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Agenda Number: 22.

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 15, 2026

SUBJECT: I-105 EXPRESSLANES PROJECT - TOLL REVENUE BONDS AND TIFIA LOAN FINANCINGS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT:

A. a Resolution (Attachment A) that authorizes the issuance and sale of a combined aggregate principal amount not to exceed \$1.7 billion for the I-105 ExpressLanes Project in the form of the Toll Revenue First Lien Bonds in one or more series, Toll Revenue Third Lien Bonds, and/or TIFIA Loan Agreement and the taking all other actions necessary in connection with the issuance of the bonds and/or loan; and

(REQUIRES SEPARATE, SIMPLE MAJORITY VOTE OF THE BOARD)

B. the revised Toll Policy (Attachment B).

ISSUE

Authorization of Metro's inaugural toll revenue backed financing is required to support completion of the I-105 ExpressLanes Project ("Project"). The Project is currently advancing construction on segment 1, which began in February 2025, and is fully-funded. The Board approved the funding plan for segments 2 and 3 in October 2025, which is comprised of the State Solutions for Congested Corridors ("SCCP") grant funding, and toll revenue backed debt obligations.

To complete construction and minimize borrowing costs, the Project needs financing through the issuance of long-term toll revenue bonds and obtaining federal credit assistance. Both debt obligations will be repaid from toll revenues once the ExpressLanes are completed and placed into operation.

The toll revenue backed financing plan consists of issuing toll revenue bonds and executing a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan agreement with the U.S. Department of Transportation ("DOT"). Specifically, an estimated total of \$525 million of the Toll Revenue First Lien Bonds, Series 2026-A ("Toll Bonds"), together with the Toll Revenue Third Lien

Bonds, TIFIA Series 2026-A Loan Agreement (“TIFIA Loan”) in an estimated total of \$850 million, will provide funding for a portion of the remaining Life-of-Project (“LOP”) budget of \$1.521 billion. The current schedule targets a February 2026 Toll Bonds issuance and TIFIA Loan closing to align with the construction funding needs.

BACKGROUND

The Project will convert the existing High Occupancy Vehicle (“HOV”) lane to one tolled ExpressLane and an addition of a second tolled ExpressLane to provide two tolled ExpressLanes in each direction. The traffic and toll revenue forecasts supporting the Project’s projected toll revenues were developed as part of the investment grade traffic and revenue study, which provides the analytical basis necessary to support the Project and its financing plan.

I-105 ExpressLanes Project:

The I-105 ExpressLanes Project is being delivered using the Construction Manager/General Contractor (“CM/GC”) method, with phased work packages. The CM/GC contractor was procured in 2022; construction contracts were awarded in 2024 for Segment 1 and in October 2025 for Segments 2 and 3. The Segment 1 Identified Work Package construction is underway; Segments 2 and 3 are proceeding per the October 2025 award. The Project converts the existing HOV lane to an ExpressLane and adds a second ExpressLane in each direction on I-105 from I-405 to Studebaker Road, delivered as Segment 1 (I-405 to Central Ave) and Segments 2 and 3 (Central Ave to Studebaker Rd.). The RTCS was procured in 2022 via a design-build-operate-maintain (“DBOM”) contract and is coordinated with the CM/GC heavy civil work. Funding sources include Metro Local Measure M funding, SCCP grant funding, and toll revenue backed loans, including the Toll Bonds and the TIFIA Loan.

In conjunction with the Project, the Toll Policy approved by the Metro Board in January 2016 is being updated to reflect changes to the ExpressLanes program and includes the Project, alongside the I-10 and I-110 ExpressLanes.

The updated Toll Policy (Attachment B) will allow the Project to maintain the necessary federal performance standards by changing the HOV requirement for travel on the I-105 ExpressLanes from the current HOV lane policy of HOV2+ to HOV3+ when segment 1 of the Project opens in fiscal year (“FY”) 2028. This occupancy change is the only modification to the toll policy that is required. The change to HOV3+ for toll-free travel on the I-105 aligns with occupancy requirements currently in place on I-10 during peak periods and also aligns with occupancy requirements for free travel on priced lanes in Orange, Riverside, and San Bernardino counties. Moving to toll free travel for HOV3+ will allow the lanes to remain open longer before they become degraded, as witnessed on the I-10 and I-110. Based on conversations with rating agencies, Caltrans, and the TIFIA office regarding lane performance, revenue, and degradation, this modification to toll policy on the I-105 is recommended and will ensure Metro gets favorable rates on toll revenue bonds, saving the agency money.

DISCUSSION

The proposed financing structure includes the issuance of Toll Bonds and the execution of a TIFIA Loan agreement, both secured by net toll revenues generated by the ExpressLanes. Both the Toll Bonds and/or the TIFIA Loan will finance a portion of the Project costs for segment 1 and segments 2 and 3, including construction capital, support services, utilities relocations, limited Right of Way (“ROW”), contingency, and Roadside Toll Collection System (“RTCS”) integration, and financing related costs.

Financing Need and Structure:

The funding plan for the \$1.521 LOP approved by the Board at the October 2025 meeting includes local, state, and toll backed debt obligations sources summarized below. Financing costs, including costs of issuance and initial reserves for the first lien Toll Bonds, will be funded from bond proceeds. Debt service for the first lien Toll Bonds and the third lien TIFIA Loan is secured by and paid from net toll revenues. No operating subsidies from sales taxes are anticipated for debt repayment.

Toll Bonds:

The first lien Toll Bonds in an estimated amount of \$525 million will be structured as fixed rate bonds and will be sold using a negotiated sale method. The financing may include tax-exempt and/or taxable series to optimize proceeds and investor demand; optional redemption features for future flexibility; capitalized interest through construction and early operations to align with toll revenue ramp-up; and a debt service reserve funded from bond proceeds. With an aggregate par amount of approximately \$525 million, \$348 million of the bond proceeds will be used for the Project construction and to pay the costs of issuance related to the transaction. Any use of capitalized interest and reserves will be sized at pricing to optimize total borrowing cost. If market conditions change, a negotiated sale provides Metro the flexibility to alter the sale date and/or bond structure, as needed. The underwriters will pre-market the bonds targeting as many institutional and retail investors as possible, assist with the credit rating process and advise on market conditions for optimal bond pricing.

TIFIA Loan:

A third lien TIFIA Loan with the Department of Transportation (“DOT”) in the amount up to \$850 million will be secured by a third lien pledge on net toll revenues of the I-105 ExpressLanes. The TIFIA Loan is anticipated to be executed in parallel with the Toll Bonds, with a coterminous close in February 2026. With an aggregate par amount of approximately \$850 million, \$844 million of the loan proceeds will be used for the Project construction related to the transaction. The combination of the TIFIA Loan, together with the Toll Bonds, is projected to reduce overall debt service and enhance debt service coverage (as compared with a financing plan with only Toll Bonds). The TIFIA Loan will not be sold in the capital markets, as it is a direct loan with the DOT; its interest rate and execution will be consistent with the statutory State and Local Government Series securities rate plus 1 basis point at financial close.

