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Agenda - Final

Thursday, May 28, 2020

10:00 AM

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Board Secretary's Office

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

Crenshaw Project Corporation

James Butts, Chair

Eric Garcetti, Vice Chair

Hilda Solis, 2nd Vice Chair

Kathryn Barger

Mike Bonin

Jacquelyn Dupont-Walker

John Fasana

Robert Garcia

Janice Hahn

Paul Krekorian

Sheila Kuehl

Ara Najarian

Mark Ridley-Thomas

John Bulinski, non-voting member

Phillip A. Washington, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at www.metro.net or on CD's and as MP3's for a nominal charge.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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323.466.3876

x2 *Español (Spanish)*

x3 *中文 (Chinese)*

x4 *한국어 (Korean)*

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TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER**ROLL CALL**

1. **SUBJECT: MINUTES OF THE CRENSHAW PROJECT CORPORATION BOARD MEETING HELD DECEMBER 5, 2019** [2020-0005](#)

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 5, 2019.

Attachments: [CPC MINUTES - December 5, 2019](#)

2. **SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) LOAN** [2020-0298](#)

RECOMMENDATION

ADOPT a Resolution, Attachment A, that authorizes the prepayment of the TIFIA Loan between the Crenshaw Project Corporation and the United States Department of Transportation and the termination of the TIFIA Loan Agreement and related documents (the "TIFIA Loan Documents").

Attachments: [Attachment A - Authorizing Resolution](#)
[Staff Report](#)

- SUBJECT: GENERAL PUBLIC COMMENT** [2020-0341](#)

RECEIVE General Public Comment

Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.



Board Report

File #: 2020-0005, **File Type:** Minutes

Agenda Number: 1.

**CRENSHAW PROJECT CORPORATION BOARD MEETING
MAY 28, 2020**

**SUBJECT: MINUTES OF THE CRENSHAW PROJECT CORPORATION BOARD MEETING
HELD DECEMBER 5, 2019**

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 5, 2019.



MINUTES

Thursday, December 5, 2019

10:00 AM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Crenshaw Project Corporation

Directors present:

**James Butts, Chair
Hilda Solis, 2nd Vice Chair**

Kathryn Barger

Mike Bonin

John Fasana

Robert Garcia

Janice Hahn

Sheila Kuehl

Ara Najarian

Mark Ridley-Thomas

Mark Archuleta, non-voting member

Phillip A. Washington, Chief Executive Officer

CALLED TO ORDER AT: 10:10 A.M.

ROLL CALL

1. **SUBJECT: MINUTES OF THE CRENSHAW PROJECT CORPORATION 2018-0785 BOARD MEETING HELD DECEMBER 6, 2018**

APPROVED Minutes of the Regular Board Meeting held December 6, 2018.

JF	PK	MB	RG	SK	EG	JB	HS	JH	KB	JDW	MRT	AN
Y	A	Y	Y	Y	A	Y	Y	Y	Y	A	A	Y

2. **SUBJECT: CRENSHAW PROJECT CORPORATION ANNUAL FINANCIAL REPORT** 2019-0739

RECEIVED AND FILED the Crenshaw Project Corporation (CPC) Annual Financial Report for the fiscal year (FY) ended June 30, 2019 (Attachment A).

JF	PK	MB	RG	SK	EG	JB	HS	JH	KB	JDW	MRT	AN
Y	Y	Y	Y	Y	A	Y	Y	Y	Y	A	A	Y

3. **SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) LOAN ADMINISTRATION ACTIVITIES** 2019-0748

RECEIVED AND FILED status report on Crenshaw Project Corporation (CPC) Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan administration activities during calendar year 2019.

JF	PK	MB	RG	SK	EG	JB	HS	JH	KB	JDW	MRT	AN
Y	Y	Y	Y	Y	A	Y	Y	Y	Y	A	A	Y

PK = P. Krekorian	HS = H. Solis	KB = K. Barger	RG = R. Garcia
JF = J. Fasana	JB = J. Butts	JDW = J. Dupont-Walker	
JH = J. Hahn	EG = E. Garcetti	MRT = M. Ridley-Thomas	
MB = M. Bonin	SK = S. Kuehl	AN = A. Najarian	

LEGEND: Y = YES, N = NO, C = HARD CONFLICT, S = SOFT CONFLICT ABS = ABSTAIN, A = ABSENT, P = PRESENT

4. SUBJECT: FISCAL YEAR BUDGET

2019-0749

APPROVED the Fiscal Year 2019-2020 (FY20) budget in the amount of \$51,240 for the operation and administration of the Crenshaw Project Corporation (CPC).

