

KEY FOCUS AREA: Economic Vibrancy

AGENDA DATE: June 28, 2017

COUNCIL DISTRICT(S): 1, 4

DEPARTMENT: Mobility and Street Services
Park & Recreation

CMO: Majed Al-Ghafry, 670-3302
Willis Winters, 670-4071

MAPSCO: 55E

SUBJECT

Authorize **(1)** a Local Project Advance Funding Agreement with the Texas Department of Transportation (TxDOT) to establish responsibilities for the design-build of the Southern Gateway Public Green for the deck structure for Phase 1 and foundations for Phase I and Phase 2; **(2)** an Operation and Maintenance Agreement with TxDOT for Southern Gateway Public Green; **(3)** an Airspace Lease Agreement with TxDOT for the use of the surface area and airspace over Interstate Highway 35E corridor from Marsalis Avenue to Ewing Avenue for the Southern Gateway Public Green; and **(4)** a Memorandum of Understanding with the Regional Transportation Council (RTC) regarding the use of Transportation Development Credits (TDCs) to cover the local match commitment for the Southern Gateway Public Green – Financing: No cost consideration to the City

BACKGROUND

TxDOT is currently developing the Southern Gateway Project (SGP), a highway project intended to provide congestion relief, increase capacity, and improve mobility in southern Dallas. The SGP is a 10-mile roadway project that entails full reconstruction of Interstate Highway (IH) 35E from Colorado Boulevard to the U.S. Highway 67 split, widening the freeway from four to five general purpose lanes in each direction, and will include two reversible, non-tolled, managed express lanes. In addition, U.S. Highway 67 from IH 35E to IH 20, will be widened from two to three general-purpose lanes in each direction, include a reversible, non-tolled, managed express lane, and improve access to Southwest Center Mall.

During the planning for the SGP, local leaders and community stakeholders recognized the opportunity for TxDOT to include construction of a deck plaza over IH 35E in the project. This local enhancement is intended to reconnect Oak Cliff neighborhoods, provide a community gathering place and generate economic development. This local enhancement to the State facility is referred to as the Southern Gateway Public Green.

BACKGROUND (continued)

The Regional Transportation Council (RTC) created a partnership with TxDOT and the Texas Transportation Commission (TTC) to implement congestion relief projects in the Dallas-Fort Worth area. As a part of this effort, on March 10, 2016, the RTC approved \$656 million towards the construction of the SGP. The RTC also programmed up to \$40 million towards the Southern Gateway Public Green Project contingent on a 20 percent local match.

TxDOT evaluated four locations for a deck along the SGP in the south Dallas area: (1) Marsalis Avenue to Ewing Avenue; (2) Beckley Avenue to 12th Street; (3) Ewing Avenue to Upton Avenue; and (4) Overton Road. On June 22, 2016, the City Council authorized a resolution endorsing a preferred location for a deck in the Southern Gateway Project Corridor; and a commitment to explore funding options for construction of a deck park by Resolution No. 16-1128.

On April 27, 2017, TxDOT conditionally awarded a design-build contract with Pegasus Link Constructors for the construction of both the SGP and the Southern Gateway Public Green. In July 2017, TxDOT is scheduled to execute the final contract with the contractor and begin construction in late 2017. Before TxDOT executes the contract to include the Southern Gateway Public Green, they must also execute three agreements with the City of Dallas: (1) the Local Project Advance Funding Agreement; (2) an Operations and Maintenance Agreement (O&M); and (3) an Airspace Lease Agreement.

On May 22, 2017, the Transportation and Trinity River Project Committee (TTRPC) supported building a phased option of the project. This option allows the construction of all foundations required for the total project plus half the deck lid between Ewing Avenue to Lancaster Avenue. The cost of this option is \$35,388,000. The City's 20 percent local match is \$7,077,600. On May 22, 2017, the TTRPC also supported using RTC TDCs for the local match.

On June 8, 2017, the RTC approved the use of TDCs for the local match with the understanding that the City of Dallas will include funding for the local match in an upcoming bond program and/or seek other sources of funding to provide the local match. Inclusion of the funding in a bond program will be at the discretion of the City Council and subject to approval by the citizens of Dallas. When local funds are identified to provide the local match, those funds will be substituted for the use of TDCs so that the credits can be used on other projects in the city.

If approved, this action will authorize the following:

- 1) A Local Project Advanced Funding Agreement with the TxDOT for the design-build construction of the Southern Gateway Public Green deck structure for Phase 1 and foundations for both Phase 1 and Phase 2 as well as relying on RTC funding and TDCs funding as supported by the TTRPC.

BACKGROUND (continued)

- 2) An Operations and Maintenance Agreement with the TxDOT for the Southern Gateway Public Green.
- 3) An Airspace Lease with TxDOT for the use of area above the IH 35E freeway from Marsalis Avenue to Ewing Avenue.
- 4) A Memorandum of Understanding with the RTC regarding the use of TDCs to cover the local match commitment for the Southern Gateway Public Green.

ESTIMATED SCHEDULE OF PROJECT

Southern Gateway Project and Southern Gateway Public Green

Award Design-Build Contract (TxDOT)	July 2017
Begin Design/Construction	December 2017
Complete Construction	December 2021

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 23, 2016, the Transportation and Trinity River Project Committee was briefed and supported the Marsalis Avenue to Ewing Avenue option for the Southern Gateway Public Green as the preferred location.

On June 22, 2016, City Council authorized a resolution endorsing a preferred location for a deck in the Southern Gateway Project corridor; and a commitment to explore funding options for construction of Southern Gateway Public Green, by Resolution No. 16-1128.

On September 26, 2016, the Transportation and Trinity River Project Committee was briefed on the conceptual plan that would be provided to TxDOT for the Southern Gateway Public Green.

On January 18, 2017, City Council was briefed on the Southern Gateway Public Green Conceptual Plan tunnel requirements and funding commitment.

On May 22, 2017, the Transportation and Trinity River Project Committee was briefed and supported construction of a reduced project: Phase 1 along with foundations for a future Phase 2 of the Southern Gateway Public Green. The Committee also supported using RTC's program for Transportation Development Credits to fulfill the City's 20 percent match requirement.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached

Southern Gateway Public Green

Council Districts: 1,4



MAPSCO: 55E