



COMMONWEALTH of VIRGINIA  
*Office of the*  
SECRETARY of TRANSPORTATION

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Virginia Department of Rail and Public Transportation



# Overview of the Virginia Transportation Infrastructure Bank

- ❑ The Virginia Transportation Infrastructure Bank (VTIB) was established by Chapters 830 and 868 of the 2011 Acts of Assembly.
- ❑ The VTIB or the Bank, is a special, non-reverting, revolving loan fund created to provide grants, loans, and other financial assistance to advance transportation projects.
- ❑ The initial capitalization was \$282.7 million
  - ❑ \$32.7 million General Funds from FY 2010 surplus
  - ❑ \$250 million from Commonwealth Transportation Fund
- ❑ The VTIB will be directed by the Commonwealth Transportation Board (CTB) with financial management by the Virginia Resources Authority (VRA) referred to as the Manager.
  - ❑ CTB policy and programmatic administrator
    - ❑ Acting through the Virginia Department of Transportation (VDOT) staff
  - ❑ VRA serves as the financial manager
  - ❑ Management Agreement sets forth terms and conditions under which VTIB is administered and managed

# Overview of VTIB Continued

- ❑ VTIB financial assistance may be provided to Eligible Borrowers in the form of loans, grants, or other financial assistance to support transportation projects.
- ❑ An Eligible Borrower is any
  - (i) Private Entity;
  - (ii) Government Entity;
  - (iii) instrumentality, corporation, or entity established by any of the foregoing; or
  - (iv) combination of two or more of the foregoing.
- ❑ Eligible Private Entities must have executed an interim or comprehensive agreement under the PPTA.
- ❑ Grants
  - ❑ Only available to Government Entities
  - ❑ Cannot exceed 20 percent of the VTIB capitalization

# Overview of VTIB-Loans

- ☐ **Loans**
  - ☐ Shall require principal repayment to begin within five years of substantial project completion
  - ☐ Final maturity not more than 35 years following substantial project completion
- ☐ **Loans are to be repaid with interest**
  - ☐ Legislation states the interest rates shall be determined by reference to the current market rates for comparable obligations
  - ☐ VRA will tie base interest rate to AAA MMD (Municipal Market Data)
  - ☐ Lower rates may be requested and negotiated
- ☐ **Over term of loan, recipient monitoring performed by VRA and VDOT**
  - ☐ Ensure timely submittal of required items, including loan payments
  - ☐ Ensure stability of recipients' financial condition and ability to operate, maintain facilities, and repay debt
- ☐ **VRA responsible for semi-annual program reporting to General Assembly**

# Overview of VTIB- Administration

- ❑ The VTIB is guided by a Management Agreement executed by the CTB, VRA, and the Secretary of Finance
- ❑ The details of the program are provided in the VTIB Guidelines and Selection Criteria
  - ❑ Provides an overview of the legislation
  - ❑ Outlines the interaction between the CTB and VRA
  - ❑ Details the application process
  - ❑ Explains the screening criteria
    - ❑ Scoring worksheet
    - ❑ VTIB Advisory Panel
      - ❑ Chaired by Deputy Secretary of Transportation
      - ❑ VDOT's and DRPT's CFO
      - ❑ VRA Executive Director or designee
      - ❑ Secretary of Finance or designee
      - ❑ Secretary of Commerce and Trade or designee

