



▶ 5. Issuance and Sale of BART General Obligation and Revenue Bonds

Bond Oversight Committee | September 19, 2025



Agenda

- Sustainability and Green/Climate Bond Certification
- BART Debt Financing Overview
- General Obligation Bonds
- Historical Measure AA and Measure RR Tax Rates
- Sales Tax Revenue Bonds
- Summary of Outstanding Debt
- BART Maintains High Credit Ratings
- Results of the August 25th-26th GO Bond Sale
- Next Steps

BART Debt Financing Overview

- Debt is secured by voter-approved property tax measures (Measure AA and Measure RR) and BART sales tax
- BART sells bonds to finance capital projects
- Consistent with the BART Debt Policy, to the extent possible, BART issues its bonds with the Green Bond designation
- BART manages its debt issuances to repay debt at a competitive rate over a long-term horizon
- BART periodically refunds (refinances) existing debt to achieve debt service savings when rates are advantageous

Sustainability and Green Bond/Climate Bond Certifications

- The 2025 Bonds are Climate Bond Certified based on the Climate Bond Standard Board’s programmatic certification findings and conform with the Climate Bonds Standards Board’s Low Carbon Transport standard
- BART’s Green Bond Framework is available at: <https://www.bart.gov/about/financials>
- BART maintains a Sustainability Policy and a Sustainability Action Plan, available at: www.bart.gov/sustainability
- BART’s Green Bond designation is designed to track the “Green Bond Principles” promulgated by the International Capital Market Association
- BART’s Green Bonds aim to further several of the United Nations Sustainable Development Goals, specifically, goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities)

BART’s Sustainability Statistics

- 31,840 gallons of gasoline saved from all riders for one typical weekday in CY 2024
- 621,400 pounds of CO₂ equivalent emissions avoided from automobiles otherwise used by riders for one typical weekday in CY 2024
- 1,118,487,574 megajoules of traction energy in CY 2024
- Vast majority of trains are 100% electric, and the remainder uses renewable diesel
- In CY 2024, 86% of electric traction power was greenhouse gas-free, sourced from hydroelectric, wind facilities and photovoltaic solar facilities
- In 2021, the Berryessa/North San José station was awarded the Envision Platinum Award by The Institute for Sustainable Infrastructure’s awards program
- BART replaced its legacy fleet of rail cars with its new Fleet of the Future rail cars, which are designed to be at least 7% more energy efficient and have features such as LED lighting, improved regenerative braking, and lightweight exteriors

Alignment with the Green Bond Principles

Use of Proceeds	<ul style="list-style-type: none">▪ Projects associated with the 2025 E-1 and E-2 Bonds assist in providing mass transit services primarily using an electrified railway that provides a low-carbon alternative to automobile travel, enhance resiliency measures, and reduce the susceptibility to earthquakes▪ 2025 Refunding Series H proceeds will be applied to refund the Refunded Bonds	Management of Proceeds	<ul style="list-style-type: none">▪ 2025 Series E-1 and E-2 proceeds will be deposited into the Project Fund and may be invested in any investments permitted by the District’s investment policy or in Investment Securities▪ 2025 Refunding Series H proceeds will be applied to refund the Refunded Bonds and may be invested only in any investments permitted by the District’s investment policy or in Investment Securities as such term is defined in the applicable Trust Agreement
Project Evaluation and Selection	<ul style="list-style-type: none">▪ BART developed its Capital Programs in response to systemwide operational, and resiliency needs. Both Measure RR and Measure AA were approved by over two-thirds voters on the respective measures	Green Bond Reporting	<ul style="list-style-type: none">▪ The District will provide a post-issuance verification of compliance with the Climate Bonds Standard, as well as annual statements with respect to compliance with the certification requirements of the Climate Bonds Standard which BART may post on EMMA

Source: POS “DESIGNATION AS GREEN BONDS / CLIMATE BOND CERTIFIED”



General Obligation Bonds

- Measure AA (Election of 2004)
 - Authorized issuance of \$980M in bonds to fund earthquake safety improvements – no remaining authorization
 - The Earthquake Safety Program is complete as of 2024 and delivered critical projects, including the Transbay Tube Retrofit Project
 - Board Approved: Measure AA refunding up to \$275M to achieve debt service savings
- Measure RR (Election of 2016)
 - Authorized issuance of \$3.5B in bonds to fund critical safety, reliability, and infrastructure improvements - \$1.4B remaining authorization
 - More than half of the planned Measure RR work has now been completed as the program enters its eighth year
 - Board Approved: Measure RR \$700M issuance to continue funding capital projects

