

Quarterly Finance Report and Update on Financial Markets

As of December 31, 2020

Independent Taxpayer Oversight Committee Item 13 | February 10, 2021



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Summary of Upcoming 2021 Transactions

1. Renegotiated a new TIFIA loan for the Mid-Coast Trolley project
 - Lower TIFIA interest rate 2.72% to 1.75%, \$123 million cash flow savings
2. Taxable advance refunding of Series 2014A Bonds for debt service savings
3. Issue approximately \$85 million in tax-exempt new money bonds on the subordinate lien for new projects
4. Roll the existing subordinate lien, tax-exempt short-term notes (the “TIFIA BANs”) from April 1, 2021 to October 1, 2022
 - Take advantage of low short-term rates compared to the long-term TIFIA rate

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2021 Bond Financing Team

- San Diego Association of Governments
 - Hasan Ikhata, *Executive Director*
 - Andre Douzdjian, *Chief Financial Officer*
 - Jose Nuncio, *TransNet Department Director*
 - John Kirk, *General Counsel*
 - Ray Major, *Chief Economist*
 - Dawn Vettese, *Strategic Capital Funding & ITOC Manager*
- Financial Advisors, Public Financial Management
 - Peter Shellenberger, *Managing Director*
- Bond Counsel, Orrick, Herrington & Sutcliffe, LLP
 - Devin Brennan, *Partner*
- Disclosure Counsel, Norton Rose Fulbright US, LLP
 - Victor Hsu, *Partner*
 - Russ Trice, *Partner*
- Co-Senior Underwriter, Wells Fargo
 - Julie Burger, *Managing Director*
- Co-Senior Underwriter, Bank of America
 - Bryon Rockwell, *Managing Director*



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Potential Size and Structure

2021 Series A Bonds (Refunding):

- **Par Amount:** ~\$150 million
- **Savings:** ~\$20 million
- **Tax Status:** Taxable
- **Lien:** Senior
- **Tender Option:** Yes


2021 Series B Bonds (New Money):

- **Par Amount:** ~\$85 million
- **Project Fund:** ~\$113 million
- **Lien:** Subordinate
- **Tax Status:** Tax-Exempt

Preliminary, Subject to Change

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Potential Size and Structure


2021 Series Notes (Refunding):

- **Par Amount:** \$537.5 million
- **Savings:** ~\$10 million
- **Tax Status:** Tax-Exempt
- **Lien:** Subordinate

Preliminary, Subject to Change


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Credit Rating Agency Reviews

- Current high credit ratings on SANDAG debt program
- Current ratings – Senior Lien:
 - Standard & Poor's: AAA
 - Fitch: AAA
 - Moody's: Aa2
- Current ratings – Subordinate Lien:
 - Standard & Poor's: AA
 - Fitch: AA


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Next Steps - Bonds

- **Week of February 8:** Receive ratings from rating agencies
- **February 12:** Board of Directors – final review of Bond documents
- **Week of February 15:** Post Preliminary Official Statement and marketing of Bonds
- **Week of March 8:** Anticipated pricing date
- **Week of March 22:** Anticipated closing date


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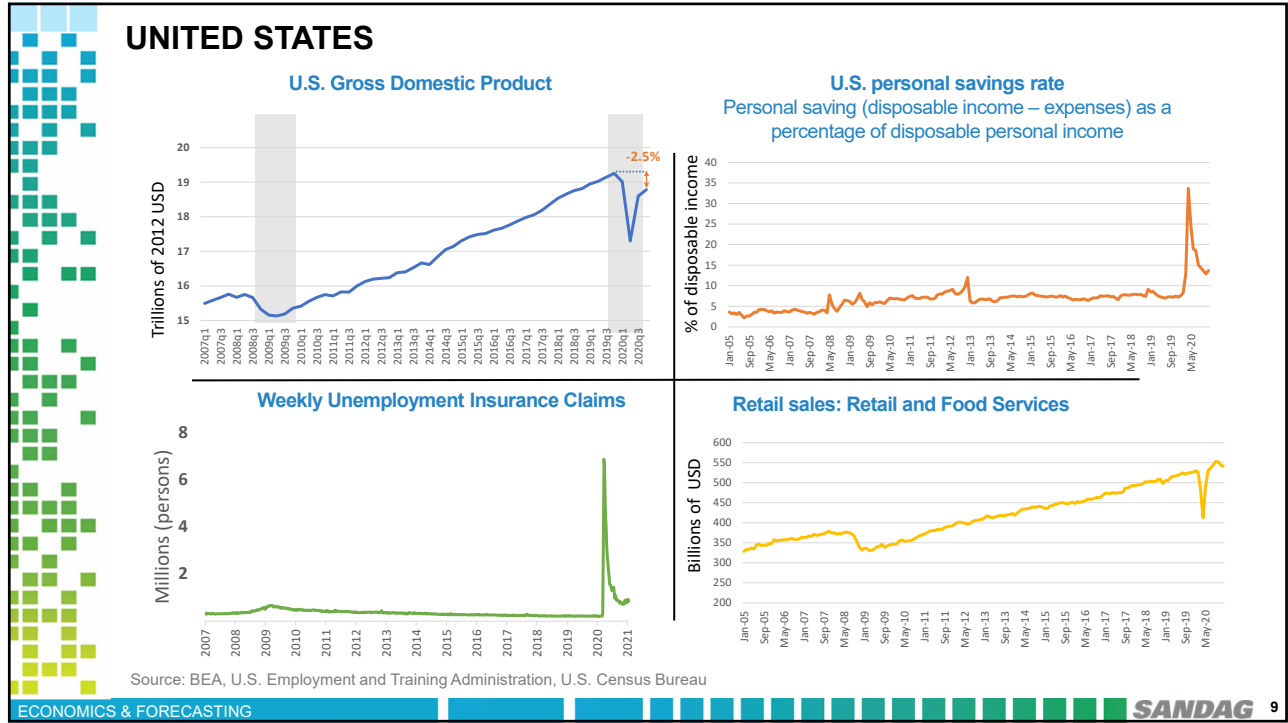


