

Foothill/Eastern Transportation Corridor Agency Pays Down \$125 Million in Bonds Early

Early paydown of principal bond debt to save Agency approximately \$180 million

IRVINE, CA, UNITED STATES, July 19, 2022 /EINPresswire.com/ -- As part of its groundbreaking seven-year Strategic Plan, approved earlier this year by the Transportation Corridor Agencies' (TCA) two Boards of Directors, the Foothill/Eastern

Transportation Corridor Agency (F/ETCA) has executed an early paydown of \$125 million in bond debt.

F/ETCA executed the first early paydown planned in the Strategic Plan by utilizing cash to pay off some of its bonds on the July 15, 2022, call date. The early paydown of bond principal that had a maturity date of 2053 is expected to save the Agency approximately \$180 million in interest payments.

"This early paydown of bond debt is another example of the commitment both Agencies have to fiscal stewardship, as well as fulfilling the plan of action laid out in our Strategic Plan," said F/ETCA Board Chair and Yorba Linda City Council Member Peggy Huang. "Our Boards of Directors and staff are keenly focused on sound management and fulfilling the Agencies' mission to the movement of people and goods."

The Boards adopted the Strategic Plan in March, marking the first time in TCA's 35-year history that a long-term Strategic Plan of this nature was developed and adopted. The fiscal management component of the plan recommended both Agencies pay down approximately \$600 million, combined, in early bond principal payments over the next seven years, resulting in the Agencies saving approximately \$670 million in interest.

"Strong fiscal management is core to the Agencies' past and future success. The Boards' past decisions created the solid foundation that the current Boards are building upon," said TCA's Joint Finance and Investment Committee Chair and Rancho Santa Margarita City Council



Member Tony Beall. “The Boards continue to adopt prudent policies to provide direction to staff in managing core aspects of the Agencies’ business.”□

During the last few years, TCA has taken advantage of favorable market conditions — such as low interest rates — to execute innovative bond refundings to improve both Agencies’ financial position and save more than \$700 million in debt service payments without extending any bond maturity dates.

Those refundings led to TCA being able to pay down bond debt early, beginning with the F/ETCA pay down. □

In addition to fiscal management, the Strategic Plan comprehensively maps all of TCA’s work building on seven areas of focus, including capital project delivery, environmental stewardship, tolling technology, customer service, communications & public engagement and regional mobility partnerships.□

TCA CEO Samuel Johnson noted that “Execution of the multi-year plan, including five more early paydown opportunities, would allow the Agencies to collectively save nearly \$1.4 billion in interest over a 10-year horizon while still investing in improvements to The Toll Roads. We look forward to continuing the Boards’ proven history of contributing to the quality of life in Orange County.”□

The SJHTCA and F/ETCA are two joint powers authorities created to plan, finance, construct and operate the 420 lane miles that comprise the 73, 133, 241 and 261 Toll Roads. □

The Toll Roads have been providing a choice for drivers for more than 20 years and the tolls collected are used to repay the debt incurred to construct the system and fund on-going operations and improvements.□

The Toll Roads system, which represents 20% of Orange County’s highways, is the largest toll road network in California.□

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The Transportation Corridor Agencies (TCA) are two joint powers authorities formed by the California Legislature in 1986 to plan, finance, construct and operate Orange County’s public toll road system comprised of the 73, 133, 241 and 261 Toll Roads.□

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