



COMMONWEALTH of VIRGINIA  
*Office of the*  
SECRETARY of TRANSPORTATION

**Virginia Transportation Infrastructure Bank  
Advisory Panel Recommendation  
Pacific Boulevard Project**

Commonwealth Transportation Board  
Deputy Secretary David Tyeryar  
April 17, 2013



# Industrial Development Authority of Loudoun County VTIB Application

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- Loan request received December 2011 for \$80 million to finance a 3-phase extension to both Gloucester Parkway and Pacific Boulevard.
- The property is a 400-acre mixed use development located near the intersections of Route 7 and Route 28.
- The CTB approved a VTIB loan of \$80 million to fund the full costs of the transportation improvements to both Gloucester Parkway and Pacific Boulevard in June 2012.
- The requested loan was to be secured by a first lien deed of trust on property owned by NA Dulles Real Estate Investor, LLC.
- During the due diligence process it became apparent that certain key loan closing contingencies could not be met.

# Loudoun County Industrial Development Authority VTIB Application

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- Given the importance of the transportation improvements, Loudoun County proposed paying for the construction of Gloucester Parkway to be reimbursed by proffered cash contributions.
- The IDA submitted an amended application on April 2, 2013 requesting a reduced \$36 million loan to finance the Pacific Boulevard Extension and Expansion.

# Pacific Boulevard Extension and Expansion Project

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- **Four lane extension to connect with Russell Branch Highway**
- **\$36,000,000 under a fixed price contract**
- **Initially supporting 4,000 to 6,000 vehicles per day**
- **By 2030, expected to support 18,000 vehicles per day**
  - **Excludes traffic created by the new development**
- **The Project is included within countywide transportation plan**

# Gloucester Parkway

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- **3,600 foot extension of Gloucester Parkway west from its intersection with Pacific Boulevard to Loudoun County Parkway**
- **County to finance with own resources outside of VTIB**
- **Two Roads considered the Project, together enhancing the county's severe congestion on Route 7, Route 28 and Waxpool Road**
- **Project provides for a strong potential of economic development benefits by accelerating the improvements together**

# Kincora Property

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- **Consists of 400 Acres of Raw Land with the Following Development Capacities:**
  - **4.0 Million FAR Square Feet of Office Space**
  - **0.4 Million FAR Square Feet of Retail Space**
  - **570 Hotel Rooms**
  - **1,400 Multi-Family Residential Units**
  - **Cultural Arts Center**

# Applicant Project Eligibility and Screening Criteria

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- **The application and the IDA meet the Bank's Mandatory Criteria.**
  - **The IDA is an Eligible Borrower under the Act.**
    - Meets respective definitions of Governmental Entity.
  - **The Project is a local transportation priority.**
    - NOVA District indicates the extension of Pacific Boulevard, in conjunction with Gloucester Parkway, are a high transportation priority for the County
    - Relieves severe congestion on Route 7, Route 28 and Waxpool Road.
- **Based on the VTIB Screening and Scoring Criteria, the amended IDA's application scored 30 out of 37 total possible points.**
  - **VTIB loan will represent approximately 45% of the total project financing.**
  - **Project improves air quality, safety and enhances the state transportation network.**

# Amendment Terms Compared to Original Terms

	<b>Original Terms</b>	<b>Amended Terms</b>
Loan Request	Up to \$80,000,000	Up to \$36,000,000
Funding for Gloucester Parkway Extension	VTIB	Loudoun County
Funding for Pacific Boulevard Extension and Expansion	VTIB	VTIB
Security	First-Lien Deed of Trust on Property	First-Lien Deed of Trust on Property
Loan Repayment Source included in County Proffers	No	Yes



# Advisory Panel Recommendations

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- **The Advisory Panel recommends the CTB approve the IDA of Loudoun County's amended loan request.**
- **Project meets the objective of the VTIB funding.**
  - **VTIB loan provides an adequate Plan of Finance.**
  - **Project could not be financed through traditional markets.**
- **Amended application reduces VTIB loan by over 50%, while still supporting \$80 million in critical road infrastructure to include both Pacific Boulevard and Gloucester Parkway.**

## Advisory Panel Recommendations (continued)

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- **VTIB Loan:**
  - **Amount up to \$36,000,000, secured by a First Lien Deed of Trust on the entire Kincora property.**
  - **Repayment to be provided from parcel release fees.**
    - \$5,462 for each residential market rate unit
    - \$8.65 per FAR square foot of non-residential development
  - **20 year loan at 2.83%**
    - Capitalized interest for 3 years
    - Mandatory principal payments begin in year 5
    - Additional principal paid at the time of parcel sales
  - **Ten years following closing, outstanding principal balance cannot exceed \$24,120,000.**
  - **Upon CTB approval, specific loan terms will be determined as project, loan schedule and related documents are finalized.**

# Projected Status of Bank

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- **To date, VTIB has provided assistance to two projects:**
  - **City of Chesapeake (Dominion Boulevard) - \$151 million loan approved by the panel and the CTB in January 2012 and closed on November 15, 2012.**
  - **Route 460 Funding Corporation (Route 460 Corridor Improvement Project) - \$80 million line of credit approved by the panel in June 2012 and closed on December 20, 2012.**
- **Total capitalization to date including interest of \$317.0 million**
- **Assuming the amended IDA loan is approved, the VTIB will have approximately \$50 million available.**