Memorandum

CITY OF DALLAS

DATE November 7, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **State of Dallas City Hall: Follow-up to Special Called Joint Meeting of the Economic Development Committee and Finance Committee**

This memorandum provides response and clarification to questions asked during the November 3, 2025, Special Called Joint Meeting of the Economic Development Committee and the Finance Committee. The joint committee meeting was held for the purpose of discussion of the State of Dallas City Hall.

2006 and 2017 General Obligation Bond Funds for City Facilities

General Obligation Bonds are authorized by Dallas voters through bond elections. General Obligation bond funds must be expended by proposition for activities and projects described within the bond ordinance and ballot language for each specific proposition. Most propositions within a bond program have multiple projects. If necessary, the City has the flexibility to reallocate funds within a proposition between projects as long as each project complies with the language of the bond ordinance for that specific proposition. If not expended for a project or activity in compliance with the bond ordinance, the only other option is to transfer the bond funds to the Debt Service Fund for the payment of debt. Bond funds may not be transferred and spent for a project in a different proposition.

Both the 2006 and 2017 General Obligation Bond Programs included propositions and funding for Dallas City Hall.

As reflected in the FY 25 Q3 Quarterly Bond Update, the 2006 General Obligation Bond Program, Proposition 6 (City Hall, City Service, and Maintenance Facilities) was authorized by voters in the amount of $34,750,000. Based on our most recent report, there is an unencumbered balance of $2,443,816. The remaining allocations are detailed in Table 1.

Table 1 - 2006 Proposition 6 - Remaining Balances

Project Description	Unencumbered Balance	Note
2006 Bond Sale Admin	$3,365	Administration line item
Public Art	$94,345	Reserved for Public Art
Southeast Service Center	$1,462,408	Scheduled for Council for consideration in January 2026
ADA Improvements - Multiple Locations	$723,712	$628K encumbered as part of ADA Restroom project awarded in October 2025 for City Hall
Reserve Funds	159,986	Savings from previous projects, used to cover overages in other bond projects
Total	**$2,443,816**	

The 2017 General Obligation Bond Program, Proposition H (City Facilities) was authorized by voters in the amount of $18,157,000. Based on our most recent report, there is an unencumbered balance of $13,309,945. The remaining allocations are detailed in Table 2.

Table 2 - 2017 Proposition H - Remaining Balances

Project Description	Unencumbered Balance	Note
City Hall	2,292,253	$628K encumbered as part of ADA Restroom project awarded in October 2025 for City Hall
ADA Improvements and Electrical Panel Upgrades Multiple Locations	3,080,421	For ADA improvements and electrical panel replacements at facilities across the City
Southeast Service Center	6,680,910	Scheduled for Council for consideration in January 2026
Southwest Transfer Station	163,643	Awarded in 2025, encumbrance will be reflected in Q4 report
Reserve	1,092,718	Savings from previous projects, used to cover overages in other projects.
Total	**$13,309,945**	

A detailed breakdown of both bond program expenditures is available on the Bond and Construction Management's (BCM) Quarterly Report's website, under the 'FY 25 Q3 Quarterly Bond Update (Detail)' section.

Reserve balances consist of savings from completed projects. These funds are used to address cost overages in active projects. Priority is given to completing projects originally identified in the bond program before allocating funds to new or supplemental projects.

Questions were raised regarding how City Hall and other facility projects are prioritized. Facility projects funded across multiple bond programs excluding some rehabilitation work managed by the Department of Facilities and Real Estate Management (FRM) are delivered by the Office of Bond and Construction Management (BCM). Project prioritization considers several factors, including year of funding availability, project phase (planning, design, or construction), competing priorities across propositions (e.g., Cultural Arts, Fire, Police, Library, City Facilities), and staffing capacity.

There was discussion during the meeting suggesting City Hall bond projects had not been prioritized as part of the 2017 bond program. To date more than $5.2 million of the $7 million originally allocated for City Hall projects under the 2017 General Obligation Bond Program has been expended or encumbered. An additional $628K from the 2006 bond program, was approved by council in October 2025 for City Hall improvements. Table 3 below details the projects funded through the 2017 Bond program.

Table 3 - 2017 Proposition H City Hall Project Summary

Scope of Work	Funds	Status
Federal Pacific Electrical Switchgear Replacement	$3,420,161	Completed
ADA Improvements – L2BNN & 2nd floor restroom	$324,666	Completed
Water infiltration and roof repair	$533,590	Completed
Public Restrooms Accessibility Renovations at Various City Locations	$125,157	Design - Completed
Public Restrooms Accessibility Renovations at Various City Locations	$628,428	Construction - Encumbered in October 2025
Project Administration	$154,436	Underway
WO#24-255818 Testing of 18 Transformers, City Hall	$53,440	Underway
TOTAL	**$5,239,878**	

The remaining $1.76 million in bond funds are available for projects at City Hall and are currently under review for prioritization.

