U.S. Department
of Transportation

1200 New Jersey, S.E.
Washington, D.C. 20590

MAY 9 2014

John E. Potter
President and Chief Executive Officer
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001

Subject: Dulles Metrorail Project – MWAA Application Approved

Dear Mr. Potter:

Thank you for submitting an application for the Dulles Metrorail Project on March 26, 2014. The Department has reviewed this information referenced in our letter dated April 9, 2014. We hereby notify you that the Secretary approved the application. The obligation of funds for the Project is subject to the agreement of terms and conditions acceptable to the Department. We look forward to continuing to work with you on the Project.

Sincerely,

Sylvia I. Garcia

Sylvia I. Garcia
Chief Financial Officer and Assistant Secretary
for Budget and Programs

U.S. Department of Transportation
Office of the Secretary of Transportation

Assistant Secretary
for Budget and Programs
and Chief Financial Officer

1200 New Jersey Avenue, SE
Washington, DC 20590

APR 9 2014

John E. Potter
President and Chief Executive Officer
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001

Subject: Dulles Metrorail Project – MWAA Application Complete

Dear Mr. Potter:

Thank you for submitting an application for the Dulles Metrorail Project on March 26, 2014. The Department has reviewed this information and has determined that the application is complete. As required by statute, we will notify you within 60 days whether the application has been approved or disapproved. We look forward to continuing to work with you on this project.

Sincerely,

Sylvia I. Garcia

Sylvia I. Garcia
Chief Financial Officer and Assistant Secretary for
Budget and Programs

U.S. Department
of Transportation

1200 New Jersey, S.E.
Washington, D.C. 20590

FEB 24 2014

John E. Potter
President and Chief Executive Officer
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001

Subject: Dulles Metrorail Project – MWAA TIFIA Loan Request

Dear Mr. Potter:

Based on our review of the TIFIA letter of interest and additional materials provided to support the eligibility and creditworthiness for the Metropolitan Washington Airports Authority ("MWAA") loan request for the Dulles Metrorail Project, the Department has determined that MWAA is eligible to apply for TIFIA credit assistance. I am pleased to invite you to submit an application.

Submission of an application is the next step in TIFIA's underwriting and approval process. Please note that an invitation to apply for TIFIA credit assistance does not imply that the Department has approved all elements proposed in the letter of interest. Rather, it is based on the Department's review of the information provided to date with the expectation that an application will be consistent with our recent discussions in all material respects. In particular, the potential TIFIA loan, when combined with the potential TIFIA credit assistance extended to Fairfax County and Loudoun County, will not exceed 33 percent of total eligible project costs for the Project. In addition, the Department will continue to consider the credit requests from Fairfax County and Loudoun County in tandem with the MWAA application review and approval.

The execution and closing of TIFIA credit assistance remains subject to negotiation of an agreement on terms and conditions satisfactory in all respects to the Department and to meeting all TIFIA and FTA requirements under 49 U.S.C. Chapter 53, including, but not limited to, Section 5333(b), compliance with Federal rules such as Title VI of the Civil Rights Act, the National Environmental Policy Act, Buy America Act, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act . Please continue to work with the TIFIA Office as well as the FTA Regional Office to ensure that these requirements are met.

Please complete and submit the application form available on the TIFIA website at: http://www.fhwa.dot.gov/ipd/tifia/guidance_applications/index.htm. As required by statute, the Department will notify you whether or not the application is complete within 30 days of its receipt. You will be informed no later than 60 days thereafter whether or not the application has

been approved. While there are no fees to submit an application, please note that the TIFIA Office may invoice you for project-related expenses incurred for work conducted by TIFIA's advisors.

If you have any questions about the TIFIA application requirements, please do not hesitate to contact Aaron Bartley, who will continue to serve as your primary TIFIA point of contact. We look forward to receiving the application for the MWAA loan request for the Dulles Metrorail Project.

Sincerely,

Sylvia I. Garcia
Chief Financial Officer and Assistant Secretary
for Budget and Programs

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

March 26, 2014

Mr. Duane Callender, Director
Office of Innovative Program Delivery
TIFIA Joint Program Office
US Department of Transportation
1200 New Jersey Avenue, SE, Room E64-302, Washington, DC 20590

Dear Mr. Callender:

On behalf of the Metropolitan Washington Airports Authority, we sincerely appreciate the invitation to apply for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan as communicated from Sylvia I. Garcia, Chief Financial Officer and Assistant Secretary for Budget and Programs, in a letter dated February 24, 2014. We respectfully submit the application of the Airports Authority.

The Dulles Corridor Metrorail Project, a 23.1 mile extension of the Washington Metropolitan Area Transit Authority 106-mile Metrorail system, from Fairfax County to Dulles International Airport and beyond to Route 772 in eastern Loudoun County, represents a broad-based investment by business, federal, state and local partners. The requested TIFIA loan will allow the Airports Authority to provide a major contribution on behalf of the Dulles Toll Road credit in a cost-effective way. Specifically, it will allow the Airports Authority to better leverage the Dulles Toll Road revenues, thereby enabling a substantial reduction in projected toll rates.

This application has broad political support in Virginia. On February 19, 2014, Virginia Governor McAuliffe wrote to U.S. Department of Transportation Secretary Foxx in support of a TIFIA loan. On March 3, 2014, members of the Commonwealth of Virginia General Assembly representing northern Virginia wrote to express their appreciation to the United States Department of Transportation for extending an invitation to the Dulles Corridor Metrorail Project partners to apply for a TIFIA loan. Additionally, Virginia Senate Resolution No. 50, March 8, 2014, commended the Dulles Corridor Metrorail Project partners on being invited to submit a TIFIA loan application ensuring significant positive impacts for taxpayers and users of the Dulles Toll Road.

1 Aviation Circle, Washington, DC 20001-6000 • www.mwaa.com

Thank you for your consideration of this loan application. We sincerely appreciate the work of the staff of the TIFIA Office in completing their due diligence on this important project, and we look forward to working with you to reach closure on a TIFIA loan in the near future.

Sincerely,

Andrew T. Rountree
Vice President for Finance and CFO

cc: John E. Potter, President and Chief Executive Officer, MWAA
Thomas Augustin, Financial Policy Advisor, TIFIA
Aaron Bartley, Financial Policy Advisor, TIFIA

Attachments:
TIFIA Loan Application
Virginia Senate Resolution No. 50
Letter from House of Delegates, representing northern Virginia, March 3, 2014
Letter from the Honorable Governor Terence McAuliffe, February 19, 2014

COMMONWEALTH of VIRGINIA

Office of the Governor

Terence R. McAuliffe
Governor

February 19, 2014

The Honorable Anthony Foxx
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Foxx:

The Commonwealth of Virginia appreciates your focus on building and restoring American transportation infrastructure to create livable communities and enable economic growth. I am writing to request your support and approval of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan request for the Dulles Corridor Metrorail Project submitted by the Metropolitan Washington Airports Authority in October 2012.

This project is a 23.1-mile extension of the Washington Metropolitan Area Transit Authority's 106-mile Metrorail system extending from Fairfax County to Dulles International Airport and beyond to Route 772 in eastern Loudoun County. It is consistent with your vision of transportation investments, including creating jobs, providing choices to commuters and improving the quality of life for residents.

We are aware that the proposed loan of $1.88 billion would be the largest TIFIA loan that USDOT has approved for a single project, and we appreciate your department's full and detailed consideration of this request. Approval of the TIFIA loan will help reduce the costs to the citizens of the Commonwealth and help advance one of Virginia's top transportation priorities.

Thank you for your support of transportation projects in the Commonwealth, including the Dulles Corridor Metrorail Project. Should you have any questions, please do not hesitate to contact me or Secretary Aubrey Layne at (804)786-8032.

Sincerely,

Terence R. McAuliffe

TRM/ge

Patrick Henry Building • 1111 East Broad Street • Richmond, Virginia 23219
(804) 786-2211 • TTY (800) 828-1120
www.governor.virginia.gov

c: The Honorable Sharon Bulova
Chair, Fairfax County Board of Supervisors

The Honorable Scott York
Chair, Loudoun County Board of Supervisors

John E. Potter
President and Chief Executive Officer
Metropolitan Washington Airports Authority

COMMONWEALTH OF VIRGINIA

HOUSE OF DELEGATES

RICHMOND

March 3, 2014

The Honorable Anthony Foxx
Secretary
Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Secretary Foxx:

As the members of the Commonwealth of Virginia General Assembly representing Northern Virginia, we write to you to express our appreciation to the United States Department of Transportation (U.S. DOT) for extending an invitation to the Dulles Corridor Metrorail Project partners (Fairfax County, Loudoun County and the Metropolitan Washington Airports Authority) to apply for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Dulles Corridor Metrorail Project, also known as the Silver Line. The project, which is currently the largest construction project in the Commonwealth and one of the largest public transportation projects in the country, is a 23.1-mile extension of the Washington Metropolitan Area Transit Authority Metrorail system, linking population and job centers in Fairfax and Loudoun counties to the Washington Dulles International Airport and the rest of the region.

This monumental transportation project provides critical improvements to surface transportation by furthering connectivity throughout the region, encouraging economic growth, and generating positive long-term impacts on Virginia communities, all of which is a key focus of the transportation infrastructure of the Commonwealth and the fabric of America. The Dulles Corridor Metrorail project relies heavily upon tolls collected from commuters who drive on the Dulles Toll Road. As such, there is an abiding need for these tolls to be kept as low as possible commensurate with financing the project. TIFIA financing will help reduce these tolls.

Soon the Metropolitan Washington Airports Authority, along with Fairfax County and Loudoun County, will submit applications for consideration in response to the TIFIA invitation. The General Assembly supports the project partners' applications, as evidenced by its commitment of significant state resources to this important project, including most recently the addition of $300 million in HB 2313 during the 2013 Session of the Virginia General Assembly in order to reduce the amount required for financing and assist to alleviate the burden for drivers using the Dulles Toll Road.

As stated above, tolls upon the Dulles Toll Road are the primary financing mechanism for successful conclusion of the project. By supplying financing at more favorable interest rate, the approval of a $1.88 billion, low-interest TIFIA loan for the Silver Line will work toward our goal of mitigating toll rate increases for drivers on the Dulles Toll Road to the greatest extent possible. The loan will mean less

money must be generated by toll road drivers in order to cover long-term costs for the Silver Line. In fact, the Metropolitan Washington Airports Authority, which manages the Dulles Toll Road and sets toll rates to finance the project, has targeted holding toll rates at current levels through 2018 using the $300 million approved by the Commonwealth and if the TIFIA loan is approved.

We appreciate the U.S. DOT offering full and detailed consideration of these applications. We request that the U.S. DOT expeditiously approve the project partners' applications for TIFIA financing so as to augment the Commonwealth of Virginia's commitment to this project. A favorable US DOT decision on TIFIA helps secure a successful conclusion for this project and provide significant benefits to the Washington, DC, metropolitan transportation system.

Sincerely,

Delegate David B. Albo

Delegate Richard L. Anderson

Delegate Robert H. Brink

Delegate David L. Bulova

Delegate Barbara Comstock

Delegate Eileen Filler-Corn

Delegate Michael T. Futrell

Delegate Thomas A. Greason

Delegate Charniele Herring

Delegate Patrick A. Hope

Delegate Timothy D. Hugo

Delegate Mark Keam

Delegate Kaye Kory

Delegate K. Rob Krupicka, Jr.

Delegate Dave A. LaRock

Delegate James M. LeMunyon

Delegate L. Scott Lingamfelter

Delegate Alfonso Lopez

Delegate Robert G. Marshall

Delegate Jackson Miller

Delegate J. Randall Minchew

Delegate Kenneth R. Plum

Delegate David I. Ramadan

Delegate Thomas D. Rust

Delegate Mark D. Sickles

Delegate Marcus Simon

Delegate Scott A. Surovell

Delegate Luke Torian

Delegate Vivian E. Watts

cc: Sylvia I. Garcia, Chief Financial Officer and Assistant Secretary for Budget and Programs
The Honorable Terence R. McAuliffe, Governor, Commonwealth of Virginia
John E. Potter, President and CEO, Washington Metropolitan Airports Authority
The Honorable Sharon Bulova, Chairman, Fairfax County Board of Supervisors
The Honorable Scott K. York, Chairman, Loudoun County Board of Supervisors

2014 SESSION

ENROLLED

SENATE RESOLUTION NO. 50

Commending the Dulles Corridor Metrorail Project partners.

Agreed to by the Senate, March 8, 2014

WHEREAS, the Dulles Corridor Metrorail Project, a 23.1-mile extension of the Washington Metropolitan Area Transit Authority's (WMATA) 106-mile Metrorail system continuing through Tyson's Corner to and beyond Washington Dulles International Airport into Loudoun County, is being constructed by the Metropolitan Washington Airports Authority, working in cooperation with the Virginia Department of Transportation, the Virginia Department of Rail and Public Transit, Fairfax County, Loudoun County, the United States Department of Transportation, and WMATA; and

WHEREAS, the Commonwealth strongly supports efforts to create jobs, enhance transportation capacity, and make positive long-term impacts on local communities; and

WHEREAS, completion of a rail line enhancing transportation access to Washington Dulles International Airport has been envisioned since the Eisenhower administration; and

WHEREAS, the Dulles Corridor Metrorail Project represents a broad-based investment by federal, state, and local partners, with strong, regional business partners contributing to the project through self-imposed taxing districts; and

WHEREAS, when completed, the Dulles Corridor Metrorail Project will provide significant economic and transportation assistance to the Commonwealth, including improved access to major job centers in Fairfax and Loudoun Counties that attract workers commuting from other local jurisdictions as well as to Washington Dulles International Airport; and

WHEREAS, the Dulles Corridor Metrorail Project is an approximately $6 billion investment that is being funded by a United States Department of Transportation grant of $900 million; grants and aid from the Commonwealth of Virginia totaling $725 million, a portion of which includes $75 million in federal Surface Transportation Program grants administered by the Virginia Department of Transportation; and contributions totaling 25 percent of the total project cost from Fairfax and Loudoun Counties and the Metropolitan Washington Airports Authority, with the remaining funds derived from Dulles Toll Road users; and

WHEREAS, the Commonwealth's commitment includes a grant of $300 million passed during the 2013 Session of the Virginia General Assembly, which reduces the amount required for financing and assists to alleviate the burden for drivers using the Dulles Toll Road; and

WHEREAS, the project funding represents an extraordinary local commitment for a major project of state and national significance; and

WHEREAS, the project is one of the highest transportation priorities in the Commonwealth and has received expressions of support from the Virginia General Assembly and gubernatorial administrations since the early 1990s; and

WHEREAS, to expedite completion and enhance the economic impact of the project, the local funding partners of the Metropolitan Washington Airports Authority, Fairfax County, and Loudoun County have been invited by the United States Department of Transportation to apply for a combined $1.9 billion in federal loans with favorable interest rates under the Transportation Infrastructure Finance and Innovation Act (TIFIA); and

WHEREAS, every dollar of TIFIA loan assistance will lessen the burden on taxpayers and on Dulles Toll Road users by reducing project finance costs and enabling the Metropolitan Washington Airports Authority to minimize required toll rate increases, including the potential to hold toll rates constant through 2018; now, therefore, be it

RESOLVED by the Senate of Virginia, That the Dulles Corridor Metrorail Project partners hereby be commended on being invited to submit a TIFIA loan application to the United States Department of Transportation, ensuring significant positive impacts for taxpayers and users of the Dulles Toll Road; and, be it

RESOLVED FURTHER, That the Clerk of the Senate prepare a copy of this resolution for presentation to the Metropolitan Washington Airports Authority as an expression of the Senate of Virginia's admiration for the Dulles Corridor Metrorail Project partners' work to enhance the Dulles area and the Commonwealth.

UNITED STATES
DEPARTMENT OF TRANSPORTATION
Fiscal Year 2013 APPLICATION FOR FEDERAL CREDIT ASSISTANCE
Transportation Infrastructure Finance and Innovation Act

Background: This form is to be completed by eligible applicants for Federal credit assistance under the Transportation Infrastructure Finance and Innovation Act (TIFIA), as amended, invited to submit an application by the U.S. Department of Transportation (DOT). The TIFIA statute is codified under 23 U.S.C. 601-609. The DOT will use the collected information to evaluate and select recipients for credit assistance as authorized under TIFIA. Applicants may be asked to provide additional supporting evidence or to quantify details during the review and negotiation process. If any information submitted, or requested to be submitted, changes after the application is submitted, the applicant will update its application accordingly. Pursuant to the recently enacted Moving Ahead for Progress in the 21st Century Act (MAP–21), the DOT announced the availability of $1.75 billion ($750 million in Federal Fiscal Year (FY) 2013 funds and $1 billion in FY 2014 funds (and any funds that may be available from prior fiscal years)) to provide TIFIA credit assistance for eligible projects. Only after a project sponsor has submitted a Letter of Interest and the DOT has determined that a project has met or is likely to meet all statutory eligibility requirements will the project sponsor be invited to submit an application. MAP–21 contains a timeline for assessing applications for credit assistance.

Charges: The DOT may require reimbursement for expenses related to services provided by the DOT's outside advisors in connection with the evaluation of the TIFIA Letter of Interest, evaluation of the TIFIA application, and negotiation of the TIFIA transaction documents.

Format: Applications must provide all requested information and will not be reviewed if incomplete, which the DOT shall confirm within 30 days after the date of receipt of the application. Applications should be provided in three-hole punch binders with sections and tabs following the sequence shown in the application checklist.

Submission: A copy of the completed application form, without attachments, should be sent by email to TIFIACredit@dot.gov. Hard copies of the completed application (including a computer diskette (CD) containing electronic versions of the entire application with attachments as well as separate working files for Section D and Exhibit VII – ***but NOT in PDF or "values" format***) should follow the electronic submission, as further detailed in this section, and should be sent to the attention of Mr. Duane Callender, TIFIA Joint Program Office, Federal Highway Administration, HITJ, Room E64-301, 1200 New Jersey Avenue, SE, Washington, DC, 20590. Applicants are advised to utilize an express mail or courier delivery service to ensure delivery confirmation of the package. The application checklist appearing on the next page of this application form specifies the number of copies (plus original) required for each section. The DOT requires **one** original hard copy submission of the complete application package with all supporting exhibits and related documentation. As noted on the checklist on the following page, **11** additional hard copies of the completed application form, without attachments are required. Only after a project sponsor has submitted a Letter of Interest and the DOT has determined that a project has met or is likely to meet all statutory eligibility requirements will the project sponsor be invited to submit an application. Please note that an invitation by the DOT to submit an application does not guarantee that a project will receive TIFIA credit assistance, which remains subject to a project's continued eligibility. Please check the TIFIA website regularly to identify updated guidance and application materials.

