


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 R. Lee Ware
The Honorable David E. Yancey

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

DATE: July 29, 2019

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, 2019, through June 30, 2019.

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 Status:	The City provided a Certificate of Final Completion dated June 1, 2018.
Total Amount Disbursed:	Total VTIB loan disbursements of \$119,700,130 with no future disbursements.
Outstanding Loan Balance:	\$134,454,435 (includes \$15,471,377 of capitalized interest)

Borrower: City of Chesapeake (continued)	
Loan Terms:	Debt service ramp-up projected to begin in 2030. Potential for partial prepayment of VTIB loan on an annual basis dependent upon the performance of the Chesapeake Transportation System.
Payment of Interest Begins:	July 15, 2019, and recurs annually.
Payment of Principal Begins:	July 15, 2019, and recurs annually.
Final Loan Maturity Date:	July 15, 2051

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 Status:	The project was substantially completed in December 2016. Approximately \$1.0 million in remaining VTIB funds are available for additional project costs.
Amount Disbursed:	\$34,991,791 through June 30, 2019 including \$987,374 of Capitalized Interest.
Outstanding Loan Balance:	\$20,032,948
Loan Terms:	Sale of parcels within the development results in partial mandatory prepayment of the VTIB loan.
Payment of Interest Began:	June 1, 2017, and recurs semi-annually.
Payment of Principal Began:	June 1, 2018, with a minimum principal payment of \$100,000 which recurs semi-annually.
Final Loan Maturity Date:	December 1, 2033

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Borrower:	Chesapeake Bay Bridge and Tunnel District
Closing date:	November 10, 2016
Amount:	\$50,000,000 construction loan plus capitalized interest
Rate:	2.90%
Term:	Not to exceed 35 years after project completion
Security:	Subordinate toll system revenues
Project Name:	Parallel Thimble Shoal Tunnel
Project Description:	The project will build a new two-lane tunnel parallel to the existing tunnel to address capacity constraints and safety issues.
Total Cost:	\$979,049,842 (Other funding includes Senior Toll Road Revenue Bonds, TIFIA loan, and available cash).
Project Update:	Construction on the project started in October 2017 with final construction completion estimated for December 2023. The VTIB loan is not expected to be substantially drawn until late 2019 or early 2020.
Amount Disbursed:	\$1,336,490
Outstanding Loan Balance:	\$1,336,490
Loan Terms:	Capitalized interest for up to four years; debt service ramp-up projected to begin in 2029.
Payment of Interest Begins:	January 1, 2021, and recurs semi-annually.
Payment of Principal Begins:	Projected to begin July 1, 2025, and recurs annually.
Final Loan Maturity Date:	Projected for July 1, 2054

Borrower:	City of Alexandria
Closing date:	December 21, 2016
Amount:	\$50,000,000 construction loan plus capitalized interest
Rate:	2.17%
Term:	Not to exceed 27 years after project completion
Security:	Potomac Yard Tier I Special Assessment Tax District revenues; City moral obligation pledge.
Project Name:	Potomac Yard Metrorail Station
Project Description:	The Potomac Yard Metrorail Station will be located on the existing Metro Blue and Yellow lines and will serve the City of Alexandria's planned Potomac Yard redevelopment project which will allow for 9-13 million square feet of redevelopment.

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Borrower:	City of Alexandria (continued)
Total Cost:	\$370,000,000 (Other funding sources include a Northern Virginia Transportation Authority grant, State Funding, and a TIFIA loan or general obligation bonds).
Project Update:	Work on the project began in 2019 with substantial completion targeted for spring 2022. Draws on the VTIB loan are expected to begin during fall 2019.
Amount Disbursed:	None
Outstanding Loan Balance:	\$0
Loan Terms:	Capitalized interest for up to 4.5 years; after substantial project completion date, 25% of annual net revenues generated within Potomac Yard (consisting primarily of new City tax revenues and special assessment tax revenues) which exceeds \$10 million will be used to prepay principal on the VTIB loan.
Payment of Interest Begins:	Projected to begin March 1, 2027, and recurs semi-annually.
Payment of Principal Begins:	Projected to begin March 1, 2027, and recurs semi-annually.
Final Loan Maturity Date:	27 th anniversary of project substantial completion date.

