



*Austin Transit Partnership Board of Directors Resolution
Meeting Date: 2/16/2024*

ATP-2024-006

*Resolution authorizing the issuance of ATP Contract Revenue
Bonds and Master Trust Agreement*

Subject: Approval of a resolution authorizing the issuance and sale of Austin Transit Partnership Local Government Corporation contract revenue bonds in one or more series in an aggregate principal amount not to exceed \$150,000,000 in accordance with the parameters and purposes set out in the resolution (including payment or reimbursement of costs related to the light rail components of Project Connect), authorizing related documents and approving the payment of costs of issuance and all related fees, and providing that the sale be accomplished by February 16, 2025; and approving other matters related to the bonds including instituting a bond validation suit.

Fiscal Impact: It is currently not anticipated that debt service requirements will have an impact on the Fiscal Year 2024 Budget. Debt service requirements are currently anticipated to begin in Fiscal Year 2024-25.

Executive Summary: In order to pay or reimburse the costs of the light rail components of Project Connect, ATP is proposing to issue its Austin Transit Partnership Local Government Corporation Contract Revenue Bonds (City of Austin Voter-Approved Project Connect Payments) in one or more series (collectively, the "Bonds") pursuant to ATP's Articles, Bylaws, the Enabling Act (particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code) and Chapters 1201 and 1371, Texas Government Code (collectively, the "Act"). The Bonds hereinafter authorized will be secured by a Master Trust Agreement (the "Master Trust Agreement" together with the First Supplemental Agreement (as defined herein), the "Trust Agreement"), between the Corporation and a trustee (the "Trustee"). The Bonds will be sold pursuant to one or more Purchase Contracts (collectively, the "Purchase Contracts") between the Corporation and the underwriter(s) named therein.

Procurement Summary: N/A

Disadvantaged Business Enterprise Program Summary: N/A



RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP

BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

Resolution ID: ATP-2024-006

*Resolution authorizing the issuance of ATP Contract
Revenue Bonds*

APPROVE A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION CONTRACT REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 IN ACCORDANCE WITH THE PARAMETERS AND PURPOSES SET OUT IN THE RESOLUTION (INCLUDING PAYMENT OR REIMBURSEMENT OF COSTS RELATED TO THE LIGHT RAIL COMPONENTS OF PROJECT CONNECT), AUTHORIZING RELATED DOCUMENTS AND APPROVING THE PAYMENT OF COSTS OF ISSUANCE AND ALL RELATED FEES, AND PROVIDING THAT THE SALE BE ACCOMPLISHED BY FEBRUARY 16, 2025; AND APPROVING OTHER MATTERS RELATED TO THE BONDS INCLUDING INSTITUTING A BOND VALIDATION SUIT

ADOPTED FEBRUARY 16, 2024

WHEREAS, the Austin Transit Partnership Local Government Corporation (the "Corporation"), created under the laws of the State of Texas, including particularly Chapter 431, Texas Transportation Code, Chapter 394, Texas Local Government Code and Chapter 22, Texas Business Organizations Code, was created to implement the following measure, known as Proposition A:

City of Austin Proposition A

Approving the ad valorem tax rate of \$0.5335 per \$100 valuation in the City of Austin for the current year, a rate that is \$0.0875 higher per \$100 valuation than the voter-approval tax rate of the City of Austin, for the purpose of providing funds for a citywide traffic-easing rapid transit system known as "Project Connect", to address traffic congestion, expand service for essential workers, reduce climate change emissions, decrease traffic fatalities, create jobs, and provide access to schools, health care, jobs and the airport; to include neighborhood supportive affordable housing investments along transit corridors and a fixed rail and bus rapid transit system, including associated road, sidewalk, bike, and street lighting improvements, park and ride hubs, on-demand neighborhood circulator shuttles, and improved access for seniors and persons with disabilities; to be operated by the Capital Metropolitan Transportation Authority, expending its funds to build, operate and maintain the fixed rail and bus rapid transit system; the additional revenue raised by the tax rate is to be dedicated by the City to an independent board to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to develop or expand transportation within the City, and to finance the transit-supportive anti-displacement strategies related to Project Connect. Last year, the ad valorem tax rate in the City of Austin was \$0.4431 per \$100 valuation.

