



**NOVEMBER 2019**  
**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**

***Dulles Toll Road Subordinate Lien Revenue and Refunding Bonds, Series 2019B.*** As a separate agenda item, staff will request that the Finance Committee recommend to the Board a resolution authorizing the issuance of up to \$1.6 billion of bonds to prepay the DTR Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan in full, to retire outstanding DTR Second Senior Lien Commercial Paper Notes and to pay a portion of the costs of the Rail Project. Proceeds will also be used to fund a debt service reserve fund deposit and costs of issuance.

**Relevant News Items**

- ***Dulles Greenway Operating Results.*** On October 23, 2019, Atlas Arteria (ALX), the owner of the private toll concession for the Dulles Greenway, released toll revenue and traffic statistics for the quarter ending September 30, 2019.

Average daily toll revenue for the third quarter was \$250,064, approximately 0.9 percent higher than the same period last year. Average daily traffic decreased by approximately 1.8 percent to 49,284 transactions. ALX cites the April 2019 toll rate increase on the Dulles Greenway, the January 2019 DTR toll rate increase and peak hour traffic congestion as factors contributing to the slight decline in traffic.

- ***Express Lanes Operating Results.*** On October 10, 2019, Transurban, the private operator of the 495 Express Lanes and the 95 Express Lanes, released traffic data for the quarter ending September 30, 2019.



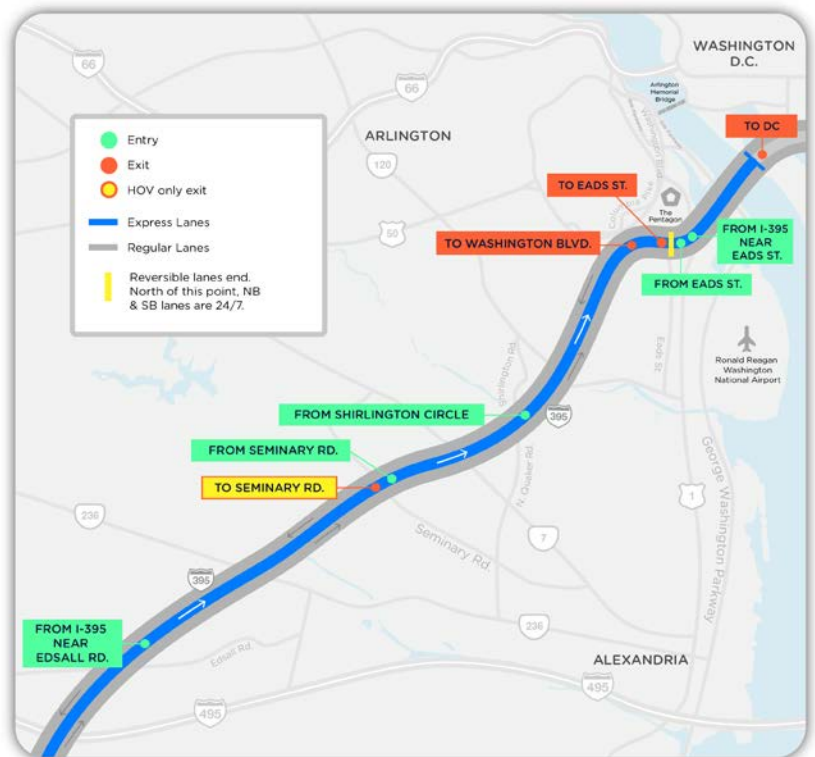
The average dynamic toll price for the third quarter increased by 11.5 percent to \$9.37 on the 95 Express Lanes and the average number of daily

trips increased by 3.5 percent to approximately 53,000 trips compared to the same quarter last year.



The average dynamic toll price on the 495 Express Lanes increased by 3.0 percent to \$5.52, and the average number of daily trips increased by 2.8 percent to approximately 48,000 trips.

The 395 Express Lanes are scheduled to open on the night of Sunday, November 17, pending weather and on-road crew activities. The high-occupancy toll (HOT) lanes will extend approximately eight miles from near Edsall Road in Fairfax County to the 14th Street Bridge in the District of Columbia and will operate northbound in the morning and southbound in the afternoon.



## MONTHLY UPDATE: OUTSTANDING DCE DEBT

### SHORT-TERM NOTES AND LOANS

**Commercial Paper Notes.** The aggregate principal amount of DTR Second Senior Lien Commercial Paper Notes outstanding as of November 1, 2019, was \$54,000,000. The Airports Authority can draw an additional \$246,000,000 under this program.

