



Board Report

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Agenda Number: 3.

Crenshaw Project Corporation



One Gateway Plaza
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**CRENSHAW PROJECT CORPORATION BOARD MEETING
DECEMBER 5, 2019**

**SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA)
LOAN ADMINISTRATION ACTIVITIES**

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Crenshaw Project Corporation (CPC) Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan administration activities during calendar year 2019.

ISSUE

The Crenshaw Project Corporation (CPC) reports to the Board annually the loan administrative activities that have taken place during the current calendar year.

BACKGROUND

The Crenshaw Project Corporation was formed in June 2012 to act as the TIFIA Loan conduit borrower and the Transportation Investment Generating Economic Recovery (TIGER) II TIFIA Payment grant sub-recipient for the Crenshaw/LAX Transit Corridor Project (Crenshaw/LAX).

This report provides an update to the Board about CPC administrative actions taken pursuant to the loan agreement since the last update at the CPC Annual Meeting held December 6, 2018. As of August 25, 2016, the CPC had drawn all of the \$545.9 million TIFIA Loan available to the Crenshaw/LAX Project.

DISCUSSION

Subsequent to the last CPC Annual Meeting held December 6, 2018, staff has completed the following actions in 2019 to administer the TIFIA Loan:

- Obtained annual credit rating;
- Paid the annual TIFIA Lender Loan Servicing Fee;
- Submitted to TIFIA:
 - Reports and presentations material sent to rating agencies for rating on any indebtedness secured by Proposition A, Proposition C, and Measure R sales taxes and General Revenues;
 - Preliminary Official Statements and Official Statements filed for all LACMTA bond issuances;
 - Unaudited Quarterly Financial Statements of LACMTA and CPC;
 - Audited Annual Financial Statements of CPC;
 - LACMTA Consolidated Annual Financial Report for the period ended June 30, 2018
 - Monthly Construction Progress Reports;
 - Monthly FTA Project Management Oversight Reports;
 - Quarterly List of Approved Contract Modifications for Design-Build Contractor in addition to uploading all approved contract modifications to a Metro FTP site that TIFIA staff has access to.
 - Seventh Annual Financial Plan for the Crenshaw/LAX Transit Corridor Project.
- Hosted a representative from the Build America Bureau, responsible for the oversight of the Crenshaw/LAX Project TIFIA Loan during the required annual site visit. The site visit included a tour of the project as well as an update provided by senior project management staff. Additional activities included a discussion on the Disbursement Schedule, the status of the projects' key legal actions by Metro's legal counsel, an update on Metro's financial status, Measure R revenue trends and debt secured by Measure R revenues presented by the Treasury Department and Strategic Financial Planning and Programming, a discussion regarding an amendment to the Crenshaw Loan Agreement, participation in the FTA Quarterly Review Meeting, and tours of the other Metro projects with TIFIA loans. (May 2019).

FINANCIAL IMPACT

Actual expenditures in FY19 for CPC TIFIA Loan activities totaled \$23,989 to pay for the United States Department of Transportation annual fee, trustee fees, ratings fees, and accounting fees. These activities are included in the FY20 proposed CPC Budget at an estimated cost of \$51,240.

NEXT STEPS

Staff will continue to take all actions required of the borrower under the Crenshaw/LAX Project TIFIA Loan and to provide annual updates to the CPC Board. Additionally, staff will return to the Board in the event there are any amendments required to the Crenshaw/LAX Project TIFIA Loan.

ATTACHMENTS

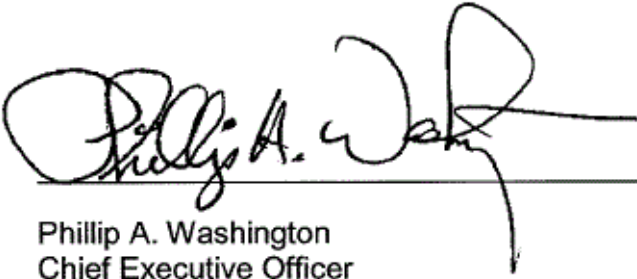
Attachment A - Crenshaw/LAX Project Funding Table

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