

Consultation on Bond Issuance Strategy for Potential Refinancing Opportunity

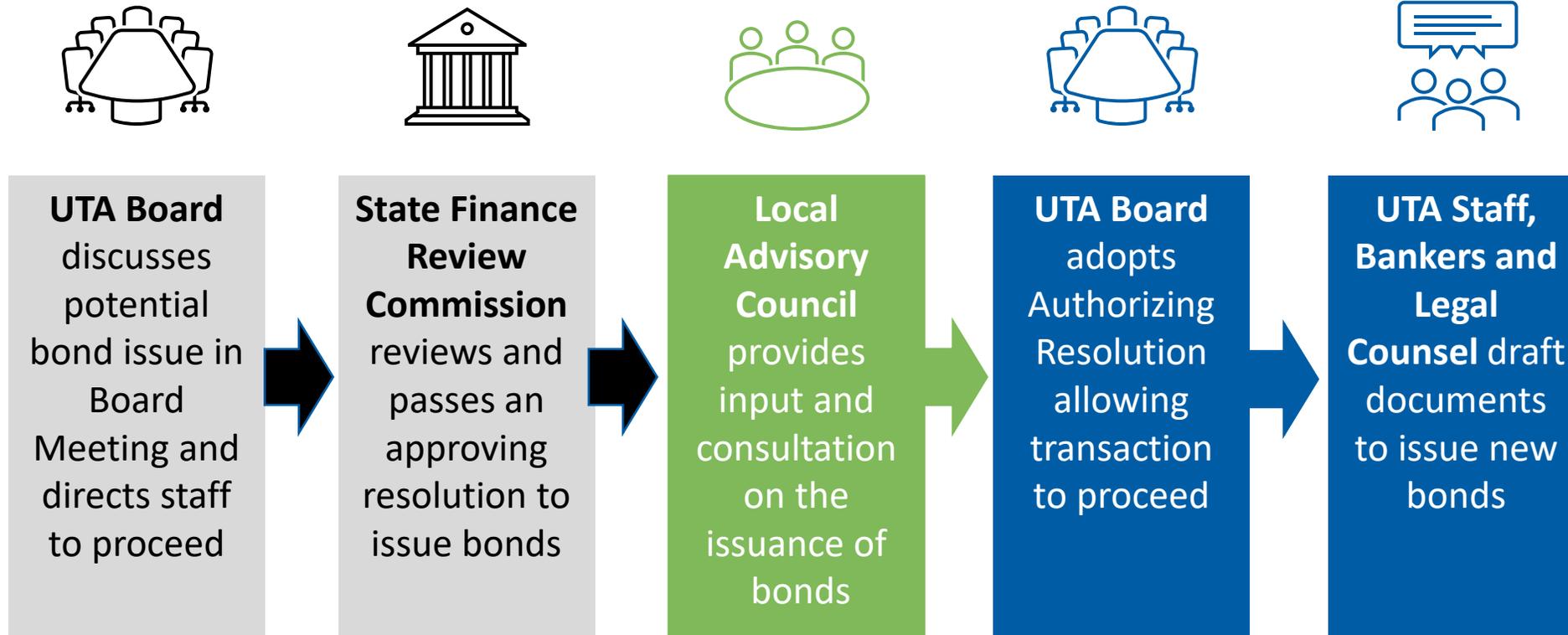


Bond Issuance Discussion

- UTA's Board of Trustees, Executive Director and Staff are seeking input and consultation from the Local Advisory Council on the potential refinancing of UTA's Series 2016 Bonds with an anticipated refinancing borrowing amount of \$123 million.
- Per the Public Transit District Act, 17B-2a-808.1, 2(c), UTA Board of Trustees shall consult with the Local Advisory Council on the issuance of bonds.



