Federal Transportation Grant Anticipation Notes
Series 2020

June 17, 2020
Laura Farmer
Chief Financial Officer
## Commonwealth Transportation Board: Federal Transportation Grant Anticipation Notes, Series 2020

<table>
<thead>
<tr>
<th>Summary Terms of Offering*</th>
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<tbody>
<tr>
<td><strong>Issuer</strong></td>
<td>Commonwealth Transportation Board</td>
</tr>
<tr>
<td><strong>Projects</strong></td>
<td>Projects with GARVEE allocations in the Six-Year Improvement Program (SYIP)</td>
</tr>
<tr>
<td><strong>Anticipated Ratings</strong></td>
<td>Double-A Category</td>
</tr>
<tr>
<td><strong>Pricing Date</strong></td>
<td>September 2020</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>The Series 2020 bonds are payable from and secured by revenues (i) first, from Project specific reimbursements, (ii) legally available revenues from the TTF, and (iii) from other such funds designated by the General Assembly for such purposes.</td>
</tr>
<tr>
<td><strong>Par (in millions)</strong></td>
<td>$130 million*</td>
</tr>
<tr>
<td><strong>Structure</strong></td>
<td>Serial Bonds 2020 - 2035</td>
</tr>
<tr>
<td><strong>Final Maturity (years)</strong></td>
<td>15</td>
</tr>
</tbody>
</table>

* Preliminary and subject to change
Chapter 830 and 868 of the Acts of Assembly of 2011 authorized issuance of $1.2 billion of GARVEEs

Successor program to Federal Highway Reimbursement Anticipation Notes (FRANs) authorized in 2000

Limits outstanding GARVEEs and FRANs to $1.2 billion

Limits maturity to 20 years

Secured first by project specific federal reimbursements and then by:

- Legally available revenues from TTF
- Other such funds designated by the General Assembly for such purposes

All FRANs were retired in September 2015

Memorandum of Agreement (MOA) with Federal Highway Administration (FHWA) for GARVEE program was executed in December 2011 and updated in November 2019

Exhibit A of MOA identifies approved GARVEE supported projects and has been amended to incorporate additional projects to be supported by this sale
GARVEE Issues

The CTB has issued six series of GARVEEs from 2012 to 2018

Issuances have totaled just more than $1.3 billion over that period

GARVEEs have supported Downtown and Midtown Tunnels, Martin Luther King Expressway, I-95 Express Lanes, Route 460 Corridor Development Project, I-495 Express Lanes Shoulder Use

Beginning in 2017, GARVEEs have been used to support projects selected through SMART SCALE

Proceeds from the 2020 issue will provide continued support to projects funded previously with GARVEE bonds and 2018 SMART SCALE projects
Debt Service for GARVEE Bonds

Virginia’s GARVEE bonds are secured first by project specific federal reimbursements and then by:
- legally available revenues from the TTF
- other such funds designated by the General Assembly for such purposes

Bond issuances are limited:
- Maximum outstanding amount cannot exceed $1.2 billion
- Debt service must have 4x coverage

After this sale:
- Outstanding GARVEEs - $911.7 million (additional revolving authorization provided to SMART SCALE in future years)
- Coverage – greater than 10x

Next sale anticipated for Fall 2021 and is estimated to be $140 million
# Recent GARVEE Transactions

## Pricings (2019 – 2020 YTD)

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</thead>
<tbody>
<tr>
<td>Additional Security</td>
<td>Stand Alone</td>
<td>Stand Alone</td>
<td>Other lawfully available funds, including State Highway Fund monies</td>
<td>Excess monies available from Commonwealth Transportation Fund (CTF)</td>
<td>State Highway Fund monies (subject to annual appropriation)</td>
<td>Stand Alone</td>
<td>Stand Alone</td>
<td>Availability of certain State Highway Revenues (subject to appropriation)</td>
<td>Subordinate Pledge from State Road Fund monies</td>
<td>Stand Alone</td>
<td>Other lawfully available funds, including State Highway Fund (SHF) and Regional Area Road Fund (RARF) monies</td>
<td>Discretionary Pledge of TTF Revenues and Other Funds (subject to appropriation)</td>
</tr>
<tr>
<td>Par ($MM)</td>
<td>165.215</td>
<td>277.710</td>
<td>181.100</td>
<td>53 500</td>
<td>49 035</td>
<td>123 215</td>
<td>600 000</td>
<td>122 130</td>
<td>102 705</td>
<td>185 000</td>
<td>62 465</td>
<td>75 750</td>
</tr>
<tr>
<td>Final Maturity (Years)</td>
<td>15 Years</td>
<td>15 Years</td>
<td>12 Years</td>
<td>8 Years</td>
<td>11 Years</td>
<td>12 Years</td>
<td>15 Years</td>
<td>15 Years</td>
<td>18 Years</td>
<td>6 Years</td>
<td>12 Years</td>
<td>15 Years</td>
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<tr>
<td>All-in Rate(1)</td>
<td>2.68%</td>
<td>1.97%</td>
<td>1.65%</td>
<td>1.83%</td>
<td>2.55%(2)</td>
<td>1.60%</td>
<td>2.40%</td>
<td>3.24%</td>
<td>1.77%</td>
<td>2.33%</td>
<td>2.42%</td>
<td>3.05%</td>
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(1) Approximate All-in TIC based on information found in Official Statements  
(2) CTF monies consist primarily of motor vehicle fuel taxes and registration fees collected in the Commonwealth  
(3) Taxable bonds  
(4) Not a legal pledge, but is made available subject to appropriation
Next Steps for Virginia’s Seventh GARVEE Issue

1. CTB Approval (July)
2. Rating Agency Updates (August)
3. Treasury Board Approval (August)
4. Ratings Requests (August)
5. Pricing and Sale (September)
6. Planned Closing (September)