Selection: The DOT's selection of a project for participation in the TIFIA program does not imply that the DOT has approved all elements proposed in the application. For example, the DOT may require changes in the project's financial plan proposed in the application. Provision of credit assistance is subject to negotiation of a credit agreement on terms and conditions satisfactory in all respects to the DOT.

Information Requests: If an applicant desires that any information submitted in its application or any supplement thereto not be released by the DOT upon request from a member of the public or otherwise made publicly available, the applicant must so state and set forth any reasons why such information is confidential and should not be released, including particulars as to any competitive harm which would potentially result from the release of such information. The DOT will keep such information confidential to the extent permitted by law.

Warning: It is a crime to knowingly make false statements to a Federal agency. Penalties upon conviction can include a fine and imprisonment. For details, see 18 U.S.C. 1001. Misrepresentation of material facts may also be the basis for denial of financial assistance by the U.S. Department of Transportation.

APPLICATION CHECKLIST

An application must include the following items.

Item	Page Limit	Copies (Plus Original)
Section A: Contact Information	1	12
Section B: Project Information ___1. Project Name ___2. Location ___3. Project Description ___4. Rural Project Description (If Applicable) ___5. Project Purpose (quantitative/qualitative details) ___6. Project Cost and TIFIA Credit Assistance Request ___7. Project Management and Compliance Monitoring Plan ___8. Maintenance and Operations	8	12
Section C: Satisfaction of Eligibility Requirements ___1. Creditworthiness (rate covenant, coverage requirements, investment grade rating(s)) ___2. Foster Partnerships that Attract Public and Private Investment ___3. Enable Project to Proceed at an Earlier Date or with Reduced Lifecycle Costs ___4. Reduce the Contribution of Federal Grant Assistance ___5. Environmental Review (NEPA) ___6. Permits and Approvals ___7. Transportation Planning and Programming Process Approvals (STIP and TIP) ___8. Construction Contracting Process Readiness ___9. Project Schedule	20	12
Section D: Financial Plan (include Executable Electronic – NOT PDF – files) ___1. Estimated Capital Project Cost, Amount and Type of Credit Assistance Requested ___2. Amount of TIFIA Assistance Requested ___3. Summary Table: Sources and Uses of Funds ___4. Cash Flow Pro Forma ___5. Supplementary Narrative: Other Borrowed Funds ___6. Supplementary Narrative: Revenue Sources (including pledged repayment source) ___7. Proposed Terms for the Requested TIFIA Credit Instrument ___8. Reasons for Selecting the Proposed Type(s) of Credit Instrument ___9. Flexibility in Financial Plan to Support a Reduced Percent of TIFIA Credit ___10. Risks and Mitigation Strategies	20	12
Section E: Applicant's Organizational Structure ___1. Background Information and Legal Authority ___2. Organization and Management ___3. What Entity will Serve as Applicant (public-sector agency or private-sector firm) ___4. Is the Applicant the Same Entity as the Borrower (detail project team members) ___5. Prior Experience ___6. Financial Condition ___7. Litigation and/or Conflicts	10	12
Section F: Certifications	3	12
___**Exhibit I**: Project Map		1
___**Exhibit II**: Supporting Documentation: Project Purpose		1
___**Exhibit III**: Supporting Documentation: Financing Documents		1
___**Exhibit IV**: Preliminary Rating Opinion Letter(s)/Creditworthiness		1
___**Exhibit V**: Supporting Documentation: Public-Private Partnerships		1
___**Exhibit VI**: Supporting Documentation: Other Anticipated Funds		1
___**Exhibit VII**: Cash Flow Pro Forma (include electronic files)		1
___**Exhibit VIII**: Supporting Documentation: Revenue and Cost Projections		1
___**Exhibit IX**: Proposed Terms for the Requested TIFIA Credit Instrument		1
___**Exhibit X**: Supporting Documentation: Legal Authority		1
___**Exhibit XI**: Organizational Chart		1
___**Exhibit XII**: Audited Financial Statements (Three Years)		1

SECTION A: Contact Information

Provide the following information and include this sheet as the first page of the application. If the Applicant is different from the expected Borrower, please provide information for both parties.

1. Applicant's Legal Name:

Metropolitan Washington Airports Authority

2. Other Names under Which Applicant Does Business:

3. Federal Tax Identification Number (to be used to determine whether the applicant is delinquent or in default on any Federal debt, in accordance with 31 U.S.C. 3701, et seq. and 5 U.S.C. 552a at note):

52-1513553

4. Business Address:

1 Aviation Circle, Washington, DC 20001-6000

5. Mailing Address (if different from above) – include both U.S. mailing address and courier (*i.e.*, no P.O. Box) address:

6. Contact Person Name:

Andrew T. Rountree

7. Contact Person Title:

Vice President for Finance and Chief Financial Officer

8. Mailing Address for Contact Person (if different from above):

9. Telephone:

(703) 417-8710

10. Fax:

(703) 417-8995

11. E-mail:

Andrew.Rountree@MWAA.com

SECTION B: Project Information

This section requests narrative information and two exhibits. The list below should be included in the application packet with responses attached and numbered to correspond to the relevant item. Total narrative supporting Section B should not exceed 8 pages, excluding the exhibits.

1. **Project Name**. Assign a short name to the project, for purposes of identification.

The Dulles Corridor Metrorail Project ("DCMP" or "Rail Project" or "Project").

2. **Location**. Describe the location of the project, including major intersecting highway and rail routes, and attach a map as Exhibit I. Include the name(s) of the counties that the project will serve.

The Metropolitan Washington Airports Authority (Airports Authority), in cooperation with Fairfax County, Loudoun County, and the Commonwealth of Virginia (the funding partners) and the Washington Metropolitan Area Transit Authority (WMATA), is constructing a 23.1-mile extension of WMATA's 106-mile Metrorail system.

The Project will run from a location on the current Metrorail Orange Line near the West Falls Church Station in Fairfax County to Dulles International Airport, then beyond the airport to Route 772 in Loudoun County. The Project is being constructed in two Phases – Phase 1 diverges from the existing Metrorail Orange line near the current West Falls Church station to Wiehle Avenue in Reston, Virginia. Phase 2 continues from Wiehle Avenue in Fairfax County to Route 772 in eastern Loudoun County.

The Project will serve Fairfax and Loudoun Counties. A project map has been provided as **Exhibit I**.

3. **Project Description**. Describe the need for the project, its basic design features, and what it will accomplish. Include an assessment of the current condition of all transportation facilities relating to the project. If the project's current scope differs from what is described in its environmental documents, please explain.

Need for the Project: The Dulles Corridor is home to several of the most dynamic and growing activity centers in the Washington metropolitan area, including the high-density office buildings and regional shopping centers of Tysons, the residences and suburban office complexes of the Reston-Herndon area, and an emerging residential and employment center in eastern Loudoun County.

Travel in the corridor has grown steadily over the last 20 years, straining the capacity of the existing transportation network and causing delays and increased travel times between activity centers within the corridor and the region. Many of the major roadways in the corridor are currently at level-of-service E and F during peak periods. Planned roadway enhancements in the Dulles Corridor are not expected to relieve the current levels of congestion and the ability to further expand roadway capacity beyond the planned improvements is constrained by right-of-way limitations and federal air quality standards.

The Project offers a wide range of transportation and mobility benefits, which include travel time savings between the corridor and the region's core and suburban activity centers, improved mobility for transit-dependent riders and reverse commuters, support for air quality and energy conservation goals, future transit-oriented development and job growth, and an improved overall quality of life.

Design Features: The Project includes eleven new stations – four in Tysons Corner, four in Fairfax County, one at Dulles International Airport and two in Loudoun County. Fairfax County secured financing for an underground parking garage and other public facilities at the Wiehle-Reston East Metro station by entering into a partnership with a private developer at the site. Similar strategies are being explored for the five parking structures to be located at Phase 2 stations (the County-Funded Elements).

The Project also includes the procurement of 128 new railcars, additional parking garages along the alignment, expansion of the existing West Falls Church maintenance yard, construction of a new maintenance yard at Dulles International Airport, traction power substations, tie-breaker stations, a communications system, crossovers, Kiss & Ride facilities, entrance pavilions, pedestrian bridges, real estate acquisition, utility relocation, environmental mitigation efforts and startup and testing for revenue service.

The Project is making use of the latest techniques and technologies both in construction and operations. The Dulles Corridor Silver Line will be the first line in the WMATA system to exclusively use Ethernet-based communications between and among the various stations and facilities and WMATA's Central Control.

The new railcars will have innovations that include four-car sets instead of married pairs, use of stainless steel instead of aluminum, and the introduction of active graphics in the cars to provide passengers with real-time information. The four-car sets reduce costs and increase train capacity. The use of stainless steel increases the service life of the railcars and improves safety. The active graphics allow for communication of emergency and other service information that improves the transit experience.

Finally, more sophisticated electronic signs will be installed in the stations to provide real-time emergency and passenger service information, public service announcements, and the opportunity for revenue-generating private advertising.

With regard to operations, the Project will incorporate automated train control and other advanced systems that support traction power substations, communications and security, and fare collection. Other technologies will be used to assist passengers, such as Smart Cards for collecting fares, multi-payment fare card vending machines, and internet and mobile device services.

Environmental Assessment: In May 2012, the Federal Transit Administration (FTA) and the Airports Authority, as joint-lead agencies, and the Federal Aviation Administration (FAA) and WMATA, as cooperating agencies, prepared an Environmental Assessment (EA) to evaluate potential environmental and socioeconomic effects from design refinements to Phase 2 of the Project. The design refinements evaluated included changes to parking facilities, station entrance facilities, ancillary facilities, and relocation of the Dulles International Airport Station from below to above ground.

Based on the EA, public comments received, and coordination with appropriate agencies, including the Virginia Department of Historic Resources (VDHR), FTA determined that there are no significant environmental or socioeconomic impacts associated with the Phase 2 design refinements of the Project. FTA also determined that a supplemental environmental impact statement (EIS) would not be required. The finding of no significant impact (FONSI) was issued on December 17, 2013, as an attachment to the Amended Record of Decision issued on November 17, 2006.

No changes to the project scope that would have any significant environmental impacts are anticipated. Fairfax County and Loudoun County have assumed responsibility for financing and constructing the five Phase 2 parking facilities by 2018. The Counties may consider design modifications or value engineering proposals that will facilitate private development of the parking facilities, but given the schedule constraints, it is unlikely they will seek approval from FTA for any deviation from the preliminary engineering plans that does not qualify for a Categorical Exclusion under the National Environmental Policy Act.

4. Rural Project Description (If Applicable). If invited to apply for consideration as a rural infrastructure project, describe how the project meets MAP-21's definition of a rural infrastructure project. Please also describe whether the project is located outside of an urbanized area as defined under title 23.

While much of the DCMP lies outside an urbanized area and could be considered a "Rural Infrastructure Project" as the term is defined in the TIFIA statute, this finance plan assumes TIFIA assistance with standard loan rates based on long-term Treasury yields rather than the subsidized rates that are authorized for rural projects.

5. **Project Purpose.** Describe the project's purpose, including quantitative or qualitative details on public benefits the project will achieve. Supporting documentation may be attached as Exhibit II.

The purpose of the Project is to provide high-quality, high-capacity transit service in the Dulles Corridor. The extension of Metrorail through the Dulles Corridor will help address the limitations of the existing roadway network and transportation system in the corridor, and between the corridor and downtown Washington, DC.

The Project offers a wide range of transportation and mobility benefits, which include travel time savings between the corridor and the region's core and suburban activity centers, improved mobility for transit-dependent riders and reverse commuters, support for air quality and energy conservation goals, future transit-oriented development and job growth, and an improved overall quality of life.

National and Regional Significance

The Project will provide an important intermodal connection of the region's Metrorail system to Dulles International Airport, a major employment center and an international hub for air service to major cities around the world.

In addition, the Project will provide high-quality, high-capacity transit service between Washington DC, the nation's capital, and several of the largest activity centers in the Washington metropolitan area, including Tysons Corner, the Reston-Herndon area, and various emerging activity centers in eastern Loudoun County. Tysons Corner (the "downtown" of Fairfax County) is larger, in both geographic size and employment, than many of the central business districts in major U.S. cities including Miami, San Diego, and St. Louis, and is the largest suburban business district in the country. The Reston-Herndon area is Virginia's second largest employment concentration.

Livability

The Project is a catalyst for transit-oriented development in the Dulles Corridor. The local governments along the alignment are creating and have approved land use plans for development at and near stations that will enhance quality of life by minimizing the reliance on personal vehicles for mobility and providing options for pedestrians and bicyclists.

In January 2013, the Fairfax County Board of Supervisors approved several local tax increases that will help pay for an estimated $3.1 billion in planned transportation improvements over the next 40 years in the area surrounding Tysons. The work is part of the County's "Transforming Tysons" initiative and includes improving access to the four new Metro stations and expanding transit service. The goal is to transform Tysons into a walkable, sustainable, urban center that will be home to up to 100,000 residents and 200,000 jobs by 2050.

The Project also incorporates facilities and amenities that will encourage and support bicyclists and pedestrians. The Project will improve regional access to the Washington and Old Dominion Trail, a popular trail for bicyclists. Through WMATA's "Bike-on-Rail" policy, Metrorail stations will serve as convenient bike/transit transfer points for passengers choosing to split their trip between bicycle and rail. Sidewalks, landscaping, bus shelters, fencing, bike lockers, and public art elements have been incorporated into the designs at each of the stations.

Safety

Expanding the Metrorail system into the Dulles Corridor will provide greater flexibility in formulating regional homeland security strategies and evacuation plans. As was demonstrated on September 11, 2001, the Metrorail system played a major role in evacuating hundreds of thousands of government and private sector employees from downtown Washington after the attack on the Pentagon.

The Project will be consistent with Metrorail's existing railcar, facility and operational safety standards. Safety features include safety zones under the platform to allow passengers who fall onto the track to avoid the train, hotlines from central control to police and fire departments, automated smoke exhaust systems in tunnels, call boxes, passenger information displays on platforms, and cellular phone service.

In addition, the Airports Authority, in cooperation with the Commonwealth and the local governments, will implement roadway modifications to Route 7 and Spring Hill Road concurrently with the Project to increase traveler safety and efficiency throughout the corridor. The Route 7 roadway modifications include elimination of the service roads and provision of an additional (fourth) lane to accommodate both through and right-turning traffic into adjacent properties. Route 7 will be constructed with dedicated turning lanes which will reduce congestion and improve safety for motorists.

The Airports Authority will also implement concurrent roadway improvements along the DIAAH that will improve safety and access for airport users. These include additional roadway crossovers to permit authorized (primarily emergency) vehicles to travel directly between the DIAAH and the adjacent DTR. Currently, these roadways are separated by a physical barrier, with a few places where crossing between the roadways is permitted.

State of Good Repair

The Project is focused on minimizing life-cycle costs and activities. Throughout the design process, WMATA, the Airports Authority, and their consultants have worked together to design a system that will seamlessly integrate into WMATA's existing operations and will also incorporate the latest innovations in transit planning and design.

The Project includes the construction of improvements to an existing WMATA West Falls Church service and inspection shop and yard facilities and the purchase of 128 railcars and spare parts. The railcars will be fully compatible with WMATA's existing system. The expansion of the existing yard and shop will provide WMATA with additional railcar maintenance and storage facilities necessary to support Dulles Corridor operations.

WMATA will be responsible for the Project's long-term operations as well as major rehabilitation and replacement work. In January 2013, WMATA released a strategic plan that establishes priorities for near- and long-term action, including a set of seven key investments, called Metro 2025, designed to increase the system's core capacity and improve the effectiveness of the rail and bus networks by 2025. The strategic plan includes funding estimates and strategies for maintaining the safety and reliability of the system after the $5 billion Metro Forward rebuilding effort returns it to a steady state of good repair.

The Project also includes significant improvements to the local roadway network, most importantly through the heavily traveled Tysons Corner area. The Route 7 improvements, as well as those to Spring Hill Road, will create new or significantly-reconstructed roadway segments, which will reduce the amount of routine maintenance that will be required by Fairfax County.

6. **Project Cost and TIFIA Credit Assistance Request.** Provide a cost estimate for both the entire project and the eligible project costs under the TIFIA program. Specify the TIFIA credit instrument(s) (i.e., secured loan, loan guarantee, and/or standby line of credit) requested and the amount of TIFIA credit assistance requested for each credit instrument. If requesting a secured loan, please provide a brief explanation of how the plan of finance for the project would be impacted if TIFIA credit assistance was instead provided in the form of a loan guarantee. Please also indicate whether the applicant intends to use a Master Credit Agreement with contingent commitments for purposes of carrying out a program of projects. If requesting a Master Credit Agreement, please provide the expected timing and amount of credit assistance requested for each of the projects in the program. Note that Section D of this application requests a financial plan; information furnished under this item may be cross-referenced to materials provided in Section D, and in all instances, including but not limited to dollar amounts, must be consistent with those materials.

Table 1 shows the capital cost assumptions used for the purpose of sizing the TIFIA credit assistance for the Dulles Corridor Metrorail Project. The total does not include finance charges or the cost of the Phase 2 parking garages that will be financed by the Counties.

The total amount of TIFIA assistance requested for the Project is $1,875,697,183 (33 percent of the total TIFIA-eligible costs).

The total TIFIA request is allocated among the local funding partners as follows:

Airports Authority (DTR):		1,277,349,782
Fairfax County:		403,274,894
Loudoun County:		195,072,507
Total TIFIA Credit Assistance	$	1,875,697,183

This application provides details on the TIFIA Loan to be executed by the Airports Authority. Fairfax County and Loudoun County are submitting separate applications addressing their respective TIFIA loans for the Project.

The Airports Authority requests that its credit assistance be structured as a secured loan in the amount of $1,277,349,782. The benefit of TIFIA credit assistance would be significantly diluted if it were to take the form of a loan guarantee instead of a direct loan. It would be very difficult to find lenders willing to provide nearly $1.3 billion of subordinate financing at an interest rate competitive with U.S. Treasury obligations. Even with a federal loan guarantee, a private lender will insist on a liquidity and credit risk premium that would likely result in a borrowing cost much higher than the TIFIA interest rate. Every 50 basis point increment in borrowing costs on a $1.27 billion loan increases potential debt service over a 35 year period by approximately $160 million.