Bond Issuance Governance Steps



Bond Issuance

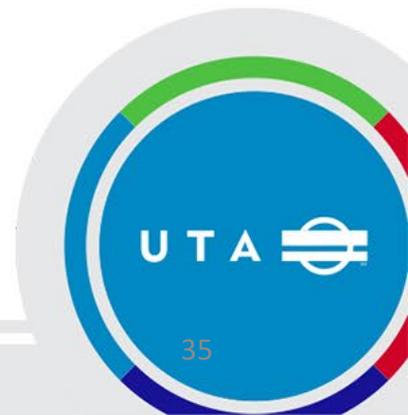
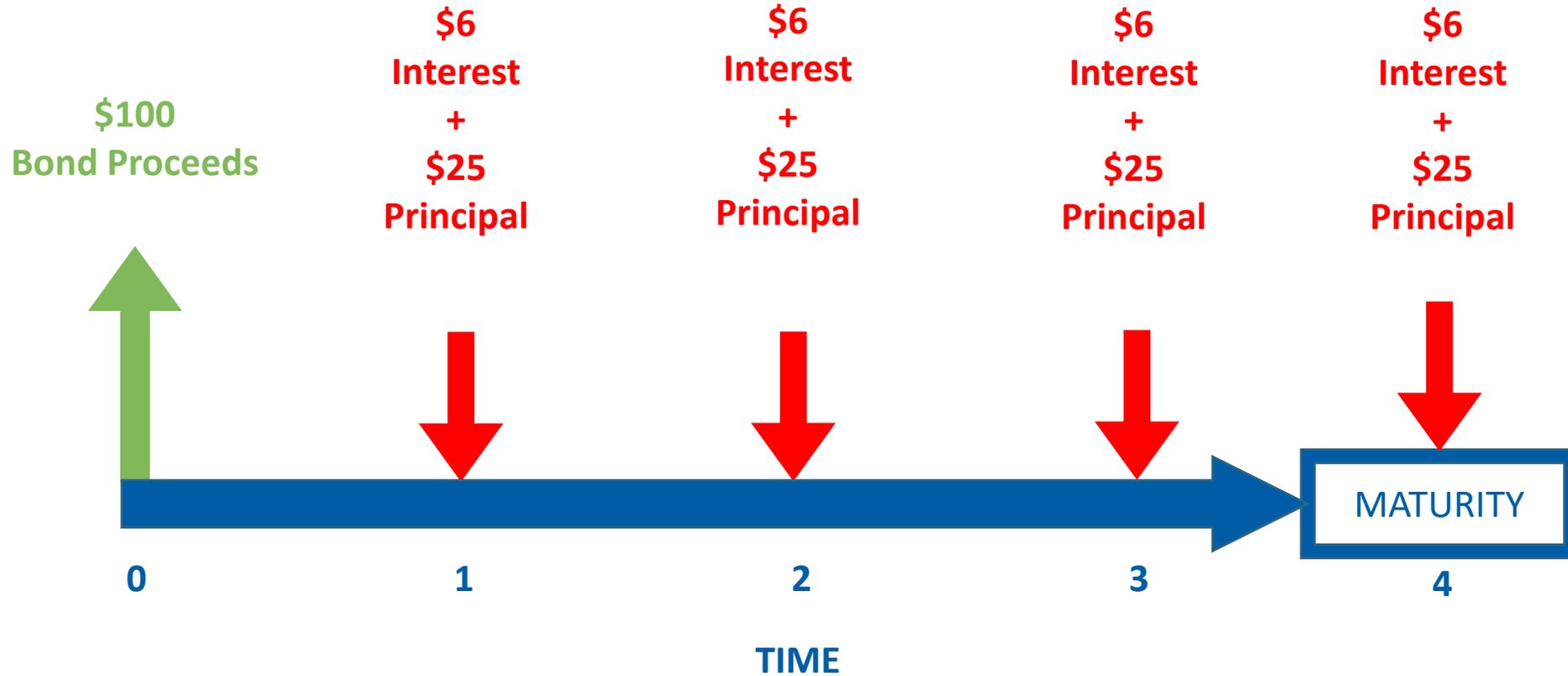


