

2025 Plan of Finance – Resolution No. 183



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The BATA Debt Portfolio

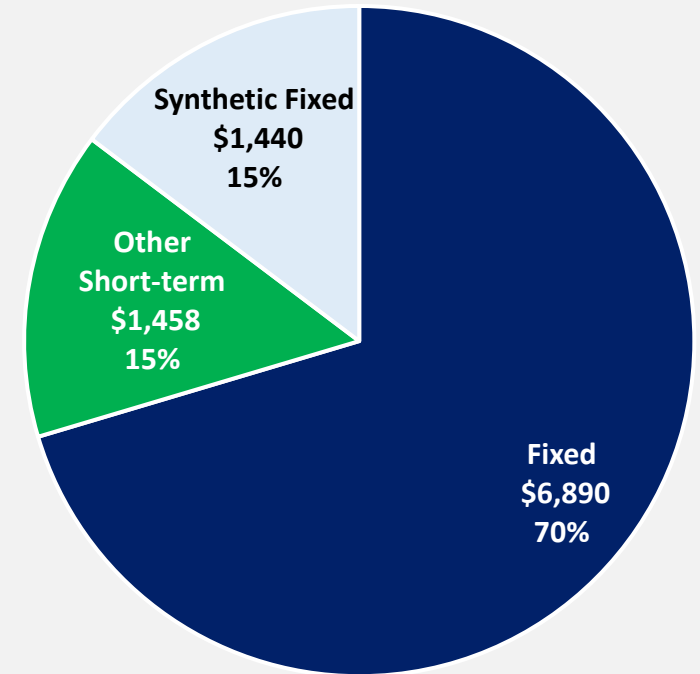
- An extremely strong credit, underpinned by excellent metrics, high income service area, limited competition, and prudent fiscal management
 - Among the highest rated toll entities in the country
 - AA level ratings from all three major rating agencies
- Diverse and flexible debt portfolio, including:
 - Fixed and variable rate
 - Taxable and tax-exempt
 - Senior and subordinate liens
- Debt portfolio requires ongoing maintenance to manage the portfolio and take advantage of market opportunities



Composition of BATA Debt Portfolio

- A portion of the variable rate portfolio remains “unhedged”
 - Takes advantage of generally low variable rates
 - All of this has a “natural hedge” of short-term investments
- Required maintenance of short-term portfolio is staggered in timing to mitigate any impact of market access challenges

Fixed vs. Other Short-term
Outstanding Debt by Par (\$ Millions)



2025 Plan of Finance

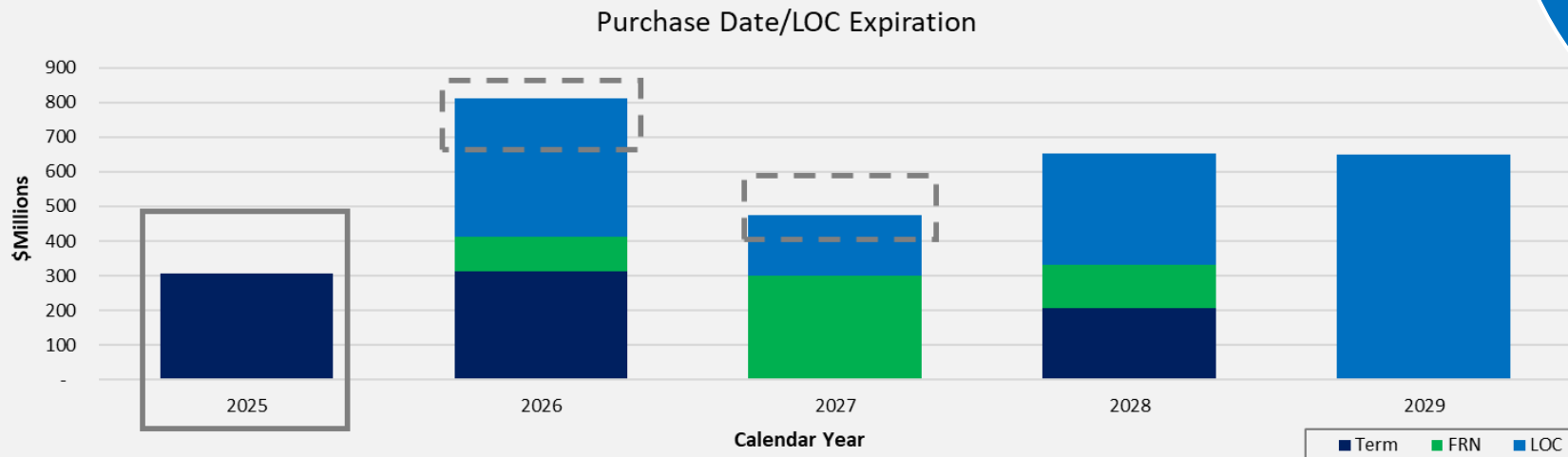
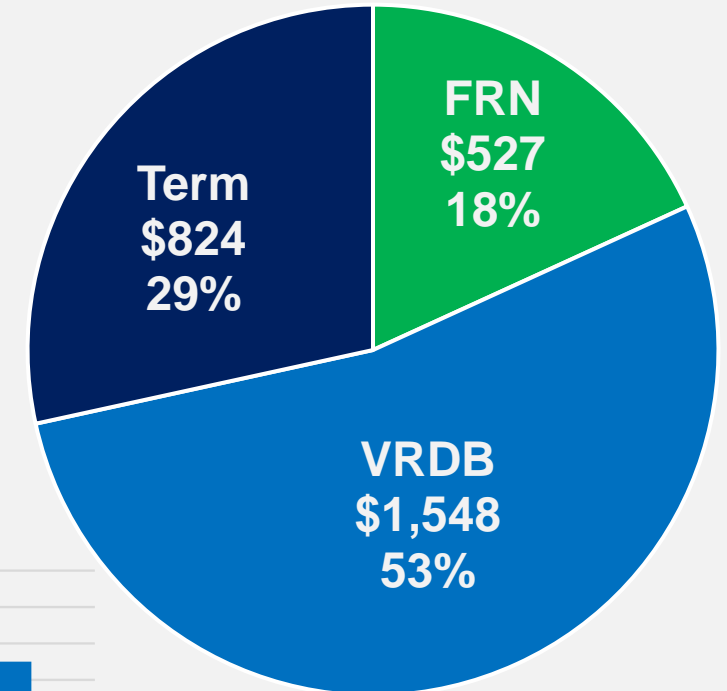
1. Maintenance of existing short-term portfolio
 - Refunding of \$306 million of Term Rate bonds (by April 1) with fixed rate bonds
 - Substitution and extension of letters of credit (LOCs) for \$150 million of Variable Rate Demand Bonds (VRDBs) with LOC expirations in October 2026
 - LOC provided by PNC was the most economic
2. New Money
 - Up to \$500 million in new money authorized
 - A portion of the authorization may be used to refund subordinate lien bonds onto the senior lien
 - Approximately \$400 million of fixed rate Green Bonds – Climate Bond Certified for Regional Measure 3 (RM3)
3. Self-Liquidity VRDBs
 - A portion of the new money or remarketing may be issued as self-liquidity VRDBs
 - Second Subordinate Lien Indenture provides for the issuance of self-liquidity VRDBs
4. Potential refinancing of debt to achieve debt service savings, reduce risk or provide future flexibility
 - Tender refunding of taxable and tax-exempt debt for debt service savings



