

Bond Issuance Strategy

Potential Financing Opportunity for UTA



Introduction to Potential Financing Opportunities

I. New Issuance Financing

Evaluate financing strategies to ensure that near-term capital needs can be funded timely, with estimated financing needs amounting to ~\$215 million over the next 3 years

II. Bond Tender Opportunity

While UTA has now undertaken two tenders to-date, there are an additional \$664 million of taxable bonds that were not previously eligible for a tender but could now be included in a transaction

III. Tax-Exempt Refunding of Taxable Bonds

In addition to a bond tender, UTA can consider refunding certain taxable bonds with tax-exempt debt, thereby generating additional savings



I. New Issuance Financing

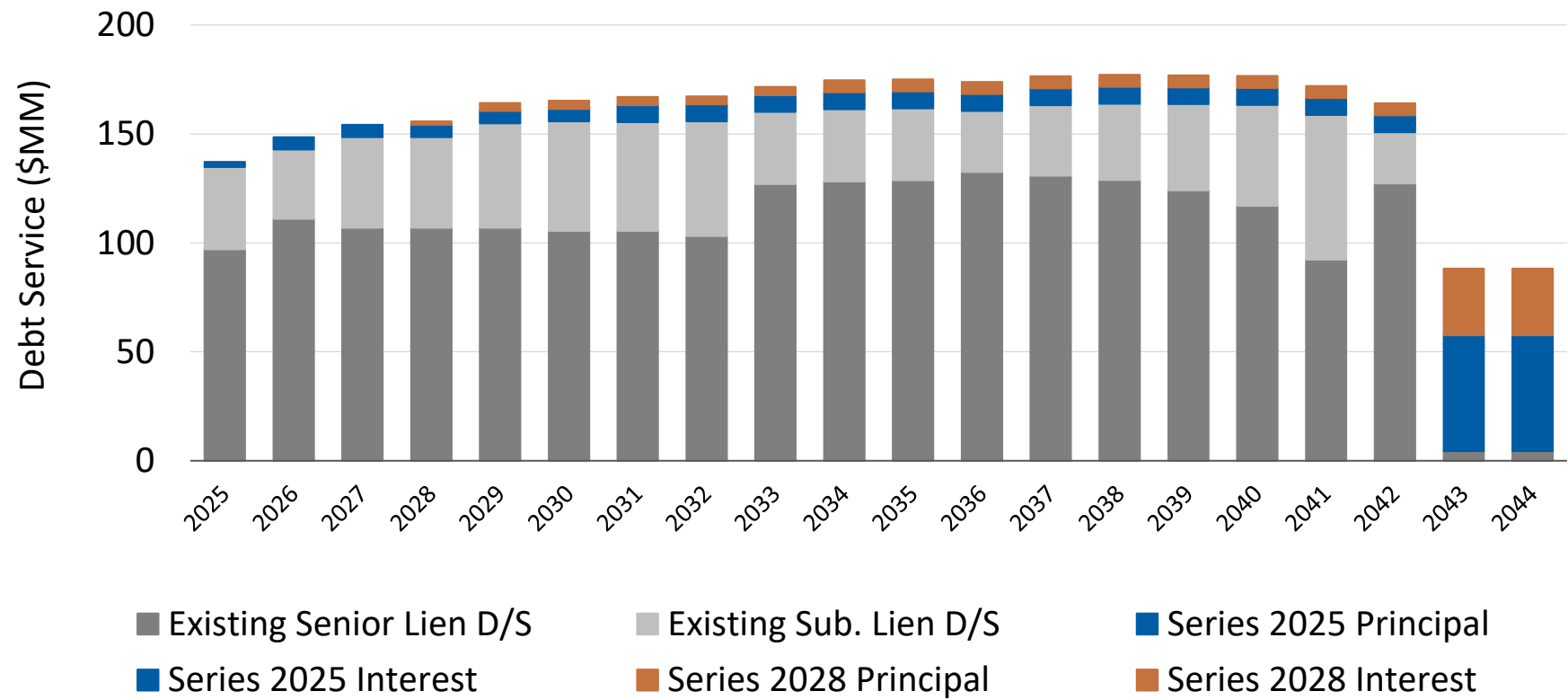
UTA is evaluating the potential issuance of new money debt to finance certain critical projects

