


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: January 30, 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 July 1, 2014 through December 31, 2014.

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 2017. |

| | |
|-----------------------------|--|
| 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 roadway. |
| Total Cost: | \$1,396,045,000 (Funding sources include Senior Toll Road Revenue 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.</p> |

| | |
|-----------------------------|---|
| 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 with an estimated completion date in 2016. |

VTIB Pending Application

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.

VRA completed and presented the financial capability review to the VTIB Advisory Panel per the Program Overview, Guidelines, and Selection Criteria on December 19, 2014. 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 will be providing Alexandria with a term sheet and expect a successful loan closing around year-end.

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 December 31, 2014 | |
| Capitalization to date | \$ 311,378,287 |
| Interest Earnings | 10,252,653 |
| Expenditures | (485,824) |
| Funds Available for VTIB Loans | \$ 321,145,116 |
| <u>Closed Loans and Line of Credit:</u> | |
| 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 |
| <u>Approved Loan but Not Yet Closed:</u> | |
| City of Alexandria - Potomac Yard Metrorail Station | \$ 50,000,000 |
| Remaining Available VTIB Funds | \$ 3,251,621 |

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 December 31, 2014 | | | |
| | Closed Loans and | | |
| | Line of Credit | Amount Disbursed | Amount Available |
| City of Chesapeake - Dominion Boulevard | \$ 151,893,495 | \$ 33,182,432 | \$ 118,711,063 |
| U.S. Route 460 Funding Corporation - Route 460 | 80,000,000 | - | 80,000,000 |
| EDA of Loudoun County - Pacific Boulevard* | 36,000,000 | 9,634,325 | 26,365,675 |
| Totals | \$ 267,893,495 | \$ 42,816,757 | \$ 225,076,738 |

*Amount Disbursed Includes Capitalized Interest of \$90,393.

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