



AGENDA MEMORANDUM
Resolution for March 23, 2021

DATE: March 2, 2021

TO: Peter Zanoni, City Manager

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Resolution by the City Council of the City of Corpus Christi requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for financial assistance

CAPTION:

Resolution by the City Council of the City of Corpus Christi requesting financial assistance from the Texas Water Development Board for a 12-mile OSO Creek Channel Bottom and Green Infrastructure project; authorizing the filing of an application for financial assistance; and making certain findings in connection therewith.

SUMMARY:

This resolution authorizes an application for financial assistance from the Texas Water Development Board for \$4,751,502 for planning and design for the Oso Creek Channel Bottom and Green Infrastructure project. Financial assistance is through a low interest loan, with up to \$4,250,000 available in principal forgiveness. This is an application for financial assistance, and if the award is favorable, staff will bring the item back to City Council for consideration of acceptance.

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 would 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.

Both below market interest rate loans and loan forgiveness (similar to grants) are offered. Loan terms are available up to 30 years. Principal forgiveness is available on a limited basis to eligible communities. The Oso Creek project has been identified as eligible for principal forgiveness, subject to funding availability. Final principal forgiveness eligibility is determined following application review and documented in the Funding Award. For State Fiscal Year 2021, at least \$250 Million is available under the CWSRF for all financing options including \$28.6 Million in principal forgiveness.

ALTERNATIVES:

Continue to seek other funding sources for the project.

FISCAL IMPACT:

If the application is approved by the Texas Water Development Board, phase 1 of the project could be financed up to \$4,751,502 with an opportunity for principal forgiveness. Financing can be arranged through bonds, loan agreements, system revenue, contract revenue, or tax revenue pledges.

FUNDING DETAIL:

Revenue:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only):**

Account:

Expense:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only):**

Account:

RECOMMENDATION:

Staff recommends approval of the resolution.

LIST OF SUPPORTING DOCUMENTS:

Resolution
TWDB Invitation to Apply
SFY 2021 Intended Use Plan Appendix J.