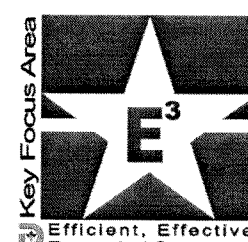
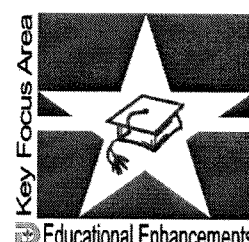
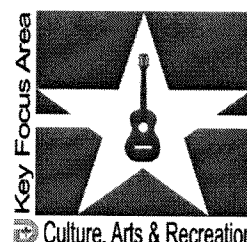
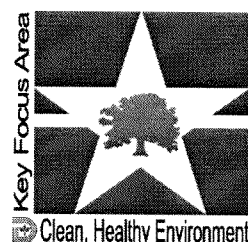
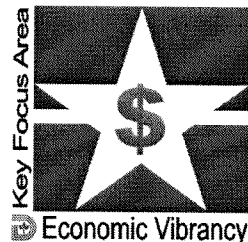


2012 Bond Program Planning

“protect our City and create our future”

City Council Retreat

October 19, 2010



102662

Development of Bond Program

- 2006 General Obligation (GO) Bond Program was developed with two primary objectives
 1. Protecting lives, property, city assets, public buildings, and streets - strategic investment to effectively address a deteriorating infrastructure
 2. Creating our future by investing to grow the tax base - strategic investment that maintains and enhances the economic health and future of Dallas
- Theme:
 - "protect our City and create our future"
- This theme must continue in 2012 as 2006 bond program is phased out

2006 Bond Program Status

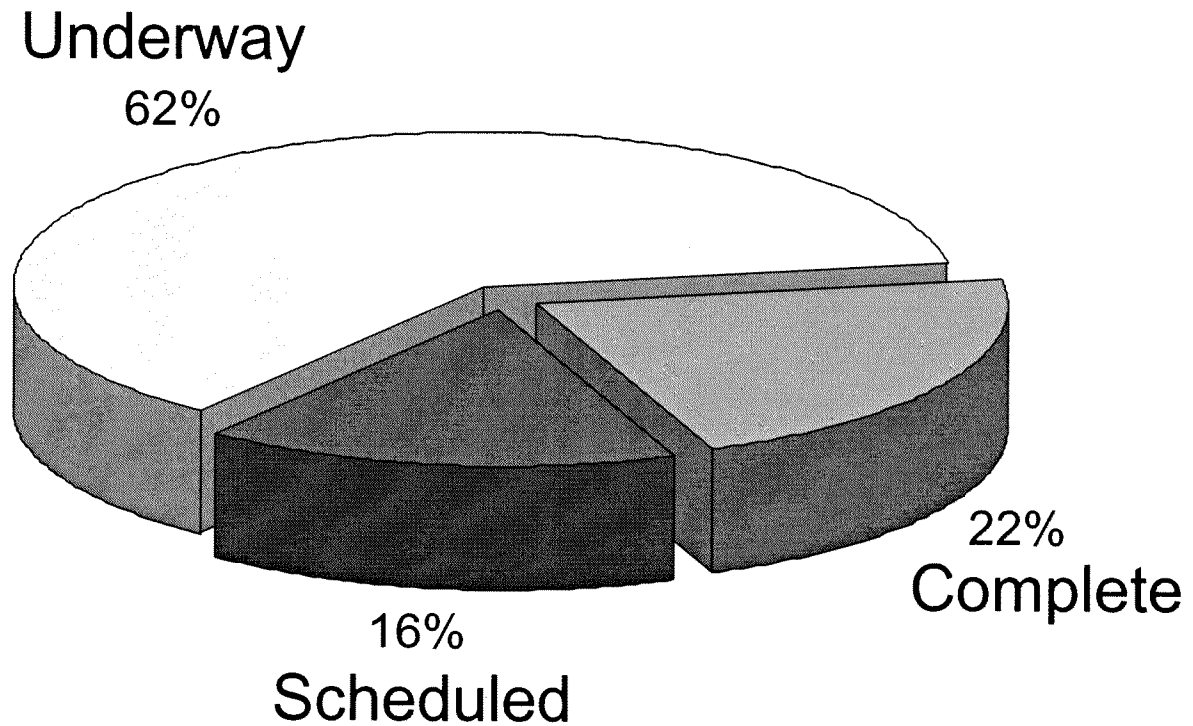
2006 GENERAL OBLIGATION BOND PROGRAM							
Approved November 7, 2006 - Total Authorized \$1,353,520,000							
Proposition	Total Authorized	FY 2006-07 Bonds Issued	FY 2007-08 Bonds Issued	FY 2008-09 Bonds Issued	FY 2009-10 Bonds Issued	FY 2010-11 Budget	Remaining
1. Street & Transportation Improvements	390,420,000	36,776,000	78,093,000	53,018,000	0	141,718,000	80,815,000
2. Flood Protection & Storm Drainage Facilities	334,315,000	43,892,000	80,527,000	12,000,000	42,723,000	120,515,000	34,658,000
3. Park and Recreation Facilities	343,230,000	32,474,000	91,436,000	67,087,000	52,967,000	52,812,000	46,454,000
4. Library Facilities	46,200,000	3,314,000	11,342,000	16,828,000	2,900,000	4,822,000	6,994,000
5. Cultural Arts Facilities	60,855,000	10,437,000	10,566,000	33,171,000	1,400,000	220,000	5,061,000
6. City Facilities	34,750,000	825,000	5,673,000	5,804,000	899,000	3,108,000	18,441,000
7. Land Bank	1,500,000	0	0	0	0	1,200,000	300,000
8. Economic Development	41,495,000	1,639,000	8,577,000	5,045,000	13,965,000	10,809,000	1,460,000
9. Farmers Market	6,635,000	0	2,996,000	0	0	0	3,639,000
10. Land Acquisition in the Cadillac Heights Area	22,550,000	0	1,509,000	5,607,000	1,573,000	2,427,000	11,434,000
11. Court Facilities	7,945,000	0	0	1,192,000	6,753,000	0	0
12. Public Safety Facilities	63,625,000	5,993,000	13,826,000	14,918,000	0	8,361,000	20,527,000
Total 2006 GO Bond Program	\$1,353,520,000	\$135,350,000	\$304,545,000	\$214,670,000	\$123,180,000	\$345,992,000	\$229,783,000
11. 1998 GO/Trinity River Corridor Project (\$246m)					5,700,000	4,008,000	30,532,000
Total 1998 & 2006 GO Bond Program	\$1,353,520,000	\$135,350,000	\$304,545,000	\$214,670,000	\$128,880,000	\$350,000,000	\$260,315,000

* March 2010 bond sale was originally scheduled for Nov 2009.

2006 Bond Program Status

- 2006 GO bond issuances:
 - FY 07 – May 2007 - \$135.4 M
 - FY 08 – November 2007 - \$304.5 M
 - FY 09 – November 2008 - \$214.6 M
 - FY 10 – March 2010 - \$123.2 M
 - Remaining bonds to be issued - \$575.8 M
- Project work plan will be interim financed with Commercial Paper (CP) and will be retired through issuance of remaining 2006 bonds

2006 Bond Program Status



Continuing Implementation of Capital Improvement Program

- Maintains momentum
 - Enhances public safety
 - Improves flood protection
 - Encourages development
 - Continues street improvements
- Maintains commitments
 - To voters
 - To funding partners
- Supports local economy
 - Supports recovery of local design and construction economies
 - Takes advantage of increased competition in design and construction markets

Dallas GO Bond Basics

- Used to fund capital projects with useful lives of at least 20 years or the life of the bonds
- Approved by citizens through bond election for specific propositions and funding requests
- Approved by the citizens on twelve (12) ballots since 1967

What is Typically Funded?

