



FEDERAL TRANSPORTATION GRANT ANTICIPATION NOTES AND REFUNDING NOTES

Series 2026

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GARVEE Program Overview

Chapter 830 and 868 of the Acts of Assembly of 2011 authorized issuance of GARVEEs

- Successor program to Federal Highway Reimbursement Anticipation Notes (FRANs) authorized in 2000**
- Limits outstanding GARVEEs to \$1.2 billion**
- Limits maturity to 20 years**
- Debt service must have 4x coverage**
- Secured first by project specific federal reimbursements and then by:**
 - Legally available revenues from Transportation Trust Fund (TTF)**
 - Other such funds designated by the General Assembly for such purposes**

Memorandum of Agreement (MOA) with Federal Highway Administration (FHWA) for GARVEE program was executed in December 2011 and updated in July 2025

Attachment A of MOA identifies approved GARVEE supported projects and is updated as the projects in the SYIP are reflected or modified

GARVEE Issuances to Date

The CTB has issued seven series of GARVEEs from 2012 to 2024

Issuances have totaled approximately \$1.5 billion over that period (excludes refundings)

Beginning in 2017 through 2024 sale, GARVEEs were used to support projects selected through SMART SCALE

Proceeds from the 2026 issue will provide continued support to projects that received prior GARVEE allocations

In November 2025, CTB allocated \$300 million of GARVEE Bonds to support priority projects

Estimated outstanding GARVEEs after this sale is \$626.6 million

Federal Transportation Grant Anticipation Notes (“GARVEEs”), Series 2026

Summary of the Terms of Offering*	
Issuer	Commonwealth Transportation Board
Use of Bond Proceeds	Series 2026A: Projects with GARVEE allocations in a Six-Year Improvement Program (“SYIP”) previously approved by the CTB on advancing projects Series 2026B: Refunding Series 2016 GARVEE for debt service savings
Anticipated Ratings	Double-A Category (Aa1/AA+/AA+)
Pricing Date	Week of June 8, 2026
Security	The Series 2024 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. Estimated minimum debt service coverage 8.4x
Par*	Series 2026A - New Money: \$59.1 million (\$67.5 million project fund deposit) Series 2026B - Refunding: \$116.0 million (Present value savings: \$9.8 million)**
Structure	Serial Bonds, Level semi-annual debt service
Final Maturity	15 years

* Preliminary and subject to change.

** As of February 25, 2026

Next Steps

CTB Approval (April)

Rating Agency Updates (April)

Treasury Board Approval (May)

Receive Ratings (May)

Governor's Approval (May)

Price and Close (June)

ONGOING ISSUANCE AND SALE OF REVENUE REFUNDING BONDS



Revenue Refunding Bonds

Section 33.2-1727 of the Code of Virginia of 1950, as amended authorizes the Commonwealth Transportation Board to issue revenue refunding bonds to refund any bonds issued pursuant to the State Revenue Bond Act (Sections 33.2-1700 et seq. of the Code of Virginia)

Historically, CTB debt is structured with an optional 10-year call date (optional redemption) so approximately 10 years after debt is issued, it is eligible for refunding if is in the best interest of the Commonwealth

Department staff along with our Financial Advisor, monitor all outstanding maturities to identify refunding opportunities and notify the Board Chair

Resolution Authorizing Revenue Refunding Bonds

Allows for the refunding of some or all of the outstanding bonds from time to time as long as the following conditions are met:

- (i) Minimum debt service savings threshold for any series of bonds shall be**
 - (a) no less than three percent (3%) savings on a present value basis compared to the existing debt service on the refunded bonds or
 - (b) such other threshold as may be approved by the Treasury Board of the Commonwealth
- (ii) The final maturity date of the refunding bonds must not be later than the final maturity date of the refunded bonds**

Revenue Refunding Bonds

Once a refunding opportunity is identified, the Chairperson will submit a memo to the Board identifying the refunded bonds and disclosing the proposed terms and structure of the bonds including all details needed to demonstrate the bonds are expected to satisfy the necessary criteria

Within 60 days following each date of issuance, the Chairperson will submit a report to the Board that:

- (i) Identifies the bonds actually refunded
- (ii) Describes the final terms and conditions
- (iii) Demonstrates that the required criteria set forth in the resolution were satisfied

Next Steps

A Resolution will be provided for consideration at the June 17, 2026 Action Meeting

The existing resolution was approved on June 18, 2024 and will terminate on June 30, 2026

The resolution for consideration will be effective July 1, 2026 and will terminate on June 30, 2028