

# SFCTA Sales Tax Bond Authorization

## Board Agenda Item 8



**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**

**September 12, 2017**

# SFCTA Bonds Transaction Overview



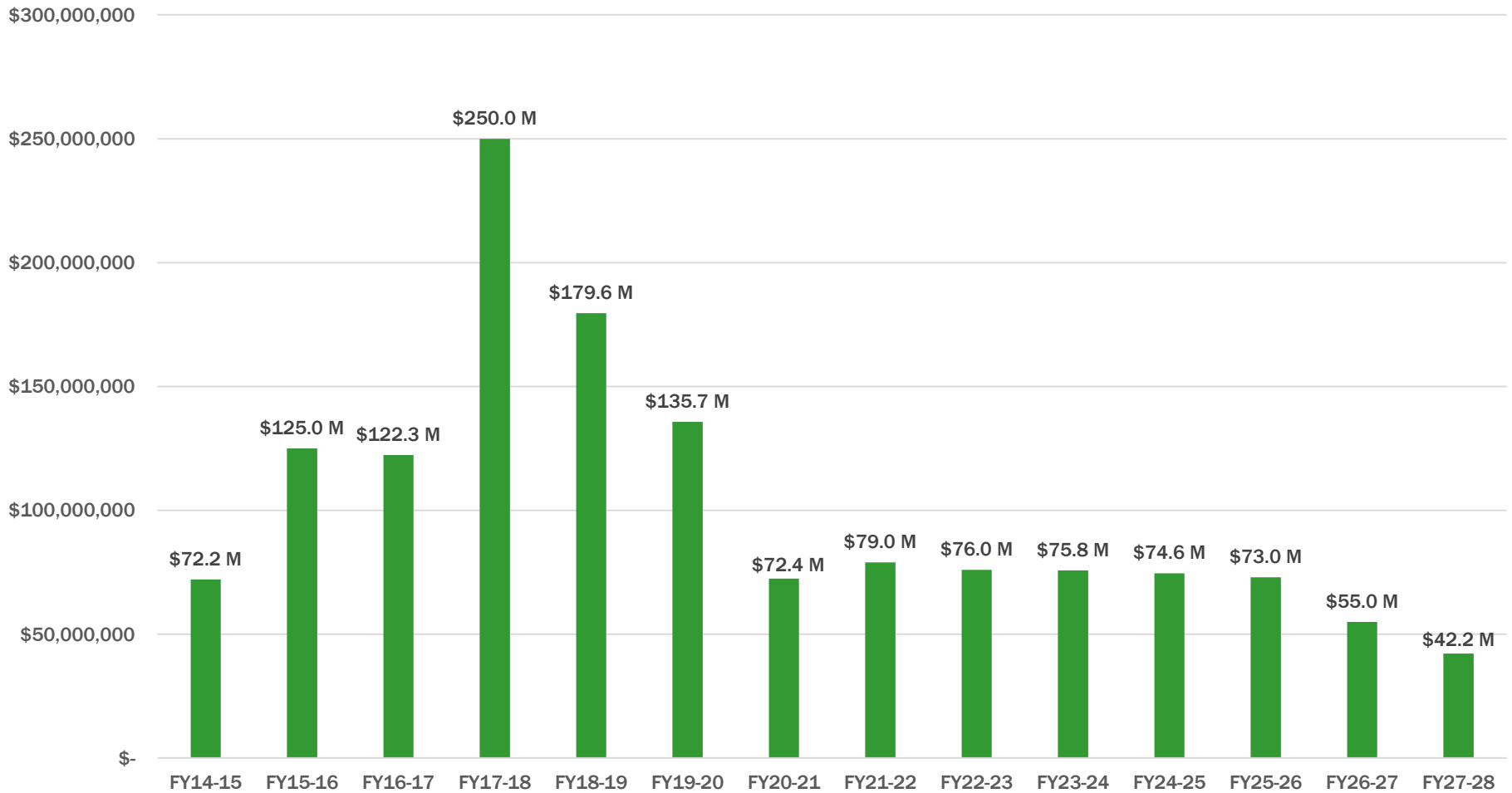
## Summary of Key Details

<b>Anticipated Size of the Bonds</b>	<b>Amount not to exceed \$255 million</b>
<b>Structure of Bonds</b>	<b>Fixed rate, tax-exempt sales tax revenue bonds Interest rate not to exceed 12% Final payment in FY33/34 (last year of Prop K Expenditure Plan)</b>
<b>Bonds Repayment</b>	<b>Repaid from one-half of one percent (1/2%) Prop K sales tax revenues</b>
<b>How much debt is the SFCTA authorized to issue?</b>	<b>Prop K ordinance approved up to \$1.8 billion of debt issuances</b>
<b>How much debt does the SFCTA have outstanding?</b>	<b>\$140 million of Revolver loan from State Street Bank currently outstanding</b>
<b>Anticipated Bonds Closing</b>	<b>October 2017</b>

