

RAMP up ATRIP with ALDOT

2014 SASHTO Conference

August 26, 2014

New Orleans, LA

Bill A. Flowers

Director of Finance & Audits/CFO

Alabama Department of Transportation



RAMP up ATRIP with ALDOT

ATRIP

- Alabama Transportation Rehabilitation and Improvement Program
- \$1.2 Billion Program (\$1 Billion GARVEE)

RAMP

- Rural Assistance Match Program
- \$25 Million Revenue Bonds



RAMP up ATRIP with ALDOT

CONSTITUTION OF ALABAMA

- Balanced Budget
- Debt Prohibition

CODE OF ALABAMA

- Funding Authorities
- Pledged Revenues



RAMP up ATRIP with ALDOT

AFAHFA (Alabama Federal Aid Highway Finance Authority)

- Incorporated in 1981
- Debt Ceiling - \$212 Million
- AC Program – Federal Share
- Primary Pledge of Federal Aid Funds
- Secondary Pledge of State Revenues



RAMP up ATRIP with ALDOT

AHFC (Alabama Highway Finance Corporation)

- Incorporated in 1965
- Debt Ceiling - \$25 Million Revolving
- Federal Aid Program – State Share
- Primary Pledge of State Revenues



RAMP up ATRIP with ALDOT

AFAHFA (Alabama Federal Aid Highway Finance Authority)

- 1981 - \$64 Million Issue (3 Year Notes)
 - Coupon 9.25%
- 2000 – Removed Debt Ceiling
- 2000 – Removed Secondary Pledge
- 2002 - \$200 Million GARVEE Issue (15 Years)
 - Insured by MBIA
 - Moody's: Aaa Standard & Poor's: AAA
 - Coupon 3.25% - 5.25% Yield 2.25% - 5.05%



RAMP up ATRIP with ALDOT

AFAHFA (Alabama Federal Aid Highway Finance Authority)

- 2011 - \$91.195 Million Refunding (6 Years)
 - Moody's: Aa2 Standard & Poor's: AA
 - Coupon 1.00% - 5.00% Yield 0.33% - 1.63%
- 2012 - \$327.935 Million Issued (14 Years)
 - Proceeds of \$400 Million
 - Moody's: Aa3 Standard & Poor's: AA
 - Coupon 4.00% - 5.00% Yield 0.35% - 2.40%
- 2014 – Added Parity Pledge - State Revenues
- ??? – Additional \$600 Million Needed



RAMP up ATRIP with ALDOT

AHFC (Alabama Highway Finance Corporation)

- 1965 to 1978 - \$25 Million Revolving Issued
- 1978 – Established \$25 Million Debt Ceiling
- 1982 – \$25 Million Issue (15 Years)
- 2013 – Re-established \$25 Million Revolving
- 2014 - \$25 Million Issue (7 Years)
 - Direct Placement
 - Annual Interest Rate - 1.7%



RAMP up ATRIP with ALDOT

LESSONS LEARNED

- Project versus Program
 - Interest Allocation
 - Project Progression
 - Industry Capacity
 - Timely Use of Bond Proceeds/Arbitrage
- Everything Changes
- Communication is Key



RAMP up ATRIP with ALDOT

