

Memorandum



CITY OF DALLAS

DATE 9 September 2011

TO Trinity River Corridor Project Committee Members: Vonciel Jones Hill (Chair)
Linda Koop (Vice-Chair), Monica Alonzo, Scott Griggs, Delia Jasso, Angela Hunt

SUBJECT **Dallas Floodway Extension Repayment Agreement Discussion**

At the next Trinity River Corridor Project Committee meeting on Monday, September 12, 2011, the attached briefing will provide an overview of the Dallas Floodway Extension Project, funding and potential repayment agreement requested by the US Army Corps of Engineers.

Please contact me if you have questions.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.
Assistant City Manager



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Attachment

cc: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
A. C. Gonzalez, First Assistant City Manager
Ryan S. Evans, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Interim Assistant City Manager

Kelly High, Director, Trinity Watershed Management
Rebecca Rasor, P.E., Managing Director, Trinity River Corridor Project
Paul D. Dyer, Director, Park and Recreation
Theresa O'Donnell, Director, Sustainable Development & Construction
Helena Stevens-Thompson, Assistant to the City Manager - Council
Rosa A. Rios, Interim City Secretary

Dallas Floodway Extension Repayment Agreement Discussion

Trinity River Corridor Project Committee
September 12, 2011



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Purpose of Briefing:



- Provide an overview of the Dallas Floodway Extension Project (DFE)
- Outline funding for DFE
- Request repayment of Corps' cash disbursement to the City
- Next Steps



Overview



- DFE is a joint project between the US Army Corps of Engineers and the City
- Flooding occurred around Rochester Park & Cadillac Height neighborhoods and at the Central Wastewater Treatment Plant in 1989 and 1990
- Congress appropriated funding for the DFE study in October 1990 and the Corps began studying the project to reshape it into the project known today
- During this time, the City proceeded with design and construction activities for the Rochester Park and Central Wastewater Treatment Plant Levees



Overview



- City coordinated with the Corps in an effort to ensure Rochester Park and Central Wastewater Treatment Plant Levees would be compatible with the larger DFE Project
- In 1996, Congress included a provision in Water Resources Development Act (WRDA) to officially add Rochester Park and Central Wastewater Treatment Plant Levees to the DFE project and included language that would provide the City with a credit for design and construction activities
- At that time, the City and Corps estimated that \$22.174M would be credited and applied to the City's cost share requirements, pending completion of technical acceptance



Overview



- As the Corps was finalizing the DFE study, the Corps provided preliminary costs to the City to assist with development of the 1998 Bond Program Needs Inventory
 - Project estimates for construction were approximately \$127M
- City had to provide approximately \$47M for cost sharing and land acquisition purposes
- City assumed the estimated credit of \$22.174M would be applied to the DFE leaving a cash need of approximately \$24.7M
- In the 1998 Bond Program, voters passed Proposition 11 for \$246M for the Trinity River Corridor Project
 - \$24.7M was dedicated for the DFE



Overview



- In 1999, the Corps completed the DFE study and began design and construction activities
- DFE Project protects Southern Dallas by:
 - Extending the levee system to include South Lamar, Central Wastewater Treatment Plant, Rochester Park and Cadillac Heights neighborhoods
 - Creating a system of wetland cells providing flood control and ecosystem restoration benefits
 - Providing recreational opportunities through addition of trails and other facilities



DFE Funding



- In 2004, Corps began sending the City cash disbursements for design and construction activities at Rochester Park and Central Wastewater Treatment Plant Levees
- The City has received 3 cash disbursements totaling \$15M from the Corps
- The City accepted and appropriated these funds to be used for purchase of properties necessary for the DFE
 - To date, the City has spent \$8M of the \$15M to purchase properties



DFE Funding



- In 2010 and 2011, the Corps performed a financial review of the DFE and opined:
 - Cash disbursements represented an inaccurate and inappropriate interpretation of the WRDA 1996 authorization
 - Corps requested the City to reimburse
 - Corps submitted a repayment agreement to the City to reconcile these payments that the Corps contends are improper



DFE Funding – Repayment Agreement



- The Corp is requesting the City enter into a five-year repayment agreement that includes:
 - Two (2) \$500,000 payments in FY11 & FY12
 - Three (3) \$4,667,000 payments in FY13, FY14 & FY15
- City staff have explored various options for the requested repayment
- City has \$7M in unspent funds and could use these to make full payments through FY13 and a partial payment in FY14
- City would have to allocate \$8M for FY14 and FY15 from future general funds, future bond funds, cancel and reallocate funds in existing flood proposition or reallocate remaining 1998 Bond funds
 - \$5.05M of the \$24.7M from Proposition 11 of the 1998 Bond Program could be used



Next Steps



- Corps is requesting approval by the City Council to enter into a repayment agreement on the September 28th Addendum
- Upon recommendation of the Trinity River Corridor Project Committee, City staff will place a repayment agreement on the September 28th Addendum



QUESTIONS?



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