



Board Report

File #: 2026-0108, **File Type:** Resolution

Agenda Number: 16.

FINANCE, BUDGET AND AUDIT COMMITTEE MARCH 19, 2026

SUBJECT: PROPOSITION C BONDS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT a Resolution (Attachment A) that authorizes the issuance and negotiated sale of up to \$450 million in aggregate principal amount of Proposition C Sales Tax Revenue Senior Bonds (the "Bonds"), in one or more series, to finance capital projects, refund the Proposition C Senior Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A (the "Refunded Bonds"), and to take of all other actions necessary in connection with the issuance of the Bonds.

(REQUIRES SEPARATE, SIMPLE MAJORITY VOTE OF THE BOARD)

ISSUE

The Debt Policy provides guidelines for new money financings that may be long-term or short-term. Proposition C new money bond issues are permitted to provide funding for eligible expenditures on capital projects. In addition, the Debt Policy requires Metro to continuously review its outstanding obligations for economic, cost-effective opportunities, or other "non-economic" reasons to issue refunding obligations.

BACKGROUND

Approval of the above recommendations will authorize the issuance of Bonds, with a par amount not to exceed \$450 million of fixed rate bonds, which will fund or reimburse \$350 million of LACMTA for Proposition C eligible capital projects and expenditures and refund \$31 million of the outstanding callable Refunded Bonds on a current basis for debt service savings. The Refunded Bonds may be currently callable in April 2026 as their call date is July 1, 2026. Based on market conditions as of February 13, 2026, the refunding of the Refunded Bonds was estimated to provide \$1.7 million (or 4.59%) in net present value savings, which is above the minimum 3% of the refunded par amount set forth in the Debt Policy criteria for evaluating refunding opportunities.

DISCUSSION

The new money and refunding components of the bond issuance will be structured as fixed rate

bonds and will be sold using a negotiated sale method. If market conditions change suddenly, a negotiated sale provides Metro the flexibility to alter the sale date and/or bond structure, as needed. A negotiated sale method also allows Metro an opportunity to include underwriting firms classified as SBEs and DVBES to participate in the financing. The underwriters will pre-market the issue to target as many investors as possible, assist with the credit rating process, and advise on market conditions for optimal bond pricing.

Consistent with the Debt Policy, underwriters for this transaction will be selected by a competitive Request for Proposal ("RFP") process conducted by PFM Financial Advisors, LLC, Metro's Transaction Municipal Advisor. Stradling Carlson & Rauth LLP and Nixon Peabody LLP has been selected by Treasury staff and County Counsel to serve as Bond Counsel and Disclosure Counsel, respectively.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The cost of issuance of \$1.0 million for the Bonds, which is presented in the Good Faith Estimates section of the Resolution, will be paid from the proceeds of the financing and will be budget neutral.

Funding for the Prop C New Money bond principal and interest expense for this Proposition C financing will be added to FY26 and subsequent fiscal year budgets depending on the actual debt service schedule. The funding sources or debt service of this financing are eligible for bus and rail operating and capital expenditures.

Savings from the Prop C Refunding Bonds 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 Proposition C. At this time, there are no equity concerns anticipated as a result of this action.

VEHICLE MILES TRAVELED OUTCOME

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.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it will provide funds needed to finance the acquisition and construction of the rail, bus and highway transit system and facilities within the County of Los Angeles. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro Vision 2028 Strategic Plan Goal 5 as follows:

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

ALTERNATIVES CONSIDERED

The Board may defer the issuance of the bonds to a later date or indefinitely. However, this is not recommended, as bond proceeds are needed to pay or reimburse Project expenses. Without this financing, capital projects may lack sufficient cash flow, resulting in delays until funds can be accumulated on a "pay-as-you-go" basis and potentially higher costs due to increased labor and material prices.

Additionally, the Board could defer the issuance of the refunding to a later time or indefinitely. This is not recommended because we cannot predict that interest rates will remain low enough to generate comparable benefits. Federal Reserve Bank actions and all other market and economic conditions may push interest rates higher and result in a loss of refunding savings.

