

Construction
PL requests - response

< DATE >

Name
Address

RE: _____
ID# _____
ME# _____

Dear -----:

The Pennsylvania Infrastructure Investment Authority ("PENNVEST") has received your request for permission to initiate construction on a project prior to closing your approved loan with PENNVEST. It is PENNVEST's desire that all approved projects move to loan closing as soon as possible. Consequently, requests such as yours will be approved only if one or more of the following conditions apply:

- PENNVEST's own administrative limitations preclude a loan closing prior to the date that you wish to initiate construction, and there is a compelling reason why construction must begin prior to loan closing. Such compelling reasons include:
 - a public health or safety emergency
 - an economic development opportunity that would otherwise be lost
- The project in question is being funded by an additional funding source whose timing is inconsistent with a PENNVEST loan closing prior to initiation of construction.
- The schedules of other state or federal agencies whose actions affect the project require the initiation of construction prior to loan closing

Should you wish to pursue this request for permission to initiate construction prior to loan closing, you must submit a response to PENNVEST that demonstrates that one or more of the above necessary conditions exist. In addition, you must submit the attached form entitled "Preclosing Letter Request Information", to be completed as directed (Attachment A). As indicated therein, the following must be submitted in order for PENNVEST to further consider your request for a Preclosing Letter:

- Evidence of having attended a "pre-construction meeting" with the Department of Environmental Resources ("DEP"). This pre-construction meeting will take place with your regional DEP office and PENNVEST representative(s). It is incumbent upon you to set up such a meeting.
- An "interim financing plan" conforming to the description of "Acceptable Interim Financing Plans" on the back of the Letter of No Prejudice Request Information form. This interim financing plan must be established prior to application for the Letter of No Prejudice. Evidence of an interim financing plan utilizing some form of outside financing must include a commitment to that effect from the lending institution.
- A "declaration of official intent to reimburse" in conformance with Internal Revenue Service regulation 1.150-2. Your declaration of official intent evidences your intention to reimburse project costs with long term debt. Attached are two sample "declarations" of official intent" one in the form of a resolution, the other in the form of a letter (Attachments B and C respectively). Either of the two samples will suffice for our purposes and should be declared upon the advice of counsel. Please keep your declaration of official intent on file. Should you proceed to a PENNVEST loan closing, your declaration of official intent will become a necessary part of the loan documentation.

If you have any questions, please feel free to contact _____, your Project Specialist, at 717-__-____. We look forward to your success and anticipate review of your Preclosing Letter request.

Sincerely,

Paul K. Marchetti
Executive Director

Attachments

cc:

_____, Project Specialist

Legal Office

Correspondence File

Reading File