Shutdown Contingency:

Given the uncertainty of a potential federal government shutdown and the resulting need to preserve

the option of a sole issuance of a Toll Bonds financing, authority of not to exceed \$1.7 billion is being requested. The combined aggregate proposed principal amount of not to exceed \$1.7 billion of Toll Bonds and/or TIFIA Loan will ensure the Project LOP will be fully funded. The Toll Bonds and /or TIFIA Loan proceeds will be used for Project construction, Toll Bonds capitalized interest, Toll Bonds debt service reserve, and costs of issuance related to each of the transactions. Annual debt service will be paid from and secured by net toll revenues from the Project. This Toll Bonds issuance and TIFIA Loan support timely delivery, maintain state grant eligibility, and position the corridor for revenue service milestones prior to and following the 2028 Olympic and Paralympic Games.

Consistent with the Metro debt policy, underwriters for this transaction have been selected by Treasury and Congestion Reduction staff by a competitive Request for Proposal (“RFP”) process conducted by Sperry Capital Inc. (“Sperry”), Metro’s Transaction Municipal Advisor. Orrick, Herrington & Sutcliffe LLP and Nixon Peabody LLP were selected by Treasury staff and County Counsel to serve as Bond Counsel and Disclosure Counsel, respectively.

Toll Policy:

The toll policy change will better protect against performance degradation and preserve free-flow speeds on I-105 ExpressLanes, as evidenced by existing traffic data from I-10 and I-110. Based on conversations with rating agencies and the TIFIA office regarding lane performance, revenue, and degradation, this modification to toll policy on the I-105 is recommended to ensure the project receives an investment grade rating and remains eligible for TIFIA financing. Achieving the highest possible rating will reduce borrowing costs and allow Metro considerable cost savings over the life of the loan.

The toll policy change continues Metro’s effort to encourage carpooling and additional mode shift away from lower occupancy vehicle travel to transit or vanpool. It has been presented as an alternative to the public during various outreach meetings, and additional outreach is planned over the next two years as the planned change gets closer to implementation.

DETERMINATION OF SAFETY IMPACT

Approval of this report will not impact the safety of Metro’s patrons or employees.

FINANCIAL IMPACT

The costs of issuance for the Toll Bonds will be paid from proceeds of the financing and will be budget neutral. Toll Bonds principal and interest expense for this financing will be added to subsequent fiscal year budgets payable through net toll revenues subject to the final debt service schedule.

The costs of issuance for the TIFIA Loan will be paid from Measure M Highway 17% allocated to I-105 ExpressLanes project. The TIFIA Loan interest payments are projected to begin in FY 2034 and principal payments in FY 2039. TIFIA Loan principal and interest expense once such payments begin will be added to subsequent fiscal year budgets payable through net toll revenues.

The funding sources for debt service of this financing will be reflected in future budgets under principal account 51101 and the bond interest account 51121.

EQUITY PLATFORM

Approval of this item is intended to reduce financial risk and maintain planned funding and schedules for Metro capital projects funded by toll revenues. The Project is located in a low-income area that includes Equity Focus Communities (EFCs). Specifically, 61% of census tracts within a three-mile radius of the Project are EFCs. That includes 67% of census tracts within Segment 1 and 62% of census tracts within Segment 2 and 3.

Congestion Reduction Staff completed equity assessments for Segment 1, 2 and 3 that identified potential projects that could be funded with future net toll revenue to benefit communities within a three-mile radius of the corridor. The equity assessment incorporated extensive community engagement including three pop up events, a travel survey, and four community meetings to present the draft report. In addition, monthly roundtables and a mobility audit were held with 21 Community Based Organizations (CBOs) to present and gather feedback on the assessment. When completed, the project will provide significant mobility improvements particularly the ExpressLanes, safety enhancements, and noise mitigation through new/taller soundwalls.

The I-105 ExpressLanes connects residents in EFCs to job centers in downtown Los Angeles and in the LAX/EI Segundo/Hawthorne areas. Since the Project is expected to reduce travel times on the I-105, the Project will support increased access to opportunity. Furthermore, the Project is expected to shift vehicles from local arterials to I-105 ExpressLanes which will improve livability and reduce environmental impacts to corridor communities. Finally, Metro ExpressLanes has a Low-Income Assistance Plan (“LIAP”) that helps ensure low-income users have the ability to access and use the ExpressLanes.

VEHICLE MILES TRAVELED OUTCOME

Vehicle Miles Traveled (VMT) and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While the agency remains committed to reducing VMT through transit and multimodal investments, some projects may induce or increase personal vehicle travel. However, these individual projects aim to ensure the efficient and safe movement of people and goods.

This Board item is expected to increase VMT in LA County, as it includes an investment that may produce additional vehicle trips as a result of increasing the roadway capacity on currently congested portions of I-105 ExpressLanes project. Although this item may not directly contribute to the achievement of the Board adopted VMT Reduction Targets, the VMT Targets were developed to account for the cumulative effect of a suite of programs and projects within the Metro region, which

individually may induce or increase VMT. Additionally, Metro has a voter-approved mandate to deliver multimodal projects that enhance mobility while ensuring the efficient and safe movement of people and goods..

This Project is exempt from CEQA VMT mitigation requirements.

* Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports the following Metro Strategic Plan Goal:

Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The Board could defer the issuance of the Toll Bonds and TIFIA Loan to a later time or indefinitely. This is not recommended as it could delay the construction of the Project and federal credit assistance may not be available in the future. Current approval of the TIFIA Loan enables Metro to secure favorable interest rates under current market conditions, thereby reducing the Project's long-term borrowing costs. It also ensures access to federal credit assistance at a time when future federal budget actions or administrative delays could constrain TIFIA program availability. Further, the TIFIA Loan's flexible repayment structure lowers overall debt service requirements and enhances debt service coverage, thereby strengthening the Project's financing plan. All these benefits may be lost if TIFIA is delayed or unavailable.

The Board could choose not to approve the updated Toll Policy but that is not recommended because the policy change is necessary to actively manage congestion and is critical for obtaining an investment grade rating that will provide lower financing costs for Metro. This policy provides the requested guidance to enable staff to make adjustments as needed to improve the performance of the ExpressLanes, to obtain necessary funding to expand the system consistent with prior Board directives, and support repayment obligations to bond investors and the federal government.