NEXT STEPS

Obtain ratings on the Bonds

Complete legal documentation and distribute the preliminary official statement to potential investors, and initiate the pre-marketing efforts

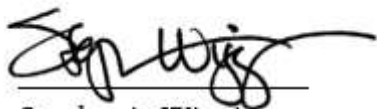
Negotiate the sale of the Bonds with the underwriters

ATTACHMENT

Attachment A - Authorizing Resolution

Prepared by: Rodney Johnson, Treasurer, (213) 922-3417
Matthew Wingert, Senior Budget Manager, (213) 922-2553
Robert Suh, Budget Manager, (213) 922-4102

Reviewed by: Michelle Navarro, Interim Chief Financial Officer, (213) 922-3056

A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins
Chief Executive Officer

Authorizing Resolution

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF ITS LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY PROPOSITION C SALES TAX REVENUE BONDS AND/OR PROPOSITION C SALES TAX REVENUE REFUNDING BONDS, APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL TRUST AGREEMENTS, PURCHASE CONTRACTS, CONTINUING DISCLOSURE CERTIFICATES AND PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND AN ESCROW AGREEMENT AND THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

(PROPOSITION C SALES TAX)

W I T N E S S E T H :

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), as successor to the Los Angeles County Transportation Commission (the "Commission"), is authorized, under Chapter 5 of Division 12 of the California Public Utilities Code (the "Act"), to issue bonds to finance and refinance the acquisition, construction or rehabilitation of facilities to be used as part of a countywide transit system; and

WHEREAS, pursuant to the provisions of Section 130350 of the California Public Utilities Code, the Commission was authorized to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles (the "County") subject to the approval by the voters of the County; and

WHEREAS, the Commission, by Ordinance No. 49 adopted August 28, 1990 ("Ordinance No. 49"), imposed a ½ of 1% retail transactions and use tax upon retail sales of tangible personal property and upon the storage, use or other consumption of tangible personal property in the County, the proceeds of the tax to be used for public transit purposes (the "Proposition C Tax"), and such tax was approved by the electors of the County on November 6, 1990; and

WHEREAS, the revenues received by the LACMTA from the imposition of the transactions and use tax are, by statute, directed to be used for public transit purposes, which purposes include a pledge of such tax to secure any bonds issued pursuant to the Act and include the payments or provision for the payment of the principal of the bonds and any premium, interest on the bonds and the costs of issuance of the bonds; and

WHEREAS, the LACMTA is planning and engineering a Countywide rail, bus and highway transit system (the "Rail, Bus and Highway Transit System") to serve the County and has commenced construction of portions of the Rail, Bus and Highway Transit System; and

WHEREAS, to facilitate the development and construction of the Rail, Bus and Highway Transit System, the LACMTA, as authorized by the Act, pursuant to the terms of the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "Trust Agreement"), by and between the LACMTA and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Trustee"), has issued multiple series of bonds, including its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A (the "Series 2016-A Bonds"); Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A; Proposition C Sales Tax

Revenue Bonds, Senior Bonds, Series 2019-A (Green Bonds); Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2019-B; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2019-C; Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2022-A; and Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (collectively, the “Prior Senior Bonds”); and

WHEREAS, the Trust Agreement permits the issuance of additional bonds subject to the limitations, and upon the terms, set forth therein, specifies applicable defaults and remedies, and provides for the procedures by which it may be amended and supplemented; and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more series of its Proposition C Sales Tax Revenue Bonds, Senior Bonds, from time to time and in one or more transactions (collectively, the “New Money Bonds”) (a) to finance, or reimburse itself for prior expenditures with respect to, additional portions of the Rail, Bus and Highway Transit System and (b) to pay certain costs of issuance related thereto (collectively, the “New Money Financing”); and

WHEREAS, in addition to the New Money Bonds, the LACMTA now desires to provide for the issuance of one or more series of its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, from time to time and in one or more transactions (collectively, the “Refunding Bonds”): (a) to current refund all or a portion of the outstanding Series 2016-A Bonds (the bonds so refunded shall be referred to herein as the “Refunded Bonds”), provided that the refunding of the Refunded Bonds is consistent with the Debt Policy of the LACMTA (the “Debt Policy”) as in effect at the time of pricing of the applicable series of Refunding Bonds; and (b) pay certain costs of issuance related thereto (collectively, the “Refunding Financing”); and

WHEREAS, the LACMTA has determined that it is in its best interest to sell the New Money Bonds and the Refunding Bonds to the public through a negotiated sale to one or more underwriters selected by a Designated Officer (as hereinafter defined) through a competitive process by the LACMTA (the “Underwriters”); and

WHEREAS, the sale of the New Money Bonds and the Refunding Bonds shall be in accordance with the Debt Policy of the LACMTA; and

WHEREAS, the forms of the following documents are on file with the Board Clerk or Acting Board Clerk (the “Clerk”) of the Board of Directors of the LACMTA (the “Board”) and have been made available to the members of the Board:

