



# City of San Antonio

## Agenda Memorandum

**File Number:**

---

**Agenda Item Number:** 6

**Agenda Date:** June 22, 2023

**In Control:** City Council A Session

---

**DEPARTMENT:** Transportation Department

**DEPARTMENT HEAD:** Catherine Hernandez

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Ordinance approving the execution of two Interlocal Agreements between the City of San Antonio and VIA Metropolitan Transit. The ART ILA establishes a cooperative partnership to deliver the Advanced Rapid Transit (ART) North/South (N/S) Corridor Project; and the ATD ILA transfers a portion of Advanced Transportation District (ATD) funds from the City to VIA for advanced transportation and enhanced mobility purposes.

**SUMMARY:**

Action executing two Interlocal Agreements (ILAs) between the City of San Antonio and VIA Metropolitan Transit establishing a cooperative partnership to deliver the VIA North/South Advanced Rapid Transit (ART) Corridor Project; and transferring a portion of ATD funds from the City to VIA for advanced transportation and enhanced mobility purposes.

**BACKGROUND INFORMATION:**

The ART ILA establishes a cooperative partnership between the City and VIA to deliver the North/South ART Corridor Project which connects the San Antonio International Airport area, along San Pedro Avenue, through Downtown, and south to the Missions area. ART vehicles run in dedicated and mixed-use lanes. The Project is in the second year of the Federal Transit

Administration's (FTA) Capital Investment Grants (CIG) Program. As part of the CIG Program, VIA is expected to execute cooperative agreements with key stakeholders. The ART ILA establishes the processes and roles and responsibilities that will ensure the Project is completed within the anticipated schedule and budget. Through the ART ILA, the City and VIA agree to coordinate their actions in good faith and in the best interests of the Project. The ART ILA also defines the scope as well as a process by which the City can request "betterments," or elements integrated within the Project but not necessary for the Project purpose and funded outside of the federal funds.

The City Council Transportation and Mobility Committee was updated on the ART ILA on November 29, 2022, January 17, 2023, February 21, 2023, and March 21, 2023.

The ATD ILA establishes a mechanism by which the City can transfer a portion of its ATD funding to VIA to use on advanced transportation and enhanced mobility projects such as the ART Project. On November 3, 2020, voters approved an increase to the current  $\frac{1}{4}$  portion of the sales and use tax collected for the ATD by  $\frac{1}{8}$  for a cumulative amount of  $\frac{3}{8}$  of one percent.

The purpose of the ATD ILA is to establish the terms and conditions under which the City will contribute its statutory share of the  $\frac{1}{8}$  increase approved by the voters in 2020 to VIA commencing in 2026 to be used for advanced transportation or enhanced mobility purposes, consistent with and as defined in Section 451.701 and Section 451.702 of the Texas Transportation Code. The City will retain its  $\frac{1}{4}$  portion of the initial  $\frac{1}{4}$  of one percent that was approved by voters in 2004.

## **ISSUE:**

The ART ILA focuses on the roles and responsibilities of the City and VIA for the capital portion of the Project. VIA is the Project sponsor and, as recipient of federal funding, responsible for delivering the Project according to federal requirements. VIA, in collaboration with the City, will lead the design and construction of the Project, to the applicable local standards, inclusive of the letting of applicable contracts, method of delivery determination, and start-up and commissioning activities. VIA will procure the transit vehicles and set the transit service schedule. City will serve as a collaborator with VIA in support of VIA's efforts to complete the Project.

The ART ILA also sets out the processes by which City staff will review and comment on the Project design plans, issue applicable permits, and conduct inspections. The ART ILA also identifies the process for coordination concerning utilities, property acquisition, and transit signal priority. The ART ILA is a precursor for future agreements that will more specifically outline the details of operations and maintenance once the Project design is completed.

The ATD ILA supports the undertaking of advanced transportation and enhanced mobility projects including the establishment of San Antonio's first ART Project by committing a source of funding to the Project while ensuring those funds are spent in accordance with Section 451.701 and Section 451.702 of the Texas Transportation Code.

**ALTERNATIVES:**

City Council could choose not to approve the Interlocal Agreements, however, the ILAs are critical steppingstones for VIA and the City to deliver the Keep San Antonio Moving (KSAM) plan and to secure FTA funding. The ILAs also establish a framework for a partnership on the North/South ART Corridor Project.

**FISCAL IMPACT:**

There is no fiscal impact until FY 2026, when the current  $\frac{1}{8}$  cent sales and use tax allocated to the City's Ready to Work initiative will be converted to the sales and use tax for ATD. The cumulative amount of the ATD sales and use tax will be  $\frac{3}{8}$  of a cent. Once the collection of a cumulative  $\frac{3}{8}$  cent sales tax commences in January of 2026, the City will be entitled per statute to a quarter of the  $\frac{3}{8}$  cent which is statutorily limited to be expended on advanced transportation and enhanced mobility projects such as the ART. As part of the ATD ILA, the City will commit the equivalent of its quarter portion of the  $\frac{1}{8}$  increase approved by voters in 2020 to VIA for use on the ART. The City will continue to retain its quarter portion of the initial ATD tax approved by voters in 2004.

**RECOMMENDATION:**

Staff recommends approval of both the ART ILA and ATD ILA for the delivery of the North/South ART Corridor Project and other advanced transportation and/or enhanced mobility projects in accordance with the ILA and Texas Transportation Code.