

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

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VARIOUS Districts

Section 49-p, Article III of the Texas Constitution (constitutional provision) and Transportation Code, Section 222.004 (section 222.004), and other applicable law, including Government Code, Chapter 1371, authorize the Texas Transportation Commission (commission) to issue general obligation bonds, notes and other public securities (bonds) and to enter into credit agreements.

The commission may issue general obligation bonds for one or more of the following purposes: 1) to pay, or reimburse the State Highway Fund for payment of, all or part of the costs of highway improvement projects including loans for highway improvement projects; 2) to pay (a) the costs of administering projects authorized under Section 222.004, (b) the costs or expense of the issuance of the bonds or (c) all or part of a payment owed or to be owed under a credit agreement and 3) refunding outstanding bonds.

Pursuant to Minute Order 112100 dated January 28, 2010, the commission approved the issuance of up to \$3 billion in one or more series of highway improvement general obligation bonds pursuant to the constitutional provision and section 222.004, and further authorized the Chief Financial Officer of the Texas Department of Transportation (department) to approve the final pricing terms of such bonds.

Since the bonds are payable solely from the general revenues of the State, department staff is in the process of discussing with State leadership potential debt structures and the impact of those structures on the State's general revenue funds and has provided an update to the commission regarding the potential debt structures under consideration.

IT IS THEREFORE ORDERED by the commission that the department is authorized and directed to proceed with a financing structure for the bonds that produces a near-term savings for State general revenue funds, and is based on discussions with State leadership.

Submitted and reviewed by:

Director, Finance Division

Recommended by:

Executive Director

112394 AUG 26 10

Minute
Number

Date
Passed