

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:  
201867

Resolution:  
☒ Yes ☐ No

### TITLE:

Authorization for Debt Issuance

### PRESENTATION SUMMARY:

Staff will seek Board authorization to increase Metro's 2017 long-term debt issuance by \$75.9 million in support of Metro's Capital Improvement Program (CIP).

### PURPOSE:

The authorization seeks Board approval to increase the issuance of authorized Series 2017 long-term bonds by \$75.9 million.

### DESCRIPTION:

#### Key Highlights:

The \$75.9 million represents unfunded capital investment carry-over from the FY2011-2016 CFA which included \$440 million of debt financing. Metro issued only \$220 million of Series 2016 short-term bonds to fund capital projects, but expended \$75.9 million more over the FY2011-2016 period using Metro's Line of Credit. This repayment would enable Metro to reduce its outstanding Line of Credit.

The proposed resolution for this action includes amendments to the FY2018 budget resolution, the Capital Funding Agreement (CFA), and the District of Columbia Local Funding Agreement (DCLFA) to reflect the updated debt issuance amount.

#### Background and History:

The original debt issuance proposal presented to the Finance Committee on March 9, 2017, totaled \$575.2 million and included \$75.9 million to address the issue described above. The Committee approved \$499.3 million of that total and deferred action on the \$75.9 million, pending further review of the CFA reconciliation requested by representatives of the State of Maryland. The State of Maryland is now in support of the issuance of \$75.9 million and requests it be added to the long-term debt issuance authorized by the Board of Directors on March 23, 2017.

With the approval of this action, the total principal amount for the Series 2017 offering will increase to a not-to-exceed figure of \$575.2 million.

Discussion:

The \$75.9 million represents unfunded capital investment carry-over from the FY2011-2016 CFA which included \$440 million of debt financing. Metro issued only \$220 million of Series 2016 short-term bonds to fund capital projects, but expended \$75.9 million more over the FY2011-2016 period using Metro's Line of Credit. This repayment would enable Metro to reduce its outstanding Line of Credit.

FUNDING IMPACT:

This action will increase Metro's long-term cash flow and ensure continued support for the capital program.

TIMELINE:

Previous Actions	March 23, 2017: Board approval to issue \$499.3 million of long-term debt.
Anticipated actions after presentation	The requested \$75.9 million, if approved, will be included with the original \$499.3 million long-term debt for a total amount not to exceed \$575.2 million.

RECOMMENDATION:

Approve increasing the amount of authorized Series 2017 long-term bonds issuance by \$75.9 million.

**PRESENTED AND ADOPTED: April 27, 2017**

**SUBJECT: AMENDMENT TO INCREASE 2017 BONDS TO A PRINCIPAL AMOUNT NOT TO EXCEED \$575.2 MILLION AND TO MAKE CONFORMING AMENDMENTS TO RESOLUTIONS 2017-11 AND 2017-12**

**2017-21**

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, In Resolution 2017-13, the Board of Directors authorized staff to negotiate bonds for capital projects in an amount not to exceed \$499.3 million; and

WHEREAS, It is the intent of WMATA to reimburse itself for eligible expenses incurred before the issuance of the bonds covered in this Resolution to the extent permitted by the Internal Revenue Code of 1986 and regulations issued under such Code; and

WHEREAS, Pursuant to the Capital Funding Agreement, staff sent 120-day opt-out letters for the \$499.3 million proposed bond offering to the jurisdictions, which, subject to Board approval, included an option to include the additional \$75.9 million in the forthcoming bond issue; and

WHEREAS, Staff now recommends that the amount of the bonds authorized in Resolution 2017-13 be increased by \$75.9 million to address capital amounts not paid through the Series 2016 Bonds or by jurisdictional contributions; and

WHEREAS, This recommendation will require conforming changes to the FY2018 Capital Budget Attachments G-2 and G-3 as passed in Resolution 2017-11, the Second Amendment to the Capital Funding Agreement, and the Second Amendment to the District of Columbia Local Capital Funding Agreement; now therefore be it

