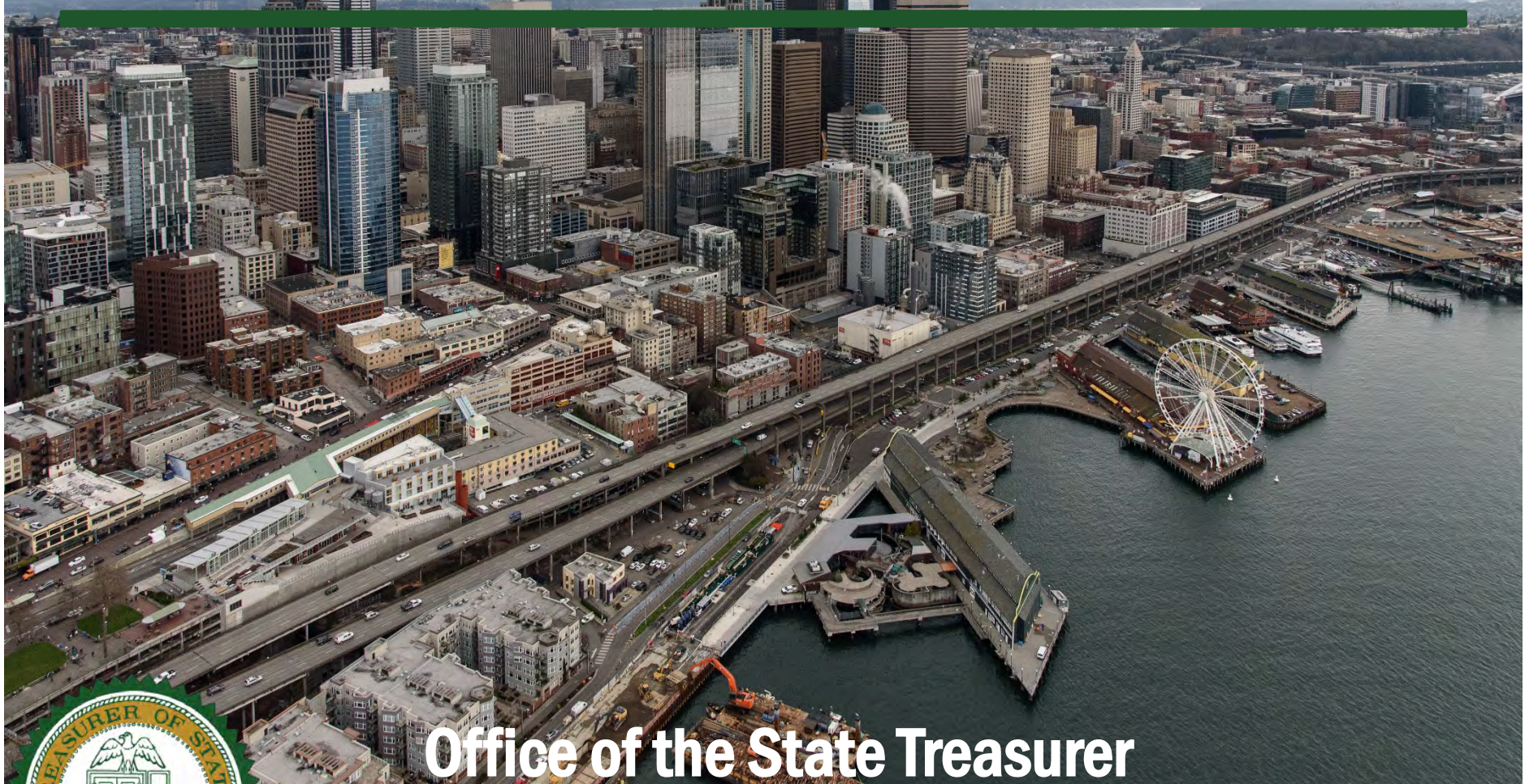


# SR 99 Tunnel Financing Considerations



Office of the State Treasurer



April 17, 2018



## OST Financing Considerations

- **Debt Service Coverage Requirement**
  - 1.30x coverage factor is necessary to protect the TPA (and other transportation projects) from unintended draws due to revenue shortfalls
- **Sufficiency Test**
  - Protects MVA and ensures compliance with RCW 47.56.830
- **R&R Deposits**
  - SR 99 is exempted from paying Facility R&R from tolls through 6/30/19
  - After 6/30/19, RCW 47.56.850 requires Facility R&R to be paid from tolls
- **Structure**
  - Level debt service amortized over 25 years
  - Consistent with OST's approach to financing capital projects
- **Interest Rates**
  - Model assumes a spread to benchmark for financings
    - ✓ Jan 2019: Current market + 50 bps
    - ✓ July 2020 / Jan 2021: Greater of current market or 10-year avg +100 bps / +150 bps
  - Interest rate risk until bonds are issued