Borrower:	95 Express Lanes LLC
Closing date:	July 25, 2017
Amount:	\$45,000,000 construction loan plus capitalized interest
Rate:	3.60%
Term:	Final Maturity of December 31, 2047
Security:	System toll revenues generated by the I-95 and I-395 Express Lanes which are subordinate to the First-Tier Revenue Bonds and on parity with an existing TIFIA loan used to finance the I-95 Express Lanes project.
Project Name:	I-395 Express Lanes Northern Extension
Project Description:	The I-395 Express Lanes Northern Extension would extend the existing 95 Express Lanes by approximately 8 miles north along Interstate 395.
Total Cost:	\$345,000,000 (Other funding includes First-Tier Toll Revenue Bonds and equity contributions).
Project Update:	Construction began on the project in August 2017 with completion expected in Summer 2020. Disbursements for the VTIB loan are expected to begin in August 2019.

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Borrower: 95 Express Lanes LLC (continued)	
Amount Disbursed:	None
Outstanding Loan Balance:	\$0
Loan Terms:	Capitalized interest for up to one year; debt service ramp-up scheduled to begin in 2035.
Payment of Interest Begins:	Scheduled to begin July 1, 2020, and recurs semi-annually.
Payment of Principal Begins:	Scheduled to begin January 1, 2025, and recurs semi-annually.
Final Loan Maturity Date:	January 1, 2048

VTIB Pending Applications

No current pending VTIB loan applications.

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 \$68.6 million:

Virginia Transportation Infrastructure Bank (Fund 0450)	
Life to Date, as of June 30, 2019	
Capitalization to date	\$ 311,378,287
Interest Earnings	21,319,827
Transportation Trust Fund and Highway Maintenance and Operating Fund Earnings	20,296,294
Expenditures	(944,789)
Funds Available for VTIB Loans	\$ 352,049,619
<u>Plus - Loan Repayments</u>	
City of Chesapeake - Dominion Boulevard	\$ 717,073
EDA of Loudoun County - Pacific Boulevard	16,580,792
Chesapeake Bay Bridge and Tunnel District - Thimble Shoal Parallel Tunnel	-
City of Alexandria - Potomac Yard Metrorail Station	-
Total Loan Repayments	\$ 17,297,865
<u>Less - Closed Loans</u>	
City of Chesapeake - Dominion Boulevard (Adjusted)	\$ 119,700,130
EDA of Loudoun County - Pacific Boulevard	36,000,000
Chesapeake Bay Bridge and Tunnel District - Thimble Shoal Parallel Tunnel	50,000,000
City of Alexandria - Potomac Yard Metrorail Station	50,000,000
95 Express Lanes LLC - I-395 Express Lanes	45,000,000
Total Closed Loans	\$ 300,700,130
Remaining Available VTIB Funds	\$ 68,647,354

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, 2019			
	Closed Loans	Amount Disbursed	Amount Available
City of Chesapeake - Dominion Boulevard	\$ 119,700,130	\$ 119,700,130	\$ -
EDA of Loudoun County - Pacific Boulevard*	36,000,000	34,991,791	1,008,209
CBBT - Thimble Shoal Parallel Tunnel	50,000,000	1,336,490	48,663,510
City of Alexandria - Potomac Yard Metrorail	50,000,000	-	50,000,000
95 Express Lanes LLC - I-395 Express Lanes	45,000,000	-	45,000,000
Totals	\$ 300,700,130	\$ 156,028,411	\$ 144,671,719

*Amount Disbursed Includes Capitalized Interest of \$987,374.

Loan Defaults

No VTIB loans are in default.

Minimum Scheduled Loan Repayments (Projected)

Please refer to the table below for the total amount of projected VTIB loan repayments currently scheduled during the next decade. The table reflects the minimum amount of principal payments, which may be greater based upon the financial performance of the projects and related loan security:

Virginia Transportation Infrastructure Bank (Fund 0450)			
As of June 30, 2019			
	Principal	Interest	Total
FY2020	\$ 5,561,083	\$ 565,517	\$ 6,126,600
FY2021	300,000	6,863,370	7,163,370
FY2022	303,330	7,255,306	7,558,636
FY2023	306,771	7,649,757	7,956,528
FY2024	310,326	7,647,350	7,957,676
FY2025	319,000	8,039,437	8,358,437
FY2026	427,648	8,026,095	8,453,743
FY2027	481,571	8,555,756	9,037,327
FY2028	535,624	9,081,515	9,617,140
FY2029	539,813	9,070,529	9,610,342
FY2030	997,983	9,046,541	10,044,525
Totals	\$ 10,083,150	\$ 81,801,174	\$ 91,884,323

cc: The Honorable Shannon Valentine, Chairperson, Commonwealth Transportation Board
 Board of Directors, Virginia Resources Authority