

R-25

September 15, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$8,960,000, offset by grant reimbursement funds from the Economic Development Administration, for the Long Beach Flood Control Resiliency Improvement Project; and,

Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$8,960,000, offset by a transfer of Economic Development Administration grant reimbursement revenues from the Capital Grant Fund. (Citywide)

DISCUSSION

City Council approval is requested to appropriate grant funding received from the Economic Development Administration (EDA) for the Long Beach Flood Control Resiliency Improvement Project (Project).

During the Winter of 2017, storms caused extreme flooding, which triggered extensive damage throughout Long Beach. Staff received a high volume of issue-related calls concerning flooding. These storms impacted various residential and business areas, impeded traffic flow on the I-710 freeway, and caused significant property damage and economic impacts to businesses in Long Beach. This inclement weather led to the President declaring a national emergency at the time of this event.

Due to these severe storm events, on July 17, 2018, the City Council authorized the City Manager to apply for federal grant funds for the FY 18 EDA Economic Adjustment Assistance Program through the U.S. Department of Commerce. The EDA has a long history of successfully supporting disaster recovery and resiliency efforts and facilitating the timely and effective delivery of federal economic development assistance to support long-term community economic recovery planning, project implementation, redevelopment, and resiliency. On February 27, 2020, the EDA awarded a \$8,960,000 grant to the City and a grant agreement was fully executed in April 2020, for the implementation of the Project.

The Project consists of work needed to overhaul and rehabilitate storm drains and pump stations in critical flood areas throughout Long Beach. Improvements include the installation of 3,500 feet of new storm drain pipe, rehabilitation of seven pump stations, and upgrading seven storm drain systems in critical areas.

When completed, the Project is anticipated to reduce the potential for death, injury, and property damage due to flooding, promote long-term community economic recovery, and encourage private developers and business owners to continue to invest and create quality jobs in Long Beach. It will directly benefit more than 75 businesses with a total of 5,580 full-time employees within a half mile of the Project. It will also facilitate safe and efficient goods movement from the Port of Long Beach, which has a direct and indirect regional economic impact of approximately \$47 billion in business sales annually. Above all, the Project ensures long-term regional development, job growth, and economic resilience.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 21, 2020 and by Budget Analysis Officer Julissa José-Murray on August 26, 2020.

TIMING CONSIDERATIONS

City Council action is requested on September 15, 2020, to ensure timely completion of the Project in accordance with the EDA Grant expenditure timelines.

FISCAL IMPACT

The total cost of the Project is currently estimated at \$11,200,000, which includes design, construction, construction management, inspection, labor compliance, and project oversight costs. The City received a \$8,960,000 grant from the EDA, which will support the Project. The remaining \$2,240,000 represents the City's match and is supported by existing appropriation approved for this purpose within the Public Works Department.

An appropriation increase in the amount of \$17,920,000 is requested in the Capital Projects Fund Group in the Public Works Department. Of this amount, \$8,960,000 will be offset with grant reimbursement revenues received from the EDA. The remaining \$8,960,000 is a technical appropriation to allow for the transfer of EDA grant funds from the Capital Grant Fund, a fund within the Capital Projects Fund Group.

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council Priorities. Approval of this action is expected to have a positive impact on the local job market as described above.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ERIC LOPEZ
DIRECTOR OF PUBLIC WORKS

APPROVED:



THOMAS B. MODICA
CITY MANAGER