



SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

SCTIB Business Plan Overview

**Presented By
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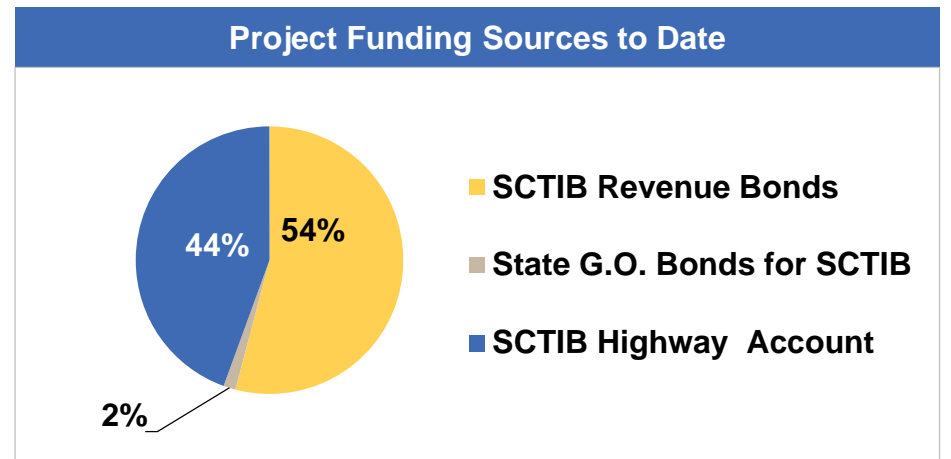
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Approved SCTIB Financial Assistance

Completed Projects (\$ in millions)	
Project	Total SCTIB Contributions
Aiken County	\$208
Beaufort County	65
Charleston County Ravenel Bridge	325
Horry County Ride	383
Jasper /Hardeeville Exit 3 I-95	1.3
Lexington County	48
Median Barrier	30
SCDOT Statewide Bridge	12
Upstate GRID	406
York County	176.8
Berkeley County	8
Beaufort County SC 170	24.9
Berkeley County Sheep Island/I-26	21.5
Mount Pleasant	55
U.S. 17 Widening	102
Total	\$1,867

Current Projects Approved by the Bank for Funding (\$ in millions)		
Project	Total SCTIB Contributions	Amount Paid to Date
Charleston County Mark Clark*	\$420	\$39
Florence County	340	257
Horry County 2007 Program	225	173
City of Aiken - Various Widening	6.2	0
Dorchester County-Variou	23	17
widenings		
Dorchester County-Berlin Myers	30	0
City of Charleston Septima Clark	88	22
Total	\$1,132	\$508





Sources of Revenues for Existing SCTIB Bonds – System Revenues

System Revenues

- Truck Registration Fees
 - Pledged First to General Obligation State Highway Bonds
 - Based in part on in-state biennial truck registrations
 - Remainder is reciprocal with other states based on miles driven in each state
- Motor Vehicle Registration Fees
 - Pledged First to General Obligation State Highway Bonds
 - \$2 per registration withheld to fund tag replacements
- Electric Wholesale Power Funds
 - Amount to SCTIB is based on 50% of amount exceeding \$20 million. SCTIB began receiving 50% of amount exceeding \$20 million in FY 2008 from non-state tax funds
- State Highway Funds
 - Pursuant to SC 11-43-160 and action of SCTIB Board, from non-state tax revenue sources available to SCDOT an amount equal to revenues produced by 1 cent per gallon of gasoline tax
 - Paid from SCDOT non-state tax revenue sources, primarily FHWA Reimbursement Funds

