

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

(510) 464-6000

FINANCE, BUDGET & BOND OVERSIGHT COMMITTEE

March 21, 2017

11:00 a.m.

COMMITTEE MEMBERS: Directors Josefowitz (Chairperson), Allen (Vice Chairperson), Blalock, and Dufty

Chairperson Josefowitz has called a meeting of the Finance, Budget, and Bond Oversight Committee at 11:00 a.m. on Tuesday, March 21, 2017, in the BART Board Room, Kaiser Center 20th Street Mall – Third Floor, 344 – 20th Street, Oakland, California.

Members of the public may address the committee regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the committee. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment.

AGENDA

1. Call to Order.
 - a. Roll Call.
 - b. Pledge of Allegiance.
2. Fiscal Year 2018 Budget Update.* For information.
3. Issuance and Sale of General Obligation Bonds (Election of 2004), 2017 Refunding Series E.* For information.
4. Issuance and Sale of General Obligation Bonds (Election of 2016), 2017 Series A.* For information.
5. Selection of Underwriting Pool from Which Senior Manager and Co-Managers will be Designated for the Issuance and Sale of the District’s Debt.* For information.
6. Public Comment.
7. New Business. (An opportunity for Board Members to introduce potential matters for a future committee agenda)

Kenneth A. Duron
District Secretary

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to this meeting, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at (510) 464-6083 for information.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: March 17, 2017

FROM: General Manager

SUBJECT: FY18 Preliminary Budget Update

Attached is a presentation for the Finance, Budget and Bond Oversight Standing committee intended to facilitate a discussion of the Fiscal 2018 Preliminary Budget. This is an informational item only; no Board action is requested.

If you have questions regarding this item, please contact Carter Mau, Assistant General Manager, Administration and Budget, at 510-464-6194.



Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

INTER-OFFICE COMMUNICATION

TO: Board of Directors **Date:** March 17, 2017
FROM: Controller-Treasurer
**SUBJECT: GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2017 SERIES A
and (ELECTION OF 2004), 2017 REFUNDING SERIES E - DRAFT
DOCUMENTS**

The District was authorized by the voters in 2016 to issue \$3.5 billion in GO Bonds in order to fund projects authorized by Measure RR. We are requesting authorization to issue the first tranch of bonds under Measure RR not to exceed \$300 million.

In addition, the District was authorized by the voters in 2004 to issue \$980 million in GO bonds to fund earthquake safety improvements to the BART system. We have issued \$740 million of the \$980 million authorization in 2005, 2007 and 2013. We intend to issue not to exceed \$110 million of GO Bonds to refund outstanding Series 2007 Series B Bonds which are callable for redemption on August 1, 2017.

In conjunction with the issuance of the General Obligation Bonds (Election of 2016), Series 2017 Series A and (Election of 2004), 2017 Refunding Series E, as noted in the Resolutions attached to the EDDs, we are submitting a CD with draft copies of 1) 2004 Amended and Restated Trust Agreement (relating to the 2017 Refunding Series E Bonds); 2) 2016 Master Issuance Agreement (being the Trust Agreement relating to the 2017 Series A Bonds); 3) Bond Purchase Agreement; 4) Escrow Agreement; and 5) Preliminary Official Statement, and Continuing Disclosure Agreement (appearing as Exhibit F to the Preliminary Official Statement). Attached to the draft Preliminary Official Statement is Appendix A which provides an overview of the District and where we are today. Appendix A is located on page A-1. Hard copies of the draft documents will be available at the Board meeting.

Please let me know if you have any questions or concerns.


Rosemarie V. Poblete

cc: Board Appointed Officers
Deputy General Manager
Executive Staff



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Powers</i> 15 Mar 2017		GENERAL MANAGER ACTION REQ'D:		
DATE: 3/7/2017		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Michaela Morales Dept: Controller-Treasurer Signature/Date: <i>Michaela Morales</i> 3.14.17	General Counsel <i>[Signature]</i> 3/14/17 []	Controller/Treasurer <i>[Signature]</i> 3/14/17 []	District Secretary []	BARC <i>[Signature]</i> 3-14-17 []

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2017 REFUNDING SERIES E

PURPOSE:

To request Board adoption of a resolution, which authorizes the issuance and sale of not to exceed \$110 million in General Obligation Bonds (Election of 2004), 2017 Refunding Series E (the "Bonds"). Furthermore, to seek Board authorization for the Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Paying Agent Agreement or Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement, Escrow Agreement and related agreements and, (3) negotiate "Green Bond" certification agreements, if any, in connection with the issuance of the Bonds.

DISCUSSION:

In 2017, the District intends to issue not to exceed \$110 million of General Obligation Bonds. Proceeds of the Bonds will be used to refund outstanding bonds issued pursuant to Measure AA to achieve debt service savings and to pay costs of issuance of the bonds. The outstanding bonds to be refunded consist of the General Obligation Bonds (Election of 2004), 2007 Series B that can be called for redemption on August 1, 2017.

The proposed resolution will authorize the Controller-Treasurer to negotiate the structure, financing and cost of issuance of the Bonds. In addition, the resolution authorizes the

preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Paying Agent Agreement or Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement, Escrow Agreement and related agreements, and payment to cover the costs of issuance as well as the negotiation of green bond certification agreements, if any, in connection with issuance of General Obligation Bonds (Election of 2004), 2017 Refunding Series E.

Green Bonds are issued to encourage investing in projects that support sustainability of the environment. More specifically, Green Bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean transportation, sustainable water management, and the cultivation of environmentally friendly technologies. BART issuances are "Green Bonds" as they finance "clean transportation".

FISCAL IMPACT:

The District proposes to issue General Obligation Bonds (Election of 2004), 2017 Refunding Series E, in the total principal amount not to exceed \$110 million. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of Bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the General Obligation Bonds will be paid through assessed ad valorem taxes on all property in the three BART District counties. As a result of the refunding, taxes necessary to pay the outstanding bonds will be reduced. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the General Obligation Bonds, 2017 Refunding Series E, at this time which would mean no debt service savings would be available with respect to bonds currently outstanding.

RECOMMENDATION:

To authorize the issuance of the Bonds and for the Controller-Treasurer to negotiate the structure, financing and cost of issuance for the General Obligation Bonds (Election of 2004), 2017 Refunding Series E, and execute and deliver all documents necessary for their issuance.

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2017
REFUNDING SERIE (cont.)

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale of not to exceed \$110 million aggregate principal amount of General Obligation Bonds (Election of 2004), 2017 Refunding Series E, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$110 MILLION AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2017 REFUNDING SERIES E; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT AND AN ESCROW AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Resolution No. 4920 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 10, 2004, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 2, 2004, at which the following proposition ("Measure AA") was submitted to the electors of the District:

"To protect public safety and keep Bay Area traffic moving in the event of an earthquake or other disaster, shall BART, the San Francisco Bay Area Rapid Transit District, be authorized to issue bonds not to exceed \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda Counties, including strengthening tunnels, bridges, overhead tracks and the underwater Transbay Tube, and establish an independent citizens' oversight committee to verify bond revenues are spent as promised?"

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2005 Series A (the "2005 Bonds") in an aggregate principal amount of \$100,000,000, pursuant to that certain Paying Agent Agreement (the "Master Paying Agent Agreement") by and between the District and U.S. Bank National Association (successor to The Bank of New York Trust Company, N.A.), as Paying Agent (the "Paying Agent" or "U.S. Bank"), dated as of May 1, 2005;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2007 Series B (the "2007 Bonds") in an aggregate principal amount of \$400,000,000, pursuant to that certain First Supplemental Paying Agent Agreement (the "First Supplemental Paying Agent Agreement") by and between the District and the Paying Agent, dated as of July 1, 2007, supplementing the Master Paying Agent Agreement;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2013 Series C (the "2013 Bonds") in an aggregate principal amount of \$240,000,000 pursuant to that certain Second Supplemental Paying Agent Agreement (the "Second Supplemental Paying Agent Agreement") by and between the District and the Paying Agent, dated as of October 1, 2013;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the "2015 Bonds" and together with the 2005 Bonds, the 2007 Bonds and the 2013 Bonds, the "Outstanding Bonds") in an aggregate principal amount of \$276,805,000 pursuant to that certain Third Supplemental Paying Agent Agreement (the "Third Supplemental Paying Agent Agreement" and together with the Master Paying Agent Agreement, the First Supplemental Paying Agent Agreement, the Second Supplemental Paying Agent Agreement and further supplements and amendments thereto, the "Paying Agent Agreement") by and between the District and the Paying Agent, dated as of October 1, 2015;

