

TEXAS TRANSPORTATION COMMISSION

CORYELL and LAMPASAS Counties

MINUTE ORDER

Page 1 of 2

WACO District

On April 29, 2010 the Texas Transportation Commission (commission) passed Minute Order 112237, which approved the 2010 Unified Transportation Program and included authorization to undertake and complete the construction of the US 190 Copperas Cove Relief Route along the south and east side of Copperas Cove, from US 190 near FM 2657 to US 190 near Clarke Road (project).

Transportation Code, Sections 201.103 and 222.052 authorize the Texas Department of Transportation (department) to design, construct and operate a system of highways in cooperation with local governments, and Transportation Code 222.051, authorizes the department to contract to reimburse a governmental unit that provides financing for the construction of an approved project on the state highway system.

The City of Copperas Cove (city) intends to provide financing for the construction of the project through the issuance of bonds (bonds) pursuant to Government Code, Section 1510.002.

The assistant executive director for engineering operations and his designees have negotiated terms of an advance funding agreement (funding agreement) between the department and the city, attached hereto as Exhibit A, which provides for the department to reimburse the city for costs of construction of the project using Category 3 funds allocated by the local Metropolitan Planning Organization, Killeen-Temple MPO, in an amount not to exceed \$42,318,000, subject to legislative appropriation in respect of payments to be made after the current biennium.

The city may use reimbursements received pursuant to the funding agreement for project costs as a source of repayment for the bonds.

The commission finds that the funding agreement and the local government reimbursements provided for under the funding agreement serve the public interest, are in the best interest of the state, serve to further statewide transportation needs and the needs of the local government and provide economic benefit to the state.

IT IS THEREFORE ORDERED by the commission that the funding agreement and the commission's financial commitment to the project are hereby ratified, confirmed, and approved by the commission, and the executive director or his designee is hereby authorized and directed to execute and deliver the funding agreement, in substantially the form presented to the commission with this order, with such changes as shall be approved by the executive director or his designee.

IT IS FURTHER ORDERED by the commission that the commitment and expenditure of state funds in an amount not to exceed \$42,318,000 to reimburse the city for the costs of construction of the project in accordance with the funding agreement are hereby ratified, confirmed, and approved by the commission.

TEXAS TRANSPORTATION COMMISSION

CORYELL and LAMPASAS Counties

MINUTE ORDER

Page 2 of 2

WACO District

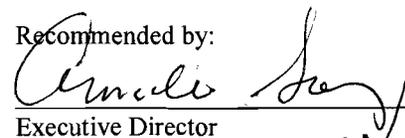
IT IS FURTHER ORDERED by the commission that, in connection with the city's issuance of bonds to provide financing for the construction of the project, the chief financial officer is authorized and directed to execute a continuing disclosure undertaking and to execute and deliver any other documents, instruments, or certificates as shall be determined by the chief financial officer to be necessary or appropriate.

IT IS FURTHER ORDERED by the commission that the executive director or his designee are each authorized and directed to perform such acts, to obtain such approvals, and to execute such agreements, instruments, certificates, and other documents as they deem necessary to carry out the intent of this order.

Submitted and reviewed by:


Assistant Executive Director
Engineering Operations

Recommended by:


Executive Director
112566 JAN 27 11

Minute
Number

Date
Passed

STATE OF TEXAS §

COUNTY OF TRAVIS §

**LOCAL TRANSPORTATION PROJECT
ADVANCE FUNDING AGREEMENT
For A
Category 10 – Federal Earmark Project
On-System**

THIS AGREEMENT (the Agreement) is made by and between the State of Texas, acting by and through the Texas Department of Transportation hereinafter called the “State”, and the City of Copperas Cove, acting by and through its duly authorized officials, hereinafter called the “Local Government.”

