



## ARLINGTON COUNTY, VIRGINIA

### County Board Agenda Item Meeting of June 11, 2011

**DATE:** May 18, 2011

**SUBJECT:** Authorization to sign a State and Tribal Assistance Grant ("STAG") agreement for the Four Mile Run Restoration Project and expend \$485,000 in order to receive that amount in FY 2009 and 2010 STAG reimbursement funds.

#### **C. M. RECOMMENDATION:**

1. Authorize the County Manager to sign a STAG grant agreement with the U.S. Environmental Protection Agency ("EPA"), subject to the approval of that grant agreement by the County Attorney.
2. Authorize the County Manager to expend \$485,000 for construction of the Four Mile Run Restoration Master Plan Demonstration Project in order to qualify for reimbursement of \$485,000 in grant funds from the Virginia Department of Environmental Quality ("DEQ") STAG program.
3. Appropriate \$485,000 of STAG monies received in the form of reimbursements from the DEQ STAG program (321.364900) to the Arlington County Stormwater Fund (321.47223).

**ISSUES:** Board authorization is needed to sign a State and Tribal Assistance Grant ("STAG") agreement for the Four Mile Run Restoration Project and, expend \$485,000 in order to receive that amount in FY 2009 and 2010 STAG reimbursement funds. No issues have been identified.

**SUMMARY:** Arlington County ("Arlington") and the City of Alexandria ("Alexandria") have been awarded several appropriations of STAG funds to implement the Four Mile Run Restoration Project and to improve water quality in Four Mile Run. STAG costs and reimbursements are shared equally between Arlington and Alexandria.

Arlington County previously received FY 2005, 2006, and 2008 STAG grant funds. A portion of the FY 2006 STAG funds have been approved and are currently being used for design work for the Four Mile Run Restoration Master Plan's Demonstration Project, which in turn allows Arlington and Alexandria to be reimbursed for those expenditures by DEQ. Reimbursement is

County Manager:

County Attorney:

Staff:

25.

contingent on expenditure. The Demonstration Project entails wetland and stream bank restoration in the tidal portion of Four Mile Run, between Mt. Vernon Avenue and the U.S. Route 1 bridge. Design work on the Demonstration Project should be completed in 2011. Construction is expected to begin in 2012. FY 2005 and 2008 STAG funds have already been approved for construction of the Demonstration Project.

In order to receive reimbursement for Arlington's anticipated, but as yet not approved, FY 2009 and FY 2010 STAG funds and remaining already-approved FY 2005, 2006, and 2008 STAG funds, Arlington County staff propose to expend funds to construct the Demonstration Project. The planning-level construction cost estimate provided by the consultant hired for design of the wetland and stream bank restoration for the entire tidal portion of Four Mile Run is currently \$7.4 million, of which Arlington's share is half, or \$3.7 million. Actual construction costs will not be known until construction bids are solicited and received.

**BACKGROUND:** The County Board adopted the Four Mile Run Restoration Master Plan in conjunction with Alexandria in March 2006. The Master Plan focuses on the lower two miles of Four Mile Run and presents a bold vision to enhance the environmental, recreational, and open space resources and urban vitality of Arlington and Alexandria. In addition, the Master Plan identifies and describes a Demonstration Project as the first phase of implementation, as well as the next steps in the implementation planning process. The Department of Environmental Services, the Department of Parks, Recreation, and Cultural Resources, and the Department of Community Planning, Housing, and Development are collaborating on this multi-disciplinary effort.

Congressman Jim Moran secured federal appropriations for Arlington and Alexandria in FY 2004, FY 2005, FY 2006, FY 2008, FY 2009, and FY 2010 to help fund the Four Mile Run Restoration Project. These appropriations, which are made to the two localities separately but in equal amounts, have been placed into the State and Tribal Assistance Grant (STAG) program, administered in Virginia by the DEQ. Arlington and Alexandria must separately apply for these monies through a non-competitive process. A local match of forty-five percent (45%) is also required. The localities are entitled to reimbursement by STAG funds only after expenditure.

**DISCUSSION:** Arlington and Alexandria applied for and were approved for the FY 2006 STAG funds in 2007 to design the Plan's Demonstration Project – wetland and stream bank restoration in the tidal portion of Four Mile Run between Mt. Vernon Avenue and the U.S. Route 1 bridge. As design expenditures are made, the localities are reimbursed by STAG funds through DEQ. This design work is currently underway and final designs are expected to be completed in 2011. Design costs for the tidal restoration work will total \$578,927.

The planning-level construction cost estimate provided by the consultant hired for design of the wetland and stream bank restoration for the entire tidal portion of Four Mile Run is approximately \$7.4 million, with Arlington's 50 percent (50%) share totaling \$3.7 million. Actual construction costs will not be known until construction bids are solicited and received.

After design costs, the remainder of Arlington's FY 2006 STAG grant funds will be \$1,013,809, and that amount will reimburse Arlington for expended construction costs. Arlington's FY 2005 and FY 2008 STAG funds, which have already been approved for construction, are \$815,600, which combined with \$667,312 in matching funds, results in \$1,482,912 additional funds for construction. Arlington's FY 2009 and 2010 STAG funds of \$485,000 and \$396,820 in matching funds that are already appropriated will result in an additional \$881,820 for construction. The total grant and matching funds currently available, including the 2009 and 2010 STAG funds, are \$3,378,541 for Arlington's approximate \$3.7 million share of construction costs. Staff will be examining ways to address the estimated funding shortfall of approximately \$321,459 as the design work is finalized. This may include seeking additional grant funding or reallocating stormwater capital funds.

The STAG grant application process is non-competitive. Arlington's formal application to Virginia DEQ for the FY 2009 and 2010 STAG grant was submitted in April, 2011, and approval is expected in June/July 2011. Upon approval of the FY 2009/2010 application materials, the U.S. EPA will prepare a grant agreement to be signed by the Arlington County Manager. The existing grant agreement in place for the FY 2006 funds can be amended to include the FY 2009 and FY 2010 funds.

**FISCAL IMPACT:** The total local match requirements of \$396,820 for these STAG reimbursement funds are available in the Stormwater Fund (Fund 321) in the Four Mile Run Capital Projects cost center (321.47223.437405).

The figures involved in these projects may be summarized as follows:

\$1,013,809	FY 2006 STAG funds already approved (reimbursed after expenditure)
\$1,482,912	FY 2005 & 2008 STAG already approved (reimbursed after expenditure)
\$ 485,000	FY 2009 & 2010 STAG funds applied for (reimbursed after expenditure)
<u>\$ 396,820</u>	<u>Matching funds to be appropriated by Board</u>
<b>\$3,378,541</b>	<b>Total funds sought for Arlington share of construction of the Demonstration Project</b>