

WHEREAS, on June 10, 2020, City Council adopted Resolution No. 20200610-002, directing the City Manager to amend the Austin Strategic Mobility Plan ("ASMP") to include the city-wide high-capacity transit system known as the Project Connect System Plan ("Project Connect"), which included locally preferred alternatives for light rail identified as the "Orange Line" and "Blue Line" (the "Light Rail Vision"); and

WHEREAS, on August 12, 2020, City Council adopted Ordinance No. 20200812-009 (the "Ballot Measure"), ordering a general municipal election to be held in the City on November 3, 2020 to, among other things, submit "Proposition A" to voters, authorizing an increase in the maintenance and operations rate component of the City's ad valorem tax rate pursuant to Section 26.07 of the Texas Tax Code, to provide funds for Project Connect, including \$300 million in funds for anti-displacement efforts (the "Project Connect Tax Revenue"); and

WHEREAS, concurrently with the adoption of the Ballot Measure, City Council adopted Resolution No. 20200812-015 (the "Contract with the Voters Resolution"), clarifying and declaring the intent and commitment of City Council to the voters regarding the use of the Project Connect Tax Revenue to invest in Project Connect in accordance with the Associated Implementation Sequence Plan described therein; and

WHEREAS, almost fifty-eight percent of City voters approved Proposition A on November 3, 2020; and

WHEREAS, upon the passage of Proposition A, the City and Capital Metropolitan Transportation Authority ("Capital Metro") jointly created the Austin

Transit Partnership Local Government Corporation ("Austin Transit Partnership" or "ATP") to be the principal entity responsible for the implementation of Project Connect in a manner independent of the City and Capital Metro; and

WHEREAS, in accordance with Proposition A and the Contract with the Voters Resolution, the City has dedicated 100% of the Project Connect Tax Revenue to Austin Transit Partnership subject to the terms of the Interlocal Cooperation Agreement between the City and ATP regarding the transfer of Project Connect Tax Revenue from the City to ATP dated August 17, 2021 (the "ILA"); and

WHEREAS, the Project Connect Tax Revenue will provide Austin Transit Partnership with the local funds necessary to plan, design, contract, finance, and fund operations and maintenance of Austin light rail; and

WHEREAS, the Project Connect Tax Revenue will be the primary source of local funds used as the local matching funds to receive any Federal Transit Administration ("FTA") New Starts Capital Improvement Grants for Austin light rail (the "Grant Funds"); and

WHEREAS, these Grant Funds and the Project Connect Tax Revenue will be used by ATP to secure Austin Transit Partnership revenue bonds and other loans to finance ATP's acquisition, design, development and construction of Project Connect; and

WHEREAS, due to a material change in circumstances since the passage of Proposition A, including, but not limited to, increased land values, construction cost escalation, and increased labor and financing costs, Austin Transit Partnership has advised the City and Capital Metro that the concurrent development of the

50 Light Rail Vision as proposed as part of Project Connect and the Associated
51 Implementation Sequence Plan requires modification; and

52 **WHEREAS**, the Contract with the Voters Resolution provides that “if
53 federal matching funds are not available to complete components of the initial
54 investment, or additional components, Council contracts with the voters that the
55 Project Connect Tax Revenue shall be used to fund as much of the initial
56 investment in Project Connect as possible;” and

57 **WHEREAS**, the Contract with the Voters Resolution provides that upon the
58 joint concurrence of City Council and the Capital Metro Board of Directors,
59 Project Connect and the Associated Implementation Sequence Plan may be
60 modified; and

61 **WHEREAS**, the City, Capital Metro, and the Austin Transit Partnership
62 entered into a Joint Powers Agreement (the “JPA”) in December 2021 to
63 memorialize the roles and responsibilities of each entity and Section 5.1 of which
64 provides for the ability of the City Council and Capital Metro Board to modify the
65 Project Connect Investment Map and Associated Implementation Sequence Plan at
66 the request of ATP; and

