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## KBRA Releases Rating Report for the OCTA Toll Revenue Senior Bonds, 2017 TIFIA Series.

Kroll Bond Rating Agency (KBRA) announces the preliminary rating of BBB- for the Orange County Transportation Authority Toll Revenue Senior Bonds, 2017 TIFIA Series, which evidences the \$627 million loan from the United States Department of Transportation to the Orange County Transportation Authority (OCTA). The TIFIA Loan constitutes federal project credit assistance under the Transportation Infrastructure Finance and Innovation Act for the Interstate 405 Improvement Project ("the Project") located in Orange County, California.

The TIFIA loan will have a senior-lien priority in project revenues. The interest rate will be set at closing at the 30-year U.S. Treasury State and Local Government Series rate plus 0.01%. The actual maturity of the TIFIA Loan is limited to the earlier of 35 years after substantial completion of the Project (68 months after financial close) or December 1, 2057. Interest on the TIFIA loan will be paid semi-annually while principal will be paid annually. The TIFIA loan will fully amortize by the projected maturity date, and therefore there is no refinancing risk in the transaction. Proceeds of the TIFIA loan will be used to fund a portion of design-build and other costs for the Project, which are currently estimated at \$1.9 billion. Other sources of funds for such costs include OCTA's Measure 2 sales tax revenue, sales tax revenue bonds issued in relation thereto and various federal and State funds and grants. Senior debt service coverage ratios for the TIFIA Loan average 3.35x under KBRA's rating case and stressed assumptions KBRA used in analyzing project cash flows include higher construction and O&M costs, and lower traffic volumes.

Please click on the link below to access the report:

Orange County Transportation Authority Toll Revenue Senior Bonds, 2017 TIFIA Series

If you have any difficulties accessing the report, please contact info@kbra.com or visit www.kbra.com.

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