# SR 99 Cashflow – Scenario 1a (Without Facility R&R)

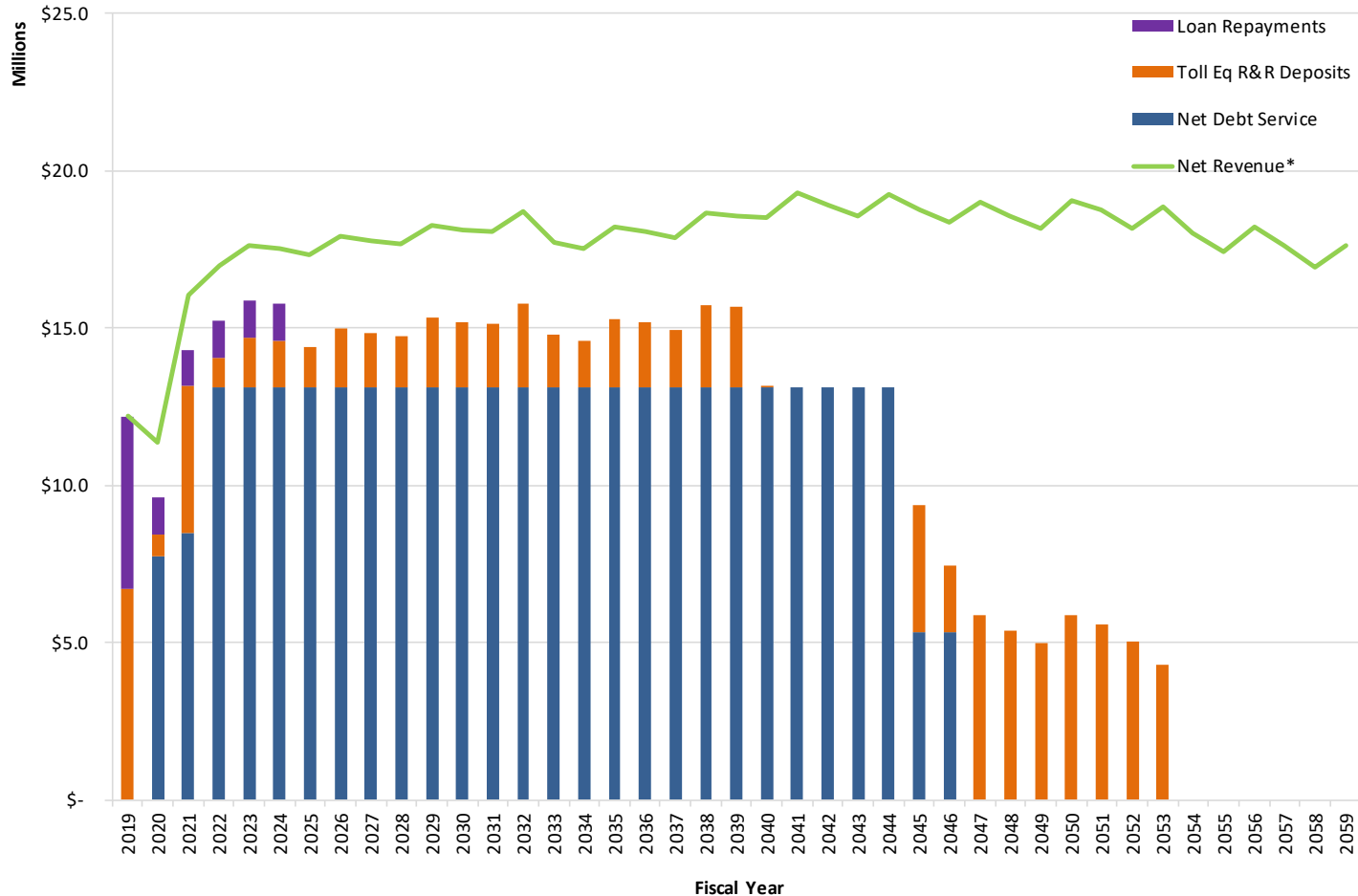
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Fiscal Year	Gross Toll	Gross Toll	Adjusted	TPA	O&M	Net	Debt	Net	Net	Toll	Toll	Loan	Loan	Net
Ending	Revenues	Revenue	Gross Toll	Loan	Expenses	Revenues	Service	Revenues	Revenues	Equipment	Equipment	Repayment	Repayment	Revenues
30-Jun		Adjustments	Revenues			Available for	Coverage	Available After	Available After	R&R Deposits	R&R			After
			[B+C]			Debt Service	[G/H]	Debt Service	[G+H]		[G/(H+K)]		[G/(H+K+M)]	[J+K+M]
2019	8,127,000	843,473	8,970,473	11,337,000	(8,112,119)	12,195,353	-	12,195,353	(6,726,763)	1.81	(5,468,590)	1.00	-	-
2020	26,130,000	122,330	26,252,330	-	(14,890,813)	11,361,518	(7,766,500)	3,595,018	(668,856)	1.35	(1,173,682)	1.18	1,752,480	1,752,480
2021	31,797,000	1,068,393	32,865,393	-	(16,793,360)	16,072,034	(8,500,788)	7,571,246	(4,645,084)	1.22	(1,173,682)	1.12	1,752,480	1,752,480
2022	33,084,000	1,487,670	34,571,670	-	(17,585,062)	16,986,608	(13,117,558)	3,869,050	(942,888)	1.21	(1,173,682)	1.12	1,752,480	1,752,480
2023	33,912,000	1,547,669	35,459,669	-	(17,815,774)	17,643,895	(13,115,001)	4,528,894	(1,602,732)	1.20	(1,173,682)	1.11	1,752,480	1,752,480
2024	34,141,000	1,531,206	35,672,206	-	(18,134,727)	17,537,479	(13,111,275)	4,426,204	(1,500,042)	1.20	(1,173,682)	1.11	1,752,480	1,752,480
2025	34,379,000	1,553,322	35,932,322	-	(18,593,506)	17,338,817	(13,111,562)	4,227,255	(1,301,093)	1.20	-	1.20	2,926,162	2,926,162
2026	35,308,000	1,539,415	36,847,415	-	(18,937,390)	17,910,025	(13,115,299)	4,794,726	(1,868,564)	1.20	-	1.20	2,926,162	2,926,162
2027	35,581,000	1,534,677	37,115,677	-	(19,326,753)	17,788,924	(13,111,309)	4,677,615	(1,751,453)	1.20	-	1.20	2,926,162	2,926,162
2028	35,876,000	1,552,760	37,428,760	-	(19,748,797)	17,679,964	(13,114,589)	4,565,375	(1,639,213)	1.20	-	1.20	2,926,162	2,926,162
2029	36,897,000	1,529,385	38,426,385	-	(20,165,015)	18,261,370	(13,113,917)	5,147,453	(2,221,291)	1.19	-	1.19	2,926,162	2,926,162