NEXT STEPS

Upon Board approval, staff will proceed with achieving financial close on the Toll Bonds and the TIFIA Loan, continue construction activities, and return to the Board at a later date with construction updates and other project milestones.

ATTACHMENTS

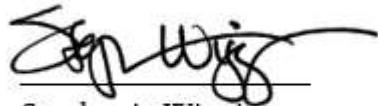
Attachment A - Authorizing Resolution

Attachment B -Toll Policy

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Authorizing Resolution

RESOLUTION AUTHORIZING A TOLL REVENUE BOND FINANCING OF THE I-105 EXPRESSLANES PROJECT INCLUDING THE ISSUANCE OF LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY TOLL REVENUE BONDS IN ONE OR MORE SERIES AND IN A PAR AMOUNT NOT TO EXCEED \$1.7 BILLION (EXCLUDING CAPITALIZED INTEREST OR ACCRETED VALUE) AND CERTAIN REFUNDING TOLL BONDS OR BOND ANTICIPATION NOTES, THE EXECUTION AND DELIVERY OF A MASTER INDENTURE, ONE OR MORE SUPPLEMENTAL INDENTURES, ONE OR MORE PURCHASE CONTRACTS, ONE OR MORE OFFICIAL STATEMENTS, ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES, AND A LOAN AGREEMENT RELATING TO TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT PROGRAM CREDIT ASSISTANCE, AND THE TAKING OF ALL OTHER ACTIONS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the “Authority”) is a county transportation commission duly organized and existing pursuant to Section 130050.2 of the California Public Utilities Code (the “Act”) and a regional transportation agency under Section 149.7 of the California Streets and Highways Code (the “Toll Act”);

WHEREAS, the Toll Act authorizes the Authority to develop and operate high-occupancy toll (“HOT”) lanes and other toll facilities, including the administration and operation of a value pricing program and exclusive or preferential lane facilities for public transit or freight (as further defined herein, the “ExpressLanes System”) following approval of an application for the development and operation of such facilities by the California Transportation Commission (the “CTC”), established pursuant to Section 14500 of the California Government Code;

WHEREAS, pursuant to the Toll Act, the Authority submitted an application to the CTC for the development and operation of HOT lanes and other toll facilities on the portion of Interstate 105 (the “I-105”) beginning at Imperial Highway and Sepulveda Boulevard and terminating just east of Interstate 605 at Studebaker Road (as further defined herein, the “Toll Road”), and the CTC has reviewed and approved such Application;

WHEREAS, pursuant to the Toll Act, the Authority has determined to establish, collect, and administer tolls on the Toll Road;

WHEREAS, pursuant to the Toll Act, the Authority has demonstrated that the Toll Road will result in expanded efficiency of the corridor in terms of travel time reliability, passenger throughput and other efficiency benefits;

WHEREAS, on October 23, 2025, the Board approved negotiation and execution of the Phase 2 Supplement of the Construction Manager/General Contractor Contract for the construction of the Toll Road and establishment of its Life-of-Project Budget;

WHEREAS, pursuant to the Toll Act, the Authority is authorized to issue one or more series of bonds, refunding bonds, or bond anticipation notes, all payable from the revenues generated from the Toll Road (the “Toll Revenues”), at any time, to finance the construction of, and construction-related expenditures for, the Toll Road, and any other construction-related expenditures included in the Funding and Expenditure Plan to be developed by the Authority in consultation with the California Department of Transportation (“Caltrans”), established pursuant to Section 14001 of the California Government Code, and the same costs for additional ExpressLanes System projects, if any, approved in the future;

WHEREAS, in order to provide funds to finance eligible expenditures relating to the Toll Road, the Authority hereby determines to authorize the issuance of one or more series of Toll Revenue Bonds (as defined below) in an aggregate principal amount not to exceed one billion seven hundred million dollars (\$1,700,000,000) (excluding capitalized interest or accreted value);

WHEREAS, the Authority has submitted an application to the United States Department of Transportation (the “Department of Transportation”) for Federal project credit assistance under the Transportation Infrastructure Finance and Innovation Act, codified under Sections 601-609 of title 23 of the United States Code and, subject to approval by the Department of Transportation, acting through its Build America Bureau, the Authority anticipates receiving project credit assistance in an original aggregate principal amount (excluding capitalized interest) currently estimated to be approximately eight hundred forty-four million dollars (\$844,000,000) (the “TIFIA Loan”) to fund a portion of the I-105 ExpressLanes Project;

WHEREAS, the Authority proposes to enter into a Master Toll Indenture (the “Master Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Toll Trustee”), which will secure the Authority’s obligation to repay the Toll Revenue Bonds, including the TIFIA Loan, from Toll Revenues;

WHEREAS, the Authority hereby determines to issue its Los Angeles County Metropolitan Transportation Authority Toll Revenue Third Lien Bond, TIFIA Series 2026-A (the “TIFIA Toll Bond”) under the Master Indenture, as supplemented by a supplemental indenture (a “Supplemental Indenture” and hereinafter referred to as the “First Supplemental Indenture”) between the Authority and the Toll Trustee, and a loan agreement (the “TIFIA Loan Agreement”) by and between the Authority and the Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “TIFIA Lender”), all to evidence the principal and interest obligations payable on the TIFIA Loan from Toll Revenues;

WHEREAS, the Authority hereby further determines to issue its Los Angeles County Metropolitan Transportation Authority Toll Revenue Bonds (the “Senior Toll Bonds” and, together with the TIFIA Toll Bond, the “Toll Revenue Bonds”), in one or more series, under the Master Indenture, as supplemented by one or more supplemental indentures (each a “Supplemental Indenture” and hereinafter referred to collectively as the “Second Supplemental Indenture” and, together with the Master Indenture and the First Supplemental Indenture, the “Toll Revenue Bond Indenture”) between the Authority and the Toll Trustee, with such additional designations as may be provided for therein;

WHEREAS, the Authority has determined that it may be in its best interest from time to time to issue bond anticipation notes to pay for costs of the Project in advance of making draws under the TIFIA Loan (the “Bond Anticipation Notes”), such Bond Anticipation Notes to be refunded by one or more draws under the TIFIA Loan;

WHEREAS, the Authority has determined that it may be in its best interest from time to time to issue additional refunding bonds or bond anticipation notes in one or more series, in the form of Senior Toll Bonds (the “Refunding Toll Bonds” and, together with the Bond Anticipation Notes, the “Supplemental Toll Bonds”) or the TIFIA Toll Bond (the “Refunding TIFIA Toll Bond”), with such changes as may be necessary to effect the refunding issuance;

WHEREAS, the Authority has determined that it is in its best interest to sell the Senior Toll Bonds and the Supplemental Toll Bonds, if any, to the public through one or more negotiated sales to one or more underwriters to be selected by an Authorized Representative (as defined herein) through a competitive process by the Authority (the “Underwriters”); and

