



Capital Projects Revenue Bonds, Series 2012

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John W. Lawson

Chief Financial Officer

Authorization to Issue CPR Bonds

- ❑ **Chapter 896 (HB 3202) of the 2007 Virginia Acts of Assembly authorized the issuance of \$3 billion of Commonwealth of Virginia Capital Projects Revenue Bonds (CPR).**
 - 20% dedicated to Transit Capital
 - 4.3% dedicated to Rail Capital
 - Balance to be used to provide for federal match, enhance the Revenue Sharing Program and Statewide and Regional Projects
 - Annual sales limited to \$300 million, with carry over of unsold amount
- ❑ **Total authorization was increased in 2009 to \$3.18 billion to replace \$180 million of General Funds (GF) provided in 2007 and subsequently taken.**
- ❑ **The potential annual issuance amounts were accelerated in 2011 to allow for \$1.8 billion in CPR bonds over the next three years.**
- ❑ **The first issue of CPR Bonds was sold in May 2010, totaling \$493 million and the second in May of 2011 totaling \$600 million.**
- ❑ **The current plan calls for a third sale of up to \$600 million in May.**

CPR Authorization

CPR Bond Authorization Summary		(in millions)
Authorized		\$ 3,180
Less: Sold May 2010		493
Sold May 2011		600
Planned Sale May 2012*		600
Remaining amount to be sold in future		\$ 1,487
*Preliminary and Subject to Change		

Use of the CPR Bonds

❑ CPR bonds have been allocated to the prescribed VDOT and DRPT programs each year since 2008.

❑ The CPR bonds will be utilized to fund SYIP planned activities through FY 2020.

❑ The planned use of the full \$3.18 billion authorization is as follows:

CPR Bonds Use	Amount (in millions)	Percent Share
Transit Capital	\$600.0	20.0%
Rail Capital	129.0	4.3%
Match Federal Funds	1,044.8	34.8%
Dulles Rail	125.0	
Metro Matters	500.0	
Construction Projects	419.8	
Revenue Sharing	70.0	2.3%
Project Funding	1,156.2	38.5%
Total 2007 Authorization	3,000.0	100.0%
2009 GF Replacement		
Transit / Rail	60.0	
VDOT	120.0	
Total GF Replacement	180.0	
Total	\$3,180.0	

Use of the CPR Bonds

- ❑ The first sale in May 2010 was used to reimburse VDOT and DRPT for bond-related cost incurred prior to the sale and for DRPT transit and rail activity during FY 2011.
- ❑ The FY 2011 sale of \$600 million provided for reimbursement of additional bond-related expenditures incurred and to be incurred by VDOT and DRPT.
- ❑ The additional bond proceeds will continue to provide a major portion of the funding in the FY 2012 – 2017 Six Year Improvement Program and the updated FY 2013 – 2018 Six Year Improvement Program.

Debt Service Payments

- ❑ Monies received in the Priority Transportation Fund (PTF) represent the expected payment source for the debt service on the CPR bonds.
- ❑ The PTF revenue is provided from:
 - One-third of the taxes collected on insurance premiums;
 - A small portion of the motor fuels tax;
 - Interest earnings.
- ❑ Total PTF revenues in FY 2011 were \$152.3 million and are expected to increase to \$159.5 million in FY 2012.
- ❑ Total PTF revenues are expected to increase between 3% and 5% annually through fiscal 2017.

Projected Priority Transportation Fund Revenues
(\$ in millions)

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016	2017
Insurance Tax	\$ 137.3	\$ 141.8	\$ 147.2	\$ 153.6	\$ 162.5	\$ 170.2
Motor Fuel Tax	20.0	20.0	20.0	20.0	20.0	20.0
Investment Income	2.2	2.0	2.0	1.7	1.9	0.7
Total Projected PTF Revenues	\$ 159.5	\$ 163.8	\$ 169.2	\$ 175.3	\$ 184.4	\$ 190.9

Debt Service Coverage

- ❑ Revenues in the PTF must provide at least 1x annual debt service coverage, but for planning purposes, CTB will structure bond issuances to maintain a 1.15x revenue to debt service coverage.
- ❑ Based on projected net revenues available for debt service and maintaining the 1.15x debt service coverage, the following table summarizes the potential annual issuance schedule.

Bond Issue	Par Amount	Coverage
Series 2010*	\$ 492,665,000	1.42x
Series 2011*	600,000,000	1.21x
Series 2012	600,000,000	1.15x
Series 2013	600,000,000	1.15x
Series 2014	300,000,000	1.15x
Series 2015	75,000,000	1.15x
Series 2016	100,000,000	1.15x
Series 2017	75,000,000	1.15x
Series 2018	100,000,000	1.15x
Series 2019	100,000,000	1.15x
Series 2020	137,335,000	1.15x
Total	\$ 3,180,000,000	

* Actual Issuance

Commonwealth Transportation Board: Capital Project Revenue Bonds, Series 2012

Summary Terms of Offering*	
Issuer	Commonwealth Transportation Board
Series	2012
Anticipated Ratings	Double-A Category
Sale Date	5/23/2012
Security	The Series 2012 bonds are payable from and secured by revenues (i) first, from revenues deposited into the PTF, (ii) legally available revenues from the TTF, and (iii) from any legally available funds of the General Fund.
Par (in millions)	Up to \$600
Structure	Serial Bonds 2013- 2037
Final Maturity (years)	25

* Preliminary and subject to change

Next Steps

Treasury Board Approval (May)



Rating Agency Requests (May)



Competitive Sale (May)



Planned Closing (June)