AGENDA
ITEM

07

May 2, 2018

LTA

Local Transportation Authority

Imperial County Local Transportation Authority (LTA)

Presentation to City Council – City of Calexico

Proposed LTA Measure D Bond Financing

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Integrity Experience Teamwork Performance

Measure D Sales Tax

- **1989 Measure D Sales Tax Ordinance**
  - ✓ Passed by voters in November 1989
  - ✓ ½ cent (0.5%) retail transactions and use tax within the County of Imperial
  - ✓ 20 year duration (April 1, 1990 through March 31, 2010)

- **2010 Measure D Sales Tax Ordinance**
  - ✓ Passed by voters in November 2008 (81%)
  - ✓ Extends Measure D Sales Tax for an additional 40 Years (April 1, 2010 through March 31, 2050)
  - ✓ Expenditure Plan adopted and provides how revenues are allocated among the Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial and Westmorland and the County
  - ✓ Funds for transportation programs and projects

- **Since 1990 Measure D generating revenues to provide local contributions to projects in the Imperial Valley**
  - ✓ Pedestrian and Bicycle Safety Projects
  - ✓ Pavement Rehabilitation
  - ✓ Intersection/Traffic Signal Improvements
  - ✓ Safe Routes to Schools
  - ✓ Contribution to Regional Highway Projects

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Measure D Sales Tax Revenues & Authority to Issue Bonds

- **Collection of Measure D Sales Tax is administered by the California Department of Tax and Fee Administration ("CDTFA") - formerly State Board of Equalization ("BOE")**

- **Authority and CDTFA have entered into and Administrative Agreement to authorize the payment of Measure D Sales Tax Revenues directly to the Trustee, after the CDTFA deducts amounts payable to itself**

- **Authority is permitted to issue bonds on behalf of a Local Agency that is payable from Measure D Sales Tax Revenues that are allocable to such Local Agency**

- **Measure D Sales Tax Revenues are transmitted by the CDTFA monthly directly to Bond Trustee**
  - ✓ Measure D Trustee transfers 1/4 of the aggregate half-yearly amount of interest coming due and payable on each series on the next interest payment
  - ✓ Measure D Trustee transfers 1/8 of the aggregate half-yearly amount of principal coming due and payable on each series on the next annual principal payment

- **Projects (including reconstruction/surfacing and/or paving of existing gravel roads) will be funded by borrowing against each entity's portion of Measure D Revenue**

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2012 LTA Sales Tax Revenue Bonds (Limited Tax Bonds)

- **Imperial County Local Transportation Authority (the "LTA") Issued $53,975,000 of Sales Tax Revenue Bonds (Limited Tax Bonds) in 2012**
- **Participating Agencies included**
  - ✓ City of Brawley - $8.2 million bonds issued; $7.7 million proceeds received
  - ✓ City of Calexico - $15.4 million bonds issued; $14.1 million proceeds received
  - ✓ City of Calipatria - $2.3 million bonds issued; $2.2 million proceeds received
  - ✓ City of Imperial - $6.2 million bonds issued; $5.8 million proceeds received
  - ✓ County of Imperial- $21.9 million bonds issued; $20 million proceeds received
- **Majority of Proceeds have been spent**

