



**APRIL 2018**  
**DULLES CORRIDOR ENTERPRISE**  
**REPORT OF THE FINANCIAL ADVISORS**

The 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

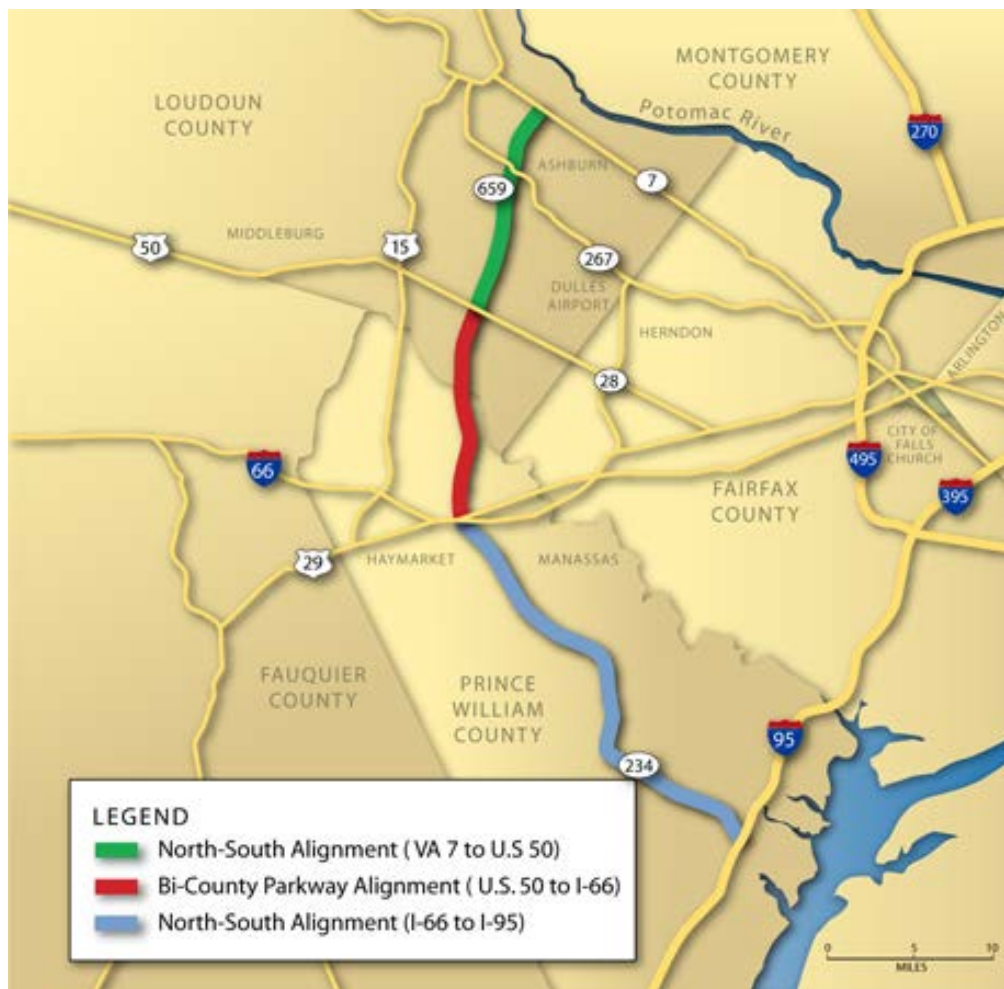
**Informational Items**

- ***Commercial Paper Program Extension.*** The documentation associated with the extension of the existing \$300 million Dulles Toll Road Second Senior Lien Commercial Paper (CP) Program is expected to be executed by April 13, 2018. The CP program and the supporting bank facility will be extended two years, to April 13, 2020, and the annual fee will be reduced by 11 basis points. The option to convert unpaid principal amounts to term loans will be modified to require payment of the term loan in full within one year instead of five years. All other terms and conditions for the CP Program will remain the same.
- ***Financial Plan Annual Update.*** As required under the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Agreement, the Airports Authority prepares an updated financial plan each year that provides reasonable assurance that there is sufficient funding available to complete the Rail Project. The annual update summarizes information that is generally provided to the Airports Authority Board of Directors and the Federal Transit Administration (FTA) on a monthly basis. The 2018 Financial Plan Annual Update, which covers the activities through December 31, 2017, was submitted to the U.S. Department of Transportation's Build America Bureau Credit Programs Office and FTA Regional Office on March 30, 2018.
- ***Dulles Toll Road Traffic and Revenue Study.*** The traffic and revenue consultant, CDM Smith, has completed key components of the work effort and is preparing drafts of the report and the appendices.

