



## Legislation Text

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**File #:** 20-796, **Version:** 1

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**STRATEGIC PRIORITY:** Mobility Solutions, Infrastructure, and Sustainability

**AGENDA DATE:** May 13, 2020

**COUNCIL DISTRICT(S):** 6

**DEPARTMENT:** Water Utilities Department

**EXECUTIVE:** Majed Al-Ghafry

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### **SUBJECT**

Authorize a Development Participation Agreement with Billingsley LD, Ltd., for the Cypress Waters Development to participate in the engineering and construction costs of certain water and wastewater infrastructure improvements not to exceed 30 percent of total actual construction and engineering costs for such water and wastewater infrastructure improvements, pursuant to Chapter 49 of the Dallas City Code, as amended, and Chapter 212, Subchapter C of the Texas Local Government Code, as amended- Not to exceed \$5,689,542.30 - Financing: Water Capital Improvement E Fund (\$4,758,042.30) and Wastewater Capital Improvement D Fund (\$931,500.00) (subject to appropriations)

### **BACKGROUND**

In 2010, the City of Dallas entered into a Memorandum of Understanding (MOU) with Cypress Waters Land Development, LLC, an affiliate of Billingsley Development Company and Billingsley LD, Ltd. (collectively "Billingsley" or "Developer"), and created the Cypress Waters TIF District for the economic development of a 948-acre site surrounding North Lake, near the intersection of Lyndon B. Johnson (LBJ) Freeway (Interstate Highway 635) and South Beltline Road ("Cypress Waters"). The 2010 MOU detailed the major water and wastewater infrastructure needed for the development and phases under which these pieces of infrastructure would be built. The water infrastructure included a pump station, elevated storage tank, ground storage, and pump station improvements to keep up with potable water demand. The wastewater infrastructure included lift stations and wastewater mains to be built as required to meet increasing wastewater service needs.

On June 8, 2011, City Council authorized a Phase I Development Agreement with Billingsley LD, Ltd. for the engineering and construction of a water pump station and transmission main, as well as a wastewater lift station and force main. This development agreement authorized Dallas Water Utilities (DWU) to pay up to 30% of actual construction costs for certain water and wastewater improvements and 30% of engineering costs up to \$221,220.00.

On June 10, 2015, City Council authorized a Phase II Development Agreement with Billingsley LD, Ltd. to provide public infrastructure improvements including sidewalks, bicycle trails, signage, landscaping, and public art.

On June 17, 2015, the City Council authorized the City Manager to negotiate and enter into an interlocal agreement with the City of Irving and Phase III Development Agreement with Billingsley LD, Ltd., that would allow Dallas and Irving to participate together in providing water service, water supply and wastewater service to the Cypress Waters development. The plan would have enhanced the sustainability of both systems and allowed for these services to be provided in a more efficient and less expensive manner. However, neither the interlocal agreement, nor the Phase III Development Agreement were executed after final terms could not be negotiated.

This action will authorize a Development Participation Agreement to provide for the design and construction of water and wastewater system improvements to expand basic utility service, enhance system reliability, and meet water and wastewater demands resulting from the continued growth in the Cypress Waters Development. The proposed water infrastructure improvements include an elevated storage tank, ground storage tanks, pump stations and water transmission lines. The proposed wastewater infrastructure improvements include lift station improvements and a force main to meet increasing wastewater service needs.

The total estimated cost of these Developer-led water service, water supply, and wastewater service improvements detailed in the Development Participation Agreement is \$18,965,141.00. This total includes funding participation from Dallas Water Utilities for up to 30% of engineering and construction costs for these water and wastewater infrastructure improvements, not to exceed a total of \$5,689,542.30 (\$755,055.00 engineering and \$4,934,487.30 construction). The design and construction scheduling of these improvements will be determined based on system capacity and projections to meet future growth.

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On May 26, 2010, City Council authorized a Memorandum of Understanding outlining strategies, future steps, and conditions for funding infrastructure improvements related to the Cypress Waters area by Resolution No. 10-1348.