- Additional source for Capital Project funding
- Secured by sales tax revenues
- Long liabilities term are generally up to 20 years
- Ability to refinance outstanding bonds for savings (lower interest rate) and cash flow management
- UTA has approximately \$2.0 billion bonds outstanding
- Debt service, bond's principal and interest, represents 25% of operating budget



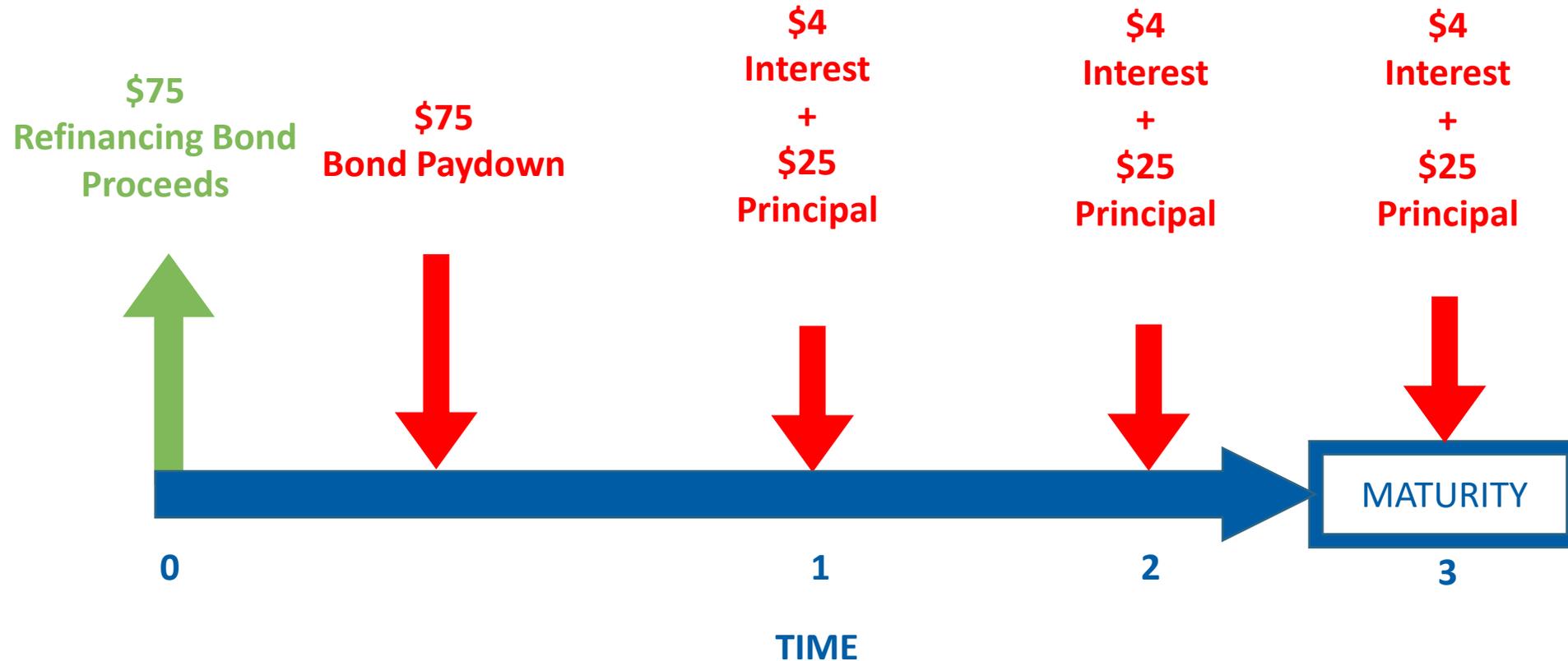
How Bonds Issued Work

\$100 Bond Issue for 6.0% interest rate and principal paid each period.



