



SFMTA
Municipal
Transportation
Agency

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****PRESS RELEASE****

SFMTA's Second Bond Issue Benefits from Strong Investor Demand

Agency to bolster its current investment in transit infrastructure

San Francisco—The San Francisco Municipal Transportation Agency (SFMTA), which oversees transportation in the city, including the Municipal Railway (Muni), today announced that it has closed its second bond issue. The Agency raised \$75 million, which will be invested in frontline transportation infrastructure, particularly Muni.

The Agency's credit ratings and low interest rates, combined with strong investor demand for the bonds, resulted in an interest cost of 3.8 percent which equates to an average annual debt service of \$6 million over 20 years. The SFMTA received ratings of "Aa3" from Moody's and "A+" from Standard & Poor's.

"The SFMTA has been entrusted with the stewardship not only of the city's physical transit infrastructure, but also the financial health of the city's transportation network. Issuing our own bonds helps to pay for maintaining both," said Tom Nolan, SFMTA Chairman of the Board of Directors. "Keeping our infrastructure in a state of good repair is key to providing daily service."

"The confidence shown by the market in the SFMTA provides an excellent opportunity for us to invest in the future of transportation in San Francisco," said Edward D. Reiskin, SFMTA Director of Transportation. "We will expeditiously and efficiently deliver this work to improve the overall transportation system."

The \$75 million raised by selling this bond will fund many frontline transportation improvement projects focusing on Muni service and related facilities as well as pedestrian safety and bicycle infrastructure. These projects include light rail vehicle procurement, traffic calming and transit priority signals.

The repayment of the bonds will come from the SFMTA's operating budget. The issuing of bonds is a valuable tool in allowing the Agency to fund critically needed infrastructure projects that have had funding gaps.

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The SFMTA was granted the authority to issue the revenue bonds in 2007 when voters passed Proposition A. Prior to the inaugural bond issuance in July 2012, the SFMTA had no outstanding bonds issued under the Proposition A authorization in the City Charter.

The bonds issued by the SFMTA over the last two years are just one piece of a larger funding puzzle that must be solved in order to create the high performing transportation system (including taxis, traffic, parking, bikes, walking as well as transit) that will enhance mobility citywide now and in the future. The Mayor's 2030 Transportation Task Force Report, issued in November, outlined the capital needs for San Francisco transportation and incorporated the funds generated by the SFMTA bond sales. By increasing our local capital investment in transportation, as recommended in the report, the city can better leverage state and federal funds for making the city's transportation system more reliable, efficient and better prepared to accommodate future growth.

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Established by voter proposition in 1999, the SFMTA, a department of the City and County of San Francisco, oversees the Municipal Railway (Muni), parking and traffic, bicycling, walking and taxis. With five modes of transit, Muni has approximately 700,000 passenger boardings each day. Over 1 million people get around this city each day and rely on the SFMTA to ensure safe and reliable travel by transit, walking, bicycling, taxi and driving.

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