



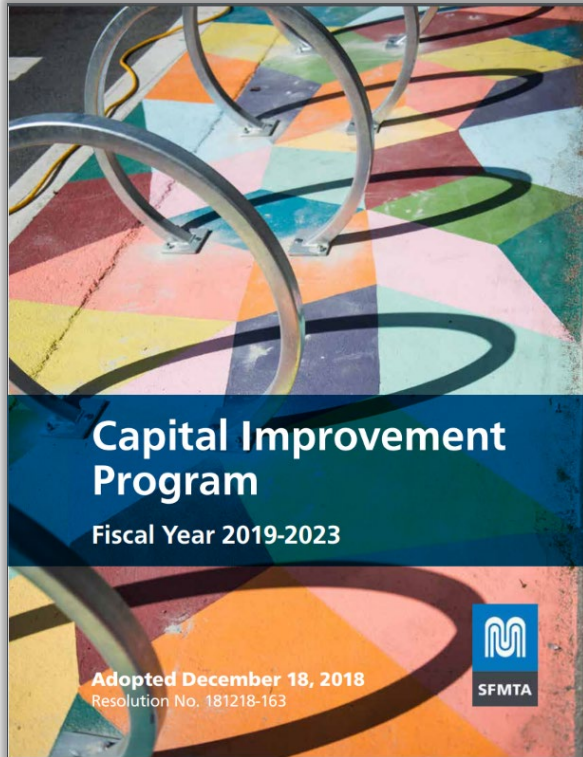
**SFMTA**

Budget, Financial Planning and Analysis

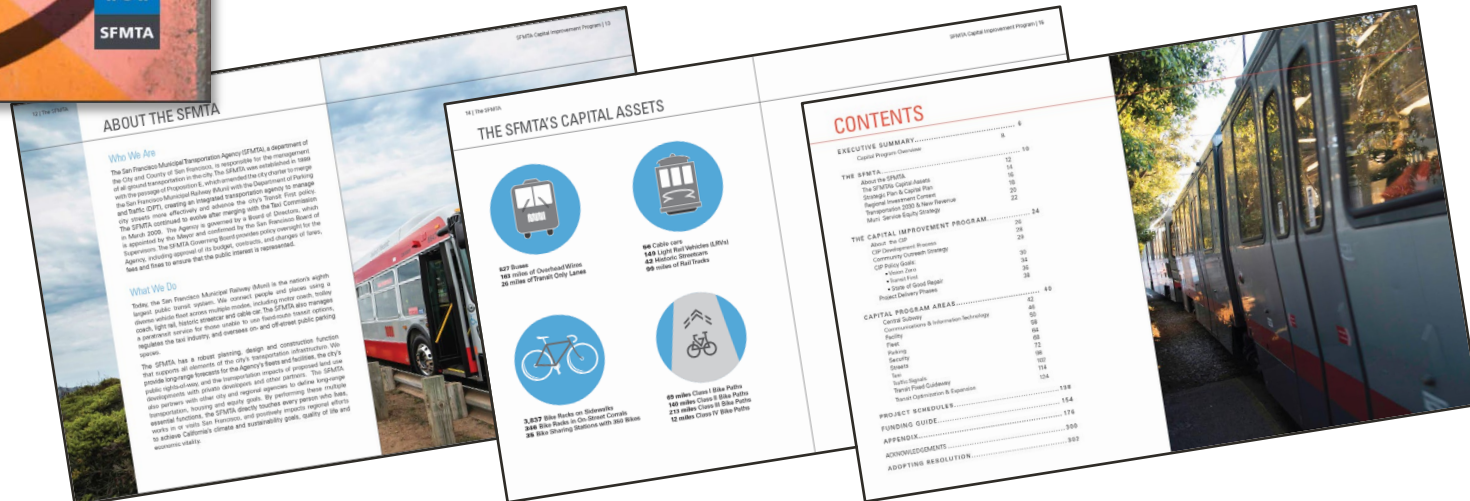
# SFMTA Bonding Overview

Financial Analysis Office  
December 3, 2019

# What is the Capital Improvement Program (CIP)?



- A fiscally constrained **5-year program of capital projects**
- An **implementation plan** for regional, citywide, and agency-wide strategies and policy goals
- **Maintains credibility** with external funding agencies (eg. MTC, FTA)
- [Link](#) to FY 2019-23 CIP



