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**Ohio Department of Transportation**  
**State Infrastructure Bank**  
**Title 23 Fund Direct Loan**  
to  
**Licking County Transportation Improvement District**  
For the  
**Refugee Road Project**  
**November 23, 2022**

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**PROPOSED FINANCING TERM SHEET**

*The following financing terms are being proposed by the Ohio Department of Transportation to the Licking County Transportation Improvement District, City of Pataskala, and Etna Township. These terms may be adjusted as needed based upon mutual agreement of all parties. The Ohio Attorney General will ultimately opine to the terms of this agreement. The information contained in this term sheet is confidential and proprietary.*

**I. PROJECT INFORMATION**

The Licking County Transportation Improvement District (the “Borrower” or “LCTID”) has requested that the Ohio Department of Transportation (the “ODOT”) State Infrastructure Bank (the “SIB”) finance a portion of the public improvements located on Refugee Road between Mink Street and Etna Parkway (the “Project Site”) along the border of Etna Township (the “Township”), Ohio and the City of Pataskala (the “City”), Ohio. Public improvements include 1.2 miles of roadway reconstruction, the widening of Refugee Road from two lanes to three lanes, and the construction of roundabouts at the project termini of Etna Parkway and Mink St. The existing pavement will be reconstructed from a 20 ft chip seal to a structure that can accommodate current and future growth of truck traffic with origins and destinations to several logistics facilities (the “Public Improvements” or “Project”). The centerline of the road splits the jurisdictions of Etna Township and the City of Pataskala. The total Project costs are estimated to be \$11,210,000. ODOT will provide a Title 23 Fund, Direct Loan in the amount of \$7,000,000 (the “SIB Loan”). The remaining Project costs will be financed through other sources (the “Other Sources”) described below.

**Loan #:** **231001**

**PID #:** **115599**

**II. TOTAL SOURCES AND USES OF FUNDS**

**Total Sources**

SIB Loan	\$ 7,000,000
OPWC	\$ 400,000
LCTID ROW	\$ 210,000
Developer (RedRock)	\$ 1,100,000
Developer (TPA)	\$ 1,500,000
<u>Commissioners Contingency Fund</u>	<u>\$ 1,000,000</u>
<b>Total Sources</b>	<b>\$11,210,000</b>

**Total Uses**

Preliminary Engineering	\$ 546,560
Right-of-Way	\$ 398,880
TID Fee	\$ 150,000
Construction	\$ 8,498,390
Contingency	\$ 1,606,170
<u>SIB Loan Closing Fee</u>	<u>\$ 10,000</u>
<b>Total Uses</b>	<b>\$11,210,000</b>

**III. SIB LOAN FINANCING TERMS TO THE BORROWER AND GUARANTORS**

<b>Lender:</b>	Ohio Department of Transportation SIB Infrastructure Bank Title XIII Direct Loan
<b>Borrower:</b>	Licking County Transportation Improvement District (the "LCTID")
<b>Co-Guarantors:</b>	Etna Township for 50% of outstanding SIB Loan amount. City of Pataskala for 50% of the outstanding SIB Loan amount.
<b>Borrower Contact:</b>	William Lozier, Project Director 740-258-3953
<b>Address of Borrower:</b>	20 S 2 <sup>nd</sup> St. Newark, Ohio 43055
<b>County:</b>	Licking County
<b>Estimated Closing Date:</b>	February 16, 2023. Subject to change.
<b>SIB Loan Amount:</b>	\$7,000,000
<b>Term of Loan:</b>	20 Years

**Interest Rate:**

The following interest rates will be assessed during the designated time periods:

<u>Months</u>	<u>Interest Rate</u>
1- 12	0.00%
13-240	3.00%

**Loan Repayments:**

There will be no interest assessed on the loan from the date of closing through the last day of the 12<sup>th</sup> month. From the first day of the 13<sup>th</sup> month after closing through final maturity, the interest rate will be 3.0%. From month 13 through month 24, interest due on the loan will accrue and be added to the principal of the loan. The accrued interest amount is estimated to be \$210,000. The Borrower will be required to make principal and interest payments commencing on the first day of the 31<sup>st</sup> month after the Closing Date. The interest amount due, in arrears, will be based upon the outstanding principal amount of the loan from time to time. The projected principal and interest payments are estimated in Schedule II.