# VTB Guidelines and Scoring Criteria

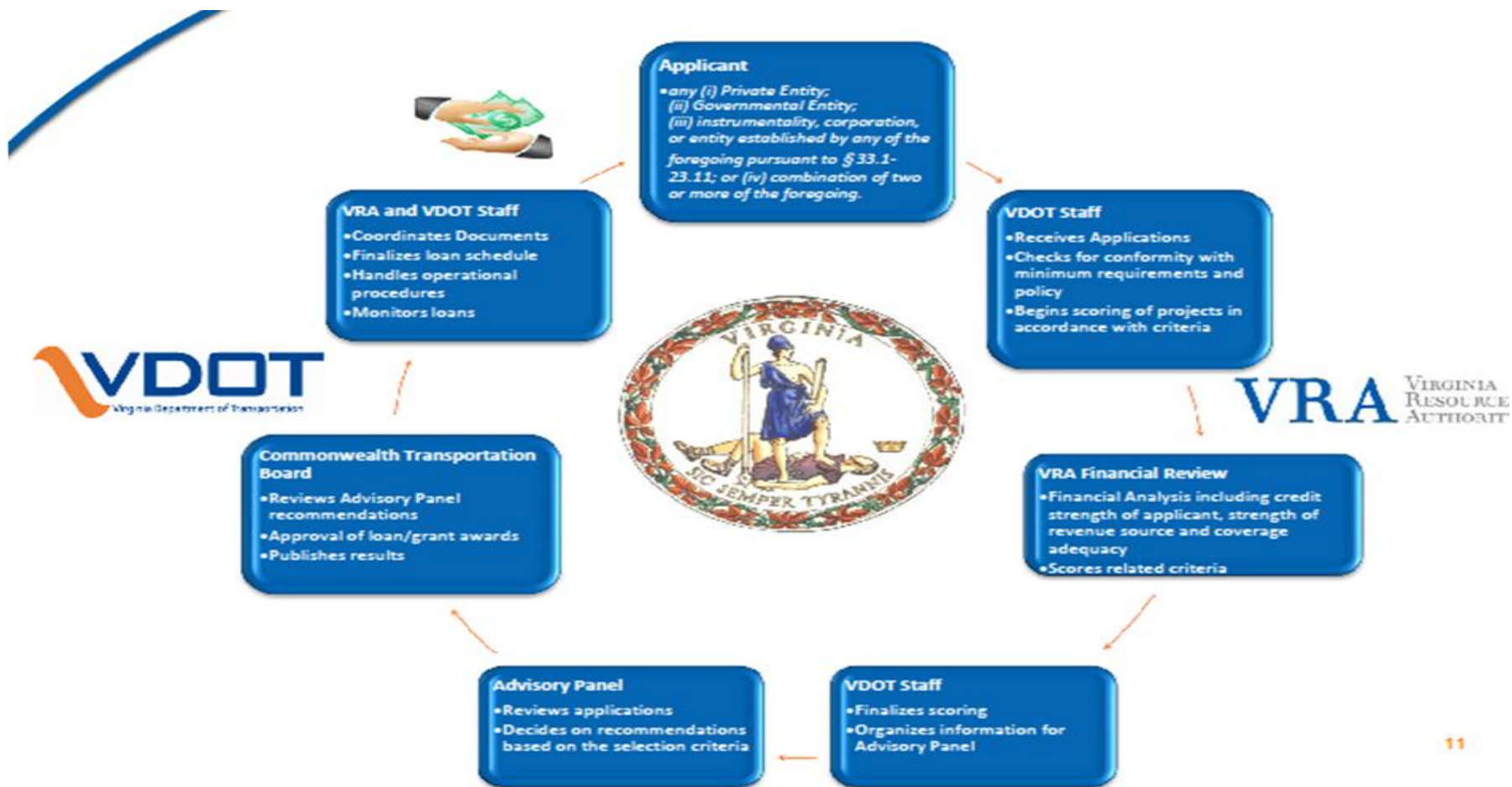
- ❑ **The enabling legislation directs the Board to develop and issue, in consultation with VRA, guidelines for scoring projects in accordance with criteria set out by statute and as deemed necessary by the Board and the Manager**
- ❑ **The Guidelines and Criteria have been developed to guide the process of applying for and receiving financial assistance from VTIB**
  - ❑ **Narrative included, among others, on:**
    - ❑ VTIB goals and objectives
    - ❑ Eligible applicants, projects, and types of assistance
    - ❑ The application process, including minimum eligibility requirements and the application screening criteria
    - ❑ The disbursement process
    - ❑ Recipient reporting requirements
- ❑ **Scoring criteria developed to score application and assign points based on specifics of the applicant, the project, and the applicant's creditworthiness**
  - ❑ **18 individual criterion**
    - ❑ Examples: Maturity of the project; project readiness; air quality improvements; safety enhancements consistency with transportation plans and initiatives; and the recipients' financial stability or creditworthiness