WHEREAS, debt service savings can be achieved by refunding a portion of the 2007 Bonds that are currently outstanding and are subject to redemption on August 1, 2017;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code") and other applicable law, the District is authorized to issue refunding bonds to refund all or a portion of the Outstanding Bonds, and to sell its Refunding Bonds at public sale or on a negotiated basis;

WHEREAS, the District now deems that it is necessary and desirable to issue "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2017 Refunding Series E (the "Refunding Bonds") in one or more series to provide funds to refund a portion of the Outstanding Bonds (such refunded portion hereinafter referred to as the "Prior Bonds") as shall be determined appropriate by the Controller/Treasurer of the District (the "Controller/Treasurer") in order to achieve debt service savings;

WHEREAS, the District desires to issue the Refunding Bonds pursuant to the Paying Agent Agreement, as it may be amended and supplemented pursuant to its terms, as an amended and restated "Trust Agreement" which is proposed to be entered by the District and U.S. Bank as the trustee thereunder;

WHEREAS, there has been prepared and presented to this meeting a proposed form of Trust Agreement (with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the "Agreement");

WHEREAS, this Board of Directors of the District deems it necessary and desirable to sell the Bonds by negotiated sale to the underwriters designated by the Controller/Treasurer from the District's Underwriters Pool (the "Underwriters") in order to provide flexibility in the timing of the sale of the Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing;

WHEREAS, the District has engaged Sperry Capital Inc. as financial advisor to the District with respect to the Refunding Bonds, and Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District with respect to the Refunding Bonds and estimates the costs of issuance for the Refunding Bonds as set forth in Appendix A hereto;

WHEREAS, a proposed form of a bond purchase agreement has been prepared and presented to this meeting (with such changes as are made pursuant to this Resolution, the "Bond Purchase Agreement");

WHEREAS, there has been prepared and submitted to this meeting a proposed form of Official Statement in preliminary form (the "Preliminary Official Statement") to be used in connection with the offering and sale of the Bonds;

WHEREAS, a proposed form of an escrow agreement has been prepared and presented to this meeting (with such changes as are made pursuant to this Resolution, the "Escrow Agreement");

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (with such changes, omissions and insertions as are made pursuant to this Resolution, the "Continuing Disclosure Agreement"), which is proposed to be entered into by the District and the Paying Agent, as paying agent and as dissemination agent; and

WHEREAS, the District hereby determines that the projects financed by the Prior Bonds and the use of the proceeds of the Refunding Bonds to refinance such projects will assist BART in providing mass transit services which services are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the Refunding Bonds should be considered "Green Bonds" under publicly considered Green Bond Principles;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2017 Refunding Series E, in an aggregate principal amount not to exceed \$110 million, and being sufficient to: (i) refund such portion of the Outstanding Bonds as shall be determined appropriate by the Controller/Treasurer of the District in order to achieve debt service savings and/or to restructure existing debt service; and (ii) pay costs of issuance of the Refunding Bonds, on the

terms and conditions set forth in, and subject to the limitations specified in, the Agreement, as finally executed and delivered, is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to determine the principal amount, series designations, interest rate or rates, and other terms of the Refunding Bonds to be issued, including determining whether such Refunding Bonds shall be issued as taxable or tax-exempt bonds (subject to the aforesaid limitations and the limitations hereinafter specified) and to specify said terms and conditions set forth herein and in the Agreement.

