

RESOLUTION NO. 19 – 35

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE INTEREST RATE FOR THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM FOR STATE FISCAL YEAR 2020

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to and in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), and (ii) the policies established by the terms of the Transportation Financing Program Financial Plan submitted to the New Jersey State Legislature by the I-Bank, is authorized, pursuant to an interim transportation financing program for the I-Bank’s Transportation Bank (the “Transportation Construction Financing Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of transportation projects (each, a “Transportation Bank Project”), provided that each such Construction Loan made by the I-Bank to any such Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(g), and any policy statements relating to the Transportation Construction Financing Program to be set forth in the Financial Plan; and

WHEREAS, pursuant to the provisions of the Act and the Financial Plan, a proposed project sponsor is eligible to be a Borrower for a Construction Loan for purposes of financing the allowable costs of the Transportation Bank Project of such Borrower pursuant to the Transportation Construction Financing Program, provided each of the following conditions are satisfied in full: (i) in satisfaction of the requirements of the Act (N.J.S.A. 58:11B-9(g)), the Transportation Bank Project is listed on the project priority lists for the related funding cycle that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20.2; (ii) in satisfaction of the requirements to be set forth in the Financial Plan, the proposed Borrower has submitted a complete application for the Transportation Bank Project; (iii) in satisfaction of the requirements to be set forth in the Financial Plan, the proposed Borrower has complied with the I-Bank’s Credit Policy, as formally adopted by the I-Bank; (iv) in satisfaction of the requirements to be set forth in the Financial Plan, the Transportation Bank Project (or, at a minimum, an operable segment thereof) has been certified for funding pursuant to the terms of the Act; (v) the Transportation Bank Project is in the fundable range in the forthcoming funding cycle given the Transportation Bank Project's rank and the anticipated availability of I-Bank monies to fund transportation projects; and (vi) the proposed Borrower has not previously received a Construction Loan through the Transportation Construction Financing Program for the same Transportation Bank Project scope (exclusive of a Construction Loan made solely for the purpose of extending the term of a prior Construction Loan) (collectively, the “Transportation Construction Financing Program Conditions Precedent”); and

WHEREAS, the I-Bank duly adopted Resolution No. 19-10 on February 14, 2019 entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Transportation Bank

Construction Financing Program for State Fiscal Year 2020” (the “SFY2020 Authorizing Resolution”) to provide funding for the implementation of the Construction Financing Program during State Fiscal Year 2020 (the “2020 Construction Loan Program”); and

WHEREAS, pursuant to the terms and provisions of the SFY2020 Authorizing Resolution, each Construction Loan shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (the “Interest Rate Calculation”) which shall be calculated in a manner consistent with the terms and provisions of the then-applicable Financial Plan, as prepared for each State Fiscal Year and as submitted to the State Legislature by the I-Bank, all pursuant to, and in satisfaction of the requirements of, section 22.3 of the Act (the “Financial Plan”); and

WHEREAS, pursuant to the terms and provisions of the SFY2020 Authorizing Resolution, all or any portion of such interest may be capitalized and included in the principal amount and the Interest Rate Calculation shall be reflective of the policy goals of the I-Bank as set forth in the Authorizing Resolution and the market as of the respective dates on which the Interest Rate Calculation is performed.

WHEREAS, on May 15, 2019, the Financial Plan was duly submitted to the State Legislature; and

WHEREAS, the Financial Plan directs that the interest rates or calculation methodology on Construction Loans shall be set at the beginning of each calendar quarter during SFY2020; and

WHEREAS, the Financial Plan authorizes the delegation of the authority to set the interest rates or calculation methodology on Construction Loans to the I-Bank’s Executive Director.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank (the “Board”), as follows:

Section 1. Interest Rate. The Interest Rate Calculation shall be a fixed rate for each quarter of SFY2020 calculated as the product of (i) 0.5 and (ii) the sum of (a) one-year LIBOR and (b) 50 basis points. The resulting rate may be rounded up or down no more than a quarter percentage at the discretion of the Executive Director to account for market forces. (For example, with one-year LIBOR at 2.6%, the range of interest rate would be between 1.3 and 1.8 percent.)

Section 2. Delegation as to Establishment of Rate. The Executive Director is hereby authorized and directed to calculate the Rate for each quarter of SFY2020 Construction Loan Program on the first business day of each quarter.

Section 3. Interest Cost. Interest will be charged on the outstanding principal amount as defined in Section 3 of the SFY2020 Authorizing Resolution in accordance with the Interest Rate Calculation. Such charges will accrue to the I-Bank to offset the costs of the Credit Instrument.

Section 4. Posting on Website. The interest rates or calculation methodology on Construction Loans shall be posted on the I-Bank website.

Section 5. Report to the Board. At the meeting of the Board that is scheduled to occur during the month next succeeding the month during which the Interest Rate Calculation is set for each quarter of SFY2020, the Executive Director of the I-Bank shall provide a report to the Board concerning the details of the Interest Rate Calculation therefore.

Adopted Date: June 11, 2019

Motion Made By: Ms. Kimberly Holmes

Motion Seconded By: Ms. Laine Rankin

Ayes: 7

Nays: 0

Abstentions: 0

EXHIBIT A

FORMS OF OBLIGATION