



Proposal for SH 121 Toll Project

Regional Transportation Council Workshop

June 14, 2007

The logo for the North Texas Tollway Authority (NTTA) is located in the top left corner. It features a stylized 'T' inside a red circle, with the letters 'NTTA' in blue below it.

Disclaimer

Following is a slide presentation made in connection with the North Texas Tollway Authority (NTTA) proposal for the acquisition and development of the State Highway (SH) 121 toll road project in Collin, Dallas, and Denton Counties.

The slide presentation, all other handouts and verbal discussion related to the slides highlight certain information that was included in the proposal, but do not and are not intended to include all of the information necessary to evaluate the proposal or determine the impact of SH 121 on the operations of the NTTA. The slide presentation, all other handouts and verbal discussion contain forward-looking information and projections and actual results may vary from the projections.

By providing this information, the NTTA is not offering to sell any securities nor soliciting an offer to buy any securities. The information must not be relied upon in connection with any decision to purchase or sell any securities of the NTTA.

NTTA – The Right Partner for SH 121

- Low risk project with significant regional upside when added to the NTTA system
- Enhances regional financial capacity for future projects
- NTTA's proposal guarantees greater financial value to the region





NTTA Board Embraces SH 121

- **Adopted RFP compliant toll policy for SH 121**
- **Committed to \$3.3 billion of guaranteed payments**
- **Commenced work to ensure on time delivery**
 - Engineering and design contracts
 - Investment grade traffic and revenue study
 - Investment grade engineering study
 - Bond documentation
 - Financing agreement

NTTA will meet the schedule for financial close



SH 121 – Low Risk Toll Road

➤ Construction

- Over 50% complete
- Conventional construction
- Minimal ROW to be acquired
- Environmental clearances nearly complete

➤ Proven traffic demand

- Currently in service and heavily traveled

➤ Growth Potential

- Heavily developed area with rapid growth projections





NTTA Guarantees \$3.3 Billion and Offers Significant Upside

NTTA's Guaranteed Payments

Upfront Payment	\$2.5 billion
Marketable Security	\$833 million
Total Upfront	<u>\$3.333 billion</u>

Upside – All SH 121 Revenue Remains in the Region

- NTTA's base case projects \$1.36 billion (NPV) of excess cash flow for the region
- SH 121 projected traffic would have to decrease by 25% for this benefit to be eliminated
- If TxDOT's RFP projections are met, NTTA's excess cash flow for the region would exceed \$3 billion (NPV)



Seasoned NTTA Project Team

➤ **Over the last ten years, NTTA has:**

- Constructed the entire 30.5 mile PGBT
- Constructed the Addison Airport Toll Tunnel
- Started construction on Lewisville Lake Toll Bridge
- Substantially completed 9.5 mile DNT extension to US 380
- Constructed the DNT–SH 121 interchange, including TxDOT’s mainlane portion
- Advanced Southwest Parkway and PGBT Eastern Extension to final design



NTTA's Financing Plan is Sound and Achievable

Deliverable



- ✓ Assured interim financing
- ✓ System credit to support long term takeout



NTTA's Financing Plan is Sound and Achievable

Deliverable

Flexible



- ✓ Several layers of flexibility to ensure financial close
- ✓ Additional flexibility for long-term financing



NTTA's Financing Plan is Sound and Achievable

Deliverable

Flexible

Efficient



- ✓ Market-proven financing structure
- ✓ Uses low cost tax-exempt debt
- ✓ Target "A" level ratings using system credit



NTTA's Financing Plan is Sound and Achievable

Deliverable

Flexible

Efficient

Robust



- ✓ SH 121 pays for itself
- ✓ Sensitivity assessment by rating agencies, underwriters and banks indicate strong project and strong System
- ✓ "A" level rating indications show an overall system with above average credit quality



NTTA's Financing Plan is Sound and Achievable

Deliverable

Flexible

Efficient

Robust

Conservative



- ✓ Lower traffic projection than TxDOT
- ✓ 20% construction contingency
- ✓ O&M based on actual system experience



NTTA's Financing Plan is Sound and Achievable

Deliverable

Flexible

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Robust

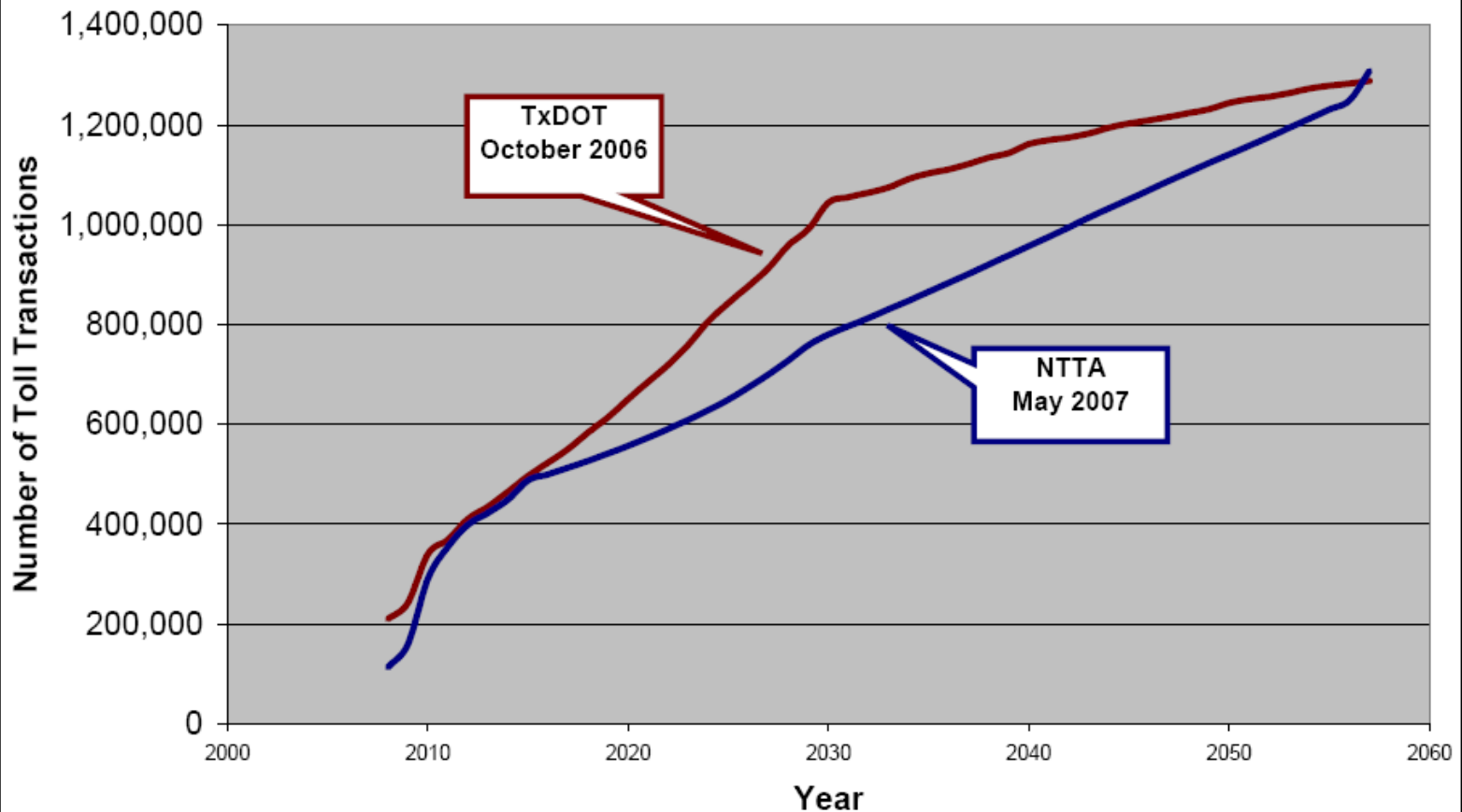
Conservative

Financing plan does not require NTTA system toll rate increases other than those adopted in 2006