Section 2. The form of Agreement presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The proceeds of the Refunding Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the payment of the redemption price of and interest to the redemption date on the Prior Bonds. The maximum term of the Refunding Bonds shall not exceed the term of the Prior Bonds being refunded. The maximum rate of interest to be payable on the Refunding Bonds shall not exceed five percent (5.00%) per annum. The combined true interest cost for the Refunding Bonds shall not exceed four and one-half percent (4.50%) per annum. Optional redemption of the Refunding Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of Refunding Bonds being redeemed; provided, however, that the Controller/Treasurer is hereby authorized to cause all or any portion of the Bonds to be issued as callable, noncallable, taxable, or tax-exempt bonds. The net present value of the savings generated by the refunding shall be at least five percent (5.00%) of the aggregate principal amount of the bonds to be refunded and the Controller/Treasurer shall provide that all the costs of issuance for the Refunding Bonds, which shall not exceed one percent (1%) of the principal amount thereof, shall be paid from the proceeds of the Refunding Bonds. The Refunding Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the Refunding Bonds. The Refunding Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent. The dated date of the Agreement, the interest payment dates, denominations, forms, manner of execution, terms of redemption and other terms of the Bonds shall be as provided in the Agreement as finally executed.

Section 3. The sale of the Refunding Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement is hereby approved and authorized and the form of Bond Purchase Agreement presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The maximum underwriting discount on the sale of the Refunding Bonds, (exclusive of original issue discount), shall be not greater than one-half of one percent (.50%) of the principal amount of the Refunding Bonds.

Section 4. The form of Preliminary Official Statement presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering

and sale of the Refunding Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, including appropriate disclosure on the Green Bond status of the Refunding Bonds, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is "deemed final" as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer, being hereinafter referred to as the "Official Statement") and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement, to be delivered to the Underwriters and distributed in connection with the offering and sale of the Refunding Bonds.

Section 5. The form of Continuing Disclosure Agreement presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by him, said execution being conclusive evidence of such approval.

Section 6. The Controller/Treasurer of the District is hereby authorized to solicit proposals from third parties providing Green Bond certifications, and, if the Controller/Treasurer of the District determines that it is in the best interest of the District to arrange for such certifications for the Refunding Bonds or a portion thereof, the Controller/Treasurer of the District is hereby authorized to execute and deliver all documents necessary in connection therewith.

Section 7. The Escrow Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver one or more escrow agreements in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The Controller/Treasurer is hereby authorized and directed to take such actions as are necessary in connection with the investment of funds deposited in the escrow funds established pursuant to the Escrow Agreement, including seeking bids for escrow securities and, if applicable, U.S. Bank, in its capacity as trustee or escrow agent, the Underwriters, or Sperry Capital Inc., in its capacity as financial advisor to the District, is hereby authorized and directed to file such applications and other documents on behalf of the District as may be required to order and obtain U.S. Treasury Obligations – State and Local Government Series or other government securities to be purchased with proceeds of the Refunding Bonds and deposited in the escrow funds.

Section 8. The Controller/Treasurer is hereby authorized to enter into or to instruct the Paying Agent to enter into one or more investment agreements, float contracts, swaps or other

hedging products (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Agreement, on such terms as the Controller/Treasurer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby directs that, if entered into, the Investment Agreement shall reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and shall be designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 9. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the general tax levy, levy and collect annually until the Refunding Bonds are paid, or until there is a sum in the treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the Refunding Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the Refunding Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 10. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of the Bonds and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. "Bonds" for purpose of this pledge contained herein means all bonds of the District heretofore or hereafter issued pursuant to voter approved Measure AA of the District, including the Outstanding Bonds and the Refunding Bonds.

Section 11. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (collectively, the "BART Counties"), are hereby requested to take and authorize such actions as may be necessary pursuant to the laws of the State of California to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest the Bonds, including the Refunding Bonds, as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District's Interest and Sinking Fund established pursuant to the Agreement, and the Secretary of the District is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board hereby agrees to reimburse each BART County for any costs

associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer of the District is hereby authorized to enter into agreements with each BART County or provide such other documentation as the Controller/Treasurer of the District determines is necessary or convenient to assist in the levy and collection of the taxes and the transfer thereof to or at the direction of the District.

