

TEXAS TRANSPORTATION COMMISSION

CASS County

MINUTE ORDER

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District ATLANTA

Section 350 of the National Highway System Designation Act of 1995 (Public Law No. 104-59) authorizes states to establish a State Infrastructure Bank (SIB) for the purpose of making loans and providing other financial assistance to public and private entities, so as to encourage public and private investment in transportation facilities, expand the availability of funding for transportation projects, and reduce state costs.

Pursuant to this legislation, Transportation Code, Chapter 222, Subchapter D, created a SIB within the Texas Department of Transportation (department).

The provision of capital to the SIB will result in the reduction of burdens and demands on the limited funds available to the Texas Transportation Commission (commission) and an increase in the effectiveness and efficiency of the department by allowing the SIB to provide financial assistance to eligible transportation projects.

Pursuant to Transportation Code, Chapter 222, Subchapter D, the commission has adopted administrative rules implementing that subchapter and establishing eligibility criteria for an entity applying for financial assistance from the SIB, codified as Title 43, Texas Administrative Code (TAC), Chapter 6.

Title 43, TAC §6.23 authorizes eligible entities to submit applications for financial assistance from the SIB and prescribes requirements for an application.

In accordance with 43 TAC §6.23, the City of Atlanta (city) has submitted an application to borrow \$1 million from the SIB, to pay for the relocation of utilities made necessary by the reconstruction of FM 249 from US 59 to FM 785.

The FM 249 project is functionally classified as a principal arterial road or street, thus making the reconstruction project eligible for federal funds and SIB funding, and therefore indicating there is a transportation need for and anticipated public benefit in the proposed project, and a resulting improvement in the efficiency of the state's transportation system.

The city has pledged economic development sales tax revenue as security for the loan and to guarantee repayment of the financial assistance to the SIB, indicating the projects and applicant are likely to have sufficient revenue to assure repayment of the requested financial assistance.

On January 20, 2004, in Resolution No. 2004-03 the Atlanta City Council authorized city staff to submit an application to the SIB for a loan to finance the utility relocation, indicating the official written approval of the projects by the governing body of the city.

The project will have a positive impact in the city and the surrounding region as the project will upgrade and improve the safety and traffic operations of FM 249.

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In accordance with 43 TAC §6.32(d), a study of the social, economical, and environmental impact of the projects, consistent with the (NEPA) National Environmental Policy Act (42 U.S.C. §4321 et seq.), and in compliance with the requirements of the department's environmental rules, was conducted as part of the department's environmental assessment of the projects, resulting in findings of no significant impact.

The present and projected financial condition of the SIB is sufficient to cover this request.

The project is listed in the 2004-2006 Statewide Transportation Improvement Program, indicating the project is consistent with the Statewide Transportation Plan.

The proposed project and loan are in conformity with the purposes of the SIB, as it will expand the availability of funding for transportation projects and will reduce direct state costs.

In accordance with 43 TAC §6.31, the department has reviewed and analyzed the application, finds the application to be in compliance with the requirements of 43 TAC, Chapter 6, and recommends that the commission grant approval of the application pursuant to 43 TAC §6.32.

NOW, THEREFORE, IT IS DETERMINED that the application for SIB financial assistance submitted by the City of Atlanta meets the requirements of 43 TAC §6.32(e) and, in accordance with that section, the commission grants final approval of the application to borrow \$1 million from the SIB to be repaid over a period of 15 years at 4.7 percent interest per annum, and directs the executive director to implement the actions authorized and required by that section.

Submitted and reviewed by:

*James M. Bass*

Director, Finance Division

Recommended by:

*M. W. Behrens*

Executive Director

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Minute Number Date Passed