How Refinancing Bonds Issued Work

Beginning of Year 1, refinance the \$100 Bond Issue of 6.0% interest rate, with a new \$75 bond with a 4% interest rate and same maturity date. **Gross Savings of \$6.**



Refunding Savings – 2019 Through Today - *\$152 million*

UTA Refunding Savings Since 2019

Sale Date	Series	Refunding Type	Refunded Par	NPV Savings (\$)	NPV Savings (%)
11/6/2019	2019B (Senior) 2019 (Sub)	Advance Refunding	\$223,135,000	\$11,698,210	5.24%
3/4/2020	2020 (Senior)	Advance Refunding	176,010,000	17,441,638	9.90%
10/28/2020	2020B (Senior)	Advance Refunding	73,600,000	6,862,607	9.32%
10/19/2021	2021 (Senior) 2021 (Sub)	Advance Refunding	397,275,000	20,154,295	5.07%
10/3/2023	2023 (Senior)	Tender	101,175,000	6,290,481	6.21%
8/28/2024	2024 (Senior) 2024 (Sub)	BABs Refunding Tender MWC Refunding	570,875,000	71,579,124	12.53%
7/29/2025	2025 (Senior)	Tender & Refunding	369,285,000	18,215,232	3.69%



Bond Refinancing Opportunity

Current financial market conditions present a unique opportunity for the Authority to generate savings via a refunding

The Opportunity: Refunding Transaction

- Utah Transit Authority (“UTA”) issued the **Subordinate Series 2016 Bonds** (the “2016 Bonds”) to refund outstanding maturities of the 2013 Senior Bonds, 2014A Subordinate Bonds and the 2014B Subordinate Bonds
- The 2016 Bonds have a call date of June 15, 2026, and become currently callable on a tax-exempt basis 90 days before the call date, meaning their escrow will expire as of that date, and a transaction could be undertaken beginning 90-days prior (e.g., March 16, 2026).
- The transaction being proposed seeks to capture a lower interest rate, thereby reducing overall borrowing costs. This approach would allow the organization to capture meaningful savings over the life of the debt, improve cash flow, and strengthen financial flexibility.



