


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: January 29, 2016

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, 2015 through December 31, 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:	\$83,576,980 through December 31, 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.
Line of Credit Termination:	With the Route 460 Funding Corporation redemption of its Series 2012A and 2012B Bonds on September 17, 2015, the standby line of credit was released and is no longer available.
Amount Disbursed:	\$0.00

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 September 2016.
Amount Disbursed:	\$19,758,215 through December 31, 2015 including \$475,704 of Capitalized Interest.

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

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million square feet of redevelopment. Alexandria is expected to 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 expected loan provisions and closing conditions. Anticipated closing has been delayed until summer 2016 as a result of delays to satisfy the requirements of the National Environmental Policy Act and completion of the environmental process.

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 Transportation Infrastructure Finance and Innovation Act 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.

Fund Uses and Remaining Availability

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

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Virginia Transportation Infrastructure Bank (Fund 0450)	
Life to Date, as of December 31, 2015	
Capitalization to date	\$ 311,378,287
Interest Earnings	12,555,224
Expenditures	<u>(573,232)</u>
Funds Available for VTIB Loans	\$ 323,360,279
<u><i>Closed Loans and Line of Credit:</i></u>	
City of Chesapeake - Dominion Boulevard	\$ 151,893,495
U.S. Route 460 Funding Corporation - Route 460	-
EDA of Loudoun County - Pacific Boulevard	<u>36,000,000</u>
Total Closed Loans/Line of Credit	\$ 187,893,495
<u><i>Approved Loans but not yet Closed:</i></u>	
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	\$ 35,466,784

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, 2015			
	Closed Loans and		
	Line of Credit	Amount Disbursed	Amount Available
City of Chesapeake - Dominion Boulevard	\$ 151,893,495	\$ 83,576,980	\$ 68,316,515
U.S. Route 460 Funding Corporation - Route 460	-	-	-
EDA of Loudoun County - Pacific Boulevard*	<u>36,000,000</u>	<u>19,758,215</u>	<u>16,241,785</u>
Totals	\$ 187,893,495	\$ 103,335,195	\$ 84,558,300

**Amount Disbursed Includes Capitalized Interest of \$475,704.*

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