



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Chairman

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 20, 2012

MOTION

Made By: Mr. Peake Seconded By: Mr. Louderback

Action: Motion Carried, Unanimously

Title: Approval of an \$80,000,000 Line of Credit from the Virginia Transportation Infrastructure Bank to the U. S. Route 460 Corridor Improvement Project

WHEREAS, the Virginia Department of Transportation (“VDOT”) is procuring the U. S. Route 460 Corridor Improvement Project (“Project”) under the Public-Private Transportation Act of 1995 and is in need of a liquidity facility to support the issuance of senior lien bonds to finance portions of the Project by a 63-20 corporation (Corporation) to be formed to finance and construct the Project; and

WHEREAS, Chapters 830 and 868 of the 2011 Acts of Assembly (the “Act”) created the Virginia Transportation Infrastructure Bank (“VTIB”) for the purpose of making loans and other financial assistance to localities, private entities and other eligible borrowers and grants to localities to finance transportation projects; and

WHEREAS, VDOT’s Office of Transportation Public-Private Partnerships (“OTP3”) submitted an application on behalf of the Project dated May 29, 2012 requesting an \$80,000,000 Line of Credit from the VTIB to be used as a credit enhancement to allow senior lien bonds to be issued by the Corporation at lower interest cost and to enhance the overall debt capacity of the Project; and

WHEREAS, OTP3 is a Project Sponsor and the Corporation is an Eligible Borrower under the Act, meeting the definition of a Governmental Entity, and the application meets the mandatory criteria established by the Act for the VTIB; and

WHEREAS, the application has been screened and scored according to the Screening and Scoring Criteria established for the VTIB and the financial feasibility of the Project has been assessed and evaluated; and

WHEREAS, VDOT and the Virginia Resources Authority (VRA) serving as the “Manager” of the VTIB have determined the Project and applications meet the goals and objectives of the VTIB; and

WHEREAS, the VTIB Advisory Panel met on June 7, 2012 to discuss the merits of the application and unanimously voted to recommend the application to the CTB for approval based on the standard interest rate, using the Governmental – Category B rate, as set forth in the VTIB Guidelines; and

WHEREAS, according to the VTIB Program Overview, Guidelines and Selection Criteria dated October 2011, as approved by the CTB, the CTB shall act to approve or deny applications for assistance from the VTIB when presented by the VTIB Advisory Panel; and

WHEREAS, after action by the CTB, the scores of the applications will be posted on VDOT’s website, with the successful applications so noted; and

WHEREAS, following action by the CTB to approve the financial assistance from the VTIB, the Manager will provide a written commitment (the “Commitment”) to the potential recipient. The Commitment will outline the type of assistance to be provided and in the case of a loan, the required security provisions, the loan term and payment provisions, the amount of assistance to be provided and any conditions that must be met by the applicant prior to loan closing. The Commitment must be accepted by the potential recipient and returned signed to VRA within 60 days of the Commitment date to preserve the funding.

NOW, THEREFORE, BE IT RESOLVED, that based on recommendations from the VTIB Advisory Panel, the CTB hereby approves the Project’s application to provide financial assistance from the VTIB in the form of a Line of Credit of up to \$80,000,000, based on the application submitted;

BE IT FURTHER RESOLVED, the CTB authorizes VDOT and VRA to negotiate with the OTP3 on behalf of the Corporation , acceptable terms and conditions and to structure and/or restructure terms to utilize the VTIB assistance in the most viable and efficient manner. The standard interest rate will be applied to the loan based on the interest rate methodology defined in the VTIB Program Overview, Guidelines, and Selection Criteria. The interest rate shall be at 3.18% based on the June 11, 2012 AAA GO MMD scale, about one week prior to the CTB meeting.

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