

Memorandum



CITY OF DALLAS

DATE September 2, 2016

TO Honorable Mayor and Members of the City Council

SUBJECT **2017 Bond Program Development**

On Wednesday, September 7, 2016, you will be briefed on the 2017 Bond Program Development. The briefing materials are attached for your review. Part I of the briefing deals with financial capacity or possible size of a bond program. Part II of this briefing deals with potential propositions. To assist you with this second part, a copy of the Needs Inventory is being sent under separate cover to you for your district. In addition, we are launching a new website that contains the Needs Inventory. This new website is explained further in Part II of this briefing.

Please feel free to contact me if you have questions or need additional information.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.
Assistant City Manager

Attachment

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council
Rick Galceran, P.E., Director, Public Works Department



2017 Bond Program Development Part I- Financial Capacity Analysis

CITY COUNCIL BRIEFING
SEPTEMBER 7, 2016

Purpose of Briefing

- ▶ Discuss financial capacity to address infrastructure needs
 - ▶ Part 1: Financial capacity
 - ▶ Part 2: Infrastructure needs
- ▶ Seek Council policy direction and straw votes:
 - ▶ Role of pay-as-you-go
 - ▶ Size/duration of 2017 Bond Program
 - ▶ Propositions
(will be covered in second briefing)



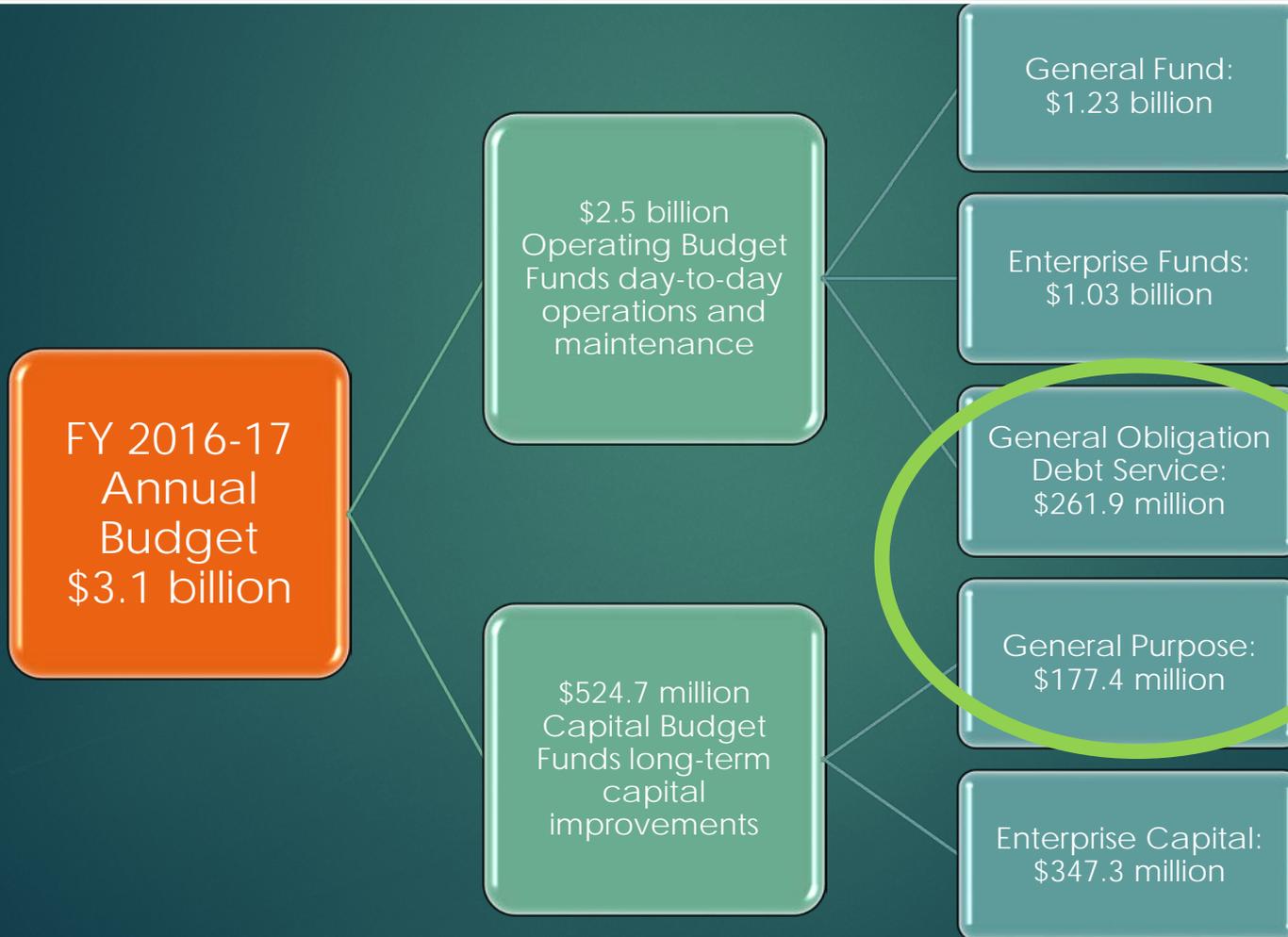


Background and Overview

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

FY17 Proposed Budget

4



Focus of
Sept 7th
Briefing

How Does City Pay for its Infrastructure?

5

General Obligation Bonds

- ❑ Primary mechanism for funding infrastructure
- ❑ Voter approved
- ❑ Repaid with property tax
- ❑ Used to build long-term assets
- ❑ Not used for day-to-day expenses/short-term assets

General Purpose Infrastructure

- Streets & Alleys
- Parks & Trails
- Flood Control
- City Facilities (Public Safety, Libraries, Cultural Arts)

Pay-as-you-go (Cash)

- ❑ Currently used on limited basis
- ❑ Non-voter approved
- ❑ Requires cash-on-hand to proceed with projects
- ❑ May take years to accumulate sufficient fund balance



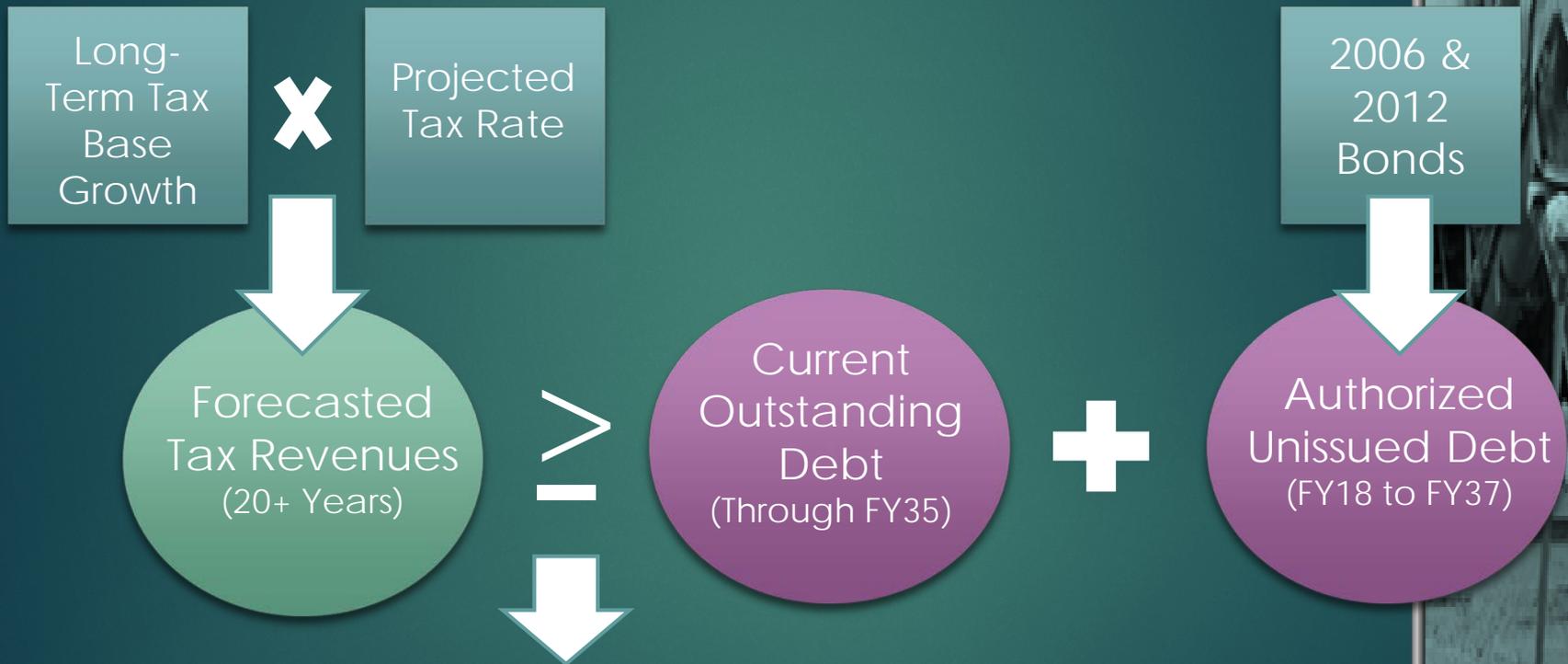


Evaluating Financial Capacity

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Forecasting Capacity: An Equation

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Difference between revenue and obligations for each year provides capacity for future use
(GO bonds, pay-as-you-go, reduce tax rate)

Financial Capacity Analysis

- ▶ Determining financial capacity involves:
 - 1) Current outstanding General Obligation (GO) debt
 - 2) Voter-authorized but unissued GO debt
 - 3) Tax base value and future growth
 - 4) Tax rate allocated to debt service
 - 5) Council policy direction for future debt
- ▶ Current analysis does not consider impact of issuing other debt for potential liabilities
 - ▶ Pay referendum lawsuit
 - ▶ Police and Fire Pension Fund

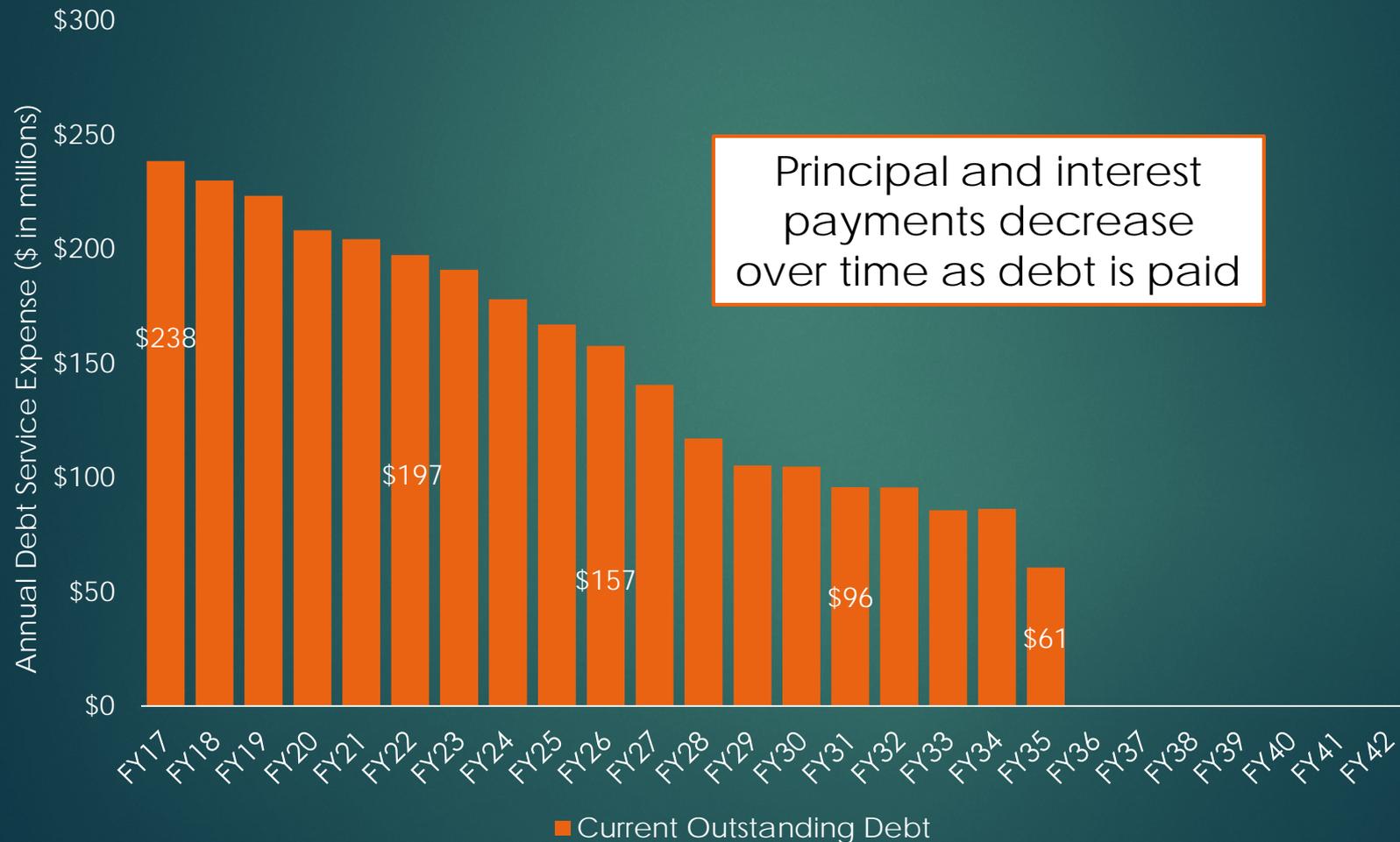


1) Current Outstanding Debt

- ▶ Current outstanding debt is \$1.8B (principal) as of 9/30/16
 - ▶ Debt service expense for FY17 is \$238m
 - ▶ \$142.3m principal + \$95.7m interest
 - ▶ Includes GO bonds, certificates of obligation, and pension obligation bonds
 - ▶ Financial advisors monitor debt for refunding opportunities to reduce debt cost



