

# Mayor and Council Communication

DATE: 04/11/23

M&C FILE NUMBER: M&C 23-0271

LOG NAME: 202014 BOND COMPLETION

## **SUBJECT**

(ALL) Find that Conditions have Materially Changed such that Transit Oriented Development Project Proposed in 2014 Bond Program Should be Cancelled; Find that the 2014 Bond Program Proposition 1 - Street and Transportation Improvements Projects are Substantially Complete, Freeing Residual Balances for Other Eligible Street and Transportation Improvements Expenditures; Adopt Appropriation Ordinances, and Amend the Fiscal Years 2023-2027 Capital Improvement Program (2014 & 2022 Bond Programs)

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that conditions have materially changed such that the Transit Oriented Development Project proposed in the 2014 Bond Program should be cancelled;
2. Find that the Street and Transportation Improvements projects in Proposition One of the 2014 Bond Program are substantially complete and that the remaining residual balances in the 2014 Bond program can be programmed for other street and transportation improvements that are consistent with the voted purposes of the bonds, subject to Council Approval;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Developer Contributions Fund in the amount of \$71,245.00, from available funds, for the purpose of funding the Basswood & Old San Fe Traff Sig project (City Project No. 103998);
4. Adopt the attached appropriation ordinance adjusting appropriations in the 2014 Bond Program Fund in the amount totaling \$10,531,834.43, but with no net change to the total appropriations within the Fund amongst various projects;
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Transportation Impact Fee Fund in the amount totaling \$1,300,000.00, from available funds within the Revenue – Service Area D Transportation Impact Fees project (City Project No. UN9914) and in the Revenue - Service Area M Transportation Impact Fees Project (City Project No. UN9919) for the purpose of funding (1) \$800,000.00 for the N Tarrant Pkwy at N Beach St project (City Project No. 103309) and (2) \$500,000.00 for the John T White & Sandy Traff Sig project (City Project No. 104002);
6. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the General Capital Projects Fund by increasing estimated receipts and appropriations in various projects (City Project Nos. 103309, 103316, 103995, 103997, 103998, 103999, 104000, 104001, 104002) in an amount totalling \$11,000,000.00, and decreasing estimated receipts and appropriations in the Arterials-Suppl. Funds programmable project (City Project No. P00072) by the same amount; and
7. Amend the Fiscal Years 2023-2027 Capital Improvement Program.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to take actions to facilitate the identification and reprogramming of residuals from Proposition One, Street and Transportation Improvements, of the 2014 Bond program. The actions involved include cancelling a non-feasible project associated with the Transit Oriented Development component at management direction, fully funding one remaining major arterial project, finding that the Street and Transportation Improvements projects in Proposition One are substantially complete, and using residuals from these completed projects, along with other funding sources to supplement funding in multiple other projects.

### Transit Oriented Development (TOD) Project

This component of the 2014 Bond program was programmable intended to promote the desirable redevelopment around the TEX Rail stations. There have been multiple efforts by staff to utilize these funds for this purpose since the approval of the 2014 Bond Program, including attempts to partner with outside entities to leverage the funds. Unfortunately, none of those projects have come to fruition. Among the challenges in programming these dollars has been the inherent limitations that apply in utilizing tax-exempt bond funds. With multiple failed past attempts and no viable TOD opportunities currently in prospect, management recommends canceling the project and pursuing alternative funding when future TOD opportunities arise. Adoption of Recommendation 1 would find that as a result of material changes in circumstances, including lack of viable TOD possibilities and a growing need for the funding of arterials, the TOD Project as proposed should be cancelled. Taking this action will allow re-purposing these funds toward arterial needs, which are within the voted purposes of Proposition One.

### McCart Avenue & McPherson Boulevard project (City Project No. C02505)

This is the last-named arterial from the 2014 Bond program that is not complete. This project has experienced significant delays primarily due to right of way acquisition. Adoption of the attached appropriation ordinance adding \$4,000,000.00 to this project will provide additional funding for remaining right of way and construction costs.

### Declaring Proposition One of 2014 Bond Program Substantially Complete

With McCart Avenue & McPherson Boulevard fully funded and the TOD project formally canceled, the City Council is in a position to deem the

remainder of the 2014 Bond Program – Proposition One substantially complete. This determination allows the reprogramming of remaining residual funds to projects that were not within the original scope of the 2014 Bond Program but are consistent with the voted purposes of the bonds.