2030	37,196,000	1,528,480	38,724,480	-	(20,627,011)	18,097,469	(13,114,109)	4,983,361	(2,057,199)	1.19	-	1.19	2,926,162	2,926,162
2031	37,528,000	1,541,859	39,069,859	-	(20,998,264)	18,071,595	(13,109,487)	4,962,107	(2,035,945)	1.19	-	1.19	2,926,162	2,926,162
2032	38,651,000	1,525,729	40,176,729	-	(21,450,956)	18,725,774	(13,113,601)	5,612,124	(2,685,962)	1.19	-	1.19	2,926,162	2,926,162
2033	39,017,000	1,524,487	40,541,487	-	(22,815,429)	17,726,058	(13,115,058)	4,611,001	(1,684,839)	1.20	-	1.20	2,926,162	2,926,162
2034	39,388,000	1,540,362	40,928,362	-	(23,415,991)	17,512,372	(13,117,836)	4,394,536	(1,468,374)	1.20	-	1.20	2,926,162	2,926,162
2035	40,640,000	1,527,460	42,167,460	-	(23,961,338)	18,206,122	(13,111,393)	5,094,729	(2,168,567)	1.19	-	1.19	2,926,162	2,926,162
2036	41,055,000	1,522,003	42,577,003	-	(24,486,211)	18,090,792	(13,115,327)	4,975,465	(2,049,303)	1.19	-	1.19	2,926,162	2,926,162
2037	41,473,000	1,553,585	43,026,585	-	(25,158,273)	17,868,312	(13,113,041)	4,755,271	(1,829,109)	1.20	-	1.20	2,926,162	2,926,162
2038	42,841,000	1,535,764	44,376,764	-	(25,702,247)	18,674,516	(13,114,012)	5,560,505	(2,634,343)	1.19	-	1.19	2,926,162	2,926,162
2039	43,327,000	1,535,795	44,862,795	-	(26,277,464)	18,585,331	(13,116,814)	5,468,517	(2,542,355)	1.19	-	1.19	2,926,162	2,926,162
2040	43,774,000	1,560,269	45,334,269	-	(26,798,633)	18,535,636	(13,115,336)	5,420,300	(13,784)	1.41	-	1.41	5,406,516	5,406,516
2041	45,088,000	1,504,440	46,592,440	-	(27,294,539)	19,297,901	(13,113,524)	6,184,378	-	1.47	-	1.47	6,184,378	6,184,378
2042	45,375,000	1,495,809	46,870,809	-	(27,964,602)	18,906,208	(13,109,921)	5,796,287	-	1.44	-	1.44	5,796,287	5,796,287
2043	45,646,000	1,508,479	47,154,479	-	(28,569,811)	18,584,668	(13,108,159)	5,476,510	-	1.42	-	1.42	5,476,510	5,476,510
2044	47,006,000	1,478,415	48,484,415	-	(29,249,353)	19,235,062	(13,111,946)	6,123,117	-	1.47	-	1.47	6,123,117	6,123,117