It is also important to note that private lenders are generally unable to make long-term loans with terms comparable to TIFIA. The ability to accrete interest on the TIFIA loan during construction, for example, provides significant benefit by mitigating the magnitude of the near-term toll increases required to support an additional $1.27 billion of debt. The ability to prepay the TIFIA loan without penalty provides significantly flexibility in terms of de-leveraging the toll road and could potentially eliminate the need for additional toll rate increases after 25 or 30 years. The secured TIFIA loan is by far the most cost-effective means of federal credit assistance.

Table 1: Sizing and Allocation of TIFIA Credit Assistance

FTA SCC CODE	Description	PHASE 1 BUDGET	PHASE 1 RELATED CAPITAL IMPROVEMENTS	PHASE 2 BUDGET	TOTAL TIFIA-ELIGIBLE COSTS
10	Guideway and Track Elements	$ 615,421,099	17,847,648	344,946,326	978,215,073
20	Stations, Stops, Terminals and Intermodal	$ 357,613,591	12,514,787	228,424,057	598,552,435
30	Support Facilities: Yards, Shops, Admin Bldgs	$ 74,138,802	394,456	229,857,097	304,390,355
40	Sitework and Special Conditions	$ 262,515,615	69,354,877	394,075,868	725,946,360
50	Systems	$ 305,970,457	38,178,353	193,794,178	537,942,988
60	ROW, Land, Existing Improvements	$ 61,898,912	20,286,624	58,523,267	140,708,803
70	Vehicles	$ 194,648,939	-	212,765,000	407,413,939
80	Professional Services and Agency Costs	$ 822,455,524	28,772,508	564,398,592	1,415,626,624
90	Unallocated contingency	$ 9,624,126	14,058,976	551,451,179	575,134,281
100	Finance Charges	$ -	-	-	-
	TOTAL	**$ 2,704,287,065**	**201,408,229**	**2,778,235,564**	**$ 5,683,930,858**

Amount of TIFIA Credit Assistance *(percentage of Eligible Costs)* **33.0%**

TOTAL TIFIA LOAN AMOUNT $ 1,875,697,183

7. **Project Management and Compliance Monitoring Plan**. Provide a comprehensive project management and monitoring plan that will assure the DOT of the applicant's ability to deliver the project as planned, fulfill all project commitments, and ensure compliance with all terms of the credit agreement, including all applicable regulations and provisions of law. The plan should provide: (a) information on the roles and responsibilities of all entities with decision making authority for the project; (b) status reporting processes that document not only the status but changes and potential risks; and (c) coordination processes that provide for advance notification of potential issues to all appropriate agencies and timely resolution.

The Airports Authority has prepared a draft Project Management Plan (PMP) focusing on the Procurement, Design and Construction stages of Phase 2 of the Project, which is under review by the FTA.

The PMP defines management responsibilities; roles of staff; and interactions among and between staff, consultants, and other agencies and organizations. It also specifies the general procedures and management tools that will be used to ensure effective project control and successful project completion. In the PMP, the management approach for Phase 2 addresses the project delivery strategy, organization and management structure, assignment of responsibilities between the Airports Authority and Contractors, and the delegation of management and financial authority. The PMP, the associated plans, and the Project Management Procedures will be updated as Phase 2 progresses and reaches key schedule milestones, and the Project team will continue to use these documents as tools to manage and construct Phase 2.

The following goals and principles guided development of the PMP:

- Establishment and maintenance of a single authority with overall responsibility for completion of design, coordination with other agencies, and control of the Contractors to ensure a quality product is delivered on schedule and within budget in as safe a manner as possible;
- Integration of the Airports Authority and the Project Management Support Services (PMSS) staff to form the most effective and efficient management team;
- Assurance that the technical scope and schedule are sufficiently defined to avoid unnecessary changes;

- Thorough review and constant updating of risks and uncertainties to the program for "scope creep," schedule slippage, and cost increases; aggressive risk assessment and change management are paramount to success;
- Effective communication with affected communities and agencies to ensure minimal impact to the existing local transportation network and the local commercial economy, while addressing concerns voiced by the community;
- Transparency regarding the procedures whereby the Contractors complete the work and accounts for progression through the life of the contract;
- Ongoing compliance with Federal Transit Administration (FTA) Project Management Oversight requirements and best practices as mandated by the US Department of Transportation (USDOT) Memorandum of Agreement (MOA), dated December 30, 2011;
- Integration between the Airports Authority's Project team, WMATA and local jurisdictions to achieve effective and efficient design and construction of Phase 2 in preparation for final transfer to WMATA for operations and maintenance;
- Ongoing management and control of schedule, costs, risks and changes; and
- Lessons learned from development of Phase 1 and industry best practices.

Version 1.1 of the PMP was submitted to the FTA for review in January 2014 and a copy is available on Livelink and the enclosed thumb drive.

8. **Maintenance and Operations.** Describe the maintenance and operations plan for the project.

WMATA and its jurisdiction Compact members will be responsible for funding and managing the operation and maintenance of the Project upon completion of the construction of each of the two phases and WMATA's acceptance of each phase into the Metrorail System.

Jurisdictions included in the WMATA Compact are the District of Columbia, the cities of Alexandria, Falls Church, and Fairfax, and the counties of Arlington, Fairfax, and Loudoun in Virginia, and Montgomery and Prince George's in Maryland. Any operating subsidies that may be required for the Project will be allocated among WMATA's members using established and approved formulas. This operating funding mechanism has been used successfully for over 30 years.

SECTION C: Satisfaction of Eligibility Requirements

This section allows the applicant to describe the extent to which the project satisfies the eligibility requirements specified under 23 U.S.C. 602(a). ***The applicant should provide relevant quantitative or qualitative data to support its assertions and to justify the benefits to be derived from TIFIA assistance in satisfying these requirements and advancing the proposed project.*** The list below should be included in the application packet with responses and supporting documents attached and numbered to correspond to the relevant item. Total narrative supporting Section C should not exceed 20 pages, excluding the three exhibits.

1. **Creditworthiness.** Describe the creditworthiness of the project as noted below.

   a) Detail the project's ability to satisfy applicable creditworthiness standards. Provide information to support the project's creditworthiness, such as: the project's market position; the history of user-based repayments for other obligations; the economic outlook for related commerce; qualifications of the project team; proposed risk mitigation strategies, etc. The applicant may refer to other portions of its application, as applicable.

The Airports Authority's TIFIA loan will be secured by net toll revenues generated by the DTR and will be

subordinate to approximately $1.3 billion of outstanding toll revenue bonds that have investment grade credit ratings. The proposed DTR TIFIA loan will be a junior (fourth) lien obligation with investment grade credit ratings from two nationally recognized rating agencies. The preliminary rating opinion letter from Standard & Poor's, included as **Exhibit IV**, contains an indicative rating of BBB- for the proposed junior-lien TIFIA loan.

The Airports Authority's ability to secure strong credit ratings on the outstanding DTR revenue bonds and the indicative investment grade rating for the proposed junior lien TIFIA loan reflects several credit strengths, including:

- The DTR is in its 30th year of operation. It provides access to well-established and growing activity centers in the Northern Virginia region, such as Tysons Corner, the Reston-Herndon area, and eastern Loudoun County.

- In 2013, the DTR generated over $127 million in gross toll revenue. There were nearly 99 million toll transactions with significant traffic volumes in both directions during the peak hours. Over 81% of the toll revenue in 2013 was collected via electronic toll collection (E-ZPass).

- Since assuming responsibility for operating the DTR in 2008, the Board of the Airports Authority has approved and implemented five toll rate increases. The impact of the toll increases on gross toll revenue and the number of toll transactions has been consistent with initial projections.

- The Airports Authority has the exclusive right to establish and collect tolls on the DTR; no other approvals are needed. The Comprehensive Traffic and Revenue Study for the DTR assumes the next DTR toll increase will be implemented in 2019 with additional increases every four or five years thereafter. Projected toll rates are significantly below the estimated theoretical revenue maximization point.

- Approximately $1.115 billion of the $2.788 billion of Project costs allocated to the DTR has already been funded. Prior to closing the proposed $1.277 billion DTR TIFIA loan, the Airports Authority will issue Second Senior Lien DTR Revenue Refunding Bonds to retire interim financing issued to fund the remaining obligation. No additional long-term DTR debt is expected to be issued for the Project after the TIFIA loan closes. Ongoing DTR renewal and replacement expenses and the cost of major capital improvements will be funded from reserves.

- Repayment of the proposed DTR TIFIA loan is not contingent on completion of the Rail Project, but significant resources have been devoted to ensure that construction is completed within budget and on schedule. As discussed in more detail in response to Section D10 of this application, the Risk and Contingency Management Plan developed by the Airports Authority has been accepted by FTA.

Details on the past and projected performance of the DTR are available in the Dulles Toll Road Traffic and Revenue Study, which is briefly described in Section D6, presented in **Exhibit VIII**, and available on both Livelink and the enclosed thumb drive.

b) Describe the rate covenant, if applicable. Provide a copy of existing financing documents, such as a trust indenture agreement, including any rating agency credit reports, for other creditors of the project or a term sheet indicating the proposed features of the anticipated financing documents, as Exhibit III. The information should indicate the Federal credit instrument's status in relation to pledged security, coverage, and treatment under an additional bonds test. Applicants should be aware that when prior financing based on the proposed TIFIA security is already in place difficult inter-creditor issues often arise in the negotiation of the TIFIA credit instrument.

The Airports Authority has covenanted in the Master Indenture that it will establish, charge and collect Tolls for traveling on the DTR at rates sufficient to pay Operation and Maintenance Expenses and produce Net Revenues in any Fiscal Year, and in each Fiscal Year thereafter that are at least:

i. 200% of the Maximum Annual Debt Service with respect of all Outstanding First Senior Lien Bonds;

ii. 135% of the Annual Debt Service with respect to all Outstanding First Senior Lien bonds and all Outstanding Second Senior Lien Bonds for such Fiscal Year;

iii. 120% of the Annual Debt Service with respect to all Outstanding First Senior Lien Bonds, all Outstanding Second Senior Lien Bonds and all Outstanding Subordinate Lien Bonds for such Fiscal Year;

iv. 100% of the Annual Debt Service with respect to all Outstanding Bonds and all other obligations of the Airports Authority secured by Toll Road Revenues for such Fiscal Year.

The Airports Authority is prepared to adopt a Supplemental Indenture that will amend the provisions of clause (iii) of the Rate Covenant above to include 120% of the Annual Debt Service with respect to all Outstanding First Senior Lien Bonds, all Outstanding Second Senior Lien Bonds, all Outstanding Subordinate Lien Bonds and all Outstanding Junior Lien Bonds, including the TIFIA Bonds.

In addition, the Airports Authority will agree to calculate the Rate Covenant for purposes of compliance with the TIFIA Loan Agreement without taking into consideration funds transferred from any Debt Service Reserve Fund, the Renewal and Replacement Reserve Fund, the Dulles Corridor Enterprise Reserve and Toll Rate Stabilization Fund, the Capital Improvements Fund, the Metrorail Project Fund, the Latent Defects Reserve Fund, the Transit Operations Fund or the Remaining Toll Road Revenue Fund.

A Draft Term Sheet based on the TIFIA Loan Term Sheet Sample Template is provided as **Exhibit IX-A**. A summary matrix with other potential business terms to be included in a TIFIA Loan Agreement is provided as **Exhibit IX-B**.

In connection with its preparation of an annual budget for each Fiscal Year in which any series of bonds are outstanding, the Airports Authority will prepare a statement concluding whether or not Toll Road Revenues for the current and immediately succeeding Fiscal Year will be sufficient to comply with the Rate Covenant.

If the adopted annual budget shows that Toll Road Revenues are inadequate to meet the Rate Covenant or the audited financial report prepared by the Airports Authority with regard to DTR shows that the Rate Covenant was not satisfied for a Fiscal Year, then the Airports Authority is required within 30 days to engage a Toll Road Consultant to conduct a study, and that Consultant, within 60 days, must provide a Report recommending ameliorative actions to provide sufficient Toll Road Revenues to meet the Rate Covenant.

No later than 60 days after receiving the Report, the Airports Authority must take the actions recommended by the Toll Road Consultant. Failure to comply with the Rate Covenant does not constitute an Event of Default if the Airports Authority engages the Toll Road Consultant and takes the actions it recommends, or if the Toll Road Consultant provides a written opinion stating that the actions required to be taken to produce sufficient Toll Road Revenues to meet the Rate Covenant are impracticable at that time. However, failure to comply with the Rate Covenant for a period of 36 consecutive months shall in all events constitute an Event of Default.

If any study concludes that fees and charges will not provide sufficient Toll Road Revenues in each subsequent Fiscal Year to comply with the Rate Covenant, the Airports Authority shall use its best efforts to collect revenues from other sources (excluding any related to aviation purposes) that will enable it to comply with the Rate Covenant.

Relevant financing documents and rating agency reports are presented in **Exhibit III**.

c) Demonstrate that adequate coverage requirements are in place to ensure repayment. Provide information concerning the ability of the applicant (or any significant public or private partners that pledge to repay or provide funding) to repay all borrowed funds, including any obligations to the Federal Government. Describe the extent to which the project includes security features, such as a rate covenant and an additional bonds test, to ensure repayment of the Federal credit instrument.

In addition to providing a Junior Lien Rate Covenant of 1.20x, the Airports Authority will agree to other security features in a Supplemental Indenture or the TIFIA Loan Agreement to ensure repayment of the TIFIA Loan. Examples include:

TIFIA Debt Service Reserve Fund. Deposits will be made to a TIFIA Debt Service Reserve Fund during the Phase 2 construction period from net toll revenue available after required deposits to the Junior Lien Bond Fund. The reserve fund requirement of 10% of the outstanding principal amount of the TIFIA Loan must be met prior to the earlier of Substantial Completion of Phase 2 or the first TIFIA debt service payment.

TIFIA Prepayments from Reserves. After Substantial Completion of Phase 2 of the Project, amounts in the Dulles Corridor Enterprise (DCE) Reserve and Toll Rate Stabilization Fund will be used to pay interest or to prepay principal on the TIFIA Loan subject to certain conditions to be defined in the TIFIA Loan Agreement.

TIFIA Springing Lien. The Airports Authority is a municipal entity that does not have legal authority under its enabling legislation or other applicable law to file for bankruptcy. Nevertheless, the TIFIA Loan Agreement and the Supplemental Indenture will provide that, upon the occurrence of a Bankruptcy Related Event (as defined in the DTR Master Indenture), the TIFIA Bonds will be secured on a parity with the First Senior Lien Bonds, so long as any First Senior Lien Bonds are outstanding, and, thereafter, as Second Senior Lien Bonds. The Airports Authority will also agree to fund deficiencies in the TIFIA Debt Service Reserve Fund pari passu with the obligations of the Airports Authority to fund deficiencies in the First Senior Lien Debt Service Reserve Fund or the Second Senior Lien Debt Service Reserve Fund, as applicable.

Additional detail on the anticipated TIFIA Loan terms is provided in the Draft Term Sheet provided as **Exhibit IX-A** and the summary matrix of potential business terms to be included in a TIFIA Loan Agreement provided as **Exhibit IX-B**.

d) Provide one preliminary rating opinion letter with an investment grade rating on senior debt and a rating on the TIFIA debt, as Exhibit IV. This letter is a conditional credit assessment from a nationally recognized statistical rating organization (NRSRO) that must indicate the potential for the senior debt obligations funding the project to achieve an investment grade rating and also must provide a rating on the TIFIA credit instrument. (The senior debt has a lien senior to that of the TIFIA credit instrument on the pledged security; if there are no debt obligations senior to the TIFIA credit instrument, then the TIFIA credit instrument itself must be shown to have the potential to obtain an investment grade rating). This preliminary assessment by the rating agencies will be based on the financing structure proposed by the applicant. The letter should provide a preliminary rating assessment of the financial strength of the overall project and the default risk (*i.e.,* without regard to recovery potential) of the requested TIFIA instrument. This includes a demonstrated capacity to repay the federal credit assistance as well as a determination that the project has appropriate security features, such as proper coverage ratios, rate covenants and reserves as applicable.

The rating opinion letters should not reflect the use of bond insurance or other credit enhancement that does not also secure the TIFIA instrument. The assessment of the senior obligations' investment grade potential and the TIFIA instrument's default risk should be based on the underlying ratings of debt obligations and the project's fundamentals. The DOT will not consider applications without such letters.

Note that Section D of this application requests a financial plan; information furnished under this item may be cross-referenced to materials provided in Section D, and in all instances must be consistent with those materials.

As noted above, the Airports Authority has received investment grade ratings on the outstanding DTR bonds issued in 2009 and 2010, and will obtain the necessary ratings on the proposed TIFIA loan and any additional project debt to be issued. The required preliminary rating opinion letter is attached as **Exhibit IV.**

2. **Foster Partnerships that Attract Public and Private Investment to the Project.** Describe the extent to which the project fosters innovative public-private partnerships and attracts debt and/or equity investment from private capital. Identify private partners and provide evidence of commitments, joint venture agreements, lease, or other supporting documents for the public-private partnerships as Exhibit V. Also, describe the extent to which the project's debt repayment depends on user charges.

The DCMP is unusual for a transit project in that most of the capital cost will be funded from user fees or beneficiary charges. Approximately $2.8 billion (49 percent of the total project baseline cost) will be financed through DTR obligations, including $1.4 billion in revenue bonds purchased by private investors. Another $930 million is expected to be generated by commercial and industrial property owners through special tax districts formed in Fairfax County. Loudoun County forecasts generating $577 million through its planned special service tax districts, which will include commercial and residential units. The tax districts represent an innovative way to foster private participation in transit projects by monetizing the expected development benefits. In addition, the Airports Authority anticipates utilizing revenues derived from the operations of the Airports to fund approximately $233 million of Project improvements. Together, direct users of the DTR and the beneficiaries of the Project in the special tax districts will contribute $4.3 billion, or about 75 percent, of the total capital funding.

It is also important to note that private sector resources are being leveraged through a design-build project delivery approach that shifts significant development risks to the contracting team. The Airports Authority has used the design-build approach in Phase 1, has executed a design-build contract for the major portion of the Phase 2 construction, and anticipates using a similar approach for other components of Phase 2. The design-build procurement approach for Phase 2 was largely chosen to yield the highest possible level of competition by the most qualified teams that can submit technical plans with the greatest chances of successful completion.

