



AGENDA MEMORANDUM

First reading ordinance for the City Council Meeting of May 17, 2022
Second reading ordinance for the City Council Meeting of May 24, 2022

DATE: April 27, 2022

TO: Peter Zanoni, City Manager

FROM: Heather Hurlbert, CPA, CGFO Director of Finance and Procurement
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Appropriate funds and amend the FY 2022 Capital Improvement budget for planning and design of the Oso Creek Channel Bottom and Green Infrastructure project.

CAPTION:

Ordinance amending the FY 2022 Capital Budget by adding the planning and design of the Oso Creek Channel Bottom and Green Infrastructure project, totaling \$4,751,000.00, and increasing expenditures; appropriating \$4,751,000 of loan proceeds from the Texas Water Development Board into the Stormwater Property Acquisition Fund; and amending the FY 2022 Operating Budget to increase revenues by \$4,751,000.00.

SUMMARY:

This ordinance amends the FY 2022 Capital Improvement budget and appropriates funds for planning and design of the Oso Creek Channel Bottom and Green Infrastructure project.

BACKGROUND AND FINDINGS:

The Clean Water State Revolving Fund (CWSRF), authorized by the Clean Water Act, provides low-cost financial assistance for planning, acquisition, design, and construction of wastewater, reuse, and stormwater infrastructure. Eligible applicants for the CWSRF include cities, counties, districts, river authorities, designated management agencies, authorized Indian tribal organizations, and public and private entities proposing nonpoint source or estuary management projects.

In March 2020, the City of Corpus Christi submitted a project information form (PIF) to request funding for the Oso Creek Channel Bottom Rectification and Green Infrastructure Project. This project will address a 12-mile section of Oso Creek channel from Greenwood Drive to Cayo del Oso including channel modifications to remove peaks and valleys, and implement bank stabilization, revegetation, and other green infrastructure techniques. It will advance long term resilience by enhancing capacity of

stormwater system and improving water quality. The total project cost is estimated at \$44 million. This includes \$4,751,502 for planning and designs costs. The TWDB stated that the city could phase the project and could apply in a subsequent year for construction.

The TWDB added this project to the State's 2021 Intentional Use Plan (IUP) and issued an invitation to apply for financial assistance on January 22, 2021. The Oso Creek project was ranked as number one in the IPU under the category of Nonpoint Source Pollution, and \$17.5 million in financial assistance is available for the project along with an opportunity of \$4,250,000 in principal forgiveness.

In January 2022 the TWDB notified the City that that the project application was approved for \$4,751,000 in funding for the design phase. Of the total funding, \$1,190,000 of principal is forgivable since the service area of the project qualifies as a disadvantaged community under the CWSRF.

The Oso Creek project was not included in the FY 2022 Capital Improvement budget so the budget must be amended to include this project totaling \$4,751,502 and appropriate the funds.

ALTERNATIVES:

City Council could choose to not to approve the amendment and the funds will not be able to used for the project.

FISCAL IMPACT:

The Capital Improvement budget will be amended to include the Oso Creek Channel Bottom and Green Infrastructure project totaling \$4,751,502.

FUNDING DETAIL:

Fund:
Organization/Activity:
Mission Element:
Project # **(CIP Only)**:
Account:

RECOMMENDATION:

Staff recommends approval of the resolution for the principal forgiveness agreement.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Project Sheet