Section 12. The President of the Board of Directors of the District, the General Manager of the District, the Controller/Treasurer of the District, the General Counsel of the District, the District Secretary and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Escrow Agreement and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the Refunding Bonds.

Section 13. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the Bonds are hereby ratified, confirmed and approved.

Section 14. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2017.

**GENERAL OBLIGATION BONDS (ELECTION OF 2004),
2017 REFUNDING SERIES E**

APPENDIX A
Estimated Costs of Issuance

Purpose	Amount*
Bond Counsel Fees	\$ 110,000.00
Disclosure Counsel Fees	50,000.00
Disbursement	5,000.00
Financial Advisor Fees	35,000.00
Rating Agency Fees	70,000.00
Paying Agent Fees	7,500.00
Verification Agent Fees	3,000.00
Printer Fees	3,500.00
District Fees	3,000.00
Miscellaneous	2,875.00
Green Bond Certification	5,000.00
Underwriter's Discount	215,000.00
Subtotal	\$509,875.00
Contingency	5,125.00
Total	\$ 515,000.00
<i>*Preliminary, subject to change</i>	



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>15 MAR 2017</i> <i>Robert M. Power</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 3/7/2017		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Michaela Morales Dept: Finance Signature/Date: <i>3-14-17</i>	General Counsel <i>[Signature]</i> 3/14/17 []	Controller/Treasurer <i>[Signature]</i> 3/14/17 []	District Secretary []	BARC <i>[Signature]</i> 3-14-17 []

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, (ELECTION OF 2016), 2017 SERIES A

PURPOSE:

To request Board adoption of a resolution, which authorizes the issuance and sale of not to exceed \$300 million in General Obligation Bonds (Election of 2016), 2017 Series A (the "Bonds"). Furthermore, to seek Board authorization for the Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements and, (3) negotiate "Green Bond" certification agreements, if any, in connection with the issuance of the Bonds.

DISCUSSION:

In 2017, the District intends to issue not to exceed \$300 million of voter approved General Obligation Bonds. Proceeds of the Bonds will be used to fund projects authorized by Measure RR and to pay costs related to issuance of the bonds.

The proposed resolution will authorize the Controller-Treasurer to negotiate the structure, financing and cost of issuance of the Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Trust Agreement, Bond Purchase Agreement,

Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance as well as the negotiation of green bond certification agreements, if any, in connection with issuance of General Obligation Bonds (Election of 2016), 2017 Series A.

Green Bonds are issued to encourage investing in projects that support sustainability of the environment. More specifically, Green Bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean transportation, sustainable water management, and the cultivation of environmentally friendly technologies. BART issuances are ‘Green Bonds’ as they finance “clean transportation”.

FISCAL IMPACT:

The District proposes to issue General Obligation Bonds (Election of 2016), 2017 Series A, in the total principal amount not to exceed \$300 million. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of Bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the General Obligation Bonds will be paid through assessed ad valorem taxes on all property in the three BART District counties. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the General Obligation Bonds (Election of 2016), 2017 Series A, at this time which would mean no bond funds would be available to fund projects under Measure RR.

RECOMMENDATION:

To authorize the issuance of the Bonds and for the Controller-Treasurer to negotiate the structure, financing and cost of issuance for the General Obligation Bonds (Election of 2016), 2017 Series A, and execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale of not to exceed \$300 million aggregate principal amount of General Obligation Bonds (Election of 2016), 2017 Series A, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$300 MILLION AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2017 SERIES A; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE UNDERWRITERS AND FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Resolution No. 5321 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 9, 2016, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 8, 2016, at which the following proposition ("Measure RR") was submitted to the electors of the District:

"To keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old train control systems; and other deteriorating infrastructure, shall the Bay Area Rapid Transit District issue \$3.5 billion of bonds for the acquisition or improvement of real property subject to independent oversight and annual audits?"