**Expected Construction Start Date:**

March 1, 2023

**Expected Construction Completion Date:**

December 31, 2023

**Prepayment of Loan:**

Prepayment of the State loan, in whole or in part, will be at the option of the Borrower. Any prepayment of the loan prior to the 36<sup>th</sup> month following closing will be subject to a 3.0% premium.

Etna Township or City of Pataskala may prepay its outstanding obligation after the 36<sup>th</sup> month. If a prepayment is made, the like amount will be deducted from the outstanding loan amount and their obligation will be reduced. ODOT will generate an updated loan repayment schedule upon a prepayment event.

**Source of Repayment:**

**Etna Township (the “Township”)**

Etna Township will agree to pledge Non-Tax Revenues (the “NTR”) and all JEDD 1, JEDD 2, JEDD 3, JEDD 4, JEDZ 1 and JEDZ 2 revenues (the “JEDD/Z Revenues”) together the JEDD/Z Revenues and NTR will be called (the “Pledged Repayment Source”) to repay the SIB loan.

The Repayment Sources for the Township have historically been \$1,878,861, \$1,510,680 and \$1,972,926 in 2019, 2020 and 2021 respectively. The Township expects to receive a minimum of \$1,500,000 per year going forward.

**Pledged Revenue Debt Covenant:**

Etna Township will agree to subordinate any future Pledged Repayment Sources if in any one calendar year (as projected) the expected Pledged Revenue Sources generated when divided by the scheduled annual debt service of all outstanding obligations secured by the Pledged Revenues are equal to or less than 1.50.

In addition, when developing an annual budget, the Township will first budget to pay all ODOT debt service, prior to budgeting other Pledged Repayment Sources. The Township will also agree to use all legally available funds to repay the SIB loan if the Repayment Source is insufficient to make scheduled SIB Loan Repayments as required.

**The City of Pataskala (the “City”)**

The City will agree to pledge its annual Income Tax receipts as (the “Pledged Repayment Source”) to repay the SIB loan. City revenues are depicted below.

**Pledged Revenue Debt Covenant:**

City will agree to subordinate any future Pledged Repayment Sources if in any one calendar year (as projected) the expected Pledged Repayment Sources generated when divided by the scheduled annual debt service of all outstanding obligations secured by the Pledged Revenues are equal to or less than 1.50.

In addition, when developing an annual budget, the City will first budget to pay all ODOT debt service, prior to budgeting other Pledged Repayment Sources. The City will also agree to use all legally available funds to repay the SIB loan if the Repayment Source is insufficient to make scheduled SIB Loan Repayments as required.

**Guarantor’s Payment Amounts:**

Etna Township has been allocated 50% of the payment amount due on the outstanding SIB Loan from time to time. The City of Pataskala has been allocated 50% of the payment amount due on the outstanding SIB Loan from

time to time. A detailed breakdown of the amount due by Etna and Pataskala is shown in Schedule II.

