

CITY COUNCIL / PLANNING COMMISSION / CIAC WORKSHOP

CIAC IMPACT FEE RECOMMENDATIONS

CITY OF CORPUS CHRISTI
MAY 15, 2024



**DEVELOPING
OUR FUTURE
CORPUS CHRISTI**



- Water, Wastewater, Stormwater and Roadway Impact Fees are governed by **Chapter 395 of the Texas Local Government Code.**
- Chapter 395 defines an impact fee as “a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.”
 - **ONE-TIME** payment levied on new or expanded development for some share of its capital costs being placed on the utility or roadway system.

CIAC MEMBERS

| CIAC Member | Appointed By | Appointing Authority |
|-------------------------------|-------------------|----------------------|
| Moses Mostaghasi (Chair) | Gil Hernandez | City Council |
| Coretta Graham (Vice Chair) | Jim Klein | City Council |
| Philip “Chad” Skrobarczyk Jr. | Roland Barrera | City Council |
| Rudy Garza Jr. | Michael T. Hunter | City Council |
| Trey Summers | Mike Pusley | City Council |
| Eli McKay | Sylvia Campos | City Council |
| JJ Hart | Dan Suckley | City Council |
| Bart Braselton | Everett Roy | City Council |
| Hailey R. Gonzalez | Paulette Guajardo | Mayor |
| Ramiro Munoz III | Peter Zanoni | City Manager |
| Alex H. Harris | Peter Zanoni | City Manager |
| Patricia A. Aitken | Peter Zanoni | City Manager |
| Velda G. Tamez | Peter Zanoni | City Manager |
| Jonathan Gonzalez | Peter Zanoni | City Manager |
| Melody Nixon-Bice | Peter Zanoni | City Manager |

Texas Local Government Code 395 Statutory Requirements

- City Council and City Manager appointed the Capital Improvement Advisory Committee (CIAC) that reviewed and recommended approval of:
 1. Land Use Assumptions Plan (LUAP)
 2. Master Plans
 3. Associated Capital Improvement Plans (CIP)
 4. Impact Fees for the City of Corpus Christi

IMPACT FEE CALCULATION PROCESS

Define
Impact Fee
Service
Areas

Estimate
Utility
Demands

Develop 10-
Year CIP

Determine
Portion of
Projects
Attributable
to Future
Growth

Calculate
Weighted
Cost per
Service Unit

Apply Rate
Credit (50%)
to
Determine
Maximum
Allowable
Fee

Adopt and
Assess
Maximum
Allowable
Fee OR a Fee
Below Max

SERVICE UNIT STANDARDIZATION

- Service Units are defined using a typical single-family residential home as the common base measurement for all categories of impact fees
- The standard term utilized is **Equivalent Residential Unit (ERU)**
- Convert an ERU to other land uses, utilizing industry standard process per category (for example, water utility meter size)
- For some categories, the measurement for one ERU is converted to the most appropriate metric

❖ **Stormwater: 1,000 Sq Ft of Impervious Cover (KSF IC)**

ERU = 1 SFR Lot = 3,280 Square Feet IC

❖ **Water: Equivalent Residential Unit (ERU)**

See Table for meter size equivalent conversions

❖ **Wastewater: Equivalent Residential Unit (ERU)**

See Table for meter size equivalent conversions

❖ **Transportation: Vehicle Mile (Veh-Mi)**

EXAMPLE WATER/WASTEWATER CONVERSION FOR NON-SINGLE FAMILY USES

| Meter Size | City Meters | Percent | ERUs |
|-------------|-------------|---------|------------|
| 5/8" & 3/4" | 91,745 | 92.42% | 1 |
| 1" | 4,287 | 4.32% | 2.5 |
| 1.5" | 1,347 | 1.36% | 5 |
| 2" | 1,519 | 1.53% | 8 |
| 3" | 215 | 0.22% | 17.5 |
| 4" | 76 | 0.08% | 31.5 |
| 6" | 40 | 0.04% | 70 |
| 8" | 15 | 0.02% | 120 |
| 10" | 13 | 0.01% | 190 |
| 12" | 1 | 0.00% | 250 |
| 16" | 6 | 0.01% | 500 |
| 30" | 1 | 0.00% | calculated |
| 48" | 1 | 0.00% | calculated |

Note: ERUs per meter based on American Water Works Association standard and City Historical Data.