# What is driving the need to issue debt? Prop K Cash Needs Are Peaking



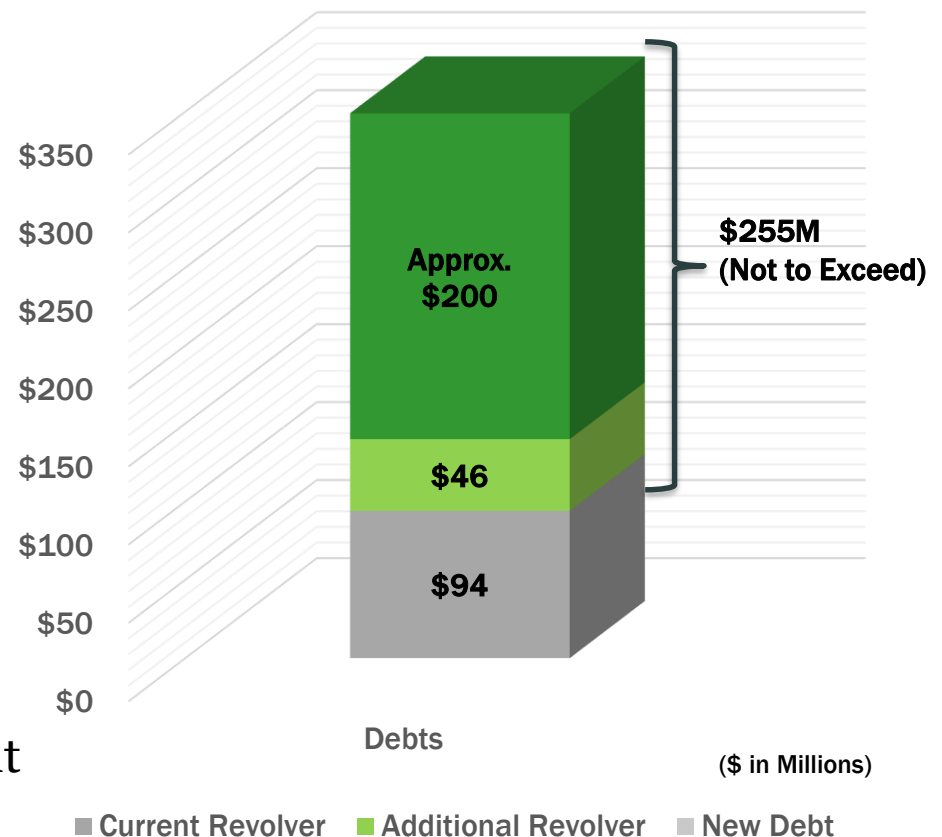
## Actual and Anticipated Prop K Capital Reimbursements



# Plan of Finance & Use of Proceeds



- 2017 Bonds to be sold competitively
- Payment priority on the 2017 Bonds senior to Revolver
- Primarily for Prop K project costs related to:
  - Motor Coach Procurement
  - Radio Replacement
  - Central Control & Communications Projects
  - Trolley Coach Procurement
  - Light Rail Vehicle Procurement





# What is driving the need to issue debt?

## Prop K Major Cash Drivers

### Maximum Prop K Reimbursement (in millions)

Project	Revolver Loan (to be refinanced)	FY 17/18	FY 18/19	FY 19/20
Motor Coach Procurement	\$ 31.4	\$ 54.6	\$ 9.7	-
Radio Replacement	\$ 4.5	\$ 49.9	-	-
Central Control & Communications	\$ 0.5	\$ 9.8	\$ 1.6	-
Trolley Coach Procurement	-	\$ 18.9	\$ 26.4	-
Light Rail Vehicle Procurement	\$ 1.8	\$ 2.8	-	\$ 0.8
<b>Total: \$212.6</b>	<b>\$ 38.1</b>	<b>\$ 136.0</b>	<b>\$ 37.7</b>	<b>\$ 0.8</b>

- \$106.5 million – sales tax revenues projected for FY 17/18
- Major cash flow drivers represents approximately 85% of the bond proceeds
- Revised 7/5/2017

## Prop K Bond Eligible Project Categories

BART State of Good Repair (vehicles, facilities, guideways)

BART Vehicles

Bicycle Safety/Circulation

Bus Rapid Transit - Curb and roadway improvements

Caltrain Communications Based Overlay Signal System (CBOSS)

Caltrain Electrification - Components (e.g. poles, substations)

Caltrain Electrification - Electric Multiple Units

Caltrain State of Good Repair (vehicles, facilities, guideways)

Central Control and Communications (C3)

Curb Ramps

Ferry Terminal

Muni Fixed Guideways (e.g. rail replacement, overhead catenary systems)

Muni Forward, including bulbouts and boarding islands (new and extended)

Muni Historic Streetcars

Muni Light Rail Vehicles

Muni Motor Coaches

Muni Trolley Coaches

Pedestrian Safety/Circulation

Radio Replacement

SFgo (e.g. interconnect and traffic signal controller technology)

Signals and Signs (new and upgraded)

Station Area Improvements

Street Improvements (e.g. streetscape)

Street Resurfacing

Traffic Calming

Transbay Transit Center

Transit Facilities (e.g. stations, maintenance facilities) and Facilities-Related Equipment (e.g. escalators, faregates)

Underground Rail Extension

# Financial Impact (Preliminary Subject to Change)



## Sources:

Bond Proceeds Par Amount	\$	247,515,000
Net Premium		27,169,434
Total	\$	<u>274,684,434</u>

## Uses:

Capital Project Fund	\$	204,000,000
Revolver Refinancing		46,000,000
Capitalized Interest Fund		21,456,389
Cost of Issuance		3,228,045
Total	\$	<u>274,684,434</u>

Actual sources and uses will vary based on market conditions and final bond sizing at the time of pricing the 2017 Bonds.

# Key Documents



- 1. Preliminary Official Statement (POS)**  
Describes bond terms and Transportation Authority
- 2. Continuing Disclosure Certificate**  
Outlines disclosure reporting requirements during term of bonds
- 3. Amended and Restated Indenture**  
Agreement between SFCTA and U.S. Bank , as trustee
- 4. Supplemental Indenture**  
Agreement between SFCTA and bondholders
- 5. Official Notice of Sale**  
Notifies underwriters of bidding parameters for competitive bond sale
- 6. Bond Purchase Contract**  
Outlines terms of bond sale for negotiated transaction



Thank You



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