- ❑ Street and thoroughfare improvements
- ❑ Park and recreation facilities
- ❑ Flood protection and storm drainage
- ❑ Public health and safety facilities
- ❑ Library facilities
- ❑ Cultural arts facilities
- ❑ Infrastructure supporting economic development
- ❑ Other city facilities

What cannot be funded?

- Items with useful lives shorter than the life of the bonds are not eligible for GO Bond funding. This generally includes:
 - Equipment
 - Vehicles
 - Routine operating and maintenance activities
 - Leased space improvements
 - Code enforcement initiatives
 - Public safety salaries

Needs Inventory

Need for Future Improvements

- ❑ Comprehensive inventory of known needs
- ❑ First developed for the 1995 Bond Program
- ❑ Dynamic listing that requires continual updating
- ❑ Needs are prioritized by City Council-approved technical scoring criteria
- ❑ Inventory also includes projects that leverage private or other funding, phased projects, and prior commitments

Needs Inventory

Renaissance Plan – Input into Bond Program Development

- Park and Recreation maintains the Renaissance Plan
- Adopted by both the Park Board and City Council
- Physical inventory and condition assessment of park facilities
- Used along with park master plans as an on-going management tool for identifying future capital improvements
- Renaissance Plan is maintained throughout the year

Needs Inventory

Other Sources for Needs

- ❑ City Council members
- ❑ City facility assessments
- ❑ Street and alley condition index
- ❑ Library Master Plan
- ❑ Thoroughfare Plan
- ❑ Flood plain and drainage management plans
- ❑ Fire Department master plan
- ❑ City facility master plan
- ❑ Cultural facilities master plan
- ❑ Communications with private citizens and groups throughout the year

Need for Future Improvements

- Current overall Needs Inventory is \$13.4 B
 - Over 12,000 different projects
 - \$9.3 B - Needs typically funded through GO bonds – Street, flood control, park, library, cultural art, etc.
 - \$4.1 B - Needs not typically funded through GO bonds – Aviation, Convention Center, water, wastewater
- Needs Inventory will continue to grow and change as other master plans and land use plans are completed
 - Streetcar system
 - Bike plan
 - Complete streets
 - Downtown 360

102662

Rate of Investment

- In review of the 1995, 1998, 2003, and 2006 Bond Programs, the City has invested an average of \$134 M per year to address its GO needs (excluding the Trinity River Corridor Projects)
- Based on this rate, it will take approximately **68 years** to address the projects typically funded with GO bonds in the current Needs Inventory. (This does not account for future needs.)

Needs Inventory

“City’s needs are increasing”

Proposition	Needs Inventory 2006	2006 BP Investment	Current Needs Inventory
1 – Street and Transportation	\$3,171,794,544	\$390,420,000	\$3,757,000,000
2 – Flood Protection & Storm Drainage	\$820,416,350	\$334,315,000	\$1,521,000,000
3 – Parks & Recreation	\$2,054,954,982	\$343,230,000	\$2,624,000,000
4 – Library Facilities	\$136,723,886	\$46,200,000	\$95,000,000
5 – Cultural Facilities	\$193,848,841	\$60,855,000	\$188,000,000
6 – City Facilities	\$116,431,812	\$34,750,000	\$399,000,000
7 – Land Bank	\$1,500,000	\$1,500,000	\$256,000,000
8 – Economic Development	\$57,938,114	\$41,495,000	\$19,000,000
9 – Farmers Market	\$6,635,000	\$6,635,000	\$0
10 – Cadillac Heights Land Acquisition	\$22,550,000	\$22,550,000	\$0
11 – Courts Facilities	\$7,945,000	\$7,945,000	\$52,000,000
12 – Public Safety Facilities	\$279,687,019	\$63,625,000	\$347,000,000
Total	\$6,870,425,548	\$1,353,520,000	\$9,258,000,000