1) Current Outstanding Debt



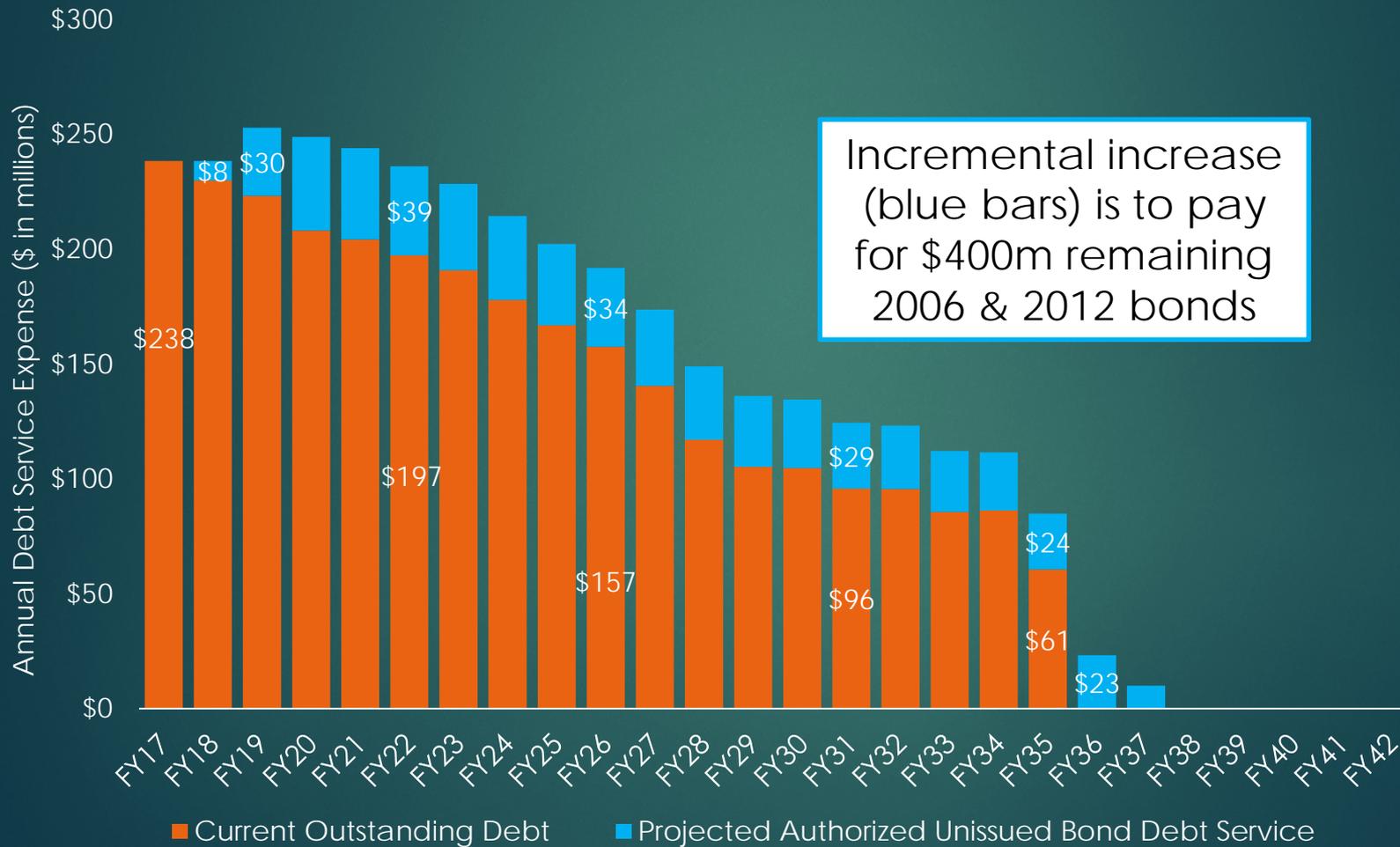
2) Voter-Approved Unissued Debt

- ▶ \$437m of 2006 and 2012 bonds remain to be issued
- ▶ Continue using \$350m commercial paper (CP) program to provide “just-in-time” interim financing of projects

Date	Bond Issue	Use of DS Cash to Refund CP	
Nov 2016 (FY17)	\$0	\$10m	
Nov 2017 (FY18)	\$225m	\$17m	
Nov 2018 (FY19)	\$175m	\$10m	
Total	\$400m	\$37m*	\$437m

*Limited pay-as-you-go program; retires CP in-lieu-of issuing bonds to avoid interest expense

2) Voter-Approved Unissued Debt



3) Property Tax Base Values

- ▶ GO bonds are repaid with property tax revenue
 - ▶ Tax base value times tax rate
- ▶ Recent property tax base value growth has been very strong
- ▶ Growth projections used for capacity analysis reflect long-term trends rather than recent growth
- ▶ Growth projections:
 - ▶ FY18-FY27: 2.84% (30-year average)
 - ▶ Beyond FY27: no growth assumed



3) Property Tax Base Values (\$ in billions)

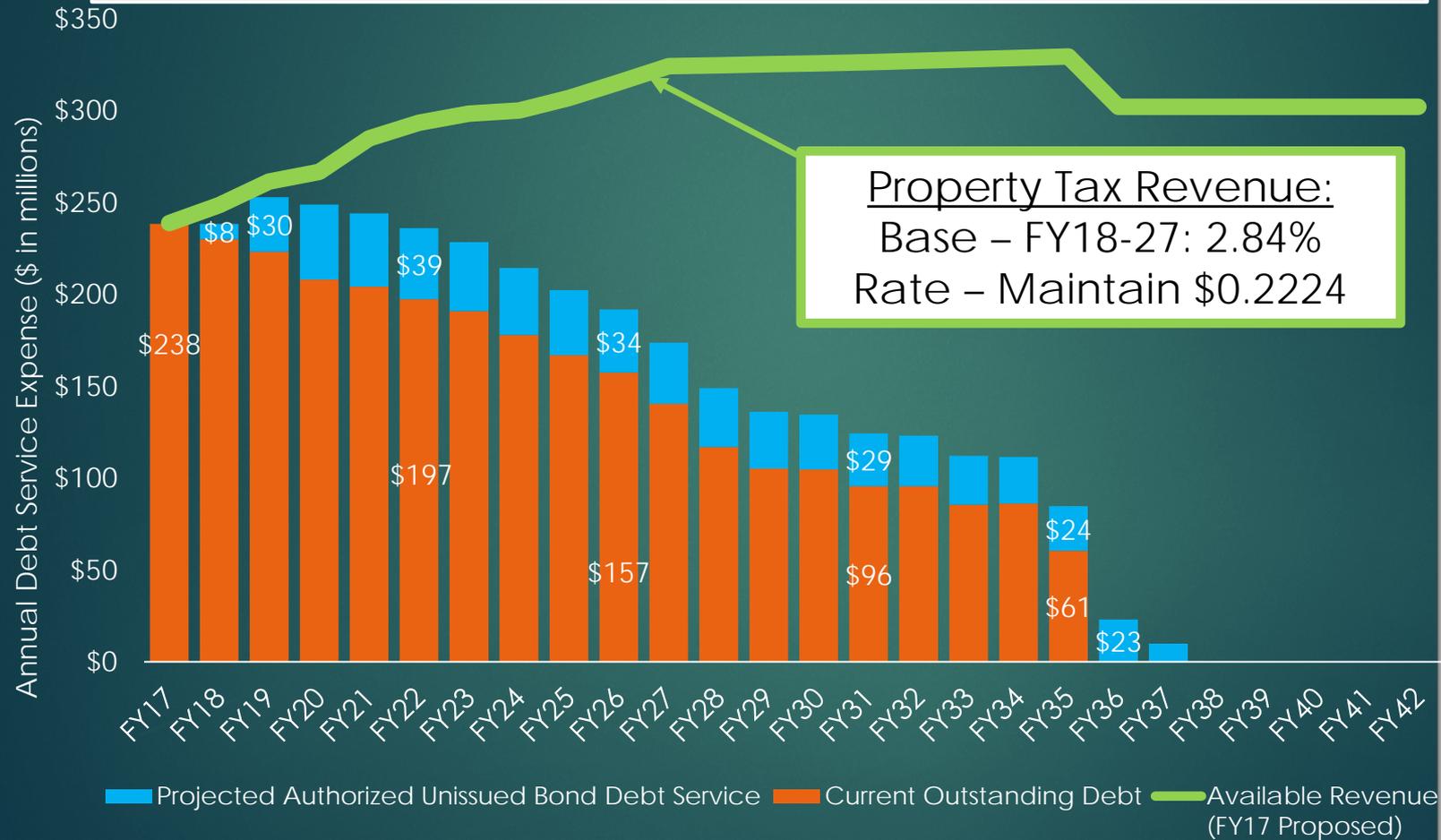


4) Property Tax Rate

- ▶ Proposed FY17 property tax rate is \$0.7812
 - ▶ \$0.5588 (71.5%) allocated to the General Fund
 - ▶ \$0.2224 (28.5%) allocated to Debt Service
 - ▶ FY17 proposed budget reduces Debt Service tax rate by one cent (from \$0.2324 to \$0.2224)
 - ▶ Lowest Debt Service allocation since FY07



3&4) Property Tax Revenue (Available Revenue*)



