



**CENTRAL TEXAS  
Regional Mobility Authority**

March 29 2017  
AGENDA ITEM #9

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Discuss and take appropriate action regarding the  
initial payment to the Regional  
Infrastructure Fund

Strategic Plan Relevance: Regional Mobility  
Department: Executive  
Contact: Bill Chapman, Chief Financial Office  
Jeff Dailey, Deputy Executive Director  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Discuss and take appropriate action

Summary:

A Regional Infrastructure Fund (RIF) was established through an Interlocal Agreement between Capital Area Metropolitan Organization (CAMPO) and CTRMA related to the MoPac Improvement Project. The terms of the agreement require escalating annual payments by CTRMA starting with \$2,000,000 on September 1, 2017. Staff recommends that general fund be the source of the initial payment. Revenues from the Mopac Express Lanes will reimburse the general funds after they are open to traffic and sufficient revenues are realized.

Backup provided: Interlocal Agreement between CAMPO and CTRMA for the MoPac Improvement Project and Establishment of Regional Infrastructure Fund (RIF)



June 29, 2012

Mr. Mike Heiligenstein  
Executive Director  
Central Texas Regional Mobility Authority  
301 Congress Avenue, Suite 650  
Austin, Texas 78701

Dear Mr. Heiligenstein:

Please find attached a copy of the executed Interlocal Agreement between CAMPO and CTRMA for the MoPac Improvement Project. We appreciate everyone's efforts to bring this to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Enoch N Needham". The signature is fluid and cursive.

Enoch N Needham, P.E.

Assistant Director, CAMPO

Attachment

## INTERLOCAL AGREEMENT

**THIS INTERLOCAL AGREEMENT** (the "Agreement") is made and entered into effective as of the 27<sup>th</sup> day of June, 2012, by and between the CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION ("CAMPO"), the designated metropolitan planning organization for the Austin metropolitan area, and the CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY (the "Mobility Authority"), a political subdivision of the State of Texas (each a "Party", and collectively, the "Parties").

### WITNESSETH:

**WHEREAS**, 23 U.S.C. §134 requires the Governor, by agreement with units of general purpose local government in the affected area, to designate a metropolitan planning organization ("MPO") for each metropolitan planning area in the state; and

**WHEREAS**, 23 U.S.C. §134 requires each MPO so designated, in cooperation with the state, to develop long-range transportation plans and transportation improvement programs for the metropolitan planning area; and

**WHEREAS**, the Governor of Texas has designated CAMPO as the MPO for Bastrop, Caldwell, Hays, Travis, and Williamson Counties in accordance with the requirements of 23 U.S.C. §134; and

**WHEREAS**, the Mobility Authority is a regional mobility authority created pursuant to the request of Travis and Williamson Counties and operating pursuant to Chapter 370 of the Texas Transportation Code (the "RMA Act") and 43 TEX. ADMIN. CODE §§26.1 *et seq.*; and

**WHEREAS**, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

**WHEREAS**, Section 370.033 of the RMA Act provides that a regional mobility authority may enter into contracts or agreements with another governmental entity; and

**WHEREAS**, the Mobility Authority's goals include improving mobility within Travis and Williamson counties, and to further that goal, the Mobility Authority has exercised its option, pursuant to state law, to develop, construct, and operate a proposed managed lane project in the City of Austin, Travis County, along an 11-mile portion of Loop 1 (MoPac) south of Parmer Lane to Cesar Chavez Street (the "MoPac Improvement Project" or "Project"); and

**WHEREAS**, the Texas Department of Transportation ("TxDOT") recently identified approximately \$2 billion in unanticipated funding for highway projects, resulting primarily from additional federal funding and lower than expected borrowing and construction costs for current projects; and

**WHEREAS**, TxDOT has notified CAMPO that \$136,583,000.00 of the unanticipated funding (the “New Funds”) will be made available for transportation projects in the Austin metropolitan area and has asked CAMPO to allocate the New Funds for appropriate projects; and

**WHEREAS**, the New Funds must be primarily allocated to projects which have progressed through the planning and development process to a point where Federal funds may be obligated to the project by September 30, 2012; and

**WHEREAS**, the MoPac Improvement Project is expected to receive environmental clearance on or before August 31, 2012, and has otherwise advanced through the planning and development process such that it is anticipated to be eligible for the obligation of funds prior to September 30, 2012; and

**WHEREAS**, CAMPO has determined that it is in the best interest of the region to allocate \$130 million in New Funds to the development and construction of the MoPac Improvement Project by the Mobility Authority; and

**WHEREAS**, the allocation of \$130 million in New Funds to the MoPac Improvement Project makes it possible for the Mobility Authority to fund construction of the Project without issuing toll revenue bonds, and thus reduces the total cost of constructing and operating the Project by the projected cost of issuing and repaying toll revenue bonds; and

