



## NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

### MEMORANDUM

**TO:** NOACA Board of Directors

**FROM:** Grace Gallucci, Executive Director

**DATE:** December 4, 2015

**RE:** Resolution 2015-060 – State Infrastructure Bank (SIB) Loan Authorizations

#### **ACTION REQUESTED**

The Board of Directors is asked to approve authorization for the Executive Director to execute SIB loan related documents for the existing projects planned for the SIB program in the NOACA Transportation Improvement Program (TIP). The Finance and Audit Committee recommended this action.

#### **BACKGROUND/JUSTIFICATION FOR CURRENT ACTION**

The Ohio SIB was authorized by the Ohio State Legislature in 1996 for the purposes of funding highway, rail, transit, intermodal and other transportation facilities and projects. Assistance provided by the SIB is in the form of loans, loan guarantees, letters of credit, leases, interest rate subsidies, debt service, cash reserves, and other forms ODOT determines to be appropriate. Authorization is requested for the following projects:

**CUY ROYALTON ROAD:** PID 80961, sponsored by Cuyahoga County. The project is currently estimated at a cost of \$14.7 M for construction and construction administration, with a Board approved NOACA share of \$11,714,135 for loan principal and interest.

**CUY TOWER CITY BRIDGES:** PID 95557, sponsored by the City of Cleveland. The project is currently estimated at a cost of \$12 M for construction and construction administration, with a Board approved NOACA share of \$9,384,529 for loan principal and interest.

**MED CARPENTER ROAD:** PID 14821, sponsored by the City of Brunswick. The project is currently estimated at a cost of \$13.8 M for construction and construction administration, with a Board approved NOACA share of \$10,982,002 for loan principal and interest.

Advancing these projects with assistance through the SIB program maintains fiscal balance and flexibility while enabling the projects to advance into the TIP during the year requested by the sponsor. Funding for the projects in the requested year is dependent upon sufficient balances available in the SIB program to finance the full NOACA share.

The Ohio Attorney General's Office, on behalf of ODOT, requires certified resolutions from the City and NOACA, that authorize the execution and delivery of all documents and performance of the loan requirements thereunder, as applicable.

### **FINANCIAL IMPACT**

NOACA will be financially responsible for the repayment of principal, interest, and administrative costs, up to the Board of Directors approved project funding share and any future Board approved funding increases, over the term of the loan. The loans will be repaid through bi-annual installments to the SIB drawn from the NOACA-attributable STP funds that are apportioned annually to NOACA per federal transportation law. The standard terms of the ODOT SIB loan program include:

- Term of Loan – 11 years (1 year interest-free period / 10 years of amortization)
- Repayment Schedule – Biannually (July and January of each year)
- Interest – 0% for months 1-12, 3% for months 13-132
- Initial Payment: 19<sup>th</sup> month after loan closing date
- Prepayment Penalty – 3% premium charged for any prepayment of the loan, in whole or in part, prior to the 36<sup>th</sup> month following closing

### **CONCLUSION/NEXT STEPS**

Following the Board approval, NOACA staff will work with the sponsor and ODOT to ensure completion of SIB related documents and performance of the contract in accordance with the conditions of the future SIB agreement, as applicable.

GG/rl/2872b

**RESOLUTION 2015-060  
(STATE INFRASTRUCTURE BANK  
LOAN AUTHORIZATIONS)**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE  
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY**

**WHEREAS**, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina, and the areawide water quality management agency for the same region; and

**WHEREAS**, as the MPO, NOACA develops and manages the Transportation Improvement Program (TIP) for the same region; and

**WHEREAS**, the following projects are included in the state fiscal years (SFYs) 2016 - 2019 TIP

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**MED CARPENTER ROAD: PID 14821, sponsored by the City of Brunswick.** The project is currently estimated at a cost of \$13.8 M for construction and construction administration, with a Board approved NOACA share of \$10,982,002.

**WHEREAS**, the NOACA federal-aid share of the projects are listed in the TIP as being financed through a loan from the Ohio State Infrastructure Bank (SIB); and

**WHEREAS**, the Ohio SIB was authorized by the Ohio State Legislature in 1996 for the purposes of funding highway, rail, transit, intermodal and other transportation facilities and projects; and

**WHEREAS**, NOACA will be financially responsible for the repayment of loan principal, interest, and administrative costs, up to the Board of Directors approved project funding share and any future Board approved funding increases, over the term of the loan; and

**WHEREAS**, the loan security and payments from the NOACA Board of Directors will be in the form of Surface Transportation Program (STP) funds that are apportioned annually to NOACA per federal transportation law; and

**WHEREAS**, the terms of the loans are eleven years, with an initial payment on the 19<sup>th</sup> month after the date of loan closing; and

**WHEREAS**, the interest rate is zero percent for the first 12 months and three percent for the remaining term period; and

**RESOLUTION 2015-060  
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LOAN AUTHORIZATIONS)**

**WHEREAS**, the loans will be repaid over a ten-year period through bi-annual installments, each July and January, to the SIB drawn from the NOACA-attributable funding obligation authority; and

**WHEREAS**, project sponsors are required to sign the loan agreement, and coordinate the local financial share and perform other project sponsor activities.

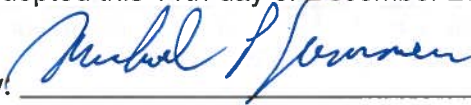
**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of 45 principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina that:

**Section 1:** The Executive Director is authorized to execute applications and agreements with the Ohio State Infrastructure Bank for loans to finance the NOACA Board approved funding share, including loan interest and administrative costs, for the referenced projects;

**Section 2:** The Executive Director is authorized to transmit certified copies of this resolution to appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of Directors of the Northeast Ohio Areawide Coordinating Agency adopted this 11th day of December 2015.

Secretary: \_\_\_\_\_



Date Signed: \_\_\_\_\_

12-11-15