

**RESOLUTION NO. 20230601-072**

**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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

**BE IT FURTHER RESOLVED:**

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

**BE IT FURTHER RESOLVED:**

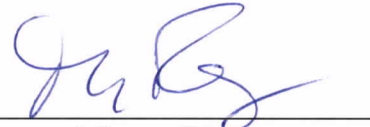
To maximize Austin Transit Partnership's borrowing capacity and ensure Austin Transit Partnership's ability to finance and implement the Austin Light Rail Implementation Plan in a manner independent of the City and Capital Metro, the City Manager is authorized to negotiate an amendment and supplement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

**BE IT FURTHER RESOLVED:**

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

**ADOPTED:** June 1, 2023

**ATTEST:**



Myrna Rios  
City Clerk

- \*The priority extensions could be accelerated if additional funding becomes available*

