



Legislation Text

File #: R2019-163, Version: 1

Consider approving Resolution No. 2019-163 authorizing the City Manager to execute a Local Project Advance Funding Agreement (LPAFA) between the State of Texas and the City of Farmers Branch for portions of the Westside Art Trail; and take appropriate action

BACKGROUND:

The Westside Art Trail is a public-private partnership to construct a 12-foot-wide share use path, or trail, from the City of Farmers Branch Dallas Area Rapid Transit (DART) light rail station to the Campion Trail in Irving. Sustainability staff has negotiated a Local Project Advance Funding Agreement (LPAFA) with Texas Department of Transportation for two portions of the Westside Art Trail. The two portions of the trail covered by this agreement are:

1. Campion Trail in Irving along Valley View to Mercer Parkway, and
2. Emerald Street to the Dallas Area Rapid Transit light rail station on Denton Drive in Farmers Branch.

In order for Texas Department of Transportation (TXDOT) to spend funds or other resources on transportation projects with a local government, a written contract must first be executed between the parties. At TXDOT, an Advance Funding Agreement (AFA) is the form of contract most frequently used for development of projects with local governments. The AFA is an agreement under which TXDOT and the local government allocate participation in the transportation improvement project. The AFA allows TXDOT and the local government to jointly provide for the implementation of a specific project. The AFA consists of two standard agreements:

- Master Advance Funding Agreement (MAFA), and
- Local Project Advance Funding Agreement (LPAFA).

The MAFA sets out the general terms and conditions of the relationship and cites the federal and state laws that govern the agreements with the local government. The local government adopts the MAFA and agrees that its general terms and conditions will be followed on all the local projects undertaken between TXDOT and the local government, unless specific exceptions are made in the LPAFA. Signing a MAFA dispenses with the need for the two parties to negotiate and review standard contract terms and conditions each time they wish to enter into a LPAFA. However, the MAFA does not specify either the cost or the scope of work for individual projects. Also, the MAFA does not have a set termination date and is in effect until it is terminated by TXDOT or the local government.

Once a MAFA has been executed, a LPAFA is then used to define the scope of work and funding responsibilities for a specific project. The LPAFA specifies the distribution of responsibilities for performing work, such as right-of-way acquisition, environmental, preparation of PS&E, construction, and other aspects of the project. The LPAFA also specifies which party will provide what resources, such as the land or the funding necessary for the project.

One category of AFAs is federally funded United States Department of Transportation (USDOT) through the Federal Highway Administration (FHWA) that allow states to pass federal funds through the state to a local government for coordinated development of transportation projects. TXDOT acts as the conduit for the funds and is the oversight agency responsible for assuring these federal funds are spent in an allowable manner. One

of the more common programs funded through FHWA is Congestion Mitigation and Air Quality (CMAQ) projects.

In most cases, the federal programs require a local match to the federal funds in a defined ratio. Typically, the ratio is 80% federal and 20% local funds. In most cases, the local government provides a cash match. Instead of cash or in-kind services, a local government may choose to use transportation development credits (TDCs) as the non-federal match on a project. TDCs are a financing tool approved by FHWA.

DISCUSSION:

On October 15, 2001, City Council authorized the execution of a Master Advance Funding Agreement with TXDOT. The MAFA is still in effect as it has not been terminated by either party. This item is a Local Project Advance Funding Agreement (LPAFA) for two portions of the Westside Art Trail previously described and provided for in the attached exhibit. Per the LPAFA, the State (TXDOT) will reimburse the City performed after the date federal funds are obligated. At this time, the funds will be available in August 2022. Funding for any work performed on the shared use path or trail before that date will be 100% the City's responsibility.

Attachment C of the LPAFA lays out the cost allocations from federal, state, and local funds. The opinion of probable cost for the construction of these two portions of the Westside Art Trail is \$4,500,267. The local participation amount of the project is \$918,237. The City is using TDCs in lieu of the local government participation. The City will need to begin budgeting for the project beginning fiscal year 2021-2022. The City will need to budget for the cost of the project over two or three budget years; however, there is a revenue offset for the project in the form the reimbursement set forth the LPAFA.

FISCAL IMPACT:

3. Unbudgeted Financial Impact (*Beginning FY 21-22, the CIP budget will be increased to cover the cost of project expenditures; conversely the associated revenue account will be adjusted to account for the offsetting reimbursement from TXDOT*)

RECOMMENDATION:

City Administration recommends approving Resolution No. 2019-163 authorizing the City Manager to execute local project advance funding agreement between the State and the City of Farmers Branch for portions of the Westside Art Trail.

POSSIBLE COUNCIL ACTION:

1. I move to approve Resolution No. 2019-163 authorizing the City Manager to execute local project advance funding agreement between the State and the City of Farmers Branch for portions of the Westside Art Trail.
2. I move to approve Resolution No. 2019-163 authorizing the City Manager to execute local project advance funding agreement between the State and the City of Farmers Branch for portions of the Westside Art Trail, with modifications.
3. I move to table the issue for further study or take no action.

ATTACHMENT(S):

1. Resolution No. 2019-163
2. Local Project Advance Funding Agreement (LPAFA)
3. Westside Art Trail