*RESOLVED*, That the Board of Directors approves the increase in the amount of bonds authorized in Resolution 2017-13 from \$499.3 million to an amount not to exceed \$575.2 million in principal, excluding any required debt service reserve and the costs of issuance (including but not limited to underwriters' fees, financial advisory fees, printing costs, legal fees, and such other fees which the GM/CEO or the CFO deem necessary to complete the sale of such bonds), all of such expenses, costs, and fees being authorized by the Board to be included in the bond issuance in addition to the aggregate principal amount listed above; and be it further

**Motioned by Ms. Harley, seconded by Mr. Costa**

**Ayes: 8 – Mr. Bulger, Ms. Harley, Mr. Corcoran, Mr. Costa, Mr. Price, Mr. Goldman, Mrs. Hudgins and Ms. Carmody**

*RESOLVED*, That since the 120-day opt-out letter issued to the jurisdictions on March 30, 2017, included this \$75.9 million as a potential part of the issuance, this Resolution does not restart the 120-day opt-out period; and be it further

*RESOLVED*, That all other terms and conditions contained in Resolution 2017-13 shall remain in full force and effect; and be it further

*RESOLVED*, That Resolution 2017-11 Attachments G-2 and G-3 are amended to read as shown in Attachments A and B, respectively, to this Resolution; and be it further

*RESOLVED*, That section 2 of both Attachment A and Attachment B to Resolution 2017-12 are amended to read as shown in Attachments C and D, respectively, to this Resolution; and be it further

*RESOLVED*, That Attachment A to the Capital Funding Agreement and to the District of Columbia Local Capital Funding Agreement are each amended to read as shown in Attachment E to this Resolution; and be it finally

*RESOLVED*, That in order to meet the schedule for bond issuance, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee  
General Counsel

**Attachment G-2:**

**FY2018-2023 Capital Improvement Program Funding Sources  
AMENDED TO INCLUDE ADDITIONAL PRIOR YEAR FINANCING**

<i>\$ in millions</i>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
<b>Federal</b>							
Federal Formula Programs	\$301.1	\$302.7	\$302.7	\$302.7	\$302.7	\$302.7	\$1,814.4
Federal PRIIA	148.5	148.5	148.5	148.5	148.5	148.5	891.0
Other Federal Grants	10.8	9.5	7.2	7.8	8.0	8.3	51.6
Subtotal Federal	460.5	460.7	458.4	458.9	459.2	459.5	2,757.1
<b>State and Local</b>							
Match to Federal Formula	75.5	76.3	76.0	77.4	75.8	75.9	456.9
System Performance	135.0	344.8	421.8	419.0	293.7	269.8	1,884.0
State and Local PRIIA	148.5	148.5	148.5	148.5	148.5	148.5	891.0
Other State and Local	15.3	4.5	3.9	4.0	4.1	4.2	36.0
Subtotal State and Local	374.4	574.0	650.1	649.0	522.1	498.3	3,267.9
<b>MWAA</b>	118.2	33.2	32.2	69.2	35.2	5.0	293.0
<b>Other</b>	6.0	8.0	1.0				15.0
<b>Long-Term Financing</b>	291.0	202.7	132.1	150.0	7.5	66.7	850.0
<b>Total</b>	<b>\$1,250.0</b>	<b>\$1,278.6</b>	<b>\$1,273.8</b>	<b>\$1,327.1</b>	<b>\$1,024.0</b>	<b>\$1,029.5</b>	<b>\$7,183.0</b>
<b>Financing Authorized in Prior Years</b>	<b>\$284.2</b>						<b>\$284.2</b>
<b>Grand Total</b>	<b>\$1,534.2</b>	<b>\$1,278.6</b>	<b>\$1,273.8</b>	<b>\$1,327.1</b>	<b>\$1,024.0</b>	<b>\$1,029.5</b>	<b>\$7,467.2</b>

**Attachment G-3:**  
**CIP Financial Plan - Allocation of State & Local Contributions**  
**AMENDED TO INCLUDE ADDITIONAL PRIOR YEAR FINANCING**