2045	47,297,000	1,460,690	48,757,690	-	(30,007,986)	18,749,705	(5,349,551)	13,400,153	(4,000,000)	2.01	-	2.01	9,400,153	9,400,153
2046	47,589,000	1,471,336	49,060,336	-	(30,678,368)	18,381,968	(5,347,900)	13,034,068	(2,108,945)	2.47	-	2.47	10,925,123	10,925,123
2047	49,016,000	1,442,537	50,458,537	-	(31,434,435)	19,024,102	-	19,024,102	(5,848,978)	3.25	-	3.25	13,175,124	13,175,124
2048	49,318,000	1,431,361	50,749,361	-	(32,178,974)	18,570,387	-	18,570,387	(5,395,263)	3.44	-	3.44	13,175,124	13,175,124
2049	49,609,000	1,433,799	51,042,799	-	(32,865,104)	18,177,695	-	18,177,695	(5,002,571)	3.63	-	3.63	13,175,124	13,175,124
2050	51,104,000	1,404,702	52,508,702	-	(33,461,915)	19,046,787	-	19,046,787	(5,871,664)	3.24	-	3.24	13,175,124	13,175,124
2051	51,417,000	1,400,570	52,817,570	-	(34,071,726)	18,745,844	-	18,745,844	(5,570,720)	3.37	-	3.37	13,175,124	13,175,124
2052	51,709,000	1,412,432	53,121,432	-	(34,929,519)	18,191,913	-	18,191,913	(5,016,789)	3.63	-	3.63	13,175,124	13,175,124
2053	53,284,000	1,378,962	54,662,962	-	(35,823,630)	18,839,333	-	18,839,333	(4,286,525)	4.40	-	4.40	14,552,808	14,552,808
2054	53,617,000	1,356,665	54,973,665	-	(36,932,236)	18,041,429	-	18,041,429	-	-	-	-	18,041,429	18,041,429
2055	53,933,000	1,366,413	55,299,413	-	(37,890,654)	17,408,759	-	17,408,759	-	-	-	-	17,408,759	17,408,759
2056	55,575,000	1,328,562	56,903,562	-	(38,674,830)	18,228,732	-	18,228,732	-	-	-	-	18,228,732	18,228,732
2057	55,899,000	1,307,453	57,206,453	-	(39,573,744)	17,632,710	-	17,632,710	-	-	-	-	17,632,710	17,632,710
2058	56,236,000	1,318,087	57,554,087	-	(40,636,401)	16,917,686	-	16,917,686	-	-	-	-	16,917,686	16,917,686
2059	57,946,000	1,283,747	59,229,747	-	(41,584,936)	17,644,811	-	17,644,811	-	-	-	-	17,644,811	17,644,811
<b>Total</b>	<b>1,756,786,000</b>	<b>57,990,552</b>	<b>1,814,776,552</b>	<b>11,337,000</b>	<b>(1,095,617,892)</b>	<b>730,495,660</b>	<b>(328,574,857)</b>	<b>401,920,803</b>	<b>(89,139,212)</b>	<b>1.19</b>	<b>(11,337,000)</b>	<b>1.19</b>	<b>301,444,591</b>	<b>301,444,591</b>