Street and Transportation

- Current cost in Needs Inventory: \$3.8 B
 - \$227 M for Alleys
 - \$11 M for Sidewalks and Barrier Free Ramps
 - \$12 M for Bridge Repair and Modification
 - \$187 M for Intergovernmental Partnership Projects
 - \$35 M for Street Lighting
 - \$24 M for Street Petitions and Target Neighborhood
 - \$700 M for Street Reconstruction
 - \$125 M for Street Resurfacing
 - \$352 M for Streetscape / Urban Design
 - \$1,913 M for Thoroughfares
 - \$41 M for Intersection, Capacity, and Safety Improvements
 - \$128 M for Traffic Sign, Signal, and System Upgrades

Street and Transportation

□ Needs include

- 683 lane miles of local street or thoroughfare reconstruction
- 668 lane miles of asphalt resurfacing
- 240 miles of new or replacement alleys
- 650 barrier free ramps at 140 separate locations (as currently identified or requested)
- 35 bridges that require repair or rehabilitation
- Intergovernmental partnership project funding
 - Medical District Drive, Riverfront Boulevard, etc.

Flood Protection & Storm Drainage

- Current cost in Needs Inventory: \$1.5 B
 - Includes several categories:
 1. Flood Management - \$746 M
 2. Storm Drainage Relief Systems - \$760 M
 3. Erosion Control - \$15 M

Flood Protection & Storm Drainage

1. Flood Management - \$746 M

- Addresses projects that remove threat of flooding from homes, buildings, and roadways
- Needs include
 - Able, Charlie, Delta, Hampton and Trinity Portland Pump Stations - provides 100-year flood protection to over 400 structures in the sump areas behind the Dallas Floodway levees
 - Dallas Floodway Project – provides for the design, right-of-way acquisition and construction of the 800-year (SPF) levee project (assuming Corps funding for portion of project)
 - Dallas Floodway Extension Project – provides for design, right-of-way acquisition, construction of the Cadillac Heights Levee, Lamar Levee, Rochester Levee and the Upper Chain of Wetlands (assuming Corps funding for portion of project)

Flood Protection & Storm Drainage

- Needs include (cont'd)
 - Upper McKamy Bypass Swale – provides 100-year flood protection for approximately 14 properties
 - Cedar Creek Bridges at Moore and at Clarendon – provides 100-year flood protection and public safety for the bridges that flood over the top in excess of 4 to 7 feet, respectively

Flood Protection & Storm Drainage

2. Storm Drainage Relief Systems - \$760 M

- Address high priority flooding in developed areas with inadequate existing storm drainage systems
- Needs include
 - Lower Mill Creek/Peaks Branch/State Thomas drainage systems – provides for 100-year flood protection to include drainage relief tunnel systems for the State-Thomas and Field Street areas, Baylor Hospital and its surrounding areas, Buckner Park and Deep Ellum areas
 - Upper Mill Creek Drainage Relief System – provides for the 100-year flood protection to include creek restoration in the San Jacinto to Henderson area, and storm drainage relief systems from Henderson to Mockingbird and the “M” Streets in the Worcola area

Flood Protection & Storm Drainage

- Needs include (cont'd)

- Upper Peaks Branch Basin Relief System – provides for 100-year flood protection to include storm drainage relief systems in the “M” Streets around Skillman area, Tietze Park area, area north of Buckner Park and area north of Fair Park
- Pensive Drive Channel/Walnut Hill Relief System - provides for 100-year flood protection to include a storm drainage relief system to protect 14 homes

Flood Protection & Storm Drainage

3. Erosion Control - \$15 M

- Addresses threats to imminent property damage including homes, structures, and infrastructure caused by creek bank erosion
- Invested \$9.3 M on 46 locations in the 2006 Bond Program

Park & Recreation Facilities

- Current cost in Needs Inventory: \$2.6 B
 - \$68 M for Aquatic Facilities
 - \$35 M for Code Compliance, Safety, and Security
 - \$51 M for Dallas Arboretum
 - \$279 M for Dallas Zoo
 - \$108 M for Downtown Parks
 - \$105 M for Environmental Conservation
 - \$241 M for Fair Park
 - \$317 M for Land Acquisition
 - \$647 M for Major Outdoor Recreational Facilities
 - \$3 M for Playgrounds
 - \$685 M for Recreational Facilities and Site Development
 - \$27 M for Service Facilities
 - \$138 M for Trail Development
 - \$20 M for Historic Preservation / Restoration
 - \$2 M for Partnership Funding

