

VIRGINIA PORT AUTHORITY

RESOLUTION 20-13

**RESOLUTION AUTHORIZING FINANCING UNDER THE
COMMONWEALTH MASTER EQUIPMENT LEASE PROGRAM**

WHEREAS, the Virginia Port Authority (the “Authority”) acting by its Board of Commissioners (the “Board”) has heretofore adopted Resolution No. 16-9 (the “Bond Resolution”), which in Section 510 authorizes the issuance of Subordinate Obligations; and

WHEREAS, the Authority has determined that in connection with the optimization of Virginia International Gateway (VIG) it is necessary to contract to purchase certain equipment including up to twenty (20) shuttle carriers for the Fiscal Year 2021 capital budget, eight of which may also be used as needed at Norfolk International Terminals, Portsmouth Marine Terminal, Richmond Marine Terminal and/or Virginia Inland Port; and

WHEREAS, the Authority has entered into an Amended and Restated Deed of Facilities Lease Agreement and an Installment Sale Contract, each dated September 21, 2016, with Virginia International Gateway, Inc. (the “Senior Documents”); and

WHEREAS, the Senior Documents obligate the Authority to make payments of Senior Obligations to Virginia International Gateway, Inc.; and

WHEREAS, the Authority has issued and there are currently outstanding in the aggregate principal amount of \$261,145,000, multiple series of its Port Facilities Revenue Refunding Bonds (the “Outstanding Bonds”) and \$60,692,849 in subordinate obligations; and

WHEREAS, the Authority has requested and the Treasurer to the Commonwealth of Virginia has determined that twelve million dollars (\$12,000,000) of financing can be made available for the purchase of twelve (12) shuttle carriers, of the twenty (20) that were approved in the Authority’s Fiscal Year 2021 capital budget, through the Commonwealth’s master equipment leasing program (the “Commonwealth MELP”) as a Subordinate Obligation under the Bond Resolution and will be considered to be a taxable obligation for federal income tax purposes; and

WHEREAS, twelve (12) of the shuttle carriers will be acquired pursuant to a financing program evidenced by a Master Equipment Lease Agreement and subsequent equipment lease schedules (the “Agreement”), between the Authority and the Commonwealth of Virginia to be dated the closing date thereof; and

WHEREAS, payments made by the Authority pursuant to the Agreement will be Subordinate Obligations under the Bond Resolution and as such, subordinate as to payment from the Authority’s Net Revenue to Senior Obligations, the Outstanding Bonds and any other Bonds outstanding from time to time under the Bond Resolution; and

WHEREAS, the Board has determined that it is necessary to delegate to the Executive Director the authority to approve the form of the Agreement, execute the Agreement and approve the aggregate principal amount, the term, the interest rates, the repayment provisions and other details thereof that have not yet been finalized, but subject to the parameters established hereby.

NOW THEREFORE, BE IT RESOLVED by the Board of the Authority, as follows:

Section 1. Authorization of the Commonwealth MELP as Subordinate Obligations. (a) Pursuant to Section 510 of the Bond Resolution, the Authority is hereby authorized to acquire twelve (12) shuttle carriers through an Agreement with the Commonwealth and pay the costs incident thereto in an aggregate principal amount not to exceed twelve million dollars (\$12,000,000).

(a) The Agreement with the Commonwealth and the related obligations of the Authority will be Subordinate Obligations.

Section 2. Terms of Agreement. The Executive Director is hereby authorized to accept an offer of the Commonwealth to provide financing for the twelve (12) shuttle carriers whereby such Agreement:

- (i) Shall be for a term not to exceed January 1, 2031; and
- (ii) Shall provide for the interest portion of the payments made thereunder to be calculated using a rate per annum not to exceed 4.50% for taxable lease payments.

Section 3. Approval of Agreement. The Executive Director is hereby authorized to approve the form of the Agreement. The execution and delivery of the Agreement in accordance with Section 2 hereof by the Authority is hereby authorized, and if the Executive Director shall accept the offer of the Commonwealth of Virginia.

Section 4. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary and proper in connection with the Agreement.

Section 5. Other Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

[END OF RESOLUTION]

PASSED AND ADOPTED this 28th day of July, 2020.

John G. Milliken
Chairman

Attest:

Debra J. McNulty
Secretary