# SR 99 Cashflow – Scenario 1a (Without Facility R&R)

## Debt Service, Equipment R&R, Loan Deposit, and Net Revenue

Toll Revenue Scenario: Scenario 1a as of 3/2/2018



\*Net Revenues = Net Toll Revenue - Adjusted Gross Toll Revenue - O&M - TPA loan (FY 2019).



# SR 99 Cashflow – Scenario 1a (With Facility R&R)

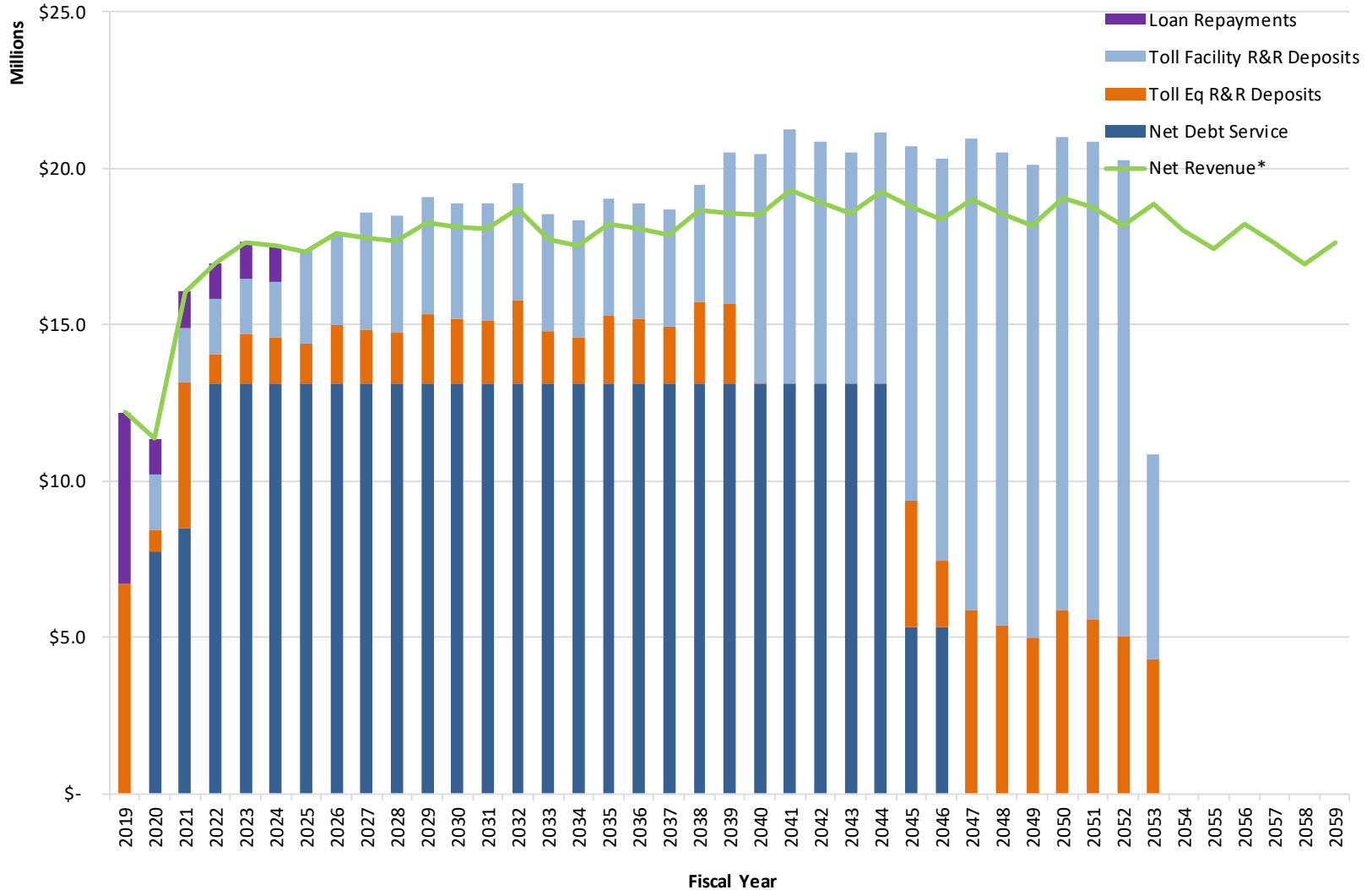
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]
Fiscal Year Ending 30-Jun	Gross Toll Revenues	Gross Toll Revenue Adjustments	Adjusted Gross Toll Revenues [B+C]	TPA Loan	O&M Expenses	Net Revenues Available for Debt Service [D+E+F]	Debt Service Coverage [G/H]	Debt Service Coverage [G/H]	Net Revenues Available After Debt Service [G+H]	Toll Equipment R&R Deposits	Toll Equipment R&R Coverage [G/(H+K)]	Loan Repayment	Loan Repayment Coverage [G/(H+K+M)]	Toll Facility R&R Deposits	Toll Facility R&R Coverage [G/(H+K+M+O)]	Net Revenues After Deposits [J+K+M+O]
2019	8,127,000	843,473	8,970,473	11,337,000	(8,112,119)	12,195,353	-	-	12,195,353	(6,726,763)	1.81	(5,468,590)	1.00	-	1.00	-
2020	26,130,000	122,330	26,252,330	-	(14,890,813)	11,361,518	(7,766,500)	1.46	3,595,018	(668,856)	1.35	(1,173,682)	1.18	(1,752,480)	1.00	-
2021	31,797,000	1,068,393	32,865,393	-	(16,793,360)	16,072,034	(8,500,788)	1.89	7,571,246	(4,645,084)	1.22	(1,173,682)	1.12	(1,752,480)	1.00	-
2022	33,084,000	1,487,670	34,571,670	-	(17,585,062)	16,986,608	(13,117,558)	1.29	3,869,050	(942,888)	1.21	(1,173,682)	1.12	(1,752,480)	1.00	-
2023	33,912,000	1,547,669	35,459,669	-	(17,815,774)	17,643,895	(13,115,001)	1.35	4,528,894	(1,602,732)	1.20	(1,173,682)	1.11	(1,752,480)	1.00	-
2024	34,141,000	1,531,206	35,672,206	-	(18,134,727)	17,537,479	(13,111,275)	1.34	4,426,204	(1,500,042)	1.20	(1,173,682)	1.11	(1,752,480)	1.00	-
2025	34,379,000	1,553,322	35,932,322	-	(18,593,506)	17,338,817	(13,111,562)	1.32	4,227,255	(1,301,093)	1.20	-	1.20	(2,926,162)	1.00	-
2026	35,308,000	1,539,415	36,847,415	-	(18,937,390)	17,910,025	(13,115,299)	1.37	4,794,726	(1,868,564)	1.20	-	1.20	(2,926,162)	1.00	-
2027	35,581,000	1,534,677	37,115,677	-	(19,326,753)	17,788,924	(13,111,309)	1.36	4,677,615	(1,751,453)	1.20	-	1.20	(3,736,096)	0.96	(809,934)
