

INTERLOCAL AGREEMENT

This Interlocal Agreement (“Agreement”) is made by and between the McKinney Urban Transit District (the “District”) and the City of McKinney (the “City”).

PREAMBLE

WHEREAS, the District was created pursuant to Chapter 458 of the Texas Transportation Code; and

WHEREAS, the District is a political subdivision of the State of Texas; and

WHEREAS, the City is a home rule municipal corporation; and

WHEREAS, the City is the most populous municipality in the McKinney Urbanized Area (“Area”) and has a pending application for Direct Recipient status with the Federal Transit Administration; and

WHEREAS, this Agreement is made under the authority of the Interlocal Cooperation Act of 1971, as amended and codified in Chapter 791 of the Texas Government Code; and

THEREFORE, for and in consideration of the mutual agreements and covenants contained in this Agreement, it is agreed that:

SECTION I. EFFECTIVE DATE AND TERM

This Agreement shall take effect on the date of the final signature below and continue on an annual, automatically renewing basis, until terminated by either party upon ninety (90) days’ written notice to the other party; provided, however, that the obligations under this Agreement are contingent upon either i) the City’s designation as Subrecipient under the Texas Department of Transportation’s Master Grant Agreement or ii) the City’s designation of Direct Recipient status under the rules promulgated by the Federal Transit Administration; and, in either instance, upon the City’s or District’s receipt of federal, state or local funding to plan, operate and maintain a public transit system (“System”) within the Area.

SECTION II. FUNDING FOR SERVICES

1. The District hereby designates the City as its direct grant administrator and authorizes the City to pursue, apply, and receive any federal and state grants on behalf of the District.
2. The District shall act solely as a policy-making entity to provide guidance to the City to effectively manage and operate the System. To that end, the City shall incorporate the resolutions and actions of the District into its operational agreements, as needed.

3. In addition to the management of any federal and state funding, the City shall make required contributions on behalf of the District, if necessary, to serve as local matching funds for federal and state grants. It is understood that the City's contributions shall constitute a current expense during the respective fiscal year in which the contribution is made and shall not be considered or construed as debts of the City in contravention of a constitutional, statutory, or charter provision.

4. The City shall maintain complete and accurate financial records regarding the all funds received and disbursed under this Section II.

SECTION III. SYSTEM AND PROGRAM ADMINISTRATION

1. The City shall be solely responsible for the administration and operation of the System including the District's compliance, if any, with the obligations and responsibilities under any grants and accompanying certifications, assurances, and agreements made or given by the Federal Transit Administration, or the Texas Department of Transportation or any other entity.

2. The City shall have all powers necessary to administer the System including, but not limited to, the power to contract, to acquire and own real and personal property, and to accept and expend grant funds from governmental entities, federal and state agencies and individuals.

3. The City shall employ and supervise employees as it deems necessary for the operation of the System.

4. The District shall compensate the City for the obligations performed under this Section through state and federal grant funds, local funds collected from participating cities, and in such amounts as are determined by the City, with notice to the District.

SECTION IV. TRANSPORTATION PROVIDER

1. The City shall contract with a transportation provider ("Provider") to provide mass transit services within the Area.

2. The contract between the City and the Provider shall include those terms necessary to fulfill the transportation policies promulgated by the District.

SECTION V.

CAPTIONS

The captions used in this Agreement are for informational purposes only and shall not limit nor affect the terms and conditions of the paragraphs.

SECTION VI.
SEVERABILITY

The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable, and if any designated portion is declared invalid, such invalidity shall not affect any remaining portions of this Agreement.

SECTION VII.
GOVERNING LAW AND VENUE

This Agreement shall be governed by the laws of the State of Texas, and mandatory venue for any legal dispute under this Agreement is in Collin County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

DISTRICT:

McKINNEY URBAN TRANSIT DISTRICT

By: _____

Date: _____

CITY:

CITY OF McKINNEY

By: _____

Date: _____