to be indexed annually based on the ENR August Construction Index, effective each October 1.

## **Key Differences:**

- Impact Fees:
  - Funded by developers, builders, and partially by the City through credits and statutory requirements.
  - Governed by Texas Local Government Code Chapter 395, meaning fee structures and requirements are subject to state law and can be adjusted by legislative action at any time.
  - Offers a standardized, state-regulated framework tied to adopted Master Plans and Capital Improvement Programs.
- Trust Fund:
  - Funded entirely by developers through lot, acreage, and pro-rata fees.
  - Adjustments and policy changes are controlled locally by City Council without state intervention.
  - Provides flexibility for local priorities but limited to developer contributions and reimbursement agreements.

## **ALTERNATIVES:**

Approve Trust Fund amendments only (retain current funding model).

Approve Impact Fees and sunset Trust Funds (transition to Chapter 395 framework).

## **FISCAL IMPACT:**

No immediate fiscal impact; future revenues will be dedicated to capital improvements per adopted plans.

## **RECOMMENDATION:**

The Capital Improvement Advisory Committee (CIAC) recommends adoption of the proposed Trust Fund policy adjustments with no fee increase at this time and a scheduled revisit in FY28 to evaluate solvency and determine if adjustments are necessary.

## **LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Presentation