

Open Session

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Portsmouth In-Kind Contribution

Presentation to Southside Network Authority Board, October 14, 2022

What is it and why?

- What: Portsmouth has 1.44 miles of existing conduit on the West Norfolk Bridge, for which they would lease us a portion of their 4” conduit.
- Why: Saves us a lot of construction costs, and around a year in VDOT permitting.
- What It Saves Us: \$1.31 million and several months of permitting.
- How Was It Determined: Using cost-avoidance model under Project Participation Agreement by CTC, agreed by Portsmouth. Designed to capture costs similar to how our savings from Chesapeake co-build will work.

How Would We Pay For It? Portsmouth's Proposals...

- “Pay Now” Methods:
 - Cash payment
 - Credit against future equity call under Project Participation Agreement (but would have to happen at some point in the near term)
- “Pay Later” Methods:
 - Cash payment within 1 year after completion of construction
 - Treating it as an amortized loan @3% over 20 years
 - Treating it as an unamortized loan @3% over shorter number of years

Amortized Loan Over 20 Years @3%

Points

- Low annual payment--
\$88,051.54
- Relatively high absolute interest
cost--\$451,051.54

	Payment	Principal	Interest	Balance
1	(\$88,052.58)	(\$48,752.58)	(\$39,300.00)	\$1,261,247.42
2	(\$88,052.58)	(\$50,215.15)	(\$37,837.42)	\$1,211,032.27
3	(\$88,052.58)	(\$51,721.61)	(\$36,330.97)	\$1,159,310.66
4	(\$88,052.58)	(\$53,273.26)	(\$34,779.32)	\$1,106,037.40
5	(\$88,052.58)	(\$54,871.45)	(\$33,181.12)	\$1,051,165.95
6	(\$88,052.58)	(\$56,517.60)	(\$31,534.98)	\$994,648.35
7	(\$88,052.58)	(\$58,213.13)	(\$29,839.45)	\$936,435.22
8	(\$88,052.58)	(\$59,959.52)	(\$28,093.06)	\$876,475.70
9	(\$88,052.58)	(\$61,758.31)	(\$26,294.27)	\$814,717.40
10	(\$88,052.58)	(\$63,611.06)	(\$24,441.52)	\$751,106.34
11	(\$88,052.58)	(\$65,519.39)	(\$22,533.19)	\$685,586.95
12	(\$88,052.58)	(\$67,484.97)	(\$20,567.61)	\$618,101.99
13	(\$88,052.58)	(\$69,509.52)	(\$18,543.06)	\$548,592.47
14	(\$88,052.58)	(\$71,594.80)	(\$16,457.77)	\$476,997.67
15	(\$88,052.58)	(\$73,742.65)	(\$14,309.93)	\$403,255.02
16	(\$88,052.58)	(\$75,954.93)	(\$12,097.65)	\$327,300.09
17	(\$88,052.58)	(\$78,233.57)	(\$9,819.00)	\$249,066.52
18	(\$88,052.58)	(\$80,580.58)	(\$7,472.00)	\$168,485.94
19	(\$88,052.58)	(\$82,998.00)	(\$5,054.58)	\$85,487.94
20	(\$88,052.58)	(\$85,487.94)	(\$2,564.64)	\$0.00
	(\$1,761,051.54)	(\$1,310,000.00)	(\$451,051.54)	

Linear Repayment @3% (Possible)

Five Year

	Payment	Principal	Interest	Balance
1	\$301,300	\$262,000	\$39,300	\$1,048,000
2	\$293,440	\$262,000	\$31,440	\$786,000
3	\$285,580	\$262,000	\$23,580	\$524,000
4	\$277,720	\$262,000	\$15,720	\$262,000
5	\$269,860	\$262,000	\$7,860	\$0
	\$1,427,900	\$1,310,000	\$117,900	

Ten Year

	Payment	Principal	Interest	Balance
1	\$170,300	\$131,000	\$39,300	\$1,179,000
2	\$166,370	\$131,000	\$35,370	\$1,048,000
3	\$162,440	\$131,000	\$31,440	\$917,000
4	\$158,510	\$131,000	\$27,510	\$786,000
5	\$154,580	\$131,000	\$23,580	\$655,000
6	\$150,650	\$131,000	\$19,650	\$524,000
7	\$146,720	\$131,000	\$15,720	\$393,000
8	\$142,790	\$131,000	\$11,790	\$262,000
9	\$138,860	\$131,000	\$7,860	\$131,000
10	\$134,930	\$131,000	\$3,930	\$0
	\$1,526,150	\$1,310,000	\$216,150	