**WHEREAS**, because the Mobility Authority will not have debt service requirements for the MoPac Improvement Project, the Project will generate “Surplus Revenue” (as defined below) sooner than if debt were issued; and

**WHEREAS**, to assure that the region shares in the benefits resulting from the use of New Funds for the MoPac Improvement Project, and in accordance with the requirements of Section 370.174 of the RMA Act, the Mobility Authority has agreed to establish a Regional Infrastructure Fund (“RIF”) created from a portion of the Surplus Revenue from the MoPac Improvement Project to be used to fund other transportation projects in the region; and

**WHEREAS**, in accordance with the terms of this Agreement and provisions of the RMA Act, the RIF will be available for use on transportation projects identified by CAMPO; and

**WHEREAS**, the Mobility Authority has agreed to deposit and hold the RIF in a dedicated interest-bearing account for the benefit of CAMPO;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the undersigned Parties agree as follows:

## **I. FINDINGS**

**Recitals.** The recitals set forth above are incorporated herein for all purposes and are found by the Parties to be true and correct. It is further found and determined that the Parties

have authorized and approved the Agreement by resolution and that this Agreement will be in full force and effect when approved by each party.

## II. ACTION

- A. **Allocation of New Funds to the MoPac Improvement Project.** CAMPO shall amend its Transportation Improvement Program (“TIP”) to allocate to the Mobility Authority \$130 million in New Funds, to be used to pay or provide reimbursement for the costs of (1) constructing the MoPac Improvement Project, including without limitation costs of right-of-way acquisition and utility relocation; and (2) other costs associated with project financing and implementation. This funding allocation is committed by CAMPO and is not subject to future discretionary actions of CAMPO. The Parties recognize and acknowledge that, subject to applicable law, a portion of the New Funds committed by this paragraph may be applied to reimburse costs incurred prior to, and in anticipation of, receipt of New Funds. The Parties further recognize and acknowledge that the New Funds shall be made available to the Mobility Authority by TxDOT pursuant to the terms of a separate financial assistance agreement. A copy of the financial assistance agreement will be provided to CAMPO upon execution by the Mobility Authority and TxDOT.
- B. **Maintenance of Regional Infrastructure Fund.** In order to share the financial benefits derived from using New Funds for the MoPac Improvement Project, the Mobility Authority will establish and maintain a RIF. The RIF will be held in a dedicated interest-bearing account into which the Mobility Authority will deposit a portion of the Surplus Revenue generated by the Project (the “RIF Account”). The amounts of, and projected schedule for, contributions to the RIF Account are set forth on Exhibit “A”, attached hereto and incorporated herein.
- C. **Use of Funds Held in the RIF Account.** The proceeds deposited to the RIF Account (and interest earned thereon) shall be used to assist governmental entities (which may include the Mobility Authority) in funding eligible toll or toll-free transportation projects. CAMPO shall have the sole responsibility for designating the transportation projects to which funds in the RIF Account will be allocated and determining the amount of available RIF proceeds to be allocated to each project. The Mobility Authority shall distribute funds in the RIF Account to governmental entities as designated by CAMPO for transportation projects included in the approved TIP (and any other required planning document). Notwithstanding the foregoing, unless otherwise permitted by federal law, funds in the RIF Account may only be used for a transportation project as defined in Title 23 of the United States Code (23 U.S.C.).

If, in the future, state and federal law permits CAMPO to directly fund projects through loans and grants, and state law permits a regional mobility authority to transfer Surplus Revenue directly to a metropolitan planning organization, the Parties agree that the RIF contributions and account shall, upon receipt of a written request from CAMPO, be transferred from the Mobility Authority to CAMPO.

