

# OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

## **Resolution to Authorize and Issue a Declaration of Official Intent with Respect to Reimbursement of Temporary Advances Made for Capital Expenditures in Connection with ODOT Infrastructure Projects to be Made from Subsequent Borrowings**

WHEREAS, Treasury Regulation §1.150-2 (the “Reimbursement Regulations”), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the “Code”) prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of “bonds” under Section 150 of the Code (“Obligations”) used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed “spent” for purposes of Sections 103 and 141 to 150 of the Code and, therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Ohio Turnpike and Infrastructure Commission (the “Commission”), as Issuer (as hereinafter defined), make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure, and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure, and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three (3) years after such Capital Expenditure was paid; and

WHEREAS, the Ohio Turnpike and Infrastructure Commission wishes to ensure compliance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that:

**Section 1. Definitions.** The following definitions apply to the terms used herein:

“Allocation” means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the Commission or, in the case of Infrastructure Projects, ODOT, for such payments. “To allocate” means to make such an allocation.

“Capital Expenditure” means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

“Declaration of Official Intent” means a written declaration that the Commission intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects the payment of those Capital Expenditures to be reimbursed from the proceeds of such an issue.

“Infrastructure Projects” has the meaning given in division (C) of Section 5537.01 of the Ohio Revised Code.

“Issuer” means either (i) a governmental unit that is reasonably expected to issue Obligations, (ii) an entity authorized to issue Obligations on behalf of a governmental unit and that is reasonably expected to issue Obligations on behalf of such governmental unit, or (iii) any governmental entity or 501(c)(3) organization that is reasonably expected to borrow funds from the actual issuer of the Obligations.

“Junior Lien Master Trust Agreement” means the Junior Lien Master Trust Agreement dated as of August 1, 2013, as amended and supplemented, between the Ohio Turnpike and Infrastructure Commission and The Huntington National Bank, as Trustee.

“ODOT” means the Ohio Department of Transportation.

“Reimbursement” means the restoration to the Commission or, in the case of Infrastructure Projects, ODOT, of money temporarily advanced from other funds, including moneys borrowed from other sources, of the Commission or ODOT to pay for Capital Expenditures made before the issuance of Obligations intended to fund such Capital Expenditures. “To reimburse” means to make such a restoration.

“Reimbursement Bonds” means Obligations that are issued to reimburse the Commission or, in the case of Infrastructure Project, ODOT, for Capital Expenditures and for certain other expenses permitted by the

Reimbursement Regulations, previously paid by or for the Ohio Commission or, in the case of Infrastructure Projects, ODOT.

“Reimbursement Regulations” means Treasury Regulation §150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the Commission or, in the case of Infrastructure Projects, ODOT, for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as “spent” for purposes of Sections 103 and 141 to 150 of the Code.

**Section 2. Declaration of Official Intent.**

(a) The Commission declares that it reasonably expects, based on information provided to the Commission by ODOT for certain Infrastructure Projects, that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Commission for such Reimbursements in the maximum principal amount of \$76,000,000.

(b) The Commission further declares that the Capital Expenditures to be reimbursed in the maximum principal amount of \$76,000,000 are to be used for project costs affiliated with the following Infrastructure Projects approved by the Commission by its Resolution Nos. 25-2016, 26-2016, 27-2016 and 33-2016:

<u>PROJECT NAME:</u>	<u>PID NO.</u>	<u>MAXIMUM PRINCIPAL REIMBURSEMENT AMOUNT:</u>
CUY - IR 77	79671	\$10,000,000
CUY - IR 271	80418	\$35,000,000
SUM - IR 76	77269	\$30,000,000
MAH - IR 680	80192	\$1,000,000
		\$76,000,000

**Section 3. Reasonable Expectations.** The Commission does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed) to be reserved, allocated on a long-term basis, or otherwise set aside by the Commission or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

**Section 4. Open Meeting.** It is found and determined that all formal actions of the Ohio Turnpike and Infrastructure Commission concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Commission; and that all deliberations of the Commission and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with Section 121.22 of the Ohio Revised Code.

**(Resolution No. 35-2016 adopted April 18, 2016)**