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# City of Corpus Christi – Recovery Plan

State and Local Fiscal Recovery Funds

2024 Quarter 4 Report

Reporting Period: Date of Award – December 31, 2024

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# 2024 Recovery Plan

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## General Overview

### Executive Summary

The American Rescue Plan Act of 2021 (ARPA) is a \$1.9 trillion economic stimulus bill signed into law by the President on March 11, 2021. This plan established the Coronavirus Local Fiscal Recovery Fund, which was intended to provide support to state, local and tribal governments in responding to the impact of the COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses. In addition, the funds were intended to lay the foundation for a strong, equitable economic recovery, not only providing immediate economic stabilization for households and businesses, but also by addressing systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

The City of Corpus Christi's first allocation from the ARPA Coronavirus Local Fiscal Recovery Fund of \$33,776,947 was received in May 2021 and the second allocation for the same amount was received in June 2022 for a total of \$67,553,894.00. The funds were to be used to mitigate the fiscal effects stemming from the public health emergency caused by the COVID-19 pandemic including COVID-19 related expenses, replacing revenue lost by local governments, assisting small businesses, households and non-profits, aiding impacted industries such as tourism, travel and hospitality, supporting essential workers, and improving water, sewer and broadband infrastructure. City Council was briefed by staff on May 11, 2021, and was provided with a list of potential projects compiled by executive staff representing projects across the City that may meet the expected criteria. On June 22, 2021, the Corpus Christi City Council adopted an ordinance accepting and appropriating \$67,553,894.00 from the American Rescue Plan Act (ARPA) to support aid to outdoor dining and major water infrastructure project upgrades.

On December 10, 2024, the Corpus Christi City Council approved an ordinance amending the appropriation of American Rescue Plan Act (ARPA) funds to include:

Citywide Water Infrastructure Improvements	\$30,000,000
Citywide Wastewater Lift Station Upgrades and Improvements	\$18,400,000
Citywide Stormwater Improvements	\$10,000,000
North Beach Drainage Improvements	\$1,254,480
Downtown Outdoor Dining Initiative and Infrastructure	\$26,414
Fire Station 3 Construction	\$4,050,000
Police and Fire Services	\$3,819,106
Administrative Grant Support	\$3,894

Through December 2024, the City of Corpus Christi has expended more than \$49 million of the SLFRF funding. This includes, but is not limited to, supporting aid to outdoor dining and major water infrastructure upgrade projects. More information on the projects can be found beginning on page 8 of this report under the Project Inventory section.

## **Uses of Funds**

The City of Corpus Christi allocated funds in compliance with the guidance received from the US Treasury, in alignment with the goals of the City Council, and for the benefit of the citizens of Corpus Christi.

The ARPA provided for allowable use in four categories:

1. Respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits or aid to impacted industries such as tourism, travel and hospitality
2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers
3. Provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenue collected in the most recent full fiscal year prior to the emergency
4. Make necessary investments in water, sewer, or broadband infrastructure.

City Council chose to primarily focus on the category of Investments in Water, Sewer and Broadband with majority of the funding focused on Water, Sewer and Stormwater Improvements that will benefit a large percentage of the citizens. A portion of the funding will be allocated to Revenue Replacement to fund the support of Police and Fire services, and the construction of a Fire Station, which will serve the citizens of Corpus Christi.

## **Water, Sewer and Broadband Infrastructure – \$59,654,480**

### ***Water***

The City has an aging infrastructure that needs replacement to improve water quality and reliability. Much of the aging infrastructure is in lower income neighborhoods. By allocating these funds to infrastructure improvements, future rate pressures are mitigated, which benefits all citizens. The Water Utility is identifying critical infrastructure and prioritizing it based on future replacement schedules and the overall impact on the system.

### ***Sewer***

The City has aging sewer lift stations that are in need of upgrades and improvements. These upgrades and improvements will provide for a more reliable system, which benefits all citizens. By allocating these funds to infrastructure improvements, future rate pressures are mitigated, which benefits all citizens.

