



City of Katy



HUB CITY OF THREE COUNTIES

RESOLUTION NO. 779

A RESOLUTION OF THE CITY OF KATY, TEXAS, APPROVING AN INTERLOCAL AGREEMENT WITH FORT BEND COUNTY FOR THE CONSTRUCTION OF THE TEXAS HERITAGE PARKWAY WITHIN THE JURISDICTION OF THE CITY OF KATY.

* * * * *

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KATY, TEXAS:

Section 1. That the Mayor is hereby authorized to sign an Interlocal agreement with Fort Bend County for the construction of the Texas Heritage Parkway within the jurisdiction of the City of Katy in accordance with Exhibit A attached hereto and incorporated herein.

PASSED AND APPROVED on this 26th day of June, 2017.

CITY OF KATY, TEXAS

By: Chuck Brawner
Chuck Brawner, Mayor

ATTEST:

Melissa A. Bunch
Melissa A. Bunch, City Secretary

APPROVED:

Art Pertile, III
Art Pertile, III City Attorney

EXHIBIT A

Resolution No. 779

**INTERLOCAL AGREEMENT FOR COUNTY-MANAGED MOBILITY PROJECT:
TEXAS HERITAGE PARKWAY**

This Agreement is made and entered into pursuant to the Interlocal Cooperation Act, Chapter 791 of the TEXAS GOVERNMENT CODE and Section 251.012 of the TEXAS TRANSPORTATION CODE, by and between the City of Katy, a municipal corporation and home-rule city of the State of Texas, partially situated in Fort Bend County, acting by and through its City Council, ("City"), and Fort Bend County, a body corporate and politic under the laws of the State of Texas, acting by and through its Commissioners Court, ("County").

RECITALS

WHEREAS, the County has or will enter into that certain *Agreement for Regional Road Improvements for a Parkway between the cities of Fulshear and Katy* (the "Participant Agreement") with certain private landowners to promote the development of a major north-south thoroughfare from Interstate 10 at Pederson Road to approximately 2100 feet south of the intersection with FM 1093 (the "Project", as generally shown on Exhibit A and as defined more fully below); and

WHEREAS, the County has or will enter into an Interlocal Agreement for the Project with the City of Fulshear (the "Fulshear Agreement") to pay for a portion of the Project; and

WHEREAS, the Project is the construction of roadway improvements that will enhance the traffic flow/circulation and drainage in the service area, and such Project is desired by the City and the County; and

WHEREAS, the County may not expend proceeds of bond issues or taxes levied pursuant to Article III, Section 52 (b) or (c) of the Texas Constitution on city streets that are not integral parts of or connecting links with county roads or state highways in accordance with Section 251.012 of the TEXAS TRANSPORTATION CODE; and

WHEREAS, the parties assert that the Project is part of a city street that is an integral part of or a connecting link with county roads or state highways in accordance with Section 251.012 of the TEXAS TRANSPORTATION CODE; and

WHEREAS, the Commissioners Court of Fort Bend County finds that the Project contemplated in this Agreement serves a County purpose; and

WHEREAS, the City and the County agree to participate in this Project according to the terms of this Agreement; and

WHEREAS, the governing bodies of the City and County have authorized this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and benefits to both parties, it is agreed as follows:

AGREEMENT

Section 1. Definitions

- A. **City** means the City of Katy, Texas.
- B. **County** means Fort Bend County, Texas.
- C. **Project** means the proposed Parkway from I-10 to approximately 2100 feet south of FM1093 as generally shown on Exhibit A and all improvements necessary or convenient to the functioning of the roadway (e.g. drainage, detention, required lighting, etc.); and grade separations for a future 12-foot wide regional trail.
- D. **Eligible Project Costs** means costs, as determined by the County, for engineering design and services related to the completion of Plans, Specifications and Estimates ("PS&E") and construction of roadway improvements, project related drainage facilities, utility and pipeline conflicts, approved traffic control devices, and grade separations for a future 12-foot wide regional trail; development of standards for improvements within the property subject to the ROW Deeds; design, development, utility relocation, right-of-way acquisition, and construction; all payments arising under any contracts entered into for the design or construction of the Project; all costs incurred in connection with obtaining governmental approvals, certificates and permits required in connection with the construction of the Project, including the engineering and other fees and expenses related to the design and construction of the Project.
- E. **Katy Segment** means that portion of the Project from I-10 to the City limit line located south of Kingsland Boulevard, as shown on Exhibit A.
- F. **City Contribution** means fifty percent (50%) of the Eligible Project Costs for the Katy Segment. At the time of this agreement, the estimated Eligible Project Costs for the Katy Segment is \$10,903,671, thereby making the estimated City's Contribution \$5,451,835.

Section 2. Incorporation of Recitals

The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are incorporated into this Agreement.

Section 3. County Obligations

- a. The County is responsible for managing the design and overseeing the construction and completion of the Project and complying with the applicable state and federal laws.
- b. In the event the County determines the Project lacks feasibility or for any other reason elects to forego its construction, the County shall provide written notice to the City of its decision to forego construction and refund all amounts provided by the City upon thirty (30) days of said notice to the City.

- c. The County shall submit reports to the City describing in sufficient detail the progress of the Project. These reports shall be submitted to the City at increments agreed to between the parties as appropriate for the various phases of the Project. Reports received by the City from contractors detailing the progress of the Project shall suffice for the requirements of this section, so long as the County has reviewed such reports and confirmed accuracy of the contractor's report.
- d. The County will submit the plans for the Katy Segment to the City Engineer for review and comment. During the work on the Project, the City may review the documents, maps, plats, records, photographs, reports, and drawings pertaining to the Katy Segment and may inspect the work in progress, provided that it does not interfere with the work.
- e. Upon completion of the Katy Segment, but no later than 60 days after, the County will furnish the City with a full accounting of the funds expended on the Katy Segment and an electronic copy of the record drawings showing the Katy Segment as constructed. The City Finance Director may review the County's records regarding the Katy Segment.

