



# ***Dulles Corridor Enterprise Financial Update***

**Dulles Corridor Advisory Committee Meeting**

*November 29, 2017*

## Discussion Outline

### *Finance Plan for the Metrorail Project*

- Developments Since the June 2017 DCAC Meeting
- Allocation of Capital Costs
- Status of Committed Funding



### *Dulles Toll Road Update*

- DTR Toll Revenue and Transactions
- Estimated DTR Trip Costs
- Preliminary Schedule for Potential DTR Toll Rate Adjustment





## Developments Since the June 2017 DCAC Meeting

- ***DTR Toll Collection System Upgrade.*** The Airports Authority, through competitive procurement, has awarded a contract to design, build, and maintain a new toll collection system for the Dulles Toll Road to TransCore, a wholly-owned subsidiary of Roper Technologies. The Virginia Department of Transportation (VDOT) acquired the existing toll collection system as part of a competitive procurement in 1996.
- ***Dulles Toll Road Traffic and Revenue Study.*** The Airports Authority issued a task order to CDM Smith Inc. to prepare an updated comprehensive traffic and revenue study for the Dulles Toll Road. The scope of work is comparable to the one undertaken for the “investment grade” study that supported the financing of Phase 2 of the Rail Project in 2014.

The updated traffic and revenue model that will be developed as part of the study will facilitate the analysis of future toll rate adjustments and new tolling policies that may be considered given the capabilities of the new DTR toll collection system that will be operational in 2019.

## Rail Project Costs are Allocated in Accordance with Funding Agreements

SOURCES OF CAPITAL FUNDS  \$ Millions	PHASE 1	PHASE 2 <sup>(1)</sup>	RAIL PROJECT BUDGET <i>prior to NVTA funding</i>		RAIL PROJECT BUDGET <i>after NVTA funding</i>	
			Total	% of Total	Change	Total
<b>Federal</b>	\$ 900	\$ -	\$ 900	15.6%		\$ 900
<b>Commonwealth of Virginia <sup>(2)</sup></b>	252	323	575	10.0%		575
<b>Northern Virginia Transportation Authority <sup>(3)</sup></b>		-	-	0.0%	60.0	60
<b>Fairfax County</b>	400	527	927	16.1%	(9.7)	918
<b>Loudoun County</b>		276	276	4.8%	(2.9)	274
<b>MWAA (Aviation Funds)</b>		236	236	4.1%	(2.5)	234
<b>MWAA (Dulles Toll Road)</b>	1,430	1,415	2,845	49.4%	(45.0)	2,800
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 2,982</b>	<b>\$ 2,778 <sup>(4)</sup></b>	<b>\$ 5,760</b>	<b>100.0%</b>	<b>\$ -</b>	<b>\$ 5,760</b>

Fixed Amount
Fixed Percentage of total cost
Residual

- (1) Phase 2 Parking Garages are to be funded directly by the Counties and are not included in the Total Rail Project Budget.
- (2) Does not include \$150 million from the Commonwealth that is being used to pay interest on Dulles Toll Road revenue bonds.
- (3) NVTA grant can only be used to pay or reimburse capital costs for Innovation Center Metrorail Station.
- (4) Phase 2 Costs include \$551 million in initially unallocated contingency.

