

MEMORANDUM

TO: The Honorable Charles W. Carrico, Sr.
The Honorable Emmett W. Hanger, Jr.
The Honorable S. Chris Jones
The Honorable Thomas K. Norment, Jr.
The Honorable Ronald A. Villanueva
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 26, 2016

SUBJECT: Virginia Transportation Infrastructure Bank - Biannual Report

Stephanie L. Hamlett

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, 2016 through June 30, 2016.

VTIB Outstanding Loans:

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 a conservative completion date estimated for April 2017. However, the City has noted that it is possible that the project could be completed by the end of the calendar year 2016.
Amount Disbursed:	\$102,802,434 through June 30, 2016.

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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 388-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 remains under construction with a substantial completion date expected to occur in November 2016.
Amount Disbursed:	\$22,636,985 through June 30, 2016 including \$754,174 of Capitalized Interest.
Repayments:	On May 25 th , 2016, an approximate 40-acre parcel within the development was sold to a third-party. A parcel release fee was paid to VTIB at closing totaling \$8,106,780 and was used to reduce the outstanding principal balance on the VTIB loan.

VTIB Pending Loans

City of Alexandria – Potomac Yard Metrorail Station

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 is also expected to finance a portion of the estimated \$268 million Potomac Yard Metrorail Station with a Federal Transportation Infrastructure Finance and Innovation Act (“TIFIA”) loan or 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, executed a term sheet with Alexandria outlining expected loan provisions and closing conditions. Loan closing has been delayed in order to satisfy the requirements of the National Environmental Policy Act and completion of the

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environmental process. In June 2016 the Final Environmental Impact Statement was released for public review and Alexandria, in conjunction with the Washington Metropolitan Area Transit Authority (“WMATA”), developed a conceptual design for the Metrorail Station. The conceptual design will be included within the Request for Proposals (“RFP”) that will invite design-build teams to bid on the project. The RFP is expected to be released in Summer 2016. Construction on the Metrorail Station is currently expected to start in late 2017 with the Metrorail Station opening in 2020.

Chesapeake Bay Bridge and Tunnel District – Parallel Thimble Shoal Tunnel

The CTB received an application submitted by the Chesapeake Bay Bridge and Tunnel District (the “Tunnel District”) requesting a \$50 million loan to partially finance the construction of a new tunnel which would run parallel to the existing Thimble Shoal Tunnel. The parallel Thimble Shoal tunnel will help to address capacity constraints, safety issues, and a lack of redundancy for vehicular travel crossing the lower Chesapeake Bay. In addition to the VTIB loan, the Tunnel District plans to finance project costs using a combination of first-tier toll revenue bonds, a TIFIA loan, and available cash from the Tunnel District. The VTIB loan will be secured by a pledge of toll revenues which are subordinate to the first-tier toll revenue bonds.

The CTB passed a resolution at its December 9, 2015 meeting approving the \$50 million VTIB loan to the Tunnel District and authorized VDOT and VRA to negotiate final terms and conditions with the Tunnel District. The Tunnel District is currently procuring its design-build team and financial close is expected in late 2016.

Fund Uses and Remaining Availability

Please refer to the following table for the total capitalization of VTIB and the VTIB funds which remain available totaling approximately \$45.8 million:

Virginia Transportation Infrastructure Bank (Fund 0450)	
Life to Date, as of June 30, 2016	
Capitalization to date	\$ 311,378,287
Interest Earnings	14,859,270
Expenditures	<u>(617,310)</u>
Funds Available for VTIB Loans	\$ 325,620,247
 <i>Plus - Loan Repayments:</i>	
City of Chesapeake - Dominion Boulevard	\$ -
EDA of Loudoun County - Pacific Boulevard	<u>8,106,780</u>
Total Loan Repayments	\$ 8,106,780
 <i>Less - Closed Loans:</i>	
City of Chesapeake - Dominion Boulevard	\$ 151,893,495
EDA of Loudoun County - Pacific Boulevard	<u>36,000,000</u>
Total Closed Loans/Line of Credit	\$ 187,893,495
 <i>Less - Approved Loans but not yet Closed:</i>	
City of Alexandria - Potomac Yard Metrorail Station	\$ 50,000,000
Chesapeake Bay Bridge and Tunnel District - Thimble Shoal Parallel Tunnel	<u>50,000,000</u>
Total Approved Loans but Not Closed	\$ 100,000,000
 Remaining Available VTIB Funds	 \$ 45,833,532

Closed Loans Amounts Drawn and Available

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

Virginia Transportation Infrastructure Bank (Fund 0450)			
Life to Date, as of June 30, 2016			
	Closed Loans and		
	Line of Credit	Amount Disbursed	Amount Available
City of Chesapeake - Dominion Boulevard	\$ 151,893,495	\$ 102,802,434	\$ 49,091,061
EDA of Loudoun County - Pacific Boulevard*	<u>36,000,000</u>	<u>22,636,985</u>	<u>13,363,015</u>
Totals	\$ 187,893,495	\$ 125,439,418	\$ 62,454,077

*Amount Disbursed Includes Capitalized Interest of \$754,174.

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