Section 4. City's Rights and Obligations

- A. During the work on the Katy Segment, the City shall have the right to review all documents, maps, plats, records, photographs, reports and drawings affecting the construction and to inspect the work in progress; provided however, that in conducting such inspections, the City shall not interfere with the work in progress. Any deficiencies noted by the City shall be brought to the attention of the County, and the deficiencies shall be promptly addressed by the County.
- B. The City shall have the right to participate in the final inspection of the Katy Segment. At that time, any deficiencies noted by the City shall be promptly addressed by the County.
- C. The City shall pay for its share of the Katy Segment as provided in Section 7.

Section 5. Liability

The City and County are entitled to the immunities and defenses of the Texas Tort Claims Act.

Section 6. Maintenance

Upon completion of the Project, each party shall maintain that portion of the Project within its own jurisdiction.

Section 7. Plan of Finance

The County will finance the Project and the City shall be obligated to reimburse the

County for the City Contribution, in accordance with this section.

A. Plan of Finance. Fort Bend County will issue County debt or otherwise finance an amount necessary to pay for the City Contribution as those costs become due and payable pursuant to the Participant Agreement.

B. Annual City Payments. The City shall make the Annual City Payment to the County to reimburse for the City Contribution. The Annual City Payment is an annual payment of principal and interest in an amount equal to the City Contribution amortized for a period of not more than 20 years and at an interest rate not less than the County's interest costs and issuance costs, which the County would have issued at the time of execution of the agreement including agreed upon cost of issuance, and with such other terms and payment structure as may be approved by the County Auditor and the City's Finance Director. The Annual City Payment will also include any Eligible Project Costs incurred by the County prior to this issuance with 2% interest compounded monthly (until the proceeds of the issuance reimburse these preliminary expenditures). An example of the Annual City Payment is shown on Exhibit B, which reflects a hypothetical issue based on current costs estimates and financial conditions for the Eligible Project Costs. The actual Annual City Payment schedule will be fixed when the County first makes payments pursuant to the Participation Agreement, which is estimated to be March 2018. Thereafter, the City will make payments semi-annually, not later than the 30th day before the date the County's debt service payments are due each year. Late payments will accrue interest at the net effective interest rate of the County Debt. Fort Bend County will attempt to provide the City with a clear distinction of the County Debt from the County's other outstanding obligations. After any refunding of the obligations, County will provide a new total debt service to the City. The City's payment may be made directly by and from the Katy Development Authority (KDA) or any other source of funds and such payment by KDA or other funding source will discharge the City's obligations to the extent of those payments.

C. Prepayment Option. The City may prepay the remaining City Contribution to the County at any time without penalty, provided however, if the County has issued debt that is not callable at the time of the prepayment, the City may defease the City's debt to the County created by this agreement by placing the remaining City Contribution in an account, for the sole benefit of the County, at the City's depository bank to service the debt and any interest created by this agreement.

Prior to the execution of this Agreement, the City has been advised by the County, and the City clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the County shall have available the total maximum amount of Fifty Percent (50%) of the construction costs of the Project or \$6,000,000 plus interest, WHICHEVER AMOUNT IS LESS, specifically allocated to fully discharge any and all liabilities that may be incurred by the County for the Project.

Section 8. Insurance Requirements

The City agrees that it will require the contractor's insurance policies to name the County as well as the City as additional insureds on all policies except for Workers' Compensation and Professional Liability. Any such insurance policies shall include at least the following minimum coverage:

A. Workers' Compensation in the amount required by law. The policy shall include the All States Endorsement.

B. Comprehensive General Liability Insurance including contractual liability insurance, \$1,000,000 per occurrence, \$2,000,000 aggregate (defense costs excluded from face amount of policy).

C. Comprehensive Automatic Liability Insurance, including owned, non-owned and hired vehicles used for the Project, with bodily injury and property damage with a combined limit of not less than \$1,000,000 each occurrence.

D. The City may require insurance in excess of the amount of coverage set out above, as it deems necessary, in such cases the County shall remain an additional insured. The City will provide the County with proof of insurance within 30 days of the City's award of the contract for the Project construction.

Section 9. Assignment

No party hereto shall make, in whole or in part, any assignment of this Agreement or any obligation hereunder without the prior written consent of the other party.

Section 10. No Third Party Beneficiaries

The parties do not intend that any specific third party obtain a right by virtue of the execution or performance of this Agreement.

Section 11. Notices

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, or delivered to the following addresses:

County:	Fort Bend County Attn: Robert E. Hebert, County Judge 401 Jackson Street, 1 st Floor Richmond, Texas 77469
With a copy to:	Fort Bend County Engineering Department Attn: Richard Stolleis, P.E., County Engineer 301 Jackson Street Richmond, Texas 77469

City: City of Katy, Texas
Attn: Byron Hebert, City Administrator
P.O. Box 617
Katy, Texas 77493

With a copy to: Art Pertile, III
Olson & Olson, L.L.P.
2727 Allen Parkway, Suite 600
Houston, Texas 77019

Section 12. Entire Agreement

This Agreement contains the entire agreement between the parties relating to the rights granted and the obligations assumed. Any modifications concerning this instrument shall be of no force or effect, unless a subsequent modification in writing is signed by all parties hereto.