- UTA has not issued new money bond issuance since 2019, since that time, sales tax revenues have increased 44%
- In the current market, long-term Senior Lien Bonds could be sold at an estimated all-in-TIC of 4.34%
- We illustrate two hypothetical financing tranches of \$131 million (2025) and \$84 million (2028), which represents UTA's approximate borrowing needs over the next 5 years



Financing Portions of UTA's Capital Program

Debt Service Profile: Tranche 1 & Tranche 2 Borrowings



II. Bond Tender Opportunity

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

The Opportunity: Tender Refunding Transaction

- While UTA has now undertaken two tenders to-date, there are an *additional \$664 million of taxable bonds that were not previously eligible for a tender but could be included in a transaction undertaken in 2025*
- All of these bonds advance refunded several series of bonds with a call date of June 15, 2025, meaning their escrow will expire as of that date, and a transaction could be undertaken beginning 90-days prior (e.g., March 15, 2025)



Refunding Savings – 2019 Through Today

UTA Refunding Savings Since 2019

Sale Date	Series	Par Amount	Refunding Type	Refunded Par	NPV Savings (\$)	NPV Savings (%)
11/6/2019	2019B (Senior) 2019 (Sub)	\$247,880,000	Advance Refunding	\$223,135,000	\$11,698,210	5.24%
3/4/2020	2020 (Senior)	216,650,000	Advance Refunding	176,010,000	17,441,638	9.90%
10/28/2020	2020B (Senior)	74,750,000	Advance Refunding	73,600,000	6,862,607	9.32%
10/19/2021	2021 (Senior) 2021 (Sub)	447,845,000	Advance Refunding	397,275,000	20,154,295	5.07%
10/3/2023	2023 (Senior)	77,600,000	Tender	101,175,000	6,290,481	6.21%
8/28/2024	2024 (Senior) 2024 (Sub)	540,340,000	BABs Refunding Tender MWC Refunding	570,875,000	71,579,124 ¹	12.53% ¹

Since 2019, UTA staff executed refinancing transactions that saved \$134 million on a NPV basis

(1) Series 2024 refinancing savings figures are gross of the BABs subsidy

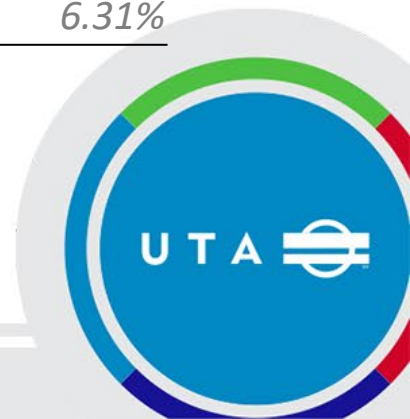


Tender Scenario

2025 UTA Tender Candidates | Summary Tender Savings by Series

Candidates			100% Tender of Bonds w/ >\$0 NPV Savings			30% Success Rate of >\$0 NPV Savings		
Series	Lien	Escrow Expiration	Refunded Par	NPV Savings	% Savings	Refunded Par	NPV Savings	% Savings
2020	Snr	June 2025	\$190,510,000	\$11,210,060	5.88%	\$57,155,000	\$3,363,018	5.88%
2021	Snr	June 2025	399,315,000	18,843,251	4.72%	119,795,000	5,652,975	4.72%
2021	Sub	June 2025	15,270,000	1,289,596	8.45%	4,580,000	386,879	8.45%
2019	Sub	June 2025	59,070,000	5,021,564	8.50%	17,720,000	1,506,469	8.50%
Total			\$664,165,000	\$36,364,472	5.48%	\$199,250,000	\$10,909,342	5.48%
2020B*	Snr	June 2022	\$62,625,000	\$4,525,277	7.23%	\$18,790,000	\$1,357,583	7.23%
2019B*	Snr	June 2022 / 2025	94,725,000	5,980,416	6.31%	28,420,000	1,794,125	6.31%

