



Board Report

File #: 2026-0114, File Type: Resolution

Agenda Number: 17.

FINANCE, BUDGET AND AUDIT COMMITTEE MARCH 19, 2026

SUBJECT: MEASURE R BONDS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT a Resolution (Attachment A) that authorizes the issuance and negotiated sale of up to \$980 million in aggregate principal amount of Measure R Sales Tax Revenue Senior Bonds (the "Bonds"), in one or more series, to refund the Measure R Senior Sales Tax Revenue Bonds, Series 2016-A (the "Refunded Bonds"), finance capital projects, reimburse LACMTA for the development and construction of certain projects, refund outstanding Measure R Commercial Paper Notes, 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 requires Metro to continuously review its outstanding obligations for economic, cost-effective opportunities, or other "non-economic" reasons to issue refunding obligations. In addition, the Debt Policy provides guidelines for new money financings that may be long-term or short-term. Measure R new money bond issues are permitted to provide funding for eligible expenditures on capital projects.

BACKGROUND

Approval of the above recommendations will authorize the issuance of the Bonds, with a par amount not-to-exceed \$980 million of fixed-rate bonds, which will refund \$366 million of the outstanding callable Refunded Bonds on a current basis for debt service savings, fund \$435 million of LACMTA Measure R eligible capital projects and expenditures and refund \$150 million in outstanding Commercial Paper. The Refunded Bonds may be currently callable in April 2026 as their call date is June 1, 2026. Based on market conditions as of February 17, 2026, the refunding of the Refunded Bonds was estimated to provide \$42.3 million (or 10.96%) 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 Bonds 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 Montague DeRose & Associates, LLC, Metro’s Transaction Municipal Advisor. Norton Rose Fulbright and Nixon Peabody LLP has been selected by Treasury staff and County Counsel to serve as Bond Counsel and Disclosure Counsel, respectively.

Further, in accordance with Section 8(i)(4) of the Measure R Ordinance, the Measure R Independent Taxpayers Oversight Committee of LACMTA (“Measure R Oversight Committee”) is required to find that the benefits of the refunding of \$150 million in outstanding Commercial Paper and proposed \$435 million financing for accelerating project delivery, avoiding future cost escalation, and related factors exceed issuance and interest costs. The Measure R Oversight Committee made a finding of benefit at its March 9, 2026, meeting, Attachment B.

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 \$1.68 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.

Savings from the Measure R refunding bonds will be reflected in future budgets under principal account 51101 and the bond interest account 51121.

Funding for the Measure R new money bond principal and interest expense for this Measure R 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.

EQUITY PLATFORM

Approval of this item is intended to reduce financial risk and maintain planned funding and schedules for Metro capital projects funded by Measure R. 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 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. Additionally, the Board could defer the issuance of the new money 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.

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

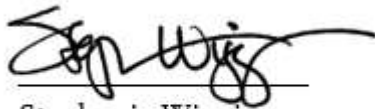
ATTACHMENTS

Attachment A - Authorizing Resolution

Attachment B - Measure R Oversight Committee Finding of Benefit 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', is 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 MEASURE R SENIOR SALES TAX REVENUE REFUNDING BONDS AND ITS LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY MEASURE R SENIOR SALES TAX REVENUE BONDS, APPROVING THE EXECUTION AND DELIVERY OF SUPPLEMENTAL TRUST AGREEMENTS, AN ESCROW AGREEMENT, A PURCHASE CONTRACT, A CONTINUING DISCLOSURE CERTIFICATE AND PRELIMINARY AND FINAL OFFICIAL STATEMENTS, AND THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

(MEASURE R SALES TAX)

W I T N E S S E T H:

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the “LACMTA”) is a county transportation commission duly organized and existing pursuant to Section 130050.2 of the California Public Utilities Code; and

WHEREAS, the LACMTA is authorized by Sections 130350.4 and 130350.5 of the California Public Utilities Code (the “Sales Tax Law”) to impose a retail transactions and use tax at a rate of 0.5% that is applicable in the incorporated and unincorporated areas of the County of Los Angeles, California (the “County”) if authorized by at least two-thirds of the electors voting on the issue; and

