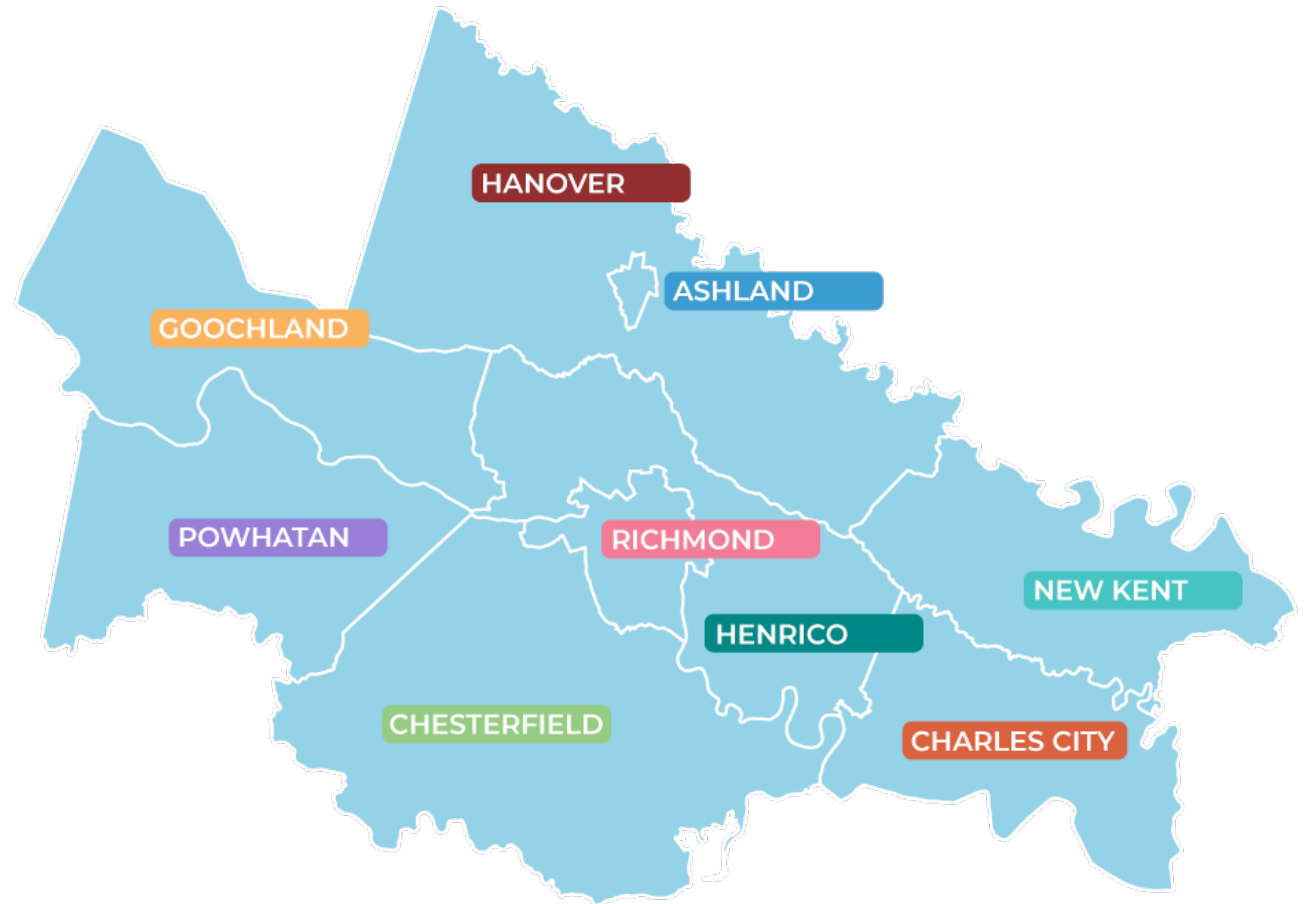


CVTA FINANCE WORKING GROUP UPDATE

CVTA FINANCE COMMITTEE
FEBRUARY 09, 2022



OVERVIEW

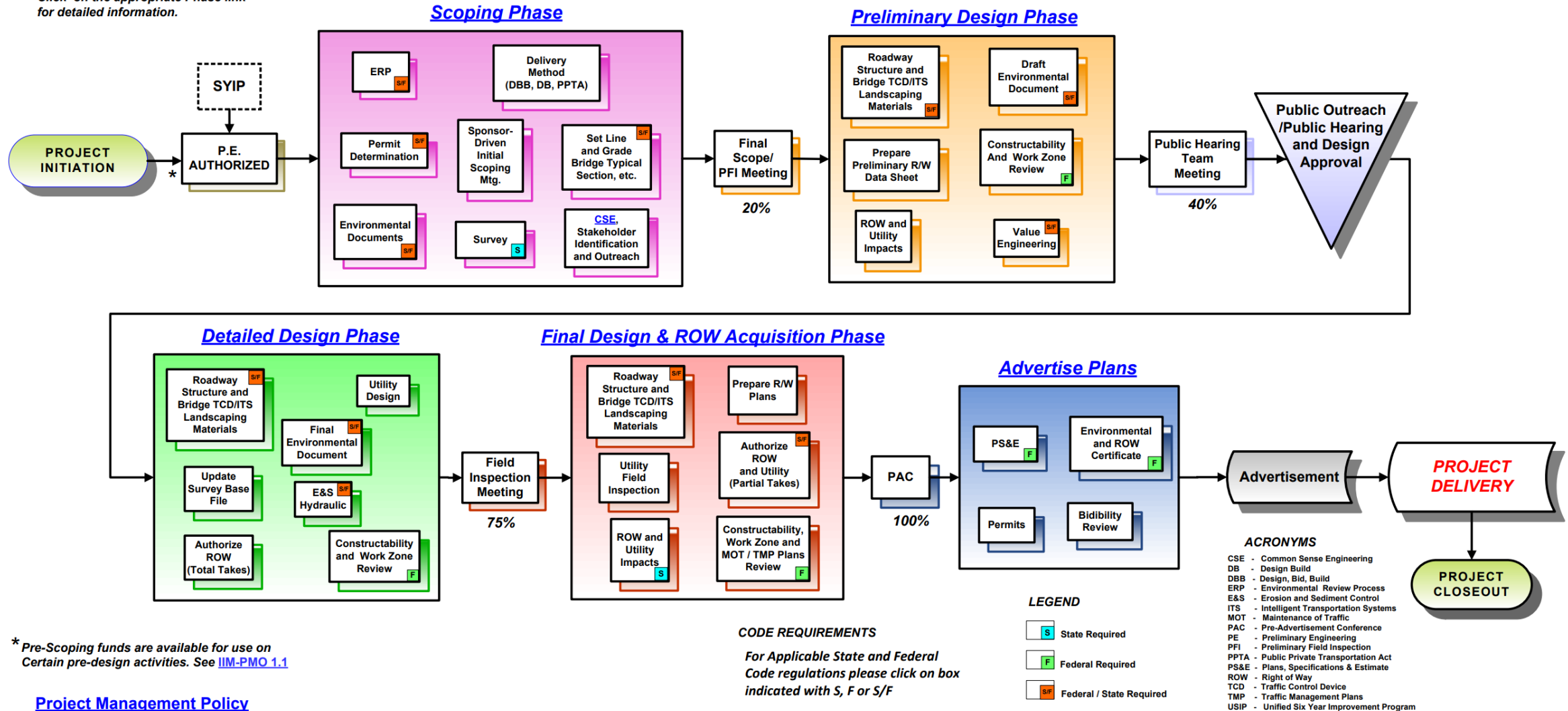
- Staff has been charged with producing some broad concepts around which a multi-year capital plan could be built.
- Staff has provided a couple of debt options.
- Staff reviewed policies of CVTA's two peer authorities (NVTa and HRTAC), used feedback from consultations with financial advisors, and leaned on the policies of the respective jurisdictions
- The information provided is not intended to serve as a full set of debt policies and is only meant to provide high level guidance for capital planning purposes.
- A full set of policies could be drafted in partnership with the Authority's financial advisor

