

NTTA Refunding Plan

Presented to:

Collin County
Commissioner's Court

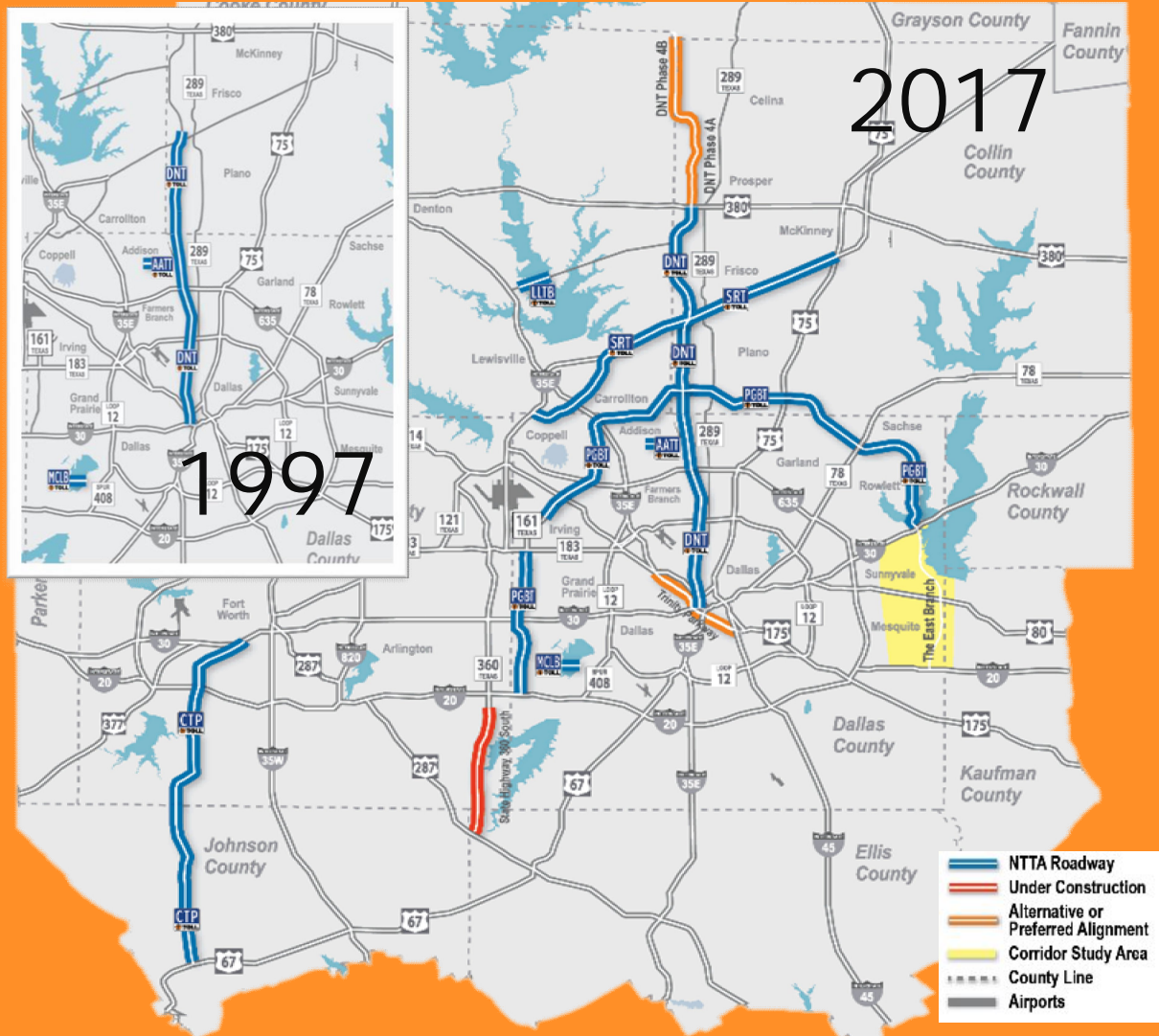
November 6, 2017

Vice-Chair Bill Moore
NTTA Board of Directors

Horatio Porter