10-Year Historical System Revenues

Fiscal Year	Motor Vehicle Registration Fees	Wholesale Electric Power Funds	SCDOT Highway Funds	Truck Registration Fees	Total System Payments
2009	36,699,784	3,832,288	25,728,840	59,262,082	125,522,994
2010	35,813,672	4,109,516	25,671,014	58,805,091	124,399,293
2011	37,901,362	4,197,737	25,857,527	60,093,311	128,049,937
2012	37,570,955	3,581,762	26,100,142	61,769,704	129,022,563
2013	39,271,026	3,415,698	26,055,312	61,964,721	130,706,757
2014	39,463,422	3,746,976	26,534,357	65,494,147	135,238,902
2015	41,224,566	4,241,590	27,443,640	67,539,769	140,449,565
2016	41,082,751	4,081,976	28,383,414	71,745,820	145,293,961
2017	42,281,984	4,139,134	28,792,520	71,840,209	147,053,847
2018	42,837,844	4,501,616	28,441,793	76,362,296	152,143,549



Sources of Revenues for Existing SCTIB Bonds – Series Payments

Series Payments

- Revenues received pursuant to a loan agreement.
- Currently includes:
 - SCDOT Conway Bypass Loan II
 - SCDOT Cooper River Bridge payments
 - SCDOT US 17 Project payments
 - SCDOT Multi Project Funding Agreement