Assumptions: Bloomberg rates as of 3/13/2025, Delivery Date: 7/15/2025, \$5/bond Costs of Issuance, \$2.70/bond Tender Costs, and a Tender Price calculated as of 3/13/2025, *Previously tendered



III. Tax-Exempt Refunding of Taxable Bonds

Current market dynamics have created a unique situation where the Authority may also be able to refinance its eligible taxable bonds for savings on a tax-exempt basis

- For all of the UTA taxable bonds (tender candidates), under current tax law, the IRS has indicated that it will allow a tax-exempt refunding of taxable refunding bonds once the original escrow purchased with taxable proceeds has been fully expired
- In order to achieve a higher eligible investment rate, UTA could combine a new bond issuance with a refinancing of the newly eligible taxable bonds, and reinvest proceeds for the refunded bonds
- Refunding select taxable debt –could allow for an ***additional \$4.7 million of NPV savings, including \$6.3 million in gross savings over the next 10-years¹***

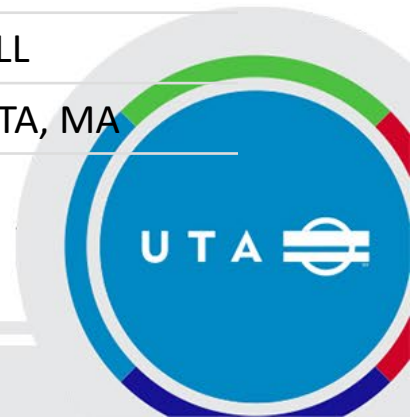
(1) Bloomberg & Thomson Financial as of 3/14/2025; assumes 30% of the taxable bonds are tendered



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

Potential Financing Schedule

Date	Item	Party
23-Apr	UTA Board Meeting to Discuss Bond Financing Opportunities	UTA
Weeks of 4/28-5/9	Meeting with Treasurer Marlo Oaks and Kirt Slaugh to discuss UTA proposal to State Finance Review Commission	UTA, MA, BC
Week of 4/28-5/9	Presentation and Approval of Bond Issuance by State Finance Review Commission	UTA, MA
7-May	UTA Local Advisory Council meeting to consult on new money and refunding	UTA, MA
14-May	UTA Board Meeting to consider adoption of Bond Authorizing Resolution	UTA
19-May	Notice of Intent to Issue Bonds posted to Utah Public Meeting Notice website (begin 30-day contest period)	UTA, BC
20-May	Materials sent to Rating Agency	MA
26-May	Memorial Day	ALL
28-May	Rating Agencies meetings	UTA, MA



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Date	Item	Party
11-Jun	UTA Board Meeting: Public Hearing and Request Approval of Preliminary Official Statement	UTA, MA, BC
11-Jun	Ratings received / CPI Release	ALL
12-Jun	Post Invitation to Tender and Preliminary Official Statement	ALL
18-Jun	FOMC Meeting	ALL
19-Jun	Juneteenth Holiday	ALL
20-Jun	30-day contest period ends	ALL
20-Jun	Post Pricing Notice for Tender	UTA, MA, BU
27-Jun	Tender Expiration	ALL
30-Jun	Preliminary notice of acceptance and pre-market Series 2025 bonds	UTA, MA, BU
1-Jul	Negotiated bond sale, execution of Bond Purchase Agreement. Lock prices on tendered bonds based on UST yields	UTA, MA, BU
2-Jul	Post Taxable Purchase Price and Final Notice of Acceptance	UTA, MA, BU
15-Jul	Bond closing and Close Tender	ALL

