

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: City Manager - Development & Infrastructure
AGENDA DATE: March 30, 2010
CONTACT PERSON/PHONE: Patricia D. Adauto, Deputy City Manager, (915) 541-4853
DISTRICT(S) AFFECTED: All Districts

SUBJECT:

Discussion and Action on the transportation project priorities in the City's Capital Improvement Program including:

- A. Staff Overview of the proposed transportation project priorities and the proposed transportation funding plans.
- B. Resolution establishing the list of transit capital projects totaling approximately \$96,140,867 as the list in the City's Capital Improvement Program – Transit Project Priorities for Fiscal Years 2011 through 2017 utilizing Certificates of Obligation and other funding mechanisms pursuant to the City's Debt Management Policy, and subject to annual budgeting requirements; authorizing the City Manager to establish the funding sources for the transportation capital plan and make all necessary budget transfers at the appropriate times for execution of the transit capital projects; and directing that the City Manager pursue any state and federal funding that will reduce the City's share of its participation costs to these transit capital projects.
- C. Resolution establishing the list of transportation capital projects totaling approximately \$19,767,218 as the list in the City's Capital Improvement Program – COEP Project Priorities in the MPO Transportation Improvement Program for Fiscal Years 2011 through 2017 utilizing Certificates of Obligation and other funding mechanisms pursuant to the City's Debt Management Policy, and subject to annual budgeting requirements; authorizing the City Manager to establish the funding sources for the transportation capital plan and make all necessary budget transfers at the appropriate times for execution of the transportation capital projects; authorizing the City Manager to submit documentation to and coordinate with the Metropolitan Planning Organization to modify short and long-term planning documents to further implement the transportation capital plan; and directing that the City Manager pursue any state and federal funding that will reduce the City's share of its participation costs to these transportation capital projects.

BACKGROUND / DISCUSSION:

Per City Council direction, City staff proposes a list of transportation priority projects for funding in Fiscal Years 2011 through 2017 pursuant to the Debt Management Policy. The list is for approximately \$115,908,085 of transit and other transportation priorities (within the MPO Transportation Improvement Program) and following the parameters utilizing Certificates of Obligation. Resource documentation is attached and includes:

- Resolution authorizing a \$96,140,867 issuance and incorporating Exhibit A that denotes the transit capital priorities.
- Resolution authorizing a \$19,767,218 issuance and incorporating Exhibit B that denotes the transportation capital priorities within the Transportation Improvement Program at the Metropolitan Planning Organization.
- Transportation Funding Plans – Summary of Costs (Proposed).
- Power point presentation that details the transit and transportation project priorities, and how the proposed funding plans were developed.

PRIOR COUNCIL ACTION:

At the retreat and special City Council meeting held on October 15, 2009, City staff presented a seven-year capital improvement program delineating organizational needs. Policy direction was received to: 1) follow the Debt Management Policy specifically by utilizing fund issuances based on type of projects (infrastructure-related priorities to Certificates of Obligation [CO]; quality-of-life priorities to General Obligation Bonds [GOB]); 2) develop a capital plan for issuance of CO's annually, starting in 2010; 3) program a GOB issuance for 2011 or 2012 for quality of life priorities utilizing and incorporating a public vetting process; and 4) including a signature project and other economic drivers into the GOB issuance.

On February 23, 2010, City Council approved an approximate \$40 million issuance using CO's for infrastructure-related capital projects. This issuance is for a one year cycle of capital projects in 2010. During the discussion held on this item, City staff reported and City Council directed that a funding plan for the transportation project priorities be developed and presented for finalization.

AMOUNT AND SOURCE OF FUNDING:

Detailed in backup documentation (attached).