(a) a Supplemental Trust Agreement (the “Supplemental Trust Agreement”), which will be by and between the LACMTA and the Trustee, one or more of which will be executed and delivered and will supplement the Trust Agreement for purposes of providing the terms and conditions of the New Money Bonds and/or the Refunding Bonds (as applicable);

(b) a Preliminary Official Statement (the “Preliminary Official Statement”), which will provide information about the New Money Bonds and/or the Refunding Bonds (as applicable) the LACMTA, the Proposition C Tax and certain other related matters, and one or more which will be used, from time to time, in connection with the offer and sale of the New Money Bonds and/or the Refunding Bonds (as applicable);

(c) a Purchase Agreement (the “Purchase Agreement”), one or more of which are to be entered into by one or more of the Underwriters and the LACMTA, which will set forth the terms of the sale of the New Money Bonds and/or the Refunding Bonds (as applicable);

(d) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), one or more of which will be executed by the LACMTA and used to assist the Underwriters of the New Money Bonds and/or the Refunding Bonds (as applicable) in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5), and which will provide for the annual and periodic update of certain financial information and operating data with respect to the LACMTA and the collection of the Proposition C Tax, among other things, and certain enumerated events; and

(e) an Escrow Agreement (the “Escrow Agreement”), among the LACMTA, the Trustee and U.S. Bank Trust Company, National Association, as escrow agent, will be executed and delivered in connection with the refunding and defeasance of the Refunded Bonds;

WHEREAS, the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the New Money Bonds and/or the Refunding Bonds (as applicable), whether the New Money Bonds and/or the Refunding Bonds are issued in a single issuance or multiple issuances, and that said documents are subject to completion to reflect the results of the sale the New Money Bonds and/or the Refunding Bonds (as applicable); and

WHEREAS, the LACMTA has pledged the Proposition C Tax (less the 20% local allocation and the California Department of Tax and Fee Administration’s costs of administering such tax) (the “Pledged Taxes”) pursuant to the terms of the Trust Agreement to secure the Prior Senior Bonds and certain other obligations of the LACMTA, and once issued, the New Money Bonds and the Refunding Bonds will be “Bonds” and “Senior Bonds” as defined in the Trust Agreement and will be secured by the pledge of the Pledged Revenues under the Trust Agreement; and

WHEREAS, the LACMTA desires to designate the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), and any such officer serving in an acting or interim capacity, and any written designee of any of them as an “Authorized Authority Representative” for all purposes under the Trust Agreement, the Supplemental Trust Agreement(s), and the Subordinate Trust Agreement, dated as of June 1, 1993, as amended and supplemented (the “Subordinate Trust Agreement”), by and between LACMTA and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee, and as an “Authorized Officer” under the Amended and Restated Revolving Credit Agreement, dated as of May 1, 2025 (the “Revolving Credit Agreement”), by and between the LACMTA and BMO Bank N.A., relating to the Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the “Proposition C Revolving Obligations”), and any related documents; and

WHEREAS, Section 5852.1 of the California Government Code requires that the governing body of a public body obtain from an underwriter, financial advisor or private lender and disclose, prior to authorizing the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, the LACMTA is duly authorized and empowered, pursuant to each and every requirement of law, to authorize the New Money Financing and the Refunding Financing and to authorize the issuance of the New Money Bonds and the Refunding Bonds, and the execution and delivery of one or more Supplemental Trust Agreements, Continuing Disclosure Certificates, Purchase Agreements and the

Escrow Agreement, the preparation of one or more Preliminary Official Statements and the preparation, execution and delivery of one or more the Official Statements (as hereinafter defined) for the purposes, in the manner and upon the terms provided; and

WHEREAS, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

Section 1. Findings. The LACMTA hereby finds and determines that:

(a) The issuance of one or more series of its New Money Bonds under the Trust Agreement to finance, or reimburse itself for prior expenditures with respect to, additional portions of the Rail, Bus and Highway Transit System, and to pay certain costs of issuance of the New Money Bonds, is in the public interest.

(b) The issuance of one or more series of its Refunding Bonds under the Trust Agreement to current refund the Refunded Bonds (provided that the refunding of the Refunded Bonds is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds) and to pay certain costs of issuance of the Refunding Bonds, is in the public interest.

(c) Under the provisions of Ordinance No. 49, all of the Pledged Taxes are revenues of the LACMTA available for rail, bus and highway transit purposes and are available to be and are, by the terms of the resolutions and the Trust Agreement under which the Prior Senior Bonds were issued, pledged, along with the Pledged Revenues, to secure the Prior Senior Bonds and are pledged to secure the New Money Bonds and the Refunding Bonds, and, by this Resolution, such pledge is reaffirmed.

