

2019 Debt Issue



Presented to Operational Planning and
Infrastructure Committee

April 16, 2019

Greater Cleveland Regional Transit Authority



Purpose of New Debt

- Finance local portion of capital program
- Major Projects
 - Bus Improvement Program
 - Central Viaduct-Phase I and West 117th track bridge construction
 - Overhead catenary system upgrade
 - Rail signal system upgrade

Purpose of New Debt

- Major Projects
 - Substation improvement program
 - Light rail track reconstruction program
 - Tower City portal construction

Size

- New Money-\$30 Million in Sales Tax Revenue Bonds
- Advance Refunding
 - 2012- Approximately \$18 Million-Currently not favorable

Current Outstanding Debt

- Bonds
 - \$96.5 Million-Sales Tax Revenue Bonds
 - Total outstanding debt will be \$126.5 Million
 - Debt Payment per year approximately \$16 Million (Principal and Interest)

Sales and Use Tax Trust Agreement

- Trustee - Huntington National Bank
 - Sales Tax wired monthly from State to Huntington
 - Huntington sets aside monthly debt service amount in Bond Retirement Fund
 - Huntington wires remaining amount to Cash Management account at Key Bank

Financing Team

- Hutchinson, Shockey, Erley & Co. - Senior Underwriting Manager
- Piper Jaffray & Co. - Underwriting Manager
- PFM Financial Advisors LLC - Financial Advisor
- Dinsmore & Shohl LLP - Bond Counsel
- RTA Staff

Financing Schedule

- Ratings Presentations-Moody's and Standard and Poors – April 11, 2019
- Resolution to the Board-April 16, 2019
- Ratings expected-April 16, 2019
- Sale of Bonds-April 23, 2019
- Execute Closing Documents- May 1, 2019
- Closing May 7, 2019 (Funds received)

Authorizing Resolution

- Authorizes GCRTA to issue new debt
- Authorizes refunding of the Series 2012 Bonds
- Authorizes a fourth amendment to the trust agreement with Huntington National Bank
- Pledges sales tax revenue to pay for indebtedness
- Other matters related to the sale

Recommendation

Staff requests that the Operational Planning & Infrastructure Committee recommend this provision to the Board of Trustees for approval.