*Available revenues in debt service fund net of TIF district payments

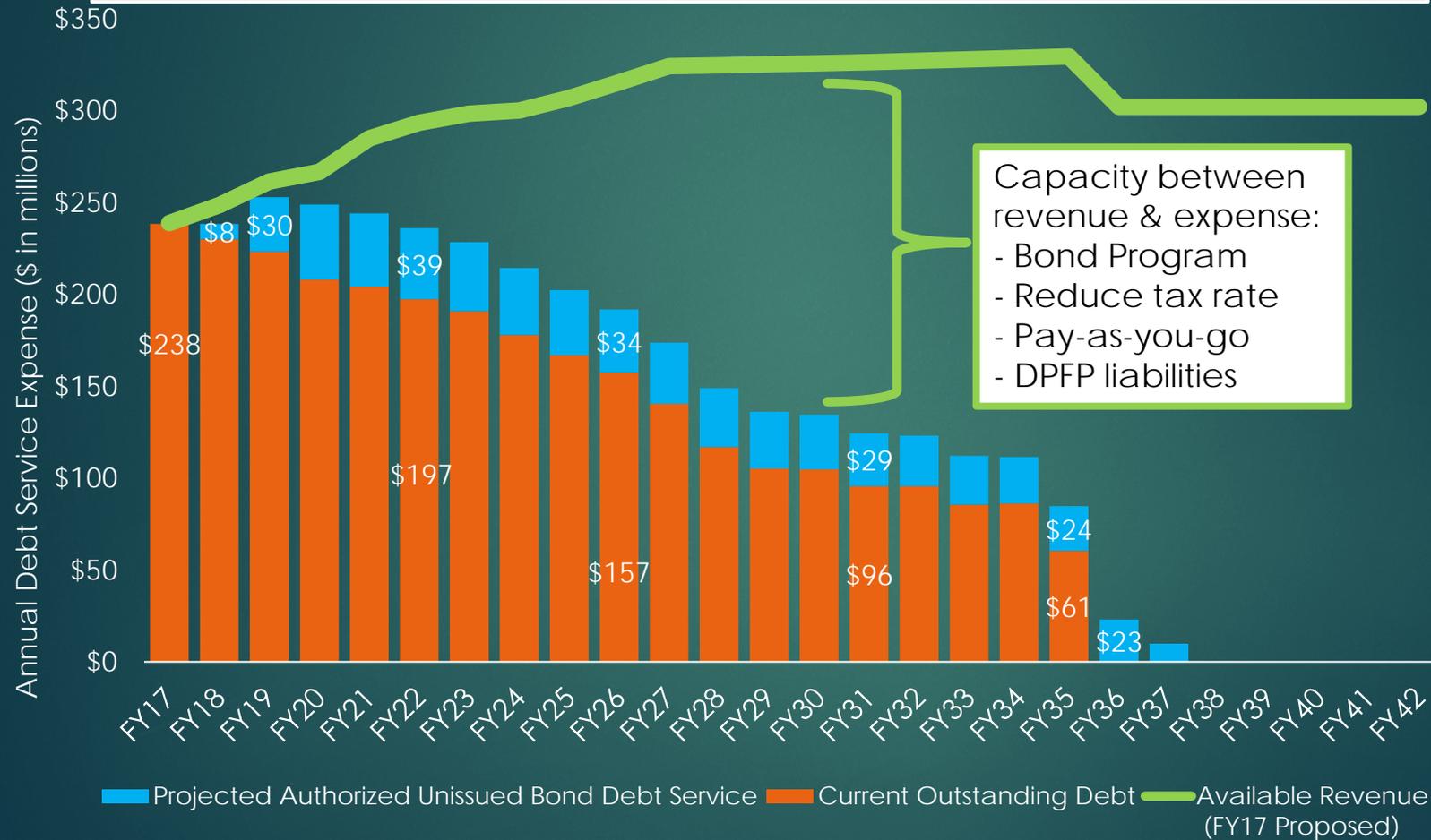


5) Council Policy Direction

- ▶ Council options for use of financial capacity
 - ▶ Bond program – 2017 and beyond
 - ▶ Size of 2017 bond program
 - ▶ Capacity exists for a 5-year bond program up to \$1.15B
 - ▶ Support for a smaller bond program was voiced at February Council retreat
 - ▶ Pay-as-you-go
 - ▶ Future funding strategy for GO debt versus pay-as-you-go
 - ▶ Reduce tax rate
 - ▶ Police & Fire Pension Fund (DPFP) liabilities?



5) Council Policy Direction



5) Council Policy Direction

Table below assumes no future bond programs; amounts assume tax rate shift possible under rollback rate

Fiscal Year	Capacity (\$ in millions)	Fiscal Year	Capacity (\$ in millions)
FY17	N/A	FY28	\$186.1
FY18	\$2.7	FY29	\$200.6
FY19	\$2.7	FY30	\$202.6
FY20	\$20.4	FY31	\$214.0
FY21	\$33.5	FY32	\$216.0
FY22	\$50.0	FY33	\$228.7
FY23	\$66.4	FY34	\$229.9
FY24	\$88.3	FY35	\$259.9
FY25	\$110.7	FY36	\$296.2
FY26	\$130.9	FY37	\$311.3
FY27	\$159.4	FY38	\$316.9

Pay-as-you-go information included in appendix



Scenarios

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Bond Program Scenarios

- ▶ Following slides represent options for Council to consider for 2017 Bond Program and beyond:
 - A. \$800m bond program over 4-years
 - B. \$800m program spread-out in 2 smaller bond programs over 7 years
 - C. \$675m program available with a debt service tax rate cap at 25% of total tax rate



Summary of Scenarios

2017 Bond Program Scenarios

Scenario	A) \$800m Conventional Program	B) \$800m Spread-Out Program	C) \$675m Cap Tax Rate @ 25%
Program Capacity	\$800m	\$800m (in increments of \$500m and \$300m)	\$675m
Duration of Program	4 years	7 years (elections in 2017, 2021)	5 years
Pay-as-you-Go (assumes no future bond programs)	\$87m over 7 years	\$145m over 7 years	\$164m over 7 years
Year when \$100m per year available for PayGo	FY 2028: \$114m	FY 2028: \$103m	FY 2028: \$122m

Summary of Scenarios

(\$ in millions)

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	Scenario A		Scenario B		Scenario C	
	Bonds	Pay-Go*	Bonds	Pay-Go*	Bonds	Pay-Go*
FY17	Issue remainder of 2006 and 2012 bond programs; Use Commercial Paper to begin implementation of 2017 bond program					
FY18						
FY19						
FY20	\$225m	\$0	\$200m	\$9.3m	\$150m	\$11.6m
FY21	\$210m	\$0	\$150m	\$9.5m	\$150m	\$14.9m
FY22	\$180m	\$0	\$150m	\$9.8m	\$100m	\$15.4m
FY23	\$185m	\$0		\$10.1m	\$100m	\$19.0m
FY24		\$0	\$100m	\$19.5m	\$175m	\$29.3m
FY25		\$30.2	\$100m	\$36.9m		\$36.6m
FY26		\$56.7	\$100m	\$49.7m		\$37.7m
Total	\$800m	\$87m	\$800m	\$145m	\$675m	\$164m
Aggregate	\$887m		\$945m		\$839m	

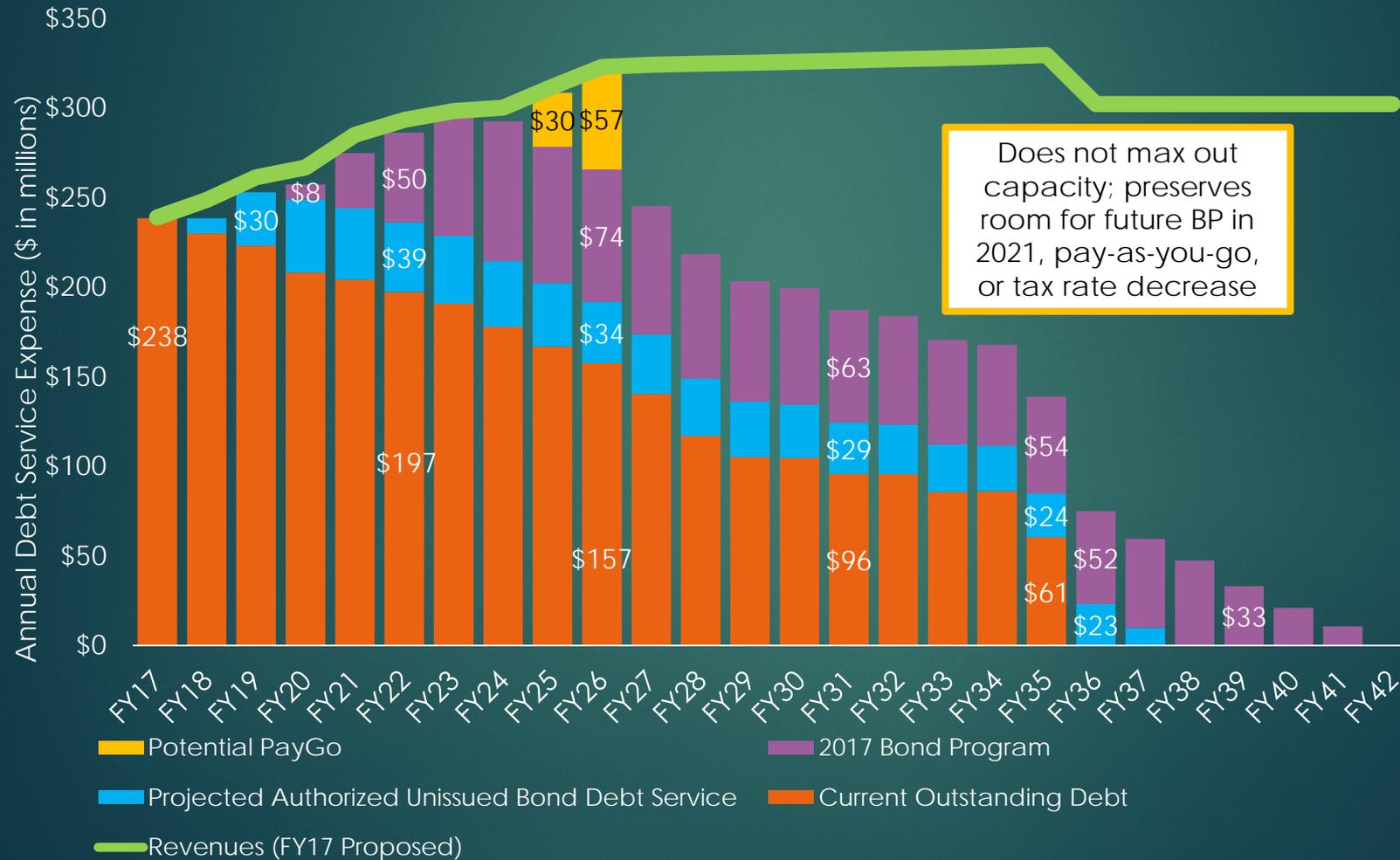
*Pay-as-you-go amounts are operational/non-debt expenses subject to rollback rate limitation

A) \$800m Program over 4-Years

- ▶ Assumptions in this scenario:
 - ▶ Maintains \$0.2224 tax rate included in FY17 proposed budget
 - ▶ 30-year average growth for 9 years (2.84% growth)
 - ▶ Leaves estimated \$350m in bond capacity unused
 - ▶ Use for potential 2021 bond program, or
 - ▶ Potential pay-as-you-go phase-in, or
 - ▶ Tax rate reduction



A) \$800m Program over 4-Years

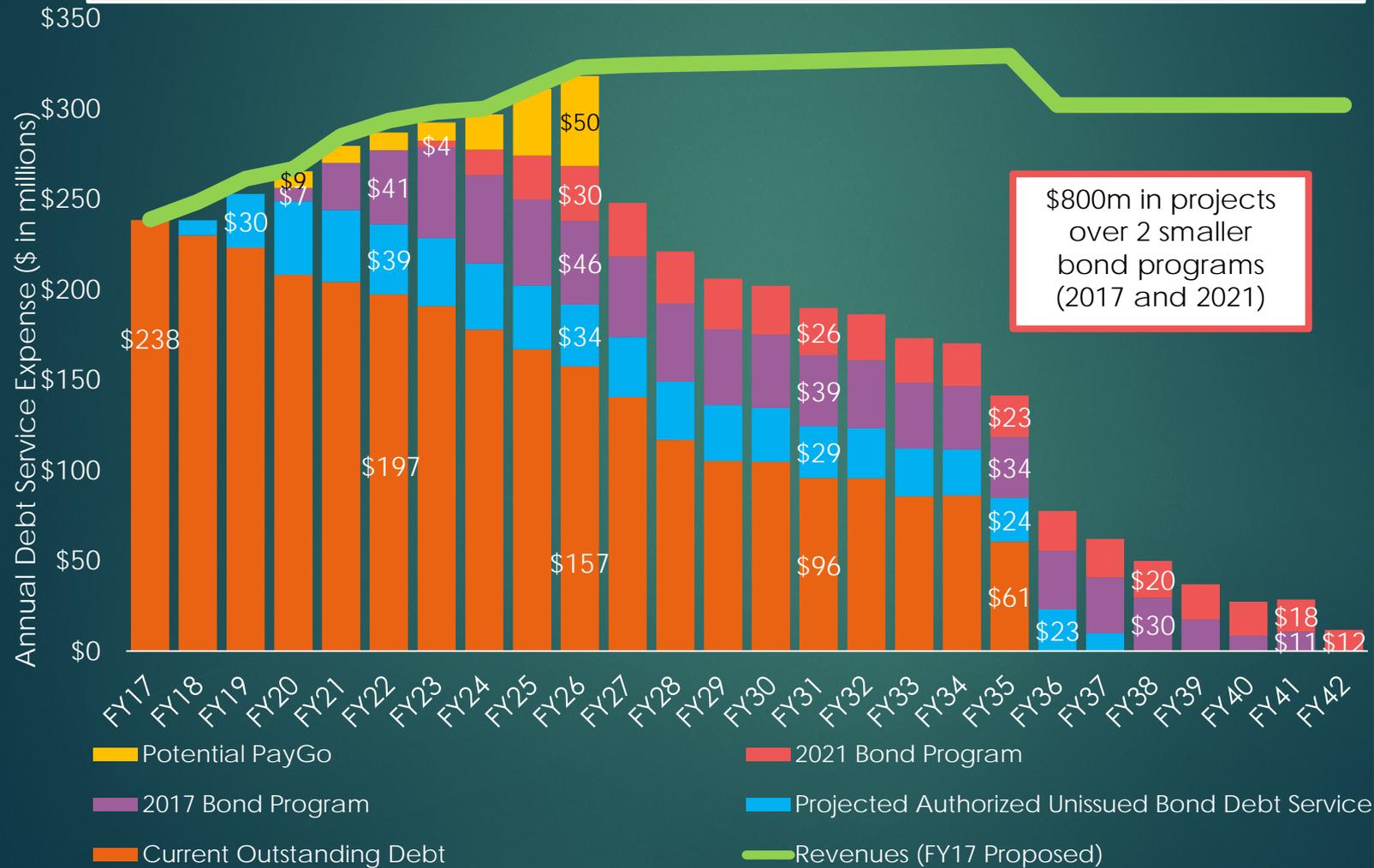


B) \$800m Spread-Out Program

- ▶ Assumptions in this scenario:
 - ▶ Still completes \$800m in bond projects
 - ▶ 7 year delivery versus 4 years and involves two smaller bond programs
 - ▶ 2017: \$500m
 - ▶ 2021: \$300m
 - ▶ Smaller issues increases pay-as-you-go program
 - ▶ Over 7 year duration, this scenario could yield \$145m in pay-as-you-go funding in addition to bond proceeds



