

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

**STATE INFRASTRUCTURE BANK  
LOAN AGREEMENT**

This State Infrastructure Bank Loan Agreement (Agreement) is made by and between the Texas Transportation Commission (Commission) acting by and through the Texas Department of Transportation (Department), an agency of the State of Texas (State), and Round Rock Transportation and Economic Development Corporation (Borrower), a public instrumentality and non-profit industrial development corporation created pursuant to the Development Corporations Act, Chapters 501 and 505, Texas Local Government Code, as amended, formerly the Development Corporation Act of 1979, Article 5190.6 4(b), Vernon's Annotated Texas Civil Statutes, as amended, (Act) and acting by and through its Board of Directors, located in Williamson County, Texas.

**W I T N E S S E T H**

**WHEREAS**, the Secretary of Transportation of the United States Department of Transportation is authorized by the National Highway System Designation Act (Section 350 of Public Law 104-59) to enter into cooperative agreements with certain states, including Texas, to establish a state infrastructure bank 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; and

**WHEREAS**, the Texas Legislature established the State Infrastructure Bank (SIB) as an account in the State Highway Fund to be administered by the Texas Transportation Commission (Transportation Code, Chapter 222, Subchapter D); and

**WHEREAS**, the Texas Transportation Commission has adopted rules to implement the SIB program, including eligibility criteria for financial assistance (Title 43, Texas Administrative Code (TAC), Part 1, Chapter 6); and

**WHEREAS**, the Borrower is developing a project in Williamson County, Texas to make various improvements to Gattis School Road, identified as CSJ # 0914-05-218 (Project). The Borrower is providing the actual cost of utility relocation, right-of-way acquisition and construction necessary for the Project; and

**WHEREAS**, the Borrower is a public entity in Texas and is authorized by law to construct, maintain, or finance the construction of the Project and may borrow money from the SIB under Texas Transportation Code §222.0745 for that purpose; and

**WHEREAS**, in accordance with 43 TAC §6.23, the Borrower submitted an application to the Department seeking to borrow Twenty-Seven Million Dollars (\$27,000,000) from the SIB to pay for Borrower's actual cost of utility relocation, right-of-way acquisition and construction of the Project; and

**WHEREAS**, In accordance with 43 Texas Administrative Code (TAC) §6.32(c)(2): (1) the Project is consistent with the Statewide Long-Range Transportation Plan; (2) the Project is not in a Clean Air Act non-attainment area; (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 Project and the applicant are likely to have sufficient revenues to assure repayment of the financial assistance; and

**WHEREAS**, the Borrower passed Resolution No. TB-2022-003 on February 24, 2022 (Borrower Resolution), authorizing the SIB loan application in the amount of up to Twenty-Seven Million Dollars (\$27,000,000). The above-referenced resolution is attached hereto as **Exhibit A**; and

**WHEREAS**, in accordance with 43 TAC §6.32, the Department reviewed, analyzed, and found the application to be in compliance with the requirements of 43 TAC Chapter 6; and

**WHEREAS**, the Texas Transportation Commission, in Minute Order No. 116240 dated May 26, 2022, and Minute Order No. 116255 dated June 23, 2022, attached hereto as **Exhibit B**, granted preliminary and final approval of the application from the Borrower to borrow up to Twenty-Seven Million Dollars (\$27,000,000) from the SIB, and authorized the Executive Director of the Department or his designee to enter into a financial assistance agreement with the Borrower to finance the Borrower's actual cost of utility relocation, right-of-way acquisition, and construction of the Project; and

**WHEREAS**, the Borrower also passed Resolution No. Enter resolution number. on September 22, 2022, authorizing the Borrower's President to enter into this Agreement for a loan in the amount of Twenty-Seven Million Dollars (\$27,000,000), attached hereto as **Exhibit C**; and

**WHEREAS**, the Borrower has submitted a certificate warranting that the proposed security is eligible to be used to repay the loan and that the financial assistance will not violate any of the borrowing or bond commitments the borrower may have in place; and

**WHEREAS**, the Department has determined that the money in the SIB to be used to make the loan is "secondary funds" and "financial assistance from other than general obligation bond proceeds," as those terms are used in 43 TAC Chapter 6; and

**WHEREAS**, the Borrower will repay the loan with funds other than federal funds.

**NOW, THEREFORE**, the Department and the Borrower agree as follows:

## **A G R E E M E N T**

### **Article 1. Financial Assistance.**

A. SIB Loan. The Department, on behalf of the Commission, will make a loan to the Borrower in the amount of Twenty-Seven Million Dollars (\$27,000,000) from the SIB (SIB Loan) to finance the actual costs of the Borrower's actual cost of utility relocation, right-of-way acquisition and construction of the Project.

B. SIB Loan Disbursement. On September 30, 2022 (Deposit Date), the Department will transfer the amount of Twenty-Seven Million Dollars (\$27,000,000) from the SIB (SIB Loan Proceeds) to the Borrower for deposit with the Borrower's depository bank JPMorgan Chase Bank, located in Austin, Texas, into an account established by the Borrower with its depository bank or investment pool as prescribed by state law (Project Account). The Borrower shall use the SIB Loan Proceeds for payment of the Borrower's actual cost of utility relocation, right-of-way acquisition, and construction the Project. The Borrower shall not use the SIB Loan Proceeds for any purpose other than that described in this Agreement.

The investment of any SIB Loan Proceeds shall be handled in a manner that complies with the Public Funds Investment Act, Texas Government Code, Chapter 2256. The SIB Loan Proceeds shall be adequately collateralized in a manner that complies with the Public Funds Collateral Act, Texas Government Code, Chapter 2257. The depository bank shall not commingle funds in the Project Account with any other funds held by the depository bank or the investment pool. If, during the course of this Agreement, the Borrower wishes to change its depository bank or investment fund, the Borrower shall obtain the Department's approval prior to the transfer of any remaining SIB Loan Proceeds or any other funds into an equivalent account in the new depository bank or investment fund, subject to the same security and fund segregation requirements described in this Agreement.

C. Security Provisions.

(1) Pledge of Sales Tax Revenues.

(A) Definitions: For all purposes of this Agreement, the following definitions shall apply:

"2022 SIB Loan Reserve Fund" means the reserve fund created, established and maintained by the Borrower under this Agreement and the Borrower Resolution.

"Act" means the Development Corporation Act, V.T.C.A. Local Government Code, Title 12, Subtitle C1, as amended, (formerly known as the Tex. Rev. Civ. Stat. Ann. Article 5190.6, Section 4B), particularly Chapters 501 and 505 of the Local Government Code.

"Additional Parity Obligations" means bonds, notes, warrants, certificates of obligation or other debt obligations which the Borrower reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in the

resolutions authorizing the Previously Issued Parity Obligations, and which, together with the Previously Issued Parity Obligations, are equally and ratably secured by a first lien on and pledge of the Pledged Revenues on a parity with the Previously Issued Parity Obligations under the terms of the resolutions authorizing the Previously Issued Parity Obligations and any Additional Parity Obligations Resolution.

