



MEMORANDUM

To: Mayor and Members of the City Council

From: Reginald Goodson, City Manager
Dwan Bell, Public Utilities Director
Brian Lewis, Interim Finance Director
Jon Hawley, Grants Administrator

Date: November 19, 2025

Re: Consideration - Supplemental Funding Application, Flora Street Stormwater Improvements

BACKGROUND:

On May 3, 2024, the NC Department of Public Safety, Division of Emergency Management (NCEM), awarded the City \$820,000 for the Flora Street Stormwater Improvements project. The Flora Street project entails new drainage infrastructure, including larger drainage pipes and more drain inlets, and elevating the intersection of Flora and Riverside avenues. The project will reduce the constant flooding that impacts this neighborhood and through-traffic.

City staff and the project's engineering firm, AECOM, are working to finalize the project design, secure easements, and get permits before advertising for construction bids. However, since first submitting our grant application in 2023, we have encountered rising and unforeseen project costs. Based on current construction costs, as well as some additional design and restoration activities needed to secure easements, we anticipate the project will cost nearly \$1 million *without* any contingency funds. To include an appropriate contingency could put the project closer to \$1.2 million, or a shortfall of nearly \$400,000. This would be a heavy cost for the City to pay.

To preserve the City's Stormwater Fund Balance for maintenance, repairs, and other potential projects, City staff are proposing to submit a new Disaster Relief and Mitigation Fund (DRMF) to NCEM for supplemental funding. There is no match requirement for this application. It is due November 28th.

ANALYSIS:

The 2025 cycle of the DRMF program offers funding for "flood mitigation, transportation infrastructure resilience against natural disasters, and engineering assistance" for shovel-

ready projects. There is \$20 million available, and the maximum grant request is \$2 million.

However, the 2025 cycle prioritizes municipalities and counties hit by Hurricane Helene last year. Only \$5 million is available for communities not affected by Helene. This means that, for non-Helene communities, the DRMF will be extremely competitive and larger requests may be difficult to fund.

City staff believe a supplemental application for Flora Street could be feasible, viable, and appealing. The project's justification, benefits, and design have not changed, and a request of \$400,000 is reasonable given total available funding. If NCEM is not willing to fund this amount, however, a partial award would still be very helpful.

STAFF RECOMMENDATION:

By motion: authorize City staff to apply to the 2025 DRMF cycle for supplemental funding for the Flora Street Stormwater Improvements project.