Park & Recreation Facilities

□ Needs include

■ Major Outdoor Recreational Facilities

- Elm Fork Athletic Complex – Phase 2
- Pinnacle Park Athletic Complex – Phase 2

■ Site Development and Recreational Facilities

- Crawford Memorial Park – Master Plan Implementation
- Kiest Park – Master Plan Implementation
- White Rock Lake Park – Master Plan Implementation

■ Implementation of the Aquatics Master Plan

- New Family Aquatic Centers
- Spraygrounds

Park & Recreation Facilities

- Needs include (cont'd)
 - Downtown Parks
 - Pacific Plaza
 - Carpenter Plaza
 - West End Plaza
 - 146 miles of Trail Development
 - Northaven Trail – Phase 2
 - Five Mile Creek Trail
 - East Dallas Veloway
 - Cedar Crest Trail
 - Chalk Hill Trail

Library Facilities

- Current cost in Needs Inventory: \$95 M
 - \$7 M for new branch library facilities
 - \$27 M for replacement branch library facilities
 - \$61 M for renovation or expansion of library facilities
- 27 existing library facilities
- Average age of library is 20+ years with a maximum age of 48 years
- Needs include
 - New branch library facilities
 - Design and construction funding for Vickery Meadows
 - Replacement branch library facilities
 - Design and construction funding for Preston Royal, Forest Green, and Park Forest
 - Construction funding for North Oak Cliff and Highland Hills
 - Library renovations
 - Building modifications to automate materials handling for the Central and branch libraries

Cultural Arts Facilities

- Current cost in the Needs Inventory: \$188 M
 - \$149 M for new or expanded cultural arts facilities
 - \$4 M for replacement cultural arts facilities
 - \$35 M for major maintenance or renovation of cultural arts facilities
- Needs include
 - New or new additions to cultural arts facilities
 - Latino Cultural Center Phase 2, City Performance Hall Phase 2, Asian Cultural Center land acquisition, DMA parking garage expansion
 - Renovations to cultural arts facilities
 - Hall of State, Kalita Humphreys Theater Phase 1, Bath House Cultural Center, DMA fire alarm and sprinkler

City Service and Maintenance Facilities

- Current cost in the Needs Inventory: \$399 M
 - \$63 M for new or expanded City Facilities
 - \$17 M for replacement City Facilities
 - \$295 M for major maintenance or renovation of City Facilities
 - \$24 M for Sanitation Facilities
- Major areas of coverage include – building accessibility, fire and security alarms, elevators, mechanical, electrical, plumbing, paving/site, roofing
- Needs include
 - Renovated City facilities
 - Replace various major building systems (heating, ventilation, air conditioning, electrical, mechanical, plumbing, or roofing)

Land Bank / Workforce Housing

- Current cost in Needs Inventory: \$256 M
 - \$4 M for Property Acquisition and Housing Infrastructure
 - \$2 M for Green Construction in Affordable Housing
 - \$250 M for acquisition, demolition, soft costs, vertical construction and bridge financing
- Needs include
 - Property Acquisition - Funds costs associated with acquisition of vacant lots in distressed communities
 - Housing Infrastructure - Infrastructure participation to produce new affordable & workforce housing within mixed income single family developments
 - Downtown housing for middle-income residents
 - Mixed-use developments in Southern Sector

Economic Development

- Current cost in Needs Inventory: \$19 M
- Provides infrastructure support for commercial development needs in targeted areas to capitalize on development opportunities
- Flexible funding source (similar to Proposition 8 from the 2006 Bond Program)
 - Potential need of \$250 M for Southern Dallas, transit oriented development, and targeted focus areas

