

HRTAC RESOLUTION 2019-03

**RESOLUTION AUTHORIZING THE ISSUANCE OF
UP TO \$550,000,000 IN AGGREGATE PRINCIPAL AMOUNT
OF HAMPTON ROADS TRANSPORTATION FUND
SUBORDINATE LIEN REVENUE BONDS (TIFIA SERIES 2019) AND UP TO
\$500,000,000 OF HAMPTON ROADS TRANSPORTATION FUND
INTERMEDIATE LIEN BOND ANTICIPATION NOTES**

WHEREAS, the Hampton Roads Transportation Accountability Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) having the powers set forth in Chapter 26, Title 33.2, of the Code of Virginia of 1950, as amended (the “HRTAC Act”);

WHEREAS, the Commission has previously reviewed and approved a debt management plan for the financing and refinancing of the costs of Commission-approved new construction projects for congestion relief on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23 (“Projects”), and funding for eligible costs for such Projects includes the 2018A Bonds and “TIFIA” funding described below;

WHEREAS, on February 14, 2018, the Commission issued its Senior Lien Revenue Bonds, Series 2018A (the “2018A Bonds”), in the principal amount of \$500,000,000, pursuant to the terms of the HRTAC Act, resolutions approved by the governing body of the Commission on June 16, 2016 and December 14, 2017, and a Master Indenture of Trust (as supplemented and amended from time to time, the “Master Indenture”) as supplemented by a First Supplemental Series Indenture, each between the Commission and Wilmington Trust, National Association (the “Trustee”) and dated as of February 1, 2018;

WHEREAS, obligations issued under the Master Indenture are payable from and secured by the revenues and funds in the Hampton Roads Transportation Fund (as defined in the HRTAC Act) (the “HRTF Bonds”) and the proceeds of such HRTF Bonds are to be used to finance and refinance the costs of new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23;

WHEREAS, the proceeds of the 2018A Bonds are being used to pay, together with other available funds, the costs of the following projects: Interstate 64 Peninsula Widening (Segments I, II and III), I-64 / I-264 Interchange Improvements (Phase I and II), and I-64 Southside Widening & High Rise Bridge (Phase I) (the “Financed Projects”);

WHEREAS, the Commission’s Letter of Interest for a secured loan (the “TIFIA Loan”) under the Transportation Infrastructure Finance and Innovation Act of 1978, as amended (“TIFIA Act”), to further finance a portion of the costs of the Financed Projects has been advanced by the United States Department of Transportation (“U.S. DOT”) through creditworthiness review and into negotiation of business terms;

WHEREAS, the Commission has negotiated the terms of the TIFIA Loan, including a form of TIFIA Loan Agreement (the “TIFIA Loan Agreement”) between the Commission and

U.S. DOT, acting by and through the Federal Highway Administrator (the “TIFIA Lender”), pursuant to which the TIFIA Lender will agree to extend a secured loan to the Commission to finance a portion of the costs of the Financed Projects;

WHEREAS, to evidence the obligation of the Commission to repay the loan under the TIFIA Loan Agreement, the Commission desires to authorize the issuance of an additional series of obligations under the Master Indenture in an initial principal amount of up to \$550,000,000, to be designated as the “Subordinate Lien Revenue Bond, TIFIA Series 2019” (the “TIFIA Series 2019 Bond”), the proceeds of which would be used to finance in part the costs of the Eligible Project Costs (as defined in the TIFIA Loan Agreement);

WHEREAS, market conditions may make it fiscally advantageous for the Commission to issue bond anticipation notes and utilize the proceeds thereof to fund certain construction costs of the Financed Projects on an interim basis before the proceeds of the TIFIA Series 2019 Bond are drawn under the TIFIA Loan Agreement, and for such proceeds to be deferred until they are drawn under the TIFIA Loan Agreement to reimburse HRTAC for Eligible Project Costs, with a portion of such reimbursed funds being used to repay such bond anticipation notes at maturity;

WHEREAS, the Commission therefore desires to authorize the issuance of an additional series of obligations under the Master Indenture in an initial principal amount of up to \$500,000,000, to be designated as the “Intermediate Lien Bond Anticipation Notes, Series 2019” (the “Series 2019 Notes”), to provide short term funding of the Financed Projects, such Series 2019 Notes to be retired with proceeds of the TIFIA Series 2019 Bond as stated above, or otherwise from available amounts under the Master Indenture, or by issuing bonds for such purpose under the Master Indenture;

WHEREAS, in furtherance of the foregoing, the Executive Director and the Finance Committee have recommended that the Commission proceed with the issuance of the obligations described above, and with the authorization, execution and delivery of certain financing documents, drafts of which have been presented by the Commission’s Financial Advisor and Bond Counsel to the Finance Committee and to the Commission, including the following (collectively, the “Bond Documents”):

(a) A Second Supplemental Series Indenture of Trust between the Commission and the Trustee (the “Second Series Supplement”), relating to the issuance of the TIFIA Series 2019 Bond;

