



MEMORANDUM

To: Mayor and Members of the City Council

From: Richard Hicks, Interim City Manager/Finance Officer
Dwan Bell, Public Utilities Director
Jon Hawley, Grants Administrator

Date: April 22, 2022

Re: Consideration - Resolution of Commitment, Dawson-Hunter Stormwater Plan

BACKGROUND:

The neighborhoods on Dawson, Hunter, Morgan and nearby streets have long experienced repetitive flooding. Many factors contribute to this flooding, including low elevation, proximity to Charles Creek and the Pasquotank River, and limited or deteriorated drainage infrastructure. To the latter point, a large drainage ditch between Southern Avenue and Hunter Street is badly eroded and contributing to flooding of nearby properties.

To design and build effective stormwater control measures, the City needs a full understanding of this drainage basin and its infrastructure. This includes an elevation survey, watershed assessment, hydrologic and hydraulic analysis, and other work before developing stormwater projects.

To fund this work, the City applied to the Water Resources Development Grant Program under the NC Division of Water Resources last year for the "Dawson-Hunter Street Stormwater Improvement Study." City staff presented this proposal to the Council on June 28, 2021. The WRDG Program is a 50-50 matching program generally providing up to \$100,000. DWR issued the City an award letter for this project on February 18, 2022; contractual and other start-up documents are forthcoming.

In attempt to fully fund the Dawson-Hunter study through grants, City staff asked for and received City Council authorization on February 28, 2022, to apply to the Golden LEAF Foundation Flood Mitigation Program. We requested \$100,000.

Golden LEAF grant staff have requested City staff provide additional documentation to strengthen our application ahead of its potential consideration at the Golden LEAF Board meeting on June 1 and 2. Most of these requests are being handled at the staff level, but one warrants Council attention and direction.

ANALYSIS:

In a discussion on March 31st, Golden LEAF staff reaffirmed the Flood Mitigation Program funds studies. However, they requested additional assurance that the study's recommendations will be implemented and that Golden LEAF funds will lead to reduced flooding.

In our application narrative, City staff explained our study will identify and prioritize stormwater projects for the Dawson-Hunter area. We also said that, while the City will seek additional grants to fund project construction, the City's Stormwater Fund could fund or finance a project or project(s) up to \$1 million.

We request the City Council consider adopting a resolution formalizing this commitment. The proposed resolution is included on the next page. It reaffirms the City's commitment to complete the Dawson-Hunter study, identify priority projects, and try to fund their construction. It proposes that City will fund at least one stormwater project within two years of the study's completion, provided that project costs \$1 million or less. Two years will give City staff several opportunities to apply for construction grants; if we are unsuccessful, we could then look to finance a project.

The Finance Department has reported that, as of March 28, 2022, the City's Stormwater Fund has a cash balance of \$1.57 million, and investments of approximately \$320,000, for total funds of approximately \$1.9 million. The Department has determined that, even accounting for other necessary operating and capital expenses in coming years, financing \$1 million would be affordable.

The proposed resolution is certainly a significant commitment for the City. However, we ask City Council to consider that this commitment is not just for Golden LEAF's benefit, but also for the benefit of city residents in the Dawson-Hunter area. They are suffering repetitive flooding and need solutions soon.

STAFF RECOMMENDATION:

By motion, adopt the proposed Resolution of Commitment to implement a priority project or projects from the Dawson-Hunter St. Stormwater Improvement Study, at a maximum local commitment of \$1 million.

Cash and Investment Balances

	<u>3/28/2022</u>		
	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
General	(15,380,470)	20,522,720	5,142,250
Electric	4,839,253	2,110,533	6,949,787
W/S	5,636,340	349,844	5,986,185
Stormwater	1,572,713	319,711	1,892,424
Solid Waste	1,196,038	82,796	1,278,834
			21,249,480
		ARPA Funds	(2,828,599)
		Balance	18,420,881



Resolution # 2022 – 04-05

**The Dawson-Hunter St. Stormwater Improvement Study
Commitment to Implementation**

WHEREAS, the City of Elizabeth City has identified the low-lying neighborhoods on and surrounding Dawson and Hunter Streets as extremely vulnerable to flooding; and

WHEREAS, the residents of the Dawson-Hunter area have long reported repetitive flooding, and are at risk of substantial flooding, especially from hurricanes, that could harm their health, safety, or property; and

WHEREAS, the City wishes to implement the most cost-effective projects to safeguard the lives and properties of Dawson-Hunter area residents, which necessitates a comprehensive stormwater study of the area and its drainage infrastructure; and

WHEREAS, the City has requested grant assistance to complete this study while preserving limited local revenues for implementation of stormwater projects; and

WHEREAS, City residents deserve reasonable assurance that the proposed study will lead to timely stormwater solutions; and

WHEREAS, the City has determined its Stormwater Fund balance could support financing a project or project(s) of up to \$1 million,

NOW THEREFORE, BE IT RESOLVED:

- That the City of Elizabeth City commits to implement and construct projects prioritized by the Dawson-Hunter Street Stormwater Improvement Study, provided such project or projects are reasonable and cost-effective; and
- That the City will prioritize grant funds to implement construction wherever possible, to leverage limited local revenues to the maximum extent possible for our residents and taxpayers; and

- If no such grant funds are obtained within 24 months of the Dawson-Hunter study's completion, the City will proceed to fund or finance a priority project or projects of as much as \$1 million in costs, inclusive of any additional, necessary engineering and design expenses.

Adopted this 25th day of April, 2022.

Bettie J. Parker
Mayor

April D. Onley, NCCMC
City Clerk