Section 13. Execution

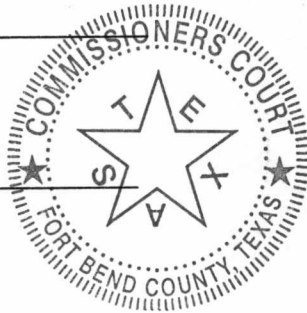
This Agreement has been executed by the City and the County upon and by the authority of their respective governing bodies. This Agreement shall become effective on the date executed by the final party.

FORT BEND COUNTY, TEXAS

Robert E. Hebert

Robert E. Hebert, County Judge

Date 3-6-2018



CITY OF KATY, TEXAS

Chuck Brawner

Chuck Brawner, Mayor

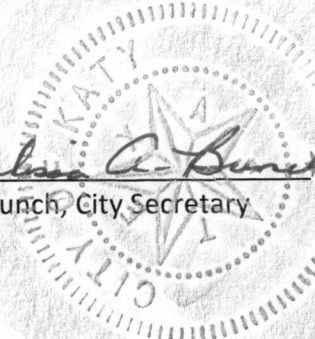
Date: June 26, 2017

ATTEST:

Laura Richard
Laura Richard, County Clerk

ATTEST:

Melissa A. Bunch
Melissa A. Bunch, City Secretary



APPROVED:

Richard W. Stolleis
Richard W. Stolleis, P.E., County Engineer

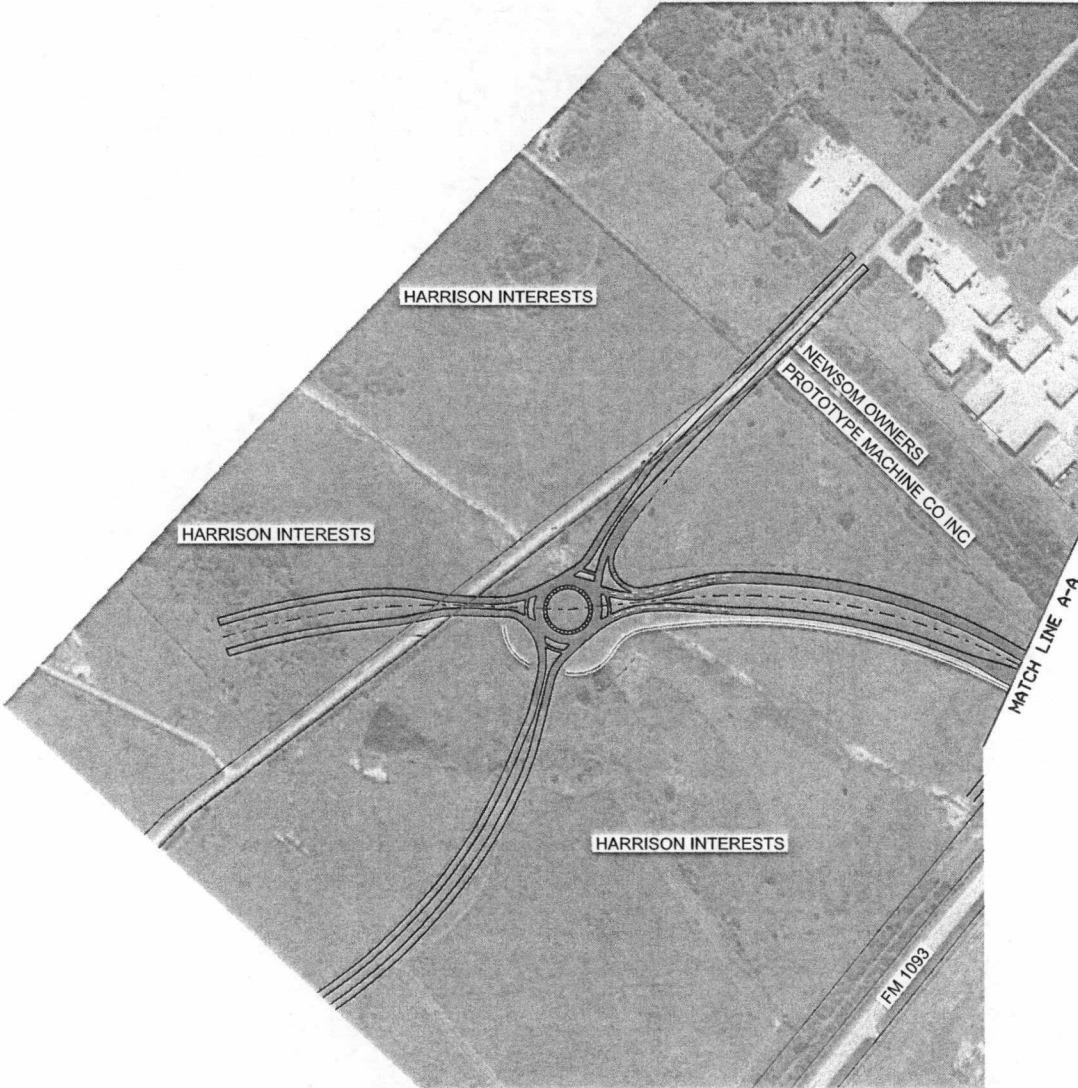
APPROVED AS TO LEGAL FORM:

Marcus D. Spencer
Marcus D. Spencer, First Assistant County Attorney

4848-6050-3370, v. 1



SCALE: 1"=400'