(d) The provisions contained in the Trust Agreement, as previously amended and supplemented, and as to be supplemented as set forth in the Supplemental Trust Agreement, are reasonable and proper for the security of the holders of the New Money Bonds and the Refunding Bonds.

Section 2. Issuance of New Money Bonds and the Refunding Bonds. The Board hereby authorizes the issuance by LACMTA of one or more series of New Money Bonds, from time to time and in one or more transactions, in a total aggregate amount not to exceed \$400 million, for the purposes of (a) financing, or reimbursing itself for prior expenditures with respect to, additional portions of the Rail, Bus and Highway Transit System and (b) paying certain costs of issuance related to the issuance of the New Money Bonds; *provided, however*, that the True Interest Cost (as defined below) of each series of New Money Bonds shall not exceed 5.00%, as such shall be calculated by the LACMTA's municipal advisor as of the date of delivery of each series of New Money Bonds. The LACMTA hereby specifies that each series of New Money Bonds shall not mature later than July 1, 2051.

The Board hereby authorizes the issuance by the LACMTA of one or more series of Refunding Bonds, from time to time and in one or more transactions, for the purposes of (a) current refunding the Refunded Bonds (provided that the refunding of the Refunded Bonds is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of the Refunding Bonds as determined and calculated at the discretion of the Treasurer or any other Designated Officer of the LACMTA, which shall be conclusive for all purposes of this Resolution) and (b) paying certain costs of issuance related to the issuance

of the Refunding Bonds. The aggregate principal amount of the Refunding Bonds issued by the LACMTA shall not exceed an amount sufficient (taking into account any original issue discount) to refund all or a portion of the Refunded Bonds and pay certain costs related to the issuance of the Refunding Bonds (including, but not limited to, underwriters' discount), and in any event the aggregate principal amount of all Refunding Bonds shall not exceed \$50 million. The True Interest Cost of the Refunding Bonds shall not exceed 3.00%, as such shall be calculated by the LACMTA's municipal advisor as of the date of delivery of each series of the Refunding Bonds. The Refunding Bonds shall not mature later than the final maturity date of the Refunded Bonds that are being refunded with proceeds of the Refunding Bonds.

The New Money Bonds and the Refunding Bonds may be issued in a manner by which the interest thereon is excludable from gross income under the Internal Revenue Code of 1986, as amended. The Chair of the Board, any Vice Chair of the Board, the Chief Executive Officer of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Assistant Treasurer of the LACMTA, any Senior Executive Officer, Finance of the LACMTA, the Director, Budget of the LACMTA, any Executive Officer, Finance of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Senior Director, Finance of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), and any such officer serving in an acting or interim capacity, and any written designee of any of them (each, a "Designated Officer"), acting in accordance with this Section 2, are each hereby severally authorized to determine the actual aggregate principal amount of each series of the New Money Bonds and the Refunding Bonds to be issued (not in excess of the maximum amounts set forth above), and to direct the execution and authentication of the New Money Bonds and the Refunding Bonds in such amounts, and to determine which of the outstanding Series 2016-A Bonds, if any, shall be Refunded Bonds. Such direction shall be conclusive as to the principal amounts hereby authorized. The New Money Bonds and the Refunding Bonds shall be in fully registered form and shall be issued as Book-Entry Bonds as provided in each Supplemental Trust Agreement. Payment of the principal of, interest on and premium, if any, on the New Money Bonds and/or the Refunding Bonds (as applicable) shall be made at the place or places and in the manner provided in each Supplemental Trust Agreement.

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 New Money Bonds or Refunding Bonds and to the principal amount and original issue premium, if any, less underwriters' discount and original issue discount, if any, of the applicable series of the New Money Bonds or Refunding Bonds. For the purpose of calculating the True Interest Cost, the principal amount of the applicable series of the New Money Bonds or Refunding 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 LACMTA's municipal advisor.

Section 3. Terms of New Money Bonds and the Refunding Bonds. The New Money Bonds and the Refunding Bonds shall be issued as current interest bonds and shall be available in denominations of \$5,000 and integral multiples thereof. The New Money Bonds and the Refunding Bonds, when issued, shall be in the aggregate principal amounts and shall be dated as shall be provided in the final form(s) of the Supplemental Trust Agreement(s). The New Money Bonds and the Refunding Bonds may be issued as serial bonds or as term bonds or as both serial bonds and term bonds, all as set forth in the Supplemental Trust Agreement(s). Interest on the New Money Bonds and the Refunding Bonds shall be paid at the rates and on the dates set forth in the Supplemental Trust Agreement(s). No New Money Bond or Refunding Bond shall bear interest at a rate in excess of 6.00% per annum. The New Money Bonds and the Refunding Bonds issued as term bonds also shall be subject to mandatory sinking fund redemption as shall be set forth in the Supplemental Trust Agreement(s).