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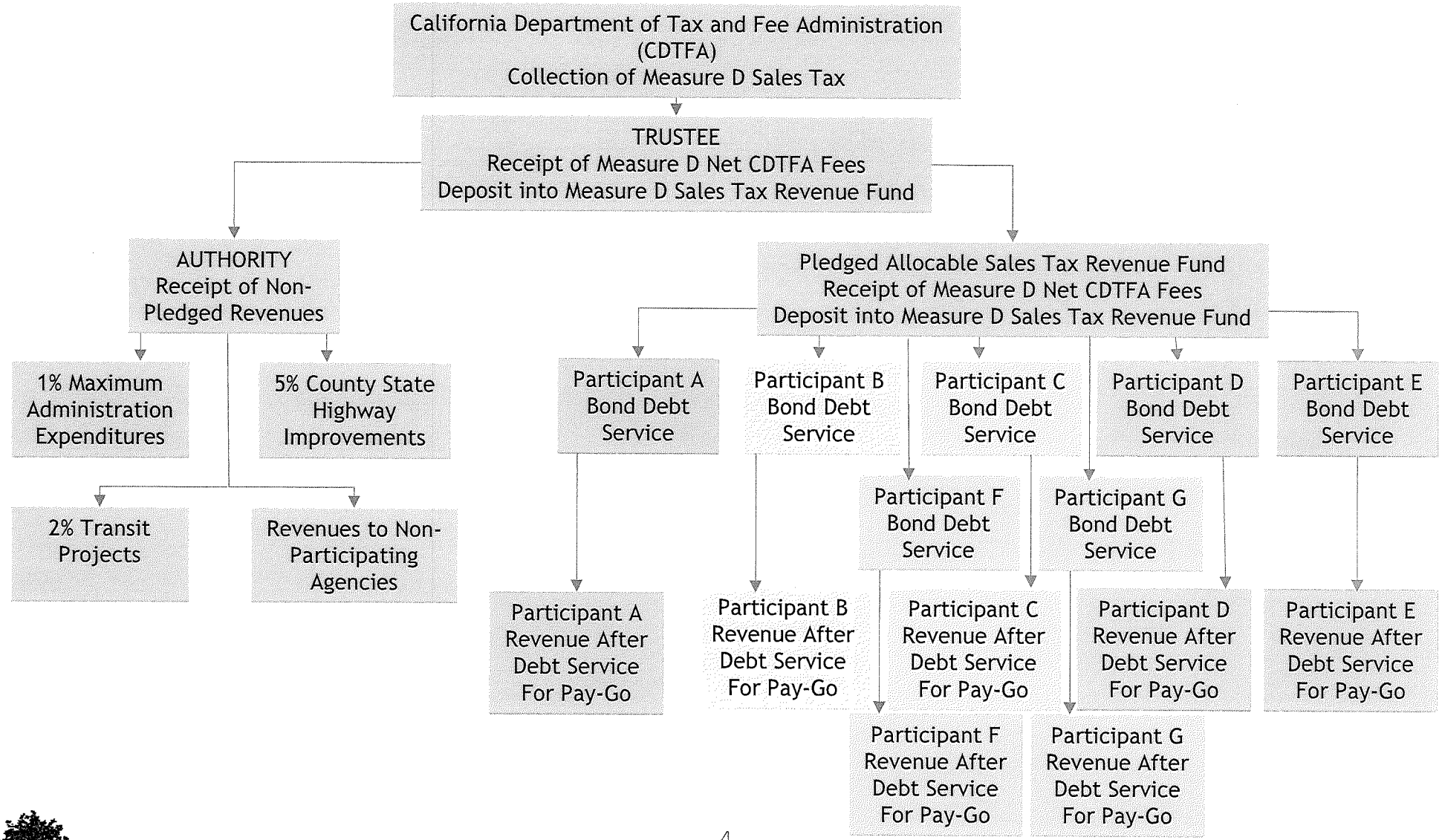
Allocable Sale Tax Revenue – Flow of Funds

- **LTA bond holders are paid prior to any Measure D Sales Tax Revenue Transfer to Participating Local Agency**



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2018 LTA Bonds*

- **LTA would look to issue bonds in June 2018**

- **Proceeds available for projects**
  - ✓ They LTA would have a total of up to $64.7 million of proceeds to distribute to participating agencies
  - ✓ Assuming debt service coverage of 130% and wrapping the 2018 bond debt service around that of the 2012 bonds, participants are able to capture proceeds for additional projects.
    - City of Holtville would be a new participant

	Brawley	Calexico	Calipatria	Imperial	County	Holtville
Proceeds Available:	$ 8,789,491	$ 10,513,375	$ 1,543,233	$ 6,051,186	$ 21,686,336	$ 4,812,072
True Interest Cost:	3.745%	3.843%	3.861%	3.766%	3.753%	3.493%
Debt Service Coverage:	130%	130%	130%	130%	130%	130%

*Analysis is preliminary and subject to change.