WITNESSETH

WHEREAS, federal law establishes federally funded programs for transportation improvements to implement its public purposes; and

WHEREAS, the Texas Transportation Code, Sections 201.103 and 222.052 establish that the State shall design, construct and operate a system of highways in cooperation with local governments; and

WHEREAS, federal and state laws require local governments to meet certain contract standards relating to the management and administration of State and federal funds; and

WHEREAS, the Texas Transportation Commission passed Minute Order 112237, authorizing the State to undertake and complete a highway improvement generally described as the construction of US 190 Copperas Cove Southeast Bypass and,

WHEREAS, the Governing Body of the Local Government has approved entering into this Agreement by resolution or ordinance dated the 19th day of October 2010, which is attached hereto and made a part hereof as Attachment “A” for the construction of US 190 Copperas Cove Southeast Bypass at the location shown on the Map in Attachment “B” hereinafter referred to as the Project.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

AGREEMENT

1. Period of the Agreement

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed. This Agreement shall remain in effect until the Project is completed or unless terminated as provided below.

2. Scope of Work

The construction US 190 Copperas Cove Southeast Bypass as shown on Attachment "B".

3. Local Project Sources and Uses of Funds

a. The total estimated cost of the Project is shown in the Project Budget - Attachment "C" which is attached hereto and made a part hereof. The expected cash contributions from the Federal or State government, the Local Governments, or other parties is shown in Attachment "C". The cost of the project includes both construction and any required utility relocation work called for in the construction plans. The State will pay for only those project costs that have been approved by the Texas Transportation Commission. The State and the Federal Government will not reimburse the Local Government for any work performed before the issuance of a formal Letter of Authority by the Federal Highway Administration. The Local Government is responsible for 100% of the cost of any work performed under its direction or control before the federal Letter of Authority is formally issued.

A bid add alternate component is included in this agreement as part of Attachment "C" that shall allow both the Local Government and the State to consider accepting additional work of an underpass at FM 2657 as an additional project component but only in the event that the base low bid is sufficiently below the Engineer's estimate to allow the additional project component and stay within the overall budget of the project.

If the Local Government will perform any work under this contract for which reimbursement will be provided by or through the State, the Local Government must complete training before a letter of authority is issued. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled *Local Government Project Procedures Qualification for the Texas Department of Transportation*. The Local Government shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the Local Government or an employee of a firm that has been contracted by the Local Government to perform oversight of the Project. The State in its discretion may deny reimbursement if the Local Government has not designated a qualified individual to oversee the Project.

b. This project cost estimate shows how necessary resources for completing the project will be provided by major cost categories. These categories may include but are not limited to: (1) costs of utility work; (2) costs of environmental assessment and remediation; (3) cost of construction; and (4) any other local project costs.

- c. The State will be responsible for securing the Federal and State share of the funding required for the development and construction of the local project. If the Local Government is due funds for expenses incurred, these funds will be reimbursed to the Local Government on a cost basis.
- d. The Local Government will be responsible for all non-Federal or non-State participation costs associated with the Project, including any overruns in excess of the approved local project budget unless otherwise provided for in this Agreement or approved otherwise in an amendment to this Agreement.
- e. At least sixty (60) days prior to the date set for receipt of the construction bids, the Local Government shall pay to the State the State's estimated construction cost amount specified in Attachment C.
- f. In the event that the State determines that additional funding by the Local Government is required at any time during the Project, the State will notify the Local Government in writing. The Local Government shall make payment to the State within thirty (30) days from receipt of the State's written notification.
- g. Whenever funds are paid by the Local Government to the State under this Agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation Trust Fund." The check or warrant shall be deposited by the State in an escrow account to be managed by the State. Funds in the escrow account may only be applied to the State Project.
- h. Upon completion of the Project, the State will perform an audit of the Project costs. Any funds due by the Local Government, the State, or the Federal government will be promptly paid by the owing party. If, after final Project accounting, excess funds remain in the escrow account, those funds may be applied by the State to the Local Government's contractual obligations to the State under another advance funding agreement.
- i. The State will not pay interest on any funds provided by the Local Government.
- j. At the State's discretion, it may decide not to charge the Local Government for the indirect costs the State incurs on the local project. However, should this Agreement be terminated at the request of the Local Government prior to completion of the project, then the indirect State costs must be paid by the Local Government.
- k. If the project has been approved for a "fixed price" or an "incremental payment" non-standard funding or payment arrangement under 43 TAC §15.52, the budget in Attachment "C" will clearly state the amount of the fixed price or the incremental payment schedule.
- l. If the Local government is an Economically Disadvantaged County and if the State has approved adjustments to the standard financing arrangement, this Agreement reflects those adjustments.
- m. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