LEGEND

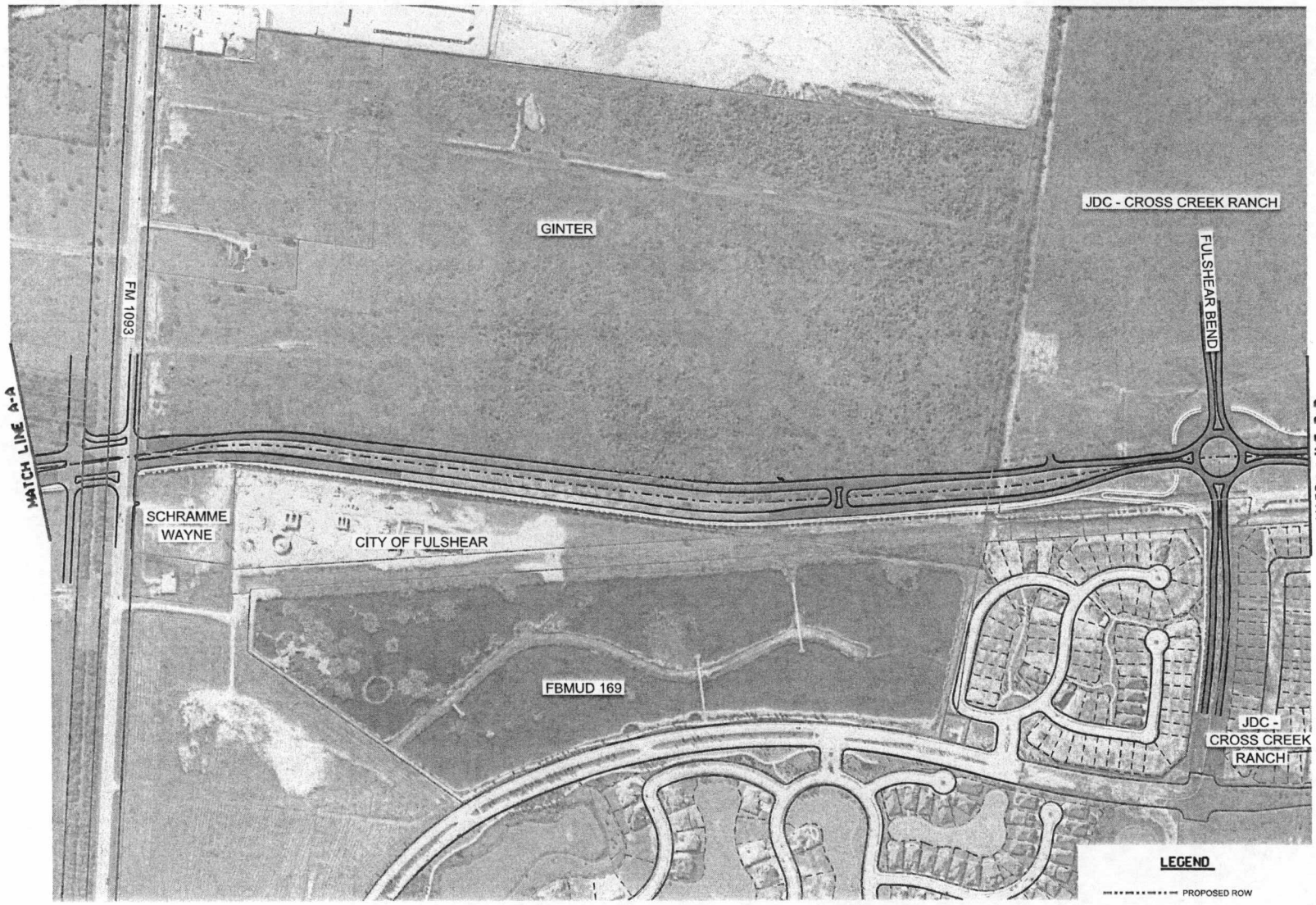
- PROPOSED ROW
- PROPOSED TRAIL

BGE Brown & Gay Engineers, Inc.
10777 Westheimer, Suite 400, Houston, TX 77042
Tel: 281-556-8700 • www.browngay.com
TBPE Registration No. F-1046 Copyright 2015

