

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**AGENDA**  
**CENTRAL FLORIDA EXPRESSWAY AUTHORITY**  
**FINANCE COMMITTEE MEETING**  
**July 25, 2019**  
**1:00 p.m.**

**Meeting location: Central Florida Expressway Authority**  
**Pelican Conference Room #107**  
**4974 ORL Tower Road**  
**Orlando, FL 32807**

**A. CALL TO ORDER**

**B. PUBLIC COMMENT**

Pursuant to Florida Statute 286.0114 the Finance Committee will allow public comment on any matter either identified on this meeting agenda as requiring action or anticipated to come before the Committee for action in reasonable proximity to this meeting. Speakers shall be limited to three minutes per person and the assignment of one person's time to another or designation of group spokesperson shall be allowed at the discretion of the Committee Chairman.

**C. APPROVAL OF APRIL 25, 2019 FINANCE COMMITTEE MEETING MINUTES (Action Item)**

**D. MUNICIPAL MARKET OVERVIEW- PFM (Info Item)**

**E. DISCUSSION AND RECOMMENDATION OF BOND ISSUANCE(S)- Lisa Lumbard, CFO and PFM (Action Item)**

**F. OTHER BUSINESS**

**G. ADJOURNMENT**

This meeting is open to the public.

Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act (ADA), if any person with a disability as defined by the ADA needs special accommodation to participate in this proceeding, then not later than two (2) business days prior to the proceeding, he or she should contact the Central Florida Expressway Authority at 407-690-5000.

Persons who require translation services, which are provided at no cost, should contact CFX at (407) 690-5000 x5316 or by email at [Iranetta.dennis@CFXway.com](mailto:Iranetta.dennis@CFXway.com) at least three business days prior to the event.

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**DRAFT MINUTES**  
**CENTRAL FLORIDA EXPRESSWAY AUTHORITY**  
**FINANCE COMMITTEE MEETING**  
**April 25, 2019**

**Location: Central Florida Expressway Authority**  
**Pelican Conference Room 107**  
**4974 ORL Tower Road**  
**Orlando, FL 32807**

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Committee Members Present:

Jennifer Barker, Lake County  
Jason Bates, Citizen Representative  
Amanda Clavijo, Osceola County  
Timothy Jecks, Seminole County  
Chris McCullion, City of Orlando

Committee Members Not Present:

Kurt Petersen, Orange County, Committee Chairman  
Wael Saeed, Citizen Representative  
Brevard County: Not appointed

Also Present:

Laura Kelley, Executive Director  
Joseph L. Passiatore, General Counsel  
Lisa Lumbar, Chief Financial Officer  
Michael Carlisle, Director of Accounting and Finance  
Ruth Valentin, Recording Secretary/Administrative Coordinator  
Joe Stanton, Nelson, Mullins, Broad and Cassel  
Hope Scarpinato, PFM  
Nathaniel Johnson, J.P. Morgan  
Tamaa Patterson, Jefferies  
Rawn Williams, Jefferies  
Aliraza Hassan, Jefferies

**A. CALL TO ORDER**

Kurt Petersen, Orange County and Committee Chairman was not present. The committee members came to a unanimous decision to appoint Amanda Clavijo as Pro Temp Chairman.

**B. PUBLIC COMMENT**

There was no public comment.

**C. APPROVAL OF MINUTES**

**A motion was made by Mr. Bates and seconded by Ms. Barker to approve the October 1, 2018 Finance Committee minutes as presented. The motion carried unanimously with five members voting AYE by voice vote; Mr. Petersen and Mr. Saeed were not present.**

**D. UPDATED DEBT SUMMARY**

Hope Scarpinato, PFM, presented the Updated Debt Summary.

(This item was presented for information only. No formal committee action was taken.)

**E. RECOMMENDATION OF DRAFT FY 2020 OPERATIONS, MAINTENANCE & ADMINISTRATION BUDGET AND DRAFT FY 2020 – FY 2024 FIVE YEAR WORK PLAN**

Lisa Lumbard, CFO, presented the draft FY 2020 Operations, Maintenance and Administration Budget and Glenn Pressimone presented the draft FY 2020 – FY 2024 Five Year Work Plan.

**A motion was made by Mr. McCullion and seconded by Mr. Bates to support the recommendation to bring the draft FY 2020 Operations, Maintenance and Administration Budget and draft FY 2020 – FY 2024 Five Year Work Plan to the Board. The motion carried unanimously with five members voting AYE by voice vote; Mr. Petersen and Mr. Saeed were not present.**

**F. OTHER BUSINESS**

Pro Temp Chairman Ms. Clavijo informed the committee that Osceola County will hold a special election on Tuesday, May 21, 2019 for a transportation surtax.

**G. ADJOURNMENT**

The meeting adjourned at 2:22 p.m.

Minutes approved on \_\_\_\_\_, 2019.

*Pursuant to the Florida Public Records Law and the CFX Records & Information Management Program Policy, audio tapes of all Board and applicable Committee meetings are maintained and available upon request to the Custodian of Public Records at (407) 690-5326, PublicRecords@CFXway.com, or 4974 ORL Tower Road, Orlando, FL 32807.*



# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

## Finance Committee Meeting

**Presented By:**  
**Brent Wilder & Hope Scarpinato**

July 25, 2019

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PFM Financial  
Advisors LLC

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300 S. Orange Avenue,  
Suite 1170  
Orlando, FL 32801

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407-648-2208  
pfm.com



## Presentation Agenda

- I. Market Overview
  - II. Potential Future Transactions
    - Poinciana Parkway Refunding
    - New Money CIP Funding
    - Cash Optimization (2013A)
  - III. Variable Rate Debt Overview & Swap Termination Parameters
  - IV. Next Steps
- Appendix: Outstanding Debt Overview

