



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of August 14, 2018  
Action Item for the City Council Meeting of August 21, 2018

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**DATE:** July 9, 2018  
**TO:** Keith Selman, Interim City Manager  
**FROM:** Tom Tagliabue, Director, Intergovernmental Relations  
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Resolution requesting the Texas General Land Office (GLO) to allocate a portion of federal GOMESA funds to coastal cities.

### **CAPTION:**

Resolution of the City of Corpus Christi, Texas requesting that the State of Texas and the Texas General Land Office annually set aside a portion of the State Gulf of Mexico Energy Security Act (GOMESA) funds for Texas coastal cities and continue to fully fund the Coastal Erosion Protection Response Act (CEPRA) program with state revenues.

### **PURPOSE:**

The City, in partnership with its fellow members of the Texas Chapter of the American Beach and Shore Preservation Association (ASBPA), want the Texas General Land Office to re-allocate a portion of the funds it receives from GOMESA to Texas coastal cities in the same amount allocated to Texas coastal counties. From the \$40.5 million that Texas will receive in GOMESA funds, TxASBPA requested the GLO to allocate \$10.1 million to the Texas coastal cities, reducing the amount allocated to the State of Texas to \$30.4 million. The counties will still receive their \$10.1 million. The proposed Resolution requests that the State set aside an amount equal to the annual county share (\$10.1M in FY17) but reserved that for cities that have State-mandated coastal responsibilities under the Dune Protection Act (DPA), Open Beaches Act (OBA), Coastal Management Program (CMP), and Coastal Erosion Protection and Response Act (CEPRA). The counties will still receive its funds and will not have to distribute any to the cities.

### **BACKGROUND AND FINDINGS:**

The City of Corpus Christi is a member of the Texas Chapter of the American Shore and Beach Preservation Association (ASBPA), which was founded in 1926 by individuals who recognized the need for an organized effort to combat erosion, a serious problem in many coastal areas. The Texas Chapter of ASBPA was formed in 2005 and is dedicated to preserving,

protecting and enhancing the beaches, shores and other coastal resources of Texas.

Under the Federal Gulf of Mexico Energy Security Act (GOMESA), five Gulf of Mexico states -- Texas, Florida, Alabama, Mississippi and Louisiana -- and the counties or parishes bordering the Gulf of Mexico receive a guaranteed, direct annual federal payout of royalties from offshore oil and gas development in federal waters of the Gulf. In Texas, GOMESA funds are administered by the General Land Office (GLO) and can be used for a variety of coastal projects and there is no federal match requirement for GOMESA funds.

GOMESA royalty sharing payments have at times been substantial and at other times almost unnoticeable. The revenue share is a function of oil and gas production, state and county population, miles of shoreline, and the distance from the lease sites to the receiving government entity. Under the 2006 federal law, GOMESA Phase II took effect in FY 2017. Phase II substantially increases the royalty revenue payments available to the State and Texas coastal counties. Unfortunately, there is no set aside of GOMESA funds for cities and that is the issue the resolution seeks to address.

Under Phase II the State of Texas for 2017 receive \$40.5 million from the Federal Government of a maximum annual cap of \$100 million, which as mentioned above that the GLO will handle, and the Texas coastal counties will receive \$10.1 million, which comes directly from the Federal Government. The level of state and county payouts will change year-to-year but are guaranteed through 2055.

No legislative action is required to accomplish this request, only administrative action from the administering state agency -- the GLO.

### **ALTERNATIVES:**

The City could: (1) adopt the resolution, (2) not adopt the resolution or (3) take no action.

### **OTHER CONSIDERATIONS:**

The City of Port Aransas adopted the resolution on June 21, 2018. Other entities which have adopted the resolution include the City of South Padre Island and the Galveston Parks Board. Both the City of Galveston and Galveston County are considering the resolution in the future.

### **CONFORMITY TO CITY POLICY:**

GOMESA funds could assist with statutory responsibilities under the Dune Protection Act, the Open Beaches Act, the Coastal Management Plan, and the Coastal Erosion Planning and Response Act.

### **EMERGENCY / NON-EMERGENCY:**

Non-emergency

### **DEPARTMENTAL CLEARANCES:**

Legal, Parks and Recreation

### **FINANCIAL IMPACT:**

☐ Operating      ☐ Revenue      ☐ Capital      ☒ Not applicable

<b>Fiscal Year: 2017-2018</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s):

**Comments:**

**RECOMMENDATION:**

Staff recommends adoption of the resolution.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution