



# STATE HIGHWAY 249 SYSTEM

## Annual Continuing Disclosure Report

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For the Fiscal Year Ended August 31, 2020

Filed on February 26, 2021

By the Texas Transportation Commission  
Pursuant to Continuing Disclosure Undertakings  
For Compliance with SEC Rule 15c2-12

# Texas Transportation Commission State Highway 249 System Annual Continuing Disclosure Report For the Fiscal Year Ended August 31, 2020

Filed by Texas Transportation Commission  
Relating to Each Outstanding Issue with CUSIP Prefix 88283N\*

This annual report (the "Annual Report") is being provided by the Texas Transportation Commission (the "Commission"), the governing body of the Texas Department of Transportation (the "Department" or "TxDOT") in compliance with the contractual undertaking (an "Undertaking") to provide annual reports of financial information and operating data, as required by Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), regarding the municipal debt issues (each an "Issue") by the Commission for the State Highway 249 System ("SH 249" or "System").

Pursuant to the rules of the Municipal Securities Rulemaking Board (the "MSRB") the participating underwriters for the Issues were required to file a copy of one or more Official Statements relating to the referenced Issues (collectively, the "Official Statement") with the MSRB, copies of which are currently available on the internet page for the "[TEXAS TRANSPORTATION COMMISSION, SH 249 TOLL REVENUE BONDS \(TX\)](#)" on the MSRB's Electronic Municipal Market Access ("EMMA") system (the "SH 249 EMMA Issuer Homepage").

The Official Statement should not be considered to speak as of any date other than the date indicated in such document. Capitalized terms used in this Annual Report and not otherwise defined herein shall have the meanings given in the Official Statement.

Information in this Annual Report regarding the Commission and the System have been compiled and provided by TxDOT, on behalf of the Commission, from TxDOT's records and other sources which are believed by TxDOT to be reliable and is provided in satisfaction of the Undertaking. This Annual Report contains information prescribed by the Rule and neither the Commission nor TxDOT makes any warranty concerning the usefulness of such information to a decision to invest in, hold, or sell bonds, notes, or other obligations payable, in whole or in part, from the sources pledged to the payment of the Issues. Information agreed to be provided by the Commission may be reported in full text herein, or may be incorporated by reference to certain other publicly available documents.

References to internet website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Annual Report. All website links referenced in this Annual Report are also available at the end of this report in the Section entitled "V. Relevant Links and Contact Information" herein.

\*All such debt currently "Outstanding" and payable from "Revenues" as such terms are defined in the Official Statement (defined herein).

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# I. Debt Service Requirements for the Bonds (In Thousands)