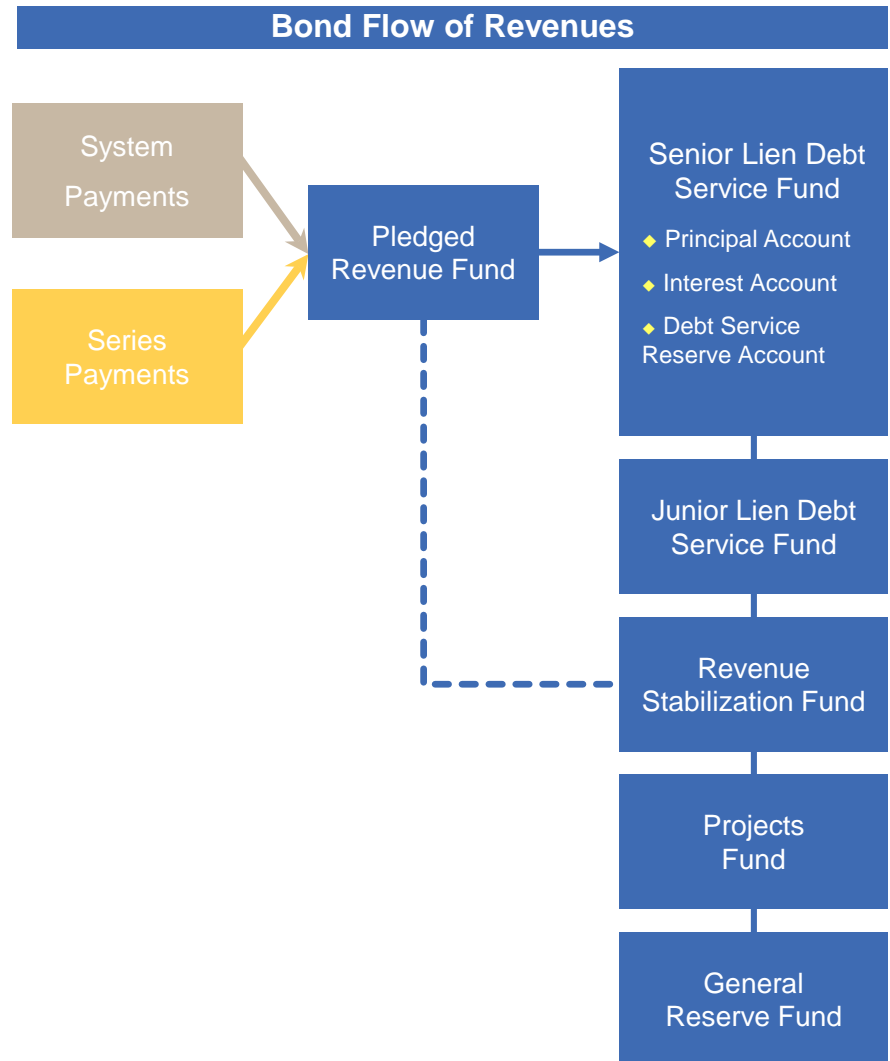
10-Year Historical Series Payments

Fiscal Year	Horry County Loan I Payments	Horry County Insured Loan II	Horry County Uninsured Loan II	Lexington County Loan Payments	SCDOT Conway Bypass Loan I	SCDOT Conway Bypass Loan II	SCDOT Cooper River Bridge	SCDOT US 17 Project	Multi-Project Funding Agreement		Total Series Payments
									SCDOT Loan Payments	SCDOT Exchange Payments	
2009	15,000,000	9,500,000		5,900,000	4,000,000	7,600,000	8,000,000	4,979,751	6,000,000	2,760,948	63,740,699
2010	15,000,000	10,400,000		5,900,000		7,600,000	8,000,000	4,979,751	10,000,000	2,815,081	64,694,832
2011	15,000,000	11,500,000		5,900,000		7,600,000	8,000,000	4,979,751	10,000,000	2,843,684	65,823,435
2012	15,000,000	12,600,000		5,900,000		7,600,000	8,000,000	4,979,751	10,000,000	2,917,432	66,997,182
2013	15,000,000	13,900,000		5,900,000		7,600,000	8,000,000	4,979,751	10,000,000	2,838,129	68,217,880
2014	15,000,000	15,200,000		5,900,000		7,600,000	8,000,000	4,979,751	10,000,000	2,807,654	69,487,405
2015	15,000,000	16,800,000				7,600,000	8,000,000	4,979,751	10,000,000	2,527,960	64,907,711
2016	15,000,000	17,600,000				7,600,000	8,000,000	4,979,751	10,000,000	3,272,718	66,452,469
2017	15,000,000					7,600,000	8,000,000	4,979,751	10,000,000	4,693,476	50,273,227
2018			19,177,658			7,600,000	8,000,000	4,979,751	10,000,000	4,693,476	54,450,885



SCTIB Master Revenue Bond Resolution

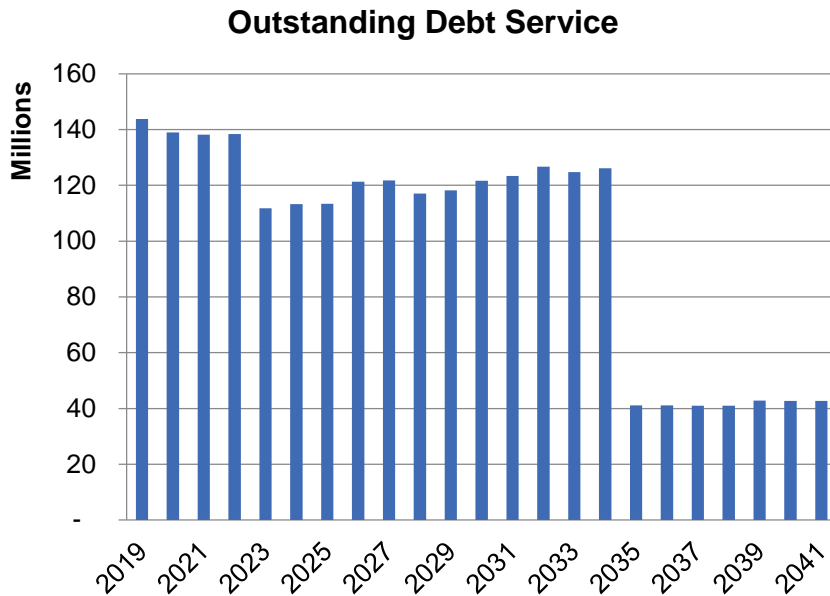
- ◆ **Pledged Revenues** – System Payments, Series Payments, transfers from Revenue Stabilization Fund, & certain investment earnings
- ◆ **System Payments** – Annually recurring revenues which now includes Truck Registration Fees, SCDOT Highway Funds, Motor Vehicle Registration Fees, and Wholesale Electric Power Funds.
- ◆ **Series Payments** – Revenues received pursuant to a loan agreement. Currently includes the SCDOT Cooper River Bridge payments, the SCDOT Conway Bypass Loans I & II, the SCDOT Multi Project Funding Agreement, and the SCDOT US 17 Project payments.
- ◆ **Net Revenues** – Pledged Revenues less Series Payments.
- ◆ **Annual Net Debt Service** – Gross Annual Debt Service less investment earnings on the Debt Service Fund and less Series Payments.
- ◆ **Senior Lien Additional Bonds Test** – Net Revenues must cover Senior Lien Annual Net Debt Service by 1.35 times and aggregate Senior/Junior Annual Net Debt Service by 1.20 times.





