



## **Issuance of the Series 2013 Capital Projects Revenue Bonds**

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## 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 by the Governor's Transportation Bill to allow for \$1.8 billion in CPR bonds over three years.**

## CPR Authorization

- ❑ To date, the Commonwealth Transportation Board has issued three series of CPR bonds: \$493M, \$600M, and \$600M in May 2010, 2011 and 2012 respectively.
- ❑ The current plan calls for a fourth sale in June 2013; it will be the third \$600 million sale reaching the \$1.8 billion acceleration.

CPR Bond Authorization Summary		(in millions)
Authorized		\$ 3,180
Less: Sold May 2010		493
Sold May 2011		600
Sold May 2012		600
Planned Sale June 2013*		600
Remaining amount to be sold in future		\$ 887

\*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 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%
<b>Total 2007 Authorization</b>	<b>3,000.0</b>	<b>100.0%</b>
2009 GF Replacement		
Transit / Rail	60.0	
VDOT	120.0	
<b>Total GF Replacement</b>	<b>180.0</b>	
<b>Total</b>	<b>\$3,180.0</b>	

## 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 FYs 2011 and 2012 \$600 million sales provided proceeds to continue the transit and rail components overseen by DRPT and to fund the Governor's projects accelerated by the 2011 Transportation Bill.
- ❑ The FY 2013 sale is the final \$600 million issuance, achieving the \$1.8 billion of sales approved to accelerate the SYIP and continue the on-going transit and rail activities.
- ❑ As part of the development of the FY 2014 – 2019 Six-Year Improvement Program, projects will be evaluated to determine if bond proceeds can enhance the implementation of the new revenues provided by HB 2313.

# 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 portion of the motor fuels tax – Current \$20 million commitment each year from current fuel tax revenue is altered to 4% of Sales and Use Taxes on Motor Fuel under provisions of HB 2313;
  - Interest earnings.
- ❑ Below is the PTF revenue forecast:

Projected Priority Transportation Fund Revenues (in millions)							
Fiscal Year Ending June 30:	2014	2015	2016	2017	2018	2019	Total
Insurance Tax	\$131.0	\$137.0	\$144.3	\$150.5	\$158.3	\$166.5	\$ 887.6
Motor Fuel Tax	25.0	32.5	38.8	40.2	41.4	42.6	220.5
Investment Income	1.9	1.3	0.9	0.8	0.7	0.7	6.3
<b>Total Projected PTF Revenues</b>	<b>\$157.9</b>	<b>\$170.8</b>	<b>\$184.0</b>	<b>\$191.5</b>	<b>\$200.4</b>	<b>\$ 209.8</b>	<b>\$1,114.4</b>

## 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 based on changes in HB 2313 and maintaining the 1.15x debt service coverage, the following future annual issuances are planned.

Bond Issue	Target Proceeds
Series 2010*	\$ 492,665,000
Series 2011*	600,000,000
Series 2012*	600,000,000
Series 2013	600,000,000
Series 2014	284,102,137
Series 2015	122,900,000
Series 2016	122,900,000
Series 2017	122,900,000
Sereis 2018	122,900,000
Series 2019	61,632,863
Series 2020	50,000,000
Total	\$ 3,180,000,000

\*Actual Issuance

# Commonwealth Transportation Board: Capital Project Revenue Bonds, Series 2013

## Summary Terms of Offering\*

Issuer	Commonwealth Transportation Board
Series	2013
Anticipated Ratings	Double-A Category
Sale Date	6/4/2013
Security	The Series 2013 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 2014 - 2038
Final Maturity (years)	25

\* Preliminary and subject to change



## Next Steps

**Request CTB Approval (April)**

**Treasury Board Approval (May)**

**Rating Agency Requests (May)**

**Competitive Sale (June)**

**Planned Closing (June)**