

STATE OF TEXAS	§	INTERLOCAL CONTRIBUTION
	§	AGREEMENT BETWEEN THE
COUNTY OF BEXAR	§	CITY OF SAN ANTONIO AND
	§	VIA METROPOLITAN TRANSIT

THIS INTERLOCAL CONTRIBUTION AGREEMENT ("ILA") is entered into by and between the CITY OF SAN ANTONIO, TEXAS ("City"), a Texas Municipal Corporation, and VIA METROPOLITAN TRANSIT ("VIA"), a Metropolitan Transit Authority created under Chapter 451 of the Texas Transportation Code, each acting by and through its duly authorized officers. City and VIA singularly or collectively shall be referred to as "Party" or the "Parties". This ILA is entered into by the Parties pursuant to authority granted under the Interlocal Cooperation Act, as set forth in Texas Government Code, Chapter 791.

RECITALS

WHEREAS, VIA's mission is to provide mass transit services within its service area including the City, as set out and required under its enabling statute, Chapter 451 of the Texas Transportation Code, through which it is authorized to implement and control the manner and means by which to implement its system; and

WHEREAS, on November 2, 2004, the voters of San Antonio approved the creation of an Advanced Transportation District ("ATD") for mobility enhancement and advanced transportation and authorized the ATD's imposition and collection of a sales and use tax at the rate of one-fourth (1/4) of one percent to be allocated fifty-percent (50%) to VIA, twenty-five percent (25%) to the City of San Antonio, and twenty-five (25%) to be used as the local share for state and federal grants ("ATD I"), consistent with Texas Transportation Code, Chapter 451, Section 451.702; and

WHEREAS, on November 3, 2020, the voters of San Antonio approved a 1/8 increase of 1% of the ATD local sales and use tax rate to 3/8 of one percent to begin on January 1, 2026, for advanced transportation and mobility enhancements (the 1/8 of one percent incremental increase is the subject of this Agreement and referred to as "ATD II"); and

WHEREAS, the Texas Comptroller will consider the ATD tax to be 3/8 of 1% of the local sales and use tax rate and the **ATD is obligated under Section 451.702(g) and (h) to remit 1/4 of the proceeds of the sales and use tax to the City in proportion to the amount of the sales and use tax proceeds collected within the City to be used only for advanced transportation or mobility enhancement purposes in the territory of the authority; and**

WHEREAS, **through this ILA the City will convey to ATD the City's portion of ATD II (essentially 1/4 of the 1/8 increase approved by the voters in November of 2020):**

NOW, THEREFORE, in consideration of the mutual covenants and agreement stated herein, the Parties agree as follows:

I. RECITALS

- 1.1 The recitals set out above are true and correct and are incorporated into and made a part of his Agreement.

II. PURPOSE

- 2.1 The purpose of this Agreement is to establish the terms and conditions under which the City will contribute its statutory share of ATD II funds to VIA to be used for advanced transportation or mobility enhancement purposes, consistent with and as defined in Section 451.701 and Section 451.702 of the Texas Transportation Code and with the commitments made to voters in the November 3, 2020 election.

III. TERM

- 3.1 This ILA will be effective and commence upon the execution of both Parties with the collection of the ATD II tax beginning on January 1, 2026 and will terminate when, and if, ATD taxes are no longer collected.

IV. FINANCIAL COMMITMENT

- 4.1 The City shall provide to VIA a monthly payment consisting of the statutorily allocated amount of the proceeds of the sales and use tax due to the City generated by ATD II, that being the City's one-fourth (1/4) share of the one-eight (1/8) increase to the ATD tax proceeds. The funds paid by the City must be used by VIA for advanced transportation or mobility enhancement purposes, as defined in Section 451.701 and consistent with Section 451.702 and in a manner consistent with the commitments made to voters in the November 3, 2020 election.
- 4.2 Payments of the 1/4 ATD II appropriated funds to VIA will be made in monthly installments beginning March 2026 for the proceeds of the sales and use tax generated during the month of January 2026 and remitted to VIA each subsequent month thereafter. This payment is subject to the City having received its portion of the entire ¼ of the ATD II tax from VIA.
- 4.3 The City identifies its Director of _____ or his/her designee as its contact person for this Agreement.