

NEWS RELEASE



RTD successfully issues Climate Bonds Certified green bonds

Transaction closed March 11; refunding will result in interest savings for FasTracks program

DENVER (March 17, 2021) – On March 11, the Regional Transportation District (RTD) successfully closed a refunding bond transaction to refund the FasTracks Project 2012A bonds and Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from the U.S. Department of Transportation, to achieve interest savings and restructure the associated future debt service to achieve the most beneficial financial results for annual cash flows.

The refunding was very successful and exceeded RTD's expectations. RTD used the services of Hilltop Securities Inc. as independent financial advisors, Butler Snow LLP as bond counsel, Hogan Lovells US LLP as disclosure counsel and Goldman Sachs as the lead underwriter of the underwriting syndicate. The total cost for the refunding was approximately \$4.2 million, costs for which were paid with proceeds of the green bonds.

"The high interest in the sale of the refunding bonds speaks to RTD's reputation in the bond markets and the agency's investment grade credit ratings," said RTD General Manager and CEO Debra A. Johnson. "In addition, the designation of the bonds as Climate Bonds Certified green bonds attracted the interest of environmentally conscious investors interested in financing solutions for climate change."

The refunding will result in interest savings for FasTracks of \$127.5 million over 24 years, with 99% or \$126.1 million of those savings realized between 2021 and 2026. These savings are the equivalent of a 15% net present value (NPV) savings in interest cost, which far exceeds the RTD Board policy requiring at least a 3% NPV savings in order to authorize a debt refunding. The average interest rate on the new refunding bonds is 2.11%.

RTD's November 2020 Mid-Term Financial Plan had forecasted the required use of FasTracks reserves of \$238.0 million over the years 2021-2026, which was unsustainable and resulted in a deficit fund balance of \$28.9 million by 2026. The savings from this refunding will have a significant positive impact to partially offset that reserve depletion.

RTD also benefited from a tender offer in which investors of the refunded 2012 bonds sold almost 20% of their holdings prior to the call date, which generated additional interest savings for RTD. Further, large purchases by institutional investors – such as Wells Fargo, Loews Corp. and Nuveen Advisory Corp. – indicated high demand for RTD's debt and the market's confidence in RTD.

Climate Bonds Certified green bonds are a bond issuance from which the proceeds are set aside for a specific purpose and exclusively applied to finance or refinance new or existing projects that promote progress on environmentally sustainable activities with climate change or emissions reduction benefits. Globally, the majority of green bond proceeds have been used to fund renewable energy, low carbon transportation infrastructure, water and waste projects, energy efficiency and low carbon buildings. The Green Bonds designation is designed to track the Green Bond Principles made known by the International Capital Market Association.

ABOUT RTD

The Regional Transportation District develops, operates and maintains a public transportation system that meets the transit needs of close to 3 million people within an eight-county service area in the Denver Metro region. RTD's buses, rail lines, shuttles and additional services provide approximately 100 million annual passenger trips. For more information, visit rtd-denver.com, call 303-299-6000 and follow along on social media: www.facebook.com/RideRTD, [@RideRTD](https://twitter.com/RideRTD) on Twitter, [@ridertd](https://www.instagram.com/ridertd) on Instagram and [rideRTDco](https://www.youtube.com/channel/UC8vYk1p1p1p1p1p1p1p1p1p) on YouTube. For the most current RTD news, visit the News Stop, at rtd-denver.com/news-stop.

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RTD issued the refunding bonds as Green Bonds-Climate Bonds Certified based on the environmentally sustainable elements of the FasTracks program, the district's 2004 voter-approved, multibillion-dollar transit expansion plan for the Denver metro region. RTD used the original bond and loan proceeds to fund parts of various FasTracks projects, including the University of Colorado A Line, B Line, R Line, W Line and Flatiron Flyer bus rapid transit service.

Issuing green bonds also aligns with RTD's commitment to sustainability. As outlined in its [most recent sustainability report](#) – part of the annual Quality of Life Study – the district has made an impact on regional sustainability in four primary areas: air quality, transportation greenhouse gas emissions, electric vehicles and public health.

RTD's commitment to the expansion of zero-emission, reliable and affordable public transportation systems supports the vision of the [United Nations 17 Sustainable Development Goals](#), described in the Transforming our World: 2030 Agenda for Sustainable Development adopted by all United Nations member states in 2015 that provides "a shared blueprint for peace and prosperity for people and the planet." The issuance of the bonds will directly support UN goals 9 and 11 – industry, innovation and infrastructure; and sustainable cities and communities – by expanding zero- and low-emission public transportation options in the Denver region.