(\$ in millions)	FY2018 Budget	FY2019 Plan	FY2020 Plan	FY2021 Plan	FY2022 Plan	FY2023 Plan	6 Year Total
<b>Federal Formula Match &amp; System Performance</b>							
District of Columbia	\$76.1	\$152.2	\$179.9	\$179.4	\$133.5	\$124.9	845.9
Montgomery County	37.1	74.1	87.6	87.4	65.0	60.8	412.0
Prince George's County	36.1	72.1	85.3	85.0	63.3	59.2	400.9
Maryland Subtotal	73.1	146.2	172.9	172.4	128.3	120.0	813.0
City of Alexandria	9.8	19.6	23.2	23.1	17.2	16.1	109.0
Arlington County	18.6	37.2	44.0	43.8	32.6	30.5	206.7
City of Fairfax	0.6	1.2	1.4	1.4	1.0	1.0	6.5
Fairfax County	31.8	63.6	75.1	74.9	55.8	52.2	353.4
City of Falls Church	0.6	1.2	1.4	1.4	1.0	0.9	6.4
Virginia Subtotal	61.3	122.7	145.0	144.6	107.7	100.7	682.0
<b>Subtotal Federal Formula Match &amp; System Performance</b>	<b>210.548</b>	<b>421.1</b>	<b>497.7</b>	<b>496.4</b>	<b>369.5</b>	<b>345.7</b>	<b>2,340.9</b>
<b>State and Local PRIIA</b>							
District of Columbia	49.5	49.5	49.5	49.5	49.5	49.5	297.0
State of Maryland	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Commonwealth of Virginia	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Subtotal State and Local PRIIA	148.500	148.5	148.5	148.5	148.5	148.5	891.0
<b>Other State and Local</b>							
District of Columbia	1.1	1.0	1.0	1.0	1.0	1.0	6.1
Montgomery County	0.1						0.1
Prince George's County	0.1						0.1
State of Maryland	5.0	1.0	1.0	1.0	1.0	1.0	10.0
Maryland Subtotal	5.1	1.0	1.0	1.0	1.0	1.0	10.1
DRPT (CMAQ Match)	1.4	1.5	0.9	1.0	1.1	1.2	7.1
City of Alexandria	6.8	0.2	0.2	0.2	0.2	0.2	7.6
Arlington County	0.3	0.3	0.3	0.3	0.3	0.3	1.8
City of Fairfax	0.01	0.01	0.01	0.01	0.01	0.01	0.1
Fairfax County	0.6	0.5	0.5	0.5	0.5	0.5	3.2
City of Falls Church	0.01	0.01	0.01	0.01	0.01	0.01	0.1
Commonwealth of Virginia							
Virginia Subtotal	9.1	2.5	1.9	2.0	2.1	2.2	19.8
<b>Subtotal Other State and Local</b>	<b>15.326</b>	<b>4.5</b>	<b>3.9</b>	<b>4.0</b>	<b>4.1</b>	<b>4.2</b>	<b>36.0</b>
<b>Total Contributions before Debt</b>	<b>\$374.4</b>	<b>\$574.0</b>	<b>\$650.1</b>	<b>\$649.0</b>	<b>\$522.1</b>	<b>\$498.3</b>	<b>\$3,267.9</b>

**Additional Contribution or Debt (Including Financing Authorized in Prior Years)**

District of Columbia	211.4	73.2	47.7	54.2	2.7	24.1	413.4
Montgomery County	100.1	35.7	23.3	26.4	1.3	11.7	198.5
Prince George's County	101.1	34.7	22.6	25.7	1.3	11.4	196.8
Maryland Subtotal	201.1	70.4	45.9	52.1	2.6	23.2	395.3
City of Alexandria	24.6	9.4	6.2	7.0	0.4	3.1	50.6
Arlington County	49.3	17.9	11.7	13.2	0.7	5.9	98.7
City of Fairfax	1.5	0.6	0.4	0.4	0.0	0.2	3.1
Fairfax County	85.5	30.6	19.9	22.6	1.1	10.1	169.9
City of Falls Church	1.8	0.6	0.4	0.4	0.0	0.2	3.3
Commonwealth of Virginia							
Virginia Subtotal	162.7	59.1	38.5	43.7	2.2	19.4	325.6
<b>Total Debt (or Opt-Out)</b>	<b>\$575.2</b>	<b>\$202.7</b>	<b>\$132.1</b>	<b>\$150.0</b>	<b>\$7.5</b>	<b>\$66.7</b>	<b>\$1,134.2</b>

