Board of Directors
Special Meeting

Thursday, August 25, 2022 | 12:00pm
Board Room at 110 Watervliet Ave.
CDTA BOARD OF DIRECTORS
MEETING AGENDA
Wednesday, June 29, 2022 | 12:00pm | Board Room at 110 Watervliet Ave

Board Item                      Responsibility  Page
Call to Order                   Jayme Lahut

Committee Reports: (Action Items Listed)
Performance Monitoring/Audit Committee (08/25/2022)  Denise Figueroa
  • Resolution 31 – Approve Municipal Lease Financing

Upcoming Meetings
  Wednesday, August 31, 2022 at 12:00pm in the Board Room at 110 Watervliet Ave

Adjourn
CAPITAL DISTRICT TRANSPORTATION AUTHORITY, NEW YORK
RESOLUTION NO. 31 - 2022

Relating To A Master Equipment Lease/Purchase Agreement - Omnibus Financing

WHEREAS, the Capital District Transportation Authority (the “Authority”) is a public authority and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the “State”) established pursuant to Title 11-C of the New York Public Authorities Law (the “Act”), duly organized and existing under the laws of the State, to finance, implement and deliver transit services in the Capital District transportation district (as that term is defined in §1302 of the Act) safely, efficiently and at a reasonable cost; and

WHEREAS, the Authority has determined that it is in the best interests of its operations to acquire sixteen (16) articulated buses from New Flyer of America; and

WHEREAS, the members of the Authority have resolved to procure a source of financing for the acquisition of articulated buses in 2022 and thereafter though a request for proposals (RFP) process; and

WHEREAS, the Authority solicited financing proposals through an RFP to provide funds to acquire the Equipment and received proposals on August 5, 2022, and after due consideration and review, accepted the proposal submitted by TD Equipment Finance, Inc. (the “Purchaser”) upon the terms and conditions set forth in the proposal; and

WHEREAS, the Terms and Conditions specify that the form of financing shall be pursuant to a Master Equipment Lease/Purchase Agreement (the “Lease”) set forth in substantially final form in Exhibit B attached hereto under which the Authority shall make Rental Payments for a period coinciding with the Payment Schedule attached as Schedule 2 to the Lease, from general funds of the Authority, subject to annual appropriation, on the amounts in the Acquisition Fund (as those terms are defined in the Lease) disbursed by the Purchaser to purchase the Equipment,
each of which Rental Payments shall contain a portion which is interest on the purchase price of
the Equipment such that at the end of the Lease Term (as that term is defined in the Lease) the
Authority shall have paid in full for the acquisition of the Equipment; and

WHEREAS, the Authority desires (i) to acquire the Equipment through the disbursement
of proceeds of the Lease, and (ii) to pay certain necessary and incidental costs related thereto
including the costs of financing pursuant to the Terms and Conditions and the Lease (hereinafter
collectively referred to as the “Project”).

NOW, THEREFORE, BE IT RESOLVED by the Capital District Transportation
Authority through a quorum of its members at a noticed special meeting, as follows:

  Section 1. The award of financing of the Equipment through the proposal submitted to
the Authority by the Purchaser including the Terms and Conditions is hereby ratified, confirmed
and approved.

  Section 2. The Lease is hereby approved provided that the principal amount thereunder
shall not exceed $(US)13,500,000 and the Lease Term shall not exceed the later of ten (10) years,
or the date of the final Rental Payment (as such term is defined in the Lease) pursuant to the
Payment Schedule attached as Schedule 2 to the Lease. The Lease shall be a general obligation of
the Authority subject to annual appropriation; no specific revenues or assets of the Authority shall
be pledged to the payment of Rental Payments; no reserve fund shall be pledged or established for
the payment of Rental Payments. For federal income tax purposes, the Lease is deemed authorized
pursuant to the borrowing power of the Authority; provided, however, that the Lease shall not be
a debt of the of the Authority or of the State.

