

PROJECT CONNECT
HIGH-CAPACITY TRANSIT
INTERLOCAL AGREEMENT

This Project Connect High Capacity Transit Interlocal Agreement (this “Agreement”) is made and entered into by and among the Capital Metropolitan Transportation Authority (“Capital Metro”), the City of Austin, Texas (the “City”), and the Lone Star Rail District (“Lone Star”), sometimes collectively referred to as the “Parties,” upon the premises and for the consideration set forth herein.

WHEREAS, the Parties recognize the importance of high-capacity transit and support the potential for regional and urban rail service; and

WHEREAS, the Parties are considering potential system design, organization, and funding of high-capacity transit in Central Texas; and

WHEREAS, the Parties are participating in the collaborative Project Connect high-capacity transit planning effort; and

WHEREAS, the Parties intend to conform this Agreement to the requirements of the Interlocal Cooperation Act, Chapter 791, Texas Government Code;

NOW, THEREFORE, in consideration of the premises and provisions contained herein, the Parties agree as follows:

I. PURPOSE & GOALS

A. The purpose of this Agreement is to coordinate the development of high-capacity transit in Central Texas (the “Program”) with an initial emphasis on the City’s Urban Rail Project (alternatively, “Urban Rail” and the “Project”). While portions of this Agreement specifically address the Project, it is anticipated that other high-capacity transit project investments may be developed under the framework of this Agreement as part of the Program to realize Project Connect. Project Connect will continue to be developed in cooperation with the Capital Area Metropolitan Transportation Organization (“CAMPO”) and the Parties, and is not directly affected by this agreement. The focus of this Agreement is on system planning and project development up to the point of capital funding for individual projects when a more formalized and structured agreement will be negotiated for that project by the implementing agencies.

B. The goals of this Agreement are to assure the compatibility of design and operation of the Project with other high-capacity transit projects, to create new opportunities for economic development and social benefits, to establish a framework for open and transparent communication among the Parties and with the public, and to integrate the Project and the Program with the overall Central Texas transit system and other transportation modes.

C. The goals of these joint efforts include but are not limited to the following:

1. Establishment of a unified collaborative approach to planning and developing the Program that:
 - Creates an integrated, single high-capacity transit system that is connected to the overall transportation network;
 - Has a clear focus, organization and responsibility;
 - Eliminates redundancy of effort;
 - Provides a common interface with national and state level funding entities; and
 - Builds strong interagency relationships between the participating entities
2. Implementing a high-capacity transit system that:
 - Operates seamlessly, cost effectively and to benefit both the individual entities and the Central Texas region;
 - Maximizes user convenience and meeting community expectations for customer satisfaction;
 - Supports the region's sense of identity while also aiding in local efforts for economic development; and
 - Leverages the resources and funding of all agencies to ensure success of the high-capacity transit system.

II. JOINT MANAGEMENT

A. To accomplish the stated purpose and goals, the Parties will establish a collaborative working arrangement to cooperate and coordinate the development of the Program and Project. This Agreement will provide the overall planning management structure for such purposes until such time as the planning efforts are terminated or a more formal cooperative agreement may be deemed appropriate and adopted by the Parties.

B. Joint Management. The President/Chief Executive Officer of Capital Metro, the City Manager of the City, and the Executive Director of Lone Star (the "Executives") will act on behalf of their respective organizations with respect to this Agreement, receive and transmit information and instructions, and have full authority to interpret and define the policies and decisions of their respective organizations with respect to this Agreement. The Executives may appoint other representatives to act on behalf of their organizations under this Agreement. The joint management approach may also be applied by mutual agreement between the Parties and/or other implementing agencies to other high capacity transit projects.

