

## PRELIMINARY OFFICIAL STATEMENT DATED JUNE [●], 2021

**NEW ISSUE—BOOK-ENTRY ONLY**  
**[DAC Logo]**

**Ratings: Moody's: "[●]"**  
**S&P: "[●]"**  
**See "RATINGS" herein.**

*In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by LACMTA described herein, interest on the Series 2021-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2021-A Bonds is exempt from personal income taxes of the State of California under present State law. See "TAX MATTERS" herein regarding certain other tax considerations..*

[LACMTA  
 Logo]

**\$[PAR]\***  
**LOS ANGELES COUNTY METROPOLITAN**  
**TRANSPORTATION AUTHORITY**  
**Measure R Senior Sales Tax Revenue Bonds**  
**Series 2021-A**

**Dated: Date of Delivery**

**Due: As shown on the inside cover**

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") is issuing its Measure R Senior Sales Tax Revenue Bonds, Series 2021-A (the "Series 2021-A Bonds"). The Series 2021-A Bonds are being issued pursuant to the Second Amended and Restated Trust Agreement, dated as of August 1, 2020 (the "Master Trust Agreement"), between LACMTA and U.S. Bank National Association, as trustee (the "Trustee"), and a Sixth Supplemental Trust Agreement, to be dated as of July 1, 2021 (the "Sixth Supplemental Trust Agreement," and together with the Master Trust Agreement, the "Trust Agreement"), between LACMTA and the Trustee. The Series 2021-A Bonds are limited obligations of LACMTA payable from and secured by a first lien on and pledge of "Pledged Revenues" and by other amounts held by the Trustee under the Trust Agreement. "Pledged Revenues" essentially consist of the receipts from the imposition in the County of Los Angeles for public transit purposes of a one-half cent retail transactions and use tax, less 15% thereof paid to local jurisdictions and certain administrative fees. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS" and "MEASURE R SALES TAX AND COLLECTIONS" herein.

LACMTA will use the proceeds of the Series 2021-A Bonds to (a) finance or refinance (through the repayment of Subordinate Commercial Paper Notes, as further described herein), or reimburse LACMTA for, the development and construction of the Projects, and (b) pay the costs of issuance of the Series 2021-A Bonds

The Series 2021-A Bonds will be issued in denominations of \$5,000 and integral multiples thereof. The Series 2021-A Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Series 2021-A Bonds. Individual purchases and sales of the Series 2021-A Bonds may be made in book-entry form only. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM." The Series 2021-A Bonds will mature in the principal amounts and will bear interest at the rates set forth on the inside front cover. LACMTA will pay interest on the Series 2021-A Bonds on each June 1 and December 1, commencing on [December 1, 2021].

Certain of the Series 2021-A Bonds are subject to [optional and mandatory redemption] prior to maturity as described in this Official Statement. See "DESCRIPTION OF THE SERIES 2021-A BONDS—Redemption."

**Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement, is pledged to the payment of the principal of or interest on the Series 2021-A Bonds. Other than Pledged Revenues and such other amounts held by the Trustee under the Trust Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2021-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2021-A Bonds.**

This cover page contains certain information for general reference only. It is not intended to be a summary of the terms of, or the security for, the Series 2021-A Bonds. Investors must read this Official Statement in its entirety to obtain information essential to making an informed investment decision. Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

LACMTA is offering the Series 2021-A Bonds when, as and if it issues the Series 2021-A Bonds. The issuance of the Series 2021-A Bonds is subject to the approval as to their validity by Nixon Peabody LLP, Bond Counsel to LACMTA. The Los Angeles County Counsel, as General Counsel to LACMTA, and Kutak Rock LLP, as Disclosure Counsel, will pass on certain legal matters for LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel, [●]. LACMTA anticipates that the Series 2021-A Bonds will be available for delivery through the book-entry facilities of DTC on or about [July 13], 2021.

\* Preliminary; subject to change.  
 4840-0932-0416.4

**[Underwriters]**

Date of Official Statement:

**[INSERT MAP OF LACMTA SYSTEM]**

**MATURITY SCHEDULE\***

**\$[PAR]\*  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Measure R Senior Sales Tax Revenue Bonds  
Series 2021-A**

<b>Maturity Date (June 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP No.† (54466H)</b>
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\$ \_\_\_\_\_ % Series 2021-A Term Bonds due June 1, 20 \_\_, Yield \_\_ %, Price \_\_ %; CUSIP No. †

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\* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with LACMTA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2021-A Bonds. Neither LACMTA or the Underwriters take any responsibility for the accuracy of the CUSIP numbers provided herein.

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**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

**Board Members**

Eric Garcetti, Chair  
Hilda L. Solis, First Vice-Chair  
Ara J. Najarian, Second Vice Chair  
Kathryn Barger  
Mike Bonin  
James T. Butts, Jr.  
Jacquelyn Dupont-Walker  
Fernando Dutra  
Janice Hahn  
Paul Krekorian  
Sheila Kuehl  
Holly Mitchell  
Tim Sandoval  
Tony Tavares, Ex-Officio Member

**LACMTA Officers**

Stephanie Wiggins, Chief Executive Officer  
Nalini Ahuja, Chief Financial Officer

**LACMTA General Counsel**

Office of the County Counsel  
Los Angeles, California

**MUNICIPAL ADVISOR**

Fieldman, Rolapp & Associates, Inc.  
Irvine, California

**BOND COUNSEL**

Nixon Peabody LLP

**DISCLOSURE COUNSEL**

Kutak Rock LLP

**TRUSTEE**

U.S. Bank National Association  
Los Angeles, California

LACMTA has not authorized any dealer, broker, salesperson or other person to give any information or to make any representation in connection with the offer or sale of the Series 2021-A Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Series 2021-A Bonds, by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not a contract with the purchasers or owners of the Series 2021-A Bonds. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The information and expressions of opinion in this Official Statement are subject to change without notice, and the delivery of this Official Statement and any sale made pursuant to this Official Statement do not, under any circumstances, imply that the information and expressions of opinion in this Official Statement and other information regarding LACMTA have not changed since the date hereof. LACMTA is circulating this Official Statement in connection with the sale of the Series 2021-A Bonds and this Official Statement may not be reproduced or used, in whole or in part, for any other purpose.

In making an investment decision, investors must rely on their own examination of the terms of the offering and the security and sources of payment of the Series 2021-A Bonds, including the merits and risks involved. The Series 2021-A Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Trust Agreement been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental securities regulatory agency, has passed upon the merits of the Series 2021-A Bonds or the accuracy or completeness of this Official Statement. The Series 2021-A Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

This Official Statement contains statements relating to future results that are "forward looking statements." When used in this Official Statement, the words "estimate," "forecast," "projection," "intend," "expect" and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Some assumptions used to develop forward looking statements inevitably will not be realized, and unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results; those differences could be material.

In connection with this offering, the Underwriters may overallocate or effect transactions which stabilize or maintain the market price of the Series 2021-A Bonds at a level above that which might

otherwise prevail in the open market. Such stabilizing transactions, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2021-A Bonds to certain dealers and others at yields higher or prices lower than the public offering yields and/or prices stated on the inside cover page of this Official Statement, and such public offering yields and/or prices may be changed from time to time by the Underwriters.



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APPENDIX B LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION  
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## OFFICIAL STATEMENT

**§[PAR]\***  
**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**  
**Measure R Senior Sales Tax Revenue Bonds**  
**Series 2021-A**

### INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth information in connection with the offering by the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) of §[PAR]\* aggregate principal amount of its Measure R Senior Sales Tax Revenue Bonds, Series 2021-A (the “Series 2021-A Bonds”). This Introduction is qualified by the more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. Prospective investors should review this entire Official Statement, including the cover page and appendices, before they make an investment decision to purchase the Series 2021-A Bonds. LACMTA is only offering the Series 2021-A Bonds to potential investors by means of this entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS.”

### LACMTA

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the “LACMTA Act”). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Los Angeles County Transportation Commission (the “Commission”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the District and the Commission, including the Commission’s responsibility for planning, engineering and constructing a county wide rail transit system. The LACMTA is authorized, subject to approval by the electorate of the County of Los Angeles (the “County”), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. Pursuant to such authorization, on July 24, 2008, LACMTA adopted its Ordinance No. 08-01, the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the California State Board of Equalization (the “Measure R Ordinance”), which provides for the levy of a Countywide retail and transactions and use tax of one-half of 1% for transportation purposes, known as the “Measure R Sales Tax.” The functions of the State Board of Equalization are now performed by the California Department of Tax and Fee Administration (“CDTFA”).

At an election held on November 4, 2008, more than two-thirds of the electors of the County voting on the issue approved the Measure R Sales Tax. Collection of the Measure R Sales Tax commenced on July 1, 2009 and terminates on June 30, 2039. For more information regarding the Measure R Sales Tax, see “MEASURE R SALES TAX AND COLLECTIONS—The Measure R Sales Tax.”

For further discussion of LACMTA, its other sources of revenues, the services it provides and the projects it is undertaking, see “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN

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\* Preliminary; subject to change.

TRANSPORTATION AUTHORITY.” The information provided in APPENDIX A is intended as general information only. The Series 2021-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of the receipts from the imposition of the Measure R Sales Tax, less 15% thereof paid to local jurisdictions and certain administrative fees. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS.” For certain economic and demographic data about the County, see “APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.”

### **Purpose of the Series 2021-A Bonds**

LACMTA will use the proceeds of the Series 2021-A Bonds to (a) finance or refinance (through the repayment of Subordinate Commercial Paper Notes, as defined under “MEASURE R SALES TAX OBLIGATION—Outstanding Measure R Sales Tax Obligations—*Subordinate Obligations*”), or reimburse LACMTA for, the development and construction of the Projects (as defined herein), and (b) pay the costs of issuance of the Series 2021-A Bonds. For a more detailed description of LACMTA’s proposed use of the proceeds of the Series 2021-A Bonds, see “PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021-A BOND PROCEEDS.”

### **Description of the Series 2021-A Bonds**

The Series 2021-A Bonds are limited obligations of LACMTA to be issued pursuant to, and secured under, the Second Amended and Restated Trust Agreement, dated as of August 1, 2020 (the “Master Trust Agreement”), between LACMTA and U.S. Bank National Association, as trustee (the “Trustee”), and a Sixth Supplemental Trust Agreement, to be dated as of July 1, 2021 (the “Sixth Supplemental Trust Agreement” and, together with the Master Agreement, the “Trust Agreement”), between LACMTA and the Trustee.

The Series 2021-A Bonds will be issued in registered form, in denominations of \$5,000 or any integral multiple thereof. The Series 2021-A Bonds will be dated their initial date of delivery and will mature on the dates and in the principal amounts and will bear interest at the rates per annum as shown on the inside front cover hereof, computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2021-A Bonds will be delivered in book-entry-only form and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2021-A Bonds. See “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.”

### **Security and Sources of Payment for the Series 2021-A Bonds**

The Series 2021-A Bonds are limited obligations of LACMTA payable solely from and secured by a pledge of the “Pledged Revenues,” which essentially consist of Pledged Tax Revenues. “Pledged Tax Revenues” are the amounts collected on account of the Measure R Sales Tax, less any refunds and the administrative fee paid to CDTFA in connection with the collection and disbursement of the Measure R Sales Tax, and less 15% thereof which constitutes the Local Return allocated to local jurisdictions within the County pursuant to the Measure R Ordinance. In addition, the Series 2021-A Bonds are secured by all other amounts held by the Trustee under the Trust Agreement (except for amounts held in the Rebate Fund and any Letter of Credit Account and any Purchase Fund created under a Supplemental Trust Agreement). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS” and “MEASURE R SALES TAX AND COLLECTIONS—The Measure R Sales Tax.”

## **Measure R Sales Tax Obligations**

Under the Trust Agreement, LACMTA may issue three priority levels of obligations secured by a pledge of Pledged Revenues.

Pursuant to the Trust Agreement, LACMTA may issue Senior Bonds and incur debt and other obligations payable on a parity with Senior Bonds (“Senior Parity Obligations,” and together with the Senior Bonds, the “Senior Obligations”), which are payable and secured by a senior lien on Pledged Revenues. The Series 2021-A Bonds are Senior Bonds and are payable on a parity with all other Senior Bonds and any Senior Parity Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Measure R Sales Tax Obligations.”

As of June 2, 2021, LACMTA had Senior Bonds outstanding in the aggregate principal amount of \$1,007,550,000. See “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Senior Obligations*.” As of the date of this Official Statement, LACMTA does not have any Senior Parity Obligations outstanding.

LACMTA may issue additional Senior Bonds and incur Senior Parity Obligations upon the satisfaction of certain additional bonds tests contained in the Trust Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Measure R Sales Tax Obligations—*Senior Obligations*.” The Short Range Financial Forecast assumes the issuance of approximately \$2.7 billion in additional Senior Bonds (including the Series 2021-A Bonds) from Fiscal Year 2021 through Fiscal Year 2030. For further discussion of the Short Range Financial Forecast, see “FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning” in APPENDIX A.

LACMTA has covenanted in the Trust Agreement not to issue or incur any obligations with a pledge of or lien on Pledged Revenues prior or superior to that of the Senior Bonds (including the Series 2021-A Bonds) and any Senior Parity Obligations.

Under the Trust Agreement, LACMTA also may issue and/or incur Subordinate Obligations and Junior Subordinate Obligations, which are payable and secured by subordinate liens on the Pledged Revenues and are junior and subordinate to the Senior Bonds (including the Series 2021-A Bonds) and the Senior Parity Obligations as to the lien on and source and security for payment from Pledged Revenues. See “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Subordinate Obligations*” and “—*Junior Subordinate Obligations*” for a description of LACMTA’s outstanding Subordinate Obligations and Junior Subordinate Obligations. See “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—MASTER TRUST AGREEMENT—[Issuance of Subordinate Obligations]” and “—[Issuance of Junior Subordinate Obligations.]”

### **The Series 2021-A Bonds Are Limited Obligations of LACMTA Only**

Neither the faith and credit nor the taxing power of the County, the State of California (the “State”) or any political subdivision or agency thereof, other than LACMTA to the extent of Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement, is pledged to the payment of the principal of or interest on the Series 2021-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2021-A Bonds.

The Series 2021-A Bonds are limited obligations of LACMTA and are payable, both as to principal and interest, solely from and secured by a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Trust Agreement, the general fund of LACMTA is not

liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2021-A Bonds.

### **No Reserve Fund for the Series 2021-A Bonds**

The Series 2021-A Bonds will not be secured by a debt service reserve fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—The Series 2021-A Bonds Are Not Secured by Any Debt Service Reserve Fund.”

### **Continuing Disclosure**

In connection with the issuance of the Series 2021-A Bonds, for purposes of assisting the Underwriters (as defined under “UNDERWRITING”) in complying with Rule 15c2-12 (the “Rule”) promulgated by the U.S. Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended, LACMTA will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (the “EMMA System”), certain annual financial information and operating data relating to LACMTA and notice of certain enumerated events. See “CONTINUING DISCLOSURE” and “APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

### **Impact of Global COVID-19 Outbreak**

[Additional updates to come]

As a part of the State’s response to the global outbreak of a novel coronavirus (together with variants thereof, “COVID-19”), the Governor of the State (the “Governor”) declared a state of emergency in the State on March 4, 2020. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, and on March 13, 2020, the President of the United States declared a national state of emergency.

On March 12, 2020, the Governor issued Executive Order N-25-20, requiring CDTFA, which administers sales and use taxes in the State, to use its administrative powers where appropriate to provide extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by complying with a state or local public health official’s imposition or recommendation of social distancing measures related to COVID-19. On March 30, 2020, the Governor issued Executive Order N-40-20, which provided a three-month extension for tax returns and tax payments for all businesses filing a return for less than \$1,000,000 in taxes. This Order also extended the statute of limitations to file a claim for refund for taxes and fees administered by CDTFA, and it extends the timeframe to file for appeal with CDTFA. On April 2, 2020, the Governor announced a one-year reprieve on the payment of sales and use taxes for small businesses allowing them to request to defer payment on up to \$50,000 of sales and use tax liability.

The State, the City of Los Angeles, and the County imposed significant restrictions on economic and other activity within the County beginning in March 2020. During the past year, some of those restrictions were lifted, but were quickly reimposed due to a spike in COVID-19 cases. [However, with the rollout of vaccines in early 2021, the County has seen a steady decline in COVID-19 cases. The County’s risk level is currently Tier 4 (Yellow-Minimal), which moved from the more-restrictive Tier 3 (Orange-moderate) on May 6, 2021.]

The economic shut-down caused by the COVID-19 pandemic and related government restrictions on activity materially reduced spending and sales tax revenues collected in the County in the fourth

quarter of Fiscal Year 2020 and into the first half of Fiscal Year 2021. Furthermore, government restrictions and possible future restrictions may affect the collection and administration of sales taxes in the State. Some of the negative impacts that LACMTA has identified include:

- LACMTA experienced declines and delays in sales tax revenues during Fiscal Year 2021 due to required business shutdowns and the impact of COVID-19 on the economy, but LACMTA does not know the full fiscal impact that COVID-19 will have on its sales tax revenues.
- As COVID-19 restrictions on activities are slowly lifted, LACMTA expects that the amounts of prepayments and transfers of sales tax revenues from CDTFA may continue to be delayed. The Governor's executive orders only cover businesses that have sales tax liabilities below specified thresholds. LACMTA has received and expects it will continue to receive monthly prepayments and transfers of sales tax revenues from CDTFA but is unable to predict what those future amounts will be.
- Although there were negative impacts of COVID-19 on collection of sales tax revenues in the County, there remains sufficient sales tax revenues to pay debt service on all of LACMTA's outstanding sales tax revenue bonds, including the Series 2021-A Bonds.
- LACMTA has several major transit projects under construction throughout the County. There is currently no impact on the ability to continue construction on these major projects.

Measure R Sales Tax revenues for Fiscal Year 2020 were \$823.4 million compared to \$846.8 million for Fiscal Year 2019, a 2.8% decrease. Due to the COVID-19 pandemic and under the guidance of LACMTA's CEO, a continuing resolution was adopted by the Board at the May 28, 2020 Regular Board Meeting which extended the Fiscal Year 2020 Annual Budget until October 1, 2020. At the Regular Board Meeting on September 24, 2020 the Board approved the Fiscal Year 2021 Annual Budget of \$6 billion, a 16.5% decrease from the Fiscal Year 2020 Annual Budget. Budgeted Measure R Sales Tax Revenues for Fiscal Year 2021 are \$[778] million. Actual Measure R Sales Tax receipts for Fiscal Year 2021 are estimated to be approximately \$[•] million, a \$[•] [decrease] compared to Fiscal Year 2020. See "MEASURE R SALES TAX AND COLLECTIONS—Historical Measure R Sales Tax Collections."

In addition, ridership on LACMTA's bus and rail systems has declined significantly as a result of COVID-19. Average weekday ridership for the first nine months of Fiscal Year 2021 (July 2020 through March 2021) was approximately 552,000 compared to 1.1 million during the first nine months of Fiscal Year 2020 (July 2019 through March 2020), a 49.6% decrease. The Series 2021-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Measure R Sales Tax, and are not payable from farebox revenues collected from riders of LACMTA's bus and rail systems or other revenues of LACMTA.

