



File # 2025-0985

Measure M

Short-Term Borrowing Program

Finance, Budget and Audit Committee
January 15, 2026



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RECOMMENDATIONS

ADOPT:

- A. A resolution that authorizes the CEO or designees to establish the Measure M Short-Term Borrowing Program (Attachment A); and
- B. A resolution that authorizes the CEO or designees to execute and deliver all necessary documents related to the Measure M Short-Term Borrowing Program to enter into revolving credit agreements (Attachment B)

BACKGROUND & PURPOSE

Background

Metro is focused on ensuring delivery of the transit capital and highway projects set forth in the Measure M Expenditure Plan

The Long Range Transportation Plan assumes the use of short-term borrowing and long-term bonds to deliver Measure M capital projects

Purpose

Provide liquidity at lowest cost of borrowed capital, maintain prudent level of risk, and preserve financial flexibility in Metro's capital structure

Provide interim financing for Board-approved capital projects and programs

- Financing until grant reimbursement or other funding sources are received, or until permanent financing is arranged
- Short-term borrowing facilities utilized for quick access to funds when construction is imminent



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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

- The Measure M Independent Taxpayer Oversight Committee (“Committee”) was created to ensure accountability for Measure M sales tax expenditures
- Measure M Ordinance states: the Committee “shall review all proposed debt financing and make a finding as to whether the benefits of the proposed financing for accelerating project delivery, avoid future cost escalation, and related factors exceed issuance and interest costs”
- The Committee made the finding of benefit of establishing the Measure M Short-Term Borrowing Program at its December 3, 2025 meeting (Attachment D)

NEXT STEPS

- Authorize Measure M short-term borrowing program
- Negotiate final terms and conditions with the recommended letter of credit (“LOC”) and revolving credit facility (“RCF”) providers
- Prepare agreements and documentation for LOCs and RCFs, including, among others, notices, reimbursement agreements, fee agreements, reimbursement notes, credit agreements, revolving obligation notes, supplemental trust agreements and offering memoranda
- Obtain credit ratings for the Commercial Paper (“CP”) notes based on the credit ratings of the selected providers
- Issue CP or drawdown on RCFs