- City will develop draft policies and procedures for implementation.
- Key policy(ies) will be presented prior to Council action on Impact Fees.
- Draft policies and procedures will be brought to CIAC for input, consideration, and recommendation.
- CIAC will hold bi-annually meetings (or modified as recommended by Chair) with City to update on status of implementation policies and procedures.
- If any revisions to Impact Fees are proposed, CIAC will be involved in same manner as original process, including review and recommendation required prior to going to City Council.

POTENTIAL FUTURE POLICY AND PROCEDURES

**Creation Of Standardized
Process For Utility Service
Agreements**

**Creation of standardized
process for Development
agreements for
construction of
improvements between
City/Developers**

**Adoption Of Drainage
Design Manual/Detention
Requirements (Ongoing)**

**Determination Of Timing
Of Payment Of Impact Fees**

**Redevelopment
Requirements And
Guidelines**

Application Of Credits

**Trust Fund Projects
Initiated Prior To Impact
Fee Implementation**

**Potential Fee Waiver
Considerations**

**City Procedures And
Reporting For Tracking**

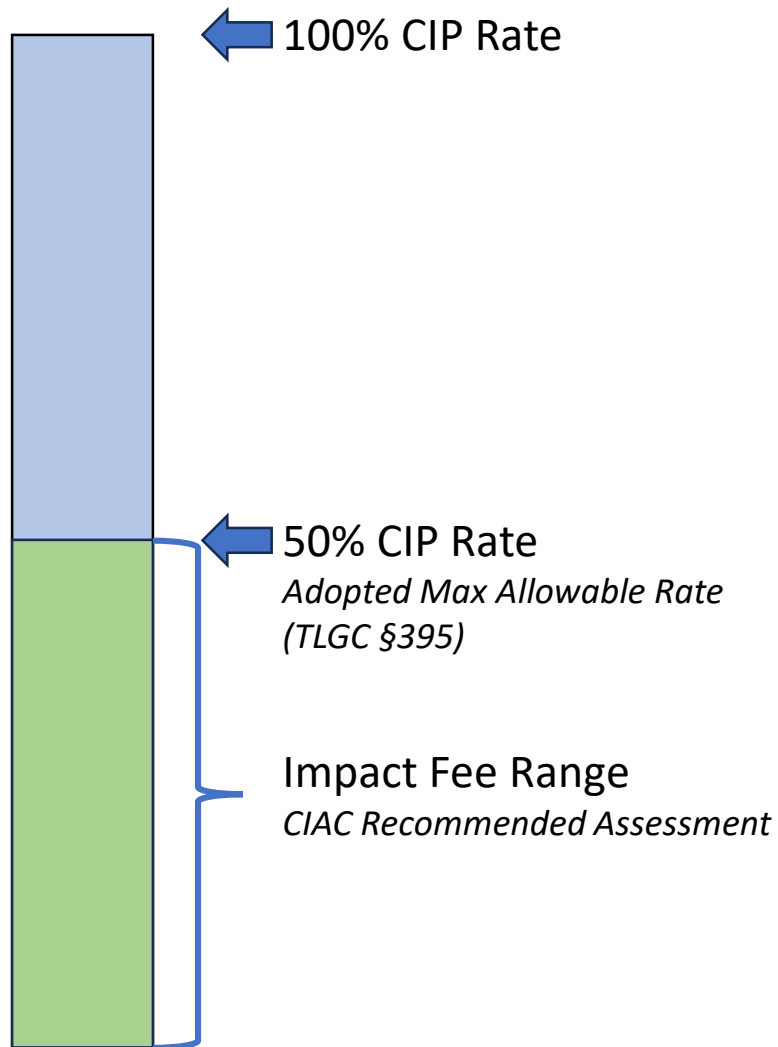
**City Procedures for
implementation**

**Policy And Process For
Assessing Impact Fees To
Large Volume Users
Outside City Limits**

**Process for Impact Fee
Collection in Newly
Annexed Areas**

