



U.S. Route 460 Corridor Improvements Project
Route 460 Funding Corporation of Virginia
Toll Road Senior Lien Bonds, Series 2012

October 17, 2012

John W. Lawson

Chief Financial Officer

Background

- **The Commonwealth Transportation Board (the “CTB”) approved the following at its July 18, 2012 meeting:**
 - The purposes and activities of the Route 460 Funding Corporation of Virginia (the “Funding Corporation”) as outlined in the Articles of Incorporation.
 - The issuance of toll revenue bonds (the “Bonds”) by the Funding Corporation, with the maximum principal amount of such Bonds subject to future approval by CTB.

- **As presented, and based on the Best Value Proposal, the Funding Corporation is expected to issue \$286 million in tax-exempt bonds, to be financed from projected toll revenues.**

Funding Corporation Governance

- ❑ The Funding Corporation was incorporated as a non-stock, nonprofit Virginia Corporation on August 27, 2012.
- ❑ The Funding Corporation is organized exclusively for charitable and social welfare purposes, and primarily, to assist in the development, design, construction, financing, maintenance, tolling, and operation of the Route 460 Corridor Improvements Project (the “Project”).
- ❑ The Funding Corporation held its organizational meeting on October 12, 2012, formally approving the Bylaws and electing officers.

Funding Corporation Board of Directors

- ❑ The Board of Directors consists of seven members, two of whom will be ex-officio, one shall be appointed by the Virginia Port Authority and four will be appointed by the CTB for a four-year term.

- ❑ The initial members will be:
 - **John Lawson**, Chief Financial Officer, VDOT (*ex-officio*)
 - **Shawn Crumlish**, Director of Debt Management, VRA (*ex-officio*)
 - **Aubrey L. Layne, Jr.**, CTB Member for Hampton Roads (Chairman)
 - **Rodney Oliver**, Interim Executive Director, Virginia Port Authority (Vice-Chairman)
 - **Ronald L. Tillett**, Managing Director, Raymond James/Morgan Keegan (Secretary/Treasurer)
 - **William E. Johnson, III**, City Manager, Petersburg
 - **Jeffrey B. Holland**, Executive Director, Chesapeake Bay Bridge Tunnel

Preliminary Financing Schedule Toll Road Senior Lien Bonds

Establish the working group to issue the bonds
(Week of Oct. 15)

Contact Rating Agencies
(Week of Oct. 29)

**Draft Preliminary Offering Statement and
Financing Documents (Week of Oct 29 – Nov. 12)**

**Funding Corporation Meeting to Approve
Parameters of Financing (Week of Nov. 12)**

Receive Final Investment Grade Ratings
(Week of Nov. 19)

Preliminary Financing Schedule Toll Road Senior Lien Bonds

**Mail Preliminary Offering Statement
(Week of Nov. 19)**



**Release Investor NetRoad Show
(Week of Nov. 26)**



**Investor Calls & Site Visits
(Week of Nov. 26)**



**Pricing and Sale of Senior Lien Bonds
(Week of Dec. 3)**



**Commercial and Financial Close
(Week of Dec. 17)**

Resolution of Commonwealth Transportation Board

- ❑ As outlined in the July Resolution, the CTB approved the issuance of toll revenue bonds (the “Bonds”) by the Funding Corporation, with the maximum principal amount of such Bonds subject to future approval.
- ❑ VDOT recommends and the Funding Corporation is requesting authorization to issue up to \$425 million of Senior Lien Toll Revenue Bonds.
- ❑ The increase over the \$286 million is to allow for possible reductions in interest rates and the further maximization of the bond structure as it is taken to market.
- ❑ Additional bonds above the anticipated \$286 million will reduce the public subsidy.
- ❑ The Bonds shall not be a debt of VDOT, the CTB, the Commonwealth of Virginia, nor any political subdivision thereof.