Chief Financial Officer

NTTA

1997 - 2017





Collin County growth

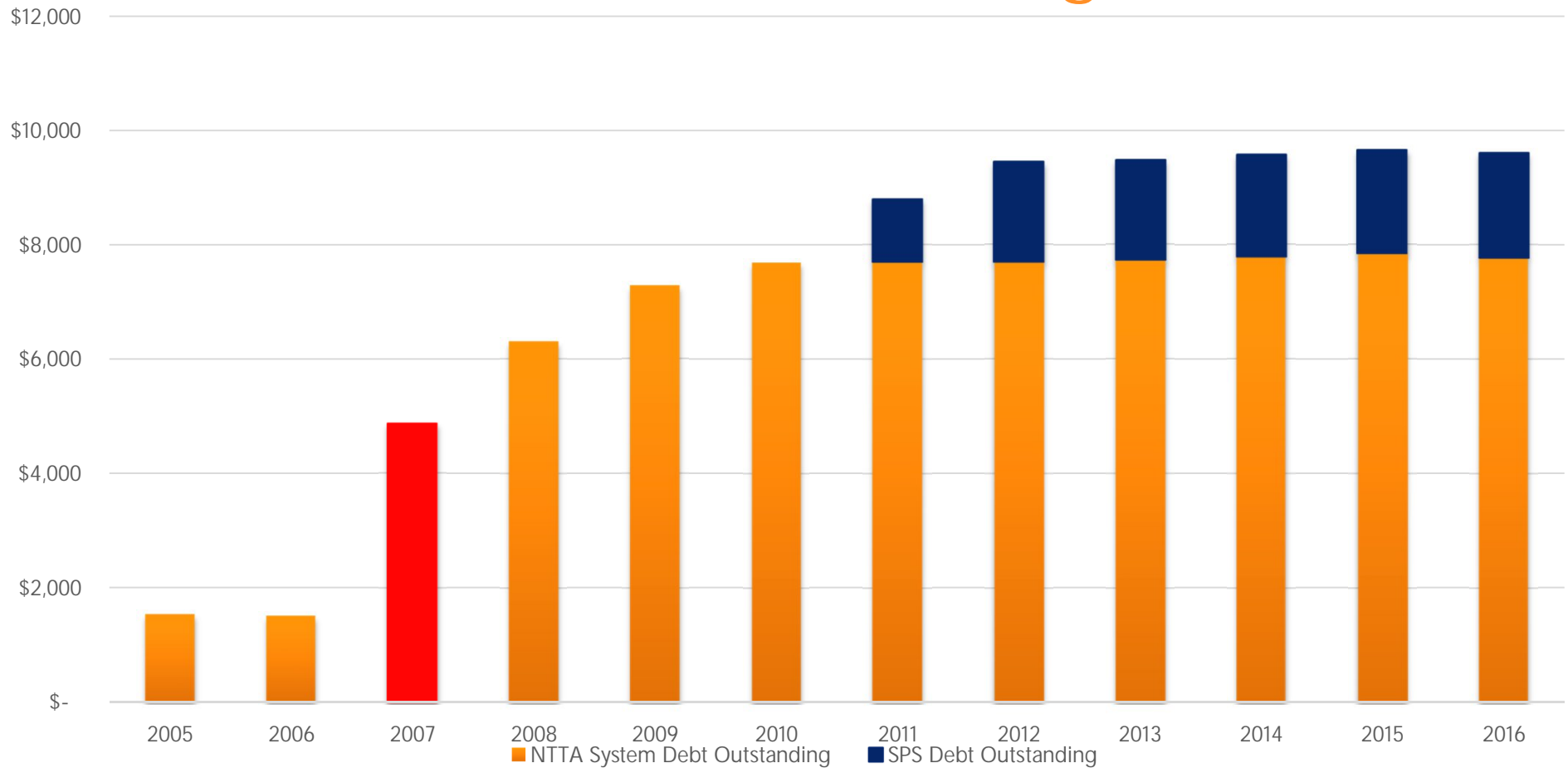
The population grew by 59 percent between 2000 and 2010 and by nearly 90 percent between 2000 and 2017.

