



**SFMTA**  
Municipal Transportation Agency

# SFMTA 2013 Revenue Bond

Board of Directors

09 | 03 | 2013

SAN FRANCISCO, CALIFORNIA





# Background

- In 2007, Voters approved Proposition A which allows the SFMTA to issue bonds
- The SFMTA Board of Directors and the Board of Supervisors must authorize the issuance
- The Controller must certify that SFMTA has the ability to incur the debt and pay the annual debt service
- In 2012, the SFMTA issued a first set of revenue bonds for new projects and refinanced existing debt
- The SFMTA received its first credit ratings from Moody's and S&P:
  - Aa3 from Moody's
  - A from S&P
- SFMTA Revenue Bonds are to be used for state of good repair projects where other funding sources have traditionally not been available or to fill final funding gaps for priority projects



# SFMTA State of Good Repair (SOGR) Needs

FULL SCHEDULED ASSET  
REPLACEMENT

**\$510 million per year**

RENEWAL BACKLOG (20-years) = \$0

NO GROWTH IN ASSET REPLACEMENT  
BACKLOG

**\$366 million per year**

RENEWAL BACKLOG (20-years) = \$2.190  
billion

RENEWAL OF TRANSIT SERVICE  
DEPENDENT ASSETS

*Focus on Transit Service Reliability*

**\$250 million per year**

RENEWAL BACKLOG (20-years) = \$4.510  
billion

Current projections are that the **Asset Renewal Backlog will double in 20-years to \$4.51 billion.**

- Impacts Transit Reliability
- Impacts Maintenance/Ops Costs
- Limits expansion due to growth



# SFMTA CIP Capital Needs and Shortfalls

## Transportation System State of Good Repair

- Total value of MTA assets = \$12.3 billion
- Asset Replacement Backlog = \$2.2 billion (22% of assets)
- Requires annual investment of = \$510 million per year

Over 30 years:

- Estimated Available Annual Revenue = \$250 million per year
- On Going Structural SOGR Deficit = **(\$260 million)** per year

## Safe and Complete Streets

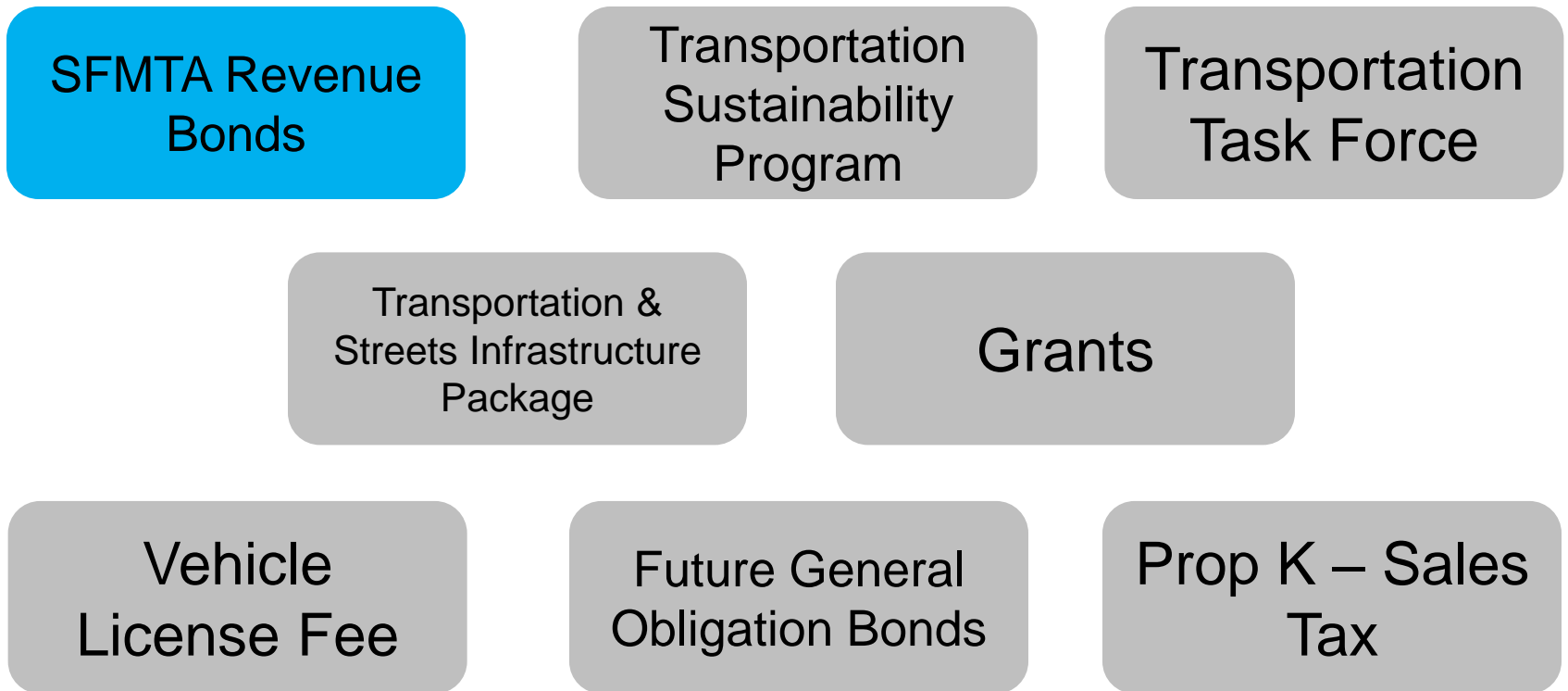
Implementing the Bicycle Strategy	\$343 million
Implementing the Pedestrian Strategy	\$312 million