Additionally, Fairfax County worked with a private development team to fund the Wiehle-Reston East Station Parking Garage, which includes 2,300 public parking spaces, 10 bus bays, 46 kiss-and-ride spaces and ancillary facilities. The Wiehle Avenue station is located at the terminus of Phase 2 of the Silver Line extension. Annual ground rents paid by the developer of the site are expected to increase from $0.967 million in 2015 to approximately $2.9 million no later than 2020. Fairfax and Loudoun Counties may pursue similar public-private partnerships to fund the Phase 2 parking garages. (The Counties and the Airports Authority have agreed not to include the estimated cost of the Phase 2 parking garages in the capital cost budget used for the purpose of sizing the TIFIA credit assistance for the Project.)

3. **Enable the Project to Proceed at an Earlier Date or with Reduced Lifecycle Costs.** Estimate and explain the effect of TIFIA assistance on the project's start and completion dates, the extent to which TIFIA assistance would help the project to proceed at an earlier date than would otherwise be possible, and any effects of an accelerated project timeline (*e.g.*, reduced costs or increased benefits). Document how applicant has been unable to obtain credit assistance from private sources on reasonable terms. Demonstrate the costs of traditional financing would constrain their ability to deliver the project, or that delivery of this project through traditional financing approaches would constrain their ability to deliver additional components of their capital programs.

TIFIA credit assistance will expedite completion of the Project by reducing financing uncertainty and interest expense. By utilizing TIFIA's cash flow subordination and flexible payment features, the local funding partners can leverage DTR revenues and special tax district revenues in a more efficient and cost-effective way. TIFIA credit assistance will provide significant savings by eliminating negative arbitrage on bond proceeds during the

construction period, reducing potential interest expense, and minimizing transaction costs. In addition, the ability to prepay TIFIA assistance without limitation or expense would provide beneficial flexibility in financing subsequent extensions and improvements.

4. **Reduce the Contribution of Federal Grant Assistance for the Project.** Estimate and explain how TIFIA assistance would reduce the project's need for Federal grant assistance. Indicate the percentage of the total project costs that will be funded by Federal grants, Federal credit assistance, and other sources.

TIFIA credit assistance will enable the local funding partners to complete the Project without resorting to any additional federal grants by increasing the amount of capital funding that can be raised through non-federal resources, including the DTR. Under the plan of finance, about 75 percent of the Project's capital cost will be funded from user fees or beneficiary charges collected by special tax districts. The total federal grant contribution of $975 million ($900 million through the FFGA that was executed in March 2009 and $75 million of federal Surface Transportation Program funding contributed by the Commonwealth of Virginia for Phase 1) represents only 17 percent of the $5.7 billion estimated total Project cost. No federal grant assistance is currently anticipated to help fund the cost of Phase 2.

5. **Environmental Review.** Provide a draft Environmental Impact Statement and Record of Decision unless the project has received Categorical Exclusion or Finding of No Significant Impact in connection with the project's compliance with the National Environmental Policy Act (NEPA). Provide a timeline that illustrates the estimated start and completion dates for each major phase or milestone of the environmental review documentation and a brief summary of how the project intends to reach a final agency decision, including (if necessary) a Record of Decision prior to financial close. Please note the DOT will not obligate funds for a project until the project has done so.

An Amended Record of Decision was issued on November 17, 2006, for the entire 23.1-mile Project. Subsequently, additional environmental work associated with the modification of the station design and alignment at Dulles International Airport, including an agreement with the Virginia Department of Historic Resources, was completed in October 2012.

On December 17, 2012, the FTA issued a Finding of No Significant Impact (FONSI), confirming Phase 2 conforms to NEPA and the Historic Preservation Requirements. On January 8, 2013, the FAA issued a FONSI/Record of Decision.

6. **Permits and Approvals.** List all major permits and approvals necessary for construction of the project and the date, or projected date, of the applicant's receipt of such permits and approvals. The list should include permits and approvals required under local, regional, state, and Federal laws and regulations. In particular, indicate when outstanding approvals by state or local government entities are expected. Copies of major permits and approvals will be required upon execution of a credit agreement with the DOT.

The Airports Authority has developed a Permit Management Plan that describes strategies and actions for obtaining other necessary permits for Phase 2 of the Project. Permitting will be a continuous process during the life of the Project.

The Airports Authority, as the Project Sponsor, is responsible for ensuring that necessary permits and approvals are obtained. Most permits will be part of the Design-Build Contractor's scope of work, but selected environmental permits and local land use approvals will be obtained separately by the Airports Authority. Permits needed for selected utility relocations will be obtained by the Airports Authority, utility relocation final designer(s), contractors, and utility companies. During Design-Build, the Design-Build Contractor is responsible for final design and construction and, as such, will be responsible for managing the permit process at that time.

The current version of the Permit Management Plan (dated August 2013) is available for review on Livelink and the enclosed thumb drive, as are copies of major permits and approvals issued for Phase 2 of the Project. A list of these permits and approvals is presented below (received as of January 2014):

National Environmental Policy Act (NEPA)

• Federal Transit Administration (FTA) Approvals
- o Amended Record of Decision (ROD), dated November 2006
- o Finding of No Significant Impact (FONSI) – Phase 2, dated December 2012

• Federal Aviation Administration (FAA) Approvals
- o ROD, dated July 2005
- o FONSI – Phase 2, dated January 2013

Section 106 of the National Historic Preservation Act

• Memorandum of Agreement (MOA) between FTA, Virginia State Historic Preservation Office (SHPO), and the Virginia Department of Rail and Public Transportation, dated October 2004

• Revised MOA between FTA, FAA, SHPO, and the Airports Authority, dated September 2012

Coastal Zone Management Act Consistency Certification (VDEQ)

• Federal Consistency Determination, dated October 27, 2004.

• Federal Consistency Determination Update, dated April 7, 2006.

• Federal Consistency Determination Update, dated June 25, 2013.

Federal Aviation Administration (FAA) Approvals

• Airspace Analysis Approval, dated February 1, 2013

• Airport Layout Plan Revision, dated December 20, 2013

Water Resources Permits

• U.S. Army Corps of Engineers Section 404 Individual Permit # 2010-2277, dated June 15, 2011

• Virginia Department of Environmental Quality (VDEQ) Virginia Water Protection Individual Permit (401 Water Quality Certification) - Permit 11-0193, dated June 10, 2011.

• Virginia Marine Resources Commission (VMRC) Permit for Construction in Virginia Tidal Wetlands and Subaqueous Bottomlands - Permit #11-0193, dated November 16, 2011

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7. **Transportation Planning and Programming Process Approvals.** Provide a brief summary as well as certification that the project is included in both the long-range transportation plan and the approved State Transportation Improvement Programs (STIP) of each state affected by the project. Describe how the project satisfies planning and programming requirements of §134 ("Metropolitan Planning") and §135 ("Statewide Planning") under 23 U.S.C. For projects in metropolitan areas, describe how the project is or can be included in the metropolitan transportation plan.

The Project is included in the 2012 Approved Constrained Long-Range Plan and the Approved FY2013-FY2018 Transportation Improvement Program adopted by the Metropolitan Washington Council of Governments (MWCOG) Transportation Planning Board.

The Project is also included in the Commonwealth's approved Statewide Transportation Improvement Program for FY2013-2018.

8. **Construction Contracting Process Readiness.** Briefly describe how the project is prepared to proceed with the construction contracting process within 90 days of executing the TIFIA credit instrument.

Construction for Phase 1 of the Project currently is expected to be substantially complete by May 2014.

The construction contracting process for most of Phase 2 is complete. In July 2012, the Airports Authority issued a Request for Qualifications Information (RFQI) to solicit qualifications statements from potential bidders for "Package A" of Phase 2, which includes the construction of six Metrorail stations, 11.4 miles of track and guideways, and various wayside facilities such as traction power substations. A Request for Proposals seeking both technical and price proposals was issued to five short-listed teams in October 2012. The Package A design-build contract, which is worth nearly $1.2 billion of the total Phase 2 work, was awarded on May 14, 2013, and the Notice to Proceed was given in July 2013.

The RFQI for the second major design-build contract ("Package B" Rail Yard and Maintenance Facility) was issued on November 12, 2013. Four teams were short-listed on February 5, 2014, and invited to respond to a Request for Proposals. The Package B design-build contract, estimated to cost between $260 million and $280 million, will be awarded to the qualified Offeror that meets the RFP's technical requirements and has the lowest price. This contract is expected to be awarded in June 2014.

9. **Project Schedule.** Provide a timeline that illustrates the estimated start and completion dates for each major phase or milestone of project development, construction and/or acquisition, including, for example: major investment study, Federal transportation planning requirements, preliminary engineering and environmental documentation, final design, right-of-way acquisition, construction, and vehicle acquisition. Indicate the applicant's current status on this timeline.

The table below summarizes key milestones in the overall project development schedule:

July 2004:	Commenced Engineering
May 2008:	Commenced Final Design for Phase 1
June 2008:	Commenced Utility Relocation for Phase 1
March 2009:	FFGA Approved for Phase 1; NTP issued to Phase 1 Design-Build Contractor
December 2009:	Commenced Phase 2 Preliminary Engineering
December 2011:	MOA with Local Funding Partners, USDOT, Virginia and WMATA approved for completion of the Project
February 2012:	Completed Phase 2 Preliminary Engineering
July 2012:	Initiated Design-Build Procurement for Phase 2 – Package A
October 2012:	Submitted TIFIA Letter of Interest
January 2013:	Completed additional Environmental Review and Approvals
May 2013:	Awarded Phase 2 Primary Design-Build Contract (Package A)
July 2013:	Issued NTP to Phase 2 Primary Design-Build Contractor (Package A)
October 2013	Initiated Design-Build Procurement for Phase 2 – Package B
March 2014:*	Submit TIFIA Loan Application
May 2014:*	Phase 1 Substantial Completion
June 2014:*	Financial Close for TIFIA Loan
July 2014:*	Issue NTP to Design-Build Contractor for Yard/Shop (Package B)
July 2018:*	Phase 2 Substantial Completion
December 2018:*	Phase 2 Revenue Service to Route 772 Station Begins (WMATA)

** Denotes currently-estimated date.*

SECTION D: Financial Plan

The following items concern the project's updated financial plan, incorporating preliminary feedback from the DOT in connection with the Letter of Interest. This section requests narrative information and four exhibits. ***Note: For the purposes of this application, applicants should propose a single financing structure, representing the scenario deemed to have the greatest likelihood of occurring. While the DOT will evaluate the proposed financial plan, the DOT's selection of the project for TIFIA assistance does not imply that the DOT has approved the proposed financial; the DOT may require modifications to the financial plan after selection and before execution of the credit agreement. For the financial plan, any combination of the three types of credit assistance offered under TIFIA may be used, provided that the total TIFIA credit amount is capped at 33 percent of eligible project costs for loan guarantees and lines of credits. In certain circumstances, projects requesting a direct loan may be eligible for credit assistance up to 49 percent of eligible project costs. The DOT may ask applicants to develop alternative scenarios, as necessary.***

The financial plan should be prepared in accordance with recognized financial reporting standards such as the "Guide for Prospective Financial Information" of the American Institute of Certified Public Accountants (AICPA). The narrative descriptions for the financial projections should include the sources of information for the forecasts and the methodology used for developing the forecasts as well as describe any changes to the project and financial projections since the submission of the Letter of Interest. The discussion should also identify whether there has been any independent validation of the forecasts or sensitivity testing. Any documentation that provides the basis for the projected costs/revenues (*e.g.*, revenue studies, feasibility studies, economic forecasts) should be included as attachments to the plan.

The list below should be included in the application packet with responses attached and numbered to correspond to the relevant item. Items 1, 2, and 3 below must also be provided on a CD in a spreadsheet format. The DOT must be able to review and adjust the assumptions in these files; *i.e.*, PDF or "values" copies of the spreadsheet are not acceptable. Total narrative supporting Section D should not exceed 20 pages. The pro forma(s) and supporting documentation requested under items 4, 6, and 7 (Exhibits VII, VIII, and IX, respectively) do not count toward the page limit.

1. Estimated Capital Project Cost.

a) Provide a detailed capital cost estimate for the project. Distinguish between total and "eligible project costs" as defined under TIFIA; and describe any costs or activities that may not be TIFIA-eligible.

b) For TIFIA-eligible costs, provide an activity breakdown, as applicable, for: feasibility studies, preliminary engineering, environmental assessment, right-of-way-acquisition, vehicle acquisition, construction, construction engineering and inspection, project management, contingencies, and capitalized financing costs (including reserves, capitalized interest, and capital issuance costs for other project financing). Include other cost categories as necessary.

Note: All cost estimates should be expressed on a cash (year-of-expenditure) basis and should include a narrative describing assumptions used to arrive at such estimates.

The estimated total cost to design and construct the Dulles Corridor Metrorail Project is $5.684 billion, excluding the County-Funded Elements (the Phase 2 parking garages). The capital cost for Phase 1 is $2.906 billion, which includes approximately $201 million of related surface transportation capital improvements that are TIFIA-eligible. The capital cost estimate for Phase 2 is $2.778 billion.

Reliability of the Capital Cost Estimates

The Phase 1 capital cost is the budget amount authorized by the Airports Authority Board. As of January 31, 2014, a total of $2.608 billion of capital costs has been expended on Phase 1, approximately 90 percent of the total budget.

The Phase 2 capital cost is based on 100% preliminary engineering drawings and cost estimates that were completed in March 2012 and that have since been refined. A design-build delivery method will be used for most of the work to promote innovation, flexibility, and risk sharing.

The primary design-build contract for Phase 2 (Package A) was awarded on May 14, 2013. Five pre-qualified contractor teams competed for the contract that includes the construction of six Metrorail stations, 11.4 miles of track and guideways, and various wayside facilities such as traction power substations. A team led by Clark Construction Group and Kiewit Infrastructure South Co. submitted the winning bid of $1.178 billion, which was approximately $14 million lower than the next lowest bid submitted by a team led by Bechtel Infrastructure Corporation, the contractor building Phase 1.

The design-build procurement for Package B, which includes the construction of a Rail Yard and Maintenance and Storage Facility at Dulles International Airport, is underway. Four teams were short-listed on February 5, 2014, and invited to respond to a Request for Proposals. The Package B design-build contract, estimated to cost between $260 million and $280 million, will be awarded to the qualified Offeror that meets the RFP's technical requirements and has the lowest price. This contract is expected to be awarded in June 2014.

TIFIA-Eligible Project Costs

The Rail Project baseline cost estimate used for the purpose of sizing the TIFIA credit assistance request is $5.684 billion. That amount is subject to the Local Funding Agreement among the local funding partners that specifies each partner's required share of capital funding for the Project, excluding the County-Funded Elements. The construction of the Phase 2 parking garages is being undertaken separately by Fairfax County and Loudoun County.

This $5.684 billion baseline project cost estimate also does not include finance charges that have been excluded for the purpose of sizing the TIFIA request but which may be eligible for federal reimbursements with loan proceeds.

Table 1 in Section B6 of this application provides a breakdown of the TIFIA-eligible costs for each Phase of the Project and the Phase 1 Related Capital Improvements using the Standard Cost Categories established by the FTA

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2. Provide the total amount and type of TIFIA credit assistance requested, including the percentage of total reasonably anticipated eligible project costs.

The total amount of TIFIA assistance requested for the Project is $1,875,697,183 which is 33 percent of the total TIFIA-eligible costs.

The total TIFIA request is allocated among the local funding partners as follows:

Airports Authority (DTR):		1,277,349,782
Fairfax County:		403,274,894
Loudoun County:		195,072,507
Total TIFIA Credit Assistance	**$**	**1,875,697,183**

The local funding partners are seeking direct loans – the Fairfax County Loan, the Loudoun County Loan, and the Airports Authority (DTR) Loan – to expedite completion and enhance the economic impact of the Project. This application focuses on the $1.277 billion Airports Authority Loan / DTR Credit, which will be used to monetize toll road revenues to help mitigate toll rate increases. Fairfax County and Loudoun County are submitting separate applications addressing their respective TIFIA loans for the Project.

3. Summary Table: Sources and Uses of Funds.

   a) Sources should include separate line items, as applicable, for Federal grants, state grants, local grants, private investment (equity or debt); any other contributions, market value of right-of-way dedications, bond proceeds (general obligation, revenue, and others), other borrowing (specify), investment income, revenues, and Federal credit assistance proceeds. For each line item, describe the status of the source (*e.g.*, requested, committed, and received). Provide supporting documentation to evidence the status of these funds in Exhibit VI.

   b) Uses should include separate line items, as applicable, for feasibility studies, preliminary engineering, design, environmental assessment and mitigation, right-of-way-acquisition, vehicle acquisition, construction, construction engineering and inspection, insurance, project management, contingency funds, and capitalized financing costs (including debt service reserve funds, capitalized interest, and capital issuance costs for other project financing). Include other categories as necessary.

   Note: Total sources and uses should be equal to one another and equal the estimated total project costs. All estimates should be expressed in year-of-expenditure dollars.

Table 2 below shows the anticipated contributions from each funding source, by phase and as a percentage of the current $5.684 billion "baseline cost" estimate that is subject to the Local Funding Agreement among the local partners. Table 3 shows the same information on an annual basis with all estimates in year-of-expenditure dollars. Following the tables, there is a brief discussion that highlights the current status of each funding source.

Table 2: Allocation of Project Costs and TIFIA Credit Assistance

SOURCES OF CAPITAL FUNDS	**PHASE 1**	**PHASE 2**	**RAIL PROJECT BUDGET**		**TIFIA Credit Assistance**
$ Millions	Total	Total *(1)*	Total	% of Total	
Federal	$ 900	$ -	$ 900	15.8%	
Commonwealth of Virginia *(2)*	252	323	$ 575	10.1%	
Fairfax County	400	515	915	16.1%	**403**
Loudoun County	-	273	273	4.8%	**195**
MWAA (Aviation Funds)	-	233	233	4.1%	**-**
MWAA (Dulles Toll Road)	$ 1,354	$ 1,434	$ 2,788	49.0%	**1,277**
TOTAL SOURCES OF FUNDS *(3)*	**$ 2,906**	**$ 2,778**	**$ 5,684**	100.0%	**$ 1,876** *33.0%*

Fixed amount
Fixed percentage of total cost
Residual

(1) Phase 2 Parking Garages are assumed to be funded directly by the Counties.
(2) Does not include $150 million of Commonwealth funds that will be used to pay interest on Dulles Toll Road revenue bonds.
(3) Totals may not add up due to rounding.