WHEREAS, the sale of the Senior Toll Bonds and the Supplemental Toll Bonds, if any, shall be in accordance with the Debt Policy of the Authority; and

WHEREAS, the Underwriters have caused to be prepared a proposed form of Bond Purchase Agreement (the “Purchase Contract”) which proposed form is on file with the Clerk or Acting Clerk (the “Clerk”) of the Board and made available to the members of the Board;

WHEREAS, a proposed form of official statement in preliminary form to be distributed in connection with the offering and sale of the Senior Toll Bonds and the Supplemental Toll Bonds, if any, from time to time (the “Official Statement”) is on file with the Clerk of the Board and made available to the members of the Board;

WHEREAS, a proposed form of Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) to be executed and delivered by the Authority to assist the Underwriters in satisfying their obligations under Rule 15c2-12 promulgated by the Securities and Exchange Commission is on file with the Clerk of the Board and made available to the members of the Board;

WHEREAS, the Authority has retained Sperry Capital Inc., as municipal advisor under Section 15B of the Securities Exchange Act of 1934 (the “Municipal Advisor”), to advise the Authority in connection with the Toll Revenue Bonds, the Supplemental Toll Bonds and Refunding TIFIA Toll Bond, if any, and related costs, the amounts of which are estimated and set forth on Exhibit A attached hereto in compliance with Government Code Section 5852.1;

WHEREAS, Orrick, Herrington & Sutcliffe, LLP is acting as bond counsel to the Authority in connection with the issuance of the Toll Revenue Bonds, the Supplemental Toll Bonds and Refunding TIFIA Toll Bond, if any, and is hereby authorized, on behalf of the Authority, to file required notices with respect to such financing with the California Debt and Investment Advisory Commission;

WHEREAS, the forms of the following documents are on file with the Clerk of the Board and have been made available to the members of the Board (collectively, the “I-105 Project Financing Documents”):

- (1) proposed forms of Master Indenture and Supplemental Indentures, each by and between the Authority and the Toll Trustee;
- (2) a proposed form of TIFIA Loan Agreement, by and between the Authority and the TIFIA Lender;
- (3) a proposed form of Purchase Contract, by and among the Authority and the Underwriters;
- (4) a proposed form of preliminary Official Statement, one or more of which will provide information about the Senior Toll Bonds, the Supplemental Toll Bonds, if any, the Authority, the ExpressLanes System, the I-105 ExpressLanes Project, the Toll Revenues and certain other related matters, and will be used, from time to time, in connection with the offer and sale of the Senior Toll Bonds and the Supplemental Toll Bonds, if any; and
- (5) a proposed form of Continuing Disclosure Certificate, by the Authority; and

WHEREAS, the Authority has examined and approved each of the proposed forms of the I-105 Project Financing Documents relating to the financing described herein (the “I-105 Project Financing”) and desires to authorize and direct the execution of such documents as are specified herein and such other documents as are necessary in connection with the I-105 Project Financing and to authorize and direct the consummation of such financings;

NOW THEREFORE, THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY RESOLVES:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct and makes them an effective part of this Resolution by incorporating them herein by reference.

Section 2. The Authority finds and determines that the Toll Road will result in expanded efficiency of the corridor in terms of travel time reliability, passenger throughput, and other efficiency benefits.

Section 3. The issuance by the Authority of not to exceed one billion seven hundred million dollars (\$1,700,000,000) (excluding capitalized interest or accredited value) of Toll Revenue Bonds in accordance with the Toll Revenue Bond Indenture, in one or more series, payable and secured on a lien level as shall be provided in the Toll Revenue Bond Indenture, with such additional or changed series and subseries designations as may be necessary or desirable under the Toll Revenue Bond Indenture, from time to time on the same or different dates, is hereby authorized and approved.

Section 4. The Master Indenture, in substantially the form on file with the Clerk of the Board and made available to the Board, and the terms and conditions thereof, as supplemented by the Supplemental Indentures further authorized herein, is hereby approved.

The Authority hereby designates the Chair of the Board, any Vice Chair of the Board, the Chief Executive Officer of LACMTA, the Chief Financial Officer of LACMTA, the Treasurer of LACMTA, any Assistant Treasurer of LACMTA, any Executive Officer, Finance of LACMTA,

any Senior Executive Officer, Finance of LACMTA, and any Deputy Executive Officer, Finance of LACMTA, any Senior Director, Finance of LACMTA, or any such officer serving in an acting or interim capacity, and any written designee of any of them (each an “Authorized Representative”), and the Authorized Representatives, acting in accordance with this Section 4, are each hereby severally authorized, for and in the name and on behalf of the Authority, to execute and deliver the Master Indenture, in substantially said form, with such additional changes therein as the official executing the same may require or approve and to assign, pledge or mortgage the Authority’s right, title and interest, to the extent permitted by law, in and to any agreements relating to the Toll Road, including, without limitation, the design, construction, operation and maintenance thereof, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The First Supplemental Indenture, including the form of the TIFIA Toll Bond, and the TIFIA Loan Agreement, in substantially the forms on file with the Clerk of the Board and made available to the Board, and the terms and conditions thereof are hereby approved. The structure, date, series designation, maturity date or dates (no later than June 30, 2066), fixed, variable or compounded interest rate or rates (such rates not to exceed 5.75% per annum), or methods of determining the same, interest payment dates, forms, denomination of the TIFIA Toll Bond, registration privileges, place or places of payment, terms of redemption, tender, mandatory purchase, defaults and remedies, additional series designation and number thereof, other terms of the TIFIA Toll Bond, and the title of the First Supplemental Indenture shall be as provided in the Toll Revenue Bond Indenture, including as supplemented by the First Supplemental Indenture, TIFIA Toll Bond and TIFIA Loan Agreement, each as finally executed and delivered.

Each Authorized Representative, acting singly, is hereby authorized and directed, for and in the name of the Authority, to execute and deliver the First Supplemental Indenture, TIFIA Toll Bond and TIFIA Loan Agreement, each in substantially said forms, with such additional changes therein as the official executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Second Supplemental Indenture, including the form of the Senior Toll Bonds, in substantially the form on file with the Clerk of the Board and made available to the Board, and the terms and conditions thereof are hereby approved. The structure, date, series designation, lien structure, maturity date or dates (not to exceed 41 years from the date of issuance), fixed or variable interest rate or rates or accretion rate or rates (such rates not to exceed the maximum allowable by law of 12% per annum), accreted value at maturity, or methods of determining the same, interest payment dates, designation as taxable, tax-exempt, current interest, capital appreciation or convertible capital appreciation bonds, forms, denomination of the Senior Toll Bonds (which shall not be less than \$5,000), registration privileges, place or places of payment, terms of redemption, tender, mandatory purchase, defaults and remedies, additional series designation and number thereof, other terms of the Senior Toll Bonds and the title of the Second Supplemental Indenture, shall be as provided in the Toll Revenue Bond Indenture, including as supplemented by the Second Supplemental Indenture, and the Senior Toll Bonds, each as finally executed and delivered; provided, however, that the all-in true interest cost (as defined below, the “True Interest Cost”) of each series of the Senior Toll Bonds shall not exceed 7.0%, as such shall be calculated by the Municipal Advisor as of the date of delivery of each series of the Senior Toll Bonds.