Historical Measure AA and Measure RR Tax Rates

	Annual Tax Rate per \$100,000 in AV		
Fiscal Year	Measure AA	Measure RR	Combined
2005/06	4.80		
2006/07	5.00		
2007/08	7.60		
2008/09	9.00		
2009/10	5.70		
2010/11	3.10		
2011/12	4.10		
2012/13	4.30		
2013/14	7.50		
2014/15	4.50		
2015/16	2.60		
2016/17	8.00		
2017/18	6.30	2.10	8.40
2018/19	5.20	1.80	7.00
2019/20	7.40	4.60	12.00
2020/21	7.10	6.80	13.90
2021/22	2.50	3.50	6.00
2022/23	5.30	8.70	14.00
2023/24	4.80	8.60	13.40
2024/25	4.70	10.10	14.80
2025/26*	4.30	10.90	15.20

- Actual tax rates for both Measure AA and Measure RR well below maximum tax rate identified in the ballot measures
 - Measure AA projected maximum was \$12.79
 - Measure RR projected maximum was \$17.49
- Average Measure AA annual tax rate per \$100,000 AV since inception is \$5.48
- Average Measure RR annual tax rate per \$100,000 AV since inception is \$5.78

Sales Tax Revenue Bonds

- BART has issued \$984M in bonds, of which \$516M is currently outstanding
- Sales Tax Revenue Bond proceeds may only be used for capital uses
- Backed by 75% of a half-cent sales tax collected in Alameda, Contra Costa, and San Francisco counties
- Future bond issuances would increase debt service and reduce sales tax revenues available to support the operating budget

Summary of Outstanding Debt

- As of August 2, 2025, 63% of authorized debt has been issued
- The District is responsible for annual debt service payments based on the outstanding principal – annual debt service for FY25 totals \$213M
 - \$60M Debt Service for Sales Tax Revenue Bonds
 - \$153M Debt Service for GO Bonds

	Authorized (\$)	Issued (\$)	Remaining Authorization (\$) ²	Outstanding Principal Balance (\$)
Measure AA General Obligation Bonds	980,000,000	980,000,000	-	542,860,000
Measure RR General Obligation Bonds	3,500,000,000	2,060,000,000	1,440,000,000	1,791,560,000
Sales Tax Revenue Bonds	N/A	984,260,000		515,570,000
TIFIA Loan ³	544,642,843	150,000,000	394,642,843	150,000,000
Total		4,174,260,000	1,834,642,843	2,999,990,000

NOTES:

(1) Outstanding debt as of August 2, 2025

(2) Pending Board authorization of Measure RR (Election of 2016) 2025 Series E Bond Issuance/Sale, remaining authorization for Measure RR GO Bonds will be \$740,000,000

(3) Request of balance of \$394.6 M. in remaining TIFIA Authorization to be submitted to Build America Bureau on September 12, 2025, pending Board Approval on September 11, 2025, Board Meeting

BART Maintains High Credit Ratings

- Credit ratings signal the financial health of an agency to investors and directly impact the interest rates on bonds, higher ratings mean lower borrowing costs for BART projects
- BART’s credit ratings remain within the high-grade category
- The credit rating reflects BART’s current creditworthiness, while the outlook indicates the likely direction of the rating in the near-term

Bond Type	Attribute	Moody's	Standard & Poor's	Fitch	KBRA
General Obligation	Rating Outlook	Aa1 Stable	AA- Negative	AAA Stable	
Sales Tax Revenue	Rating Outlook		AA+ Negative	AA Negative	AA+ Stable
TIFIA	Rating Outlook			AA- Negative	AA Stable

NOTE: Updated credit ratings expected August 2025.

Rating Scale	
Moody's	Standard & Poor's/ Fitch/ KBRA
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-



Results of the August 25th -26th GO Bond Sale

- Measure RR GO Bonds
 - True Interest Cost: 3.92%
- Measure AA GO Bonds – Refunding
 - True Interest Cost: 2.61%
 - Net Present Value Savings: \$23.3 M
 - % Savings of Refunded Bonds: 9.29%
- Strong Demand for BART Bonds
 - \$925 M GO Sold
 - Received Orders from Retail Customers for \$975 M & Institutional Customers of \$1.5 B
 - District residents were given priority during the August 25th Retail Order period

Results of the August 27th Sales Tax Refunding Sale

- Sales Tax Refunding Bonds
 - True Interest Cost: 2.37%
 - Net Present Value Savings: \$6.4 M
 - % Savings of Refunded Bonds: 7.76%
- Strong Demand for BART Bonds
 - \$73.4 M GO Sold
 - Received Orders from Retail & Institutional Customers of \$350+ M
 - District residents were given priority during the August 27th Retail Order period

Next Steps



- Manage required or voluntary Continuing Disclosures of any events or occurrences of significance to investors and rating agencies
- Monitor spend down of Measure RR GO Bond Proceeds in implementation of Capital Budgets
- Prepare for annual rating agency “surveillance” of the District’s Financial Condition (March & Sept.) and execution of financial strategy

5.A Committee Q&A