WHEREAS, in accordance with such provision, the LACMTA, on July 24, 2008, adopted Ordinance No. 08-01, known as the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization (the “Ordinance”) imposing the transactions and use tax for a period of 30 years, and the Ordinance was submitted to the electors of the County in the form of Measure R and approved by more than a two-thirds vote at an election held on November 4, 2008; and

WHEREAS, the Ordinance, as so approved, imposes for a period of 30 years, beginning July 1, 2009, a tax upon the sale of tangible personal property at retail at a rate of 1/2 of 1% of the gross receipts of the sale and a complementary tax upon the storage, use or other consumption in the County at a rate of 1/2 of 1% of the sales price of the property whose storage, use or other consumption is subject to the tax (the “Measure R Sales Tax”); and

WHEREAS, Section 130500 et seq. of the California Public Utilities Code (the “Act”) provides that the LACMTA may issue bonds, which terms includes indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other

obligations, and all of such obligations shall be special obligations of the LACMTA, payable from the proceeds of the Measure R Sales Tax; and

WHEREAS, to facilitate the carrying out of transportation projects described in the Expenditure Plan adopted as part of the Ordinance (the “Expenditure Plan”), the construction, maintenance, improvement and operation of local streets, roads, and highways, state highways and freeways, and public transit systems including rail, and related purposes permitted by the Ordinance, the LACMTA, as authorized by the Act, issued its Measure R Senior Sales Tax Revenue Bonds, Series 2016-A (the “Prior Bonds”) on November 30, 2016, pursuant to an Amended and Restated Trust Agreement, dated as of February 1, 2014, by and between the LACMTA and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and a Fourth Supplemental Trust Agreement, dated November 1, 2016, by and between the LACMTA and the Trustee; and

WHEREAS, pursuant to the Act and the provisions of the Second Amended and Restated Trust Agreement, dated as of August 1, 2020 (as supplemented and amended from time to time, the “Trust Agreement”), between the LACMTA and the Trustee, the LACMTA is authorized to issue Bonds (as defined in the Trust Agreement); and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more series of Bonds, from time to time and in one or more transactions, entitled “Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Refunding Bonds,” with such series designations and other additions and modifications as may be appropriate (collectively, the “2026 Refunding Bonds”), in order to: (a) current refund all or a portion of the outstanding Prior Bonds (the Prior Bonds so refunded shall be collectively 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 Bonds; and (b) pay the costs of issuance incurred in connection with such 2026 Refunding Bonds (the “Refunding Financing”); and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more series of Bonds, from time to time and in one or more transactions, entitled “Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds,” with such series designations and other additions and modifications as may be appropriate (collectively, the “2026 New Money Bonds” and, together with the 2026 Refunding Bonds, the “Series 2026 Bonds”), in order to: (a) finance, refinance (through repayment of all or a portion of the LACMTA’s Subordinate Obligations (as defined in the Trust Agreement) (the “Refunded Subordinate Obligations”)), or reimburse itself for prior expenditures with respect to the costs of projects authorized in the Expenditure Plan; and (b) pay the costs of issuance incurred in connection with such 2026 New Money Bonds (the “New Money Financing” and, together with the Refunding Financing, the “Financing”); and

WHEREAS, the LACMTA desires to sell the Series 2026 Bonds to the public through a negotiated sale to one or more underwriters to be selected by a Designated Officer (as defined herein) through a competitive process by the LACMTA (the “Underwriters”); and

WHEREAS, the sale of the Series 2026 Bonds shall be in accordance with the Debt Policy of the LACMTA as determined by the a Designated Officer, which determination shall be conclusive for purposes of this Resolution, and the proceeds of the Series 2026 Bonds will be applied in accordance with the provisions of the Act, the Sales Tax Law, the Ordinance and the Expenditure Plan; and