2028	35,876,000	1,552,760	37,428,760	-	(19,748,797)	17,679,964	(13,114,589)	1.35	4,565,375	(1,639,213)	1.20	-	1.20	(3,736,096)	0.96	(809,934)
2029	36,897,000	1,529,385	38,426,385	-	(20,165,015)	18,261,370	(13,113,917)	1.39	5,147,453	(2,221,291)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2030	37,196,000	1,528,480	38,724,480	-	(20,627,011)	18,097,469	(13,114,109)	1.38	4,983,361	(2,057,199)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2031	37,528,000	1,541,859	39,069,859	-	(20,998,264)	18,071,595	(13,109,487)	1.38	4,962,107	(2,035,945)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2032	38,651,000	1,525,729	40,176,729	-	(21,450,956)	18,275,774	(13,113,650)	1.43	5,612,124	(2,685,962)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2033	39,017,000	1,524,487	40,541,487	-	(22,815,429)	17,726,058	(13,115,058)	1.35	4,611,001	(1,684,839)	1.20	-	1.20	(3,736,096)	0.96	(809,934)
2034	39,388,000	1,540,362	40,928,362	-	(23,415,991)	17,512,372	(13,117,836)	1.34	4,394,536	(1,468,374)	1.20	-	1.20	(3,736,096)	0.96	(809,934)
2035	40,640,000	1,527,460	42,167,460	-	(23,961,338)	18,206,122	(13,111,393)	1.39	5,094,729	(2,168,567)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2036	41,055,000	1,522,003	42,577,003	-	(24,486,211)	18,090,792	(13,115,327)	1.38	4,975,465	(2,049,303)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2037	41,473,000	1,553,585	43,026,585	-	(25,158,273)	17,868,312	(13,113,041)	1.36	4,755,271	(1,829,109)	1.20	-	1.20	(3,736,096)	0.96	(809,934)
2038	42,841,000	1,535,764	44,376,764	-	(25,702,247)	18,674,516	(13,114,012)	1.42	5,560,505	(2,634,343)	1.19	-	1.19	(3,736,096)	0.96	(809,934)
2039	43,327,000	1,535,795	44,862,795	-	(26,277,464)	18,585,331	(13,116,814)	1.42	5,468,517	(2,542,355)	1.19	-	1.19	(4,869,272)	0.91	(1,943,110)
2040	43,774,000	1,560,269	45,334,269	-	(26,798,633)	18,535,636	(13,115,336)	1.41	5,420,300	(13,784)	1.41	-	1.41	(7,349,626)	0.91	(1,943,110)
2041	45,088,000	1,504,440	46,592,440	-	(27,294,539)	19,297,901	(13,113,524)	1.47	6,184,378	-	1.47	-	1.47	(8,127,487)	0.91	(1,943,110)
2042	45,375,000	1,495,809	46,870,809	-	(27,964,602)	18,906,208	(13,109,921)	1.44	5,796,287	-	1.44	-	1.44	(7,739,397)	0.91	(1,943,110)