<b>Grand Total State and Local Funding with Debt</b>	<b>\$949.6</b>	<b>\$776.7</b>	<b>\$782.2</b>	<b>\$799.0</b>	<b>\$529.6</b>	<b>\$565.0</b>	<b>\$4,402.2</b>
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**SECOND AMENDMENT TO THE  
CAPITAL FUNDING AGREEMENT**

**Among**

**The State of Maryland;**

**The District of Columbia;**

**Arlington County, Virginia;**

**Fairfax County, Virginia;**

**The City of Alexandria, Virginia;**

**The City of Fairfax, Virginia;**

**The City of Falls Church, Virginia;**

**And**

**The Washington Metropolitan Area Transit Authority**

**Effective Date: \_\_\_\_\_**



**SECOND AMENDMENT TO THE  
CAPITAL FUNDING AGREEMENT**

THIS SECOND AMENDMENT TO THE CAPITAL FUNDING AGREEMENT (Second Amendment) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2017, by and among **the Washington Metropolitan Area Transit Authority (WMATA)**, a body corporate and politic created by interstate compact between Maryland, Virginia, and the District of Columbia; **the State of Maryland, acting by and through the Washington Suburban Transit District and the Department of Transportation; the District of Columbia; Arlington County, Virginia; Fairfax County, Virginia; the City of Alexandria, Virginia; the City of Fairfax, Virginia; and the City of Falls Church, Virginia (Contributing Jurisdictions and, collectively with WMATA, the Parties):**

**RECITALS**

1. The Parties to this Second Amendment desire to extend the term of that Capital Funding Agreement entered into by the Parties as of July 1, 2010 and previously extended to include WMATA Fiscal Year 2017 (CFA).
2. The Parties to this Second Amendment desire to continue the funding and work of WMATA on the same terms and conditions currently in place under the CFA as amended by the First Amendment to the CFA for an additional year (the Extension Term).
3. The Parties will continue to negotiate in good faith toward a longer-term capital funding agreement during the Extension Term.



NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the Parties hereby agree as follows:

## **SEC. 1 DEFINITIONS**

Unless defined otherwise in this Second Amendment all terms used in this Second Amendment shall have the same meaning as is found in the CFA.

## **SEC. 2 EXTENSION OF TERM AND AMENDMENT OF LONG TERM DEBT OBLIGATIONS**

Pursuant to Section 11 of the CFA, the Parties agree to extend the term of the CFA for one additional year, from July 1, 2017 through June 30, 2018 (FY2018) on the same terms and conditions agreed to under the CFA as amended by the First Amendment to the CFA. The maximum amount of long-term debt authorized for issuance in FY2018 in support of the FY2018 Capital Improvement Program shall not exceed \$575.2 million. The Parties acknowledge and agree that this debt issuance will be approved by the Jurisdictions pursuant to the opt-out provisions of the CFA. In the event that WMATA desires to issue additional debt during FY2018, WMATA shall follow the processes established for such issuance in the CFA. Additionally, WMATA may also choose to refinance the existing Gross Revenue Transit Bonds Series 2009A and 2009B provided that the jurisdictional debt service amounts will be no greater than the existing amounts covering these bonds. If a Contributing Jurisdiction elected to pre-pay its portion of the Gross Revenue Transit Bonds Series 2009A or 2009B pursuant to Section 4(b)(2)(C) of the CFA that Contributing Jurisdiction shall not be responsible for costs, debt service, or other amounts related to the refunded Gross Revenue Transit Bonds Series 2009A or 2009B.

