SESSION SIX
Initial Disclosure and Legal Documents

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Transportation Commission

CDIAC

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How often does your agency issue

How often does your agency issue debt?

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Overview of ArentFox Schiff

- ArentFox Schiff LLP is internationally recognized in core industries where business and the law intersect.
- With offices in Boston, Chicago, Los Angeles, New York, San Francisco, Silicon Valley, and Washington, DC, and more than 650 lawyers and policy professionals, ArentFox Schiff provides strategic legal counsel to clients that range from Fortune 500 corporations and start-ups, to state, local, and foreign governments, trade associations, and private individuals.
- Our attorneys know that being Smart in Your World isn’t just about having great legal skills. It means knowing your business, your industry, and your goals — and using that insight to solve challenges creatively and efficiently. Through decades of service, our attorneys have understood that hard work and talent are just a starting point for being considered a premier law firm, a distinction that ArentFox Schiff has earned from The American Lawyer, Chambers USA, and Legal 500.
- As one of the most diverse general practice law firms in the country, ArentFox Schiff has roots in government service, a focus on legal excellence, and a commitment to the administration of justice. Our lawyers have consistently distinguished themselves as leaders in pro bono representation, while many continue to play prominent roles in public service.
- ArentFox Schiff is proud of its reputation for understanding our clients’ business, their industry, and their world.

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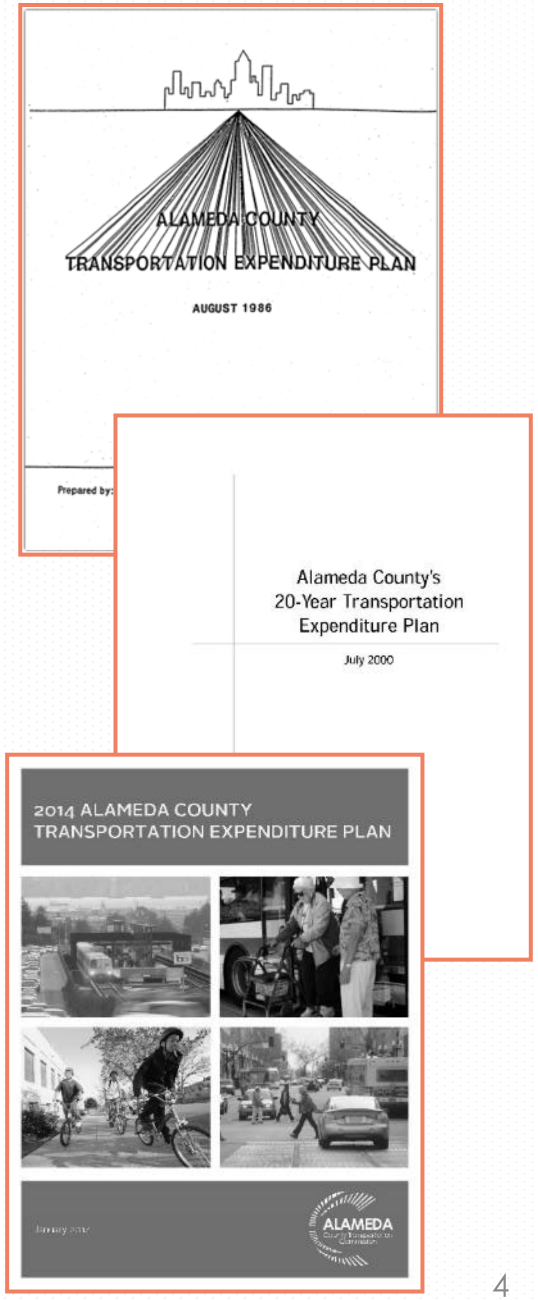
Your World°

Alameda County Transportation Commission

- The Commission is a joint powers authority that plans, funds, and delivers significant transportation projects and programs throughout Alameda County
  - Alameda County Encompasses 821 square miles, with a population over 1.6 million
- Alameda CTC and its predecessor agencies have:
  - Collected and administered sales tax revenues since 1987,
  - Successfully delivered almost all projects included in both the 1986 and 2000 Measure B Transportation Expenditure Plans as promised to voters, and
  - Currently working to deliver projects and programs in the 2014 Measure BB Transportation Expenditure Plan



Alameda CTC Governance

- The governing body of Alameda CTC consists of 22 Commissioners:
  - All five County Supervisors,
  - Two representatives from the City of Oakland,
  - One representative from each of the 13 incorporated cities in the County,
  - One representative from San Francisco Bay Area Rapid Transit District (BART) and
  - One representative from the Alameda-Contra Costa Transit District (AC Transit)