LACMTA received \$862 million in funding under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in Fiscal Year 2020 and Fiscal Year 2021 to partially offset losses in sales tax revenues and other operational and capital costs. [Other federal moneys received?] Management is also taking various actions to prioritize and reduce costs in addition to seeking other federal and State funding as it becomes available. LACMTA continues to mitigate the risks of all its patrons and employees through the use of personal protective equipment and strengthened cleaning regimes on all vehicles, stations, and terminals.

The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) the impact of the outbreak on the local, national or global economy; and (vii) the impact of the outbreak and actions taken in response to the outbreak on LACMTA's revenues, expenses and financial condition.

### **Additional Information**

Brief descriptions of the Series 2021-A Bonds, the Trust Agreement and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances create any implication that there has been no change in the affairs of LACMTA since the date hereof. This Official Statement is not to be construed as a contract or agreement between LACMTA and the purchasers or Holders of any of the Series 2021-A Bonds. LACMTA maintains a website, an investor relations page through a third-party, and social media accounts, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2021-A Bonds.

Copies of the Trust Agreement may be obtained from LACMTA at One Gateway Plaza, 21st Floor, Treasury Department, Los Angeles, California 90012, or by emailing TreasuryDept@metro.net, or by calling (213) 922-2554.

## **PLAN OF FINANCE**

### **Use of Proceeds; Plan of Finance**

LACMTA will use the proceeds of the Series 2021-A Bonds to (a) finance or refinance (through the repayment of approximately \$106 million in aggregate principal amount of Subordinate Commercial Paper Notes), or reimburse LACMTA for, the development and construction of the Projects, and (b) pay the costs of issuance of the Series 2021-A Bonds.

The "Projects" expected to be financed or refinanced with the proceeds of the Series 2021-A consist of transportation projects authorized by the Measure R Ordinance, including the construction, maintenance, improvement and operation of local streets, roads, and highways, state highways and freeways, and public transit systems including rail, and related purposes permitted by the Measure R Ordinance. The Westside Metro D Line Extension – Sections 1 and 2 are among the specific Projects that LACMTA expects to finance with the proceeds of the Series 2021-A Bonds. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects" for information on some of the major projects being undertaken by LACMTA.



## Estimated Sources and Uses of Funds

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 2021-A Bonds.

### Sources

Principal Amount  
Original Issue Premium/(Discount)  
Total Sources

### Uses

Deposit to Series 2021-A Project Fund  
Repayment of Subordinate Commercial Paper Notes  
Costs of Issuance<sup>1</sup>  
Total Uses

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<sup>1</sup> Includes underwriters' discount, legal fees, rating agency fees, municipal advisor fees, printer costs and other costs of issuance.

## RISK FACTORS

*The following factors, together with all other information provided in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2021-A Bonds. The discussion below does not purport to be, nor should it be construed to be, complete nor a summary of all factors which may affect LACMTA, the Measure R Sales Taxes, or the Series 2021-A Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.*

### **Economic Factors May Cause Declines in Measure R Sales Tax Revenues**

The Series 2021-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of Pledged Revenues, consisting primarily of certain revenues of the Measure R Sales Tax and other amounts that are held by the Trustee under the Trust Agreement. The level of Measure R Sales Tax revenues collected depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County. In Fiscal Years 2009 and 2010, the national economic recession and regional general economic conditions resulted in reductions in economic activity and taxable sales within the County, and correspondingly Measure R Sales Tax revenues received by LACMTA declined. Measure R Sales Tax revenues increased in Fiscal Years 2011 through 2019.

Measure R Sales Tax revenues have been and will likely continue to be affected by COVID-19. LACMTA has experienced and continues to experience declines and delays in Measure R Sales Tax revenues in Fiscal Years 2020 and 2021 due to the required business shutdowns and the impact of COVID-19 on the economy. "INTRODUCTION—Impact of Global COVID-19 Outbreak." Additionally, Measure R Sales Tax revenues could decline in the future, reducing amounts available to pay the principal of and interest on the Series 2021-A Bonds.

To project future Measure R Sales Tax revenues for budgetary purposes, LACMTA incorporates actual long-term experience combined with forecasts from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions.

Furthermore, CDTFA does not provide LACMTA with any forecasts of Measure R Sales Tax revenues for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Measure R Sales Tax revenues. In addition, the County is located in a seismically active region. A major earthquake, pandemic, epidemic or other natural disaster could adversely affect the economy of the County and the amount of Measure R Sales Tax revenues. Future significant declines in the amount of Measure R Sales Tax revenues could ultimately impair the ability of LACMTA to pay principal of and interest on the Series 2021-A Bonds. See “MEASURE R SALES TAX AND COLLECTIONS—Historical Measure R Sales Tax Collections.” Also see “APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.” Also see “INTRODUCTION—Impact of Global COVID-19 Outbreak.”

### **California State Legislature or Electorate or Federal Law May Change Items Subject to Measure R Sales Tax**

With limited exceptions, the Measure R Sales Tax is imposed on the same transactions and items subject to the general sales tax levied throughout the State. In the past, the California State Legislature and the California State electorate have made changes to the transactions and items subject to the State’s general sales tax and, therefore, the Measure R Sales Tax. In 1991, the California State Legislature enacted legislation which expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment and newspapers and magazines. In 1992, the California State electorate approved an initiative which eliminated candy, gum, bottled water and confectionery items as items subject to the California State’s general sales tax. In each case, the same changes were made to transactions or items subject to the Measure R Sales Tax. In the future, the California State Legislature or the California State electorate could further change the transactions and items upon which the statewide general sales tax and the Measure R Sales Tax are imposed. Such a change could either increase or decrease Measure R Sales Tax revenues depending on the nature of the change. See “MEASURE R SALES TAX AND COLLECTIONS.”

Federal law may also cause transactions and items to be excluded from the State’s general sales tax, and, therefore, the Measure R Sales Tax. For example, under federal law, local taxes on aviation fuel (except taxes in effect on December 30, 1987) must be used for airport-related purposes, as a condition for receiving federal funding for airports. On November 7, 2014, the Federal Aviation Administration (the “FAA”) adopted an amendment to its “Policy and Procedures Concerning the Use of Airport Revenue” (the “FAA Policy”), which clarifies that local sales taxes derived from aviation fuel are subject to the airport use restriction and must be used for airport-related purposes. The FAA definition of local sales tax includes the Measure R Sales Tax, as well as the Proposition C Sales Tax and the Measure M Sales Tax (see “MEASURE R SALES TAX AND COLLECTIONS—The Measure R Sales Tax” for descriptions of these sales taxes). While LACMTA cannot be certain of the overall impact that the FAA Policy will have on Measure R Sales Tax revenues, it does not expect that Measure R Sales Tax revenues will be reduced as a result of the FAA Policy since the amount of revenues that LACMTA expends on airport-related purposes exceeds the amount of local taxes, including Measure R Sales Tax revenues, it derives from aviation fuel. However, LACMTA cannot guarantee that Measure R Sales Tax revenues will not be adversely affected by the FAA Policy. The FAA Policy is illustrative of federal laws that may affect which transactions and items are subject to the State’s general sales tax.

### **Increases in Sales Tax Rate May Cause Declines in Measure R Sales Tax Revenues**

Increases in sales tax rates, whether by the electorate of a municipality within the County, the County or the State or by the State Legislature, may affect consumer spending decisions and as a result adversely impact sales transactions in the County and, thereby, reduce Measure R Sales Tax revenues. Several increases in sales tax rates have occurred in recent years.

In November 2012, the voters of the State approved an additional ¼ of 1% State general sales tax, which became effective on January 1, 2013 and expired on December 31, 2016.

At the election held on November 8, 2016, more than two-thirds of the electors of the County voting on the issue approved an additional transportation and use tax (known as the Measure M Sales Tax) to improve transportation and ease traffic congestion. The Measure M Sales Tax is a new one-half cent sales tax that started on July 1, 2017 that increases to one cent in 2039 when the Measure R Sales Tax expires. The Measure M Sales Tax does not have a scheduled expiration date. Proposition A Sales Tax revenues, Proposition C Sales Tax revenues and Measure M Sales Tax revenues are separate from Measure R Sales Tax revenues and do not secure the Senior Bonds, including the Series 2021-A Bonds, or Senior Parity Obligations.

On March 7, 2017, County voters approved a ¼ of 1% sales tax increase known as the Measure H Sales Tax for Homeless Services and Prevention to fund programs to assist the County's homeless population. The Measure H Sales Tax went into effect in October, 2017 and such tax expires in 2027. See "MEASURE R SALES TAX AND COLLECTIONS—The Measure R Sales Tax" for further discussion of Measure H and other current sales taxes in the County.

Additional increases in sales tax rates that will impact the County, while not currently pending, can be expected to be proposed and imposed, from time to time.

### **Increased Internet Use May Reduce Measure R Sales Tax Revenues**

The increasing use of the Internet to conduct electronic commerce may affect the levels of Measure R Sales Tax revenues. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the retail transactions and use tax imposed by Measure R. Legislation passed as part of the California Budget Act of 2011 imposes a use tax collection responsibility for certain out-of-state, and particularly Internet, retailers that meet certain criteria. The new responsibility took effect in September 2012.

Further, the Supreme Court of the United States (the "Supreme Court") decided a case on June 21, 2018 (*South Dakota v. Wayfair Inc., et al*) concerning out of jurisdiction collection of sales taxes. The Supreme Court ruled that state and local governments have the authority to require out-of-state vendors with no local physical presence in a state to collect and remit sales taxes to state and local governments. Since April 1, 2019, retailers located outside of California have been required to register with CDTFA, collect the California use tax, and pay the tax to CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state, with exceptions for retailers with California sales below certain volume and dollar amount thresholds. Effective October 1, 2019, marketplace facilitators (such as Internet shopping websites) are treated as retailers for purposes of determining whether such thresholds are met, and marketplace facilitators are required to collect and remit sales and use tax on the sale of tangible personal property sold through their marketplace for delivery to California customers if they meet certain volume and dollar amount thresholds. LACMTA believes that some Internet transactions currently avoid taxation and in the future may continue to avoid taxation, and this potentially reduces the amount of Measure R Sales Tax revenues.

### **No Acceleration of the Series 2021-A Bonds**

In the event of a default by LACMTA, the Trust Agreement does not contain a provision allowing for the acceleration of the principal of and interest due on the Senior Bonds (including the Series 2021-A Bonds). However, the accelerated payment of any Liquidity Facility Bonds or reimbursement

obligations relating to Liquidity Facility Bonds pursuant to the term out provisions of any related Liquidity Facility, letter of credit reimbursement agreement or similar agreement between LACMTA and the related Liquidity Provider will not be considered to be an acceleration for purposes of the Trust Agreement. As of the date of this Official Statement, LACMTA does not have any outstanding Liquidity Facility Bonds or Senior Bonds supported by a Liquidity Facility. In the event of a default by LACMTA, each Holder of the Series 2021-A Bonds will have the right to exercise remedies, subject to the limitations thereon, set forth in the Trust Agreement. See “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—[TRUST AGREEMENT—Events of Default and Remedies]” for a discussion of the rights and remedies available to the Trustee, acting on behalf of the Holders of the Senior Bonds, in the event of a default.

### **No Reserve Fund for the Series 2021-A Bonds**

The Series 2021-A Bonds will not be secured by a debt service reserve fund.

### **Additional Senior Bonds**

LACMTA expects to issue additional debt secured by Measure R Sales Tax revenues, including additional Senior Bonds. The Short Range Financial Forecast assumes the issuance of approximately \$[2.5] billion in additional Senior Bonds (including the Series 2021-A Bonds) from Fiscal Year 2021 through Fiscal Year 2030. For further discussion of the Short Range Financial Forecast, see “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning.” LACMTA has several major transit projects under construction and has future plans for additional major capital projects. LACMTA may ultimately issue more Senior Bonds to finance these projects than its current plans presently anticipate, particularly if costs of completing projects are higher than expected or other funding sources are not available as planned. In addition, LACMTA is likely to undertake additional capital projects in the future, and additional Senior Bonds may be issued to finance these projects. LACMTA may issue additional Senior Bonds only if the additional bonds tests described under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Measure R Sales Tax Obligations—*Senior Obligations*” are satisfied.

### **Impact of Bankruptcy of LACMTA**

As a municipal entity, LACMTA is authorized to file a petition for relief under Chapter 9 of the United States Bankruptcy Code (“Chapter 9”) under certain circumstances. Should LACMTA file for bankruptcy relief, there could be adverse effects on the Holders of the Series 2021-A Bonds.

If the Pledged Tax Revenues constitute “special revenues” under the Bankruptcy Code, then Pledged Tax Revenues collected before and after the date of the bankruptcy filing should be subject to the lien of the Trust Agreement. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, and also to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor, but the Bankruptcy Code excludes receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity.

The results of Chapter 9 bankruptcy proceedings are difficult to predict. If a court determined that the Measure R Sales Tax was levied to finance the general purposes of LACMTA rather than specific projects, then the Pledged Tax Revenues would not be special revenues. No assurance can be given that a court would hold that the Pledged Tax Revenues constitutes special revenues or that the Series 2021-A

Bonds are of a type protected by the “special revenues” provisions of the Bankruptcy Code. If a bankruptcy court were to determine that the Pledged Tax Revenues were not “special revenues,” then Pledged Tax Revenues collected after the commencement of the bankruptcy case would likely not be subject to the lien of the Agreement. If a bankruptcy court were to so hold, the Holders of the Senior Bonds (including the Series 2021-A Bonds) would no longer be entitled to any special priority to the Pledged Tax Revenues and could be treated as general unsecured creditors of LACMTA without a lien as to the Pledged Tax Revenues. The Holders of the Senior Bonds (including the Series 2021-A Bonds) may not be able to assert a claim against any property of LACMTA other than the Pledged Tax Revenues, and if the Pledged Tax Revenues were no longer subject to the lien of the Trust Agreement, there may be no amounts from which the Holders of the Senior Bonds (including the Series 2021-A Bonds) are entitled to be paid

If the revenues pledged under the Trust Agreement are determined to be special revenues, the Bankruptcy Code provides (in order to maintain the revenue-generating capacity of the municipal entity) that a special revenues lien is subject to the necessary operating expenses of the project or system from which the special revenues are derived, which expenses are to be paid before other obligations (including to bondholders). This rule applies regardless of the provisions of the transaction documents. The law is not clear, however, (i) as to whether, or to what extent, the Pledged Tax Revenues would be considered to be “derived” from a project or system, or (ii) precisely which expenses would constitute necessary operating expenses. To the extent that the Pledged Tax Revenues is determined to be derived from a project or system, LACMTA may be able to use Pledged Tax Revenues to pay necessary operating expenses, before the remaining Pledged Tax Revenues is turned over to the Trustee to pay amounts owed to the Holders of the Series 2021-A Bonds.

If LACMTA files for relief under Chapter 9, the parties (including the Trustee and the Holders of the Series 2021-A Bonds) may be prohibited from taking any action to collect any amount from LACMTA or to enforce any obligation of LACMTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Holders of the Series 2021-A Bonds from funds in the Trustee’s possession. In addition, the procedure pursuant to which the Pledged Tax Revenues is paid directly to the Trustee by CDTFA may no longer be enforceable, and LACMTA may be able to require that the Pledged Tax Revenues be paid directly to it by CDTFA.

If LACMTA has possession of Pledged Tax Revenues (whether collected before or after commencement of the bankruptcy case) and if LACMTA does not voluntarily pay such moneys to the Trustee, it is not entirely clear what procedures the Trustee or the Holders of the Series 2021-A Bonds would have to follow to attempt to obtain possession of such Pledged Tax Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

The obligations of LACMTA under the Trust Agreement, including its obligations to pay principal of and interest on the Series 2021-A Bonds, are limited obligations and are payable solely from the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Accordingly, if LACMTA filed for relief under Chapter 9, the Holders of the Series 2021-A Bonds may not have any recourse to any assets or revenues of LACMTA other than the Pledged Revenues and other amounts.

In the event of a LACMTA bankruptcy filing, LACMTA may be able to borrow additional money that is secured by a lien on any of its property (including the Pledged Revenues), which lien could have priority over the lien of the Trust Agreement, as long as the bankruptcy court determines that the rights of the Holders of the Series 2021-A Bonds will be adequately protected. LACMTA may also be able to cause some of the Pledged Revenues to be released to it, free and clear of lien of the Trust

Agreement, as long as the bankruptcy court determines that the rights of the Trustee and the Holders of the Series 2021-A Bonds will be adequately protected.

Through a Chapter 9 proceeding LACMTA may also be able, without the consent and over the objection of the Trustee and the Holders of the Series 2021-A Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity date, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Trust Agreement and the Series 2021-A Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

As noted in its 2020 Financial Statements (as defined under “FINANCIAL STATEMENTS”), (see “Note III—DETAILED NOTES ON ALL FUNDS—I. Employees’ Retirement Plans” in the Notes to the Financial Statements and the related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020”), LACMTA has been informed that it has unfunded pension plan actuarial accrued liabilities. In a bankruptcy of LACMTA, the amounts of current and, if any, accrued (unpaid) contributions owed to the California Public Employees’ Retirement System (“CalPERS”), the LACMTA-administered plans, or to any other pension system (collectively the “Pension Systems”), as well as future material increases in required contributions, could create additional uncertainty as to LACMTA’s ability to pay debt service on the Series 2021-A Bonds. Given that municipal pension systems in California are usually administered pursuant to state constitutional provisions and, as applicable, other state and/or municipal law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems are instrumentalities of the State and have the right to enforce payment by injunction or other proceedings outside of a LACMTA bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a bankruptcy of LACMTA would rule on these matters. In addition, this area of law is presently very unsettled. This is because, though the issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) have been the subject of litigation in the Chapter 9 cases of several California municipalities, including Stockton and San Bernardino, the relevant disputes have not been litigated to decision in the Federal circuit appellate courts, and thus there are no rulings from which definitive guidance can be taken on pension matters in Chapter 9.

There may be delays in payments on the Series 2021-A Bonds while the court considers any of these issues, and any of these issues could result in delays or reductions in payments on, or other losses with respect to, the Series 2021-A Bonds. There may be other possible effects of a bankruptcy of LACMTA that could result in delays or reductions in payments on the Series 2021-A Bonds, or result in losses to the Holders of the Series 2021-A Bonds. Regardless of any specific adverse determinations in a LACMTA bankruptcy proceeding, the fact of a LACMTA bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2021-A Bonds.

### **Liability for CalPERS Retirement Funding**

LACMTA participates in CalPERS, and is a member of the Southern California Regional Rail Authority (“Metrolink”), a joint powers authority that participates in CalPERS. Participants in CalPERS may terminate their participation, and CalPERS may, following notice and cure periods, terminate participants that fail to make required contributions or provide required information or no longer exist. California law provides that a terminated agency is liable to CalPERS for any deficit in funding for earned benefits, plus interest and collection costs, and that CalPERS will have a lien on assets of the terminated participant, subject only to a prior lien for wages, for such deficit, interest and costs. Similar

provisions impose liability and liens on members of joint powers authorities for the retirement obligations of the joint powers authority. As of June 30, 2020, LACMTA's net pension liability with respect to the CalPERS administered plan in which LACMTA participates was approximately \$175 million according to LACMTA's audited financial statements (see APPENDIX B) and as of June 30, 2020, Metrolink's net pension liability was approximately \$13 million, according to Metrolink's audited financial statements. While LACMTA expects to make its required contributions to CalPERS and to strive to ensure that no funding deficit exists in the event of the termination or dissolution of Metrolink or any other joint powers authority of which it becomes a member (or if a funding deficit does exist, to make alternate arrangements to address it), it is possible that a lien could be placed on all of LACMTA's assets, including the Measure R Sales Tax Revenues, in the amount of any funding deficit, plus interest and collection costs, and any such lien on Measure R Sales Tax Revenues would be senior to that securing the Senior Bonds. Also see "—Impact of Bankruptcy of LACMTA."