Execution and delivery of each Supplemental Trust Agreement, which document will contain the maturities, principal amounts, interest rates and the payment obligations of the LACMTA within parameters set forth in this Resolution, shall constitute conclusive evidence of the LACMTA's approval of such maturities, principal amounts, interest rates and payment obligations.

Section 4. Special Obligations. The New Money Bonds and the Refunding Bonds shall be special obligations of the LACMTA secured by and payable from the Pledged Revenues and from the funds and accounts held by the Trustee under the Trust Agreement. The New Money Bonds and the Refunding Bonds shall also be secured by and be paid from such other sources as the LACMTA may hereafter provide.

Section 5. Form of the New Money Bonds and the Refunding Bonds. The New Money Bonds and the Refunding Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the forms set forth in Exhibits A-1 and A-2 to the Supplemental Trust Agreement on file with the Clerk of the Board and made available to the Board, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or the applicable Supplemental Trust Agreement or as appropriate to adequately reflect the terms of such New Money Bonds and the Refunding Bonds and the obligation represented thereby.

Section 6. Execution of the New Money Bonds and the Refunding Bonds. Each of the New Money Bonds and the Refunding Bonds shall be executed on behalf of the LACMTA by any Designated Officer and any such execution may be by manual or facsimile signature, and each bond shall be authenticated by the endorsement of the Trustee or an agent of the Trustee. Any facsimile signature of such Designated Officer(s) shall have the same force and effect as if such officer(s) had manually signed each of such New Money Bonds and the Refunding Bonds.

Section 7. Approval of Documents; Authorization for Execution. The forms, terms and provisions of the Supplemental Trust Agreement, the Purchase Agreement, the Continuing Disclosure Certificate and the Escrow Agreement on file with the Clerk of the Board and made available to the Board within the parameters set forth in this Resolution are in all respects approved, and each of the Designated Officers is hereby severally authorized, empowered and directed to execute, acknowledge and deliver in the name of and on behalf of the LACMTA one or more Supplemental Trust Agreements, one or more Purchase Agreements, one or more Continuing Disclosure Certificates and one or more Escrow Agreements, including counterparts thereof. The Supplemental Trust Agreement(s), the Purchase Agreement(s), the Continuing Disclosure Certificate(s) and the Escrow Agreement(s), as executed and delivered, shall be in substantially the forms now on file with the Clerk of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Supplemental Trust Agreement, the Purchase Agreement, the Continuing Disclosure Certificate and Escrow Agreement now on file with the Clerk of the Board and made available to the Board; and from and after the execution and delivery of each Supplemental Trust Agreement, each Purchase Agreement, each Continuing Disclosure Certificate and each Escrow Agreement, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Supplemental Trust Agreement, each Purchase Agreement, each Continuing Disclosure Certificate and each Escrow Agreement.

Section 8. Sale of the New Money Bonds and the Refunding Bonds.

(a) The LACMTA hereby authorizes the sale of the New Money Bonds and the Refunding Bonds from time to time in one or more series through one or more private, negotiated sales to one or more Underwriters, as determined by a Designated Officer.

(b) The Designated Officers are each authorized and directed to engage the Underwriters.

(c) The Designated Officers are each authorized and directed to engage other third parties that such Designated Officer deems necessary or advisable in order to: consummate the New Money Financing and the Refunding Financing, assist with the issuance and sale of the New Money Bonds and the Refunding Bonds, to manage and administer the New Money Financing and the Refunding Financing after the issuance and sale of the New Money Bonds and the Refunding Bonds or otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

(d) The New Money Bonds and the Refunding Bonds shall be sold subject to an Underwriters' discount (excluding original issue discount and premium) not to exceed \$2.00 per \$1,000 of principal amount of the New Money Bonds and the Refunding Bonds, as applicable, and subject to the terms and conditions set forth in the form of the Purchase Agreement.

(e) The Designated Officers are each authorized and directed to take any other action such Designated Officer determines is necessary or desirable to cause any such sale to comply with the LACMTA's Debt Policy and applicable law.