"Additional Parity Obligations Resolution" means any resolution of the Board of Directors of the Borrower authorizing and providing the terms and provisions of the Additional Parity Obligations.

"Annual Debt Service Requirements" means, as of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Borrower on such Debt, or be payable in respect of any required purchase of such Debt by the Borrower) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Borrower:

(a) If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Borrower) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(b) In the case of Balloon Debt, if a designated financial officer of the Borrower shall deliver to the Issuer a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (2) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (2) shall not apply where the Borrower has elected to apply the rule set forth in clause (1) above;

(c) Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt; and

(d) As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Borrower, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Annual Expenditure Report" means a report listing actual expenditures of SIB loan proceeds including the date of payment of the expenditure, the vendor name, a short description of services or products delivered, and the amount of the expenditure. The report shall also contain the beginning and ending balance of loan proceeds in the SIB loan Project Account. This report shall be submitted annually on the Payment Date until all loan proceeds have been spent and reported.

"Average Annual Debt Service Requirements of this Agreement" means that average amount which, at the time of computation, will be required to pay the annual debt service requirements on this Agreement when due and derived by dividing the total of such annual debt service requirements by the number of Fiscal Years then remaining before the stated maturity of this Agreement. For the purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from proceeds, accrued interest and interest earnings thereon shall be excluded in making such computation.

"Comptroller" means the Comptroller of Public Accounts of the State of Texas, and any successor official or officer thereto.

"Debt" means:

(a) all indebtedness payable from Pledged Revenues incurred or assumed by the Borrower for borrowed money and all other financing obligations payable from Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(b) all other indebtedness payable from Pledged Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Borrower, or that is in effect guaranteed, directly or indirectly, by the Borrower through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Borrower in prior Fiscal Years.

"Fiscal Year" means the twelve-month accounting period used by the Borrower, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the Borrower, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

"Funded Debt" means all Parity Obligations created or assumed by the Borrower that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Borrower to a date, more than one year after the original creation or assumption of such Debt by the Borrower.

"Junior Lien Debt Service Fund" means the special fund created, established and maintained by the Borrower Resolution and this Agreement for the payment of debt service on Junior Lien Obligations, including Principal Payment and Interest Payments due on the SIB Loan.

"Junior Lien Obligations" means (i) the Borrower's payment obligations under this Agreement, (ii) any bonds, notes, warrants, certificates of obligation, contractual obligations or other debt issued by the Borrower that are payable, in whole or in part, from

and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations issued by the Borrower but senior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Subordinate Lien Obligations, and (iii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues on a parity with the Junior Lien Obligations. As of the date of this Agreement, the Borrower has no outstanding Junior Lien Obligations other than this Agreement.

"Maturity" means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Maximum Annual Debt Service Requirements" means the greatest requirements of Annual Debt Service Requirements (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments provided from Debt proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

"Outstanding" – means, when used in this Agreement with respect to Parity Obligations, as of the date of determination, the Parity Obligations theretofore sold, issued and delivered by the Borrower, except:

- (a) those Parity Obligations canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;
- (b) those Parity Obligations paid or deemed to be paid in accordance with the defeasance provisions of any resolution authorizing such Parity Obligations; or
- (c) those Parity Obligations that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

"Parity Obligations" means, collectively, the Previously Issued Parity Obligations and any Additional Parity Obligations.

"Pledged Revenues" means all of the Borrower's receipts of the Sales Tax, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retentions are authorized or required by law.

"Previously Issued Parity Obligations" means the Borrower's outstanding obligations entitled "Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Refunding Bond, Series 2017," "Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Bonds, Taxable

Series 2019" and "Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Bonds, Taxable Series 2021".

"Reserve Fund Obligation" means, to the extent permitted by law, as evidenced by an opinion of nationally recognized bond counsel, a surety bond or insurance policy deposited in the 2022 SIB Loan Reserve Fund, whereby the issuer of such obligation is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

"Sales Tax" shall mean the one-half of one percent sales and use tax levied by the Borrower within the boundaries of the Borrower as they now or hereafter exist, together with any increases in the aforesaid rate if provided and authorized by the laws of the State of Texas, including specifically the Act and collected for the benefit of the Borrower, all in accordance with the Act, including Chapter 505 of the local Government Code.

"Stated Maturity" means the annual principal payments of the Parity Obligations payable on the respective dates set forth in the resolutions which authorized the issuance of such Parity Obligations.

"Subordinate Lien Obligations" means (i) any bonds, notes, warrants, certificates of obligation, contractual obligations or other debt issued by the Borrower that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations and Junior Lien Obligations issued by the Borrower, and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues on a parity with the Subordinate Lien Obligations. As of the date of this Agreement, the Borrower has no outstanding Subordinate Lien Obligations.

"Term of Issue" means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or (ii) twenty-five years.

(B) Pledge of Sales Tax Revenues: The Borrower's payment obligations under this Agreement are authorized pursuant to the Borrower's resolution, attached here to as **Exhibit C**, as Junior Lien Obligations. The Borrower's payment obligations under this Agreement, together with any additional Junior Lien Obligations which may be issued in accordance herewith and in accordance with the resolutions authorizing Previously Issued Parity Obligations and any Additional Parity Obligations, are and shall be secured by and payable from a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations issued by the Borrower, but senior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Subordinate Lien Obligations.



(2) Reserve Fund.

(a) The Borrower hereby covenants and agrees with the Department that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the 2022 SIB Loan Reserve Fund an amount equal to not less than the Average Annual Debt Service Requirements of this Agreement (calculated on a Fiscal Year basis) (Required Reserve Amount). The 2022 SIB Loan Reserve Fund only secures this Agreement. Immediately following the effective date of this Agreement and at each subsequent time that the requirement to maintain and accumulate the 2022 SIB Loan Reserve Fund is reinstated by this Section (Calculation Date), the appropriate Borrower officials shall calculate and determine the Average Annual Debt Service Requirements of this Agreement. After deducting the amount then on deposit in the 2022 SIB Loan Reserve Fund, if any, from such calculation, the amount of the difference, if any, shall be deposited in the 2022 SIB Loan Reserve Fund in sixty (60) substantially equal monthly payments on or before the 10th day of each month; the initial monthly deposit to be made on or before the 10th day of the month next following the Calculation Date. After the total amount required to be on deposit in the 2022 SIB Loan Reserve Fund has been accumulated, monthly payments to said fund may be terminated; provided, however, should the amount on deposit therein be reduced below the Required Reserve Amount after the same has been accumulated, payments to said fund in an amount equal to the deficiency shall be resumed and continued to be made on or before the 10th day of each month until the total amount then required to be on deposit in the 2022 SIB Loan Reserve Fund has been fully restored. In the event money in the 2022 SIB Loan Reserve Fund is used for an authorized purpose while monthly payments are being made to said fund, the amount required to restore the sum then required to be on deposit therein shall be added to the payments then being made in the following month or months until the total amount then required to be on deposit in said fund has been fully restored. Any cash or investments purchased with such cash in the 2022 SIB Loan Reserve Fund shall be drawn upon prior to any drawing upon any Reserve Fund Obligation provided pursuant to subsection (b) below.

