

A low-angle, upward-looking photograph of a white and teal Sound Transit train. The train is moving from left to right across the frame. The teal stripe is thick and curved. The windows are dark, reflecting the sky. The train is under a glass and steel station roof. The overall lighting is bright, suggesting daytime.

TIFIA MASTER CREDIT AGREEMENT AND LOANS

November 29, 2016

 **SOUND TRANSIT**

- **Transportation Infrastructure Finance and Innovation Act (TIFIA)** program provides Federal credit assistance to eligible surface transportation projects in the form of direct Federal loans that offer flexible repayment terms.
 - Sound Transit closed its \$1.3 billion East Link TIFIA Loan in January 2015.
- **Master Credit Agreements (MCA)**
 - Authorized by FAST ACT, under which DOT may make a contingent commitment of future TIFIA credit assistance for a program of related projects secured by a common security pledge.
 - Sound Transit is the first borrower pursuing the MCA with TIFIA, letter of interest was submitted in November 2015.

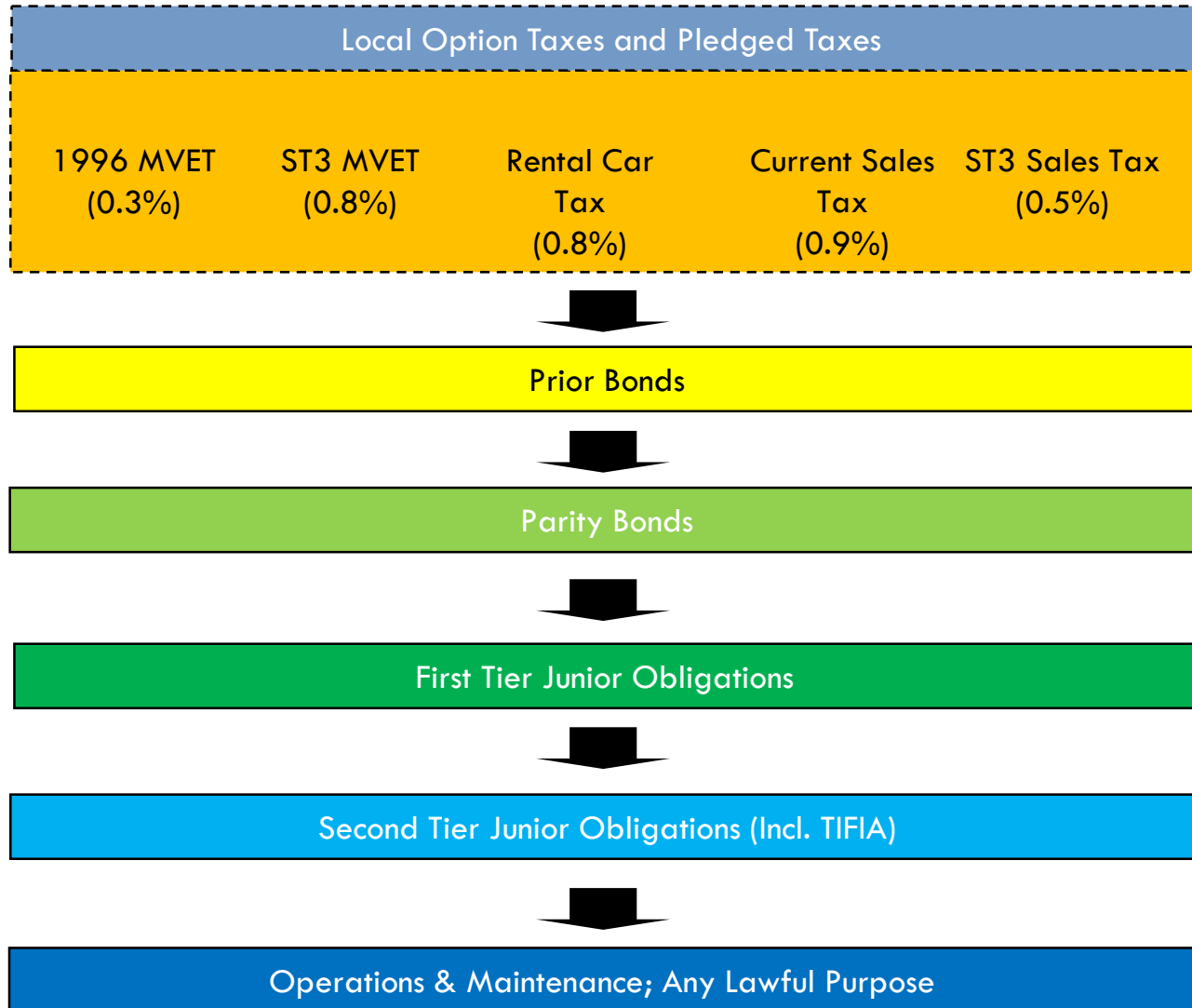
Loan Amount and Estimated Closing

- Total loan amount is \$1.99 billion

Projects included in the MCA	Est Loan Close	Loan proceeds (in thousands)
Northgate Link Extension	Q4 2016	\$615,267
Link Operations & Maintenance Facility: East	Q2 2017	\$87,664
Federal Way Link Extension	Q4 2017	\$629,472
Lynnwood Link Extension	Q2 2018	\$657,863
Combined Total		\$1,990,267

- Interest only for 5 years following substantial completion. Level debt service payments beginning in 2040 through final maturity (35 year after substantial completion)
- Benefits
 - Flexible repayment terms
 - Interest rate currently lower than assumed rate in the Financial Plan and tax exempt bond rates
- Potential risks
 - Default provisions: credit and covenant defaults
 - Recovery plan required if over 5% of baseline budget
 - Subject to the availability of future funding and the satisfaction of all the conditions
 - Investment grade rating provision

- Fourth tier pledge, subordinate to others bonds



- R2016-36:
 - Authorizes TIFIA Master Credit Agreement and four related loan agreements
 - Authorizes conforming amendments to the existing East Link TIFIA Loan Agreement.



 **SOUNDTRANSIT**
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FOUNDED