



2021 Measure RR Financing Plan

Government Audit and Oversight Committee Meeting
July 23, 2021

Introduction

- Purpose of action: Seek City and County of San Francisco (CCSF) approval of the Peninsula Corridor Joint Powers Board's (JPB) 2021 Financing Plan
- The JPB is a joint powers authority consisting of three member agencies: CCSF, Santa Clara Valley Transportation Authority and SamTrans
- California law requires each of the JPB's member agencies to approve the 2021 Financing Plan following a noticed public hearing
- The 2021 Financing Plan relies solely on Measure RR sales tax revenues and is not expected to have any adverse financial impact on any member agency
- On June 15, 2021, the SFMTA Board recommended approval of the 2021 Financing Plan

Overview of the JPB's 2021 Financing Plan

3 Components:

- Replace the two existing revolving credit agreements secured by farebox revenues with two new revolving credit agreements secured by Measure RR sales tax revenues
- Issue “new money” Measure RR sales tax bonds to fund additional costs of the PCEP project
 - Bonds would be structured so as to be repaid from the proceeds of Low Carbon Fuel Standards credits
- If economically feasible, advance refund, in whole or in part, the JPB's \$47,635,000 Farebox Revenues Bonds, 2019 Series A with Measure RR sales tax bonds

#1: New Revolving Credit Agreements

- In 2016, the JPB entered into a \$150 million revolving credit agreement with JP Morgan, secured by a subordinate pledge of farebox revenue, to finance on an interim basis certain capital costs associated with the PCEP Project (PCEP Agreement);
- In 2019, the PCEP Agreement was increased to \$170 million and JPB entered into a separate \$30 million revolving credit agreement to fund working capital (Working Capital Agreement) on an interim basis;
- Under the 2021 Financing Plan, the JPB will replace the two existing revolving credit agreements with two new \$100 million revolving credit agreements with Wells Fargo Bank, secured by a subordinate pledge of Measure RR sales tax revenues
 - Same aggregate principal amount
 - Estimated savings: \$2,500,000/year based on 50% average utilization

#2: New Money Measure RR Sales Tax Bonds

- Purpose: fund additional PCEP capital costs, capitalized interest and transaction costs
- Authorization Request: not to exceed \$140 million
- Structure: fixed rate bonds
 - Maturity and prepayment structure not yet finalized
- Security: Measure RR sales tax revenues but JPB will use proceeds of low carbon fuel standards credits to repay the bonds
 - Mitigates reliance on Measure RR sales tax revenues

#3: Advance Refund 2019 Farebox Revenue Bonds

- In 2019, JPB issued \$47,635,000 of farebox revenue bonds to:
 - Refinance 2007 and 2015 farebox revenue bonds
 - Acquire certain real property that PCJPB has previously been leasing
- The 2019 Bonds were secured by a pledge of the farebox revenues from the Caltrain service.
- JPB would like to advance refund all or a portion of the 2019 farebox bonds for savings, if economically feasible
 - JPB's underwriters estimated net present savings of approximately \$1.5 to \$2.0 million based on proposals received last month
 - Under current tax law, refunding bonds would need to be issued on a taxable basis