(b) The TIFIA Loan Agreement, attached as Exhibit A to the Second Series Supplement;

(c) The form of the TIFIA Series 2019 Bond, attached as Exhibit B to the Second Series Supplement;

(d) A Third Supplemental Series Indenture of Trust between the Commission and the Trustee (the “Third Series Supplement”), relating to the issuance of the Series 2019 Notes;

(e) The form of the Series 2019 Notes, attached as Exhibit A to the Third Series Supplement;

(f) A Bond Purchase Agreement between the Commission and the underwriters appointed by the Commission (the “Bond Purchase Agreement”), relating to the sale of the Series 2019 Notes;

(g) A Preliminary Official Statement furnishing information to prospective purchasers of the Series 2019 Notes regarding the Commission, the Series 2019 Notes and the security therefor (the “Preliminary Official Statement”); and

(h) A Continuing Disclosure Undertaking of the Commission, in accordance with Securities Exchange Commission Rule 15c2-12, as amended (the “Municipal Securities Rule”), to periodically provide certain updated disclosures to the municipal securities market regarding the Commission, the Series 2019 Notes and the security therefor;

and

WHEREAS, the Commission has determined that it would be in the best interests of the Commission to authorize the Executive Director to finalize the terms of the TIFIA Series 2019 Bond, the Series 2019 Notes, and the Bond Documents with the assistance of the Financial Advisor, Bond Counsel and the Commission’s general counsel, and to cause the execution and delivery thereof, subject to the limitations and parameters hereinafter provided in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION:

1. The Commission authorizes and approves the issuance of the TIFIA Series 2019 Bond, in one or more series, and the Series 2019 Notes, in one or more series, under the Master Indenture.

2. The Commission is authorized to enter into the TIFIA Loan Agreement to obtain a secured loan from the TIFIA Lender in the initial principal amount of up to \$550,000,000, which amount may be increased from time to time, to the extent permitted under the TIFIA Loan Agreement, to reflect the amount of interest on the disbursed amount of the loan that is not currently paid by the Commission.

3. The Commission authorizes and directs the Executive Director to develop, negotiate and finalize, with the advice of the Financial Advisor, Bond Counsel and the Commission’s general counsel, the structure, terms and conditions of the TIFIA Series 2019 Bond and the Series 2019 Notes, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, redemption and prepayment provisions (if any), sales prices, and principal amounts in each maturity of each series, subject to the following parameters:

- (i) the TIFIA Series 2019 Bond and the Series 2019 Notes shall be issued in accordance with the form and requirements of the Master Indenture and the applicable Series Supplement (as finalized in accordance with the terms of this Resolution);
- (ii) the original principal amount of the TIFIA Series 2019 Bond shall not exceed \$550,000,000, subject to increase as set forth above;
- (iii) the interest rate on the TIFIA Series 2019 Bond shall be equal to a fixed interest rate calculated by adding one basis point (.01%) to the rate of securities of a similar final maturity as published on the execution date of the TIFIA Loan Agreement in the United States Treasury Bureau of Public Debt's daily rate table for State and Local Government Series (SLGS) securities; provided, that the interest rate on the TIFIA Series 2019 Bond shall not be less than the yield on 30-year United States Treasury securities as of such date; and provided further, that, upon the occurrence and during the continuance of a payment default, the interest rate with respect to any overdue principal amount shall be the applicable default rate specified in the TIFIA Loan Agreement;
- (iv) the TIFIA Series 2019 Bond shall have a final maturity date not later than 40 years from the date of its issuance;
- (v) the principal amount of the Series 2019 Notes shall not exceed \$500,000,000;
- (vi) the Series 2019 Notes shall have a final maturity date not later than five years from their dated date; and
- (vii) the Series 2019 Notes shall bear interest at the interest rate or rates as shall be approved by the Executive Director; provided, that the weighted average yield on the Series 2019 Notes, computed using the stated interest rate or rates and the stated original offering price or prices on the Series 2019 Notes, shall not be greater than 5.00%.

4. The Bond Documents are approved; the Chair or Vice Chair of the Commission, either of whom may act (the "HRTAC Representative"), is authorized to execute and deliver the Bond Documents on the Commission's behalf, with such changes, insertions or omissions (not inconsistent with the parameters in Sections 2 and 3 above) as may be finalized by the Executive Director in accordance with the terms of this Resolution with the advice of the Financial Advisor, Bond Counsel and the Commission's general counsel. Such authorization and approval shall be evidenced conclusively by the execution and delivery of the finalized Bond Documents by the HRTAC Representative. Each HRTAC Representative and the Executive Director are appointed as the "Borrower's Authorized Representative" under the TIFIA Loan Agreement.

5. The Commission hereby appoints J.P. Morgan Securities LLC to serve as the senior managing underwriter for the sale of the Series 2019 Notes, together with any co-managers selected by the Executive Director, and authorizes the sale of the Series 2019 Notes to such underwriters by negotiated sale.