(b) Notwithstanding the requirements of subsection (a) above, the Borrower may provide a Reserve Fund Obligation issued in amounts equal to all or part of the Average Annual Debt Service Requirements of this Agreement in lieu of depositing cash into the 2022 SIB Loan Reserve Fund; provided, however, that no such Reserve Fund Obligation may be so substituted unless (i) the substitution of the Reserve Fund Obligation will not cause any ratings then assigned to this Agreement to be lowered and (ii) the resolution authorizing the substitution of the Reserve Fund Obligation for all or part of the Average Annual Debt Service Requirements of this Agreement contains (A) a finding that such substitution is cost effective and (B) a provision that the interest due on any repayment obligation of the Borrower by reason of payments made under such policy does not exceed the highest lawful rate on interest which may be paid by the Borrower at the time of the delivery of the Reserve Fund Obligation. The Borrower reserves the right to apply the proceeds of the Revenue Fund established by the resolutions authorizing the Previously Issued Parity Obligations to payment of the subrogation obligation incurred by the Borrower (including interest) to the Borrower of the Reserve Fund Obligation, the payment of which will result in the reinstatement of such Reserve Fund Obligation, prior to making payment required to be made to the 2022 SIB Loan Reserve Fund pursuant to the provisions of this Section to restore the balance in such fund to the Required Reserve Amount.

(c) In the event a Reserve Fund Obligation issued to satisfy all or part of the Borrower's obligation with respect to the 2022 SIB Loan Reserve Fund causes the amount then on deposit in the 2022 SIB Loan Reserve Fund to exceed the Required Reserve Amount, the Borrower, may transfer such excess amount to any fund or funds established for the payment of or security for this Agreement (including any escrow established for the final payment of this Agreement pursuant to Chapter 1207, Texas Government Code) or use such excess amount for any lawful purpose now or hereafter provided by law.

(d) Notwithstanding anything to the contrary contained herein, the requirement set forth in subsection (a) above to maintain and accumulate the Required Reserve Amount in the 2022 SIB Loan Reserve Fund shall be suspended for such time as the Pledged Revenues for each Fiscal Year (including Fiscal Years prior to the effective date of this Agreement) are equal to at least 1.40 times the Maximum Annual Debt Service Requirements of all then Outstanding Parity Obligations. In the event that the Pledged Revenues for any Fiscal Year are less than 1.40 times the Maximum Annual Debt Service Requirements of all then Outstanding Parity Obligations, the Borrower will be required to commence maintaining or accumulating the Required Reserve Amount in the 2022 SIB Loan Reserve Fund as provided in this Section, and to continue maintaining or accumulating the Required Reserve Amount in the 2022 SIB Loan Reserve Fund until the earlier of (i) such time as the 2022 SIB Loan Reserve Fund is fully funded to the Required Reserve Amount or (ii) the Pledged Revenues in each of two consecutive years have been equal to not less than 1.40 times the Maximum Annual Debt Service Requirements of all then Outstanding Parity Obligations. Notwithstanding the provisions of subsection (a) above, if the Borrower commences deposits in the 2022 SIB Loan Reserve Fund and later is authorized to suspend payments into the fund under this Section any funds so accumulated in the 2022 SIB Loan Reserve Fund may, at the discretion of the Borrower: (i) remain in the 2022 SIB Loan Reserve Fund or (ii) be used for any lawful purpose including additional projects or to pay debt service on this Agreement.

D. Loan Repayment. The SIB Loan is to be repaid over a period of no more than twenty (20) years, with a final maturity date of August 15, 2042, in accordance with the amortization schedule attached to this Agreement as **Exhibit D**. Principal due on the SIB Loan shall be due annually beginning on August 15, 2026, and on each August 15 thereafter including the final principal payment date as shown on **Exhibit D** attached hereto (each a Principal Payment Date), and in the amounts (each a Principal Payment) as shown on **Exhibit D** attached hereto.

The SIB Loan shall not bear interest from the Deposit Date until the third anniversary of the Deposit Date. From the third anniversary of the Deposit Date, the SIB Loan shall bear interest from the Deposit Date as shown on **Exhibit D** at the rate of 2.10% per annum (Loan Rate), such interest to be calculated on the basis of a 360-day year composed of twelve 30-day months (each an Interest Payment). Interest Payments will be due annually beginning on February 15, 2026, and on each August 15 and February 15 thereafter in the years as shown on **Exhibit D** attached hereto (each an Interest Payment Date). The Principal Payment Dates and the Interest Payment Dates are collectively referred to as (Payment

Dates). If a Payment Date is not on a business day, the Interest Payment and/or Principal Payment due shall be made on the next following business day.

E. Draw of Funds from Project Account. SIB Loan funds in the Project Account shall only be drawn upon by the Borrower and used for Project costs as described in this Agreement. All draws from the Project Account for such costs related to the Project shall be in accordance with a requisition prepared by or approved by the Borrower, and all such requisitions and Project costs shall be subject to the review and approval of the Department.

F. Junior Lien Debt Service Fund. The Borrower shall establish at its depository bank a Junior Lien Debt Service Fund. Interest Payments due on the SIB Loan and each Principal Payment due on the SIB Loan shall be deposited into this Junior Lien Debt Service Fund by the Borrower prior to each Payment Date. On or before each Payment Date, the Borrower shall cause its depository bank to transfer from the Junior Lien Debt Service Fund to the Department, the applicable Interest Payment and/or Principal Payment as set forth in this Agreement.

G. Advances. The repayment of all or any portion of the SIB Loan shall not entitle the Borrower to any subsequent advances from the Department, nor shall the Department have any obligation to advance to or for the benefit of the Borrower any amount in excess of the SIB Loan. All costs incurred by the Borrower for its portion of the Project in excess of the par amount of the SIB Loan shall be the responsibility of the Borrower.

H. Prepayment.

(1) Voluntary Prepayment. Principal due on the SIB Loan and interest accrued at the Loan Rate through and including the date of prepayment may be prepaid by the Borrower without penalty, in whole or in part, on any business day.

(2) Mandatory Prepayment. Should the Project or this Agreement be terminated for any reason or should any amounts of disbursed SIB Loan Proceeds not be applied to pay Project costs, the Borrower shall return any misapplied SIB Loan Proceeds or unexpended portion of the SIB Loan Proceeds to the Department as a prepayment.

(3) Application of Prepayments. Upon receipt of a prepayment from the Borrower of a portion (and not the whole) of the outstanding principal amount of the SIB Loan the Department shall apply such prepayment to the outstanding principal due on the SIB Loan;

(4) Upon either voluntary or mandatory prepayment, the remaining principal due on the SIB Loan will be re-amortized over the term of the SIB Loan and **Exhibit D** will be revised by the Department to reflect the remaining Principal Payments and the revised Interest Payments due; and

(5) Such revised **Exhibit D** shall be submitted to the Borrower to be attached to and become an integral part of this Agreement.

