



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		GENERAL MANAGER ACTION REQ'D:		
DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...				
DATE: 8/1/2025		8/8/2025		
BOARD INITIATED ITEM: No				
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Bond Issuance and Sale GO 2025H Refunding, GO 2025E, Sales Tax 2025A Refunding

PURPOSE:

To request Board adoption of three resolutions authorizing the issuance and sale of General Obligation Bonds (Election of 2004) 2025 Refunding Series H (Green Bonds), General Obligation Bonds (Election of 2016) 2025 Series E (Green Bonds), and Sales Tax Revenue Bonds 2025 Refunding Series A (Green Bonds), as follows:

A. General Obligation Bonds (Election of 2004) 2025 Refunding Series H Bond Issuance/Sale.

To authorize, if sufficient savings can be achieved consistent with the District's Debt Policy as amended August 15, 2024, the issuance and sale of not to exceed \$275 million in General Obligation Bonds (Election of 2004), 2025 Refunding Series H (Green Bonds) (the "Measure AA Refunding Series H Bonds"), to refund all or a portion of the outstanding General Obligation Bonds (Election of 2004) 2013 Series C and 2015 Series D. Furthermore, to seek Board authorization for the Chief Financial Officer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Measure AA Refunding Series H Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Paying Agent Agreement or Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, (3) to attend rating agency meetings and, (4) to negotiate and execute Green Bonds certification agreements, if any, in connection with the issuance of



the Measure AA Refunding Series H Bonds.

B. General Obligation Bonds (Election of 2016) 2025 Series E Bond Issuance/Sale.

To authorize the issuance and sale of not to exceed \$700 million in General Obligation Bonds (Election of 2016), 2025 Series E-1 (Green Bonds) and 2025 Series E-2 (Federally Taxable) (Green Bonds) (the “Measure RR Series E Bonds”). Furthermore, to seek Board authorization for the Chief Financial Officer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Measure RR Series E Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, (3) to attend rating agency meetings, and (4) to negotiate and execute Green Bonds certification agreements, if any, in connection with the issuance of the Measure RR Series E Bonds.

C. Sales Tax Revenue Bonds 2025 Refunding Series A Bond Issuance/Sale.

To authorize, if sufficient savings can be achieved, the issuance and sale of not to exceed \$85 million in Sales Tax Revenue Bonds, 2025 Refunding Series A (Green Bonds) (the “2025 Refunding Series A Bonds”), to refund all or a portion of the outstanding 2015 Refunding Series A Bonds. Furthermore, to seek Board authorization for the Chief Financial Officer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the 2025 Refunding Series A Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the preliminary Official Statement, the Official Statement, Seventh Supplemental Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, Escrow Agreement and related agreements, and (3) to attend rating agency meetings, and (4) to negotiate and execute Green Bonds certification agreements, if any, in connection with the issuance of the 2025 Refunding Series A Bonds.

DISCUSSION:

A. General Obligation Bonds (Election of 2004) 2025 Refunding Series H Bond Issuance/Sale.

In 2004, voters in Alameda, Contra Costa and San Francisco authorized the issuance of \$980 million of General Obligation bonds (Measure AA GO Bonds) to fund the Earthquake Safety Program. To date, BART has issued the full authorization of Measure AA GO Bonds. From time to time, BART may refund outstanding Measure AA GO Bonds, if sufficient net

present value savings can be achieved per the District's Debt Policy.

In 2025, the District intends to issue not to exceed \$275 million of voter approved Measure AA Refunding Series H Bonds to provide funds to refund all or a portion of the outstanding Measure AA 2013 Series C and Measure AA 2015 Series D Bonds, if sufficient net present value savings can be achieved per the District's Debt Policy. Proceeds of the 2025 Measure AA Refunding Series H Bonds will be used to refund outstanding bonds issued pursuant to Measure AA to achieve debt service savings and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Chief Financial Officer to negotiate the structure, financing and cost of issuance of the 2025 Measure AA Refunding Series H Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Paying Agent Agreement or Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance including rating agencies costs and expenses as well as the negotiation and execution of green bond certification agreements, if any, in connection with issuance of General Obligation Bonds (Election of 2004), 2025 Refunding Series H (Green Bonds).