Alameda CTC Overview

- Mission - to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County.
- Manages Alameda County's one-cent transportation sales tax, Measure BB, approved by more than two-thirds of voters in 2014 in support of the 2014 Transportation Expenditure Plan (TEP) which includes various transportation projects and programs throughout Alameda County and expires in 2045
- Serves as Alameda County's congestion management agency
- Delivers more than $350 million each year in transportation improvements that create jobs, enhance mobility and enrich communities

PLAN

Alameda CTC develops a range of plans that guide transportation development and funding decisions

FUND

Alameda CTC's investment decisions are guided by voter-approved transportation expenditure plans

DELIVER

Alameda CTC's current Capital Program totals about $2.7 billion, with $2.05 billion of project work advancing through to the environmental, design, and construction phases

Alameda CTC Credit Highlights

- AAA ratings from both S&P and Fitch supported by many factors, including strong sales tax growth and central position within the Bay Area economy

Very Strong Regional Economy

- Broad and diverse tax base
- Strong employment and wealth indicators in the County

Robust Sales Tax Revenues

- FY2022 sales tax revenues were 1 cent and at all-time high of $385.9M
- FY2023 collections up 7.9% over FY2022 through first half of fiscal year

Strong Debt Service Coverage and Liquidity

- MADS coverage ratio of 35.68x after Series 2022 Bonds issued
- Prudent management of cash flows with healthy balance in excess of $660M before issuance

Strong Legal Provisions

- Gross sales tax revenue pledge net of administration costs
- Trustee intercept provides enhanced security
- ABT: 2.0x MADS
- Measure BB capital funding allocation of approximately 46% establishes "programmatic coverage" of approximately 2.25x

Management Strength and Stability

- Management team averages over 25 years of experience
- Proven track record of delivering projects on time and on budget
- Experience managing prior debt program under previous Measure B Sales Tax Measures

Does your agency expect to issue debt in fiscal year 2026-27?

Preliminary Considerations

- **What** is being financed?
- **What** law authorizes the financing?
- **How** will the financing be structured?
- **What** is the source of funds to repay the borrowing?
- **Who** is the issuer's representative that will be responsible for ongoing compliance?
- **Who** will comprise the Financing Team?
- **What** is a Financing Team?

The Financing Team

ISSUER TEAM + OTHER PROFESSIONALS = FINANCING TEAM

ISSUER TEAM

- Issuer
- Department Representatives
- Issuer's Counsel
- Bond Counsel
- Disclosure Counsel
- Municipal Advisor
- Feasibility Consultant
- Dissemination Agent
- Appraiser

OTHER PROFESSIONALS

- Trustee / Paying Agent / Fiscal Agent
- Trustee's Counsel
- Underwriter
- Underwriter's Counsel
- Securities Repository (DTC)
- Credit Enhancer
- Rebate Consultant
- Borrower and Borrower's Counsel (Conduit Transaction)
- Verification Agent (Refundings)
- Remarketing Agent (Variable Rate Transaction)
- Letter of Credit Bank (Variable Rate Transaction)

Disclosure Laws

- **Securities Act of 1933** – “Truth in Securities Law”
  - Requires that investors receive financial and other significant information for securities prior to sale
  - Section 17(a) – Antifraud Rule – Prohibits deceit, misrepresentations, and fraud in sale of securities
- **Exchange Act of 1934** – Created the SEC; conferred broad authority to the SEC to register, regulate, an oversee securities transactions and participants; and require periodic filings
  - **Section 10(b)** – prohibits use of manipulative or deceptive acts in connection with purchase or sale of securities
    - Rule 10b-5 – prohibits the making of untrue statements of material facts or omitting to state material facts that are necessary to make the statements in the offering document not misleading
- **Rule 10b-5**

Application of Disclosure Laws

- Federal antifraud laws require that municipal issuers use reasonable care to ensure that all information prepared in connection with their security offerings is "**materially**" accurate and does not omit a "**material**" fact that makes the information misleading.
- Whenever the issuer "speaks to the market"
- Examples:
  - Primary disclosure in Official Statements and Offering Memoranda
  - Annual Reports
  - Event Notices and Voluntary Filings Pursuant to Rule 15c2-12
  - Investor Communications
  - Other public statements made by the Issuer and its officials, including press releases, public statements, interviews, website, social media, and speeches
  - Reports delivered to governmental agencies
  - Issuer statements made that are reasonably expected to reach investors are also subject to antifraud provisions

What Makes a Statement or Omission Material?