WHEREAS, the forms of the following documents are on file with the 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 “Refunding Supplemental Trust Agreement”), by and between the LACMTA and the Trustee, which will supplement the Trust Agreement for the purpose of providing the terms and conditions of the 2026 Refunding Bonds issued to refund the Refunded Bonds;

(b) a Supplemental Trust Agreement (the “New Money Supplemental Trust Agreement” and, together with the Refunding Supplemental Trust Agreement, the “Supplemental Trust Agreements”), by and between the LACMTA and the Trustee, which will supplement the Trust Agreement for the purpose of providing the terms and conditions of the 2026 New Money Bonds;

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

(d) a Purchase Contract (the “Purchase Contract”), to be entered into by one or more of the Underwriters and the LACMTA, which shall set forth the terms of the sale of the Series 2026 Bonds;

(e) a Preliminary Official Statement (the “Preliminary Official Statement”), which will provide information about the Series 2026 Bonds, the LACMTA, the Measure R Sales Tax and certain other related matters, and will be used, from time to time, in connection with the offer and sale of the Series 2026 Bonds; and

(f) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to be executed by the LACMTA, which will assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”); and

WHEREAS, the LACMTA has been advised by its bond counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the Series 2026 Bonds and whether such Series 2026 Bonds are issued in a single issuance or multiple issuances, and said documents are subject to completion to reflect the results of the sale of the Series 2026 Bonds; and

WHEREAS, the LACMTA has pledged the Pledged Revenues pursuant to the terms of the Trust Agreement to secure the Bonds and certain other obligations of the LACMTA and once

issued, the Series 2026 Bonds will be “Bonds” as defined in the Trust Agreement and will be secured by the pledge of the Pledged Revenues under the Trust Agreement; 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 Financing and to authorize the issuance of the Series 2026 Bonds, execution and delivery of one or more Supplemental Trust Agreements, one or more Escrow Agreements, one or more Purchase Contracts and one or more Continuing Disclosure Certificates, the preparation of one or more Preliminary Official Statements and the preparation, execution and delivery of one or more 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 Board finds and determines that the foregoing recitals are true and correct and that:

(a) The issuance of one or more series of its 2026 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 2026 Refunding Bonds), and to pay certain costs related to the issuance of the 2026 Refunding Bonds, is in the public interest.

(b) The issuance of one or more series of its 2026 New Money Bonds under the Trust Agreement to finance, refinance (through repayment of all or a portion of the Refunded Subordinate Obligations), or reimburse itself for prior expenditures with respect to the costs of projects authorized in the Expenditure Plan, and to pay certain costs of issuance related to the issuance of the 2026 New Money Bonds, is in the public interest.

(c) Under the provisions of the Ordinance, all of the Pledged Tax Revenues are revenues of the LACMTA available for the Expenditure Plan and are available to be and are, by the terms of the Trust Agreement, pledged, to secure the Series 2026 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 Agreements, are reasonable and proper for the security of the holders of the Series 2026 Bonds.

Section 2. Issuance of Bonds. The Board hereby authorizes the issuance by the LACMTA of one or more series of 2026 Refunding Bonds in an aggregate principal amount not to exceed \$395,000,000 to: (a) current refund the Refunded Bonds; and (b) pay the costs of issuance incurred in connection with the Refunding Financing; provided, however, that the True Interest Cost (as defined below) of each series of the 2026 Refunding Bonds shall not exceed 5.00%, as such shall be calculated by the LACMTA's municipal advisor as of the date of delivery of such series of the 2026 Refunding Bonds. The LACMTA hereby specifies that the 2026 Refunding Bonds shall mature not later than June 1, 2039.

The Board hereby authorizes the issuance by the LACMTA of one or more series of 2026 New Money Bonds in an aggregate principal amount not to exceed \$585,000,000 to: (a) finance, refinance (through repayment of all or a portion of the Refunded Subordinate Obligations), or reimburse itself for prior expenditures with respect to the costs of projects authorized in the Expenditure Plan; and (b) pay the costs of issuance incurred in connection with the New Money Financing; provided, however, that the True Interest Cost (as defined below) of each series of the 2026 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 such series of the 2026 New Money Bonds. The LACMTA hereby specifies that the 2026 New Money Bonds shall mature not later than June 1, 2039.

