



AGENDA MEMORANDUM

First Reading for the City Council Meeting of August 30, 2022
Second Reading for the City Council Meeting of September 6, 2022

DATE: August 30, 2022
TO: Peter Zaroni, City Manager
FROM: Gabriel Hinojosa, Interim-Public Works Director
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**PUBLIC HEARING AND FIRST READING ORDINANCE TO CONSIDER
AN 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:

Public Hearing and first reading ordinance amending 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.

SUMMARY:

Public Notice is hereby given that the Corpus Christi City Council will hold a public hearing to consider amending Section 55-709, Drainage Utility Charge, of the City Code of Ordinances to levy an amended schedule of storm water drainage charges on August 30, 2022 during the Council meeting beginning at 11:30 a.m. in the City Council Chambers, 1201 Leopard Street, Corpus Christi, Texas.

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.

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
- Remove storm water from the water rate to create financial transparency
- 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.

The FY 2023 service enhancements include:

- In-House Street Sweeping Program: Increase sweeping of Collectors from two to four times a year
- Inlet Maintenance and Cleaning Crew Enhancement: Decreased inlet maintenance interval from a 3.5 year-cycle to a 1.3 year-cycle
- Maintaining the Storm Water Utility Assistance Program for qualified ratepayers
- The creation of the Emergency Storm Water Improvement Program, which will provide \$500,000 for emergency storm water capital projects that need to be performed to protect the health and safety of the community and for which no other funding source is identified
- Storm Water staff professional development and technical training program, which aims to effectively lower the average gap of skills in the operation of new heavy equipment

FY 2024-2027 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 8 to 12 annual sweeping cycles
 - collectors from 4 to 12 annual sweeping cycles
- Inlet Maintenance and Cleaning Crew Enhancement: Increased cleaning cycles from three to two years
- Minor storm water channel maintenance crew to the existing crew to begin a planned maintenance program for the City's minor storm water channels ("bar ditches")
- Vegetation Maintenance: Herbicide and Mowing Improvements
- ID/IQ Construction Contract: Bridge, Channel and Infrastructure Rehabilitation
- Continued Bay Water Quality Improvements

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 ~~beginning~~ began on January 1, 2022 and will be amended on October 1, 2022 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	84,957 91,278	1

TIERED SINGLE-FAMILY RESIDENTIAL DRAINAGE FEES:

	Estimated Impervious Area	Equivalent Residential Unit	FY 2022 <i>FY 2023</i>
Tier 1	Less than 3,000 sq. ft.	0.75	\$4.59 \$5.77
Tier 2	3,000 sq. ft.- 4,500 sq. ft.	1.00	\$6.12 \$7.69
Tier 3	Greater than 4,500 sq. ft.	1.75	\$10.71 \$13.46

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	265 297
Apartments	B1, B10, B6	0.80	379 426
Business District	F1	0.85	6,536 7,099
Industrial District	F2, F3, F4, F5, J3, J4, J5	0.7	480 356
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	37 174
Commercial Stock	C1	0.17	44 1,695

NON-SINGLE FAMILY RESIDENTIAL (COMMERCIAL) RATE:

Type of Use (Non-Single-Family Commercial)	YR 2022 <i>FY 2023</i>
Non-Single Family Rate (Commercial)	\$6.12 per unit \$7.69 per unit

The FY 2023 Storm Water program includes proposed municipal drainage fee rates at the smallest possible impact to ratepayers while also being able to successfully meet scheduled debt obligations for prior year storm water capital projects. The financial impact to the average Single-Family Residential ratepayer in any tier is \$2.24 per parcel while the financial impact to the average Non-Single Family Residential (Commercial) ratepayer amongst any land use designation is approximately \$24.72 per parcel. For those observing an increase to their monthly Storm Water Fee, the Utility Assistance Program (UAP) will continue to be implemented for the low-income, seniors (65 years of age and older) and disabled.

ALTERNATIVES:

The alternative would be to maintain storm water revenues to be collected at FY 2022 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 2023.

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