The federal (FTA / New Starts) funding and the contributions from the Commonwealth of Virginia are fixed amounts. Under the Local Funding Agreement, the contributions from Airports Authority / Aviation funds, Fairfax County, and Loudoun County are fixed percentages of the total project baseline costs, as shown. The contribution from the Airports Authority / DTR funding is not limited by any agreement or contract.

Table 3: Annual Uses and Sources of Funds

(Thousands YOE Dollars)	2004-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL PHASE 1 AND 2 Total	% of Total
Phase 1 Capital Budget	576,766	462,276	586,805	567,157	255,029	175,319	57,233	23,701	-	-	$ 2,704,287	
Concurrent Roadway Improvements	55,076	11,241	12,125	21,037	49,465	52,464	-	-	-	-	201,408	
Phase 2 Capital Budget	217	58,506	37,486	14,700	75,326	426,827	542,088	599,235	616,518	407,333	2,778,236	
TOTAL USES OF FUNDS	**$ 632,059**	**$ 532,023**	**$ 636,416**	**$ 602,894**	**$ 379,820**	**$ 654,611**	**$ 599,321**	**$ 622,936**	**$ 616,518**	**$ 407,333**	**$ 5,683,930**	
PE Grant	54,412	-	-	-	-	-	-	-	-	-	54,412	
Final Design Grant	159,002	-	-	-	-	-	-	-	-	-	159,002	
ARRA Grant and Advanced Payments	77,260	-	19,799	-	-	-	-	-	-	-	97,059	
FFGA	28,809	85,000	96,000	90,832	90,731	96,000	102,156	-	-	-	589,527	
subtotal **FTA Federal**	**$ 319,483**	**85,000**	**115,799**	**90,832**	**90,731**	**96,000**	**102,156**	**-**	**-**	**-**	**$ 900,000**	***15.8%***
subtotal **Other Federal** (Virginia-STP)	**29,377**	**17,841**	**21,282**	**6,500**	**-**	**-**	**-**	**-**	**-**	**-**	**$ 75,000**	***1.3%***
Commonwealth - VTA 2000	75,000	-	-	-	-	-	-	-	-	-	75,000	1.3%
Commonwealth - CTB Funds	58,475	23,238	35,000	8,287	-	100,000	100,000	100,000	-	-	425,000	7.5%
Airports Authority (Aviation Funds)	-	-	-	-	-	10,000	30,000	30,000	30,000	133,041	233,041	4.1%
Loudoun County	-	-	-	-	-	61,570	56,369	58,591	57,987	38,312	272,829	4.8%
Fairfax County	25,000	60,000	60,000	200,000	55,000	116,246	106,428	110,622	109,482	72,335	915,113	16.1%
subtotal **State and Local**	**158,475**	**83,238**	**95,000**	**208,287**	**55,000**	**287,816**	**292,797**	**299,212**	**197,469**	**243,688**	**$ 1,920,983**	***33.8%***
DTR Net Revenue	82,148	-	-	-	-	-	-	-	-	-	82,148	1.4%
DTR Bonds (Series 2009 and 2010)	42,576	345,944	404,335	240,046	-	-	-	-	-	-	1,032,901	18.2%
Existing DTR CP & Notes *(to be refinanced with DTR 2014 Bonds)*	**-**	**-**	**-**	**57,229**	**35,934**	**302,386**	**-**	**-**	**-**	**-**	**395,549**	7.0%
DTR 2014 Bonds *(net of amount used to retire interim debt)*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	0.0%
New DTR Interim Financing *(to be refinanced with TIFIA)*	-	-	-	-	-	-	-	-	-	-	-	0.0%
DTR TIFIA Loan *(net of amount used to retire interim financing)*	-	-	-	-	-	64,408	306,523	323,724	419,049	163,645	**1,277,350**	22.5%
subtotal **DTR Funding**	**124,724**	**345,944**	**404,335**	**297,275**	**35,934**	**366,794**	**306,523**	**323,724**	**419,049**	**163,645**	**$ 2,787,948**	***49.0%***
FFGA Notes - Draw / (Repayment) *	-	-	-	-	198,156	(96,000)	(102,156)	-	-	-	-	0.0%
	-											
TOTAL SOURCES OF FUNDS	**$ 632,059**	**$ 532,023**	**$ 636,416**	**$ 602,894**	**$ 379,820**	**$ 654,611**	**$ 599,321**	**$ 622,936**	**$ 616,518**	**$ 407,333**	**$ 5,683,930**	**100.0%**

* *For purposes of this table, cashflows associated with FFGA note transaction completed in December 2012 have been modified to balance sources and uses. Actual amounts are not materially different.*

The status of each source of funding is summarized below:

Proceeds from FTA Full Funding Grant Agreement (FFGA) / FFGA Notes: ***Committed and Partially Received***
Approximately $797.8 million of the $900 million of federal transit funding committed for Phase 1 has been appropriated by Congress through FY 2014 (see FTA Fiscal Year 2014 Appropriations, Allocations, and Program Information, including the FY 2014 CIG Allocations table (Table 7), published in the Federal Register, Vol. 79, No. 46, dated March 10, 2014). On December 17, 2012, the Airports Authority issued $200 million of fixed rate notes secured by the remaining federal funding anticipated to be received pursuant to the FFGA with the FTA.

Commonwealth of Virginia Funding for Phase 2: ***Committed and Partially Received***
In January 2013, the Commonwealth of Virginia and the Airports Authority signed a funding agreement that sets out the terms and conditions for the provision and use of $150 million of state funds committed by the Commonwealth in the December 2011 Memorandum of Agreement (MOA) between the United States Department of Transportation, the Commonwealth of Virginia, Fairfax County, Loudoun County, Washington Metropolitan Area Transit Authority (WMATA), and the Airports Authority. Under the current financial plan, these funds will be used to help pay debt service costs in order to mitigate toll rate increases during construction rather than capital costs of the Rail Project. The $150 million was received by the Airports Authority on April 15, 2013.

On May 14, 2013, Governor McDonnell signed Virginia's Road to the Future (HB 2313), the comprehensive transportation funding legislation that provides $300 million of additional state funding for the Rail Project. Pursuant to state law, $100 million has been allocated to the Rail Project in each of fiscal years 2014, 2015 and 2016 from the Commonwealth's Highway Maintenance and Operating Fund.

The Commonwealth and the Airports Authority are drafting a funding agreement that will set out the terms and conditions for the provision and use of the funds provided under HB 2313. The first $100 million has already been included in the Fiscal Year 2014 VDOT Annual Budget. (See "MWAA-Dulles Rail" line item under "Dedicated and Statewide Construction" on page 18 of the following: http://www.virginiadot.org/about/resources/FY_14_Budget_final.pdf)

Fairfax County: ***Committed and Partially Received***
Pursuant to the Local Funding Agreement and the MOA, Fairfax County is committed to fund 16.1% of the total Rail Project baseline cost. Fairfax County has already provided $400 million to the Project. It is anticipated that $403 million, approximately 78% of the remaining County commitment, will be funded from proceeds of the TIFIA loan requested by Fairfax County. Details on the expected contributions from the Dulles Rail Phase 2 tax district established in 2009 and the County's Commercial and Industrial tax fund will be provided in the County's TIFIA application.

Loudoun County: ***Committed***
Pursuant to the Local Funding Agreement and the MOA, Loudoun County is committed to fund 4.8% of the total Rail Project baseline cost. It is anticipated that $195 million, approximately 71% of the remaining County commitment, will be funded from proceeds of the TIFIA loan requested by Loudoun County. Details on the funds already appropriated for the Project will be provided in the County's TIFIA application.

Airports Authority Aviation Funds: ***Committed***
Pursuant to the Local Funding Agreement and the MOA, the Airports Authority is committed to fund 4.1% of the Rail Project baseline cost. The contribution is planned to be made from passenger facility charges (PFCs) imposed upon users of the Airports and other moneys from the Aviation Enterprise Fund. The Airports Authority currently has $15 million available for the Project in its Capital, Operating and Maintenance and Investment Program ($5 million was budgeted in fiscal years 2012, 2013 and 2014).

Airports Authority Dulles Toll Road: ***Committed and Partially Received***

Under the Permit and Operating Agreement (POA) for the Dulles Toll Road, the Airports Authority is obligated to finance and complete the Rail Project. DTR net revenues will fund project costs remaining after taking into account federal, state and local contributions. It is currently estimated that the DTR funds will comprise about 49 percent of the Rail Project baseline costs, or $2.788 billion (excluding the Phase 2 County-Funded Elements). The Airports Authority has issued $1.3 billion of DTR revenue bonds thus far (in 2009 and 2010), of which $1.03 billion has funded Rail Project costs.

Approximately $1.723 billion of additional DTR debt must be issued to complete the funding for the Rail Project. Assuming the requested TIFIA loan of $1.277 billion is approved, approximately $446 million of additional publicly-offered toll road debt will have to be issued. The Airports Authority has selected J.P. Morgan Securities LLC to serve as book-running senior manager for the transaction and Loop Capital Markets LLC as co-senior manager. The financing team has been working on the transaction documents and will be prepared to price and close the bonds in late May or early June 2014.
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Supporting documentation for the funding commitments outlined above is provided as **Exhibit VI** and includes:

-- Local Funding Agreement among the local partners

-- Memorandum of Agreement among the local partners as well as DOT, Virginia, and WMATA

-- Full Funding Grant Agreement with FTA

-- Local Funding Agreement with the Commonwealth of Virginia (regarding use of the $150 million in state grant funding that currently is planned to be used to help pay debt service costs during construction)

4. **Cash Flow Pro Forma.** Attach the pro forma for the project as Exhibit VII. The pro forma should include both a statement of sources and uses and a projection of monthly or quarterly cash flows during the construction period and annual cash flows thereafter. All amounts should be expressed on a cash (year-of-expenditure) basis and should include a narrative describing assumptions used to arrive at such estimates. The pro forma should include:

   a) Projected cash flows through such time as all project debt is repaid, including separate line items for each category of revenue (such as sales tax proceeds, fares, toll receipts) and expenditure (at a minimum, construction expenditures, operations and maintenance, contributions to reserves and capital replacement funds, debt service, repayments of the TIFIA credit instrument, and repayment of other borrowed funds as well as equity dividends or proceeds (as applicable), if any);

   b) Estimated debt service coverage, separated into Federal, non-Federal (addressing, as applicable, senior and junior lien debt), and illustrating projected combined coverage, as applicable;

   c) Amortization schedule for all project debt, separated into Federal, non-Federal (addressing, as applicable, senior- and junior-lien debt), and combined components; and

   d) Anticipated repayment schedule illustrating the disbursement and repayment of the requested TIFIA credit instrument.

The cash flows assumed in this finance plan are presented in **Exhibit VII**. They are incorporated in the accompanying Excel-based financial model.

5. **Supplementary Narrative Information on Sources of Funds: Other Borrowed Funds.**

   a) Provide information on the other types of borrowing, including the form of borrowing (*e.g.*, types of bonds to be issued), the pledged security for such borrowing, its priority with respect to the security pledged to the TIFIA instrument, details on structuring, rating assumptions, and anticipated timing of receipt of such funds. Information

on amortization schedules, expected interest rates, and coverage calculations should be included in the cash flow pro forma requested under item D. (4), above.

b) For bond issuances, discuss the anticipated tax-status of the bonds, whether an IRS or bond counsel opinion has been sought, and contingency plans in the event that the tax-status differs from that which is anticipated.

Long-Term DTR Revenue Bonds Currently Outstanding

The total par amount of Dulles Toll Road Revenue Bonds issued as of March 1, 2014, is $1,305,906,518.[1] The table below provides details on each series of bonds that has been issued.

SERIES [2]	2009A	2009B	2009C	2009D	2010A	2010B	2010D
DATED DATE	8/12/2009	8/12/2009	8/12/2009	8/12/2009	5/27/2010	5/27/2010	5/27/2010
LIEN	First Senior	Second Senior	Second Senior	Second Senior	Second Senior	Second Senior	Subordinate
STRUCTURE	Tax-Exempt Current Interest Bonds	Tax-Exempt CABs	Tax-Exempt Convertible CABs	Taxable Build America Bonds	Tax-Exempt CABs	Tax-Exempt Convertible CABs	Taxable Build America Bonds
ORIGINALLY ISSUED PAR AMOUNT	$198,000,000	$207,056,689	$158,234,960	$400,000,000	$54,813,219	$137,801,650	$150,000,000
AMT OUTSTANDING as of 3/1/2014	**$198,000,000**	**$259,654,084**	**$211,744,259**	**$400,000,000**	**$70,047,473**	**$175,296,377**	**$150,000,000**
MOODY'S RATING	A2	Baa1	Baa1	Baa1	Baa1	Baa1	Baa2
S&P RATING	A	BBB+	BBB+	BBB+	BBB+	BBB+	BBB
CREDIT ENHANCEMENT [3]	None	$188,266,435 Assured Guaranty	$158,234,960 Assured Guaranty	None	None	None	None

The DTR Revenue Bonds are fixed rate securities. Approximately 62% of the outstanding debt is tax-exempt and the remaining 38% was issued as taxable Build America Bonds. Debt issuance on the First Senior Lien is deliberately modest in amount. The Airports Authority has chosen to reserve future capacity on this lien for toll road improvements. The Second Senior Lien is the "working lien" accounting for 76% of the outstanding debt. The remaining DTR Revenue Bonds required to complete the funding of Phase 2 (Series 2014) will be issued on this lien.

[1] The par amount does not include approximately $157 million of accreted value on outstanding capital appreciation bonds and convertible capital appreciation bonds. Interest on those securities is not paid currently. It accretes from the date of issuance and is compounded semi-annually on each April 1 and October 1 until the maturity date or, if applicable, the conversion date, whereupon interest will be payable semi-annually.

[2] Series 2010C was authorized but not issued.

[3] Bonds insured by Assured Guaranty are rated “AA-” (stable outlook) by S&P and “A2” (stable outlook) by Moody’s.

Short-Term Notes and Loans

Commercial Paper Notes. As of March 1, 2014, the Airports Authority has issued the $300 million of Dulles Toll Road Second Senior Lien Commercial Paper Notes, Series One. There is no additional capacity available to draw under the program.

Program	Authorized Amount	Letter of Credit Provider	Dated Date	Expiration Date
Commercial Paper Series One	*Up to $300 Million*	*JP Morgan*	*August 1, 2011*	*August 11, 2014*

FFGA Notes. On December 17, 2012, the Airports Authority issued $200 million of fixed rate notes secured by the remaining Federal funding anticipated to be received pursuant to a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration for Phase 1 of the Rail Project.

Program	Amount Issued	Rate	Lender	Dated Date	Scheduled Final Maturity
FFGA Notes, Series 2012	*$200 Million*	*2.16%*	*Bank of America*	*December 1, 2012*	*December 1, 2016*

DTR Subordinate Lien Revenue Notes. On November 22, 2013, the Airports Authority sold $150 million of Dulles Toll Road Subordinate Lien Revenue Notes, Series 2013. The Notes bear interest at a fluctuating rate per annum equal to the SIFMA Rate plus 0.24 percent. An additional $150 million has been authorized but not issued.

Program	Authorized Amount	Purchaser	Dated Date	Scheduled Final Maturity
DTR Subordinate Lien Revenue Notes, Series 2013	*Up to $400 Million*	*JP Morgan Chase Bank*	*November 22, 2013*	*November 19, 2014*

Future Long-Term Borrowing

Prior to closing the proposed $1.277 billion DTR TIFIA loan, the Airports Authority will issue approximately $446 million of Second Senior Lien DTR Revenue Refunding Bonds to retire interim financing issued to fund the remaining obligation.

No additional long-term DTR debt is expected to be issued for the Project after the TIFIA loan closes and the DTR plan of finance does not assume or rely upon any future debt restructuring. If the Airports Authority does issue additional bonds, it must comply with all applicable covenants. The additional debt cannot be issued if it would result in a downgrade of the TIFIA loan below Baa3/BBB- without DOT's consent.

DOT consent will not be required for Completion Bonds even in the event of downgrade below Baa3/BBB-, which shall be defined as additional debt issued exclusively to pay costs necessary to complete the Project in an amount not to exceed $150 million.

Written consent of DOT will be required for any additional debt related to Special Project Bonds and Additional Projects. Written consent will also be required for the early retirement or a refinancing of the final maturity of the

existing Series 2009A First Senior Lien debt that matures in 2044

Potential Phase 2 Interim Financing

The Airports Authority is considering securing short-term interim financing to reduce interest costs and provide additional funding flexibility during construction of Phase 2. Three investment banking firms have been selected by the Airports Authority Board selected to negotiate a potential TIFIA anticipation note transaction. A commercial paper program is another option that will be evaluated. The Airports Authority understands that terms and conditions for any interim financing facility are subject to the review and approval of DOT. Any interim funding program will be restricted to funding TIFIA-eligible Project costs, the amount outstanding and the interest rate will be capped at levels approved by DOT, and the program will be retired after Substantial Completion.

Relevant financing documents are presented as **Exhibit III** and are available on Livelink and the enclosed thumb drive (Trust Indenture, Commercial Paper documents, FFGA Notes documents, and rating agency reports).

6. Supplementary Narrative on Revenue Source(s).

a) Describe all revenue sources to be used to repay project financing. Specify the nature of the revenue source (dedicated or not dedicated), the expected rate(s), the base to which such rates will be applied (*e.g.*, retail sales, average daily traffic), projected revenues from each source, and projected increases or decreases in such revenues over time.

b) Elaborate on existing or anticipated pledges/claims on revenues and provide a brief summary of all claims on the flow of funds.

c) Attach documentation (*e.g.*, revenue studies, feasibility studies, traffic studies, and economic forecasts) as Exhibit VIII to provide the basis for projected revenues and their respective anticipated rates of change. If independent revenue projections have not yet been obtained, state when such independent projections will be completed and identify the consultant engaged to perform the analysis.

Source of Repayment

The DTR TIFIA Loan will be payable from, and secured by a pledge of Toll Road Revenues (as defined below) that is subordinate to the pledge securing the First Senior Lien Bonds, Second Senior Lien Bonds, and Subordinate Lien Bonds. The Airports Authority has also pledged, for the benefit of all bondholders, amounts on deposit from time to time in the Dulles Corridor Enterprise Reserve and Toll Rate Stabilization Fund and the Airports Authority's interest in the DTR Permit and Operating Agreement.

