



AGENDA MEMORANDUM

First Reading for the City Council Meeting of October 19, 2021
Second Reading for the City Council Meeting of October 26, 2021

DATE: October 19, 2021
TO: Peter Zaroni, City Manager
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Ordinance Accepting and Appropriating Texas General Land Office-Coastal Management Program's Gulf of Mexico Energy Security Act Grant Funding and Authorizing a Real Estate Purchase for the Laguna Shores Rehabilitation - Redhead Pond Mitigation Project

CAPTION:

Ordinance accepting and appropriating the Gulf of Mexico Energy Security Act ("GOMESA") grant funding from the Texas General Land Office – Coastal Management Program in an amount of \$130,043.00 in the Community Development Grant Fund; and authorizing a Real Estate Sales Contract with Tracy Duncan in an amount of \$355,000.00 for the acquisition of 22.2427 acres, located in Council District 4, with FY2022 funding available from the Community Development Grant Fund.

SUMMARY:

This ordinance authorizes the acceptance of the Gulf of Mexico Energy Security Act ("GOMESA") additional grant funding from the Texas General Land Office (GLO) – Coastal Management Program and authorizes the acquisition of five tracts (approximately 22.2427 acres) located adjacent to Laguna Madre and the Redhead Pond area. The land will be used for the rerouting of stormwater associated with the Bond 2018 Laguna Shores street reconstruction projects. This project is expected to improve water quality, re-establish a vital freshwater source, and increase wildlife diversity in the area.

BACKGROUND AND FINDINGS:

Section 404 of the Clean Water Act requires mitigation that is approved by the United States Army Corps of Engineers (USACE) when fill material is placed in wetlands or waters of the United States. The Laguna Shores Road Reconstruction Project impacted 1.39 acres of surrounding wetland areas. The USACE Section 404 permit for Laguna Shores Road required a 4:1 minimum mitigation ratio. The City proposed the Redhead Pond Restoration as the wetlands mitigation project to support the Laguna Shores Road reconstruction.

Redhead Pond area has historically been a freshwater resource for wintering redhead ducks and other shorebirds. Over time, the pond has become more saline/brackish due to changes to surface flows as a result of development and tidal influence. The Wetlands Mitigation Plan for the Laguna Shores Rehabilitation Project proposed to restore freshwater inflows into Redhead Pond by re-directing storm drainage into the pond. This action will restore freshwater inflows into Redhead Pond and improve the

quality of this habitat. To help fund the Redhead Pond Project, the City applied for and accepted a Gulf of Mexico Energy Security Act of 2006 (GOMESA) grant to acquire the necessary property.

On February 9, 2021, City Council passed an ordinance to accept \$253,307.00 of GOMESA grant funding to acquire the subject properties. Subsequent to the original grant application, the property was appraised at \$383,350.00. The new appraisal left a shortfall of \$130,043.00 in grant proceeds for the land purchase. In July 2021, the GLO approved additional GOMESA grant funding for the land acquisition.

To date, the City has obtained a “Willing Seller” Letter, Title Commitment, Phase I - Environmental Site Assessment (ESA), and a property appraisal. It was concluded that a Phase II - Environmental Site Assessment was not needed. To proceed with the Section 404 mitigation plan, the City must acquire the property adjacent to Redhead Pond and contiguous to the existing Texas Parks & Wildlife Department’s Redhead Pond Wildlife Management Area. The terms of the grant require that the property be retained and maintained forever in a predominately natural vegetative condition for the purpose of protecting, conserving, and restoring coastal areas and habitats.

Upon Council approval, the City will purchase the subject property to support the Laguna Shores Rehabilitation – Section 404 Mitigation Plan.

ALTERNATIVES:

The alternative is to not accept the additional grant funding and not purchase the adjacent land. The City would then need to develop an alternative plan to satisfy the Section 404 Wetlands Mitigation requirements for the Laguna Shores Rehabilitation Project.

FISCAL IMPACT:

The fiscal impact in FY2022 is an amount of \$355,000.00 with funding available from the Community Development Grant Fund.

FUNDING DETAIL:

Fund: Community Development Grant (Fund 1072)
Mission Elem: N/A
Account: 290202
Activity: 870104-S-1072-EXP
Amount: \$130,043

RECOMMENDATION:

Staff recommends approval of the ordinance to authorize the acceptance and appropriation of the GOMESA grant. This grant will fund the acquisition of 24.43 acres of wetland and upland property which includes the 9.0-acre Redhead Pond. The acquisition of this property is expected to improve water quality, reduce non-point source pollution, re-establish fresh and brackish marsh habitats, and increase wildlife diversity in the area.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Location Map
Appraisal
Title Commitment
Real Estate Contract
Mitigation Plan – Laguna Shores Rehabilitation – Segments 1, 2, and 3

Phase I ESA