C. Joint Executive Team. The Parties will establish a Joint Executive Team to oversee the collaborative development of high-capacity transit system investments and operations. Each Party will have one representative on the Joint Executive Team. The Joint Executive Team will make decisions by consensus in developing its joint recommendations to their respective governing bodies. The Joint Executive Team will develop and communicate recommendations for the Parties' governing bodies related to the Program and Project, but it will have no power to act beyond the authority granted by the Parties' governing bodies. The appropriate Party(s)

governing bodies will make all final decisions relating to Program or Project, including funding, capital program definition, land acquisition, route alignment, and service level. The Joint Executive Team may establish such other procedures or bylaws as are appropriate to the conduct of its business and consistent with the authority granted by the Parties. The Joint Executive Team will appoint one of its members to act as the committee chairperson on an annual basis. The chairperson will establish a regular meeting schedule and corresponding agendas. The initial appointed Joint Executive Team Chairperson will be the Executive of Capital Metro.

D. Managing Partner. The Joint Executive Team will appoint one of its members to act as Managing Partner and provide day-to-day executive oversight to capital and/or operations of specific projects as decided by the Joint Executive Team.. Separate Managing Partners may be assigned for individual or multiple projects under this Agreement. Managing Partners will be responsible for bringing all questions or issues of strategic direction or importance related to the Program or an assigned project to the Joint Executive Team for consultation and deliberation, and will abide by the Joint Executive Team's consensus or collective recommendations and decisions, and as may be authorized by the member's respective jurisdiction.

The Managing Partner will serve until he/she resigns or the Joint Executive Team selects a new appointee. The Executive of Capital Metro will be initially appointed as the Managing Partner for the Urban Rail Project.

E. Project Leads. The Joint Executive Team will jointly select project leads ("Project Leads") to provide day-to-day oversight of the individual projects developed under the Program. The Project Leads will serve at the will of the Joint Executive Team and will directly report to the Managing Partner.

F. Urban Rail Project Lead. The Joint Executive Team will select an Urban Rail Project Lead to provide day-to-day oversight of the Urban Rail Project within the management structure described in **Exhibit "A"**. The Urban Rail Project Lead will perform the following scope of services, which may evolve as the Project proceeds:

- Facilitating federal agency communication and approval for Urban Rail, including regulatory compliance (MAP-21);
- Coordinating other agency communications;
- Providing public and stakeholder outreach;
- Providing presentations to the Parties' governing bodies and boards;
- Oversight of system planning and corridor studies;
- Oversight NEPA documentation;
- Oversight FTA New Starts Project Development and Engineering;
- Oversight of grant agreements and the application for additional grant opportunities;
- Development of a project process in accordance with the "Transportation Investment Decision Tree;"
- Oversight of staff and consultants, who are monitoring Project grant budgets;
- Oversight of consultants' deliverables, scope of services, and budgets;
- Development of a Project Milestone Timeline;

- Development of meeting agendas, minutes, and appropriate supporting materials with the Managing Partner, Joint Executive Team, and Technical Committee;
- Informing the Managing Partner, Joint Executive Team and the Technical Committee of the status of consultant deliverables, scopes of services, and related budgets; and,
- Development of an Urban Rail Project management plan in accordance with FTA requirements

Assigned Urban Rail Program roles and responsibilities under this Agreement will be undertaken to support the City of Austin's goal of ordering and holding a possible public vote/bond election for Urban Rail related capital funding no later than November 2014.

G. Technical Committee. The Joint Executive Team will establish a Technical Oversight / Resource Support Committee (Technical Committee). The Technical Committee will: 1) review the consultants' technical work-product developed for a project prior to its submission to the Joint Executive Team; 2) assist in stakeholder communications; and 3) assure project conformance with the appropriate Party(s)'s procurement and personnel policies.

III. AGENCY PROJECT RESPONSIBILITIES

A. The Parties will provide appropriate technical and operational support for the Program from their organizations in accordance with the recommendations of the Technical Committee and as available and offered by the respective Party's Executive. The provision of funding is subject to the approval of the Parties' governing bodies under separate interlocal agreements and/or contracts. The provision of other supporting resources for a project from each Party will be agreed to by their respective Executive. The Parties agree to share available resources, including but not limited to GIS and other mapping information.

