

INTERLOCAL AGREEMENT

This Interlocal Agreement (“Agreement”) is made by and between the City of McKinney, Texas (the “City”) and the Town of Prosper, Texas (the “District Member”) as a participating member of the McKinney Urban Transit District (“MUTD”).

PREAMBLE

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

WHEREAS, the Town of Prosper is a participating member of the MUTD, and will be represented by a City Council appointed board member; and

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

WHEREAS, the City is the most populous municipality in the McKinney Urbanized Area (“Area”) and has been designated a Designated Recipient by the Federal Transit Administration; and

WHEREAS, federal and state public transit funds may be used by the City to provide public transportation services with the MUTD; 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 the City’s annual fiscal budget appropriation and 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. By interlocal agreement, the MUTD has contracted with the City to be its direct grant administrator and has authorized the City to pursue, apply, and receive any federal and state grants on behalf of the MUTD.

2. The District Member shall provide \$6,030.00 in local share contribution for for the provision of transit service to residents residing in the District Member's geographical area for a period of one year.

3. It is understood that the District Member'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 District Member in contravention of a constitutional, statutory, or charter provision.

4. All City and District Member unused local share contributions shall carry forward to the next fiscal year and any future year fiscal obligation shall be offset by these funds. A statement of account will be provided to each District Member on a quarterly basis. Upon a projected shortfall of local share contributions, the District Member may choose to limit service within its geographic area or contribute additional local match funds to maintain service levels.

5. 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 City shall maintain accounting records that will track how funds are used to support the public transit service in the District Member's city limits. The District Member shall have the rights to inspect the financial records of the City with relation to the MUTD during regular business hours.

5. The City shall comply with the Texas Open Meetings and Public Information Act.

SECTION IV. TRANSPORTATION PROVIDER

1. At its sole discretion, the City shall contract with a transportation provider ("Provider") to provide transit services within the Area.

2. The City shall not be liable to any District Member for any failure, delay or interruption of service or for any failure or delay in the performance of any duties or obligations under this Agreement.

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 MEMBER:

TOWN OF PROSPER

By: _____

Date: _____

CITY:

CITY OF MCKINNEY

By: _____

Date: _____