Item 2

Results of 2022ABC Bond Issues

Alameda Corridor Transportation Authority

July 21, 2022

Background

- ACTA’s primary source of revenue is from Use Fees and Container Charges (“Revenues”) levied on the Railroads
- Prior to 2022ABC Bond Issuance, ACTA’s financial model estimated Revenues would not be sufficient to pay scheduled debt service
- In the event that ACTA is unable to make required debt service payments, the Ports are liable to cover up to 40% of the Authority’s annual debt service (“Shortfall Advances”)

Plan of Finance

- In order to address anticipated debt service shortfalls and potentially reduce the frequency and amount of future Port Shortfall Advances, the finance team developed a two-transaction Plan of Finance.
- The first transaction taking place in 2022 and the second in 2026.
- The first transaction had two main goals:
  - (i) alleviate all anticipated debt service shortfalls through and including bond year 2025; and
  - (ii) opportunistically provide additional relief after bond year 2025 through the use of a Tender offer in order to reduce future interest rate risk associated with the second transaction

Transaction 1 Results

- ACTA's Tender offer and bond sale was highly successful and will allow the Authority to avoid shortfalls through BY2025, assuming it can achieve projected Low Case revenues
- Despite challenging market conditions over the past several months and the utilization of products not frequently seen in the market (taxable capital appreciation bonds ("CABs") and convertible capital appreciation bonds ("CCABs")), ***ACTA's offering was very well subscribed to and receive $4.9 billion in total orders*** (representing subscription of 3.7x offer)
  - ACTA's Tender offer received 32.3% participation, with the key targeted series, the 2013A Bonds, receiving 57.9% participation
  - Strong levels of subscription allowed ACTA to reduce spreads on most maturities (all but two), with the 2052 maturity being reduced by as many as 12 basis points

Series	Targeted Par	Par Tendered	Par Tendered (%)
1999A (CABs)	$311,750,000	$66,835,000	21.4%
1999C (CIBs)	$300,480,000	$103,190,000	34.3%
1999C (CABs)	$475,395,000	$123,685,000	26.0%
2013A (CIBs)	$181,015,000	$104,710,000	57.9%
2016B (CIBs)	$556,860,000	$191,215,000	34.3%
Total	**$1,825,500,000**	**$589,635,000**	**32.3%**

Transaction 1 Results (continued)

- The finance team worked with ACTA to determine a structure that balanced both cost reduction (maximization of current interest bonds) and near-term cashflow relief (utilization of CCABs and CABs)
- Due to the utilization of bond insurance, debt service sureties and a reduction in rates, ***the total par amount was reduced by approximately $64 million and the total debt service was reduced by $439 million***
    - The strong results also allowed ACTA to move the final maturity of the Bonds forward from 2055 to 2052
    - Strong subscription levels resulted in an all-in true interest cost ("TIC") that was 13 basis points lower than expected in our pre-financing estimate
- The Bonds were structured to retain senior lien and 2nd subordinate lien maximum annual debt service, allowing ACTA to utilize these same maximum amounts when they reenter the market in 2026

Sources & Uses and Summary Statistics

	2022A	2022B	2022C	Total
Sources of Funds				
Par	169,046,510	349,694,763	212,196,986	730,938,259
Premium/(Discount)			5,810,310	5,810,310
Cash Contribution	17,051,233	847,084		17,898,317
Total Sources	186,097,743	350,541,847	218,007,296	754,646,886
Uses of Funds				
Escrow/Tender Fund	182,776,318	339,912,717	202,234,798	724,923,833
Surety /Bond Insurance	1,553,319	7,624,622	13,623,349	22,801,290
COI, UWD, DMF	1,768,105	3,004,508	2,149,150	6,921,763
Total Uses	186,097,743	350,541,847	218,007,296	754,646,886
			All-In TIC	**5.584%**
			Maximum Annual DS	**156,038,750**
			Total DS	**2,200,195,275**

Resulting Shortfall Analysis without Transaction 2