

ORDINANCE NO. _____

ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A
STATE INFRASTRUCTURE BANK LOAN AGREEMENT; APPROVING THE
LEVY OF A TAX FOR PAYMENT OF THE CITY'S OBLIGATIONS
THEREUNDER; AND APPROVING CERTAIN MATTERS RELATED
THERE TO

THE STATE OF TEXAS §
COUNTY OF WEBB §
CITY OF LAREDO §

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 (the "Commission") (Transportation Code, Chapter 222, Subchapter D); and

WHEREAS, the City of Laredo, Texas (the "City") has submitted an application to the Commission for a SIB Loan for the following purposes: (i) three million seven hundred thousand dollars and zero cents (\$3,700,000.00) as the City's responsibility for all non- federal or non-state participation costs associated with the West Laredo Multimodal Trade Corridor – Phase II (Flecha/Las Cruces Realignment Project) – Advanced Funding Agreement (CSJ 0922-33-076) including any overruns in excess of the approved local project budget, and (ii) four million eight hundred thousand dollars and zero cents (\$4,800,000.00) as City's responsibility for all non-federal or non-state participation costs associated with the West Laredo Multimodal Trade Corridor – Phase III (Calton Grade Separation Project) – Advanced Funding Agreement (CSJ 0922-33-093) including any overruns in excess of the approved local project budget (the "Projects"); and

WHEREAS, the City is a public entity in Texas (the "State") and is authorized by law to construct, maintain, or finance the construction of the Project, may borrow money from the SIB under Texas Transportation Code (the "Code") §222.0745 for that purpose, and is authorized to levy taxes or otherwise provide for sufficient funds to repay the SIB loan; and

WHEREAS, in accordance with 43 Texas Administrative Code ("TAC") §6.23, the City submitted an application to the Texas Department of Transportation (the "Department") seeking to borrow Eight Million Five Hundred Thousand Dollars (\$8,500,000) from the SIB to pay for City's actual cost of the Projects; and

WHEREAS, in accordance with 43 TAC §6.32(c)(2), the Commission has found that: (1) the Projects are consistent with the metropolitan transportation plan developed by the applicable metropolitan planning organization, if appropriate; (2) the Projects will improve the efficiency of the State's transportation systems; (3) the Projects will expand the availability of funding for transportation Project or reduce direct State costs; (4) the applications show that the City is likely to have sufficient revenues to assure repayment of the financial assistance; and (5) providing financial assistance to the City will protect the public's safety and prudently provide for the protection of public funds, while furthering the purposes of the SIB; and

WHEREAS, the City passed Resolution No. 2024-R-256 on August 5, 2024, authorizing the SIB loan application in the amount of up to Eight Million Five Hundred Dollars (\$8,500,000); and

WHEREAS, the Application attached as an exhibit to Resolution 2024-R-256 included "Certificate of Obligation" as the type of issuance, and stated the following as the City's legal authority to incur the proposed debt and the City's proposed pledge of source of repayment: "The proposed debt (Certificates of Obligation) is to be issued by the City pursuant to the Home Rule Charter of the City, the Constitution and general laws of the State of Texas, including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, Subchapter B of Chapter 367, Transportation Code, and an ordinance to be adopted by the City Council at a future date. The proposed debt will be payable as to principal and interest from a combination of (i) an ad valorem tax levied annually, within the limits prescribed by law, against all taxable property in the City and (ii) a pledge of limited surplus revenues of the City's International Toll Bridge System, to be provided in the future ordinance."

WHEREAS, on April 7, 2025, the City passed Resolution No. 2025-R-95, amending the application to state the type of issuance as a "Direct Loan," and to state the following as the City's legal authority to incur the proposed debt and the City's proposed pledge of source of repayment: "Section 222.0745 of the Texas Transportation Code, the City's Home Rule Charter, and an Resolution to be approved by City Council. The proposed debt will be payable as to principal and interest from an ad valorem tax levied annually, within the limits prescribed by law, against all taxable property in the City."; and

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

WHEREAS, the Commission, in Minute Order No. 116877 dated January 30, 2025, granted final approval of the application from the City to borrow up to Eight Million Five Hundred Thousand Dollars (\$8,500,000) from the SIB, and authorized the Executive Director of the Department or his designee to enter into a financial assistance agreement with the City to finance the City's actual cost of the Projects; and

WHEREAS, the City now wishes to approve the SIB Loan Agreement in substantially the form attached hereto as Exhibit A, which is attached hereto and incorporated herein for all purposes, to evidence the loan to finance the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS:

Section 1. That the terms defined in the recitals to this Ordinance are true and correct and are incorporated herein for all purposes.

Section 2. The City is authorized by law to construct, maintain, or finance the construction of the Projects and to borrow money from the SIB for such purposes. The City is further authorized to levy ad valorem taxes to provide sufficient funds for the payment of the SIB loan as described in the SIB Loan Agreement, and City Council hereby authorizes and approves the levy of ad valorem taxes for such purpose as described in the SIB Loan Agreement.

Section 3. That the Mayor and/or City Manager of the City are each hereby individually authorized and directed, for and on behalf of the City Council, to approve and execute the SIB Loan

Agreement, which shall be in substantially the form attached hereto as Exhibit A with such changes as are approved by the Mayor and/or City Manager. The City's approval of the final terms shall be conclusively evidenced by the execution and delivery of the SIB Loan Agreement. The City Secretary is hereby authorized and directed, for and on behalf of the City, to attest the SIB Loan Agreement.

Section 4. That the Mayor, the City Manager and the City Secretary are hereby authorized to take all action necessary or desirable to carry out, give effect to, and consummate the transactions contemplated by this Ordinance and the SIB Loan Agreement, including without limitation the execution of agreements and certificates required in connection with the closing of the SIB Loan Agreement, the payment of the principal and interest due under the SIB Loan Agreement, and the payment of fees and expenses associated with the preparation and approval the SIB Loan Agreement.

Section 5. That this Ordinance shall take effect and be in full force and effect upon and after its passage.

(SIGNATURE PAGE FOLLOWS)

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR on this ____ day of April, 2025.

BY: _____
DR. VICTOR D. TREVIÑO
MAYOR

ATTEST:

BY: _____
MARIO I. MALDONADO, JR.
CITY SECRETARY

APPROVED AS TO FORM:

BY: _____
DOANH “ZONE” T. NGUYEN
CITY ATTORNEY

Exhibit A: Form of State Infrastructure Bank Loan Agreement