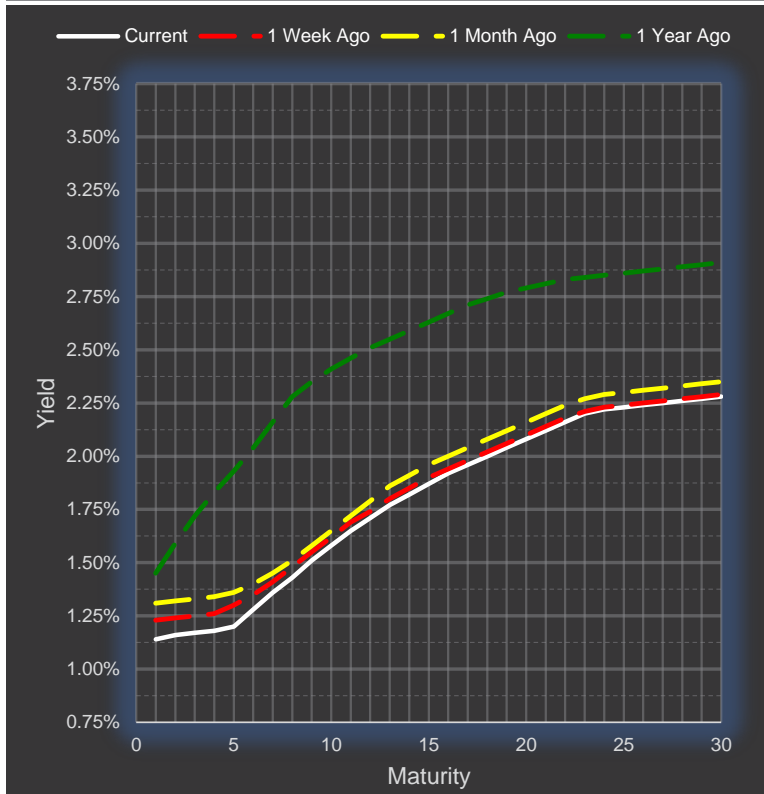


# Municipal Market Overview



# Muni Market Overview

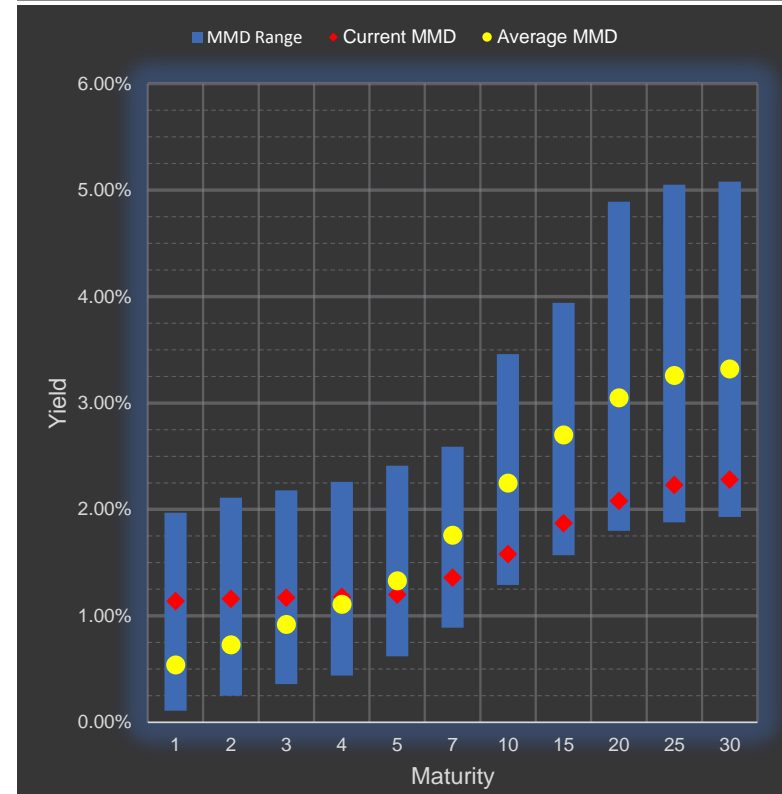
M M D AAA G O .Curve



Spot Rates

	Current	1 Week Ago	1 Month Ago	1 Year Ago
2-Year	1.16%	1.24%	1.32%	1.59%
5-Year	1.20%	1.30%	1.36%	1.93%
7-Year	1.36%	1.41%	1.45%	2.16%
10-Year	1.58%	1.62%	1.65%	2.41%
30-Year	2.28%	2.29%	2.35%	2.91%

M M D Ranges Over Past 10 Years



MMD Ranges Over Past 10 Years

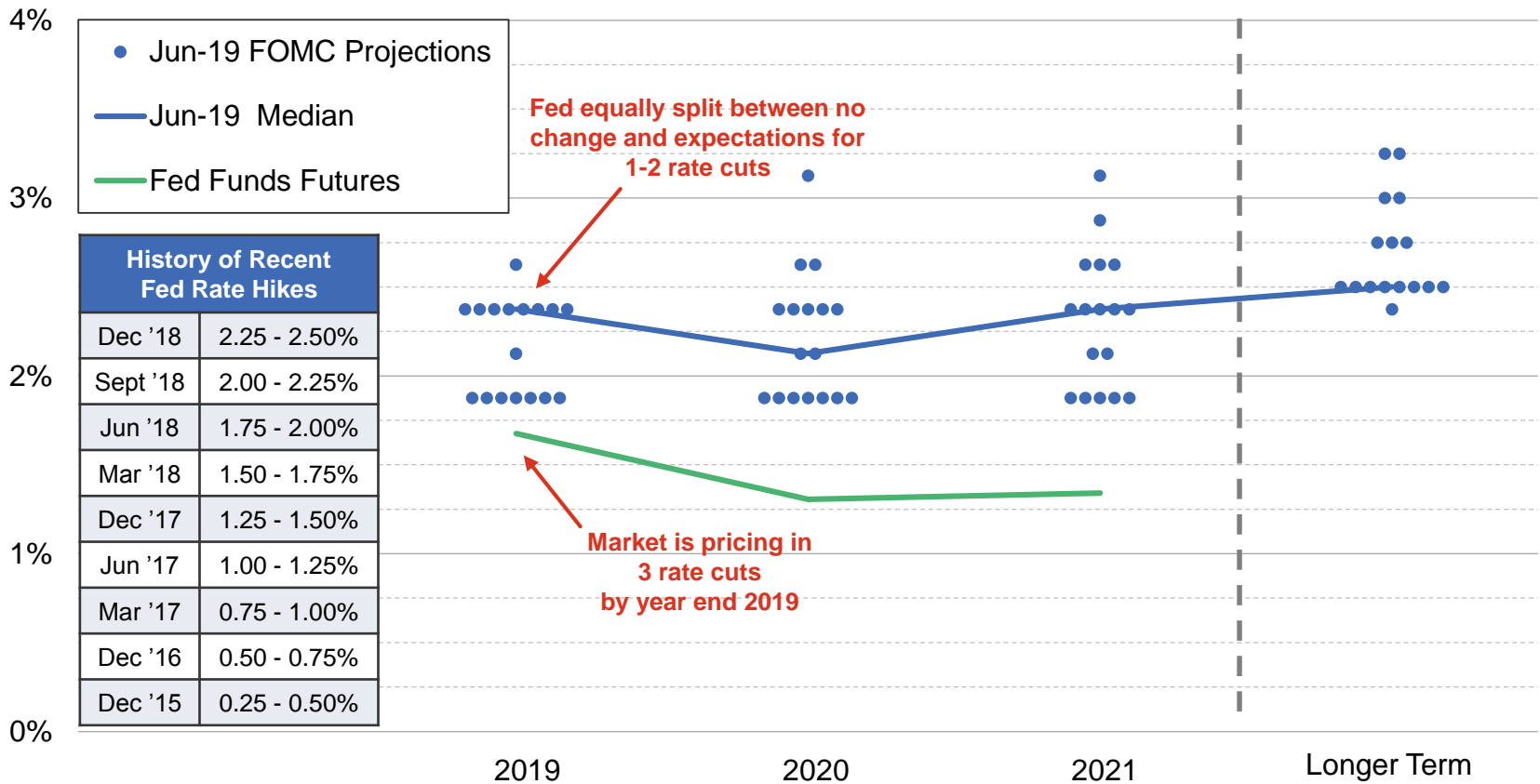
	Current	10yr Avg	vs. 10yr Avg	Min	Max
2-Year	1.16%	0.73%	43 bps	0.25%	2.11%
5-Year	1.20%	1.33%	-13 bps	0.62%	2.41%
7-Year	1.36%	1.76%	-40 bps	0.89%	2.59%
10-Year	1.58%	2.25%	-67 bps	1.29%	3.46%
30-Year	2.28%	3.32%	-104 bps	1.93%	5.08%