# San Francisco Municipal Transportation Agency

## 5-Year Capital Improvement Program

The CIP is a fiscally-constrained 5-year investment plan for delivery of transportation capital projects.

- For a project to be considered for funding in the CIP, **it must first be included in the Capital Plan.**
- A project must have **at least 90% of its funding identified** for the project or phase to be included in the CIP.
- Development of the CIP requires Agency staff **to prioritize capital investment opportunities** using other strategic planning documents,
- Staff must evaluate the **practical logistics of delivering projects** using existing staff and agency resources, and is bounded by 5-year projections of capital revenue sources.
- Cumulatively, these **provide the public with an understanding of which projects are planned in the next five years**, along with corresponding budgets and timelines.
- The 5-year CIP is a dynamic document that may be changed or adjusted as needs arise or conditions change.

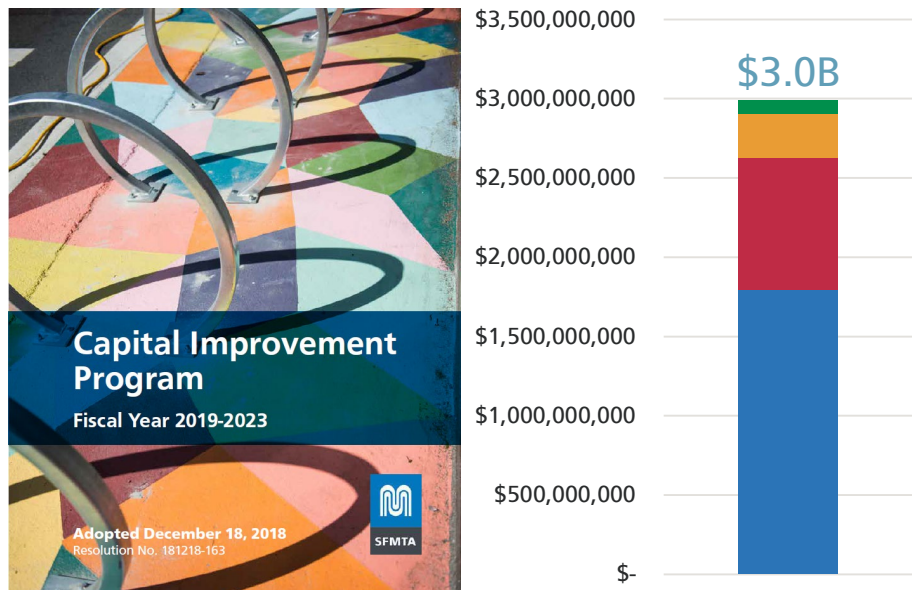




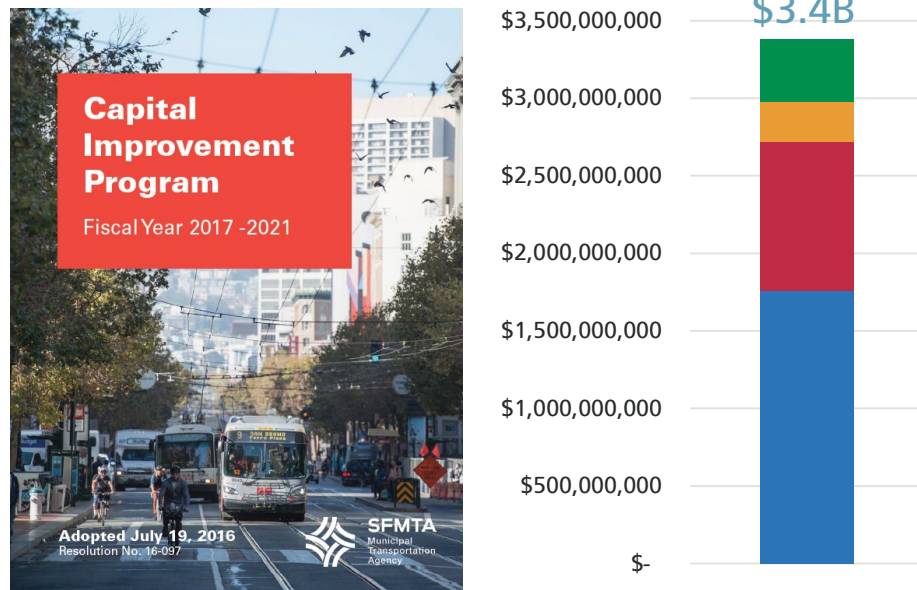
# Fiscal Year 2019-23 Capital Improvement Program (CIP)

- **Central Subway** is close to completion and will receive last small portion of funding in the FY 2019-23 CIP.
- Bond Issuances – Prior CIP included \$190 million of SFMTA Revenue Bonds, **no issuances** were included in the FY 2019-23 CIP
- The **FY 2021-25 CIP is estimated to total \$2.8 billion**, compared to \$3.0 billion in FY 2019-23 and \$3.4 billion in FY 2017-21.

Adopted FY19-23 CIP

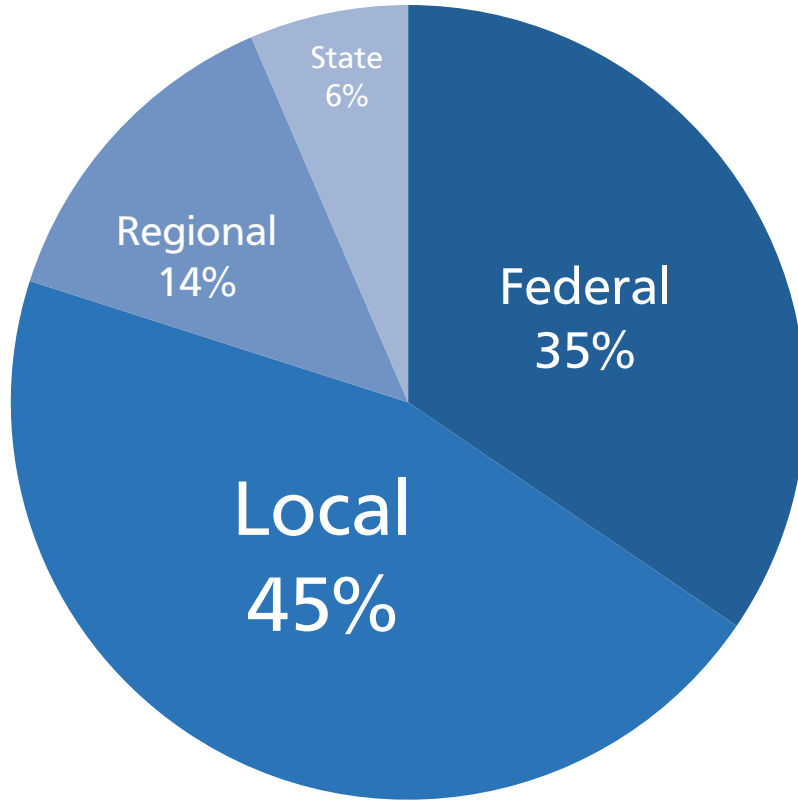


Adopted FY17-21 CIP



# FY19-23 CIP (by color of money)

\$3.0B from over 40 different fund sources



## Federal

- Federal Transit Administration (FTA) Formula Funds
- FTA Bus and Bus Facilities Program
- FTA Capital Investment Grants Program
- Federal Transit Security Grant Program

