

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 04/09/24 M&C FILE NUMBER: M&C 24-0280

LOG NAME: 20SWM LEBOW FLOOD MITIGATION TWDB GRANT APPLICATION

SUBJECT

(CD 2) Adopt a Resolution Authorizing an Application for Financial Assistance from the Texas Water Development Board in an Amount Up to \$90,000,000.00 for the Upper Lebow Channel Flood Mitigation Project

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing an application for financial assistance from the Texas Water Development Board in an amount up to \$90,000,000.00 for the Upper Lebow Channel Flood Mitigation Project, designating an authorized representative, and authorizing related actions and findings.

DISCUSSION:

This Mayor and Council Communication (M&C) is to adopt a resolution authorizing an application for financial assistance from the Texas Water Development Board (TWDB) for the Upper Lebow Channel Flood Mitigation project. The funding is from the TWDB Flood Infrastructure Fund (FIF). The award of the funding is based on projects across the state which compete for the available funding. Distributions are decided by TWDB. Staff is seeking up to \$90,000,000.00 in funding.

The FIF includes two types of funding: grant funding and zero-percent interest loans. Based on application criteria, the maximum grant funding available in the FIF for the Upper Lebow Flood Mitigation project is \$18,750,000.00 (if awarded). To provide the balance of the requested funding, TWDB may, or may not, offer a zero-percent interest loan either in conjunction with grant funds, or as a sole source of funding.

If a no-interest loan is made available, the City would issue drainage utility (stormwater) revenue bonds, which would be sold directly to TWDB. Stormwater staff will work with Finance and the City's external bond attorneys and financial advisors to prepare bond documents, including an ordinance to authorize issuance of debt. As indicated below, the timing for such bonds would be tied to TWDB's decision in late 2024 or early 2025.

The City's ability to accept any loan funding and issue bonds will be guided by debt capacity, City financial policies, previous commitments, and goals of the Stormwater Program. Further, if funding is offered to the City by TWDB, and the City is unable to accept the full amount offered, the City may accept a lesser amount that fits within the Stormwater Program's debt capacity, goals, commitments, and financial policies. If a loan is accepted and bonds are issued, they will be repaid utilizing available Stormwater revenues.

In January, staff applied for two Federal Emergency Management Agency (FEMA) grants as authorized by MC 23-1058. In the event that one or both of the FEMA grants is awarded, the TWDB funding (if awarded) could be used to help cover the City's share of the FEMA grant match.

The Upper Lebow Channel area is a critical and high-priority area for flood mitigation. Five fatalities due to roadway flooding have occurred in recent years in Lebow Channel. The area has a history of frequent and repetitive flooding of structures, properties, and roadways. In the Upper Lebow area (north of Long Avenue), there are eight hazardous roadway overtopping (HRO) locations and over 200 structures (mostly homes) within the FEMA floodplain.

The abridged application is due to TWDB on April 15th, 2024. If invited to submit a complete application by the state, the complete application will be due in the Fall of 2024, and the TWDB board will consider financial assistance commitments in late 2024 or early 2025.

This project is located in COUNCIL DISTRICT 2.

This M&C does not request approval of a contract with a business entity.

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 approval of this recommendation will have no material effect on City funds.

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**Additional Information Contact:**

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