B) \$800m Spread-Out Program

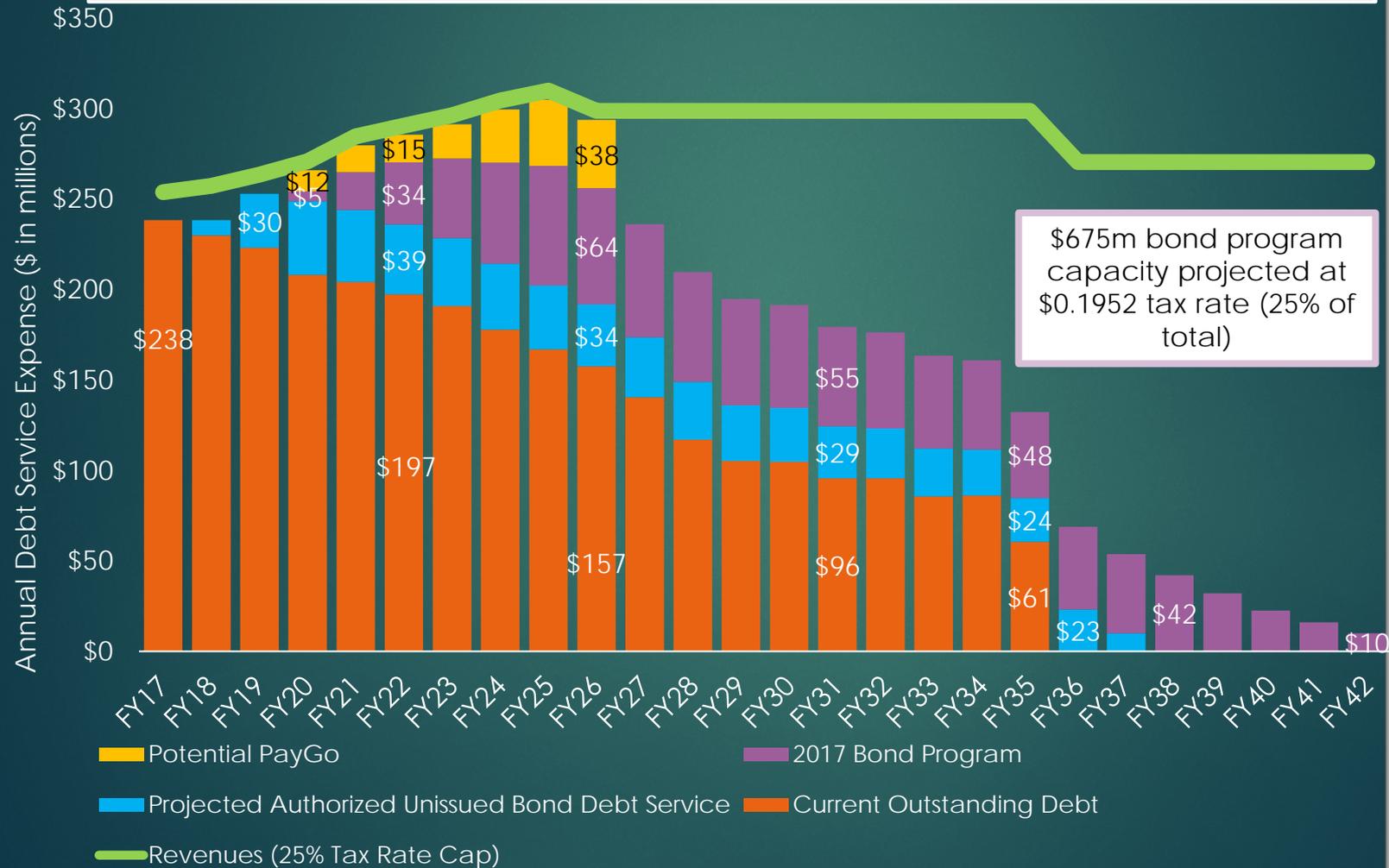


C) \$675m Cap Tax Rate at 25%

- ▶ Assumptions in this scenario:
 - ▶ Projected \$675m capacity for 2017 bond program over 5 years
 - ▶ Reduces debt service tax rate from \$0.2224 to \$0.1952 (25% of total \$0.7812 proposed tax rate)
 - ▶ Tax rate reduction could be shifted to pay-as-you-go (subject to rollback rate calculation) or overall tax rate reduction
 - ▶ Over 7 year implementation window, total of \$164m could be available for pay-as-you-go



C) \$675m Cap Tax Rate at 25%



Council Straw Votes

- ▶ Role of pay-as-you-go
- ▶ Size/duration of 2017 bond program
- ▶ Propositions
(will be covered in part II of briefing)





2017 Bond Program Development Part II-Which Propositions Should Be in the Bond Program

CITY COUNCIL BRIEFING
SEPTEMBER 7, 2016

Overview of Part II

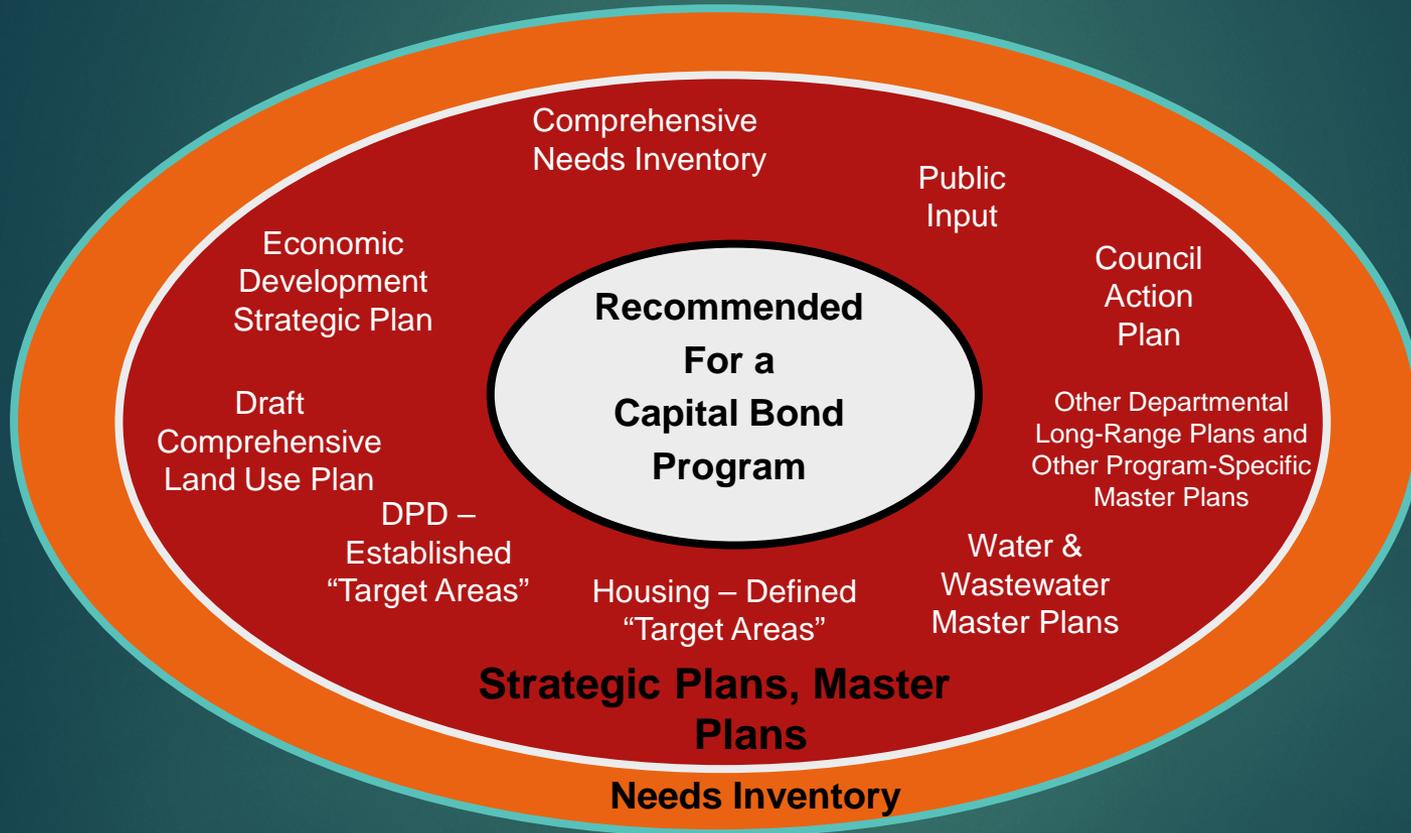
Present

- ▶ Background information on bond program propositions in general
- ▶ The current Needs Inventory
- ▶ The proposed educational outreach component for the bond program development
- ▶ Schedule for calling the election



Needs Inventory – Lists the City’s Infrastructure Needs

How the City’s needs are identified and prioritized



Needs Inventory contains a listing of infrastructure projects from these sources. Projects are then ranked and prioritized using technical criteria that Council reviewed this past spring



Bond Program Propositions

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- ▶ Projects in the Needs Inventory are separated into groups that reflect possible propositions. For example:
 - Streets & Transportation
 - Flood Protection & Storm Drainage
 - Park & Recreation

- ▶ Council selects the proposition(s) and the projects in each proposition
 - Propositions include like projects
 - Funding cannot be changed between propositions



Project Categories

- ▶ There has been concern on Needs Vs. Wants
- ▶ The Needs Inventory has now divided projects into the following categories:
 - **NEW** – Projects to build something that does not exist today or a major expansion that increases operation and maintenance costs
 - **REHABILITATION/REPLACEMENT** – Projects to reconstruct, remodel, or rehabilitate existing infrastructure. This includes major expansion and replacement projects that do not increase operation and maintenance costs
 - **MAJOR MAINTENANCE** – Projects to perform major repairs to extend the life of existing infrastructure