### ***Stormwater/Drainage***

Various areas of the City are in need of drainage enhancements and improvements. There are neighborhoods across the City that routinely flood when the area experiences heavy or prolonged rains. Some of the inadequate drainage infrastructures are in lower income neighborhoods which experience

repeated flooding. By allocating these funds to infrastructure improvements, future rate pressures are mitigated, which benefits all citizens.

### **Public Health/Negative Economic Impacts – \$26,414**

Restaurants and bars were negatively impacted by COVID-19. Outdoor dining and gathering spaces have proven successful in allowing patrons to socially distance and provide dining and entertainment in areas that are not enclosed. The City plans to support the creation of outdoor eating and entertainment spaces in the downtown area. The Downtown Management District is working with businesses to create a plan for spending and execution for this allocation.

### **Revenue Replacement – \$7,873,000**

The City was fortunate to have limited revenue loss which was experienced primarily in areas that collected fees for services/programs that could not be offered due to COVID-19, Public Safety and Municipal Court due to suspension of trials and less law enforcement activities, and sales tax reductions in some industries. The City plans to recover a portion of the lost revenue and allocate it to support Fire and Public Safety services that were affected by COVID-19, administrative grant support, and the construction of a needed Fire Station.

### **Promoting Equitable Outcomes**

Many of these projects are just in the planning stages so qualitative data has not been gathered. A large portion of the infrastructure improvements will be done in the City's older, lower socioeconomic neighborhoods. As they continue to develop, the outcomes will be able to be calculated and discussed, in accordance with the guidance provided under the American Rescue Plan Final Rule.

### **Community Engagement**

City Council represents the citizens of Corpus Christi. The proposed projects were presented in an open session with the opportunity for Council members to provide input, as representatives of the citizens. These meetings are open to the City of Corpus Christi's citizens and provide an opportunity for the public to speak on the proposed projects under the SLFRF funding.

### **Labor Practices**

The City has experience in successfully administering prevailing wages and other labor requirements through the state and federal grant programs. These grant-funded contracts include services and infrastructure efforts. Projects undertaken using ARPA funding will comply with all federal labor requirements.

### **Use of Evidence**

Since the majority of the projects are infrastructure in nature, the City will determine the best approach to this once the projects are fully developed.

