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# West Virginia Parkways Authority

## Roads to Prosperity Program



Bonding Capacity Analysis



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SERVING CLIENTS SINCE 1985

*March 27, 2018*



## Program Objectives

- Create a long term sustainable program that will allow the State and Turnpike to maximize the funding for both on Parkways and off Parkways capital projects while maintaining the Turnpike in good condition.
- Tolling program includes a flat fee option that provides unlimited passage to passenger (Class 1) vehicles who purchase a WV transponder and pay an annual fee.
- Maximize credit rating achieved on the bonds issued.
  - Target an 'A' category or higher credit rating.
  - Maintain Debt Service Coverage above 2.0x.
  - Include fully funded debt service reserve fund.
  - Demonstrate sum sufficiency for funding O&M, Debt Service, Turnpike R&R and Capital.



## Structuring Assumptions

- All toll rate increases take effect January 1, 2019.
- Flat fee program becomes available in 2018 (with initial discount option) - \$25 annual fee takes effect January 1, 2019.
- All projected renewal and replacement requirements and capital expenditures are funded from bond proceeds, annual cash flows (after debt service) or the capital fund.
- Bonds are projected to be issued in two phases:
  - First Issuance – July 2018
  - Second Issuance – August 2020
- Each issuance will require a portion of the proceeds be used to fund both on Parkway and off Parkway projects.
- Structure assumes current outstanding debt is defeased with existing reserves at the time of issuance.
- Cash flows demonstrate that future toll increases will be necessary to maintain sum sufficiency.

# Issuance Summary

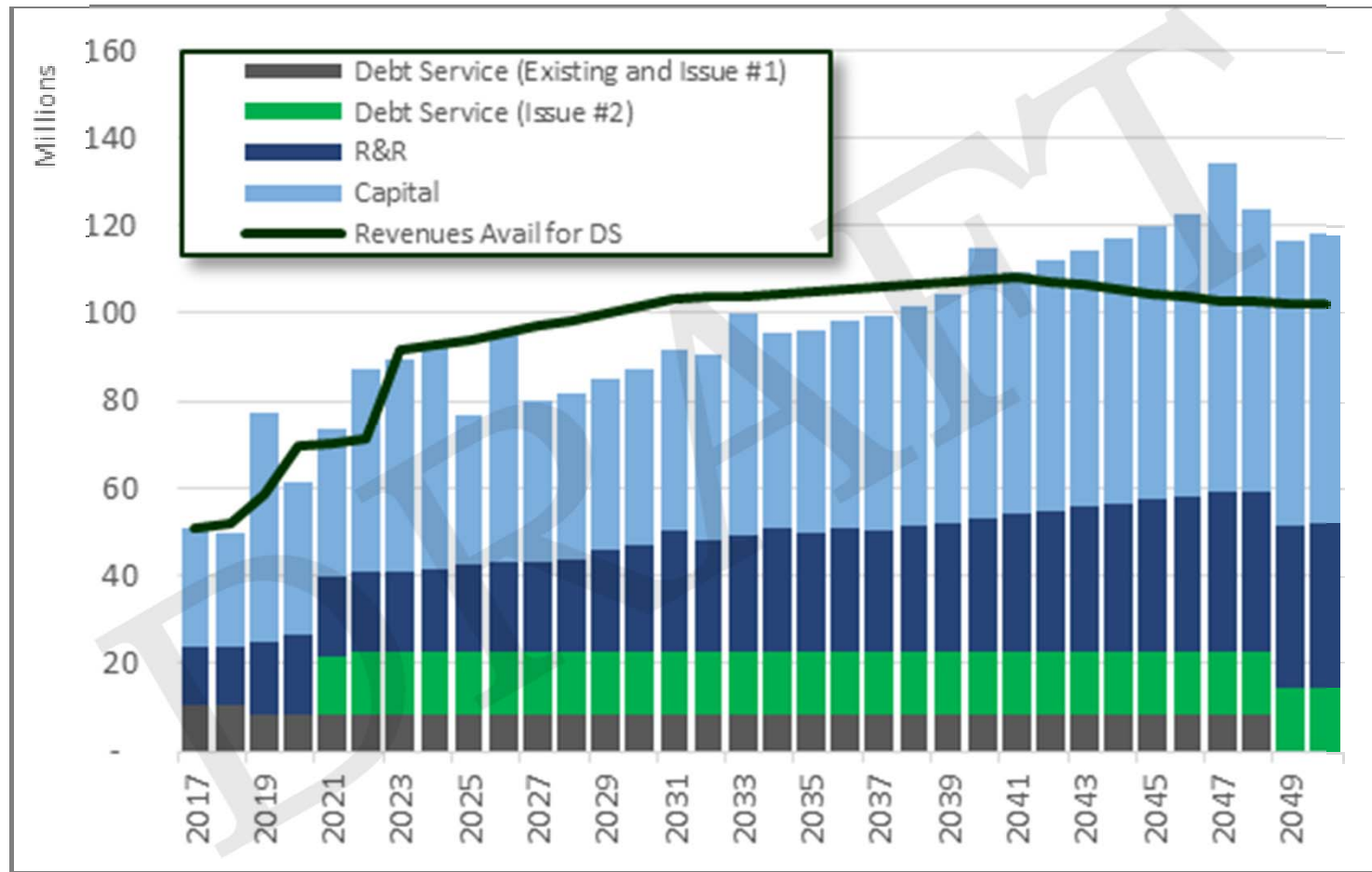


Proposed Issuances			
	FY 2019 Issuance	FY 2021 Issuance	Aggregate
<b>Road to Prosperity Program</b>			
Bond Funded Projects	\$120 million	\$198 million	\$318 million
Amortization Term	30 Years	30 Years	30 Years
Final Maturity	2048	2050	2050
<b>Parkways Program</b>			
Bond Funded Projects	\$13 million	\$20 million	\$33 million
Amortization Term	30 Years	30 Years	30 Years
Final Maturity	2048	2050	2050
Projects Funded from Cash Flows			\$1,644 million
<b>Aggregate Program</b>			
Total Bond Funded Projects	\$133 million	\$218 million	\$351 million
Minimum Coverage	4.72 x	3.14 x	3.14 x
Capital Fund Balance at Maturity			\$12 million

