CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)

DEPARTMENT: Mobility Services
AGENDA DATE: November 4, 2008
CONTACT PERSONS/PHONE: Jane Shang, Deputy City Manager, 541-4327
DISTRICT(S) AFFECTED: ALL DISTRICTS

SUBJECT:

APPROVE a resolution authorizing: (i) the Mayor to sign an amended State Infrastructure Bank loan application on behalf of the Camino Real Regional Mobility Authority (CRRMA) to obtain initial funding of $3,075,000.00 for the I-10 at Loop 375 (Americas Interchange) Project, as more fully indentified within the 2008 Comprehensive Mobility Plan; and (ii) staff to negotiate an agreement with the CRRMA regarding the pass through of the loan to the CRRMA and terms assuring the repayment of the same, with such agreement to return to Council for approval.

RESOLUTION:
Discussion and action on a Resolution authorizing the Mayor to sign an Amended Application for Financial Assistance, for the City on behalf of the Camino Real Regional Mobility Authority, in the amount of $3,075,000.00 to be filed with the State Infrastructure Bank (SIB), and other related and necessary documents, for a project referred to as the I-10 at Loop 375 (Americas Interchange) Project.

BACKGROUND / DISCUSSION:

On August 19, 2008, the City and the Camino Real Regional Mobility Authority (CRRMA) entered into a Management Agreement whereby the City committed to assist the CRRMA with obtaining initial funding through a joint application for a State Infrastructure Bank (SIB) loan. This was deemed necessary, as the CRRMA is a relatively young entity with no assets and would not otherwise qualify for such a loan.

The City and the CRRMA jointly submitted the initial SIB loan application based on the I-10 at Loop 375 (Americas Interchange) Project (the "Americas Project"), as described within the 2008 Comprehensive Mobility Plan. The repayment source was identified as the Transportation Reinvestment Zone required by the 2008 Comprehensive Mobility Plan and the Pass-Through Toll Agreement that will be entered into between the CRRMA and the Texas Department of Transportation (TxDOT). However, TxDOT has now determined that the City and CRRMA must sign an Amended Application whereby the City will be named as the sole obligor of the loan, in order for the loan application to be processed.

The Resolution before the Council makes a finding that: this project is located within the city limits of the City of El Paso and if approved and constructed would constitute improvements to the interchange that will serve and benefit persons residing in the City by enhancing and improving the movement of all traffic through the interchange; and that the construction of this project will serve an important municipal purpose for the City and that signing the amended application, and making a pledge regarding the repayment of the loan, is a necessary part of the accomplishment of this municipal purpose.

Accordingly, the Resolution authorizes: (i) the Mayor to sign the amended application; and (ii) also directs staff to negotiate an agreement with the CRRMA to provide for the pass through of the loan proceeds to the CRRMA as well as terms assuring repayment of the same. Through this agreement with the CRRMA, the City will seek the following assurances that the SIB loan will be repaid solely by the CRRMA: (1) a pledge of specified projected revenues from the CRRMA's State Spur 601 (Inner Loop) Project; (2) the removal of the City as obligor to the SIB loan upon the CRRMA's execution of the pass-through toll agreement anticipated to arise between the CRRMA and TxDOT for the Americas Project; and (3) in the event such removal is not permitted by the SIB, removal of the City as obligor upon the CRRMA's issuance of bonds for the Americas Project. If TxDOT approves the SIB loan, the award acceptance and this new agreement with the CRRMA will come back to the City Council for approval.

It is important to note that the original intent of the SIB loan provision within the Management Agreement was for the City to act as a facilitator for the CRRMA, due to the fact that the CRRMA has no assets by which it may pursue the necessary SIB funds alone. Accordingly, the amended application is inline with such original intent. It is also the intent of all parties that the City's involvement is a short term but necessary obligation to facilitate the CRRMA's access to SIB funding. City staff will work diligently to assure that the City's obligations remain short term.