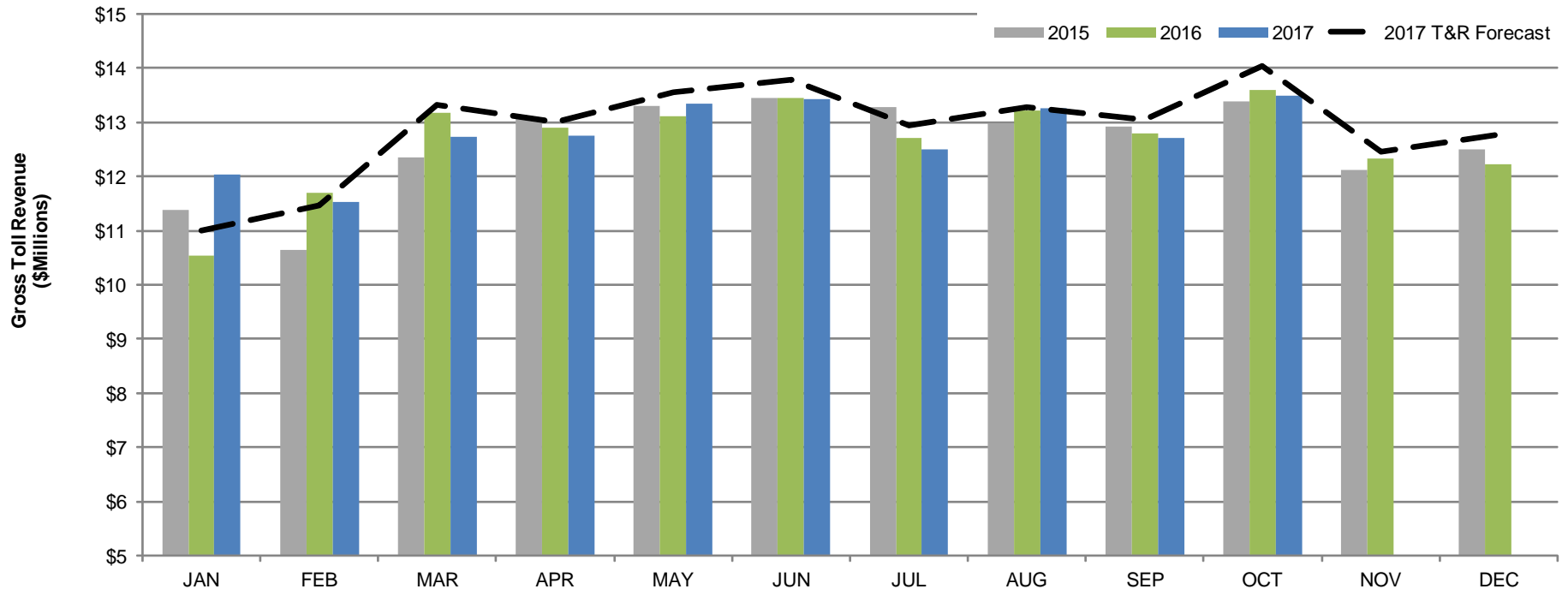
## Existing Funding Commitments are Sufficient to Complete the Metrorail Project

Source of Funds (\$Millions)	Amount Committed	Amount Received as of October 1, 2017	Remaining Commitment	Notes
Federal - FTA Full Funding Grant Agreement	\$ 900	\$ 900	\$ -	(1)
Commonwealth – Federal Surface Transportation Program	75	75	-	
Commonwealth - State Transportation Funds	500	500	-	
Northern Virginia Transportation Authority (NVTA)	60	44	16	(2)
Fairfax County	918	643	274	
Loudoun County	274	129	144	
Airports Authority - Aviation Funds	234	88	145	
Airports Authority - Dulles Toll Road	2,800	2,297	503	
<b>TOTAL SOURCES</b>	<b>\$ 5,760</b>	<b>\$ 4,677</b>	<b>\$ 1,083</b>	(3)

- (1) Congress has appropriated, and FTA has awarded, \$900 million in Section 5309 New Starts funds for the project. Approximately \$858 million was expended as of September 30, 2017.
- (2) The \$60 million NVTA grant will be provided to the Airports Authority, at the direction of Fairfax County, to pay or reimburse capital costs for Innovation Center Metrorail Station.
- (3) The total sources of committed funding does not include (a) Fairfax County and Loudoun County funding of approximately \$348 million for the Dulles Corridor Metrorail Project – Phase 2 garages, which are outside the TIFIA Project budget, and (b) \$150 million of Commonwealth funds that will be used to pay interest on revenue bonds

# DTR Toll Revenues Have Been Consistent with Projections

(YTD Unaudited)

