



AGENDA MEMORANDUM
City Council Meeting of September 15, 2015

DATE: September 10, 2015
TO: Ronald L. Olson, City Manager
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Briefing on RESTORE Act

STAFF PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1. Tom Tagliabue	Director	Intergovernmental Relations
2. Sharon Bailey Lewis	Environ. Program Specialist	Environmental/ Strategic Initiatives

OUTSIDE PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Organization</u>
1. None		

BACKGROUND :

The Resources and Ecosystem Sustainability Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) was enacted on July 6, 2012, in response to impacts arising from the BP *Deepwater Horizon* oil spill and the resulting restoration requirements. Congressional intent also established that the RESTORE Act is not just in response to the *Deepwater Horizon* incident, but also to address environmental and economic impacts as a result of decades of oil and gas development in the Gulf of Mexico. The Act is limited to the five coastal states on the Gulf of Mexico – Florida, Alabama, Mississippi, Louisiana and Texas. One of the most

common misperceptions of the RESTORE Act is that only areas directly impacted by the Deepwater Horizon spill are eligible for project funding. That is incorrect. Congressional intent was also to address environmental and economic impacts as a result of decades of oil and gas development in the Gulf of Mexico.

The RESTORE Act dedicates 80 percent of all administrative and civil penalties related to the British Petroleum (BP) *Deepwater Horizon* spill to a Gulf Coast Restoration Trust Fund to restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, and economy of the Gulf Coast region with funding divided into 5 “Buckets”

- BUCKET 1 -- 35 percent of the money divided equally between the five Gulf States for ecological and economic restoration efforts in the region;
- BUCKET 2 -- 30 percent of the money through the Council to implement a comprehensive plan for ecosystem and economic recovery of the Gulf Coast;
- BUCKET 3 -- 30 percent of the money for States’ plans to address based on impacts from the Deepwater Horizon oil spill;
- BUCKET 4 -- 2.5 percent of the money to create the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring and Technology Program within the Department of Commerce’s National Oceanic and Atmospheric Administration (NOAA); and
- BUCKET 5 -- 2.5 percent of the money to the Centers of Excellence Research grants, which will each focus on science, technology, and monitoring related to Gulf restoration. *(In June 2016, the two centers which were designated as Centers of Excellence by Governor Rick Perry, Texas OneGulf at Texas A&M University-Corpus Christi and the Subsea Systems Institute at the University of Houston, received a combined \$4.036 million)*

On July 2, 2015, BP settled litigation with federal government and five coastal states for \$18.7B. The Texas share is approximately \$750M. This is in addition to the TransOcean settlement, which secured \$56 million for Texas.

The City held a public outreach meeting on April 10, 2013, at the Del Mar College Center for Economic Development to initiate the exercise of gathering information and gauging the interest in regional approaches that accomplish one or more of the five goals established by the RESTORE Act. More than 100 citizens attended and presented ideas and projects that addressed a variety of potential strategies for restoring the Gulf of Mexico. City staff is continuing to develop a list of strategies internally and giving the public more opportunities to provide ideas for projects.

The Gulf Coast Ecosystem Restoration Council held a public hearing in Corpus Christi on August 20, 2015, at Texas A&M University-Corpus Christi – the only hearing held in Texas, on the draft funded priorities list (FPL) for Bucket 2. The list of projects focused on habitat and Water Quality. In Texas, projects include those located in Laguna Madre, Matagorda Bay, and Galveston Bay.

The federal RESTORE Council placed a great deal of importance on leveraging of funding for projects. For every \$1 the Council spends from Bucket 2 would build upon \$7 of prior, concurrent, or future investments.

Staff previously submitted several projects for Buckets 1 and 2 consideration. These projects were the result of public input received in April 2013 and subsequent meetings with City staff and stakeholders. While none of these were selected by the RESTORE Council for Bucket 2 funding in the first round, future rounds hold opportunity for funding. We will also submit these projects for Texas (Bucket 1) consideration. These projects are not in priority order, but are developed with specific program emphasis, Under Aquatic Habitat Restoration, we proposed a regional partnership pilot oyster shell reclamation project for an oyster reef in Aransas Bay; making improvements to environmental flows to the Nueces Delta; renourishing McGee and North Beaches; and several projects for Oso Watershed Protection and Restoration. Under Integrated Water Quality Protection, City staff proposed several integrated stormwater management projects, including some drainage ditch improvements and low-impact development improvements to clean up stormwater discharges into Corpus Christi Bay. Under Community Resiliency, we submitted funding requests for disaster recovery and re-development planning, and several flood protection improvements. Over all, these three categories of project submittals total more than \$150 million.

At the August 20, 2015, RESTORE Council meeting in Corpus Christi, TCEQ Commissioner Toby Baker said the State of Texas would issue its framework and project priorities for Bucket 1 funds. Those were released the following day and are included as attachments to this memo.

While much of Bucket 2 is focused on habitat and the environment, the State of Texas is placing great emphasis on the economic benefits of a project. This is an area where staff believes the City's emphasis on infrastructure projects that improve water quality which will benefit the tourism economy is well positioned to score well. The final discretionary authority on project scoring and selection rests with the Governor or his designee (Commissioner Toby Baker).

Four public listening sessions are scheduled in September (see letter attached). The Corpus Christi session is Tuesday, September 29, 2015, from 6:30 – 8:30 p.m. at Texas A&M University-Corpus Christi. A call for projects will follow in early 2016 with project awards occurring in the summer of 2016.

LIST OF SUPPORTING DOCUMENTS:

1. Presentation RESTORE Act Briefing 091515
2. Copy of RESTORE Act 2012
3. City of Corpus Christi RESTORE Act Timeline
4. Priorities for State-Controlled RESTORE Funded Projects
5. Framework for Implementing the RESTORE Act on the Texas Gulf Coast
6. List of submitted City of Corpus Christi RESTORE Act projects
7. Justin Ehrenwerth presentation from 08/21/15 public hearing in Corpus Christi
8. Copy of Commissioner Baker's letter to Mayor Martinez 08/21/15