Fire Department Facilities

- ❑ Current cost in Needs Inventory: \$164 M
- ❑ 56 existing fire stations in Dallas with average age of stations being 36 years...maximum age of 101 years (Station 11 – 3828 Cedar Springs Road)
- ❑ Needs are determined by service demands, response time, station functionality, etc.
- ❑ Previous level of funding
 - 2003 Bond Program – 4 replacement and 1 new station
 - 2006 Bond Program – 5 replacement, 1 expanded and 1 new station; site acquisition for 2 new stations
- ❑ Needs include
 - Replacement fire stations
 - ❑ Stations 4 (816 Akard), 31 (9365 Garland Road), and 36 (3241 N. Hampton)
 - New fire stations
 - ❑ 4300 Mountain Creek Parkway
 - Fire Administration Offices, Burn Building and 22,000 square feet of storage – 5000 Dolphin Road

Police and Courts Facilities

- Current cost in Needs Inventory: \$235 M
 - \$52 M for a new Municipal Court
 - \$175 M for Police facilities
 - \$8 M for major maintenance or renovation of Police facilities
- Needs include
 - New Police facilities
 - Design and construction funding for Police Academy infrastructure, classroom, and driver training course; design and construction funding for a Tactical Building
 - Replacement Police facilities
 - Design and construction funding for a Property Room and Gun Range

Radio Network Infrastructure

- ❑ Current cost in Needs Inventory: \$99 M
- ❑ Federal Communication Commission mandated that current radio channels be narrow banded or discontinued by January 1, 2013; allows compliance with the Texas State Interoperability plan by January 1, 2015
- ❑ Replaces obsolete and discontinued equipment and upgrades the facility infrastructure and utilities
- ❑ Facilitates interoperability with the surrounding cities, counties, and state agencies and a gateway for interoperability at the national level.
- ❑ Needs include
 - Public safety voice infrastructure, non-public safety voice infrastructure and radios, Police and Fire mobile and portable equipment

Planning for 2012 - Staffing Assumptions

- ❑ Staffing and local construction industry capacity does not exist to address \$9.3 B of needs all at once
- ❑ Staffing levels must be maintained or grown depending on size of capital program to complete 2006 bond program and continue investment in 2012 bond program
- ❑ O & M costs of all new facilities is estimated at the time projects are selected for inclusion in recommended bond programs

Planning for 2012 - Financial Assumptions

- Tax base value expected to further decline before beginning to grow
 - 2011 – 2.5% loss
 - 2012 – 0.3% growth
 - 2013 – 1.5% growth
 - 2014 – 1.8% growth
 - 2015 – 2.1% growth
 - Next 5 years – 3.1% growth
- Current tax rate of \$0.7970 per \$100 valuation is used to determine future debt capacity
 - Same split of debt service and operating & maintenance

Planning for 2012 - Financial Assumptions

- Refunding opportunities may be identified to reduce existing debt service cost, depending on market
- Commercial Paper (CP) will provide short term financing and be retired with bonds
 - Initial \$350 M CP program will be for three years (December 2010 to November 2013)
- Bond term will be shortened to 19 years instead of 20 since CP is utilized (18 principal payments)

Planning for 2012 – Bond Program Capacity

- Given these assumptions, a bond program of \$600 M to \$650 M could be implemented without a tax rate increase

Planning for 2012 - Next Steps

- ❑ Continue to receive and process input from citizens and other sources – On going
- ❑ Identify / refine list of needs – On going
 - ❑ Account for how potential projects contribute to the City's strategic plan or Key Focus Areas
 - ❑ Assemble and prioritize projects that contribute to the goals and objectives of the community
- ❑ Initial phase of public involvement – Fall 2011
- ❑ Council and committee briefings on program needs, Needs Inventory, and recommended bond program size – Early 2012
- ❑ Final phase of public involvement and town hall meetings – Spring 2012
- ❑ Call bond election – August 2012
- ❑ Hold bond election – November 2012

Questions and

Discussion