BOARD / COMMISSION ACTION:

N/A

***** REQUIRED AUTHORIZATION *****

DEPARTMENT HEAD: P. Adauto **DATE:** March 24, 2010

TRANSPORTATION FUNDING PLANS - SUMMARY OF COSTS

RECOMMENDED PRIORITY PROJECT FUNDING									
Project Type	Total Project Cost	Local Match	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Transit Project Priorities	\$179,607,600	\$92,407,600	\$12,335,867	\$30,971,733	\$25,200,000	\$7,100,000	\$8,400,000	\$7,400,000	\$1,000,000
COEP Project Priorities / MPO Transportation Improvement Program	\$23,249,633	\$18,999,633	\$5,991,422	\$7,508,211	\$3,500,000	\$500,000	\$500,000	\$500,000	\$500,000
Sub Total	\$202,857,233	\$111,407,233	\$18,327,289	\$38,479,944	\$28,700,000	\$7,600,000	\$8,900,000	\$7,900,000	\$1,500,000
2% for Arts		\$2,228,145	\$366,546	\$769,599	\$574,000	\$152,000	\$178,000	\$158,000	\$30,000
2% Bond Issuance Costs		\$2,272,708	\$373,877	\$784,991	\$585,480	\$155,040	\$181,560	\$161,160	\$30,600
Total		\$115,908,085	\$19,067,711	\$40,034,534	\$29,859,480	\$7,907,040	\$9,259,560	\$8,219,160	\$1,560,600

ALL PROJECT FUNDING									
Project Type	Total Project Cost	Local Match	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Transit Project Priorities	\$179,607,600	\$92,407,600	\$12,335,867	\$30,971,733	\$25,200,000	\$7,100,000	\$8,400,000	\$7,400,000	\$1,000,000
COEP Project Priorities / MPO Transportation Improvement Program	\$23,249,633	\$18,999,633	\$5,991,422	\$7,508,211	\$3,500,000	\$500,000	\$500,000	\$500,000	\$500,000
COEP Projects Recommended for Network Change / MPO Transportation Improvement Program	\$15,800,000	\$15,800,000	\$6,400,000	\$8,400,000	\$1,000,000	\$0	\$0	\$0	\$0
Sub Total	\$218,657,233	\$127,207,233	\$24,727,289	\$46,879,944	\$29,700,000	\$7,600,000	\$8,900,000	\$7,900,000	\$1,500,000
2% for Arts		\$2,544,145	\$494,546	\$937,599	\$594,000	\$152,000	\$178,000	\$158,000	\$30,000
2% Bond Issuance Costs		\$2,595,028	\$504,437	\$956,351	\$605,880	\$155,040	\$181,560	\$161,160	\$30,600
Total		\$132,346,405	\$25,726,271	\$48,773,894	\$30,899,880	\$7,907,040	\$9,259,560	\$8,219,160	\$1,560,600

RESOLUTION

WHEREAS, the El Paso City Council reaffirmed its Debt Management Policy on October 27, 2009 which sets forth the parameters for issuing new debt for the City of El Paso; and

WHEREAS, the Debt Management Policy establishes the types of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure-related capital projects (and non-quality of life projects) at a cumulative value of \$100 million or less; and

WHEREAS, the El Paso City Council considered a proposed seven-year capital program that included a list of proposed projects to be undertaken at a Strategic Visioning Session held on October 15, 2009; and

WHEREAS, the policy direction provided by the El Paso City Council was to develop a capital plan for projects pursuant to the approved Debt Management Policy, and specifically utilizing both funding mechanisms of Certificates of Obligation and General Obligation Bonds for the proposed projects; and

WHEREAS, the El Paso City Council further directed that issuances for proposed infrastructure-related projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

WHEREAS, City staff has developed a proposed listing of infrastructure and transportation capital projects to be undertaken in ensuing Fiscal Years for which the City would need to issue long term debt; and

WHEREAS, the El Paso City Council approved a 2010 Capital Plan on February 23, 2010 that authorizes a \$40 million issuance using Certificates of Obligation for infrastructure-related capital projects; and

WHEREAS, the El Paso City Council has requested that City staff submit its recommendations for transportation project priorities that incorporate local participation costs for transit projects; and

WHEREAS, a proposed transportation capital plan is as enumerated in the "Transportation Funding Plan – Transit Project Priorities" for Fiscal Years 2011-2017; and

WHEREAS, the El Paso City Council asked that the City Manager bring further consideration of the transportation capital plan to the City Council for finalization and action.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

1. **THAT** the El Paso City Council affirms that the transportation capital plan totaling approximately \$96,140,867, referenced as "Transportation Funding Plan – Transit Project Priorities" and attached hereto as Exhibit A, shall be the established list of transit capital projects for Fiscal Years 2011-2017 and Certificates of Obligation are initially identified as the funding source, subject to annual budgeting requirements;
2. **THAT** the City Manager be authorized, subject to annual budgeting requirements, to establish the funding sources for the transportation capital plan enumerated in the "Transportation Funding Plan – Transit Project Priorities" for Fiscal Years 2011-2017 and make all necessary budget transfers at the appropriate times for execution of the transit capital projects; and
3. **THAT** the City Manager be directed to pursue any state and federal funding that will reduce the City's share of its participation costs to these transit capital projects.