### **Voter Initiatives and California State Legislative Action May Impair Measure R Sales Tax**

Voters have the right to place measures before the electorate in the County or the State and the California State Legislature may take actions to limit the collection and use of the Measure R Sales Tax. Such initiatives or actions may impact various aspects of the security, source of payment and other credit aspects of the Series 2021-A Bonds. See "MEASURE R SALES TAX AND COLLECTIONS—Initiatives and Changes to Measure R Sales Tax."

## **DESCRIPTION OF THE SERIES 2021-A BONDS**

### **General**

The Series 2021-A Bonds are limited obligations of LACMTA to be issued pursuant to and secured under the Trust Agreement. In connection with the issuance of the Series 2021-A Bonds, LACMTA will enter into the Sixth Supplemental Trust Agreement to provide the terms of the Series 2021-A Bonds and related matters.

The Series 2021-A Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover of this Official Statement. LACMTA will pay interest on each June 1 and December 1, beginning [December 1, 2021]. Interest on the Series 2021-A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2021-A Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Upon initial issuance, the Series 2021-A Bonds will be registered in the name of Cede & Co. as registered owner and nominee of DTC. As long as the Series 2021-A Bonds are registered in such name or in the name of a successor nominee, the ownership of the Series 2021-A Bonds will be evidenced by book entry as described in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM." Purchasers will not receive certificated Series 2021-A Bonds. So long as Cede & Co. is the registered owner of the Series 2021-A Bonds, reference herein to the Holders or registered owners will mean Cede & Co. as aforesaid and will not mean the Beneficial Owners of the Series 2021-A Bonds.

So long as Cede & Co. is the registered owner of the Series 2021-A Bonds, principal and redemption price of and interest on the Series 2021-A Bonds are payable by wire transfer of funds by the Trustee to Cede & Co., as nominee of DTC. DTC is obligated, in turn, to remit such amounts to its participants as described herein for subsequent disbursement to the Beneficial Owners. If the Series 2021-A Bonds cease to be held by DTC or by a successor securities depository, the principal and redemption price of the Series 2021-A Bonds will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2021-A Bonds at the corporate trust office or agency of the

Trustee, and interest on the Series 2021-A Bonds will be payable by check mailed by first class mail on each Interest Payment Date to the Holders of the Series 2021-A Bonds as of the Record Date; provided, that Holders of \$1,000,000 or more in aggregate principal amount of Series 2021-A Bonds may arrange for payment by wire transfer of immediately available funds upon written request given to the Trustee at least 15 days prior to an Interest Payment Date.

**Redemption**

**Optional Redemption.** The Series 2021-A Bonds maturing on or before June 1, 20\_\_ are not subject to optional redemption. The Series 2021-A Bonds maturing on and after June 1, 20\_\_ are subject to redemption at the option of LACMTA, in whole or in part, in Authorized Denominations, on any date on or after June 1, 20\_\_ from any moneys that may be provided for such purpose, at a redemption price of 100% of the principal amount of such Series 2021-A Bonds so redeemed, together with accrued interest, if any, to the redemption date, without premium.

**Mandatory Redemption.** The Series 2021-A Bonds maturing on June 1, 20\_\_ (the “Series 2021-A Term Bonds”) are also subject to mandatory redemption prior to their stated maturity date, in part, from Mandatory Sinking Account Payments on each June 1 that a Mandatory Sinking Account Payment is due, in a principal amount equal to the Mandatory Sinking Account Payment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium.

The Mandatory Sinking Account Payments for the Series 2021-A Term Bonds will be due in the amounts and on the dates as follows:

<b>Mandatory Sinking Account Payment Dates (June 1)</b>	<b>Mandatory Sinking Account Payments</b>
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\* Final Maturity.

In the event of an optional redemption of the Series 2021-A Term Bonds as described above under “*Optional Redemption*”, LACMTA will designate the Mandatory Sinking Account Payments, in an aggregate amount equal to the principal amount of Series 2021-A Term Bonds so optionally redeemed, that are to be reduced as allocated to such redemption, and such Mandatory Sinking Account Payments will be reduced accordingly.

**Selection of Series 2021-A Bonds for Redemption.** The Series 2021-A Bonds are subject to optional redemption in such order of maturity date and interest rate as LACMTA may direct. The Series 2021-A Bonds within a maturity and interest rate will be selected by lot, in such manner as the Trustee deems appropriate within a maturity and interest rate, provided that for so long as the book- entry system is being used, the interests of the Participants in the particular Series 2021-A Bonds or portions thereof to be redeemed within a maturity and interest rate will be selected by lot by DTC in such manner as DTC and the Participants may determine.



**Notice of Redemption.** Each notice of redemption will be mailed by the Trustee, not less than 20 nor more than 90 days prior to the redemption date, to each Holder and the Repository. Notice of redemption to the Holders, the Repository and the applicable Notice Parties will be given by first-class mail. Each notice of redemption will state the date of such notice, the date of issue of the Series 2021-A Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Series 2021-A Bonds of such maturity, if any, to be redeemed and, in the case of Series 2021-A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2021-A Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Series 2021-A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2021-A Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither LACMTA nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Series 2021-A Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither LACMTA nor the Trustee will be liable for any inaccuracy in such CUSIP numbers.

With respect to any notice of optional redemption, unless, upon the giving of such notice, such Series 2021-A Bonds are deemed to have been paid within the meaning of the Trust Agreement, such notice will state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of and interest on such Series 2021-A Bonds to be redeemed, and that if such amounts are not so received, said notice will be of no force and effect and LACMTA will not be required to redeem such Series 2021-A Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Holders of the applicable Series 2021-A Bonds to the effect that such amounts were not so received and such redemption was not made.

Failure by the Trustee to give notice to any Notice Party or the Repository or failure of any Holder, any Notice Party or the Repository to receive notice or any defect in any such notice will not affect the sufficiency or validity of the proceedings for redemption.

**Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Series 2021-A Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Series 2021-A Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Series 2021-A Bonds so called for redemption will cease to accrue, said Series 2021-A Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Trust Agreement and the Holders of said Series 2021-A Bonds will have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment.

## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS

### Security for the Series 2021-A Bonds

The Series 2021-A Bonds are limited obligations of LACMTA payable from and secured by a first lien on and a pledge of the “Pledged Revenues,” which essentially consist of all Pledged Tax Revenues. “Pledged Tax Revenues” means the amounts collected on account of the Measure R Sales Tax, less any refunds and the administrative fee paid to CDTFA in connection with the collection and disbursement of the Measure R Sales Tax, and less 15% thereof which constitutes the Local Return allocated to local jurisdictions within the County pursuant to the Measure R Ordinance. In addition, the Series 2021-A Bonds are secured by all other amounts held by the Trustee under the Trust Agreement (except for amounts held in the Rebate Fund and any Letter of Credit Account and any Purchase Fund created under a supplement to the Trust Agreement). Additionally, the Trust Agreement provides that Pledged Revenues also include any additional sources of revenue that are hereafter pledged to pay the Senior Bonds under a subsequent supplemental trust agreement. Pledged Revenues do not include any Measure R Sales Tax revenues that are released by the Trustee to LACMTA after making all required monthly deposits to the Interest Fund, the Principal Fund, any Reserve Fund, the Subordinate Obligations Fund, the Fees and Expenses Fund and the Junior Subordinate Obligations Fund.

**Neither the faith and credit nor the taxing power of the County, the State or any political subdivision or agency thereof, other than LACMTA to the extent of Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement, is pledged to the payment of the principal of or interest on the Series 2021-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2021-A Bonds.**

**The Series 2021-A Bonds are limited obligations of LACMTA and are payable, both as to principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Trust Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2021-A Bonds.**

### Measure R Sales Tax Obligations

Under the Trust Agreement, LACMTA may issue Senior Bonds and incur Senior Parity Obligations, which are secured by a senior lien on Pledged Revenues. The Series 2021-A Bonds are Senior Bonds. Pursuant to the Trust Agreement, LACMTA has covenanted not to issue or incur any obligations with a pledge of or lien on Pledged Revenues prior or superior to that of the Senior Bonds (including the Series 2021-A Bonds) and Senior Parity Obligations. See “*Senior Obligations*” below and “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Senior Bonds*.”

Additionally, under the Trust Agreement, LACMTA may issue and incur Subordinate Obligations, which are secured by a subordinate lien on Pledged Revenues and are junior and subordinate to the Senior Bonds (including the Series 2021-A Bonds) and the Senior Parity Obligations as to the lien on and source and security for payment from Pledged Revenues. See “*Subordinate Obligations*” below and “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Subordinate Obligations*.”

Under the Trust Agreement, LACMTA also may issue Junior Subordinate Obligations which are secured by a junior subordinate lien on Pledged Revenues and are junior and subordinate to the Senior

Bonds (including the Series 2021-A Bonds), the Senior Parity Obligations and the Subordinate Obligations as to the lien on and source and security for payment from Pledged Revenues. See “*Junior Subordinate Obligations*” below and “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Junior Subordinate Obligations*.”

***Senior Obligations.*** Pursuant to Trust Agreement, LACMTA is permitted to issue additional Senior Bonds and incur Senior Parity Obligations upon satisfying certain conditions, including the delivery of a certificate prepared by a Consultant showing that the amount of Pledged Revenues (excluding Swap Revenues as defined in the Trust Agreement) collected during any 12 consecutive calendar months specified by LACMTA within the most recent 18 calendar months immediately preceding the date on which such additional Series of Senior Bonds or Senior Parity Obligations will become Outstanding will have been at least equal to 2.5 times Maximum Annual Debt Service on all Series of Senior Bonds and Senior Parity Obligations then Outstanding and the additional Series of Senior Bonds or Senior Parity Obligations then proposed to be issued.

LACMTA has also covenanted and agreed that, at the time of issuance of any Series of Senior Bonds or Senior Parity Obligations to finance projects in any expenditure allocation category, the portion of projected Measure R Sales Tax revenues attributable to such category in each year, as determined by LACMTA, divided by the sum of (i) the Assumed Debt Service attributable to such Senior Bonds or Senior Parity Obligations plus (ii) the Assumed Debt Service attributable to all other Outstanding Senior Bonds or Senior Parity Obligations, the proceeds of which are attributable to such category, plus (iii) the debt service (calculated in the same manner as Assumed Debt Service) on any outstanding Subordinate Obligations and Junior Subordinate Obligations, the proceeds of which are attributable to such category, in each year, as calculated by the Authority, will not be less than 110%.

See “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS” for further discussion of the requirements to issue additional Senior Obligations under the Trust Agreement. For a description of the Junior Subordinate Obligations currently outstanding, see “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Senior Bonds*.”

***Subordinate Obligations.*** Under the Trust Agreement, LACMTA may issue Subordinate Obligations which are secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Senior Obligations (including the Series 2021-A Bonds) and senior to the lien and charge on Pledged Revenues that secures the Junior Subordinate Obligations. For a description of the Subordinate Obligations currently outstanding, see “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Subordinate Obligations*.”

***Junior Subordinate Obligations.*** Under the Trust Agreement, LACMTA may issue Junior Subordinate Obligations which are secured by a junior subordinate lien on Pledged Revenues and are junior and subordinate to the Senior Obligations (including the Series 2021-A Bonds) and the Subordinate Obligations as to the lien on and source and security for payment from Pledged Revenues. For a description of the Junior Subordinate Obligations currently outstanding, see “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Junior Subordinate Obligations*.”

## **Flow of Funds**

As long as any Senior Bonds are Outstanding and Senior Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations and all other amounts payable under the Trust Agreement remain unpaid pursuant to the Trust Agreement, LACMTA has pledged the Pledged Tax Revenues to the Trustee and will cause CDTFA to transmit the same directly to the Trustee. The Pledged Tax Revenues will be received and held in trust by the Trustee for the benefit of the Holders of the Senior Bonds, the

Senior Parity Obligations, the Subordinate Obligations and Junior Subordinate Obligations. The Trustee will forthwith deposit all Pledged Tax Revenues in the Revenue Fund established by the Trust Agreement (the "Revenue Fund"), maintained and held in trust by the Trustee, when and as such Pledged Tax Revenues are received by the Trustee. See "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT." Investment income on amounts held by the Trustee (other than amounts held in the Rebate Fund or any Purchase Fund or in other funds for which particular instructions are provided) will also be deposited in the Revenue Fund.

So long as any Senior Bonds remain Outstanding and Senior Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations and all other amounts payable under the Trust Agreement remain unpaid, following receipt and deposit of the Pledged Tax Revenues in the Revenue Fund in each month, the Trustee is required to set aside such Pledged Tax Revenues in the following respective funds, amounts and order of priority (provided that deficiencies in any previously required deposit may be made up prior to the deposit to a fund subsequent in priority and further provided that set asides or transfers required with respect to outstanding Senior Parity Obligations will be made on a parity basis each month, as provided in the Trust Agreement):

***First - Interest Fund (Senior Obligations).*** The Trustee will make monthly deposits in the Interest Fund in an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on Outstanding Senior Bonds constituting Current Interest Bonds (except the Senior Bonds constituting Variable Rate Indebtedness which is governed by (b) below) during the next ensuing six months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Senior Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six months), plus (b) the aggregate amount of interest to accrue during that month on Outstanding Senior Bonds constituting Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified by LACMTA, or if LACMTA has not specified an interest rate, at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the date of deposit plus 100 basis points; subject to such adjustments as are provided pursuant to the provisions of the Trust Agreement.

***Second - Principal Fund; Sinking Accounts (Senior Obligations).*** The Trustee will make monthly deposits in the Principal Fund in an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next 12 months, plus (c) one-sixth of the aggregate of the Senior Bond Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Senior Bond Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts will have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if LACMTA certifies to the Trustee that any principal payments due on or prior to January 1, 2036 are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal payments becoming due and payable in such month.

No deposit need be made into the Principal Fund so long as there will be in such fund (a) moneys sufficient to pay the Bond Obligation of all Serial Bonds then Outstanding and maturing by their terms within the next 12 months, plus (b) the aggregate of all Senior Bond Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal

Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if LACMTA certifies to the Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments.

***Third - Reserve Funds (Senior Obligations).*** If LACMTA provides by Supplemental Trust Agreement, the Trustee will make deposits to any of the Reserve Funds. As of the date of this Official Statement, LACMTA has not established any reserve fund with respect to the outstanding Senior Bonds and no reserve fund will be established with respect to the Series 2021-A Bonds.

***Fourth - Subordinate Obligations Fund.*** As long as any Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in First, Second and Third above have been made will be transferred on the same Business Day to the Subordinate Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Subordinate Obligations, the Trustee will transfer any remaining Pledged Revenues back to the Revenue Fund.

***Fifth - Fees and Expenses Fund.*** At the direction of LACMTA, after the deposits described in First, Second, Third and Fourth above have been made, the Trustee will deposit as soon as practicable in each month in the Fees and Expenses Fund (a) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Senior Obligations) owing in such month or the following month by LACMTA in connection with the Senior Obligations and (b) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by LACMTA in connection with Subordinate Obligations.

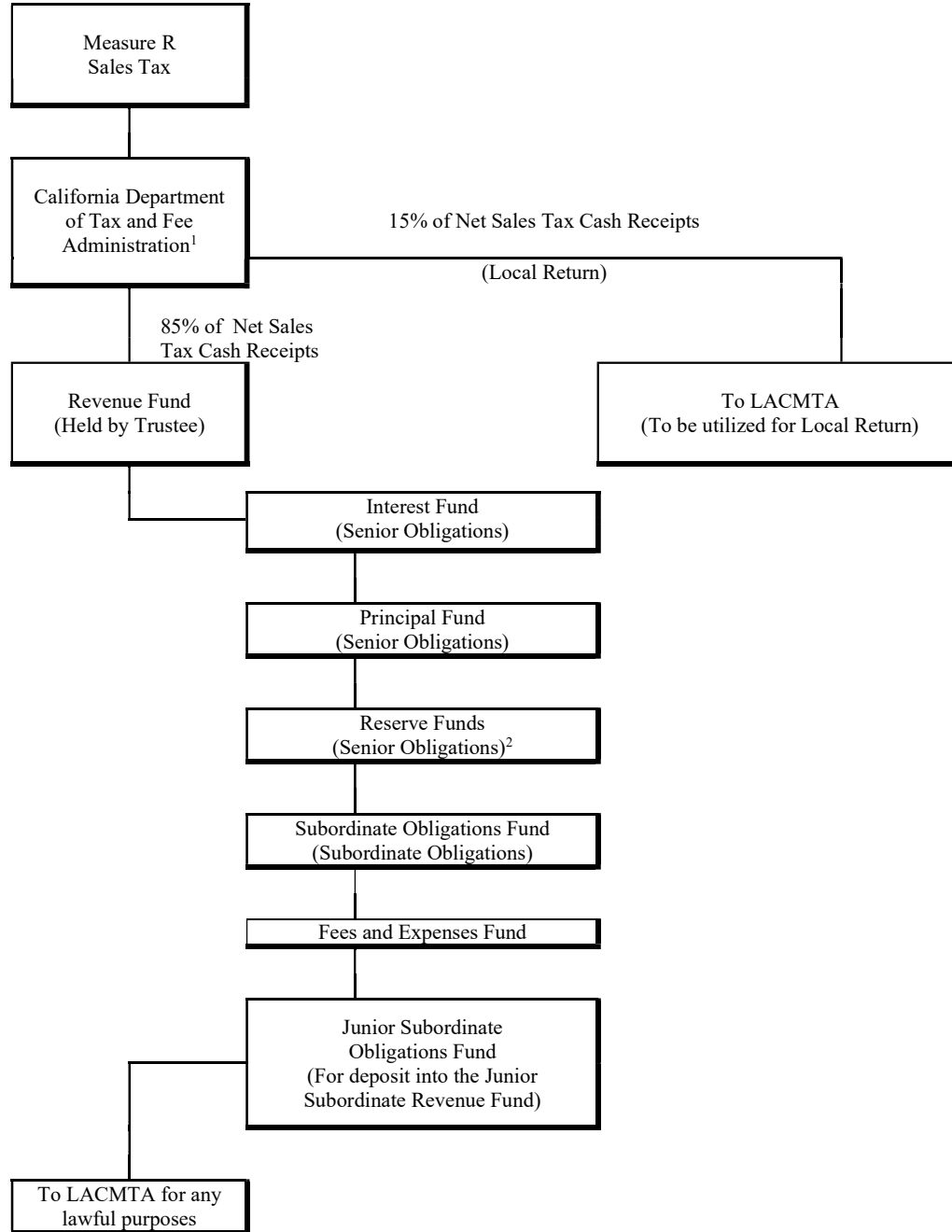
***Sixth – Junior Subordinate Obligations Fund.*** As long as any Junior Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits or payments described in First, Second, Third, Fourth and Fifth above have been made will be transferred on the same Business Day to the Junior Subordinate Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating Junior Subordinate Obligations, the Trustee will transfer any remaining Pledged Revenues back to the Revenue Fund.

***Seventh – Swap Termination Payments.*** The Trustee will pay any Swap Termination Payments then due and payable to the applicable counterparty.