TEXAS HERITAGE PARKWAY

EXHIBIT A
11/7/2016 SHEET 1 OF 7

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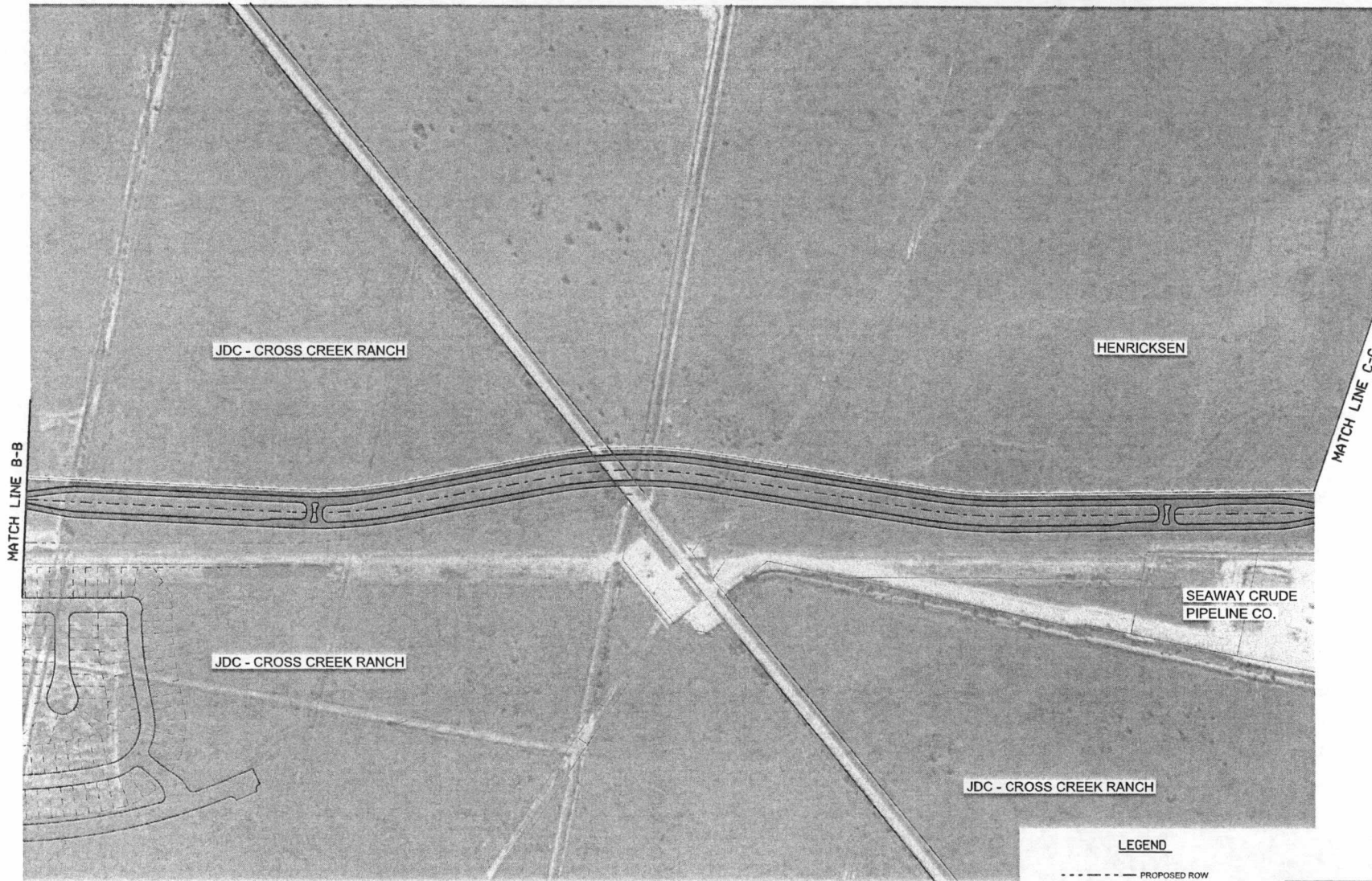
LEGEND

- PROPOSED ROW
- ===== PROPOSED TRAIL

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EXHIBIT A
SDATES SHEET 2 OF 7



LEGEND

----- PROPOSED ROW

===== PROPOSED TRAIL

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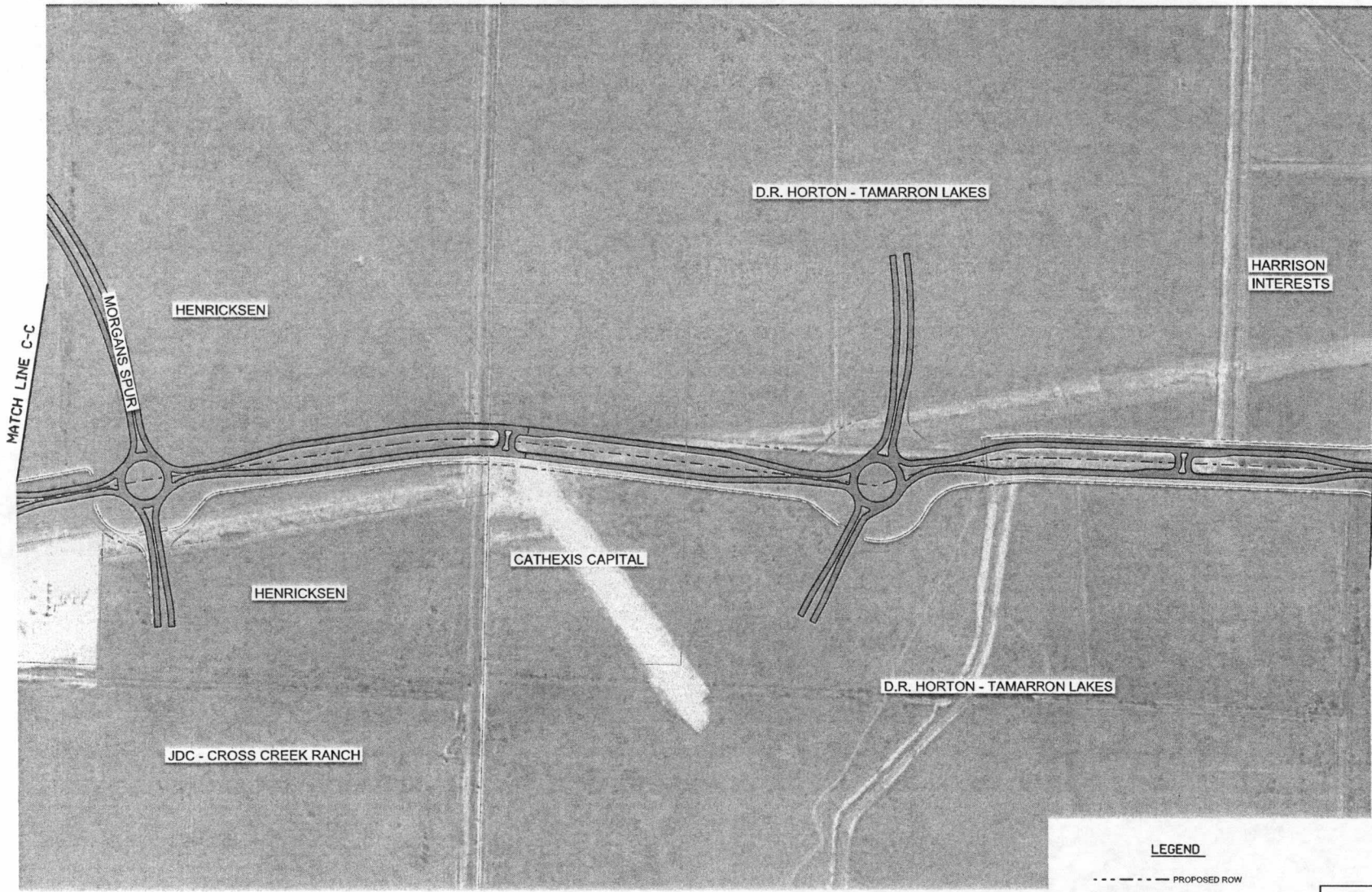
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EXHIBIT A
11/7/2016 SHEET 3 OF 7