The Series 2026 Bonds may be issued as bonds the interest on which is excludable from gross income under the Internal Revenue Code of 1986, as amended. The LACMTA hereby designates 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 any such officer serving in an acting or interim capacity, and any written designee of any of them as Designated Officers (each a "Designated Officer"), and the Designated Officers, acting in accordance with this Section 2, are each hereby severally authorized to determine whether all or any portion, and which portion, of the Prior Bonds shall be refunded, the aggregate principal amount of each series of Series 2026 Bonds to be issued (not in excess of the maximum amounts set forth above), and to direct the execution and authentication of the Series 2026 Bonds in such amount. Such direction shall be conclusive as to the principal amounts hereby authorized. Payment of the principal of, interest on and premium, if any, on the Series 2026 Bonds shall be made at the place or places and in the manner provided in the Trust Agreement and the 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 Series 2026 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 Series 2026 Bonds. For the purpose of calculating the True Interest Cost, the principal amount of the applicable series of Series 2026 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 the Series 2026 Bonds. The Series 2026 Bonds shall be issued as current interest bonds and shall be available in denominations of \$5,000 and integral multiples thereof. The Series 2026 Bonds, when issued, shall be in the aggregate principal amounts and shall be dated as shall be provided in the final form of the Supplemental Trust Agreements. The Series 2026 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 Agreements. Interest on the Series 2026 Bonds shall be paid at the rates and on the dates set forth in the Supplemental Trust Agreements. No Series 2026 Bonds shall bear interest at a rate in excess of 5.50% per annum. The Series 2026 Bonds shall be subject to redemption at the option of the LACMTA on such terms and conditions as shall be set forth in the Supplemental Trust Agreements, or not be subject to redemption. The Series 2026 Bonds issued as term bonds also shall be subject to mandatory sinking fund redemption as shall be set forth in the Supplemental Trust Agreements.

Execution and delivery of the Supplemental Trust Agreements, which documents 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 Series 2026 Bonds shall be special obligations of the LACMTA payable from and secured by a pledge of and lien on Pledged Revenues and from the funds and accounts held by the Trustee under the Trust Agreement, including as supplemented by the Supplemental Trust Agreements. The Series 2026 Bonds shall also be paid from and secured by a pledge of and lien on such other sources as the LACMTA may hereafter provide.

Section 5. Form of Series 2026 Bonds. The Series 2026 Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the forms set forth in Exhibit A to the Supplemental Trust Agreements on file with the Clerk 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 Supplemental Trust Agreements or otherwise by law, or as appropriate to adequately reflect the terms of such Series 2026 Bonds and the obligations represented thereby.

Section 6. Execution of Series 2026 Bonds. Each of the Series 2026 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 Series 2026 Bonds.

Section 7. Approval of Documents, Authorization for Execution. The forms, terms and provisions of the Supplemental Trust Agreements, the Escrow Agreement, the Purchase Contract and the Continuing Disclosure Certificate on file with the Clerk 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 Escrow Agreements, one or more Purchase Contracts and one or more Continuing Disclosure Certificates, including counterparts thereof. The Supplemental Trust Agreements, the Escrow Agreement(s), the Purchase Contract(s) and the Continuing Disclosure Certificate(s), as executed and delivered, shall be in substantially the forms now on file with the Clerk 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 Agreements, the Escrow Agreement, the Purchase Contract and the Continuing Disclosure Certificate now on file with the Clerk and made available to the Board; and from and after the execution and delivery of the Supplemental Trust Agreements, each Escrow Agreement, each Purchase Contract and each Continuing Disclosure Certificate, 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 the Supplemental Trust Agreements, each Escrow Agreement, each Purchase Contract and each Continuing Disclosure Certificate.

Section 8. Sale of Bonds.

