

# 2023-2025 Draft Budget Development Worksheet

## Work Element

Aberdeen-Hoquiam Flood Protection Project

Funding requested would be used for final design, permitting, right of way and construction of the North Shore Levee and North Shore Levee West Segments.

## Summary of 2023-2025 Work

Aberdeen and Hoquiam have been selected to receive \$94.6M in Federal funding and have another \$4.943M request pending. The support from federal programs require a minimum 25% match and we are projecting a funding gap of \$35.5M to complete the Aberdeen-Hoquiam Flood Protection Project. With the funding requested from the Office of Chehalis Basin, the cities will be able to complete final design, right of way and start construction of the North Shore Levee and the North Shore Levee West Segment during the 2023-2025 budget period.

**Description of Needs** (Include enough background and detail to allow OCB Staff to understand and evaluate the following considerations):

- *What specific problem or opportunity is addressed by this budget request?* This project provides flood protection to the cities of Aberdeen and Hoquiam by constructing two flood levees totaling nearly 10 miles in length, protecting 5100 properties and over 1300 businesses.
- *What are the specific benefits to the OCB mission if this work is funded?* Aberdeen and Hoquiam have been aggressively pursuing implementation of this large scale flood protection project along the Chehalis River system. This Aberdeen Hoquiam Flood Project is a large-scale flood protection project that is in direct alignment with the mission of the Chehalis Basin Strategy by helping residents and communities protect homes and business from flood damage. It is also important to note that phases of this project have been funded by OCB in previous biennia.
- *What specific outcomes will be accomplished by the end of the 2023-2025 biennium?* If OCB were to award the requested \$35.5M for the Aberdeen Hoquiam Flood Protection Project, the cities will complete final design, permitting, right of way, and begin construction of the North Shore Levee and North Shore Levee West Segment. If full funding is awarded in the 23-25 biennium, levee certification is scheduled for 2026. Following levee certification, 5100 properties and 1300 businesses will be removed from the flood zone thereby eliminating the requirement for flood insurance and the devastating impacts of floods. We believe this will also remove a significant barrier to economic development in the area.
- *What other options or alternatives exist for funding or completing this work?* The cities of Aberdeen and Hoquiam have aggressively pursued all funding sources for this project securing \$94.6M in federal funding from FEMA during the past 18 months. No other community across the nation has had as much success through the Building Resiliency in Communities Program. The final piece to our funding puzzle is securing \$35.5M in funding from the Washington State Capital Budget. The cities have held discussion with other state agencies regarding this funding request and the feedback received is that the Office of the Chehalis Basin is likely the most appropriate State agency.
- *What are the effects of not funding, or delaying the funding, for this work?* If this funding request is denied, reduced or delayed it will impact the ability to bid construction of the North Shore Levee and North Shore Levee West segments during the 2023-2025 biennium. However, if the project does receive a lower funding allocation the cities will continue to move the project

forward using the OCB funding as partial match to the FEMA grants and may choose to bid phases of the construction during the biennium. Delaying full funding will result in increased construction costs due to reduced construction efficiencies and likely inflation. Ultimately, the cities of Aberdeen and Hoquiam will not receive the needed flood protect benefits of the projects until all improvements are fully constructed and certified by FEMA.

## **List of Key Tasks & Assumptions**

**Final design, permitting, right of way, bidding construction** – These tasks will be managed by HDR Engineering Inc. who is currently under contract with the City of Hoquiam to complete these services for the cities of Aberdeen and Hoquiam. City staff at both cities will remain intimately involved throughout the project. With the FEMA BRIC funding for the two levee segments, FEMA will be the lead agency for the federal environmental review. FEMA has already held a scoping meeting for the North Shore Levee West Segment and will start a similar review process for the North Shore Levee soon. The estimated budget request from OCB for this task is \$7.5M and will be fully spent within the biennium.

**Construction** – The cities of Aberdeen and Hoquiam will conduct an open public bid process for the construction of the two levee segments. HDR Engineering will provide construction management services throughout this phase of the project until the levee is certified by FEMA. The estimated budget request for the construction task from OCB is \$28M. The full amount is needed in the 2023-25 biennium to bid the project. A lesser amount would require the cities to break up the project into phases and delay levee certification. Actual completion of the construction may extend beyond the 2023-2025 budget depending upon when the cities are able to bid the project for construction upon completion of design, permitting, right of way and securing the final funding needed for construction. The cities believe that a minimum of \$11M up to the full request of \$28M for the construction of the flood levee segments could be spent during the 2023-2025 biennium.

Flood Damage Reduction is the most appropriate funding category through the Office of Chehalis Basin. The cities recognize that the request of \$35.5M is substantial and we are hoping that the OCB will seek a larger request from the Legislature this year so that our project can be completed maximizing the significant federal funding match, while not impacting the other projects and priorities of the Chehalis Basin Strategy.

## **Preliminary Cost Estimates**

- See above
- *How do these estimates account for administrative/overhead costs related to project management, grant/contract/fiscal oversight & management?* The request before OCB does not include any overhead costs by the cities. All grant funds will be allocated to direct expenses for engineering, right of way and construction.
- *Do any anticipated 2021-23 re-appropriations impact this request?* No.
- *How do these estimates account for contingencies?* HDR Engineering has factored \$6M in contingency into the construction cost estimate for the two levees.

## **Prioritization**

- *How should these key tasks be prioritized within this work element during the 2023-2025 biennium if there is not enough money to fully fund all of them?* Funding from OCB will be prioritized towards the tasks necessary to bid the project for construction including final design, permitting, right of way and bidding services. If the funding allocation from OCB does not allow

the cities to fully fund construction but does complete design, permitting, and right of way, the cities may elect to bid an initial phase(s) of construction while seeking additional funding.

### Contact Information

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Agency / Org	Work Element	Task Description	Lead / Support	Suggested Fund Type (FDR, ASR, INT)	Budget Estimate (\$)	Priority	Key assumptions / Notes
Aberdeen/Hoquiam	Final Design, Right of Way, Permitting, Bidding Services	Final design, permitting, right of way and bidding services to make the projects 100% ready for construction award	Cities of Aberdeen, Hoquiam FEMA, HDR Engineering	FDR	\$7.5M	#1	Funds will match FEMA grants to get the two levee segments fully designed and bid for construction.
Aberdeen/Hoquiam	Construction	Construction of the North Shore Levee and North Shore Levee West	Cities of Aberdeen, Hoquiam FEMA, HDR Engineering	FDR	\$28M	#2	Funds with match FEMA grants to construct the North Shore Levee and North Shore Levee West Segment