Wagley Robertson project (City Project No. 104154)

This arterial was a late addition in the development of the 2022 Bond Program following significant citizen feedback. The plan to get this project fully funded for construction includes using the funds from the cancelled TOD project of \$4,500,000.00.

General Fund - Fund Balance Funded Intersection Projects

The 2022 Bond Program development identified significant needs for Arterial funding, thus the decision was made to fund some Intersection needs outside of the bond program allowing for the bond proceeds to be used for Arterial needs. Cost escalations from the initial project estimates are driving budget deficiencies that will be addressed by a combination of 2014 Bond residuals, Transportation Impact Fees, and a Future Improvement Agreement.

Below is a summary table of the project budgets and the additional funding provided by the approval of this M&C:

<b>Project</b>	<b>Current Funding</b>	<b>2014 Bond Residuals</b>	<b>Transportation Impact Fees</b>	<b>Future Improvement Agreement</b>	<b>Revised Funding</b>
C02505 - McCart Ave. & McPherson Blvd	\$28,155,046.03	\$4,000,000.00			\$32,155,046.03
104154 - Wagley Robertson	\$5,500,000.00	\$4,500,000.00			\$10,000,000.00
103309 - N Tarrant Pkwy at N Beach St	\$4,000,000.00		\$800,000.00		\$4,800,000.00
103316 - McCart Avenue at West Creek	\$2,500,000.00	\$300,000.00			\$2,800,000.00
103995 - Wichita St & Martin St Signal	\$650,000.00	\$300,000.00			\$950,000.00
103997 - Forest Park Blv & W 10 St Traff	\$650,000.00	\$300,000.00			\$950,000.00
103998 - Basswood & Old San Fe Traff Sig	\$600,000.00	\$231,834.43		\$71,245.00	\$903,079.43
103999 - Western Center & Sandshell Sig	\$650,000.00	\$300,000.00			\$950,000.00
104000 - Trinity & Reggis Traffic Signa	\$650,000.00	\$300,000.00			\$950,000.00
104001 - N Beach & Ray White Traff Sign	\$650,000.00	\$300,000.00			\$950,000.00
104002 - John T White & Sandy Traff Sig	\$650,000.00		\$500,000.00		\$1,100,000.00
<b>Project Totals</b>	<b>\$44,655,046.03</b>	<b>\$10,531,834.43</b>	<b>\$1,300,000.00</b>	<b>\$71,245.00</b>	<b>\$56,558,125.46</b>

If these funding recommendations are approved, \$1,223,228.86 in residuals would remain from 2014 Bond Proposition One. Going forward, those dollars would be used to fund project deficits or new bond-eligible initiatives, subject to Council approval with future M&Cs.

Appropriations for the 2014 Bond residuals were not included in the Fiscal Years 2023-2027 Capital Improvement Program due to Council Action being required to declare the program substantially complete. Similarly, the appropriation of Impact Fees and Future Improvement Agreements require Council Action. The actions in this M&C will amend the Fiscal Years 2023-2027 Capital Improvement Program as approved in connection with Ordinance 25773-09-2022.

Funding is available in the Fund 34014 APPROP ONLY project within the 2014 Bond Program Fund, Developer Contribution Fund and in the REVENUE- SA D -Transp Imp Fees & REVENUE- SA M -Transp Imp Fees projects within the Transportation Impact Fee Cap Fund for the purpose of funding various capital projects.

Approval of Recommendation 6 will adjust estimated receipts and appropriations between a programmable project and convert City Project Nos. 103309,103316,103995,103997,103998,103999,104000,104001 and 104002 into static capital projects. This action is needed as future funding for this project is anticipated from other funding sources and the scope of this project differs from that of the current programmable project.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Fund 34014 APPROP ONLY project within the 2014 Bond Program Fund, Unspecified-All Funds project within the 2014 Bond Program Fund & Developer Contribution Fund and in the REVENUE- SA D -Transp Imp Fees & REVENUE- SA M -Transp Imp Fees projects within the Transportation Impact Fee Cap Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the 2014 Bond Program Fund, the Developer Contribution Fund and Transportation Impact Fee Cap Fund for various capital projects. Prior to an expenditure being incurred, the Transportation and Public Works Department has the responsibility to validate the availability of funds prior to the expenditure of funds.

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