Source: Thomson Reuters  
As of July 12, 2019



# Market Projects Multiple Rate Cuts by Year End

## Fed Participants' Assessments of 'Appropriate' Monetary Policy



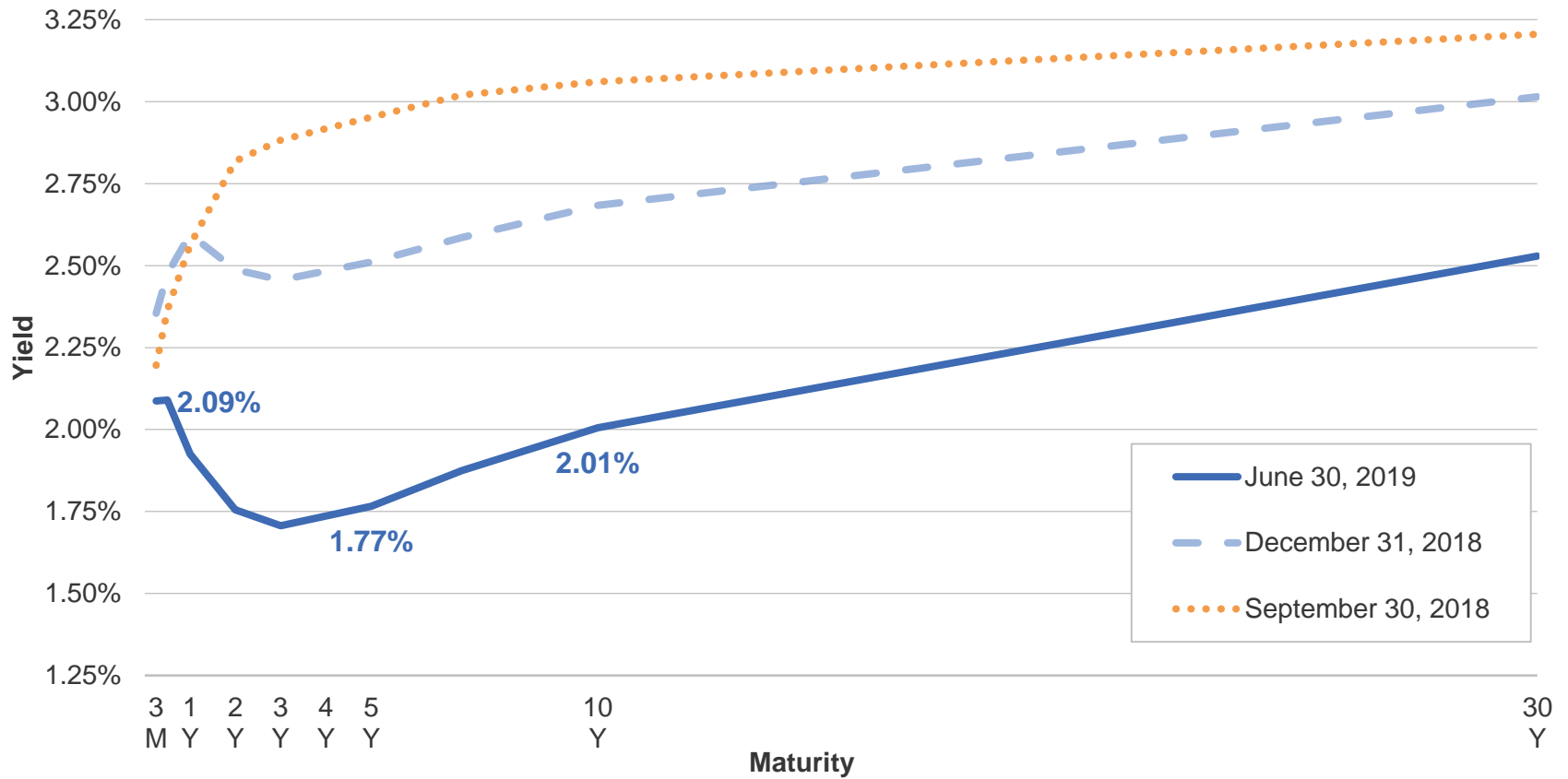
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 6/19/19.





# Yield Curve Remains Mostly Inverted

## U.S. Treasury Yield Curve



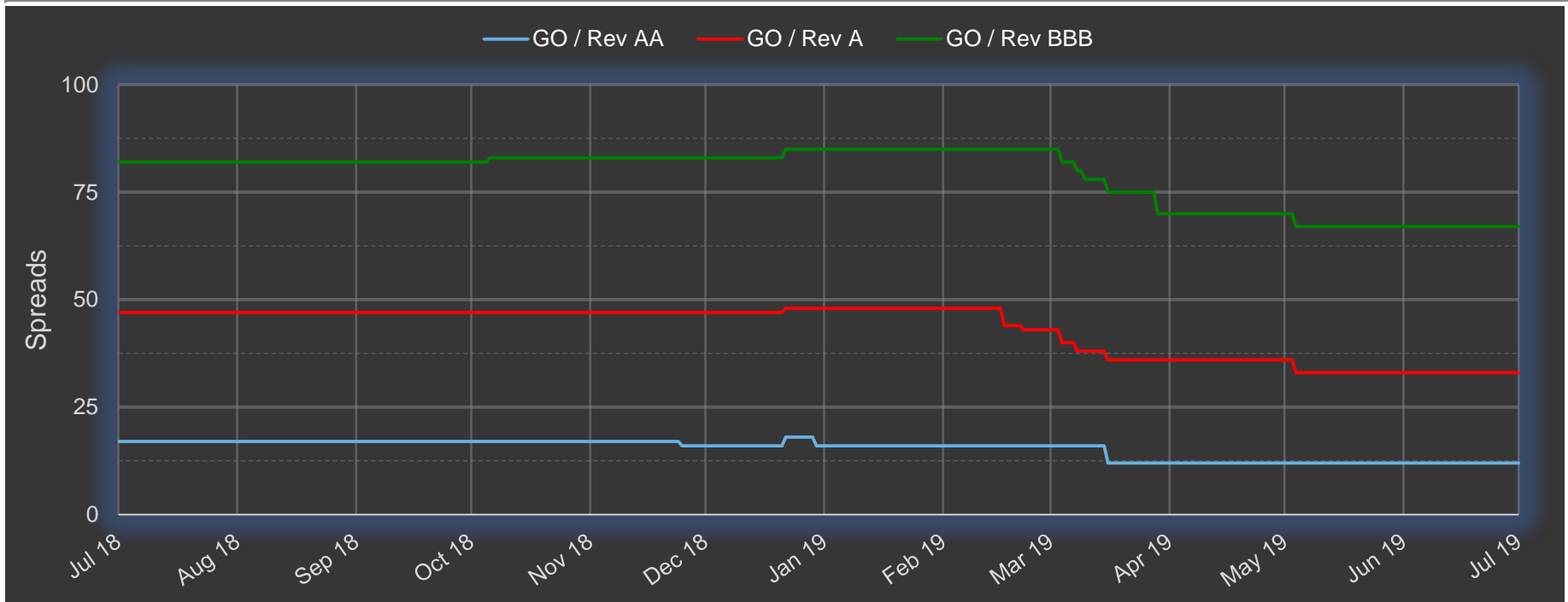
Source: Bloomberg, as of 6/30/19.



## Municipal Credit Spreads vs 10-Year AAA MMD

- ◆ Credit spreads decreased over the last few months

Generic GO & Revenue Spreads to AAA MMD (10-Year Maturity)