- n. Payment under this contract beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this contract shall be terminated immediately with no liability to either party.

The State will not execute the contract for the construction of the project until the required funding has been made available by the Local Government in accordance with this Agreement.

4. Termination of this Agreement

This Agreement shall remain in effect until the project is completed and accepted by all parties, unless:

- a. the Agreement is terminated in writing with the mutual consent of the parties;
- b. the Agreement is terminated by one party because of a breach, in which case any cost incurred because of the breach shall be paid by the breaching party; or
- c. the Local Government elects not to provide funding after the completion of preliminary engineering, specifications and estimates (PS&E) and the Project does not proceed because of insufficient funds, in which case the Local Government agrees to reimburse the State for its reasonable actual costs incurred during the Project.

5. Amendments

Amendments to this Agreement due to changes in the character of the work or terms of the Agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written amendment.

6. Remedies

This Agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

7. Utilities

The Local Government shall be responsible for the adjustment, removal, or relocation of utility facilities in accordance with applicable State laws, regulations, rules, policies, and procedures, including any cost to the State of a delay resulting from the Local Government's failure to ensure that utility facilities are adjusted, removed, or relocated before the scheduled beginning of construction. The Local Government will not be reimbursed with federal or state funds for the cost of required utility work. The Local Government must obtain advance approval for any variance from established procedures. Before a construction contract is let, the Local Government shall provide, at the State's request, a certification stating that the Local Government has completed the adjustment of all utilities that must be adjusted before construction is completed.

8. Environmental Assessment and Mitigation

Development of a transportation project must comply with the National Environmental Policy Act and the National Historic Preservation Act of 1966, which require environmental clearance of federal-aid projects. The State shall be responsible for these activities.

9. Compliance with Texas Accessibility Standards and ADA

All parties to this Agreement shall ensure that the plans for and the construction of all projects subject to this Agreement are in compliance with the Texas Accessibility Standards (TAS) issued by the Texas Department of Licensing and Regulation, under the Architectural Barriers Act, Article 9102, Texas Civil Statutes. The TAS establishes minimum accessibility requirements to be consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

10. Architectural and Engineering Services – Not Applicable

The State has responsibility for the performance of architectural and engineering services.

For projects on the state highway system, the design shall, at a minimum conform to applicable State manuals. For projects not on the state highway system, the design shall, at a minimum conform to applicable *American Association of State Highway and Transportation Officials* design standards.

The engineering plans shall be developed in accordance with the applicable *State's Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges*, and the special specifications and special provisions related thereto.

In procuring professional services, the parties to this Agreement must comply with federal requirements cited in 23 CFR Part 172 if the project is federally funded and with Texas Government Code 2254, Subchapter A, in all cases.

Professional services contracts for federally funded projects must conform to federal requirements, specifically including the provision for participation by Disadvantaged Business Enterprises (DBEs), ADA, and environmental matters.