## Local

- Proposition K Sales Tax
- Prop AA Vehicle Registration Fee
- General Obligation Bond
- Developer Impact Fees (IPIC ~2% of total)

## Regional

- Bridge Tolls (AB664, Regional Measure 3)

## State

- Transit and Intercity Rail Capital Program
- Low Carbon Transit Operations Program
- Active Transportation Program (ATP)

# FY 2021-25 Capital Improvement Program (CIP) Update

## Draft CIP Revenue Estimates



### 2<sup>nd</sup> \$500M GO Bond

Scheduled to go on the ballot in November 2020. Not included in current revenue assumptions.



### Proposition K

Potential re-authorization of the Proposition K sales tax is not included in current revenue assumptions.



### Proposition D

Recently passed Traffic Congestion Mitigation Tax is included in revenue estimates starting in FY 2020-21.



### Faster Bay Area

One cent sales tax potentially scheduled to go on the ballot in November 2020. Expected to generate \$100.6 billion over 40 years. Not included in revenue assumptions.



### TIRCP

CalSTA program to fund transformative transit capital projects with \$400 to \$500 million available in FY 2024-25. Current revenue estimates conservatively assumes \$30 million in two fiscal year.

Program	FY 2019-23 Adopted CIP, \$M	FY 2021-25 Draft CIP, \$M
Fleet	\$1,124.4	\$1,407.9
Transit Optimization	\$835.4	\$493.6
Fixed Guideway	\$355.6	\$330.8
Streets	\$271.1	\$226.4
Facilities	\$223.8	\$210.0
Central Subway	\$84.8	\$0.0
Signals	\$51.7	\$43.4
Communications/IT	\$4.4	\$3.5
Taxi	\$1.3	\$1.8
Parking	\$0.2	\$11.0
Other	\$35.1	\$23.7
Security	\$0.0	\$9.0
<b>Total</b>	<b>\$2,987.7</b>	<b>\$2,761.1</b>





# How are we considering SFMTA Revenue Bonds?

# SFMTA Agency Ratings

SFMTA is rated “**Aa2**” by **Moody’s** and an “**AA**” by **S&P**, and is noted to have the highest ratings of any other U.S. transit system not secured by sales tax revenues.

As of this November, S&P, reaffirmed the rating of the agency and graded the SFMTA credit with:

- (1) Extremely strong economic fundamentals**
- (2) Very low industry risk**
- (3) Very strong management and governance policies**
- (4) Strong financial flexibility**





## Summary of SFMTA Debt Covenants As of June 30, 2019

<b>2012 Series B</b>	<b>Series 2013</b>	<b>Series 2014</b>	<b>Series 2017</b>
Fully expended	Fully expended	\$4,863,274	\$330,321

