

Memorandum



CITY OF DALLAS

DATE August 30, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **Response to Questions from the 2017 Bond Update and 2024 Bond Prioritization Briefing on August 21, 2024**

This memorandum provides follow-up responses to questions posed by City Council during the 2017 Bond Update and 2024 Bond Prioritization Briefing presented on August 21, 2024:

1. When will the ADA compliance project at the Oak Cliff Cultural Center (OC3) move forward?

The Office of Bond and Construction management has reviewed the scope of work for the ADA compliance project at the OC3 and because of its similarity in scope to the other projects in the upcoming ADA City Hall & Library project, it was confirmed the OC3 project can also be included in that larger project. The RFQ to be published in September 2024, and design award in January 2025, construction will follow later in FY 2024-2025.

2. Can we get started on the community engagement on the North Oak Cliff and the Preston Forest Library get started ahead of design?

Dallas Public Library (DPL) will release a survey for public input for all three of their Bond Projects in January 2025. DPL will host a Community Meeting at each location in the early spring with the Bond Office to fully explain the process to get to construction. Then DPL will host at least three focus group meetings in each community to share the survey information collected and get more specific feedback. We will also engage our 501c3 Friends groups at each location for their opinions.

3. Can you review and evaluate the distribution of General Obligation funds at \$250M per year for the 2024 Bond Program?

During the development of the 2024 General Obligation Bond Program, the Chief Financial Officer and Budget and Management Services analyzed the City's financial capacity for the amount of debt that the City can issue. The financial capacity analysis considers a number of factors including: (1) the current and forecast property tax value, (2) the current and forecast property tax rate allocated to debt service, (3) all of the City's outstanding debt and annual principal and interest payments for debt previously issued, (4) any debt that has already been authorized by voters, but not yet issued, and (5) any additional planned debt needs that the City has such as anticipated equipment acquisition notes, master lease,

and certificates of obligation, as well as potential pension obligation bonds. Through the financial capacity analysis, it was initially determined that the City could proceed with a 2024 General Obligation Bond Program totaling \$1.1 billion with \$220 million issued each year over a five-year period. The briefing to council that was provided on August 16, 2023 can be found [here](#).

Through the bond program development, the financial capacity analysis was updated, and it was determined that the City is able to issue \$250 million per year over five-years for a total of \$1.25 billion. This was the amount used as the bond program was finalized and approved by voters in May 2024. City staff will continue to re-evaluate this analysis over the course of the five-year implementation period and as assumptions change. At this time, it is recommended that the FY 2024-25 budget remain at the most recent recommended amount of \$250 million.

4. Can you address moving FY24 Bond Program projects forward utilizing in-house staff?

There are three Departments with capabilities to provide in-house design and construction services for the 2024 Bond Program. They are Dallas Water Utilities, Park and Recreation and Transportation and Public Works. Historically, past bond programs have used in-house resources sparingly.

For FY25, the 2024 Bond program projects managed by the infrastructure departments previously listed do not anticipate using in-house resources for design work. Use of in-house resources for design and program implementation in future years will be reviewed on an annual basis as part of the City's Capital Improvement Budget development.

5. Are 2024 Bond Funds needed for the Southern Gateway Project?

There is currently \$15M programmed, of the \$77M needed, in the 2024 Bond for Southern Gateway, these funds are necessary to serve as the local match for federal funds. The Southern Gateway project does have funds from a U.S. Department of Transportation grant and from NCTCOG, but those federal funds cannot be used without a local match.

Funding Breakdown for the Project is as follows:

- \$15 Million – City of Dallas Bond Funds (local)
- \$5 Million – NCTCOG (local)
- \$25 Million – Reconnecting Communities Grant from USDOT (federal)
- \$10 Million – TXDOT funding (federal)
- \$22 Million – NCTCOG (federal)
- \$77Million – Total Project Funding

6. How will the CECAP/LEED certification consider future maintenance issues?


The Office of Bond and Construction Management has been meeting regularly with the Department of Facilities and Real Estate Management (FRM) to align with CECAP goals for pursuing LEED Gold certification while balancing future maintenance needs on new and renovated facilities. This collaboration will extend to include FRM in the design phase of facility projects, allowing FRM to provide input on the electrical, plumbing, and mechanical systems specifications to ensure they can be maintained in-house or under standard service agreements.

7. Requested briefing on 2017 Bond program (and previous bond programs) including timeline for completion, location of projects, and allocation of 2017 and previous bond projects.

Office of Bond and Construction Management is closing out project financials on the previous bond programs for FY24 and plans to brief City Council on a recommended plan to utilize remaining unobligated bond funds from the 2017 and earlier Bond programs at the October 16 briefing. Reporting on the status of prior General Obligation Bond Programs can be found in the Budget Accountability Report, [here](#). The table on the following page is the latest report as of April 30, 2024.

Should you have any additional questions, please contact Jenny Nicewander, Director of the Office of Bond and Construction Management, at jennifer.nicewander@dallas.gov.

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