

Measure R

Refunding and New Money Bonds

Finance, Budget and Audit Committee
March 19, 2026

BACKGROUND AND PURPOSE

Background

- Debt Policy requires continuous review its outstanding obligations for economic, cost-effective opportunities, or other “non-economic” reasons to issue refunding obligations
- The Long Range Transportation Plan assumes the use of short-term borrowing and long-term bonds to deliver capital projects

Purpose

1. To refund \$366 million of Measure R Series 2016-A on their upcoming call date of 6/1/2026 for debt service savings
2. To fund up to \$435 million of eligible capital projects
3. To refund \$150 million of Commercial Paper

MEASURE R INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

- Committee was created to ensure accountability for Measure R sales tax expenditures
- Committee made a finding of benefit of refunding \$150 million Commercial Paper and issuing up to \$435 million to fund eligible Measure R capital projects at its March 9, 2026 meeting (Attachment B)

BOND STRUCTURE AND NEXT STEPS

Mode and Structure:

- Measure R Bonds will be sold to investors on a negotiated basis through underwriters selected from the approved underwriter bench
- Measure R Bonds will be issued at a fixed rate with maturities ranging from 2027 – 2039

Next Steps:

- Obtain credit ratings on the Measure R Bonds
- Complete legal documentation and initiate the pre-marketing efforts
- Negotiate the sale of the Measure R Bonds with the underwriters

RECOMMENDATION

- A. Adopt a Resolution (Attachment A) that authorizes the issuance and negotiated sale of up to \$980 million of Measure R Bonds