**SEC. 3 CAPITAL IMPROVEMENT PROGRAM**

- A. As is contemplated by the CFA as amended by the First Amendment to the CFA, it is anticipated that the WMATA Board of Directors will adopt a new Fiscal Year 2018 Capital Budget on or before June 30, 2017. It is the intent of the Parties that the CFA be automatically amended to incorporate the FY2018 Capital Budget as adopted by the Board so long as the Allocated Contributions in the FY2018 Annual Work Plan do not exceed \$210.5 million exclusive of long-term debt and PRIIA matching funds in Attachment A.
- B. Attachment A contains the FY2018 Capital Budget, representing a summary of the FY2018 Annual Work Plan.
- C. The District of Columbia's Allocated Contribution to the FY2018 Capital Budget shall not exceed \$76.1 million and this amount shall be added to the amounts contained in Section 4(b)(1)(C)(i) of the CFA and the First Amendment to the CFA to constitute the new limitation on required Allocated Contributions for the District of Columbia in the total maximum amount not to exceed \$565,514,000 to be paid from the District of Columbia Capital Funds.
- D. It is the intent of the Parties that to the extent that WMATA undertakes multi-year projects in the FY2018 Annual Work Plan, adopted by this Second Amendment, such projects shall be continued in accordance with the provisions of Section 2(e) of the CFA.

**SEC. 4 CONTINUING EFFECT**

This Second Amendment amends certain terms and conditions of the CFA. All other terms and conditions of the CFA as amended by the First Amendment to the CFA that are not modified by this Second Amendment shall remain in full force and effect. Should there be any

conflict between the terms and conditions in this Second Amendment and the CFA as amended by the First Amendment the terms and conditions of this Second Amendment, and in the case of the District of Columbia the Second Amendment to the Local Capital Funding Agreement, shall control.

## **SEC. 5 COUNTERPARTS**

This Amendment may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement. The counterpart with the most recent date shall determine the date of entry of this Agreement by the Parties.

IN WITNESS WHEREOF, WMATA and the Contributing Jurisdictions have executed this Amendment by their representatives' signatures below.

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

By:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Paul J. Wiedefeld  
General Manager/Chief Executive Officer

[Seal]

Dated: \_\_\_\_\_

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Office of General Counsel

[signatures continued on following page]

STATE OF MARYLAND

acting by and through the Washington Suburban Transit District and the Department of  
Transportation

MARYLAND DEPARTMENT OF  
TRANSPORTATION

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]  
Secretary

and

WASHINGTON SUBURBAN  
TRANSIT DISTRICT

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]  
Chairman

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Assistant Attorney General

Date: \_\_\_\_\_

[signatures continued on following page]

## DISTRICT OF COLUMBIA

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [[Seal]]  
Mayor

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Attorney General

Dated: \_\_\_\_\_

[signatures continued on following page]

COUNTY BOARD OF ARLINGTON  
COUNTY, VIRGINIA

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]

County Manager  
Arlington County, Virginia

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Arlington County Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]

## FAIRFAX COUNTY, VIRGINIA

Attest:

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Clerk to the Board of SupervisorsBy: 

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[Seal]County Executive  
Fairfax County, Virginia

Approved as to Form and Legal Sufficiency:

By: 

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County AttorneyDated: 

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[signatures continued on following page]



CITY OF ALEXANDRIA, VIRGINIA

Attest:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_ [Seal]  
City Manager

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]

CITY OF FAIRFAX, VIRGINIA

Attest:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_ [Seal]  
City Manager

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_

[signatures continued on following page]

CITY OF FALLS CHURCH, VIRGINIA

Attest:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_ [Seal]  
City Manager

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_

**Attachment A**  
**Washington Metropolitan Area Transit Authority**  
**FY2018 Capital Improvement Program (CIP) Financial Plan**