On June 8, 2011, City Council authorized a development agreement with Billingsley LD, Ltd. To dedicate future TIF revenues for TIF eligible project costs related to the Cypress Waters Phase I development located at the northeast quadrant of South Belt Line Road and Hackberry Road in Tax Increment Financing Reinvestment Zone Number Nineteen (Cypress Waters TIF District); participate in the construction costs of certain water infrastructure improvements not to exceed thirty percent of the actual contract costs for such water and wastewater infrastructure improvements, pursuant to Section 212.071 of the Local Government Code subject to future appropriations from Dallas Water Utilities; and participate in the cost of the engineering in an amount not to exceed \$221,220.00 for Cypress Waters Phase I eligible water and wastewater infrastructure; and the Cypress Waters TIF District Board of Directors to dedicate an amount not to exceed \$9,757,267.00 plus an additional grant in an amount not to exceed five percent of such dedication net of DWU participation costs as necessary and convenient to the implementation of the Cypress Waters TIF District Project Plan by Resolution No. 11-1547.

On May 11, 2015, the Cypress Waters TIF District Board of Directors recommended approval of the proposed TIF District and Project Plan amendments, a modification in the geographical boundary, changes to the budget of the District, and all other related changes.

The Economic Development Committee was briefed by memorandum to call a public hearing for June 10, 2015, to consider the proposed TIF District and Project Plan amendments, a modification in the geographic boundary, changes to the budget of the District, and all other related changes on May 18, 2015.

The Economic Development Committee was briefed to consider the proposed changes to the TIF District, the Interlocal Agreement with the City of Irving, the proposed Development Agreement with Billingsley, and the resulting necessary changes to the Cypress Waters Memorandum of Understanding on June 1, 2015.

On June 10, 2015, City Council authorized a development agreement with Billingsley LD, Ltd., for Cypress Waters Phase 2, to move Saintsbury Street construction and utility construction from Phase 2c to Phase 2a, extend various project deadlines, clarify that the developer will be eligible for reimbursement of each phase upon completion of, and fulfillment of all requirements for each phase and make minor design changes to the final design of the public improvements by Resolution No. 15-1076.

On June 17, 2015, City Council authorized the City Manager to negotiate and enter into an Interlocal Agreement, approved as to form by the City Attorney, with the City of Irving for water service, financial participation in water supply and infrastructure projects, and wastewater service by Resolution No. 15-1192.

On June 17, 2015, City Council authorized the City Manager to negotiate and enter into a Phase III Development Agreement, approved as to form by the City Attorney, with Billingsley LD, Ltd., to provide water service, water supply, and wastewater service for the Cypress Waters area; authorize receipt and deposit of funds from Billingsley LD, Ltd. in the amount of \$4,023,963 for use in Irving-led construction projects; and authorize DWU participation of 30% of engineering costs by Resolution No. 15-1193.

On June 17, 2015, City Council authorized an amendment to the existing Cypress Waters Memorandum of Understanding, approved as to form by the City Attorney, with Cypress Waters Land Development, LLC. ("Billingsley" or "Developer") to: update the provisions for Public Infrastructure Improvements to reflect the cost-sharing for such infrastructure improvements by the City of Dallas (through Dallas Water Utilities), the City of Irving, and the Developer; reflect the early termination of the Cypress Waters TIF District; and release the Developer from the affordable housing, M/WBE, and design review obligations for the remaining build-out of the District, in consideration for the early termination of the Cypress Waters TIF District by Resolution No. 15-1194.

**FISCAL INFORMATION**

Fund	FY 2020	FY 2021	Future Years
Water Capital Improvement E Fund	\$2,757,042.30	\$0.00	\$2,001,000.00
Wastewater Capital Improvement D Fund	\$ 0.00	\$0.00	\$ 931,500.00
Total	\$2,757,042.30	\$0.00	\$2,932,500.00

**OWNER/DEVELOPER**

**Billingsley LD, Ltd.**

Kenneth D. Mabry, Manager

**MAP**

Attached