



JANUARY 2021
DULLES CORRIDOR ENTERPRISE
REPORT OF THE FINANCIAL ADVISORS

The Metropolitan Washington Airports Authority (Airports Authority) established the Dulles Corridor Enterprise (DCE) Fund to segregate the financial activity associated with the operation, maintenance, and improvement of the Dulles Toll Road (DTR) and construction of the Dulles Corridor Metrorail Project (Rail Project) from the financial operations of the Airports. This report provides an update on the status of capital financing activities and other issues related to the DCE Fund.

Action Items

No Action Items to Report.

Informational Items

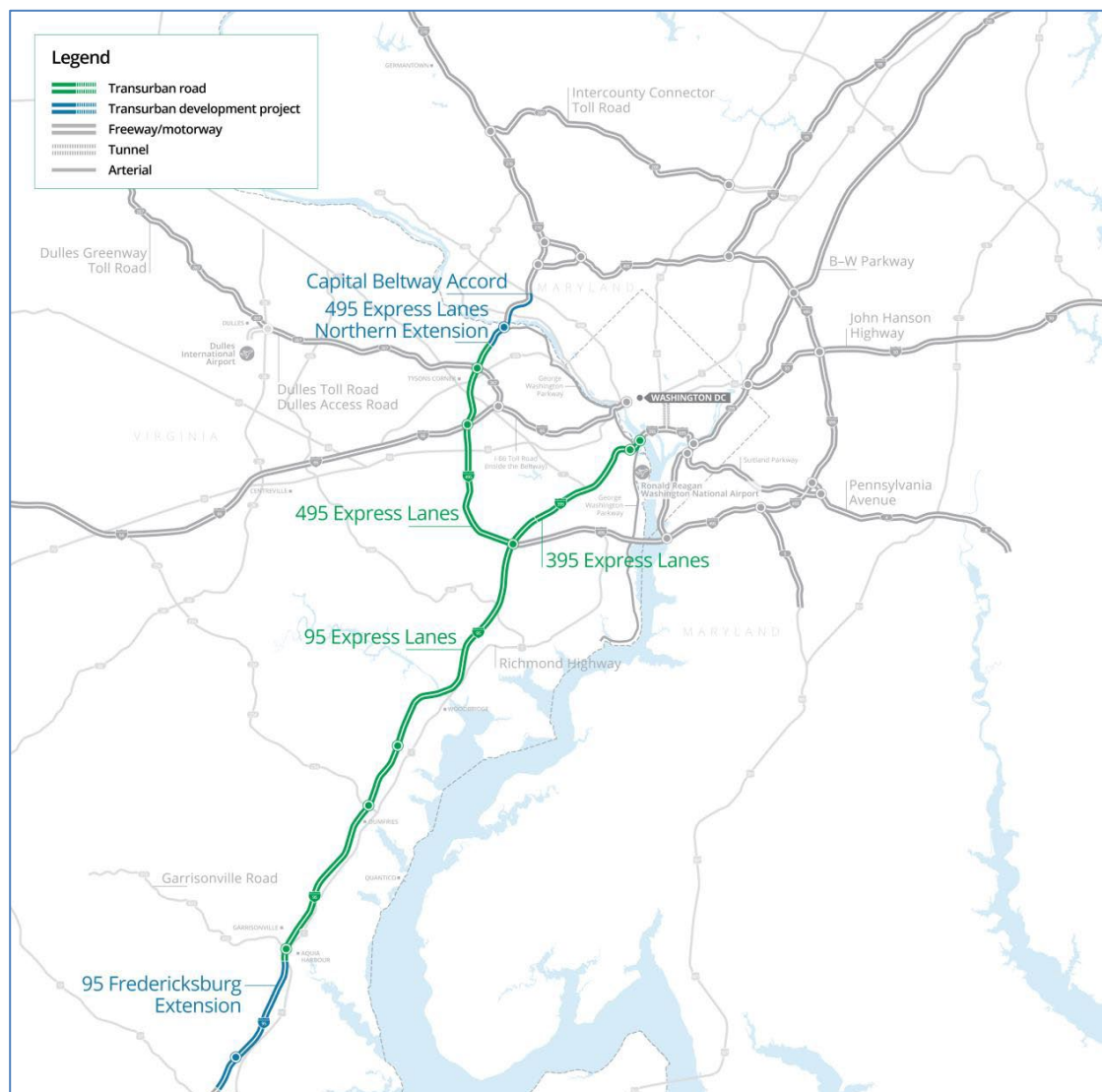
- ***2021 Plan of Finance.*** No debt issuance is anticipated in calendar year 2021. The Airports Authority has sufficient fund balances to cover budgeted capital expenditures. The Financial Advisors continue to monitor potential savings from refinancing the DTR Second Senior Lien Bonds, Series 2014A, callable on April 1, 2022, but do not recommend considering an advance refunding transaction at this time.
- ***Dulles Toll Road to Transition to All-Electronic Toll Collection.*** All personnel were removed from DTR toll booths in April 2020 for the safety of the traveling public and employees. Exact change coin payments are currently accepted, but that toll payment option will be phased out in early 2021. In addition to E-Z Pass, customers can use mobile smartphone applications (such as the [Go Toll](#), [Slora](#), [Uproad](#), or [Peasey Drive On](#)) as toll payment methods.

Relevant News Items

- ***Sale of Elizabeth River Crossings Concession Contract.*** On December 30, 2020, the Virginia Department of Transportation (VDOT) announced that Abertis Infraestructuras and Manulife Investment Management had completed the acquisition of the concession contract for the Elizabeth River Crossings toll facilities in the Hampton Roads region. The private consortium paid approximately \$2.4 billion for the right to operate and maintain the Midtown and Downtown Tunnels between the cities of Norfolk and Portsmouth and the Martin Luther King Freeway Extension for

the remaining 50 years of the concession agreement. The new owners agreed not to implement any toll increases prior to January 2022 and will contribute \$500,000 each year through 2037 to a toll relief program that provides partial rebates to qualified low-income residents of Norfolk and Portsmouth who make at least eight trips during a calendar month.