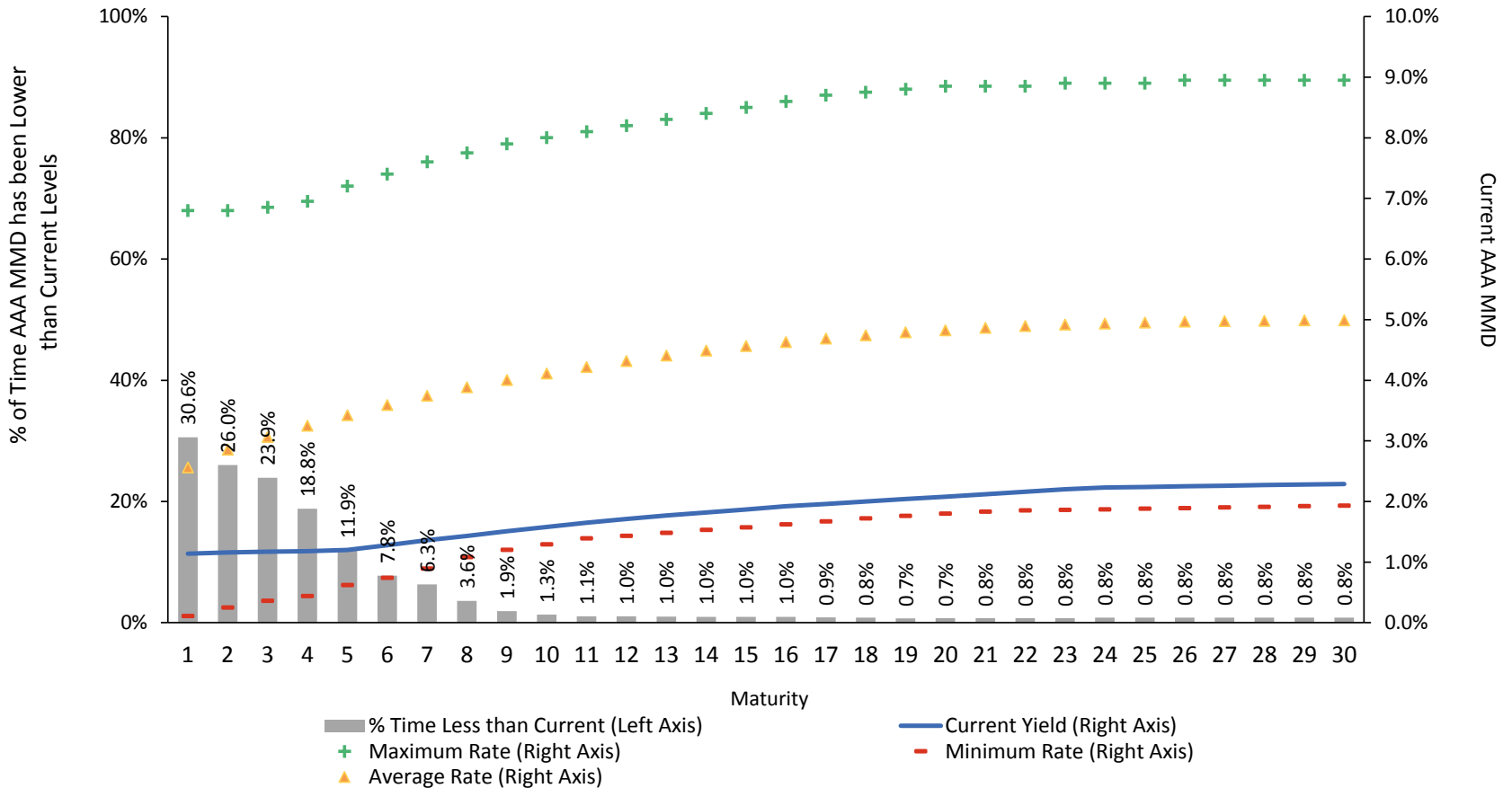
Source: Thomson Reuters  
As of July 12, 2019



# AAA MMD Over Time

**% Of Time AAA MMD Has Been Lower Since 1986 (Left Axis)**

**07/16/2019 AAA MMD Curve (Right Axis)**





# Poinciana Parkway Refunding



## Poinciana Parkway

- The Poinciana Parkway became a CFX non-system asset in January 2019
- The Poinciana Parkway was partially financed with Expressway System Senior Lien Revenue Bonds in 2014 (the “Series 2014 Bonds”)
  - Bonds were issued by Osceola County
  - Secured by revenues of the Poinciana System
- The Project Development & Environment Study for the Poinciana Parkway Extension is currently in process
- The Poinciana Parkway will become a system asset therefore the Series 2014 Bonds will be secured by the entire CFX System
- Based on current market conditions, it is estimated CFX could refund the Series 2014 Bonds for present value savings



## Poinciana Parkway Refunding Update

- ◆ The Series 2014 Bonds are outstanding in an amount of \$69,030,317 (\$81,704,366 including CAB Accretion)
- ◆ Call Features:
  - \$34,765,000 of Current Interest Bonds are callable on October 1, 2024
  - A portion of the CABs and CCABs maturing prior to 2031 are non-callable
  - All CCABs maturing after 2031 are callable on October 1, 2031 (\$45.2 million including accretion)

### ◆ Refunding Analysis:

- Security: CFX Senior Lien System Credit (A+/A1/A+)
- Assuming 5.0% coupons, a refunding of the bonds into the CFX System credit results in over 5.0% of debt service savings. 4% coupons result in almost 10% of debt service savings

Estimated Refunding Savings		
Coupon Structure	5.00% Coupons	4.00% Coupons
<b>Par Amount</b>	\$87,870,000	\$96,325,000
<b>Premium</b>	\$19,738,789	\$11,147,085
<b>Escrow Cost</b>	\$105,706,028	\$105,706,028
<b>All-In TIC</b>	3.50%	3.26%
<b>Savings (\$)</b>	\$4,617,793	\$8,129,145
<b>Savings (%)</b>	5.65%	9.95%

- ◆ Recommendation: Based on favorable market conditions, authorize the issuance of refunding bonds to refund the Poinciana Expressway System Senior Lien Revenue Bonds, Series 2014



# Potential Future Transactions



## Planned Future Debt Issues

- The approved 5-Year Work Plan for FY 2020 – FY 2024 is over \$2.5 billion
- CFX anticipates debt financing \$1.4 billion or 54% of the 5-Year work plan
- Over the 15-Year horizon, CFX anticipates debt funding \$2.2 billion (43%) of total capital costs
- Estimated Debt Issues are provided below

<b>Future Debt Issuances</b>	<b>Dated Date</b>	<b>Par Amount<sup>1</sup></b>
Series 2020 Revenue Bonds	7/1/2020	155 MM
Series 2021 Revenue Bonds	7/1/2021	521 MM
Series 2022 Revenue Bonds	7/1/2022	499 MM
Series 2023 Revenue Bonds	7/1/2023	284 MM
Series 2024 Revenue Bonds	7/1/2024	168 MM
Series 2025 Revenue Bonds	7/1/2025	119 MM
Series 2026 Revenue Bonds	7/1/2026	156 MM
Series 2027 Revenue Bonds	7/1/2027	145 MM
Series 2028 Revenue Bonds	7/1/2028	119 MM

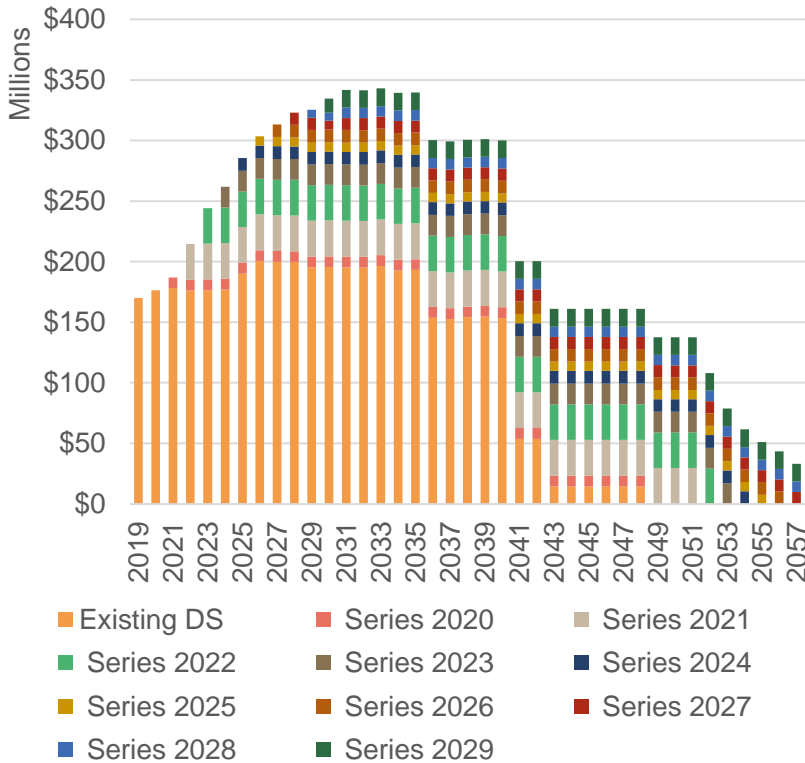
<sup>1</sup> The capital planning model assumes debt issues in year of funding deficit; Actual issues would likely finance anticipated borrowing needs for 18-24 month period.



