



Legislation Text

File #: 24-1294, 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

An ordinance authorizing the issuance and sale of City of Dallas, Texas Drainage Utility System Revenue Bonds, Series 2024B, in the amount of \$90,090,000 to the Texas Water Development Board; awarding the sale of the bonds; approving the execution of agreements in connection with the sale of the bonds; and all other matters related thereto - Not to exceed \$250,000 - Financing: ~~Dallas Water Utilities~~ [Stormwater Drainage Management](#) Fund

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 Texas Water Development Board (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 Dallas levee system improvement projects through the Flood Infrastructure Fund. Pending approval of the ordinance authorizing the issuance of the bonds, DWU will issue approximately \$90.1 million in Drainage Utility System Revenue Bonds, Series 2024B (the "Series 2024B Bonds") that will be purchased by the TWDB, at zero percent interest. Following approval of the Ordinance the bonds are scheduled to close, wherein Dallas Water Utilities will receive the funds for the authorized projects, 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

Fund	FY 2024	FY 2025	Future Years
Dallas Water Utilities Stormwater Drainage Management Fund	\$250,000.00	\$0.00	\$0.00