<b>\$ in Millions</b>	<b>Total</b>	<b>District of Columbia</b>	<b>State of Maryland</b>	<b>City of Alexandria</b>	<b>Arlington County</b>	<b>City of Fairfax</b>	<b>Fairfax County</b>	<b>City of Falls Church</b>	<b>DRPT CMAQ Match</b>	<b>Commonwealth of Virginia</b>
<b>Allocated State and Local</b>	<b>210.5</b>	76.1	73.1	9.8	18.6	0.6	31.8	0.6		
<b>FY2011-2016 CFA Reconciliation Payback</b>	<b>75.9</b>	28.8	27.6	1.7	6.2	0.2	11.0	0.3		
<b>FY2017 Authorized Debt</b>	<b>58.3</b>	21.7	20.3	2.6	4.9	0.2	8.5	0.2		
<b>FY2017 LOC Payback</b>	<b>150.0</b>	55.8	52.1	6.7	12.5	0.4	22.0	0.5		
<b>FY2018 Debt</b>	<b>291.0</b>	105.2	101.1	13.6	25.7	0.8	43.9	0.8		
<b>Subtotal - Allocated Contributions Incl. Debt</b>	<b>785.7</b>	<b>287.5</b>	<b>274.2</b>	<b>34.4</b>	<b>67.9</b>	<b>2.1</b>	<b>117.3</b>	<b>2.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Federal</b>	<b>460.5</b>									
<b>PRIIA Match</b>	<b>148.5</b>	49.5	49.5							49.5
<b>Other State and Local</b>	<b>15.3</b>	1.1	5.1	6.8	0.3	0.01	0.6	0.01	1.4	
<b>MWAA</b>	<b>118.2</b>									
<b>Other</b>	<b>6.0</b>									
<b>Subtotal - Other CIP Funding</b>	<b>748.5</b>	<b>50.6</b>	<b>54.6</b>	<b>6.8</b>	<b>0.3</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>1.4</b>	<b>49.5</b>
<b>Total</b>	<b>1,534.2</b>	<b>338.1</b>	<b>328.9</b>	<b>41.2</b>	<b>68.2</b>	<b>2.1</b>	<b>117.9</b>	<b>2.3</b>	<b>1.4</b>	<b>49.5</b>

**SECOND AMENDMENT TO THE  
LOCAL CAPITAL FUNDING AGREEMENT**

**By and Between**

**The District of Columbia**

**And**

**The Washington Metropolitan Area Transit Authority**

## **SECOND AMENDMENT TO THE LOCAL CAPITAL FUNDING AGREEMENT**

THIS SECOND AMENDMENT TO THE LOCAL CAPITAL FUNDING AGREEMENT (Second Amendment) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2017, by and between **the Washington Metropolitan Area Transit Authority (WMATA)**, a body corporate and politic created by interstate compact between Maryland, Virginia, and the District of Columbia; **and the District of Columbia**, a municipal corporation (**District of Columbia**).

### **RECITALS**

1. The Parties to this Second Amendment desire to extend the term of that Local Capital Funding Agreement entered into by the Parties as of July 1, 2010 and previously extended to include WMATA Fiscal Year 2017 (DC LFA).
2. The Parties to this Second Amendment desire to continue the funding and work of WMATA on the same terms and conditions currently in place under the DC LFA as amended by the First Amendment to the DC LFA for an additional year (the Extension Term).
3. The Parties will continue to negotiate in good faith toward a longer-term capital funding agreement during the Extension Term.

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the Parties hereby agree as follows:

### **SEC. 1 DEFINITIONS**

Unless defined otherwise in this Amendment all terms used in this Amendment shall have the same meaning as is found in the DC LFA.

## **SEC. 2    EXTENSION OF TERM AND AMENDMENT OF LONG TERM DEBT OBLIGATION**

Pursuant to Section 11 of the DC LFA, the Parties agree to extend the term of the DC LFA for one additional year, from July 1, 2017 through June 30, 2018 on the same terms and conditions agreed to under the DC LFA as amended by the First Amendment. The maximum amount of Long Term Debt authorized for issuance in Fiscal Year 2018 (FY18) in support of the Capital Improvement Program budget (FY18 Capital Budget) in FY18 shall not exceed \$575.2 million. The District may exercise the “opt in” provision of the CFA, and will provide operating budget for its jurisdictional share of any required debt service. For any portion of the proposed debt where the District exercises the “opt out” provision of the CFA, the District will provide funds to meet the required jurisdictional portion. In the event that WMATA desires to issue additional Long Term Debt during FY18, WMATA shall follow the processes established for such issuance in the CFA and the DC LFA. Additionally, WMATA may also choose to refinance the existing Series 2009A and 2009B bonds provided that the jurisdictional debt service amounts will be no greater than the existing amounts covering these bonds.