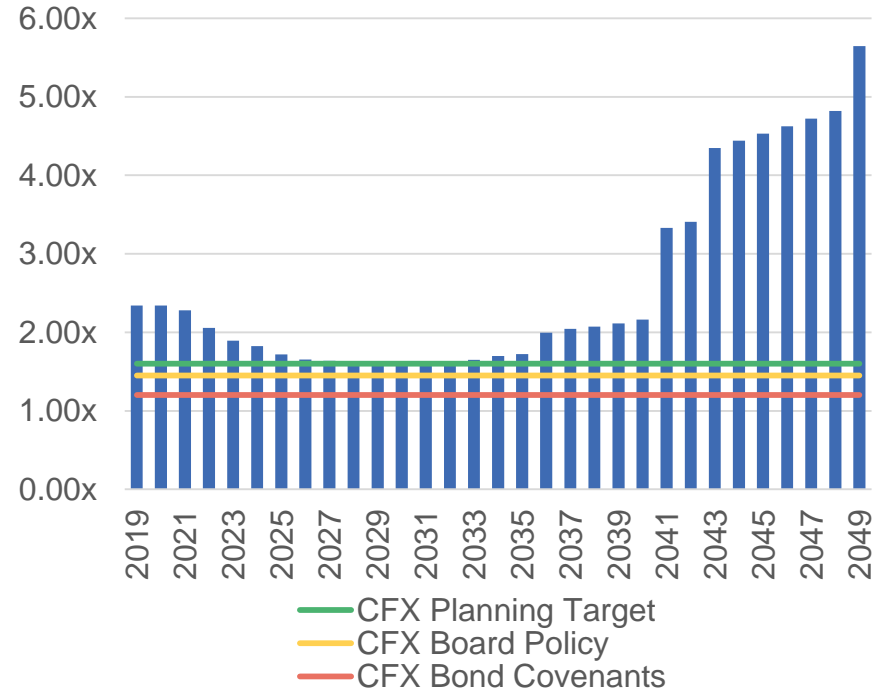


# Planned Future Debt Issues

## Senior Lien Debt Service



## Projected Senior Lien Coverage





## New Money Timing Considerations

- Based on the current financial planning model, CFX does not anticipate its next new money issue until July 2020
  - The model will be revised with FYE actuals and timing may change
- The Financial Planning model projects the need for debt financing of over \$1 billion of the next 3.5 years, with \$950 million needed in a two year period

Future Debt Issuances	Dated Date	Par Amount	Construction Fund Amount
Series 2020 Revenue Bonds	7/1/2020	155 MM	\$145 MM
Series 2021 Revenue Bonds	7/1/2021	521 MM	\$486 MM
Series 2022 Revenue Bonds	7/1/2022	499 MM	\$465 MM

- Based on favorable market conditions, ***CFX may wish to consider accelerating and/or upsizing the upcoming new money issue to reduce interest rate risk***
- Considerations:
  - Status of projects to be financed
  - Alternate use of cash on hand (potential to deploy for cash optimization strategy)
- Recommendation: Authorize a new money issuance to fund approximately \$500 million of capital costs for projects within the currently approved five-year work plan



# 2013A Cash Optimization



## Refunding Strategies

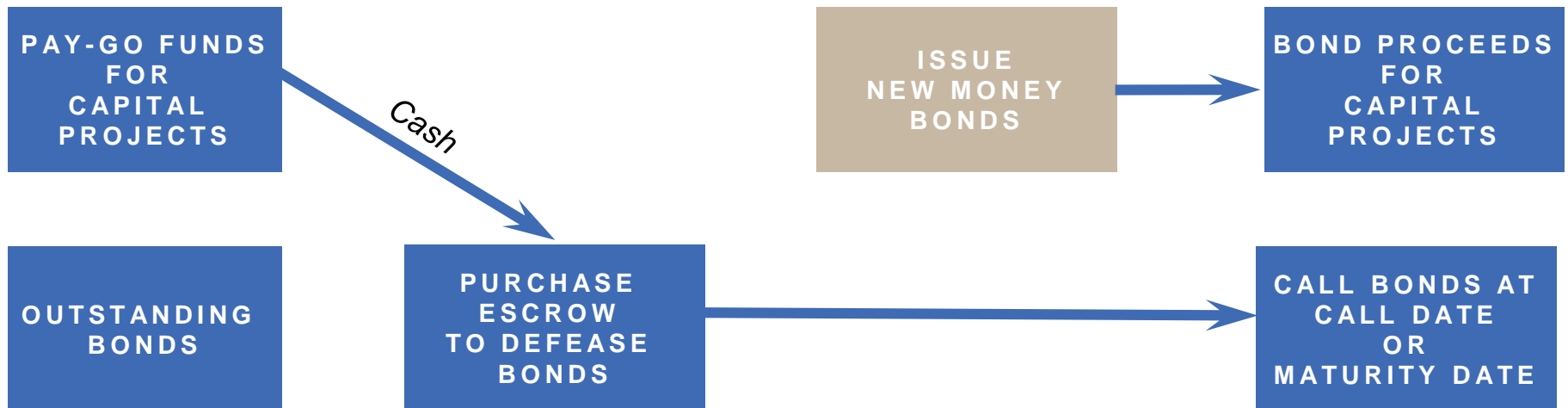
- ◆ When President Trump signed H.R.1 (the “Tax Cuts and Jobs Act”) on December 22, 2017, that tax legislation eliminated tax-exempt advance refundings after December 31, 2017.
- ◆ With tax-exempt advance refundings no longer allowed, three\* options remain:
  - **Tax-Exempt Current Refunding:** Wait out the call protection period and, if market conditions permit, execute a current refunding not more than 90 days before the bonds become subject to optional redemption.
  - **Taxable Advance Refunding:** If market conditions permit, execute an advance refunding using taxable bonds.
  - **Cash Optimization:** Utilize cash on hand to defease outstanding bonds (versus a bond-funded advance refunding transaction) and fund new money capital projects with tax-exempt bonds instead of cash-funding.

*\* Additional alternatives not discussed include Forward-Starting Swaps, Forward Delivery Bonds and Conversion Bonds. These alternatives introduce additional risk and/or are not applicable to the 2013A Bonds at this time.*



## Overview of Cash Optimization

- ◆ Cash optimization involves a re-allocation of capital to take advantage of municipal borrowing rates and taxable investment yields
- ◆ Existing pay-as-you-go capital funds are used to defease outstanding debt instead of issuing refunding bonds
- ◆ New money capital projects are funded with a tax-exempt new money debt issuance instead of existing pay-as-you-go capital