The Trust Agreement provides that any Pledged Revenues remaining in the Revenue Fund after the foregoing deposits described in First, Second, Third, Fourth, Fifth, Sixth and Seventh above, will be transferred to LACMTA on the same Business Day or as soon as practicable thereafter, except as otherwise provided in a Supplemental Trust Agreement or as LACMTA may otherwise direct in writing, to be used by LACMTA, or transferred as directed by LACMTA in writing, for any lawful purpose and after such transfer to LACMTA will be released from the lien of the Trust Agreement and will no longer constitute “Pledged Revenues” under the Trust Agreement.

The following table provides a graphic presentation of the flow of funds for Measure R Sales Tax cash receipts under the Trust Agreement as of the date of issuance of the Series 2021-1A Bonds.

**TABLE 1**  
**Measure R Sales Tax**  
**Flow of Funds**



<sup>1</sup> Amounts transferred by CDTFA to the Trustee and LACMTA are net of any refunds and administrative fees paid to CDTFA.

<sup>2</sup> No Reserve Fund was established for the currently outstanding Senior Bonds no Reserve Fund will be established for the Series 2021-A Bonds.

## **The Series 2021-A Bonds Are Not Secured by Any Debt Service Reserve Fund**

The Series 2021-A Bonds are not secured by any debt service reserve fund.

### **MEASURE R SALES TAX AND COLLECTIONS**

#### **The Measure R Sales Tax**

Under the California Public Utilities Code, LACMTA is authorized to adopt retail transactions and use tax ordinances applicable in the incorporated and unincorporated territory of the County in accordance with California's Transaction and Use Tax Law (California Revenue and Taxation Code Section 7251 et seq.), upon authorization by two-thirds of the electors voting on the issue. In accordance with the LACMTA Act, on July 24, 2008, LACMTA adopted the Measure R Ordinance which authorizes a retail transactions and use tax for public transit purposes. The Measure R Ordinance was submitted to the electors of the County in the form of Measure R ("Measure R") and approved at an election held on November 4, 2008 by more than two-thirds of the voters. The Measure R Ordinance imposes a tax, effective July 1, 2009, of 1/2 of 1% of the gross receipts of retailers from the sale of tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions. The retail transactions and use tax imposed by the Measure R Ordinance and approved by the voters with the passage of Measure R is referred to in this Official Statement as the "Measure R Sales Tax." As approved by the voters, the Measure R Sales Tax is limited to 30 years in duration and terminates on June 30, 2039.

Collection of the Measure R Sales Tax is administered by CDTFA, which imposes a charge for administration. Such charge is based on the actual costs incurred by CDTFA in connection with the administration of the collection of the Measure R Sales Tax. In accordance with the Measure R Ordinance, LACMTA is required to allocate the proceeds of the Measure R Sales Tax as follows:

[Remainder of page intentionally left blank.]

**TABLE 2**  
**Allocation of Measure R Sales Tax**

Uses	Percentage
New Rail and/or Bus Rapid Transit Capital Projects	35%
Metrolink Capital Improvement Projects within the County (operations, maintenance and expansion)	3
Metro Rail Capital—System Improvements, Rail Yards and Rail Cars	2
Carpool Lanes, Highways, Goods Movement, Grade Separations and Soundwalls	20
Rail Operations (new transit project operations and maintenance)	5
Bus Operations (County-wide bus service operations, maintenance and expansion)	20
Local Return (allocated to incorporated cities within the County and to the County for the incorporated areas thereof on a per capita basis); Major Street Resurfacing, Rehabilitation and Reconstruction; Pothole Repair; Left Turn Signals; Bikeways; Pedestrian Improvements; Streetscapes; Signal Synchronization; and Transit	<u>15</u>
Total	<u>100%</u> <sup>1</sup>

<sup>1</sup> Up to 1.5% of the Measure R Sales Tax revenues received by LACMTA may be used by LACMTA to pay administrative costs. Administrative costs are payable only from Measure R Sales Tax revenues that have been released to LACMTA and are no longer Pledged Revenues. See. “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds” above.  
Source: LACMTA

CDTFA, after deducting the costs of administering the Measure R Sales Tax and disbursing the Local Return to LACMTA, has agreed to remit directly on a monthly basis the remaining Measure R Sales Tax revenues to the Trustee. Any Pledged Tax Revenues remaining after the Trustee makes the required monthly deposits to the Interest Fund, the Principal Fund, any Reserve Fund, the Subordinate Obligations Fund, the Fees and Expenses Fund and the Junior Subordinate Obligations Fund under the Trust Agreement are released to LACMTA to be used by LACMTA for any lawful purposes (subject to the allocation requirements set forth in the Measure R Ordinance). The Series 2021-A Bonds do not have a lien on and are not secured by any Pledged Tax Revenues that are released by the Trustee to LACMTA after making such monthly deposits under the Trust Agreement.

The amount retained by CDTFA from collections of Measure R Sales Tax is based on the total local entity cost reflected in the annual budget of the State, and includes direct, shared and central agency costs incurred by CDTFA. The amount retained by CDTFA is adjusted to account for the difference between CDTFA’s recovered costs and its actual costs during the prior two Fiscal Years. For Fiscal Years 2016 through 2020, CDTFA’s fee for administering the Measure R Sales Tax was as follows:

[Remainder of page intentionally left blank.]



**TABLE 3**  
**Fee For Administering the Measure R Sales Tax**

<b>Fiscal Year Ended (June 30)</b>	<b>Fee (\$'s in millions)</b>	<b>Percentage of Measure R Sales Tax Revenues</b>
2016	\$9.2	1.2%
2017	9.2	1.2
2018	9.0	1.1
2019	8.9	1.0
2020	9.3	1.1

CDTFA has advised LACMTA that its fee for Fiscal Year 2021 is estimated to be \$7.4 million. LACMTA assumes that the CDTFA fee may increase incrementally each year. CDTFA can change the fee at its discretion in the future.

Under the Trust Agreement, LACMTA covenants that (a) it has duly levied the Measure R Sales Tax; and (b) it will not, to the best of its ability, suffer or permit any change, modification or alteration to be made to the LACMTA Act that would materially and adversely affect the rights of the Holders of the Series 2021-A Bonds.

Under the LACMTA Act, the State pledges to, and agrees with, the holders of any bonds issued under the Act and with those parties who may enter into contracts with LACMTA pursuant to the LACMTA Act that the State will not limit or alter the rights vested by the LACMTA Act in LACMTA until such bonds, together with the interest thereon, are fully met and discharged and the contracts are fully performed on the part of LACMTA. However, the State is not precluded from limiting or altering rights if and when adequate provision has been made by law for the protection of the bondholders or those entering into contracts with LACMTA. Further, such pledge and agreement does not preclude the State from changing the transactions and items subject to the statewide general sales tax and concurrently thereby altering the amount of Measure R Sales Tax collected. See “RISK FACTORS—California State Legislature or Electorate or Federal Law May Change Items Subject to Measure R Sales Tax.”

The 30-year ½ of 1% Measure R Sales Tax imposed by LACMTA in the County is in addition to the general sales tax levied statewide by the State (currently 7.25%), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 16 of the Commission known as “Proposition A” (such sales tax is referred to herein as the “Proposition A Sales Tax”), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 49 of the Commission known as “Proposition C” (such sales tax is referred to herein as the “Proposition C Sales Tax”), the ½ of 1% (increasing to 1% upon the expiration of the Measure R Sales Tax) sales tax approved by County voters in November 2016 to fund LACMTA transportation projects and operations known as the “Measure M Sales Tax,” the 10-year ¼ of 1% sales tax approved by County voters in March 2017 to fund programs to assist the County’s homeless population known as “Measure H Sales Tax,” and the taxes that apply only within certain cities in the County. The cities of Avalon, Commerce, Downey, El Monte, Inglewood, La Puente, San Fernando, and South El Monte in the County have each enacted a sales tax of ½ of 1% applicable to transactions within their respective city limits, and the cities of Arcadia, Burbank, Covina, Cudahy, Culver City, Glendale, Glendora, Hawthorne, Huntington Park, Lawndale, Pasadena, and Pomona in the County have each enacted a sales tax of ¾ of 1% applicable to transactions within their respective city limits. The cities of Compton, Long Beach, Lynwood, Pico Rivera, Santa Fe Springs Santa Monica, and South Gate in the County have each enacted a sales tax of 1% applicable to transactions within the city’s limits. The combined various sales taxes described above results in (a) transactions within the County, and outside

the cities of Arcadia, Avalon, Burbank, Commerce, Compton, Covina, Cudahy, Culver City, Downey, El Monte, Glendale, Glendora, Hawthorne, Huntington Park, Inglewood, La Puente, Lawndale, Long Beach, Lynwood, Pasadena, Pico Rivera, Pomona, San Fernando, Santa Monica, South El Monte, South Gate, and Santa Fe Springs, currently being taxed at an effective rate of 9.50%, (b) transactions within the cities of Avalon, Commerce, Downey, El Monte, Inglewood, La Puente, San Fernando, and South El Monte currently being taxed at an effective rate of 10.00%, (c) transactions within the cities of Arcadia, Burbank, Compton, Covina, Cudahy, Culver City, Glendale, Glendora, Hawthorne, Huntington Park, Lawndale, Long Beach, Lynwood, Pasadena, Pico Rivera, Pomona, Santa Monica, and South Gate currently being taxed at an effective rate of 10.25%, and (d) transactions within the city of Santa Fe Springs currently being taxed at an effective rate of 10.50% (the Measure H Sales Tax does not apply to transactions in Compton, Long Beach, Lynwood, Pico Rivera, Santa Monica and South Gate because in those cities the sales tax is already at the maximum allowed by law). These tax rates and the items subject to the Measure R C Sales Tax are subject to change. See “RISK FACTORS—California State Legislature or Electorate or Federal Law May Change Items Subject to Measure R Sales Tax” and “—Increases in Sales Tax Rate May Cause Declines in Measure R Sales Tax Revenues.” See also “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT.”

### **Initiatives and Changes to Measure R Sales Tax**

***Proposition 218.*** In 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California State Constitution. Among other things, Article XIII C removes limitations, if any, that exist on the initiative power in matters of local taxes, assessments, fees and charges. Even though LACMTA’s enabling legislation did not limit the initiative power of the electorate prior to Proposition 218, Proposition 218 has affirmed the right of the voters to propose initiatives that could impact the Measure R Sales Tax.

## Historical Measure R Sales Tax Collections

The following table presents, among other things, collections of net Measure R Sales Tax and corresponding Pledged Tax Revenues for the Fiscal Years ended June 30, 2011 through June 30, 2020.

**TABLE 4**  
**Historic Net Measure R Sales Tax Receipts**  
**(dollars in millions)**

<b>Fiscal Year Ended June 30</b>	<b>Net Measure R Sales Tax Revenues<sup>1</sup></b>	<b>Annual Percentage Change</b>	<b>Pledged Tax Revenues<sup>2</sup></b>
2011	\$598.6	–%	\$508.8
2012	645.0	7.75	548.3
2013	684.9	6.19	582.1
2014	714.2	4.28	607.1
2015	745.9	4.44	634.0
2016	765.0	2.56	650.2
2017	787.9	2.99	669.7
2018	836.7	6.19	711.2
2019	846.8	1.21	719.8
2020	823.4	(2.76)	699.9

<sup>1</sup> Reflects Measure R Sales Tax revenues, reported according to accrual basis accounting, as presented in LACMTA’s audited financial statements, less the administrative fee paid to CDTFA, but before the Local Return. Rounded to the closest \$100,000.

<sup>2</sup> Reflects Measure R Sales Tax revenues, reported according to accrual basis accounting, as presented in LACMTA’s audited financial statements, less the administrative fee paid to CDTFA and the Local Return. Rounded to the closest \$100,000.

Source: LACMTA

The following table sets forth the amount of Measure R Sales Tax receipts, on a cash basis, received for the most recent nine quarters and the changes in such amounts from the corresponding period in the prior year. Measure R Sales Tax receipts, on a cash basis for a quarterly period, are determined by Measure R Sales Tax revenues generated by sales activity generally occurring in the previous quarter, less any amount previously advanced, plus an advance for the first month of the next quarter. For example, for the quarter ending June 30, 2021, reported according to cash basis accounting, Measure R Sales Tax receipts were approximately \$[•] million, which receipts generally represented sales activity occurring in January, February and March 2021, less the advances previously received for those quarterly sales, plus an advance for April 2021 sales (received in June).

**TABLE 5**  
**Selected Actual Measure R Sales Tax Revenue Information**  
**(values are cash basis)<sup>1</sup>**

<b>Quarter Ended</b>	<b>Quarterly Receipts (\$ millions)</b>	<b>Change from Same Period of Prior Year</b>	<b>Rolling 12 Months Receipts (\$ millions)</b>	<b>Change from Same Period of Prior Year</b>
June 30, 2021	\$[•]	[•]	\$[•]	[•]%
March 31, 2021	214.3	(8.9)	799.9	(8.8)
December 31, 2020	212.8	(4.3)	818.4	(5.8)
September 30, 2020	212.1	(3.5)	827.9	(3.8)
June 30, 2020	160.6	(20.6)	835.5	(3.5)
March 31, 2020	232.8	3.9	877.2	2.8
December 31, 2019	222.3	3.5	868.5	3.8
September 30, 2019	219.8	(2.3)	860.9	4.2
June 30, 2019	202.3	6.7	866.2	7.8

<sup>1</sup> Reported according to cash basis accounting.  
Source: LACMTA

Measure R Sales Tax receipts fluctuate based on general economic conditions within the County. To project future Measure R Sales Tax receipts for budgetary purposes, LACMTA relies on reports from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, CDTFA does not provide LACMTA with any forecasts of Measure R Sales Tax receipts for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Measure R Sales Tax receipts. See “RISK FACTORS—Economic Factors May Cause Declines in Measure R Sales Tax Revenues” above. Also see “INTRODUCTION—Impact of Global COVID-19 Outbreak.”

## MEASURE R SALES TAX OBLIGATIONS

### General

LACMTA has three priority levels of obligations for Measure R Sales Tax revenues: (1) its Senior Bonds (which includes the Series 2021-A) and Senior Parity Obligations, (2) its Subordinate Obligations (which includes the Subordinate Commercial Paper Notes and related obligations), and (3) its Junior Subordinate Obligations.

### Senior Bonds Debt Service Coverage

The following table presents historical Pledged Tax Revenues and Senior Bonds debt service coverage ratios for the Fiscal Years ended June 30, 2016 through June 30, 2020.

**TABLE 6**  
**Measure R Pledged Revenues and**  
**Senior Bonds Debt Service Coverage**  
**(dollars in millions)<sup>1</sup>**

<b>Fiscal Year</b>	<b>Pledged Tax Revenues<sup>2</sup></b>	<b>Senior Bonds Debt Service<sup>3</sup></b>	<b>Senior Bonds Debt Service Coverage Ratio</b>	<b>Measure R Sales Tax Revenues Remaining After Payment of Senior Bonds</b>
2016	\$650.2	\$53.6	12.1x	\$596.5
2017	669.7	79.6	8.4	590.1
2018	711.2	91.9	7.7	619.3
2019	719.8	91.9	7.8	627.9
2020	699.9	91.9	7.6	608.0

<sup>1</sup> Dollars rounded to the closest \$100,000.

<sup>2</sup> 85% of Net Measure R Sales Tax revenue (less administrative fee and Local Return). See Table 4 above.

<sup>3</sup> No Subsidy Payments (as defined below) received with respect to the Series 2010-A Bonds are included in calculating the Senior Bonds Debt Service. See “—Outstanding Measure R Sales Tax Obligations—Senior Obligations” below.

Source: LACMTA

### Outstanding Measure R Sales Tax Obligations

*Senior Bonds.* LACMTA had the following Senior Bonds outstanding as of June 2, 2021.

**TABLE 7**  
**Los Angeles County Metropolitan Transportation Authority**  
**Measure R Senior Sales Tax Revenue Bonds**  
**(Outstanding as of June 2, 2021)**

<b>Measure R Senior Sales Tax Revenue Bonds</b>	<b>Outstanding Principal Amount</b>
Senior Sales Tax Revenue Bonds, Series 2016-A	\$ 455,520,000
Senior Sales Tax Revenue Bonds, Series 2010-A	552,030,000
Total	<u>\$1,007,550,000</u>

Source: LACMTA.

LACMTA designated the Series 2010-A Bonds as “Build America Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. LACMTA receives a cash subsidy from the United States Treasury equal to 35% of the interest payable on the Series 2010-A Bonds (the “Subsidy Payments”). Due to federal funding reductions that began in Fiscal Year 2013, the Subsidy Payments received by LACMTA over the last seven Fiscal Years have only been approximately 33% of the interest payable on the Series 2010-A Bonds. LACMTA has not undertaken or made any covenant for the benefit of the holders of the Series 2010-A Bonds to comply with any conditions to receive the Subsidy Payments or to maintain its right to retain or receive Subsidy Payments in respect of the Series 2010-A Bonds. The Subsidy Payments are not part of Pledged Revenues and have not otherwise been pledged by LACMTA to the payment of debt service on the Series 2010-A Bonds. LACMTA does not use any of the Subsidy

Payments to pay debt service on the Series 2010-A Bonds (or any other Senior Bonds). LACMTA is obligated to make all payments of principal of and interest on the Series 2010-A Bonds from Pledged Revenues whether or not it receives the Subsidy Payments. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds.”

LACMTA may issue additional Senior Bonds and other Senior Obligations upon the satisfaction of certain conditions contained in the Trust Agreement. See “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS” for further discussion of the requirements to issue additional Senior Obligations under the Trust Agreement. The Short Range Financial Forecast assumes the issuance and/or incurrence of approximately \$[2.5] billion in additional Senior Obligations (including the Series 2021-A Bonds) [and/or Subordinate Obligations] from Fiscal Year 2021 through Fiscal Year 2030. The Short Range Financial Forecast is a planning tool and therefore the timing and amount of any debt issuance is likely to change. The actual amount and timing of any debt issuance depends on a number of factors including the actual scope, timing and cost of transportation projects, the ability to obtain funding from other sources and the amount of Measure R Sales Tax revenues available to fund the projects in the Short Range Financial Forecast. For further discussion of the Short Range Financial Forecast, see “FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning” in APPENDIX A.

**Subordinate Obligations.** On May 28, 2015, LACMTA received authorization to establish a short-term borrowing program (the “Short-Term Borrowing Program”) secured by the Measure R Sales Tax and in an aggregate principal amount not to exceed \$300,000,000. The obligations issued under the Short-Term Borrowing program are payable from the Measure R Sales Tax revenues on a subordinate basis to the Senior Obligations but senior to the Junior Subordinate Obligations.

Under the Short-Term Borrowing Program, LACMTA is authorized to issue and have outstanding, at any one time, up to \$300,000,000 aggregate principal amount of its Measure R subordinate commercial paper notes (the “Subordinate Commercial Paper Notes”), provided that the Subordinate Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit. As of June 2, 2021, \$106 million aggregate principal amount of Subordinate Commercial Paper Notes were outstanding. The Subordinate Commercial Paper Notes are payable from Measure R Sales Tax revenues on a subordinate basis to the Senior Obligations (including the Series 2021-A Bonds).

The Subordinate Commercial Paper Notes are supported by two letters of credit (the “CP Letters of Credit”) issued by Bank of America, N.A., and State Street Bank and Trust Company (collectively, the “CP Banks”). LACMTA’s reimbursement obligations with respect to the CP Letters of Credit are payable from Measure R Sales Tax revenues on parity with the Subordinate Commercial Paper Notes and on a subordinate basis to the Senior Obligations. The following table sets forth certain terms of the CP Letters of Credit.