Program	Authorized Amount	Letter of Credit Provider	Cost	Dated Date	Expiration Date
<i>Commercial Paper Series One</i>	<i>Up to \$300 Million</i>	<i>JP Morgan</i>	<i>58 bps</i>	<i>August 11, 2011</i>	<i>April 13, 2020</i>

The following table shows the rolling three-month averages of the variable rates for the Commercial Paper Notes and the Securities Industry and Financial Markets Association (SIFMA) Index on a monthly basis for 2019.<sup>1</sup>

#### 2019 Variable Interest Rates (3-Month Rolling Average)

Monthly	CP 1 (JPM)	SIFMA	Spread
October 2019	1.33%	1.36%	(0.03%)
September 2019	1.36%	1.38%	(0.02%)
August 2019	1.42%	1.47%	(0.05%)
July 2019	1.51%	1.54%	(0.03%)
June 2019	1.61%	1.69%	(0.08%)
May 2019	1.68%	1.67%	0.01%
April 2019	1.66%	1.68%	(0.02%)
March 2019	1.68%	1.55%	0.13%
February 2019	1.70%	1.57%	0.13%
January 2019	1.74%	1.58%	0.16%

#### Previous Years Variable Interest Rates (12-Month Rolling Average)

Calendar Year	CP 1 (JPM)	SIFMA	Spread
2018	1.44%	1.41%	0.03%
2017	0.88%	0.84%	0.04%
2016	0.38%	0.41%	-0.03%

<sup>1</sup> The SIFMA index is a national rate-based on a composite of approximately 250 issuers of high-grade, seven-day, tax-exempt, variable rate demand obligation issues of \$10 million or more.

## DTR REVENUE BONDS

The total amount of outstanding DTR Revenue Bonds as of November 1, 2019, including accretion, is \$3,251,524,428.<sup>2</sup> Tables 1 and 2 provide detail on each series of bonds.

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

Series <sup>3</sup>	Dated Date	Originally Issued Par Amount	Outstanding as of 11/01/2019	Lien	Tax Status	Moody's Rating	S&P Rating	Credit Enhancement <sup>4</sup>
2019A <sup>5</sup>	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	324,081,894	Second Senior	Tax-Exempt CABs	Baa1/A2(Insured)	BBB+/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	BBB+	None
2010A	5/27/2010	54,813,219	101,342,623	Second Senior	Tax-Exempt CABs	Baa1	BBB+	None
2010B	5/27/2010	137,801,650	235,000,000	Second Senior	Tax-Exempt Convertible CABs	Baa1	BBB+	None
2010D	5/27/2010	150,000,000	150,000,000	Subordinate	Taxable Build America Bonds	Baa2	BBB+	None
2014A	5/14/2014	421,760,000	421,760,000	Second Senior	Tax-Exempt Current Interest Bonds	Baa1	BBB+	None
TIFIA Series 2014 <sup>6</sup>	8/20/2014	1,145,094,817	1,206,454,911	Junior	Federal Loan	Baa2	A-	None
		\$2,837,871,335	\$ 3,251,524,428					

<sup>2</sup> The amount outstanding includes approximately \$414 million of net accreted value on outstanding capital appreciation bonds, convertible capital appreciation bonds and the TIFIA loan. 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.

<sup>3</sup> Series 2010C was authorized but not issued.

<sup>4</sup> Bonds insured by Assured Guaranty are rated "AA" (stable outlook) by S&P and "A2" (stable outlook) by Moody's.

<sup>5</sup> 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.

<sup>6</sup> The Airports Authority can issue up to \$1,278 million of TIFIA Series 2014 Bonds (excluding capitalized interest) to finance eligible Phase 2 Rail Project costs.

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

Series	Outstanding as of 10/01/2019	Lien	Tax Status and Structure	Principal Amortization	Yields <sup>7</sup>	Call Provisions <sup>8</sup>
2019A	\$ 163,110,000	First Senior	Tax-Exempt Current Interest Bonds	2031-2044	2.11% to 2.63%	10/01/2028 at Par
2009B	324,081,894	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	101,342,623	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
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
2014A	421,760,000	Second Senior	Tax-Exempt Current Interest Bonds	2051-2053	4.40%	04/01/2022 at Par
TIFIA Series 2014	1,206,454,911	Junior	Federal Loan	2023-2044	3.21%	Any Business Day at Par
	<u>\$ 3,251,524,428</u>					

<sup>7</sup> The all-in interest cost for the individual series of bonds ranges between 3.21 percent for the TIFIA loan and 7.43 percent for the Series 2009B CABs. The overall average cost of capital is approximately 4.56 percent.

<sup>8</sup> 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.