

July 28, 2000



RS
Metropolitan
Transportation
Authority

TO:

BOARD OF DIRECTORS

FROM:

Terry Matsumoto
TERRY MATSUMOTO
EXECUTIVE OFFICER, FINANCE AND
TREASURER

SUBJECT:

ISSUANCE OF TAX-EXEMPT AND TAXABLE
COMMERCIAL PAPER NOTES

ISSUE

To update the Board on the issuance of tax-exempt and taxable commercial paper within the previously authorized commercial paper program amounts.

BACKGROUND

Two series were sold in June 2000 to provide interim funding for budgeted capital projects expenditures that were incurred for FY00 and prior periods. The projects consisted of bus, rail, and streets and highways projects. Proceeds from the notes totaled \$176 million and \$40 million, respectively for the tax-exempt and taxable programs. Attachment A shows the breakdown of the capital expenditures.

The current outstanding balance for the tax-exempt commercial paper program is \$275 million. The program is authorized up to \$350 million. The current outstanding balance for the taxable commercial paper program is \$101 million and the authorized program is \$150 million.

NEXT STEPS

Staff will be presenting a recommendation to retire the commercial paper using a combination of bond proceeds from Prop C and Prop A long-term bonds to be issued during this fiscal year. The Prop C bond is anticipated to retire approximately \$149 million of the newly issued commercial paper this Fall. The Proposition A bonds will retire the remaining \$67 million in early 2001.

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ATTACHMENT A

Capital Expenditures Related to Tax-Exempt and Taxable Commercial Paper Offerings

Funding Ordinance	Commercial Paper Program	Issuance Date	Description	CP Amount
Prop A 35% Rail	Tax-Exempt CP 9th Subseries	6/12/00	Red Line Segment 2	\$53.8
			Systemwide	\$5.2
			Transit Enhancements MOS 1	\$2.9
			Blue Line Transit Enhancements	\$1.8
			Other	\$3.5
			A 35% Total	\$67.2
Prop C 40% Discretionary	Tax-Exempt CP 9th Subseries	6/12/00	Red Line Segment 3 – East Ext.	\$44.7
			LA Rail Car	\$34.2
			Bus Acquisition	\$6.0
			Red Line Segment 3 – NH	\$18.5
			Other	\$5.4
			C 40% Total	\$108.8
Prop C Commuter Rail	Taxable CP 3rd Subseries	6/19/00	Local Traffic System	\$15.1
			Freeway	\$18.1
			Regional Surface Trans	\$3.8
			Other	\$3.0
			C 25% Total	\$40.0
		Grand Total	\$216.0	