

**Metropolitan Transportation Commission
Programming and Allocations Committee**

June 13, 2012

Item Number 2j

MTC Resolution No. 4071

Subject: An update of the Multi-Year Regional Measure 2 (RM2) Operating Allocation Commitment to the Water Emergency Transportation Authority for Debt Service, superseding MTC Resolution No. 3972.

Background: In July, 2010, MTC approved a multi-year commitment of RM2 operating allocations to make debt service payments on a \$10.1 million short-term revenue bond issued by The Water Emergency Transportation Authority (WETA) in August, 2010. The allocations were to be up to a maximum of \$4 million per fiscal year, starting in FY2010-11 and extending through no later than December 31, 2013.

As background, the \$10.1 million bond was meant to satisfy immediate cash-flow needs for WETA's construction contracts for the South San Francisco ferry terminal project. To assist WETA, MTC committed to the multi-year allocation of RM2 operating funds, and BATA agreed to purchase the Bond as an investment through a private placement transaction.

WETA is now seeking a change to the multi-year commitment of RM2 operating allocations. WETA has requested that the maximum annual RM2 operating allocation allowed for debt repayment on the bond be increased from \$4 million to \$5 million. This would allow WETA to repay an additional \$1 million of principal on the debt in FY2011-12. In FY2012-13, WETA's debt payments will be lower and more of the RM2 funds will be available for anticipated operating expenses.

Issues: None

Recommendation: Refer MTC Resolution No. 4071 to the Commission for approval.

Attachments: MTC Resolution No. 4071

Date: June 27, 2012
W.I.: 1255
Referred by: PAC

ABSTRACT

MTC Resolution No. 4071

This resolution establishes a commitment through no later than December 31, 2013 to allocate up to \$5 million per fiscal year in Regional Measure 2 operating revenues to the Water Emergency Transportation Authority to pay debt service on a short-term revenue bond the Water Emergency Transportation Authority has issued, subject to the annual availability of funds from the Bay Area Toll Authority.

This resolution supersedes MTC Resolution No. 3972.

Additional discussion of this action is contained in the Programming and Allocation Summary Sheet dated and June 13, 2012.

Date: June 27, 2012
W.I.: 1255
Referred by: PAC

Re: Approval of a Multi-Year Regional Measure 2 Operating Allocation Commitment to the Water Emergency Transportation Authority for Debt Service

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION No. 4071

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to California Government Code § 66500 et seq.; and

WHEREAS, Streets and Highways Code Sections 30950 *et seq.* created the Bay Area Toll Authority (“BATA”), which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, on March 2, 2004, voters approved Regional Measure 2, which increased the toll for all vehicles on the nine State-owned toll bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as Regional Measure 2 (“RM2”); and

WHEREAS, RM2 establishes the Regional Traffic Relief Plan and identifies specific projects eligible to receive RM2 funding for operating assistance as identified in Sections 30914(d)(3) & (4) of the California Streets and Highways Code; and

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by transfers to MTC; and

WHEREAS, RM2 assigns administrative duties and responsibilities for the implementation of the Regional Traffic Relief Plan to MTC; and

WHEREAS, MTC has developed guidelines for the programming and use of the RM2 funds for operating support of transit projects; and

WHEREAS, the Water Emergency Transportation Authority (“WETA”) is an eligible claimant of operating funds pursuant to Section 30914 (d3X); and

WHEREAS, WETA has issued a short-term revenue bond (the “Bond”) in an aggregate principal amount of \$10,100,000 with a maturity date of June 1, 2013, the proceeds of which are being used to fund the design, acquisition, construction, improvement and equipping of WETA’s South San Francisco ferry terminal project; and

WHEREAS, WETA has requested RM2 operating allocations beginning in FY2010-11 and ending no later than December 31, 2013, in amounts sufficient to pay all annual debt service payments on the Bond through maturity up to a maximum amount of \$4 million in FY 2010-11 and a maximum amount of \$5 million in FY 2011-12 and FY 2012-13; and

WHEREAS, MTC has agreed to make the necessary debt service transfers on an annual basis through December 31, 2013 without further allocation requests from WETA and WETA has agreed not to request any other use of these funds so long as the Bonds are outstanding; and

WHEREAS, MTC has allocated the RM2 operating revenues and made the debt service transfers required for FY 2010-11; and

WHEREAS, MTC finds debt service on the Bond to be an eligible expense for RM2 operating revenues; now, therefore be it

RESOLVED, that MTC adopts this commitment to allocate to WETA an amount sufficient to pay remaining debt service payments on the Bond through maturity (which shall not be later than December 31, 2013) in accordance with approved financing documents, up to a maximum amount of \$5 million per fiscal year; and be it further

RESOLVED, that MTC’s commitment will be memorialized annually through MTC’s RM2 operating allocation resolution; and be it further

RESOLVED, that MTC's commitment is subject to WETA Board approval of terms and conditions acceptable to MTC and the availability of RM2 funding.

METROPOLITAN TRANSPORTATION COMMISSION

Adrienne J. Tissier, Chair

The above resolution was adopted by the Metropolitan Transportation Commission at the regular meeting of the Commission held in Oakland, California, on June 27, 2012.