



## Memorandum

**To:** Derek Hansel, Chief Financial Officer, Bay Area Toll Authority  
Natalie Perkins, Director of Treasury, Bay Area Toll Authority

**From:** Montague DeRose and Associates, LLC

**Date:** January 6, 2026

**Subject:** **Bay Area Toll Authority Good Faith Estimates for Bonds Authorized by Resolution 194**

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On January 28, 2026, the Bay Area Toll Authority (“BATA”) Board is expected to consider Resolution 194 (the “Resolution”) which will authorize BATA’s 2026 Plan of Finance, including maintenance of the short-term debt portfolio and the issuance of tax-exempt new money fixed rate or term rate bonds to fund bridge repair and rehabilitation and Regional Measure 3 (“RM3”) projects. Authorized refundings of outstanding bonds will be pursued in accordance with BATA’s debt policy. The Resolution authorizes the issuance of up to \$750 million in new money bonds to fund bridge repair and rehabilitation and RM3 projects. The bonds may be issued on the senior lien, second subordinate lien, or a combination of both.

The Good Faith Estimates herein consist of \$450 million of Senior Lien new money green bonds to fund RM3 projects and \$300 million of Senior Lien new money bonds to finance bridge repair and rehabilitation projects. It also consists of \$227.085 million of Senior Lien term rate bonds to refinance outstanding term rate bonds, and \$350 million of Senior Lien variable rate bonds to refinance outstanding variable rate bonds and SIFMA index notes. Lastly, it consists of \$150 million of self-liquidity variable rate bonds to refinance outstanding SIFMA index notes, issued on the second subordinate lien.

Montague DeRose and Associates (“MDA”), as municipal advisor to BATA, has been asked to provide certain Good Faith Estimates related to this financing pursuant to California Government Code Section 5852.1, which requires that BATA obtain and disclose the following information:

- True Interest Cost of the bonds;
- Finance Charge of the bonds (all fees and charges paid to third parties);
- Amount of proceeds received by BATA for the sale of the bonds, less the finance charge of the bonds and any reserves and capitalized interest funded with bond proceeds; and
- Total payment amount to the final maturity of the bonds, including debt service and any fees and charges not paid with bond proceeds.

The estimates provided herein are based on the best available data to MDA and BATA as of December 29, 2025. Actual results of the contemplated transactions will be determined by market conditions at the time of pricing and other factors.

### **2026 Term Rate Refunding Bonds**

BATA has two series of Term Rate Bonds (Series 2017A and Series 2018A) which are due for purchase on April 1, 2026 in the total amount of \$309.64 million. The bonds are callable on any day after October 1, 2025 at par plus accrued interest. These bonds are expected to be refunded with Senior Lien term rate bonds. The Good Faith Estimates assume estimated costs of issuance for the transaction of approximately \$0.4 million as well as a total underwriter's discount of \$2.00 per bond, or approximately \$0.6 million. Proceeds from the sale will be deposited into a defeasance escrow structured to refund the outstanding bonds and maximize positive arbitrage. The tables below provide the estimates required by 5852.1 for the term rate refunding bonds:

<b>Good Faith Estimates - 2026 Term Rate Refunding Bonds</b>	
<b>Par Amount</b>	\$277.1 million
<b>True Interest Cost</b>	3.01%
<b>Fees and Charges</b>	\$1.0 million
<b>Net Proceeds</b>	\$311.2 million
<b>Total Payment Amount</b>	\$578.1 million

### **Series 2026 Fixed Rate New Money Bonds**

BATA is authorized to issue up to \$750 million of new money bonds to finance repair and rehabilitation projects and RM3 projects. The Good Faith Estimates assume estimated costs of issuance for the transaction of approximately \$1.0 million as well as a total underwriter's discount of \$3.00 per bond or approximately \$2.2 million.

<b>Good Faith Estimates - 2026 Fixed Rate New Money Bonds</b>	
<b>Par Amount</b>	\$750.0 million
<b>True Interest Cost</b>	4.07%
<b>Fees and Charges</b>	\$3.2 million
<b>Net Proceeds</b>	\$827.9 million
<b>Total Payment Amount</b>	\$1.4 billion

### **Series 2026 Variable Rate Refunding Bonds**

BATA has four series of variable rate bonds (Series 2007B-2, Series 2007D-2, Series 2007G-1 and Series 2008C-1) backed by letters of credit from Bank of America in the amount of \$150 million and Sumitomo Mitsubishi Banking Corporation in the amount of \$100 million. These letters of credit expire on October 20, 2026. BATA is planning to refund the existing VRDBs with new VRDBs backed by a \$150 million letter of credit from Bank of America and a \$100 million letter of credit from Wells Fargo Bank. Additionally, BATA has one series of SIFMA index rate notes (Series 2021C) which is due for mandatory purchase on April 1, 2026. It plans to refund the \$100 million Series 2021C SIFMA index rate notes with \$100 million of VRDBs backed by a letter of credit from Wells Fargo. Lastly, BATA has a series of SIFMA index rate notes (Series 2001A) which is due for mandatory purchase on April 1, 2027. The Series 2001A SIFMA index rate notes become callable on October 1, 2026 and bear interest at a rate of SIFMA plus 1.25%. BATA is considering refunding the outstanding Series 2001A notes with self-liquidity VRDBs. MDA has assumed a base interest rate of 2.98% for the weekly unhedged VRDBs (110% of the three-month

VRDB average) and the estimated swap rate for the weekly hedged VRDBs plus remarketing and bank facility costs. The Good Faith Estimates assume estimated costs of issuance of \$0.8 million as well as an underwriter's discount of \$1.25 per bond, or \$0.6 million.

<b>Good Faith Estimates - 2026 Variable Rate Refunding Bonds</b>			
	<b>Series 2007B-2/2007D-2/2007G-2/2008C-1 Refunding</b>	<b>Series 2021C Refunding</b>	<b>Series 2001A Refunding</b>
<b>Par Amount</b>	\$250 million	\$100 million	\$150.5 million
<b>True Interest Cost<sup>1</sup></b>	3.92%	4.38%	3.71%
<b>Fees and Charges<sup>2</sup></b>	\$0.7 million	\$0.3 million	\$0.4 million
<b>Net Proceeds</b>	\$250.0 million	\$100.0 million	\$150.0 million
<b>Total Payment Amount</b>	\$372.7 million	\$205.2 million	\$188.8 million

<sup>1</sup>Represents weighted average TIC for Series 2007B-2, Series 2007D-2, Series 2007G-2 and 2008C-1.

<sup>2</sup>Fees and charges for Series 2007B-2/Series 2007D-2/Series 2007G-2/Series 2008C-1/Series 2021C expected to be paid with BATA cash.

Should you have any questions regarding these estimates, please contact Corey McCullough at (805) 372-0613.