

Memorandum



DATE January 20, 2026

CITY OF DALLAS

TO Honorable Members of the Transportation and Infrastructure Committee

SUBJECT Mill Creek / Peaks Branch / State Thomas Drainage Relief Tunnel Construction Update

This memo provides a construction update for the Mill Creek / Peaks Branch / State Thomas Drainage Relief Tunnel (Mill Creek Tunnel). The Mill Creek Tunnel is the first phase of a multi-phase, long-term project to mitigate recurring flooding and improve stormwater infrastructure in some of the city's most flood-prone urban neighborhoods. The finished tunnel will be 30 to 35-foot in diameter, between 70 and 150 feet underground and will span approximately 5 miles starting near the US 75/Woodall Rodgers intersection and ending at the White Rock Creek outfall just south of Scyene Road. When completed, the Mill Creek Tunnel will provide significant flood relief to areas south of the tunnel and immediately along the alignment including Baylor Hospital, south of Buckner Park, Fair Park, and State-Thomas near Woodall Rodgers.

On February 14, 2018, the City Council authorized a construction contract for the Mill Creek Tunnel to Southland-Mole Joint Venture (SMJV). Although work began in March 2018, the project has faced significant challenges from the outset causing delays and hindering progress (described more fully below). Excavation for the tunnel did not begin until April 2020 and was completed in July 2022. SMJV is currently working to line the tunnel with 15 inches of concrete and is approximately 36% complete.

Although originally scheduled to be completed in 2024, construction is now estimated to be substantially complete in 2028 and fully complete by early 2029. A summary of the major issues impacting the project timeline are provided below:

- Tunnel Boring Machine (TBM) – the TBM was purchased for this project from the Robbins Company who was later bought out, delaying the delivery of parts, assembly, and testing at the project site. Due to service interruptions at the manufacturer, the delivery and assembly took twice the time SMJV planned.
- COVID-19 and Supply Chain Disruptions – the project was bid and awarded prior to the COVID-19 pandemic; however, major portions of work, including tunnel excavation and concrete lining, did not occur until after the pandemic had affected the availability of labor and material supply.
- Permitting Changes Affecting Concrete Production – SMJV proposed to construct and utilize an onsite batch plant to manage costs and control the availability of concrete for lining the tunnel. Shortly before the anticipated construction of the batch plant, the City of Dallas amended its permitting requirements, and SMJV had

to make accommodations which included a large screening fence around the site, limited operating hours, and site-specific air quality monitoring.

In addition to the above, the schedule has also been impacted by other issues including TBM and supportive equipment breakdowns, long repair times, and SMJV's operation of the TBM. During the bidding process for the Mill Creek Tunnel project, the excavation production rate was estimated at 80 linear feet per day, but SMJV's actual average was only 45 linear feet per day. Also, the TBM conversion from a 38-foot diameter bore to a 33-foot diameter bore and the TBM removal from the tunnel required more time than SMJV originally estimated.

Similarly, the original estimate of 400 feet per week for the production of concrete lining in the tunnel appears to have been overly optimistic. The average production rate since the start of concrete lining has been 70 feet per week. Still, there is an opportunity to significantly improve the contractor's actual production rate. Working with the project team, SMJV has added new personnel and revised their means and methods to increase the production rate. In the last three to four months, the average rate has increased to 146 feet per week. DWU is actively working with SMJV to address material limitations and improve cash flow, which is expected to further increase the production rate to 250 feet per week. SMJV has indicated that the above will result in concrete lining completion in late 2027 and overall completion of the Mill Creek Tunnel project in late 2028/early 2029.

DWU is committed to completing the project as expeditiously and economically as possible to deliver the flood relief benefits of the Mill Creek Tunnel project. Staff is diligently working with the contractor to maximize the tunnel lining productivity, while maintaining safety and quality.

If you have questions about this project, please contact Sarah Standifer, Director of Dallas Water Utilities, at sarah.standifer@dallas.gov.

Service First, Now!



Dev Rastogi, P.E.

Assistant City Manager

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