



AGENDA MEMORANDUM
City Council Meeting February 25, 2020

DATE: February 17, 2020

TO: Peter Zanoni, City Manager

FROM: Albert Raymond III, AIA, CBO, Director, Development Services
alraymond@cctexas.com
(361) 826 - 3276

Alternative Utility Financing Study Update / Impact Fee Study and Implementation Plan
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STAFF PRESENTERS:

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
Al Raymond	Director	Development Services
Michael Dice	Assistant Director	Development Services

BACKGROUND:

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 as a means to reimburse developers for the installation of new utilities infrastructure that is required for new residential and commercial development. Additionally, staff contracted a third-party consultant to review the current trust fund model and provided recommendations for an alternative means of funding the installation of new water and wastewater utilities infrastructure. One of the recommendations was to examine impact fees as a way to fund new utilities infrastructure installation. Impact fees are utilized by several Cities of a size that is equal to or larger than Corpus Christi. 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 Development Services Department held bi-monthly stakeholder meetings with local developers, design professionals, landowners and city staff. To discuss in detail the function and sustainability of the Trust Funds. On January 10, 2020, a briefing to this group on the findings of the consultant's report and subsequent recommendation to transition away from the current trust

fund fee model to impact fees occurred. In response to the consultant's report related to the recommendation of transiting to impact fees, DSD received requests by members of the stakeholder group for a more detailed briefing on impact fees. DSD engaged a consultant with extensive knowledge and technical expertise to assist municipalities in impact fee implementation. This consultant gave an excellent impact fee presentation to our stakeholders group on January 27, 2020.

DSD gave a briefing to City Council on January 28, 2020, on the status of the Trust Funds, background and history as well as an update on the Alternative Utility Financing Study. Council requested that DSD work on implementing impact fees in the City of Corpus Christi in 18 months.

DSD has taken on the challenge and is working to establish an implementation timeline and a rough order of magnitude of costs. Solicitation of professional services for the City of Corpus Christi is a three to six month process, thus impacting the overall timeline. Additionally, the review and selection process is another one to three months. Due to the Council's direction of an expedited timeline, DSD has consulted Pape-Dawson Engineers to be sole sourced to lead the master planning and impact fee study effort.

Pape-Dawson Engineers is one of the largest and most respected engineering firms in Texas. Being in business for more than 50 years with offices across the state of Texas, Pape-Dawson has completed numerous public improvement projects such as, SAWS Medio Creek, US 281 feasibility study, Alamo plaza master plan, complete streets study for San Antonio, and the TxDot US 290 corridor study. After consultation with Pape-Dawson, DSD has the confidence that they can meet the Council's expedited timeline in the most cost effective and efficient manner. Therefore, the February 25, 2020 presentation will briefly review the background and history of the Trust Funds, however the primary focus will be on establishing an implementation timeline. DSD will request Council consideration in an upcoming City Council meeting and approval of the finalized Pape-Dawson proposal for \$700,000 for the master planning and impact fee study for roads, wastewater, water, and stormwater utilities with the deliverable date of December 2021.

LIST OF SUPPORTING DOCUMENTS:

Report - Alternative Utility Financing Study
Presentation (Not Included)