



Transportation Infrastructure Finance and Innovation Act Loan Update



Background

- In July 2017, the Orange County Transportation Authority (OCTA) secured a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Interstate 405 (I-405) Improvement Project, in the amount of \$628.9 million

Staff has been working with the Build America Bureau since August 2020 to lower the interest rate on the 2017 TIFIA loan

- In March 2021, the OCTA Board of Directors approved the financing documents for the rate reset of the 2017 TIFIA loan
- The new loan closed on September 9, 2021

2017 TIFIA Loan

- Loan amount of \$628.9 million
- The interest rate was fixed at 2.91 percent for the life of the loan
- OCTA had made draws on the TIFIA loan of \$287 million
- The balance on the loan as of September 7, 2021, was \$314 million including capitalized interest

2021 TIFIA Loan

- Loan amount of \$628.9 million
- The interest rate is fixed at 1.95 percent for the life of the loan
- OCTA was the first agency to close on a rate reset loan that had prior draws
- Net present value savings of the interest rate reset is \$158 million

Next Steps

- Staff to return to the Finance and Administration Committee meeting to be held on October 13, 2021, with an update on the overall debt service savings for the I-405 Improvement Project based on the use of the 2017 and 2021 TIFIA loans and Bond Anticipation Notes