

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 06/25/24M&C FILE NUMBER: M&C 24-0570

LOG NAME: 20SW GREENLEAF SUMP STORM DRAIN FUNDING

SUBJECT

(ALL) Adopt Appropriation Ordinances Reallocating Appropriations in the Fort Worth Central City 5th St Greenleaf Sump Project and Amend the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Stormwater Capital Projects Fund by increasing estimated receipts and appropriations in the Fort Worth Central City 5th St Greenleaf Sump project (City Project No. 103260) in the amount of \$755,000.00 and decreasing estimated receipts and appropriations in the Fort Worth Central City Grand Ave Ph 2 Pt 3 project (City Project No. 103665) by the same amount;
2. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Stormwater Rev Bonds 2020 Fund by increasing estimated receipts and appropriations in the Fort Worth Central City 5th St Greenleaf Sump project (City Project No. 103260) in the amount of \$3,000,000.00 by decreasing estimated receipts and appropriations in Fort Worth Central City Grand Ave Ph 2 Pt 3 project (City Project No. 103665) by the same amount; and
3. Amend the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to reallocate appropriations in the Stormwater Capital Projects Fund and Stormwater Revenue Bonds 2020 Fund to support payment of current expenses in the Fort Worth Central City (FWCC) 5th St Greenleaf Sump project (City Project No. 103260).

On April 18, 2023, Informal Report (IR) 23-0865 was issued to discuss the FWCC stormwater and water project costs and reimbursement plan. The IR explained how funding for FWCC drainage projects would be appropriated from existing Stormwater projects to meet the Corps of Engineer's FWCC critical path schedule. To minimize impacts to Stormwater capital projects, Stormwater worked with the Finance Department and the City's Financial Advisors to explore alternative funding mechanisms including the creation of a new Commercial Paper Program for the Stormwater Fund. On June 27, 2023, City Council approved the establishment of a cost-effective liquidity program using Commercial Paper to assist with the award of contracts for the City's stormwater capital projects that will be financed via long-term debt or subject to reimbursement – such as the FWCC drainage improvements – to enable the efficient, cost-effective and timely implementation of capital improvements. (M&C 23-0604).

The total construction cost of the FWCC 5th St Greenleaf Sump project (City Project No. 103260) is \$6,245,404.00. The City was issued a reimbursement letter from Tarrant Regional Water District (TRDD) on August 8, 2023 expecting full reimbursement of the project construction cost. However, on February 7, 2024, the TRWD issued an amended reimbursement letter titled 103260 Greenleaf Sump Storm Drain Amended Reimbursement letter notifying the City that the total available Stormwater budget for the FWCC 5th St Greenleaf Sump project (City Project No. 103260) was reduced from \$6,245,404.00 to \$3,124,823.00 due to funding reimbursement constraints for the overall FWCC Project. Therefore, reimbursement for the FWCC 5th St Greenleaf Sump project (City Project No. 103260) project costs via the TRWD / City annual reimbursement process is capped at \$3,124,823.00.

Commercial Paper cannot be used to advance the portion of the project not annually reimbursable by TRWD. Having exhausted the share of the local program budget allocated to Stormwater infrastructure relocation, the \$3,120,581.00 portion of this contract will not be included in the annual reimbursement process between the City and the TRWD. Rather, these costs will be eligible for reimbursement directly from future Trinity River Vision (TIF) revenue after prior commitments of the TIF have been satisfied. Once reimbursement associated with this project is received, those funds will be used to reimburse the Stormwater utility.

Funding for this project was included in the FY2024-2028 Capital Improvement Program for year 2024. Accelerated funding is needed for this project due to limiting expenses on Commercial Paper to align with reimbursement from TRWD. This action in this M&C will amend the FY2024-2028 Capital Improvement Program as approved in connection with Ordinance 26453-09-2023.

Upon approval of this M&C, Stormwater Capital Project funding and 2020 Stormwater Revenue Bond funding will be moved into the FWCC 5th St Greenleaf Sump project (City Project No. 103260) in the amount of \$3,755,000.00 to cover the amount not annually reimbursable. This includes additional funding above the previous reimbursable amount to account for contingencies. A future M&C will then be brought to council to reduce the existing Commercial Paper funding by the same amount, based on the expected annual reimbursement by TRWD.

Capital Fund Name	Current Appropriations	Budget Adjustment	Totals
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30104 – Developer Contribution (CPN 103260)	\$58,065.00	\$0.00	\$58,065.00
52002 – Stormwater Capital Projects (CPN 103260)	\$101,261.00	\$755,000.00	\$856,261.00
52007 – Stormwater Revenue Bonds 2020 (CPN 103260)	\$393,675.00	\$3,000,000.00	\$3,393,675.00
52008 – Drainage Rev Bonds Series 2023 (CPN 103260)	\$1,000,000.00	\$0.00	\$1,000,000.00
52009 – Stormwater Commercial Paper (CPN 103260)	\$7,237,351.00	\$0.00	\$7,237,351.00
<b>Project Total</b>			<b>\$12,545,352.00</b>

This M&C will serve ALL COUNCIL DISTRICTS.

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 Stormwater Capital Projects Fund and Stormwater Revenue Bonds 2020 Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Stormwater Capital Projects Fund and Stormwater Revenue Bonds 2020 Fund for the FWCC 5th St Greenleaf Sump project. Prior to an expenditure being incurred, the Transportation and Public Works Department has the responsibility of verifying the availability of funds.

**Submitted for City Manager's Office by:**    Jessica McEachern    5804

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Expedited