#### IV. SIB DEBT SERVICE ANALYSIS

##### A. ETNA TOWNSHIP:

Year	2019	2020	2021	2022*	2023*
<b>Historical NTR + JEDD/JEDZ Pledged Revenues</b>	\$1,878,861	\$1,510,680	\$1,972,926	\$1,500,000	\$1,500,000
- New SIB loan Debt Service <sup>1</sup>	260,000	260,000	260,000	260,000	260,000
- Other SIB Debt Service Obligations <sup>2</sup>	90,000	90,000	90,000	90,000	90,000
<b>= Cash Margin</b>	\$1,528,861	\$1,160,680	\$1,622,926	\$1,150,000	\$1,150,000
<b>Combined DSCR</b>	<b>5.37</b>	<b>4.31</b>	<b>5.64</b>	<b>4.29</b>	<b>4.29</b>
<b>Net Position</b>	\$3,569,409	\$4,924,083			

<sup>1</sup> New SIB Loan Debt Service will commence in 2025, shown in all years for presentation purposes

<sup>2</sup> Other SIB Debt Service Obligations include other debt secured by the Pledged Repayment Sources

\* Projected (2022 and 2023)

##### B. CITY OF PATASKALA:

Year	2019	2020	2021	2022*	2023*
<b>Historical/Projected Income Tax Revenues</b>	\$5,970,471	\$6,271,030	\$6,793,034	\$6,793,034	\$6,793,034
- New SIB loan Debt Service <sup>1</sup>	260,000	260,000	260,000	260,000	260,000
<b>= Cash Margin</b>	\$5,710,471	\$6,011,030	\$6,533,034	\$6,533,034	\$6,533,034
<b>Combined DSCR</b>	<b>22.96</b>	<b>24.12</b>	<b>26.13</b>	<b>26.13</b>	<b>26.13</b>

<sup>1</sup> New SIB Loan Debt Service will commence in 2025, shown in all years for presentation purposes

\* Assume Income Tax Revenues equal 2021 collections in FY 2022 and 2023.

#### V. OTHER CLOSING CONDITIONS AND REQUIREMENTS

The LCTID, Borrowers and/or the Guarantors will provide the following information or agree to the following conditions as requested by ODOT prior to closing of the SIB Loan:

##### **Resolutions:**

The City and the Township will provide appropriate resolutions approving SIB borrowing and the revenue pledges for the repayment of the SIB Loan debt service and fees.

<b>Intergovernmental Agreement:</b>	The Intergovernmental Agreement is executed between the LCTID, City of Pataskala and Etna Township.
<b>Construction Contract:</b>	Provide an executed construction contract or another acceptable contract agreement, if applicable, acceptable to ODOT for Project construction prior to the drawdown of the SIB Loan.
<b>Agree to Fund Project Costs Overruns:</b>	The City and Township will agree to fund Project cost overruns on a 50/50 basis.
<b>Prevailing Wage:</b>	Pay prevailing wages on all Public Improvements construction contracts to be funded with the SIB Loan.
<b>Disbursements:</b>	All disbursements of SIB Loan proceeds will be approved by ODOT.
<b>Environmental Approvals:</b>	All required environmental approvals must be acceptable to ODOT.

[Signature Pages Below]

**VI. ACCEPTANCE AND COMMITMENT FEE**

Upon acceptance of the terms herein, the Borrower and the Guarantors shall sign and submit a refundable Commitment Fee of \$10,000 to the Ohio Department of Transportation, Brenna Smathers, 1980 W. Broad Street, 4<sup>th</sup> Floor, Columbus, Ohio 43223. This Commitment Fee can be paid directly to ODOT by the Borrower and/or the Guarantors(s). The Borrower has the right to terminate this agreement prior to the SIB Loan closing. The Commitment Fee will be used to pay advisory fees incurred if the closing process is terminated. This agreement will be terminated by ODOT if not signed and received by December 16, 2022. The SIB Loan is expected to close on or around February 16, 2023.

**Ohio Department of Transportation**

By: \_\_\_\_\_ Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Licking County Transportation Improvement District**

*Hereby accepts the foregoing terms and conditions on the date set forth below*

By: \_\_\_\_\_ Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Etna Township**

*Hereby accepts the foregoing terms and conditions on the date set forth below*

By: \_\_\_\_\_ Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

[City of Pataskala Signature Page Below]

**City of Pataskala**

*Hereby accepts the foregoing terms and conditions on the date set forth below*

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_