I. Late Payment. Payments not received by the applicable Payment Date will bear interest at the Loan Rate (with overdue interest, to the extent allowed by law, as well as

overdue principal bearing interest) until paid. Such additional interest shall be calculated by the Department on the basis of a 360-day year composed of twelve 30-day months. The parties may prepare a revised **Exhibit D** (amortization schedule) showing the increase in interest due resulting from late payment, default, or pursuant to other terms and conditions of this Agreement.

J. Payment with Federal Funds. The Borrower hereby covenants and agrees that federal funds will not be used to make payments due on the SIB Loan.

## **Article 2. Use of SIB Loan for Project Costs**

The Borrower is developing the Project. The Borrower is responsible to fund the actual costs of the costs of construction, relocating utilities, and acquiring right of way necessary for the construction of the Project. The Borrower may use the SIB Loan only for the actual costs incurred by the Borrower for such utility relocation, right-of-way acquisition and construction necessary for the construction of the Project.

## **Article 3. Project Responsibilities for Federally-Funded Projects**

A. The SIB Loan Proceeds are “secondary funds” and “financial assistance from other than general obligation bond proceeds,” as those terms are used in 43 TAC Chapter 6. However, if any federal funds will be used to pay for, or reimburse costs of, the Project, with respect to work on the Project, the Borrower and the Department are required to comply with the requirements of the United States Code, Title 23, for federal-aid highways. The Borrower and the Department must conduct all right-of-way or other land acquisitions, relocations, and utility adjustments in accordance with the United States Code, Title 42 – The Public Health and Welfare, Chapter 61 – Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs (the Uniform Act) and the regulations issued thereunder.

B. The Borrower is responsible for funding its portion of Project costs in compliance with all applicable federal, state, and local laws, regulations, policies, and ordinances. The Department has certain rights and responsibilities related to the Project, including ensuring that the completion of the Project is performed in compliance with all applicable laws, regulations, and policies.

C. All plans and specifications for the Project shall be in compliance with the current editions of the design and construction manuals of the Department, and the Standard Specifications for the Construction and Maintenance of Highways, Streets, and Bridges (the “Standard Specifications”), as they may apply. All construction plans shall be signed and dated by a professional engineer licensed by the State of Texas.

D. The actions and decisions regarding the Project made by the Department shall not be contestable by the Borrower.

E. The Borrower shall provide the Department and the Federal Highway Administration, or their authorized representatives, with right of entry or access to all properties or locations necessary to perform the work for the Project, inspect the work, or otherwise aid in the prompt pursuit of the work. The Borrower shall also provide the Department, the Federal

Highway Administration, the Comptroller General of the United States, and the Texas State Auditor's Office, or their authorized representatives, with right of access to any books, documents, papers, or other records of the Borrower which are pertinent to the Project or its financing as described in this Agreement, in order to make audits, examinations, excerpts, and transcripts, or to complete the Project accounting described in this Agreement.

#### **Article 4. Project Accounting; Filing of Reports; Retention of Records**

A. The Borrower shall account for: (i) all actual costs associated with the Borrower's utility relocation, right-of-way acquisition, and construction of the Project, and (ii) disbursements made to the Department, if any, associated with the Project using generally accepted accounting principles in the United States, as promulgated by the Governmental Accounting Standards Board or the Financial Accounting Standards Board, or pursuant to applicable federal or state laws or regulations. The Borrower shall maintain its books and records in accordance with generally accepted accounting principles in the United States, as promulgated by the Governmental Accounting Standards Board or the Financial Accounting Standards Board, or pursuant to applicable federal or State laws or regulations, and with all other applicable federal and state requirements. The Borrower will make its accounting records available at reasonable times to the Department for inspection during performance of the Borrower's work related to the Project and upon its completion.

B. On each Principal Payment Date (until the next Principal Payment Date occurring after the year in which all SIB Loan Proceeds are expended), the Borrower shall provide to the Department (one copy to the Department's District Office and one copy to the Department's SIB Administration Office) an accounting of the SIB Loan Proceeds expended (Annual Expenditure Report). The Borrower shall also, at the Borrower's cost, have a full audit of its books and records performed annually by an independent certified public accountant selected by the Borrower and reasonably acceptable to the Department. The audit must be conducted in accordance with generally accepted auditing standards promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the standards of the Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-profit Organizations, as applicable, and with all other applicable federal and state requirements. The Borrower shall cause the auditor to provide a full copy of the audit report and any other management letters or auditor's comments directly to the Department within a reasonable period of time after an audit report and any related documents have been provided to the Borrower's governing body.

C. The State Auditor may conduct an audit or investigation of the Borrower with respect to the funds received from the Department directly under this Agreement or of the payments received by third parties from the Borrower using the SIB Loan Proceeds. Acceptance of funds directly under this Agreement or indirectly through payments using SIB Loan Proceeds acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit.

D. The Borrower shall retain all original Project files, records, accounts, and supporting documents relating to the relocation of Borrower utilities needed for the Project until the later

of the date that: (1) the Project is completed; (2) the SIB Loan has been paid in full; or (3) the retention period required by State and federal law ends. The Borrower shall retain, or cause its auditor to retain, all work papers and reports relating to an audit performed pursuant to this Agreement until the fourth anniversary of the date of the audit report, unless the Department notifies the Borrower in writing of a later date for the end of the retention period. During the retention period, the Borrower shall make audit work papers available to the Department within 30 days of the date that the Department requests those papers.

E. All information submitted by the Borrower (annual financial/disclosure information and notices) to the Electronic Municipal Market Access ("EMMA") System of the Municipal Securities Rulemaking Board with respect to the Borrower's bonds and other similar obligations payable from the same revenues as the SIB Loan must be submitted to the Department, within 30 days of posting to EMMA. Such information may be submitted to the Department by hard copy or by notification to the Department of the Borrower's posting with EMMA, together with the applicable CUSIP number(s).

F. The Borrower shall submit to the Department within 30 days of the date of adoption the annual operating and capital budgets adopted by the Borrower each fiscal year under a trust agreement, indenture, bond resolution or ordinance, or equivalent document securing bonds or other obligations issued for a Project, and any amended or supplemental operating or capital budget, approved by the Borrower and certified as correct by its chief administrative officer or chief financial officer.

## **Article 5. Default**

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.

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.

## **Article 6. Borrower Solely Responsible**

The Borrower agrees that it is solely responsible for all losses, costs, expenses, penalties, claims, and liabilities due to activities of the Borrower and its agents, employees, officers, or contractors performed under this Agreement, and which result from an error, omission, or negligent act of the Borrower or any agent, employee, official, or contractor of the Borrower. Notwithstanding anything in this Agreement to the contrary, this provision shall survive any termination of this Agreement.