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SCALE: 1"=400'



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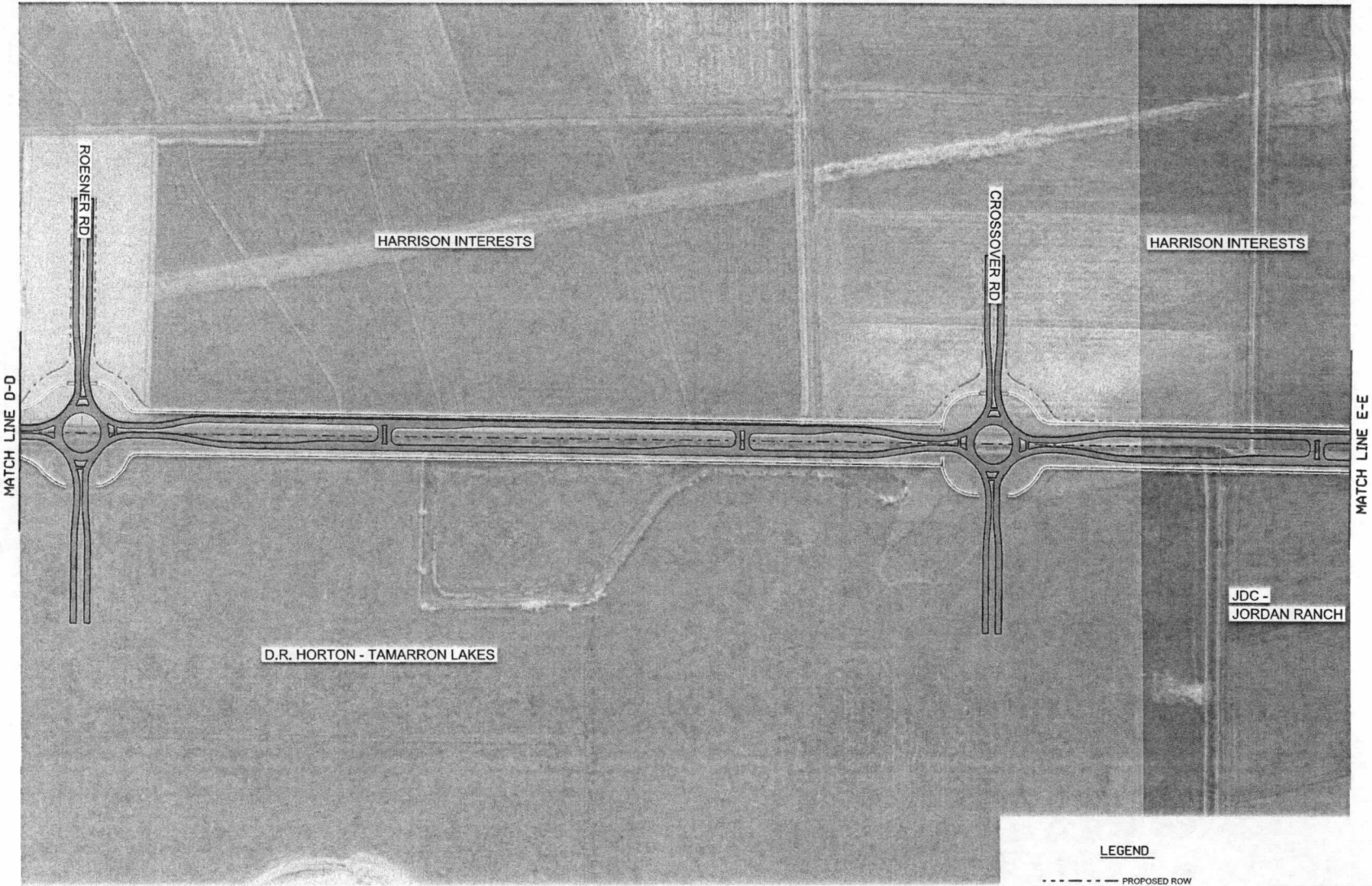
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- PROPOSED TRAIL

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EXHIBIT A
11/7/2016 SHEET 4 OF 7

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- PROPOSED ROW
- PROPOSED TRAIL

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 TBPE Registration No. F-1046