**Table of Expenses by Expenditure Category**

<b>Category</b>		<b>Cumulative expenditures to date (\$)</b>	<b>Amount spent since last Recovery Plan</b>
2	Expenditure Category: Negative Economic Impacts	\$26,413.87	\$400.00
2.1	Household Assistance: Food Programs		
2.2	Household Assistance: Rent, Mortgage, and Utility Aid		
2.3	Household Assistance: Cash Transfers		
2.4	Household Assistance: Internet Access Programs		
2.5	Household Assistance: Paid Sick and Medical Leave		
2.6	Household Assistance: Health Insurance		
2.7	Household Assistance: Services for Un/Unbanked		
2.8	Household Assistance: Survivor's Benefits		
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers		
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)		
2.11	Healthy Childhood Environments: Child Care		
2.12	Healthy Childhood Environments: Home Visiting		
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System		
2.14	Healthy Childhood Environments: Early Learning		
2.15	Long-term Housing Security: Affordable Housing		
2.16	Long-term Housing Security: Services for Unhoused Persons		
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities		
2.18	Housing Support: Other Housing Assistance		
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators		
2.20	Social Determinants of Health: Lead Remediation		
2.21	Medical Facilities for Disproportionately Impacted Communities		
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties		
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts		
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services		
2.26	Addressing Educational Disparities: Mental Health Services		
2.27	Addressing Impacts of Lost Instructional Time		
2.28	Contributions to UI Trust Funds		
2.29	Loans or Grants to Mitigate Financial Hardship		
2.30	Technical Assistance, Counseling, or Business Planning		
2.31	Rehabilitation of Commercial Properties or Other Improvements		
2.32	Business Incubators and Start-Up or Expansion Assistance		
2.33	Enhanced Support to Microbusinesses		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)		
2.35	Aid to Tourism, Travel, or Hospitality	\$26,413.87	\$400.00
2.36	Aid to Other Impacted Industries		
2.37	Economic Impact Assistance: Other		
5	<b>Expenditure Category: Infrastructure</b>	<b>\$42,043,005.36</b>	<b>\$7,229,983.08</b>
5.1	Clean Water: Centralized wastewater treatment		
5.2	Clean Water: Centralized wastewater collection and conveyance		
5.3	Clean Water: Decentralized wastewater		
5.4	Clean Water: Combined sewer overflows		
5.5	Clean Water: Other sewer infrastructure	\$17,761,453.53	\$3,439,730.63
5.6	Clean Water: Stormwater	\$3,792,989.12	\$2,398,269.99
5.7	Clean Water: Energy conservation		
5.8	Clean Water: Water conservation		
5.9	Clean Water: Nonpoint source		
5.10	Drinking water: Treatment		
5.11	Drinking water: Transmission & distribution	\$19,766,174.81	\$1,202,977.58
5.12	Drinking water: Transmission & distribution: lead remediation		
5.13	Drinking water: Source		
5.14	Drinking water: Storage		
5.15	Drinking water: Other water infrastructure		
5.16	Water and Sewer: Private Wells		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
5.17	Water and Sewer: IIJA Bureau of Reclamation Match		
5.18	Water and Sewer: Other	\$722,387.90	\$189,004.88
5.19	Broadband: "Last Mile" projects		
5.20	Broadband: IIJA Match		
5.21	Broadband: Other projects		
6	Expenditure Category: Revenue Replacement	\$7,873,000.13	\$5,126,862.57
6.1	Provision of Government Services	\$7,873,000.13	\$5,126,862.57
6.2	Non-federal Match for Other Federal Programs		

## **Project Inventory**

Below is a list of the planned projects with a brief project overview:

Project 1076-421002F: Citywide Wastewater Lift Station Upgrades

Funding amount: \$18,400,000.00

Project Expenditure Category: 5.5 – Clean Water: Other Sewer Infrastructure

### **Project overview:**

Williams, Woolridge, and Morgan lift stations are to be upgraded to ensure they operate as designed and to improve capacity and function. Both hydraulic and electrical modifications will be made to these three lift stations. All three projects will make necessary and important improvements to the City's wastewater collection system.

1. E17086 - Citywide Lift Station Repairs FY 2018 (Morgan LS and Woolridge LS)
  - The Morgan and Woolridge Lift Stations began construction in February 2022 and are complete.
2. 21143 – Williams Lift Station Upgrades
  - The Williams Lift Station began construction in May 2022 and is expected to be completed by April 2025.
3. 19029A - Citywide LS Project
  - The Citywide LS Project design plans are complete. The project is scheduled to bid out in the second quarter of 2025.

Project 1076-421003F: Citywide Stormwater Improvements

Funding amount: \$10,000,000.00

Project Expenditure Category: 5.6 – Clean Water: Stormwater

### **Project overview:**

This project will rehabilitate and/or replace aging stormwater infrastructure. Project will assess existing conditions of stormwater pipe, ditches, channels, and other aging systems that have reached the end of their useful service life and correct as warranted. The timeline for the project will be one year. The construction contract will be IDIQ (Indefinite Delivery Indefinite Quantity). As projects are identified, a delivery order will be put together with scope, quantities for construction, and estimated price and will be issued to the contractor to start construction.

1. 23149 – City-Wide Storm Water Infrastructure IDIQ
  - We are in year 2 of a 3-year contract. Approximately 15 delivery orders were issued under the IDIQ. The Williams' Ditch and Glen Oak project was completed in 2023. The Mud Bridge repairs were completed in 2024.