Next Steps - Notes

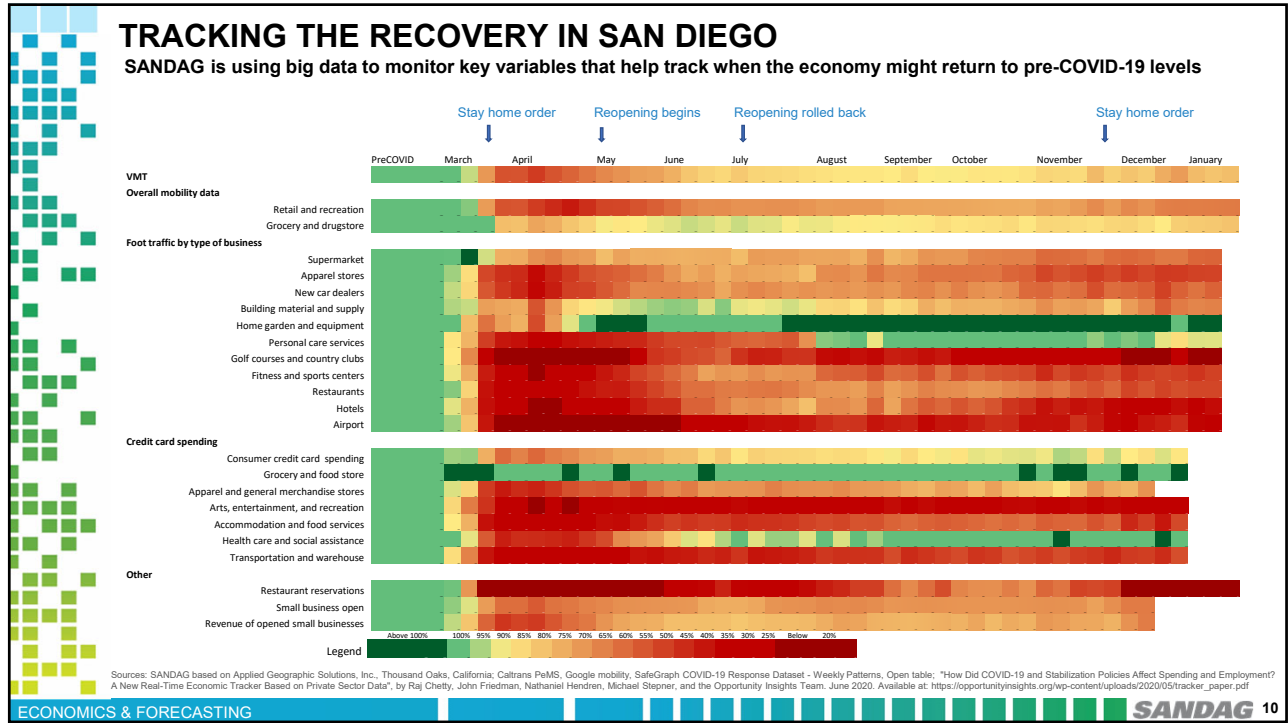
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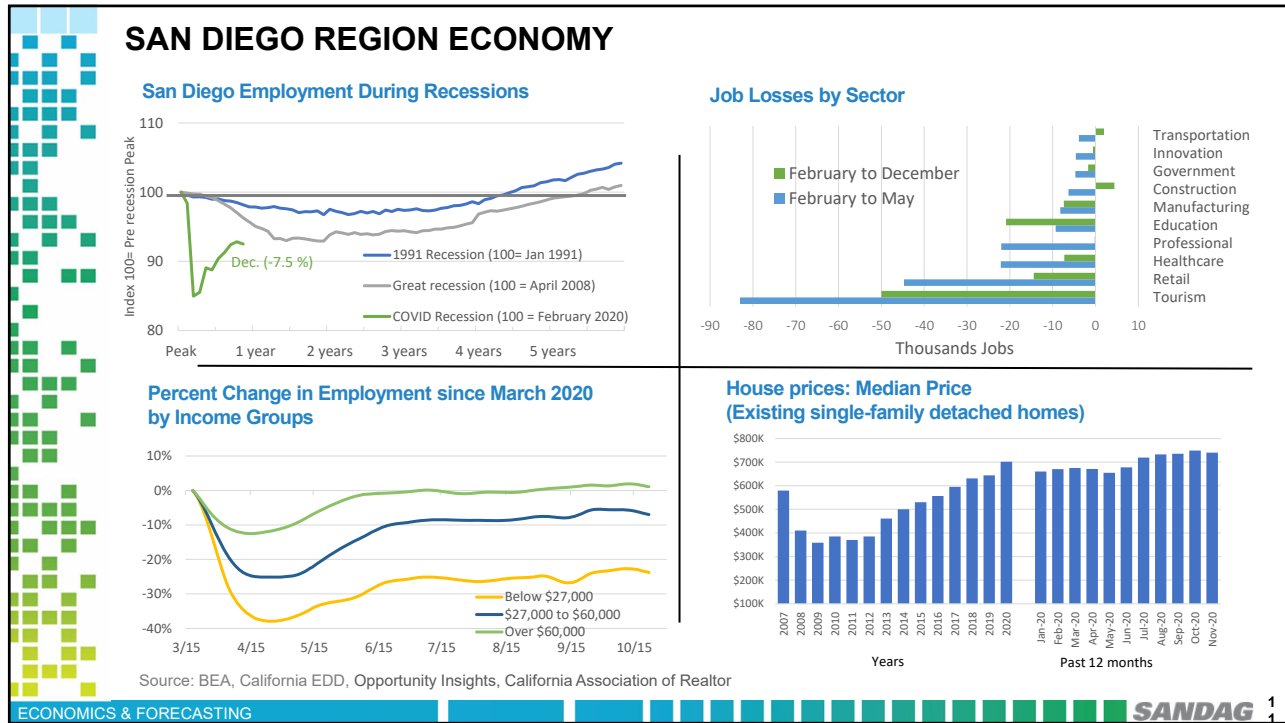