The District advertised the RFP for underwriting services to the eight active members of the District's Underwriting Pool on May 9, 2025, and received eight proposals on May 22, 2025. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Barclays Capital Inc. as Senior Manager, Siebert Williams Shank & Co., LLC as Co-Senior Manager, and Wells Fargo Bank, N.A. and J.P. Morgan Securities LLC as Co-Managers.

Consistent with BART Debt Policy, BART anticipates issuing the 2025 Measure AA Refunding Series H Bonds as Green Bonds that are Climate Bond Certified by the Climate Bonds Initiative under the low carbon land transport criteria established by the Climate Bonds Standard & Certification Scheme. Green Bonds typically finance projects that have positive environmental and/or climate benefits. The projects financed by the Refunded Bonds and the use of the proceeds of the 2025 Measure AA Refunding Series H Bonds to refinance such projects will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles.

B. General Obligation Bonds (Election of 2016) 2025 Series E Bond Issuance/Sale.

In 2016, voters in Alameda, Contra Costa and San Francisco counties authorized the issuance of up to \$3.5 billion of General Obligation Bonds (Measure RR GO Bonds), titled "BART Safety, Reliability and Traffic Relief". To date, the District has issued four tranches of Measure RR GO Bonds.

In 2025, the District intends to issue not to exceed \$700 million of voter approved Measure

RR Series E Bonds. Proceeds of the Measure RR Series E Bonds will be used to fund projects authorized by Measure RR and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Chief Financial Officer to negotiate the structure, financing terms and cost of issuance of the Measure RR Series E Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance including rating agencies costs and expenses as well as the negotiation and execution of green bond certification agreements, if any, in connection with issuance of the Measure RR Series E Bonds.

The District advertised the RFP for underwriting services to the eight active members of the District's Underwriting Pool on May 9, 2025, and received eight proposals on May 22, 2025. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Barclays Capital Inc. as Senior Manager, Siebert Williams Shank & Co., LLC as Co-Senior Manager, and Wells Fargo Bank, N.A. and J.P. Morgan Securities LLC as Co-Managers.

Consistent with BART Debt Policy, BART anticipates issuing the Measure RR Series E Bonds as Green Bonds that are Climate Bond Certified by the Climate Bonds Initiative under the low carbon land transport criteria established by the Climate Bonds Standard & Certification Scheme. Green Bonds typically finance projects that have positive environmental and/or climate benefits. The projects financed by the Measure RR Series E Bonds and the use of the proceeds of the Measure RR Series E Bonds to finance such projects will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles.

C. Sales Tax Revenue Bonds 2025 Refunding Series A Bond Issuance/Sale

In 2025, the District intends to issue 2025 Refunding Series A Bonds to provide funds to refund all or a portion of the outstanding 2015 Refunding Series A Bonds in order to achieve debt service savings consistent with the District's Debt Policy.

The District continually evaluates the municipal bond market for opportunities to achieve debt service savings. The District advertised the RFP for underwriting services to the members of the District's Underwriting Pool on May 9, 2025, and received eight proposals on May 22, 2025. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended J.P. Morgan Securities LLC as Senior Manager, and Wells Fargo Bank, N.A. as Co-Senior Manager. Underwriting compensation will not exceed five-tenths of one percent of the principal amount of the bonds issued.

The proposed resolution will authorize the Chief Financial Officer to negotiate the structure, financing, and cost of issuance of the 2025 Refunding Series A Bonds. In addition, the resolutions will authorize the preparation, execution, and delivery of the necessary documents including the preliminary Official Statement, the Official Statement, Seventh Supplemental Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, Escrow Agreement and related agreements, and payment to cover the costs of issuance including rating agencies costs and expenses as well as the negotiation and execution of green bond certification agreements, if any, in connection with issuance of the 2025 Refunding Series A Bonds.

Consistent with BART Debt Policy, BART anticipates issuing the 2025 Refunding Series A Bonds as Green Bonds that are Climate Bond Certified by the Climate Bonds Initiative under the low carbon land transport criteria established by the Climate Bonds Standard & Certification Scheme. Green Bonds typically finance projects that have positive environmental and/or climate benefits. The projects financed by the 2025 Refunding Series A Bonds will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles.

