



## AGENDA MEMORANDUM

Resolution for the City Council Meeting of February 9, 2021

**DATE:** January 6, 2021

**TO:** Peter Zaroni, City Manager

**FROM:** Al Raymond, III, AIA, CBO, Director-Development Services  
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Request to Contract with Pape-Dawson Engineering, Inc. to provide Comprehensive Master Planning and an Impact Fee Study

### **CAPTION:**

Resolution authorizing a professional services contract with Pape-Dawson Engineers, Inc of San Antonio, Texas in the amount of \$2,289,700 for providing civil engineering services to conduct an impact fee study and master plan studies pertaining to water, wastewater, drainage and roadways.

### **PURPOSE:**

This service agreement will initiate an effort to create comprehensive master plans for our water, wastewater, stormwater, and roadways and to conduct an impact fee study which will ultimately provide recommendations for an infrastructure fee schedule with respect to new development.

### **BACKGROUND AND FINDINGS:**

The establishment of the Utilities Infrastructure Trust Funds started in direct response to the city's perceived lack of planning and leadership in installing required master planned infrastructure prior to 1982. The development community working with City staff created a mechanism, the Utility Trust Funds, to reimburse developers for the costs of extending water and wastewater infrastructure.

The original Water and Wastewater Trust Fund ordinances were passed in June and November of 1982. The ordinances established the fee structure and rules of engagement. In 2003, another ordinance was passed adding lift stations and force mains as reimbursable items under the Wastewater Trust Fund.

The Trust Funds are populated with fees assessed when properties are platted and with fees from service taps. The Trust Fund generates an average of \$1.5M annually. From 1982 to 2020 (38 years), the Trust Funds have paid reimbursements requests totaling \$34M and this is the City's primary source for funding growth and infrastructure

expansion.

City Council gave direction to staff, at the August 13, 2019 meeting, to reexamine the Trust Funds and to provide recommendations on policies that govern the priority, order, reimbursement rate and fees charged by the trust funds. City Council directed staff return within 75 days and present their recommendations.

Staff conducted detailed research into how the Trust Funds were created and the establishment of the lot and acreage, surcharge and pro-rata fees charged during the platting process to reimburse developers for the installation of new water and wastewater infrastructure that is required to serve the development. Additionally, staff contracted a third-party consultant, that had previously provided a report, to the City, on the Trust Funds and staff asked for an update to that report and provided recommendations for an alternative means of funding infrastructure.

One of the recommendations, provided by the consultant, was to examine impact fees to fund new infrastructure. Transitioning to impact fees would support a more comprehensive, planned approach to infrastructure expansion. Corpus Christi has reached the size where most other Texas cities have adopted impact fees to fund growth related infrastructure expansion. The process for establishing impact fees is outlined in Texas Local Government Code Chapter 395, Financing Capital Improvements Required by New Development in Municipalities, Counties and Certain Other Local Governments.

The City issued an RFQ for Master Planning and Impact Fee Study in May 2020; the proposals was due in June 2020; submissions were reviewed, interviews were conducted, and the City selected Pape-Dawson Engineers, Inc; contract negotiations were conducted in July 2020; and Development Services along with Planning, Public Works and the Utilities Department will present to City Council in January 2021.

**ALTERNATIVES:**

Deny the request and continue with the current incremental master planning and trust fund fee model. The outdated planning and development fee models fail to account for the cost's future development places on roads, storm water and facilities upgrades needed to support the new development areas. Additionally, capital improvement project planning and funding is not taken into consideration under the current fee and planning model. The costs of required improvements needed to support the impact of new development are placed on current rate and taxpayers.

**OTHER CONSIDERATIONS:**

Not applicable.

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

## **DEPARTMENTAL CLEARANCES:**

None.

## **FINANCIAL IMPACT:**

The cost for this professional services contract is being shared by Development Services and Utilities Departments. \$800,000 is being provided from the operating budgets of Water and Wastewater Utilities and \$1,489,700 is being provided from the departmental operating budget from Development Services. This item is not taking any funding from the general fund.

### **Funding Detail:**

Fund: 4670 (Development Services)  
Organization/Activity: 11300  
Mission Element: 281  
Project # (CIP Only): N/A  
Account: 530000

### **Funding Detail:**

Fund: 4010 (Water Operating Fund)  
Organization/Activity: 30000  
Mission Element: 041  
Project # (CIP Only): N/A  
Account: 530000

### **Funding Detail:**

Fund: 4200 (Wastewater Operating Fund)  
Organization/Activity: 33000  
Mission Element: 042  
Project # (CIP Only): N/A  
Account: 530000

## **RECOMMENDATION:**

Staff recommends approval of this request to award Pape Dawson Engineers, Inc. a professional services agreement for master planning services and water, sanitary sewer, drainage and roadway impact fees study in the amount of \$2,289,700.

## **LIST OF SUPPORTING DOCUMENTS:**

Resolution, Evaluation Matrix, Professional Services Agreement, Presentation