JF	PK	MB	RG	SK	EG	JB	HS	JH	KB	JDW	MRT	AN
Y	Y	Y	Y	Y	A	Y	Y	Y	Y	A	A	Y

ADJOURNED at 10:22 a.m.

Prepared by: Eric Chun
Administrative Analyst, Board Administration


Michele Jackson, Board Secretary



Board Report

File #: 2020-0298, File Type: Resolution

Agenda Number: 2.

Crenshaw Project Corporation



One Gateway Plaza
Los Angeles, CA 90012

CRENSHAW PROJECT CORPORATION BOARD MEETING
MAY 28, 2020

SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) LOAN

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

ADOPT a Resolution, Attachment A, that authorizes the prepayment of the TIFIA Loan between the Crenshaw Project Corporation and the United States Department of Transportation and the termination of the TIFIA Loan Agreement and related documents (the "TIFIA Loan Documents").

ISSUE

Long-term interest rates provide the opportunity to refinance the \$545.9 million TIFIA Loan borrowed from the USDOT to partially finance the Crenshaw/LAX Transit Corridor Project (the "Project"). The TIFIA loan is secured by Measure R sales tax revenues allocated to the Project. Issuing tax-exempt bonds secured by Measure R sales tax revenue to refinance the Project's TIFIA loan is estimated to lower debt expense by \$10 million. The TIFIA Loan Agreement includes the option to repay the TIFIA loan without penalty or premium.

BACKGROUND

The CPC was formed in March 2012 to act as the TIFIA Loan conduit borrower and the Transportation Investment Generating Economic Recovery (TIGER) II TIFIA Payment grant sub-recipient for the Project. USDOT has disbursed the total \$545.9 million TIFIA loan amount. All loan disbursements were advanced to Metro for the purpose of reimbursing the agency for eligible Project expenses.

DISCUSSION

The Project realized the primary benefits of the TIFIA Loan during the early construction phase. The early phase benefits included:

- Loan draws based on our actual cash flow needs over time

- Interest did not accrue until the initial draw on the loan
- No prepayment penalty

The low interest rates available in the current market environment present the opportunity to replace the Project's TIFIA Loan, and three other TIFIA Loans secured for Metro transit projects, with lower cost debt. On a combined basis, the tax-exempt bonds that will replace the loans are estimated to provide net present value savings of \$77 million, and exceed the minimum 3% of refunded par amount set forth in the LACMTA Debt Policy criteria for evaluating refunding opportunities.

The Resolution (Attachment A) authorizes the prepayment of the Project TIFIA Loan, the termination of the TIFIA Loan Agreement, the termination of agreements ancillary to the TIFIA Loan Agreement and the amendment, modification, waiver or termination of any agreements relating to the prepayment of other TIFIA loans of the LACMTA (collectively, the "Transaction").

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The costs of issuance for the bonds will be paid from proceeds of the financing and will be budget neutral.

NEXT STEPS

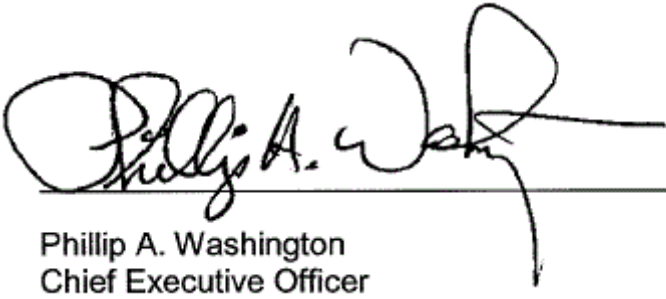
- Complete legal documentation and distribute the preliminary official statement to potential investors, initiate the pre-marketing effort
- Negotiate the sale of the bonds with the underwriters

ATTACHMENTS

Attachment A - Authorizing Resolution

Prepared by: Michael Kim, Debt Manager, Treasury (213) 922-4026
Rodney Johnson, Senior Director, Treasury (213) 922-3417
Donna Mills, Treasurer (213) 922-4047

Reviewed by: Nalini Ahuja, Chief Financial Officer (213) 922-3088



Phillip A. Washington
Chief Executive Officer

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CRENSHAW PROJECT CORPORATION AUTHORIZING THE
PREPAYMENT OF A TIFIA LOAN AND ALL ACTIONS
NECESSARY OR DESIRABLE IN CONNECTION THEREWITH**

