

RESOLUTION NO. 20 – 42

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE INTEREST RATE FOR THE STATE FISCAL YEAR 2021 TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM

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 (the “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); and

WHEREAS, the I-Bank duly adopted Resolutions (the “Authorizing Resolutions”) to provide funding for the implementation of the Transportation Bank Construction Loan Financing Program during applicable Fiscal Years; and

WHEREAS, pursuant to the terms and provisions of the Authorizing Resolutions, 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; and

WHEREAS, pursuant to the terms and provisions of the Authorizing Resolutions, 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 Resolutions and the market as of the respective dates on which the Interest Rate Calculation is performed.

WHEREAS, on June 1, 2020, the SFY2021 Financial Plan was duly submitted to the State Legislature; and

WHEREAS, the SFY2021 Financial Plan directs that the interest rates or calculation methodology on Construction Loans shall be set at the beginning of each quarter during SFY2021 as directed by the I-Bank Board, which shall mean July 1, 2020 through June 30, 2021.

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 Methodology shall be a fixed rate for each quarter of SFY2021 calculated as the product of (i) 0.5 and (ii) the sum of (a) the one-year MIG-1 rate 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.

Section 2. Delegation as to Establishment of Rate. The Executive Director is hereby authorized and directed to calculate the Rate for each quarter of SFY2021 on the first business day of each quarter.

Section 3. Interest Cost. Interest will be charged on the outstanding principal amount as defined in the Authorizing Resolutions in accordance with the Interest Rate Calculation.

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

Section 5. Report to the Board. At the subsequent meeting of the Board that is scheduled to occur after the setting of the interest rate for each quarter of SFY2021, the Executive Director of the I-Bank shall provide a report to the Board concerning the details of the Interest Rate Calculation.

Adopted Date:	June 11, 2020
Motion Made By:	Ms. Kimberly Holes
Motion Seconded By:	Mr. Mark Longo
Ayes:	7
Nays:	0
Abstentions:	0