- A statement or omission is material if:
  - "there is a **substantial** likelihood that a **reasonable** investor would consider it important in making the decision to purchase or sell the securities"
  - "there is **substantial** likelihood that having the information would have been viewed by the **reasonable** investor as having significantly altered the total mix of information available"
- Determined in the context of all relevant facts and circumstances, and upon the incurrence of each financial obligation
- **No set checklist**
- Guidance is primarily from SEC staff legal bulletins, SEC enforcement cases, and court decisions
- However, SEC staff legal bulletins are not legally binding but are statements of SEC staff views and may be used in enforcement actions

Has your agency established a disclosure working group?

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If your agency has established a disclosure working group, are you a member?

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Disclosure Policies and Procedures

- Provides general guidelines for the preparation of initial and continuing disclosure, including:
  - Identifying members of the Disclosure Working Group
  - Roles and responsibilities of Disclosure Working Group members for preparing disclosure
  - Defining a process for drafting, reviewing, and finalizing all disclosure documents
  - Identifying person(s) responsible for providing final sign-off for prepared disclosure
  - Empowering staff at all levels to provide input
  - Providing legislative body sufficient time for review and comment
  - Providing for periodic review and update of disclosure policies and procedures

Disclosure Policies and Procedures

(CONTINUED)

- Incorporates best practices
- Focuses on the “big picture”
- Encourages disclosure of the good and the bad
- Retains knowledgeable counsel and professionals
- Provides appropriate and regular training to officials and staff
- Is reviewed and revised periodically by the Disclosure Working Group

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Has your agency adopted written disclosure policies and procedures?

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What is an Official Statement?

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS
S&P: "AAA"
Fitch: "AAA"

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants in the documents pertaining to the Series 2022 Bonds and requirements of the Internal Revenue Code of 1986, as described herein, interest on the Bonds is not included in the gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Series 2022 Bonds is exempt from personal income taxes of the State of California. See "TAX MATTERS" herein.

$124,030,000
ALAMEDA COUNTY TRANSPORTATION COMMISSION
Measure BB Senior Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2022

Dated: Date of Delivery — **Due: March 1 as shown on inside cover**

The Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 in the aggregate principal amount of $124,030,000 (the "Series 2022 Bonds") are being issued by the Alameda County Transportation Commission ("Alameda CTC") pursuant to an Indenture, dated as of July 1, 2022, as supplemented by a First Supplemental Indenture, dated as of July 1, 2022 (together, the "Indenture"), each between Alameda CTC and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Proceeds of the Series 2022 Bonds will be applied (i) to finance and/or reimburse Alameda CTC for certain costs of implementing a portion of the transportation improvements outlined in the 2014 Transportation Expenditure Plan, as described herein, and (ii) to pay costs of issuance of the Series 2022 Bonds. See "PLAN OF FINANCE" herein.

The Series 2022 Bonds will be registered in the name of Cede & Co, as holder of the Series 2022 Bonds and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers will not receive certificates representing their interest in the Series 2022 Bonds purchased. The principal of and interest on the Series 2022 Bonds are payable by wire transfer to DTC which, in turn, will remit such principal or interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Series 2022 Bonds, as more fully discussed herein.

The Series 2022 Bonds will mature in the amounts and will bear interest at the rates set forth in the inside cover page hereof. Interest is payable on March 1 and September 1 of each year, commencing September 1, 2022. The Series 2022 Bonds are being issued as fully registered bonds without coupons in the denominations of $5,000 and any integral multiple thereof.

The Series 2022 Bonds are subject to optional and mandatory redemption prior to their maturity, as more fully described herein.

The Series 2022 Bonds are limited obligations of Alameda CTC secured by a pledge of the Pledged Revenues, consisting primarily of the Pledged Tax Revenues, and certain funds held by the Trustee. The Measure BB Sales Tax is an aggregate one percent (1.00%) retail transactions and use tax imposed in the County of Alameda (the "County"). In November 2014 more than two-thirds of the electorate of the County approved Measure BB to extend an existing one-half of one percent retail transactions and use tax then set to expire on March 31, 2022 and to impose and collect an additional one-half of one percent (1/2%) retail transactions and use tax. The Measure BB Sales Tax took effect on April 1, 2015 and was imposed at a rate of a one-half of one percent (1/2%) from April 1, 2015 through March 31, 2022. On April 1, 2022, the Measure BB Sales Tax increased to one percent. The Measure BB Sales Tax is scheduled to expire on March 31, 2045. The Series 2022 Bonds are secured by a pledge of Pledged Tax Revenues, which consist of amounts collected on account of the Measure BB Sales Tax, minus any refunds and any fees imposed by the California Department of Tax and Fee Administration for the performance of functions incident to the administration and operation of Ordinance No. 2014-1 and four percent administrative costs of Alameda CTC. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS" herein.

