



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

October 28, 2020
AGENDA ITEM #7

Discuss and consider taking action to authorize the Mobility Authority's staff and consultants to take such actions as may be necessary to apply for and negotiate the terms of a loan agreement with the United States Department of Transportation relating to the financing of System Improvements, including the 183A Phase III Project

Strategic Plan Relevance: Regional Mobility
Department: Finance
Contact: Bill Chapman, Chief Financial Officer
Associated Costs: N/A
Funding Source: N/A
Action Requested: Consider and act on the draft resolution

Background - The Mobility Authority is authorized to issue revenue bonds, notes, certificates or other obligations for the purposes of (i) financing and refinancing all or a portion of the cost of the acquisition, construction, improvement, extension or expansion of one or more turnpike projects (as defined in the Act), (ii) refunding, defeasing and redeeming any such obligations previously issued by the Authority and (iii) paying the expenses of issuing such revenue bonds, notes, certificates or other obligations.

The Mobility Authority has certain outstanding loans with the United States Department of Transportation (USDOT) pursuant to the Transportation Infrastructure Finance and Innovation Act (TIFIA) relating to System Improvements. Low current interest rates give the Mobility Authority an opportunity to refinance these loans to reduce financing costs.

Previous Actions - On September 30, 2020 the board adopted Resolution 20-061 (the "Resolution") authorizing the issuance of System revenue obligations to finance the design and construction of certain System improvements including the 183A Phase III project. These revenue obligations included the issuance, sale and delivery of Central Texas Regional Mobility Authority Senior Lien Revenue Bonds, Series 2020E (the "Bonds"), and Subordinate Lien Revenue Bond Anticipation Notes, Series 2020F (the "BANs"). The Bonds and the BANs are in the process of being marketed and sold and are expected to be delivered on November 19th. The BANs have a maturity date of January 1, 2025 and, as provided in the Resolution,

are expected to be refinanced by long-term revenue bonds upon substantial completion of the project.

Action requested/Staff Recommendation - Staff recommends the Board adopt the resolution authorizing the staff and the Authority's consultants to apply for and negotiate the terms of a loan agreement with the USDOT to refinance the BANs and to refinance other outstanding loans with USDOT.

Backup Provided: Draft Resolution

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION 20-0XX

**AUTHORIZING THE APPLICATION FOR AND NEGOTIATION OF A LOAN
AGREEMENT WITH THE UNITED STATES DEPARTMENT OF TRANSPORTATION
RELATING TO THE FINANCING OF SYSTEM IMPROVEMENTS, INCLUDING
THE 183A PHASE III PROJECT**

WHEREAS, pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”), the Central Texas Regional Mobility Authority (the “Authority”), is authorized to: (i) study, evaluate, design, finance, acquire, construct, maintain, repair and operate transportation projects (as defined in the Act), individually or as a system (as defined in the Act); (ii) impose tolls, fees, fares or other charges for the use of each of its transportation projects and the different parts or sections of each of its transportation projects; (iii) borrow money from and enter into loan agreements or other arrangements with any public or private entity for any purpose authorized by the Act, including the design, engineering and construction of a transportation project, and (iv) pledge all or any part of its revenues and any other funds available to the Authority to the payment of any obligations of the Authority under agreements authorized by the Act; and

WHEREAS, the Authority expects to sell and deliver its Senior Lien Revenue Bonds, Series 2020E (the “Bonds”), and Subordinate Lien Revenue Bond Anticipation Notes, Series 2020F (the “BANs”) for the purpose of financing the costs of system improvements, including the 183A Phase III Project; and

WHEREAS, the BANs have a maturity date of January 1, 2025 and, as provided in the resolution authorizing the issuance of the BANs, are expected to be refinanced by long-term revenue bonds upon substantial completion of the 183A Phase III Project; and

WHEREAS, the Authority has certain outstanding loans with the United States Department of Transportation (“USDOT”); and

WHEREAS, the board has determined to authorize the application for and negotiation of a loan agreement with USDOT to refinance the BANs and other outstanding loan agreements with USDOT; and

WHEREAS, it is hereby found and determined that the meeting at which this Resolution is approved is open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended

NOW, THEREFORE. BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY THAT:

Section 1. Findings. The findings and determinations contained in the preambles hereof are hereby incorporated herein for all purposes as if set forth herein in their entirety.

Section 2. Authorization. The Board hereby authorizes the Authority's staff and consultants to take such actions as may be necessary to apply for and negotiate the terms of a loan agreement with USDOT to refinance the BANs and other outstanding loan agreements with USDOT. The final terms and provisions of such loan agreement will be subject to approval by the Board.

Section 3. Further Actions. The Chairman, Vice Chairman, Secretary and Treasurer of the Board, and the Executive Director, the Chief Financial Officer and the Controller of the Authority and all other staff of the Authority, and its professional consultants, are hereby authorized and directed to take any and all actions and to execute and deliver any and all instruments and documents as may be necessary or desirable to carry out and effectuate the purposes of this Resolution. All actions taken by such persons prior to the date of this Resolution for such purposes are hereby ratified and affirmed.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of October, 2020.

Submitted and reviewed by:

Approved:

Geoffrey Petrov, General Counsel

Robert W. Jenkins, Jr.
Chairman, Board of Directors