## Transit Optimization/Expansion

Implementing the TEP	\$298 million
----------------------	---------------



# Revenue Bonds are one part of the Financing Strategy for SOGR & CIP Capital needs





# 2012A, 2012B, and 2013 REVENUE BONDS PURPOSE AND STRUCTURE

## PURPOSE

\$214 million in revenue bonds issued or proposed to be issued for new projects (\$176 million) and refinance (\$38 million) outstanding debt

### **Complete:**

#### **Series 2012A – Refinancing Existing Garage Debt**

- \$38 million issued to refund all outstanding parking bonds
- Achieved \$8.15 million in gross debt service savings (\$6.68 million in present value savings representing 15.8% of refunded par)

#### **Series 2012B – Design/Construction of Transportation System Projects**

- \$26 million issued to finance transit and parking garage projects (\$21 million for transit projects, \$5 million for garage projects)

### **Upcoming:**

#### **Series 2013 – Construction of Transportation System Projects**

- \$150 million for transit and parking projects

## SERIES 2013 BOND STRUCTURE

- 30-Year fixed-rate level debt service
- Fully-funded Stand-Alone Debt Service Reserve
- Existing indenture



# Series 2012B Projects Status Update

	Project Status	Total Budget	Bond Amount	Expenditures/ Encumbrances	Balance
A. Systemwide Transit Access and Reliability Program (various projects)	On Track	\$2,800,000	\$1,500,000	\$15,592	\$1,484,408
B. Muni Metro Sunset Tunnel Rail Rehabilitation	On Track	\$32,000,000	\$900,000	\$838,786	\$61,214
C.1 Muni Metro Turnback Rail Rehabilitation	On Track	\$3,156,000	\$2,350,000	\$912,769	\$1,437,231
C.2 Muni Metro Turnback Water Intrusion Mitigation	On Track	\$4,156,000	\$650,000	\$344,106	\$305,894
D.1 Muni Green Center Rail Rehabilitation	On Track	\$45,733,967	\$2,100,000	\$2,100,000	\$0
D.2 Muni Green Center Roof Rehabilitation	On Track	\$6,584,675	\$5,424,500	\$4,617,243	\$807,257
E. Muni System Radio Replacement Project	On Track	\$116,497,000	\$1,600,000	\$1,600,000	\$0
F. Muni Metro System Public Announcement and Public Display System Replacement	On Track	\$53,211,000	\$6,175,500	\$5,846,253	\$329,247
G. Parking Projects	Behind Schedule	\$5,000,000	\$5,000,000	\$196,770	\$4,803,230
<b>Total</b>		<b>\$269,138,642</b>	<b>\$25,700,000</b>	<b>\$17,028,191</b>	<b>\$8,671,809</b>



## **Series 2013 Project Selection Criteria**

- Existing Projects funded by 2012 Revenue Bonds (remaining need)
- Projects in SFMTA 5-Year CIP (fund swaps)
- Assets and programs with large SOGR shortfalls
- Relationship to SFMTA Strategic Plan and other City Strategies/Plans
- Bond Requirements (asset life, project delivery timeline)
- Project Readiness and Cash Flows
- Ability to offset or free up other funds