Short-term Portfolio Maintenance

- \$306 million in term bonds with a purchase date of April 1, 2025 refunded with fixed rate bonds
- \$150 million in LOCs expiring October 2026 to be replaced with new LOC from PNC Bank expiring in 2027
 - Reduce the amount of short-term debt requiring maintenance in 2026
- Self-liquidity VRDBs may address additional future LOC expirations or purchase dates

Short-term Debt by Type (\$ Millions)



Second Subordinate Indenture & Self-Liquidity Bonds

- New Second Subordinate Indenture improves debt administration, allows for the issuance of self-liquidity VRDBs and will eventually replace existing Subordinate Indenture
- VRDBs have a rate that is reset periodically and give investors the ability to sell back, or put, the bonds at any time with appropriate notice
 - The put on the existing VRDBs is supported by third party LOCs
- Self-liquidity bonds would be supported by the Authority's fund balances, rather than external funds, in the event VRDBs could not be remarketed
 - This would further diversify the Authority's short-term debt and is expected to provide for interest and support cost savings
- The existing Subordinate Lien will be closed with the first issuance of bonds under the Second Subordinate Indenture

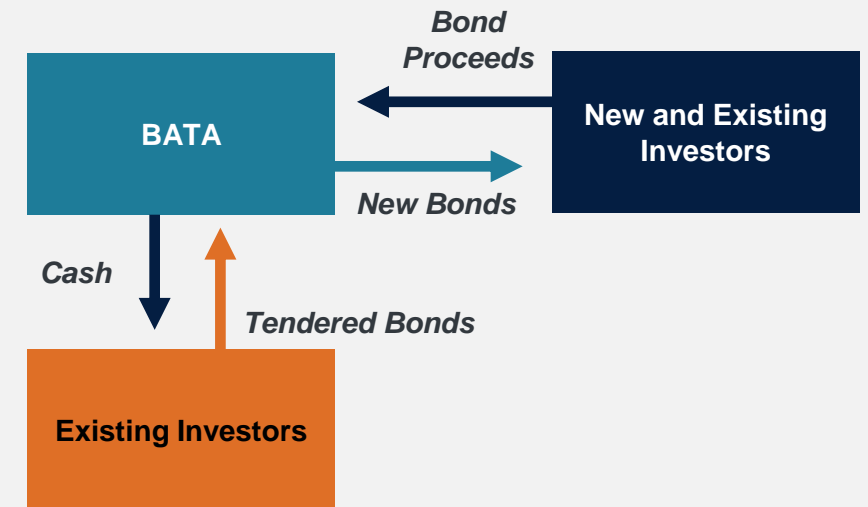


Overview of the Tender Process

- A tender invites investors to sell back outstanding bonds
- A public Letter to Bondholders and Invitation to Tender is released to the market
- Investors make their own decisions on whether or not to tender bonds – as such, ultimate participation is unknown at the launch of the tender
- BATA will have discretion as to which tenders of bonds will be accepted

TENDER OFFER

Investors tender bonds for cash; purchase can be funded with bond proceeds or cash on hand



Requested Authority Action

Resolution No. 183 would approve:

- Refunding of \$306 million in bonds with purchase date of April 1, 2025
- LOC substitution and extension of \$150 million in bonds with LOC expirations in 2026
- The issuance of up to \$500 million in new money bonds
- Execution of approximately \$150 million of letters of credit
- Refunding of existing fixed rate bonds, provided at least 3% of net present value savings are generated or the refunding achieves other important business purposes (Pursuant to MTC's Debt Policy - Resolution 4265)
- The form of financing documents and additional documents
 - Draft Official Statement including Appendix A
 - Second Subordinate Indenture
 - Standby Bond Purchase Agreement
 - Acceptance of Good Faith Estimate

