



**Agenda Item: Discuss and Consider a Budget Amendment to Nourished Beach for the Babe's Beach Project**

**Background:**

In 2020 the Trustees approved the execution of six agreements with the City's Industrial Development Corporation (IDC). One of the agreements was for two cycles of funding for the Babe's Beach Beneficial Use of Dredged Material (BUDM) project to supplement the Park Board's successful Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE) and Texas General Land Office (GLO) Coastal Erosion Planning & Response Act (CEPRA) grant applications.

The Partners and project costs for two cycles are as follows:

- IDC -- \$3,970,000
- RESTORE -- \$9,030,000
- CEPRA -- \$12,250,000

In the FY 23-27 Park Board Capital Improvement Plan the second cycle of the BUDM was projected in FY 24. The reason for this was because the bulk of the funding is coming from RESTORE, which is a reimbursement grant. Using previous project schedules as an example, the RESTORE expense and reimbursement would not happen in the current fiscal year. Due to the structure of the agreements between the GLO and Corp, the GLO must fully fund the project upfront. With the project in 2021 the Park Board provided the IDC funding to the GLO early in the project. The GLO has once again made the IDC funding request for the 2023 project.

In the formulation of the budget the Project Manager inadvertently did not carve out the IDC portion to place it in the FY 23 budget. Therefore, a budget amendment is being requested to adjust for the pass-through funding due to the request of the GLO. The funding is in the IDC's FY 23 budget.

**Staff Recommendation:**

Staff are recommending approval of this amendment to align the Park Board budget with the timing of the funding request from the GLO. The request is for \$1,985,000.

**Funding Source (if applicable):**

City of Galveston Industrial Development Corporation contract agreement.

- NB-70-4650 Grant Proceeds will see an increase of \$1,985,000.
- NB-70-5407 Grant Expense will see an increase of \$1,985,000.