## **Article 7. Termination**

This Agreement may be terminated upon the occurrence of any of the following conditions:

- A. If both parties to this Agreement agree in writing to such termination; provided, however, that any such termination is specifically subject to the requirements of this Agreement;
- B. If the Department is unable to advance the SIB Loan Proceeds to the Borrower, the Department shall terminate this Agreement and provide written notice thereof to the Borrower;
- C. If the Borrower is in default on a Principal Payment or Interest Payment required under this Agreement, the Department may declare this Agreement to be terminated, or may exercise any of the rights granted the Department in this Agreement; but the payment obligations of the Borrower shall survive any such termination and shall continue in effect until discharged and satisfied; and
- D. Upon repayment in full by the Borrower of the SIB Loan, and compliance by the Borrower with all other requirements of this Agreement, the Department shall execute and deliver to the Borrower a letter or other notice of payment, provided that, upon the execution and delivery of the written notice of payment by the Department, this Agreement shall automatically terminate, except with respect to any obligation of a party related to any losses, costs, expenses, penalties, claims, and liabilities due to the activities of a party, or any agent, employee, official, or contractor of a party, which obligations shall survive such termination.

## Article 8. Notices

All notices to either party by the other party required under this Agreement will be delivered personally, via e-mail or sent by U.S. Mail, postage prepaid, addressed to such party at the following respective addresses:

<b>Texas Transportation Commission:</b> Texas Department of Transportation Attn: Project Finance, Debt & Strategic Contracts Division SIB Administration 125 East 11 <sup>th</sup> Street Austin, TX 78701-2483 TexasSIB@txdot.gov	<b>Borrower:</b> Round Rock TEDC Attn: Chief Financial Officer 221 E. Main Street Round Rock, TX 78664 smorgan@roundrocktexas.gov
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All notices shall be deemed so delivered or deposited in the mail, unless otherwise provided herein. A party may change the above address by sending written notice of the change to the other party in the manner stated in this Article.

## Article 9. Legal Construction

In case one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be

construed as if such invalid, illegal, or unenforceable provision had never been contained herein. In particular, but not by way of limitation, should all or any part of the pledge of security in this Agreement for any reason be held invalid, illegal or unenforceable in any respect, Borrower's obligations under this Agreement shall be treated as current expenses of the Borrower subject to the annual appropriation of lawfully available funds by the governing body of the Borrower for the payment of such obligations.

#### **Article 10. Written Amendments**

Any changes in the character, agreement, terms, or responsibilities of the parties must be enacted through a written amendment. No amendment to this Agreement shall be of any effect unless in writing and executed by both parties. Notwithstanding the foregoing, revisions to **Exhibit D** that occur as contemplated in this Agreement must be in writing but are not required to be executed by either party.

#### **Article 11. Successors and Assigns**

Except as provided in the next following sentence, this Agreement shall bind, and shall be for the sole and exclusive benefit of, the respective parties. Each party is prohibited from assigning any of the rights or obligations conferred by this Agreement to any third party without the advance written approval of the other party. Any attempted assignment or other transfer of the rights or obligations of this Agreement without the consent of the other party shall be void and may be grounds for termination of this Agreement.

#### **Article 12. Relationship of the Parties**

Nothing in this Agreement shall be deemed or construed by the parties, or any third party, as creating the relationship of principal and agent between the Department and the Borrower.

#### **Article 13. Interpretation**

No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party having or being deemed to have drafted, prepared, structured, or dictated such provision.

#### **Article 14. Signatory Authority**

Each party to this Agreement represents to the other that it is fully authorized to enter into this Agreement and to perform its obligations hereunder, and that no waiver, consent, approval, or authorization from any third party is required to be obtained or made in connection with the execution, delivery, or performance of this Agreement. Each signatory on behalf of the Department and the Borrower, as applicable, is fully authorized to bind that entity to the terms of this Agreement.

#### **Article 15. Taxable Obligations**



The SIB Loan is not a “state or local bond” within the meaning of section 103(a) and (c) of the Internal Revenue Code of 1986, as amended; therefore, the interest on the SIB Loan is not excludable from the gross income of the holders thereof for federal income tax purposes.

**IN WITNESS WHEREOF**, the Department and the Borrower have executed duplicate counterparts of this Agreement.

**\*\*\*SIGNATURE PAGES FOLLOW\*\*\***

**ROUND ROCK TRANSPORTATION & ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Craig Morgan  
President  
Round Rock Transportation & Economic Development Corporation

**TEXAS DEPARTMENT OF TRANSPORTATION**

Executed for the purpose and effect of activating and/or carrying out the orders, established policies, or work programs heretofore approved and authorized by the Texas Transportation Commission.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Benjamin H. Asher  
Project Finance, Debt & Strategic Contracts Division Director  
Texas Department of Transportation

EXECUTION PAGE: SIB #S2021-007-05-01

EXHIBIT A

BORROWER'S RESOLUTIONS AUTHORIZING LOAN APPLICATION

## **RESOLUTION NO. R-2022-059**

**WHEREAS**, on February 24, 2022, the Board of Directors (the "Board") of the Round Rock Transportation and Economic Development Corporation (the "Corporation") adopted a resolution (the "Corporation Resolution") authorizing an application requesting a loan from the State Infrastructure Bank in an amount not exceed \$27,000,000 to be used for improvements to the City of Round Rock's ("City") transportation system related to widening Gattis School Road from an existing four lane roadway to a six-lane divided major arterial with pedestrian, bicycle, median, and turn lane improvements between Windy Creek and Double Creek Drive; and

**WHEREAS**, the City Council of the City of Round Rock (the "City Council") hereby deems it proper and in the best interests of the City that the application described in the Corporation Resolution be filed and that the City and Corporation are each qualified to apply for and obtain financial assistance from the State Infrastructure Bank for this purpose.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS THAT:**

**Section 1.** The Corporation Resolution is attached hereto as Exhibit "A", and the Corporation Resolution and the application attached thereto are made a part hereof for all purposes and are hereby approved and ratified in all respects. All findings and authorizations made therein are adopted hereby as though made and authorized by the City Council. As contemplated by the Corporation Resolution, the City may act on behalf of the Corporation in obtaining the loan under the application.

**Section 2.** The submission of the application by the President of the Corporation under the Corporation Resolution is hereby approved and ratified in all respects as though submitted by the City. The Mayor of the City Council is authorized to execute any additional documentation related to the application, including any additional applications, and any documentation in conjunction with obtaining such loan from the State Infrastructure Bank.

**Section 3.** Specialized Public Finance Inc., Financial Advisor to the Corporation and the City, is hereby authorized and directed to aid and assist in the preparation and submission of such application and related matters. Mr. Garry Kimball of Specialized Public Finance Inc. is authorized to appear on behalf of and represent the City before any hearing or other communications with the State Infrastructure Bank on such application or loan.

**Section 4.** The findings and preambles set forth in this Resolution are hereby incorporated into this Resolution and made a part hereof for all purposes.