Section 9. Preliminary Official Statement and Official Statement. One or more Preliminary Official Statements shall be used by the LACMTA in connection with the sale and issuance of the New Money Bonds and/or the Refunding Bonds (as applicable). The form of the Preliminary Official Statement on file with the Clerk of the Board and made available to the Board is hereby approved. Each Preliminary Official Statement used by LACMTA in connection with the sale and issuance of New Money Bonds and/or Refunding Bonds (as applicable) shall be substantially in the form of the Preliminary Official Statement on file with the Clerk of the Board and made available to the Board with such changes as a Designated Officer approves (such approval to be conclusively evidenced by the execution and delivery of the certificate referenced in the following sentence). Each Preliminary Official Statement shall be circulated (via printed format and/or through electronic means) for use in selling the New Money Bonds and/or the Refunding Bonds (as applicable) at such time or times as a Designated Officer shall deem such Preliminary Official Statement to be final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, said determination to be conclusively evidenced by a certificate signed by said Designated Officer to said effect. Each Preliminary Official Statement shall contain a description of the finances and operations of the LACMTA, a description of the Proposition C Tax and a description of historical receipts of sales tax revenues substantially in the form of the Preliminary Official Statement on file with the Clerk of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. Each Preliminary Official Statement shall also contain a description of the New Money Bonds and/or the Refunding Bonds (as applicable) and the terms and conditions of the Trust Agreement and each Supplemental Trust Agreement together with such information and description as a Designated Officer determines is appropriate or necessary. One or more supplements to the Preliminary Official Statement(s) may be prepared and delivered to the Underwriters reflecting updated and/or revised information as shall be acceptable to the Underwriters and as the Designated Officers, or any one of them, approve. The Underwriters are hereby authorized to circulate (via printed format and/or through electronic means) each Preliminary Official Statement for use in selling the New Money Bonds and/or the Refunding Bonds (as applicable) from time to time.

Upon the sale of each series of the New Money Bonds and/or the Refunding Bonds (as applicable), one or more of the Designated Officers shall provide for the preparation, publication, execution and delivery of one or more final Official Statements in substantially the form of the Preliminary Official Statement deemed final by a Designated Officer with such changes as any Designated Officer approves, such approval

to be conclusively evidenced by the execution of such final Official Statement. Any Designated Officer is hereby authorized and directed to execute and deliver one or more final Official Statements in the name and on behalf of the LACMTA. One or more supplements to the final Official Statement(s) or revised final Official Statement(s) may be prepared and delivered reflecting updated and revised information as any Designated Officer deems appropriate or necessary. Each final Official Statement shall be circulated (via printed format and/or through electronic means) for use in selling the New Money Bonds and/or the Refunding Bonds (as applicable) at such time or times as a Designated Officer deems appropriate after consultation with LACMTA's municipal advisor, LACMTA's Disclosure Counsel, LACMTA's Bond Counsel, and such other advisors as a Designated Officer believes to be useful. The Underwriters are hereby authorized to circulate (via printed format and/or through electronic means) each Official Statement.

Section 10. Trustee, Paying Agent and Registrar. U.S. Bank Trust Company, National Association is hereby appointed as Trustee, Paying Agent and Registrar for the New Money Bonds and the Refunding Bonds. Such appointments shall be effective upon the issuance of the New Money Bonds and the Refunding Bonds and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 11. Escrow Agent. U.S. Bank Trust Company, National Association is hereby appointed as Escrow Agent under the Escrow Agreement. Such appointment shall be effective upon the issuance of the Refunding Bonds and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 12. Authorized Authority Representative and Authorized Officer. The Board hereby designates each of the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), and any such officer serving in an acting or interim capacity, and any written designee of any of them, as an "Authorized Authority Representative" for all purposes under the Trust Agreement, the Supplemental Trust Agreement(s) and the Subordinate Trust Agreement and any amendments or supplements to the Trust Agreement, the Supplemental Trust Agreement(s) or the Subordinate Trust Agreement, and any related documents and as an Authorized Officer under the Revolving Credit Agreement and any related documents. Such appointment shall remain in effect until modified by resolution. The prior designation of officers, including the Chairperson of the Board and the Chief Executive Officer of the LACMTA, as Authorized Authority Representatives under the Trust Agreement and any amendments or supplements thereto shall continue.