67 **WHEREAS**, Sections 2.6 and 2.7 of the JPA contemplate that the
68 implementation of Project Connect will require the parties to amend or supplement
69 the JPA to address a variety of matters, including specific interagency topics, and
70 such agreements are subject to the approval of the governing bodies of the City,
71 Capital Metro and Austin Transit Partnership; and

72 **WHEREAS**, Austin Transit Partnership recently conducted an extensive
73 priority population-focused engagement feedback process on potential

74 modifications to Austin light rail, connecting with over 7,000 community members
75 regarding the proposed modifications to Project Connect, hosting over 80
76 community engagement events, and connecting with more than 3,000 core transit
77 riders at 45 unique bus stop locations; and

78 **WHEREAS**, after extensive public feedback, on May 24, 2023, the Austin
79 Transit Partnership Board of Directors requested that the City and Capital Metro
80 adopt modifications to the Light Rail Vision with an updated light rail
81 implementation plan for the phased financing, development and construction of
82 Austin light rail, including the first phase project, as depicted in **Exhibit A** to this
83 Resolution (the "Austin Light Rail Implementation Plan"), and

84 **WHEREAS**, the City intends that the Austin Light Rail Implementation
85 Plan will modify and supplement the Light Rail Vision for Project Connect and
86 Associated Implementation Sequence Plan and serve as the City's new phased plan
87 and vision for the development of Austin light rail; and

88 **WHEREAS**, modifications to the JPA are also necessary to adopt and carry
89 out the Austin Light Rail Implementation Plan; and

90 **WHEREAS**, the Contract with the Voters Resolution specifically
91 acknowledged that any debt issuance by ATP would be subject to the review and
92 approval of the Attorney General of the State of Texas, and that, to the extent such
93 approval or any related State and Federal laws conflicted with the Contract with
94 the Voters, such conditions and laws would supersede its terms; and

95 **WHEREAS**, on May 20, 2023, the Texas Attorney General released an
96 advisory opinion (No. KP-0444), which suggests that the City evaluate certain
97 Project Connect-related agreements, including the Contract with the Voters

98 Resolution and the ILA, (the “Foundational Documents”) for compliance with state
99 law; and

100 **WHEREAS**, upon joint concurrence of the City and Capital Metro, the
101 Austin Light Rail Implementation Plan will modify and supplement the Light Rail
102 Vision for Project Connect and Associated Implementation Sequence Plan and
103 serve as the City's new phased plan and vision for the development of Austin light
104 rail; and, **NOW, THEREFORE**,

105 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

106 The City Council, by this official action, hereby approves the modification
107 of the Light Rail Vision for Project Connect and Associated Implementation
108 Sequence Plan by adopting the Austin Light Rail Implementation Plan attached as
109 **Exhibit A** to this Resolution and authorizes the City Manager to negotiate and
110 execute an amendment to the JPA to incorporate Exhibit A.

111 **BE IT FURTHER RESOLVED:**

112 The City Council, by this official action, hereby authorizes Austin Transit
113 Partnership to implement the Austin Light Rail Implementation Plan in accordance
114 with the phasing described therein.

115 **BE IT FURTHER RESOLVED:**

116 To maximize Austin Transit Partnership's borrowing capacity and ensure
117 Austin Transit Partnership's ability to finance and implement the Austin Light Rail
118 Implementation Plan in a manner independent of the City and Capital Metro, the
119 City Manager is authorized to negotiate an amendment and supplement to the JPA
120 to accomplish the purposes set forth in this Resolution.

121 **BE IT FURTHER RESOLVED:**

122 In light of Texas Attorney General Opinion No. KP-0444, the City Manager
123 is also directed to evaluate the Foundational Documents for compliance with Texas
124 Tax Code Section 26.07 and Article XI, Section 5 of the Texas Constitution, and
125 propose any changes necessary, if any, for compliance with these statutes and other
126 state laws to enable ATP's bonding ability and implement the Austin Light Rail
127 Implementation Plan.

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131 **ADOPTED:** _____, 2023 **ATTEST:** _____
132 Myrna Rios
133 City Clerk