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2019 Notes, provided that the HRTAC Representative or the Executive Director, either of whom may act, is authorized to “deem final” such Preliminary Official Statement as of the date of its distribution, subject to the omission of final pricing information as permitted by the Municipal Securities Rule. Such officials are each individually further authorized to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement, specifying the terms of the Series 2019 Notes, together with any other information required by law to reflect the terms of the sale of the Series 2019 Notes, the details thereof and the security therefor, as may be necessary or appropriate to complete it as a final Official Statement with respect to the Series 2019 Notes. The HRTAC Representative or the Executive Director, any of whom may act, is authorized to review, and certify as to the accuracy of, the information set forth in the Official Statement describing the Commission, the Series 2019 Notes or the security therefor. Such officials are each further authorized to execute the final Official Statement and deliver the same to the underwriters, and such execution and delivery shall constitute conclusive evidence that such Official Statement has been deemed a “final official statement” (as defined in the Municipal Securities Rule).

7. After the TIFIA Series 2019 Bond and the Series 2019 Notes are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have such final obligations prepared in accordance with the terms of the Master Indenture and the respective Series Supplement and to execute the TIFIA Series 2019 Bond and the Series 2019 Notes by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the TIFIA Series 2019 Bond and the Series 2019 Notes by manual or facsimile signature, and (iii) any such official is authorized to deliver the TIFIA Series 2019 Bond and the Series 2019 Notes to the applicable purchaser or underwriters upon receipt of the purchase price therefor.

8. The HRTAC Representative and the Executive Director, either of whom may act, is authorized and directed to execute, deliver and file all certificates and documents, and take all further action, as he or she may consider necessary or appropriate in accordance with the terms of this Resolution in connection with the issuance and sale of the TIFIA Series 2019 Bond and the Series 2019 Notes, including, without limitation, and with the advice of Bond Counsel, (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Series 2019 Notes to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the “Tax Code”), (b) making any elections that such officials deem desirable including but not limited to regarding payments of rebate to the United States, and (c) filing Internal Revenue Service Form 8038-G.

9. The Executive Director and the Commission’s staff shall monitor and comply with applicable provisions of the Commission’s Post-Issuance Compliance Policies and Procedures as the same may be amended and supplemented.

10. The Executive Director is authorized to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia (“SNAP”) in connection with the investment of proceeds of the TIFIA Series 2019 Bond or the Series 2019 Notes, if the Executive Director determines, with the advice of the PFM Asset Management LLC, as investment advisor, that the utilization of SNAP is

in the best interest of the Commission. The Commission acknowledges that the Treasury Board of the Commonwealth is not, and shall not be, in any way liable to the Commission in connection with SNAP, except as otherwise provided in the standard form SNAP Contract utilized by state and local governmental entities within the Commonwealth.

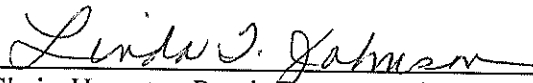
11. The Executive Director and the Commission's staff are further authorized to take such actions as may be necessary or appropriate to provide for the deposit and investment of funds to carry out the Commission's purposes in accordance with the Commission's adopted budget, the Master Indenture and the HRTAC Act, both prior to and following the issuance of the TIFIA Series 2019 Bond and the Series 2019 Notes, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the TIFIA Series 2019 Bond and the Series 2019 Notes, the establishment and replenishment of reserves, and the deposit and investment of the proceeds of the TIFIA Series 2019 Bond and Series 2019 Note and Commission revenues in the various funds and accounts established by the Master Indenture and the respective Series Supplement or any supplemental indenture. Any of such Series Supplement or supplemental indenture may have a different and additional numbered supplemental designation if necessary, desirable or in connection with the issuance of the TIFIA Series 2019 Bond or the Series 2019 Notes.

12. In connection herewith and in order to provide for the timely spending of the proceeds of the 2018A Bonds, the Commission hereby authorizes the expenditure of such 2018A Bond proceeds on the Hampton Roads Bridge Tunnel project, which was previously approved by the Commission on March 21, 2019, including any necessary amendments or supplements to the Master Indenture to provide for same. Furthermore, the Commission hereby authorizes each HRTAC Representative and the Executive Director, either of whom may act, to execute and deliver any amendments to the Commission's Continuing Disclosure Undertaking with respect to the 2018A Bonds to update certain disclosure provided to the municipal securities market in accordance with the Municipal Securities Rule.


13. Each HRTAC Representative and the Executive Director is authorized to execute and deliver on the Commission's behalf such other instruments, documents or certificates, and to do and perform such further things and acts, as he or she shall deem necessary or appropriate to carry out in accordance with the terms of this Resolution the transactions authorized by this Resolution or contemplated by the Master Indenture or any supplement thereto. Any of the foregoing previously done or performed by any officer or authorized representative of the Commission is in all respects approved, ratified and confirmed.

14. This Resolution shall take effect immediately.

The undersigned hereby certify that this is a true and correct copy of a resolution duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held on September 19, 2019.



Chair, Hampton Roads Transportation
Accountability Commission



Vice-Chair, Hampton Roads Transportation
Accountability Commission