TYPE	New	Rehabilitation/Replacement	Major Maintenance
Streets	<ul style="list-style-type: none"> • Thoroughfares Expansion Projects • Street Petitions • Target Neighborhood • Street Cars 	<ul style="list-style-type: none"> • Street Reconstruction • Complete Streets • Wholesale sign replacement • Quiet Zones 	<ul style="list-style-type: none"> • Street Resurfacing
Alleys	<ul style="list-style-type: none"> • Alley Petitions 	<ul style="list-style-type: none"> • Alley Reconstruction 	<ul style="list-style-type: none"> • N/A, not performed with bond funds
Flood Protection & Storm Drainage	<ul style="list-style-type: none"> • New pump stations • New drainage pipes • New channels • New channel bank protection • New levees • Flood studies 	<ul style="list-style-type: none"> • Replacement /Repairs of Existing: <ul style="list-style-type: none"> ○ Pumps/pump stations ○ Drainage pipes/culverts ○ Channel lining and bank protection; • System capacity upgrades • Repetitive Loss Property purchases 	<ul style="list-style-type: none"> • N/A, not performed with bond funds
Parks and Trails	<ul style="list-style-type: none"> • New parks • New trails • New Rec Centers 	<ul style="list-style-type: none"> • Park reconstruction • Trail reconstruction 	<ul style="list-style-type: none"> • Repair various park features • Dredging ponds
Facilities	<ul style="list-style-type: none"> • New buildings 	<ul style="list-style-type: none"> • Demolition and reconstruction of existing buildings/facilities • Major remodeling of existing buildings/facilities 	<ul style="list-style-type: none"> • Replacement or major repair of a building system beyond regular, normal maintenance, • HVAC system or roof or modernizing an elevator

Proposition*	2006 BP Investment (M)	2012 BP Investment (M)	Current Needs Inventory		
			New (M)	Rehabilitation/ Replacement (M)	Major Maintenance (M)
Street and Transportation	\$390	\$261	\$1,880	\$3,142	\$477
Flood Protection & Storm Drainage	\$334	\$326	\$1,378	\$282	N/A
Park & Recreation	\$343	\$0	\$719	\$998	\$309
Library Facilities	\$46	\$0	\$9	\$102	Pending
Cultural Facilities	\$61	\$0	\$37	\$47	Pending
Courts Facilities	\$8	\$0	\$0	\$92	Pending
Economic Development & Housing	\$58	\$55	\$45 (\$15Eco/\$30 Housing)	N/A	N/A
Fire Facilities	\$57	\$0	\$55	\$171	Pending
Police Facilities	\$7	\$0	\$144	\$134	Pending
City Facilities	\$35	\$0	\$33	\$128	Pending
Total	\$1.34 B	\$642 M	\$4.30 B	\$5.10 B	\$786 M+

Pending-Major Maintenance needs for facilities to be updated as condition assessments are completed Fall 2016

* Listed in historical order

Summary of Needs Inventory by Proposition

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- ▶ For each proposition on the previous page, the following information is being provided in following 12 slides
 - Projects are divided into new, reconstruction/rehabilitation or major maintenance
 - Projects are currently not ranked or listed by priority
- ▶ Each proposition will be briefed in more detail at upcoming committee meetings



Streets and Transportation

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Rehabilitation/Major Maintenance: \$3.62 B

To achieve zero degradation: \$89M per year assuming:

- ▶ At about 22% reconstruction and 78% resurfacing
- ▶ See appendix for further information

To increase street satisfaction by 1% beyond what is needed for zero degradation: \$103M per year assuming:

- ▶ At about 50% reconstruction and 50% resurfacing

Other rehabilitation needs:

- ▶ Alley Reconstruction
- ▶ 14 quiet zones
- ▶ Traffic intersection capacity/safety improvement
- ▶ Rehabilitation of bridges

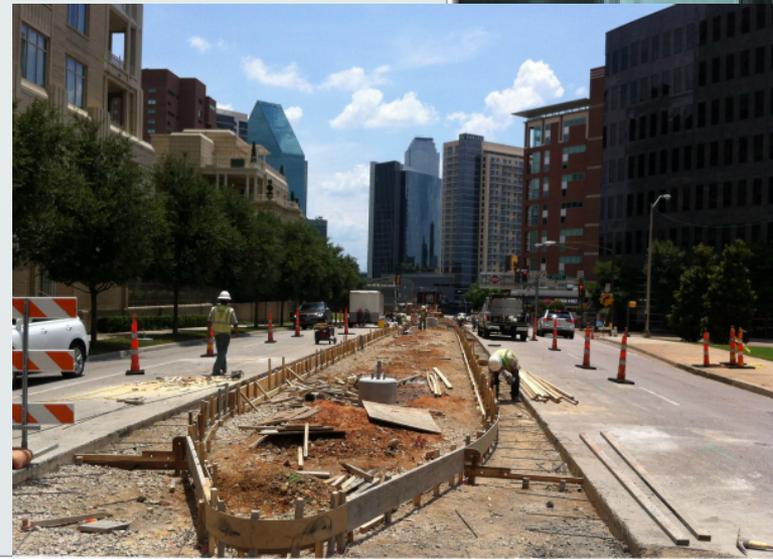


Streets and Transportation

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New: \$1.88B

- ▶ 10 current Alley, Sidewalk, Street, petitions estimated at \$16 M
- ▶ 100,000 LF of sidewalks and barrier free ramps where none exist today
- ▶ Warranted traffic signals (\$4m/year)
- ▶ Target Neighborhoods
- ▶ Bike Share program (\$4M)



Flood Protection & Storm Drainage

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System Element	New Infrastructure**		Repair/Replacement	
	# Projects	Cost (\$M)	# Projects	Cost (\$M)
Erosion Control:	110	\$ 38.49	2	\$ 0.8
Flood Control:				
Bridges/Culverts	17	\$ 136.44	83	\$ 99.84
Channels	4	\$ 30.68	12	\$ 40.61
Levees	5	\$ 283.22	2	\$ 40.00
Pump Stations*	3	\$ 191.00	3	\$ 9.00
Flood Studies	4	\$.70		-
Repetitive Loss Purchases		-	49	\$ 13.88
Other Improvements	9	\$ 169.00	3	\$ 4.15
Storm Drainage:	128	\$ 480.58	38	\$ 74.96
TOTALS:	280	\$ 1,330.11	192	\$ 283.21

* New: Trinity-Portland, Charlie, Hampton-Oak lawn; Upgrade: Delta, Charlie, Hampton-Oak lawn

** New Infrastructure typically reduces O&M Costs because flood damages are reduced

Park and Recreation

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Item	Description	New	Rehabilitation /Major Maintenance	Est. Cost (M)
1	125.1 Miles of new and rehabilitated trails	X	X	\$187
2	Rehabilitate 36 recreation centers		X	\$108.5
3	Build Three new recreation center	X		\$44
4	Implement Aquatics Master Plan	X	X	\$40.5
5	Address 46 playgrounds-27 rehabilitation/19 new	X	X	\$14.6
6	Rehabilitate and construct new downtown parks	X	X	\$62.4
7	Site development of neighborhood and community parks	X		\$187.4
8	Other Projects	X	X	\$1,479.5

Fair Park

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- ▶ Major maintenance and rehabilitation
 - \$241.5M
- ▶ Community parks with underground parking
 - \$68.9M or
 - \$21.9M for community parks on grade with no parking
- ▶ Long term enhancements - \$124.7M
 - Coliseum – Phase 2
 - Cotton Bowl Improvements
- ▶ Proposed Fair Park Agreement references
 - ▶ \$75M with an additional \$25 M on the street/drainage propositions
 - \$50M of the bond program follows the 2017 Bond Program. See appendix for more info.



Library Facilities

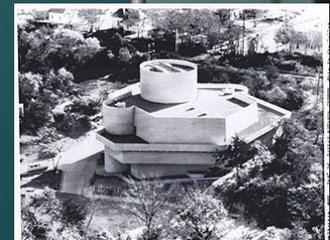
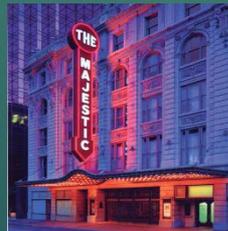
Major Maintenance	PENDING	Awaiting updates from FCA
Renovation/ Replacement	\$101.76 M	<ul style="list-style-type: none">• 4 replacement branch libraries -<ul style="list-style-type: none">• North Oak Cliff, Park Forest, Forest Green and Preston Royal• Renovation of Central Library 6th floor and administration• Renovation and expansion of eight branches• Installation of automated handling system at Central Library and 26 branches
New	\$9.11 M	<ul style="list-style-type: none">• 1 new location - Vickery Meadow Branch Library



Cultural Facilities

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Major Maintenance	PENDING	Awaiting updates from FCA
Renovation/ Replacement	\$46.9 M	<ul style="list-style-type: none">• Arts District portals and lighting upgrades• Latino Cultural Center - Phase II design and construction• Renovations to Bath House Cultural Center, Dallas Heritage Village, DMA, Juanita Craft House, Majestic Theater, Meyerson Symphony Center, Sammons Center for the Arts and South Dallas Cultural Center
New	\$37.41 M	Asian American Cultural Center site acquisition, design and construction



Court Facilities

Major Maintenance	PENDING	Awaiting updates from FCA
Renovation/ Replacement	\$92.1 M	<ul style="list-style-type: none">• Site acquisition, design and construction of 110,000 SF replacement Municipal Court• Site acquisition, design and construction of 40,000 SF replacement Detention Center
New	None	



Figure U. Fourth Floor: Men's Restroom 422, looking north.



Economic Development & Housing

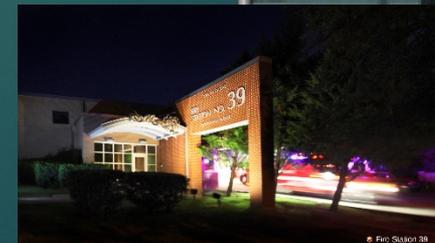
47

New	\$15 M	Economic Development <ul style="list-style-type: none">• Allocated to projects that promote<ul style="list-style-type: none">• Economic development and redevelopment projects in commercial corridors and districts within southern Dallas that revitalize and promote the adaptive reuse of underutilized and obsolete commercial properties/facilities• Transit oriented development citywide
New	\$30 M	Housing <ul style="list-style-type: none">• Allocated to provide housing choices throughout Dallas and focus on<ul style="list-style-type: none">• Mixed income housing development• Transit Oriented developments• Permanent Housing Support• Revitalization of Neighborhood



Fire Facilities

Major Maintenance	PENDING	Awaiting updates from FCA
Renovation/ Replacement	\$171.18 M	<ul style="list-style-type: none"> • Site acquisition, design and construction for 19 replacement stations • Dolphin Rd. campus - Expansion of Training Academy classrooms, expansion of Quartermaster Bldg. and renovation of existing Burn Bldg.
New	\$55.36 M	<ul style="list-style-type: none"> • Site acquisition, design and construction for 3 new stations • Dolphin Rd. campus - Design and construction of new Burn Bldg., new Driver Training course and new 60,000 SF Admin. offices



Police Facilities

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Major Maintenance	20 M	Added Security at Police Headquarters
Renovation/ Replacement	\$134.41 M	<ul style="list-style-type: none">• Replacement facilities for SW and Central Patrol, and replacement of Property Room• Expansion of NE and N. Central Patrol facilities for Community Rooms• Security upgrades at various facilities• Upgrade of Crime Lab for DNA evidence processing
New	\$144.4 M	<ul style="list-style-type: none">• Design and construction of new Police Academy• Design and construction of new Cypress Waters station



Other City/Service Center Facilities

Major Maintenance	PENDING	Awaiting updates from FCA
Renovation/ Replacement	\$128 M	<ul style="list-style-type: none"> • Code Compliance – replacement of 4 District offices and replacement of 1 maintenance facility, renovation and expansion of existing Animal Services facility and renovation of Consumer Health offices • EBS – SE Fleet Service Center Replacement Phase II • Sanitation – renovation of Fair Oaks and Bachman Transfer Stations and replacement of 1 Service Center • Street Services – - replacement of 2 Service Centers and expansion of 2 Service Centers • Trinity Watershed Mgmt. – Flood Control Operations Center
New	\$ 32.89 M	<ul style="list-style-type: none"> • Code Compliance – new SE Animal Services impound facility • Sanitation – 2 Neighborhood Convenience Centers



Educational Outreach

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- ▶ 2017 Bond Program Website- new informational website
 - ▶ www.dallasbond.com was launched on September 2nd
- ▶ Two Rounds of Public Meetings
 - ▶ Oct. 2016 & Jan. 2017
- ▶ Survey
 - ▶ Online survey
- ▶ Social Media
 - ▶ Twitter
 - ▶ Facebook
- ▶ Citizen Poll
 - ▶ Trust for Public Land



2017 Bond Program Website

- ▶ A new informational website on the Bond Program process www.dallasbond.com was launched on September 2nd
- ▶ The website will be updated regularly with the latest bond program information
- ▶ The website will have many features including an interactive version of the City's Needs Inventory, maps showing current street conditions, and information on active construction projects
- ▶ Citizens can register on the site to receive future information



2017 Bond Program Website



HOME
FREQUENTLY ASKED QUESTIONS
PRESENTATIONS
MAPS AND VIEWERS
SOCIAL MEDIA
SURVEYS
PRESS RELEASES
DEFINITIONS

2017 Bond Program

Welcome to the **future** of Dallas. A City's quality of life and economic vibrancy can be directly correlated with its ability to ensure that public infrastructure and facilities are sustained and enhanced as a City develops and grows. We are proud of what Dallas has to offer today but must identify, plan, design, and construct projects to provide a continued bright **future** for our city. These projects may include:

- Alleys, Streets and Sidewalks
- Public Safety Facilities (Police and Fire Stations)
- Public Use Facilities (Libraries, Recreation Centers and Cultural Centers)
- Storm Drainage Facilities (Pump Stations)
- Economic Development
- Housing

The development of a Bond Program is intended to be a highly interactive process. Citizens and stakeholders will have the opportunity to participate in Town Hall Meetings, surveys and communication with their council member. This website is an educational and interactive tool for citizens and stakeholders to get information and provide feedback on the proposed 2017 Bond Program.

