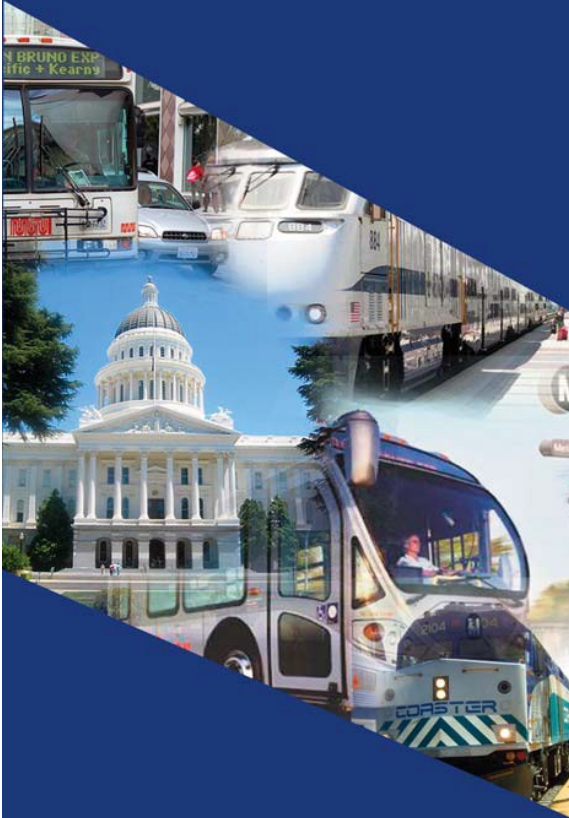


California Transit Finance Corporation



About CTFC

The California Transit Finance Corporation (the CTFC) is a non-profit public benefit corporation established to assist California Transit Association members finance critical projects and reduce the time and cost of borrowing.

The CTFC is managed by a Board of Directors representing California transit agencies and works with a team of experienced professionals (financial advisor, bond underwriters, bond and underwriter's counsel) knowledgeable in transit agency finance, financing capital and cash flow needs, and the intricacies of using Federal, State, and local transit revenues to support debt financings.

Background

The CTFC allows California public transit operators to finance eligible capital needs, while reducing issuance costs and utilizing standard documentation. Since 1991, the CTFC has helped transit agencies in over 20 COP issues that have financed \$600 million of capital. The COP issues have financed new bus procurements (including natural gas, methanol and diesel engines) new fare collection equipment and replacement of radio systems.

The California Transit Association sponsored the formation of the CTFC, which is a non-profit public benefit corporation created to assist transit agencies in meeting financing needs. CTFC's primary objective is to reduce the costs associated with financing transit operator's capital and equipment projects. Transit operators realize value through the CTFC with immediate access to a team of finance professionals with expertise in transit finance. Operators may request a cost-free preliminary analysis from the CTFC team and save time and money by using streamlined documents for their financing. For federal grant-backed debt, the CTFC team acts on behalf of the participant in negotiating the terms of FTA grant approval and in structuring the financing.

Financing Programs

- **Certificates of Participation (COP) Program**

Member agencies may choose to leverage FTA Section 5307, TDA, CMAQ, Farebox, Sales Tax, or other revenues for facilities, vehicle acquisition, and other approved capital projects.

- **Short-Term Cash Flow Relief**

TRAN or bond anticipation notes (BAN) financing helps eliminate cash flow deficits and potentially generate additional income.

Program Advantages

- **Cost-Free Preliminary Analysis**

Financing team members are available to review project and cash-flow needs and determine financing requirements.

- **Streamlined Process**

Standardized, FTA approved legal documents are specifically designed to expedite the financing process.

- **Qualified Professionals**

CTFC financing team members have worked with the program since 1991 to refine the COP process and are experienced with the FTA requirements for federal grant-backed debt.

- **Lower Borrowing Costs**

Pre-negotiated fees reduce upfront financing costs.

Eligible Uses

The CTFC program can be used to finance the following types of assets.

- Rolling stock (buses and rail vehicles)
- Farebox equipment
- Technology hardware
- Administration buildings
- Maintenance and operation facilities
- Investments to offset an unfunded pension liability

CASE STUDIES

Victor Valley Transit Authority (2007)

- The CTFC provided the inaugural financing for VVTA to fund construction of a \$44.7 million new administration, operations and maintenance facility
- VVTA's operations handled through contracts with Veolia Transportation Inc. and McDonald Transit Associates, Inc.
- The CTFC COPs are secured by all legally available revenues including Federal Transit Administration Section 5307 capital grant funds, Local Transportation Fund (LTF) funds, State Transit Assistance (STA) funds and VVTA's farebox revenues
- 30-year term of the COPs to correspond with the expected useful life of facility



North San Diego County Transit District (2004)

- The Sprinter commuter rail is a 22-mile line between Oceanside and Escondido, with 15 stations, 12 commuter trains, and a maintenance facility
- Original committed funding of \$80 million from the Traffic Congestion Relief Program (TCRP) was temporarily suspended by the State
- SANDAG committed an allocation of \$10.5 million of CMAQ funds annually for 10 years through a Memorandum of Understanding with NCTD
- \$114 million of CTFC bonds secured primarily by Congestion Mitigation and Air Quality (CMAQ) funds were issued to provide interim financing – the first CMAQ-backed bonds to be issued
- Variable rate structure allowed early retirement of debt when State's TCRP funding was reinstated



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