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Alameda Corridor Transportation Authority

June 29, 2022

To:	Governing Board
From:	Kevin L. Scott, Chief Financial Officer 
Subject:	APPROVE Resolution No. JPA-22-11 to ratify and approve certain additional uses of the proceeds from the sale of the Alameda Corridor Transportation Authority Taxable Senior Lien Revenue Refunding Bonds, Series 2022B and the Defeasance of Certain Outstanding Bonds.

Recommendation:

Approve the Resolution of the Governing Board of the Alameda Corridor Transportation Authority (“ACTA”) which approves using the proceeds from the sale of the Taxable Senior Lien Revenue Refunding Bonds, Series 2022B (the “Series 2022B Bonds”) for defeasing all or any portion of the Tender Offer Bonds that are Series 1999A Bonds, Series 1999C Bonds and/or Series 2013A Bonds. The Chief Executive Officer or the Chief Financial Officer of ACTA, or their respective designee(s), acting individually, are authorized to take any action deemed necessary, desirable, or appropriate with respect to bringing about the defeasance of such Tender Offer Bonds as they may determine is in the best interests of ACTA.

Discussion:

On June 16, 2022, pursuant to Resolution No. JPA-22-09 (“Original Resolution”), the Governing Board approved issuance of certain bonds and approved an Invitation to Tender the Tender Offer Bonds. Specifically, the Original Resolution approved the issuance of:

- Series 2022A Tax-exempt Senior Lien Revenue Refunding Bonds to defease the 2022 maturity of the Series 2013A Bonds and to exchange for, or fund the purchase of, tendered Series 1999A Bonds or Series 2013A Bonds;
- Series 2022B Taxable Senior Lien Revenue Refunding Bonds to defease the 2022 maturity of the Series 1999C Bonds and a portion of the 2029 maturity of the Series 1999C Bonds, and to exchange for, or fund the purchase of, tendered Series 1999C Bonds;
- Series 2022C Tax-Exempt Second Subordinate Lien Revenue Refunding Bonds to exchange for, or fund the purchase of, tendered Series 2016B Bonds; and
- Series 2023A (Forward Delivery) Tax-Exempt Senior Lien Revenue Refunding Bonds to forward refund all remaining 2013A bonds, maturing on or after October 1, 2023.



The Board is being asked to approve Resolution No. JPA2-22-11 which makes certain clarifications about the transaction while not resulting in the issuance of more bonds than contemplated, nor does it authorize “taking out” other bonds beyond those initially contemplated. Specifically, the proposed Resolution will allow the defeasance of certain senior bonds subject to tender which are not tendered by bondholders, where to do such defeasance will be beneficial to ACTA, while remaining within the financial parameters set forth in the Original Resolution.

Staff recommends approval of the proposed Resolution to clarify the authorization set forth in the Original Resolution. Namely, the proposed Resolution clarifies that ACTA may refund the senior bonds that were already subject to tender, in either one of two ways: by purchasing bonds if tendered by bondholders, *or by defeasance of bonds not tendered*. These two options are recommended to respond to market volatility occurring in the past two weeks which may influence the proposed transaction. Depending on the results of the Tender Offer, there may be an opportunity to defease bonds that were subject to tender, but that were not tendered, thereby allowing ACTA to sculpt the debt service profile to ensure ACTA can maximize the economic benefit of the transaction, while still fitting within the necessary indenture parameters (e.g., not increasing Maximum Annual Debt Service).

Budget Impact:

No budget appropriation is necessary at this time.

Co-General Counsel:

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

Transmittals

Transmittal 1: Board Resolution No. JPA-22-11