MASTER PLAN PROJECTS RELATED TO GROWTH

| | ESTIMATED COSTS OF PROJECTS IN THE LONG-RANGE MASTER PLAN | ESTIMATED COSTS OF PROJECTS IN LONG-RANGE MASTER PLAN ASSOCIATED WITH GROWTH | ESTIMATED COSTS OF PROJECTS ASSOCIATED WITH GROWTH IN THE NEXT 10 YEARS | PERCENTAGE OF COSTS OF PROJECTS ASSOCIATED WITH GROWTH IN THE NEXT 10 YEARS (10YR GROWTH ESTIMATE/ LONG-RANGE ESTIMATE) |
|------------|---|--|---|---|
| Wastewater | \$1,160,000,000 | \$880,000,000 | \$380,000,000 | 33% |
| Water | \$1,839,000,000 | \$882,000,000 | \$882,000,000 | 48% |
| Stormwater | \$ 697,000,000 | \$144,000,000 | \$144,000,000 | 21% |
| Roadway | \$1,566,000,000 | \$630,000,000 | \$630,000,000 | 40% |



- CIAC recommends to City Council the Maximum Allowable Rate (as defined in Texas Local Gov Code Chapter §395)
- Council can ADOPT a rate up to the Maximum Allowable Rate.
- CIAC recommends the ASSESSED impact fee that may be equal or less than the adopted rate.
- Council approves an assessed impact fee.
- Updating the assessed rate will go to CIAC for review but does not require a new study if it is at or below the adopted maximum allowable rate.



STORMWATER

IMPACT FEE RECOMMENDATIONS

STORMWATER IMPACT FEE RECOMMENDATIONS

CITY/CONSULTANT RECOMMENDATION

ONE SERVICE AREA
OSO BASIN ONLY

Set Price Per ERU

Assess \$100 per ERU
*(Equates to \$30.49 per thousand
square feet (KSF) of impervious
cover (IC) for non-residential
development.)*

