

9/26/2019

To: Mayor and City Council members

Upcoming McHard Road items required for environmental permits for wetlands mitigation. One will be a purchase from a mitigation bank with the following item to expand our existing wetland mitigation bank along Clear Creek. The combination produces the most cost effective way to meet the mitigation requirements of the project.

Trent

# Memo



To: Clay Pearson, City Manager

From: Jennifer Lee, Sr. Project Manager

CC: Jon Branson, Deputy City Manager  
Trent Epperson, Assistant City Manager  
Robert Upton, P.E., Director of Engineering & Capital Projects  
Skipper Jones, Assistant Director of Capital Projects

Date: September 26, 2019

Re: McHard Road Expansion Project  
Wetland Mitigation Purchase

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## Purpose

This memo provides an update on the McHard Road Expansion from Mykawa Rd. to Cullen Parkway and provides notice of a planned expenditure for the purchase of wetlands bank credits to complete the wetlands mitigation requirements for the project.

## Background

The project scope consists of the construction of approximately 3.5 miles of four lane divided concrete curb and gutter roadway including underground drainage, sidewalks detention ponds, signalized intersections, illumination and landscaping. As with all projects receiving State and federal funding the project must comply with all National Environmental Policy Act requirements specifically including the mitigation of wetland habitat lost to or displaced by the project. This process begins with an examination of the anticipated roadway alignment followed by the identification of probable wetland areas. The roadway alignment is then tailored to avoid suspected and identified wetland areas then to develop plans for the mitigation of those areas that are unavoidable.

In June 2016 the project team met with the U.S. Corps of Engineers in Galveston to discuss the wetland identification and delineation report prepared by Freese and Nichols. The team was informed that based on the reports and the Corps' assessment that those areas impacted were likely non-jurisdictional. In September of that year Freese and Nichols submitted a Nationwide Permit Application based on this determination by the Corps. One year later, September 2017, the Corps and the Environmental Protection Agency (EPA) performed a site verification of those areas and in May, 2018, informed the team that the subject wetlands were, in fact, jurisdictional and that the project would require an Individual Permit.

This Jurisdictional Determination required the performance of a functional assessment to ascertain the value of those wetlands in order to assess the ratio of mitigation that would be required. Staff brought in Berg Oliver to assist with the question of the fastest and most economical means of mitigation. A plan was developed to mitigate 3.54 acres of herbaceous wetlands on existing property owned by the City (north of Clear Creek, west of Mykawa Road), expanding the site of a previously developed wetland mitigation. Modeled values required a 2:1 mitigation ratio which resulted in approximately 7 acres to be produced on this site. This is the preferred mitigation for the herbaceous vegetation because purchasing herbaceous credits from a Mitigation Bank has a total estimated cost of \$796,000. Berg Oliver has performed work previously on the City's mitigation site and can expand the previous wetland area to accommodate the 7 new acres of herbaceous wetland mitigation requirements for about \$175,000, including the required five year monitoring and maintenance plan. Staff plans to amend Berg Oliver's current contract to add these services and will bring that amendment to Council on the October 28<sup>th</sup> agenda.

The 0.8 acres of forested wetlands cannot be produced in the City's mitigation site and therefore must be purchased from a mitigation bank. The Lower Brazos Mitigation Bank was recently recertified with additional credits. The cost to mitigate the 0.8 acres of forested wetlands at a mitigation ratio of 1.5:1 (1.2 acres total) is \$180,000. An Initial contact letter returned a positive response on availability at this time. Therefore Staff will request authorization for this expenditure on the October 14<sup>th</sup> agenda.

## **Current Status**

The roadway design is approximately 95% complete. The plans and project manual have been submitted to TxDOT and the five month review has begun. The project team has scheduled a Utility Coordination meeting on October 1, 2019. The purpose of this meeting is to notify all Utility companies that have conflicts along the alignment that the project is nearing the construction phase and conflicts need to be resolved by the proposed NTP date. This will be the 2nd such meeting since design began.

Originally, the new right of way required the acquisition of 76 parcels. There are four remaining parcels that have not been acquired. The remaining parcels are scheduled for court hearings in October and November. The anticipated date for free and clear possession of all required right of way is late December.

A Letter of Authorization is required for the local government to initiate the Letting process. That letter requires final approval of the pre-construction documents and completion of the plan review process. TxDOT will issue a Letter of Authority after the Pre-construction documents, including all environmental clearances, the finalized acquisition of all parcels along the alignment, and utility relocations are completed. Staff's schedule to begin advertising is December 2019.

## **Budget**

The cost of the mitigation of the forested wetlands by way of purchased credits is \$180,000. The credits will be reserved in the Lower Brazos Mitigation Bank, pending the approval of this expenditure. Additional mitigation expenditures will include a professional services contract with Berg Oliver for the expansion of an existing wetlands area and on-going monitoring of herbaceous wetlands in the City's Mitigation Bank at a cost of approximately \$175,000.

**These expenditures are included and covered by the exiting budget.**

## **Next Steps**

Staff will submit to City Council for consideration and approval a Mitigation Purchase Agreement in the amount of \$180,000 for the purchase of 1.2 acres of forested wetlands from the Lower Brazos Mitigation Bank at the October 28<sup>th</sup> Council Meeting.

In addition, staff will finalize an amendment to Berg Oliver Associates' contract for installation and monitoring services related to expanding the City's Mitigation Bank to include 7.0 acres of herbaceous wetlands and will bring that amendment back to Council for approval on the October 28<sup>th</sup> agenda

## Budget Info:

Funding Sources	Series	To Date	Future	Total Budget
Certificates of Obligation			7,405,928	7,405,928
General Obligation Bonds	2014	531,488		531,488
General Obligation Bonds	2015	238,566		238,566
General Obligation Bonds	2016A	222,627		222,627
General Obligation Bonds	2017	2,742,097		2,742,097
General Obligation Bonds			7,850,263	7,850,263
General Revenue - Cash				-
HGAC TIP		5,982,222	26,598,309	32,580,531
Other Funding Sources - Fund Balance		413,000		413,000
<b>Total Funding Sources</b>		<b>10,130,000</b>	<b>41,854,500</b>	<b>51,984,500</b>

Expenditures	To Date	Future	Total
PER			-
Land	5,130,205		5,130,205
Design	4,545,018	175,000	4,720,018
Construction Contract	88,423	34,755,000	34,843,423
Construction Management/Inspection		1,500,000	1,500,000
Construction Materials Testing		400,000	400,000
FF&E			-
<b>Total Expenditures</b>	<b>9,763,646</b>	<b>36,830,000</b>	<b>46,593,646</b>

<b>Project Balance/Contingency*</b>	<b>5,390,854</b>
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\* This is an 80/20 TIP funded project so only 20% of the current Project Balance/Contingency are City funds.

## Schedule Info:

	<b>Base Line</b>	<b>Current</b>
<b>Design Start</b>	August-14	August-14
<b>Bid Start</b>	April-17	December-19
<b>Construction Start</b>	August-19	March - 20
<b>Proposed Construction Completion</b>	August-21	March - 22

**Previous Memos:** October 2015, April 2015, October 2015, February 2016, October 2016, January 2017, May 2017, August 2017, March 2018, January 2019.

Project Location Map:

