



New Mexico Finance Authority Highlights of Fiscal Year 2018

*Presentation to
New Mexico Finance Authority
Oversight Committee*

June 15, 2018



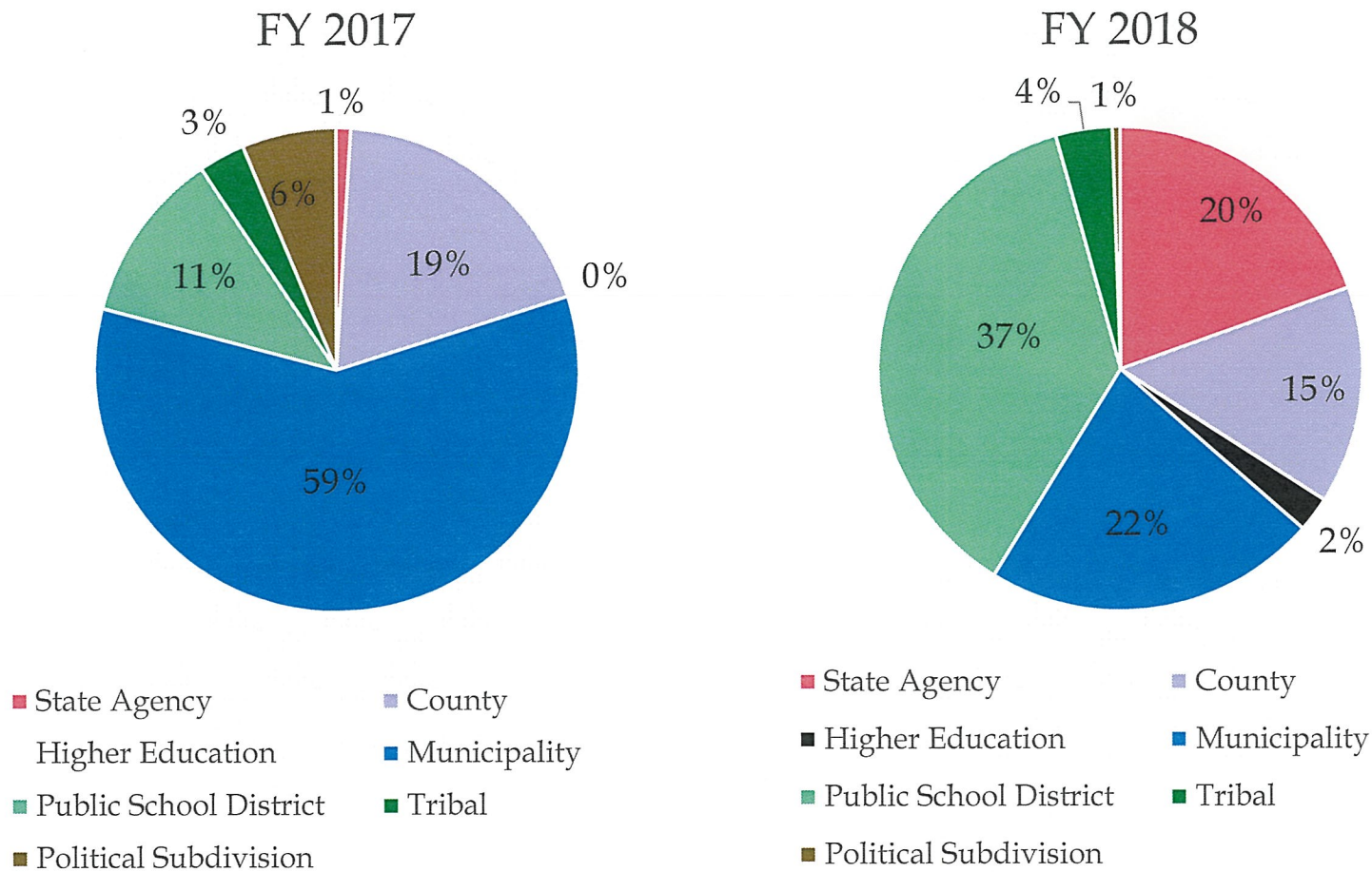
Public Project Revolving Fund (PPRF) loan activity for FY 2018:

- ❖ With closings scheduled through June 30th, the PPRF is on track to have closed on 103 loans totaling over \$241 million. This is the highest quantity of loans closed in any one year.
- ❖ A moratorium was placed on Disadvantaged Funding due to lack of funds. Disadvantaged Funding will resume in FY 2019 under different funding criteria.
- ❖ Top five (5) largest projects/loans:

| Entity | Project | Amount |
|-----------------------------|--|--------------|
| General Services Department | Refunding Series 2008AB State Building Bonds | \$28,480,000 |
| City of Farmington | Refundings and Quality of Life Projects | \$24,020,000 |
| Taos County | Refunding Admin Building Loan | \$22,685,000 |
| General Services Department | CYFD State Building Bonds | \$18,550,000 |
| Gadsden School District | District-wide capital improvements | \$9,500,000 |
| Farmington School District | District-wide capital improvements | \$7,100,000 |



PPRF Loan Activity Comparison by Borrower Type (FY 2017 & 2018)





In FY 2018, NMFA's programs achieved several important milestones:

❖ Drinking Water State Revolving Loan Fund (DWSRLF):

For the first time since its inaugural year (1998), New Mexico has only one open capitalization grant from which to fund construction draws. The federal DWSRLF has expended the loan funds in all prior year capitalization grants and is currently drawing only from the FFY 17 capitalization grant. The FFY 18 capitalization grant has only recently been made available for application.

- ❖ Projected FY 18 Project Approvals: 18 projects totaling \$20,180,874
- ❖ Projected FY 18 Closings: 11 projects totaling \$12,824,721 (8% increase over FY 17 closings)
- ❖ Projected FY 18 Draws: \$ 11,842,498 in total construction draws



In FY 2018, NMFA's programs achieved several important milestones:

❖ Water Trust Board (WTB)

For the first time since its inception, all prior year awards have been closed and are available for construction. In FY 2017, the funds earmarked for the Water Trust Board were appropriated for other purposes. The project closings in FY 2018 represent the few projects from prior years that had not closed yet closed.

- ❖ Projected FY 18 Project Approvals: 14 projects totaling \$17,305,000
- ❖ Projected FY 18 Closings: 3 projects totaling \$4,415,441
- ❖ Projected FY 18 Draws: \$11,892,021 in total construction draws



In FY 2018, NMFA's programs achieved several important milestones:

❖ Colonias Infrastructure Board

The pace of closings and draws continues to increase. The first of the FY 2018 awards is already scheduled to close in August 2018.

- ❖ Projected FY 18 Project Approvals: 18 projects totaling \$9,527,422
- ❖ Projected FY 18 Closings: 12 projects totaling \$5,166,844
- ❖ Projected FY 18 Draws: \$14,798,220 in total construction draws

❖ Local Government Planning Fund

Without additional funding in FY 2017 and 2018, the NMFA is only accepting applications for projects deemed urgent.

- ❖ Projected FY 18 Project Approvals: 52 projects totaling \$2,123,358
- ❖ Projected FY 18 Closings: 51 grants totaling \$2,080,834 (approx. 25% increase over FY 17)
- ❖ Projected FY 18 Draws: \$2,108,139



In FY 2018, NMFA approved five projects totaling \$62 million in NMTC

❖ New Markets Tax Credits (NMTC)

Since 2008, Finance New Mexico has been awarded \$246 million of federal tax credit authority and has allocated all but \$5.5 million of the allocation.

| | |
|--|--------------|
| ❖ Continental Divide Electric Cooperative, Grants, NM <i>Broadband Project</i> | \$10 million |
| ❖ Leprino Food Company, Roswell, NM <i>Manufacturing Plant Expansion</i> | \$15 million |
| ❖ Vitality Works, Inc., Albuquerque, NM <i>Manufacturing Plant Expansion</i> | \$ 7 million |
| ❖ Albertson's, Carlsbad, NM <i>New Grocery Store and Health Clinic</i> | \$15 million |
| ❖ Urban Hospitality, LLC, Albuquerque, NM <i>Development of a Springhill Suites Hotel</i> | \$15 million |



