

## CITY COUNCIL MEMORANDUM

### AGENDA ITEM

**CONSIDER AUTHORIZING THE CITY MANAGER TO EXECUTE AN ADVANCED FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT) TO CONSTRUCT A KILLEEN-FORT HOOD REGIONAL TRAIL SEGMENT 3**

### ORIGINATING DEPARTMENT

**PUBLIC WORKS - TRANSPORTATION DIVISION**

### BACKGROUND INFORMATION

On September 14, 2012, the Texas Department of Transportation (TxDOT), in cooperation with the Federal Highway Administration, issued a call for project nominations for the statewide Transportation Enhancement Program (TE). Under the program, 80% of an eligible project's costs can be reimbursed with the nominating entity (sponsor) providing at least 20% of the projects allowable costs. Cost-reimbursement programs require sponsors to pay for a project's costs and then the funding agency providing reimbursement for costs throughout various stages of the project. Projects are funded through a statewide competitive process with funds limited to those authorized in the Enhancement Program. On November 13, 2012, the City Council authorized the City Manager to submit a TE application to TxDOT for the Andy K. Wells Hike and Bike Trail Extension project (CCM-R 12-097R).

On July 26, 2013, the City received notification that it had been selected to receive \$1,455,498 for a TE award. The City of Killeen's proposed project ranked 4<sup>th</sup> out of 81 prospective projects that were submitted to TxDOT (see attachment - Transportation Enhancement Program Project Selection).

### DISCUSSION/CONCLUSION

The proposed Killeen-Fort Hood Regional Trail project, in its entirety, calls for 7.8 miles of multi-use trail connecting the Andy K. Wells Hike and Bike Trail in northeast Killeen (downtown) with the Texas A&M University - Central Texas campus in south Killeen via Fort Hood Road.

Segment 3 of the regional trail, a 1.35 mile section from Watercrest Road to West Elms Road running along the South Nolan Creek residential section, is the portion included in this project proposal.

Components of the trail include: trail constructed of concrete, low water crossings and neighborhood connections with ramps, signage, striping and street crossings. Trail amenities will include: trailhead, bicycle racks, pet waste stations, trash receptacles, gateway signage, seating areas, and trail lighting. Drainage improvements providing runoff from the street outfalls to the creek via a drainage system that addresses issues affecting neighborhoods on each side of the creek between Watercrest Road and West Elms Road are also included.

TxDOT gives priority consideration to projects that request federal funds for construction associated costs only. The project budget estimates a total project cost of \$2,256,664, with \$1,940,664 being construction project costs. The City would provide approximately \$485,166 (25% of estimated construction related costs) and will be reimbursed up to \$1,455,498 (approximately 75% of estimated construction project costs).

On February 25, 2014, a Reimbursement Resolution was submitted to City Council requesting reimbursement for cost related to various projects, including city trails, whereby funds will be advanced from the General Fund and be repaid from the proceeds from the sale of the General Obligation Bonds and Certificates of Obligation Bonds once they are received.

By entering into an Advance Funding Agreement (AFA) with TxDOT, the City is agreeing to commit to the project's design, development, construction, maintenance and funding. The City further agrees to provide a local match of 25%, or greater, of the total project cost, including being responsible for all non-federally fundable items and 100% of all overruns. At this time, entering into the Advanced Funding Agreement requires payment of the Local's share of TxDOT's ADM PE Cost of \$4,852 and TxDOT's ADM Cost for Construction of \$9,703 for a total of \$14,555 payable from the City to TxDOT.

## **FISCAL IMPACT**

The total fiscal impact associated with this action is \$2,256,664, of which \$1,940,664 is Federally funded as an award and will be reimbursed from the Texas Department of Transportation and \$316,000 is to be funded by the City of Killeen for design and \$485,166 is to be funded by the City of Killeen for construction (total City contribution of \$801,166). A proposed future General Obligation Bond issuance reflected in the Reimbursement Resolution considered by City Council on February 25, 2014 will reimburse the General Fund and track expenditures in the Reimbursement Resolution Killeen-Fort Hood Regional Trail Segment 3 account #010-9501-492.50-68 when proceeds from the sale of the General Obligation Bonds are received. In accordance with part B of this section (budget amendment ordinance), at this time, an initial payment of \$14,555 from the City to TxDOT for design review is required to be sent with the executed Advanced Funding Agreement.

## **RECOMMENDATION**

City staff recommends that the City Council authorize the City Manager to enter into an Advance Funding Agreement with the Texas Department of Transportation for the Texas Enhancement funding and issue payment in the amount of \$14,555 to the Texas Department of Transportation to move forward with the project.