

AGENDA



Thursday, November 19, 2009

Transportation
RECOMMENDATION FOR COUNCIL ACTION

Item No. 57

Subject: Authorize the City Manager to negotiate and execute an Interlocal Agreement with the Texas Department of Transportation (TxDOT) for the construction of direct connectors for Northbound Loop 1 to Eastbound US 290 and Westbound US 290 to Southbound Loop 1.

Amount and Source of Funding: Funding in the amount of \$13,000,000 is available in the Fiscal Year 2009-2010 Capital Budget of the Transportation Department.

Fiscal Note: A fiscal note is attached.

For More Information: Robert Spillar, 974-2488, David Gerard, 974-7022, Gilda Powers 974-7092, Greg Canally, Deputy Chief Financial Officer, 974-2609

Boards and Commission Action: Reviewed by the Urban Transportation Commission on May 12, 2009. Related to Items #55 & 56.

Prior Council Action: On April 30, 2009, the City Council authorized the City Manager to submit an application for the Pass Through Finance Program to the Texas Department of Transportation (TxDOT).

In 2003, Texas House Bill 3588 created the Pass Through Finance Program. The purpose of the program is to accelerate development of state highway projects by stretching limited transportation funding. The program allows public and private entities to develop and fund projects ahead of TxDOT's timetable.

On September 24, 2009, the Texas Transportation Commission approved the City of Austin's application to construct two direct connectors at US 290 and Loop 1 (Minute Order #111977).

The total estimated cost of construction is \$12,717,900. This estimate is based on independent estimates by the City of Austin and by TxDOT. TxDOT agrees to fund 80 percent of the construction cost, equal to \$10,164,554, and the City of Austin agrees to fund 20 percent, or equal to \$2,553,346. Should the project incur overruns beyond the estimated construction cost, the City of Austin will bear responsibility for those costs. The City of Austin is also responsible for utility relocation and for funding interest payments on debt issued to finance the project.

The City of Austin will agree to finance the entire \$12,717,900 and TxDOT will pay back to the City of Austin an agreed 80 percent of the construction cost over a 10 to 15 year period. The minimum annual reimbursement payment will not be less than \$677,637 per year and not more than \$1,016,455 per year until the State's \$10,164, 554 is fully reimbursed to the City. Reimbursement from TxDOT is to begin once the facility is opened to use.

Construction of the direct connectors is expected to begin in Spring 2010, and be completed within 12 months.