Dallas voters will go to the polls on May 6, 2017, to decide on the proposed bond program. This website will be updated throughout the process with the latest information.

Schedule

Apr 01, 2016-Oct 31, 2017

Briefings on Bond Program Criteria, Needs Inventory and Policies

Oct 01, 2017-Oct 21, 2016

Public Town Hall Meetings-First Round

Jan 01, 2017-Jan 31, 2017

Public Town Hall Meetings-Second Round

Jan 04, 2017-Jan 04, 2017

Updated Bond Program with Propositions and Funding Amounts

CONTACT INFO

Dale Long

Oak Cliff Municipal Center
320 E Jefferson Blvd, Room 307
Dallas, Texas 75203
Phone: (214)-948-4460



2017 Bond Program Website

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HOME

FREQUENTLY ASKED
QUESTIONS

PRESENTATIONS

MAPS AND VIEWERS

SOCIAL MEDIA

SURVEYS

PRESS RELEASES

DEFINITIONS

Maps and Viewers

[City of Dallas Needs Inventory Map](#)

This viewer can be used to identify and understand potential projects that may be added to the 2017 Bond Program based on technical criteria.

[Pavement Condition Viewer](#)

This viewer can be used to show Dallas Pavement Conditions based on assessments performed every two years for Dallas streets and alleys

[City of Dallas Existing Projects Viewer](#)

This viewer can be used to show existing capital projects being performed by Trinity Watershed Management, Parks and Recreation, Mobility and Street Services.



2017 Bond Program Website



City of Dallas

[Mayor](#) | [City Council](#) | [City Manager](#) | [Departments](#) | [Document Center](#)
[Public Works](#) | [Maps](#)

Needs Inventory

The Needs Inventory is the list of the City's needs based on maintenance records, master plans, citizen input and Council recommendations. The Needs Inventory includes estimated costs for each project along with whether they are considered new, refurbished or rehabilitated construction.

[Map 15,033](#) | [Table 15,173](#)
[Filter](#) | [Legend](#) | [Address](#) | [Contact](#)

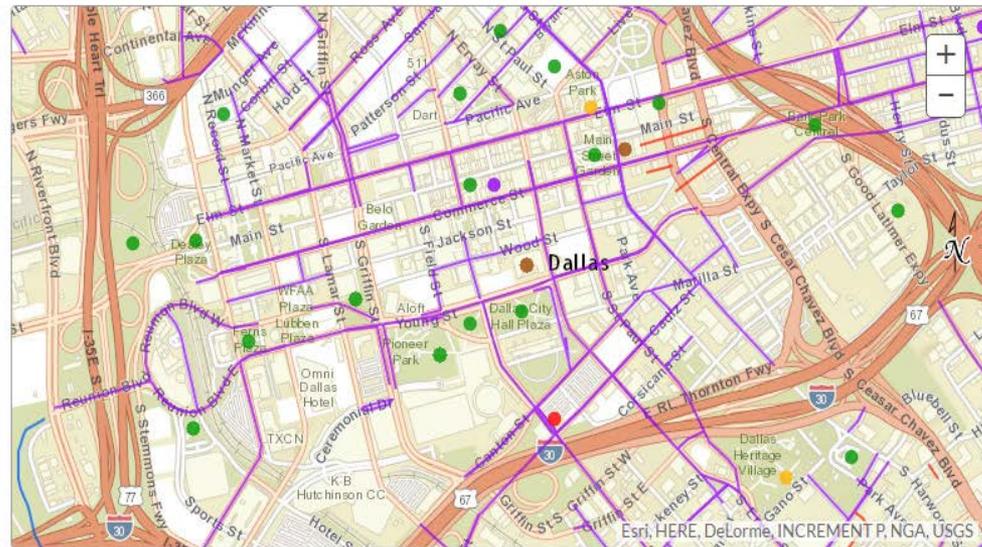
Legend

Needs Inventory - Points

- City Facilities
- Court Facilities
- Cultural Arts Facilities
- Flood Protection and Storm Drain
- Library Facilities
- Park and Recreation Facilities
- Public Safety Facilities
- Street and Transportation

Needs Inventory - Lines

- Flood Protection and Storm Drain
- Park and Recreation Facilities



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2017 Bond Program Website

Needs Inventory

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Map 15,033
Table 15,173

Filter
Legend
Address
Contact

Legend

Needs Inventory - Points

- City Facilities
- Court Facilities
- Cultural Arts Facilities
- Flood Protection and Storm Drainage
- Library Facilities
- Park and Recreation Facilities
- Public Safety Facilities
- Street and Transportation

Needs Inventory - Lines

- Flood Protection and Storm Drainage
- Park and Recreation Facilities

Needs Inventory

400 S AKARD ST
PB059467

Description:	WOOD ST TO YOUNG ST
Program:	Street and Transportation
Category:	Street Reconstruction
Department:	PBW
Council:	2
Score ¹ :	58
Estimate ² :	\$218,295

¹ The Needs Inventory Scoring Criteria is available [here](#).

² Cost estimate is in current USD dollars.

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Upcoming Bond Program Schedule

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Briefing	Department	Council Committee	Date
Drainage Needs Inventory	TWM	TTRP	Sept 26
Parks Needs Inventory	PKR	QOL	Sept 26
Economic Development and Housing Needs Inventory	ECO & HOU	HOU	Oct 3
Streets Needs Inventory	PBW	TTRP	Oct 10
City Buildings	EBS	QOL	Oct 10
Cultural Facilities Needs Inventory	OCA & EBS	ACL	Oct 17
Libraries Needs Inventory	LIB & EBS	ACL	Oct 17
Fire Public Safety Needs Inventory	DFR & EBS	PS	Oct 24
Police Public Safety Needs Inventory	DPD & EBS	PS	Oct 24
Public Meetings-First Round	PBW	Various Town Halls	Oct 3-20, 2016
Summary of Public Input & Decide Bond Program Theme	OFS & PBW	Full Council	Nov 2
Present City Manager's Recommend 2017 Bond Program	PBW	Full Council	Jan 4, 2017
Public Meetings-Second Round	CMO	Various Town Halls	Jan 4-20, 2017
Council Amendments to Bond Program & Finalization	OFS & PBW	Full Council	Feb 1, 2017
Council Calls Election	CMO	Full Council	Feb 8, 2017

2017 Bond Program Public Meetings

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- ▶ First Round – October 3rd – 20th, 2016
 - Receive input from Citizens on what should be included in the Bond Program
- ▶ Second Round – January 4th – 20th, 2017
 - Present City Manager's Office recommend Bond Program and receive input



Online Survey Tool/Social Media & Poll

59

▶ Online Survey Tool-

- ▶ October 3-21 available at DallasBond.com
- ▶ Provide an alternative method for citizens to give input

▶ Communicate through the following tools:

- ▶ Facebook & Twitter - #PictureDallas
- ▶ Govdelivery
- ▶ Flyers distributed to City Facilities
- ▶ Citizens can also register to receive information on Facebook

▶ Poll

- ▶ The Trust for Public Land will conduct a poll to gauge the citizens input on what they think should be included in the Bond Program



Questions & Exercise

CITY COUNCIL BRIEFING
SEPTEMBER 7, 2016

Appendix

CITY COUNCIL BRIEFING
SEPTEMBER 7, 2016

Pay-as-you-Go

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Pay-as-you-Go: Pros

- ▶ Reduces City's long-term debt
- ▶ Eliminates future interest cost
(applies only to unissued bonds, would not affect current outstanding debt)
- ▶ Eliminates potential for future exposure to rising interest rates
- ▶ Does not require bond ratings
- ▶ Does not require issuance fees or bond counsel review
- ▶ Eventually could do approximately \$200m in projects per year
(as early as FY29 if no future bond programs)



Pay-as-you-Go: Cons

- ▶ Pay-as-you-go program will likely require 10-year period to reach level that City awards annually in capital projects (\$100m-\$150m)
- ▶ Time value of money erodes purchasing power under pay-as-you-go
 - ▶ Fighting inflation and continued degradation which results in more complex project
- ▶ Pay-as-you-go increments are subject to rollback tax rate limitations
- ▶ Current residents would pay for improvements enjoyed by future residents without those residents paying their fair share
- ▶ Pay-as-you-go funds could be redirected for other purposes by future City Councils



A photograph of a construction site. In the foreground, there is a large area of concrete with a grid of rebar reinforcement. To the right, there are concrete forms and a striped safety barrier. In the background, there are parked cars and a building. A blue rectangular box is visible in the upper right corner of the image.

Financial Management Performance Criteria Potential Revisions

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Potential FMPC Revision related to Debt Issuance

66

- ▶ FMPC Criteria #17 could be revised to reflect a debt limit based on taxable values rather than market value
- ▶ FMPC Criteria #17 could be revised and change threshold limit from 4% of market value of property to a lesser amount such as 2% of taxable value
 - ▶ Or phase reduction to a lesser amount over time
- ▶ Additional criteria could be added to establish policy to reduce percent of tax rate allocated to debt service from current 28.5%





General Fund Financial Forecast

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

General Fund 3-Year Financial Forecast

- ▶ General Fund forecast and tax rate is also a consideration in developing parameters for 2017 bond program
- ▶ Shifting tax rate from Debt Service to General Fund would help cover forecast shortfalls but would limit amount of debt capacity for 2017 bond program
 - ▶ Each 1¢ of tax rate equals about \$10.8m
 - ▶ Subject to rollback rate limitation

	FY 2016-17 Proposed	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast
General Fund Revenue	\$1,228.0m	\$1,253.6m	\$1,286.3m	\$1,324.4m
General Fund Expense	\$1,228.0m	\$1,345.4m	\$1,394.0m	\$1,435.2m
Variance/Gap	\$0	(\$91.8m)	(\$107.7m)	(\$110.8m)

Note: Forecasts are very preliminary and will change.



General Fund Financial Forecast – FY18 Detail

Line-Item Change Year-over-Year	Revenues	Expenses
FY 2016-17 Proposed General Fund	1,228,000,000	1,228,000,000
Property tax increase	24,436,103	
Sales tax growth increase	9,350,032	
All other revenue increase	658,136	
Eliminate non-recurring revenue (Atmos & AAC)	(8,800,000)	
Full-year fund 200 additional police officers		16,300,000
Full-year fund 50 public safety officers (civilians)		800,000
Full-year fund police and fire double-step pay		13,762,807
Partial-year fund police and fire single-step pay		6,458,001
Full-year fund civilian merits - effective 11/9/16		500,000
3% civilian merit increase effective 10/1/17		6,360,814
Full-year fund Forestry Division		500,000
Full-year fund HireDallas positions		200,000
Full-year fund + increment for Fair Park		6,175,000
Employee/retiree health benefit costs		3,633,902
Risk & Liability funds transfer		7,520,609
Increase cost due to less 911-fund reimbursement		1,800,000
Increase cost due to less FEMA reimbursements		1,400,000
EBS/CIS internal service charges		2,340,385
Master Lease debt service increment		1,695,196
TIF District expense increment		5,485,340
Inflation adjustments for utilities, fuel, etc.		4,850,464
Capital project O&M expense		2,775,054
Street and Alley		34,864,089
Total Projected FY 2017- 18 General Fund	1,253,644,271	1,345,421,662
Variance between projected revenue & expense		(91,777,391)

Note: Forecasts are very preliminary and will change.