Adopt \$100 per ERU as max
allowable

CIAC FINAL RECOMMENDATION

ONE SERVICE AREA
OSO BASIN ONLY

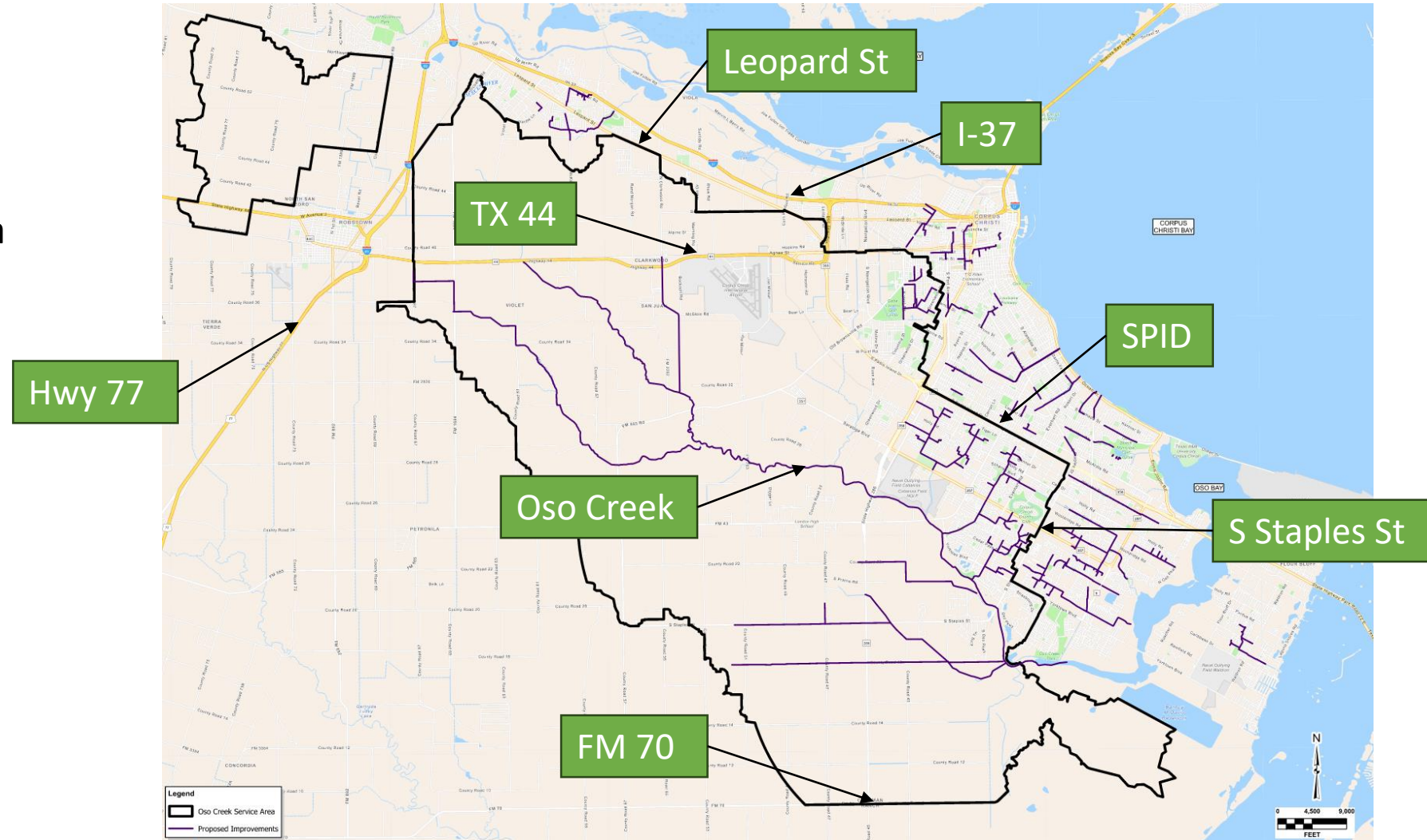
Set Price Per Lot

Assess \$100 per SFR Lot
Fee waived for non-residential
lots

Adopt \$100 per SFR and \$30.49
per KSF IC for non-residential
development as max allowable

STORMWATER SERVICE AREA MAP

- The Impact Fee Service Area for Stormwater consists of the Oso Creek Watershed.



Note: Impact fees shown are reflective of the maximum allowable impact fee per unit. **13**

WASTEWATER

IMPACT FEE RECOMMENDATIONS

CITY/CONSULTANT RECOMMENDATION

1 SERVICE AREA AT
AVERAGE OF MAX ALLOWABLE

Treatment Fee Component:

\$656

Infrastructure Fee Component:

\$612

Total Wastewater Fee per ERU

Assess \$1,268

Adopt \$1,268 as max allowable

Treatment max allowable: \$656

Infrastructure max allowable: \$612

CIAC RECOMMENDATION

1 SERVICE AREA AT AVG OF MAX ALLOWABLE
FOR INFRASTRUCTURE COMPONENT,
NO FEE FOR TREATMENT COMPONENT

Treatment Fee Component:

\$0

Infrastructure Fee Component:

\$612

Total Wastewater Fee per ERU:

Assess \$612

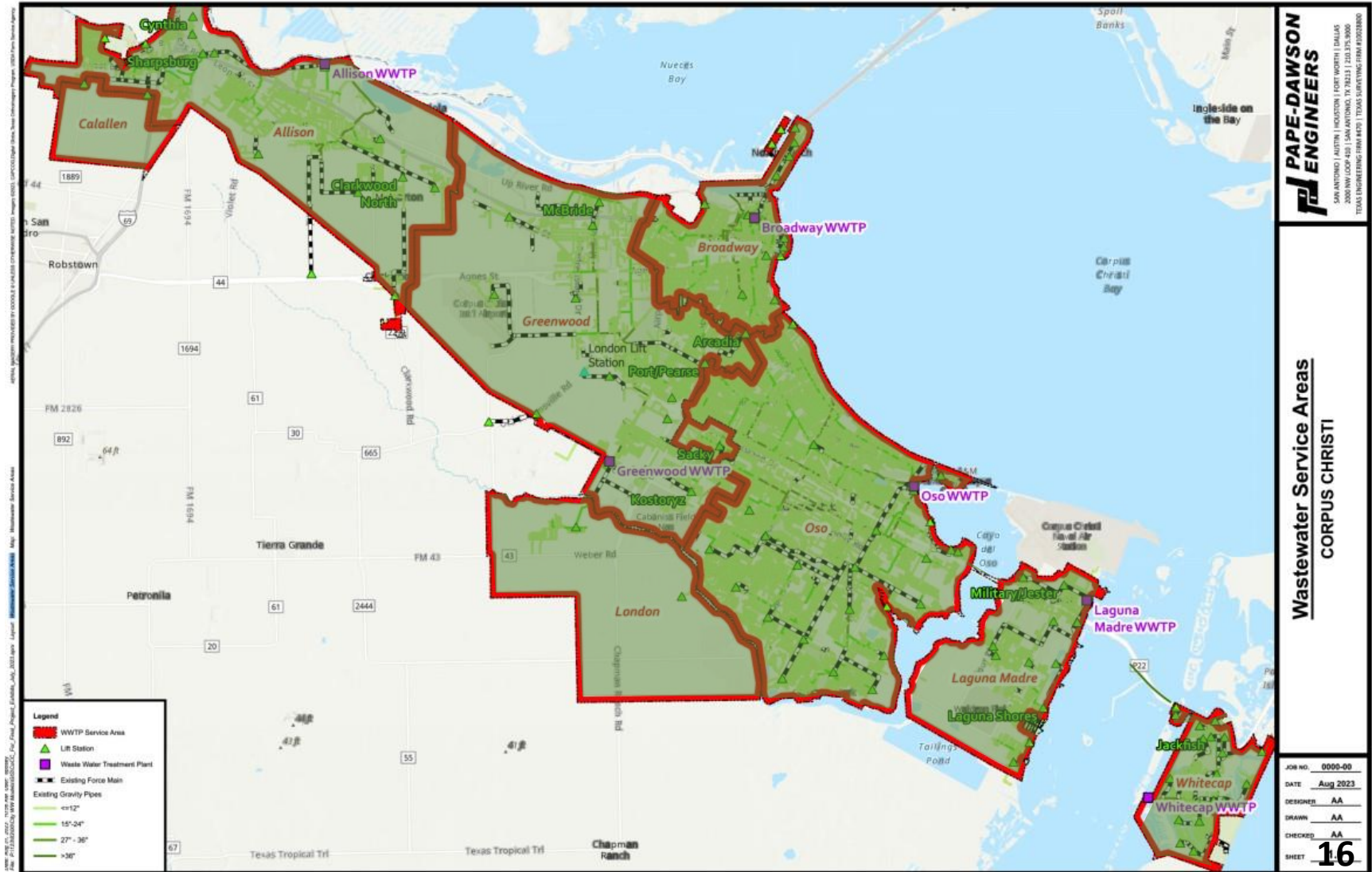
Adopt \$1,268 as max allowable

Treatment max allowable: \$656

Infrastructure max allowable: \$612

WASTEWATER SERVICE AREA MAP

- The Impact Fee Service Area is combined to include all six wastewater treatment plant areas.



WATER

IMPACT FEE RECOMMENDATIONS

CITY/CONSULTANT RECOMMENDATION

**1 SERVICE AREA AT MAX ALLOWABLE,
EXCLUDING DESALINATION**

Water Source/Supply Component:
\$261

Water Treatment Component:
\$655

System Transmission Lines Component:
\$950

Total Water Fee per ERU
Assess \$1,866

Adopt \$1,866 as max allowable
Source/Supply max allowable: \$261
Treatment max allowable: \$655
System Transmission max allowable: \$950