2043	45,646,000	1,508,479	47,154,479	-	(28,569,811)	18,584,668	(13,108,159)	1.42	5,476,510	-	1.42	-	1.42	(7,419,619)	0.91	(1,943,110)
2044	47,006,000	1,478,415	48,484,415	-	(29,249,353)	19,235,062	(13,111,946)	1.47	6,123,117	-	1.47	-	1.47	(8,066,227)	0.91	(1,943,110)
2045	47,297,000	1,460,690	48,757,690	-	(30,007,986)	18,749,705	(5,349,551)	3.50	13,400,153	(4,000,000)	2.01	-	2.01	(11,343,263)	0.91	(1,943,110)
2046	47,589,000	1,471,336	49,060,336	-	(30,678,368)	18,381,968	(5,347,900)	3.44	13,034,068	(2,108,945)	2.47	-	2.47	(12,868,233)	0.90	(1,943,110)
2047	49,016,000	1,442,537	50,458,537	-	(31,434,435)	19,024,102	-	-	19,024,102	(5,848,978)	3.25	-	3.25	(15,118,233)	0.91	(1,943,110)
2048	49,318,000	1,431,361	50,749,361	-	(32,178,974)	18,570,387	-	-	18,570,387	(5,395,263)	3.44	-	3.44	(15,118,233)	0.91	(1,943,110)
2049	49,609,000	1,433,799	51,042,799	-	(32,865,104)	18,177,695	-	-	18,177,695	(5,002,571)	3.63	-	3.63	(15,118,233)	0.90	(1,943,110)
2050	51,104,000	1,404,702	52,508,702	-	(33,461,915)	19,046,787	-	-	19,046,787	(5,871,664)	3.24	-	3.24	(15,118,233)	0.91	(1,943,110)
2051	51,417,000	1,400,570	52,817,570	-	(34,071,726)	18,745,844	-	-	18,745,844	(5,570,720)	3.37	-	3.37	(15,268,621)	0.90	(2,093,498)
2052	51,709,000	1,412,432	53,121,432	-	(34,929,519)	18,191,913	-	-	18,191,913	(5,016,789)	3.63	-	3.63	(15,268,622)	0.90	(2,093,498)
2053	53,284,000	1,378,962	54,662,962	-	(35,823,630)	18,839,333	-	-	18,839,333	(4,286,525)	4.40	-	4.40	(6,538,446)	1.74	8,014,362
2054	53,617,000	1,356,665	54,973,665	-	(36,932,236)	18,041,429	-	-	18,041,429	-	-	-	-	-	-	18,041,429
2055	53,933,000	1,366,413	55,299,413	-	(37,890,654)	17,408,759	-	-	17,408,759	-	-	-	-	-	-	17,408,759
2056	55,575,000	1,328,562	56,903,562	-	(38,674,830)	18,228,732	-	-	18,228,732	-	-	-	-	-	-	18,228,732
2057	55,899,000	1,307,453	57,206,453	-	(39,573,744)	17,632,710	-	-	17,632,710	-	-	-	-	-	-	17,632,710
2058	56,236,000	1,318,087	57,554,087	-	(40,636,401)	16,917,686	-	-	16,917,686	-	-	-	-	-	-	16,917,686
2059	57,946,000	1,283,747	59,229,747	-	(41,584,936)	17,644,811	-	-	17,644,811	-	-	-	-	-	-	17,644,811
Total	1,756,786,000	57,990,552	1,814,776,552	11,337,000	(1,095,617,892)	730,495,660	(328,574,857)		401,920,803	(89,139,212)		(11,337,000)		(224,779,616)		76,664,975