# Proposed Series 2013 Projects (figures rounded)

	Total Budget	Bond Amount	Impact/Outcome
I. Pedestrian Safety/Traffic Signal Improvements	\$16,000,000	\$16,000,000	* Reconstruct and improve San Francisco's High Injury Corridors * Complete installation of 12 pedestrian countdown signals, 11 automatic passenger signals
II. Complete Street Capital Improvements	\$24,300,000	\$14,000,000	* Deliver critical bicycle and pedestrian safety improvements
III. Muni Transit Fixed Guideway Improvements	\$91,000,000	\$30,500,000	* Build critical safety and seismic upgrades to the Twin Peaks and Sunset Tunnel , ADA ramps for LRV boarding
IV. Muni Transit System Safety and Spot Improvements	\$142,000,000	\$18,500,000	* Design and construct targeted, near-term transit spot treatments to improve transit performance * Rebuild emergency Blue Light Phone system to maintain MUNI tunnel safety
V. Facility Improvements	\$46,000,000	\$46,000,000	* Construct 33 operator restrooms * Rehabilitate and improve SFMTA parking garages and MUNI maintenance facilities
VI. MUNI Fleet	\$160,000,000	\$25,000,000	* Purchase LRV vehicles (part of large procurement)
<b>Total</b>	<b>\$479,300,000</b>	<b>\$150,000,000</b>	<b>Request to have 10% flexibility between categories for BOS Supplemental Appropriation</b>



# Series 2013 PROJECT DELIVERY SCHEDULES

Project	Planning Phase Start	Design Phase Start	Construction Phase Start	Close-out Phase Start
Ped/Traffic Signal Improvements	n/a	1-Feb-14	1-Jan-15	1-Feb-16
Pedestrian Safety Capital Improvements	n/a	1-Feb-14	1-Feb-15	1-May-16
B. Sunset Tunnel Rehabilitation	n/a	1-Jun-13	1-Oct-13	1-Oct-14
N Judah & L Taraval Transit Signal Upgrades	1-May-13	1-Nov-13	1-Jan-15	1-Jul-16
Twin Peaks Tunnel	1-Feb-13	1-Sep-13	1-Aug-14	1-Feb-15
Masonic Streetscape	n/a	1-Sep-13	1-Jan-15	1-Oct-16
Bicycle Strategy Capital Projects	1-Jul-13	1-Feb-14	1-Feb-15	1-Oct-16
Operator Restrooms	n/a	1-Dec-13	1-Jun-14	1-Dec-15
Parking Facility Rehabilitation and Improvements	n/a	1-Dec-13	1-Jan-15	1-Oct-16
Transit Facility Rehabilitation and Improvements	n/a	1-Jul-13	1-Jan-15	1-Oct-16
E. Radio Replacement Project	n/a		1-Jun-13	1-Oct-15
Blue Light Phones	n/a	1-Dec-13	1-May-15	1-Sep-16
Transit Spot Improvements	n/a	1-Jan-14	1-Jan-15	1-Oct-16
Central Subway LRV Procurement	n/a	1-Jun-13		



# Pledged Revenues

The Series 2013 Bonds will be structured as a Revenue Bond with Pledged Revenues outlined in the table below:

REVENUE SOURCE (amounts in thousands)	FY2012	Growth Rate for Planning Purposes
Passenger Fares (fixed route & Paratransit)	202,272	5% Every 2 Years
Traffic Fines, Fees, Permits & Taxi	120,313	2.47% (Bay Area CPI)
Parking Meters	47,138	2.47% (Bay Area CPI)
Parking Garages (net)	44,025	2.47% (Bay Area CPI)
Other (includes rent, advertising & interest)	25,761	2.47% (Bay Area CPI)
State Sales Tax (AB 1107)	32,501	2.47% (Bay Area CPI)
TDA Sales Tax	31,324	2.47% (Bay Area CPI)
<b>TOTAL PLEDGED REVENUES:</b>	<b>\$503,334</b>	