PRIOR COUNCIL ACTION:

The Mayor was authorized to sign and submit the original State Infrastructure Bank (SIB) Loan Application on behalf of the CRRMA through the Management Agreement with the CRRMA, which was approved by Council on August 19, 2008.

AMOUNT AND SOURCE OF FUNDING:

BOARD / COMMISSION ACTION:

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

LEGAL: (if required)_____ **FINANCE:** _____

DEPARTMENT HEAD: _____
APPROVED FOR AGENDA:
CITY MANAGER:_____ **DATE:**_____

RESOLUTION

WHEREAS, on or about August 19, 2008, the City and the Camino Real Regional Mobility Authority (CRRMA) entered into a Management Agreement by which the City has committed to assisting the CRRMA with obtaining its initial funding; and

WHEREAS, the CRRMA is planning to go forward with a project to build two connectors at I-10 at Loop 375 (Americas Interchange); and

WHEREAS, this project, if approved and constructed, will be located within the city limits of the City of El Paso and would constitute improvements to the interchange that will serve and benefit persons residing in the City by enhancing and improving the movement of all traffic through the interchange; and

WHEREAS, the City Council finds that the construction of this project will serve an important municipal purpose for the City and that signing the Application for Financial Assistance to be filed with the State Infrastructure Bank (SIB), and making a pledge regarding the repayment of the loan, is a necessary part of the accomplishment of this municipal purpose; and

WHEREAS, the City and the CRRMA previously signed a joint Application pursuant to authorization contained in the Management Agreement. However, the Texas Department of Transportation has determined that the City must sign an Amended Application as the obligor of the loan, in order for the loan application to be processed; and

WHEREAS, the City Council finds that the signing of the Amended Application and other related and necessary documents, on behalf of the CRRMA, is necessary to accomplish the public purpose stated herein and in the Management Agreement; and

WHEREAS, the SIB loan application requires that the City's highest elected official sign the application.

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

1. That the Mayor be authorized to sign an Amended Application for Financial Assistance to be filed with the State Infrastructure Bank (SIB), in the amount of $3,075.000.00, and other related and necessary documents, for a project referred to as the I-10 at Loop 375 (Americas Interchange) Project.

2. That staff negotiate an agreement with the CRRMA to be approved by the City Council, that will provide for the pass through of the loan proceeds to the CRRMA, effective on the award of the loan. Such agreement shall contain provisions relating to the protection of the

City's governmental interests in the project and as obligor on the SIB loan, to include protections such as obligations on the part of the CRRMA to seek the release of the City as the obligor on the SIB loan and a pledge of future funding to cover the City's costs of repayment of the loan.

PASSED AND APPROVED THIS 4th day of November 2008.

CITY OF EL PASO

_____
John F. Cook, Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Elaine S. Hengen
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

Jane Shang
Deputy City Manager

#43451 v1 - Reso-08/SIB loan application/CRRMA/I10 Loop 375 Interchange
Document Author: EHEN

STATE INFRASTRUCTURE BANK (SIB)
APPLICATION FOR FINANCIAL ASSISTANCE

CITY OF EL PASO AND CAMINO REAL REGIONAL MOBILITY AUTHORITY

SECTION I – Applicant Information

Applicant Name:	City of El Paso
Taxpayer FEIN:	174-6000749
Primary Contact:	Jane Shang
Contact's Title:	Deputy City Manager
Street Address:	2 Civic Center Plaza
Phone Number:	(915) 541-4686
City, State, Zip:	El Paso, Texas 79901
Fax Number:	(915) 541-4576
Email Address:	shangj1@elpasotexas.gov
CSJ Number:	2121-04-065

Applicant Name:	Camino Real Regional Mobility Authority
Taxpayer FEIN:	26-1100031
Primary Contact:	Raymond L. Telles
Contact's Title:	Executive Director
Street Address:	2 Civic Center Plaza, 9th Floor
Phone Number:	(915) 541-4986
City, State, Zip:	El Paso, Texas 79901
Fax Number:	(915) 541-4576
Email Address:	tellesrl@crrma.org
CSJ Number:	2121-04-065

