

TEXAS TRANSPORTATION COMMISSION

KERR County

MINUTE ORDER

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SAN ANTONIO District

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. Transportation Code, Chapter 222, Subchapter D, created a SIB within the Texas Department of Transportation (department). The Texas Transportation Commission (commission) has adopted administrative rules implementing that subchapter and establishing eligibility criteria for an entity applying for financial assistance from the SIB. These rules are codified as Title 43, Texas Administrative Code, Chapter 6.

In accordance with 43 TAC §6.23, the City of Kerrville has submitted an application to borrow \$2.8 million to pay for roadway and drainage improvements and new construction of a four lane divided roadway to Holdsworth Drive from SH 16 to FM 783 in the city of Kerrville.

The project is not on the state highway system but is eligible for federal aid. The project is consistent with the Texas Transportation Plan and is included in the Statewide Transportation Improvement Program.

The city has represented that the loan will be secured by ad valorem taxes. The present and projected financial condition of the SIB is sufficient to cover this request.

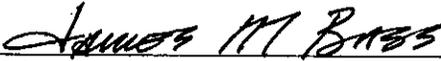
On May 10, 2006, the Kerrville City Council passed a resolution authorizing submission of this application to the SIB. This resolution indicates the official written approval of the projects by the governing body of the city and demonstrates local public support.

The proposed project and loan conform with the purpose of the SIB and will expand the availability of funding for transportation projects and reduce direct state costs.

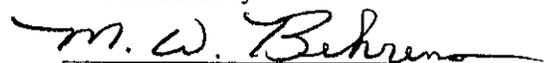
In accordance with 43 TAC §6.31, the department has reviewed and analyzed the application, finds the application to be in compliance with the requirements of 43 TAC, Chapter 6, and recommends that the commission grant preliminary approval of the application pursuant to 43 TAC §6.32.

NOW, THEREFORE, IT IS DETERMINED that the application for SIB financial assistance submitted by the city of Kerrville meets the requirements of 43 TAC §6.32(c)(1) and §6.32(c)(2), and in accordance with that section, the commission grants preliminary approval of the application to borrow \$2.8 million from the State Infrastructure Bank and directs the executive director to implement the actions authorized and required by that section.

Submitted and reviewed by:


Chief Financial Officer

Recommended by:


Executive Director

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Minute Number Date Passed