**Section 5.** The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** on this the 24th day of February, 2022.

**CITY OF ROUND ROCK, TEXAS**

By: \_\_\_\_\_

Craig Morgan, Mayor

ATTEST:

By: \_\_\_\_\_

Meagan Spinks, City Clerk

**EXHIBIT A**  
**CORPORATION RESOLUTION**

**RESOLUTION NO. TB-2022-003**

**RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE STATE  
INFRASTRUCTURE BANK; AUTHORIZING THE FILING OF AN APPLICATION  
FOR FINANCIAL ASSISTANCE; AND MAKING CERTAIN FINDINGS IN  
CONNECTION THEREWITH**

**THE STATE OF TEXAS** §  
**ROUND ROCK TRANSPORTATION AND ECONOMIC**  
**DEVELOPMENT CORPORATION** §

**WHEREAS**, the Board of Directors (the "Board") of the Round Rock Transportation and Economic Development Corporation (the "Corporation") hereby finds and determines that there is a need for the City of Round Rock ("City") to construct the improvements to the City's transportation system described herein; and

**WHEREAS**, the State Infrastructure Bank, operated by the Texas Department of Transportation, is a revolving loan fund; and

**WHEREAS**, the Board deems it proper and in the best interest of the Corporation that an application be filed requesting a loan from the State Infrastructure Bank in an amount not to exceed \$27,000,000 to be used for improvements to the City's transportation system related to widening Gattis School Road from an existing four lane roadway to a six-lane divided major arterial with pedestrian, bicycle, median, and turn lane improvements between Windy Creek and Double Creek Drive; and

**WHEREAS**, the Corporation is qualified to apply for and obtain financial assistance from the State Infrastructure Bank for this purpose.

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT  
CORPORATION, THAT**

**Section 1.** The Board believes that it is in the best interest of the Corporation to obtain a loan from the State Infrastructure Bank in an amount not to exceed \$27,000,000 to be used for improvements to the City's transportation system related to widening Gattis School Road from an existing four lane roadway to a six-lane divided major arterial with pedestrian, bicycle, median, and turn lane improvements between Windy Creek and Double Creek Drive.

**Section 2.** The Board hereby authorizes the President of the Corporation (the "Authorized Representative") to execute an application for financial assistance from the State Infrastructure Bank and to submit the application, together with all required documentation, to the Texas Department of Transportation for consideration. The Authorized Representative is further authorized to execute all appropriate documents related to obtaining such loan from the State Infrastructure Bank. Such loan may be obtained by the Corporation acting on behalf of the City.

**Section 3.** The form of application to be submitted is attached hereto as Exhibit A and made a part hereof for all purposes with such changes as may be considered appropriate by the Authorized Representative.

**Section 4.** Specialized Public Finance Inc., Financial Advisor to the Corporation, is hereby authorized and directed to aid and assist in the preparation and submission of such application. Mr. Garry Kimball of Specialized Public Finance Inc. is authorized to appear on behalf of and represent the Corporation before any hearing or other communications with the State Infrastructure Bank on such application or loan.

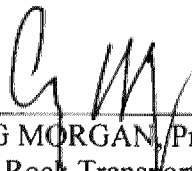
**Section 5.** The findings and preambles set forth in this Resolution are hereby incorporated into this Resolution and made a part hereof for all purposes.

**Section 6.** The Board hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**[The Remainder of This Page is Intentionally Left Blank]**



**RESOLVED** on this the 24th day of February, 2022.

By:   
CRAIG MORGAN, President  
Round Rock Transportation and Economic  
Development Corporation

ATTEST:

  
RICK VILLARREAL, Secretary

**EXHIBIT A**  
**APPLICATION FOR SIB LOAN**



# STATE INFRASTRUCTURE BANK (SIB) LOAN APPLICATION

Form 1960  
(Rev. 12/21)  
Page 1 of 3

## SECTION I - Applicant Information

Applicant Name: Round Rock Transportation & EDC Application Type: PC – Non-TxDOT Project (Off-System)  
Primary Contact: Erica Solis Taxpayer FEIN: \_\_\_\_\_  
Contact's Title: Budget & Accounting Manager Email Address: esolis@roundrocktexas.gov  
Street Address: 221 E. Main Street Phone Number: 512.218.5400  
City: Round Rock County: Williamson  
Zip: 78664 Urbanized Area: \_\_\_\_\_

TxDOT District: AUS - 14 - Austin

TxDOT District Engineer: Tucker Ferguson Phone Number: 512.832.7000

TxDOT District Contact Name: Same Phone Number: Same

### Financial Advisor Information, if applicable:

Name: Garry Kimball, Specialized Public Finance, Inc. Phone: 512.275.7301  
Address: 248 Addie Roy Rd., Ste. B-103, Austin 78746 Email: garry@spfmuni.com

### Bond Counsel Information, if applicable:

Name: Richard Donoghue, McCall Parkhurst & Horton Phone: 512.478.3805  
Address: 600 Congress Ave., Ste. 2150, Austin 78701 Email: rdonoghue@mphlegal.com

## SECTION II - Financial Information

Requested amount of financial assistance (must be rounded to the nearest thousand):

\$27,000,000 at approximately 1.32%. Three year grace on initiation of repayment. Zero interest for (3) years from funding.

### Requested terms:

Years: 20

Deferment of first payment: ☐ No ☒ Yes, number of years: 3

Preferred debt service payment date(s): ☒ Yes: August 15; February 15 ☐ No, start from disbursement

Preferred disbursement date(s): TBD

Breakdown of use of funds (must equal application amount):

Use	Amount
Roadway Construction	\$21,886,100.00
ROW Acquisition	\$2,500,000.00
Utility Relocation	\$2,500,000.00
Financial Advisory Fees	\$113,900.00
Total	\$27,000,000.00

R-2022-059

Proposed pledge of source of repayment and priority claim to those sources:

Sales Tax of the City's Type B Transportation & Economic Development Corporation.

List any other existing debt payable from the same revenue source (Please attach documentation.)

Texas Municipal Report (attached).

Current credit rating(s), if applicable:

City of Round Rock, Texas is rated AAA by Standard & Poor's.

Provide the applicant's legal authority to incur the proposed debt and the borrower's proposed pledge of source of repayment:

Chapters 501 & 505 Texas Local Government Code.

### SECTION III - Project Information

Brief Description of the Project:

Widen Gattis School Rd from an existing 4-lane roadway to a 6-lane divided major arterial between Windy Creek & Double Creek.

Total Cost of Entire Project: (i.e. right of way, construction, utilities, etc.)

The attached cost estimate is for right-of-way costs, utility relocation, and construction. \$27,000,000.00

CSJ Number(s):

Is the project in the Statewide Transportation Improvement Program (STIP)?

*If no, when will it be added or provide justification for not adding*

☐ Yes ☒ No

Is the project environmentally cleared?

☒ Yes ☐ No Anticipated Clearance Date: \_\_\_\_\_

Functional Classification: Minor Arterial

Is the requested financial assistance a local match? If yes, is it required or voluntary?

☐ Yes: \_\_\_\_\_ ☒ No

Is the project joint bid?

☐ Yes ☒ No

Describe need and anticipated public benefits of the project:

Widening of a highly congested major east-west arterial roadway is on the City's Transportation Master Plan.

What type of construction contract will be used on the project (DB, DBB, etc.)?

Standard Design Bid Build Contract.

Additional Information (Attach additional pages if needed):

Anticipated to reduce congestion and improve mobility for Round Rock travelers.