B. With respect to the Urban Rail Project, Project Managers assigned by the Parties will cooperate with the Urban Rail Project Lead in developing schedules, scopes of services, and budgets for consultant contracts under their direction and keep the Urban Rail Project Lead and the Technical Committee members informed of the contract(s) status.

C. The Parties' staff will use best efforts to timely review and comment on Program and Project deliverables, provide requested information, and obtain approvals necessary to advance the Program and Project.

D. The Managing Partner will provide or cause to be provided regular periodic project reports to the Joint Executive Team on individual high capacity transit projects under their management. Members of the Joint Executive Team will retain the responsibility of briefing their respective governing boards.

E. Roles and Responsibilities of the Parties

1. Capital Metro will:

- Serve as the Managing Partner under this Agreement
- Provide a member of the Joint Executive Team
- Provide day-to-day management and direction of the Urban Rail Project Lead;
- Provide a member of the Technical Committee;
- Provide a project manager and support team members from agency staff and/or consultants;
- Provide administrative and project management support from agency staff and/or consultants;
- Provide staff and consultants to lead/jointly develop a short and long-term funding plan that corresponds with anticipated capital and O&M resources;
- Provide public information team members from agency staff and/or consultants;
- Provide administrative and project management support from agency staff and/or consultants;
- Act as project co-sponsoring agency as appropriate; and
- Comply with FTA Financial Capacity requirements.

2. City will:

- Provide a member of the Joint Executive Team
- Provide a member of the Technical Committee;
- Provide a Corridor Studies and Project Development project manager and support team members from agency staff and/or consultants;
- Provide staff and consultants to lead/jointly develop a short and long-term funding plan that corresponds with anticipated capital and O&M resources;
- Provide a Communications & Public Information manager from agency staff and/or consultants;
- Provide administrative and project management support from agency staff and/or consultants; and
- Act as project co-sponsoring agency as appropriate.

3. Lone Star will:

- Provide a member of the Joint Executive Team
- Provide a member of the Technical Committee;
- Provide staff and consultant support to the capital finance and O&M funding efforts;
- Provide public information team members and support as appropriate and available from agency staff and/or consultants;
- Provide additional support as appropriate and available from existing resources; and
- Act as project co-sponsoring agency as appropriate.

F. Agency Staffing & Consultants.

1. Initial support staff for the Program and Project will be those individuals currently engaged in the Program or Project. Staff may only be reassigned by the assigning Party, but new assignments will be made in consultation with the Parties.
2. Support staff will continue to be under the personnel rules and procedures of the respective Party, but the Parties may comment on a staff member's performance and may request other staff be assigned to the Program or Project.
3. Existing consultants will continue under contract with the respective Party, however, the other Parties may provide performance related evaluations and further work assignments will be undertaken only after consultation with the other Parties.
4. With respect to the Urban Rail Project, the Urban Rail Project Lead will also be consulted on Urban Rail Project staff, consultant evaluations, and work assignments related to the Project.
5. The parties understand that time is of the essence and in addition to the above identified responsibilities/assignments and support, shall use their best efforts to review and comment when requested on the projects' deliverables and will work to expedite the provision of requested information or approvals necessary to advance the project's timelines.

IV. GENERAL PROVISIONS

A. Additional Coordination. Program or Project management issues unaddressed or unanticipated in this Agreement will be addressed in good faith by the Parties consistent with the intent of this Agreement.

B. Amendment. This Agreement may be reviewed and amended from time to time to the extent consistent with the scope of authority granted by the governing bodies of the Parties in the approval of this Agreement and as mutually deemed appropriate by the authorized representatives of the Parties in order to address transit management issues of joint interest. Such consideration for review and amendment may include, but is not limited to the following topics:

1. the addition of other rail or high capacity transit system owner-operator investors as parties to this Agreement; and
2. the development of a more formal integrated agreement in the form of an interlocal agreement to be proposed for consideration and adoption by the respective agencies governing bodies.

