



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 20, 2018
Action Item for the City Council Meeting of February 27, 2018

DATE: February 14, 2018
TO: Margie C. Rose, City Manager
FROM: Tom Tagliabue, Director, Intergovernmental Relations
tomtag@cctexas.com
361.826.3850

Texas Defense Economic Adjustment Assistance Grant Program in an amount of \$6.016M

CAPTION:

Ordinance authorizing acceptance of two grant agreements totaling \$6,016,014 from the Office of the Texas Governor to construct a new water pipeline to Naval Air Station Corpus Christi and construct perimeter fencing and access control gates at the Corpus Christi Army Depot, appropriating into the Water Grants Fund and the Community Development Grant Fund and providing \$270,001 as in-kind local match.

PURPOSE:

To receive the Defense Economic Adjustment Assistance Grant (DEAAG) program funds, the State of Texas requires award recipients to sign Grant Agreements identifying the responsibilities of the recipient and the State. No appropriation of local funds is needed because the match is in-kind services provided by City staff. Reimbursement grant funds will be deposited into Fund 1052 Water Grant Fund (for NASCC) and Fund 1072-Community Development Grant Fund (for CCAD).

BACKGROUND AND FINDINGS:

On December 13, 2017, the City of Corpus Christi was awarded two grants from the State of Texas totaling more than \$6,000,0000 for a new water supply line for Naval Air Station Corpus Christi (NASCC) and perimeter fencing and access control gates for Army helicopter repair facilities at the Corpus Christi Army Depot (CCAD). The Texas Military Preparedness Commission (TMPC) selected the City's applications from 13 submitted for the Defense Economic Adjustment Assistance Grant (DEAAG) program. Applicants requested more than \$42 million worth of projects for the \$20 million in funding appropriated by the 85th Texas Legislature.

The City's project for NASCC called for construction and connection of a new water pipeline on the north perimeter of Naval Air Station Corpus Christi to strategically ensure resilient and redundant supply of water to the base's 41 tenant commands and the 506 facilities that are

critical to the base's mission. According to the City's NASCC DEAAG application, the City's Utilities Department will invest just under \$1.05 million of Capital Improvement Program Bond Funds to extend a water line along Ocean Drive from Ennis Joslin to Navy property. DEAAG funds (\$2,734,700) will be used to extend the water line on Navy property to the water plant on the base. The City's in-kind contribution to the DEAAG-funded water line project totals \$136,735 for construction inspection and contract administration and financial management of the grants which will be funded by the Capital Improvement Bond funds.

The City's project for CCAD promotes the best in national security as the Army helicopter sustainment facilities undergo a physical security update. Perimeter fencing and access control gates will enhance the safety and well-being of all personnel, mission-critical aircraft, components and property. CCAD will also contribute more than \$1.0 million in Army Working Capital Funds to repair and replace fencing, gates, doors and security cameras damaged by Hurricane Harvey. The DEAAG-funded project (\$3,281,314.00) will be used to construct perimeter fencing and access control gates around Army helicopter repair facilities to enhance security of mission-critical aircraft and components for CCAD. The City's in-kind contribution to the DEAAG-funded security fencing project is \$133,266 for construction inspection, contract administration and financial management of the grant.

The tentative schedule for the both projects is for construction to begin in Summer 2018 and complete the project before the end of the State's 2018 fiscal year (August 31, 2019), as required by the DEAAG program. First, however, the Navy has to agree to accept the gift of these projects by the City. Mayor Joe McComb sent a letter to NASCC Commanding Officer Captain Phil Brock on January 17, 2018, initiating the gifting process.

ALTERNATIVES:

If Council does not approve the grant agreements, the projects will be canceled and the TMPC will allocate \$6.016M in grant funds to other defense communities.

OTHER CONSIDERATIONS:

none

CONFORMITY TO CITY POLICY:

Conforms to City policy. Whatever that means

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Budget, City Manager, Engineering, Finance, Legal, Utilities

FINANCIAL IMPACT:☐ Operating☐ Revenue☐ Capital☒ Not applicable (in-kind)

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s): N/A

Comments: None**RECOMMENDATION:**

Staff recommends approval of the grant agreements.

LIST OF SUPPORTING DOCUMENTS:

1. Ordinance
2. Presentation of Project Area Map
3. Award Letter for NASCC project
4. NASCC contract
5. Award Letter for CCAD project
6. CCAD contract
7. Exhibits NASCC
8. Exhibits CCAD
9. Mayor's Gift Letter