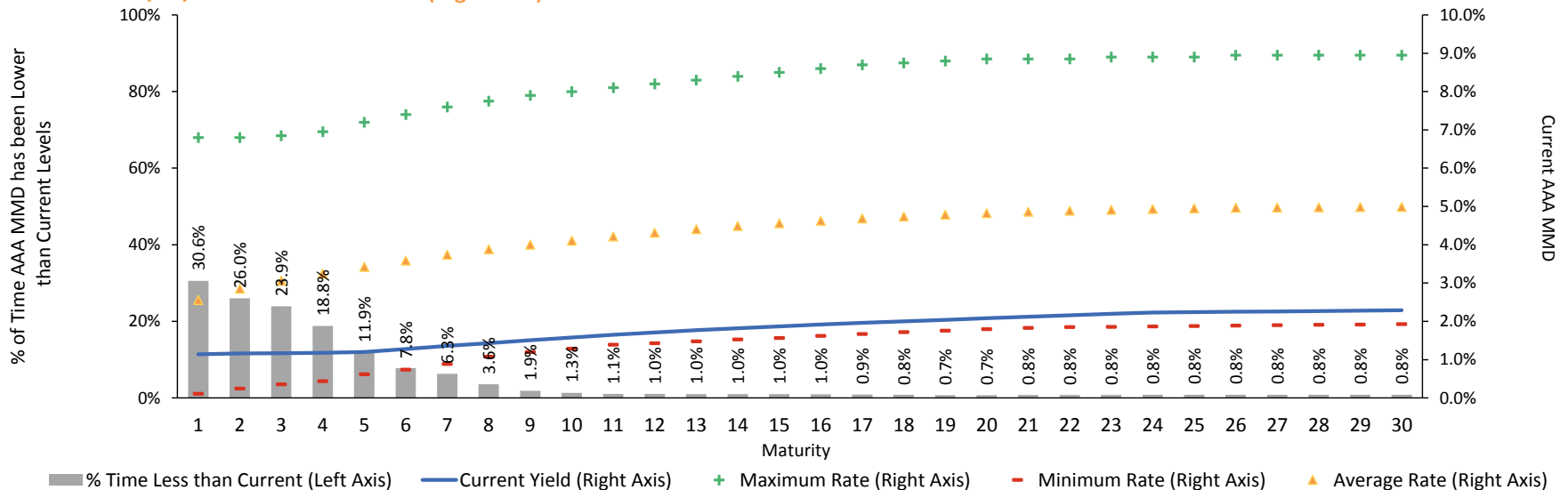


# Why Cash Optimization is the most Attractive Option Now

- ◆ **Taxable advance refunding bonds** have higher interest rates than comparable tax-exempt bonds, and they typically have less future call flexibility
- ◆ The opportunity and economics of **cash optimization** are driven by the currently attractive level of **tax-exempt** interest rates (as of June 19, 2019), which remain historically low
- ◆ The resultant debt service savings of a successful cash optimization can provide similar economic benefit as indicative tax exempt advance refunding bonds

## % Of Time AAA MMD Has Been Lower Since 1986 (Left Axis)

07/16/2019 AAA MMD Curve (Right Axis)





## General Assumptions

- Cash optimization strategy assumes there are capital projects to be funded that are eligible for tax-exempt financing
- Additional refunding analyses assumptions include the following:

Cash Optimization Analysis Assumptions	
	Series 2013A
<b>Date Assumptions:</b>	
<i>Assumed Dated and Delivery Date of Refunding/Defeasance:</i>	10/29/2019
<i>First Maturity Date:</i>	7/1/2026
<i>First Call Date:</i>	7/1/2029
<b>Escrow Securities Assumptions:</b>	
<i>Escrow Security Yields Based on:</i>	SLGS
<i>Escrow Security Yields as of:</i>	7/16/2019
<b>Tax-Exempt Issuance Assumptions:</b>	
<i>Tax-Exempt Yields Based on:</i>	AAA MMD GO Rates
<i>Tax-Exempt Yields as of:</i>	7/16/2019
<i>Tax-Exempt Yield Spread:</i>	20 bps - 36 bps
<b>Refunding Candidate Selection Criteria:</b>	
<i>Savings as a Percentage of Par Minimum:</i>	3.00%
<i>Option Value Minimum:</i>	20.00%



## Summary of Analysis

- Analysis to the right shows the maximum opportunity, without accounting for actual funds on hand available
- Opportunity will be limited by available cash on hand and comfort spending down available funds
- Cash Optimization could be executed for only a portion of the 2013A Bonds with the most advantageous maturities defeased
- Recommendation: Staff and PFM continue to monitor the opportunity in light of CFX's cash balances and provide updates to the finance committee, as needed.

Cash Optimization Summary	
	Series 2013A
<b>Prior Bonds:</b>	
<i>(A) Defeased Par Amount</i>	242,320,000
<i>Escrow Yield</i>	1.84%
<i>Escrow Cost</i>	273,330,180
<i>Final Maturity</i>	7/1/2035
<b>Defeased Debt Service:</b>	
<i>(B) Gross</i>	401,537,500
<i>(C) Present Value</i>	324,011,081
<i>Arbitrage Yield</i>	3.92%
<i>PV Rate (NM Bond Arb Yield)</i>	2.11%
<b>New Money Bonds:</b>	
<i>New Money Debt Service:</i>	
<i>(D) Gross</i>	358,068,444
<i>(E) Present Value</i>	291,677,293
<i>Arbitrage Yield</i>	2.11%
<i>PV Rate (NM Bond Arb yield)</i>	2.11%
<i>Final Maturity</i>	7/1/2035
<b>Benefit:</b>	
<i>Change in Debt Service</i>	
<i>(F = B - D) Gross</i>	43,469,056
<i>(G = C - E) Present Value</i>	32,333,788
<i>(H = G / A) Present Value Savings %</i>	13.34%

Preliminary, subject to change.  
See important disclosures on Page 35.





# Variable Rate Debt Overview

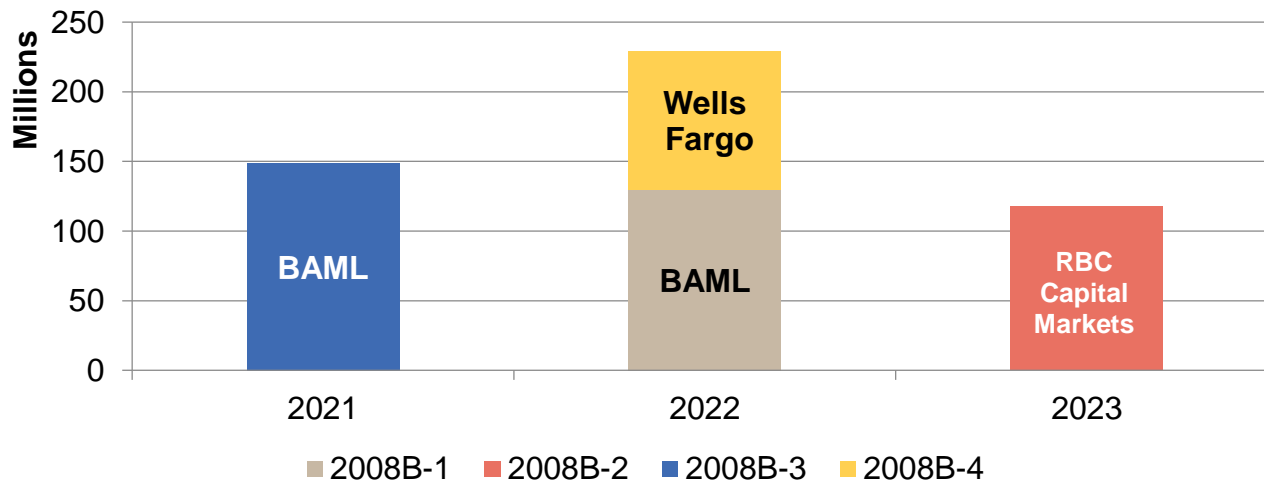


## Debt Summary – 2008B Bonds

### Schedule of Floating Rate Note Providers

Provider	Series	Par	Product	\$	Expiration
BAML	2008B-1	\$130,135,000	FRN	SIFMA + 56 bps	November 2022
RBC Capital Markets	2008B-2	\$117,685,000	FRN	SIFMA + 58 bps	July 2023
BAML	2008B-3	\$148,790,000	FRN	SIFMA + 46 bps	October 2021
Wells Fargo	2008B-4	\$99,165,000	FRN	SIFMA + 53.5 bps	January 2022

### 2008B1-4 Facility Terms - Expirations





## Swap Termination

- ◆ The current estimated cost to terminate all five swaps is approx. \$34.52 million
- ◆ No swap currently meets CFX's previously established termination threshold of  $\leq 3\%$  PV loss