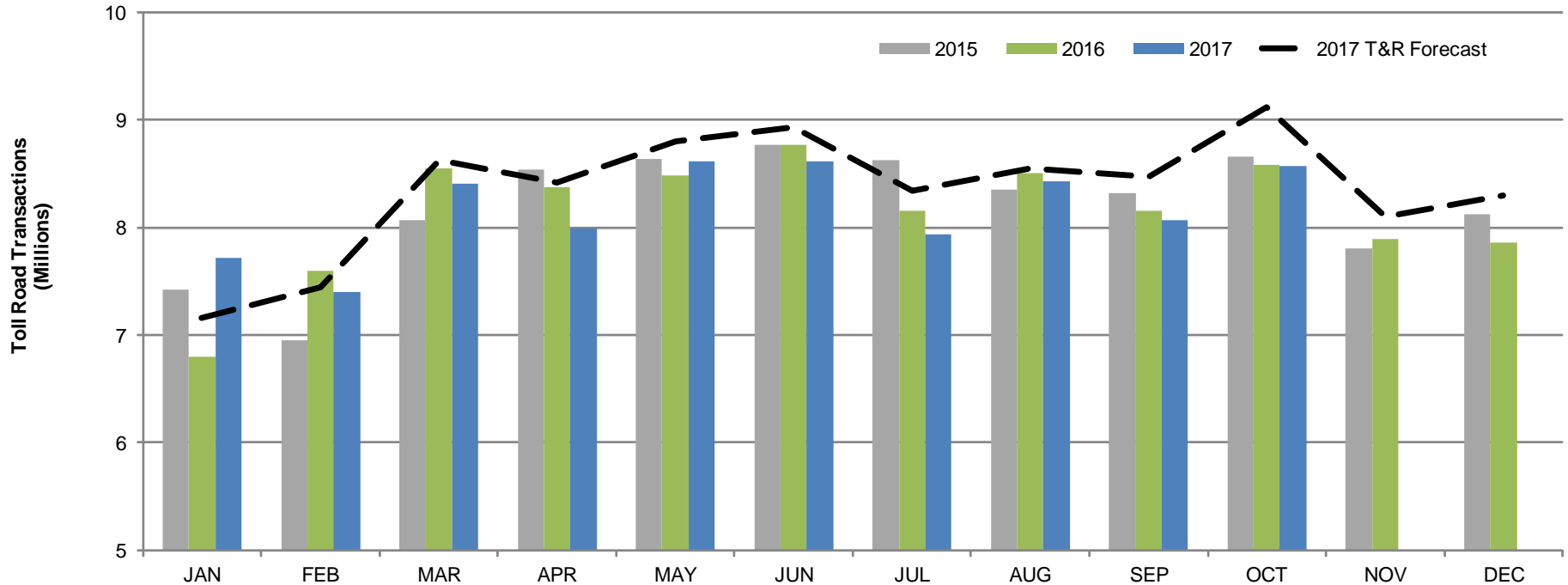


\$Millions	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SUBTOTAL	TOTAL
	Jan-Oct	Jan-Dec	Jan-Oct	Jan-Dec	Jan-Oct	Jan-Dec	Jan-Oct	Jan-Dec	Jan-Oct	Jan-Dec	Jan-Oct	Jan-Dec	Jan-Oct	Jan-Dec
<b>2017</b>	\$ 12.0	\$ 11.5	\$ 12.7	\$ 12.7	\$ 13.4	\$ 13.4	\$ 12.5	\$ 13.2	\$ 12.7	\$ 13.5			\$ 127.8	\$ 127.8
% of Forecast *	109%	101%	96%	98%	98%	97%	97%	100%	97%	96%			99%	83%
<b>2016</b>	\$ 10.5	\$ 11.7	\$ 13.2	\$ 12.9	\$ 13.1	\$ 13.5	\$ 12.7	\$ 13.2	\$ 12.8	\$ 13.6	\$ 12.3	\$ 12.2	\$ 127.2	\$ 151.8
% of Forecast *	92%	102%	97%	97%	95%	96%	96%	96%	97%	101%	97%	94%	97%	97%
<b>2015</b>	\$ 11.4	\$ 10.6	\$ 12.3	\$ 13.1	\$ 13.3	\$ 13.4	\$ 13.3	\$ 13.0	\$ 12.9	\$ 13.4	\$ 12.1	\$ 12.5	\$ 126.8	\$ 151.4
% of Forecast *	93%	93%	93%	99%	100%	99%	98%	102%	100%	99%	102%	99%	98%	98%

\* T&R Forecasts for 2015 , 2016 and 2017 are based upon the CDM Smith Dulles Toll Road Comprehensive Traffic and Revenue Study 2014 Update Final Report (April 2014)

