



## HRTAC RESOLUTION 2020-01

### **RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$800,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF HAMPTON ROADS TRANSPORTATION FUND [SENIOR LIEN][INTERMEDIATE LIEN] REVENUE BONDS, SERIES 2020**

**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 (the “Projects”);

**WHEREAS**, the Commission has issued its Senior Lien Revenue Bonds, Series 2018A (the “2018A Bonds”), in the principal amount of \$500,000,000, pursuant to a Master Indenture of Trust (as supplemented and amended from time to time, the “Master Indenture”) as supplemented by a First Supplemental Series Indenture dated as of February 1, 2018, between the Commission and Wilmington Trust, National Association (the “Trustee”) for the funding of certain Projects;

**WHEREAS**, the Commission has also issued its \$500,789,463 TIFIA Series 2019A Bond (TIFIA – 20201001A) pursuant to the Master Indenture as supplemented by a Second Supplemental Series Indenture dated as of December 1, 2019, and its \$414,345,000 Intermediate Lien Bond Anticipation Notes, Series 2019A, pursuant to the Master Indenture and a Third Supplemental Series Indenture dated as of December 15, 2019, each between the Commission and the Trustee, for the funding of certain Projects;

**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 Executive Director of the Commission (the “Executive Director”), together with PFM Financial Advisors, LLC, as municipal securities financial advisor (the “Financial Advisor”), and Kaufman & Canoles, a Professional Corporation, as bond counsel (“Bond Counsel”), have provided presentations to the Commission’s Finance Committee and to the Commission describing a plan of finance to issue HRTF Bonds under and pursuant to the Master Indenture, in one or more series, to finance a portion of the costs of the Hampton Roads Bridge Tunnel project, a Project for which the Commission has previously advanced its funds (the “HRBT Project”), to fund any required reserves for such HRTF Bonds, and to pay certain costs associated with the issuance of such HRTF Bonds (collectively, the “Series 2020 Bonds”);

**WHEREAS**, in furtherance of the foregoing, the Executive Director and the Finance Committee have recommended that the Commission proceed with the issuance of the Series 2020 Bonds, 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 Fourth Supplemental Series Indenture of Trust between the Commission and the Trustee (the "Series Supplement"), relating to the issuance of the Series 2020 Bonds;
- (b) A Bond Purchase Agreement between the Commission and the underwriters appointed by the Commission (the "Bond Purchase Agreement");
- (c) A Preliminary Official Statement furnishing information to prospective purchasers of each series of the Series 2020 Bonds regarding the Commission, the Series 2020 Bonds and the security therefor (the "Preliminary Official Statement"); and
- (d) 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 2020 Bonds and the security therefor;

**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 Series 2020 Bonds and the Bond Documents with the assistance of the Financial Advisor, Bond Counsel and the Commission's general counsel, subject to the limitations and parameters hereinafter provided in this Resolution; and

**WHEREAS**, the Commission is meeting to discuss and transact the business of the Commission, and the Commission deems it necessary to meet by electronic communications without physical assembly of members of the Commission in accordance with the budget bill of the Commonwealth of Virginia (the "Commonwealth") for the biennium ending June 30, 2020, as adopted by the reconvened session of the 2020 Virginia General Assembly, because the Governor of the Commonwealth has issued Executive Order Fifty-One (2020) declaring a state of emergency, which declaration continues in force and effect, and the nature of such emergency makes it impracticable or unsafe for the Directors of the Commission to assemble in a single location.

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

1. The Commission authorizes and approves the issuance of the Series 2020 Bonds, in one or more series and from time to time, under the Master Indenture.

2. 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 Series 2020 Bonds, including, without limitation, their series designations, dated dates, principal amounts, interest rates, maturity dates, lien status as to senior or intermediate indebtedness under the Master Indenture, redemption and prepayment provisions (if any), sales prices, and principal amounts in each maturity of each series, subject to the following parameters and conditions:

- (i) the Series 2020 Bonds shall be issued in accordance with the form and requirements of the Master Indenture and the applicable Series Supplement (as determined and finalized in accordance with the terms of this Resolution);
- (ii) issuance and delivery by the Virginia Department of Transportation ("VDOT") of Notice to Proceed for the HRBT Project under Section 5.1.2 of the Comprehensive Agreement for the HRBT Project, which Comprehensive Agreement is referenced in the Project Agreement for Funding and Administration between the Commission and VDOT;
- (iii) the execution and delivery of a Master Tolling Agreement or Master Agreement for Development and Tolling, among the Commission, the Commonwealth Transportation Board, and VDOT with respect to the Hampton Roads Express Lanes;
- (iv) the aggregate principal amount of the Series 2020 Bonds shall not exceed \$800,000,000;
- (v) the Series 2020 Bonds shall have a final maturity date not later than 40 years from the date of their issuance;
- (vi) the true interest cost of any series of the Series 2020 Bonds shall not exceed 5.0%; and
- (vii) the sale price of any series of the Series 2020 Bonds, excluding any original issue discount, shall not be less than 95.0% of the aggregate principal amount thereof.

The Series 2020 Bonds may be sold, issued and delivered in one or more series or sub-series and from time to time.

3. 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 Section 2 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. The Series Supplement may have a different and additional numbered supplemental designation if necessary, desirable or in connection with the issuance of Series 2020 Bonds such that separate

supplemental indentures may be used and are hereby authorized for any separate series or sub-series of bonds.

4. The Commission authorizes the HRTAC Representative or the Executive Director, either of whom may act, to determine additional Projects from time to time to be financed with proceeds of the Series 2020 Bonds, provided that any such Project must be authorized for Commission financing.

5. The Commission hereby authorizes the Executive Director, with the advice of the Financial Advisor, to appoint one or more underwriters from time to time from the Commission's current underwriting pool, including one or more senior and/or co-managers, to serve as the underwriters with respect to any series of the Series 2020 Bonds, and authorizes the sale of each series of the Series 2020 Bonds to any or all of such underwriters appointed by the Executive Director for any particular issuance of Series 2020 Bonds by negotiated sale.

6. The Commission authorizes the distribution of the Preliminary Official Statement for the Series 2020 Bonds, 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 2020 Bonds, together with any other information required by law to reflect the terms of the sale of the Series 2020 Bonds, 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 2020 Bonds. 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 2020 Bonds 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 Series 2020 Bonds are sold, (i) the HRTAC Representative is authorized and directed to take all necessary or proper steps to have the final Series 2020 Bonds prepared in accordance with the terms of the Master Indenture and the applicable Series Supplement and to execute the Series 2020 Bonds by manual or facsimile signature, (ii) the Executive Director is authorized to countersign the Series 2020 Bonds by manual or facsimile signature, and (iii) any such official is authorized to deliver the Series 2020 Bonds to the applicable 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 Series 2020 Bonds, including, without limitation, and with the advice of Bond Counsel, (i) as applicable, execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Series 2020 Bonds 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”), (ii) making any elections that such officials deem desirable regarding any provision requiring rebate to the United States of “arbitrage profits” earned on investment of proceeds of the Series 2020 Bonds, and (iii) filing Internal Revenue Service Form 8038-G.

9. To ensure compliance with Tax Code, the Executive Director is authorized and directed to comply with, and cause the Commission’s staff to comply with, the Commission’s existing Post-Issuance Compliance Policies and Procedures and to monitor compliance with arbitrage yield restriction and rebate requirements and, in connection with the foregoing, the Executive Director is authorized to utilize any arbitrage rebate compliance services offered by the Financial Advisor, Bond Counsel and/or any third party arbitrage rebate consultant.

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 Series 2020 Bonds, if the Executive Director determines, with the advice of the PFM Asset Management LLC (the “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 his staff is 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 Series 2020 Bonds, including, without limitation, by the funding of a reserve for administrative operating expenses, the provision for payment of debt service on the Series 2020 Bonds, the establishment and replenishment of reserves, and the deposit and investment of Series 2020 Bond proceeds and Commission revenues in the various funds and accounts established by the Master Indenture and the Series Supplement.

12. Each HRTAC Representative 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.

13. The Commission confirms the findings and determinations contained in the recitals to this Resolution setting forth the reason for the need to meet by electronic means without requiring members of the Commission to physically assemble at one location during the current declared state of emergency by the Governor of the Commonwealth arising from COVID-19.

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 May 28, 2020.

Linda L. Johnson  
Chair, Hampton Roads Transportation  
Accountability Commission

Donna R. Suck  
Vice Chair, Hampton Roads Transportation  
Accountability Commission