



Legislation Details (With Text)

File #:	TB-2021-002		
Type:	Type B Resolution	Status:	Agenda Ready
File created:	2/10/2021	In control:	Transportation and Economic Development Corporation
On agenda:	2/25/2021	Final action:	
Title:	Consider a resolution approving the filing of an application for financial assistance from the State Infrastructure Bank for the Kenney Fort Blvd Segment 4C road projects.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Resolution, 2. Exhibit A		

Date	Ver.	Action By	Action	Result
2/25/2021	1	Transportation and Economic Development Corporation		

Consider a resolution approving the filing of an application for financial assistance from the State Infrastructure Bank for the Kenney Fort Blvd Segment 4C road projects.

This item will allow the City to submit a loan application to the Texas Transportation Commission totaling \$12.825M to fund construction of the Kenney Fort Segment 4C road project. The scope of this project is to construct a 6-lane urban segment of Kenney Fort Blvd from Joe DiMaggio Blvd north of Old Settlers Blvd.

The source of repayment for this loan will be sales tax of the Round Transportation and Economic Development Corporation (Type B).

The overall goal of the State Infrastructure Bank (SIB) program is to provide innovative financing methods to communities to assist them in meeting their infrastructure needs. The SIB program allows borrowers to access capital funds at or below market interest rates. To assist communities as they recover from the economic effects of COVID-19, the Texas SIB is providing local governments the opportunity to access funds for eligible transportation projects at 0% interest for the first three years of the loan term.

The value added by issuing a SIB loan as opposed to other types of debt are lower issuance costs, no underwriting is required, no additional deliverable needs to be assembled for submission, no rating needs to occur, there will be 3 years at zero interest followed by annual interest calculated at market for AAA credit, and the loan is callable any time.

Due to the size of the amount being financed, this application will require two commission approvals. The City Council adopted a resolution authorizing this action on February 11, 2021.

