



JULY 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 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

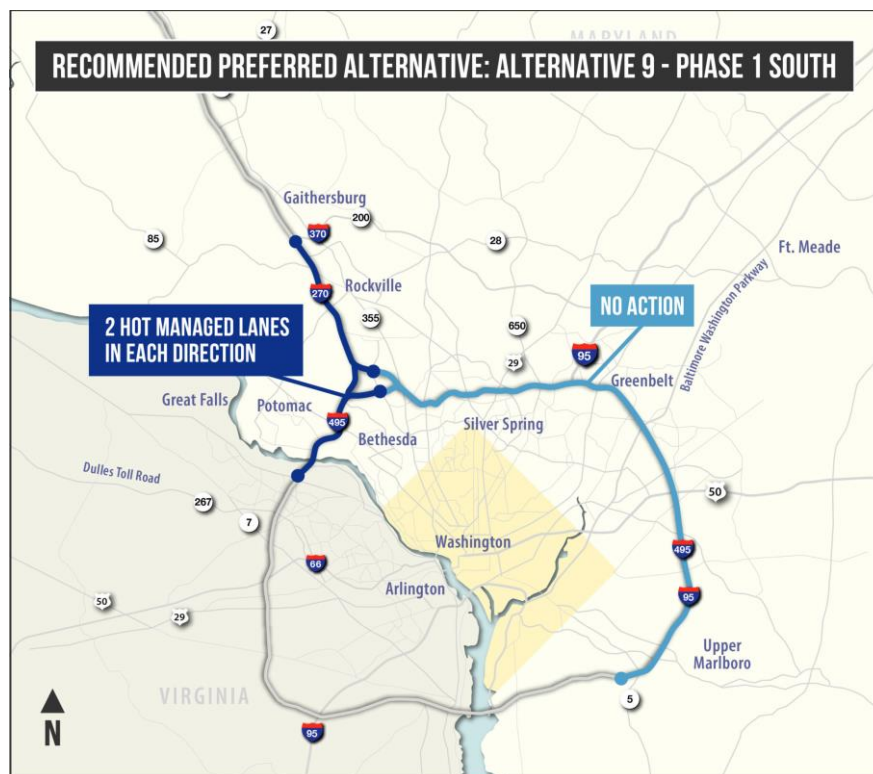
- ***National Federation of Municipal Analysts (NFMA) Toll Road Disclosure Recommendations.*** On June 15, 2021, NFMA released draft guidance on best practices in disclosure for governmental issuers of debt secured by revenues generated from the operation of a toll road or toll road system. The NFMA organization is composed of over 1,200 members, primarily research analysts, who evaluate credit and other risks of municipal securities.

The recommended best practices document addresses disclosure provided in preliminary and final official statements, financial and operational data provided in annual and interim financial reports and disclosure of material events that may impact an analyst's view of the credit quality of the issuer. The NFMA encourages toll road issuers to provide timely disclosure of relevant data in several areas, including historical and forecast financial metrics, capital needs and deferred maintenance and Environmental, Social, and Corporate Governance risk management and resiliency.

The Airports Authority has always recognized the importance of timely and complete disclosure and has adopted many of the best practices suggested in the NFMA document. Digital Assurance Certification, L.L.C., the Airports Authority's Disclosure Dissemination Agent, files all required reports and event notices with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access Dataport. In addition, the Airports Authority maintains an Investor Relations webpage on the Airports Authority website to provide relevant information to bondholders and potential investors.

Relevant News Items

- ***American Legion Bridge I-270 to I-370 Managed Lanes Project.*** On May 20, 2021, the Maryland Transportation Authority (MDTA) opened the public comment period on the proposed toll rate ranges for the first phase of the I-495 and I-270 Managed Lanes Study. The Recommended Preferred Alternative focuses solely on building a new American Legion Bridge and delivering two high occupancy toll (HOT) lanes in each direction on I-270 to I-370. Written comments and call-in testimony through voicemail will be accepted for the official record through August 12, 2021.



On June 16, 2021, the National Capital Region Transportation Planning Board voted to remove the I-495 and I-270 Managed Lanes project from its Air Quality Conformity Analysis, following a request from the Montgomery County Executive. If the action is not reconsidered, the project will not be in the 2022 update to Visualize 2045, the region's long-range transportation plan.

MONTHLY UPDATE: OUTSTANDING DCE DEBT

The total amount of outstanding DTR Revenue Bonds as of July 1, 2021, including accretion, is \$3,346,413,837.¹ 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 07/01/2021	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	344,425,867	Second Senior	Tax-Exempt CABs	Baa1 A3(Insured)	A- AA(Insured)	\$188,266,435 (AGC)
2009C	8/12/2009	158,234,960	249,775,000	Second Senior	Tax-Exempt Convertible CABs	A3 (Insured)	AA (Insured)	\$158,234,960 (AGC)
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	112,977,970	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 (AGM)
		<u>\$2,962,141,518</u>	<u>\$ 3,346,413,837</u>					

¹ The amount outstanding includes approximately \$384 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 Column shows original principal amount insured. Bonds insured by Assured Guaranty Corp. (AGC) are rated "AA" by S&P and "A3" by Moody's. Bonds insured by Assured Guaranty Municipal Corp. (AGM) are rated "AA" by S&P and "A2" 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 07/01/2021	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	344,425,867	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	112,977,970	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>\$ 3,346,413,837</u>					

⁶ The overall average cost of capital, after considering 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.