The Authorized Representatives, acting in accordance with this Section 6, are each hereby severally authorized, for and in the name and on behalf of the Authority, to execute and deliver the Second Supplemental Indenture and the Senior Toll Bonds, each in substantially said form, with such additional changes therein as the official executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

As used herein, the term "True Interest Cost" shall be the interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the dated date of the applicable series of Senior Toll Bonds and to the principal amount and original issue premium, if any, less underwriters' discount and original issue discount, if any, and costs of issuance of the applicable series of Senior Toll Bonds. For the purpose of calculating the True Interest Cost, the principal amount of the applicable series of Senior Toll Bonds scheduled for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity for such year. The calculation of the True Interest Cost shall include such other reasonable assumptions and methods as determined by the Municipal Advisor.

Section 7. The proposed form of the Purchase Contract on file with the Clerk of the Board and made available to the Board and the terms and conditions thereof are hereby approved. Each Authorized Representative, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to sell the Senior Toll Bonds to the Underwriters pursuant to a Purchase Contract, with the Underwriters' discount not to exceed 0.7% of the principal amount of the Senior Toll Bonds, and to execute and deliver a Purchase Contract, in substantially said form, with such changes therein as the officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The proposed form of Official Statement on file with the Clerk of the Board and made available to the Board is hereby approved. Each Authorized Representative, acting singly, is hereby authorized to execute one or more certificates confirming that the Official Statement in preliminary form in substantially said form with such changes, insertions and deletions as may be approved by the Authorized Representative is "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12 (the execution of such certificate being conclusive evidence of such approval). Each Authorized Representative, acting singly, is hereby authorized and directed to execute and deliver one or more Official Statements in substantially the form on file with the Clerk of the Board and made available to the Board with such changes, insertions and deletions as may be approved by the Authorized Representative, said execution being conclusive evidence of such approval. One or more supplements to the preliminary Official Statement or final Official Statement may be prepared and delivered reflecting updated and revised information as an Authorized Representative deems appropriate or necessary. The distribution by the Underwriters of copies of the Official Statement in final form and any supplements thereto to all actual purchasers of the Senior Toll Bonds and the Supplemental Toll Bonds, if any, and the distribution by the Underwriters of the Official Statement in preliminary form and any supplements thereto to potential purchasers of the Senior Toll Bonds and the Supplemental Toll Bonds, if any, are hereby authorized and approved.

Section 9. The proposed form of Continuing Disclosure Certificate on file with the Clerk of the Board and made available to the Board is hereby approved. Each Authorized Representative, acting singly, is hereby authorized and directed, for and in the name and on behalf

of the Authority, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. Subsequent to the issuance of any Senior Toll Bonds or the TIFIA Toll Bond, the Authority is hereby further authorized to issue the Refunding TIFIA Toll Bond or additional Refunding Toll Bonds on or prior to June 30, 2027, in one or more series, in the form of the TIFIA Toll Bond or refunding Senior Toll Bonds, as applicable, each under the Master Indenture as supplemented by one or more additional supplemental indentures, in substantially the form of the First Supplemental Indenture or the Second Supplemental Indenture, as applicable (collectively, the “Refunding Supplemental Indenture”) between the Authority and the Toll Trustee, and to defease or redeem any portion of the Toll Revenue Bonds (the “Refunding”) issued pursuant to this Resolution, including from one or more draws under the TIFIA Loan.

The Authorized Representatives, acting in accordance with this Section 10, are each hereby severally authorized, for and in the name and on behalf of the Authority, to execute and deliver one or more such Refunding Supplemental Indentures, each in substantially said forms, with such additional changes therein as the official executing the same may require, including such terms and conditions as may be necessary to effect the payment, redemption or defeasance of the previously issued Toll Revenue Bonds, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that any Refunding TIFIA Toll Bond authorized hereunder shall be subject to the requirements set forth in Section 4 herein and any Refunding Toll Bonds authorized hereunder shall be subject to the requirements set forth in Section 6 and Section 7 herein; provided, further, that each series of Refunding Toll Bonds or Refunding TIFIA Toll Bond shall be issued in a principal amount not to exceed the amount necessary and sufficient to accomplish such refunding, including providing amounts for costs incidental to or connected therewith, and the making of any deposits into a reserve fund and any of the funds and accounts required by the provisions of the Supplemental Indenture authorizing such series of Refunding TIFIA Toll Bond or Refunding Toll Bonds.

In connection with any such Refunding, the Authorized Representatives are each hereby severally authorized, for and in the name and on behalf of the Authority, to engage an escrow agent, verification agent or a bidding agent, and execute and deliver one or more Purchase Contracts, Continuing Disclosure Certificates, Official Statements or other offering documents, escrow agreements, investment agreements, notices of defeasance or redemption, and any other documents which such Authorized Representative may deem necessary or desirable to effect the Refunding.

Section 11. Subsequent to the issuance of the TIFIA Toll Bond, the Authority is hereby further authorized to issue Bond Anticipation Notes, on or prior to June 30, 2027, to pay for costs of the Project in advance of draws under the TIFIA Loan, in one or more series, in the form of the Senior Toll Bonds, under the Master Indenture as supplemented by one or more additional supplemental indentures, in substantially the form of the Second Supplemental Indenture (the “BAN Supplemental Indenture”) between the Authority and the Toll Trustee, provided that such Bond Anticipation Notes shall be issued in a maximum par amount not to exceed the amount projected to be refunded from proceeds of one or more draws under the TIFIA Loan.

The Authorized Representatives, acting in accordance with this Section 11, are each hereby severally authorized, for and in the name and on behalf of the Authority, to execute and deliver such BAN Supplemental Indentures, each in substantially said forms, with such additional changes therein as the official executing the same may require, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that any Bond Anticipation Notes in the form of the Senior Toll Bonds authorized hereunder shall be subject to the requirements set forth in Section 6 and Section 7 herein.