Section 13. Additional Authorization. The Designated Officers, for and on behalf of the LACMTA, are authorized and directed to do any and all things necessary to effect the issuance of the New Money Bonds and the Refunding Bonds, and the execution and delivery of each Supplemental Trust Agreement, each Purchase Agreement, each Continuing Disclosure Certificate, each Escrow Agreement and any of the other documents authorized by this Resolution, and to carry out the terms of such documents and this Resolution. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments and take all other actions that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Trust Agreement, each Supplemental Trust Agreement, each Purchase Agreement, each Continuing Disclosure Certificate, and each Escrow Agreement or to evidence said authority and its exercise. The foregoing authorization includes, but is in no way limited to, the direction (from time to time) by a Designated Officer of the investment of the proceeds of the New Money Bonds and the Refunding Bonds and of the Pledged Revenues and other amounts held under the Trust Agreement, if any, including the execution and delivery of investment agreements or purchase agreements related thereto, the execution by a Designated Officer and the delivery

of one or more tax certificates as required by each Supplemental Trust Agreement for the purpose of complying with the rebate requirements and arbitrage restrictions of the Internal Revenue Code of 1986, as amended; the execution and delivery of documents required by The Depository Trust Company in connection with the Book-Entry Bonds. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

Any Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause written notice(s) to be provided to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed sale of the New Money Bonds and/or the Refunding Bonds (as applicable), said notice(s) to be provided in accordance with Section 8855 et seq. of the California Government Code, to file the notice(s) of final sale with CDIAC, to file the rebates and notices required under section 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended, if necessary, and to file such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the New Money Bonds and/or the Refunding Bonds (as applicable), and any such notices are hereby ratified, confirmed and approved.

Section 14. Continuing Authority of Designated Officers. The authority of any individual serving as a Designated Officer under this Resolution by a written designation signed by the Chair of the Board, any Vice Chair of the Board, the Chief Executive Officer of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Assistant Treasurer of the LACMTA, any Senior Executive Officer, Finance of the LACMTA, the Director, Budget of the LACMTA, any Executive Officer, Finance of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Senior Director, Finance of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), shall remain valid notwithstanding the fact that the individual officer of the LACMTA signing such designation ceases to be an officer of the LACMTA, unless such designation specifically provides otherwise.

Section 15. Investments. From and after the delivery of the New Money Bonds and/or the Refunding Bonds (as applicable), each Designated Officer is hereby authorized to invest the proceeds of the New Money Bonds and/or the Refunding Bonds (as applicable) in accordance with the Trust Agreement, the applicable Supplemental Trust Agreement, the Escrow Agreement and the LACMTA’s Investment Policy and is further authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, the applicable Supplemental Trust Agreement and the Escrow Agreement, on such terms as the Designated Officer shall deem appropriate. In accordance with Section 5922 of the California Government Code, the LACMTA hereby finds and determines that the Investment Agreement is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the New Money Bonds and/or the Refunding Bonds (as applicable) or enhance the relationship between risk and return with respect to investments.

Section 16. Good Faith Estimates. In accordance with Section 5852.1 of the California Government Code, good faith estimates of the following are set forth in Exhibit A attached hereto: (a) the true interest cost of the New Money Bonds and the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the New Money Bonds and the Refunding Bonds, (c) the amount of proceeds of the New Money Bonds and the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the New Money Bonds and the Refunding Bonds, and (d) the sum total of all debt service payments on the New Money Bonds and the Refunding Bonds calculated to the final maturity of the New Money Bonds and the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the New Money Bonds and the Refunding Bonds.

Section 17. Further Actions. The Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify each document authorized or authorized to be amended by this Resolution at any time and from time to time and in any manner determined to be necessary or desirable by the Designated Officer executing such amendment, supplement, or modification, upon consultation with the LACMTA's municipal advisor and LACMTA's Bond Counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA's approval thereof. Further, the Designated Officers and each of them are hereby authorized and directed to terminate any municipal bond insurance policy, reserve fund surety or investment agreement and enter into one or more municipal bond insurance policies, reserve fund sureties or investment agreements as any such Designated Officer shall determine is appropriate or necessary.

Section 18. Costs of Issuance. The LACMTA authorizes funds of the LACMTA, together with the proceeds of the New Money Bonds and/or the Refunding Bonds (as applicable), to be used to pay costs of issuance of the New Money Bonds and/or the Refunding Bonds (as applicable), including, but not limited to, costs of attorneys, accountants, municipal advisors, trustees, escrow agents, verification agents, the costs associated with rating agencies, printing, publication and mailing expenses and any related filing fees.

Section 19. Severability. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 20. Effective Date. This Resolution shall be effective upon adoption and shall be effective with respect to the New Money Bonds and the Refunding Bonds issued on or before June 30, 2026.

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
NEW MONEY BONDS

The following information was obtained from PFM Financial Advisors LLC (the “Municipal Advisor”) with respect to the New Money Bonds (as defined in the attached Resolution) approved in the attached Resolution, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the New Money Bonds:

Section 1. True Interest Cost of the New Money Bonds. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the New Money Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the New Money Bonds, is 3.84%.