# SR 99 Cashflow – Scenario 1a (With Facility R&R)

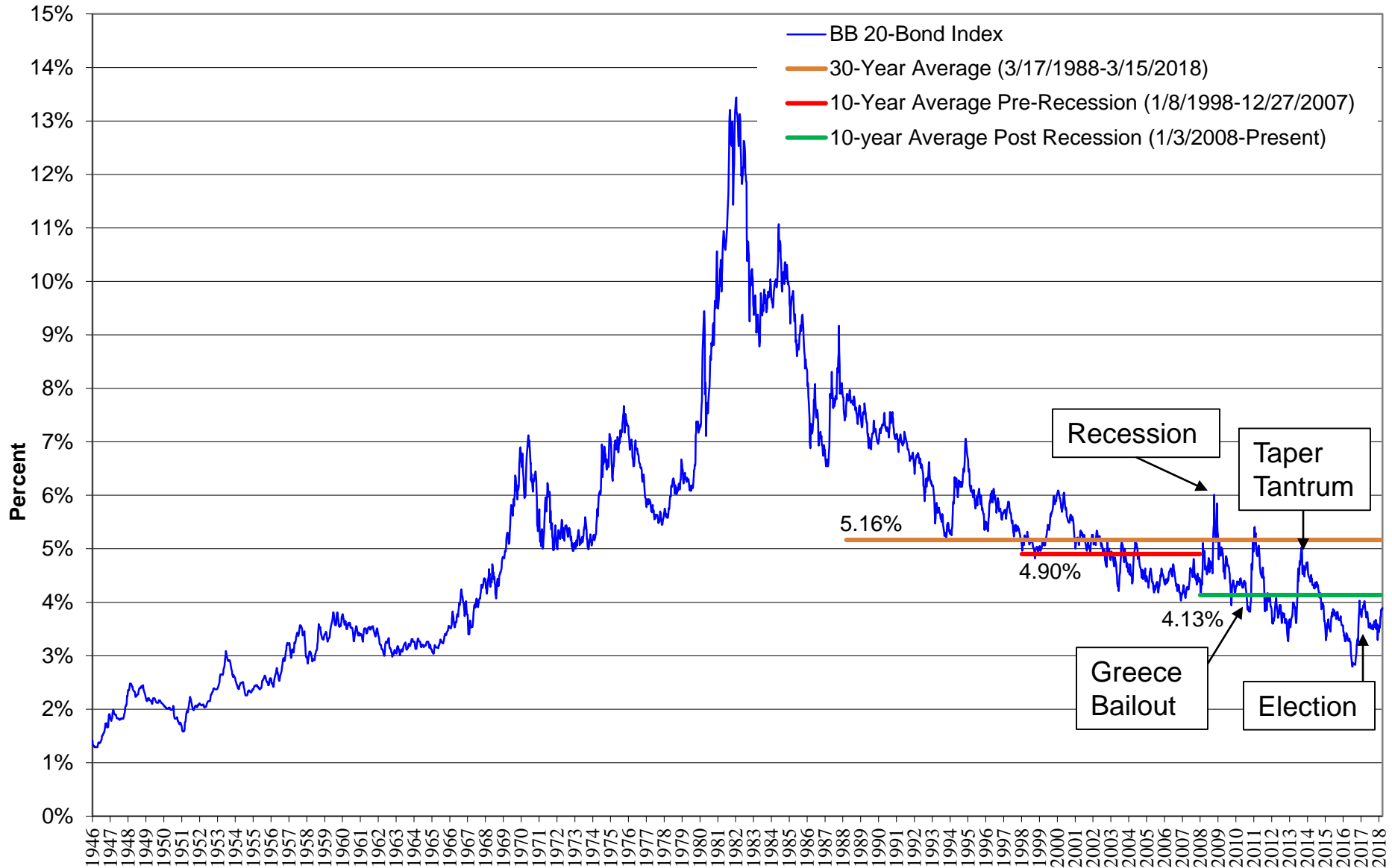
## Debt Service, R&R Deposits, Loan Deposit, and Net Revenue

Toll Revenue Scenario: Scenario 1a as of 3/2/2018





# Bond Buyer Index (1/3/1946 - 3/15/2018)





## Bond Buyer Index (3/23/2016 - 3/15/2018)

