

MEMORANDUM

TO: The Honorable Charles J. Colgan, Sr.
The Honorable S. Chris Jones
The Honorable Stephen D. Newman
The Honorable Thomas Davis Rust
The Honorable Walter A. Stosch
The Honorable R. Lee Ware, Jr.

FROM: Stephanie L. Hamlett, Executive Director 
Virginia Resources Authority, as Manager of the Virginia Transportation
Infrastructure Bank

DATE: July 27, 2015

SUBJECT: Virginia Transportation Infrastructure Bank - Biannual Report

Chapters 830 and 868 of the 2011 Acts of Assembly created the Virginia Transportation Infrastructure Bank (“VTIB”). As required by § 33.2-1507 of the *Code of Virginia*, Virginia Resources Authority (“VRA”), as Manager of the VTIB, hereby submits its six-month report for the period of January 1, 2015 through June 30, 2015.

To date, two loans and one line of credit have closed with funds from the VTIB:

Borrower:	City of Chesapeake
Closing date:	November 15, 2012
Amount:	\$151,893,495 construction loan
Rate:	3.33%
Term:	Not to exceed 35 years after project completion.
Security:	Subordinate Chesapeake Transportation System toll revenues
Project Name:	U.S. Route 17/Dominion Boulevard Project
Project Description:	Expand Dominion Boulevard from two to four lanes; replacement of the “Steel Bridge” over the southern branch of the Elizabeth River with a high rise fixed span structure; and other intersection, interchange, and ramp improvements.
Total Cost:	\$345,178,111 (Other funding includes Senior Toll Road Revenue Bonds and federal and state sources).
Project Update:	The project is currently under construction with an estimated completion date in April 2017.
Amount Disbursed:	\$52,348,970 through June 30, 2015.

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Borrower:	Route 460 Funding Corporation of Virginia
Closing date:	December 20, 2012
Amount:	\$80,000,000 standby line of credit to be used should toll revenues be insufficient for debt service.
Rate:	3.18%
Term:	Not to exceed 35 years after project completion.
Security:	Route 460 subordinate toll revenues
Project Name:	U.S. Route 460 Corridor Improvements Project
Project Description:	The project entails the new construction of a tolled limited access 55 mile roadway.
Total Cost:	\$1,396,045,000 (Funding sources include Senior Toll Road Revenue Bonds "Bonds" and state sources).
Project Update:	<p>On March 14, 2014, an announcement that a contractually permitted stop work order was issued to halt certain preliminary work pending further environmental review.</p> <p>On January 15, 2015, the Virginia Department of Transportation ("VDOT"), the Federal Highway Administration, and the U.S. Army Corps of Engineers identified an alternative that appears to be the Least Environmentally Damaging Practicable Alternative to improve the U.S. 460 corridor in southeastern Virginia. The alternative consists of 17 miles from Suffolk to west of Zuni and the location was approved by the Commonwealth Transportation Board at its February 18, 2015 meeting.</p> <p>On April 15, 2015, VDOT provided notice to Route 460 Funding Corporation of Virginia that it will terminate the Comprehensive Agreement on or about June 15, 2015 which would also terminate the Design-Build Agreement.</p> <p>The termination of the Comprehensive Agreement, in accordance with the terms of the Bonds, causes an extraordinary mandatory redemption of the Bonds with notice from the bond trustee. Redemption is anticipated in August 2015.</p>
Amount Disbursed:	\$0 through June 30, 2015.

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Borrower:	Economic Development Authority of Loudoun County
Closing date:	December 12, 2013
Amount:	\$36,000,000 construction loan
Rate:	2.83%
Term:	Not to exceed 20 years after the date of loan closing
Security:	First lien deed of trust on an approximate 400-acre development.
Project Name:	Pacific Boulevard Extension and Expansion Project
Project Description:	The expansion of Pacific Boulevard to the south of the Gloucester Parkway intersection from two to four lanes; four lane extension of Pacific Boulevard from its intersection with Gloucester Parkway to connect with the Russell Branch Parkway.
Total Cost:	\$36,000,000
Project Update:	The project is currently under construction. As the result of an executed change order and realignment of a portion of the road project, the substantial completion date is now expected to occur in December 2016.
Amount Disbursed:	\$14,483,860 through June 30, 2015 including \$254,986 of Capitalized Interest.

VTIB Pending Loan

The Commonwealth Transportation Board (“CTB”) received an application submitted by the City of Alexandria (“Alexandria”) requesting a \$50 million loan to partially fund the construction of the Potomac Yard Metrorail Station. The construction of the new infill Potomac Yard Metrorail Station will be located on the existing Metro Blue and Yellow lines and will serve Alexandria’s planned Potomac Yard redevelopment project which would allow for 9-13 million square feet of redevelopment. Alexandria will finance, in part, the remaining portion of the estimated \$209 million to \$268 million Potomac Yard Metrorail Station with general obligation bonds. The VTIB loan would be secured by a senior pledge of Tier I Special Assessment Tax District revenues generated within Potomac Yard and a City of Alexandria moral obligation pledge.

The CTB passed a resolution at its January 14, 2015 meeting approving the \$50 million VTIB loan to Alexandria and authorized VDOT and VRA to negotiate final terms and conditions with Alexandria. VRA in conjunction with VDOT provided Alexandria with a term sheet with

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expected loan provisions and closing conditions. Closing is anticipated around the end of calendar year 2015 after the conclusion of the National Environmental Policy Act.

Fund Uses and Remaining Availability

Please refer to the table below for the total capitalization of VTIB and the VTIB funds which remain available:

Virginia Transportation Infrastructure Bank (Fund 0450)	
Life to Date, as of June 30, 2015	
Capitalization to date	\$ 311,378,287
Interest Earnings	11,533,282
Expenditures	(534,021)
Funds Available for VTIB Loans	\$ 322,377,548
 <i>Closed Loans and Line of Credit</i>	
City of Chesapeake - Dominion Boulevard	\$ 151,893,495
U.S. Route 460 Funding Corporation - Route 460	80,000,000
EDA of Loudoun County - Pacific Boulevard	36,000,000
Total Closed Loans/Line of Credit	\$ 267,893,495
 <i>Approved Loan but Not Yet Closed:</i>	
City of Alexandria - Potomac Yard Metrorail Station	\$ 50,000,000
 Remaining Available VTIB Funds	 \$ 4,484,053

Closed Loans and Line of Credit Amounts Drawn and Available

Please refer to the table below for the total amounts drawn to date for each of the closed loans and line of credit:

Virginia Transportation Infrastructure Bank (Fund 0450)			
Life to Date, as of June 30, 2015			
	Closed Loans and Line of Credit	Amount Disbursed	Amount Available
City of Chesapeake - Dominion Boulevard	\$ 151,893,495	\$ 52,348,970	\$ 99,544,525
U.S. Route 460 Funding Corporation - Route 460	80,000,000	-	80,000,000
EDA of Loudoun County - Pacific Boulevard*	36,000,000	14,483,860	21,516,141
Totals	\$ 267,893,495	\$ 66,832,829	\$ 201,060,666

*Amount Disbursed Includes Capitalized Interest of \$254,986.

cc: The Honorable Aubrey L. Layne, Jr., Chairman, Commonwealth Transportation Board
Board of Directors, Virginia Resources Authority