



Legislation Text

File #: 2022-315, **Version:** 1

Consider a resolution authorizing the execution of a State Infrastructure Bank loan agreement with the Texas Department of Transportation.

On February 24, 2022, the City and the Round Rock Transportation and Economic Development Corporation (RRTEDC Type B) approved the submission of an application to the Texas Department of Transportation for financial assistance in the form of a loan of up to \$27M from the State Infrastructure Bank. The Texas Transportation Commission, the governing body of the Department, approved the Application on May 26, 2022, and June 23, 2022, authorizing the Department to execute a financial assistance agreement with the City and the RRTEDC (Type B).

This item will allow the RRTEDC (Type B) to execute a loan agreement with the Texas Transportation Commission totaling \$27M to fund construction of the following road project. This project is included in the 5-year Driving Progress program.

Gattis School Road - Utility relocation, right-of-way acquisition, and construction necessary for a non-tolled, off-system project involving improvements located in Williamson County.

The source of this loan repayment will be sales tax revenues of the RRTEDC (Type B).

Loan terms:

- Interest free for three years, then 2.10% per annum
- 20-year amortization
- Reserve to be maintained not less than the average annual debt service requirement, recalculated annually

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 at 2.10%, and the loan is callable any time.

The RRTEDC will consider this item at its September 22nd meeting prior to Council's consideration.

Staff recommends approval