THE SERIES 2022 BONDS ARE LIMITED TAX BOND OBLIGATIONS OF ALAMEDA CTC PAYABLE SOLELY FROM PLEDGED REVENUES, PRIMARILY CONSISTING OF PLEDGED TAX REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE, AND ALAMEDA CTC IS NOT OBLIGATED TO PAY THE SERIES 2022 BONDS EXCEPT FROM PLEDGED REVENUES AND THOSE CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE SERIES 2022 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED HEREIN AND IN THE INDENTURE) OF ALAMEDA CTC IS NOT PLEDGED, FOR THE PAYMENT OF THE SERIES 2022 BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE PLEDGED REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision with respect to the Series 2022 Bonds. Capitalized terms used and not defined on the cover of this Official Statement have the meanings ascribed thereto herein.

The Series 2022 Bonds will be offered when, as and if received by the Underwriters, subject to the approval of validity by Norton Rose Fulbright US LLP, Bond Counsel to Alameda CTC, and certain other conditions. Certain legal matters will be passed upon for Alameda CTC by its Disclosure Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, and by Fennemore Wendel, General Counsel to Alameda CTC, and for the Underwriters by their counsel, Nixon Peabody LLP. It is anticipated that the Series 2022 Bonds in definitive form will be available for delivery through the facilities of DTC on or about July 14, 2022.

Citigroup

Goldman Sachs & Co. LLC — **Jefferies**

Dated: June 29, 2022

- A document prepared by or on behalf of a state or local government in connection with the issuance of municipal securities
- An official statement is similar to a prospectus that is used in corporate securities offerings
- Provides material information to investors about the transaction

Roadmap of the Official Statement

Material information needed by investors to make a decision to purchase the securities, including:

- Introduction
- Plan of Finance
- Sources and Uses of Funds
- Project Description
- Security for the Bonds and Sources of Payment
- Capital Improvement Plan
- Issuer Financial and Relevant Operating Information
- Risk Factors
- Absence of Material Litigation
- Continuing Disclosure Compliance
- Appendices
  - Audited Financial Statements
  - Economic, Demographic, and Statistical Data
  - Form of Bond Opinion
  - Form of Continuing Disclosure Undertaking
  - DTC Disclosure
  - Third Party Documents and Certifications
  - Summaries of Bond Security Documents

Basic Legal Documents

- Authorizing Resolution(s)
- Trust Agreement / Indenture of Trust / Indenture
- Loan Agreement / Leases / Installment Sale Agreement
- Preliminary Official Statement (POS) / Official Statement
- Bond Purchase Agreement (BPA) / Bond Purchase Contract
- Continuing Disclosure Undertaking (CDU)
- Tax Certificate
- Closing Certificates, Documents and Opinions

Authorizing Resolution

PARTIES:

- Issuer
- Borrower

PURPOSE:

- Authorizes the sale of the bonds by the Issuer and establishes the parameters for the issuance of the bonds, authorizes the execution and delivery of each of the financing documents, directs staff to take other actions necessary to complete the transactions, delegates officers to approve revisions to financing documents consistent with the parameters

KEY PROVISIONS:

- Maximum principal amount of bonds to be issued
- Maximum interest rate
- Maximum Underwriter's discount
- Maximum term
- Approves forms of the issuing documents, POS, BPA, and CDU
- Estimate of financing costs
- For refundings, the minimum savings to be achieved
- Delegation of Authority to Officers

Indenture of Trust / Trust Agreement / Bond Resolution / Bond Ordinance

PARTIES:

- Issuer
- Trustee
- For Ordinances and Resolutions, only the Issuer

PURPOSE:

- Evidences the contract between the Issuer and the Trustee for the benefit of the bondholders
- Establishes the rights, duties, responsibilities, and remedies of the Issuer and the Trustee
- Authorized the Trustee to administer the funds and property established as security for the bonds
- Specifies the security for repayment of the bonds