Project 1076-421004F: Downtown Dining Development

Funding amount: \$26,413.87

Project Expenditure Category: 2.35 – Aid to Tourism, Travel, or Hospitality

Project overview:

The City collaborated with the Downtown Management District to create outdoor dining spaces in the downtown area. This project made it possible for patrons to implement social distancing while continuing to provide dining and entertainment in areas that are not enclosed.

1. Lucy's Snackbar

- One parklet structure was completed and is in use.

Project 1076-421005F: Citywide Waterline Improvements Project

Funding amount: \$30,000,000.00

Project Expenditure Category: 5.11 – Drinking Water: Transmission and Distribution

Project overview:

The City is currently replacing and upgrading various waterlines throughout the City in an effort to improve the health of the system. Associated capital improvement projects are also being conducted to install new elevated storage tanks. The replacement of aging/poor condition water mains is necessary to prevent breaks due to the designed increase in the hydraulic grade line (HGL) of the city. The City will be utilizing an existing IDIQ (Indefinite Delivery Indefinite Quantity) to complete this work. This project will make necessary and important improvements to the City's water system.

1. 19037A - Citywide Water Distribution System Indefinite Delivery/Indefinite Quantity (IDIQ)
  - This project is complete.
2. 19038A - Port Avenue Water Line Replacement
  - Project is under construction and is 90% complete. The estimated completion date is July 2025.
3. 21039 - Nueces Bay Boulevard & Poth Lane Waterline Replacement
  - Project is under construction and is anticipated to be completed in May 2026.
4. 23073 - Citywide Water Line Repair/Replace-Small Diameter FY2023 Part A
  - This project is under construction and is 90% complete. The estimated completion date is May 2025.
5. 23108 - Citywide Water Line Repair/Replace-Small Diameter FY2023 Part B
  - We are in year 2 of a 3-year contract. This is used for unplanned, non-CIP projects. There have been 15 delivery orders issued for construction and the estimated completion date is October 2025.

Project 1076-421006F: Administrative Cost

Funding amount: \$3,894.00

Project Expenditure Category: 6.1 – Revenue Replacement: Provision to Government Services

Project overview:

This project is to fund one full-time Grant and Contracts Specialist position to administer the ARPA grant the City has received in response to the public health emergency. This position will conduct administrative tracking, reporting, and compliance of these grant funds.

Project 1076-421007F: North Beach Drainage Improvements

Funding amount: \$1,254,480.00

Project Expenditure Category: 5.18 – Water and Sewer: Other

Project overview:

This project will develop and construct drainage infrastructure to relieve ongoing drainage issues on North Beach. The scope will include open channel improvements, roadside ditch improvements, and a new outfall near Timon Marsh.

1. 22142 – North Beach Drainage Improvements
  - Construction is expected to begin March 2025.

Project 1076-421008F: Fire Station 3 Construction

Funding amount: \$4,050,000.00

Project Expenditure Category: 6.1 – Revenue Replacement: Provision to Government Services

Project overview:

The City was fortunate to have limited revenue loss which was experienced primarily in areas that collected fees for services/programs that could not be offered due to COVID-19. The City planned to recover a portion of the lost revenue and allocate it to the construction of a needed Fire Station. Fire Station #3 was built in 1954, making it 67 years old in 2021. The design of the station exceeded its design life cycle resulting in foundational issues, the ability to accommodate modern fire apparatus due to the size of the bays, no adequate ADA access, and had several mechanical and electrical system issues. This fire station took over 8,000 calls and responded to 10,000 incidents in FY2021, making it one of the busiest stations in the City. Construction is expected to be completed in March of 2025.

Project 1076-421010F: Police and Fire Services

Funding amount: \$3,819,106.13

Project Expenditure Category: 6.1 – Revenue Replacement: Provision to Government Services

Project overview:

The City was fortunate to have limited revenue loss which was experienced primarily in areas that collected fees for services/programs that could not be offered due to COVID-19. The City planned to recover a portion of the lost revenue and allocate it to support Police and Fire services.

**Ineligible Activities: Tax Offset Provision (States and territories only)**

Not applicable.