Section 12. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any amendment of any of the documents authorized by this Resolution, or other agreements related thereto, including the Toll Revenue Bond Indenture, the Senior Toll Bonds, the TIFIA Toll Bond, the Supplemental Toll Bonds or Refunding TIFIA Toll Bond, if any, the TIFIA Loan Agreement, the Refunding Supplemental Indenture or the BAN Supplemental Indenture, if any, or any agreements with consultants, paying agents, the removal or replacement of the Toll Trustee or any similar action may be given or taken by each Authorized Representative, acting singly, without further authorization or direction by the Authority, and each Authorized Representative, acting singly, is hereby authorized and directed to give any such approval, consent, direction, notice, order, request, or other action and to execute such documents and take any such action which such Authorized Representative may deem necessary or desirable to further the purposes of this Resolution, including the execution of any term sheet in connection with the TIFIA Loan Agreement.

Section 13. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the I-105 Project Financing and the issuance of the Toll Revenue Bonds and the Supplemental Toll Bonds or Refunding TIFIA Toll Bond, if any, and sale of the Senior Toll Bonds and the Supplemental Toll Bonds, if any, are hereby ratified, confirmed and approved. Each Authorized Representative is hereby authorized to execute by his or her manual or facsimile signature, and deliver, the TIFIA Toll Bond, including the TIFIA Loan Agreement, the Senior Toll Bonds and the Supplemental Toll Bonds or Refunding TIFIA Toll Bond, if any. The Clerk of the Board is hereby authorized to attest to the execution by an Authorized Representative of any of such documents as said official deems appropriate.

In connection with the sale of all or a portion of the Toll Revenue Bonds or the Supplemental Toll Bonds, any Authorized Representative is hereby authorized on behalf of the Authority to purchase or otherwise arrange for the provision of (including the payment of such premiums, fees and other costs and expenses as such Authorized Representative determines acceptable), one or more policies of municipal bond insurance to support the timely payment of principal of and interest on all or a portion of the Toll Revenue Bonds or the Supplemental Toll Bonds, said municipal bond insurance to contain such terms and conditions as such Authorized Representative shall determine is appropriate or necessary for the issuance of the Toll Revenue Bonds or the Supplemental Toll Bonds.

The officers, employees and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to adopt or amend written procedures relating to its bonds and to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates, notices and documents, including, without

limitation, signature certificates, certificates concerning the contents of the I-105 Project Financing Documents, certificates concerning the contents of the Official Statement and the representations and warranties in the Purchase Contract, any other agreements or certificates which they, or any of them, may deem necessary or advisable in order to consummate the I-105 Project Financing and the execution and delivery of the I-105 Project Financing Documents and to otherwise carry out, give effect to and comply with the terms and intent of this Resolution, the Act, the Toll Act, the TIFIA Toll Bond including the TIFIA Loan, the Senior Toll Bonds, the Supplemental Toll Bonds and Refunding TIFIA Toll Bond, if any, the Toll Revenue Bond Indenture, any Refunding Supplemental Indenture or BAN Supplemental Indenture, and the other documents approved hereby, including, as applicable, to make changes therein that may be necessary to issue solely the Senior Toll Bonds, solely the TIFIA Toll Bond, or to issue the Senior Toll Bonds or the TIFIA Toll Bond and the Supplemental Toll Bonds or Refunding TIFIA Toll Bond from time to time on different dates.

Section 14. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 15. This Resolution shall take effect immediately upon its adoption and approval.

CERTIFICATION

The undersigned, duly qualified and acting as Board Clerk of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on _____, 2026.

By _____

Board Clerk, Los Angeles County
Metropolitan Transportation Authority

Dated: _____, 2026

EXHIBIT A

GOOD FAITH ESTIMATES (BASE CASE SCENARIO)

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY TOLL REVENUE FIRST LIEN BONDS, SERIES 2026-A (“SENIOR TOLL BONDS”)

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY TOLL REVENUE THIRD LIEN BOND, TIFIA SERIES 2026-A (“TIFIA TOLL BOND”)

The good faith estimates set forth herein are provided with respect to the above-referenced bonds (collectively, the “Toll Revenue Bonds”) in compliance with Section 5852.1 of the California Government Code. Sperry Capital Inc. has advised the Authority in connection with the Toll Revenue Bonds for consideration prior to the authorization in the foregoing Resolution.

1. *True Interest Cost of the Toll Revenue Bonds.* Assuming the anticipated aggregate principal amount of the Toll Revenue Bonds, including the TIFIA Toll Bond, and based on conservative estimates of U.S. Treasury bond rates and capital market rates prevailing at the time of preparation of this information plus 100 basis points, a good faith estimate of the all-in true interest cost of the Toll Revenue Bonds is 5.871%.

2. *Finance Charge of the Toll Revenue Bonds.* Assuming the anticipated aggregate principal amount of the proposed Toll Revenue Bonds and based on prevailing U.S. Treasury bond rates and capital markets rates at the time of preparation of this information plus 100 basis points, a good faith estimate of the finance charge of the Toll Revenue Bonds (the “Finance Charge”), which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Toll Revenue Bonds), is approximately \$5,163,550.00.

3. *Amount of Proceeds To Be Received.* Assuming the anticipated aggregate principal amount of the proposed Toll Revenue Bonds and based on prevailing U.S. Treasury bond rates and capital markets rates at the time of preparation of this information plus 100 basis points, a good faith estimate of the amount of proceeds expected to be received by the Authority for the Toll Revenue Bonds is \$1,381,846,163.45.

4. *Total Payment Amount.* Assuming the anticipated aggregate principal amount of the proposed Toll Revenue Bonds and based on prevailing U.S. Treasury bond rates and capital markets rates at the time of preparation of this information plus 100 basis points, a good faith estimate of the total payment amount (the “Total Payment Amount”), which means the sum total of all payments of principal and compounded and accrued interest the issuer will make to pay debt service on the Toll Revenue Bonds, calculated to the final maturity of the Toll Revenue Bonds, is \$4,053,107,858.75. The Total Payment Amount does not include the Finance Charge.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest rate, finance charges, amount of proceeds and total payment

amount may vary from the estimates above due to variations from these estimates in the timing of the Toll Revenue Bond sales, the principal amount of the Toll Revenue Bonds, the amortization of the Toll Revenue Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Toll Revenue Bonds sold will be determined by the Authority based on need to provided funds for the I-105 Project Financing and other factors. The actual interest rates at which the Toll Revenue Bonds will be sold will depend on the bond market at the time of each sale including, with respect to the TIFIA Toll Bond, U.S. Treasury bond rates. The actual amortization of the Toll Revenue Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Authority's control.

**GOOD FAITH ESTIMATES
(SENIOR TOLL BONDS-ONLY SCENARIO)**

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
TOLL REVENUE FIRST LIEN BONDS, SERIES 2026-A (“SENIOR TOLL BONDS”)**

The good faith estimates set forth herein are provided with respect to the above-referenced Senior Toll Bonds in compliance with Section 5852.1 of the California Government Code. Sperry Capital Inc. has advised the Authority in connection with the Senior Toll Bonds for consideration prior to the authorization in the foregoing Resolution.

