

**RESOLUTION NO. 20141211-131**

**WHEREAS**, The Lone Star Rail District (LSRD) was created by the Cities of Austin and San Antonio to establish passenger rail service that will provide a key commuter link between Central and South-Central Texas and that can provide service to up to eight Central Texas cities, including the City of Austin, and three South-Central Texas Cities, Including San Antonio; and

**WHEREAS**, the City of Austin (City) and the LSRD entered into an interlocal agreement (Agreement) with the effective date of December 18, 2013 under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code; and

**WHEREAS**, the Agreement created a Transportation Infrastructure Zone to facilitate the City's contribution of funding for the LSRD rail system as authorized by Chapter 173 of the Texas Transportation Code to capture increments of ad valorem taxes from the increased tax revenue attributed to the construction and operation of an intermunicipal rail system within the territory of the City; and

**WHEREAS**, the Agreement contemplated that the City would consider setting a percent increment participation level for the Transportation Infrastructure Zone higher than zero in 2014 that would not exceed 50%; and

**WHEREAS**, the Agreement also established a Two Year Timeline date of January 1, 2016 for the LSRD to have interlocal agreements with the cities of Austin and San Marcos and the counties of Hays and Travis for participating in funding the operation of the LSRD rail transportation facilities; and

**WHEREAS**, Other cities in Central Texas are considering providing funding support to the LSRD passenger rail service including providing in-kind contributions, the LSRD requests the City of Austin also consider these in-kind contributions in order to maintain the standard for equal effort among participating jurisdictions developed as part of the regional Project Connect high-capacity transit vision; and

**WHEREAS**, the City of San Marcos has entered into an interlocal agreement with the LSRD that creates a Transportation Infrastructure Zone covering two potential station locations within the territory of the City that will contribute at least 50% of the increased ad valorem tax revenue from within the Zone attributed to the construction and operation of the LSRD rail system; and

**WHEREAS**, the Austin Community College District has also entered into an interlocal agreement with the LSRD that adopts the City of Austin's Transportation Infrastructure Zone and that provides for a contribution to the

LSRD rail system of 50% of the increased ad valorem tax revenue from within the Zone attributed to the construction and operation of the LSRD rail system; and

**WHEREAS**, the City Council of the City of Austin now wishes to amend its Agreement with the LSRD to set its participation level greater than zero and extend the Two Year Timeline; **NOW THEREFORE**,

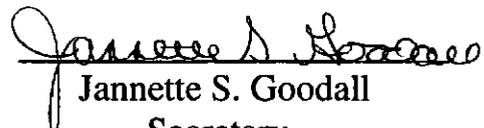
**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to execute an amendment to the Agreement, a form substantially similar to the attached Exhibit A, by December 19, 2014 that establishes the following:

- Sets the City's percent increment participation level for the Transportation Infrastructure Zone funding at 50%; and
- Amends the Measures of Viability's Two Year Timeline date to be the later of two years or May 1, 2017; and

**ADOPTED:** December 11, 2014

**ATTEST:**

  
Jannette S. Goodall  
Secretary

**First Amendment to  
Interlocal Agreement**

This first amendment to the Interlocal Cooperation Act Agreement between the City of Austin and the Lone Star Rail District is as follows:

Amendment Article 1. Section B.1.a.ii is amended to read as follows (added language is underlined and deleted language is shown with strikethroughs):

**B. 1.a.ii Two year Timeline**

If by two years from the execution of this Agreement or by May 1, 2017, whichever is the later~~If by January 1, 2016,~~ the cities of Austin and San Marcos and the counties of Hays and Travis have not approved an interlocal agreement for participation in funding the operation of the proposed rail transportation facilities, then the City or LSRD, at either's option, may terminate the Agreement and all funds accumulated in the City's Rail Tax Increment Financing Fund will be available for Council to redirect to any lawful municipal purpose.

Amendment Article 2. Section B.2.b is amended to read as follows (added language is underlined and deleted language is shown with strikethroughs):

**B.2.b. City's Participation Level**

The City's percent increment participation level is fifty percent (50%) of the Tax Increment effective on the date that an amendment to the Texas Tax Code to treat captured appraised value under Transportation Code Section 173.256 the same as captured appraised value under Tax Code Section 26.03 and Section 311 becomes effective~~will be evaluated and may be revised following completion of the City's analysis of its total cost for Project Connect expected to occur in 2014. Setting a percent increment participation level higher than the initial value of zero will require an amendment to the Agreement.~~

Amendment Article 3. The Interlocal Cooperation Act Agreement between the City of Austin and the Lone Star Rail District is affirmed and continued in full force and effect.

**AGREED AND APPROVED:**

**LONE STAR RAIL DISTRICT**

By: \_\_\_\_\_  
Ross Milloy, Executive Director

Date: \_\_\_\_\_

**CITY OF AUSTIN**

**By:** \_\_\_\_\_  
Robert D. Goode, Assistant City Manager

**Date:** \_\_\_\_\_

**APPROVED AS TO FORM**

**By:** \_\_\_\_\_  
\_\_\_\_\_, Assistant City Attorney

**Date:** \_\_\_\_\_