

## Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100332	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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**TITLE:**

Early termination of TIFIA Agreement

**PURPOSE:**

To request Board approval for early termination of the TIFIA Loan Agreement (Agreement) in order to issue Metro Matters Bonds.

**DESCRIPTION:**

On January 28, 2000 Metro entered into a \$600 million TIFIA Loan Agreement with Lehman Commercial Paper Inc. (Lehman). The Agreement, guaranteed by the U.S. Government, serves as a guaranteed loan facility for obligation purposes, per Compact section 22, which is necessary to advance funding of capital projects. As a result of the subsequent funding agreement, Metro Matters, executed in 2004, the TIFIA Agreement is no longer required. The Metro Matters Funding Agreement takes the place of the TIFIA Agreement.

Since the TIFIA Agreement is due to expire on June 30, 2009, and would require a feasibility study prior to the issuance of bonds, Metro is recommending an early termination of the TIFIA Loan Agreement. In addition, Lehman's bankruptcy on September 15, 2008 and the subsequent failure of the Lender of Record role transferring to Barclays also supports an early termination of the Agreement prior to the bond issuance on June 9, 2009.

**FUNDING IMPACT:**

No funds were ever drawn under the TIFIA Agreement and the early termination of the TIFIA Agreement will not have a budget impact.

**RECOMMENDATION:**

Approval to amend the TIFIA Agreement, authorizing the General Manager, Chief Financial Officer, or Treasurer, to execute the TIFIA Agreement, execute early termination of the Agreement and provide any further action, with respect to the early termination of the TIFIA Agreement.

SUBJECT: AUTHORIZE TERMINATION OF THE TRANSPORTATION INFRASTRUCTURE  
FINANCE AND INNOVATION ACT GUARANTEED LOAN AGREEMENT

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

WHEREAS, In Resolution No. 99-58, the Board of Directors authorized the execution of the documents necessary to establish a Guaranteed Loan facility of up to \$600 million under the Transportation Infrastructure Finance and Innovation Act of 1998; and

WHEREAS, The purpose of the Transportation Infrastructure Finance and Innovation Act Guaranteed Loan facility was to provide obligational authority for various capital projects in advance of funding by the jurisdictions; and

WHEREAS, In 2004, Metro and its funding jurisdictions signed the Metro Matters Funding Agreement that set up a capital program for FY2005-FY2010 and serves as the obligational authority for those projects, thereby making the Transportation Infrastructure Finance and Innovation Act an excess agreement; and

WHEREAS, The Guaranteed Lender under the Transportation Infrastructure Finance and Innovation Act, Lehman Commercial Paper, Inc., has gone into bankruptcy and must be changed; and

WHEREAS, The Transportation Infrastructure Finance and Innovation Act Guaranteed Loan facility will expire on January 28, 2010 and will be unavailable for new usage as of June 28, 2009; now, therefore be it

*RESOLVED*, That the Board of Directors approves of the early termination of the Transportation Infrastructure Finance and Innovation Act Guaranteed Loan facility to be effective as soon as possible; and be it further

*RESOLVED*, That the General Manager, the Chief Financial Officer and the Treasurer are each authorized to negotiate and sign all necessary documents to effectuate this termination; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

  
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Carol B. O'Keeffe  
General Counsel