Series 2016 Refunding Opportunity

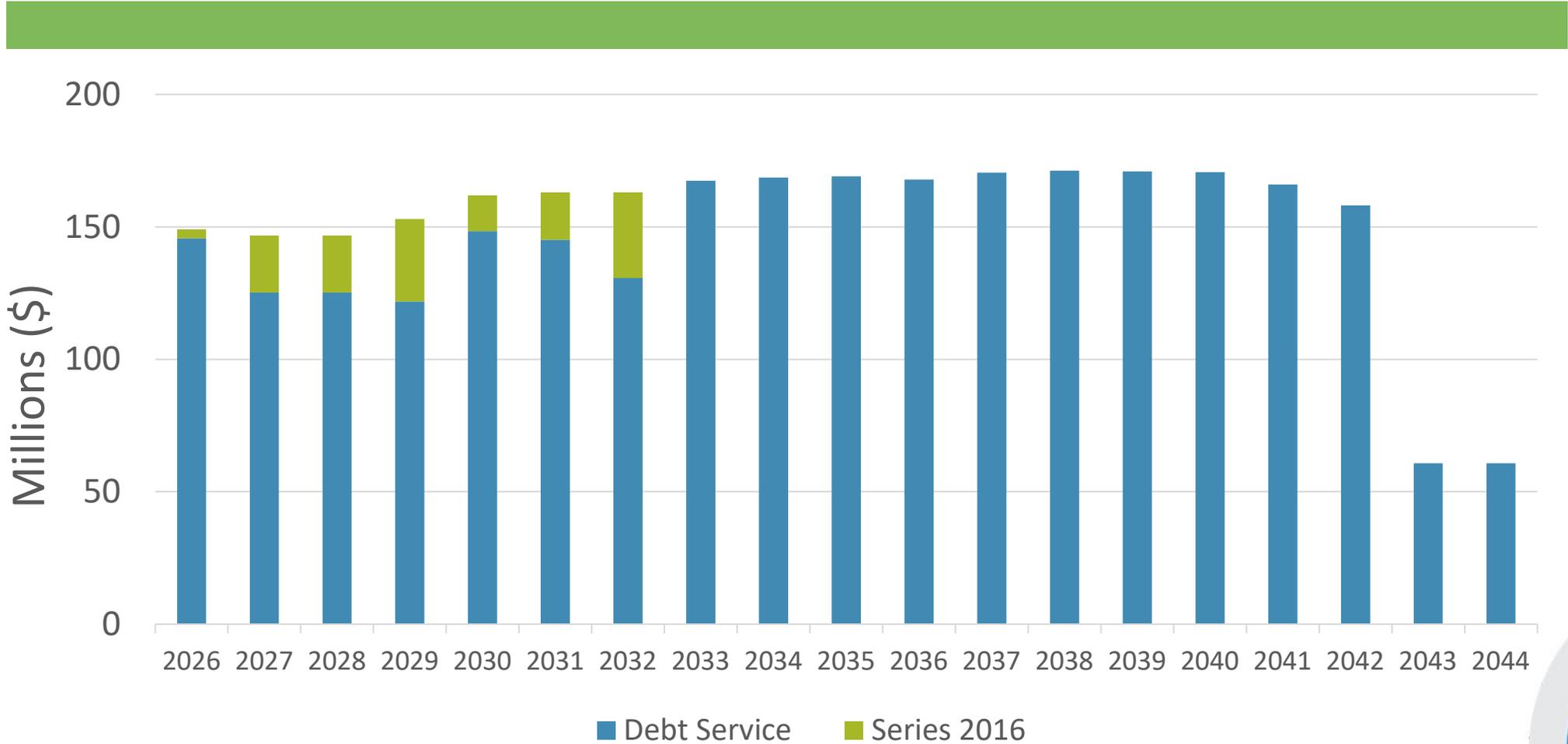
Series 2016 Bond Overview						
Lien	Series	Tax Status	Use of Proceeds	Outstanding Par (\$000)	Series Years	Coupon
Subordinate	2016 CIB	Tax-Exempt	Refunding	\$95,175	2027 – 2031	3.00% - 4.00%
Subordinate	2016 CAB	Tax-Exempt	Refunding	25,914	2032	3.32%
Total				\$121,089		

- Based on current interest rates* and market conditions, a current refunding of the 2016 Bonds in March 2026 would allow UTA to achieve approximately \$5.8 million in aggregate cashflow savings in 2027 through 2032, or approximately \$1.0 million per year.
- Cashflow savings could easily be sculpted and concentrated in specific years to meet anticipated funding needs.

**Results are preliminary and subject to change; interest rates and market conditions as of December 3, 2025.*



Total Debt Service



Parameters

- Refinancing the Series 2016 bonds with a maximum borrowing amount of \$123 million
- Coupon rate between 4-5%
- An aggregate net present value savings amount of at least \$1 million, a target of 3-5% range



UTA – Utah Transit Authority
 MA – Municipal Advisor
 BC – Bond Counsel
 BU – Bond Underwriter

Potential Financing Schedule

Date	Item	Party
28-Jan	UTA Board Meeting to Discuss Bond Financing Opportunities	UTA, MA
29-Jan	Pre-meeting with Treasurer Office to discuss UTA proposal to State Finance Review Commission	UTA, MA, BC
2-Feb	Presentation and Approval of Bond Issuance by State Finance Review Commission	UTA, MA, BC, BU
18-Feb	UTA Local Advisory Council meeting to consult on refunding	UTA, MA, BC
11-Mar	UTA Board Meeting to consider adoption of Bond Authorizing Resolution	UTA, MA, BC
13-Mar	Materials sent to Rating Agencies	MA
16-Mar	Begin Bond Rating Meetings Week	MA, UTA
18-Mar	Due Diligence Meeting – Underwriter’s Counsel	ALL
30-Mar	Ratings Received	UTA, MA
1-Apr	Negotiated bond sale, execution of Bond Purchase Agreement	ALL
8-Apr	Bond Closing	ALL