Comparative Analysis

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Current Outstanding Debt Comparative Data

71

Comparative City Data - GO Debt Per Capita (9/30/16)

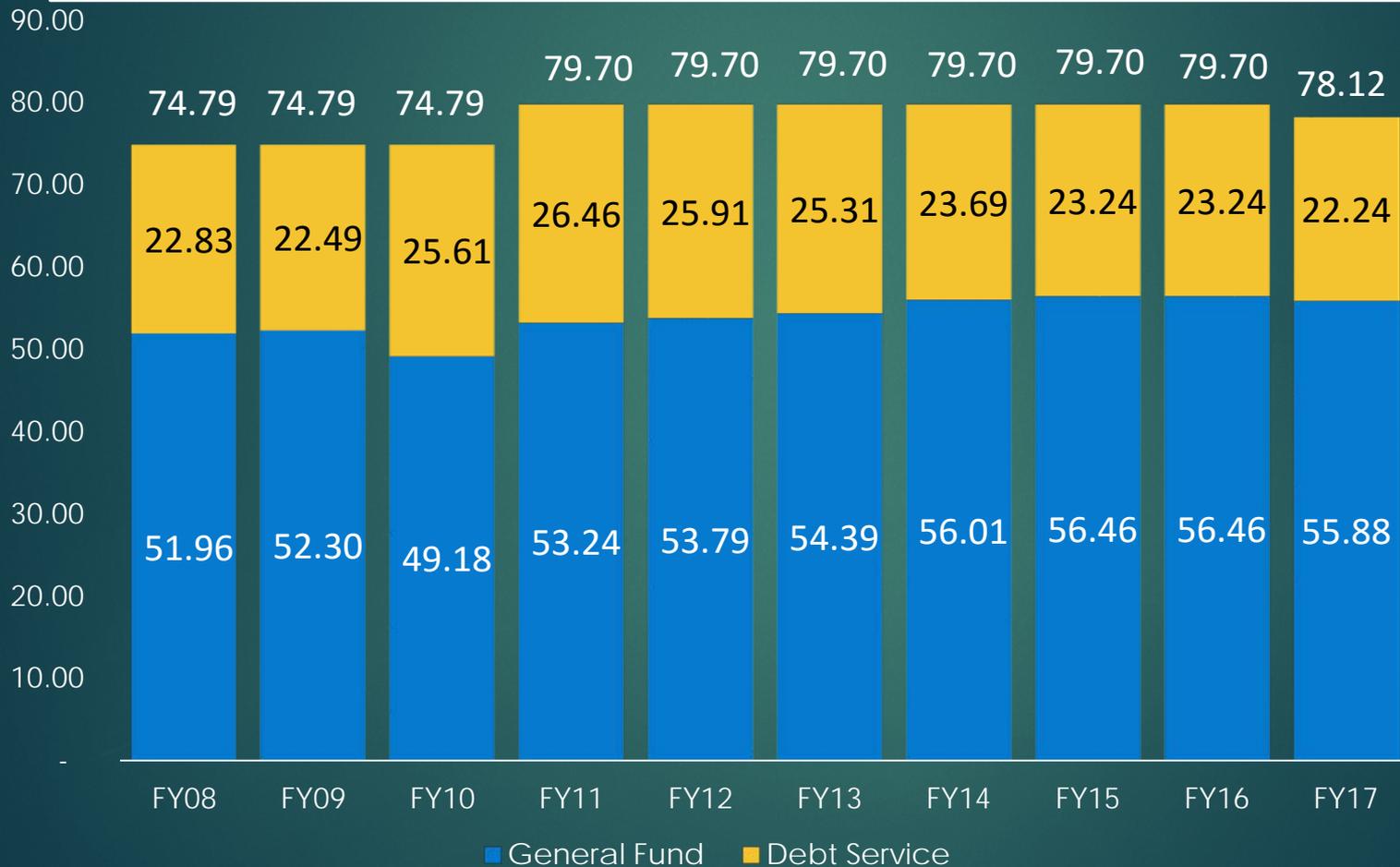
City	GO Debt Outstanding	Population (US Census Est)	Debt Per Capita
Comparative Set			
Dallas, TX	\$1.785B	1,281,031	\$1,393
Austin, TX	\$1.359B	926,426	\$1,467
Fort Worth, TX	\$0.644B	812,553	\$792
Houston, TX	\$2.944B	2,240,796	\$1,314
San Antonio, TX	\$1.624B	1,436,723	\$1,130
Other Agencies			
Dallas Water Utilities	\$2.158B ^A	N/A	N/A
Dallas ISD	\$2.356B	N/A	N/A
DFW Airport	\$6.200B ^A	N/A	N/A

A-Enterprise revenue bond debt; not tax supported



Property Tax Rate Historical ¢/\$100 value

72

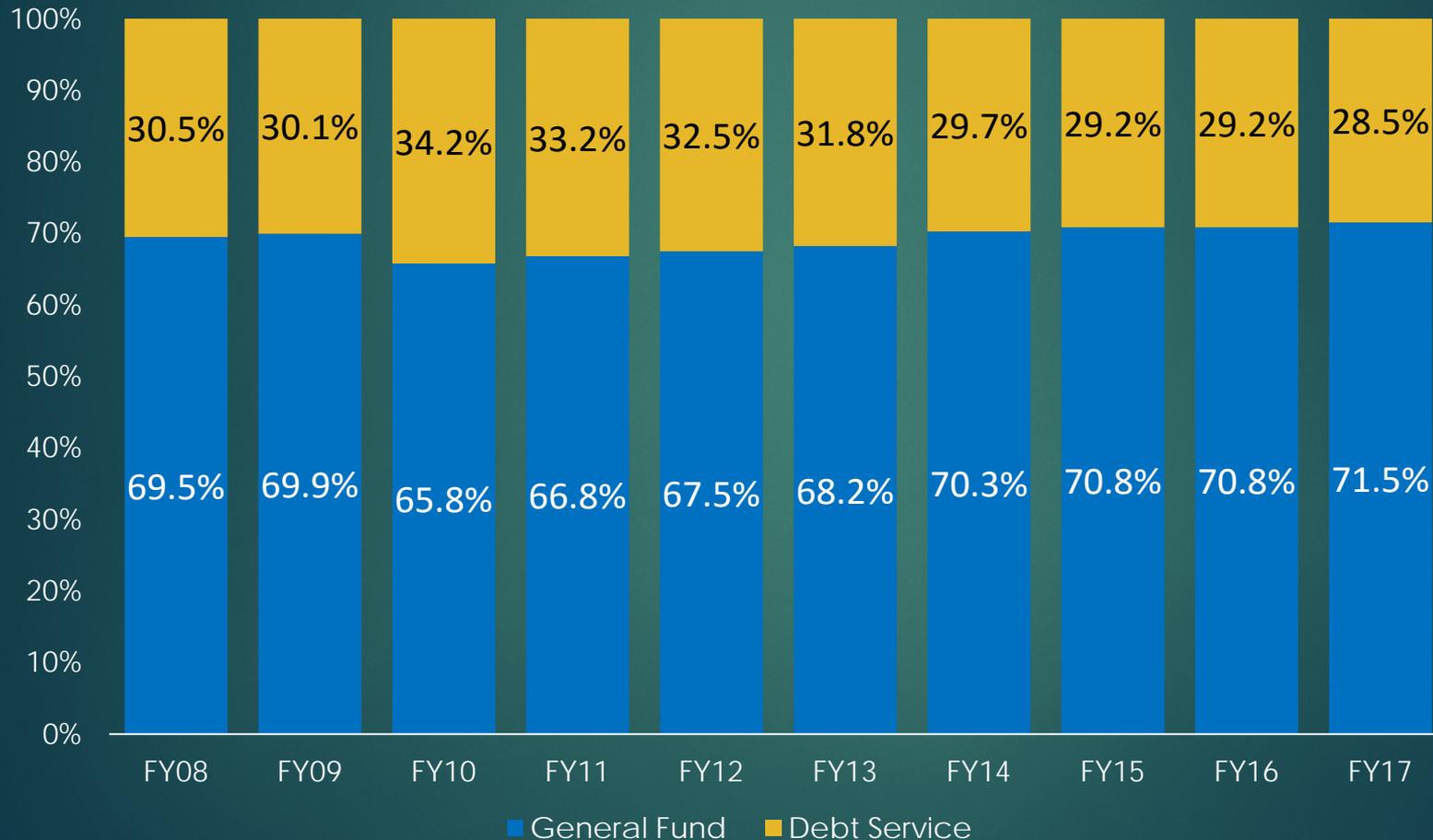


Note: Tax rate has increased or stayed the same since FY99 except for FY07 when there was a 1.25¢ decrease.



Property Tax Rate Historical % Allocation

73



Note: Percent of tax rate allocated to debt service has steadily decreased since FY10.



Impact of Funding on Street Satisfactory Condition

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Impact of Funding On Street Satisfactory Condition

To maintain street degradation at zero, the various scenarios for the 17BP must include the following amounts

Scenarios	Street Proposition Amount	Amount Available on the Bond Program for all other work (such as alleys, bridges, libraries, parks, etc.)
Scenario A \$800M Conventional	\$384M	\$416M
Scenario B \$800M Spread out	\$384 of the first \$500M BP and the Entire \$300M of the 2nd BP	\$116M
Scenario C \$675M Capped Tax Rate	\$482M	\$193M



Impact of Funding On Street Satisfactory Condition – Contd.

- ▶ To move to pay-as-you-go after the 17BP, the entire 17BP must be for improving street conditions (not alley, sidewalks, bridges, street landscaping, etc.)
- ▶ If there is **NO** 17BP, then in FY 25 there is finally enough cash to pay for maintaining zero degradation each year
- ▶ But the street condition will have deteriorated by over 5%





Fair Park Information

2017 BOND PROGRAM DEVELOPMENT
FINANCIAL CAPACITY ANALYSIS

Fair Park Information

Year 2017 Bond Package

- \$25M City goes first for Priority #1 projects
- \$25M City for Priority #1 & #2 projects
- \$25M Non-City donors match for new projects, priorities
- \$25M City for Priority #2 projects
- \$25M Non-City donors match for new projects, priorities

Bond funds only used for existing Capex needs

Public works should earmark **\$25M in the street and drainage proposition**

Subject to city council approval





HOW TO USE THE 2017 BOND PROGRAM NEEDS INVENTORY VIEWER

The Following Steps show how to view the Needs Inventory by
Council District

Step 1

Go to www.dallasbond.com

- Viewable on all major internet browsers

Step 2-Click “Maps and Viewers”



2017 Dallas Bond Program

HOME
FREQUENTLY ASKED QUESTIONS
PRESENTATIONS
MAPS AND VIEWERS
SOCIAL MEDIA
SURVEYS
PRESS RELEASES
DEFINITIONS

2017 Bond Program

Welcome to the **future** of Dallas. A City's quality of life and economic vibrancy can be directly correlated with its ability to ensure that public infrastructure and facilities are sustained and enhanced as a City develops and grows. We are proud of what Dallas has to offer today but **must** identify, plan, design, and construct projects to provide a continued bright **future** for our city. These projects may include:

- Alleys, Streets and Sidewalks
- Public Safety Facilities (Police and Fire Stations)
- Public Use Facilities (Libraries, Recreation Centers and Cultural Centers)
- Storm Drainage Facilities (Pump Stations)
- Economic Development
- Housing

Schedule

[Apr 01, 2016-Oct 31, 2017](#)

