

State Highway 249 System

Annual Continuing Disclosure Report

For the Fiscal Year ended August 31, 2022



Relating to Each Outstanding Issue with CUSIP Prefix 88283N
Filed by the Texas Transportation Commission on February 28, 2023
Pursuant to Continuing Disclosure Undertakings for Compliance with SEC Rule 15c2-12



Connecting
You with TEXAS



Table of Contents

1.0 Disclaimer.....	ii
2.0 Debt Service Requirements for the Bonds (In Thousands)	1
3.0 TxDOT and the State Highway Fund	2
4.0 TxDOT Annual Comprehensive Financial Report.....	2
5.0 Annual Inspection Report.....	2
6.0 Toll Escalation Policy and Toll Rate Schedule.....	2
7.0 System Revenue, Expense, and Debt Service Coverage (In Thousands)	3
8.0 Relevant Links.....	4
9.0 Contact Information	4

1.0 Disclaimer

Relating to Each Outstanding Issue with CUSIP Prefix 88283N.*

This annual report (this “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 Annual Report in the Section entitled “9.0. Relevant Links” herein.

The information contained in this Annual Report is provided as of the respective dates and for the periods specified herein, and the filing of this Annual Report does not, under any circumstances, imply that there has been no change in the affairs of SH 249 or TxDOT since the specified date or dates as of which such information is provided. The historical information set forth in this Annual Report may not be indicative of future results or performance.

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

2.0 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	
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
Total	\$ 144,085	\$ 238,759	\$ 6,454	\$ 376,389	\$ 92,372	\$ 228,588	\$ 320,960	\$ 12,795	\$ 5,930	\$ -	\$ 18,725	\$ 716,074

3.0 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 “SHF Issuer Homepage”). The State Highway Fund

Annual Continuing Disclosure Report for the Fiscal Year ended August 31, 2022, 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.

4.0 TxDOT Annual Comprehensive Financial Report

The TxDOT Annual Comprehensive Financial Report (“ACFR”) for the Fiscal Year ended August 31, 2022, 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. The financial report for the System is contained within the ACFR as a discrete enterprise account or fund in accordance with Section 709 of the Master Trust Agreement.

5.0 Annual Inspection Report

The [General Engineering Consultant’s SH 249 Annual Inspection Report](#) for the Fiscal Year ended August 31, 2022, may be found online at the SH 249 EMMA Issuer

Homepage and is incorporated by reference into and made a part of this Annual Report.

6.0 Toll Escalation Policy and 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. At the Commission’s meeting in September 2022, TxDOT reported to the Commission that the SH 249 toll rate escalation percentage was calculated to be 9.76% for CY 2023. Pursuant to Minute Order 116330, dated September 22, 2022, the Commission determined that the reported toll

rate escalation percentage was unusually high and modified the toll rate escalation percentage for SH 249 to be 0.00% for CY 2023. On November 16, 2022, the Commission took further action (Minute Order 116381) by modifying the toll rate escalation percentage for SH 249 to be 2.20% for CY 2023.

The [SH 249 Toll Rate Schedule](#) 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.

7.0 System Revenue, Expense, and Debt Service Coverage (In Thousands)

	Fiscal Year Ended August 31			
	2021		2022	
Revenues¹				
Toll Revenue	\$	5,768	\$	15,849
Interest & Other Revenue ²		92		363
Total Revenue	\$	5,860	\$	16,212
Current Debt Service³	\$	-	\$	3,218
First Tier Debt Service Coverage Ratio³		n/a		5.04x
Revenues in Excess of Current Debt Service	\$	5,860	\$	12,995
System Operations, Maintenance, Major Maintenance, and Capital Expenditures^{1,5}	\$	-	\$	-
Deposit to the Debt Service Accounts⁴		3,854		5,660
Deposit to the Rate Stabilization Fund⁵		2,006		3,275
Available Revenues	\$	-	\$	4,060

Note: Totals may not sum due to rounding.

¹ Revenues are reported on the accrual basis of accounting.

² Primarily consists of interest earnings on the Rate Stabilization Fund but also includes interest earnings in the Revenue and Construction Funds. Interest income excludes certain interest income which is not pledged for the payment of debt service.

³ Debt service is shown net of amounts funded from capitalized interest. Fiscal Year 2021 System debt service was 100% funded from capitalized interest, therefore, calculation of First Tier Debt Service Ratio is not applicable for Fiscal Year 2021.

⁴ Fiscal Year 2022 Revenues plus allocable Fiscal Year 2023 capitalized interest were deposited into the First Tier Debt Service accounts to fund scheduled Fiscal Year 2023 debt service 100%.

⁵ Per the Master Trust Agreement, all revenues remaining after deposits are made to the System debt service accounts are required to be deposited into the Rate Stabilization Fund until \$20 million has been transferred. While this requirement is in place, the System will not report expenses which are being paid by TxDOT pursuant to its covenant in the Master Trust Agreement to cover shortfalls in the Operating Account.

8.0 Relevant Links

Reports should not be considered to speak as of any date other than the date indicated in such document.

EMMA Website	www.emma.msrb.org
SH 249 EMMA Issuer Homepage	https://emma.msrb.org/IssuerHomePage/Issuer?id=82D0858ED4F00CCFE053151E6E0A8F97&type=M
SH 249 Toll Rate Schedule	https://emma.msrb.org/P21684706.pdf
SH 249 Annual Inspection Report; September 1, 2021 thru August 31, 2022	https://emma.msrb.org/P11614638-P11244790-P11668757.pdf
SHF EMMA Issuer Homepage	www.emma.msrb.org/IssuerHomePage/Issuer?id=FE6AF031FB2E2FD1E043151ED20ABC22&type=M
TxDOT ACFR for Fiscal Year 2022	https://emma.msrb.org/MarketActivity/ContinuingDisclosureDetails/P11246857
TxDOT Website	www.txdot.gov
TxDOT Investor Relations Website	www.txdot.gov/inside-tdot/division/debt/investors.html

9.0 Contact Information

For additional information concerning this report, please contact:

Director, Project Finance, Debt, and Strategic Contracts Division
Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701-2483
512-463-3166
Email: projectfinance@txdot.gov