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City of Calexico– 1.30x Debt Service Coverage

Sources*:	City of Calexico
Par Amount	$ 9,335,000.00
Original Issue Premium	1,381,028.85
Total:	**$ 10,716,028.85**

Uses*:	City of Calexico
Project Fund	$ 10,513,374.79
Costs of Issuance	39,400.65
Underwriter's Discount	74,680.00
Surety Bond @ 3%	30,878.15
Bond Insurance @.35%	57,695.26
Total:	**$ 10,716,028.85**

- Sized to provide 1.30x debt service coverage
  - ✓ Wrapped around existing 2012 Bond Debt Service
- Maximum Annual Debt Service of $1,649,250

CITY OF CALEXICO-DEBT SERVICE COVERAGE TABLE*

Bond Year	Fiscal Year	County LTA 2017 Net Sales Tax Revenue	Existing 2012 Debt Service	Proposed Debt Service	Total Debt Service	Debt Service Coverage	Remaining Revenue
	6/30/2018	$ 2,144,167	$ 1,131,300	$ -	$ 1,131,300	1.90	$ 1,012,867
1	6/30/2019	2,144,167	1,130,900	515,418	1,646,318	1.30	497,850
2	6/30/2020	2,144,167	1,129,500	519,750	1,649,250	1.30	494,917
3	6/30/2021	2,144,167	1,127,100	522,000	1,649,100	1.30	495,067
4	6/30/2022	2,144,167	1,130,800	514,000	1,644,800	1.30	499,367
5	6/30/2023	2,144,167	1,128,750	516,250	1,645,000	1.30	499,167
6	6/30/2024	2,144,167	1,131,000	518,250	1,649,250	1.30	494,917
7	6/30/2025	2,144,167	1,129,200	520,000	1,649,200	1.30	494,967
8	6/30/2026	2,144,167	1,131,200	516,500	1,647,700	1.30	496,467
9	6/30/2027	2,144,167	1,126,800	518,000	1,644,800	1.30	499,367
10	6/30/2028	2,144,167	1,131,200	514,250	1,645,450	1.30	498,717
11	6/30/2029	2,144,167	1,129,000	515,500	1,644,500	1.30	499,667
12	6/30/2030	2,144,167	1,130,400	516,500	1,646,900	1.30	497,267
13	6/30/2031	2,144,167	1,130,200	517,250	1,647,450	1.30	496,717
14	6/30/2032	2,144,167	1,128,400	517,750	1,646,150	1.30	498,017
15	6/30/2033	2,144,167		1,648,000	1,648,000	1.30	496,167
16	6/30/2034	2,144,167		1,646,500	1,646,500	1.30	497,667
17	6/30/2035	2,144,167		1,647,000	1,647,000	1.30	497,167
18	6/30/2036	2,144,167		1,644,250	1,644,250	1.30	499,917
19	6/30/2037	2,144,167		1,648,250	1,648,250	1.30	495,917
20	6/30/2038	2,144,167		1,648,500	1,648,500	1.30	495,667
21	6/30/2039	2,144,167			-		2,144,167
22	6/30/2040	2,144,167			-		2,144,167
23	6/30/2041	2,144,167			-		2,144,167
24	6/30/2042	2,144,167			-		2,144,167
25	6/30/2043	2,144,167			-		2,144,167
26	6/30/2044	2,144,167			-		2,144,167
27	6/30/2045	2,144,167			-		2,144,167
28	6/30/2046	2,144,167			-		2,144,167
29	6/30/2047	2,144,167			-		2,144,167
30	6/30/2048	2,144,167			-		2,144,167
31	6/30/2049	2,144,167			-		2,144,167
			$ 16,945,750	$17,123,918	$34,069,668		

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Preliminary Financing Schedule (Consolidated) and Financing Team

Date	Task
February & March, 2018	LTA Presentation to Cities and County
April 17, 2018	Distribute Draft of legal and financing documents
April 23, 2018	Meeting/Conference Call to Discuss Legal and financing Documents
May 2, 2018	City of Calexico Council Meeting Presentation
May 2018	Participant Approvals & LTA Approval (City of Calexico – May 16)
May 17, 2018	Rating Agency Presentation
May 25, 2018	Rating Received
May 29, 2018	Post Preliminary Official Statement
June 7, 2018	Pricing of Bonds
June 21, 2018	Closing and Delivery of Funds

Role	Financing Team Member
Issuer	Imperial County LTA – Mark Baza
Bond/Disclosure Counsel	Norton Rose Fulbright – Don Hunt (213) 892-9316 or don.hunt@nortonrosefulbright.com
Underwriter	Ramirez & Co., Inc. – Carmen Vargas (213) 627-2116 or carmen.vargas@ramirezco.com
Underwriter's Counsel	Nixon Peabody

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