- Sale of Transurban Equity Interest.*** On December 17, 2020, Transurban, the private operator of the 495 Express Lanes and the 95/395 Express Lanes, announced that it has agreed to sell a 50 percent interest in its Northern Virginia assets for \$2.1 billion with the potential for up to \$70 million of additional compensation over the next five years depending on the performance of the toll facilities. The new investors – AustralianSuper, UniSuper and the Canada Pension Plan Investment Board – will also have exclusive development rights to invest alongside Transurban on future brownfield and greenfield growth opportunities in the Commonwealth of Virginia, State of Maryland, and Washington, D.C. The transaction is expected to close in the first-half of 2021.



MONTHLY UPDATE: OUTSTANDING DCE DEBT

The total amount of outstanding DTR Revenue Bonds as of January 1, 2021, including accretion, is \$3,334,501,047.¹ Tables 1 and 2 provide detail on each series of bonds.

**Table 1: DTR Revenue Bonds
Amount Outstanding by Series and Credit Ratings**

Series ²	Dated Date	Originally Issued Par Amount	Outstanding as of 01/01/2021	Lien	Tax Status	Moody's Rating	S&P Rating	Credit Enhancement ³
2019A ⁴	7/10/2019	\$ 163,110,000	\$ 163,110,000	First Senior	Tax-Exempt Current Interest Bonds	A2	A	None
2009B	8/12/2009	207,056,689	336,135,480	Second Senior	Tax-Exempt CABs	Baa1 A2(Insured)	A- AA(Insured)	\$188,266,435 Assured Guaranty
2009C	8/12/2009	158,234,960	249,775,000	Second Senior	Tax-Exempt Convertible CABs	A2 (Insured)	AA (Insured)	\$158,234,960 Assured Guaranty
2009D	8/12/2009	400,000,000	400,000,000	Second Senior	Taxable Build America Bonds	Baa1	A-	None
2010A	5/27/2010	54,813,219	109,355,567	Second Senior	Tax-Exempt CABs	Baa1	A-	None
2010B	5/27/2010	137,801,650	235,000,000	Second Senior	Tax-Exempt Convertible CABs	Baa1	A-	None
2014A	5/14/2014	421,760,000	421,760,000	Second Senior	Tax-Exempt Current Interest Bonds	Baa1	A-	None
2010D	5/27/2010	150,000,000	150,000,000	Subordinate	Taxable Build America Bonds	Baa2	A-	None
2019B ⁵	12/19/2019	1,269,365,000	1,269,365,000	Subordinate	Tax-Exempt Current Interest Bonds	Baa2 A2(Insured)	A- AA(Insured)	\$300,000,000 Assured Guaranty
		<u>\$2,962,141,518</u>	<u>\$ 3,334,501,047</u>					

¹ The amount outstanding includes approximately \$372 million of net 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 applicable maturity date, conversion date or payment commencement 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.

⁴ Proceeds of the Series 2019A Bonds, along with other available funds, were used to refund all outstanding DTR First Senior Lien Revenue Series 2009A Bonds on October 1, 2019.

⁵ Proceeds of the Series 2019B Bonds, along with other available funds, were used to repay the DTR Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan in full on December 19, 2019. The TIFIA Loan Agreement has been terminated and no Junior Lien Bonds remain outstanding.

**Table 2: DTR Revenue Bonds
Interest Rates and Call Provisions**

Series	Outstanding as of 01/01/2021	Lien	Tax Status and Structure	Principal Amortization	Yields ⁶	Call Provisions ⁷
2019A	\$ 163,110,000	First Senior	Tax-Exempt Current Interest Bonds	2031-2044	2.11% to 2.63%	10/01/2028 at Par
2009B	336,135,480	Second Senior	Tax-Exempt CABs	2012-2040	3.50% to 7.91%	Non-Callable
2009C	249,775,000	Second Senior	Tax-Exempt Convertible CABs	2038-2041	6.50%	10/01/2026 at Accreted Value
2009D	400,000,000	Second Senior	Taxable Build America Bonds	2045-2046	7.462% (4.85% net of full subsidy)	Any Business Day at Make-Whole Redemption Price
2010A	109,355,567	Second Senior	Tax-Exempt CABs	2029-2037	6.625%	Non-Callable
2010B	235,000,000	Second Senior	Tax-Exempt Convertible CABs	2040-2044	6.50%	10/01/2028 at Accreted Value
2014A	421,760,000	Second Senior	Tax-Exempt Current Interest Bonds	2051-2053	4.40%	04/01/2022 at Par
2010D	150,000,000	Subordinate	Taxable Build America Bonds	2042-2047	8.00% (5.20% net of full subsidy)	Any Business Day at Make-Whole Redemption Price
2019B	1,269,365,000	Subordinate	Tax-Exempt Current Interest Bonds	2033-2053	2.26% to 3.17%	10/01/2029 at Par
	<u>\$ 3,334,501,047</u>					

⁶ The overall average cost of capital, after the refunding of the Series 2009A Bonds and the DTR TIFIA Loan, is approximately 4.44 percent.

⁷ The Make-Whole Redemption Price is the greater of (i) 100 percent of the principal amount of the Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Bonds to be redeemed discounted to the date on which the Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the adjusted Treasury Rate plus 50 basis points, plus accrued and unpaid interest on the Bonds to be redeemed on the redemption date.