Fiscal Year Ending Aug 31	Series 2019A Current Interest Bonds				Series 2019A Capital Appreciation Bonds			Series 2019B Taxable Current Interest Bonds				Total Net Debt Service on the Bonds
	Principal	Interest	Capitalized Interest	Net Debt Service	Principal	Accreted Interest	Net Debt Service	Principal	Interest	Capitalized Interest	Net Debt Service	
2021	\$ -	\$ 7,204	\$ 7,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595	\$ 595	\$ -	\$ -
2022	-	7,204	4,581	2,623	-	-	-	-	595	-	595	3,218
2023	-	7,204	3,475	3,729	-	-	-	-	595	-	595	4,324
2024	-	7,204	2,139	5,065	-	-	-	-	595	-	595	5,660
2025	-	7,204	840	6,364	-	-	-	-	595	-	595	6,959
2026	-	7,204	-	7,204	-	-	-	-	595	-	595	7,799
2027	-	7,204	-	7,204	-	-	-	-	595	-	595	7,799
2028	-	7,204	-	7,204	244	91	335	-	595	-	595	8,134
2029	-	7,204	-	7,204	711	319	1,030	-	595	-	595	8,829
2030	-	7,204	-	7,204	-	-	-	1,455	595	-	2,050	9,254
2031	-	7,204	-	7,204	-	-	-	2,650	529	-	3,179	10,383
2032	-	7,204	-	7,204	-	-	-	3,640	407	-	4,047	11,251
2033	-	7,204	-	7,204	-	-	-	5,050	237	-	5,287	12,492
2034	-	7,204	-	7,204	3,110	2,850	5,960	-	-	-	-	13,164
2035	-	7,204	-	7,204	3,436	3,599	7,035	-	-	-	-	14,239
2036	-	7,204	-	7,204	3,783	4,407	8,190	-	-	-	-	15,394
2037	-	7,204	-	7,204	4,089	5,331	9,420	-	-	-	-	16,624
2038	-	7,204	-	7,204	4,396	6,344	10,740	-	-	-	-	17,944
2039	-	7,204	-	7,204	4,707	7,453	12,160	-	-	-	-	19,364
2040	-	7,204	-	7,204	4,979	8,696	13,675	-	-	-	-	20,879
2041	-	7,204	-	7,204	5,130	9,800	14,930	-	-	-	-	22,134
2042	-	7,204	-	7,204	5,165	10,745	15,910	-	-	-	-	23,114
2043	-	7,204	-	7,204	5,215	11,720	16,935	-	-	-	-	24,139
2044	-	7,204	-	7,204	5,230	12,770	18,000	-	-	-	-	25,204
2045	-	7,204	-	7,204	5,261	13,849	19,110	-	-	-	-	26,314
2046	-	7,204	-	7,204	5,277	14,903	20,180	-	-	-	-	27,384
2047	-	7,204	-	7,204	5,270	15,950	21,220	-	-	-	-	28,424
2048	-	7,204	-	7,204	5,259	17,046	22,305	-	-	-	-	29,509
2049	-	7,204	-	7,204	5,243	18,182	23,425	-	-	-	-	30,629
2050	-	7,204	-	7,204	5,175	19,410	24,585	-	-	-	-	31,789
2051	-	7,204	-	7,204	5,098	20,597	25,695	-	-	-	-	32,899
2052	-	7,204	-	7,204	5,004	21,766	26,770	-	-	-	-	33,974
2053	23,610	7,204	-	30,814	592	2,758	3,350	-	-	-	-	34,164
2054	27,950	6,024	-	33,974	-	-	-	-	-	-	-	33,974
2055	29,350	4,626	-	33,976	-	-	-	-	-	-	-	33,976
2056	30,815	3,159	-	33,974	-	-	-	-	-	-	-	33,974
2057	32,360	1,618	-	33,978	-	-	-	-	-	-	-	33,978
<b>Total</b>	<b>\$ 144,085</b>	<b>\$ 253,167</b>	<b>\$ 18,240</b>	<b>\$ 379,012</b>	<b>\$ 92,372</b>	<b>\$ 228,588</b>	<b>\$ 320,960</b>	<b>\$ 12,795</b>	<b>\$ 7,120</b>	<b>\$ 595</b>	<b>\$ 19,320</b>	<b>\$ 719,292</b>

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## II. TxDOT and the State Highway Fund

For information regarding the Department and the State Highway Fund (“SHF”), reference is made to the SHF disclosures which are available online at the Texas Transportation Commission [SHF EMMA issuer homepage](#).

The State Highway Fund Annual Continuing Disclosure Report for the Fiscal Year Ended August 31, 2020 may be found online at the Texas Transportation Commission SHF EMMA issuer homepage for CUSIP prefix 88283L and is incorporated by reference into and made a part of this Annual Report.

## III. TxDOT Comprehensive Annual Financial Report

[The TxDOT Comprehensive Annual Financial Report \("CAFR"\)](#) for the Fiscal Year Ended August 31, 2020 may be found online at the SHF EMMA issuer homepage for CUSIP prefix 88283L and is incorporated by reference into and made a part of this Annual Report.

## IV. Supplemental Information

### A. Toll Escalation Policy & Toll Rate Schedule

In December 2018, pursuant to Minute Order 115393, the Commission adopted an annual toll rate escalation policy (the “Toll Rate Escalation Policy”) under which rate increases will be considered by the Commission every October and shall be automatically effective on January 1 of the following year, unless the Commission votes prior to January 1 to change the escalation rate. The percentage of annual toll escalations is based on the Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment, as published by the Bureau of Labor Statistics of the US Department of Labor. A toll rate escalation percentage of 2% was applied to the current base toll rates for each paypoint of the System generating the schedule of increased toll rates for calendar year 2021 (the SH 249 Toll Rate Schedule), in accordance with the Toll Rate Escalation Policy, effective January 1, 2021.

The [SH 249 Toll Rate Schedule, effective January 1, 2021](#) may be found online at the SH 249 EMMA issuer homepage for CUSIP prefix 88283N and is incorporated by reference into and made a part of this Annual Report.

### B. System Construction

The DB Contractor began construction activities in the System on March 15, 2018. Section 1A of the System, 6.4 miles from FM 1774 in Pinehurst to FM 1488, opened to traffic on August 8, 2020. Tolling began on this initial section in December 2020. Section 1B is 8.4 miles from FM 1488 to FM 1774 in Todd Mission. The Department anticipates opening the remaining Section 1B to traffic by March 2021.