# Outstanding Debt Service Cost

## San Francisco Municipal Transportation Agency Revenue Bonds

### Outstanding Annual Debt Service

<i>Original Par</i>	<b>Series 2012-A</b>	<b>Series 2012-B</b>	<b>Series 2013</b>	<b>Series 2014</b>	<b>Series 2017</b>	
	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>Total P&amp;I</b>
	\$ 37,960,000	\$ 25,835,000	\$ 75,440,000	\$ 70,605,000	\$ 177,830,000	
<b>Fiscal Year</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>P&amp;I</b>	<b>Total P&amp;I</b>
2013	\$ 4,142,104.17	\$ 789,079.69				\$ 4,931,183.85
2014	4,923,750.00	1,235,081.26	\$ 3,422,655.42			9,581,486.68
2015	4,924,300.00	1,235,081.26	5,978,150.00	\$ 2,502,357.81		14,639,889.07
2016	4,927,700.00	1,235,081.26	5,977,250.00	4,506,312.50		16,646,343.76
2017	4,909,950.00	1,235,081.26	5,978,050.00	4,505,912.50		16,628,993.76
2018	4,514,200.00	1,235,081.26	5,977,550.00	4,504,662.50	\$ 10,053,527.50	26,285,021.26
2019	3,639,000.00	1,235,081.26	5,977,200.00	4,504,062.50	10,055,787.50	25,411,131.26
2020	3,650,500.00	1,235,081.26	5,980,000.00	4,508,312.50	10,053,787.50	25,427,681.26
2021	1,744,500.00	1,235,081.26	5,977,500.00	4,505,762.50	10,054,287.50	23,517,131.26
2022	1,741,500.00	1,235,081.26	5,979,500.00	4,508,162.50	10,056,787.50	23,521,031.26
2023	1,215,750.00	1,580,812.26	5,978,000.00	4,508,162.50	10,055,787.50	23,337,781.26
2024	1,213,250.00	1,582,831.26	5,978,250.00	4,505,162.50	10,056,037.50	23,335,531.26
2025	1,209,000.00	1,589,581.26	5,979,750.00	4,508,412.50	10,052,037.50	23,338,781.26
2026	1,208,000.00	1,587,881.26	5,977,000.00	4,507,412.50	10,053,537.50	23,333,831.26
2027	1,205,000.00	1,590,381.26	5,979,750.00	4,507,162.50	10,054,787.50	23,337,081.26
2028	1,205,000.00	1,591,893.76	5,977,250.00	4,507,412.50	10,055,287.50	23,336,843.76
2029	1,202,750.00	1,592,381.26	5,979,250.00	4,507,912.50	10,054,537.50	23,336,831.26
2030	1,203,250.00	1,591,806.26	5,980,000.00	4,507,100.00	10,052,037.50	23,334,193.76
2031	1,196,250.00	1,600,706.26	5,979,000.00	4,508,100.00	10,052,287.50	23,336,343.76
2032	1,197,000.00	1,598,125.00	5,975,750.00	4,508,600.00	10,054,537.50	23,334,012.50
2033		2,795,000.00	5,979,750.00	4,508,350.00	10,052,637.50	23,335,737.50
2034		2,799,250.00		4,507,100.00	10,055,637.50	17,361,987.50
2035		2,799,000.00		4,504,750.00	10,053,237.50	17,356,987.50
2036		2,799,250.00		4,506,500.00	10,055,437.50	17,361,187.50
2037		2,799,750.00		4,506,250.00	10,052,437.50	17,358,437.50
2038		2,795,250.00		4,508,750.00	10,054,525.00	17,358,525.00
2039		2,795,750.00		4,508,500.00	10,054,462.50	17,358,712.50
2040		2,795,750.00		4,505,250.00	10,053,462.50	17,354,462.50
2041		2,795,000.00		4,503,750.00	10,051,825.00	17,350,575.00
2042		2,798,250.00		4,508,500.00	10,054,825.00	17,361,575.00
2043				4,503,750.00	10,055,425.00	14,559,175.00
2044				4,504,500.00	10,053,225.00	14,557,725.00
2045					10,052,825.00	10,052,825.00
2046					10,053,625.00	10,053,625.00
2047					10,055,025.00	10,055,025.00
	\$ 51,172,754.17	\$ 55,782,729.87	\$ 117,011,605.42	\$ 133,196,932.81	\$ 301,623,665.00	\$ 658,787,687.26

## Agency New Total Bonding Capacity & Associated Annual Debt Service Cost

Pursuant to the Debt Policy under the 5 percent of Operating Budget test, the SFMTA has a **maximum new bonding capacity of \$540 million**

- *Based on FY2020 **Operating Budget** of \$1.3 billion, 25 year new debt at 5 percent coupon, and the level debt service added to existing FY2020 debt service of \$25.4 million*

Pursuant to the Master Bond Indenture under the additional bond test of 3.0x MADS, the SFMTA has a **maximum new bonding capacity of \$2.7 billion**