Briefings on Bond Program Criteria, Needs Inventory and Policies

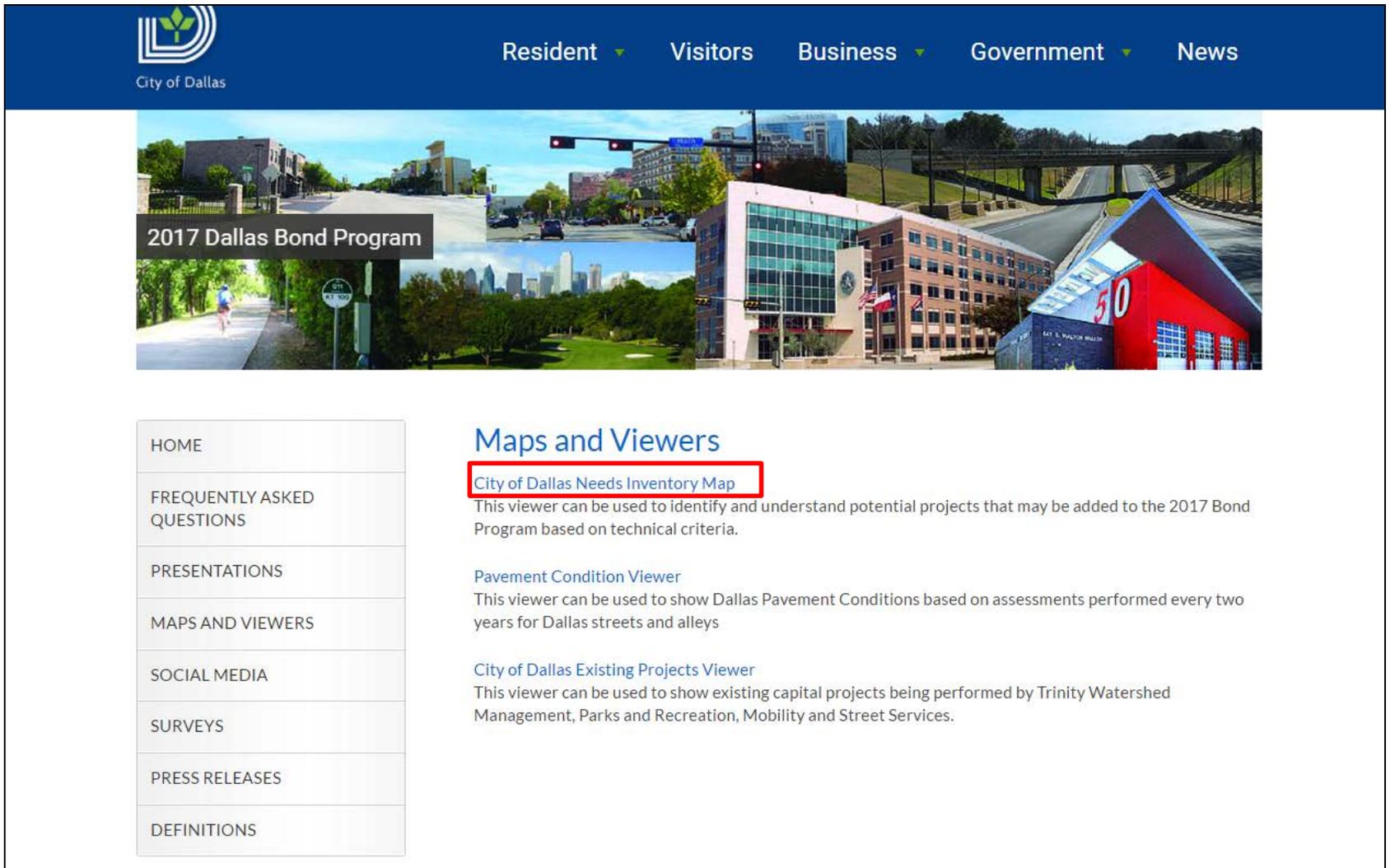
[Oct 01, 2017-Oct 21, 2016](#)

Public Town Hall Meetings-First Round

[Jan 01, 2017-Jan 31, 2017](#)

Public Town Hall Meetings-Second

Step 3-Click “City of Dallas Needs Inventory”



The screenshot shows the City of Dallas website. At the top is a dark blue navigation bar with the City of Dallas logo on the left and menu items: Resident, Visitors, Business, Government, and News. Below the navigation bar is a large banner image with the text "2017 Dallas Bond Program" overlaid. The banner features a collage of images including a street intersection, a modern building, a park path, and a fire station. Below the banner is a sidebar menu on the left with the following items: HOME, FREQUENTLY ASKED QUESTIONS, PRESENTATIONS, MAPS AND VIEWERS, SOCIAL MEDIA, SURVEYS, PRESS RELEASES, and DEFINITIONS. The main content area is titled "Maps and Viewers" and contains a red-bordered link for "City of Dallas Needs Inventory Map". Below this link is a description: "This viewer can be used to identify and understand potential projects that may be added to the 2017 Bond Program based on technical criteria." There are also two other viewer links: "Pavement Condition Viewer" and "City of Dallas Existing Projects Viewer", each with a brief description of their function.

City of Dallas

Resident ▾ Visitors Business ▾ Government ▾ News

2017 Dallas Bond Program

HOME

FREQUENTLY ASKED QUESTIONS

PRESENTATIONS

MAPS AND VIEWERS

SOCIAL MEDIA

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PRESS RELEASES

DEFINITIONS

Maps and Viewers

[City of Dallas Needs Inventory Map](#)

This viewer can be used to identify and understand potential projects that may be added to the 2017 Bond Program based on technical criteria.

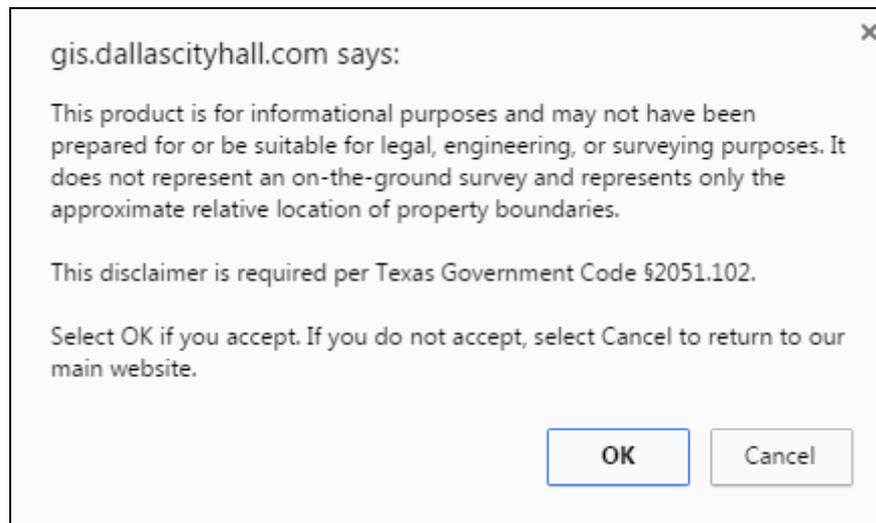
[Pavement Condition Viewer](#)

This viewer can be used to show Dallas Pavement Conditions based on assessments performed every two years for Dallas streets and alleys

[City of Dallas Existing Projects Viewer](#)

This viewer can be used to show existing capital projects being performed by Trinity Watershed Management, Parks and Recreation, Mobility and Street Services.

Step 4- Click “Ok” when the Pop up below shows up



Step 5 – Select Filter Button To Search by a particular Council

District

Needs Inventory

The Needs Inventory is the list of the City's needs based on maintenance records, master plans, citizen input and Council recommendations. The Needs Inventory includes estimated costs for each project along with whether they are considered new, refurbished or rehabilitated construction.

Map 15,031 Table 15,170

Filter Legend Address Contact Download Help

Filter Projects

Legend

- Needs Inventory - Points
 - City Facilities
 - Court Facilities
 - Cultural Arts Facilities
 - Flood Protection and Storm Drainage
 - Library Facilities
 - Park and Recreation Facilities
 - Public Safety Facilities
 - Street and Transportation
- Needs Inventory - Lines
 - Flood Protection and Storm Drainage
 - Park and Recreation Facilities
 - Street and Transportation - Alley
 - Street and Transportation - Other
- Council District Border

Step 6 - Select Council District From Drop Down Menu

City of Dallas

Needs Inventory

The Needs Inventory is the...
Inventory includes estimate...

Map 15,031 Table

Download Help

Needs Inventory

- City Facilities
- Court Facilities
- Cultural Arts Fa
- Flood Protection
- Library Facilities
- Park and Recre
- Public Safety Fa
- Street and Tran

Needs Inventory - Lir

Flood Protection and Storm Drainage

Filter

Program: All Programs

Project Type: All Project Types

Category: All Categories

Select Council District

Council: All Districts

Apply Reset

Close

Hit Button to Run Filter

Running this filter will only show on the map the applicable projects related to the filter

Step 7 – Close Filter Box

City of Dallas

Needs Inventory

The Needs Inventory is the...
Inventory includes estimate

Map 15,031 Table

Needs Inventor

- City Facilities
- Court Facilities
- Cultural Arts Fa
- Flood Protection
- Library Facilities
- Park and Recre
- Public Safety Fa
- Street and Tran

Needs Inventory - Lines

— Flood Protection and Storm Drainage

Filter

Program
All Programs

Project Type
All Project Types

Category
All Categories

Council
All Districts

Apply Reset

Close

Recommendations. The Needs
Construction.

Download Help



Close Filter Box

Running this filter will only show on the map the applicable projects related to the filter

Step 8 –Viewing Options



City of Dallas

Needs Inventory

The Needs Inventory is the list of the City's needs based on maintenance records, master plans, citizen input and Council recommendations. The Needs Inventory includes estimated costs for each project along with whether they are considered new, refurbished or rehabilitated construction.

The screenshot shows the 'Needs Inventory' web application interface. At the top, there are two view options: 'Map 15,031' and 'Table 15,170'. The 'Map' option is currently selected. Below the view options is a legend panel with a close button (X). The legend is divided into two sections: 'Needs Inventory - Points' and 'Needs Inventory - Lines'. The 'Needs Inventory - Points' section lists five categories with corresponding colored dots: Flood Protection and Storm Drainage (blue), Library Facilities (orange), Park and Recreation Facilities (green), Public Safety Facilities (red), and Street and Transportation (purple). The 'Needs Inventory - Lines' section lists 'Flood Protection and Storm Drainage' with a blue line icon. To the right of the legend is a map of Dallas, Texas, showing various streets and infrastructure. The map is overlaid with purple lines representing 'Street and Transportation' needs. A red box highlights the 'Table 15,170' option with the text 'Select Table View Option'. Another red box highlights the 'Map 15,031' option with the text 'Select Map View Option'. At the top right of the interface, there are buttons for 'Filter', 'Legend', 'Address', and 'Contact'.

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Example of Table View Option

Needs Inventory

The Needs Inventory is the list of the City's needs based on maintenance records, master plans, citizen input and Council. Inventory includes estimated costs. Projects that are considered new, refurbished or rehab

Map **15,031** Table

Filter Tool

Project Name Search

Sort Tools
Alphabetically

Filter Contact Download Help

Search:

Project ID ▲	Name	Program	Type	Category	Council	Score	Estimate
DFD060010	Fire Station #31 Replacement - 9365 Garland Rd	Public Safety Facilities	New	Fire Department Facilities	9	0	\$6,270,704
DFD060011	Fire Station #46 Replacement - 331 E Camp Wisdom	Public Safety Facilities	New	Fire Department Facilities			
DFD060012	Fire Station #36 Replacement - 3241 N Hampton	Public Safety Facilities	New	Fire Department Facilities	3	0	\$6,245,836
DFD060013	Fire Station #04 Replacement - 816 S Akard	Public Safety Facilities	New	Fire Department Facilities	2	0	\$8,736,292
DFD060014	Future Fire Station Jim Miller & Loop 12	Public Safety Facilities	New	Fire Department Facilities		0	\$6,213,733

View Additional Project Information by Clicking A Row

Example of Map Viewer Options

Needs Inventory

The Needs Inventory is the list of...

(A) Project List Application

(C) Find Location by Address

Contact Information

The screenshot shows a web-based map viewer interface. At the top, there are two tabs: 'Map' with 15,031 items and 'Table' with 15,170 items. Below the tabs is a toolbar with buttons for 'Filter', 'Legend', 'Address', 'Contact', 'Download', and 'Help'. The main map area shows a street map of Dallas with various colored markers and lines representing project types. On the left side, there are three legend panels. The top panel is titled 'Needs Inventory - Points' and lists categories like City Facilities, Court Facilities, Cultural Arts Facilities, Flood Protection and Storm Drainage, Library Facilities, Park and Recreation Facilities, Public Safety Facilities, and Street and Transportation. The middle panel is titled 'Needs Inventory - Lines' and lists categories like Flood Protection and Storm Drainage, Park and Recreation Facilities, Street and Transportation - Alley, and Street and Transportation - Other. The bottom panel is titled 'Council District Border'. Red boxes and arrows highlight specific features: (A) points to the 'Table' tab; (B) points to the 'Filter' button; (C) points to the 'Address' button; (D) points to the 'Needs Inventory - Points' legend panel; (E) points to a green dot on the map; 'Show or Hide Legend on Left' points to the legend panels; 'Scroll Bar' points to the vertical scroll bar on the map; and 'Legend of Project Types' points to the legend panels.