PASSED AND APPROVED this 30th day of March 2010.

CITY OF EL PASO

John F. Cook, Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO CONTENT:



Patricia D. Adauto
Deputy City Manager

APPROVED AS TO FORM:



Elaine S. Hengen
Senior Assistant City Attorney

EXHIBIT A
TRANSPORTATION FUNDING PLAN - TRANSIT PROJECT PRIORITIES

RECOMMENDED FUNDING										
Priority	Project	Total Project Cost	Local Match	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1	Operations Center	\$28,607,600	\$28,607,600	\$9,535,867	\$19,071,733	\$0	\$0	\$0	\$0	\$0
2	Alameda BRT	\$42,000,000	\$42,000,000	\$2,800,000	\$11,900,000	\$25,200,000	\$2,100,000	\$0	\$0	\$0
3	Mesa BRT	\$25,000,000	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$0
4	Montana BRT	\$49,000,000	\$9,800,000	\$0	\$0	\$0	\$0	\$8,400,000	\$1,400,000	\$0
5	Dyer BRT	\$35,000,000	\$7,000,000	\$0	\$0	\$0	\$0	\$0	\$6,000,000	\$1,000,000
Sub Total		\$179,607,600	\$92,407,600	\$12,335,867	\$30,971,733	\$25,200,000	\$7,100,000	\$8,400,000	\$7,400,000	\$1,000,000
2% for Arts			\$1,848,152	\$246,717	\$619,435	\$504,000	\$142,000	\$168,000	\$148,000	\$20,000
2% Bond Issuance Costs			\$1,885,115	\$251,652	\$631,823	\$514,080	\$144,840	\$171,360	\$150,960	\$20,400
Total			\$96,140,867	\$12,834,236	\$32,222,991	\$26,218,080	\$7,386,840	\$8,739,360	\$7,698,960	\$1,040,400

General Notes:

- Debt service on transit projects will be evaluated for maximum absorption by the Sun Metro Enterprise Fund, including rolling stock, to reduce impact to the General Fund.
- ARRA II funding pending; will pursue funding given eligibility requirements.
- Pursuing federal earmark & competitive 5309 funding for projects.
- Pursuing amendment of 2008 Comprehensive Mobility Plan to reallocate \$25 million to three BRT's to leverage federal funding & to lower local participation costs. Given Alameda BRT is locally funded, City staff is requesting an FTA contribution of 73% of the project cost for the Mesa BRT (rather than 50%). If FTA denies, \$5,700,000 of additional local participation costs will be required in FY 2013.
- Project schedule developed to maximize cash flow management & maintain debt service rate given other City priorities.
- Capital funding in FY 2012 & FY 2013 may maximize total capital funding capacity for other City priorities (should other federal or transit enterprise funding not be available).
- Project estimates for BRT Corridors include funding for rolling stock needed for each corridor.

Project Notes:

- Priority 1** Assumes \$20,434,000 as construction cost for a facility handling 200 buses; estimate includes 40% markup for FFE. At least one-half of the debt service for this project will be absorbed by the Sun Metro Enterprise Fund, including rolling stock.
- Priority 2** Estimated construction completion, September 2013. Project reviewed by M&CC.
- Priority 3** Assumes reallocation of CMP funding in the amount of \$1.8 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion, March 2014. Project has received M&CC and MPO approval.
- Priority 4** Assumes reallocation of CMP funding in the amount of \$14.7 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion, September 2015. Project has received M&CC and MPO approval.
- Priority 5** Assumes reallocation of CMP funding in the amount of \$10.5 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion, September 2016. Project reviewed by M&CC.