

**TEXAS TRANSPORTATION COMMISSION**Wharton County**MINUTE ORDER**

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Yoakum District

The City of Wharton (City) has submitted an application for financial assistance in the form of a loan of up to \$15,000,000 from the State Infrastructure Bank (SIB) under Transportation Code, Chapter 222, Subchapter D, and Title 43 Texas Administrative Code (TAC), Chapter 6 (SIB Rules). The application satisfies all requirements of the rules, including passage by the City of a resolution authorizing submission of the application to the Texas Department of Transportation (department).

The intended use of the financial assistance conforms to the purposes of the SIB. The City intends to use the financial assistance to pay for the costs of right of way acquisition, engineering, and construction necessary for a non-tolled project to extend FM 1301 at SH 60 to US 59 in Wharton County, Texas (project).

The present and projected financial condition of the SIB is sufficient to cover the requested financial assistance for the project.

The City has proposed a pledge of ad valorem taxes and limited net revenues as security for repayment of the loan.

The SIB Rules provide for both preliminary and final approval by the Texas Transportation Commission (commission) of any SIB loan in the principal amount of more than \$10 million or in which the department does not have primary responsibility, unless the commission waives the preliminary approval requirement for that application.

In Minute Order No. 115873, dated October 29, 2020, the commission granted preliminary approval of the City's application and, in accordance with the SIB Rules, found that: (1) the project is consistent with the Statewide Long-Range Transportation Plan and the metropolitan transportation plan developed by the applicable metropolitan planning organization; (2) the project is in a Clean Air Act moderate non-attainment area and is consistent with the Statewide Transportation Improvement Program, with the conforming plan and Transportation Improvement Program for the MPO in which the project is located, and with the State Implementation Plan; (3) the project will improve the efficiency of the state's transportation systems; (4) the project will expand the availability of funding for transportation projects or reduce direct state costs; and (5) the application shows that the City is likely to have sufficient revenues to assure repayment of the financial assistance.

In accordance with the SIB Rules, the executive director has negotiated all the terms of an agreement as necessary to protect the public's safety and to prudently provide for the protection of public funds while furthering the purposes of the SIB, contained in the Term Sheet attached hereto as Exhibit A.

The executive director or his designee implemented actions authorized and required by the SIB Rules for final approval. The executive director affirms that the necessary social, economic, and environmental impact studies have been completed and approved by the department. The executive director recommends that the commission grant final approval of the City's application for financial assistance from the SIB.

In accordance with the SIB Rules, the commission finds that providing financial assistance will protect the public's safety and prudently provide for the protection of public funds, while furthering the purposes of the SIB, and the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate for adverse environmental impacts.

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Yoakum District

IT IS THEREFORE DETERMINED AND ORDERED by the commission that the application submitted by the City for financial assistance in the form of a loan from the SIB meets the applicable requirements of the SIB Rules, and in accordance with those provisions, the commission grants final approval of the City's application for a SIB loan under the terms in the Term Sheet attached hereto as Exhibit A in an amount not to exceed \$15,000,000 to pay the City's costs of right of way acquisition, engineering, and construction necessary for the non-tolled project.

IT IS FURTHER ORDERED by the commission that the executive director or his designee is directed and authorized to enter into a financial assistance agreement with the City which complies with the SIB Rules and which contains the terms in the Term Sheet attached hereto as Exhibit A.

Submitted and reviewed by:

Recommended by:

DocuSigned by:  
*Benjamin H. Asher*  
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DocuSigned by:  
*James M. Bass*  
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Director, Project Finance,  
Debt & Strategic Contracts Division

Executive Director

115932 Jan. 28 2021

Minute Number	Date Passed

City of Wharton Term Sheet  
State Infrastructure Bank Loan

Loan Provisions	Negotiated Terms
Project Description:	Extend FM 1301 at SH 60 to US 59 in Wharton County.
Interest Rates:	0% first 3 years, 1.76% remaining 27 years
Fees:	Not Applicable
Charges:	Not Applicable
Term to Maturity:	30 years
Pledged Collateral:	Ad Valorem Taxes and Limited Net Revenues
Default Provisions:	<p>A. The Borrower shall be in default if it fails to repay the SIB Loan (the Principal Payments and the Interest Payments) or otherwise fails to comply with any term of this Agreement. The Department shall not be obligated to take further action nor resume its obligations under this Agreement until the Borrower is no longer in default. The Borrower shall reimburse the Department for all costs or other losses of funds resulting from any default or failure to perform by the Borrower.</p> <p>B. The Borrower agrees that in the event of a default under this Agreement the Department may, by all legal and equitable means, require the Borrower and any appropriate official of the Borrower (acting solely in his/her official capacity) to remedy any default under, and carry out the provisions of, this Agreement, including specifically the use and filing of mandamus proceedings. Venue for any legal proceedings shall be in Travis County, Texas.</p>
Special Conditions:	None