11. Construction Responsibilities

- a. The State shall advertise for construction bids, issue bid proposals, receive and tabulate the bids and award and administer the contract for construction of the Project. Administration of the contract includes the responsibility for construction engineering and for issuance of any change orders, supplemental agreements, amendments, or additional work orders, which may become necessary subsequent to the award of the construction contract. In order to ensure federal funding eligibility, projects must be authorized by the State prior to advertising for construction.
- b. The State will use its approved contract letting and award procedures to let and award the construction contract.
- c. Prior to their execution, the Local Government will be given the opportunity to review contract change orders that will result in an increase in cost to the Local Government.
- d. Upon completion of the Project, the party constructing the project will issue and sign a "Notification of Completion" acknowledging the Project's construction completion.
- e. For federally funded contracts, the parties to this Agreement will comply with federal construction requirements cited in 23 CFR Part 635 and with requirements cited in 23 CFR Part 633, and shall include the latest version of Form "FHWA-1273" in the contract bidding documents. If force account work will be performed, a finding of cost effectiveness shall be made in compliance with 23 CFR 635, Subpart B.
- f. The State shall manage and inspect the construction.

12. Project Maintenance

The Local Government shall be responsible for maintenance of locally owned roads after completion of the work and the State shall be responsible for maintenance of state highway system after completion of the work if the work was on the state highway system, unless otherwise provided for in existing maintenance agreements with the Local Government.

13. Right of Way and Real Property – Not Applicable

The State is responsible for the provision and acquisition of any needed right of way or real property.

14. Notices

All notices to either party by the other required under this Agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to such party at the following addresses:

Local Government:	State:
City of Copperas Cove P.O. Drawer 1449 507 South Main Street Copperas Cove, Texas 76522	Director of Contract Services Texas Department of Transportation 125 E. 11th Austin, Texas 78701

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either party may change the above address by sending written notice of the change to the other party.
Either party may request in writing that such notices shall be delivered personally or by certified U.S. mail and such request shall be honored and carried out by the other party.

15. Legal Construction

If one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions and this Agreement shall be construed as if it did not contain the invalid, illegal or unenforceable provision.

16. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

17. Ownership of Documents

Upon completion or termination of this Agreement, all documents prepared by the State shall remain the property of the State. All data prepared under this Agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State in the form of photocopy reproduction on a monthly basis as required by the State. The originals shall remain the property of the Local Government. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

18. Compliance with Laws

The parties shall comply with all Federal, State, and Local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

19. Sole Agreement

This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the Agreement's subject matter.

20. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the Cost Principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable and allocable to the Project.

21. Procurement and Property Management Standards

The parties shall adhere to the procurement standards established in Title 49 CFR §18.36 and with the property management standard established in Title 49 CFR §18.32.

22. Inspection of Books and Records

- a. The parties to this Agreement shall maintain all books, documents, papers, accounting records and other documentation relating to costs incurred under this Agreement and shall make such materials available to the State, the Local Government, and, if federally funded, the Federal Highway Administration (FHWA), and the U.S. Office of the Inspector General, or their duly authorized representatives for review and inspection at its office during the contract period and for four (4) years from the date of completion of work defined under this contract or until any impending litigation, or claims are resolved. Additionally, the State, the Local Government, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.
- b. Whenever American Recovery and Reinvestment Act of 2009 (ARRA) funds are used and the Local Government is performing any work, either directly or through a contractor, it must comply with the following provisions. If a Local Government is receiving ARRA funds, but is not performing any work, the following provisions apply, if appropriate, and to the extent necessary to comply with ARRA regulations.

- c. In accordance with Section 902 ARRA, should this agreement involve the expenditure of ARRA funds, then the U.S. Comptroller General and its representatives shall have the authority to:
- i. examine any records of the contractor or any of its subcontractors, or any State or local agency administering such contract, that directly pertain to, and involve transactions relating to the contract or subcontract; and
 - ii. interview any officer or employee of the contractor or any of its subcontractors, or any State or local agency administering the contract regarding such contracts.

Nothing in the section previously mentioned shall be interpreted to limit or restrict in any way the existing authority of the Comptroller General.

