



Issuance of the Series 2016 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 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 Authorization

- ❑ To date, the Commonwealth Transportation Board has issued \$1.993 billion of CPR bonds.
- ❑ Next sale of \$300 million planned for May 2016, leaving a balance of \$887 million.

CPR Bond Authorization Summary		(in millions)
Authorized		\$ 3,180
Less: Sold May 2010		493
Sold May 2011		600
Sold May 2012		600
Sold December 2014		300
Planned Sale 2016*		300
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%
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 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 Governor's projects accelerated by the 2011 Transportation Bill.
- ❑ The FY 2014 sale continued to accelerate the SYIP and the on-going transit and rail activities.
- ❑ The FY 2016 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:	2016	2017	2018	2019	2020	2021	Total
Insurance Tax	\$150.3	\$156.0	\$162.2	\$169.2	\$186.9	\$194.4	\$1,019.0
Motor Fuel Tax	35.3	35.8	36.1	36.7	37.3	37.9	219.1
Investment Income	6.0	9.7	9.7	9.7	9.7	9.7	54.6
Total Projected PTF Revenues	\$191.6	\$201.5	\$208.0	\$215.6	\$233.9	\$ 242.0	\$1,292.7

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 2013*	-	
Series 2014*	300,000,000	
Series 2016	300,000,000	1.27x
Series 2017	284,100,000	1.24x
Series 2018	122,900,000	1.20x
Series 2019	-	1.19x
Series 2020	355,000,000	1.30x
Series 2021	125,335,000	1.18x
Total	\$ 3,180,000,000	

*Actual Issuance

Commonwealth Transportation Board: Capital Project Revenue Bonds, Series 2016

Summary Terms of Offering*

Issuer	Commonwealth Transportation Board
Series	2016
Anticipated Ratings	AA+/Aa1/AA+
Sale Date	May 2016
Security	The Series 2016 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	Fixed rate serial bonds maturing annually in 2017 - 2041
Final Maturity (years)	25

* Preliminary and subject to change

Next Steps

Request CTB Approval (March)

Treasury Board Approval (April)

Rating Agency Requests (April)

Competitive Sale (May)

Planned Closing (May)