1. *True Interest Cost of the Senior Toll Bonds.* Assuming the anticipated aggregate principal amount of the Senior Toll Bonds, and based on conservative estimates of capital market rates prevailing at the time of preparation of this information plus 100 basis points, a good faith estimate of the all-in true interest cost of the Senior Toll Bonds is 6.366%.

2. *Finance Charge of the Senior Toll Bonds.* Assuming the anticipated aggregate principal amount of the proposed Senior Toll Bonds and based on prevailing capital markets rates at the time of preparation of this information plus 100 basis points, a good faith estimate of the finance charge of the Senior Toll Bonds (the “Finance Charge”), which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Senior Toll Bonds), is approximately \$16,822,497.92.

3. *Amount of Proceeds To Be Received.* Assuming the anticipated aggregate principal amount of the proposed Senior Toll Bonds and based on prevailing capital markets rates at the time of preparation of this information plus 100 basis points, a good faith estimate of the amount of proceeds expected to be received by the Authority for the Senior Toll Bonds is \$1,665,427,294.53.

4. *Total Payment Amount.* Assuming the anticipated aggregate principal amount of the proposed Senior Toll Bonds and based on prevailing capital markets rates at the time of preparation of this information plus 100 basis points, a good faith estimate of the total payment amount (the “Total Payment Amount”), which means the sum total of all payments of principal and compounded and accrued interest the issuer will make to pay debt service on the Senior Toll Bonds, calculated to the final maturity of the Senior Toll Bonds, is \$6,358,611,598.81. The Total Payment Amount does not include the Finance Charge.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest rate, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of the Senior Toll Bond sales, the principal amount of the Senior Toll Bonds, the amortization of the Senior Toll Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Senior Toll Bonds sold will be determined by the Authority based on need to provided funds for the I-105 Project Financing and other factors. The actual interest rates at which the Senior Toll Bonds will be sold will depend on the bond market at the time of each sale. The actual

amortization of the Senior Toll Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Authority's control.

Los Angeles County Metropolitan Transportation Authority ExpressLanes Toll Policy

Purpose

The framework detailed herein establishes policies to operate, maintain, and administer the ExpressLanes to ensure program goals are met. The policies will be used to operate the current Metro ExpressLanes program and any future ExpressLanes facilities in compliance with the program goals and Board direction. This policy framework will be expanded or modified as the ExpressLanes system grows and technology changes.

Program Goals

The following goals are established for the ExpressLanes program. The specific policies that follow derive their authority from these goals, and any future policy decisions should be measured against these goals to ensure compliance with the goals.

- Provide a safe, reliable, predictable commute for customers of the ExpressLanes
- Reinforce LACMTA's ongoing efforts to increase vehicle occupancy rates and transit ridership
- Use dynamic pricing to manage traffic and optimize -people throughput in the corridor
- Provide excellent customer service
- Operate and maintain a self-sustaining ExpressLanes program
- Utilize any surplus toll revenue for corridor improvements and system expansion

Chapter 1: OPERATIONS

Performance Requirements 100.005

In accordance with Section 166 of Title 23, Code of Federal Regulations, the ExpressLanes performance will be monitored to ensure a minimum average operating speed of 45 miles per hour, 90 percent of the time during weekday peak periods.

Mitigation strategies to be deployed, should performance degrade, are as follows:

- (a) Increase the maximum toll charged to vehicles to reduce demand as described in 100.005, up to four times, then implement strategy (b), or (c), as appropriate;
- (b) Extend the peak period hours, as described in 200.015, then implement strategy (a) or (c), as appropriate;
- (c) Discontinue non-HOV vehicle use of ExpressLanes, and implement strategy (a) as appropriate.

Peak period performance will be monitored against ExpressLanes performance requirements. Staff will adjust the peak period to maintain performance standards.

For tolling operations, after four occurrences, within a quarter, of meeting the HOV threshold in a non-peak hour, staff may increase the duration of the peak-period to include the hour. For example,

if HOV Only has occurred four times during the 9:00 am and 10:00 am hour within the past 3 months then the peak period would now be extended to 10:00 AM from 9:00 AM

HOV threshold is defined as:

- (a) System in HOV Only mode;
- (b) Lasting more than 35 minutes; and
- (c) Excludes incidents.

Chapter 2: Toll Rates, Exemptions and Discounts

Toll Rate Setting 200.005

When the ExpressLanes are in operation, the toll rate schedule will be a minimum of \$0.10 per mile during off-peak hours and \$0.35 per mile during peak hours, as defined in policy 200.015. Toll rates will vary based on, traffic density (traffic volumes/travel speeds) and will automatically adjust using a dynamic pricing system. The trip price is determined by multiplying the miles travelled by the rate per mile in each tolling segment at the time of the trip. Staff will monitor toll rates against ExpressLanes performance and adjust the maximum rate per mile to maintain performance standards and ensure the following ExpressLane toll rate goals are met:

- Provide a safe, reliable, predictable commute for customers of the ExpressLanes
- Optimize people throughput in the corridor.

After four occurrences, within a quarter, of meeting the density threshold, staff may increase the maximum price per mile per segment by \$0.10 and up to four times a year.

Density threshold is defined as:

- Density exceeding 48 (calculated as traffic volume/average travel speed);
- Lasting more than 35 minutes; and
- Excludes incidents.

Toll Exemptions 200.010

Except as provided herein, all vehicles using the ExpressLanes must pay the required toll. Only qualified vehicles may be exempt from paying tolls. The registered owner and operator of the qualified vehicle must comply with the requirements of the agency in order to obtain the exemption. The following vehicles qualify for exemption:

- (a) Mass transit and paratransit as defined in Vehicle Code Section 21655.5;
- (b) Carpools and vanpools, as established for each tolled facility;
- (c) Motorcycles;
- (d) California Highway Patrol;

- (e) Authorized marked emergency vehicles on bona fide emergencies as defined in Vehicle Code Section 23301.5;
- (f) Maintenance vehicles directly involved in maintenance on the ExpressLanes and adjoining bus stations or responding to bus related incidents; and
- (g) Tow trucks authorized by Freeway Service Patrol responding to incidents on the ExpressLanes.

Toll Discounts 200.015

The following classes of vehicles may qualify for a toll discount. The registered owner of the qualified vehicle must comply with the following requirements to obtain the discount:

- (a) HOV 2 discount during off-peak hours on Interstate 10 or during all times on Interstate 110, where applicable and indicated by roadway signage.
- (b) HOV 3 discount during peak hours on Interstate 10, and during all times on Interstate 105, where applicable and indicated by roadway signage.



