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Alameda Corridor Transportation Authority

March 17, 2022

To:	Governing Board
From:	Kevin L. Scott, Chief Financial Officer 
Subject:	<i>APPROVE Fifteenth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC for financial advisory services, to extend the Agreement term by 8 months</i>

Recommendation:

Approve the proposed Fifteenth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC ("PFMFA") to extend the agreement term by 8 months to February 28, 2023.

Discussion:

PFMFA has provided financial advisory services to ACTA over the past nineteen years. The firm has significant expertise in transportation and toll revenue financing and has assisted ACTA on several bond refinancing transactions and other vital fiscal matters during the term of the agreement. ACTA's debt structure is complex, involving senior, first subordinate, second subordinate, taxable, tax-exempt, interest bearing and capital appreciation bonds. ACTA's revenue pledge and priority of payment structure is also complex. ACTA's management requires the services of PFMFA on a regular basis to assist with the annual rating agencies' review process and when special needs arise, such as assessing the impact of COVID-19 on ACTA's ability to pay debt service. In addition, in the immediate near term, PFMFA's services are necessary for ACTA to consider potential bond financing options, as well as assisting ACTA in undertaking any selected financial transactions.

ACTA is currently restructuring its debt to reduce or eliminate near-term mandatory Shortfall Advances and voluntary Port Advances from the Ports of Long Beach and Los Angeles. The current agreement expires June 30, 2022. Unless extended, this expiration date will come during the financing transaction and losing PFMFA's services during this time is not recommended. Furthermore, ACTA intends to issue an RFP for financial advisor(s) following the completion of the bond transaction this summer. In order to have an orderly completion of the bond financing and RFP process, authorization to execute the Fifteenth Amendment to Agreement No. C0637 is requested to extend the agreement by eight months to February 28, 2023. No increase in the agreement's total compensation amount of \$975,000 is being requested.



Budget Impact:

There is no budget impact from the proposed amendment.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the proposed Amendment as to form.

Transmittal:

Transmittal 1 - Fifteenth Amendment to PFMFA Agreement No. C0637