For additional information relating to the construction for the period, see the [SH 249 System Quarterly Construction Progress Report for the period ending August 31, 2020](#) available on the SH 249 EMMA issuer homepage.

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## C. Back Office System

On November 17, 2020, TxDOT began transition activities from Conduent’s Vector Back Office System to the new TxDOT Back Office System. This transition required interruptions to customer service activities including delayed toll postings, statement processing, pay by mail billing and escalations of past due transactions. Section 1A of the System began toll collections ahead of schedule in December 2020. This interruption has resulted in delayed posting of revenues (including toll collections on Section 1A), which may not be recognized until later in Fiscal Year 2021 following completion of the transition to the new Back Office System or, in some instances, a portion of such revenues may not be recognized due to certain limitations relating to the transition.

## D. Impact of COVID-19

On March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency and the Texas Governor declared COVID-19 an imminent threat of disaster for all counties in Texas. The situation continues to evolve; for additional information on these events in Texas, reference is made to the website of the Governor at <https://gov.texas.gov/> and the quarterly Bond Appendix and any supplements thereto as prepared by the Texas Comptroller of Public Accounts which are on file with the MSRB’s EMMA system. The Commission and the Department continue to monitor the spread of COVID-19 and are working with local, state, and national agencies to address the potential impact of COVID-19.

The information contained in this report is provided as of the respective dates and for the periods specified herein, and the filing of this report does not, under any circumstances, imply that there has been no change in the affairs of the System or TxDOT since the specified date or dates as of which such information is provided. The full impact of the COVID-19 pandemic and the scope of any adverse impact on the System, revenues of the System, and TxDOT cannot be fully determined at this time. The pandemic has adversely affected travel, commerce and financial markets globally and is expected to adversely affect economic output worldwide and in Texas, including within the counties traversed by the System. These effects may reduce toll transactions for the System as compared to previously anticipated toll transactions, are expected to slow the growth of future toll transactions occurring on the System and the collection of toll revenues, may reduce and slow the growth of certain assets of the System, and may increase System expenses, all to an extent that cannot currently be predicted, and such impacts on the System may be material. Accordingly, the information set forth in this report may not be indicative of future results or performance due to these and other factors.

## E. Changes in Administration

### **Executive Director of the Department:**

James M Bass, Executive Director, has announced his retirement from the Department effective May 31, 2021.

### **Chief Financial Officer of the Department:**

Effective February 1, 2021, Lanny Wadle was named Interim Chief Financial Officer, following the retirement of Brian Ragland at the end of January 2021.

### **Reappointments to the Commission:**

On February 23, 2021, Texas Governor Greg Abbott announced the reappointment of J. Bruce Bugg Jr. and Alvin New to the Commission, for terms set to expire February 1, 2027. Mr. Bugg will continue to serve as Chairman. The appointments are subject to confirmation by the Texas Senate.

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## V. Relevant Links and Contact Information

EMMA Website	<a href="http://www.emma.msrb.org">www.emma.msrb.org</a>
SH 249 EMMA Issuer Homepage	<a href="https://emma.msrb.org/IssuerHomePage/Issuer?id=82D0858ED4F00CCFE053151E6E0A8F97&amp;type=M">https://emma.msrb.org/IssuerHomePage/Issuer?id=82D0858ED4F00CCFE053151E6E0A8F97&amp;type=M</a>
SH 249 Toll Rate Schedule	<a href="https://emma.msrb.org/P11525644.pdf">https://emma.msrb.org/P11525644.pdf</a>
SH 249 System Quarterly Construction Progress Report, June 1, 2020 through August 31, 2020	<a href="https://emma.msrb.org/P21503030.pdf">https://emma.msrb.org/P21503030.pdf</a>
SHF EMMA Issuer Homepage	<a href="http://www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&amp;type=M">www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&amp;type=M</a>
SHF Annual Continuing Disclosure Report for FY 2020	<a href="https://emma.msrb.org/P11557195.pdf">https://emma.msrb.org/P11557195.pdf</a>
TxDOT CAFR for FY 2020	<a href="https://emma.msrb.org/P11535169.pdf">https://emma.msrb.org/P11535169.pdf</a>
TxDOT Website	<a href="http://www.txdot.gov">www.txdot.gov</a>
TxDOT Investor Relations Website	<a href="http://www.txdot.gov/inside-tdot/division/debt/investors.html">www.txdot.gov/inside-tdot/division/debt/investors.html</a>

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