



**Massachusetts Bay
Transportation Authority**

Issuance of Long-Term Debt

Joint Meeting of the MassDOT Board & the Fiscal and Management Control Board

Patrick Landers and Mary Ann O'Hara

May 11, 2020

Long-Term Debt Issuance Summary

- On April 13, the MassDOT Board approved the MBTA's Plan of Finance as recommended by the MBTA's financial advisor, Public Resources Advisory Group.
- The board vote authorized the MBTA to produce a Preliminary Official Statement, Supplemental Trust Agreement, and other documents pertaining to the sale of bonds.
- The board has since been provided with a draft form of the Preliminary Official Statement, a board disclosure memo, and Supplemental Trust Agreement.
- Today, the MBTA is asking for MassDOT Authorization of 2020 Bonds as summarized on the following page.

FMCB Recommendation and MassDOT Board Approval Required



Long-Term Debt Issuance Summary

The MBTA is requesting authorization to issue Subordinated Sales Tax Bonds in amounts sufficient to accomplish the following:

MBTA Subordinated Sales Tax, 2020 Series	Amount	Original Final Maturity Date	New Bonds Final Maturity Date	Comments
New CIP Spending	\$200.0	-	2050	Fixed rate
Repay Commercial Paper*	\$175.0	-	2050	Fixed rate, CP capacity back to \$250 million
Refund Series 2010 Series A – Variable Rate	\$80.3	2030	2030	Converting variable rate to fixed rate bonds
Refund Series 2010 Series B – Fixed Rate	\$65.0	2035	2035	Locking in fixed rate debt service savings
Total	\$520.3			

*Current amount of outstanding commercial paper.

FMCB Recommendation and MassDOT Board Approval Required

Timeline

Title	Date	
Kick-off Conference Call with Financing Team	March 2, 2020	✓
MassDOT Finance & Audit Committee Meeting	April 8, 2020	✓
Joint MassDOT and FMCB Meeting – Approval of Finance Plan	April 13, 2020	✓
Calls with rating agencies	April 30, 2020	✓
MassDOT Finance & Audit Committee Meeting	May 6, 2020	
Joint MassDOT and FMCB Meeting – Request authorization of issuance for 2020 bonds	May 11, 2020	
Vote on USDOT loan (ATC/Fiber Resiliency Financing)	June 15, 2020	



Recommend and Authorize the Issuance of Subordinate Sales Tax Bonds

Please reference the full vote language in the board package.

The votes provide for the FMCB to recommend and the MassDOT Board to approve:

- Authorization of the issuance of Subordinated Sales Tax Bonds (the “CIP Bonds”) ... in an amount sufficient to finance \$200 million
- Authorization of the issuance of Subordinated Sales Tax Bonds ... in such amount as necessary to refund the Authority’s outstanding: Senior Sales Tax Bonds, 2010 Series B; Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A; and commercial paper bond anticipation notes;
- Authorization of the determination by any one or more Authorized Officers to designate all or any portion of the Bonds as ‘Sustainability Bonds’;
- Authorization of delivery of one or more Supplemental Trust Agreements;
- Authorization of the sale of the Bonds by competitive bids or by negotiated sale with a syndicate of underwriters selected by a competitive process;
- Authorization of (i) the distribution of one or more Preliminary Official Statements;
- Authorization of the delivery of one or more continuing disclosure agreements with respect to the Bonds;
- Authorization of delivery of one or more purchase contracts.