(a) The LACMTA hereby authorizes the sale of the Series 2026 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 Financing, assist with the issuance and sale of the Series 2026 Bonds, to manage and administer the Financing after the issuance and sale of the Series 2026 Bonds or otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

(d) The Series 2026 Bonds shall be sold subject to an Underwriters' discount (excluding original issue discount and premium) not to exceed \$3 per \$1,000 of principal amount of the Series 2026 Bonds and subject to the terms and conditions set forth in the form of the Purchase Contract.

(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 Series 2026 Bonds. The form of the Preliminary Official Statement on file with the Clerk and made available to the Board is hereby approved. The Preliminary Official Statement shall be substantially in the form of the Preliminary Official Statement on file with the Clerk 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). The Preliminary Official Statement shall be circulated for use in selling the Series 2026 Bonds 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. The Preliminary Official Statement shall contain a description of the finances and operations of the LACMTA, a description of the Measure R Sales 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 and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. The Preliminary Official Statement shall also contain a description of the applicable Series 2026 Bonds and the terms and conditions of the Trust Agreement and the 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) or revised 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) the Preliminary Official Statement and any supplement thereto for use in selling the Series 2026 Bonds from time to time. The Underwriters are hereby further authorized to distribute (via printed format and/or through electronic means) copies of the LACMTA's most recent annual audited financial statements and such other financial statements of the LACMTA as any Designated Officer shall approve. Upon the execution and delivery of the Purchase Contract, from time to time, 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 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. Each final Official Statement shall be circulated (via printed format and/or through electronic means) for use in selling the Series 2026 Bonds at such time or times as a Designated Officer deems appropriate after consultation with the Underwriters, the LACMTA's municipal advisor, the LACMTA's disclosure counsel and the 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) the final Official Statement, any supplement to the final Official Statement and any revised final Official Statement, as the case may be.

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 Series 2026 Bonds. Such appointments shall be effective upon the issuance of the Series 2026 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 2026 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. Additional Authorization. Each Designated Officer, for and on behalf of the LACMTA, is and they hereby are, jointly and severally authorized and directed to do any and all things necessary to effect the issuance of the Series 2026 Bonds and the Financing, and the execution and delivery of each Supplemental Trust Agreements, each Escrow Agreement, each Purchase Contract, and each Continuing Disclosure Certificate, and to carry out the terms thereof. The officers, employees and agents of the LACMTA, including, but not limited to the Designated Officers, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the LACMTA, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates and documents, including, without limitation, any tax certificates or agreements, any documents with respect to the refunding of the Prior Bonds, any calculation agent certificates, any agreements for depository services, and any agreements for rebate compliance services, which they, or any of them, may deem necessary or advisable in order to consummate the Financing and the issuance and sale of the Series 2026 Bonds, to manage and administer the Financing after the issuance and sale of the Series 2026 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of the Ordinance, this Resolution, the Series 2026 Bonds and the documents approved hereby.

All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Series 2026 Bonds, including, without limitation, any of the foregoing that may be necessary or desirable in connection with any investment of proceeds of the Series 2026 Bonds, or in connection with the addition, substitution or replacement of underwriters, or any agreements with paying agents, calculation agents or the Trustee or any similar action may be given or taken by any Designated Officer without further authorization or direction by the LACMTA, and each Designated Officer 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 Designated Officer may deem necessary or desirable to further the purposes of this Resolution. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution and the Financing are hereby confirmed, ratified and approved.

Any Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause written notice to be provided to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed sale of the Series 2026 Bonds, said notice to be provided in accordance with Section 8855 et seq. of the California Government Code, to file the notice 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 Series 2026 Bonds, and any such notices are hereby ratified, confirmed and approved.

In connection with the sale of all or a portion of the Series 2026 Bonds, any Designated Officer is hereby authorized on behalf of the LACMTA to purchase or otherwise arrange for the provision of (including the payment of such premiums, fees and other costs and expenses as such Designated Officer 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 Series 2026 Bonds, said municipal bond insurance to contain such terms and conditions as such Designated Officer(s) shall determine is appropriate or necessary for the issuance of the Series 2026 Bonds.