Dedicated Annual Maintenance/Repair, Major Maintenance, and ARPA Funding

Beyond bond funding, the City also uses Facilities and Real Estate Management's (FRM) annual operating maintenance and repair funds, annual major maintenance funds, and American Rescue Plan Act (ARPA) reallocations. The summary below outlines those funding sources from FY2020 through FY2026.

FY2020
- Operating maintenance budget (all City facilities): $3,720,801
- Major Maintenance (all City facilities): $7,238,471
- No specific major maintenance funding for City Hall projects

FY2021
- Operating maintenance budget (all City facilities): $4,833,471
- Major Maintenance (all City facilities): $6,478,193
- No specific major maintenance funding for City Hall projects

FY2022
- Operating maintenance budget (all City facilities): $5,813,416
- Major Maintenance (all City facilities): $18,865,304*
- No specific major maintenance funding for City Hall projects

FY2023
- Operating maintenance budget (all City facilities): $5,506,437
- Major Maintenance (all City facilities): $15,559,137*
    - Included restricted funds via a mid-year adjustment ($3.3 million) for City Hall boiler upgrades
        - Boiler upgrades have been completed; however, the remaining HVAC needs identified in the recent *The State of City Hall* briefing, estimated at $24–$40 million, represent the additional investment required to complete remaining mechanical system rehabilitation work and does not include replacement of the boilers recently installed.
- ARPA $1.2 million dedicated to major maintenance (boiler upgrades) at City Hall.

FY2024

- Operating maintenance budget (all City facilities): $5,009,202
- Major Maintenance (all City facilities): $9,500,000*
- ARPA reallocation for citywide projects: $6,400,000*
- ARPA reallocation restricted to City Hall generator replacements and associated electrical upgrades ($7,600,000).
    - At the time the appropriation was made, prior to design, staff was confident it would fully fund the system replacements. However, the design phase revealed additional, significant needs, resulting in a $10M shortfall against the current $17M rehabilitation estimate.

FY2025

- Operating maintenance budget (all city facilities): $4,779,765
- Major Maintenance (all City facilities): $18,689,523*
- ARPA reallocation: $7,500,000 for citywide projects*
- No specific major maintenance funding for City Hall projects

FY2026

- Operating Maintenance Budget (all city facilities): $5,606,152
- Major Maintenance (all city facilities): $14,500,000*
- ARPA reallocation: $7,500,000 for citywide projects*
- No specific major maintenance funding for City Hall projects

*Total includes funds with restricted uses, such as DFR facility maintenance, solar projects, public safety facility fire alarm panels, public safety preventive maintenance programs, facility condition assessment, and/or a real estate master plan.

Response to Councilmember Inquiry Regarding Recent Structural Assessment

Finally, recent concerns regarding the structural integrity of City Hall's garage prompted additional evaluation. The following section summarizes the findings from two independent engineering firms.

On October 22, 2025, Facilities & Real Estate Management (FRM) Director John Johnson met with two structural engineering firms, Hunt and Joiner, LLC and Bjerke Management Systems, Inc., to tour and discuss the City Hall garage water infiltration and structural repair estimates presented in *The State of City Hall* briefing. Their opinions are included as attachment A and B to this memorandum and summarized below:

Hunt and Joiner, LLC – Consulting Structural Engineers

- Cody Clint, PE, SE – Vice President
  - Staff's briefing estimates are reasonable
    - Low-End Estimate ($25 million): Assessment and repair of observed damages
    - High-End Estimate ($145 million):
      - Complete waterproofing
      - Reconstruction of fountain and plaza
      - Reconstruction of interior garage concrete members

Bjerke Management Solutions, Inc.

- Keith Bjerke, LEED AP – President
  - Staff's briefing estimates are reasonable
    - Low-End Estimate ($30–$35 million):
      - Concrete patching
      - Sealing and localized waterproofing
      - Minor finish restoration
    - High-End Estimate ($130–$140 million):
      - Major structural reconstruction
      - New waterproofing membrane system
      - Full mechanical and electrical system upgrades
      - Complete plaza surface replacement

Both firms emphasized that these estimates are Rough Order of Magnitude based on high-level, non-destructive site observations. They recommend conducting comprehensive condition assessments and formal reports to verify assumptions and determine the full extent and severity of structural conditions. Please note there is no current budget allocation for this work.

