

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE NORTH EAST TEXAS
REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 23-10

WHEREAS, the North East Texas Regional Mobility Authority (“NET RMA”) was created pursuant to the request of Gregg and Smith Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the “RMA Rules”); and

WHEREAS, the Board of Directors of the NET RMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Titus, Van Zandt, Wood, Kaufman, Camp, and Cass joined the Authority and are represented on the Board of Directors; and

WHEREAS, the NET RMA and the City of Terrell, Texas (the “City”) have a shared interest in improving the mobility in the City and the North East Texas region; and

WHEREAS, the NET RMA and the City have agreed to engage in joint efforts to facilitate a collective and collaborative approach for the financing and construction of the Sage Hill Parkway Project, a 4 lane roadway approximately .5 miles in length and with an estimated construction cost of \$5,000,000 (the “Project”); and

WHEREAS, the NET RMA intends to enter into a memorandum of understanding (“MOU”) with the City for the purpose of setting forth their mutual understanding and agreements concerning the financing and construction of the Project.

NOW THEREFORE, BE IT RESOLVED, that Board of Directors of the NET RMA hereby authorizes the Executive Director to execute the MOU with the City regarding the financing and construction of the Project, in the same or substantially similar form attached hereto as Attachment “A”.

Adopted by the Board of Directors of the North East Texas Regional Mobility Authority on the 11th day of April, 2023.

Submitted and reviewed by:

Approved:

DocuSigned by:

Brian O'Reilly

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C. Brian Cassidy

General Counsel for the North East
Texas Regional Mobility Authority

DocuSigned by:

Gary Halbrooks

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Gary Halbrooks

Chair, Board of Directors

Date Passed: 04/11/23

Resolution Number 23-10

Attachment A

DRAFT**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (“MOU”) is made by and between the North East Texas Regional Mobility Authority (the “NET RMA”), and the City of Terrell, Texas (the “City”), each a political subdivision of the State of Texas, for the purpose of setting forth their mutual understanding and agreements concerning the construction of the Sage Hill Parkway Project (the “Project”, as further defined below).

The terms and conditions set forth in this MOU reflect the intentions of the NET RMA and the City in pursuing the financing and construction of the Project and will be non-binding on the parties.

RECITALS

The parties acknowledge the following:

- A. The NET RMA was created pursuant to and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, et seq.
- B. The City is a home rule city and municipal corporation.
- C. Pursuant to Chapters 222 and 370 and of the Transportation Code and administrative rules adopted by the Texas Transportation Commission and implemented by the Texas Department of Transportation (“TxDOT”), a regional mobility authority may submit to TxDOT an application for borrowing from the State Infrastructure Bank (“SIB”).
- D. In order to advance their mutual interest to improve mobility in the City and the North East Texas region, the NET RMA and the City are jointly undertaking preliminary development activities relating to financing the construction of the Project, which is a ___ lane roadway approximately __ miles in length and with an estimated construction cost of \$ _____.
- E. These preliminary development activities, as further described below, include working together to develop (i) an application for a SIB loan (the “SIB Loan”) to assist in funding the costs of the Project; and (ii) a mutually satisfactory development agreement (the “Development Agreement”), which will replace and supersede this MOU, regarding the construction, funding and operation of the Project.
- F. On February 14, 2023, in Resolution No. 23-06, the NET RMA Board of Directors authorized the Chair or his designee to execute such documents as are necessary to submit the application for the SIB loan to TxDOT.
- G. The parties therefore desire to enter into this MOU to facilitate a collective and collaborative approach to developing the Project and to memorialize the obligations and responsibilities of the parties in working toward implementing agreements necessary for the Project.

AGREEMENT

In light of the foregoing recitals the parties agree as follows:

1. The parties agree to engage in joint efforts to advance and develop the Project, which shall include, among other things, (i) good faith efforts to negotiate the Development Agreement with respect to the construction, funding and operation of the Project; and (ii) the development of an application for a SIB Loan.

2. It is understood that the Project, if developed and constructed, will be owned, operated, and maintained by the City and that, in accordance with and subject to the terms of the Development Agreement, the NET RMA will procure any equipment and materials, or construction services necessary or desirable to facilitate the design and construction of the Project in accordance with Texas law and the NET RMA's policies and procedures. The parties also acknowledge and agree that the NET RMA will construct the Project pursuant to contracts and agreements entered into in accordance with Chapter 370, Transportation Code, and other applicable law.

3. In connection with the application for a SIB Loan, it is anticipated that the NET RMA will be the applicant. It is further anticipated that the application will seek a SIB Loan in the amount of \$5,000,000.00.

4. The City will reimburse the NET RMA for the SIB Loan and all costs associated with Project from development fees, revenues from a Transportation Reinvestment Zone to be created by the City, and other sources to be identified by the City. Further, the City will provide a guarantee of its repayment obligations in connection with the SIB Loan, including repayment from tax revenues if necessary.

5. The term of this MOU will commence on the execution date hereof and shall terminate on the earlier of:

a. Ten (10) calendar days following written notice by either party to the other that they intend to terminate the MOU;

b. The execution of the Development Agreement by and between the parties concerning their joint efforts to develop the Project; or

c. Notification from TxDOT that the SIB Loan application has been denied.

6. The parties recognize that it may become necessary from time to time to elaborate or otherwise revise the understandings herein stated and, accordingly, reserve the right to amend this MOU upon mutual agreement. Any amendment of this MOU must be written and signed by both parties.

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7. This MOU shall be governed and construed in accordance with the laws of the State of Texas, without giving effects to conflict of law principles.

8. This MOU constitutes the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior discussions, agreements or understandings, whether oral or written, relating to such subject matter. There are no other written or oral agreements or understandings between the Parties related to the subject matter hereof. Any amendment to this MOU must be written and signed by both Parties.

9. **Notwithstanding the foregoing, nothing in this MOU shall require the parties to jointly develop the Project or to enter into any future agreements related to the Project including the Development Agreement, and this MOU does not require the filing of the application for the SIB Loan. All future agreements, including without limitation the Development Agreement, the SIB Loan Application, the SIB Loan Agreement, and documents evidencing the obligation for repayment of funds from the City to NET RMA are subject to the approval of the governing bodies of each of the City and NET RMA.**

This MOU shall be effective as of the _____ day of _____, 2023.

**NORTH EAST TEXAS REGIONAL MOBILITY
AUTHORITY**

By: _____
Glenn Green, Executive Director

CITY OF TERRELL, TEXAS

By: _____
Mike Sims, City Manager