GENERAL OBSERVATIONS

- Peer authority review
 - NVTA – hybrid bond / pay-go model
 - NVTA more closely resembles CVTA (70% regional revenue, 30% local)
 - HRTAC – largely bonded – large projects
 - Debt service thru 2057
 - Funds from both authorities has been successfully used to leverage other funding sources
- Pay-go vs. bonding
 - Pay-go
 - Pros - greater flexibility in the future, spend plan can match project timelines with finances
 - Cons – projects may need to be staggered
 - Bonding
 - Pros – funding for large projects, multiple projects can concurrently be funded
 - Cons – revenues could be tied up for years, reduces future flexibility

PROJECT DEVELOPMENT PROCESS

Click on the appropriate Phase link for detailed information.



* Pre-Scoping funds are available for use on Certain pre-design activities. See [IIM-PMO 1.1](#)

[Project Management Policy](#)

CVTA REGIONAL FUNDING APPLICATIONS OVERVIEW

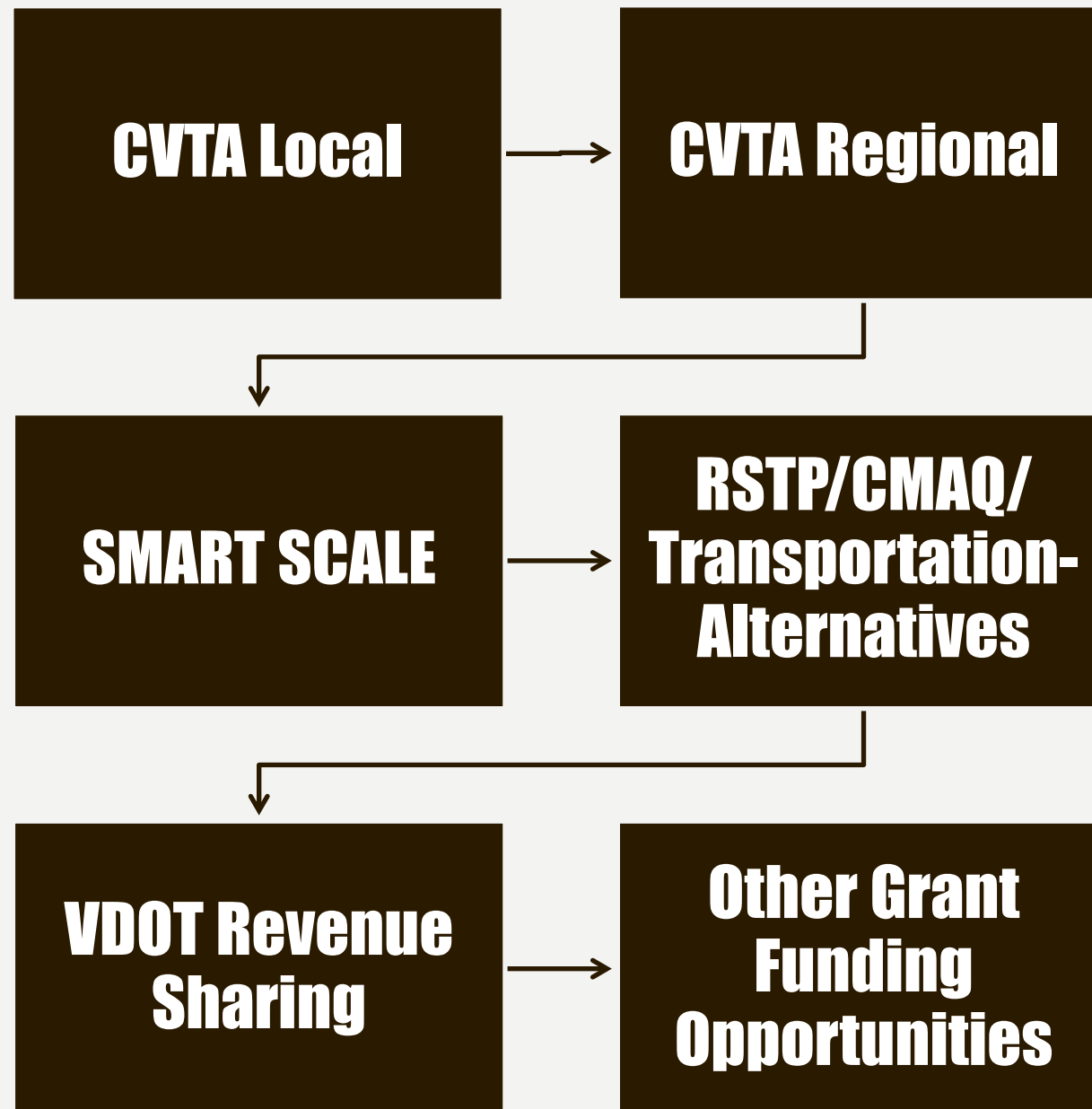
- 37 applications submitted
- Eight of nine jurisdictions represented
- Total Cost = \$1,050,597,375
- Total Request = \$808,557,788
- **Average Request = \$21,852,913**
- **Median Request = \$7,000,000**
- Highest Request = \$396,887,519
- Lowest Request = \$250,000