- D. **Mobility Authority Commitment Contingent on Surplus Revenue.** The Mobility Authority shall deposit Surplus Revenue to the RIF Account only to the extent Surplus Revenue exists and in accordance with the general schedule set forth in Exhibit "A", which was derived based on projected revenues, operations and maintenance expenses, necessary reserves, and other project expenditures developed by the Mobility Authority and its consultants. For purposes of this Agreement, the phrase "Surplus Revenue" shall have the meaning set forth in Section 370.003(12) of the RMA Act, provided that neither (1) feasibility fund expenditures; nor (2) debt service and other expenses associated with any borrowing as described in Section II.E(2) shall be deducted from Project revenues in computing Surplus Revenue. If the Project does not generate Surplus Revenue at the time or in the amounts projected on Exhibit "A", the parties will confer and will work in good faith to revise the terms hereof to accommodate the changed circumstances while preserving the benefits for the region of the RIF and recognizing the value of the designated contribution schedule.
- E. **Encumbrance of Project Revenues.** The Mobility Authority agrees not to encumber Project revenues to secure borrowing from third parties except in either of the following circumstances:
- (1) The Mobility Authority determines that funds are needed to support Project construction or operations or to reimburse previously-incurred Project expenditures. If the funds needed are less than \$25 million, the Mobility Authority may take such actions as are necessary to secure the funding, including entering into a loan agreement with a third party to provide the funding on commercially reasonable terms (which may include a pledge of Project revenues).
  - (2) If the Mobility Authority has made contributions to the RIF in accordance with the schedule reflected on Exhibit "A", it may pledge that portion of Surplus Revenue which exceeds scheduled RIF contributions ("Additional Surplus Revenue") to secure third party borrowing. In accordance with Section II.D, all debt service and other expenses associated with such borrowing shall be excluded from the definition of Surplus Revenue available for contribution to the RIF (i.e., debt service and expenses related to such borrowing will not be deducted from Project revenues for purposes of calculating Surplus Revenue available for contribution to the RIF). In the event the Mobility Authority intends to borrow money and pledge the Additional Surplus Revenue to secure such borrowing, the Mobility Authority shall: (1) provide notice of its intent to engage in such borrowing at least thirty (30) calendar days prior to consummating such loan; (2) assure that any documents evidencing the loan recognize the obligations to make the RIF contributions prior to satisfying any loan obligations; and (3) provide documents evidencing the loan to CAMPO at least ten (10) business days prior to funding.
- F. **Advance Funding of RIF.** At its option and depending on Project performance, the Mobility Authority may fund the entire contribution to the RIF earlier than is otherwise projected on Exhibit "A".

- G. **Audit of Project.** The Mobility Authority will provide a copy of its annual audit to CAMPO until such time that the RIF contributions have been fully funded in accordance with Exhibit "A". In addition, CAMPO may, at its expense, secure an independent audit of the Project to verify the computation and availability of Surplus Revenue for contribution to the RIF in accordance with the projected schedule reflected on Exhibit "A".

### III. GENERAL AND MISCELLANEOUS

- A. **Prior Written Agreements.** This Agreement is the complete agreement by and between the Parties on the subject matter of the Agreement. This Agreement is without regard to any and all prior written contracts or agreements between the Parties regarding any other subject matter and does not modify, amend, ratify, confirm, or renew any such other prior contract or agreement between the Parties.
- B. **Other Services.** Nothing in this Agreement shall be deemed to create, by implication or otherwise, any duty or responsibility of either of the Parties to undertake or not to undertake any other service, or to provide or not to provide any service, except as specifically set forth in this Agreement or in a separate written instrument executed by both Parties.
- C. **Governmental Immunity.** Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or in equity to either of the Parties nor to create any legal rights or claims on behalf of any third party. Neither of the Parties waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.
- D. **Amendments and Modifications.** This Agreement may not be amended or modified except in writing and executed by both Parties to this Agreement and authorized by their respective governing bodies.
- E. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Agreement will be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced in accordance therewith. The Parties acknowledge that if any provision of this Agreement is determined to be invalid or unenforceable, it is their desire and intention that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Agreement and be deemed to be validated and enforceable.
- F. **Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall be considered fully executed as of the date first written above, when both Parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

IN WITNESS WHEREOF, the Parties have executed and attested this Agreement by their officers thereunto duly authorized.

**Capital Area Metropolitan Planning  
Organization Transportation Policy Board**

  
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By: Will Conley, Chair

Date: 6-28-12

**Central Texas Regional Mobility  
Authority**

  
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By: Ray Wilkerson, Chair

Date: 6-27-12



EXHIBIT "A"

PROJECTED  
REGIONAL INFRASTRUCTURE FUND  
CONTRIBUTION SCHEDULE

(Contributions to be made on or before September 1 of the year indicated)

<b>Year</b>	<b>Annual Amount</b>
2017	\$2,000,000
2018	\$2,000,000
2019	\$3,000,000
2020	\$4,000,000
2021	\$5,000,000
2022	\$5,000,000
2023	\$6,000,000
2024	\$10,000,000
2025	\$10,000,000
2026	\$10,000,000
2027	\$10,000,000
2028	\$10,000,000
2029	\$11,000,000
2030	\$11,000,000
2031	\$11,000,000
2032	\$11,000,000
2033	\$11,000,000
2034	\$11,000,000
2035	\$11,000,000
2036	\$12,000,000
2037	\$12,000,000
2038	\$12,000,000
2039	\$12,000,000
2040	\$12,000,000
2041	\$16,000,000
<b>TOTAL</b>	<b>\$230,000,000</b>