

Interest Rate Modification / Refinancing of 2012 Public Facilities Revenue Bond

Central Virginia Radio Communications Board (CVRCB)

January 20, 2022

Overview of 2012 Public Facilities Revenue Bond

Industrial Development Authority of the Town of Amherst, Virginia
Public Facilities Revenue Bond
(Virginia's Region 2000 Local Government Council Project), Series 2012 (the "2012 Bond")

- In May 2012, the Central Virginia Planning District Commission (the "Commission" or "CVPDC")⁽¹⁾ secured financing on behalf of the Central Virginia Radio Communications Board (the "CVRCB")⁽²⁾ in the amount of \$13,100,000 through a Direct Bank Loan with Banc of America Public Capital Corp ("BAPCC") via the Industrial Development Authority ("IDA") of the Town of Amherst, Virginia (as the conduit issuer).

- The 2012 Bond provided the CVRCB with the following terms:
 - Fixed interest rate of 3.04%.
 - 15 Years amortization with a Final Maturity of 5/1/2027.
 - Prepayment provisions as follows:
 - Principal of the Bond may be prepaid in whole on a scheduled payment date on or after November 1, 2019 at par.
 - Prepayment in part is allowed, in an amount of at least \$500,000, on a scheduled payment date on or after November 1, 2019 at par.
 - Collateral / Security
 - Repaid through payments received from operation of the Facilities by the CVRCB and from the Member Jurisdictions under a Regional Cooperative Agreement (the "Cooperative Agreement"); and
 - Security interest in the System and Facilities.
 - The 2012 Bond has approximately \$5.98 Million of principal outstanding and approximately 5 years remaining until maturity.

(1) Formerly known as Virginia's Region 2000 Local Government Council.

(2) Formerly known as the Region 2000 Radio Communications Board.

Overview of Interest Rate Modification Opportunity

- BAPCC has provided the CVRCB with a proposal to modify the interest rate on the existing loan. The modification includes the following terms:
 - Modified Interest Rate: 1.37%
 - Accrued Interest at Old Rate: Only through Modification Date (will not require 3.04% through next payment date of 5/1/2022)
 - Modification / Closing Date: NLT February 11, 2022
 - BAPCC would allow the CVRCB to:
 - Keep the Principal Amortization the same as the existing loan, resulting in a more front-loaded savings structure and requiring that any issuance costs be paid out-of-pocket rather than included in the borrowing; or
 - Re-Amortize the principal in order to solve for level annual savings and include any Costs of Issuance or the Accrued Interest.
 - Prepayment Provisions:
 - No Penalty;
 - On any payment date; and
 - In whole, or in part with a prepayment minimum of \$500,000.
 - All other terms and conditions remain unchanged.

Potential Modification to Loan* | Scenario 1 – Orig. Amortization Unchanged

Assumes a Modified Interest Rate of 1.37% per the BAPCC Proposal

	A	B	C	D	E	F
	Preliminary Results	Prior Debt Service	Modified Debt Service	Savings Without Costs of Issuance (B-C)	Costs of Issuance	Savings Net of Costs of Issuance
1	Fiscal Year					
2	2022	1,010,896	988,149	22,747	(55,000)	(32,253)
3	2023	1,110,149	1,025,647	84,502	-	84,502
4	2024	1,110,082	1,041,445	68,637	-	68,637
5	2025	1,110,065	1,057,794	52,271	-	52,271
6	2026	1,110,066	1,074,679	35,387	-	35,387
7	2027	1,110,055	1,092,086	17,969	-	17,969
8	Total	\$6,561,313	\$6,279,799	\$ 281,514	\$ (55,000)	\$ 226,514
9	NPV Savings (\$)					218,360
10	NPV Savings (%)					3.65%

Notes:

(i) Modified Debt Service includes accrued interest at 3.04% from 11/1/2021 payment to modification/closing date of 2/9/2022, which will be paid on 5/1/2022, the next scheduled payment date.

(ii) Prior Debt Service and Modified Debt Service both account for (include) the associated annual fee of 12.5bps (0.125%) related to the IDA of the Town of Amherst, as the conduit issuer.

Notes:

- Modification Interest Rate per BAPCC's proposal of 1.37%
- Assumes a closing date of 2/9/2022.
- Net of estimated Costs of Issuance totaling \$55,000. Assumes the CVRCB makes an Equity Contribution to cover the Costs of Issuance.
- Assumes Accrued Interest through 2/9/2022 is paid on 5/1/2022, the next scheduled payment date.
- The Original Principal Amortization is unchanged.
- Prior Debt Service and Modified Debt Service both account for (include) the associated annual fee of 12.5bps (0.125%) related to the IDA of the Town of Amherst, as the conduit issuer.

* Preliminary, subject to change.

Potential Modification to Loan* | Scenario 2 – RE-Amortized (includes COI)

Assumes a Modified Interest Rate of 1.37% per the BAPCC Proposal

	A	B	C	D
	Preliminary Results	Prior Debt Service	Modified Debt Service	Savings Net of Costs of Issuance
1 Fiscal Year				
2 2022		1,010,896	994,039	16,857
3 2023		1,110,149	1,068,409	41,740
4 2024		1,110,082	1,068,579	41,502
5 2025		1,110,065	1,068,524	41,540
6 2026		1,110,066	1,068,246	41,821
7 2027		1,110,055	1,068,742	41,313
8 Total		\$6,561,313	\$ 6,336,539	\$ 224,773
9 NPV Savings (\$)				216,806
10 NPV Savings (%)				3.63%

Notes:

(i) Modified Debt Service includes accrued interest at 3.04% from 11/1/2021 payment to modification/closing date of 2/9/2022, which will be paid on 5/1/2022, the next scheduled payment date.

(ii) Prior Debt Service and Modified Debt Service both account for (include) the associated annual fee of 12.5bps (0.125%) related to the IDA of the Town of Amherst, as the conduit issuer.

Notes:

- Modification Interest Rate per BAPCC's proposal of 1.37%
- Assumes a closing date of 2/9/2022.
- Net of estimated Costs of Issuance totaling \$55,000.
- Assumes Accrued Interest through 2/9/2022 is paid on 5/1/2022, the next scheduled payment date.
- The Principal is increased to include the costs of issuance and re-amortized to provide for level annual cash flow savings.
- Prior Debt Service and Modified Debt Service both account for (include) the associated annual fee of 12.5bps (0.125%) related to the IDA of the Town of Amherst, as the conduit issuer.
- CVRCB would have to receive a 0.85% interest rate refinancing proposal through a Direct Bank Loan RFP process (with another lender) in order to generate "break-even" results with the BAPCC Modification Proposal of 1.37%.

* Preliminary, subject to change.

Potential Next Steps / Preliminary Schedule*

Date	Action / Task
January 7, 2022 9am	CVRCB (Radio) Board Meeting <ul style="list-style-type: none">No action necessary.
January 20, 2022 5pm	CVPDC Board Meeting <ul style="list-style-type: none">The CVPDC Board considers approving the authorizing resolution(s) and form of modification/financing documents.
February 7, 2022	IDA Town of Amherst Board Meeting <ul style="list-style-type: none">The IDA Board considers approving the appropriate resolution(s) and form of modification/financing documents.
February 9, 2022	Tentative Closing Date for Modification.
By February 11, 2022	Closing Deadline.

* Preliminary, subject to change.

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