## **SEC. 3    CAPITAL IMPROVEMENT PLAN**

A. As is contemplated by the DC LFA as amended by the First Amendment to the DC LFA, it is anticipated that the WMATA Board of Directors will adopt a new six-year CIP and Fiscal Year 2018 Capital Budget on or before June 30, 2017. It is the intent of the Parties that the DC LFA be amended to incorporate the FY18 Capital Budget and CIP as adopted by the Board so long as the Allocated Contributions in the FY18 Capital Budget does not exceed \$210,500,000 exclusive of long-term debt and PRIIA matching funds as shown in Attachment A.



B. DC's Allocated Contribution to the FY18 Capital Budget shall not exceed \$76,100,000 and this amount shall be added to the amount contained in Section 4(b)(1)(C)(i) of the DC LFA as amended by the First Amendment to constitute the new limitation on required Allocated Contributions for the District of Columbia in the total maximum amount not to exceed \$565,514,000, excluding PRIIA funding, to be paid from the District of Columbia Capital Funds.

#### **SEC. 4 CONTINUING EFFECT**

This Second Amendment amends certain terms and conditions of the DC LFA. All other terms and conditions of the DC LFA as amended by the First Amendment that are not modified by this Second Amendment shall remain in full force and effect. Should there be any conflict between the terms and conditions in this Second Amendment and the DC LFA as amended by the First Amendment the terms and conditions of this Second Amendment shall control.

#### **SEC. 5 COUNTERPARTS**

This Amendment may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement. The counterpart with the most recent date shall determine the date of entry of this Agreement by the Parties.

IN WITNESS WHEREOF, WMATA and the District of Columbia have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

By:

\_\_\_\_\_  
Board Corporate Secretary

\_\_\_\_\_[Seal]  
Paul J. Wiedefeld  
General Manager/Chief Executive Officer

Dated: \_\_\_\_\_

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Office of General Counsel

[signatures continued on following page]

DISTRICT OF COLUMBIA

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_ [Seal]

Mayor

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Attorney General

Dated: \_\_\_\_\_

**Attachment A**  
**Washington Metropolitan Area Transit Authority**  
**FY2018 Capital Improvement Program (CIP) Financial Plan**

<b>\$ in Millions</b>	<b>Total</b>	<b>District of Columbia</b>	<b>State of Maryland</b>	<b>City of Alexandria</b>	<b>Arlington County</b>	<b>City of Fairfax</b>	<b>Fairfax County</b>	<b>City of Falls Church</b>	<b>DRPT CMAQ Match</b>	<b>Commonwealth of Virginia</b>
<b>Allocated State and Local</b>	<b>210.5</b>	76.1	73.1	9.8	18.6	0.6	31.8	0.6		
<b>FY2011-2016 CFA Reconciliation Payback</b>	<b>75.9</b>	28.8	27.6	1.7	6.2	0.2	11.0	0.3		
<b>FY2017 Authorized Debt</b>	<b>58.3</b>	21.7	20.3	2.6	4.9	0.2	8.5	0.2		
<b>FY2017 LOC Payback</b>	<b>150.0</b>	55.8	52.1	6.7	12.5	0.4	22.0	0.5		
<b>FY2018 Debt</b>	<b>291.0</b>	105.2	101.1	13.6	25.7	0.8	43.9	0.8		
<b>Subtotal - Allocated Contributions Incl. Debt</b>	<b>785.7</b>	<b>287.5</b>	<b>274.2</b>	<b>34.4</b>	<b>67.9</b>	<b>2.1</b>	<b>117.3</b>	<b>2.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Federal</b>	<b>460.5</b>									
<b>PRIIA Match</b>	<b>148.5</b>	49.5	49.5							49.5
<b>Other State and Local</b>	<b>15.3</b>	1.1	5.1	6.8	0.3	0.01	0.6	0.01	1.4	
<b>MWAA</b>	<b>118.2</b>									
<b>Other</b>	<b>6.0</b>									
<b>Subtotal - Other CIP Funding</b>	<b>748.5</b>	<b>50.6</b>	<b>54.6</b>	<b>6.8</b>	<b>0.3</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>1.4</b>	<b>49.5</b>
<b>Total</b>	<b>1,534.2</b>	<b>338.1</b>	<b>328.9</b>	<b>41.2</b>	<b>68.2</b>	<b>2.1</b>	<b>117.9</b>	<b>2.3</b>	<b>1.4</b>	<b>49.5</b>