- d. In accordance with Section 1515(a) of the ARRA, with respect to each contract or grant awarded using covered funds, any representative of an appropriate inspector general appointed under Section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), is authorized:
- i. to examine any records of the contractor or grantee, any of its subcontractors or sub-grantees, or any State or local agency administering such contract that pertain to and involve transactions relating to the contract, subcontract, grant, or sub-grant; and
 - ii. to interview any officer or employee of the contractor, grantee or sub-grantee, or agency regarding such transactions.

Section 1515(b) further provides that nothing in the section previously mentioned shall be interpreted to limit or restrict in any way the existing authority of an inspector general.

- e. The ARRA requires that the Contractor report monthly employment information for its firm as well as that of all of its subcontractors. The Contractor, similarly, shall include this reporting requirement in all of its subcontracts. Failing to include the requirement in agreements with subcontractors can serve as grounds for contract termination.
- f. Form FHWA-1589, Monthly Employment Report, promulgated by the Federal Highway Administration (FHWA), captures the necessary monthly employment information and shall be submitted by the Contractor on a regular basis to the LG (Local Government). It is the responsibility of the LG to obtain this form from the prime Contractor and any subcontractors and, the LG shall verify the accuracy, completeness, and reasonableness of the data contained in the form. The LG shall ensure that this form is submitted by the LG to the State according to the policies and at the direction of the State.

- g. In order to meet any other FHWA and ARRA reporting requirements, the LG shall provide to the State all information requested by the State, including data or information in possession of contractors and subcontractors for completing other necessary reporting forms, and the information shall be submitted in the manner required and according to all due dates as set by the State.
- h. Furthermore, the ARRA mandates that the U.S. Comptroller General's Office shall have authority to examine the records of the contractor, subcontractor, or local agency relating to the project at any time.

23. Office of Management and Budget (OMB) Audit Requirements

The parties shall comply with the requirements of the Single Audit Act of 1984, P.L. 98-502, ensuring that the single audit report includes the coverage stipulated in OMB Circular A-133.

Whenever funds from the American ARRA are distributed to a Local Government, the Local Government must complete its Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC), as required by OMB Circular A-133, and separately identify any ARRA expenditures for Federal Awards.

24. Civil Rights Compliance

The Local Government shall comply with the regulations of the Department of Transportation as they relate to nondiscrimination (49 CFR Chapter 21 and 23 CFR §710.405(B)), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60).

25. Disadvantaged Business Enterprise Program Requirements

The parties shall comply with the Disadvantaged/Minority Business Enterprise Program requirements established in 49 CFR Part 26.

26. Debarment Certifications

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this agreement, the Local Government certifies that it is not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this contract shall require any party to a subcontract or purchase order awarded under this contract to certify its eligibility to receive Federal funds and, when requested by the State, to furnish a copy of the certification.

27. Lobbying Certification

In executing this Agreement, the signatories certify to the best of his or her knowledge and belief, that:

- a. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or

an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The parties shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

By executing this Agreement, the parties affirm this lobbying certification with respect to the individual projects and affirm this certification of the material representation of facts upon which reliance will be made. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352.

Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

28. Insurance

If this agreement authorizes the Local Government or its contractor to perform any work on State right of way, before beginning work the entity performing the work shall provide the State with a fully executed copy of the State's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on State right of way. This coverage shall be maintained until all work on the State right of way is complete. If coverage is not maintained, all work on State right of way shall cease immediately, and the State may recover damages and all costs of completing the work.

29. Signatory Warranty

The signatories to this Agreement warrant that each has the authority to enter into this Agreement on behalf of the party represented.

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CSJ #0231-19-002, etc.
District # Waco (09)
Code Chart 64 #09750
Project: US 190 SE Bypass
CFDA # 20.205

IN TESTIMONY HEREOF, the parties hereto have caused these presents to be executed in duplicate counterparts.