SwapViewer Overview as of July 18, 2019

Swap Counterparty	UBS AG, Stamford Branch	Royal Bank of Canada	JPMorgan Chase Bank, N.A.	Citibank, N.A., New York	Morgan Stanley Capital Services Inc.	Total
<b>Associated Bonds</b>	<b>Series 2008B-1 &amp; 2008B-2</b>	<b>Series 2008B-1 &amp; 2008B-2</b>	<b>Series 2008B-1 &amp; 2008B-2</b>	<b>Series 2008B-3</b>	<b>Series 2008B-4</b>	<b>Series 2008B</b>
<b>Client Pays</b>	4.7753%	4.7753%	4.7753%	4.7753%	4.7753%	4.7753%
<b>Client Receives</b>	SIFMA Swap Index	SIFMA Swap Index	SIFMA Swap Index	SIFMA Swap Index	SIFMA Swap Index	SIFMA Swap Index
<b>Trade Date</b>	7/13/2004	7/13/2004	7/13/2004	7/13/2004	7/13/2004	7/13/2004
<b>Effective Date</b>	3/1/2005	3/1/2005	3/1/2005	3/1/2005	3/1/2005	3/1/2005
<b>Maturity Date</b>	7/1/2040	7/1/2040	7/1/2040	7/1/2040	7/1/2040	7/1/2040
<b>Refunded Par</b>	\$197,816,000	\$24,727,000	\$24,727,000	\$148,490,000	\$98,965,000	\$494,725,000
<b>MTM Value</b>	(\$67,848,453)	(\$9,231,231)	(\$9,231,231)	(\$55,413,375)	(\$36,936,261)	(\$178,660,551)
<b>Cost to Unwind (\$)</b>	(\$8,904,590)	(\$2,153,331)	(\$2,153,331)	(\$12,785,271)	(\$8,523,845)	(\$34,520,368)
<b>Cost to Unwind (%)</b>	-4.5%	-8.7%	-8.7%	-8.6%	-8.6%	-7.0%



## Swap Termination Threshold

- In 2012, approximately 38% of CFX's outstanding debt was variable rate and hedged by interest rate swap agreements.
- As part of an effort to reduce interest rate swap exposure, CFX adopted a debt policy that targeted reduction of variable rate debt exposure to 25% of the portfolio.
- Recognizing the importance of being able to quickly execute a transaction when the opportunity arose, CFX approved a resolution permitting the termination of swaps and refunding of associated bonds based on certain parameters:
  - (i) senior lien debt service would not be increased above assumed debt service at the time of the adoption of the current 5-year work plan,
  - (ii) the present value cost would not exceed 3% of the refunded bond par, and
  - (iii) the final maturity of the bonds would not be extended more than one year.
- CFX utilized this resolution and terminated three additional swaps over the course of a year. The refundings helped CFX reduce its variable rate debt exposure to its current level of 18% (well below CFX's policy target).
- PFM continues to monitor approximately \$490 million of floating rate notes associated with the remaining swaps.
- We view CFX's level of variable rate debt as manageable and don't see a benefit to unwinding at a loss in the current market.



# Next Steps



## Method of Sale & Underwriter Selection

- The Debt Policy states CFX will sell long-term debt on a competitive basis unless the transaction is better suited for a negotiated sale or direct placement. The evaluation will take into consideration:
  - Expected credit rating of bonds being issued
  - Strength of revenue stream
  - Structure of bonds and potential need for extensive explanation to the bond market
  - Use of insurance or other credit enhancement
  - Other factors that favor the use of one method over the other include restructuring flexibility during pricing and guaranty of bond accessibility to local constituents
- If a competitive sale is selected, the next step is for the working group to draft financing documents including Notice of Sale & Preliminary Official Statement
- If a negotiated sale is selected, the next step will be to select a lead underwriting firm and all participating co-senior and co-manager firms. Per CFX debt policy, selection shall be based on:
  - Results of the most recent RFP selection
  - Firm's contribution to development of strategies for transaction
  - Demonstrated ability of firm to successfully underwrite similar transactions
  - Previous work assigned to firm under current RFP selection



## Method of Sale & Underwriter Recommendation

- Due to the intricacies of the refunding transaction, specifically the complexity of the escrow and incorporating a non-system asset into the CFX system, a negotiated sale for the Poinciana Parkway refunding is recommended.
- To achieve cost and time savings efficiencies, it is also recommended that the new money and refunding transactions be issued in tandem as two series within a single debt issuance.
- Per the Debt Policy, the senior underwriter for a negotiated transaction may be selected according to the results of the most recent RFP for underwriting services and transactions will be assigned based on final ranking.
- This transaction will be the second transaction following the RFP for underwriting services.

CFX Senior Manager Underwriting Pool		
Rank	Firm	Senior Managed Transaction
1	BofA Merrill Lynch	\$221,045,000 Senior Lien Revenue Bonds, Series 2018
2	J.P. Morgan	
3	Wells Fargo	
4	RBC Capital Markets	

- Recommendation: The Series 2019 Bonds are issued via a negotiated sale with JP Morgan serving as senior underwriter. All remaining underwriters within the approved pool will serve as co-senior managers or co-managers based on their approved role within the pool.



## Next Steps

- ◆ Based on Finance Committee feedback and approval, staff will begin assembling the working group and preparing financing documents.
- ◆ A formal recommendation on transactions, including size, timing, sale method, underwriting syndicate (if negotiated), and sale parameters, would be presented to the CFX Board for approval at a future board meeting





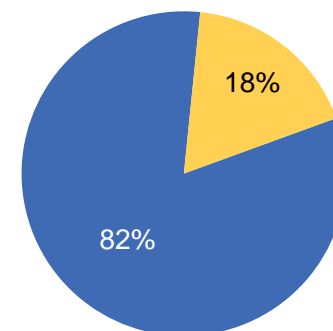
# **Appendix: Outstanding Debt Overview**



## Debt Summary – Outstanding Debt

Series	Outstanding Principal	Final Maturity	Type	Remaining Coupon Range/Swap Rate	Net Rate <sup>(1)</sup>	Net Interest Cost at Issuance
<b>Fixed Rate Debt - Senior Lien</b>						
2010B	\$67,330,000	7/1/2021	Natural Fixed	3.50% - 5.00%	4.41%	4.39%
2012	\$157,835,000	7/1/2025	Natural Fixed	3.00% - 5.00%	4.86%	2.53%
2013A	\$242,320,000	7/1/2035	Natural Fixed	5.00%	5.00%	4.22%
2013B	\$135,450,000	7/1/2025	Natural Fixed	3.00% - 5.00%	4.97%	2.62%
2013C	\$103,740,000	7/1/2032	Natural Fixed	2.75%	2.75%	3.60%
2016A	\$150,250,000	7/1/2037	Natural Fixed	3.00% - 5.00%	3.93%	3.41%
2016B	\$623,850,000	7/1/2040	Natural Fixed	3.00% - 5.00%	4.19%	3.42%
2017	\$339,885,000	7/1/2042	Natural Fixed	3.00% - 5.00%	4.40%	3.78%
2018	\$221,045,000	7/1/2048	Natural Fixed	5.00%	5.00%	3.42%
<b>Fixed Rate Debt - Junior Lien</b>						
2012A	\$48,200,000	7/1/2025	Natural Fixed	2.37%	2.37%	2.37%
TIFIA Loan	\$193,695,000	7/1/2049	Natural Fixed	1.23%	1.23%	1.23%
<b>SUBTOTAL</b>	<b>\$2,283,600,000</b>	<b>% of Total Debt</b>	<b>82.16%</b>			
<b>Synthetic Fixed Rate Debt</b>						
2008B-1	\$130,135,000	7/1/2040	Synthetic Fixed	4.78%	5.34%	4.78%
2008B-2	\$117,685,000	7/1/2040	Synthetic Fixed	4.78%	5.36%	4.78%
2008B-3	\$148,790,000	7/1/2040	Synthetic Fixed	4.78%	5.24%	4.78%
2008B-4	\$99,165,000	7/1/2040	Synthetic Fixed	4.78%	5.31%	4.78%
<b>SUBTOTAL</b>	<b>\$495,775,000</b>	<b>% of Total Debt</b>	<b>17.84%</b>			
<b>TOTAL</b>	<b>\$2,779,375,000</b>					

