



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Sean T. Connaughton
Chairman

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Agenda item # 1

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 18, 2012

MOTION

**Made By: Mr. Layne Seconded By: Dr. Davis
Action: Motion Carried, Unanimously**

Title: Approval of a \$151,893,945 Loan from the Virginia Transportation Infrastructure Bank to the City of Chesapeake for the U.S. Route 17/Dominion Boulevard Toll Road Project

WHEREAS, the City of Chesapeake is administering a project known as the Dominion Boulevard pursuant to an agreement between the City and the Virginia Department of Transportation, which would replace the bridge over the southern branch of the Elizabeth River and convert Dominion Boulevard into a 4-lane limited access toll facility; and,

WHEREAS, Chapters 830 and 868 of the 2011 Acts of Assembly (the "Act") created the Virginia Transportation Infrastructure Bank ("VTIB" or the "Bank") for the purpose of making loans and other financial assistance to localities, private entities and other eligible borrowers and grants to localities to finance transportation projects; and,

WHEREAS, the City of Chesapeake (the "City") submitted an application dated December 2, 2011 requesting a \$151,893,495 loan from the Bank to assist in financing the U.S. Route 17/Dominion Boulevard Toll Road Project (the "Project"); and,

WHEREAS, the City is an Eligible Borrower under the Act meeting the respective definitions of a Governmental Entity and a Locality and the application meets the mandatory criteria established by the Act for the Bank; and,

WHEREAS, the application has been screened and scored according to the Screening and Scoring Criteria established for the Bank and the creditworthiness of the City and the financial feasibility of the Project has been assessed and evaluated; and,

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WHEREAS, the Virginia Department of Transportation (VDOT) and the Virginia Resources Authority (VRA) serving as the “Manager” of the VTIB have determined the Project to meet the goals and objectives of the Bank and the Act and the City has demonstrated the ability to repay the VTIB loan with the pledge of subordinate toll system revenues, to provide for the debt service of other project financings, and to provide for the adequate operation, maintenance, rehabilitation and reconstruction of the Project through the life of the VTIB loan; and,

WHEREAS, the VTIB Advisory Panel met on January 12, 2012 to discuss the merits of the application and unanimously voted to recommend the application to the CTB for approval based on the standard interest rate as set forth in the VTIB Guidelines; and,

WHEREAS, according to the VTIB Program Overview, Guidelines and Selection Criteria dated October 2011, as approved by the Board, the CTB shall act to approve or deny applications for assistance from the Bank when presented by the VTIB Advisory Panel; and,

WHEREAS, after action by the Board, the scores of the applications will be posted on VDOT’s website, with the successful applications so noted; and,

WHEREAS, following action by the Board to approve the financial assistance from the Bank, the Manager will provide a written commitment (the “Commitment”) to the potential recipient. The Commitment will outline the type of assistance to be provided and in the case of a loan, the required security provisions, the loan term and payment provisions, the amount of assistance to be provided and any conditions that must be met by the applicant prior to loan closing or grant award. The Commitment must be accepted by the potential recipient and returned signed to VRA within 60 days of the Commitment date to preserve the funding.

NOW, THEREFORE, BE IT RESOLVED, that based on recommendations from the VTIB Advisory Panel, the CTB hereby approves the City of Chesapeake’s VTIB loan application to provide financial assistance in the form of a loan to the City for the Project up to \$151,893,945, based on the application and plan of finance submitted by the City;

BE IT FURTHER RESOLVED, that in accordance with the Credit Summary prepared by the VRA, the CTB authorizes VDOT and VRA to negotiate with the City, acceptable terms and conditions and to structure and/or restructure terms to utilize the VTIB assistance in the most viable and efficient manner. The standard interest rate will be applied to the loan based on the interest rate methodology defined in the VTIB Program Overview, Guidelines, and Selection Criteria. The interest rate shall be 3.33% based on AAA GO MMD scale from Wednesday, January 11, 2012, one week prior to the CTB meeting.

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