TEXAS HERITAGE PARKWAY

EXHIBIT A
 11/7/2016 SHEET 5 OF 7

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LEGEND

- PROPOSED ROW
- PROPOSED TRAIL

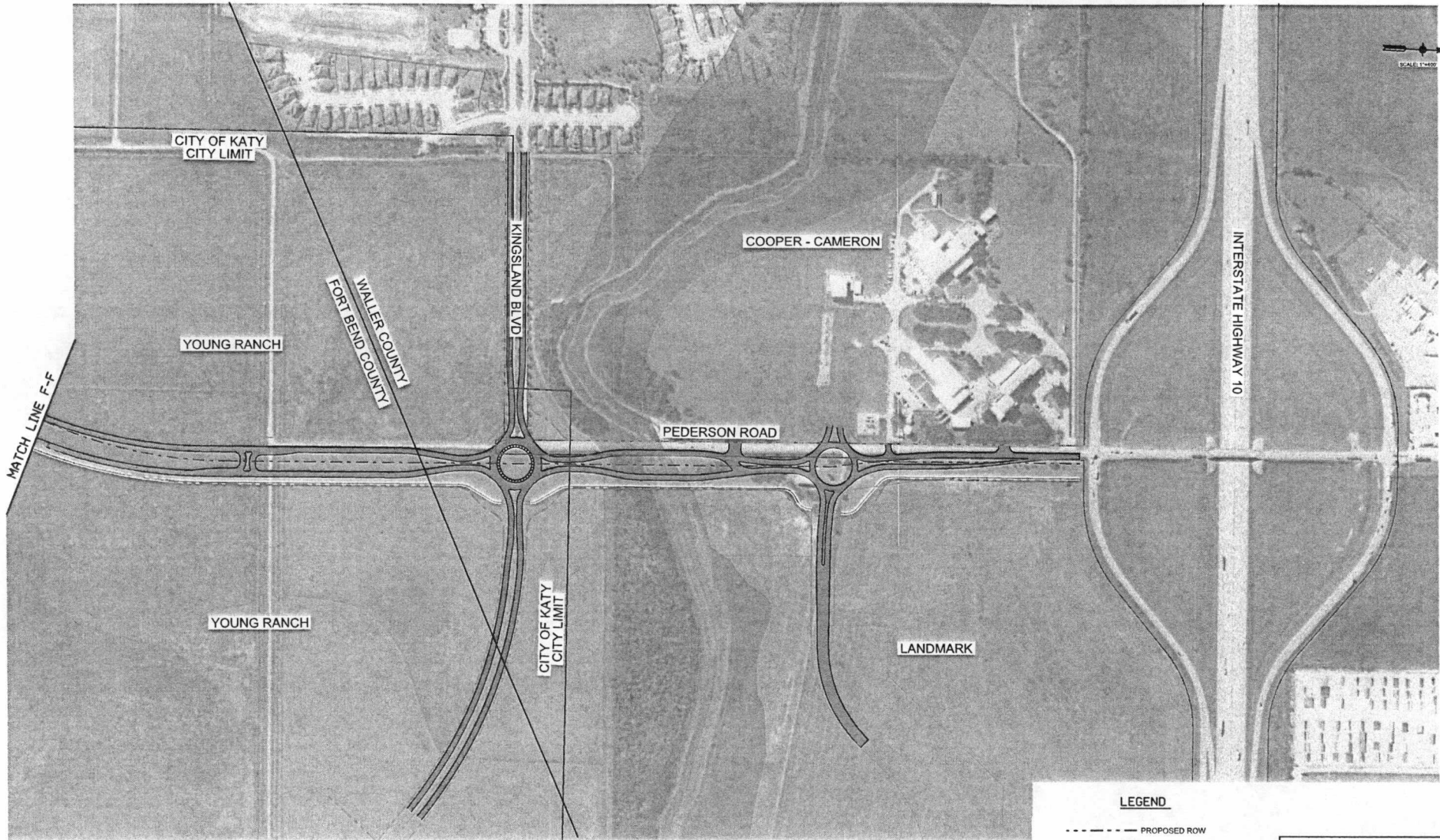
BGE Brown & Gay Engineers, Inc.
19777 Westheimer, Suite 400, Houston, TX 77042
Tel: 281-558-8700 • www.browngay.com
TBPPE Registration No. F-1048

TEXAS HERITAGE PARKWAY

EXHIBIT A
11/7/2016 SHEET 6 OF 7

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LEGEND

--- PROPOSED ROW

— PROPOSED TRAIL

BCE Brown & Gay Engineers, Inc.
 10777 Westheimer, Suite 400, Houston, TX 77042
 Tel: 281-558-8700 • www.browngay.com
 TBPE Registration No. F-1046

Texas Heritage Parkway

EXHIBIT A
11/7/2016 SHEET 7 OF 7

EXHIBIT B

SOURCES AND USES OF FUNDS

Fort Bend County, Texas
Certificates of Obligation
(Texas Heritage Parkway - City of Katy's share)
Preliminary; For Discussion Purposes Only

Dated Date 09/01/2017
Delivery Date 09/01/2017

Sources:

Bond Proceeds:	
Par Amount	5,555,000.00
	<hr/>
	5,555,000.00

Uses:

Project Fund Deposits:	
Project Fund	5,451,835.00
Delivery Date Expenses:	
Cost of Issuance	100,000.00
Other Uses of Funds:	
Contingency	3,165.00
	<hr/>
	5,555,000.00

BOND PRICING

Fort Bend County, Texas
Certificates of Obligation
(Texas Heritage Parkway - City of Katy's share)
Preliminary; For Discussion Purposes Only