The City remains committed to transparency and proactive facility management. If you have any questions regarding the General Obligation Bond Program, please contact the Director of the Office of Bond and Construction Management, Jennifer Nicewander, P.E., at 972-841-9847 or jennifer.nicewander@dallas.gov. If you have any questions regarding Dedicated Annual Maintenance/Repair, Major Maintenance, and ARPA Funding or the Recent Structural Assessment, please contact Assistant Director of Facilities and Real Estate Management, Brian Thompson at brian.thompson@dallas.gov

Service First, Now!

Donzell Gipson

Donzell Gipson
Assistant City Manager

(Attachment)

c: Kimberly Bizor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors

Attachment A

From: Clint Cody <ccody@h-jinc.com>
Sent: Thursday, October 23, 2025 9:42 AM
To: Johnson, John <john.johnson2@dallas.gov>
Subject: Re: Thank you

External Email!

John:

Good to meet you yesterday at Dallas City Hall.

I was able to observe some of the reported distress in the two-level underground concrete parking garage at Dallas City Hall, located at 1500 Marilla St, Dallas, TX 75201. My visit was only a cursory overview and visual observation of the garage. No destructive testing was performed, nor was any structural analysis of the concrete framing completed.

I observed water infiltration into the garage, and distress and/or damage to many of the concrete members. A more comprehensive and in-depth investigation would be necessary to accurately assess the full extent of the damage and to develop a complete repair plan.

I understand that you have received estimates for repairs that range from $25 million to $145 million. In my opinion, and from my limited knowledge of the garage, this range of cost for repairs is a good estimate. The low end of the estimate could include an investigation and structural repair of all the observable damaged concrete. The high end of the estimate would include a complete waterproofing solution, which could include rebuilding a large portion of the fountain and courtyard at Akard Plaza, and possibly reconstructing many of the concrete members of the garage.

Please let me know if you have any other questions or need anything else.

Best regards,

Clint Cody, P.E., S.E. | Vice President
Hunt & Joiner, Inc. | Consulting Structural Engineers
1825 Market Center Blvd. Suite 620
Dallas, Texas 75207 | (214) 760-7000
"Celebrating 68 Years of Engineering Excellence"

Attachment B

From: Keith Bjerke <keith@bjerkems.com>
Date: October 23, 2025 at 11:32:05 PM CDT
To: "Johnson, John" <john.johnson2@dallas.gov>
Subject: Dallas City Hall Parking Garage 10-23-25

External Email!

Mr. Johnson,

Dallas City Hall Parking Garage – Preliminary Condition Review and Rough Order of Magnitude (ROM) Cost Estimate

Based on previous site visits to the Dallas City Hall Parking Garage over the past year, there is clear evidence of deferred maintenance, including signs of water intrusion and concrete deterioration affecting structural elements such as columns and beams. This review provides a high-level, cursory assessment of the potential costs associated with restoring the garage to a serviceable condition. No testing, destructive investigation, or structural analysis has been performed, and this estimate should be considered an informal Rough Order of Magnitude (ROM) only.

The parking garage is an underground facility with approximately 1,500 parking spaces, supporting a plaza and large water fountain at the surface level above.

Scenario 1 – Limited Repair (Low-Range Estimate)

Assuming that repairs can be performed in place without replacement of major structural components, and that approximately 30% of the garage area requires repair, using a surface-applied capillary waterproofing system on interior walls and/or ceilings:

1. Estimated Cost: Approximately $30 - $35 million
2. Scope: Concrete patching, sealing, localized waterproofing, and minor restoration of finishes and systems.

Scenario 2 – Full Rehabilitation / Replacement (High-Range Estimate)

If conditions warrant destructive work, including removal and replacement of damaged structural members, partial replacement of the surface plaza and water fountain, and installation of new waterproofing, ventilation, and lighting systems, the estimated cost increases significantly:

1. Estimated Cost: Approximately $130–$140 million
2. Scope: Major structural reconstruction, new waterproofing membrane systems, complete mechanical and electrical upgrades, and full plaza surface replacement.

Recommended Next Steps

It is recommended that the City retain a qualified Structural Engineer to:

1. Conduct a comprehensive condition assessment of the existing structure, including field investigation and testing.
2. Prepare a formal report detailing the extent and severity of deterioration.
3. Develop repair and/or replacement options with associated opinions of probable cost, enabling informed decisions regarding the most cost-effective path forward.

Disclaimer:
This preliminary review and cost estimation are cursory in nature and should not be considered a bid or detailed cost estimate. The figures provided represent a conceptual range for planning purposes only.

Thank you,

Keith Bjerke, LEED AP
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