THE LOCAL GOVERNMENT

Andrea M. Gardner

Name

Andrea M. Gardner

Printed Name

City Manager – City of Copperas Cove

Title

12/13/10

Date

THE STATE OF TEXAS

Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

Janice Mullenix

Janice Mullenix

Director of Contract Services

Texas Department of Transportation

December 16, 2010

Date

ATTACHMENT A

Resolution or Ordinance

RESOLUTION NO. 2010-41

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, SUPPORTING THE EXECUTION OF AN ADVANCED FUNDING AGREEMENT BETWEEN THE TEXAS DEPARTMENT OF TRANSPORTATION AND THE CITY OF COPPERAS COVE, AND AUTHORIZING THE CITY MANAGER TO ACT ON THE CITY'S BEHALF TO NEGOTIATE THE TERMS OF THE AGREEMENT PRIOR TO FINAL APPROVAL BY THE CITY, AND PLEDGING THAT THE CITY OF COPPERAS COVE WILL COMPLY WITH THE AGREEMENT REQUIREMENTS OF THE TEXAS DEPARTMENT OF TRANSPORTATION.

WHEREAS, on October 5, 2010, the City of Copperas Cove submitted a written proposal to the Texas Department of Transportation Waco District Engineer for funding of the Southeast Bypass Reliever Route Project (the "Project"); and

WHEREAS, the Texas Transportation Commission may enter into an Advanced Funding Agreement as authorized by Texas Government Code §1510.002; and

WHEREAS, the Texas Department of Transportation is considering the approval of the October 5, 2010 proposal; and

WHEREAS, the City of Copperas Cove has identified the Project as a candidate for funding through the Pass-Through Finance Program; and

WHEREAS, the Project was originally proposed to be constructed as a four lane controlled access roadway from existing U.S. 190 west of FM 2657 eastward to U.S. 190 east of Copperas Cove City limits ; and

WHEREAS, the development of the Project will reduce congestion on U.S. 190 and improve mobility and safety through the area; and

WHEREAS, the Project has received overwhelming local and regional support, which includes top military officials assigned to Fort Hood; and

WHEREAS, the Project is included in the short-range portion of the Metropolitan Transportation Plan (MTP), as well as, the City's Master Thoroughfare Plan and Comprehensive Plan; and

WHEREAS, the Advanced Funding Agreement is planned to include a portion of the bond payback from State Category 3 funds allocated to the K-T MPO; and

WHEREAS, the Project has major impact on future development in the City; and

WHEREAS, the voters approved a bond issuance totaling \$5,500,000 in November 2008 for the construction of the Project; and

WHEREAS, a federal appropriation is available for the Project construction in the sum of \$1,000,000.00 under Minute Order 108087; and

WHEREAS, the Copperas Cove Economic Development Corporation approved a resolution on September 9, 2010, committing funding not to exceed \$1,100,000.00 to enable the construction of an overpass located at US 190 at the interchange near Old Copperas Cove Road; and

WHEREAS, the City of Copperas Cove commits to the advance issuance of debt with repayment terms for Category 3 funds to include thirty percent (30%) in September 2012, forty percent (40%) in September 2013 and thirty percent (30%) in year 2014; and

WHEREAS, the City of Copperas Cove understands the Category 3 funding reimbursements will be based on actual costs for the project rather than a fixed amount and will not exceed \$42,318,422.00; and

WHEREAS, the Project would not be completed without additional local funds, a federal appropriation or funding from other federal sources, but for the execution of an Advanced Funding Agreement.

CSJ #0231-19-002, etc.
District # Waco (09)
Code Chart 64 #09750
Project: US 190 SE Bypass
CFDA # 20.205

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS:

Section 1.

That the City of Copperas Cove, through the City Manager, is authorized to negotiate the terms of an Advanced Funding Agreement with the Texas Department of Transportation for the construction of the Project, a State Mobility project.

Section 2.

The City of Copperas Cove supports the Project, as it will provide a critical link along the National Highway System and Trunk Systems to provide for uninterrupted traffic flow.

Section 3.

The City of Copperas Cove supports the October 5, 2010 proposal submitted to the Texas Department of Transportation Waco District Engineer.