Toll Road Revenues consist of:

(a) Tolls collected on the Dulles Toll Road;

(b) any interest income on, and any profit realized from, the investment of moneys in any Fund or Account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or any Bond Fund, excluding any interest income on, and any profit realized from, the investment of moneys in the Arbitrage Rebate Fund, the Renewal and Replacement Reserve Fund, the Capital Improvements Fund, the Metrorail Project Fund, the Latent Defects Reserve Fund, the Transit Operations Fund and the Remaining Toll Road Revenue Fund;

(c) all moneys released from any fund or account and transferred to the Revenue Fund;

(d) all proceeds of insurance payable to or received by the Airports Authority with respect to the Dulles Toll

Road (whether by way of claims, return of premiums, ex gratia settlements or otherwise), including proceeds from business interruption insurance and loss of advance profits insurance, but excluding proceeds of fire and other casualty insurance;

(e) the proceeds of any condemnation awards with respect to the Dulles Toll Road; and

(f) all other amounts derived from or with respect to the operation of the Dulles Toll Road.

Toll Road Revenues do not include:

- the proceeds of any sale of land, buildings or equipment;
- any interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Project Bonds;
- any amounts received by the Airports Authority from, or in connection with, Special Projects, unless such amounts are specifically designated as Toll Road Revenues by the Airports Authority;
- subsidy payments that are expected to be received by the Airports Authority from the federal government pursuant to the provisions of the American Recovery and Reinvestment Act of 2009; and
- any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use.

In no event shall Toll Road Revenues include any Airports Authority assessments or revenue derived from or dedicated to operation of the Airports.

The TIFIA Loan Agreement will provide that for purposes of the TIFIA Rate Covenant and Additional Bonds Test, funds transferred from any Debt Service Reserve Account, DCE Reserve and Toll Rate Stabilization Fund, R&R Reserve Fund, Corridor Capital Improvements Fund, Metrorail Capital Projects & Latent Reserve, Eligible Transit Operations, or Remaining Toll Road Revenue Fund to the Revenue Fund shall not be used in the calculation of Toll Road Revenue.

Existing Liens and Flow of Funds

The proposed TIFIA loan will be a junior (fourth) lien obligation with investment grade credit ratings from two nationally recognized rating agencies. The preliminary rating opinion letter from Standard & Poor's, included as **Exhibit IV**, contains an indicative rating of BBB- for the proposed junior-lien TIFIA loan.

Traffic and Revenue Studies

A Comprehensive Traffic and Revenue Study was included in the official statement for the Dulles Toll Road Revenue Bonds, Series 2009. A copy of the 2009 Study and an Update Letter were provided in the official statement for the Series 2010 Bonds. In January 2013, the Airports Authority posted the Dulles Toll Road Traffic and Revenue Study – 2012 Update Final Report, which incorporated a complete review and update of all assumptions and inputs, including underlying socioeconomic projections.

In anticipation of the issuance of the Series 2014 Revenue Bonds and the closing of the TIFIA Loan, the Airports Authority commissioned another comprehensive traffic and toll revenue study to bring up to date the assumptions regarding future toll rates based on expected Federal and State funding, the regional economic outlook, and actual traffic and revenue performance through January 2014, including the impacts of the recent DTR toll rate adjustments. Background information regarding the DTR has also been updated through January 2014.

The 2014 Study was conducted at an investment-grade level and is considered suitable for use in issuing debt to finance the Rail Project. The results of the 2014 Study are not materially different from those of the 2012 Update.

Both the 2012 Update Final Report and the 2014 Draft Final Report are presented as **Exhibit VIII** and are available on Livelink and the enclosed thumb drive. The Dulles Toll Road Traffic and Revenue Study – 2014 Final Report is expected to be released by April 2014.

7. **Proposed Terms for the Requested TIFIA Credit Instrument.** Identify the type(s) of TIFIA credit instrument being requested (secured loan, loan guarantee, standby line of credit) and, at a minimum, the following proposed terms and conditions for each proposed credit instrument: amount, origination date, final maturity date, estimated interest rate, timing of disbursements, pledged security, repayment sources, amortization schedule, and lien position. The proposed TIFIA credit facility, which must be senior or parity lien in the event of bankruptcy, liquidation or insolvency, can be subordinate as to cash flows absent such an event. Please describe whether a waiver of the nonsubordination requirement is requested and how the applicant meets the applicable requirements. The proposed terms and conditions should be submitted as Exhibit IX.

The Airports Authority requests that the TIFIA credit instrument be structured as a secured loan in the amount of $1,277,349,782. The Airports Authority is a public agency with a pre-existing indenture, but it is not requesting a waiver of the non-subordination requirement.

The Airports Authority has reviewed the TIFIA Loan Term Sheet Sample Template (last updated July 2013). **Exhibit IX-A** is a mark-up of that document that shows the various edits that will be necessary to conform the template language to the proposed DTR TIFIA transaction, such as eliminating references to equity contributions and adding language from the existing DTR indenture.

Proposed terms include:

FINAL MATURITY	*No later than October 1, 2050. The cash flow pro forma submitted as Exhibit VII to this application shows the TIFIA loan being fully amortized by October 2049. If interest rates rise prior to the closing of the TIFIA loan, it may be necessary to extend the scheduled amortization by another year to maintain the target 1.25x pro forma debt service coverage of all debt service in the Base Case Financial Model.*
SECURITY AND PRIORITY	*The TIFIA Bond will be payable from, and secured by a pledge of Toll Road Revenues (as defined above in Section 6) that is subordinate to the pledge securing the First Senior Lien Bonds, Second Senior lien Bonds, and Subordinate Lien Bonds.* *The Airports Authority has also pledged, for the benefit of all bondholders, amounts on deposit from time to time in the Dulles Corridor Enterprise Reserve and Toll Rate Stabilization Fund and the Airports Authority's interest in the DTR Permit and Operating Agreement.* *Under a Bankruptcy Related Event (as defined in the DTR master indenture), the TIFIA Loan will spring to parity with the First Senior Lien Bond position so long as any First Senior Lien debt is outstanding while TIFIA remains outstanding; otherwise, it will spring to parity with the Second Senior Lien Bond position.*
TIFIA INTEREST RATE	*TIFIA Loan shall bear interest at a fixed rate calculated by adding one basis point (.01%) to the rate of securities of a similar maturity as published on the execution date of the TIFIA Loan Agreement in the United States Treasury Bureau of Public Debt's daily rate table for State and Local Government Series (SLGS) securities, provided that the TIFIA Interest Rate shall not be less than the yield on 30-year United States*

	Treasury securities as of such date.
TIFIA DISBURSEMENTS	*Disbursements shall be made no more frequently than monthly to the Borrower to reimburse Eligible Project Costs incurred in connection with the Project pursuant to requisition procedures set forth in the TIFIA Loan Agreement and subject to the Borrower's compliance with disbursement conditions.*

8. **Reasons for Selecting the Proposed Type(s) of Credit Instrument.** Describe why you are requesting the specific type(s) of TIFIA credit instrument. If you are requesting only a direct loan and/or a line of credit, specify the project's financial structure if the TIFIA credit assistance was instead in the form of a loan guarantee, including the amount of guaranteed loan assistance that would be required. If applicable, describe why the project intends to use a Master Credit Agreement.

The local funding partners have committed to fund over $4.2 billion, or about 74 percent, of the $5.68 billion capital cost of the Project. This funding will be derived from local DTR users, Airports users and property taxpayers. The Airports Authority must increase DTR toll rates in order to meet the $2.8 billion DTR funding share. And it must raise another $233 million from non-DTR sources (Airports users) to meet its local share of baseline costs. Likewise, Fairfax County and Loudoun County must utilize special tax districts and other sources to fund nearly $1.2 billion of baseline project costs. These are extraordinary local commitments for a major project of national significance with widespread public benefits.

Every dollar of TIFIA loan financing that can be obtained not only expedites and facilitates project completion by reducing financing risk but also significantly lessens the potential burden on Dulles Toll Road users and County taxpayers. The requested TIFIA loans will enable the Counties to provide their major contributions in a cost-effective way and allow them to pursue other critical infrastructure improvements at the same time. TIFIA loan financing will also enable the Airports Authority to better leverage the DTR revenues with minimal reliance on relatively expensive capital appreciation bonds and subordinate current interest bonds, which could enable future toll rates to be approximately 30 percent lower than otherwise required.

The public benefit of TIFIA assistance would be significantly diluted if it were to take the form of a loan guarantee instead of a direct loan. It would be very difficult to find a lender willing to provide financing on comparable terms at an interest rate competitive with that of U.S. Treasury obligations. Even with a federal guarantee, a private lender would insist on liquidity and transactional rate premiums that would increase the borrowing cost. In addition, private lenders are generally unwilling to make long-term loans on non-commercial terms, including allowing borrowers to structure back-loaded loan payments or pre-pay (take out) loans without penalty. The combination of less flexibility to structure the loan plus a higher nominal borrowing cost would offset much of the TIFIA benefit in leveraging the DTR toll revenue stream. The MOA executed between DOT and the funding partners assumed direct loan financing through TIFIA as the most cost-effective means for federal assistance to help mitigate projected toll rate increases – by providing the greatest public benefit with the lowest subsidy cost.

9. **Flexibility in the Financial Plan to Support a Reduced Percentage of TIFIA Credit Assistance.** Explain the flexibility in the financial plan to finance the project with a reduced percentage of TIFIA credit assistance.

The requested TIFIA loan will generate great benefit from increased financial flexibility, lower borrowing costs, and reduced pressure on toll rates. With $1.28 billion of TIFIA assistance allocated to the DTR credit, the Airports Authority can minimize reliance on relatively expensive capital appreciation bonds and subordinate lien bonds in financing the remainder of the DTR share of project costs. If the Airports Authority receives a smaller amount of TIFIA assistance, it will have to issue additional, more expensive debt into the capital markets to complete the financing for the project. The additional cost and financing risk depends on the TIFIA amount and the structuring of the additional toll revenue bonds, which will be limited by the DTR projected revenues that ramp up over time.

10. **Risks and Mitigation Strategies. Identify risks to project completion and sufficiency of revenues.** Sample risks might include cost escalation, approvals, litigation, construction schedules, ridership and traffic levels, availability of grant funding, and market access. Identify all mitigation strategies and any proposed cost-containment approaches (*e.g.*, design-build, value engineering, guaranteed maximum price and/or completion date, warranties, or other incentive/disincentive clauses).

The Airports Authority has devoted significant resources and expertise to managing the risks associated with operating the DTR and constructing the Rail Project. The following discussion highlights how the primary project risks have been, and will be, mitigated.

Potential Cost Overruns and Construction Delays

Phase 1. On February 7, 2014, Dulles Transit Partners (DTP), the contractor responsible for delivering Phase 1 of the Rail Project, notified the Airports Authority that it had achieved substantial completion. After conducting a review of the documentation submitted by DTP, the Airports Authority identified several items that were deficient and instructed the contractor to address the outstanding issues as quickly as possible.

The Airports Authority is currently working closely with DTP to ensure that all contractual obligations are satisfied before Phase 1 advances to WMATA's Operational Readiness Testing stage. After determining operational readiness, WMATA has up to 90 days to conduct further testing. During the 90-day period, the Tri-State Oversight Committee and the FTA will also conduct reviews.

It is not possible to predict precisely when revenue service will begin on Phase 1, but further delays in achieving substantial completion of this phase of the Project are unlikely to have any impact on the DTR revenue bond credit. The risk mitigation strategies for Phase 1, which include cost and schedule contingencies, a capital reserve account and contractual provisions for liquidated damages under certain circumstances, should offset any additional costs incurred as a result of the delay.

Phase 2. The Airports Authority, following the Federal Transportation Administration OP-40 guidelines, has developed an initial Risk and Contingency Management Plan (RCMP) for Phase 2 of the Project. The following are the major elements of this plan:

Risk Mitigation Plans: Each of the most significant cost and schedule risks has been identified and, for each, initial plans have been developed to reduce exposure to cost and schedule impacts that could occur.

- Primary risk mitigation efforts for the most significant risks are designed to limit the effects of realized risks as they occur on the Project. Mitigation alternatives are identified in advance to reduce the necessity for the use of Project contingency funds or available schedule contingency.

- Potential secondary mitigation measures are being developed in more detail by the Project team based on the primary design-build contract for the Project as the available cost contingency is identified. The basic elements of the design-build contractor's schedule provide a rational basis to assess secondary schedule mitigation strategies.

Contingency Management Plans: Cost and schedule contingency requirements to cover residual risks remaining following proactive risk reduction have been determined and appropriately allocated to the various Project phases and contract packages. This allocation has been based on the likelihood and magnitude of risk associated with each of the Project phases. Procedures have been developed in accordance with Federal Transportation Administration Oversight Procedures Number 40 (OP-40), to manage the controlled use of the cost and schedule contingencies thus allocated.

Contingency Controls Process: The total program cost contingency for the Rail Project (excluding budgeted contingency for the Phase 2 parking garages) is approximately $551 million. The management and control of contingency for the Project will be performed in accordance with the Airports Authority's Project Management Procedure P2M-5.07, Rev. 0, developed specifically for the Phase 2 Project. After contingency has been established and allocated, its further use will be through a formal, documented procedure of requests and authorizations. The project management team will provide regular reporting to document contingency usage and indicated trends.

Appropriate implementation of this risk and contingency management plan, including timely reassessment of risks, will assist with optimal Project cost and schedule performance measurement and control.

More than two hundred potential risks were initially identified, categorized, prioritized and registered in the Phase 2 project Risk Register. In order to proactively and effectively identify and mitigate any potential risk events, an initial list of strategies and measures has been developed. A Top Ten Risks List has been extracted from the Risk Register. This list of most critical items (as ranked by potential severity level of probability, cost and schedule impacts) will be closely monitored so that the risks can be managed and mitigated timely and effectively. As Phase 2 progresses and contract packages are awarded, the Risk Register, the Top Ten Risks List and the RCMP will be further refined, qualified and updated.

The RCMP (Version 1c, dated November 2013) has been approved by the FTA and is available on Livelink and the enclosed thumb drive.

Permits and Approvals

TIFIA funds may be obligated for the Project since the final Record of Decision (ROD) has been issued for Phase 2.

The Airports Authority, as the Project Sponsor, is responsible for ensuring that necessary permits and approvals are obtained. The Airports Authority has developed a Permit Plan that describes strategies and actions for obtaining the remaining necessary permits for Phase 2 of the Project. Permitting will be a continuous process during the life of the Project.

Most permits will be part of the Design-Build Contractor's scope of work, but selected environmental permits and local land use approvals will be obtained separately by the Airports Authority. Permits needed for selected utility relocations will be obtained by the Airports Authority, utility relocation final designer(s), contractors, and utility companies. During Design-Build, the Design-Build Contractor is responsible for final design and construction and, as such, will be responsible for managing the permit process at that time.

The Design-Build Contractor(s) shall refine and expand, as needed, the list of permits and approvals to match their final designs and construction processes. The Airports Authority will file for local land use approvals, such as Special Exceptions from Fairfax County for three station areas, from the Town of Herndon for one station area, as well as from Loudoun County for two parking structures and a Final Development Plan approval for one station area. The Design-Build Contractor shall seek permits and approvals for temporary construction activities as well as for permanent work, as designs and construction are progressively completed. These permits and approvals shall be sought as early as possible. The Airports Authority will be identified as the permittee on permit applications and land use approvals for permanent structures.

The current version of the Permit Management Plan (dated August 2013) is available for review on Livelink and the enclosed thumb drive, as are copies of major permits and approvals issued for Phase 2 of the Project. A list of these permits and approvals is presented in Section C6 of this application.

Funding Risks

The Airports Authority's funding partners are governmental entities that have entered into agreements to provide

funding for the Rail Project. As shown in Table 4 below, $2.588 billion of the funding for the Rail Project, approximately 46% of the total amount required, has been received. No assurances can be given that all of the funding partners will make their remaining contributions on a timely basis, but that risk has been, and can be, mitigated by taking advantage of interim financing vehicles during construction. By issuing commercial paper, or TIFIA anticipation notes, the Airports Authority can continue to fund project costs when incurred and obtain reimbursement from the funding partners at a later date.

In addition to the timing risk, there is the theoretical possibility that a funding partner might not be able to provide its full contribution. That risk is mitigated in part by the fact that the Airports Authority and the Counties will already have access to approximately 74% of their total remaining funding commitment if the $1.875 billion TIFIA request is approved. If for some reason a funding partner is not able to make its contribution, the Airports Authority would need to issue completion bonds (with DOT consent required if the amount exceeded $150 million).

Table 4: Status of Funding Commitments

Rail Project Budget Source of Funds	Amount Committed	Amount Funded As of Mar 2014	Remaining Commitment
Federal – FTA Full Funding Grant Agreement *(1)*	$ 900	$ 798	$ 102
State – Federal Surface Transportation Program	75	75	-
State – Virginia Transportation Act of 2000	75	75	-
State – Commonwealth Transportation Board (CTB) Bond Proceeds	125	125	-
State – Highway Maintenance and Operating Funds *(2)*	300	0	300
Loudoun County *(3)*	273	0	273
Fairfax County *(4)*	915	400	515
Airports Authority - Aviation Funds	233	0	233
Airports Authority - Dulles Toll Road *(5)*	2,788	1,115	1,673
TOTAL SOURCES *(excluding County funding for Phase 2 garages)*	**$ 5,684**	**$ 2,588**	**$ 3,096**

1) The remaining FFGA receipts were securitized in December 2012 through the issuance of $200 million of fixed rate FFGA notes.
2) State legislation enacted in 2013 provides $100 million in FY2014, 2015 and 2016.
3) Loudoun County expects to fund its share from general fund appropriations and proceeds from a $195 million TIFIA loan (71% of its remaining commitment).
4) Fairfax County expects to fund its share from special taxes on commercial and industrial properties and proceeds from a $403 million TIFIA loan (78% of its remaining commitment).
5) The Airports Authority expects to fund its share from revenues derived from operation of the Airports and a $1.277 billion TIFIA loan (76% of its remaining commitment).

Financing Risk

Prior to closing the proposed $1.277 billion DTR TIFIA loan, the Airports Authority will issue approximately $446 million of Second Senior Lien DTR Revenue Refunding Bonds to retire interim financing issued over the past few years. The Airports Authority has selected J.P. Morgan Securities LLC to serve as book-running senior manager for the transaction and Loop Capital Markets LLC as co-senior manager. The financing team has been working on the transaction documents and will be prepared to price and close the bonds in late May or early June 2014. Interest rate assumptions in the finance plan for Series 2014 DTR Revenue Bonds are

conservative.