CIAC RECOMMENDATION

**1 SERVICE AREA,
EXCLUDING ALL WATER SOURCES,
EXCLUDING WATER TREATMENT, AT
MAX ALLOWABLE FOR TRANSMISSION**

Water Source/Supply Component:
\$0

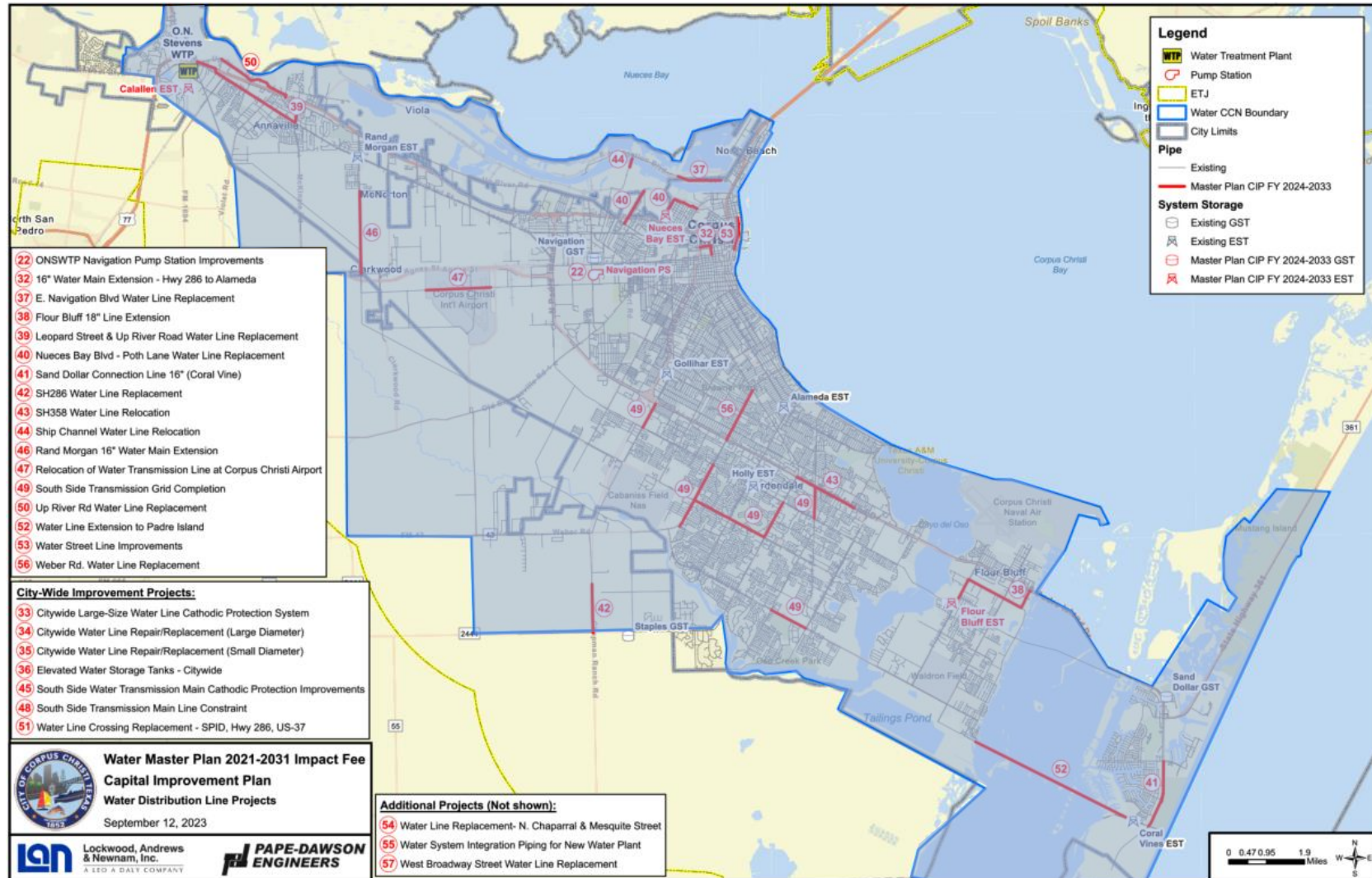
Water Treatment Component:
\$0

System Transmission Lines Component:
\$950

Total Water Fee per ERU
Assess \$950

Adopt \$1,866 as max allowable
Source/Supply max allowable: \$261
Treatment max allowable: \$655
System Transmission max allowable: \$950

WATER SERVICE AREA MAP



TRANSPORTATION

IMPACT FEE RECOMMENDATIONS

TRANSPORTATION – CITY/CONSULTANT RECOMMENDATION

(Assess & Adopt 10% of Max Allowable)

| Service Area | Revenue Credit (% Reduction off Total Value) | Fee / Veh-Mile | Fee / LOT (ERU) | |
|--------------|--|-------------------------------------|-----------------|---------|
| Northwest 1 | 90% (10% Assessed) | \$158 | \$782 | |
| Northwest 2 | | \$226 | \$1,118 | |
| Northwest 3 | | \$770 | \$3,811 | |
| Airport 1 | | \$1,902 | \$0 | |
| Airport 2 | | \$1,815 | \$0 | |
| Westside 1 | | 90% (10% Adopt as max allowable) | \$223 | \$1,103 |
| Westside 2 | | | \$383 | \$1,895 |
| Downtown | | | \$79 | \$391 |
| Bayside 1 | | | \$101 | \$499 |
| Bayside 2 | | | \$93 | \$460 |
| Southside 1 | \$80 | | \$396 | |

