



Orange County Transportation Authority

Legislation Text

File #: 20-2956, Version: 1

Transportation Infrastructure Finance and Innovation Act Loan Interest Rate Reset

On July 26, 2017, the Orange County Transportation Authority and the United States Department of Transportation Build America Bureau Credit Programs Office executed a Transportation Infrastructure Finance and Innovation Act Loan for up to \$628.93 million for the Interstate 405 Improvement Project. Over the past two months, staff has had several successful discussions with the Build America Bureau regarding the possibility of lowering the interest rate on the existing 2017 Transportation Infrastructure Finance and Innovation Act Loan. Staff is seeking approval to pursue lowering the current fixed rate of 2.91 percent interest rate based on current market conditions.

- A. Direct staff to proceed with pursuing an interest rate reset of Orange County Transportation Authority's Transportation Infrastructure Finance and Innovation Act Loan for the Interstate 405 Improvement Project.
- B. Authorize staff to execute Amendment No. 1 to Agreement No. C-7-2137 between the Orange County Transportation Authority and Sperry Capital, Inc. in the amount of \$170,000, to provide financial advisory services to the Orange County Transportation Authority for the interest rate reset transaction. The total contract amount will increase to \$665,000.
- C. Authorize staff to execute Amendment No. 1 to Agreement No. C-0-2021 between the Orange County Transportation Authority and Nossaman LLP, in the amount of \$65,000, to provide bond counsel services to the Orange County Transportation Authority for the interest rate reset transaction. The total contract amount will increase to \$301,000.
- D. Authorize the payment of fees and expenses required by the Build America Bureau to facilitate the interest rate reset.
- E. Direct staff to return to the Board of Directors for approval of the financing documents required to execute the closing of the transaction.