Economic and Operational Risks

Traffic and toll revenue estimates for toll facilities are based on numerous assumptions and estimates. Inevitably, some of the assumptions used to develop the projections will not be realized, and unanticipated events and circumstances, such as a prolonged economic downturn, may have a negative impact on traffic demand.

The revenue risk is mitigated by the relatively high debt service coverage ratios in the Base Case Financial Plan and the significant cash reserves that will be created during construction. In addition, the Airports Authority has demonstrated its willingness to increase DTR toll rates above the levels assumed in the finance plan. Sensitivity analyses for the DTR indicate that the current projected toll rates are well below the estimated theoretical revenue maximization point.

The Airports Authority will also continue to upgrade the DTR's toll revenue collection system. Enhanced technology will enable alternative pricing strategies to be considered that could increase revenue, efficiency and through-put.

It is also important to note that the Airports Authority's permit for the Dulles Toll Road currently extends to 2058. If necessary, it can seek an extension from the Commonwealth to facilitate a refinancing of the outstanding debt.

SECTION E: Applicant's Organizational Structure

This section requests narrative information and three exhibits. The list below should be included in the application packet with responses attached and numbered to correspond to the relevant item. Total narrative supporting items for Section E should not exceed 10 pages, excluding exhibits.

1. Applicant's Background Information and Legal Authority.

a) Describe the applicant's history, ownership, and legal structure (*e.g.*, state governmental agency, local governmental agency, corporation, or partnership). Include a copy of the statutory authority under which the entity was created as part of Exhibit X, if applicable.

The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by the District of Columbia Regional Airports Authority Act of 1985, as amended, and Chapter 598 of the Act of Virginia General Assembly of 1985, as amended. Pursuant to an Agreement and Deed of Lease effective June 7, 1987, as amended (the "Federal Lease"), the Airports Authority assumed operating responsibility for the Ronald Reagan Washington National Airport ("National") and Washington Dulles International Airport ("Dulles"). The original Federal Lease was for 50 years and was amended in 2003 to extend its term to 2067. The Airports Authority is governed by a 17-member Board of Directors with seven members appointed by the Governor of Virginia, four by the Mayor of the District of Columbia, three by the Governor of Maryland and three by the President of the United States.

b) Describe the legal authority of the applicant to carry out proposed project activities described in the application packet, including levying taxes, issuing debt, charging tolls or other fees, and/or receiving dedicated funding from another entity. Provide documentation as part of Exhibit X.

The transfer of project sponsorship from the Commonwealth of Virginia to the Airports Authority was formally initiated with the execution of the Master Transfer Agreement and the Permit and Operating Agreement on December 29, 2006. These agreements are provided in **Exhibit X**. The Master Transfer Agreement formalized the transfer of the Dulles Toll Road from VDOT to the Airports Authority. The Permit and Operating Agreement defines the roles and responsibilities of the Airports Authority in operating the Dulles Toll Road, including the following project-related aspects:

- Dulles Toll Road revenues, after funding necessary roadway operating costs and capital maintenance requirements, will be applied to development of the project and will constitute the largest non-federal funding source;
- Dulles Toll Road revenues not used for the project will be invested in other transportation improvements in the Dulles Corridor;
- The Airports Authority will invest in toll operation enhancements and system improvements to reduce roadway congestion and optimize the Dulles Toll Road operations and revenues; and
- The Airports Authority will have the exclusive right to establish and collect tolls on the Dulles Toll Road. Prior to increasing toll rates, the Airports Authority will follow its established process for promulgating new regulations, which includes public hearings, and it will consult with the Dulles Corridor Advisory Committee, but no consent or approval is required from any other entity.

c) Identify whether governmental entities (other than the applicant) must approve the submission of the application packet, the funding of activities, or the carrying out of activities in the application (other than permits). Provide documentation as part of Exhibit X.

Submission of the Airports Authority's TIFIA application is not subject to review or approval of any other entity.

The use of DTR revenue and the construction of the Rail Project must comply with provisions in key project agreements that have been provided as exhibits to this application.

2. Organization and Management.

a) Describe the applicant's organizational structure and the applicant's relationship to any subsidiaries or affiliates. Include the legal names of key principals and staff (*e.g.*, project manager and chief financial officer) and any recent or proposed changes to the organizational structure.

The Airports Authority is an independent interstate agency governed by a Board of Directors (the Board). In November 2011, the Federal Act was amended and subsequently ratified by the Commonwealth of Virginia and District of Columbia in 2012 to increase the number of Directors from 13 to 17 and to provide that they are not to continue to serve after their terms expire. Currently, seven members are appointed by the Governor of Virginia subject to confirmation by the Virginia General Assembly, four are appointed by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, three are appointed by the Governor of Maryland, and three are appointed by the President of the United States with the advice and consent of the United States Senate. Members serve staggered, six-year terms without compensation and may be reappointed once. The Board establishes the Airports Authority's policy and appoints the President and Chief Executive Officer to oversee the operations of the Airports Authority. The Board annually elects a Chairman, Vice Chairman, and Secretary.

In 2008, the Airports Authority established the Dulles Corridor Enterprise Fund to segregate the financial activity associated with the operation, maintenance and improvement of the Dulles Toll Road and construction of the Dulles Corridor Metrorail Project from the financial operations of the Airports.

The current senior management of the Airports Authority includes:

JOHN E. POTTER. Mr. Potter is President and Chief Executive Officer of the Metropolitan Washington Airports Authority. Prior to assuming this position on July 11, 2011, Mr. Potter served as the Postmaster General of the United States for ten years where he worked to modernize management of the over 500,000 employee organization. Prior to serving as Postmaster General, Mr. Potter served in a number of positions at the United States Postal Service, including Manager of Washington–Baltimore–Northern Virginia Field Operations, Senior Vice President of Labor Relations, Senior Vice President of Operations Support, and Executive Vice President and Chief Operating Officer. Mr. Potter is a graduate of Fordham University (B.A., Economics, 1977) and Massachusetts Institute of Technology (M.S.M., Sloan Fellow, 1995).

MARGARET E. MCKEOUGH. Ms. McKeough is the Executive Vice President and Chief Operating Officer of the Authority. Ms. McKeough previously served for over five years as the Vice President for Business Administration of the Authority since August 1998. Prior to joining the Authority, Ms. McKeough was the Deputy Aviation Director for Business and Properties at Phoenix Sky Harbor International Airport and managed various business programs in the Phoenix Economic Development Department. Ms. McKeough is a graduate of Providence College (B.A., Political Science, 1983) and the University of Connecticut (M.P.A., 1985).

ANDREW T. ROUNTREE. Mr. Rountree became Vice President for Finance and Chief Financial Officer on December 2, 2010. Prior to then, Mr. Rountree served as the Acting Vice President for Finance and Chief Financial Officer and was the Deputy Chief Financial Officer. He joined the Airports Authority's Office of Finance in 2005. Prior to joining the Airports Authority, Mr. Rountree was appointed as the Director of Finance for the City of Richmond, Virginia in September 2000. While with the City of Richmond, he served as Deputy Director of Finance from 1998 to 2000, and originally joined the City of Richmond in 1996 as the Chief of the License, Assessment, and Tax Audit. Mr. Rountree began his career with the Commonwealth of Virginia's Auditor of Public Accounts, the legislatively appointed auditor for Commonwealth of Virginia, and worked there until 1990 as Audit Director. He subsequently served as Assistant Controller for the Commonwealth of Virginia's Department of Information Technology until 1996. Mr. Rountree is a graduate of Virginia Commonwealth University (B.S., Economics, 1982) and is a Certified Public Accountant.

GINGER S. EVANS. Ms. Evans is Vice President for Engineering and is responsible for the Airports Authority's Capital Construction Program and Capital Improvements Program for the Airports, and for development of the Dulles Metrorail Extension Project. She joined the Airports Authority in February 2014. Ms. Evans has managed large capital programs since 1986 when she was appointed Chief of New Airport Construction for Denver International Airport. Her projects include terminals, runways, and associated infrastructure in the US, Middle East, Canada, and Latin America. She is a graduate of Colorado State University (B.S., Civil Engineering, 1977 and M.S., Civil Engineering, 1979).

PATRICK NOWAKOWSKI. Mr. Nowakowski joined the Airports Authority as Executive Director of the Dulles Metrorail Project in January 2009. He previously was employed for 27 years by the Southeastern Pennsylvania Transportation Authority ("SEPTA"). He began his career at SEPTA as a Project Engineer, and advanced through a number of positions, including Assistant Chief Engineer, Chief Engineer, and Assistant General Manager, before becoming Chief Operating Officer. Prior to joining SEPTA, he was employed by Conrail and the Reading Railroad. He is a registered Professional Engineer in Pennsylvania. He has served on and chaired committees for the Transportation Research Board, the American Public Transportation Association and the American Railway Engineering and Maintenance Association. Mr. Nowakowski holds an undergraduate degree from the University of Delaware (B.C.E., 1975) and a graduate degree from Drexel University (M.B.A, 1983).

b) Provide an organizational chart as Exhibit XI, to include the major parties involved in planning, owning, financing, constructing, operating, and/or maintaining the project. Include the major service contractors that have been, or will be, retained for the project (*e.g.*, architects, developers, engineers, attorneys, financial advisors and underwriters, environmental consultants). *Note: The DOT may request additional documentation from major parties other than the applicant as part of the project evaluation and selection process.*

A chart showing the Airports Authority's Project Management Organization is provided as **Exhibit XI**.

3. **Applicant.** Describe the entity that will serve as the applicant (*i.e.*, public-sector agency/authority or private-sector firm).

The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by the District of Columbia Regional Airports Authority Act of 1985, as amended, and Chapter 598 of the Act of Virginia General Assembly of 1985, as amended.

4. **Applicant/Borrower.** Will the applicant and borrower be the same? Explain the relationship between the applicant and the borrower, if they are not the same entities.

Yes.

5. **Prior Experience.** Describe the applicant's prior experience as it relates to carrying out projects similar to that being proposed.

The Airports Authority has successfully undertaken several major capital improvements at Reagan National and Dulles International Airports. Between 1988 and 2000, for example, projects completed at National included, among others, two new main terminals, three parking garages and an airport traffic control tower. Major capital projects completed at Dulles International during that time period included expansion and rehabilitation of the Main Terminal and construction of Concourses A and B, an international arrivals building and runway, introduction of the AeroTrain system, and various road improvements, among others.

The active portion of the Airports Authority's Capital Construction Program (CCP), referred to as the "2001-2016 CCP," has an estimated cost of approximately $5.0 billion (including allowances for inflation). Total expenditures between 2001 and 2012 were approximately $4.3 billion. Major completed projects put into service at National since 2001 include a pedestrian tunnel from the parking garage to Terminal A, security enhancements and various improvements including historical Terminal A facade renovations, construction of additional decks to parking garages, and electrical and life safety improvements. Major completed projects put into service at Dulles since 2001 include the new Runway 1L-19R, Daily Parking Garages 1 and 2, the Main Terminal rehabilitation, the Concourse B expansion, the south and east baggage basements, the airside and landside pedestrian tunnels, the air traffic control tower, the completion of the AeroTrain system and the expansion of the International Arrivals Building.

The Airports Authority has also incorporated lessons learned from Phase 1 of the Rail Project into the management plan for Phase 2. Improvements in internal controls, contract language and reporting processes have already been implemented. In addition, the strong working relationships with FTA, WMATA and other entities during Phase 1 provide a strong foundation for the Phase 2 work effort.

4. **Financial Condition.** Provide year-end audited financial statements for the past three years, as available, as Exhibit XII.

The Airports Authority's financial reports for the three most recent years available are presented as **Exhibit XII** and are available at the links below and on the enclosed thumb drive. [The Comprehensive Annual Financial Report for 2013 will become available on or before April 30, 2014.]

http://www.mwaa.com/file/CAFR_2012.pdf

http://www.mwaa.com/file/2011_CAFR_Final_DAC_Rev.pdf

http://www.mwaa.com/file/2010_CAFR_-_Final_JUN03_Printer.pdf

5. **Litigation and/or Conflicts.** Disclose any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental irregularities, construction defects, securities fraud, conflict of interest, failure to perform under a state or Federal contract, or other charges which may reflect on the applicant's financial position or ability to complete the project.

In April 2011, two users of the Dulles Toll Road filed a lawsuit in federal district court against the Airports Authority claiming that the setting of tolls by the Airports Authority violates various rights and privileges they enjoy under the United States Constitution. The plaintiffs also sought to have the district court certify a class of all current and past users of the Dulles Toll Road since May 2005 and a refund to all class members of tolls paid

since May 2005 in excess of the toll rates then in effect. In July 2011, in response to the Airports Authority's motion, the district court dismissed the plaintiffs' complaint. The court initially determined that plaintiffs lacked "prudential" standing to bring any of their claims. The court then proceeded to address the claims on the merits. The court concluded, specifically as to each claim, that plaintiffs had failed, as a matter of law, to state a valid claim as to which any relief could be granted and, more generally, that the setting of tolls by the Airports Authority does not violate the federal constitution.

Following the trial court ruling, plaintiffs appealed the district court's dismissal to the United States Court of Appeals for the Federal Circuit. In December 2012, the Federal Circuit determined that it lacked jurisdiction over the appeal and transferred it to the Court of Appeals for the Fourth Circuit.

On January 21, 2014, the Fourth Circuit affirmed the trial court's ruling and that court's dismissal of the plaintiffs' complaint.

The Airports Authority is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Airports Authority's legal counsel, the likely outcome in these matters will not have a material adverse effect on the financial condition of the Airports Authority.

SECTION F: Applicant Certifications

The following items require certification by an authorized representative of the applicant requesting TIFIA assistance. The list below should be included in the application packet with responses attached and numbered to correspond to the relevant item. The DOT may require that applicants provide documentation of these certifications.

1. **Federal Requirements**. This project complies with, and/or will comply with, the requirements of (check all that apply):

   Title 23 of the U.S. Code, and implementing regulations. ☑

   Chapter 53 of title 49 of the U.S. Code, and implementing regulations. _____

   Section 5333(a) of title 49 of the U.S. Code. ☑

   If the applicant intends to request waivers to any requirements included in the preceding citations, explain on an attached sheet.

2. **National Environmental Policy Act.** The project complies with, and/or will comply with, all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

   Yes ☑ No _____ If no, explain on an attached sheet.

   The project has (check all that apply):

   Yes _____ No _____ Received a Categorical Exclusion.
   Yes _____ No _____ Received a Finding of No Significant Impact (FONSI).
   Yes ☑ No _____ Circulated a Draft Environmental Impact Statement.
   Yes ☑ No _____ Circulated a Final Environmental Impact Statement.
   Yes ☑ No _____ Received its Record of Decision. (If no, provide on an attached sheet the estimated date for receipt of the Record of Decision.)

3. **Uniform Relocation.** This project complies with, and/or will comply with, all provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

   Yes ☑ No _____ If no, explain on an attached sheet.

4. **Civil Rights.** This project complies with, and/or will comply with, all provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

   Yes ☑ No _____ If no, explain on an attached sheet.

5. **Other Requirements** as Applicable that apply to projects which receive Federal assistance such as the Federal Water Pollution Control Act as amended by the Clean Water Act (33 U.S.C. 1251 et. seq.), and the Endangered Species Act, (16 U.S.C. 1531 et. seq.). This project complies with, and/or will comply with, all other applicable provisions of Federal law.

   Yes ☑ No _____ If no, explain on an attached sheet.

6. **State Transportation Planning and Programming Process**. This project is consistent with the long-range state transportation plan(s) of the affected state(s).

   Yes ☑ No _____ If no, explain on an attached sheet.

   If located in a metropolitan planning area, this project is included on the metropolitan transportation plan.

   Yes ☑ No _____ If no, explain on an attached sheet.

   This project is listed within the State Transportation Improvement Program (STIP) of the affected state(s).

   Yes ☑ No _____ If no, explain on an attached sheet and provide estimated date for project listing on the STIP.

7. **Credit Ratings.** This applicant has received preliminary rating opinion letter(s) and investment grade ratings on the senior debt instrument, and if TIFIA is not the senior debt, on the TIFIA credit instrument, from one or more Nationally Recognized Statistical Rating Organizations. The letter(s) and rating(s) are attached as Exhibit IV.

8. **Charges:** The undersigned certifies that it will reimburse the DOT for costs incurred related to services provided by the DOT's outside advisors in connection with the evaluation of the TIFIA Letter of Interest, evaluation of the TIFIA application, and negotiation of the TIFIA transaction documents, irrespective of whether the credit agreement is executed.

9. **Lobbying.** Section 1352 of Title 31, United States Code and 49 C.F.R. §20.100, provide that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. The DOT interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for a secured loan, loan guarantee, or line of credit under the TIFIA program.

   TIFIA applicants must file a declaration: (a) with the submission of an application for TIFIA assistance; (b) upon receipt of a TIFIA credit instrument (unless the information contained in the declaration accompanying the TIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the TIFIA assistance.

   A declaration filed in connection with the TIFIA assistance shall contain:

   a) The name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on behalf of the TIFIA applicant.

   b) A certification by the person making the declaration that none of the funds appropriated by any Act of Congress has been or will be expended to pay any person for influencing or attempting to influence an officer or employee of the DOT or any Federal agency, a Member of Congress, an officer or employee of Congress, or employee of a Member of Congress with regard to the TIFIA assistance.

   In addition, any person or entity that requests or receives a subcontract from a TIFIA applicant is required to file a declaration, which shall contain the name of any registrant under the Lobbying Disclosure Act who has made lobbying contacts and a certification that the person or entity has not made or will not make prohibited payments.

The undersigned certifies, to the best of his or her knowledge and belief, that: (i) no federally appropriated funds have been paid or will be paid by or on behalf of the undersigned to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with an award of TIFIA assistance; and (ii) if non-federally appropriated funds have been or will be paid for the above purposes, the undersigned will disclose such payments through the completion and submission of Standard Form LLL ("Disclosure Form to Report Lobbying"). The applicant shall file Standard Form LLL in accordance with its instructions. Submission of this statement with the TIFIA application is a prerequisite for obtaining TIFIA assistance.