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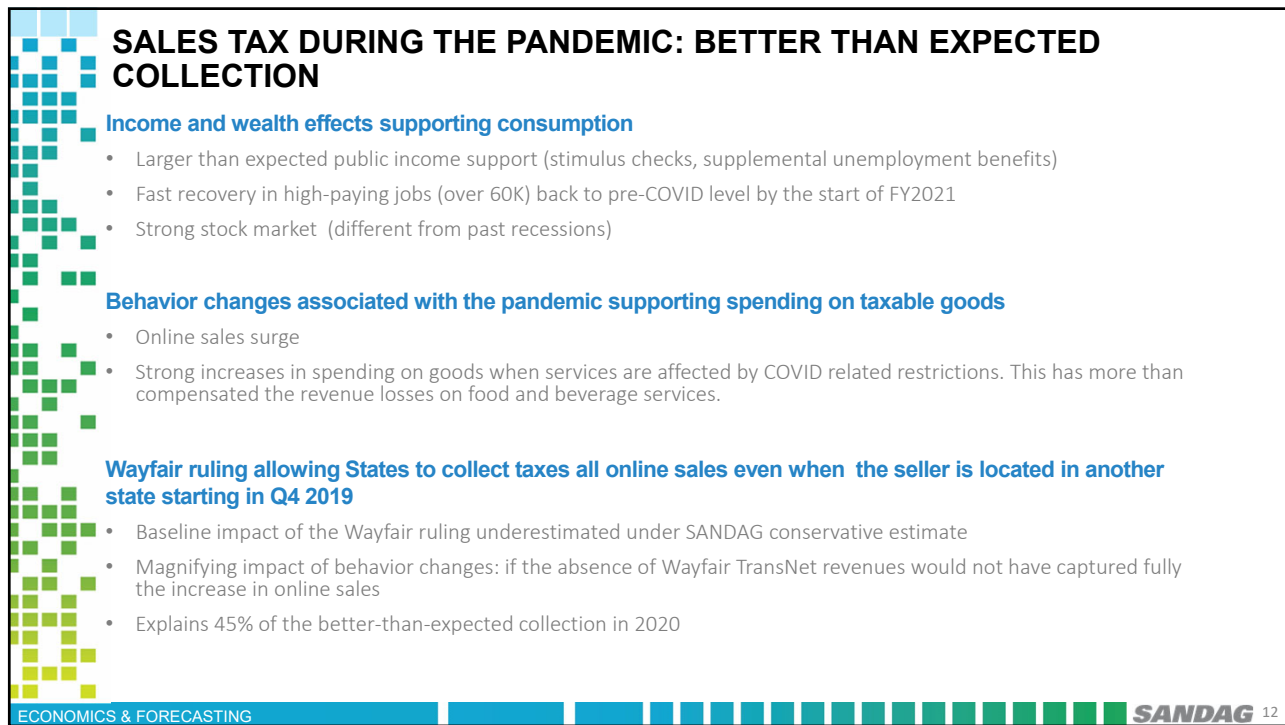
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