Conservative Traffic Projections

SH 121 Transaction Comparison
Revised Demographics





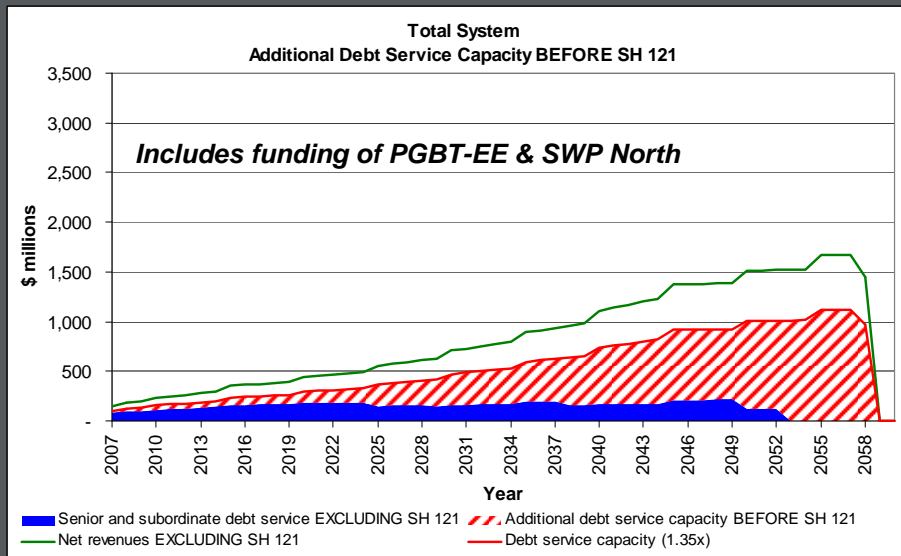
NTTA's System Credit Remains Strong

- **NTTA is using its credit to provide more transportation projects**
- **NTTA's senior lien bond ratings will remain in the "A" category**
 - *Moody's: "Issuers or issues rated A present above-average creditworthiness relative to other US municipal or tax-exempt issuers or issues."*
- **NTTA's "A" category rating affirms the ongoing financial strength of the system**

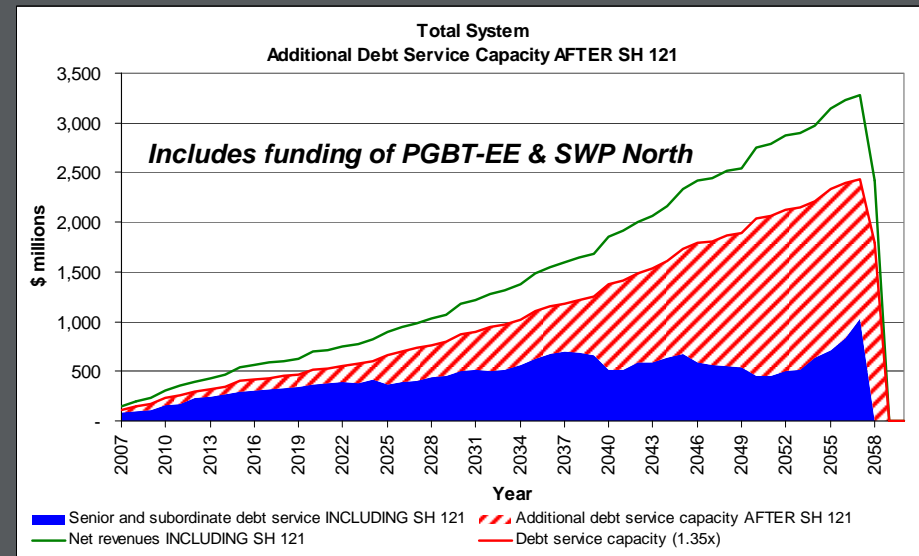


SH 121 Enhances NTTA's Debt Capacity

Before SH 121



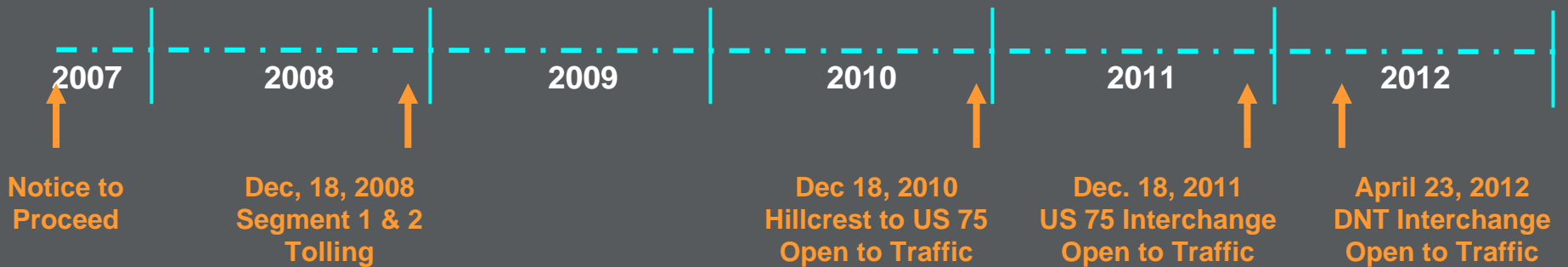
After SH 121



- After SH 121, PGBT Eastern Extension and Southwest Parkway North, NTTA's additional bonding capacity is \$4 to \$6 billion.
- Additional bonding capacity will contribute to funding for the 5-in-5 projects and other tolled and non-tolled projects across the region.



