



Issuance of the Series 2019 Capital Projects Revenue Bonds

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February 19, 2019

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 is limited to \$3.23 billion

- **Initial authorization \$3.0 billion**
- **Increased in 2009 to \$3.18 billion to replace \$180 million of General Funds (GF) provided in 2007 and subsequently taken;**
- **Additional \$50 million authorized in 2018 through Chapters 854 and 856 to match federal funds provided for capital projects by the Washington Metropolitan Area Transit Authority (PRIIA Match)**

CPR Authorization

To date, the Commonwealth Transportation Board has issued \$2.732 billion of CPR bonds.

Next sale of \$255 million planned for April 2019, leaving a balance of \$243 million

The annual issuance amounts were accelerated in 2011 and 2012 by the Governor's Transportation Bill to allow for \$1.8 billion in CPR bonds.

CPR Bond Authorization Summary		(in millions)
Authorized		\$ 3,230.0
Less: Sold May 2010		492.7
Sold May 2011		600.0
Sold May 2012		600.0
Sold December 2014		300.0
Sold May 2016		300.0
Sold June 2017		284.1
Sold May 2018		155.0
Planned sale April 2019*		255.0
Remaining amount to be sold in future		<u>\$ 243.2</u>

*Preliminary and Subject to Change

Bond proceeds are fully allocated in the SYIP. Sales are timed to support project spending.

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 \$3.23 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	
PRIIA Match	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	
2018 Authorization	50.0	
Total	\$3,230.0	

Use of the CPR Bonds

The first sale in May 2010 was used to reimburse VDOT and DRPT for eligible project costs incurred prior to the sale and for DRPT transit and rail activity during FY 2011.

The two \$600 million sales in FY2011 and FY2012 provided proceeds to continue the transit and rail components overseen by DRPT and to fund the projects accelerated by the 2011 Transportation Bill.

The FYs 2014, 2016, 2017 and 2018 sales continued to accelerate and support the SYIP and the on-going transit and rail activities.

The FY 2019 sale continues to support projects in the SYIP and the on-going transit and rail activities.

Debt Service Payments

The first use of the revenues dedicated to the Priority Transportation Fund (PTF) is 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 – 4% of Sales and Use Taxes on Motor Fuel;

Interest earnings.

Projected Priority Transportation Fund Revenues
(in millions)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023	2024	Total
Insurance Premium Tax	\$ 168.7	\$ 188.0	\$ 199.4	\$ 199.8	\$ 209.0	\$ 218.0	\$ 1,182.9
Motor Fuel Tax	36.0	36.5	36.7	36.7	36.6	36.5	219.0
Investment Income	1.0	1.0	1.0	1.0	1.0	1.0	6.0
Total Projected PTF Revenues	\$ 205.7	\$ 225.5	\$ 237.1	\$ 237.5	\$ 246.6	\$ 255.5	\$ 1,407.9

Debt Service Coverage and Planned Issuance

The Code of Virginia requires the revenues of the PTF provide 100 percent of the annual debt service of the bonds.

For planning and debt management purposes, maintain a 1.15x revenue to debt service coverage ratio.

Bond Issue	Target Proceeds	Anticipated Debt Service Coverage
Series 2010*	\$ 492,665,000	
Series 2011*	600,000,000	
Series 2012*	600,000,000	
Series 2014*	300,003,025	
Series 2016*	300,004,636	
Series 2017*	284,103,680	
Series 2018*	155,002,130	
Series 2019	255,000,000	1.16x
Series 2020	96,600,000	1.20x
Series 2021	146,621,529	1.23x
Total	\$ 3,230,000,000	

*Actual Issuance

Commonwealth Transportation Board: Capital Project Revenue Bonds, Series 2019

Summary Terms of Offering*	
Issuer	Commonwealth Transportation Board
Series	2019
Anticipated Ratings	AA+/Aa1/AA+
Sale Date	April 2019
Security	The Series 2019 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)	\$255.0
Structure	Fixed rate serial bonds maturing annually in 2020 - 2044
Final Maturity (years)	25

* Preliminary and subject to change

Next Steps

Request CTB Approval (February)

Treasury Board Approval (March)

Rating Agency Requests (March)

Competitive Sale (April)

Planned Closing (April)