



AGENDA MEMORANDUM

First Reading for the City Council Meeting of August 29, 2023
Second Reading for the City Council Meeting of September 5, 2023

DATE: August 29, 2023
TO: Peter Zanoni, City Manager
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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

CAPTION:

Ordinance amending Section 55-709, Drainage Utility Charge, of the Corpus Christi Code of Ordinances, to levy an amended schedule of storm water drainage charges, repealing conflicting provisions, providing a savings clause, and providing an effective date.

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 benefitted properties in the service area of the City of Corpus Christi, Texas; repealing conflicting provisions, and providing a savings clause.

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. FY 2022 estimated Storm Water Fund revenues total \$18.05M and stem from both the water utility rate (\$4.35M) and the Storm Water Fee (\$13.61M). FY 2022 Storm Water Fund had no debt service expenses.

However, FY2023 Storm Water Fund has \$1.8 million in debt service expenses but was projected to bring in \$23 million in revenue.

As was requested by the Mayor and City Manager at the time, the Public Works Department successfully created and has since maintained a fair and equitable fee structure for storm water 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

Staff is tasked with developing a comprehensive five-year plan of recommended 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 floatables (trash) from entering our creeks, bays, estuaries, and ocean. In order to meet debt service expenses, and the proposed increased level of service, more revenue is required.

The FY 2024 service enhancements include:

- In-House Street Sweeping Program: Increase sweeping of Collectors from four to six times a year
- Minor storm water channel maintenance crew to begin a planned maintenance program for the City's minor storm water channels ("bar ditches")
- Pump Station Improvements to our aging infrastructure

FY 2025-2027 recommended planned improvements include:

- Street Sweeping: Transitioning total program to City Forces and increasing the following sweeping schedules annually as shown below
 - residential from 2 to 4 annual sweeping cycles
 - arterials from 6 to 12 annual sweeping cycles
 - collectors from 10 to 12 annual sweeping cycles
- Vegetation Maintenance: Herbicide and Mowing Improvements
- ID/IQ Construction Contract: Bridge, Channel and Infrastructure Rehabilitation
- Continued Bay Water Quality Improvements
- Addition of a second minor storm water channel maintenance crew and maintenance of lines construction crew

Sec. 55-709. Drainage Utility Charge

- (a) 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 October 1, 2023 to the charges established herein. Drainage Utility Charges shall be billed on a monthly basis thereafter for the duration of the drainage utility.
- (b) 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.
- (c) The 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.
- (d) 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	91,278 98,959	1

TIERED SINGLE-FAMILY RESIDENTIAL DRAINAGE FEES:

	Estimated Impervious Area	Equivalent Residential Unit	FY 2023 FY 2024
Tier 1	Less than 3,000 sq. ft.	0.75	\$5.77 \$6.63
Tier 2	3,000 sq. ft.- 4,500 sq. ft.	1.00	\$7.69 \$8.84
Tier 3	Greater than 4,500 sq. ft.	1.75	\$13.46 \$15.47

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	297 306
Apartments	B1, B10, B6	0.80	426 747
Business District	F1	0.85	7,099 5,994
Industrial District	F2, F3, F4, F5, J3, J4, J5	0.7	356 232
Railroad Yard Areas		0.30	0
Parks, Playgrounds, Greenbelts, Cemeteries		0.31	0 1
Private Streets		0.83	0
Agriculture Uses	D1, E5R, E2, E3	0.05	174 44
Commercial Stock	C1	0.17	4,695 723

NON-SINGLE FAMILY RESIDENTIAL (COMMERCIAL) RATE:

Type of Use (Non-Single-Family Commercial)	YR 2023 <i>FY 2024</i>
Non-Single Family Rate (Commercial)	\$7.69 per unit <i>\$8.84 per unit</i>

ALTERNATIVES:

The alternative would be to maintain storm water revenues to be collected at FY 2023 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 2024.

FISCAL IMPACT:

N/A

Funding Detail:

Fund: N/A
Organization/Activity: N/A
Mission Element: N/A
Project # (CIP Only): N/A
Account: N/A
Amount: N/A

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, repealing conflicting provisions, and providing a savings clause.

LIST OF SUPPORTING DOCUMENTS:

- Ordinance
- Council Presentation