**Fixed vs Synthetic Rate Debt**

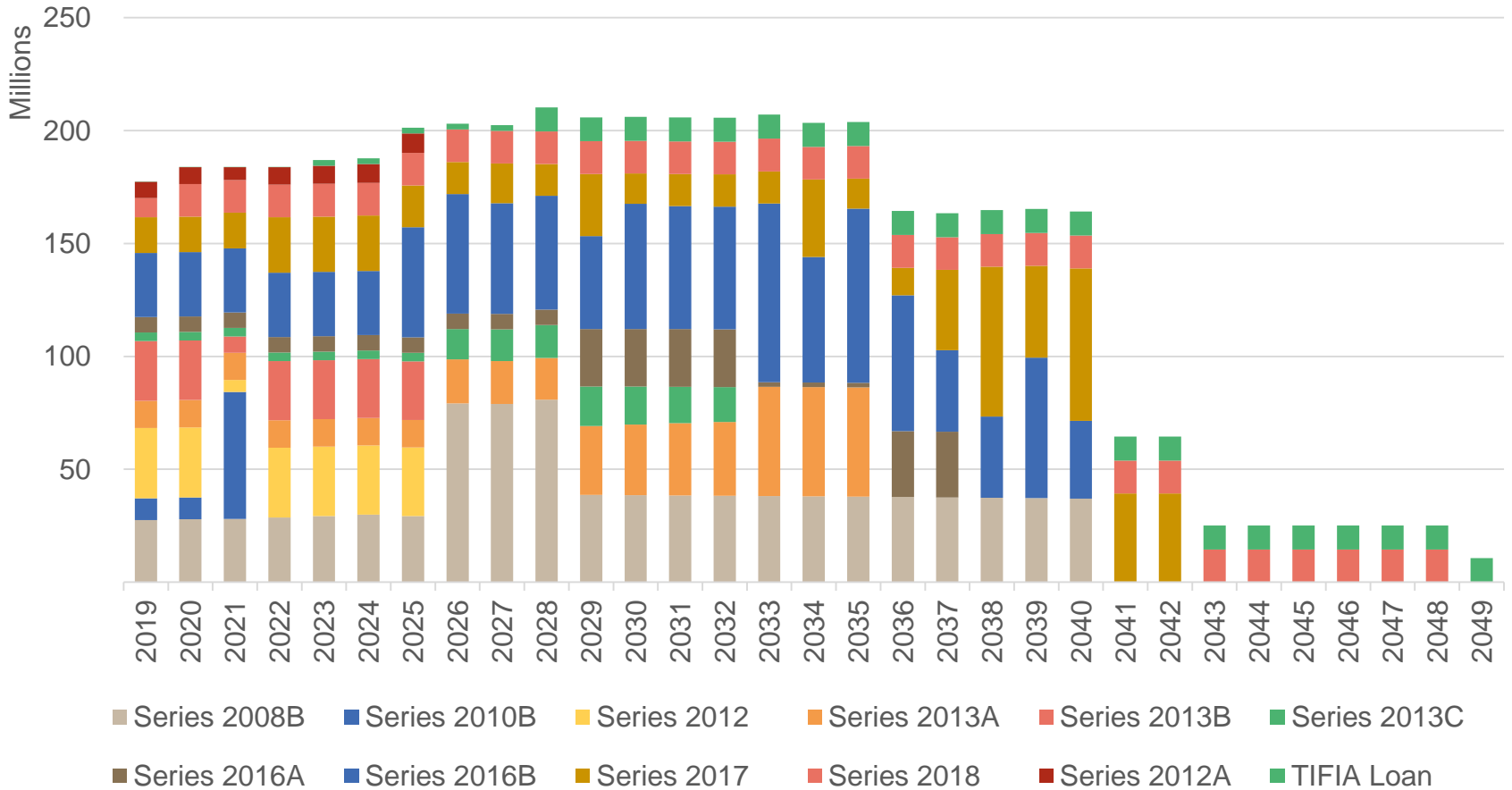


■ Fixed Rate  
■ Synthetic Fixed Rate

<sup>(1)</sup> Net rate is reflective of coupon and on-going fees only. Net rate does not take into account original issue yields.

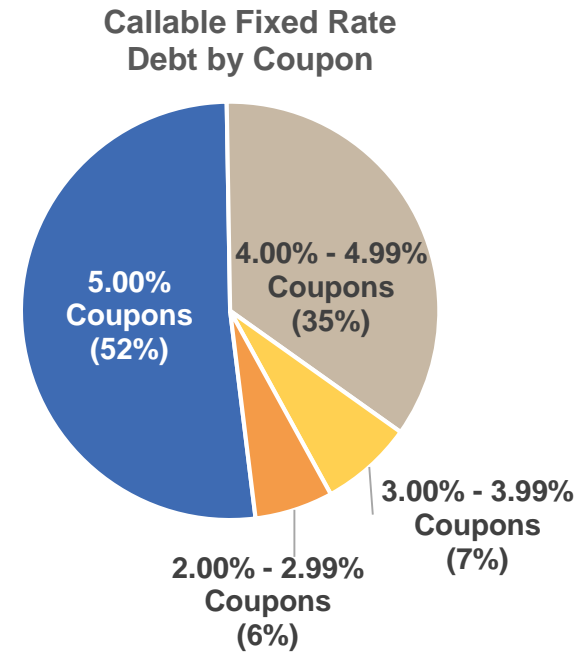
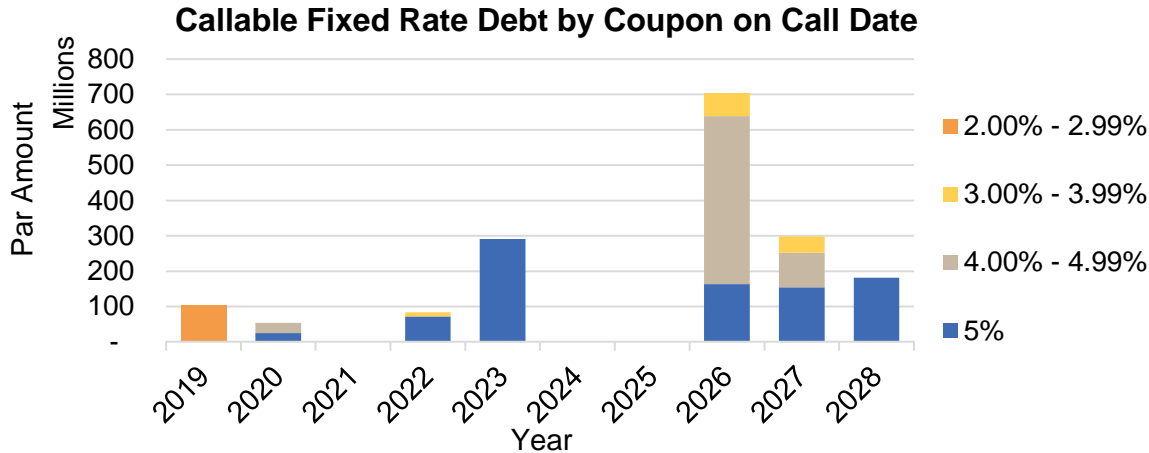


# Conservative Debt Structure





# Debt Summary – Callable Debt by Coupon



**Current Outstanding Debt**

Series	Original Principal	Outstanding Principal	Final Maturity	Next Call Date
<b>Fixed Rate Debt - Senior Lien</b>				
2010B	201,125,000	67,330,000	7/1/2021	7/1/2020
2012	201,925,000	157,835,000	7/1/2025	7/1/2022
2013A	242,320,000	242,320,000	7/1/2035	7/1/2023
2013B	174,315,000	135,450,000	7/1/2025	7/1/2023
2013C	107,125,000	103,740,000	7/1/2032	Current
2016A	151,695,000	150,250,000	7/1/2037	7/1/2026
2016B	631,330,000	623,850,000	7/1/2040	7/1/2026
2017	341,210,000	339,885,000	7/1/2042	7/1/2027
2018	221,045,000	221,045,000	7/1/2048	7/1/2028
<b>Total</b>	<b>2,272,090,000</b>	<b>2,041,705,000</b>		

Note: Does not include synthetic fixed rate debt.



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