SCTIB Revenue Bonds

- \$1.5 billion of debt outstanding
 - Final Maturity: 2041
 - Average Coupon: 4.03%
- Refunding Overview
 - SCTIB has realized over \$233 million of NPV debt service savings (net of all fees) through the refunding of outstanding bonds which equates to \$371 gross savings



- Refunding Transaction Process:
 - Recommendation from Financial Advisor (or other)
 - Review by SCTIB staff and counsel
 - Presentation and approval by STO
 - Presentation and approval by SCTIB Board
 - Presentation and approval by JBRC
 - Transaction implementation
 - Closing and report of results
- Refunding Criteria
 - Refunding does not extend current term
 - Minimum savings of 3.0% or higher is industry standard
 - Savings are calculated net of all associated fees
 - Review of potential negative arbitrage and option value
- Fees of SCTIB professionals
 - Legal fees for bond professionals (bond counsel, underwriters' counsel and disclosure counsel) set by State Fiscal Accountability Authority
 - Other legal fees set by SC Attorney General
 - Financial Advisor fees were determined via a competitive Request for Proposals process including participation of SCTIB and STO staff



Balance Sheet

Pledged Revenue Fund Balance (6/30/2018)	370,242,314
Cash (Highway Fund) Balance (6/30/2018)	39,706,467
Act 98 Subfund	50,269,009
Debt Service Reserve Fund (6/30/2018)	131,764,000
Revenue Stabilization Fund (6/30/2018)	26,600,000
Total	568,312,781

- All System Payments and Series payments received by the Bank are deposited in the Pledged Revenue Fund
 - Amounts in the Pledged Revenue Fund are required to be used first to pay principal & interest on SCTIB revenue bonds plus any other deposits required by the Master Revenue Bond Resolution
 - After debt service and related bond requirements are met, any excess balance in the Pledged Revenue Fund are available for SCTIB approved project grants and loans
- The Debt Reserve Reserve Fund and Revenue Stabilization Reserve Fund balances are restricted funds the amounts of which are set pursuant to the Master Revenue Bond Resolution
- Cash amounts in the Highway Fund are unrestricted and available for SCTIB approved project grants and loans (except funds in the Act 98 subfund are only available for Act 98 projects)
- Current and projected unrestricted or excess cash balances are incorporated into a funding capacity analysis



Project Funding Capacity (above approved SCTIB funding commitments)