WHEREAS, at least two-thirds of the votes cast on said proposition were in favor of issuing said bonds;

WHEREAS, pursuant to said favorable vote and pursuant to Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, and Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code, commencing with 53506 and other applicable law, the District is authorized to issue said bonds;

WHEREAS, the District deems that it is necessary and desirable to issue its "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2017 Series A" (the "Bonds") in an aggregate principal amount not exceeding \$300,000,000, according to the terms and in the manner as set forth in the Trust Agreement between the District and U.S. Bank National Association or such other national or state bank or trust company authorized to transact, and transacting, business in the State of California or the State of New York to be designated by the Controller/Treasurer of the District, as trustee (the "Trustee"), for the purpose of financing the cost of the projects authorized in Measure RR (collectively, the "Project") and paying the costs of issuance of the Bonds;

WHEREAS, there has been prepared and presented to this meeting a proposed form of Trust Agreement (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the "Trust Agreement");

WHEREAS, the District deems it necessary and desirable to sell the Bonds by negotiated sale to the Underwriters designated by the Controller/Treasurer of the District from the District's Underwriters Pool (the "Underwriters"), in order to provide flexibility in the timing of the sale of the Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing, all pursuant to a bond purchase agreement to be entered into among the District and the Underwriters, a proposed form of which has been prepared and presented to this meeting (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the "Bond Purchase Agreement");

WHEREAS, there has been prepared and submitted to this meeting a proposed form of Official Statement in preliminary form (the "Preliminary Official Statement") to be used in connection with the offering and sale of the Bonds;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, omissions and insertions as are made pursuant to this Resolution, being hereinafter referred to as the "Continuing Disclosure Agreement"), which is proposed to be entered into by the District and the Trustee, as trustee and as dissemination agent;

WHEREAS, the District has engaged Sperry Capital Inc. as financial advisor to the District with respect to the Bonds, and Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District with respect to the Bonds and estimates the costs of issuance for the Bonds as set forth in Appendix A hereto; and

WHEREAS, the District hereby determines that use of the proceeds of the Bonds for the Project will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the Bonds should be considered "Green Bonds" under publicly considered Green Bond Principles;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2017 Series A, in an aggregate principal amount not to exceed \$300,000,000, on the terms and conditions set forth herein and in the Trust Agreement, as finally executed and delivered, is hereby approved.

Section 2. The Trust Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to designate the Trustee (which shall be a national or state bank or trust company authorized to transact, and transacting, business in the State of California or the State of New York) and to execute and deliver the Trust Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The proceeds of the Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the Bonds shall not exceed thirty-five (35) years. The maximum rate of interest to be payable on the Bonds shall not exceed five percent (5%) per annum. The combined true interest cost for the Bonds shall not exceed four and one-half percent (4.50%). Optional redemption of the Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of Bonds being redeemed; provided, however, that the Controller/Treasurer of the District is hereby authorized to cause all or any portion of the Bonds to be issued as noncallable, taxable or tax-exempt bonds. The Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the Bonds. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Trustee. The dated date of the document, the interest payment dates, denominations, forms, manner of execution, terms of redemption and other terms of the Bonds shall be as provided in the Trust Agreement as finally executed.

Section 3. The sale of the Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement are hereby approved and authorized. The Bond Purchase Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The maximum underwriting discount on the sale of the Bonds, (exclusive of original issue discount), shall be not greater than one half of one percent (0.50%) of the principal amount of the Bonds.

Section 4. The form of the Preliminary Official Statement presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved, including appropriate disclosure on the Green Bond status of the Bonds. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary

Official Statement is “deemed final” as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer of the District is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer of the District is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer of the District, being hereinafter referred to as the “Official Statement”) and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement, to be delivered to the Underwriters and distributed in connection with the offering and sale of the Bonds.

Section 5. The form of the Continuing Disclosure Agreement presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval.

Section 6. The Controller/Treasurer of the District is hereby authorized to solicit proposals from third parties providing Green Bond certifications, and, if the Controller/Treasurer of the District determines that it is in the best interest of the District to arrange for such certifications for the Bonds or a portion thereof, the Controller/Treasurer of the District is hereby authorized to execute and deliver all documents necessary in connection therewith.

