

# Measure R Bonds

**Board Meeting**  
**October 27, 2016**



**Metro**

# Issue

**We are seeking authorization to issue \$600 million of Measure R bonds through a negotiated sale to finance capital expenditures in order to keep Measure R projects moving forward:**

<b>Refinancing outstanding short term debt:</b>	<b>\$300 million</b>
<b>New Money for projects:</b>	<b>\$300 million</b>

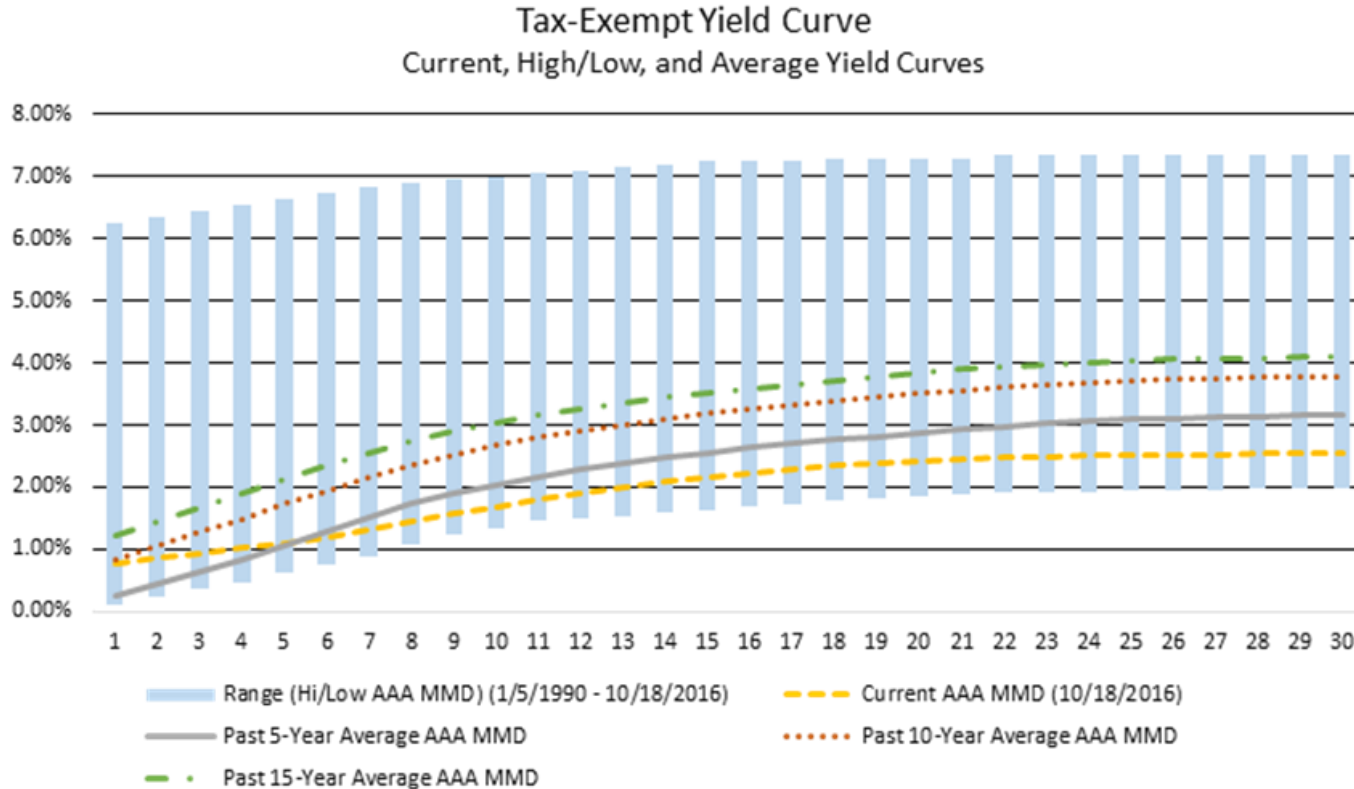
- **Tax-exempt fixed rate bonds**
- **Final maturity expected to be 2039**
- **Fall 2016 sale**

# Issue

- **The underwriting team was selected from the underwriter pool approved by the Board in October 2015.**
- **With this transaction we will have utilized 75% of the underwriter pool.**
- **The Measure R Oversight Committee made a finding that the benefits of the proposed debt financing for accelerating projects and avoiding cost escalation exceed issuance and interest cost at its July 19, 2016 meeting.**

# Issue

**Current long-term rates are low compared to historical averages making it a good time to issue long-term fixed rate debt.**



# Recommendation & Next Steps

- **Adopt a Resolution:**

- A. Authorizing the negotiated sale of \$600 million of Measure R Bonds;
- B. Approve the forms of the supplemental trust agreement, continuing disclosure certificate, Preliminary Official Statement and other documents;
- C. Approve the form of the bond purchase agreement; and
- D. Authorize taking all action necessary to achieve the foregoing.

- **Next Steps**

- Obtain credit ratings on the bonds
- Complete legal documentation and initiate the pre-marketing effort
- Price the bonds

# End Presentation

## Discussion