



Joint Subcommittee – Long-Term Funding Sources for PDRs to Preserve Open Space Land and Farmlands

October 24, 2007

“Service and Results”



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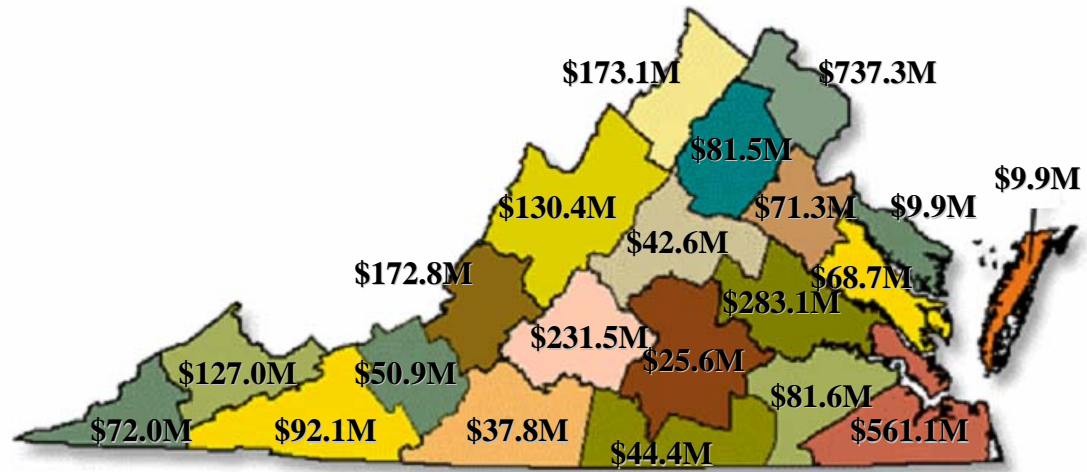
Virginia Resources Authority – Overview

- Created by Virginia General Assembly in 1984
- 20+ years of underwriting experience
- Provide low interest loans to municipalities
- Finance municipal facilities, equipment & infrastructure, including:
 - Airports
 - Transportation
 - Wastewater
 - Water
 - Solid waste
 - Flood Prevention
 - Brownfield remediation
 - Federal facility development
 - Public Safety
 - Wireless Broadband
 - Land Conservation



Making a Difference in Virginia

- Invested over \$377.5 million impacting 51 communities in FY 2007
- Supported over \$3.1 billion of investment in Virginia's communities since 1984
- Funded more than 750 projects across the Commonwealth since inception
- Cost-effective loans make local and regional projects possible



VA Map Courtesy Of Virginia Employment Commission

Financing Options

- **Revolving Loan Funds**
 - Below Market Rates
 - Permanent & perpetual source of funding
 - Collaborative effort with state partners
- **Virginia Pooled Financing Program**
 - Natural “AAA / AA” rates
 - No bond insurance
 - Unique state credit enhancement
- **VRA Equipment and Term Financing**
 - Expanded options for terms 1 – 10 years
 - Low rates & easy process



VRA Credit and Security

- **VRA performs loan underwriting for all programs**
 - Assess general economic conditions
 - Analysis of system, rates and historical financial data
 - Cash flow projections/coverage requirements
- **Security tailored to project and locality**
 - Revenue pledge
 - General obligation
 - Double barrel
 - Lease
 - Moral obligation
 - State aid intercept



VRA & Land Conservation

- **Authorized Projects**
 - PDR programs
 - Conservation easements
 - Land purchases
 - Agricultural and forestal lands
 - Lands for threatened or endangered species
- **Parks and park facilities *not* specifically authorized**
 - Technical amendment could clarify
- **Eligibility – all local governments and authorities may borrow**



VRA's Potential Contribution

- **Existing VRA tools can augment Land Conservation & Preservation goals**
 - **Establish VRA Revolving Loan Fund for Land Conservation Projects**
 - **Innovation: Combine initial capital investment with existing VRA Pooled Financing Program to maximize impact**
 - **Special interagency team develops loan eligibility criteria**
 - **Capitalize on VRA's proven record of getting investment to communities quickly**

Revolving Loan Fund Strategy - Example

- **\$10 million investment generates \$100 million of below-market loans in first 5 years and over \$200 million in 20 years**
- **Loan rates 0.50% below VRA's natural "AAA/AA" market rates**
- **One-time investment generates sustainable funding source**
- **Magnify total statewide impacts**



Impact of VRA Tools

- **Benefit to Commonwealth**
 - Promote land conservation goals
 - Expedite projects with flexible & timely financing options
 - Enhance economic vitality & quality of life for Virginia's communities
 - Facilitate essential projects with low-cost financing



Land Conservation Tools

- **Benefit to Localities**
 - **Gap financing at below-market interest rates**
 - **Flexible, customer-friendly funding source**
 - **Proven financing resource:
Over 250 counties, cities,
towns and authorities are VRA
borrowers**



VRA Team – Experience and Dedication

- **Superb customer service**
- **Immediate response**
- **Continuous communication**
- **Long-term relationships**



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