Section 2. Finance Charge of the New Money Bonds. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the New Money Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the New Money Bonds), is \$940,116.05 as follows:

(a)	Underwriters' Discount	\$462,101.15
(b)	Bond Counsel and Disbursements	65,701.60
(c)	Disclosure Counsel and Disbursements	61,008.63
(d)	Municipal Advisor and Disbursements	51,622.68
(e)	Rating Agencies	276,885.30
(f)	Other	<u>22,796.69</u>
	Total	\$940,116.05

Section 3. Amount of Proceeds to be Received. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the LACMTA for sale of the New Money Bonds less the finance charge of the New Money Bonds described in Section 2 above and any reserves or capitalized interest paid or funded with proceeds of the New Money Bonds, is \$350,000,000.00.

Section 4. Total Payment Amount. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the LACMTA will make to pay debt service on the New Money Bonds plus the finance charge of the New Money Bonds described in Section 2 above not paid with the proceeds of the New Money Bonds, calculated to the final maturity of the New Money Bonds, is \$554,046,262.50.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, 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 New Money Bonds sales, the amount of New Money Bonds sold, the amortization of the New Money Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of New Money Bonds sold will be determined by the LACMTA based on need to provide funds for the New Money Financing and other factors. The actual interest rates at which the New Money Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the New Money 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 LACMTA's control. The LACMTA has approved the issuance of the New Money Bonds with a maximum true interest cost of 5.00%.

REFUNDING BONDS

The following information was obtained from the Municipal Advisor with respect to the Refunding Bonds (as defined in the attached Resolution) approved in the attached Resolution, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the Refunding Bonds:

Section 1. True Interest Cost of the Refunding Bonds. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 1.88%.

Section 2. Finance Charge of the Refunding Bonds. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$67,322.57 as follows:

(a)	Underwriters' Discount	\$30,232.10
(b)	Bond Counsel and Disbursements	4,298.40
(c)	Disclosure Counsel and Disbursements	3,991.37
(d)	Municipal Advisor and Disbursements	3,377.32
(e)	Rating Agencies	18,114.70
(f)	Other	<u>7,308.68</u>
	Total	\$67,322.57

Section 3. Amount of Proceeds to be Received. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the LACMTA for sale of the Refunding Bonds less the finance charge of the Refunding Bonds described in Section 2 above and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is \$21,904,811.18.

Section 4. Total Payment Amount. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the LACMTA will make to pay debt service on the Refunding Bonds plus the finance charge of the Refunding Bonds described in Section 2 above not paid with the proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$23,028,925.00.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, 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 Refunding Bonds sales, the amount of Bonds sold, the amortization of the Refunding Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Refunding Bonds sold will be determined by the LACMTA based on need to provide funds for the Refunding Financing and other factors. The actual interest rates at which the Refunding Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Refunding 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 LACMTA's control. The LACMTA has approved the issuance of the Refunding Bonds with a maximum true interest cost of 3.00%.

Proposition C

Refunding and New Money Bonds

Finance, Budget and Audit Committee
March 19, 2026



BACKGROUND AND PURPOSE

Background

- The Long Range Transportation Plan assumes the use of short-term borrowing and long-term bonds to deliver capital projects
- Debt Policy requires continuous review its outstanding obligations for economic, cost-effective opportunities, or other “non-economic” reasons to issue refunding obligations

Purpose

1. To fund or reimburse up to \$350 million of eligible capital projects
2. To refund \$31 million of Proposition C Series 2016-A on their upcoming call date of 7/1/2026 for debt service savings

BOND STRUCTURE AND NEXT STEPS

Bond Structure

- Bonds will be sold to investors on a negotiated basis through underwriters selected from the approved underwriter bench
- Bonds will be issued at a fixed rate with maturities ranging from 2027 – 2051

Next Steps

- Obtain credit ratings on the Proposition C Bonds
- Complete legal documentation and initiate the pre-marketing efforts
- Negotiate the sale of the Proposition C Bonds with the underwriters

RECOMMENDATION

Adopt a Resolution (Attachment A) that authorizes the issuance and negotiated sale of up to \$450 million of Proposition C Bonds in aggregate principal amount of Proposition C Sales Tax Revenue Senior Bonds (the “Bonds”), in one or more series, to finance capital projects, refund the Proposition C Senior Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A (the “Refunded Bonds”), and to take of all other actions necessary in connection with the issuance of the Bonds.