- *Based on FY2018 **Pledged Revenues** of \$652.9 million, 25 year new debt at 5 percent coupon, and level debt service.*
- *At 3.0x the maximum annual debt service (MADS), Pledged Revenues can conceptually support annual debt service of \$217.6 million*



Estimated Average Annual Debt from New Debt

**For every additional \$X in revenue bonds, Y amount is taken from the operating budget**

20-Year Debt Par Amount	Interest Rate						
	2%	3%	4%	5%	6%	7%	8%
\$25,000,000	\$1,528,920	\$1,680,440	\$1,839,490	\$2,005,975	\$2,179,445	\$2,359,815	\$2,546,460
50,000,000	3,057,850	3,360,850	3,678,960	4,012,125	4,359,205	4,719,718	5,092,640
75,000,000	4,586,765	5,041,230	5,518,530	6,018,263	6,538,845	7,079,428	7,638,800
100,000,000	6,115,710	6,721,490	7,358,160	8,024,188	8,718,515	9,439,225	10,185,020
150,000,000	9,173,500	10,082,378	11,037,130	12,036,375	13,077,795	14,158,960	15,277,860
200,000,000	12,231,330	13,443,063	14,716,410	16,048,575	17,436,880	18,878,573	20,370,520
250,000,000	15,289,180	16,803,943	18,395,510	20,060,725	21,796,295	23,598,273	25,463,000
300,000,000	18,347,060	20,164,673	22,074,620	24,072,838	26,155,395	28,318,008	30,555,540

Estimated Average Annual Debt from New Debt

**For every additional \$X in revenue bonds, Y amount is taken from the operating budget**

25-Year Debt Par Amount	Interest Rate						
	2%	3%	4%	5%	6%	7%	8%
\$25,000,000	\$1,280,548	\$1,435,768	\$1,600,328	\$1,773,910	\$1,955,752	\$2,145,130	\$2,342,080
50,000,000	2,561,028	2,871,374	3,200,488	3,547,680	3,911,432	4,290,414	4,684,016
75,000,000	3,841,520	4,306,992	4,801,104	5,321,380	5,866,956	6,435,796	7,026,000
100,000,000	5,121,980	5,742,874	6,401,296	7,095,110	7,822,600	8,581,262	9,367,776
150,000,000	7,683,060	8,614,290	9,601,944	10,642,870	11,733,984	12,871,564	14,052,064
200,000,000	10,244,148	11,485,544	12,802,400	14,190,570	15,645,320	17,162,146	18,735,936
250,000,000	12,805,140	14,357,140	16,002,808	17,738,210	19,556,596	21,452,574	23,419,840
300,000,000	15,366,064	17,228,304	19,203,560	21,285,820	23,468,052	25,743,338	28,103,600

Estimated Average Annual Debt from New Debt

**For every additional \$X in revenue bonds, Y amount is taken from the operating budget**

30-Year Debt Par Amount	Interest Rate						
	2%	3%	4%	5%	6%	7%	8%
\$25,000,000	\$1,116,267	\$1,275,473	\$1,445,800	\$1,626,425	\$1,816,243	\$2,014,747	\$2,220,600
50,000,000	2,232,493	2,550,937	2,891,420	3,252,442	3,632,487	4,029,435	4,441,693
75,000,000	3,348,773	3,826,335	4,337,393	4,878,825	5,448,710	6,043,832	6,662,160
100,000,000	4,464,967	5,102,078	5,782,927	6,505,267	7,265,013	8,058,987	8,882,813
150,000,000	6,697,483	7,652,855	8,674,407	9,757,825	10,897,290	12,087,803	13,324,040
200,000,000	8,930,003	10,203,757	11,565,993	13,010,242	14,529,857	16,117,192	17,765,693
250,000,000	11,162,517	12,754,888	14,457,607	16,262,950	18,162,433	20,146,650	22,207,253
300,000,000	13,394,877	15,305,745	17,348,987	19,515,417	21,794,660	24,175,817	26,648,133



# Thank You.



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