This Agreement may be amended to include scopes outside of the authority granted by the governing bodies only with the further approval of the governing bodies of the Parties. The

Parties may, however, create procedural rules and bylaws and consider additional issues consistent with the authority granted by the governing bodies of the Parties.

C. Effective Date, Term & Termination. This Agreement will be effective upon the last date of execution of the Agreement by the Parties and have an initial term expiring on December 31, 2014, and it will automatically renew thereafter from year to year, subject to the availability of funding, until the completion of the Project, unless terminated earlier by the Parties. Any Party may terminate its participation in this Agreement at any time in its complete discretion after thirty (30) days written notice to the other Parties and in the event of the substantial failure of another Party to perform in accordance with this Agreement, after thirty (30) days written notice and a reasonable opportunity to cure, which may be extended beyond the thirty (30) day period, if the Party is then diligently pursuing the cure. In the event of termination, the Parties will wind up all work related to the Program and Project currently in progress.

D. Notice. Any notice given hereunder by either party to the other shall be in writing and may be effected by personal delivery in writing or by registered or certified mail, return receipt requested when mailed to the proper party, at the following addresses:

CITY: Robert Goode, Assistant City Manager
City of Austin Transportation Department
301 W. 2nd Street
Austin, Texas 78701

WITH COPY TO: Karen Kennard
City Attorney
City of Austin Law Department
301 W. 2nd Street
Austin, Texas 78701

CAPITAL METRO: Linda Watson, Chief Executive Officer
Real Estate & Capital Projects
2910 E. 5th Street
Austin, Texas 78702

WITH A COPY TO: Kerri Butcher, Chief Counsel
2910 E. 5th Street
Austin, Texas 78702

LONE STAR: Joe Black, Rail Director/Operations Manager
P.O. Box 1618
San Marcos, Texas 78667

WITH A COPY TO: Bill Bingham, General Counsel
McGinnis Lochridge & Kilgore
600 Congress, Suite 2100
Austin, Texas 78701

E. Number and Gender Defined. As used in this Agreement, whenever the context so indicates, the masculine, feminine, or neuter gender and the singular or plural number shall each be deemed to include the others.

F. Entire Agreement. This Agreement contains the complete and entire Agreement between the Parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations, and understanding, if any, between the parties respecting the construction of the Project. The recitals set forth above and the attached exhibits are incorporated herein. This Agreement may be executed in multiple counterparts.

G. Other Instruments. The Parties covenant and agree that they will execute other and further instruments and documents as may become necessary or convenient to effectuate and carry out the purposes of this Agreement.

H. Invalid Provision. Any clause, sentence, provision, paragraph, or article of this agreement held by a court of competent jurisdiction to be invalid, illegal, or ineffective shall not impair, invalidate, or nullify the remainder of this Agreement, but the effect thereof shall be confined to the clause, sentence, provision, paragraph, or article so held to be invalid, illegal, or ineffective.

I. Current Funds. The party or parties paying for the performance of governmental functions or services shall make payments therefore from current revenues available to the paying party.

J. Interpretation. This Agreement will be construed fairly and reasonably with a common sense approach to the resolution of any ambiguities or conflicts. To the extent that any provision of this Agreement is found to be unconstitutional or illegal in any manner by a court of competent jurisdiction, the remainder of this Agreement will be construed in accordance with the intent of the Parties and continue in force and effect subject to the agreement of the parties. In addition, to the extent that this Agreement includes the terms “partner,” “partnering,” and “general partner”, those terms reflect the general intent of the Parties to cooperate and coordinate their efforts under this Agreement and do not create any legal partnership or joint venture.

Executed to be effective on the later date set forth below.

For: Capital Metropolitan Transportation Authority
Linda S. Watson, President/Chief Executive Officer

Date: _____, 2013

For: City of Austin
Marc Ott, City Manager

Date: _____, 2013

For: Lone Star Rail District
Ross Milloy, Interim Executive Director

Date: _____, 2013

EXHIBIT “A”

Organizational Structure Chart – Urban Rail Project