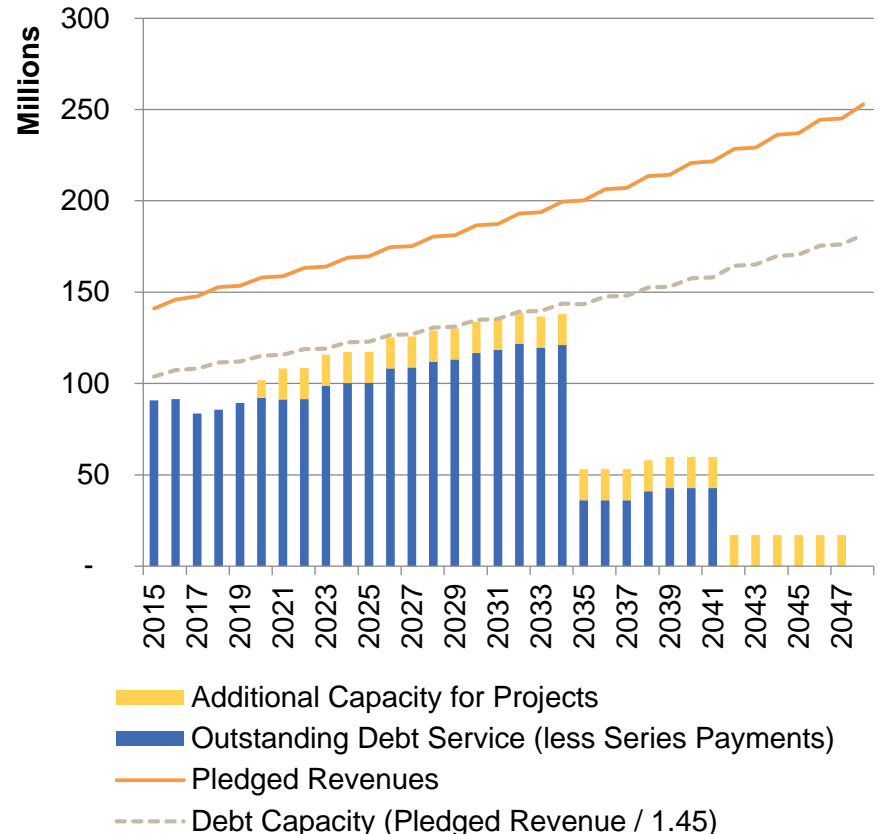
- ◆ Pledged Revenues Projections assuming System Payments Revenue Growth Estimates
 - Truck Registration Fees - 2% biennial growth
 - SCDOT Highway Funds - 0.5% annually
 - Motor Vehicle Registration Fees - 1.5% annually
 - Wholesale Electric Power Funds – 1.5% annual escalation

- ◆ Future Debt Capacity / Bond Issuance
 - 30-year term
 - Fully funded debt service reserve
 - Interest rates at 1.00% above current market rates

- ◆ Capacity Constraints
 - Senior lien Revenue Bond debt service coverage of 1.45 times
 - Unrestricted cash balance, including the Revenue Stabilization Fund, minimum of \$50 million

- ◆ Capacity excludes self-supporting loans – SCTIB can bond against creditworthy loan repayments

- ◆ Future Project Funding Capacity
 - \$728 million additional project funding capacity
 - \$317M Revenue Bond Proceeds
 - \$411M cash available in excess of \$50M target through FYE 2023





Implementation of ACT 275 / ACT 40

- Prior slides refer to activities of the Bank originally authorized including those revenues statutorily designated for the Bank's purposes as well as the various revenues associated with loan agreements entered into by the Bank
- None of the Bank's revenues, bonds, projects, or loan agreements previously referenced relate to Acts 275 / 40*
- SCTIB staff and advisors have met with SCDOT previously and developed financial plans and a term sheet to assist with implementation of Acts 275 / 40 while achieving the following objectives:
 - Maximum flexibility to SCDOT to manage project construction program
 - SCTIB to function as a conduit issuer with respect to Acts 275 / 40; Separate lien from SCTIB's existing revenue bond program
 - Maintain solid credit ratings for new Act 275 / 40 revenue bonds
 - Structure should protect the credit of existing SCTIB Revenue Bonds
 - Flexibility to optimize timing and structure of SCTIB Acts 275 / 40 revenue bonds to fund related projects
 - Flexibility to continue and manage existing SCTIB program, including that SCTIB and SCDOT could enter into more loan agreements for additional projects under the existing Bank structure
- The Bank is ready, able, and willing to support SCDOT and the related programmatic financing needs associated with Acts 275 / 40

**Act 275 made several substantive changes to the original SCTIB ACT (e.g. \$25 million threshold to qualify as a "major project"; no local match requirement for certain bridge and road projects identified by SCDOT; enhanced role of SCDOT Commission in project selection).*



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