## Relevant News Items

- ***Federal Grant for Northstar Boulevard Extension in Loudoun County.*** On March 15, 2018, the U.S. Department of Transportation announced that Loudoun County will receive a \$25 million Transportation Investment Generating Economic Recovery (TIGER) discretionary grant to extend Northstar Boulevard. The grant will fund a portion of the cost to construct a 1.6-mile segment of Northstar Boulevard from Shreveport Drive to Route 50, a missing link in a 14-mile north-south corridor connecting Route 7 to Route 50.

The road segment will be designed as a four-lane divided roadway with a ten-foot-wide shared-use path and two new bridges. The total cost of the project is approximately \$88 million. In addition to the TIGER grant and Loudoun County local tax funding, the project is receiving funding from the Virginia Department of Transportation and the Northern Virginia Transportation Authority. Construction of the Northstar Boulevard project is expected to be complete in the summer of 2024.



**MONTHLY UPDATE: OUTSTANDING DULLES CORRIDOR ENTERPRISE DEBT****SHORT-TERM NOTES AND LOANS**

**Commercial Paper Notes.** The aggregate principal amount of Dulles Toll Road Second Senior Lien Commercial Paper Notes outstanding as of April 1, 2018, was \$50,000,000. The Airports Authority can draw an additional \$250,000,000 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>69 bps</i>	<i>August 11, 2011</i>	<i>August 10, 2018</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 2018.<sup>1</sup>

**2018 Variable Interest Rates (3-Month Rolling Average)**

Monthly	CP 1 (JPM)	SIFMA	Spread
March 2018	1.07%	1.21%	-0.14%
February 2018	1.03%	1.20%	-0.17%
January 2018	0.99%	1.16%	-0.17%

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

Calendar Year	CP 1 (JPM)	SIFMA	Spread
2017	0.88%	0.84%	0.04%
2016	0.38%	0.41%	-0.03%
2015	0.07%	0.03%	0.04%

<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.

## DULLES TOLL ROAD REVENUE BONDS

The total amount of outstanding Dulles Toll Road Revenue Bonds as of April 1, 2018, including accretion, is \$2,954,726,837.<sup>2</sup> Tables 1 and 2 provide detail on each series of bonds.

***Table 1: Dulles Toll Road Revenue Bonds  
Amount Outstanding by Series and Credit Ratings***

Series <sup>3</sup>	Dated Date	Originally Issued Par Amount	Outstanding as of 04/01/2018	Lien	Tax Status	Moody's Rating	S&P Rating	Credit Enhancement <sup>4</sup>
2009A	8/12/2009	\$ 198,000,000	\$ 198,000,000	First Senior	Tax-Exempt Current Interest Bonds	A2	A-	None
2009B	8/12/2009	207,056,689	299,548,634	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	91,399,213	Second Senior	Tax-Exempt CABs	Baa1	BBB+	None
2010B	5/27/2010	137,801,650	227,602,906	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>5</sup>	8/20/2014	870,599,098	916,641,085	Junior	Federal Loan	Baa2	A-	None
		<u>\$2,598,265,616</u>	<u>\$ 2,954,726,837</u>					

<sup>2</sup> The amount outstanding includes approximately \$356 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> The Airports Authority can issue up to \$1,278 million of TIFIA Series 2014 Bonds (excluding capitalized interest) to finance eligible Phase 2 project costs.

**Table 2: Dulles Toll Road Revenue Bonds  
Interest Rates and Call Provisions**

Series	Outstanding as of 04/01/2018	Lien	Tax Status and Structure	Principal Amortization	Yields <sup>6</sup>	Call Provisions <sup>7</sup>
2009A	\$ 198,000,000	First Senior	Tax-Exempt Current Interest Bonds	2030-2044	5.18% to 5.375%	October 1, 2019 at Par
2009B	299,548,634	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%	October 1, 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	91,399,213	Second Senior	Tax-Exempt CABs	2029-2037	6.625%	Non-Callable
2010B	227,602,906	Second Senior	Tax-Exempt Convertible CABs	2040-2044	6.50%	October 1, 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%	April 1, 2022 at Par
TIFIA Series 2014	916,641,085	Junior	Federal Loan	2023-2044	3.21%	Any Business Day at Par
	<u>\$ 2,954,726,837</u>					

<sup>6</sup> The all-in interest cost for the Series 2009, 2010 and 2014A bond issues is 6.044 percent, 6.154 percent and 4.824 percent, respectively, which results in an overall average cost of capital of 5.843 percent. The potential cost of capital, including, TIFIA will vary depending on when funds are drawn and the timing of future TIFIA payments and prepayments.

<sup>7</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 twelve 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.