SH 121 Delivery Schedule



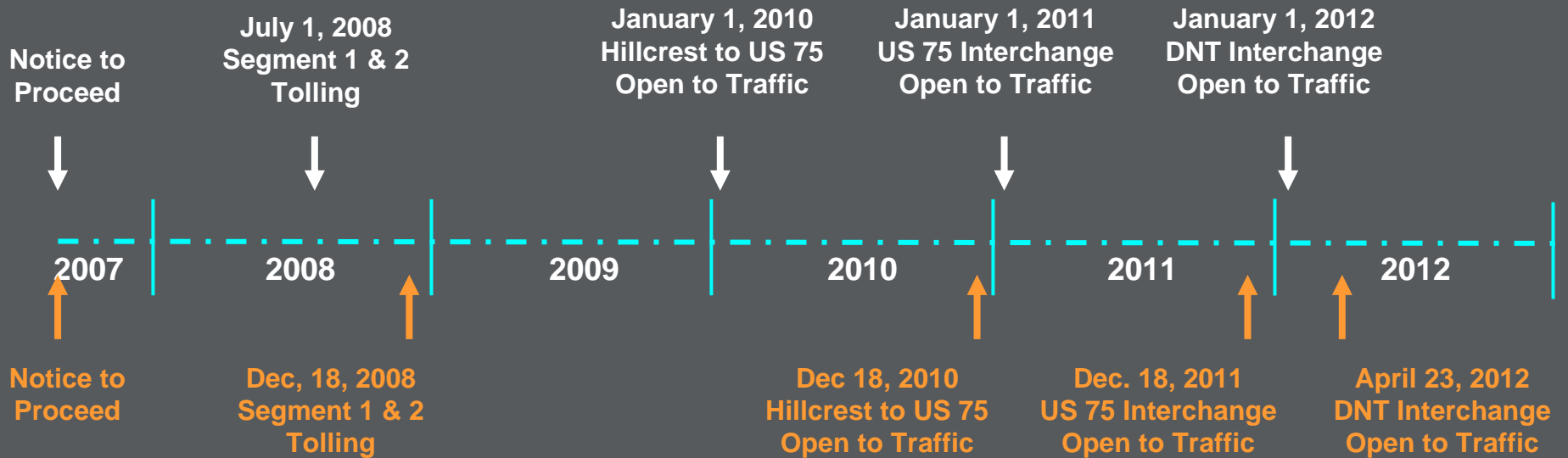
TxDOT RFP Required Schedule

Assumes August 1, 2007 Notice to Proceed



SH 121 Delivery Schedule

NTTA Schedule



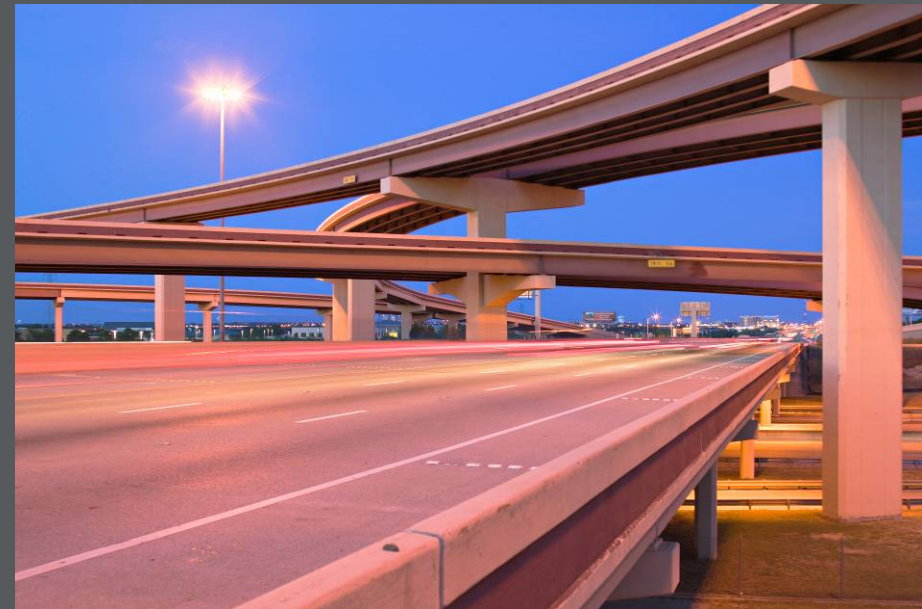
TxDOT RFP Required Schedule

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SH 121 – Highest Standards with Local Accountability



- **NTTA meets or exceeds all RFP construction and maintenance standards**
- **Continuous asset maintenance level (GASB 34)**
- **Demonstrated ability to manage and operate SH 121**
- **Managed by a proven north Texas agency with local accountability**



Committed to our Customers



- **Leader in innovation**
 - **Intelligent Transportation System**
 - **Interoperability**
 - Airports: DFW & Love Field
 - Parking garages
 - Intra-state toll roads
 - **Award-winning Customer Service Center**
 - 2 million annual customer contacts
 - 1.3 million TollTags
 - **Customer-centric for 50 years**



- **Community outreach**
 - **Community events**
 - **Interactive website**
 - **Monthly communications**
 - **Business and city partners**

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