  Section 3. The chairperson of Authority is hereby authorized and directed to execute,
acknowledge and deliver the Lease and any related financing documents including, without

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limitation, an escrow agreement, a paying agency agreement, and financing statements securing
the interest of the Purchaser in the Equipment during the Lease Term (collectively, the “Financing
Agreements”) and any other agreements, contracts, orders, receipts, writings and instructions and
in general to do all things which may be requisite or proper to complete the Project. The
chairperson of the Authority is hereby authorized and directed to distribute copies of this resolution
to the Purchaser and to do such further things or perform such acts as may be necessary or
convenient to implement the provisions of this resolution.

Section 4. In the absence of the chairperson, the Authority may designate one or more
officers of the Authority to execute and deliver the Lease, the Financing Documents and any other
agreements, contracts, orders, receipts, writings and instructions and in general to do all things
which may be requisite or proper to complete the Project.

Section 5. The chairperson is authorized to make and agree to on behalf of the
Authority such changes, modifications, deletions, additions and corrections to the Lease and the
Financing Documents without further approval of or action by the members of the Authority which
changes, modifications, deletions, additions or corrections do not substantially change the
provisions of the Lease or the Terms and Conditions.

Section 6. The Authority hereby declares its intention that the interest component of the
Rental Payments shall be exempt from federal income taxation under the Internal Revenue Code of
1986, as amended (the “Code”), as amended. The proceeds of the Lease may be applied to reimburse
the Authority for expenditures or commitments made in connection with the Project on or after a date
which is not more than sixty (60) days prior to the date of this resolution.

Section 7. The Authority hereby declares its intention that the sale of the Lease to the
Purchaser shall be as an investment for Purchaser to hold without a view to resell to the general public
with the understanding that Purchaser, and any assignee or transferee for value, is a sophisticated and accredited investor and knows the risks associated with acquiring the Lease or an interest therein. The Authority shall provide the Purchaser with financial statements during the Lease Term.

Section 8. Harris Beach PLLC is hereby appointed special counsel to the Authority in relation to the Project.

Section 9. Prior to the execution, delivery and performance of the Lease, the Authority shall take all necessary action in connection therewith to extent required by the Act and the laws of the State.

Section 10. This resolution shall take effect and be in force immediately or at the earliest time permitted by law.
CERTIFICATION

The undersigned, duly qualified and acting as Secretary of the Capital District Transportation Authority, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Capital District Transportation Authority held on the 25th day of August, 2022.

Dated: August 25, 2022

Joseph Spairana, Jr., Secretary
Capital District Transportation Authority,
New York
Memorandum
August 16, 2022

To: Chairperson, Performance Monitoring/Audit Committee
   Members, Performance Monitoring/Audit Committee

From: Mike Collins, VP of Finance & Administration

Subject: Bus Financing (Leasing) for Bus Purchases

Background
We recently issued a Request for Proposals to finance (lease) 16 articulated buses. The buses have been ordered from New Flyer. They will be used for the Washington-Western BRT service, which is expected to start in late 2023.

The RFP was sent to three local banks that we do business with. The approximate lease value is $13.5 million. Proposals were due on August 5, 2022 and we received four proposals (see list below). TD Bank provided the best proposal and we recommend entering into a lease agreement with TD Bank.

We received proposals from the following banks;

- J.P. Morgan Chase
- Bank of America
- Key Bank
- TD Bank

TD Bank proposed a fixed interest rate of 2.68%. Under the terms of the agreement, we will make payments of $775,457 twice a year for 10 years starting in March of 2023. We will use federal funds (5307) to make these payments; we have done this in the past and it is an accepted practice.

The bank closing for this transaction will take place in August and Amanda Avery is working with one of our term attorneys to complete this action.

Recommendation
We require authorization from the Board to enter into a Municipal Lease Agreement with TD Bank to lease 16 Articulated Buses for $13.5 million at a fixed interest rate of 2.68% for 10 years. There will be an annual appropriation of these lease payments in our Capital Plan. We recommend this action.

Copy: Chief Executive Officer