



SEPTEMBER 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

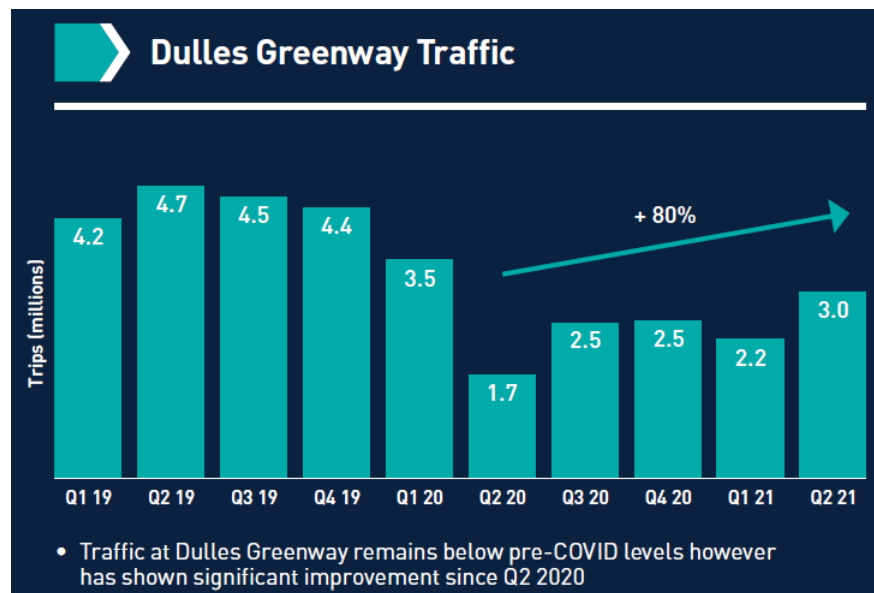
- ***Request for Proposals to Provide Underwriting Services.*** On July 21, 2021, a limited competition solicitation was issued to the Airport Authority's existing Primary Underwriting Pool established in January 2019. Proposals to serve as underwriters for planned Dulles Toll Road and Airport System Bonds issuances were submitted on August 23, 2021. The Technical Evaluation Committee is reviewing the proposals and will recommend underwriting syndicates and roles to the Finance Committee at the October 2021 Board meeting.

Relevant News Items

- ***Dulles Greenway Operating Results.*** On August 25, 2021, Atlas Arteria (ALX), the owner of the private toll concession for the Dulles Greenway, released toll revenue and traffic statistics for the six months ending June 30, 2020.

Total traffic for the period was 5.23 million trips, an increase of 1.1 percent over the same period in 2020 and a decrease of 41.2 percent from traffic in the first six months of 2019.

Dulles Greenway toll revenue increased 1.8 percent, from \$26.2 million in the first six months of 2020, to \$26.6 million this year. Total revenue in 2021 is approximately 60 percent of the \$44.2 million generated during the first half of 2019.



Source: Atlas Arteria Results Presentation for the six months ending 30 June 2021

- **Express Lanes Operating Data.** On August 9, 2021, Transurban, the private operator of the 495 Express Lanes and the 95 Express Lanes, released traffic data for the quarter ending June 30, 2021.



The average dynamic toll price on the 495 Express Lanes was \$3.45. Total toll revenue for the quarter was approximately \$11 million, a significant increase from the \$3 million generated in the same quarter in 2020. The average number of daily trips increased from 14,000 to 33,000 trips. For the same quarter in 2019, the average number of daily trips was 49,000.



The average dynamic toll price for the quarter was \$7.15. Total toll revenue for the quarter increased from \$3 million in 2020 to \$26 million. The average number of daily trips increased from 19,000 to 50,000 trips. For the same quarter in 2019, the average number of daily trips was 55,000.

- **American Legion Bridge I-270 to I-70 Traffic Relief Plan.** On August 11, 2021, the Maryland Board of Public Works approved a public-private partnership agreement with Accelerate Maryland Partners LLC (AM Partners), a private consortium led by Transurban and Macquarie Capital. AM Partners will oversee the predevelopment work for the first phase of the program, which includes coordinating the ongoing National Environmental Policy Act review process expected to be completed in the second half of 2022. The contract was approved on a 2-1 vote, with Governor Larry Hogan and Comptroller Peter Franchot voting in favor and Treasurer Nancy Kopp voting against the motion.

MONTHLY UPDATE: OUTSTANDING DCE DEBT

The total amount of outstanding DTR Revenue Bonds as of September 1, 2021, including accretion, is \$3,351,569,192.¹ 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 09/01/2021	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	348,354,081	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	114,205,111	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>\$ 3,351,569,192</u>					

¹ The amount outstanding includes approximately \$389 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 09/01/2021	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	348,354,081	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	114,205,111	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>\$ 3,351,569,192</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.