Section 7. The Controller/Treasurer of the District is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Controller/Treasurer of the District shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 8. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the general tax levy, levy and collect annually until the Bonds are paid, or until there is a sum in the treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Trust Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 9. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (collectively, the "BART Counties"), are hereby requested to take and authorize such actions as may be necessary pursuant to laws of the State of California to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Bonds as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District's Interest and Sinking Fund established pursuant to the Trust Agreement, and Secretary of the District is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board hereby agrees to reimburse each BART County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer of the District is hereby authorized to enter into agreements with each BART County or provide such other documentation as the Controller/Treasurer of the District determines is necessary or convenient to assist in the levy and collection of the taxes and the transfer thereof to or at the direction of the District.

Section 10. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of the Bonds and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. "Bonds" for purpose of this pledge contained herein means all bonds of the District heretofore or hereafter issued pursuant to voter approved Measure RR of the District, including the Bonds and any bonds issued to refund the Bonds or any other bonds issued pursuant to Measure RR.

Section 11. The President of the Board of Directors of the District, the General Manager of the District, the Controller/Treasurer of the District, the General Counsel of the District, the District Secretary and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Trust Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the Bonds.

Section 12. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the Bonds are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2017.

General Obligation Bonds (Election of 2016), 2017 Series A

APPENDIX A
Estimated Costs of Issuance

Purpose	Amount*
Bond Counsel Fees	\$ 200,000.00
Disclosure Counsel Fees	100,000.00
Disbursement	5,000.00
Financial Advisor Fees	30,000.00
Rating Agency Fees	170,000.00
Paying Agent Fees	12,500.00
Printer Fees	3,500.00
District Fees	3,000.00
Miscellaneous	2,875.00
Green Bond Certification	10,000.00
Underwriter's Discount	515,000.00
Subtotal	\$1,051,875.00
Contingency	13,125.00
Total	1,065,000.00
<i>*Preliminary, subject to change</i>	



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Penne</i> 15 Mar 2017		GENERAL MANAGER ACTION REQ'D:		
DATE: 3/1/2017		BOARD INITIATED ITEM: No		
Originator/Prepared by: Michaela Morales Dept: Controller-Treasurer/Rose Poblete Signature/Date: <i>Michaela Morales</i> 3.14.17	General Counsel <i>[Signature]</i> 3/14/17 []	Controller/Treasurer <i>[Signature]</i> 3/14/17 []	District Secretary []	BARC <i>[Signature]</i> 3-14-17 []

SELECTION OF BART UNDERWRITING POOL FROM WHICH SENIOR MANAGER AND CO-MANAGERS WILL BE DESIGNATED FOR THE ISSUANCE AND SALE OF THE DISTRICT'S DEBT

PURPOSE:

To authorize the Controller-Treasurer to select underwriting firms for the District's pool of potential underwriters ("Underwriters Pool") and to choose a firm(s) from the Underwriters Pool to serve as the Lead Senior Manager and Co-Senior Manager.

DISCUSSION:

The District has authorization from the voters to issue up to \$3.5 billion of General Obligation Bonds under Measure RR, which along with the Seismic Safety Bonds will require multiple issues of debt over a number of years. The District will also continue to issue Sales Tax Revenue Bonds, as necessary, to refund outstanding bonds or fund new projects. All such issuance will require underwriting services to best access the capital markets.

In order to be prepared to issue the District's Bonds at the most advantageous time for BART, staff determined that establishing an Underwriters Pool would enable BART to expeditiously enter the market and issue bonds in a timely manner. A request for Proposals (RFP) to provide underwriting services was posted February 9, 2017. The RFP requested the services of firms interested in serving as Senior Managers and as Co-Manager(s) for District bond issuances. The Underwriters Pool will be for a period of three (3) years, with two (2) options for the District to extend the period an additional one (1) year period for a

two (2) options for the District to extend the period an additional one (1) year period for a total potential term of five (5) years.

A total of 21 firms responded to the Request for Proposal by February 28, 2017. One of the 21 respondents entered into joint venture agreements to form one (1) team, with the remainder proposing as individual firms. The written proposals were evaluated by BART Finance Department staff and the District's financial advisor. Evaluation criteria included qualifications of the proposed personnel, experience and financial capabilities of the firm, suggested innovative financing mechanisms, recommended structures, and references. As a result of this evaluation, eight (8) senior firms were invited to participate in oral interviews.