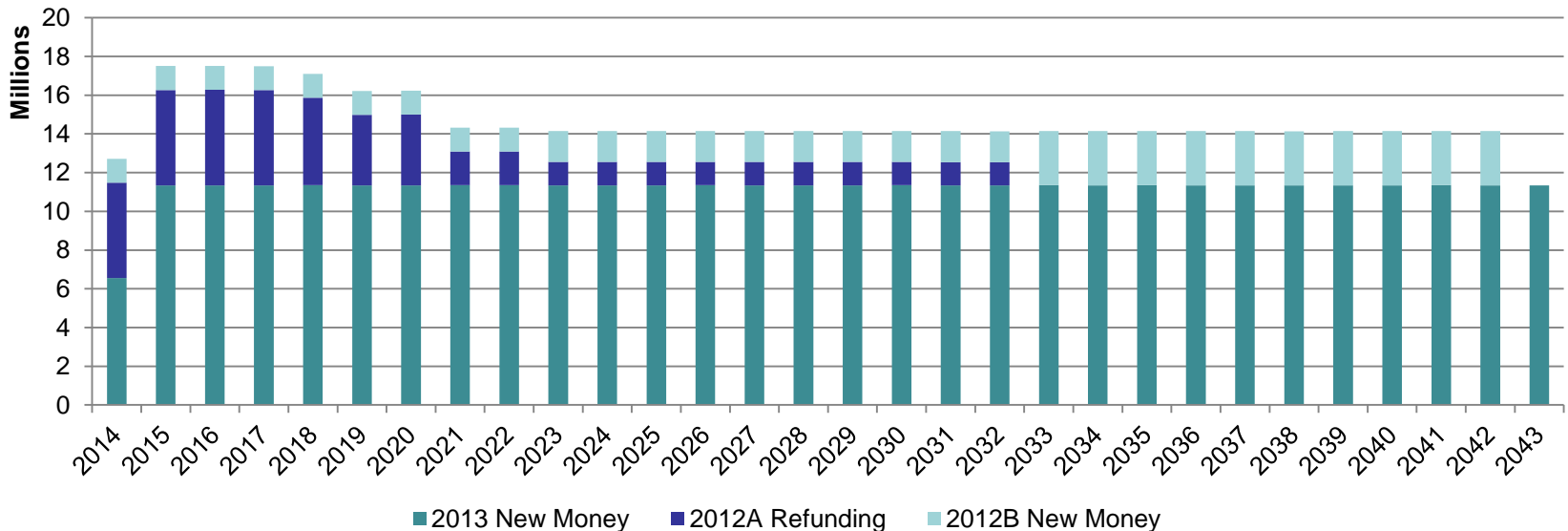
Does not include General Fund Baseline Transfer or General Fund Transfer in Lieu of Parking Tax



# Debt Service Structure

- The Series 2013 Bonds will add approximately \$11.3 million in additional annual debt payments through 2043
- Maximum aggregate annual debt service is projected at approximately \$17.5 million
- Total average annual debt service is projected at approximately \$14.6 million
- Total debt service is less than 2.25% of the SFMTA's operating budget

## Combined Series 2012 and Series 2013 Debt Service





# Debt Service Coverage

- After the issuance of the Series 2013 Bonds, debt service coverage levels are projected to remain strong
- After 2020 when the prior debt amortizes, coverage levels improve

	FY2012
Total Revenues	824,665,204
Total Expenses <sup>1</sup>	(796,707,122)
<b>Net Revenues</b>	<b>\$27,958,082</b>
<b>Gross Pledged Revenues <sup>2</sup></b>	<b>\$503,334,000</b>
Debt Service Coverage – Net Basis	1.60x
Debt Service Coverage – Gross Basis	28.75x

<sup>1</sup> Excludes debt service and transfer to reserves

<sup>2</sup> Rounded to the nearest thousand

FY Ending	Total Debt Service	Debt Service Coverage – FY2012 Net Revenues	Debt Service Coverage – FY2012 Gross Revenues
2014	12,715,766	2.20	39.58
2015	17,502,922	1.60	28.76
2016	17,508,274	1.60	28.75
2017	17,490,287	1.60	28.78
2018	17,096,475	1.64	29.44
2019	16,219,188	1.72	31.03
2020	16,229,902	1.72	31.01
2021	14,326,330	1.95	35.13
2022	14,324,330	1.95	35.14
2023	14,140,119	1.98	35.60
2024	14,139,923	1.98	35.60
2025	14,142,325	1.98	35.59
2026	14,143,512	1.98	35.59
2027	14,140,012	1.98	35.60
2028	14,140,855	1.98	35.59
2029	14,140,363	1.98	35.60
2030	14,142,264	1.98	35.59
2031	14,142,134	1.98	35.59
2032	14,138,485	1.98	35.60
2033	14,141,304	1.98	35.59
2034	14,142,068	1.98	35.59
2035	14,145,559	1.98	35.58
2036	14,142,017	1.98	35.59
2037	14,145,301	1.98	35.58
2038	14,138,382	1.98	35.60
2039	14,140,075	1.98	35.60
2040	14,139,636	1.98	35.60
2041	14,142,693	1.98	35.59
2042	14,141,887	1.98	35.59
2043	11,345,210	2.46	44.37



## Next Steps

**Sept:** SFMTA Board approval

**Sept:** BOS approval

**Oct:** Credit rating

**Nov:** Bond Closing

**Dec:** Funds available