REGIONAL FUNDING APPLICATIONS – TOP SEVEN

- Range of funding = \$23M to \$397M (outlier)
- Administration
 - VDOT = 3
 - Local = 4
- Project Types
 - Six are highway or roadway projects
 - One is a bridge improvement project
- Six out of seven have a supporting planning study
- Preliminary Engineering
 - 2018 – 1 project
 - 2022 – 4 projects
 - 2025 – 2 projects
- Three out of the seven have other committed funding

FUNDING OPPORTUNITIES

- CVTA Regional revenues provide opportunities for leveraged funding
 - SMART SCALE
 - Federal Funds
- Additional Funds
 - SMART SCALE - \$753.3M
 - State of Good Repair - \$661.2M
 - Interstate - \$543.3M
 - RSTP - \$137.5M
 - CMAQ - \$37.5M
 - Federal – Multiple New Programs



BONDING POTENTIAL

	10% Pledge CVTA Regional Revenues (\$Millions)		
FY	Debt Service	Bond Amount	Pay-go
2022	\$6.34	\$90.55	\$57.05
2023	\$6.75	\$96.45	\$60.76
2024	\$6.91	\$98.75	\$62.21
2025	\$7.05	\$100.70	\$63.44
2026	\$7.10	\$101.40	\$63.88
2027	\$7.16	\$102.25	\$64.42
2028	\$7.23	\$103.25	\$65.05

- Scenario assumes 20-year amortization with debt service equal to 7% of the bonded amount
- Bond amounts shown are one-time amounts for a particular year
- Pay-go amounts occur annually and are shown to demonstrate the impact of debt service

RECOMMENDATIONS

- CVTA could benefit more from a flexible, largely pay-go model
 - Project size (average \$22M) and project timelines are the main factor
 - A CVTA regional spend plan can optimize available funds
- CVTA regional funding can be leveraged to improve competitiveness for outside funding applications (State and Federal)
 - Many of the regional applications intend to apply for SMART SCALE
 - Influx of additional federal funding provides more opportunities to leverage funds
 - Some regional projects may be great candidates for some of the new federal programs
 - Can help with some of the larger requests



QUESTIONS?