WHEREAS, in order to pay or reimburse certain Costs of the Light Rail Components of Project Connect, the Corporation is proposing to issue its initial Series of Austin Transit Partnership Local Government Corporation Contract Revenue Bonds in one or more Series as authorized herein (collectively, the "Bonds") pursuant to the Corporation's Articles of Incorporation and Bylaws, as well as the Acts; and

WHEREAS, the Bonds will be secured by a Master Trust Agreement (the "Master Trust Agreement") together with the First Supplemental Agreement (as defined herein), the "Trust Agreement", between the Corporation and a trustee (the "Trustee"); and

WHEREAS, the Master Trust Agreement establishes a financing program for the Corporation to issue Obligations, such as the Bonds, from time to time as financially feasible, to pay Costs of the Light Rail Components of Project Connect, which financing program is currently estimated not to exceed \$5 billion as further provided in the Master Trust Agreement; and

WHEREAS, any capitalized terms not otherwise defined in this Resolution (this "Resolution") shall have the meanings given in the Trust Agreement; and

WHEREAS, the Board of Directors of the Corporation has determined to issue the Bonds under the First Supplemental Agreement (the "First Supplemental Agreement") to pay or reimburse (i) Costs of the Light Rail Components including planning, designing and engineering costs and (ii) the costs of issuance of the Bonds, all as further set forth in the First Supplemental Agreement and each Award Certificate delivered pursuant thereto; and

WHEREAS, the Chair of the Board of Directors and the Executive Director and Chief Financial Officer of the Corporation are each designated as a Pricing Officer pursuant to the First Supplemental Agreement and as a Corporation Representative pursuant to the Master Trust Agreement; and

WHEREAS, the Bonds will be sold pursuant to a negotiated sale with one or more Purchase Contracts (collectively, the "Purchase Contracts") between the Corporation and the underwriter(s) named therein; and

WHEREAS, the Corporation has determined and does hereby determine that the issuance of the Bonds in accordance with the terms of this Resolution and the Award Certificate is in the best interests of the Corporation; and

WHEREAS, these preambles shall constitute an integral part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION THAT:

Section 1. There is hereby authorized and directed the execution, issuance and sale by the Corporation of one or more Series of Bonds in the aggregate principal amount not to exceed \$150,000,000 (not including any premiums) for the purpose of paying or reimbursing (i) Costs of the Light Rail Components including planning, designing and engineering costs, and (ii) costs of issuance of the Bonds as contemplated by the Trust Agreement. The Bonds shall be dated and numbered as provided in the First Supplemental Agreement, shall mature on such date or dates not to exceed forty (40) years from their date, shall be subject to redemption, and shall have the form, details and specifications set out in the First Supplemental Agreement and each related Award Certificate. In no event will (i) the interest rate on any Series of Bonds exceed the maximum interest rate authorized by law; (ii) the purchase price on any Series of Bonds be less than 90% of the aggregate principal amount thereof plus accrued interest thereon, if any

or (iii) any Series of the Bonds be issued unless prior to delivery each Series of the Bonds is rated, by a Nationally Recognized Rating Agency for municipal securities, in one of the four highest rating categories for long-term debt instruments. A Pricing Officer is hereby authorized to execute and deliver each Series of the Bonds on behalf of the Corporation, and the Secretary of the Board is hereby authorized to attest and affix the Corporation's seal (if any) thereto, with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by such execution thereof.

Section 2. For the purpose of securing each Series of the Bonds, providing the details thereof and prescribing the terms and conditions on which such Bonds are to be secured, executed, authenticated, accepted and held, the Master Trust Agreement substantially in the form presented at this meeting is hereby approved and a Pricing Officer is hereby authorized and directed, for and on behalf of the Corporation, to date, sign and otherwise execute the Master Trust Agreement for and on behalf of the Corporation with such changes therein as shall be approved by such Pricing Officer with their execution thereof to constitute conclusive evidence of such approval.

Section 3. For the purpose of securing the Bonds, providing the details thereof and prescribing the terms and conditions on which the Bonds are to be secured, executed, authenticated, accepted and held, the First Supplemental Agreement substantially in the form presented at this meeting is hereby approved and a Pricing Officer is hereby authorized and directed, for and on behalf of the Corporation, to date, sign and otherwise execute the First Supplemental Agreement for and on behalf of the Corporation, with such changes therein as shall be approved by such Pricing Officer with their execution thereof to constitute conclusive evidence of such approval.

Section 4. To achieve advantageous borrowing costs for the Corporation each Series of the Bonds shall be sold by a negotiated sale. The sale of each Series of the Bonds at the price to be approved by a Pricing Officer is hereby authorized and approved, and one or more Purchase Contracts to sell each Series of the Bonds, substantially in the form presented to the Board of Directors, are hereby authorized to be dated, executed and delivered on behalf of the Corporation by a Pricing Officer with such terms and provisions as shall be approved by such Pricing Officer with their execution thereof to constitute conclusive evidence of such approval. The authority of a Pricing Officer to execute and deliver each Purchase Contract shall expire at 6:00 p.m. Central Time on February 16, 2025. Any Series of Bonds priced on or before February 16, 2025 may be delivered to the purchasers thereof after such date.

Section 5. In connection with the offering of the Bonds, the Board hereby authorizes the use and distribution of a Preliminary Official Statement and a final Official Statement (collectively, the "Official Statement") with respect to each Series of the Bonds. A Pricing Officer must approve the final form of the Official Statement.

Section 6. A Pricing Officer is hereby authorized to designate a trustee to serve as the Trustee for each Series of the Bonds under the Master Trust Agreement, as supplemented.