| Service Area | Revenue Credit (% Reduction off Total Value) | Fee / Veh-Mile | Fee / LOT (ERU) |
|----------------|--|----------------|-----------------|
| Southside 2 | 90% (10% Assessed) | \$46 | \$227 |
| Southside 3 | | \$129 | \$638 |
| Southside 4 | | \$97 | \$480 |
| London | | \$402 | \$1,989 |
| Flour Bluff 1 | 90% (10% Adopt as max allowable) | \$187 | \$925 |
| Flour Bluff 2 | | \$800 | \$3,960 |
| Padre Island 1 | | \$504 | \$2,494 |
| Padre Island 2 | | \$1,030 | \$0 |
| Padre Island 3 | | \$321 | \$1,588 |
| Padre Island 4 | | \$33 | \$163 |

Note: This fee calculation does not include C1 Collectors and A3 Arterial Streets as recommended by CIAC with support from City/Consultant.

TRANSPORTATION – CIAC RECOMMENDATION

(Assess 0% & Adopt 5% of Maximum Allowable)

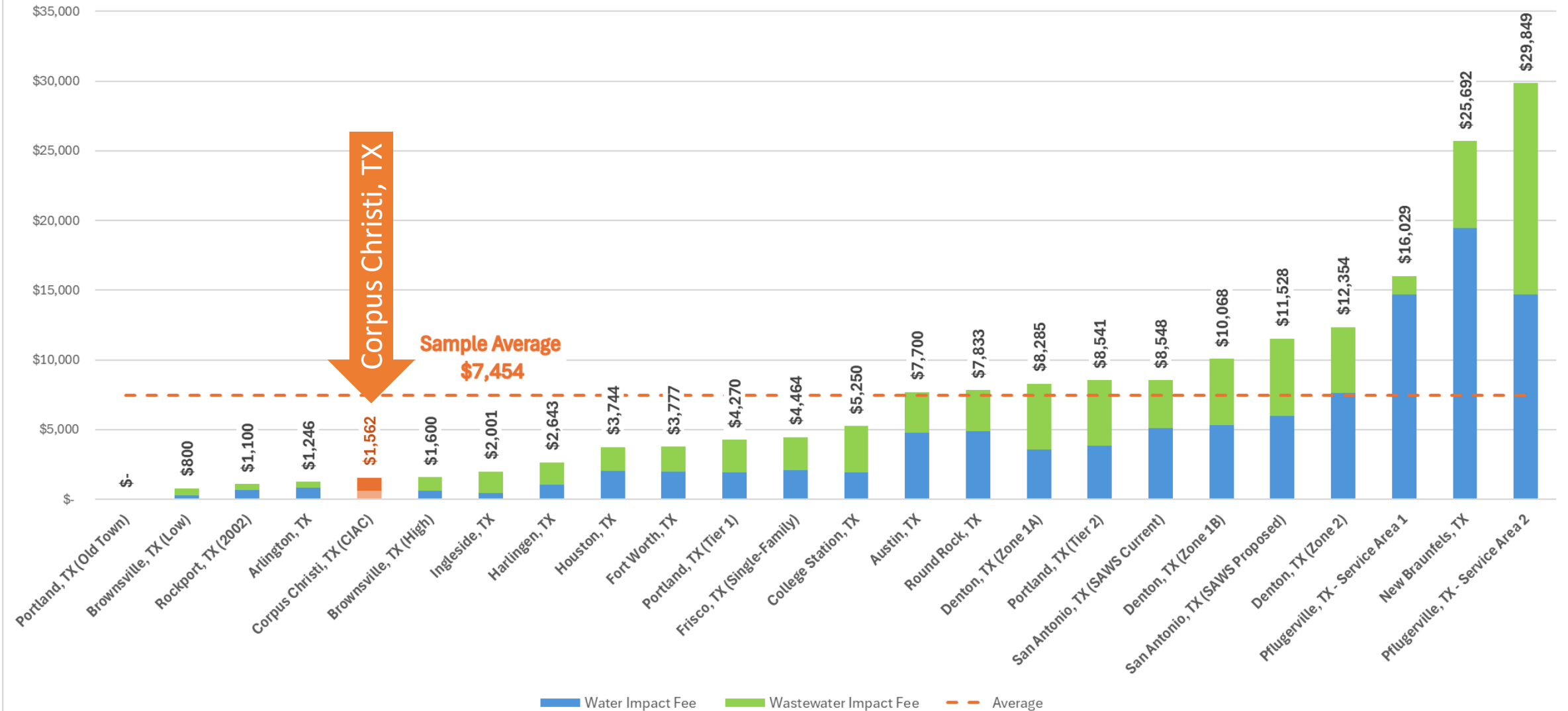
| Service Area | Revenue Credit (% Reduction off Total Value) | Fee / Veh-Mile | Fee / LOT (ERU) | |
|--------------|--|------------------------------------|-----------------|-------|
| Northwest 1 | 100% (0% Assessed) | \$79 | \$391 | |
| Northwest 2 | | \$113 | \$559 | |
| Northwest 3 | | \$385 | \$1,905 | |
| Airport 1 | | \$951 | \$0 | |
| Airport 2 | | \$907 | \$0 | |
| Westside 1 | | 95% (5% Adopt as max allowable) | \$111 | \$549 |
| Westside 2 | | | \$191 | \$945 |
| Downtown | | | \$39 | \$193 |
| Bayside 1 | | | \$50 | \$247 |
| Bayside 2 | | | \$46 | \$227 |
| Southside 1 | \$40 | | \$198 | |