# VTIB Application Process

- ☐ **Minimum Eligibility Requirements:**
  - ☐ The applicant must be an eligible borrower as defined in the enabling legislation
  - ☐ Project must be a statewide, regional, and/or local priority
- ☐ Applications meeting minimum eligibility requirements will be fully reviewed and scored using the established scoring criteria
  - ☐ Scoring will be performed jointly by VDOT and VRA staff
  - ☐ Financial capability analysis will be conducted by VRA
- ☐ Advisory panel reviews scoring results and determines which applications are recommended for CTB action
- ☐ CTB approved applications progress to the financing commitment stage and, once ready, execution of a financing agreement
- ☐ The scoring results for each application must be published
- ☐ With financing agreement in place, disbursement of the financial assistance can begin



# VTIB Application Review and Selection Process





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## Projects

# Route 17/Dominion Boulevard Project

- ❑ The first application was received from the City of Chesapeake on December 2, 2011 requesting a loan of \$151, 893, 495, with a subsidized interest rate of 3% from the Bank
- ❑ Total cost estimate of \$411.7 million
- ❑ The project is partially funded in the current Six-Year Improvement Program
- ❑ Senior lien toll revenue bonds are intended to be sold by the City to finance the project
- ❑ The City requested the VTIB loan to finance the remaining amount needed to advance this project
- ❑ After negotiations with the City, the loan was approved in January 2012 at the standard interest rate of 3.3%
- ❑ Financial close projected for Fall 2012

# Gloucester Parkway- Pacific Boulevard

## IDA of Loudoun County/ Kincora

- ❑ The second application was received from the IDA of Loudoun County (IDA) in January 2012 for a loan of \$60 million with an interest subsidy.
- ❑ The loan request is in collaboration with Kincora/ NA Dulles Real Estate Investor LLC
- ❑ Kincora is an early stage 400-acre mixed use development located in the southeast quadrant of the intersection of Route 7 and Route 28
- ❑ A Community Development Authority is proposed to collect a special assessment on multifamily residential units to repay the loan
- ❑ After review and discussion with VRA< a revised application was submitted in February 2012 requesting a loan of \$80 million
- ❑ The loan would be repaid by special assessments on residential and non-residential property

# Gloucester Parkway- Pacific Boulevard Project Description

- ❑ The loan would finance a 3-phase project with extensions to Gloucester Parkway and Pacific Boulevard
  - ❑ Phase 1- 5,885 foot extension of Pacific Boulevard north at its intersection with Gloucester Parkway
  - ❑ Phase 2- 3,600 foot extension of Gloucester Parkway west from its intersection with Pacific Boulevard to Loudoun County Parkway
  - ❑ Phase 3- 2,300 foot extension of Pacific Boulevard north at its existing terminus to Russell Branch Parkway and a 1,700 foot extension south to Severn Way

# Gloucester Parkway- Pacific Boulevard Project Details

- ☐ **The Project is a local transportation priority**
  - ☐ Relieves sever congestion on Route 7, Route 28, and Waxpool Road
  - ☐ NOVA district indicates it is number one transportation priority for the County
- ☐ **Project could not be undertaken without VTIB assistance**
  - ☐ County has competing infrastructure needs at this time and does not have programmed debt capacity to fund the Project.
- ☐ **VTIB loan assistance will represent 100% of the total project financing**
- ☐ **Project provides for a strong potential of economic development benefits**
- ☐ **The construction schedule has also been reviewed by VDOT and appear to be reasonable and achievable**
  - ☐ Phase 1 has all approvals and permits in place and it ready to move to construction
  - ☐ Phase 2 design must be completed, right of way and permits need to be obtained
    - ☐ Schedule reflects construction to commence in March 2013
  - ☐ Phase 3 must be designated, right of way and permits need to be obtained
    - ☐ Schedule reflects construction to commence in September 2013 for the Pacific Boulevard to Severn Way segment and December 2013 for the Pacific Boulevard to Russell Branch Parkway segment.

## Rt. 460 Application

- ❑ An application is expected from the OTP3 for an \$80 million line of credit for the project
- ❑ They will submit the application as a project sponsor, with the intent of making the line of credit available to the 63-20 corporation created to finance the project
- ❑ Review of this application by staff, VRA, and the VTIB Advisory Panel is expected to be completed to support CTB presentation and action in June



## Projected Status of Bank

<b>Initial Capitalization</b>	<b>\$283M</b>
Increase from FY 2012 Budget	<u>29M</u>
Total Available	<u>\$312M</u>
Dominion Blvd	\$152M
Kincora	80M
Rt. 460	<u>80M</u>
Total	<u>\$312M</u>

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## Questions