



MEMORANDUM

Date: July 18, 2019

To: Development Services Department, City of Corpus Christi

From: Nina Nixon-Mendez, FAICP, Director, Development Services *nm*
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RE: Unified Development Code (UDC) Trust Fund Policy Interpretation

ISSUE: Policy interpretation of Section 8.5.1.C. Credits and Reimbursements 2. Distribution Main Extension determination is provided to ensure the equitable and correct assessment of credits and reimbursements for developer installed water lines.

BACKGROUND: The language found in this section of the UDC does not clearly prescribe the criteria of an eligible reimbursement for a Distribution Main greater than one-half mile in length (2640 feet) or greater than 12 inches in diameter. UDC Section 8.5.1.C.2 states the following:

2. Distribution Main Extensions: When a subdivision, single lot, or tract is developed within an existing grid or in the adjacent grid area, but is not adjacent to the grid main, the extension of a water line may be made to serve the property either by the City or the developer if such extension is necessary to meet the Water Distribution System Standards. The maximum extension shall be limited to one-half mile (2,640 feet) or, if the fee value of the property does not equal 50% of the off-site extension cost, the extension will not be made unless the developer provides the difference up to 50%, which difference shall be non-reimbursable.

The UDC section 1.11.3 defines:

Distribution main: Mains of 12 inches inside diameter, or smaller, connected to the supply mains that provide fire protection and domestic service.

Fee Value: The value of the fees that property would be charged including lot/acreage fees and surcharges.

Grid Loop: That portion of the grid system where the grid main is completely closed around an approximate square mile area, or as permitted by the distribution system standards up to a maximum of an approximate square mile area.

Transmission Mains: Mains of large diameter used to transport water from treatment facilities to distribution areas.

INTERPRETATION / FINDINGS: Previous Staff interpretation of the UDC language intent has resulted in inconsistent application of the reimbursement provision. In order to provide for a consistent interpretation of the intent of the text in this section of the UDC, the City reserves the right to interpret this section to mean the following:

- A. The maximum distribution main extension shall be limited to one-half mile (2,640 feet in length). This will be reimbursed at 100% if the developer pays the lot/acreage fee. Should the developer apply for a credit for lot/acreage fees, it will be reimbursed at 100% minus credit for the lot/acreage fee amount that would have been paid at plat recordation.

OR

- B. Should the maximum distribution main extension exceed one-half mile, reimbursement will be made in accordance with the following: If the fee value of the property does not equal or exceed 50% of the off-site extension cost, the extension shall not be made unless the developer provides the balance.

A reimbursement calculation example is shown below:

Proposed development 80 lots 3,000 feet from nearest grid main

Cost of extension \$240,000 (3,000 x \$80 LF)

50% = \$120,000

Lot fees = \$28,720 (80 x \$359/lot)

Tap surcharge + \$19,440 (80 x \$243)

Total Fees Value \$48,160

Total Fee Value is 20 % and does not equal 50% or greater of the extension cost

Developer Pays \$71,840 (\$120,000 - \$48,170 total fee value) (29% cost share)

Trust Fund Pays \$ 168,160 (71%) (\$120,000 + Credited fee value \$48,170)

A water main that is larger than 12 inches in diameter, based upon submitted public improvement plans, that does not comply with the Water Master Plan for water grid loop requirements or transmission main requirements, and is intended to be used as a distribution main per the submitted public improvement plans shall be reimbursed at the rate outlined above.

All other provisions in section 8.5 of the UDC still apply.

The term "adjacent" shall be considered to mean a parcel of land not widely separated from the grid main. Staff will consider the degree of adjacency to the grid main based on-site development context, taking into account natural features, roads, right-of-way, and or other barriers.