Indenture of Trust / Trust Agreement / Bond Resolution / Bond Ordinance

(CONTINUED)

KEY PROVISIONS:

- Definitions
- Permitted Investments
- Pledge of Collateral
- Reserve Fund
- Flow of Funds
- Additional Debt
- Interest Rates
- Principal and Interest Payment Dates
- Maturity Dates
- Redemption / Prepayment
- Defeasance Provisions
- Representations, Warranties and Covenants of the Issuer
- Maintenance of Rates, Fees & Charges
- Continuing Disclosure
- Rights and Responsibilities of the Trustee
- Events of Default and Remedies
- Insurance Provisions

- (Blue text = Indicates provisions that require critical review)

Loan Agreement / Lease Agreement / Project or Facilities Lease / Installment Sale Agreement

PARTIES:

- Issuer
- Borrower

PURPOSE:

- Evidences the loan of bond proceeds by the Issuer to finance the project and for user (borrower) of the project to make payments sufficient in time and amount to repay the bonds
- For Installment Sale Agreements and Leases, the title to the project will transfer at the end of the term and maturity of the bonds

KEY PROVISIONS:

- Pledge of Revenues
- Lease Payments
- Additional Payments
- Representations & Warranties
- Covenants
- Prepayment Provisions
- Abatement

Preliminary and Final Official Statements

PARTIES:

- Issuer
- Borrower

PURPOSE:

- Discloses to investors why the bonds are being issued, including, terms of the bonds, descriptions of project(s) being financed or bonds being refunded, security and sources for repayment, risk factors, issuer financial and operating information, description of obligated parties, outstanding material litigation, and compliance with prior continuing disclosure undertakings
- Discloses all information a “reasonable investor” would consider to be important in making an investment decision to purchase the bonds
- The Preliminary Official Statement is complete as of its date except for pricing information and is used by the Underwriter to presell the bonds
- The Final Official Statement, reflecting pricing information, is dated the date the bonds are sold to the Underwriter

Preliminary and Final Official Statements

(CONTINUED)

KEY PROVISIONS:

- Project Description
  - Size, location, costs, funding sources, contractor and type of contract, required approvals and stats thereof, expected commencement and completion dates
- Security for the Bonds and Sources of Payment
- Risk Factors
- Absence of Material Litigation
- Financial and Operating Information
- Continuing Disclosure
- Economic, Demographic, and Statistical Data

You Are Not Alone

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What is your primary concern regarding disclosure?

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Bond Purchase Agreement/ Bond Purchase Contract

PARTIES:

- Issuer
- Underwriter
- Borrower
- Obligated Party

PURPOSE:

- Provides for the sale of the bonds by the Issuer to the Underwriter
- Specifies (i) the terms of the bonds; (ii) conditions precedent to the obligation of the Underwriter to purchase of the bonds; (iii) the delivery date of the bonds; (iv) the conditions permitting the Underwriter to withdraw from the agreement (the "Underwriter's Outs"); (v) representations and warranties of the Issuer and Borrower, including a representation that the Preliminary Official Statement was deemed final by the Issuer as of its date and compliance with past continuing disclosure undertakings; (vi) the documents to be delivered at closing; (vii) the Underwriter's fees; (viii) the expenses to be paid by various parties; (ix) certain SEC requirements to be followed by all parties; and (x) the method for determining the issue price of the bonds
- Executed after the bonds have been priced by the Underwriter

Bond Purchase Agreement/ Bond Purchase Contract (CONTINUED)

KEY PROVISIONS:

- Pricing Information
  - Representation & Warranties
  - Underwriter's Outs
  - Expenses
  - Closing Conditions
  - Closing Documents
  - Form of Opinions
  - Redemption Provisions
  - Form of Issue Price Certificate (Tax–Exempt Bonds)

Continuing Disclosure Undertaking

PARTIES:

- Issuer
- Obligated Party
- Trustee
- Dissemination Agent

PURPOSE:

- Contains the undertakings of the Issuer (and each Obligated Party) to provide annual updates of specified information (Annual Reports) by a specified date certain and notices of the occurrence of significant events, generally within 10 business days following occurrence, pursuant to Rule 15c2-12
- Remains in effect during the lifetime of the bonds

Continuing Disclosure Undertaking
(CONTINUED)

KEY PROVISIONS:

- Content of the Annual Report
  - Audited Financial Statements
  - Updates to specified tabular information
- Filing Date for the Annual Report
- List of 16 Significant Events
- Date for Filing Notices of the Occurrence of Significant Events
- Amendment Procedures
- Dissemination Agent Duties