#### SECTION IV - Required Documentation

Does entity have home rule charter? If Yes, please submit a copy of the charter, or provide link if a charter is posted online.

☒ Yes ☐ No

List of all other outstanding financial agreements with TX DOT, for example toll equity, SIB loans, pass-through tolls, etc.  
(Please attach documentation)

---

Please submit the following documents with your application, if applicable.

☐ Copy of Advanced Funding Agreement, Utility Relocation or other agreement with TxDOT, if applicable

☒ Bond rating letters from Moody's, Standard & Poor's, or Fitch, if any.

☒ Resolution from governing board authorizing the application.

☒ Financial feasibility study.

☒ 5 years of audited financial statements related to the source of repayment.

☒ Copy of the most recent budget.

☐ Preliminary design study which includes:

- ♦ An initial route and potential alignments.
- ♦ The project's logical termini and independent utility.
- ♦ The location of all right-of-way, facilities and equipment required to make the project functional.
- ♦ Revisions or changes to state highway system facilities necessitated by the project.
- ♦ An Environmental Review of the project if available.
- ♦ Legal or letter size map of the project.

All application information and materials can be submitted electronically to [TexasSIB@txdot.gov](mailto:TexasSIB@txdot.gov) or by mail to:

TxDOT Project Finance, Debt, and Strategic Contracts Division  
State Infrastructure Bank (SIB)  
125 East 11th St.  
Austin, TX 78701-2483

#### Section V - Acknowledgment and Certification

I certify that:

I have the authority to request and incur the debt described in this application, and upon award, will enter into contract for repayment of any financial assistance granted by the Texas Department of Transportation's State Infrastructure Bank (SIB).

I have completed the preliminary requirements, and will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge, all information contained in this application is valid and accurate and the governing body of the undersigned jurisdiction has authorized the submission of this application.

  
\_\_\_\_\_  
Signature of authorized official

2/24/2022

\_\_\_\_\_  
Date

Craig Morgan  
\_\_\_\_\_  
Printed Name

Mayor - City of Round Rock  
\_\_\_\_\_  
Title, Jurisdiction

The Texas Department of Transportation maintains the information collected through this form. With few exceptions, you are entitled on request to be informed about the information that we collect about you. Under Sections 552.021 and 552.023 of the Government Code, you also are entitled to receive and review this information. Under Section 559.004 of the Government Code, you are also entitled to have us correct information about you that is incorrect.

EXHIBIT B

TEXAS TRANSPORTATION COMMISSION MINUTE ORDER

## TEXAS TRANSPORTATION COMMISSION

Williamson County

### MINUTE ORDER

Page 1 of 2

Austin District

Round Rock Transportation and Economic Development Corporation (Round Rock TEDC) has submitted an application for financial assistance in the form of a loan of up to \$27,000,000 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 Round Rock TEDC 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. Round Rock TEDC intends to use the financial assistance to pay for Round Rock TEDC's costs of utility relocation, right-of-way acquisition and construction necessary for a non-tolled, off-system project involving various improvement to Gattis School Road in Williamson County, Texas (project).

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

Round Rock TEDC has proposed a pledge of sales tax revenue 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.

The executive director or his designee implemented actions authorized and required by the SIB Rules for preliminary approval. The executive director recommends that the commission grant preliminary approval of Round Rock TEDC's application for financial assistance from the SIB.

In accordance with the SIB Rules, the commission finds 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 not in Clean Air Act non-attainment area;
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 Round Rock TEDC is likely to have sufficient revenues to assure repayment of the financial assistance.

TEXAS TRANSPORTATION COMMISSION

Williamson County

MINUTE ORDER

Page 2 of 2

Austin District

IT IS THEREFORE DETERMINED AND ORDERED by the commission that the application submitted by Round Rock TEDC 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 preliminary approval of Round Rock TEDC's application for a SIB loan in an amount not to exceed \$27,000,000 to pay Round Rock TEDC's costs of utility relocation, right-of-way acquisition and construction necessary for the non-tolled, off-system project.

IT IS FURTHER ORDERED by the commission that the executive director or his designee is directed and authorized to commence negotiations and other actions with Round Rock TEDC authorized and required by its rules.

Submitted and reviewed by:

DocuSigned by:

*Benjamin H. Asher*

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Director, Project Finance,  
Debt & Strategic Contracts Division

Recommended by:

DocuSigned by:

*Madeline Williams*

0E1B35AE191749E...

Executive Director

116240 May 26, 2022

Minute  
Number

Date  
Passed



## TEXAS TRANSPORTATION COMMISSION

Williamson County

### MINUTE ORDER

Page 1 of 2

Austin District

Round Rock Transportation and Economic Development Corporation (Round Rock TEDC) has submitted an application for financial assistance in the form of a loan of up to \$27,000,000 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 Round Rock TEDC 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. Round Rock TEDC intends to use the financial assistance to pay for Round Rock TEDC's costs of utility relocation, right-of-way acquisition and construction necessary for a non-tolled, off-system project involving various improvement to Gattis School Road in Williamson County, Texas (project).

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

Round Rock TEDC has proposed a pledge of sales tax revenue 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. 116240, dated May 26, 2022, 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 not in a Clean Air non-attainment area; (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 Round Rock TEDC 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, as 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.

TEXAS TRANSPORTATION COMMISSION

Williamson County

MINUTE ORDER

Page 2 of 2

Austin District

IT IS THEREFORE DETERMINED AND ORDERED by the commission that the application submitted by Round Rock TEDC 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 Round Rock TEDC's application for a SIB loan under the terms in the Term Sheet attached hereto as Exhibit A in an amount not to exceed \$27,000,000 to pay Round Rock TEDC's costs of utility relocation, right-of-way acquisition and construction necessary for the non-tolled, off-system 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 Round Rock TEDC, which complies with the SIB Rules and which contains the terms in the Term Sheet attached hereto as Exhibit A.

Submitted and reviewed by:

DocuSigned by:

*Benjamin H. Asher*

Director, Project Finance,  
Debt & Strategic Contracts Division

Recommended by:

DocuSigned by:

*Ma D Willis*

Executive Director

116255 June 23, 2022

Minute  
Number

Date  
Passed

Round Rock Transportation & Economic Development Corporation Term Sheet  
State Infrastructure Bank Loan

Loan Provisions	Negotiated Terms
Project Description:	Costs associated with utility relocation, right-of-way acquisition and construction necessary for a non-tolled, off-system project involving various improvement to Gattis School Road in Williamson County.
Interest Rates:	2.10%; 0% first 3 years
Fees:	Not Applicable
Charges:	Not Applicable
Term to Maturity:	20 years; Initial repayment deferred up to 3 years.
Pledged Collateral:	Sales tax revenue
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