File # 2025-1044

I-105 ExpressLanes Project

Finance, Budget and Audit Committee
January 15, 2026



I-105 ExpressLanes Project

Purpose

- Adopt a resolution that authorizes the issuance and sale of a combined aggregate principal amount not to exceed \$1.7 billion for the I-105 ExpressLanes Project in the form of Toll Revenue First Lien Bonds in one or more series, Toll Revenue Third Lien Bonds, and/or TIFIA Loan Agreement and taking all other actions necessary in connection with the issuance of the bonds and/or loan.
- Adopt the revised Toll Policy

Issue

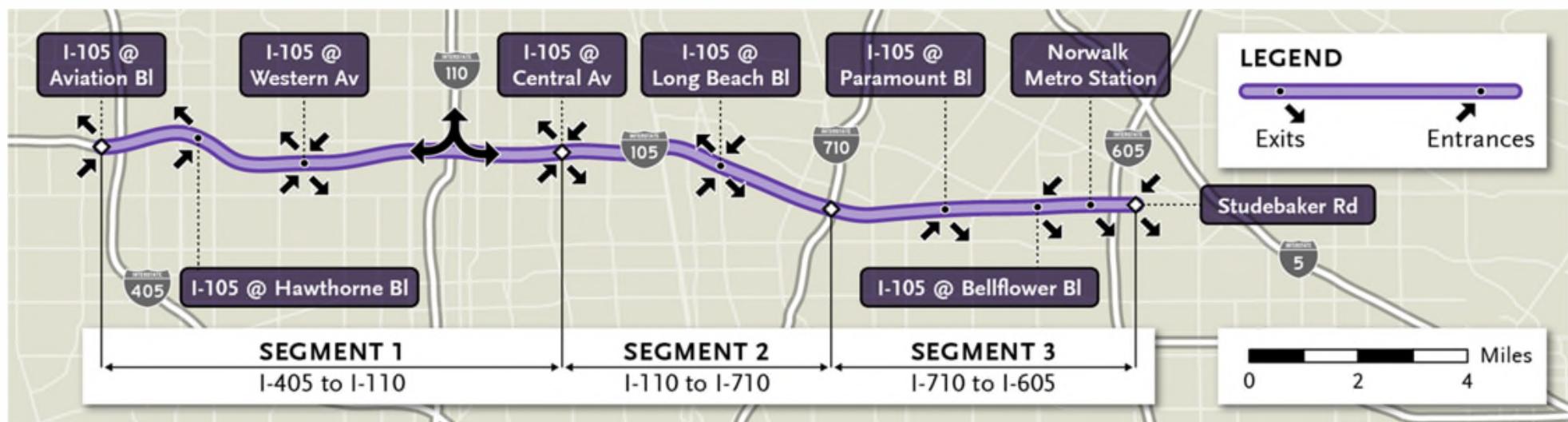
- The Project needs long-term toll revenue bonds and federal credit assistance to complete construction at the lowest borrowing cost.

Federal Government Shutdown Risk

- A federal shutdown may impact the timing of TIFIA approval; staff would assess potential adjustments to the financing plan, as needed.
- A federal shutdown could delay the Toll Revenue Third Lien TIFIA Loan processing and closing.
- The Third Lien TIFIA Loan provides a lower overall cost of borrowing.
- Current market rates make issuing all First Lien Toll Revenue Bonds more expensive by comparison.

Project Overview

- The Project is comprised of three segments: Segment 1, Segment 2, and Segment 3.
- Converts existing HOV lane to an ExpressLane and adds a second ExpressLane in each direction.
- Provide additional travel options to corridor users.
- Relieve existing congestion on the corridor.



Financing Needs and Structure

Capital Markets: Toll Bonds (estimated amount up to \$525 million)

- Toll Revenue First Lien Bonds will be sold to investors on a negotiated basis.
- Toll Revenue First Lien Bonds will be issued at a fixed rate with maturities ranging from 2031 to 2056.

Federal Credit Assistance: TIFIA Loan (estimated amount up to \$850 million)

- TIFIA is a direct loan with the Department of Transportation (DOT) (not sold in the capital markets) with an interest rate set at the State and Local Government Series (SLGS) rate plus 1 bp at closing.
- Toll Revenue Third Lien TIFIA Loan will be issued at a fixed rate with maturities ranging from 2039 to 2064.
- Expected to close in parallel with the Toll Bonds in February 2026.

In case of a Federal Government Shutdown, the financing would be Toll Bonds only.

Capital Markets: Toll Bonds only (estimated amount up to \$1.7 billion)

- Toll Revenue First Lien Bonds will be sold to investors on a negotiated basis.
- Toll Revenue First Lien Bonds will be issued at a fixed rate with maturities ranging from 2037 to 2066

Toll Policy

- The Toll policy is set by the LACMTA board
- The Toll Policy is designed to encourage carpooling and further support Metro's shift towards increased transit and vanpool use on the corridor
- The Revised Toll Policy incorporates the I-105 ExpressLanes
- Occupancy requirements, including HOV3+, were explored as part of the environmental process
- No other changes to the Toll Policy are recommended
- Policy revision is necessary to ensure travel time reliability and achieve investment grade rating, lowering borrowing costs for the project

Toll Policy

- Dynamic pricing to manage traffic and optimize people throughput in the corridor with caps
- Toll rates vary based on traffic density (calculated as traffic volume / average travel speed)
- Toll free travel for vehicles HOV-3+, motorcycles, and buses
- Vehicles can use the ExpressLanes without a transponder, also known as "Pay As You Go"; when using Pay As You Go, a \$9 fee per trip is added to the cost of the toll and no carpool discounts are provided
- Trucks are not allowed (other than 2-axle light duty trucks)
- Toll credits are available to frequent transit riders who use certain transit routes that support and/or utilize the ExpressLanes
- Emergency vehicles may use the ExpressLanes toll free when responding to incidents
- A Low-Income Assistance Plan is available to persons earning less than twice the Federal poverty level



Metro

I-105 ExpressLanes Project

Recommendation

- A. Adopt a resolution that authorizes the issuance and sale of a combined aggregate principal amount not to exceed \$1.7 billion for the I-105 ExpressLanes Project in the form of Toll Revenue First Lien Bonds in one or more series, Toll Revenue Third Lien Bonds, and/or TIFIA Loan Agreement and taking all other actions necessary in connection with the issuance of the bonds and/or loan.
- B. Adopt the revised Toll Policy

Next Steps

- Upon Board approval, staff will proceed with achieving financial close on the Toll Bonds and the TIFIA Loan, continue construction activities, and return to the Board at a later date, with construction updates and other project milestones.