



Legislation Text

File #: 24-1477, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management
AGENDA DATE: June 26, 2024
COUNCIL DISTRICT(S): N/A
DEPARTMENT: City Controller's Office
EXECUTIVE: Jack Ireland

SUBJECT

Authorize the (1) acceptance of a loan from the Texas Water Development Board (TWDB) for low-cost financial assistance through the Flood Infrastructure Fund for Texas in an amount up to \$90,090,000; (2) acceptance of a grant from the TWDB through the Flood Infrastructure Fund for Texas, in an amount up to \$23,100,000, for eligible projects included in the Dallas Water Utilities Capital Improvement Program and designated by the TWDB as Project No. 40208; and (3) execution of the Financing Agreements and related documents - Financing: This action has no cost consideration to the City (see Fiscal Information)

BACKGROUND

The Flood Infrastructure Fund (FIF) was passed by the Legislature and approved by Texas voters in 2019 through a constitutional amendment, the FIF program provides financial assistance in the form of loans and grants for flood control, flood mitigation, and drainage projects. On September 17, 2020, the TWDB approved the Prioritization List and Eligible Funding Amounts under the FIF, including two projects for the Modified Dallas Floodway Project, relating to an extension of the floodway and levee system.

The Dallas Floodway Levee System is locally owned and operated, federally regulated by the U.S. Army Corps of Engineers (USACE) and provides flood risk mitigation for an area that encompasses over \$14 billion in real and personal property and over 400,000 residents. The levee system currently has two ongoing federal projects that have completed all environmental clearances, received their Record of Decisions, and appropriated funds through the USACE Civil Works Program. Per executed project partnership agreements between the USACE and the City, the City is obligated to cost participate in the design and construction activities for the flood risk management components of the project.

The combined project costs for the Modified Dallas Floodway projects related to the Dallas levee system improvements total approximately \$457.7 million. The USACE contribution to the project is approximately \$297.4 million, with the City contributing approximately \$47.0 million in in-kind contributions.

The City is seeking to finance the remaining project costs with financial assistance from TWDB through the FIF. The terms of the financial assistance from TWDB include \$23.1 million in FIF grant funding and a \$90.1 million long-term, fixed rate FIF loan, offered at zero percent interest.

On September 13, 2023, the City Council approved a resolution authorizing the application to the Texas Water Development Board for grant and loan financial assistance for eligible projects through the Flood Infrastructure Fund. On April 11, 2024, TWDB adopted a resolution approving the City's request for grant and loan financial assistance under the FIF program in an aggregate amount not to exceed \$113,190,000, for the authorized DWU projects.

This action is required to accept and execute the Financing Agreement for the FIF grant award and borrowing, as provided by TWDB to participate in the FIF financial assistance program. The issuance of bonds is contingent upon the approval of an ordinance, scheduled for the City Council consideration in June 2024. Following approval of the ordinance, the bonds are scheduled to close in July 2024.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 13, 2023, the City Council approved a resolution authorizing the application to the Texas Water Development Board for grant and loan financial assistance for eligible projects through the Flood Infrastructure Fund, in an amount up to \$113,190,000, to fund flood risk management projects associated with the Dallas levee system improvements to reduce flood risk by Resolution No. 23-1251.

The Government Performance and Financial Management Committee will be briefed by memorandum regarding this matter on June 24, 2024.

FISCAL INFORMATION

This action has no cost consideration to the City. Following execution of the Financing Agreement, City Council will be presented with bond ordinances for approval on June 26, 2024, wherein estimated appropriations for cost of issuance and debt service requirements will be included at that time.