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	03/01/2018	185,000.00	4.000%	4.000%	100.000
	03/01/2019	195,000.00	4.000%	4.000%	100.000
	03/01/2020	200,000.00	4.000%	4.000%	100.000
	03/01/2021	210,000.00	4.000%	4.000%	100.000
	03/01/2022	220,000.00	4.000%	4.000%	100.000
	03/01/2023	225,000.00	4.000%	4.000%	100.000
	03/01/2024	235,000.00	4.000%	4.000%	100.000
	03/01/2025	245,000.00	4.000%	4.000%	100.000
	03/01/2026	255,000.00	4.000%	4.000%	100.000
	03/01/2027	265,000.00	4.000%	4.000%	100.000
	03/01/2028	275,000.00	4.000%	4.000%	100.000
	03/01/2029	285,000.00	4.000%	4.000%	100.000
	03/01/2030	300,000.00	4.000%	4.000%	100.000
	03/01/2031	310,000.00	4.000%	4.000%	100.000
	03/01/2032	325,000.00	4.000%	4.000%	100.000
	03/01/2033	335,000.00	4.000%	4.000%	100.000
	03/01/2034	350,000.00	4.000%	4.000%	100.000
	03/01/2035	365,000.00	4.000%	4.000%	100.000
	03/01/2036	380,000.00	4.000%	4.000%	100.000
	03/01/2037	395,000.00	4.000%	4.000%	100.000
		5,555,000.00			

Dated Date	09/01/2017	
Delivery Date	09/01/2017	
First Coupon	03/01/2018	
Par Amount	5,555,000.00	
Original Issue Discount		
Production	5,555,000.00	100.000000%
Underwriter's Discount		
Purchase Price	5,555,000.00	100.000000%
Accrued Interest		
Net Proceeds	5,555,000.00	

BOND DEBT SERVICE

Fort Bend County, Texas
Certificates of Obligation
(Texas Heritage Parkway - City of Katy's share)
Preliminary; For Discussion Purposes Only

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2018	185,000.00	4.000%	111,100.00	296,100.00	
09/01/2018			107,400.00	107,400.00	403,500.00
03/01/2019	195,000.00	4.000%	107,400.00	302,400.00	
09/01/2019			103,500.00	103,500.00	405,900.00
03/01/2020	200,000.00	4.000%	103,500.00	303,500.00	
09/01/2020			99,500.00	99,500.00	403,000.00
03/01/2021	210,000.00	4.000%	99,500.00	309,500.00	
09/01/2021			95,300.00	95,300.00	404,800.00
03/01/2022	220,000.00	4.000%	95,300.00	315,300.00	
09/01/2022			90,900.00	90,900.00	406,200.00
03/01/2023	225,000.00	4.000%	90,900.00	315,900.00	
09/01/2023			86,400.00	86,400.00	402,300.00
03/01/2024	235,000.00	4.000%	86,400.00	321,400.00	
09/01/2024			81,700.00	81,700.00	403,100.00
03/01/2025	245,000.00	4.000%	81,700.00	326,700.00	
09/01/2025			76,800.00	76,800.00	403,500.00
03/01/2026	255,000.00	4.000%	76,800.00	331,800.00	
09/01/2026			71,700.00	71,700.00	403,500.00
03/01/2027	265,000.00	4.000%	71,700.00	336,700.00	
09/01/2027			66,400.00	66,400.00	403,100.00
03/01/2028	275,000.00	4.000%	66,400.00	341,400.00	
09/01/2028			60,900.00	60,900.00	402,300.00
03/01/2029	285,000.00	4.000%	60,900.00	345,900.00	
09/01/2029			55,200.00	55,200.00	401,100.00
03/01/2030	300,000.00	4.000%	55,200.00	355,200.00	
09/01/2030			49,200.00	49,200.00	404,400.00
03/01/2031	310,000.00	4.000%	49,200.00	359,200.00	
09/01/2031			43,000.00	43,000.00	402,200.00
03/01/2032	325,000.00	4.000%	43,000.00	368,000.00	
09/01/2032			36,500.00	36,500.00	404,500.00
03/01/2033	335,000.00	4.000%	36,500.00	371,500.00	
09/01/2033			29,800.00	29,800.00	401,300.00
03/01/2034	350,000.00	4.000%	29,800.00	379,800.00	
09/01/2034			22,800.00	22,800.00	402,600.00
03/01/2035	365,000.00	4.000%	22,800.00	387,800.00	
09/01/2035			15,500.00	15,500.00	403,300.00
03/01/2036	380,000.00	4.000%	15,500.00	395,500.00	
09/01/2036			7,900.00	7,900.00	403,400.00
03/01/2037	395,000.00	4.000%	7,900.00	402,900.00	402,900.00
	5,555,000.00		2,511,900.00	8,066,900.00	8,066,900.00

BOND SUMMARY STATISTICS

**Fort Bend County, Texas
Certificates of Obligation
(Texas Heritage Parkway - City of Katy's share)
Preliminary; For Discussion Purposes Only**

Dated Date	09/01/2017
Delivery Date	09/01/2017
Last Maturity	03/01/2037
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.000000%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.211966%
Average Coupon	4.000000%
Average Life (years)	11.305
Weighted Average Maturity (years)	11.305
Duration of Issue (years)	8.779
Par Amount	5,555,000.00
Bond Proceeds	5,555,000.00
Total Interest	2,511,900.00
Net Interest	2,511,900.00
Bond Years from Dated Date	62,797,500.00
Bond Years from Delivery Date	62,797,500.00
Total Debt Service	8,066,900.00
Maximum Annual Debt Service	406,200.00
Average Annual Debt Service	413,687.18
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	5,555,000.00	100.000	4.000%	11.305	4,803.75
	5,555,000.00			11.305	4,803.75

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,555,000.00	5,555,000.00	5,555,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(100,000.00)	
- Other Amounts			
Target Value	5,555,000.00	5,455,000.00	5,555,000.00
Target Date	09/01/2017	09/01/2017	09/01/2017
Yield	4.000000%	4.211966%	4.000000%