Section 13. 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 14. Investments. From and after the delivery of the Series 2026 Bonds, each Designated Officer is hereby authorized to invest the proceeds of the Series 2026 Bonds in accordance with the Trust Agreement, the Supplemental Trust Agreements, the Escrow Agreements 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 Supplemental Trust Agreements and the Escrow Agreements, on such terms as the Designated Officer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the LACMTA hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and 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 Series 2026 Bonds or enhance the relationship between risk and return with respect to investments.

Section 15. 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 and Exhibit B attached hereto: (a) the True Interest Cost of the 2026 Refunding Bonds and the 2026 New Money Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2026 Refunding Bonds and the 2026 New Money Bonds, (c) the amount of proceeds of the 2026 Refunding Bonds and the 2026 New Money 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 2026

Refunding Bonds and the 2026 New Money Bonds, and (d) the sum total of all debt service payments on the 2026 Refunding Bonds and the 2026 New Money Bonds calculated to the final maturity of the 2026 Refunding Bonds and the 2026 New Money Bonds plus the fees and charges paid to third parties not paid with the proceeds of the 2026 Refunding Bonds and the 2026 New Money Bonds.

Section 16. Further Actions. From and after the delivery of the Series 2026 Bonds, the Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify the Supplemental Trust Agreements, the Escrow Agreements and each Continuing Disclosure Certificate, and each other agreement or document executed in connection with 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, the LACMTA's disclosure counsel or the 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 or investment agreement and enter into one or more municipal bond insurance policies or investment agreements as any such Designated Officer shall determine is appropriate or necessary.

Section 17. Costs of Issuance. The LACMTA authorizes funds of the LACMTA, together with the proceeds of the Series 2026 Bonds, to be used to pay costs of issuance of the Series 2026 Bonds, including, but not limited to, costs of attorneys, accountants, municipal advisors, trustees, verification agents, escrow agents, calculation agents, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses and any related filing fees.

Section 18. 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 19. Electronic Signatures. 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.

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

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from Montague DeRose and Associates, LLC (the “Municipal Advisor”) with respect to the bonds (the “2026 Refunding Bonds”) approved in the attached Resolution, and is provided in compliance with Section 5852.1 of the California Government Code with respect to each of the 2026 Refunding Bonds:

1. *True Interest Cost of the 2026 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 2026 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 2026 Refunding Bonds, is 3.10%.

2. *Finance Charge of the 2026 Refunding Bonds.* Based on market interest rates prevailing and other information available at the time of preparation of this information, a good faith estimate of the finance charge of the 2026 Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2026 Refunding Bonds), is \$650,000, as follows:

a)	Underwriters’ Discount	\$407,000
b)	Credit Enhancement	0
c)	Bond Counsel and Disbursements	46,000
d)	Disclosure Counsel and Disbursements	25,000
e)	Municipal Advisor and Disbursements	21,000
f)	Rating Agencies	122,000
g)	Other Expenses	<u>29,000</u>
	Total	\$650,000

3. *Amount of Proceeds to be Received.* Based on market interest rates prevailing and other information available 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 2026 Refunding Bonds less the finance charge of the 2026 Refunding Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$366,800,000.

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 2026 Refunding Bonds plus the finance charge of the 2026 Refunding Bonds described in paragraph 2 above not paid with the proceeds of the 2026 Refunding Bonds, calculated to the final maturity of the 2026 Refunding Bonds, is \$452,000,000.

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 2026 Refunding Bonds sales, the amount of 2026 Refunding Bonds sold, the amortization of the

2026 Refunding Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2026 Refunding Bonds sold will be determined by the LACMTA based on need to provided funds for the Financing and other factors. The actual interest rates at which the 2026 Refunding Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the 2026 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 2026 Refunding Bonds with a maximum True Interest Cost of 5.00%

EXHIBIT B

GOOD FAITH ESTIMATES

The following information was obtained from Montague DeRose and Associates, LLC (the “Municipal Advisor”) with respect to the bonds (the “2026 New Money Bonds”) approved in the attached Resolution, and is provided in compliance with Section 5852.1 of the California Government Code with respect to each of the 2026 New Money Bonds:

1. *True Interest Cost of the 2026 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 2026 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 2026 New Money Bonds, is 3.10%.

