



## FOR IMMEDIATE RELEASE

November 16, 2009

Contact: Rod Davis  
Strategic Projects Manager  
Virginia Resources Authority  
(757) 477-7763  
[Rdavis@virginiaresources.org](mailto:Rdavis@virginiaresources.org)

Liz Bryant  
Vice President of Public Relations  
The Alliance Group  
(804) 225-5829  
[Liz@AllianceGroupLtd.com](mailto:Liz@AllianceGroupLtd.com)

### VRA Garners Nearly \$200 Million in Infrastructure Financing at Historically Low Rates ~ *Low rates generate \$33.4 million in total savings for borrowing localities* ~

RICHMOND -- The Virginia Resources Authority has secured excellent interest rates with \$197 million in bond proceeds for vital infrastructure projects statewide through its Virginia Pooled Financing Program (VPFP). Thirty-year bonds were sold for an All-In Total Interest Cost of 3.85%, the lowest interest rate ever achieved in the history of the VPFP program.

The bonds will finance a number of projects in localities across Virginia. There are a total of 15 borrowers, including five who are new to the VPFP. Funding went to water, wastewater, regional and local jail, courthouse and countywide ERP projects, as well as refinanced several existing projects.

Several new strategies were adopted for this bond sale that reaped significant returns, generating a total of \$33.4 million of savings for the borrowers. "VRA constantly monitors the financial markets and adapts its strategies to produce the greatest results for Virginia's communities," said Executive Director Sheryl Bailey. For this bond sale, the two structural components of the VPFP bonds were renamed to better appeal to today's bond investors, the new Build America Bonds (BABs) provision of the American Recovery and Reinvestment Act of 2009 was utilized to capture federal tax credits, and two completely different underwriting teams were used for the tax-exempt and BABs portions of the transaction to maximize the respective focus and marketing efforts.

The Build America Bonds strategy significantly lowered the overall interest costs for the new money projects. Utilizing the federal tax credits produced approximately \$11.3 million in aggregate debt service savings for the new money borrowers from the BABs alone.

“Since 2006 VRA has funded nearly 370 local projects,” said Executive Director Sheryl Bailey. “That’s over \$2.2 billion of total investment in the Commonwealth’s communities and a quadrupling of the annual volume of assistance provided to Virginia’s localities since 2006. This commitment to cost-effective funding is a major economic engine for the Commonwealth, generating vital jobs and economic growth in communities while also producing millions in savings to taxpayers.”

In addition to the new money projects, there was also a refunding portion of the transaction in which more than \$8.1 million in gross debt service savings were achieved for seven borrowers.

VRA has maintained its high credit ratings throughout the turbulent financial markets. Moody’s Investors Service rated the infrastructure revenue bonds Aaa and the state moral obligation revenue bonds Aa. Standard & Poors rated the infrastructure revenue bonds AAA and the state moral obligation bonds AA. The benefits of VRA’s high credit ratings produced additional net debt service savings of approximately \$14 million for all projects.

“VRA’s VPPF program has enabled us to move forward with critical drinking water as well as other projects,” said John Tuohy, Chief Financial Officer for the City of Falls Church. “There’s no way our community would be able to handle the issuance of such bonds without VRA. It’s extremely cost-effective and the nature and timing of the program gives us the flexibility we require to satisfy our infrastructure needs.”

Total borrowing to date under VRA’s pooled financing program is now at \$1.2 billion.

###

*About the Virginia Resources Authority:*

VRA provides innovative, cost-effective and sustainable financial solutions to local governments and other public bodies for projects that build vibrant and healthy Virginia communities. Created by the General Assembly in 1984, VRA is a self-financed state authority that supports vital community investments. In response to the expressed infrastructure needs of the Commonwealth’s local communities, VRA’s project areas have doubled (8-16) between 2006 and 2009 in order to better serve localities. Those project areas now include public safety, transportation, wastewater, broadband, energy, flood prevention and dam safety, solid waste, water, federal facility development, brownfield remediation and redevelopment, airports, land conservation and preservation, parks and recreation,

local government buildings, administrative and operations systems, and site acquisition and development for economic and community development.

Since 1984, VRA has funded more than 955 critical projects across the Commonwealth representing nearly \$5 billion of investment in Virginia's localities with over \$2.2 billion of funding provided since 2006, greatly enhancing the health, safety and vitality of Virginia's communities. VRA maintained high AAA/AA credit ratings during recent tumultuous financial markets and quadrupled the annual volume of loans during the FY 2006 - FY 2009 period. The Authority's cost-effective and custom-tailored financing solutions save Virginia's taxpayers millions of dollars annually in financing costs and make many local and regional projects possible. These financing solutions draw on VRA's unique ability to issue bonds backed by the moral obligation of the Commonwealth and to provide revolving fund loans to localities at below-market interest rates. The VRA staff offers extensive experience and expertise in a variety of financing techniques and the staff provides ongoing assistance and oversight to localities and their public projects.

Since 2006, VRA has invested well over \$1 billion in the restoration of the Chesapeake Bay and other wastewater treatment improvements. In 2007, VRA established the Equipment Term Financing Program that has provided favorable shorter-term financing for critical local government equipment and facilities. Since 2006, VRA has undertaken a number of initiatives to strengthen its connectivity with local communities. Its Regional Workshop and Financial Sustainability Workshop series have familiarized community officials with a variety of infrastructure financing tools. In 2008, the Authority established the Community Investment Advisory Council comprised of local government chief administrative officers, finance and public works directors.

The ability to maximize value for local communities with cost-effective and innovative financing options has made VRA a major strategic partner for Virginia communities.

In 2009, VRA was awarded the Government Finance Officers Association certificate of achievement for excellence in financial reporting.