

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 09/26/23 M&C FILE NUMBER: M&C 23-0836

LOG NAME: 60WSTRAVA8KHAFUNDING

SUBJECT

(CD 2 and CD 9) Adopt a Resolution Expressing Official Intent for the City to Reimburse Itself with Proceeds of Future Debt and/or Payments from the Tarrant Regional Water District for the Trinity River Vision – Central City Project, Adopt Appropriation Ordinance in the Amount of \$1,518,400 to Fund Amendment No. 8 for Water and Sanitary Sewer Main Relocations for the Trinity River Vision - Central City Project and the Trinity Uptown Service Area Phase 8 to Effect a Portion of Water’s Contribution to and Amend the Fiscal Years 2023-2027 Capital Improvements Program, Adopt Appropriation Ordinance in the Amount of \$43,530.00 for Additional Project Costs for Storm Water and Franchise Utility Relocations for the Trinity River Vision – Central City Project and Trinity Uptown Service Area Phase 8

RECOMMENDATION:

It is recommended that the City Council:

- 1. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt and/or annual payments from the Tarrant Regional Water District for the Trinity River Vision – Central City project;
- 2. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Trinity River Vision, Phase 1 project (City Project No. C00969) in the amount of \$1,518,400.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount to effect a portion of Water’s Contribution to the Fiscal Years 2023-2027 Capital Improvement Program;
- 3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Specially Funded Projects Fund in the amount of \$43,530.00, from available funds, for the purpose of funding the Storm Water and Franchise Utility Relocations for the Trinity River Vision – Central City project and Trinity Uptown Service Area Phase 8 project (City Project No. C00969); and
- 4. Amend the Fiscal Years 2023-2027 Capital Improvement Program.

DISCUSSION:

On June 13, 2023, the City Council authorized Amendment No. 8 in the amount of \$1,418,400.00 and the Mayor and Council Communication (M&C) authorized additional project costs for a total amount of \$1,518,400.00 for the Water and Sanitary Sewer Main Relocations for the Trinity River Vision – Central City project and the Trinity Uptown Service Area Phase 1A – Bridge and Channel Relocations project (M&C 23-0507).

The fiscal information/certification for M&C 23-0507 stipulated that there were sufficient funds available in the project at the time to fund the \$1,518,400.00. However, subsequent to its approval, it was determined by Water Department staff that the funding, in fact, was not available. It is therefore necessary to appropriate funding in the amount of \$1,518,400.00 for Amendment No. 8.

In addition, \$43,530.00 is necessary to cover additional project costs for the Storm Water and Franchise Utility Relocations for the Trinity River Vision – Central City project and the Trinity Uptown Service Area Phase 1A – Bridge and Channel Relocations.

This project will have no impact on the Water Department's operating budget when complete.

This project is anticipated to be repaid from a series of annual reimbursements from the Tarrant Regional Water District (TRWD) as part of the Trinity River Vision – Central City Project. In the event any bond-eligible costs are not fully reimbursed by TRWD, those costs would be anticipated to be included in a future revenue bond issue for the Water & Sewer Fund. Available cash within the Water and Sewer portfolio and the City’s portfolio along with the appropriation authority authorized under the Callable Commercial Paper Program (CP) will be used to provide interim financing for this project until repaid by the annual payments from TRWD and/or debt is issued. Once payment is received from TRWD and/or debt associated with the unreimbursed portions of this project is sold, those funds will be used to reimburse the Water and Sewer portfolio and the City’s portfolio in accordance with the attached reimbursement resolution. Under federal law, debt must be issued within approximately three years in order for these expenses to be reimbursable. Adoption of the attached resolution does not obligate the City to sell bonds, but preserves the ability of the City to reimburse itself from tax-exempt bond proceeds.

It is the practice of the Water Department to appropriate its CIP plan throughout the fiscal year, instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants. The actions in the M&C will appropriate funds in support of the Water’s portion of the City of Fort Worth’s Fiscal Years 2023-2027 Capital Improvement Program, as follows:

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Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
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W&S Capital Projects – Fund 56002	C00969 – Trinity River Phase 1	\$0.00	This M&C	\$1,518,400.00	\$1,518,400.00
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Funding for the Trinity River Vision, Phase 1 project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects - Fund 56002	\$2,457,887.00	\$0.00	\$2,457,887.00
Specially Funded Projects – Fund 39007	\$5,809,127.94	\$43,530.00	\$5,852,657.94
Water Capital - Fund 59601	\$14,404,708.40	\$0.00	\$14,404,708.40
Sewer Capital Legacy - Fund 59607	\$7,769,673.12	\$0.00	\$7,769,673.12
Stormwater Capital Projects - Fund 52002	\$0.00	\$0.00	\$0.00
Water/Sewer Bond 2016 – Fund 56005	\$6,855,400.00	\$0.00	\$6,855,400.00
Water & Sewer Bond 2015A – Fund 56007	\$6,167,422.45	\$0.00	\$6,167,422.45
W&S Rev Bonds Series 2021 – Fund 56019	\$443,312.00	\$0.00	\$443,312.00
W&S Rev Bonds Series 2022 – Fund 56020	\$407,022.00	\$0.00	\$407,022.00
W&S Commercial Paper – Fund 56022	\$0.00	\$1,518,400.00	\$1,518,400.00
Project Total	\$44,314,552.91	\$1,561,930.00	\$45,876,482.91

Funding is currently available in the Commercial Paper project within the W&S Commercial Paper Fund and in Unspecified-All Funds within the Specially Funded Projects for the purpose of funding the Trinity River Vision, Phase 1 project.

Out of the \$1,418,400.00 amendment amount, \$1,175,653.00 (Water: \$126,350.00; Sewer \$1,049,303.00) is considered Trinity River Vision (TRV)-related work, which is eligible for funding from Tax Increment Reinvestment Zone No. 9 (TRVA TIF) pursuant to the TRVA Project Plan. Having met its \$26.6 million commitment to the TRV Project, the City will be reimbursed the amount of \$1,175,653.00 by the Tarrant Regional Water District (TRWD) upon project completion, in accordance with the provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425, as amended). Staff will record a receivable every month for reimbursable expenses, and the TRV Program Manager in the Fort Worth Lab will be responsible for collecting the full reimbursement from TRWD from a series of annual reimbursements.

This project is located in COUNCIL DISTRICTS 2 and 9.

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 Commercial Paper project within the W&S Commercial Paper Fund and in the Unspecified-All Funds project within the Specially Funded Projects Fund, and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the W&S Commercial Paper Fund and the Specially Funded Projects Fund for the Trinity River Vision, Phase 1 project. Prior to any expenditure being incurred, the Water and Transportation & Public Works Departments have the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

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Expedited