2. *Finance Charge of the 2026 New Money Bonds.* Based on market interest rates prevailing and other information available at the time of preparation of this information, a good faith estimate of the finance charge of the 2026 New Money Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2026 New Money Bonds), is \$1,030,000, as follows:

a)	Underwriters’ Discount	\$648,000
b)	Credit Enhancement	0
c)	Bond Counsel and Disbursements	74,000
d)	Disclosure Counsel and Disbursements	40,000
e)	Municipal Advisor and Disbursements	34,000
f)	Rating Agencies	193,000
g)	Other Expenses	<u>41,000</u>
	Total	\$1,030,000

3. *Amount of Proceeds to be Received.* Based on market interest rates prevailing and other information available 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 2026 New Money Bonds less the finance charge of the 2026 New Money Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$585,000,000.

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 2026 New Money Bonds plus the finance charge of the 2026 New Money Bonds described in paragraph 2 above not paid with the proceeds of the 2026 New Money Bonds, calculated to the final maturity of the 2026 New Money Bonds, is \$720,000,000.

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 2026 New Money Bonds sales, the amount of 2026 New Money Bonds sold, the amortization of

the 2026 New Money Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of 2026 New Money Bonds sold will be determined by the LACMTA based on need to provided funds for the Financing and other factors. The actual interest rates at which the 2026 New Money Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the 2026 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 2026 New Money Bonds with a maximum True Interest Cost of 5.00%.

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 March 26, 2026.

[SEAL]

By _____
Board Clerk, Los Angeles County
Metropolitan Transportation Authority

Dated: _____, 2026

Attachment B

Measure R Independent Taxpayers Oversight Committee Finding of Benefit Resolution

RESOLUTION PURSUANT TO MEASURE R ORDINANCE FINDING THAT THE
BENEFITS OF A MEASURE R BOND ISSUANCE EXCEED ISSUANCE AND
INTEREST COSTS

WHEREAS, the Measure R Ordinance provides for the establishment and implementation of a retail transactions and use tax for a period of thirty years and an expenditure plan that describes the Measure R transit capital projects to be constructed with the proceeds of such tax; and

WHEREAS, the accelerated construction of certain Measure R transit capital projects would avoid inflationary cost escalation; and

WHEREAS, the proposed \$585 million debt financing would provide additional funds to meet the cash flow necessary to pay for an accelerated construction program for Measure R transit capital projects; and

NOW, THEREFORE, the Measure R Independent Taxpayers Oversight Committee of Metro finds that the economic, environmental and transit benefits of the \$585 million debt financing, which would accelerate project delivery and avoid inflationary cost escalation, exceed issuance and interest costs.

Adopted this 9th day of March, 2026.

Signed:

MARCH 10, 2026



Board Clerk
Los Angeles County Metropolitan
Transportation Authority

Measure R

Refunding and New Money Bonds

Finance, Budget and Audit Committee
March 19, 2026

BACKGROUND AND PURPOSE

Background

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

Purpose

1. To refund \$366 million of Measure R Series 2016-A on their upcoming call date of 6/1/2026 for debt service savings
2. To fund up to \$435 million of eligible capital projects
3. To refund \$150 million of Commercial Paper

MEASURE R INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

- Committee was created to ensure accountability for Measure R sales tax expenditures
- Committee made a finding of benefit of refunding \$150 million Commercial Paper and issuing up to \$435 million to fund eligible Measure R capital projects at its March 9, 2026 meeting (Attachment B)

BOND STRUCTURE AND NEXT STEPS

Mode and Structure:

- Measure R Bonds will be sold to investors on a negotiated basis through underwriters selected from the approved underwriter bench
- Measure R Bonds will be issued at a fixed rate with maturities ranging from 2027 – 2039

Next Steps:

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



RECOMMENDATION

- A. Adopt a Resolution (Attachment A) that authorizes the issuance and negotiated sale of up to \$980 million of Measure R Bonds