| Service Area | Revenue Credit (% Reduction off Total Value) | Fee / Veh-Mile | Fee / LOT (ERU) | |
|----------------|--|------------------------------------|-----------------|---------|
| Southside 2 | 100% (0% Assessed) | \$23 | \$113 | |
| Southside 3 | | \$64 | \$316 | |
| Southside 4 | | \$48 | \$237 | |
| London | | \$201 | \$994 | |
| Flour Bluff 1 | | 95% (5% Adopt as max allowable) | \$93 | \$460 |
| Flour Bluff 2 | | | \$400 | \$1,980 |
| Padre Island 1 | | | \$252 | \$1,247 |
| Padre Island 2 | | | \$515 | \$0 |
| Padre Island 3 | | | \$160 | \$792 |
| Padre Island 4 | | | \$16 | \$79 |

Note: This fee calculation does not include C1 Collectors and A3 Arterial Streets as recommended by CIAC with support from City/Consultant.

COMPARISON OF IMPACT FEES

Water & Wastewater Impact Fee Survey



CITY/CONSULTANT RECOMMENDATION

Average Sales Price of Home \$275,000
(Source: CCREDC)

Minimum City Recommendation:

\$3,397 (Padre Island 4)
(1.30% average home price)

Average City Recommendation:

\$4,352 (Northwest 2)
(1.67% average home price)

Maximum City Recommendation

\$7,194 (Flour Bluff 2)
(2.76% average home price)

CIAC RECOMMENDATION

Average Sales Price of Home \$275,000
(Source: CCREDC)

Minimum Impact Fee per ERU (Single-Family Lot)

\$1,662 (All Areas)
(0.64% average home price)

At what point in the process does the City intend to collect impact fee?

Per Sec. 395.016. TIME FOR ASSESSMENT AND COLLECTION OF FEE. (*emphasis added for visual ease*)

d) This subsection applies only to land platted in accordance with Subchapter A, Chapter [212](#), or the subdivision or platting procedures of a political subdivision after adoption of an impact fee adopted after June 20, 1987. **The political subdivision shall assess the impact fees before or at the time of recordation of a subdivision plat** or other plat under Subchapter A, Chapter [212](#), or the subdivision or platting ordinance or procedures of any political subdivision in the official records of the county clerk of the county in which the tract is located. Except as provided by Section [395.019](#), if the political subdivision has water and wastewater capacity available:

- (1) the political subdivision shall collect the fees at the time the political subdivision **issues a building permit**;
- (2) for land platted outside the corporate boundaries of a municipality, the municipality shall collect the fees at the time **an application for an individual meter connection to the municipality's water or wastewater system is filed**; or
- (3) a political subdivision that lacks authority to issue building permits in the area where the impact fee applies shall collect the fees at the time an application is filed for an individual meter connection to the political subdivision's water or wastewater system.

(e) For land on which new development occurs or is proposed to occur without platting, the political subdivision may assess the impact fees at any time during the development and building process and may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political subdivision issues either the building permit or the certificate of occupancy.

Questions and Discussion