

HRTAC RESOLUTION 2021-01

**RESOLUTION OF OFFICIAL INTENT FOR ALLOCATION OF
BOND PROCEEDS TO REIMBURSE HRTAC EXPENDITURES ON
HAMPTON ROADS EXPRESS LANES PROJECT**

WHEREAS, in accordance with its statutory powers and purposes, the Hampton Roads Transportation Accountability Commission (the “Commission”) has resolved and agreed to pay portions of the costs related to the Hampton Roads Express Lanes Network, as generally described in the Master Agreement for Development and Tolling Of Hampton Roads Express Lanes Network dated August 18, 2020 (collectively, the “Project”, as further described in Exhibit A);

WHEREAS, plans for the Project have proceeded and it is expected that the Commission will cause funds under its control to be advanced to pay expenditures related to the Project (each, an “Expenditure” and, collectively, the “Expenditures”) prior to such time as the Commission may be prepared to issue one or more series of tax-exempt bonds (“Bonds”) to finance such Project;

WHEREAS, the Commission intends for a portion of the proceeds of a future issue of Bonds to be available to reimburse the Commission for the payment of Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations, promulgated under the Internal Revenue Code of 1986, as amended (the “Code”), provides that to allocate proceeds of Bonds to reimbursement of Expenditures paid in advance of an issue of Bonds, the Commission must declare its official intent to allocate proceeds of Bonds to reimbursement of Expenditures;

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

1. The Commission intends to issue Bonds in a future period and allocate a portion of the proceeds thereof, in a maximum principal amount of \$780,000,000, to the reimbursement of Expenditures.

2. Each Expenditure to be reimbursed with Bond proceeds was or shall be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of such Expenditure), or (b) a cost of issuance with respect to the Bonds.

3. The Commission intends to make a reimbursement allocation, which is a written allocation by the Commission that evidences the Commission’s use of proceeds of the Bonds to reimburse Expenditures, no later than 18 months after the later of (a) the date on which the first Expenditure for the Project was paid, or (b) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the date on which the first Expenditure was paid with respect to the Project, which period may be extended to five (5) years as and to the extent permitted under the applicable Treasury Regulations.

4. The Commission intends that the adoption of this resolution shall confirm the “official intent” of the Commission within the meaning of Treasury Regulations Section 1.150-2

to reimburse Expenditures paid not earlier than sixty (60) days prior to the date of adoption of this resolution and not later than the date of the final allocation described in paragraph 3 above.

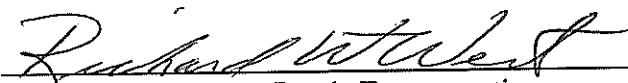
5. This resolution shall take effect immediately upon its adoption.

* * *

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 January 21, 2021.



Chair, Hampton Roads Transportation
Accountability Commission



Vice Chair, Hampton Roads Transportation
Accountability Commission

Exhibit A

General Description of Hampton Roads Express Lane Network

The Hampton Roads Express Lanes Network is planned to consist at full build-out of a tolling network of contiguous high-occupancy toll lanes or other dynamically-priced travel lanes (HOT lanes), in each direction, between the interchange of Interstate 64 and Jefferson Avenue in Newport News and the interchange of Interstate 64, Interstate 264 and Interstate 664 in the Bowers Hill section of Chesapeake (approximately 45 miles in length), which ultimately would enable continuous HOT lane travel throughout such corridor.

The HREL Network is expected to be constructed and integrated in a phased approach consisting of several separate phases as determined by the Virginia Department of Transportation and HRTAC. The project includes development, design, construction, equipping, financing and administration costs, or any combination of these (including the establishment of reserves for such purposes), and the development, undertaking, installation and equipping of an electronic toll collection and enforcement system and related toll integration costs, all with respect to the Hampton Roads Express Lanes Network.