# DTR Toll Transactions are also in Line with Expectations

(YTD Unaudited)



Millions	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SUBTOTAL	TOTAL
													Jan-Oct	Jan-Dec
<b>2017</b>	<b>7.72</b>	<b>7.40</b>	<b>8.40</b>	<b>7.99</b>	<b>8.61</b>	<b>8.61</b>	<b>7.93</b>	<b>8.43</b>	<b>8.06</b>	<b>8.56</b>			<b>81.72</b>	<b>81.72</b>
% of Forecast *	108%	99%	97%	95%	98%	96%	95%	99%	95%	94%			97%	82%
<b>2016</b>	<b>6.80</b>	<b>7.60</b>	<b>8.55</b>	<b>8.38</b>	<b>8.49</b>	<b>8.76</b>	<b>8.16</b>	<b>8.50</b>	<b>8.15</b>	<b>8.58</b>	<b>7.89</b>	<b>7.86</b>	<b>81.97</b>	<b>97.72</b>
% of Forecast *	93%	104%	99%	99%	96%	99%	97%	98%	97%	100%	98%	95%	98%	98%
<b>2015</b>	<b>7.42</b>	<b>6.95</b>	<b>8.07</b>	<b>8.53</b>	<b>8.63</b>	<b>8.76</b>	<b>8.62</b>	<b>8.35</b>	<b>8.32</b>	<b>8.66</b>	<b>7.81</b>	<b>8.12</b>	<b>82.31</b>	<b>98.24</b>
% of Forecast *	95%	95%	96%	102%	102%	102%	101%	103%	101%	101%	103%	101%	100%	100%

\* T&R Forecasts for 2015 , 2016 and 2017 are based upon the CDM Smith Dulles Toll Road Comprehensive Traffic and Revenue Study 2014 Update Final Report (April 2014)

## DTR Toll Rates: Current Disclosure and Investor Expectations

	<b>Cost of Full Trip *</b> <i>(Mainline Plaza toll plus one ramp transaction)</i>
<b>2013</b>	<b>\$2.75</b>
<b>2014</b>	<b>\$3.50</b>
<b>2015</b>	<b>\$3.50</b>
<b>2016</b>	<b>\$3.50</b>
<b>2017</b>	<b>\$3.50</b>
<b>2018</b>	<b>\$3.50</b>
<b>2019 - 2022</b>	<b>\$4.75</b>
<b>2023 - 2027</b>	<b>\$6.00</b>
<b>2028 - 2032</b>	<b>\$7.25</b>
<b>2033 - 2037</b>	<b>\$8.75</b>
<b>2038 - 2042</b>	<b>\$10.00</b>
<b>2043 - 2058</b>	<b>\$11.25</b>

“The Airports Authority most recently amended its toll rates regulations in 2012 to provide for toll rate increases effective on January 1 in the years 2013 and 2014. There are no current toll increases planned through 2018.”

*Excerpt from the official statement for the Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2014A*

\* Order-of-magnitude estimates based on numerous assumptions, including no future debt restructurings.



## Airports Authority Regulatory Process for Toll Rate Adjustments

The Airports Authority has the exclusive right to establish, charge and collect tolls and other fees for the use of the Dulles Toll Road.

Prior to adjusting toll rates, the Airports Authority must follow its process for promulgating regulations, including convening one or more public hearings in the Dulles Corridor to provide members of the public and others an opportunity to become informed about, and express their views on, any proposed toll rate changes.

The Airports Authority also consults with the Dulles Corridor Advisory Committee (DCAC) with respect to any proposed toll rate adjustments, but DCAC consent or approval of toll rate adjustments is not required under the agreements with the Commonwealth.

## Preliminary Schedule for Potential Toll Rate Adjustment \*

2017	Q4	Overview of toll rate setting process with Board Committees and DCAC
2018	Q1	Briefings for Board Committees and DCAC on draft report of T&R consultant and toll adjustment options. Board authorization to initiate regulatory process.
	Q2	Public hearings; additional consultation with DCAC.
	Q3	Board receives staff report on public comments and advisory comments from DCAC
	Q4	Board action on toll rates for 2019-2022.

\* Preliminary; subject to change.



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