<b>CP Letters of Credit</b>			
<b>Letter of Credit Provider</b>	<b>Amount of Letter of Credit</b>	<b>Issuance Date</b>	<b>Expiration Date</b>
Bank of America, N.A.	\$ 97,989,042 <sup>1</sup>	October 28, 2020	October 27, 2022
State Street Bank and Trust Company	108,876,713 <sup>2</sup>	October 28, 2020	October 27, 2022

<sup>1</sup> Supports \$90,000,000 of principal and \$7,989,042 of interest.

<sup>2</sup> Supports \$100,000,000 of principal and \$8,876,713 of interest.

Source: LACMTA

[In connection with the issuance of the CP Letters of Credit, LACMTA and the CP Banks entered into two separate reimbursement agreements (collectively, the “CP Reimbursement Agreements”). In the event LACMTA does not immediately reimburse a CP Bank for a drawing under the applicable CP Letter of Credit, LACMTA is required pursuant to the applicable CP Reimbursement Agreement to pay all principal of and interest due to the applicable CP Bank as a result of such drawing within [five] years of the applicable date of the original drawing. Events of default under the CP Reimbursement Agreements include, but are not limited to (i) failure to pay principal of or interest on any drawing, advance or other obligations under the applicable CP Reimbursement Agreement, (ii) failure to perform the terms of the applicable CP Reimbursement Agreement, (iii) defaults in any payment of any debt secured by a charge, lien or encumbrance on the Pledged Revenues, (iv) a downgrade of the Senior Bonds below “A3” or “A-”. Any obligations of LACMTA incurred pursuant to the CP Reimbursement Agreements are secured by Pledged Revenues on parity with the Subordinate Commercial Paper Notes. Redacted copies of the CP Reimbursement Agreements are available on the MSRB’s Electronic Municipal Market Access website.]

The Subordinate Commercial Paper Notes and the reimbursement obligations with respect to the CP Letters of Credit constitute “Subordinate Obligations,” and are payable from Measure R Sales Tax revenues on a subordinate basis to the Senior Obligations described above.

***Junior Subordinate Obligations and Other Obligations.*** On August 27, 2020, LACMTA issued \$1,356,095,000 aggregate principal amount of its Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds) (the “Series 2020 Junior Subordinate Bonds”) to repay and retire its obligations under four Transportation Infrastructure Finance and Innovation Act loan agreements and to finance certain rail projects. As of June 2, 2021, LACMTA had \$1,356,095,000 aggregate principal amount of the Series 2020 Junior Subordinate Bonds outstanding. The Series 2020 Junior Subordinate Bonds are payable from the Measure R Sales Tax revenues on a subordinate basis to the Senior Obligations (including the Series 2021-A Bonds) and the Subordinate Obligations.

Additionally, LACMTA has the ability to incur other obligations (the “Other Obligations”) which are secured by the Measure R Sales tax that remain after the payment of the Senior Obligations, the Subordinate Obligations, and the Junior Subordinate Obligations. As of June 2, 2021, LACMTA did not have any Other Obligations outstanding.

### **Debt Policy Limits on Additional Obligations Secured by Measure R Sales Tax**

Besides the limitations of the additional bonds test noted above under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Measure R Sales Tax Obligations—*Senior Obligations*,” the Board-adopted debt policy sets additional limits on the amount of debt secured by the Measure R Sales Tax that can be issued. This debt policy is reviewed periodically. These limits are intended to ensure that LACMTA will be able to continue providing essential operational services while planning for replacement, rehabilitation and expansion of capital investments. Under the current debt policy, payment of debt service with Measure R Sales Taxes is subject to the following limitations: only 87% of the Measure R 35% (new rail and/or bus rapid transit capital projects) category may be used to pay debt service; only 60% of the Measure R 20% (carpool lanes, highways, goods movement, grade separations and soundwall projects) category may be used to pay debt service; only 87% of the Measure R 2% (Metro rail capital) category may be used to pay debt service; and only 87% of the Measure R 3% (Metrolink capital improvement projects) category may be used to pay debt service. The Board may modify the debt policy to allow the issuance of a greater amount of debt secured by the Measure R Sales Tax in the future.

## COMBINED DEBT SERVICE SCHEDULE

The following table shows the combined debt service requirements on the outstanding Senior Bonds and the Series 2021-A Bonds.

**TABLE 7**  
**Combined Debt Service Schedule**  
**Senior Bonds<sup>1</sup>**  
**Series 2021-A Bonds Debt Service**

Fiscal Year Ending June 30	Currently Outstanding Senior Bonds Debt Service <sup>2</sup>	Principal	Interest	Total Debt Service	Total Debt Service on Senior Bonds
2022	\$ 91,592,236				
2023	91,257,377				
2024	90,900,003				
2025	90,517,737				
2026	90,102,666				
2027	89,628,277				
2028	89,133,657				
2029	88,624,296				
2030	88,090,152				
2031	87,536,467				
2032	86,967,946				
2033	86,371,047				
2034	85,758,188				
2035	85,118,075				
2036	84,456,591				
2037	83,770,405				
2038	83,057,650				
2039	<u>82,316,171</u>				
Total <sup>1</sup>	<u>\$1,575,198,938</u>				

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> No Subsidy Payments received with respect to the Series 2010-A Bonds are included in calculating the Series 2010-A Bonds Debt Service. See “MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—*Senior Obligations*” above.

Source: LACMTA and Fieldman, Rolapp & Associates, Inc.

## LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, in any way questioning or affecting the validity of the Series 2021-A Bonds, the imposition and collection of the Measure R Sales Tax or the pledge of the Pledged Revenues. Various claims of other types have been asserted against LACMTA. See “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION AND OTHER REGULATORY ACTIONS.”



## LEGAL MATTERS

The validity of the Series 2021-A Bonds and certain other legal matters are subject to the approving opinion of Nixon Peabody LLP, Bond Counsel to LACMTA. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for LACMTA by the Los Angeles County Counsel, General Counsel to LACMTA. Certain legal matters will be passed upon for LACMTA by Kutak Rock LLP, as Disclosure Counsel to LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel [•].

## TAX MATTERS

### Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021-A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021-A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021-A Bonds. Pursuant to the Trust Agreement and the Tax and Nonarbitrage Certificate executed by LACMTA in connection with the issuance of the Series 2021-A Bonds (the "Tax Certificate"), LACMTA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021-A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, LACMTA has made certain representations and certifications in the Trust Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by LACMTA described above, interest on the Series 2021-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

### State Taxes

Bond Counsel is also of the opinion that interest on the Series 2021-A Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2021-A Bonds nor as to the taxability of the Series 2021-A Bonds or the income therefrom under the laws of any state other than California.

### Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2021-A Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2021-A Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2021-A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of

each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

### **Original Issue Premium**

Series 2021-A Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2021-A Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### **Ancillary Tax Matters**

Ownership of the Series 2021-A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021-A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2021-A Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2021-A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021-A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

## **Changes in Law and Post Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2021-A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021-A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2021-A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Series 2021-A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2021-A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2021-A Bonds may affect the tax status of interest on the Series 2021-A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2021-A Bonds, or the interest thereon, if any action is taken with respect to the Series 2021-A Bonds or the proceeds thereof upon the advice or approval of other counsel.

## **MUNICIPAL ADVISOR**

LACMTA has retained Fieldman, Rolapp & Associates, Inc., as Municipal Advisor (the “Municipal Advisor”) for the sale of the Series 2021-A Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

## **FINANCIAL STATEMENTS**

The financial statements of LACMTA for the Fiscal Year ended June 30, 2020 and the Management’s Discussion and Analysis and certain supplementary information, and the Independent Auditors’ Report of Crowe LLP, independent accountants, dated December 17, 2020 (collectively, the “2020 Financial Statements”) are included as “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” The 2020 Financial Statements, included in this Official Statement, have been audited by Crowe LLP, independent accountants, as stated in their Report appearing in APPENDIX B. LACMTA has not requested, nor has Crowe LLP given, Crowe LLP’s consent to the inclusion in APPENDIX B of its Report on such 2020 Financial Statements. In addition, Crowe LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Official Statement.

## **CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION**

Certain economic and demographic information about the County is included in “APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.” The economic and demographic information provided has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

## CONTINUING DISCLOSURE

At the time of issuance of the Series 2021-A Bonds, LACMTA will execute a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), which will provide for disclosure obligations on the part of LACMTA. Under the Continuing Disclosure Certificate, LACMTA will covenant for the benefit of Owners and Beneficial Owners of the Series 2021-A Bonds to provide certain financial information and operating data relating to LACMTA (the “Annual Reports”) by not later than 195 days after the end of the prior Fiscal Year (resulting in a deadline of January 11 of each year), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. See “APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.” LACMTA has become aware that some information that was made available in a timely manner on the EMMA System pursuant to LACMTA’s continuing disclosure obligations was not linked to the CUSIP numbers for all affected series of bonds. LACMTA has corrected this issue. In addition, LACMTA has also become aware that the trustee for the Proposition C senior bonds did not file a notice with respect to a defeasance that occurred in 2018 until 24 days after the defeasance occurred. Lastly, LACMTA has become aware that in a few instances, notices of changes in ratings on some of its bonds were not filed in a timely manner. LACMTA has made corrective filings regarding these ratings changes.

## UNDERWRITING

The Series 2021-A Bonds will be purchased by [•] (collectively, the “Underwriters”), from LACMTA at a price of \$ \_\_\_\_\_ (which represents the par amount of the Series 2021-A Bonds, plus an original issue premium of \$ \_\_\_\_\_, plus an original issue discount of \$ \_\_\_\_\_, less an underwriters’ discount of \$ \_\_\_\_\_), subject to the terms of a purchase contract (the “Purchase Contract”), between [•], as representative of the Underwriters, and LACMTA.

The Purchase Contract provides that the Underwriters will purchase all of the Series 2021-A Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2021-A Bonds set forth on the inside front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2021-A Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for LACMTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans, credit cards and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve assets, securities and/or instruments of LACMTA. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities and/or

instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and/or instruments.

## RELATED PARTIES

[To come]

## RATINGS

S&P Global Ratings (“S&P”) has assigned a rating of “[•]” ([•] outlook), and Moody’s Investors Service, Inc. (“Moody’s”) has assigned a rating of “[•]” ([•] outlook) to the Series 2021-A Bonds. Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses: S&P, 55 Water Street, New York, New York 10041, and Moody’s, 7 World Trade Center, 250 Greenwich Street, 23<sup>rd</sup> Floor, New York, New York 10007. Other Senior Bonds have received ratings from other rating agencies. Generally, a rating agency bases its credit rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will remain in effect for any given period of time or that any such rating will not be revised, either downward or upward, or withdrawn entirely, or a positive, negative or stable outlook announced, by the applicable rating agency, if, in its judgment, circumstances so warrant. LACMTA undertakes no responsibility to bring to the attention of the Owners of the Series 2021-A Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2021-A Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2021-A Bonds. Maintenance of ratings will require periodic review of current financial data and other updating information by assigning agencies.

## ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Treasurer of the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, Los Angeles, California 90012, Attention: Treasury Department, Email: TreasuryDept@metro.net, Telephone: (213) 922-2554, or from LACMTA’s Municipal Advisor, Fieldman, Rolapp & Associates, Inc. Telephone: (949) 660-7300. LACMTA maintains a website at <http://www.metro.net>. Information on such website is not part of this Official Statement and such information has not been incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2021-A Bonds.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By \_\_\_\_\_  
Deputy Executive Officer, Finance

## APPENDIX A

### LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

#### GENERAL

*Prospective purchasers of the Series 2021-A Bonds should be aware that the following discussion of the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) is intended as general information only. The Series 2021-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Measure R Sales Tax. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS” in the front part of this Official Statement.*

#### **Establishment; Jurisdiction**

LACMTA is the largest public transit operator west of Chicago. As the principal transit provider in the southern California region, LACMTA serves about 75% of all transit trips within its 1,433 square mile service area, carrying an estimated 417,000 passengers per weekday on buses and an estimated 116,000 passengers on rail for the quarter ended March 31, 2021. See “INTRODUCTION—Impact of Global COVID-19 Outbreak” in the front part of this Official Statement. LACMTA operates four light rail lines, serving 80 stations along 80 miles of track and two heavy rail lines that serve 16 stations along 17.4 miles of track. In addition to the transit services provided by LACMTA, it also provides funding to 40 other municipal operators that offer fixed route service and more than 100 other local return and non-profit agencies that provide community-based transportation. LACMTA also provides highway construction funding and traffic flow management.

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the “LACMTA Act”). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Los Angeles County Transportation Commission (the “Commission”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission’s responsibility for planning, engineering and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County of Los Angeles (the “County”), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 4, 2008, the voters of the County approved the Measure R Sales Tax pursuant to the Measure R Ordinance. The Measure R Sales Tax is in addition to a ½ of 1 percent sales tax imposed by LACMTA beginning in 1980 known as “Proposition A Sales Tax,” and a ½ of 1 percent sales tax imposed by LACMTA beginning in 1990 known as “Proposition C Sales Tax,” and a ½ of 1 percent sales tax imposed by LACMTA beginning in 2017 known as “Measure M Sales Tax.”

#### **Board of Directors**

LACMTA is governed by a 14-member Board of Directors (the “Board”). The Board is composed of the five members of the Board of Supervisors of the County of Los Angeles, the Mayor of the City of Los Angeles, two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles, four members who are either a mayor or a member of a city council of a city in the County (other than the City of Los Angeles) and who have been appointed by the Los Angeles County City Selection Committee (comprised of individuals appointed by the Mayors of each city in the County), and a non-voting member appointed by the Governor.

The Board of LACMTA exclusively exercises and discharges the following powers and responsibilities: (a) establishment of overall goals and objectives, (b) adoption of the aggregate budget for all of its organizational units, (c) designation of additional municipal bus operators under criteria enumerated in the LACMTA Act, (d) approval of all final rail corridor selections, (e) final approval of labor contracts covering employees of LACMTA and its organizational units, (f) establishment of LACMTA's organizational structure, (g) conducting hearings and setting fares for the operating organizational units, (h) approval of transportation zones, (i) approval of any debt instrument with a maturity date exceeding the end of the Fiscal Year in which it is issued, (j) approval of benefit assessment districts and assessment rates and (k) approval of contracts for construction and transit equipment acquisition which exceed \$5,000,000 and making findings in connection with certain procurement decisions.

The current members of the Board are provided below.

<b>Member</b>	<b>Appointing Authority</b>
Eric Garcetti, <i>Chair</i>	Mayor of Los Angeles
Hilda L. Solis, <i>First Vice Chair</i>	Board of Supervisors of the County of Los Angeles, First Supervisorial District
Ara Najarian, <i>Second Vice-Chair</i>	Member, Glendale City Council (appointee of Los Angeles County City Selection Committee)
Kathryn Barger	Board of Supervisors of the County of Los Angeles, Fifth Supervisorial District
Mike Bonin	Los Angeles City Council (Appointed by Mayor of Los Angeles)
James T. Butts, Jr.	Mayor, City of Inglewood (appointee of Los Angeles County City Selection Committee)
Jacquelyn Dupont-Walker	Appointed by Mayor of Los Angeles
Fernando Dutra	Member, Whittier City Council (appointee of Los Angeles County City Selection Committee)
Janice Hahn	Board of Supervisors of the County of Los Angeles, Fourth Supervisorial District
Paul Krekorian	Los Angeles City Council (Appointed by Mayor of Los Angeles)
Sheila Kuehl	Board of Supervisors of the County of Los Angeles, Third Supervisorial District
Holly Mitchell	Board of Supervisors of the County of Los Angeles, Second Supervisorial District
Tim Sandoval	Mayor of Pomona (appointee of Los Angeles County City Selection Committee)
Tony Tavares, <i>Ex-Officio Member</i>	Director of the California Department of Transportation, District 7

## **Management**

**General.** The management of LACMTA is carried out under the direction of its Chief Executive Officer, who performs any duties delegated to him or her by the Board. The Board also appoints a

General Counsel, Inspector General, Chief Ethics Officer and Board Secretary. The Chief Executive Officer serves at the pleasure of the Board, as do the General Counsel, Inspector General, Chief Ethics Officer and Board Secretary. Certain of LACMTA's executives and a brief biography of each executive are provided below.

**Chief Executive Officer.** Stephanie Wiggins became Chief Executive Officer of LACMTA in May 2021. Prior to becoming the Chief Executive Officer of LACMTA she was the Chief Executive Officer of Metrolink. Prior to joining Metrolink, Ms. Wiggins was the Deputy Chief Executive Officer of LACMTA, where she assisted the Chief Executive Officer in providing leadership and formulating and achieving strategic public transportation objectives, including the passage of Measure M. She received her Bachelor of Arts degree in Business Administration from Whittier College, and a Master of Business Administration from the USC Marshall School of Business.

**Chief Financial Officer.** Nalini Ahuja was appointed as Executive Director, Finance and Budget in February 2014 (renamed Chief Financial Officer in July 2016). Prior to her appointment as Executive Director, Finance and Budget, Ms. Ahuja served as LACMTA's Executive Director, Office of Management, Budget & Local Programming from 2010 to 2012, at which point her duties were expanded to include oversight of LACMTA's Transit Access Pass ("TAP") operations. As Chief Financial Officer, she is responsible for oversight of LACMTA's Office of Management, Budget, Local Programming & TAP operations and the agency's Financial Services including accounting and treasury functions. She has also served LACMTA as Director, Countywide Planning; Transportation Manager V, Local Programming; Acting Budget Director, Office of Management & Budget; and Project Manager, South Bay Area Team. Ms. Ahuja began her career with LACMTA's predecessor, the Los Angeles County Transportation Commission, in 1986, as a technical and administrative analyst, which led to her position as Project Manager with the South Bay Area Team in 1990. Ms. Ahuja earned a bachelor's degree in Economics from Miranda House, University of Delhi as well as a master's degree in Economics from Delhi School of Economics and a master's degree in Urban Planning from UCLA.

## **Public Transportation Services Corporation**

In December 1996, LACMTA created the Public Transportation Services Corporation ("PTSC"), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, then performed by LACMTA, and the employees related to those functions, to this new corporation. The purpose of PTSC is to conduct essential public transportation activities including but not limited to the following: (a) to coordinate multimodal multi-jurisdictional transportation planning; (b) to program federal, State and local funds for transportation projects County-wide within the County; (c) to oversee construction; (d) to provide certain administrative services to the Los Angeles County Service Authority for Freeway Emergencies and the Southern California Regional Rail Authority; (e) to provide administrative support and security services for the foregoing and to the operation of LACMTA's bus and rail system; and (f) such other activities and services as it deems necessary. One advantage of PTSC is that it allows its employees, including those transferred from LACMTA, to participate in the California Public Employees Retirement System.

## **TRANSPORTATION SERVICES**

LACMTA is a multi-faceted transportation agency responsible for the coordination of transportation policy, funding and planning within the County as well as the development and operation of bus, light rail and heavy rail within the greater Los Angeles region. This breadth of services distinguishes LACMTA from other transportation agencies across the country.



The information about ridership provided below does not reflect the full impact of COVID-19 and surrounding events, which have caused LACMTA to experience declines in ridership on its bus and rail systems. For further discussion, see “INTRODUCTION—Impact of Global COVID-19 Outbreak” in the front part of this Official Statement.