Section 7. A Pricing Officer is hereby authorized to execute the Letter of Representations with The Depository Trust Corporation with respect to any Series of the Bonds issued as book-entry-only.

Section 8. A Pricing Officer is hereby authorized and directed to execute (i) such certificates as shall be necessary to establish that interest on the Tax-Exempt Bonds will be excludable from the gross income of the Owners of the Bonds for federal income tax purposes of the Internal Revenue Code of 1986 (the "Code"); (ii) IRS Form 8038-G, as required under Section 149(e) of the Code, to be filed with the Internal Revenue Service; (iii) any certificates necessary to deem the Official Statement final or otherwise to comply with Securities Exchange Commission Rule 15c2-12; (iv) any other certificates, documents or other agreements necessary in connection with the issuance of each Series of the Bonds and approval of such Bonds by the Attorney General of the State of Texas and (v) any documents or certificates, if any, necessary in connection with the issuance and delivery of any Series of the Bonds.

Section 9. The officers of the Corporation are each hereby severally authorized and directed to execute, attest, seal and deliver any and all additional certificates, documents or other papers and to do any and all things deemed necessary to effect the issuance and sale of each Series of the Bonds, and the execution and delivery of the Master Trust Agreement, the First Supplemental Agreement and the Purchase Contracts, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

A Pricing Officer is hereby authorized to have control of each Series of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the investigation, examination and approval by the Attorney General of the State of Texas of the proceedings authorizing each Series of the Bonds. A Pricing Officer is further authorized, and general counsel to the Corporation is hereby authorized and directed, to approve, subsequent to the date of the adoption of this Resolution and prior to the initial delivery of any Series of the Bonds all matters related to the issuance of the Bonds including approving any actions required to effectuate the approval of each Series of the Bonds by any governmental body.

A Pricing Officer is further authorized, and general counsel to the Corporation and bond counsel to the Corporation are hereby authorized and directed, to approve, subsequent to the date of the adoption of this Resolution and prior to the initial delivery of each Series of the Bonds any technical changes or corrections to this Resolution or to any of the documents authorized or approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution; (ii) make such other changes to this Resolution deemed reasonable and necessary by a Pricing Officer with the advice of general counsel to the Corporation

and bond counsel; (iii) obtain ratings from any Nationally Recognized Rating Agency, (iv) obtain the approval of each Series of the Bonds and the related contracts and agreements by the Texas Attorney General's office or (v) observe and perform the obligations of the Corporation under each Series of the Bonds, the Master Trust Agreement, the First Supplemental Agreement, the Purchase Contracts, the Funding Agreement and other related financing documents.

General counsel and bond counsel to the Corporation are hereby authorized to institute, subsequent to the date of the adoption of this Resolution and prior to the initial delivery of any Series of the Bonds, any bond validation suit under Chapter 1205, Texas Government Code, as amended (or any successor statute thereto), related to the initial Series of the Bonds.

Section 10. All details of each Series of the Bonds required to be prescribed in this Resolution by the Act not fully set forth herein are set forth in the Master Trust Agreement as supplemented and are hereby incorporated in this Resolution as if fully set forth herein.

Section 11. The Board of Directors of the Corporation hereby finds that the issuance of each Series of the Bonds by the Corporation will assist the City in providing funds for the Light Rail Components of Project Connect, including the promotion of economic development and the expansion of commerce within the City.

Section 12. After the Bonds are issued, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged. The Bonds and the interest thereon shall be payable solely from the Trust Estate pledged pursuant to the Master Trust Agreement, as supplemented and shall never constitute and shall not be considered obligations, general or otherwise, of the City, the State of Texas or any political subdivision thereof. The Corporation has no taxing power.

Section 13. The Corporation expects to pay expenditures in connection with the Light Rail Components prior to the issuance of each Series of the Bonds. The Corporation finds, considers and declares that the reimbursement of the Corporation for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Corporation and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues Bonds to accomplish the purposes set forth in the First Supplemental Agreement. All costs to be reimbursed will be capital expenditures. No Tax-Exempt Bonds will be issued by the Corporation in furtherance of the First Supplemental Agreement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service. The foregoing notwithstanding, no Tax-Exempt Bonds will be issued pursuant to the First Supplemental Agreement more than three (3) years after the date any expenditure which is to be reimbursed is paid unless the Corporation receives an engineering certification that such projects will require five (5) years to be completed. A Pricing Officer is authorized

to execute any reimbursement certifications required with respect to the Light Rail Components to be reimbursed with Bond proceeds.

Section 14. The provisions of this Resolution are hereby declared to be separable, and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 15. All resolutions and orders, or part thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 16. This Resolution shall become effective immediately upon its passage.

[Signature Page Follows]

APPROVED AND ADOPTED this 16th day of February, 2024.

**AUSTIN TRANSIT PARTNERSHIP LOCAL
GOVERNMENT CORPORATION**

By: _____

Chair, Board of Directors

ATTEST:

By: _____

Secretary, Board of Directors