



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda Item #12

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 18, 2012

MOTION

**Made By: Mr. Layne Seconded By: Mr. Ellis
Action: Motion Carried, Unanimously**

Title: Approval of the Purposes and Activities of, and Issuance of Bonds by the Route 460 Funding Corporation of Virginia, by the Commonwealth Transportation Board and the Virginia Department of Transportation and Authorization of any Further Action Needed

WHEREAS, pursuant to the Public-Private Transportation Act of 1995 (the "PPTA") (§ 56-556 et seq.), the Virginia Department of Transportation (the "Department") is authorized to allow private entities to develop and/or operate qualifying transportation facilities if the Department determines there is a need for the facilities and private involvement would provide the facilities to the public in a timely and cost-effective fashion; and

WHEREAS, Chapter 953 of the Acts of Assembly of 2003 provides that, within 90 days of the Commonwealth Transportation Board's (the "CTB") approval of the Draft Environmental Impact Statement on the U.S. Route 460 Corridor and related projects between Hampton Roads and the Richmond-Petersburg metropolitan area, the Department shall solicit proposals for improvements to U.S. Route 460 between Hampton Roads and the Richmond-Petersburg metropolitan area under the PPTA; and

WHEREAS, on November 17, 2005, the CTB approved Candidate Build Alternative alignment 1 ("CBA-1") and subsequently modified CBA-1 in January 18, 2007 ("Modified CBA-1"); and

WHEREAS, In February 2006, the Department initiated a Solicitation for Proposals for the development and operation of a new 55-mile west-east transportation link known as the Route 460

Corridor Improvements Project (the “Project”) and, in September 2006, received three proposals from the private sector for consideration and evaluation; and

WHEREAS, in February 2008, the Department completed the Final Environmental Impact Statement and submitted its findings to the Federal Highway Administration who subsequently issued a Record of Decision for Modified CBA-1; and

WHEREAS, in May 2010, the Department terminated the initial PPTA procurement and requested the private sector bring new ideas and innovative financing methods to advance the Project; and

WHEREAS, in May 2012, the Department presented to the CTB an innovative project development structure that utilizes the efficiencies of a 63-20 corporation;

WHEREAS, the Route 460 Funding Corporation of Virginia (the “Funding Corporation”) is proposed to be formed as a Virginia nonstock, nonprofit corporation for the purposes of issuing toll revenue bonds (the “Bonds”) and using the proceeds thereof to (i) pay certain costs relating to the Project; (ii) pay all or a portion of the costs of any credit enhancement related to the Bonds; (iii) fund all or a portion of the capitalized interest during construction of the Project; and (iv) pay all or a portion of the cost of issuing the Bonds; and

WHEREAS, the Department and the Funding Corporation, together with the design-build contractor to be selected under the PPTA procurement, expect to enter into a Comprehensive Agreement to Develop, Design, Finance, Construct, Maintain and Operate the Route 460 Corridor Improvements Project (the “Comprehensive Agreement”); and

WHEREAS, a copy of the draft [Articles of Incorporation](#) of the Funding Corporation (the “Articles of Incorporation”) have been presented at this meeting and are attached hereto; and

WHEREAS, Section 103 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), Revenue Ruling 63-20, and Revenue Procedure 82-26 require the CTB to approve the purposes and activities of the Funding Corporation and the issuance of the Bonds as the sponsoring unit behind the Funding Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMONWEALTH TRANSPORTATION BOARD AS FOLLOWS:

1. (a) To the extent required by Section 103 of the Internal Revenue Code, Revenue Ruling 63-20, and Revenue Procedure 82-26, the CTB approves: (i) the purposes and activities of the Funding Corporation as contemplated in the Articles of Incorporation; and (ii) the issuance of the Bonds to finance certain costs relating to the Project, subject to future approval by the CTB of the maximum principal amount of such Bonds.

(b) The CTB directs and authorizes the Department, acting in its capacity as an executive branch agency of the Commonwealth of Virginia and acting pursuant to powers expressly conferred upon the Department as a “responsible public entity” under the PPTA, to grant approvals and authorizations in the Comprehensive Agreement identical in all material respects with the CTB’s approvals and authorizations specified in paragraph 1(a) above.

2. The Department is authorized to take any further action needed to permit the Bonds to qualify as tax-exempt bonds under Section 103 of the Internal Revenue Code, Revenue Ruling 63-20, and Revenue Procedure 82-26.

3. The Bonds shall not be a debt of the Department, the CTB, the Commonwealth of Virginia, nor any political subdivision thereof.

4. This Resolution shall take effect immediately.

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