



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of 6/18/2019
Second Reading Ordinance for the City Council Meeting of 6/25/2019

DATE: May 20, 2019

TO: Peter Zaroni, City Manager

FROM: Nina Nixon-Mendez, FAICP, Director of Development Services
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<p>Amendment to the City Code of Ordinances, Article I, Sec. 49-12</p>

CAPTION:

Ordinance amending Corpus Christi Code of Ordinances Section 49-12 to require applicant(s) to provide a current fair market value appraisal for the closure of improved streets, alleys, or rights-of-way, require payment of fair market value for improved alleys, and update outdated terms or language.

PURPOSE:

The purpose of this ordinance is to amend language in Sec 49-12 paragraph C to require the applicant to provide a current fair market value appraisal at the applicant's expense for improved streets. Additionally, it requires payment of fair market value for improved alleys and updates outdated terms or language.

BACKGROUND AND FINDINGS:

The Corpus Christi City Code of Ordinances Article I. Sec 49-12 currently requires the City to provide a fair market value appraisal even when the City is not initiating the application. Prior to closing a street, alley or public right-of-way, the City would obtain a fair market value appraisal of the right-of-way. If the applicant does not agree with the appraised value, then the applicant can obtain their own appraisal. The Code requires a fair market value appraisal for all applications whether improved or unimproved. The Code provides that applicants pay the fair market value for improved streets and rights-of-way, but the Code does not require payment for improved alleys.

The City of Corpus Christi's Development Services Department is a fee-for-service department. The City no longer has a licensed Real Estate appraiser on staff to calculate the fair market value of a property. The fees charged for a street, alley, or public right-of-way closure application do not include charges associated with acquiring a fair market value appraisal. The cost for an appraisal can range from \$1,500 to \$4,500 depending upon complexity. The current street closure application fee of \$605.00 does not include the extra cost associated with obtaining a fair market

value appraisal. The department must contract with real estate appraisal companies to obtain a fair market value appraisal at a cost to the City. The costs associated with obtaining a fair market value appraisal for an improved street, alley or public right-of-way should be the responsibility of the originator of the request.

On June 18, 2019, City Council approved the first reading of the ordinance and requested staff amend the ordinance for the second reading. The ordinance had required the applicant to provide a current fair market value appraisal at the applicant's expense for improved streets and alleys. Since improved streets require fair market value payment, Council members requested the term "unimproved" be better defined to ensure that caliche roads were not considered improved streets. Discussion also centered on using the county appraisal district values for fair market value determination up to \$20,000. If the value exceeded that amount a current appraisal should be obtained by the applicant. After careful consideration and review of other municipalities staff determined \$5,000 to be a more appropriate value.

Therefore, in response to Council discussion code language was modified to state: "fair market value of an improved street, alley, or right-of-way shall be established by the average of the values of the adjoining parcels using the current county appraisal district valuation. Should the average valuation for the area to be vacated exceed five thousand dollars, a current appraisal shall be obtained by the applicant." Also, language was added to define unimproved streets and alleys as not being improved with asphalt or concrete pavement.

ALTERNATIVES:

Denial of the proposed amendment and continue under the existing language in this section of the City Code of Ordinances.

OTHER CONSIDERATIONS:

CONFORMITY TO CITY POLICY:

These requirements are compliant with the City Code of Ordinances.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Utilities and Finance Department stated no objections regarding the proposed language amendment.

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital X Not Applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # (**CIP Only**):

Account:

RECOMMENDATION:

Staff recommends approval.

LIST OF SUPPORTING DOCUMENTS:

Ordinance

PowerPoint Presentation