ADDITIONAL CONSIDERATIONS:

- Rule 10b-5

Tax Certificate / Tax and Non-Arbitrage Certificate

PARTIES:

- Issuer
- Borrower (Conduit Transaction)

PURPOSE:

- Sets forth the certifications and covenants of the Issuer (and the Borrower) necessary to maintain the tax-exempt status of the bonds
- Includes rules for investment of the bond proceeds, compliance with arbitrage and rebate requirements

KEY PROVISIONS:

- Sources and Uses of Proceeds
- Investment of Proceeds
- Representations and Warranties
- Tax Compliance Program
- Others – depending upon the purpose of the financing

Closing Certificates, Documents, & Opinions

PARTIES:

- All

PURPOSE:

- *Documents the satisfaction or waiver of the conditions precedent to closing the transaction*
  - Issuer and Borrower Certificates
  - Receipts
  - Requisitions
  - Documents for Deposit of Funds
  - Opinions

Alameda CTC's Debt Issuance Approach

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS
S&P: "AAA"
Fitch: "AAA"

In the opinion of Orrick Herrington & Sutcliffe LLP, Bond Counsel to Alameda CTC, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2014 Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2014 Bonds. See "Tax Matters" herein.

ALAMEDA County Transportation Commission

$137,145,000
ALAMEDA COUNTY TRANSPORTATION COMMISSION
Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2014

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS
S&P: "AAA"
Fitch: "AAA"

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants in the documents pertaining to the Series 2022 Bonds and requirements of the Internal Revenue Code of 1986, as described herein, interest on the Bonds is not included in the gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Series 2022 Bonds is exempt from personal income taxes of the State of California. See "TAX MATTERS" herein.

ALAMEDA County Transportation Commission

$124,030,000
ALAMEDA COUNTY TRANSPORTATION COMMISSION
Measure BB Senior Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2022

- Based on ACTC Capital Improvement Plan and cash flow projections develop a long-term debt strategy with Municipal Advisor
- Alameda CTC funds capital projects on a pay-as-you-go basis as long as reasonably possible (minimize financing costs)
- Alameda CTC issues debt when funding is needed to move capital projects forward efficiently
- Gain Commission approval for:
  - Update to debt policy, as needed
  - Internal fund borrowing, as needed, to allow for optimal timing on entering the market
  - A par amount range in order to be responsive to market conditions on day of sale
  - Continuing disclosure certificate

Alameda CTC's Evolving Official Statement Topics

Additional disclosure items in 2022 Official Statement (OS) vs. 2014 OS

- Risk to Pledged Revenues
    - Economy
        - Effect of COVID-19
        - Risk of natural disasters (e.g. major earthquake since we live in California)
    - Investments
        - Market fluctuations
        - Reduced interest income
    - Cyber Security
        - Hacking, viruses, malware, ransomware and other attacks (Alameda CTC or CDTFA)
    - Climate Change
        - Sea level rise
        - Extreme temperatures and weather events

Issuer Considerations

- Disclosures in the OS are important to protect the issuer
    - Include material risks that may arise related to the revenues, project, industry, demographics, etc.

- Development of OS
    - Work with the Issuer's Counsel to prepare document
    - Review all sections prepared by Disclosure Counsel from publicly available documents closely (read everything to ensure authenticity and accuracy)
    - Discuss industry-specific risks and what should be included in OS
    - Slow down a transaction when necessary or let Disclosure Counsel know if information is not yet available and when it is expected to be available (e.g. audited financial statements, pledged revenues, etc.)

Takeaways

- Be mindful of your obligations under **Securities Laws**
- **Disclosure evolves** to reflect current circumstances and concerns
- Make sure that all the **right people are in the room**
- Raise concerning issues with your **Issuer Team**
- Follow **Adopted Policies and Procedures**
- Provide **Regular Training**
- Develop **Compliance Checklists**
- Frequent issuers should review the Official Statement for "**disclosure bloat**"
- **Tell the full story**

Additional Resources

- California Debt and Investment Advisory Commission (www.treasurer.ca.gov/cdiac)
- Government Finance Officers Association (www.gfoa.org)
- Municipal Securities Rulemaking Board (www.msrb.org)
- National Association of State Auditors, Comptrollers and Treasurers (www.nasact.org)
- National Federation of Municipal Analysts (www.nfma.org)
- Securities Industry and Financial Markets Association (www.sifma.org)

QUESTIONS?

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