## **Bus System**

LACMTA operates the second largest bus system in the United States. LACMTA provides bus service within its service area in the County and to portions of Orange and Ventura Counties, operating a vehicle fleet of approximately 2,500 buses. LACMTA’s bus system covers over 120 routes and serves over 13,000 bus stops, including two premium bus rapid transit dedicated busways. System-wide, LACMTA buses provide approximately 6.4 million revenue service hours annually with an average of approximately 400,000 boardings per weekday on a system-wide basis for the fiscal quarter ended March 31, 2021 and total boardings of 32.8 million for the fiscal quarter ended March 31, 2021. In addition, LACMTA contracts with outside service providers, with an average of approximately 18,000 boardings per weekday for the fiscal quarter ended March 31, 2021 and total boardings of 1.5 million for the fiscal quarter ended March 31, 2021. Virtually all of LACMTA’s bus fleet is composed of compressed-natural gas (“CNG”) powered buses. As of April 1, 2021, the average age of LACMTA’s bus fleet was approximately 7.5 years. In July 2017, the LACMTA Board approved the purchase of approximately 95 electric buses to be added to its fleet and is targeting a conversion of the entire fleet to zero emission vehicles by 2030.

***Metro Rapid Bus.*** In June 2000, LACMTA launched the Metro Rapid Demonstration Program (“Metro Rapid”). The Metro Rapid Program provides fast, frequent regional bus service throughout the County. Key features of the Metro Rapid Program include simple route layouts, frequent service, fewer stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stations, and traffic signal priority. Initially, Metro Rapid consisted of two lines—one along Ventura Boulevard in the San Fernando Valley and the other along the Wilshire/Whittier transit corridor. Today, 25 Metro Rapid corridors are operating, covering approximately 400 miles in the City of Los Angeles, the County and 34 other cities. In addition to LACMTA, Santa Monica’s Big Blue Bus, Culver City Bus and Torrance Transit operate Metro Rapid.

***Metro G Line (Orange Line).*** The Metro G Line is a 18-mile Bus Rapid Transit service that operates along an exclusive right-of way and transports thousands of commuters between Warner Center in the west San Fernando Valley to the Metro B Line subway station in North Hollywood. The Metro G Line buses operate in exclusive lanes along a 13-mile stretch of LACMTA-owned right-of-way and one mile in mixed flow traffic on public streets. The Metro G Line has 18 stations, each located roughly one mile apart, with park and ride facilities at seven stations providing approximately 4,700 parking spaces. The Metro G Line Extension Project, which opened in June 2012, extended the Metro G Line four-miles north from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station.

## **Highway/ExpressLanes System**

The ExpressLanes Program is a cooperative effort between California Department of Transportation (“Caltrans”) and LACMTA, and was originally funded through a combination of federal, State and local resources. As part of a congestion reduction demonstration program, LACMTA converted I-10 and I-110 High Occupancy Vehicle (“HOV”) Lanes to Express Lanes and provided the choice for drivers of single occupant vehicles to pay to travel in a high occupancy lane, based on dynamic congestion pricing. The general-purpose lanes on these highways are not tolled. Current funding is provided by toll revenues generated by the Express Lanes. This program also includes improvements to the transit service along the freeways, and has funded transit facility and roadway improvements and

provided funding to enhance system connectivity. In early 2017, the LACMTA Board approved a plan to convert additional existing HOV lanes to ExpressLanes in phases over the next 30 years.

## **Rail System**

**General.** In 1992, the Commission developed a comprehensive rail rapid transit system development plan (the “Rail System”) which has been revised from time to time. The Rail System currently consists of four light rail lines: the Metro A Line (formerly known as the Metro Blue Line), Metro C Line (formerly known as the Metro Green Line), Metro L Line (formerly known as the Metro Gold Line), including the L Line Eastside Extension, and the Metro E Line (formerly known as the Exposition Line); and two heavy rail lines: Metro B Line (formerly known as the Metro Red Line) and the Metro D Line (formerly known as the Metro Purple Line). The Rail System covers 98 miles and serves 93 stations, with weekday estimated ridership of approximately 1.5 million for the fiscal quarter ended March 31, 2021.

**Metro A Line (Blue Line).** The Metro A Line is an approximately 22 mile light rail line that extends from downtown Los Angeles, where it links to the Metro B Line, to the City of Long Beach. The Metro A Line passes through portions of the cities of Los Angeles, Long Beach, Compton, Carson and other cities, and certain unincorporated areas of the County. The Metro A Line consists of a dual-track line with 22 stations, with a fleet of 54 articulated rail cars and a primary maintenance facility (which also supports vehicles from the Metro C Line) and yard located in Long Beach adjacent to the Long Beach Freeway with a storage and maintenance capacity of 89 vehicles. Passenger service began in July 1990. The Metro A Line had estimated ridership of approximately 1.9 million for the fiscal quarter ended March 31, 2021.

**Metro C Line (Green Line).** The Metro C Line is a 19.5-mile light rail line linking the El Segundo employment area near the Los Angeles International Airport to the City of Norwalk near the San Gabriel River Freeway. The Metro C Line has 14 stations including a station that intersects the Metro A Line and one that provides passenger connections to the Harbor Freeway Transitway, an elevated busway developed by Caltrans. The Metro C Line began operations in August 1995, and had estimated ridership of approximately 920,000 for the fiscal quarter ended March 31, 2021.

**Metro L Line (Gold Line).** The Metro L Line is a 13.7-mile light rail line which extends from downtown Los Angeles (where it links to the Metro B Line) to the City of Pasadena. The Metro L Line consists of a dual-track line with 13 stations. The Metro L Line began operations in July 2003. The L Line Eastside Extension, which opened in November 2009, is a six-mile, dual track light rail system with eight new stations and one station modification. The Extension originates at Union Station in downtown Los Angeles, where it connects with the Metro L Line, traveling generally east to the intersection of Pomona Boulevard and Atlantic Boulevard through one of the most densely populated areas of the County. In March 2016, service began on an 11-mile extension of the Metro L Line from Pasadena to Azusa. Estimated ridership for the entire Metro L Line was approximately 978,000 for the fiscal quarter ended March 31, 2021.

The Metro L Line is being further extended as discussed below under “FUTURE TRANSPORTATION PROJECTS—Transit Projects—*L Line Foothill Extension.*”

**Metro E Line (Exposition Line).** The Metro E Line is an approximately 13.1 mile long light rail line that runs from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. The first portion of the Metro E Line opened in June 2012 and extended approximately 8.6 miles from downtown Los Angeles to Culver City. The second portion, which began revenue operations in May 2016, extends 6.6 miles westward from Culver City to downtown Santa Monica and added seven

stations to the Metro E Line. Estimated ridership for the Metro E Line was more than 1.5 million for the fiscal quarter ended March 31, 2021.

***Metro B Line (Red Line) and Metro D Line (Purple Line).*** The Metro B Line and Metro D Line were designed as state-of-the-art, modern heavy rail subway lines comparable to transit systems in San Francisco, Atlanta and Washington, DC. The Metro B Line and Metro D Line are dual-rail steel-wheeled, high speed rapid subway systems that originally were to consist of a 19.7 mile 18-station line that was to connect the Los Angeles central business district to the San Fernando Valley, through the Wilshire Corridor and Hollywood, and to East Los Angeles through Union Station. However, due to the “Metropolitan Transportation Authority Reform and Accountability Act of 1998” (the “Act of 1998”) and federal and State funding shortfalls, the development of the Metro B Line and the Metro D Line were significantly reduced, including the indefinite suspension of certain extensions. The Act of 1998 prohibits LACMTA from utilizing any of the Proposition A Sales Tax or the Proposition C Sales Tax revenues for the costs of planning, design, construction or operation of any new subway, including debt service on any obligations issued for such purposes after March 30, 1998. However, the Act of 1998 did not prohibit LACMTA from continuing the construction of the Metro B Line and the Metro D Line as long as such design, construction and operation are paid from other sources.

The Metro B Line was constructed in segments. Segment 1 from Union Station to Alvarado Street opened in January 1993. Segment 2 extended west from Alvarado Street to Vermont Avenue where it branches north to Hollywood Boulevard/Vine Street and west to Wilshire Boulevard/Western Avenue. The west branch became operational in July 1996 and was renamed the Metro Purple Line (now known as the Metro D Line) in August 2006. Segment 3 extending the north branch from Hollywood/Vine to North Hollywood opened in June 2000. The Metro B Line is 14.9 miles long with 14 stations. LACMTA is in the process of extending the Metro D Line from its current terminus at Wilshire/Western to the westside of Los Angeles. This project is described under “FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects” below. Estimated ridership for the entire Metro B and Metro D Lines was approximately 4.2 million for the fiscal quarter ended March 31, 2021.

***Commuter Rail.*** The Southern California Regional Rail Authority (“SCRRA”) oversees commuter rail services in the region that includes Los Angeles, Riverside, Ventura, Orange, San Bernardino and San Diego Counties. SCRRA operates the Metrolink system, which consists of seven lines totaling 538 miles and 61 stations and is primarily geared toward providing commuter rail service from outlying communities to downtown Los Angeles. LACMTA is the Los Angeles County participant in SCRRA and contributes funds to SCRRA. Other participants include the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino Association of Governments and the Ventura County Transportation Authority.

### **Transit System Enterprise Fund**

LACMTA accounts for the revenues and expenses of its transit system as an enterprise fund, separate from accounting of its governmental funds, such as the Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues. See “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” As indicated in APPENDIX B and as is generally true with large transit systems, the operating expenses for LACMTA’s transit system greatly exceed operating revenues. The Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues are a primary source of funding for the transit system. Additionally, LACMTA relies heavily on other local, State and federal sources to pay for operating expenses and capital improvements. LACMTA is currently undertaking future transit improvements to the transit system, which require substantial investment and increase operating costs. As the system expands, LACMTA is committed to looking for

additional revenue sources, to re-prioritize existing and new programs, and to regularly reassessing the service provided to minimize duplication and improve efficiency. Measure R Sales Tax revenues are available to pay operating expenses only after debt service on the Senior Obligations, the Subordinate Obligations, the Junior Subordinate Obligations and certain other amounts are paid. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds” in the front part of this Official Statement.

### **Fareless System Initiative**

In September 2020, LACMTA established a taskforce to study the idea of eliminating the collection of fares on its bus and rail transit system, either for all riders or for specified subgroups. For the fiscal years ended June 30, 2020 and 2019, LACMTA collected approximately \$184.6 million and \$265.2 million of fares from riders of its bus and rail transit system, respectively. In addition to the loss of farebox revenues, if LACMTA were to eliminate the collection of fares, it expects that operating and maintenance costs would increase because more people would ride the buses, light rail and subways which would result in additional costs for cleaning, security and maintenance of the bus and rail transit system. None of the Measure R Sales Tax Obligations (including the Series 2021-A Bonds), the Proposition A Sales Tax Obligations or the Proposition C Sales Tax Obligations are secured by or payable from farebox revenues. However, the General Revenue Bonds (as defined below) are secured by and are payable from the farebox revenues. Additionally, the General Revenue Bonds are secured by “remaining” Proposition A Sales Tax revenues and remaining Proposition C Sales Tax revenues in the event of a shortage of farebox revenues and certain other revenues pledged to the payment of the General Revenue Bonds. See “OUTSTANDING DEBT—Other Obligations—*General Revenue Bonds*” below. Farebox revenues, along with Measure R Sales Tax Revenues, Proposition A Sales Tax revenues and Proposition C Sales Tax revenues also are used to pay for certain operating and maintenance costs of LACMTA. In the event of the elimination or reduction of farebox revenues, additional Measure R Sales Tax revenues, Proposition A Sales Tax revenues and Proposition C Sales Tax revenues would need to be used to pay the operation and maintenance expenses of LACMTA. Such uses of Measure R Sales Tax revenues, Proposition A Sales Tax revenues and Proposition C Sales Tax revenues are subordinate to the payment of debt service on the Measure R Sales Tax Obligations (including the Series 2021-A Bonds), the Proposition A Sales Tax Obligations and the Proposition C Sales Tax Obligations.

In February 2021, the taskforce proposed instituting an eighteen month pilot program starting in January 2022 and running through June 2023 to further study the initiative. The pilot program would allow low-income riders (which make up approximately 70% of the riders on LACMTA’s bus and rail transit system) to ride for free starting in January 2022 and K-12 students to ride for free starting in August 2022. As of the date of this Official Statement, LACMTA cannot predict if it will move forward with the pilot program or eventually, permanently cease collecting fares from all or a portion of the riders using its bus and rail transit system. The taskforce is currently reviewing various federal, state and local funding sources that could be used by LACMTA to pay for the pilot program.

### **FUTURE TRANSPORTATION IMPROVEMENTS**

LACMTA, as the State-designated planning and programming agency for the County, identifies future transportation needs and transportation funding and construction priorities in the County. LACMTA prepares a Long Range Transportation Plan that identifies the costs of major transportation projects and the anticipated funding sources. See “RISK FACTORS—Additional Senior Bonds” in the front part of this Official Statement.

## Capital Planning

In September 2020, the Board approved the 2020 Long Range Transportation Plan (“2020 LRTP”) which updates the prior 2009 Long Range Transportation Plan. LACMTA’s capital program is built on two major planning documents, the Long Range Transportation Plan, which has a 40-year vision and a financial forecast component, most recently updated for the 2020 LRTP (as updated, the “LRTP Financial Forecast”), and the Short Range Financial Forecast, a fifteen-year plan last updated for the Board in November 2019, that guides capital investment through 2034. These plans incorporate the mix of projects approved by voters in concert with the four sales tax measures that fund a large share of LACMTA’s operations and capital programs, and are amended as needed to reflect ongoing changes to project costs, revenue and expense projections, and actual financial results. Annually, LACMTA’s Office of Management and Budget reviews the active projects set forth in the LRTP Financial Forecast and the Short Range Financial Forecast, and prepares a proposed budget recommending project appropriations as part of the annual Capital Program, which is incorporated in LACMTA’s overall annual budget.

The LRTP Financial Forecast reflects LACMTA’s plans to build, operate, maintain and partner with third parties for improved mobility (as determined in the 2020 LRTP), and incorporates both the Measure R and Measure M “Expenditure Plans,” which identify the projects and programs to be pursued, and the amount and timing of sales tax expenditures.

The Short Range Financial Forecast, a fifteen-year component of the LRTP Financial Forecast, reflects LACMTA’s financial plan for operations and capital investments into the transit system and identifies a funding strategy from future transportation revenues. The Short Range Financial Forecast includes a financial baseline that addresses LACMTA’s current and known future operations, maintenance and capital financial commitment under a set of growth assumptions. The Short Range Financial Forecast will be updated in the fall 2021 as part of the 2021 Short Range Transportation Plan, which is an action plan for the 2020 LRTP that recommends near-term implementation steps over a fifteen-year timeframe (2022 to 2036) and reflects needed recalibrations due to the current COVID-19 pandemic.

The LRTP Financial Forecast and the Short Range Financial Forecast are the guiding policies behind funding decisions on subsequent transportation projects and programs in the County and guide the programming of funds in the federally-mandated transportation improvement program (“TIP”). The TIP includes a listing of all transportation-related projects that require federal funding or other approval by the federal transportation agencies of USDOT. The TIP also lists non-federal, “regionally significant” projects for informational and air quality modeling purposes. Major capital projects and programs that are identified in the LRTP Financial Forecast and Short Range Financial Forecast have priority for future programming of funds, subject to the funding restrictions in the Expenditure Plans and Board-adopted funding policies. While these projects and programs require further Board approval at various stages of their development, they are priorities for further planning, design, construction and the pursuit of additional funding.

The Short Range Financial Forecast includes projections of debt financing by LACMTA composed of a combination of Proposition A, Proposition C, Measure R and Measure M secured debt. The Short Range Financial Forecast updates the assumptions about debt issuance and assumes approximately \$12.4 billion in new long-term debt financing from Fiscal Year 2021 through Fiscal Year 2030, not including capital grant receipt revenue debt or toll revenue debt. The Short Range Financial Forecast assumes the issuance of approximately \$924.5 million of Proposition A First Tier Senior Lien Bonds, \$1.6 billion of Proposition C Senior Bonds, \$2.7 billion of Measure R Senior Bonds (including the Series 2021-A Bonds), and \$7.2 billion of Measure M Senior Bonds from Fiscal Year 2021 through Fiscal Year 2030.

The LRTP, the LRTP Financial Forecast and the Short Range Financial Forecast are planning tools and therefore the timing and amount of any debt issuance is likely to change. The actual amount and timing of any debt issuance depends on a number of factors including the actual scope, timing and cost of transportation projects, the ability to obtain funding from other sources and the amount of Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues available to fund the projects in the LRTP Financial Forecast and the Short Range Financial Forecast.

## **Transit Projects**

LACMTA has several major transit projects in planning and under construction, including the Crenshaw/LAX Transit Project, the Regional Connector, the Metro D Line Westside Extension and the Metro L Line Foothill Extension. These projects currently have a total budget of approximately \$12.9 billion. The costs of the projects are expected to be paid from Proposition A Sales Tax revenues (including the proceeds of Proposition A secured debt), Proposition C Sales Tax revenues (including the proceeds of Proposition C secured debt), Measure R Sales Tax revenues (including the proceeds of Measure R secured debt), Measure M Sales Tax revenues (including the proceeds of Measure M secured debt), other local sources, and federal and State sources, as applicable.

***Crenshaw/LAX Transit Project.*** The Crenshaw/LAX Transit Project is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The line extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro C Line at the Aviation/LAX Station. The total project budget is currently \$2.15 billion. The costs of the project are expected to be paid from Measure R Sales Tax revenues, Proposition A Sales Tax revenues, Proposition C Sales Tax revenues, other local sources, and federal and State sources.

***Regional Connector Transit Corridor Project.*** The Regional Connector is a 1.9-mile light rail line with three underground stations in downtown Los Angeles. The Project will provide a direct connection from the 7th/Metro Center Station to the existing Metro L Line tracks to the north and east of 1<sup>st</sup> and Alameda. This connection will provide through service between the Metro A Line, Metro L Line and Metro E Line corridors. The total project budget is currently \$1.82 billion. LACMTA has been awarded a \$669.9 million federal grant for the Regional Connector project. The remaining project costs are expected to be paid from Measure R Sales Tax revenues and federal, State and local sources (other than Measure R Sales Tax Revenues).

***Metro D Line Westside Extension.*** The Metro D Line Westside Extension (the “Metro D Line Extension”) is an extension of the Metro D Line from its current terminus at Wilshire/Western to the westside of Los Angeles. The Board has certified the Final Environmental Impact Report and has adopted the project definition for the nine-mile Metro D Line Extension. The Metro D Line Extension is being constructed in three sections.

Section 1 of the Metro D Line Extension is currently under construction and extends the existing Metro D Line by 3.92 miles beginning at the Wilshire/Western Station to the City of Beverly Hills and adds three stations, at Wilshire/La Brea, Wilshire/Fairfax and the Phase 1 terminus at Wilshire/La Cienega. The total budget for Section 1 of the Metro D Line Extension is \$2.94 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.25 billion federal grant for Section 1 of the Metro D Line Extension. The remaining project costs for Section 1 are expected to be paid from Measure R Sales Tax revenues, State sources and other local sources (other than Measure R Sales Tax Revenues).