In fiscal year 2018, the Authority successfully sold the following bonds:

FY2018 NMFA bond sales totaled \$711,780,000 raising \$800,942,158 from 8 issues

- ❖ \$43,395,000 PPRF 2017D Subordinate Lien Tax-Exempt Bonds – Sold 8/10/17
- ❖ \$40,190,000 PPRF 2017E Senior Lien Tax-Exempt Bonds – Sold 11/08/17
- ❖ \$19,315,000 PPRF 2017F Subordinate Lien Taxable Bonds – Sold 11/07/17
- ❖ \$124,330,000 PPRF 2018A Senior Lien Tax-Exempt Bonds – Sold 02/21/18
- ❖ \$22,530,000 PPRF 2018B Senior Lien Tax-Exempt Bonds – Sold 05/09/18
- ❖ \$19,400,000 PPRF 2018C1 Subordinate Lien Tax-Exempt Bonds – Sold 05/08/18
- ❖ \$ 22,530,000 PPRF 2018C2 Subordinate Lien Taxable Bonds – Sold 05/08/18
- ❖ \$420,090,000 NMDOT 2018A Subordinate Lien Tax-Exempt Bonds – Sold 6/7/18

**In FY18 PPRF subordinate lien bonds were rated AAA
by Standard & Poor's**

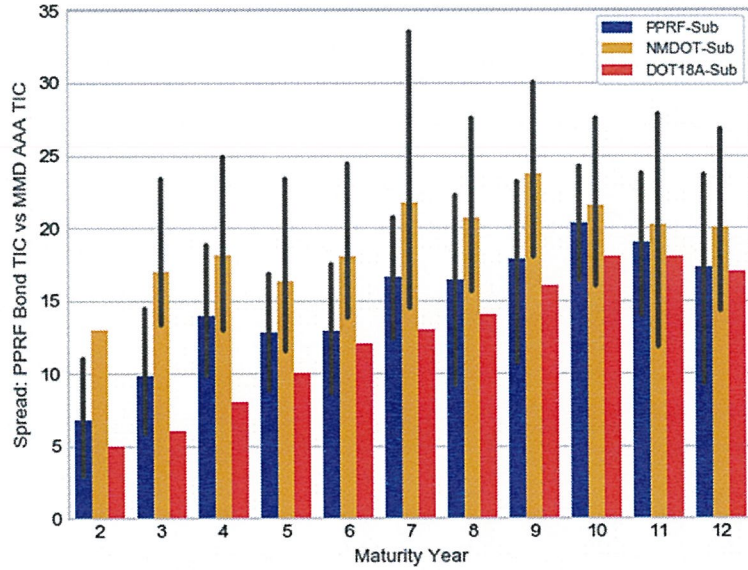


Most noteworthy bond was for NMDOT - 2018A \$420,090,000 sold 6/7/18

- ❖ All NMDOT debt is now fixed rate debt with an average life of 5.5 years
- ❖ Eliminated:
 - ❖ \$420,000,000 interest rate swaps
 - ❖ \$420,000,000 floating rate debt
 - ❖ \$ 50,000,000 collateral posting line-of-credit
 - ❖ \$135,200,000 liquidity and placement agent facilities
 - ❖ \$284,800,000 annual fees on direct purchase index notes
 - ❖ The Cliff in years 2025 and 2026 with State Road Fund debt service obligations falling from about \$115 million per year to \$40 million - by extending final maturities to 2030
- ❖ Competitive bids separated by 5bp came from 8 underwriters with Goldman Sachs the low bidder.
 - ❖ \$4 billion in total bids
- ❖ Due to the aggressive bid pricing, NMDOT will save money compared to keeping synthetic debt



PPRF & NMDOT Subordinate Lien Exempt 05/01/04 - 06/30/18 Bond Spreads vs. NMDOT 2018A



PPRF & NMDOT Subordinate Lien Exempt 05/01/04 - 06/30/18 Bond Spreads vs. NMDOT 2018A

