

# Issuance of Series 2019 Measure M2 Bonds, Measure M2 Financing Documents, and Trustee Services Amendment

# Background

- Measure M2 (M2) ordinance allows use of bond financing if planned expenditures make pay-as-you-go financing unfeasible
- The Board of Directors (Board) first approved the preliminary M2 Plan of Finance on May 23, 2016, and reaffirmed the plan at the November 12, 2018 meeting
- To fund the Interstate 405 Improvement Project it will require approximately \$900 million of bond proceeds in addition to M2 pay-as-you-go funds
  - \$400 million in 2019
  - \$500 million in 2021

# Interstate 405 Improvement Project Funding

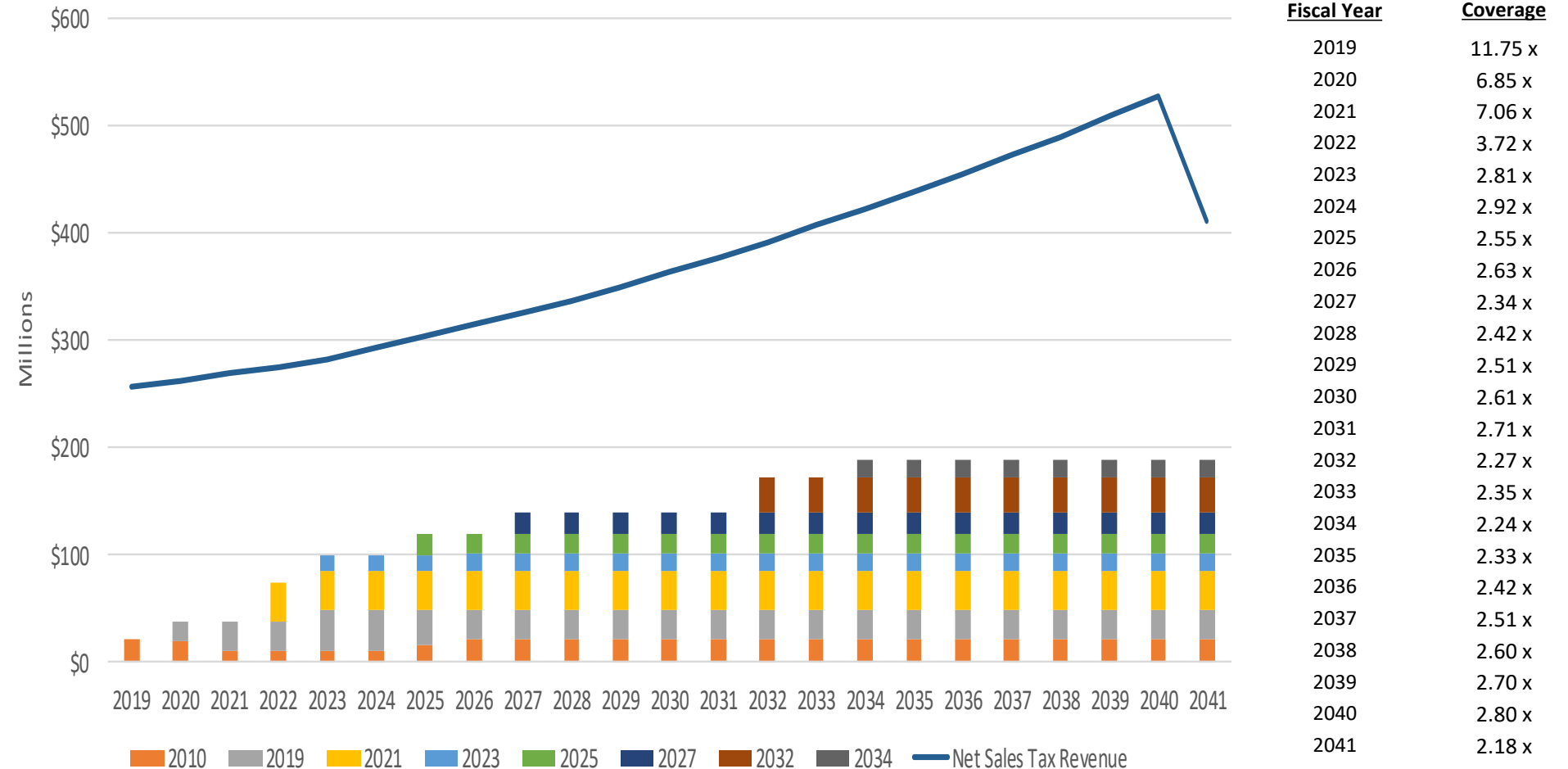
Source of Funds	Amount (millions)	
<i>Local - M2</i>		
Pay-as-you-go	\$	242.651
Bond Financing		893.000
Total	\$	1,135.651
<i>Federal &amp; State</i>		
TIFIA*	\$	628.930
Federal & State Grants		135.419
Total	\$	764.349
Total Funding	\$	1,900.000

\* TIFIA - Transportation Infrastructure Finance and Innovation Act

# Proposed Bond Structure

- \$400 in net bond proceeds
- Conventional fixed-rate tax–exempt bonds
- Level annual debt service
- Bonds mature in 2041
- Ten-year par call with consideration of shorter term based on market conditions
- Refinance \$43.5 million of outstanding 2010 Series A Bonds if market conditions realize debt service savings

# Projected Annual Debt Service & Coverage



# Financing Documents

- Resolution No. 2019-008
- OCTA Comprehensive Debt Management Policy
- Master Indenture and Third Supplemental Indenture
- Purchase Contract
- Preliminary Official Statement
- Continuing Disclosure Certificate

# Next Steps

- Conduct rating agency presentations on January 29, 2019
- Release Preliminary Official Statement on February 4, 2019
- Meet with investors and answer final questions in New York on February 11, 2019
- Price bonds on February 12-13, 2019
- Close transaction on February 26, 2019
- Return to Finance and Administration Committee with pricing summary in March 2019