Based upon the evaluations of the responses and the oral interviews, in conjunction with the written scores, firms listed in the attached Exhibit A are recommended to be designated members of BART's Underwriting Pool; six (6) in the Senior Manager Pool and six (6) in the Co-Managed Pool. The highest scoring firm, Barclays Capital was selected as the Lead Senior Manager and Stifel Financial Corporation as the Co-Senior Manager of the General Obligation Bonds (Election of 2016), 2017 Series A and General Obligation Bonds (Election of 2004), 2017 Refunding Series E transactions (see Exhibit B attached). The remaining ten (10) Underwriter Pool members will be Co-Managers.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the availability percentages for this contract are 12% for MBEs and 15% for WBEs. The proposers will not be subcontracting any work and will do all work with their own forces. Therefore, the District's Non-Discrimination Program for Subcontracting does not apply.

FISCAL IMPACT:

There is no fiscal impact in establishing an Underwriters Pool. Specific underwriting services will be provided upon issuance of bonds and the underwriters of each series will be designated by the Controller-Treasurer from among the members in the Underwriters Pool. Being designated a member of the Underwriters Pool does not guarantee that such member will underwrite any bonds or participate in any issuance. The cost of issuance for underwriting services will depend upon the size of the issues and funding scenarios chosen. Moreover, the number and members of the pool chosen for a specific issuance will depend on the size and needs of such issuance. All fees shall be paid out of the proceeds of the particular bond issue and therefore no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

ALTERNATIVES:

The District may elect not to establish an Underwriters Pool thereby requiring a new RFP to

SELECTION OF BART UNDERWRITING POOL FROM WHICH SENIOR MANAGER AND CO-MANAGERS WILL BE DESIGNATED FOR (cont.)

choose underwriters prior to each bond issuance, causing up to six month delay for each future bond issuance.

RECOMMENDATION:

To authorize the establishment of an Underwriters Pool as shown on Exhibit A from which the Controller-Treasurer may select firms to provide underwriting services for specific bond issuances.

MOTION:

The Controller-Treasurer is hereby authorized to designate the firms listed in the attached Exhibit A, as members of BART's Underwriters Pool from which the Controller-Treasurer is hereby authorized from time to time to select members and enter into agreements with underwriters relating to the issuance of bonds.

San Francisco Bay Area Rapid Transit District

Exhibit A

Underwriting Pool

As of March 15, 2017

Senior Manager Pool

Barclays Capital

Citigroup/Siebert Cisneros Shank Joint Venture (MBE/WBE)**

Goldman Sachs

JP Morgan

Morgan Stanley

Stifel Financial Corp.

Co-Manager Pool

Alamo Capital (WBE/SB)

Backstrom McCarley Berry & Co. LLC (MBE)

Bank of America Merrill Lynch

Blaylock Beal Van, LLC (MBE/SB)

Fidelity Capital Markets

Raymond James

** *Siebert Cisneros Shank is a MBE/WBE firm*

MBE *Minority-Owned Business Enterprise*

SB *Certified Small Business*

WBE *Women-Owned Business Enterprise*

San Francisco Bay Area Rapid Transit District

Exhibit B

Underwriters

\$300,000,000*	\$110,000,000*
General Obligation Bonds	<i>General Obligation Bonds</i>
(Election of 2016)	(Election of 2004)
2017 Series A	2017 Refunding Series A

Lead Senior Manager

Barclays Capital

Co-Senior Manager

Stifel Financial Corp.

Co-Managers

Alamo Capital (WBE/SB)

Backstrom McCarley Berry & Co. LLC (MBE)

Bank of America Merrill Lynch

Blaylock Beal Van, LLC (MBE/SB)

Citigroup/Siebert Cisneros Shank (MBE/WBE)**

Fidelity Capital Markets

Goldman Sachs

JP Morgan

Morgan Stanley

Raymond James

**Preliminary, subject to change*

*** Siebert Cisneros Shank is a MBE/WBE firm*

MBE Minority-Owned Business Enterprise

SB Certified Small Business

WBE Women-Owned Business Enterprise