Any person who makes an expenditure of appropriated funds prohibited by 31 U.S.C. 1352(a) or fails to file the required statement or amended statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure in accordance with 31 U.S.C. 1352(c).

10. **Debarment.** The undersigned further certifies that neither it nor its principals is currently, or has been in the preceding three years: 1) debarred, suspended or declared ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; 3) voluntarily excluded from participation in a Federal transaction; or 4) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Government-wide Nonprocurement Debarment and Suspension Regulations: 49 C.F.R. Part 29.

11. **Default/Delinquency.** The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.

Signature: By submitting this application, the undersigned certifies that the facts stated and the certifications and representations made in this application are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Applicant: Metropolitan Washington Airports Authority

Signed: _____

Name and Title: Andrew T. Rountree, Vice President for Finance and Chief Financial Officer

Date: 3/26/14

END OF FORM

Exhibits

I. Project Map (Attached)

II. Supporting Documentation - Project Purpose (Attached)

III. Supporting Documentation - Financing Documents (Livelink and thumb drive: Master Trust Indenture, Supplemental Indentures, Rating Agency Reports, Commercial Paper documents, FFGA Notes documents)

IV. Preliminary Rating Opinion Letter (Livelink and thumb drive)

V. Supporting Documentation - Public Private Partnerships (N/A)

VI. Supporting Documentation - Other Anticipated Funds (Livelink and thumb drive: Local Funding Agreement with VDOT, Local Funding Agreement with Fairfax County and Loudoun County, Full Funding Grant Agreement with FTA, Memorandum of Agreement among USDOT, Virginia, WMATA, and local funding partners)

VII. Cash Flow Pro Forma and Financial Model (Livelink and thumb drive)

VIII. Supporting Documentation - Revenue and Cost Projections (Livelink and thumb drive: DTR Traffic and Revenue Study – 2012 Update Final Report and 2014 Draft Final Report)

IX. Proposed Terms for Requested Loan (Livelink and thumb drive)

X. Supporting Documentation - Legal Authority (Livelink and thumb drive: Master Transfer Agreement and Permit and Operating Agreement)

XI. Organizational Chart (Attached)

XII. Audited Financial Statements (Livelink: CAFR, 2010-2012)

Plus

Project Management Plan, version 1.1, submitted to FTA in January 2014 (Livelink and thumb drive)

Permit Management Plan, current draft dated August 2013 (Livelink and thumb drive)

Risk and Contingency Management Plan, version 1.c, dated November 2013 (Livelink and thumb drive)

Exhibit I: Project Map

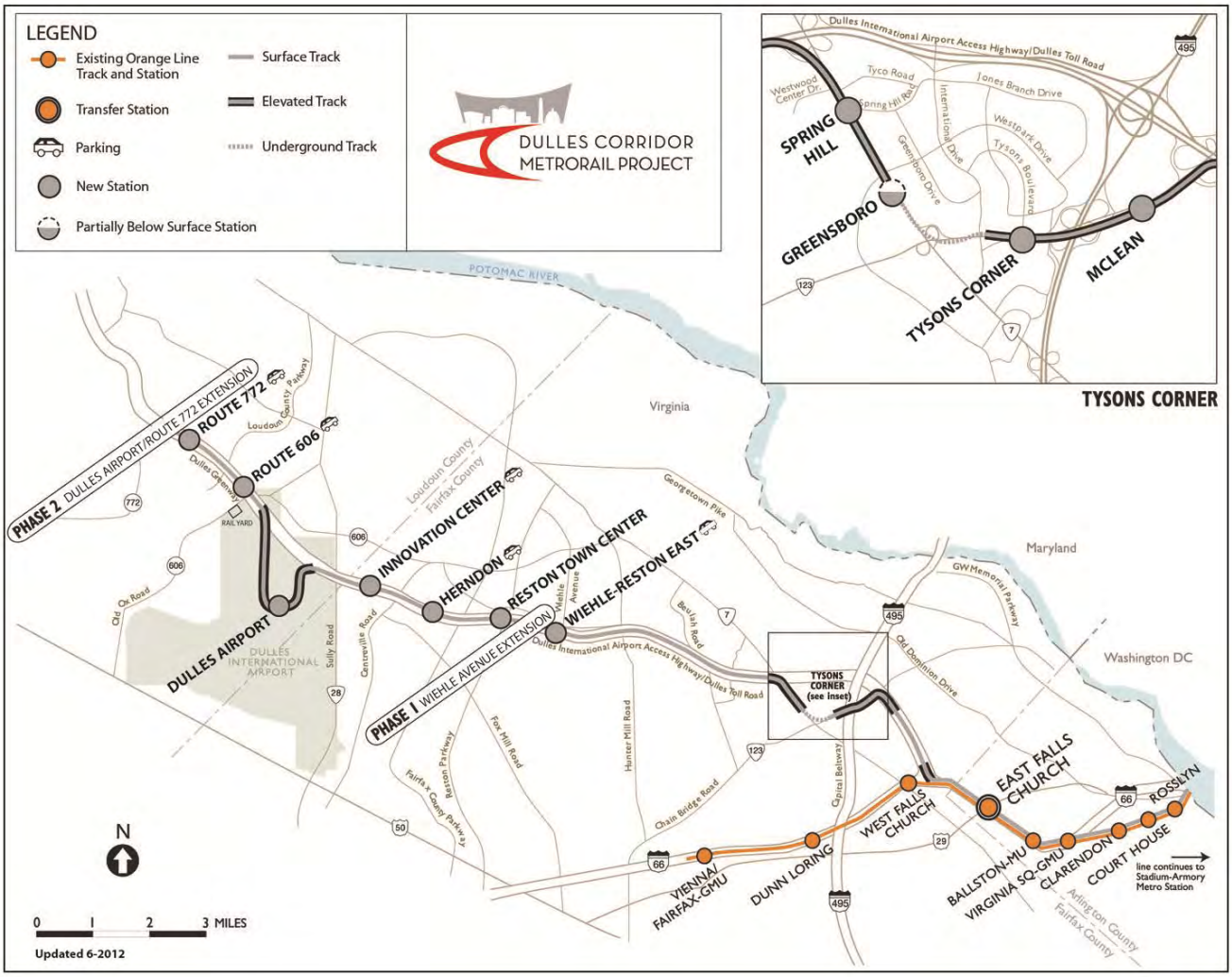


Exhibit II: Supporting Documentation – Project Purpose

1 PURPOSE AND NEED

1.1 INTRODUCTION

The Dulles Corridor Metrorail Project is a 23.1 mile extension of the existing Washington, DC Metrorail system in Fairfax and Loudoun Counties, Virginia. The Dulles Corridor Metrorail Project is being implemented in two phases – Phase 1: Extension to Wiehle Avenue (Phase 1), running from the current Orange Line, just west of the East Falls Church station to the station at Wiehle Avenue, the interim terminus, and Phase 2: Extension to Dulles Airport/Route 772 (Phase 2), which begins at the Wiehle Avenue station tail tracks and extends to the terminus in eastern Loudoun County.

Figure 1-1 shows the entire 23.1-mile Dulles Corridor alignment and station locations (Phases 1 and 2) that were identified as the Locally Preferred Alternative (LPA) in the *Dulles Corridor Rapid Transit Project Final Environmental Impact Statement and Section 4(f) Evaluation* (Final EIS) issued in December 2004, and the Amended Record of Decision (ROD) signed by the FTA in November 2006. A separate ROD for the Project was issued by the FAA in July 2005 to address aviation-related issues and approvals.

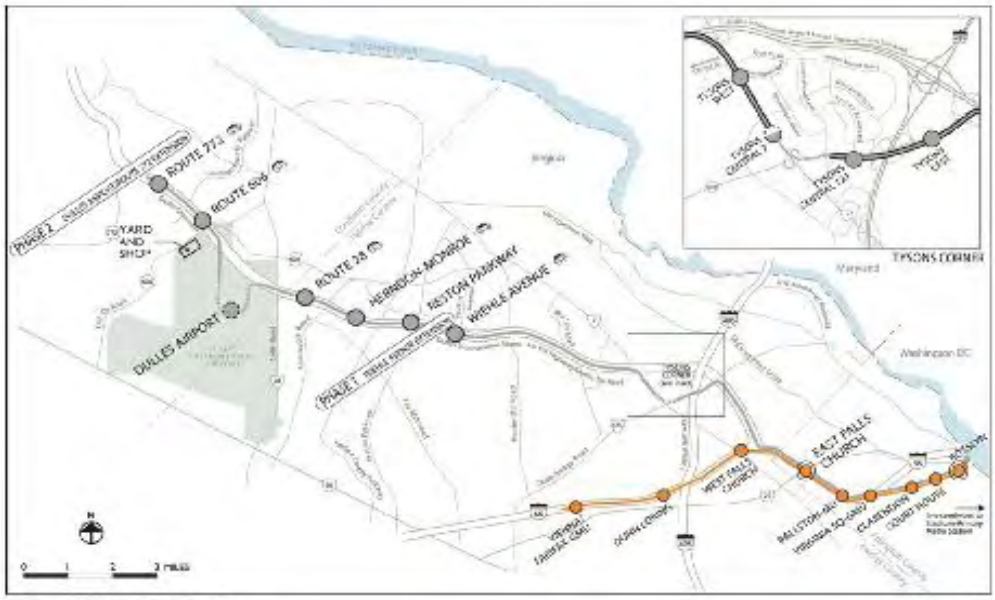


Figure 1-1. Project Location

Since approval of the 2004 Final EIS, preliminary engineering occurred for Phase 1, which resulted in a Phase 1 Refined LPA. A separate Phase 1 Environmental Assessment (EA) was completed in 2006 that documented the refinements made to the LPA for Phase 1 since the 2004 Final EIS, and an Amended ROD was approved in November 2006. Phase 1 includes 11.7 miles of new track and five stations extending from the East Falls Church station through Tysons Corner to Wiehle Avenue in Reston, and is currently being constructed, and is scheduled for completion in 2013.

Phase 2, which is currently in the preliminary engineering design phase, will extend 11.4 miles farther northwest, from Wiehle Avenue through Dulles International Airport and terminating near Route 772 in eastern Loudoun County. Phase 2 will provide direct Metrorail access from Dulles International Airport and the employment and residential centers of Reston, Herndon and eastern Loudoun. Phase 2 will include six new stations at Reston Parkway, Herndon (Monroe Street), and Route 28 in Fairfax County, and Dulles Airport, Route 606, and Route 772 in Loudoun County. Currently, the Metropolitan Washington Airports Authority (Airports Authority) anticipates Phase 2 would be ready for revenue service in 2018.

Development of the Phase 2 design refinements are the result of preliminary engineering performed following publication of the Final EIS and issuance of the FTA and FAA RODs, and the Phase 1 2006 EA. The Federal Transit Administration (FTA), in cooperation with the Airports Authority and the Washington Metropolitan Area Transit Authority (WMATA), has prepared this Environmental Assessment in accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, to address the design refinements made to Phase 2 of the Dulles Corridor Metrorail Project. The Federal Aviation Administration (FAA) is a cooperating agency for this EA.

The refinements addressed in this EA were the result of (1) additional engineering analyses; (2) updated design criteria and applicable regulations; (3) changes in planned construction approaches based on coordination with local governments; and (4) requests from Fairfax and Loudon County to better support transit-oriented development at station sites. The proposed Phase 2 design refinements, hereinafter referred to as the Refined Locally Preferred Alternative (Refined LPA) and detailed in Chapter 2, include moving the site of the Route 28 Station's north side facility; enlarging and reconfiguring the size of the Service and Inspection Yard (Yard); re-alignment of the Yard's lead tracks (the tracks between the mainline tracks and the Yard); re-configurations of some station facility layouts; and relocations and/or reconfigurations of ancillary facilities, such as storm water management (SWM) facilities. The Refined LPA also incorporates a new alignment and station location at Dulles Airport. The Refined LPA proposes an elevated alignment and aerial station as opposed to the tunnel and underground station presented in the Final EIS to reduce the Project's overall capital costs.

This EA presents the changes in anticipated environmental impacts of the Refined LPA from those documented in the Final 2004 EIS and 2006 Amended ROD. The EA provides agencies and the public an opportunity to review and comment on the supplemental information on the refinements, environmental impacts and proposed mitigation measures.

1.2 PROJECT PURPOSE AND NEED

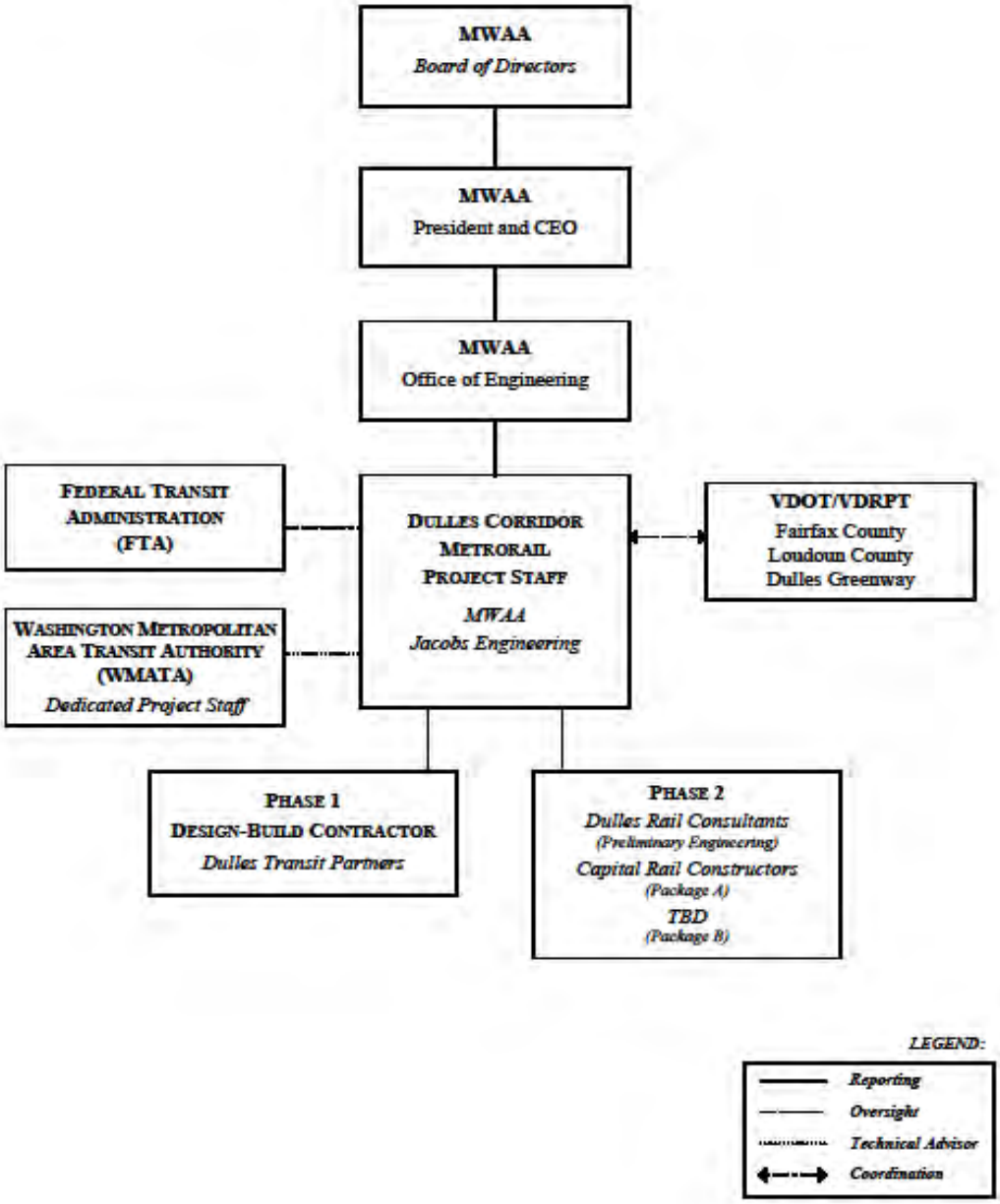
The Purpose and Need of the Project remains the same as was described in the Final 2004 EIS and is available on the Project's website (www.dullesmetro.com). Table 1-1 lists the goals and objectives for the Dulles Corridor Metrorail Project as outlined in Table 1.6-1 of the Final EIS. Because several of the goals are interrelated, some of the objectives apply to more than one goal.

Table 1-1
Goals and Objectives from 2004 Final EIS

Goals	Objectives
Goal 1 Improve Transportation Service	• Provide more frequent service for trips to the core of the region, Tysons Corner, Reston/Herndon, Dulles Airport, and eastern Loudoun County. • Provide multi-modal access. • Improve travel times within the corridor and the region. • Provide integrated, seamless transit service to Tysons Corner and other major activity centers. • Provide improved transit service in the corridor in the near term.
Goal 2 Increase Transit Ridership	• Provide more frequent service for trips to the core of the region, Tysons Corner, Reston/Herndon, Dulles Airport, and eastern Loudoun County. • Provide multi-modal access. • Improve the amenities of the existing transit service within the corridor and the region. • Improve travel times within the corridor and the region. • Provide integrated, seamless transit service to Tysons Corner and other major activity centers. • Provide improved transit service in the corridor in the near term.
Goal 3 Support Future Development	• Provide improved accessibility to existing and planned activity centers in the corridor and the region. • Provide transit service that supports and is consistent with the character of the existing and future land use and development. • Provide stations that are compatible with the character of the surrounding neighborhoods and encourage transit use.
Goal 4 Support Environmental Quality	• Contribute to the attainment of regional air quality standards. • Minimize negative impacts to traffic patterns. • Minimize negative impacts on neighborhoods and residential land uses. • Minimize negative impacts to ecologically sensitive areas. • Minimize negative impacts to historic and cultural resources. • Minimize negative visual and aesthetic impacts.
Goal 5 Provide Cost-effective, Achievable Transportation Solutions	• Develop transportation improvements that are consistent with the funding and financial capacity of the region. • Minimize project-operating costs. • Optimize cost-effectiveness.
Goal 6 Serve Diverse Populations	• Balance benefits and impacts to all residents within the corridor. • Improve accessibility to existing and planned employment centers from low-income and minority areas. • Provide transportation improvements that comply with the Americans with Disabilities Act standards. • Minimize and mitigate negative impacts to low-income and minority populations.

Source: US Department of Transportation, et al., December 2004

Exhibit XI: Organization Chart

Project Management Structure

The Dulles Corridor Metrorail Project Phase 2 management structure is depicted in the chart below.