FISCAL IMPACT:

A. General Obligation Bonds (Election of 2004) 2025 Refunding Series H Bond Issuance/Sale.

The District proposes to issue the Measure AA Refunding Series H Bonds in the total principal amount not to exceed \$275 million. The cost of issuance for underwriting, legal counsel, financial advisor, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of the principal amount of Measure AA Refunding Series H Bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the Measure AA Refunding Series H Bonds will be paid through assessed ad valorem taxes on all property in the three BART District counties. No Measure AA Refunding Series H Bonds debt service will be borne by District general fund revenues.

B. General Obligation Bonds (Election of 2016) 2025 Series E Bond Issuance/Sale.

The District proposes to issue the Measure RR Series E Bonds, in the total principal amount not to exceed \$700 million. The cost of issuance for underwriting, legal counsel, financial advisor, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed

1% of principal amount of Measure RR Series E Bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the Measure RR Series E Bonds will be paid through ad valorem taxes assessed on all property in the three BART District counties. No Measure RR Series E Bonds debt service will be borne by District general fund revenues.

C. Sales Tax Revenue Bonds 2025 Refunding Series A Bond Issuance/Sale.

The District proposes to issue the 2025 Refunding Series A Bonds in the total principal amount not to exceed \$85 million. The cost of issuance for underwriting, legal counsel, financial advisor, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of the 2025 Refunding Series A Bonds issued. All fees for the 2025 Refunding Series A Bonds shall be paid out of bond sale proceeds; therefore, no direct costs related to issuance will be paid by the District. If no bonds are issued, no expense will be incurred. Interest and principal on the 2025 Refunding Series A Bonds will be paid in accordance with the provisions of the Seventh Supplemental Indenture from sales tax proceeds via allocation from the District's annual adopted operating budget.

ALTERNATIVES:

A. General Obligation Bonds (Election of 2004) 2025 Refunding Series H Bond Issuance/Sale.

The District may elect not to issue the Measure AA Refunding Series H Bonds at this time, which would mean no debt service savings would be available with respect to bonds currently outstanding.

B. General Obligation Bonds (Election of 2016) 2025 Series E Bond Issuance/Sale.

The District may elect not to issue the Measure RR Series E Bonds, at this time which would mean no such bond funds would be available to fund projects under Measure RR.

C. Sales Tax Revenue Bonds 2025 Refunding Series A Bond Issuance/Sale.

The District may elect not to issue the 2025 Refunding Series A Bonds at this time, which would mean that the District would not realize debt service savings with respect to bonds currently outstanding.

RECOMMENDATION:

A. General Obligation Bonds (Election of 2004) 2025 Refunding Series H Bond Issuance/Sale.

To authorize the issuance of the Measure AA Refunding Series H Bonds and for the Chief Financial Officer to negotiate the structure, financing and cost of issuance for the Measure AA Refunding Series H Bonds and execute and deliver all documents necessary for their issuance.

B. General Obligation Bonds (Election of 2016) 2025 Series E Bond Issuance/Sale.

To authorize the issuance of the Measure RR Series E Bonds and for the Chief Financial Officer to negotiate the structure, financing and cost of issuance for the Measure RR Series E Bonds and execute and deliver all documents necessary for their issuance.

C. Sales Tax Revenue Bonds 2025 Refunding Series A Bond Issuance/Sale.

To authorize issuance of the 2025 Refunding Series A Bonds and for the Chief Financial Officer to negotiate the structure, financing, and cost of issuance for the 2025 Refunding Series A Bonds and execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolutions, incorporated herein as if set forth in full:

A. General Obligation Bonds (Election of 2004) 2025 Refunding Series H Bond Issuance/Sale.

Authorizing and approving the issuance and sale, if sufficient savings are achieved, of not to exceed \$275 million aggregate principal amounts of the Measure AA Refunding Series H Bonds, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

B. General Obligation Bonds (Election of 2016) 2025 Series E Bond Issuance/Sale.

Authorizing and approving the issuance and sale of not to exceed \$700 million aggregate principal amount of the Measure RR Series E Bonds, and authorizing the preparation,

execution and delivery of agreements and documents in connection therewith.

C. Sales Tax Revenue Bonds 2025 Refunding Series A Bond Issuance/Sale.

Authorizing and approving the issuance and sale, if sufficient savings are achieved, of not to exceed \$85 million aggregate principal amount of the 2025 Refunding Series A Bonds, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.