EXHIBIT C

BORROWER'S RESOLUTIONS AUTHORIZING LOAN AGREEMENT

EXHIBIT D  
AMORTIZATION SCHEDULE

# LOAN SCHEDULE REPORT

## EXHIBIT D - AMORTIZATION SCHEDULE

Loan Schedule for Round Rock TSDC/TEDC S2021-007-05									
Term Number	Date	Loan Rate	Start Balance	Disbursement	Payment Due Amount	Principal Payment	Interest Payment	Interest Capitalized	End Balance
1	9/30/2022	0.00%	\$0.00	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
2	2/15/2023	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
3	8/15/2023	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
4	2/15/2024	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
5	8/15/2024	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
6	2/15/2025	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
7	8/15/2025	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
8	9/30/2025	0.00%	\$27,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,000,000.00
9	2/15/2026	2.10%	\$27,000,000.00	\$0.00	\$212,625.00	\$0.00	\$212,625.00	\$0.00	\$27,000,000.00
10	8/15/2026	2.10%	\$27,000,000.00	\$0.00	\$1,623,500.00	\$1,340,000.00	\$283,500.00	\$0.00	\$25,660,000.00
11	2/15/2027	2.10%	\$25,660,000.00	\$0.00	\$269,430.00	\$0.00	\$269,430.00	\$0.00	\$25,660,000.00
12	8/15/2027	2.10%	\$25,660,000.00	\$0.00	\$1,634,430.00	\$1,365,000.00	\$269,430.00	\$0.00	\$24,295,000.00
13	2/15/2028	2.10%	\$24,295,000.00	\$0.00	\$255,097.50	\$0.00	\$255,097.50	\$0.00	\$24,295,000.00
14	8/15/2028	2.10%	\$24,295,000.00	\$0.00	\$1,650,097.50	\$1,395,000.00	\$255,097.50	\$0.00	\$22,900,000.00
15	2/15/2029	2.10%	\$22,900,000.00	\$0.00	\$240,450.00	\$0.00	\$240,450.00	\$0.00	\$22,900,000.00
16	8/15/2029	2.10%	\$22,900,000.00	\$0.00	\$1,665,450.00	\$1,425,000.00	\$240,450.00	\$0.00	\$21,475,000.00
17	2/15/2030	2.10%	\$21,475,000.00	\$0.00	\$225,487.50	\$0.00	\$225,487.50	\$0.00	\$21,475,000.00
18	8/15/2030	2.10%	\$21,475,000.00	\$0.00	\$1,680,487.50	\$1,455,000.00	\$225,487.50	\$0.00	\$20,020,000.00
19	2/15/2031	2.10%	\$20,020,000.00	\$0.00	\$210,210.00	\$0.00	\$210,210.00	\$0.00	\$20,020,000.00
20	8/15/2031	2.10%	\$20,020,000.00	\$0.00	\$1,695,210.00	\$1,485,000.00	\$210,210.00	\$0.00	\$18,535,000.00

# LOAN SCHEDULE REPORT

Loan Schedule for Round Rock TSDC/TEDC S2021-007-05									
Term Number	Date	Loan Rate	Start Balance	Disbursement	Payment Due Amount	Principal Payment	Interest Payment	Interest Capitalized	End Balance
21	2/15/2032	2.10%	\$18,535,000.00	\$0.00	\$194,617.50	\$0.00	\$194,617.50	\$0.00	\$18,535,000.00
22	8/15/2032	2.10%	\$18,535,000.00	\$0.00	\$1,709,617.50	\$1,515,000.00	\$194,617.50	\$0.00	\$17,020,000.00
23	2/15/2033	2.10%	\$17,020,000.00	\$0.00	\$178,710.00	\$0.00	\$178,710.00	\$0.00	\$17,020,000.00
24	8/15/2033	2.10%	\$17,020,000.00	\$0.00	\$1,728,710.00	\$1,550,000.00	\$178,710.00	\$0.00	\$15,470,000.00
25	2/15/2034	2.10%	\$15,470,000.00	\$0.00	\$162,435.00	\$0.00	\$162,435.00	\$0.00	\$15,470,000.00
26	8/15/2034	2.10%	\$15,470,000.00	\$0.00	\$1,742,435.00	\$1,580,000.00	\$162,435.00	\$0.00	\$13,890,000.00
27	2/15/2035	2.10%	\$13,890,000.00	\$0.00	\$145,845.00	\$0.00	\$145,845.00	\$0.00	\$13,890,000.00
28	8/15/2035	2.10%	\$13,890,000.00	\$0.00	\$1,760,845.00	\$1,615,000.00	\$145,845.00	\$0.00	\$12,275,000.00
29	2/15/2036	2.10%	\$12,275,000.00	\$0.00	\$128,887.50	\$0.00	\$128,887.50	\$0.00	\$12,275,000.00
30	8/15/2036	2.10%	\$12,275,000.00	\$0.00	\$1,773,887.50	\$1,645,000.00	\$128,887.50	\$0.00	\$10,630,000.00
31	2/15/2037	2.10%	\$10,630,000.00	\$0.00	\$111,615.00	\$0.00	\$111,615.00	\$0.00	\$10,630,000.00
32	8/15/2037	2.10%	\$10,630,000.00	\$0.00	\$1,791,615.00	\$1,680,000.00	\$111,615.00	\$0.00	\$8,950,000.00
33	2/15/2038	2.10%	\$8,950,000.00	\$0.00	\$93,975.00	\$0.00	\$93,975.00	\$0.00	\$8,950,000.00
34	8/15/2038	2.10%	\$8,950,000.00	\$0.00	\$1,808,975.00	\$1,715,000.00	\$93,975.00	\$0.00	\$7,235,000.00
35	2/15/2039	2.10%	\$7,235,000.00	\$0.00	\$75,967.50	\$0.00	\$75,967.50	\$0.00	\$7,235,000.00
36	8/15/2039	2.10%	\$7,235,000.00	\$0.00	\$1,830,967.50	\$1,755,000.00	\$75,967.50	\$0.00	\$5,480,000.00
37	2/15/2040	2.10%	\$5,480,000.00	\$0.00	\$57,540.00	\$0.00	\$57,540.00	\$0.00	\$5,480,000.00
38	8/15/2040	2.10%	\$5,480,000.00	\$0.00	\$1,847,540.00	\$1,790,000.00	\$57,540.00	\$0.00	\$3,690,000.00
39	2/15/2041	2.10%	\$3,690,000.00	\$0.00	\$38,745.00	\$0.00	\$38,745.00	\$0.00	\$3,690,000.00
40	8/15/2041	2.10%	\$3,690,000.00	\$0.00	\$1,863,745.00	\$1,825,000.00	\$38,745.00	\$0.00	\$1,865,000.00
41	2/15/2042	2.10%	\$1,865,000.00	\$0.00	\$19,582.50	\$0.00	\$19,582.50	\$0.00	\$1,865,000.00

# LOAN SCHEDULE REPORT

Loan Schedule for Round Rock TSDC/TEDC S2021-007-05									
Term Number	Date	Loan Rate	Start Balance	Disbursement	Payment Due Amount	Principal Payment	Interest Payment	Interest Capitalized	End Balance
42	8/15/2042	2.10%	\$1,865,000.00	\$0.00	\$1,884,582.50	\$1,865,000.00	\$19,582.50	\$0.00	\$0.00