



Issuance of the Series 2014 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 2011 Transportation Bill to allow for \$1.8 billion in CPR bonds over three years. The third year of accelerated sales authorized was not issued due to sufficient proceeds to support project spending.**

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 2014.

CPR Bond Authorization Summary		(in millions)
Authorized		\$ 3,180
Less: Sold May 2010		493
Sold May 2011		600
Sold May 2012		600
Planned Sale 2014*		300
Remaining amount to be sold in future		\$ 1,187
*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	Allocation through FY 2014 (Net of Premium)	Future Allocations
Transit Capital	\$600.0	20.0%	\$348.4	\$251.6
Rail Capital	129.0	4.3%	77.4	51.6
Match Federal Funds				
Dulles Rail	125.0		125.0	-
Metro Matters	500.0		200.0	300.0
Construction Projects	419.8		419.8	-
Total Match Federal Funds	<u>1,044.8</u>	34.8%	<u>744.8</u>	<u>300.0</u>
Revenue Sharing	70.0	2.3%	70.0	-
Project Funding	<u>1,156.2</u>	38.5%	<u>1,156.2</u>	-
Total 2007 Authorization	<u>\$3,000.0</u>	100.0%	<u>\$3,141.6</u>	<u>\$603.2</u>
2009 GF Replacement				
Transit / Rail	60.0		60.0	-
VDOT	120.0		120.0	-
Total GF Replacement	<u>\$180.0</u>		<u>\$180.0</u>	-
Total	<u><u>\$3,180.0</u></u>		<u><u>\$3,321.6</u></u>	<u><u>\$603.2</u></u>

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;
 - 4% of Sales and Use Taxes on Motor Fuel under provisions of HB 2313 (2013);
 - Interest earnings.
- ❑ Below is the PTF revenue forecast:

**Projected Priority Transportation Fund Revenues
(in millions)**

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019	2020	Total
Insurance Tax	\$140.1	\$143.7	\$148.9	\$155.2	\$165.4	\$ 171.9	\$ 925.2
Motor Fuel Tax	28.6	33.6	34.2	34.7	35.4	35.9	202.4
Investment Income	2.9	3.1	3.3	3.5	3.8	4.8	21.5
Total Projected PTF Revenues	\$171.6	\$ 180.4	\$ 186.4	\$193.4	\$ 204.6	\$ 212.6	\$1,149.1

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 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 2014	300,000,000
Series 2015	300,000,000
Series 2016	284,100,000
Series 2017	-
Series 2018	122,900,000
Series 2019	-
Series 2020	355,000,000
Series 2021	125,335,000
Total	\$ 3,180,000,000

*Actual Issuance

Commonwealth Transportation Board: Capital Project Revenue Bonds, Series 2014

Summary Terms of Offering*

Issuer	Commonwealth Transportation Board
Series	2014
Anticipated Ratings	Double-A Category
Sale Date	6/11/2014
Security	The Series 2014 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)	\$300
Structure	Serial Bonds 2015 - 2039
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)