WHEREAS, the Crenshaw Project Corporation (the “Corporation”) was formed on March 23, 2012 to participate in the financing of public purpose projects for the Los Angeles County Metropolitan Transportation Authority (the “LACMTA”);

WHEREAS, the Corporation has heretofore entered into a TIFIA Loan Agreement, dated as of September 28, 2012 (as amended, the “TIFIA Loan Agreement”), with the U.S. Department of Transportation acting by and through the Federal Highway Administrator (the “TIFIA Lender”), for the Crenshaw/LAX Transit Corridor Project;

WHEREAS, the TIFIA Lender has heretofore disbursed to the Corporation the entire amount available to be borrowed under the TIFIA Loan Agreement, being the sum of \$545,900,000 (the “TIFIA Loan”);

WHEREAS, the TIFIA Loan Agreement provides for prepayment of the TIFIA Loan, in part or in full, at the option of the Corporation; and

WHEREAS, the Corporation desires to prepay the TIFIA Loan in full and terminate the TIFIA Loan Agreement using proceeds from the sale of Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds to be issued by the LACMTA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Corporation (the “Board”) as follows:

Section 1. Findings. The Board finds and determines that the foregoing recitals are true and correct.

Section 2. Authorization to Prepay TIFIA Loan and Terminate TIFIA Loan Agreement; Designated Officers. The Board hereby authorizes each and every officer of the Corporation, 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 Resolution, to determine whether all or any portion, and which portion, of the TIFIA Loan shall be prepaid and retired, and to take any and all actions deemed necessary or desirable to carry out the prepayment of the TIFIA Loan, the termination of the TIFIA Loan Agreement, the termination of agreements ancillary to the TIFIA Loan Agreement and the amendment, modification, waiver or termination of any agreements relating to the prepayment of other TIFIA loans of the LACMTA (collectively, the “Transaction”).

Section 3. Additional Authorizations. All actions heretofore taken by the officers, employees and agents of the Corporation with respect to the Transaction are hereby ratified, confirmed and approved. The officers, employees and agents of the Corporation are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Corporation, 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 termination agreements, any escrow agreements, any amendments to existing agreements relating to obligations payable from the Measure R Sales Tax, any other documents with respect to the termination of the TIFIA Loan Agreement or related agreements and any approvals, consents, directions, notices, orders, instructions and requests, which they, or any of them, may deem necessary or advisable in order to consummate the Transaction, to manage the Transaction and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

All approvals, consents, directions, notices, orders, instructions, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the date of adoption of this Resolution, may be given or taken by any Designated Officer without further authorization or direction by the Corporation, and each Designated Officer is hereby authorized and directed to give any such approval, consent, direction, notice, order, instruction, 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.

Section 4. Effectiveness. This Resolution shall take effect immediately upon its adoption.

The foregoing resolution was introduced and adopted at a regular meeting of the Board of Directors of CRENSHAW PROJECT CORPORATION held on May 28, 2020, by the following vote, to wit:

AYES: _____

NOES: _____

ABSENT: _____

CERTIFICATION

The undersigned, duly qualified and acting as Secretary of the Crenshaw Project Corporation, 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 Crenshaw Project Corporation held on May 28, 2020.

CRENSHAW PROJECT CORPORATION

By _____
Michele Jackson, Secretary



Board Report

File #: 2020-0298, File Type: Resolution

Agenda Number: 19.

Crenshaw Project Corporation



One Gateway Plaza
Los Angeles, CA 90012

**CRENSHAW PROJECT CORPORATION BOARD MEETING
MAY 28, 2020**

SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) LOAN

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

ADOPT a Resolution, Attachment A, that authorizes the prepayment of the TIFIA Loan between the Crenshaw Project Corporation and the United States Department of Transportation and the termination of the TIFIA Loan Agreement and related documents (the "TIFIA Loan Documents").

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DETERMINATION OF SAFETY IMPACT

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FINANCIAL IMPACT

The costs of issuance for the bonds will be paid from proceeds of the financing and will be budget neutral.

NEXT STEPS

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

Attachment A - Authorizing Resolution

Prepared by: Michael Kim, Debt Manager, Treasury (213) 922-4026
Rodney Johnson, Senior Director, Treasury (213) 922-3417
Donna Mills, Treasurer (213) 922-4047

Reviewed by: Nalini Ahuja, Chief Financial Officer (213) 922-3088