SECTION II – Financial Information

Requested Amount of Financial Assistance: $3,075,000.00

Total Cost of Entire Project: $70,000,000.00

Requested Terms:

- Deferred repayment until five (5) years after completion of the project.
- Repayment schedule of twenty (20) years from commencement of repayment.
- Interest rate of two percent (2%).
- Multiple disbursements (Approval of SIB Loan, September 2009, and September 2010)

Proposed Pledge of Source of Repayment and Priority Claim to those Items:

The referenced project in this financing request is a non-toll project on the state highway system. The Texas Department of Transportation will operate and maintain the roadway after construction is completed. The City of El Paso will be responsible for the repayment of the Financial Assistance Requested herein.

Additionally Required Financial and Related Documentation:

Please see Attachment 1 for bond rating letters of the City. The CRRMA has been involved in only one bond issuance to date, known as the Camino Real Regional Mobility Authority's Pass-Through Toll Transportation Revenue Bonds (State Spur 601), Series 2008. The bond rating letters for this bond issuance are included as Attachment 2.

Please also see Attachments 3 and 4 for the fully executed instruments and related materials from the City and CRRMA, which authorize the submittal of this application. Attachment 3-A is included in the submission of this Amended Application, which specifically modifies Attachment 3.

SECTION III – Project Information

The project for which financial assistance is being requested is referred to as the I-10 at Loop 375 (Americas Interchange) Project (the "Project"). The Project is one aspect of the 2008 Comprehensive Mobility Plan (the "CMP") and is one of the major interchanges in El Paso County. The North American Free Trade Agreement spurred industrial growth and related warehousing and distribution facilities along I-10 at Loop 375. Loop 375 carries an increasing volume of international traffic to and from the interchange. The current cloverleaf configuration of the Americas Interchange was designed for lower speeds and traffic volumes and cannot accommodate the existing and projected traffic volumes on I-10. The long-range plan for the Americas Interchange is to create a four-level, fully directional interchange. The proposed Project constructs the first two (2) direct connectors and adds other interchange improvements. Estimated total project cost of the Project is $70,000,000.

As noted in Section II above, the City hereby respectfully requests $3,075,000 from the State Infrastructure Bank for use by the CRRMA in its efforts to complete the Project. The funding requested through this application will be used solely for the completion of the Project, with specific anticipated uses as noted below. Further, it is requested that the disbursement of the requested financial assistance occur in multiple disbursements and in concert with the actual needs of the Project. The first proposed disbursement should be issued upon final approval of this request for assistance, with two (2) additional disbursements to coincide with the commencement of the next two (2) CRRMA fiscal years (September 1).

Project Related Consultant Ramp-Up	$150,000
Design-Build Contractor Procurement Preparation	$150,000
Design-Build Contractor Procurement	$1,600,000
General Engineering Consultant Oversight – Design	$300,000
General Engineering Consultant Oversight – Construction	$375,000
Project Related Salaries	$300,000
Project Related Outside Legal Services	$100,000
Other Project Related Consultants & Services	$100,000
TOTAL REQUEST:	**$3,075,000**

Please see Attachment 5 for additional information on the Project, including those additional materials required by Section III of the State Infrastructure Bank (SIB) Application for Financial Assistance Form.

SECTION IV – Acknowledgment and Certification

I certify that:

I have the authority to request and incur the debt described in this application, and upon award, will enter into contract for repayment of any financial assistance granted by the Texas Department of Transportation's State Infrastructure Bank (SIB).

I have completed the preliminary requirements as specified by the SIB Applicant Handbook, and will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge, all information contained in this application is valid and accurate and the governing body of the undersigned jurisdiction has authorized the submission of this application.

Signature of highest official	*Date*
John F. Cook	Mayor, City of El Paso
Printed Name	*Title, Jurisdiction*

Signature of highest official	*Date*
	Camino Real Regional Mobility Authority
Printed Name	*Title, Jurisdiction*