CSJ #0231-19-002, etc.
District # Waco (09)
Code Chart 64 #09750
Project: US 190 SE Bypass
CFDA # 20.205

Section 4.

The City of Copperas Cove supports future debt issuance pledged by an Advanced Funding Agreement with the Texas Department of Transportation.

PASSED, APPROVED, AND ADOPTED on this 19th day of October 2010 at a regular meeting of the City Council of the City of Copperas Cove, Texas which meeting was held in compliance with the Open Meetings Act, *Tex. Gov't Code*, §551.001, et.seq. at which meeting a quorum was present and voting.

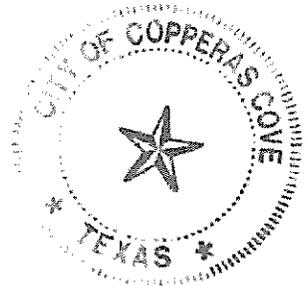


John Hull, Mayor

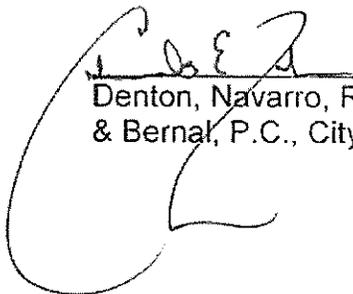
Attest:



Jane Lees, City Secretary



APPROVED AS TO FORM:



Denton, Navarro, Rocha
& Bernal, P.C., City Attorney

ATTACHMENT C

The Local Government will initially pay for the construction of the new location US 190 Copperas Cove reliever route and over time be reimbursed as outlined below in the repayment terms. The project begins on US 190 west of Copperas Cove and ends on US 190 west of Clarke Road. The project will construct two lanes of an ultimate four lane controlled access facility. Interchanges will be constructed at FM 3046, FM 116, Old Copperas Cove Road and a direct connector at existing US 190 east of Copperas Cove. The project plans will include a bid add alternate to allow for an underpass at FM 2657 to be added to the project in the event that the base low bid is sufficiently below the engineer's estimate and the cost of the additional work will stay within the overall budget of the project.

The State has estimated the project construction cost and maximum available funding to be as follows:

Description	Estimated Construction Cost	Maximum Funds Available	Maximum Federal Participation	Maximum State Participation	Maximum Local Participation
Construction Cost and *Environmental Remediation (Landfill relocation)	\$45,700,000.00	\$49,618,000.00	\$33,854,400.00	\$8,463,600.00	\$7,300,000.00
*Utility Relocation	\$700,000.00	\$700,000.00	\$0.00	\$0.00	\$700,000.00
Category 10 Federal Earmark	(\$1,000,000.00)	\$1,000,000.00	\$1,000,000.00	\$0.00	\$0.00
TOTAL	\$45,400,000.00	\$51,318,000.00	\$34,854,400.00	\$8,463,600.00	\$8,000,000.00

* Included in the construction plans

The Category 10 federal earmark of \$1,000,000 will be taken off the top of the awarded construction cost at the time of letting.

The State will reimburse the Local Government the actual final construction cost, less the actual final utility relocation cost in the construction bid, plus the actual final construction cost of a bid add alternate, if applicable, not to exceed \$42,318,000.

Repayment terms:

30% of the awarded construction contract low bid amount, less the utility relocation amount and the category 10 federal earmark, not to exceed \$12,695,400 in September, 2012.

40% of the awarded construction contract low bid amount, less the utility relocation amount and the category 10 federal earmark, not to exceed \$16,927,200 in September, 2013.

and the remaining unreimbursed construction cost, less the utility relocation amount and the category 10 federal earmark, not to exceed \$12,695,400, based upon actual final construction cost in September, 2014.

The City intends to utilize capitalized interest sufficient to bridge the period between the first interest due on its project-related bonds and the first anticipated receipt of Category 3 funds from the local Metropolitan Planning Organization, Killeen-Temple MPO.