

Authorization of the 2024 Plan of Finance – Resolution No. 174



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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

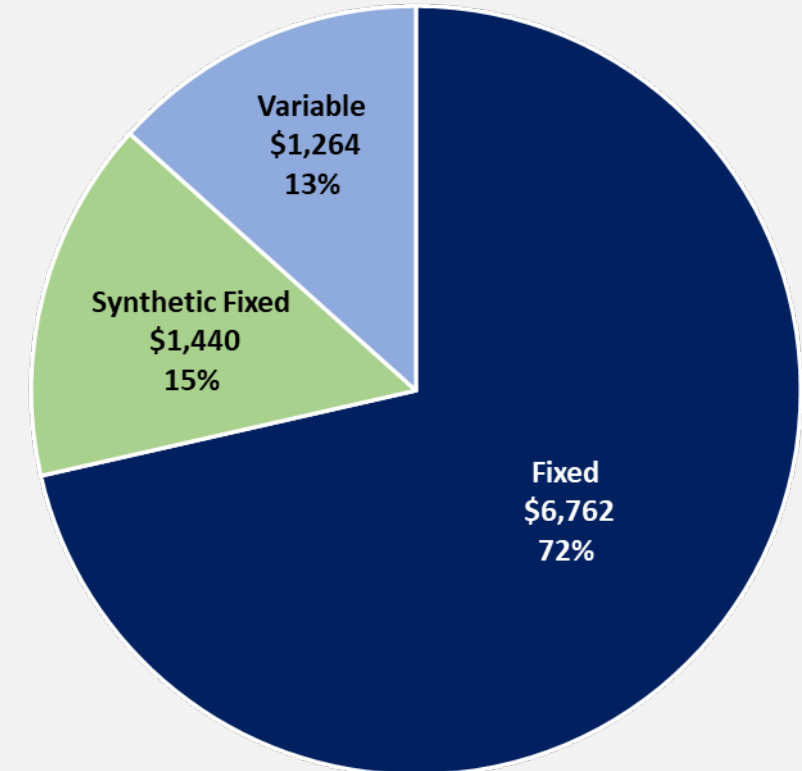


Composition of BATA Debt Portfolio

Fixed vs. Variable

Outstanding Debt by Par (\$Millions)

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



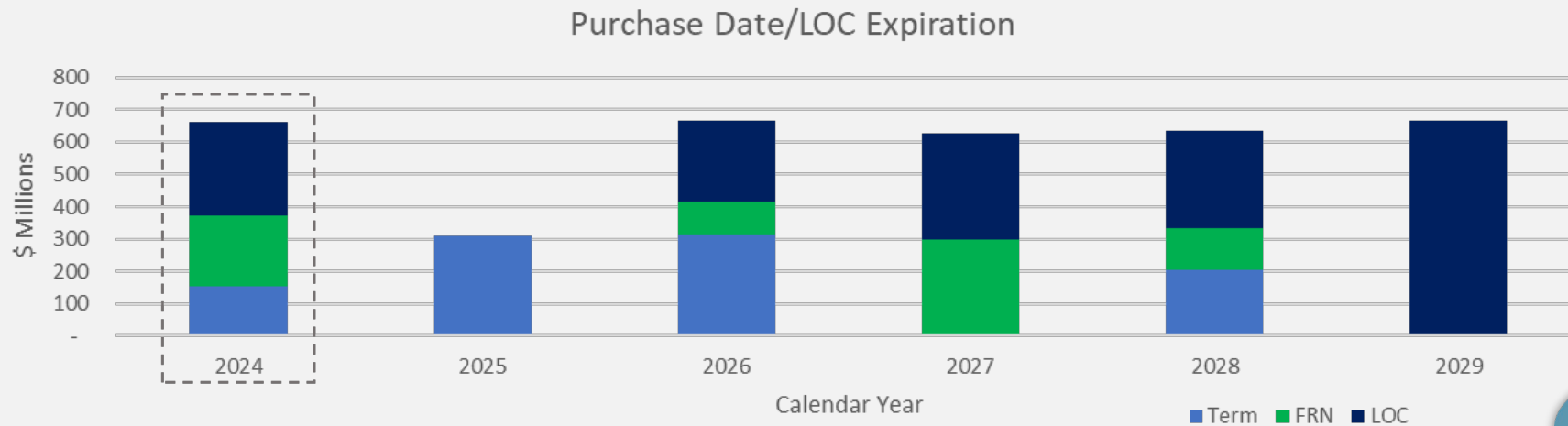
2024 Plan of Finance

1. Maintenance of existing variable rate portfolio
 - Remarketing of \$371 million of Floating Rate Notes (FRNs) and Term Rate bonds (by April 1)
 - Remarketing or extension of \$292 million of VRDBs with letter of credit (LOC) expirations in August
 - LOC backed variable rate bonds (VRDBs) provide the most economic approach
 - LOCs provided by Bank of America, Sumitomo and TD Securities
2. New Money
 - Up to \$750 million in new money authorized
 - A portion of the authorization may be used to refund subordinate lien bonds onto the senior lien
 - Approximately \$200 million of LOC backed VRDBs; additional new money may be issued as fixed rate, term rate or self-liquidity VRDBs
 - Issuance of self-liquidity VRDBs would require return to the Authority for additional authorization
3. Potential refinancing of debt to achieve debt service savings, reduce risk or provide future flexibility
 - Tender refunding and refunding of Build America Bonds



Variable Rate Portfolio Maintenance

- Variable rate demand bonds (VRDB) provide low cost of funds and greatest flexibility
 - Just over one-third of current variable rate portfolio is in VRDB mode – transaction will increase that to just over half
 - Staff and advisers conducted competitive solicitation and received multiple competitive bids for letters of credit
 - Targets broader group of investors than FRNs



Requested Committee Action

Staff requests that the BATA Oversight Committee refer Resolution No. 174 to the Authority for approval of:

- Refunding of \$371 million in bonds with purchase date of April 1, 2024
- Refunding or extension of \$292 million in bonds with LOC expirations in August
- The issuance of up to \$750 million in new money bonds
- Execution of approximately \$862 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
 - Draft Indenture Amendments