Section 2 of the Metro D Line Extension is currently under construction and extends the Metro D Line by 2.59 miles beginning at the future Section 1 Wilshire/La Cienega Station to Century City and adds two new stations, at Wilshire/Rodeo and the Phase 2 terminus at Century City/Constellation. The total budget for Section 2 of the Metro D Line Extension is \$2.32 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.187 billion federal grant for Section 2 of the Metro D Line Extension. The remaining project costs for Section 2 are expected to be paid from Measure R Sales Tax revenues, other Federal sources, and State sources (other than Measure R Sales Tax Revenues).

Section 3 of the Metro D Line Extension is currently under construction and extends the Metro D Line by 2.56 miles beginning at the future Section 2 Century City/Constellation Station to the Westwood VA Hospital and adds two new stations at Westwood/UCLA and the Phase 3 terminus at Westwood/VA Hospital. The budget for Section 3 of the Metro D Line Extension is \$2.96 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.3 billion federal grant for Section 3 of the Metro D Line Extension. The remaining project costs for Section 3 are expected to be paid from Measure R and Measure M Sales Tax Revenues, other Federal sources, State sources, and other local sources (other than Measure R and Measure M Sales Tax revenues).

***Metro L Line Foothill Extension.*** The Metro L Line Phase 2B Project proposed extending the Metro L Line east from Azusa to Claremont, and potentially extending the line to Montclair. However, the project is now expected to build out to an interim terminus at Pomona. LACMTA is working with the Gold Line Foothill Extension Construction Authority (“GLFECA”), an independent transportation planning and construction agency created in 1999 and tasked with designing and constructing the line. Once built, LACMTA will operate it in conjunction with existing LACMTA rail services. The total project budget for the phase 1 extension to Claremont is \$1.4 billion. Project costs are expected to be paid primarily from Measure M Sales Tax Revenues and State sources. LACMTA staff is working with the GLFECA to seek funding to extend the project to Claremont. LACMTA will also coordinate with the GLFECA and San Bernardino County to support their development of an option to Montclair.

## **LABOR RELATIONS**

### **General**

As of June 2, 2021, LACMTA had approximately [●] employees, of which approximately [83]% are covered by labor agreements. Full and part-time LACMTA bus and train operators are represented by the Sheet Metal, Air, Rail, Transportation, Transportation Division (formerly United Transportation Union) (“SMART-TD”); LACMTA mechanics and service attendants are members of the Amalgamated Transit Union (“ATU”); LACMTA clerks are members of the Transportation Communications Union (“TCU”); bus and rail transportation and maintenance supervisors are members of the American Federation of State County and Municipal Employees (“AFSCME”); and LACMTA security guards are members of the Teamsters Union. The following table summarizes the number of employees covered by the labor agreements of LACMTA with each of its employee bargaining units as of June 2, 2021 and the current expiration dates of the labor agreements. In July 2017, LACMTA signed five new contracts with its labor unions, the longest contracts in LACMTA’s history. Most of these contracts provide for annual salary increases of 4.2% over the five-year life of the contracts.

<b>Employee Bargaining Unit</b>	<b>Number of Employees</b>	<b>Contract Expiration Date</b>
Sheet Metal, Air, Rail and Transportation Division	[•]	06/30/22
Amalgamated Transit Union	[•]	06/30/22
Transportation Communications Union	[•]	06/30/22
Am. Fed. of State, County and Municipal Employees	[•]	06/30/22
Teamsters Union	[•]	06/30/22

### **Defined Benefit Pension Plan**

LACMTA has a single-employer public employee retirement system that includes five defined benefit plans (the “Plans”) that cover substantially all employees (except PTSC employees) and provides retirement, disability, and death benefits. The benefit provisions and all other requirements are established by State statute, ordinance, collective bargaining agreements or Board actions. Four of the Plans are restricted to specific union members, while the fifth provides benefits to non-represented employees and to members of the Teamsters Union. In addition, LACMTA provides pension benefits to most PTSC employees through a defined benefit plan administered by the California Public Employees’ Retirement System (“PERS”), a multiple-employer pension system. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For a description of these defined benefit plans and LACMTA’s obligations to make contributions to these plans, see “Note III—DETAILED NOTES ON ALL FUNDS—I. Employees’ Retirement Plans” in the Notes to the Financial Statements and related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

### **Other Post-Employment Benefits**

LACMTA provides post-employment health care and life insurance benefits for retired employees and their families. Pursuant to Governmental Accounting Standards Board Pronouncement No. 74 and No. 75, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” and “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” respectively, LACMTA is required to account for its expenses and a portion of the present value of future expenses related to these benefits. For a description of these benefits, LACMTA’s obligations to account for certain projected future costs of these benefits and other matters regarding these benefits, see “Note III—DETAILED NOTES ON ALL FUNDS—J. Other Postemployment Benefits (OPEB)” in the Notes to the Financial Statements and the related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

### **Public Transportation Services Corporation**

In December 1996, LACMTA created the Public Transportation Services Corporation (“PTSC”), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, then performed by LACMTA, and the employees related to those functions, to this new corporation. As of June 2, 2021, approximately [•] employees of LACMTA belong to PTSC. The purpose of PTSC is to conduct essential public transportation activities including but not limited to the following: (a) to coordinate multimodal multi-jurisdictional transportation planning; (b) to program federal, State and local funds for transportation projects County-wide within the County; (c) to oversee



construction; (d) to provide certain administrative services to the Los Angeles County Service Authority for Freeway Emergencies and the Southern California Regional Rail Authority; (e) to provide administrative support and security services for the foregoing and to the operation of LACMTA's bus and rail system; and (f) such other activities and services as it deems necessary. One advantage of PTSC is that it allows its employees, including those transferred from LACMTA, to participate in the California Public Employees Retirement System.

## OUTSTANDING DEBT

### General

In addition to obligations issued by LACMTA that are secured by Measure R Sales Tax, LACMTA has issued debt secured by the Proposition A Sales Tax, the Proposition C Sales Tax, and other revenues of LACMTA, and may issue additional obligations so secured upon satisfaction of certain additional bonds tests in the applicable trust agreements providing for the issuance of such debt. The Series 2021-A Bonds are secured by and payable from the Measure R Sales Tax, and are not secured by or payable from the Proposition A Sales Tax, Proposition C Sales Tax or any other revenues of LACMTA. See "FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning" above. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS" in the front part of this Official Statement for a discussion of obligations secured by the Measure R Sales Tax.

### Debt and Interest Rate Swap Policies

In April 2021, the Board approved an updated Debt Policy for LACMTA (the "Debt Policy"). The Debt Policy sets forth guidelines for the issuance and management of LACMTA's debt. Among other things, the Debt Policy sets forth allowable uses of debt and debt policy maximums. It requires LACMTA to develop a capital improvement plan which includes the capital projects LACMTA plans to undertake in future years. The Debt Policy also sets forth guidance on the type of debt that may be incurred by LACMTA (e.g., long-term versus short-term), the source of payment for such debt, and other factors to be considered when incurring debt.

In April 2015, the Board approved an updated Interest Rate Swap Policy for LACMTA (the "Swap Policy"). The Swap Policy includes guidelines to be used by LACMTA when entering into interest rate swaps and management practices that address the special risks associated with interest rate swaps. The Swap Policy requires that LACMTA evaluate the risks, on an ongoing basis, of existing interest rate swaps. As of the date of this Official Statement, LACMTA has no interest rate swaps.

### Proposition A Sales Tax Obligations

**General.** Obligations of LACMTA payable from the Proposition A Sales Tax consist of sales tax revenue bonds, commercial paper notes and other agreements. LACMTA has three priority levels of obligations for Proposition A Sales Tax revenues: its First Tier Senior Lien Bonds, its Second Tier Obligations (there are no Second Tier Obligations outstanding) and its Third Tier Obligations (which include the Proposition A Commercial Paper Notes). LACMTA has incurred other obligations which are secured by certain "remaining" Proposition A Sales Tax cash receipts.

**Proposition A First Tier Senior Lien Bonds.** LACMTA had the following Proposition A First Tier Senior Lien Bonds outstanding as of June 2, 2021. The Proposition A First Tier Senior Lien Bonds are payable from, and secured by a prior first lien on, Proposition A Sales Tax revenue.

**Los Angeles County Metropolitan Transportation Authority  
 Proposition A First Tier Senior Sales Tax Revenue Bonds  
 (Outstanding as of June 2, 2021)**

<b>Proposition A First Tier Senior Sales Tax Revenue Bonds</b>	<b>Outstanding Principal Amount</b>
Senior Sales Tax Revenue Refunding Bonds, Series 2019-A	\$ 49,740,000
Senior Sales Tax Revenue Refunding Bonds, Series 2018-A	12,390,000
Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds)	471,395,000
Senior Sales Tax Revenue Refunding Bonds, Series 2017-B	85,455,000
Senior Sales Tax Revenue Refunding Bonds, Series 2016-A	131,575,000
Senior Sales Tax Revenue Refunding Bonds, Series 2015-A	20,415,000
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	104,465,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-A	40,700,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-A	40,255,000
Total	\$956,390,000

Source: LACMTA.

**Proposition A Second Tier Obligations.** There are no Proposition A Second Tier Obligations outstanding, nor are any additional Second Tier Obligations currently expected to be issued.

**Proposition A Third Tier Obligations.** LACMTA is authorized to issue and have outstanding, at any one time, up to \$350,000,000 aggregate principal amount of its Proposition A commercial paper notes (the “Proposition A Commercial Paper Notes”). As of June 2, 2021, \$100 million aggregate principal amount of Proposition A Commercial Paper Notes were outstanding. The Proposition A Commercial Paper Notes are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations. The Proposition A Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit.

The Proposition A Commercial Paper Notes are supported by a letter of credit (the “Proposition A CP Letter of Credit”) issued by Barclays Bank PLC. LACMTA’s reimbursement obligations with respect to the Proposition A CP Letter of Credit are payable from Proposition A Sales Tax revenues on parity with the Proposition A Commercial Paper Notes and on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations. The following table sets forth certain terms of the Proposition A CP Letter of Credit.

**Proposition A CP Letter of Credit**

<b>Letter of Credit Provider</b>	<b>Amount of Letter of Credit</b>	<b>Issuance Date</b>	<b>Expiration Date</b>
Barclays Bank PLC	\$199,999,988*	April 25, 2019	April 22, 2022

\* Supports \$183,694,000 of principal and \$16,305,988 of interest.  
 Source: LACMTA

The Proposition A Commercial Paper Notes and the reimbursement obligations with respect to the Proposition A CP Letter of Credit constitute “Proposition A Third Tier Obligations,” and are payable

from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations described above.

**Proposition C Sales Tax Obligations**

*General.* LACMTA has two priority levels of obligations secured by the Proposition C Sales Tax: its Proposition C Senior Sales Tax Revenue and Proposition C Senior Parity Debt, and its Proposition C Subordinate Lien Obligations. In addition, LACMTA has incurred other obligations, which are secured by certain “remaining” Proposition C Sales Tax cash receipts. See “—Other Obligations” below.

*Proposition C Senior Sales Tax Revenue Bonds.* LACMTA had the following Proposition C Senior Sales Tax Revenue Bonds outstanding as of June 2, 2021, all of which are fixed rate bonds:

**Los Angeles County Metropolitan Transportation Authority  
Proposition C Sales Tax Revenue Bonds, Senior Bonds  
(Outstanding as of June 2, 2021)**

Senior Bonds	Outstanding Principal Amount
Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A	\$ 321,905,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2020-A	28,265,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2019-A (Green Bonds)	418,575,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2019-B	126,425,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2019-C	42,370,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2018-A	54,650,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A	424,805,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A	67,610,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A	61,180,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-A	48,635,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B	262,335,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C	36,470,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012-A	14,635,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012-B	<u>63,740,000</u>
Total	<u>\$1,971,600,000</u>

Source: LACMTA

*Proposition C Senior Parity Debt.* LACMTA may designate as Proposition C Senior Parity Debt certain indebtedness, installment sale obligations, lease obligations or other obligations for borrowed money, or payment obligations under interest swaps or other arrangements payable from Proposition C Sales Tax revenues on parity with the Proposition C Senior Sales Tax Revenue Bonds. LACMTA currently has no Proposition C Senior Parity Debt outstanding. LACMTA may incur Proposition C Senior Parity Debt upon the satisfaction of certain additional bonds tests.

*Proposition C Subordinate Lien Obligations.* On June 9, 1993, the Board of Directors of LACMTA authorized the issuance of Proposition C Subordinate Lien Obligations (in the form of bonds, commercial paper notes and other obligations) that may be outstanding, at any one time, in a principal amount not to exceed \$150,000,000. The Proposition C Subordinate Lien Obligations are payable from Proposition C Sales Tax revenues on a basis subordinate to the lien on Proposition C Sale Tax revenues granted to the Proposition C Senior Sales Tax Revenues Bonds and the Proposition C Senior Parity Debt. LACMTA is currently authorized to issue, from time to time, and have outstanding, at any one time, up to \$150,000,000 in aggregate principal amount of Proposition C Subordinate Lien Obligations in the form of

Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the “Proposition C Revolving Obligations”). As of June 2, 2021, LACMTA had \$45 million in aggregate principal amount of the Proposition C Revolving Obligations outstanding. LACMTA expects to issue additional Proposition C Revolving Obligations in the future.

All Proposition C Revolving Obligations issued by LACMTA are purchased by Wells Fargo Bank, National Association, in accordance with the terms of a revolving credit agreement (the “Proposition C Revolving Credit Agreement”). The Proposition C Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Proposition C Revolving Credit Agreement.

The following table sets forth certain terms of the Proposition C Revolving Obligations.

<b>Proposition C Revolving Obligations</b>	
<b>Revolving Obligations Bank</b>	Wells Fargo Bank, National Association
<b>Principal Amount</b>	\$150,000,000
<b>Expiration/Maturity Date</b>	April 24, 2022 <sup>1</sup>

<sup>1</sup> Can be converted to a term loan payable in equal quarterly installments beginning nine months after the Expiration/Maturity Date and ending five years after the Expiration/Maturity Date if specified conditions are satisfied.

### **Other Obligations**

**General Revenue Bonds.** As of June 2, 2021, there was \$64,770,000 aggregate principal amount of LACMTA’s General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (the “Series 2015 General Revenue Bonds”) outstanding, and \$5,250,000 aggregate principal amount of LACMTA’s General Revenue Refunding Bonds (Union Station Gateway Project), Series 2010-A (the “Series 2010-A General Revenue Bonds,” and together with the Series 2015 General Revenue Bonds, the “General Revenue Bonds”) outstanding. The General Revenue Bonds are secured by a pledge of farebox revenues, fee and advertising revenues, and Proposition A Sales Tax and Proposition C Sales Tax revenues that remain after the application of those revenues to the payment of principal and interest on certain Proposition A Sales Tax-secured obligations, in the case of the Proposition A Sales Tax, and certain Proposition C Sales Tax secured obligations, in the case of the Proposition C Sales Tax. [See “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—TRANSPORTATION SERVICES—Fareless System Initiative” for a discussion of the establishment of a taskforce to study the idea of eliminating the collection of fares on LACMTA’s bus and rail transit system, either for all riders or for specified subgroups.]

### **Measure M Sales Tax Obligations**

LACMTA has not issued any debt secured by the Measure M Sales Tax. However, LACMTA anticipates issuing such debt in the future. The Short Range Financial Forecast assumes the issuance of approximately \$7.2 billion of Measure M Senior Bonds through Fiscal Year 2030.

## INVESTMENT POLICY

### General

Certain features of LACMTA’s Investment Policy are summarized in “Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments” in the Notes to the Financial Statements in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

### Investment Balances

As of March 31, 2021 (based on unaudited financial information), LACMTA had approximately \$788 million in market value deposited in non-discretionary bond proceeds and debt service trust accounts, primarily invested in U.S. Treasury securities, Federal Agencies, money market funds, forward purchase agreements. LACMTA had approximately \$2.8 billion in additional non-discretionary trust accounts, primarily for pension and OPEB.

Additionally, as of March 31, 2021, LACMTA had approximately \$2.4 billion (book value) deposited in discretionary/operating accounts. Such discretionary/operating accounts were invested in the investments summarized in the following table:

<b>Discretionary/Operating Accounts Investments</b>	<b>Percentage of Total Book Value as of March 31, 2021</b>
Local Agency Investment Fund	9%
Bank Deposits	8
Subtotal*	17%
Managed Investments	
Federal Agencies	26%
Money Market Funds	22
Corporate Notes	11
U.S. Treasuries	10
Commercial Paper	7
Municipal securities	3
Asset Backed Securities	2
Medium Term Notes	2
Subtotal Managed Investments*	83
 Total Cash and Investments*	 100%

\* Numbers may not add due to rounding.  
Source: LACMTA

As of March 31, 2021 the liquid reserve of the discretionary accounts, which totaled approximately \$1.0 billion in market value, was managed internally by LACMTA and had an average maturity of 16 days. LACMTA’s Investment Policy prohibits investing in reverse repurchase agreements.

Moneys released to LACMTA pursuant to the Agreement, including moneys in the discretionary/operating accounts, do not secure the Senior Bonds and LACMTA is not obligated to use

such amounts to pay debt service on the Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds.”

Additional information regarding LACMTA’s investments are included in “Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments” in the Notes to the Financial Statements in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

## LITIGATION

### Sales Tax Litigation

On April 30, 1982, the California Supreme Court, in *Los Angeles County Transportation Commission v. Richmond*, upheld the constitutionality of the Proposition A Sales Tax. On March 3, 1992, the California Court of Appeal, in *Vernon v. State Board of Equalization*, upheld the validity of the Proposition C Sales Tax.

On September 28, 1995, the California Supreme Court affirmed the California Court of Appeal’s ruling in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a half cent sales tax by the Santa Clara County Local Transportation Authority. LACMTA does not believe such decision has any effect on the validity of LACMTA’s Proposition C Sales Tax.

### Other Litigation

In addition to the matters described herein, various other claims have been asserted against LACMTA. To the knowledge of LACMTA, none of such pending claims will materially and adversely affect LACMTA’s ability to pay the principal of and interest on any of its debt obligations.

## CALIFORNIA PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013

In 2012, the State Legislature adopted and the Governor signed into law the Public Employees’ Pension Reform Act of 2013, Cal. Gov’t Code §7522, et seq. (“PEPRA”), which limits pension benefits and increases the retirement age for public employees, requires public employees hired after December 31, 2012 to pay for half of their pension costs, and stops abusive pension practices. Following enactment of PEPRA, several unions representing public transit employees in the State (including employees of LACMTA) asserted to the U.S. Department of Labor (“USDOL”) that PEPRA was inconsistent with collective bargaining rights that are protected under Section 13(c) of the Federal Transit Act. Section 13(c) requires the preservation of employees’ bargained for rights and continuation of these rights. Before a local government agency receives federal funds for a particular transit system, USDOL must certify that employees’ bargained for rights are preserved and their collective bargaining rights continue.

Soon after PEPRA’s passage, USDOL refused to certify federal grants to California transit agencies, including LACMTA, based on union objections that PEPRA violated Section 13(c) protections. On behalf of two affected transit agencies, the State successfully challenged USDOL’s decisions under the Administrative Procedure Act in federal court in 2013, and the court remanded the matter to USDOL for reconsideration. The State had enacted a temporary suspension of PEPRA while the litigation was in process. The temporary suspension allowed federal funds to flow during that period but ended on December 30, 2014 with the court’s ruling. In 2015, USDOL on remand again refused to certify the Federal Transportation Administration (“FTA”) grants at issue. Again the State sought relief in federal court. Meanwhile, USDOL began certifying the FTA grants to LACMTA later in 2015 subject to new

certification provisions requiring grantees to restore pre-PEPRA pension benefits or refund the amount of the grants received since January 1, 2015 in the event USDOL's decisions were ultimately upheld by the court.