(1) Results are preliminary subject to change. Reflects market conditions as of COB 03/15/2018.



# Cash Flow Comparison





# Cash Flow Analysis

(\$ in 000)									
	Total Revenues	O&M <sup>1</sup>	Revenues Avail for DS	Debt Service (Existing and Issue #1) <sup>2</sup>	Debt Service (Issue #2) <sup>2</sup>	R&R	Capital	Remaining Funds	Capital Fund YE Balance <sup>3</sup>
06/30/17	90,870	40,056	50,814	10,760		13,200	26,656	199	7,000
06/30/18	92,080	40,056	52,024	10,719	-	13,200	25,550	2,555	9,555
06/30/19	101,590	43,093	58,497	8,042	-	16,988	52,200	(18,734)	3,871
06/30/20	113,280	43,955	69,325	8,295	-	18,350	34,882	7,799	11,670
06/30/21	115,010	44,834	70,176	8,297	13,165	18,202	33,748	(3,235)	28,346
06/30/22	116,780	45,731	71,049	8,296	14,362	18,167	46,640	(16,416)	11,930
06/30/23	138,130	46,645	91,485	8,296	14,363	18,396	48,520	1,910	13,840
06/30/24	140,340	47,578	92,762	8,295	14,361	18,898	50,868	339	14,179
06/30/25	142,610	48,530	94,080	8,295	14,361	19,683	34,543	17,199	31,378
06/30/26	144,970	49,500	95,470	8,294	14,363	20,215	52,579	20	31,398
06/30/27	147,410	50,490	96,920	8,292	14,363	20,632	36,646	16,987	48,384
06/30/28	149,900	51,500	98,400	8,295	14,363	21,192	37,746	16,804	65,188
06/30/29	152,500	52,530	99,970	8,295	14,362	23,303	38,878	15,132	80,321
06/30/30	155,160	53,581	101,579	8,294	14,363	24,304	40,044	14,574	94,895
06/30/31	157,910	54,652	103,258	8,296	14,363	27,582	41,246	11,770	106,665
06/30/32	159,370	55,746	103,624	8,296	14,362	25,466	42,483	13,018	119,683
06/30/33	160,880	56,860	104,020	8,292	14,361	26,436	50,758	4,173	123,856
06/30/34	162,440	57,998	104,442	8,291	14,361	28,029	45,070	8,691	132,548
06/30/35	164,060	59,158	104,902	8,291	14,362	27,238	46,422	8,589	141,136
06/30/36	165,720	60,341	105,379	8,293	14,363	27,976	47,815	6,932	148,069
06/30/37	167,440	61,548	105,892	8,295	14,362	27,715	49,249	6,271	154,340
06/30/38	169,210	62,779	106,431	8,296	14,363	28,468	50,727	4,578	158,918
06/30/39	171,040	64,034	107,006	8,292	14,363	29,243	52,249	2,859	161,777
06/30/40	172,930	65,315	107,615	8,293	14,362	30,460	61,816	(7,316)	154,461
06/30/41	174,870	66,621	108,249	8,292	14,363	31,282	55,431	(1,119)	153,342
06/30/42	175,270	67,954	107,316	8,294	14,361	32,129	57,094	(4,561)	148,781
06/30/43	175,700	69,313	106,387	8,293	14,363	33,002	58,806	(8,077)	140,704
06/30/44	176,150	70,699	105,451	8,294	14,361	33,900	60,571	(11,674)	129,030
06/30/45	176,640	72,113	104,527	8,296	14,363	34,826	62,388	(15,346)	113,685
06/30/46	177,160	73,555	103,605	8,294	14,363	35,522	64,259	(18,833)	94,851
06/30/47	177,700	75,026	102,674	8,296	14,362	36,233	75,187	(31,404)	63,448
06/30/48	178,280	75,794	102,486	8,291	14,362	36,595	64,242	(21,004)	42,444
06/30/49	178,890	76,570	102,320	-	14,363	36,961	65,329	(14,333)	28,111
06/30/50	179,510	77,353	102,157	-	14,363	37,331	66,281	(15,818)	12,293
<b>TOTAL</b>	<b>5,221,800</b>	<b>1,981,507</b>	<b>3,240,293</b>	<b>270,047</b>	<b>429,671</b>	<b>891,122</b>	<b>1,676,923</b>	<b>(27,470)</b>	

(1) O&M, R&R and Capital reflect amounts prepared by HNTB.

(2) Debt Service includes amounts related to the RTP Program and any Parkways Bonds. Results are preliminary and subject to change.

(3) Capital Fund Balance reflects deposits from proceeds of any Parkways Bonds issued in FY 2019 and FY 2021.