



TOWN OF HORIZON CITY

MEMORANDUM

Date: October 13, 2026

To: Honorable Mayor and Members of City Council

From: Jesse A. Sanchez, P.E., CIP Project Manager

SUBJECT: City Council Agenda Item No. 7: On the approval of a Resolution authorizing the execution of an Advance Funding Agreement (AFA) with the Texas Department of Transportation for TA25 Howard Lowe Pedestrian Mall project, CSJ No. 0924-06-770. Funding to be provided by a FHWA Transportation Alternative Set Aside (TASA) Grant in the amount of \$2,277,251.00 and utilizing State Transportation Development Credits In lieu of Local Government matching funds.

PURPOSE: TxDOT is the official state agency that receives, oversees, and administers federal funding for transportation projects. An Advance Funding Agreement (AFA) is a legally binding contract between TxDOT and the local government to jointly fund, plan, build and deliver transportation projects in conformance to strict federal requirements. An AFA defines responsibilities, work requirements, costs, and manages funding to pass through and track federally funded transportation projects.

JUSTIFICATION: All projects built using federal funds require the formal execution of an AFA between TxDOT and the Local Government. TxDOT will maintain legal and engineering oversight for the duration of work.

IMPACTS OF NON-APPROVAL:

TxDOT will not authorize federal funding without an executed AFA between TxDOT and the Local Government.

RECOMENDATION: It is recommended that the Council approves Item No.7 to authorize the execution of an Advance Funding Agreement (AFA) with the Texas Department of Transportation for TA25 Howard Lowe Pedestrian Mall, CSJ No. 0924-06-770 with funding to be provided by a FHWA Transportation Alternative Set Aside (TASA) Grant totaling \$2,277,251.00 and utilizing State Transportation Development Credits in lieu of Local Government matching funds.