On January 24, 2018, the court resolved the dispute in favor of the State and enjoined USDOL from relying on PEPRA to deny transit funding to the two transit agencies whose federal grants were at issue in the litigation. However, the court declined the State's request to enjoin USDOL from using PEPRA to deny Section 13(c) certification to *any other* California transit agency grantee. On March 8, 2019, USDOL represented to the court in a joint status report that it fully intends to comply with the court's order.

In April 2019, a union representing LACMTA employees objected to certification of a \$2.5 million grant on the basis that PEPRA precludes LACMTA from continuing collective bargaining rights as required by Section 13(c). In light of the court's decisions, USDOL reexamined its earlier determinations denying certification of FTA grants to LACMTA because of PEPRA's impact on transit employees. Based on that reexamination, USDOL concluded on June 14, 2019 that PEPRA does not present a bar to certification under Section 13(c).

On August 22, 2019, the union whose objections were rejected by USDOL brought an action against USDOL in the U.S. District Court, District of Columbia, contending that the issuance of grant certifications to California transit agencies, over the union's objections is contrary to law and in excess of USDOL's statutory authority because PEPRA diminishes the collective bargaining rights of California transit employees. The State intervened and asked the court to transfer the case to the U.S. District Court for the Eastern District of California, where the prior proceedings concerning USDOL's authority to issue grant certifications in light of PEPRA have taken place. The court granted the State's motion and transferred the case to the Eastern District of California where it is currently pending trial. [Cross-motions for summary judgment have been filed by the parties and a hearing with respect to such motions is scheduled for May 28, 2021.]

FTA grants are a significant source of funding for LACMTA. LACMTA expects to apply for an additional \$66.4 million of FTA grants through December 2021. Assuming the court in the Eastern District of California reaffirms and adheres to its earlier determination that the application of PEPRA to transit employee pension plans does not preclude certification of FTA grants under Section 13(c), LACMTA expects to receive these grants. However, it is possible, though unlikely, that USDOL and/or the court may reverse their most recent determinations, in which case LACMTA may have to potentially delay or cancel projects or use alternate funding sources for projects, possibly including additional Senior Bonds or Senior Parity Obligations. Senior Bonds and Senior Parity Obligations may be issued only if the additional bonds tests described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Measure R Sales Tax Obligations—*Senior Obligations*" in the front part of this Official Statement are satisfied.

LACMTA's collection of Measure R Sales Tax revenues to pay debt service on the Senior Bonds, including the Series 2021-A Bonds, is not affected by the receipt of FTA grants.

**APPENDIX B**

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL  
STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



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## APPENDIX C

### LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

The Measure R Sales Tax derives from a retail transaction and use tax applicable to all taxable sales throughout Los Angeles County. As such, sales tax revenues reflect a number of economic factors that influence taxable transactions, including population, employment and income. Some of those factors are described below.

The economic and demographic information provided below has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of Los Angeles County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions. The information in this Appendix is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether the trends shown below will continue in the future. See “INTRODUCTION—Impact of Global COVID-19 Outbreak” in the front part of this Official Statement.

#### Los Angeles County

As of January 1, 2020, the County had an estimated population of over 10.2 million. Los Angeles County is the largest County in the country by population, and includes over a quarter of the State of California’s (the “State”) population. The County covers 4,084 square miles, and includes 88 incorporated cities, with over 9.2 million residents, as well as unincorporated communities with over one million residents.

#### Population

The table below summarizes the populations of the County and State, estimated as of January 1 of each year, except for the years 2000 and 2010 which are reported as of April 1 of such years. The population estimates for 2010 and later incorporate 2010 Census counts as the benchmark.

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**Table C-1  
COUNTY AND STATE POPULATION STATISTICS**

	<b>County of Los Angeles</b>	<b>Annual Growth Rate<sup>1</sup></b>	<b>State of California</b>	<b>Annual Growth Rate<sup>1</sup></b>
2000	9,519,330	–	33,873,086	–
2005	9,816,153	0.62%	35,869,173	1.15%
2010	9,818,605	0.00	37,253,956	0.76
2011	9,879,298	0.61	37,561,624	0.83
2012	9,956,882	0.78	37,924,661	0.97
2013	10,025,712	0.69	38,269,864	0.91
2014	10,078,930	0.53	38,556,731	0.75
2015	10,126,423	0.47	38,870,150	0.81
2016	10,158,196	0.31	39,131,307	0.67
2017	10,193,753	0.35	39,398,702	0.68
2018	10,209,676	0.16	39,586,646	0.48
2019	10,184,378	(0.25)	39,695,376	0.27
2020	10,172,951	(0.11)	39,782,870	0.22

<sup>1</sup> For five-year time series, figures represent average annual growth rate for each of the five years.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts, Sacramento, California, November 2012. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark. Sacramento, California, May 2020.

### **Industry and Employment**

The following table summarizes the average number of employed and unemployed residents of the County, based on the annual “benchmark,” an annual revision process in which monthly labor force and payroll employment data, which are based on estimates, are updated based on detailed tax records.

The California Employment Development Department has reported final unemployment figures for December 2020 of 9.0% statewide (seasonally adjusted) and 11.0% for Los Angeles County (seasonally adjusted). The U.S. Bureau of Labor, Department of Labor Statistics, has reported final unemployment figures for December 2020 of 6.7% nationwide (seasonally adjusted).

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**Table C-2**  
**ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND**  
**UNEMPLOYMENT OF RESIDENT LABOR FORCE**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Civilian Labor Force</u></b>					
County of Los Angeles					
Employed	4,659,700	4,776,700	4,853,800	4,896,500	4,894,300
Unemployed	330,100	264,800	242,700	239,800	227,300
<b>Total</b>	<b>4,989,800</b>	<b>5,041,400</b>	<b>5,096,500</b>	<b>5,136,000</b>	<b>5,121,600</b>
<b><u>Unemployment Rates</u></b>					
County	6.6%	5.3%	4.8%	4.7%	4.4%
State	6.2	5.5	4.8	4.2	4.0
United States	5.3	4.9	4.4	3.9	3.7

Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S. Items may not add to totals due to rounding.

The table below summarizes the California Employment Development Department's most recent estimated average annual employment for the County, which includes full-time and part-time workers who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Percentages indicate the percentage of the total employment for each type of employment for the given year. For purposes of comparison, the most recent annual employment data for the State is also summarized.

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**Table C-3**  
**LOS ANGELES COUNTY**  
**ESTIMATED 2019 INDUSTRY EMPLOYMENT<sup>1</sup>**

	County		State of California	
	Number of Employees	% of Total	Number of Employees	% of Total
Total Farm	4,500	0.1%	424,100	2.4%
Mining and Logging	1,900	0.0	22,500	0.1
Construction	149,300	3.3	882,600	4.9
Manufacturing	339,200	7.4	1,322,500	7.4
Trade, Transportation and Utilities	851,500	18.6	3,051,900	17.1
Information	217,300	4.8	562,600	3.2
Financial Activities	223,900	4.9	841,200	4.7
Professional and Business Services	642,800	14.1	2,721,100	15.2
Educational and Health Services	843,600	18.5	2,803,400	15.7
Leisure and Hospitality	544,700	11.9	2,033,200	11.4
Other Services	158,400	3.5	576,100	3.2
Government	594,200	13.0	2,608,000	14.6
Total <sup>2</sup>	4,571,400	100.0%	17,849,200	100.0%

<sup>1</sup> The California Economic Development Department has converted employer records from the Standard Industrial Classification coding system to the North American Industry Classification System.

<sup>2</sup> Total may not equal sum of parts due to independent rounding.

Note: Based on surveys distributed to employers; not directly comparable to Civilian Labor Force data reported in Table C-2.

Source: California Employment Development Department, Labor Market Information Division. Based on March 2019 Benchmark report released March 27, 2020.

## Personal Income

The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of “net earnings,” rental income, dividend income, interest income, and transfer receipts. “Net earnings” is defined as wages and salaries, supplements to wages and salaries, and proprietors’ income, less contributions for government social insurance, before deduction of personal income and other taxes.

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The following table sets forth the estimates of personal income and per capita personal income for the County, the State and the United States for 2015 through 2019.

**Table C-4  
COUNTY, STATE AND U.S.  
PERSONAL INCOME**

<b>Year and Area</b>	<b>Personal Income<sup>1</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income<sup>1</sup> (dollars)</b>
<b>2015</b>		
County <sup>2</sup>	\$ 560,530,772	\$55,578
State <sup>3</sup>	2,172,930,200	55,833
United States <sup>3</sup>	15,717,140,000	49,019
<b>2016</b>		
County <sup>2</sup>	\$ 581,458,264	\$57,538
State <sup>3</sup>	2,273,557,500	58,048
United States <sup>3</sup>	16,151,881,000	50,015
<b>2017</b>		
County <sup>2</sup>	\$ 602,431,122	\$59,625
State <sup>3</sup>	2,383,130,500	60,549
United States <sup>3</sup>	16,937,582,000	52,118
<b>2018</b>		
County <sup>2</sup>	\$627,608,360	\$62,300
State <sup>3</sup>	2,514,503,400	63,720
United States <sup>3</sup>	17,839,255,000	54,606
<b>2019</b>		
County <sup>2</sup>	\$ 653,482,910	\$65,094
State <sup>3</sup>	2,632,279,800	66,619
United States <sup>3</sup>	18,599,062,400	56,490

<sup>1</sup> Per capita personal income was computed using Census Bureau midyear population estimates. Per capita personal income is total personal income divided by total midyear population.

<sup>2</sup> Last updated: November 17, 2020 - new statistics for 2019; revised statistics for 2015-2018. Source: U.S. Bureau of Economic Analysis, "Table CAINC1 - Personal Income Summary" (accessed February 18, 2021).

<sup>3</sup> Last updated: September 24, 2020 - revised statistics for 2015-2019. Source: U.S. Bureau of Economic Analysis, "Table SAINC1 - Personal Income Summary" (accessed February 18, 2021).

## Retail Sales

The following table sets forth taxable sales for the County for calendar years 2015 through 2019. Calendar year 2020 data has not yet been released by the California Department of Tax and Fee Administration.

**Table C-5**  
**COUNTY OF LOS ANGELES**  
**TAXABLE SALES**  
**(in thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Motor Vehicle and Parts Dealers	\$18,058,173	\$18,502,763	\$18,564,128	\$18,935,861	\$18,954,470
Home Furnishings and Appliance Stores	7,832,717	7,842,401	7,608,577	7,536,953	7,308,501
Building Material & Garden Equipment & Supplies Dealers	7,402,869	7,688,704	8,033,659	8,446,279	8,698,495
Food and Beverage Stores	6,522,672	6,696,653	6,922,446	7,106,527	7,255,361
Gasoline Stations	11,635,839	10,137,302	10,962,033	12,553,326	12,491,790
Clothing and Clothing Accessories Stores	10,974,322	11,413,847	11,554,711	12,258,410	12,536,982
General Merchandise Stores	11,860,519	11,852,121	12,268,162	12,583,909	12,910,844
Food Services and Drinking Places	20,605,855	22,002,191	23,199,041	24,016,431	25,097,944
Other Retail Group	14,202,014	14,808,367	15,185,803	15,707,358	17,190,290
Total Retail and Food Services	<u>109,094,980</u>	<u>110,944,351</u>	<u>114,298,560</u>	<u>119,145,054</u>	<u>122,444,678</u>
All Other Outlets <sup>1</sup>	42,886,760	44,211,290	45,981,570	46,878,742	49,868,925
<b>TOTAL ALL OUTLETS<sup>2</sup></b>	<u><u>\$151,981,740</u></u>	<u><u>\$155,155,641</u></u>	<u><u>\$160,280,130</u></u>	<u><u>\$166,023,796</u></u>	<u><u>\$172,313,603</u></u>

<sup>1</sup> Primarily manufacturing and wholesale businesses.

<sup>2</sup> Items may not add to totals due to rounding.

Source: California Department of Tax and Fee Administration, Research and Statistics Division.

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**APPENDIX D**  
**SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS**

**APPENDIX E**  
**PROPOSED FORM OF BOND COUNSEL'S OPINION**

## APPENDIX F

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Los Angeles County Metropolitan Transportation Authority (the “Authority”) in connection with the issuance of its \$ \_\_\_\_\_ Measure R Senior Sales Tax Revenue Bonds, Series 2021-A (the “Series 2021-A Bonds”) pursuant to the terms of the Trust Agreement (as defined herein). The Authority covenants and agrees as follows:

#### **Section 1. Definitions.**

“*Annual Information*” means the information specified in Section 4 hereof.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission for the purposes referred to in Rule 15c2-12.

“*Financial Obligation*” means (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“*Holder*” means any registered owner of Series 2021-A Bonds and any beneficial owner of Series 2021-A Bonds within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

“*Listed Events*” means any of the events listed in Section 5 hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“*Official Statement*” means the Official Statement, dated \_\_\_\_\_, 2021, prepared and distributed in connection with the initial sale of the Series 2021-A Bonds.

“*Rule 15c2-12*” means Rule 15c2-12, as amended through the date of this Certificate, as promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“*Trust Agreement*” means, collectively, the Second Amended and Restated Trust Agreement, dated as of August 1, 2020, by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), and the Sixth Supplemental Trust Agreement, dated as of July 1, 2021, by and between the Authority and the Trustee.

**Section 2. Purpose of the Certificate.** This Certificate is being executed and delivered by the Authority pursuant to Rule 15c2-12 for the benefit of the Holders of the Series 2021-A Bonds in order to assist the participating underwriters in complying with Rule 15c2-12.

#### **Section 3. Provision of Annual Information.**

(a) The Authority shall, not later than 195 days following the end of each Fiscal Year of the Authority (which Fiscal Year currently ends on June 30) (resulting in a deadline of January 11 of each

year), commencing with the report for the Fiscal Year ending June 30, 2021 (which is due no later than January 11, 2022), provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, the Annual Information relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 hereof, which Annual Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof; provided that any audited financial statements may be submitted separately from the balance of the Annual Information and later than the date required above for the filing of the Annual Information if they are not available by that date. If the Fiscal Year for the Authority changes, the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If in any year, the Authority does not provide the Annual Information to the MSRB by the time specified above, the Authority shall instead timely file a notice to the MSRB through the EMMA System stating that the Annual Information has not been timely completed and, if known, stating the date by which the Authority expects to file the Annual Information.

**Section 4. Content of Annual Information.** The Annual Information shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as in effect from time to time and as applied to governmental units. If the Authority's audited financial statements are not available by the time the Annual Information is required to be filed pursuant to Section 3(a) hereof, the Annual Information shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Information when they become available.

(b) Updated historical information of the type set forth in "TABLE 4–Historic Net Measure R Sales Tax Receipts" of the Official Statement;

(c) Updated historical information of the type set forth in "TABLE 6–Measure R Pledged Revenues and Senior Bonds Debt Service Coverage" of the Official Statement; and

(d) Updated information of the type set forth in "TABLE 7–Combined Debt Service Schedule" of the Official Statement, but only the information in the columns entitled "Principal," "Interest" and "Total Debt Service" under the heading "Series 2021-A Bonds Debt Service" and the information under the column entitled "Total Debt Service on Senior Bonds" and only to the extent the information in these columns has changed.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, that have been submitted to the MSRB through the EMMA System.

#### **Section 5. Reporting of Listed Events.**

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2021-A Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2021-A Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2021-A Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Authority; or

Note: For the purposes of the event identified in subparagraph (a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2021-A Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in Section 5(a)(5) hereof, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2021-A Bonds or other material events affecting the tax status of the Series 2021-A Bonds;
2. Modifications to rights of the Owners of the Series 2021-A Bonds;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution or sale of property securing repayment of the Series 2021-A Bonds;

5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders.

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2021-A Bonds pursuant to the Trust Agreement.

**Section 6. Remedies.** If the Authority shall fail to comply with any provision of this Certificate, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding in law or in equity, this Certificate against the Authority and any of the officers, agents and employees of the Authority, and may compel the Authority or any such officers, agents or employees to perform and carry out their duties under this Certificate; provided that the sole and exclusive remedy for breach of this Certificate shall be an action to compel specific performance of the obligations of the Authority hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenge to the adequacy of any information provided pursuant to Section 4 or 5 hereof may be brought only by the Holders of 25% in aggregate principal amount of the Series 2021-A Bonds at the time outstanding. A failure by the Authority to comply with the provisions of this Certificate shall not constitute an Event of Default under the Trust Agreement.

**Section 7. Parties in Interest.** This Certificate is executed and delivered solely for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

**Section 8. Amendment.** Without the consent of any Holders of Series 2021-A Bonds, the Authority at any time and from time to time may enter into any amendments or changes to this Certificate for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 or any authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Authority and the assumption by any such successor of the covenants of the Authority hereunder;

(d) to add to the covenants of the Authority for the benefit of the Holders, or to surrender any right or power herein conferred upon the Authority; or

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority, or type of business conducted; provided that (i) this Certificate, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Series 2021-A Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances; and (ii) the amendment or change does not materially impair the interests of Holders, as determined either by a party unaffiliated with the Authority (such as bond counsel), or by the vote or consent of Holders of a majority in outstanding principal amount of the Series 2021-A Bonds on or prior to the time of such amendment or change.

**Section 9. Termination of Obligation.** This Certificate shall remain in full force and effect until such time as all principal of and interest on the Series 2021-A Bonds shall have been paid in full or legally defeased pursuant to the Trust Agreement. Upon any such legal defeasance, the Authority shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Series 2021-A Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

**Section 10. Governing Law.** THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the undersigned has executed this Continuing Disclosure Certificate this 13<sup>th</sup> day of July, 2021.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By: \_\_\_\_\_

Rodney Johnson  
Deputy Executive Officer, Finance

## APPENDIX G

### BOOK-ENTRY-ONLY SYSTEM

#### Introduction

*Unless otherwise noted, the information contained under the subcaption “—General” below has been provided by DTC. LACMTA makes no representations as to the accuracy or completeness of such information. Further, LACMTA undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC’s websites as described under “—General,” including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The beneficial owners of the Series 2021-A Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.*

NEITHER LACMTA NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2021-A BONDS UNDER THE TRUST AGREEMENT; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2021-A BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE SERIES 2021-A BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2020-A GREEN BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

#### General

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2021-A Bonds. The Series 2021-A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2021-A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the



DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2021-A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021-A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021-A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021-A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021-A Bonds, except in the event that use of the book-entry system for the Series 2021-A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021-A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021-A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021-A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021-A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021-A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021-A Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2021-A Bond documents. For example, Beneficial Owners of Series 2021-A Bonds may wish to ascertain that the nominee holding the Series 2021-A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Series 2021-A Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2021-A Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021-A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to LACMTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2021-A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Series 2021-A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from LACMTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, LACMTA, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of LACMTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021-A Bonds at any time by giving reasonable notice to LACMTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021-A Bond certificates are required to be printed and delivered.

LACMTA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2021-A Bond certificates will be printed and delivered to DTC.

The information in this APPENDIX G concerning DTC and DTC's book-entry system has been obtained from sources that LACMTA believes to be reliable, but LACMTA takes no responsibility for the accuracy thereof.

**BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2021-A BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.**

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2021-A Bonds will be payable as described in the front part of this Official Statement under the caption "DESCRIPTION OF THE SERIES 2021-A BONDS—General."

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