



AGENDA MEMORANDUM

Public Hearing/First Reading for the City Council Meeting August 31, 2021
Second Reading for City Council Meeting September 7, 2021

DATE: August 31, 2021

TO: Peter Zaroni, City Manager

FROM: Richard Martinez, Director of Public Works
RichardM5@cctexas.com
(361) 826-3419

<p>PUBLIC HEARING AND FIRST READING ORDINANCE TO CONSIDER AN ORDINANCE AMENDING CHAPTER 55, UTILITIES, OF THE CITY CODE OF ORDINANCES TO LEVY A SCHEDULE OF STORM WATER DRAINAGE CHARGES</p>

CAPTION:

Ordinance amending Chapter 55, Utilities, of the City Code of Ordinances to levy a schedule a schedule of storm water drainage charges.

SUMMARY:

Public Notice is hereby given that the City Council of the City of Corpus Christi will hold a public hearing to consider amending a City ordinance levying a schedule of drainage charges on August 31, 2021 during the Council meeting beginning at 11:30 a.m. in the City Council Chambers, 1201 Leopard Street, Corpus Christi, Texas.

Ordinance amending Chapter 55, Utilities, of the City Code of Ordinances to levy a schedule of stormwater drainage charges to all benefitted properties in the service area of the City of Corpus Christi, Texas; creating a drainage utility fund; providing exemptions; providing for penalties, interest, and other remedies for nonpayment of drainage charges; providing an appeals and adjustment process, providing a repealer clause and savings clause.

BACKGROUND AND FINDINGS:

Since 1989 the City of Corpus Christi has funded storm water services through the water rate. For FY 2021, the water rate generates approximately \$140.7 million in revenue, of that approximately \$16.9 million is allocated for storm water services. The allocation amount does not include past debt services.

The Public Works Department was tasked by the Mayor and City Council with creating a fair and equitable fee structure for storm water that more accurately reflects usage of the City's drainage system. Additionally, Public Works was tasked with removing storm water from the water rate, creating a stable Storm Water revenue stream, and engaging stakeholders in the process.

In 2020, the City hired Raftelis and WSP, both of which are financial and management consultancy groups with specialized expertise in storm water fee structures and public outreach.

Since March 2020, City staff have held multiple stakeholder meetings and have continued working with both consultants as well as stakeholder groups to develop a storm water fee rate model.

During the development process last summer, Public Works was directed to pause the development of a proposed fee due to COVID-19 and the effects that such a fee might have on residents and businesses in the midst of a pandemic. It was decided that the fee process was to be postponed until 2021. In February 2021, the Mayor and City Manager gave direction to Public Works to resume the process of creating a standalone Storm Water Fee which will ultimately remove it from the water usage calculation.

The objectives of a new Storm Water fee are threefold:

- To create a stable revenue stream 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

The City's current storm water program does not adequately meet the needs of our growing area. Staff has recommended the implementation of a five-year plan of improvements which helps prevent flooding and keep pollution from getting into our creek, bays, estuaries, and ocean. The FY 2022 program enhancements include:

- In-house Street Sweeping Program: Increase Arterials from four to eight times a year
- Additional Inlet Cleaning and Inspection Crew: Increase to two crews
- Storm Water Utility Fee Team: Resolution and Utility Assistance Program
- ID/IQ Construction Contract: William Ditch and Glenoak Dr.
- Storm Water System Televising and Inspections Program

FY 2023-2026

- Street Sweeping: Transitioning Total Program to In-House and increasing residential from two to four times a year
- Additional Inlet Cleaning and Inspection Crew: Increased cleaning cycles from three to two years
- Additional Channel and Ditch Maintenance Crew: increase to two crews
- Vegetation Maintenance: Herbicide and Mowing improvements
- ID/IQ Construction Contract: Bridge, Channel and Infrastructure Rehabilitation
- Creek Monitoring and High-Water Detection System
- Continued Bay Water Quality Improvements

The program includes a proposed rate which will have a zero effect on the typical water consumer and for those seeing an increase a Utility Assistance Program will be implemented for the low-income, seniors (65 years of age and older) and disabled.

Drainage Utility Charge

- (a) A Drainage Utility Charge is hereby imposed upon each improved lot and parcel within the Service Area. The Drainage Utility Charge shall be billed beginning January 1, 2022

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 Equivalent Residential Unit (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 (SFR)	84,957	1

TIERED SINGLE-FAMILY RESIDENTIAL DRAINAGE FEES:

	Estimated Impervious Area	Equivalent Residential Unit	FY 2022
Tier 1	Less than 3,000 sq. ft.	0.75	\$4.59
Tier 2	3,000 sq. ft.- 4,500 sq. ft.	1.00	\$6.12
Tier 3	Greater than 4,500 sq. ft.	1.75	\$10.71

NON-SINGLE FAMILY RESIDENTIAL (COMMERCIAL) FACTORS:

<ul style="list-style-type: none"> Intensity of Development (IDF) factors derived from City Drainage Manual 	Property's state code determines which IDF is used
<ul style="list-style-type: none"> Rate Calculation = (Gross area (Sq ft.) x IDF)/3,280 sq.ft. 	1 stormwater unit = 3280 sq.ft.
<ul style="list-style-type: none"> 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

Apartments	B1, B10, B6	0.80	379
Business District	F1	0.85	6,536
Industrial District	F2, F3, F4, F5 J3, J4, J5	0.7	180
Railroad Yard Areas		0.30	0
Parks, Playgrounds, Greenbelts, Cemeteries		0.31	0
Private Streets		0.83	0
Agriculture Uses	D1, E5R, E2, E3	0.05	37
Commercial Stock	C1	0.17	14

NON-SINGLE FAMILY RESIDENTIAL (COMMERCIAL) RATE:

Type of Use (Non-Single-Family Commercial)	YR 2022
Non-Single Family Rate (Commercial)	\$6.12 per unit

ALTERNATIVES:

The alternative would be that storm water revenues would continue to be collected from the water rates.

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

RECOMMENDATION:

Staff recommends approval of the ordinance to consider amending a City ordinance levying a schedule of drainage charges and approval of the ordinance amending Chapter 55, Utilities, of the City Code of Ordinances to levy a schedule of stormwater drainage charges to all benefitted properties in the service area of the City of Corpus Christi, Texas; creating a drainage utility fund;

providing exemptions; providing for penalties, interest, and other remedies for nonpayment of drainage charges; providing an appeals and adjustment process, providing a repealer clause and savings clause.

LIST OF SUPPORTING DOCUMENTS:

Ordinance