2000 Census	2010 Census	2016 Estimate	2017 Estimate
491,675	782,341	901,170	932,530

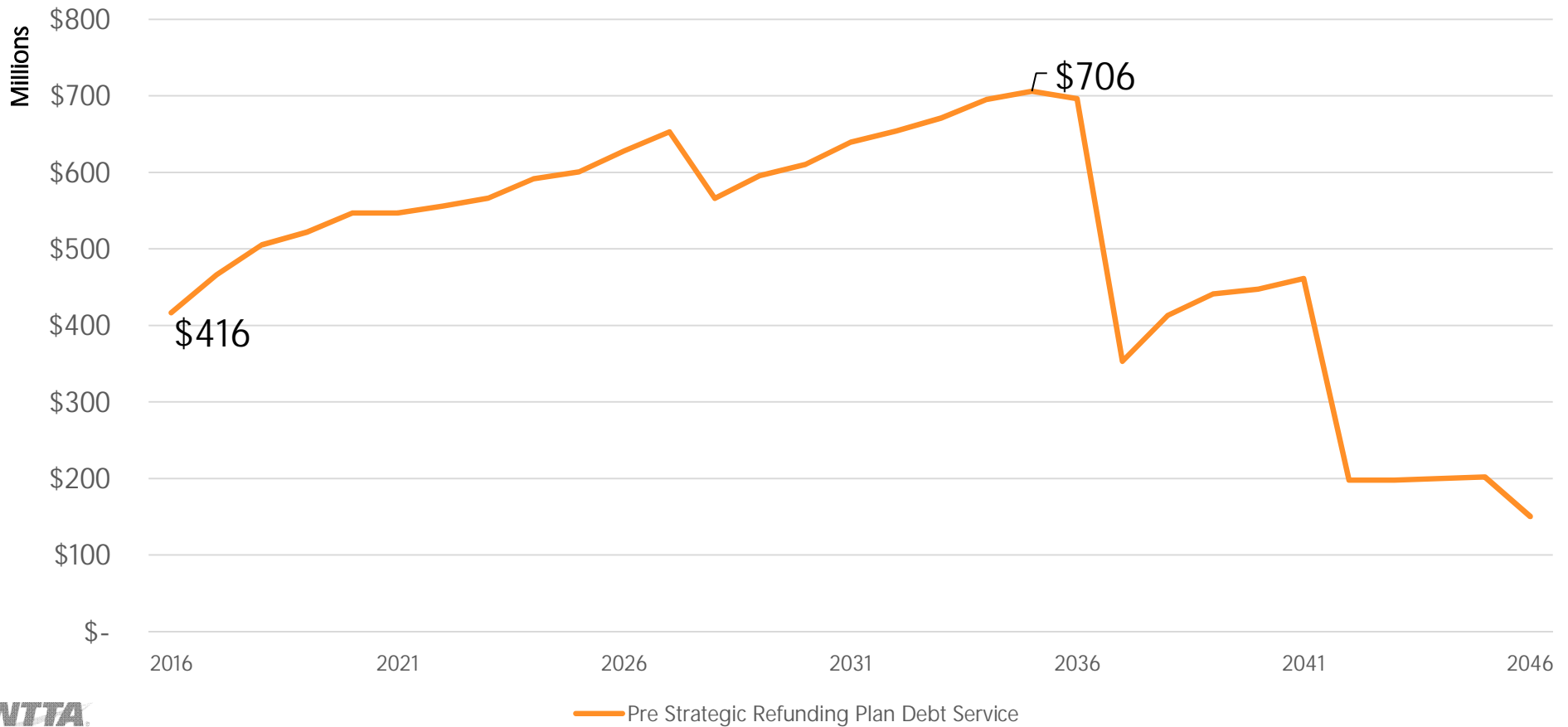
SOURCE: North Central Texas Council of Governments

Valerie Wigglesworth / DMN

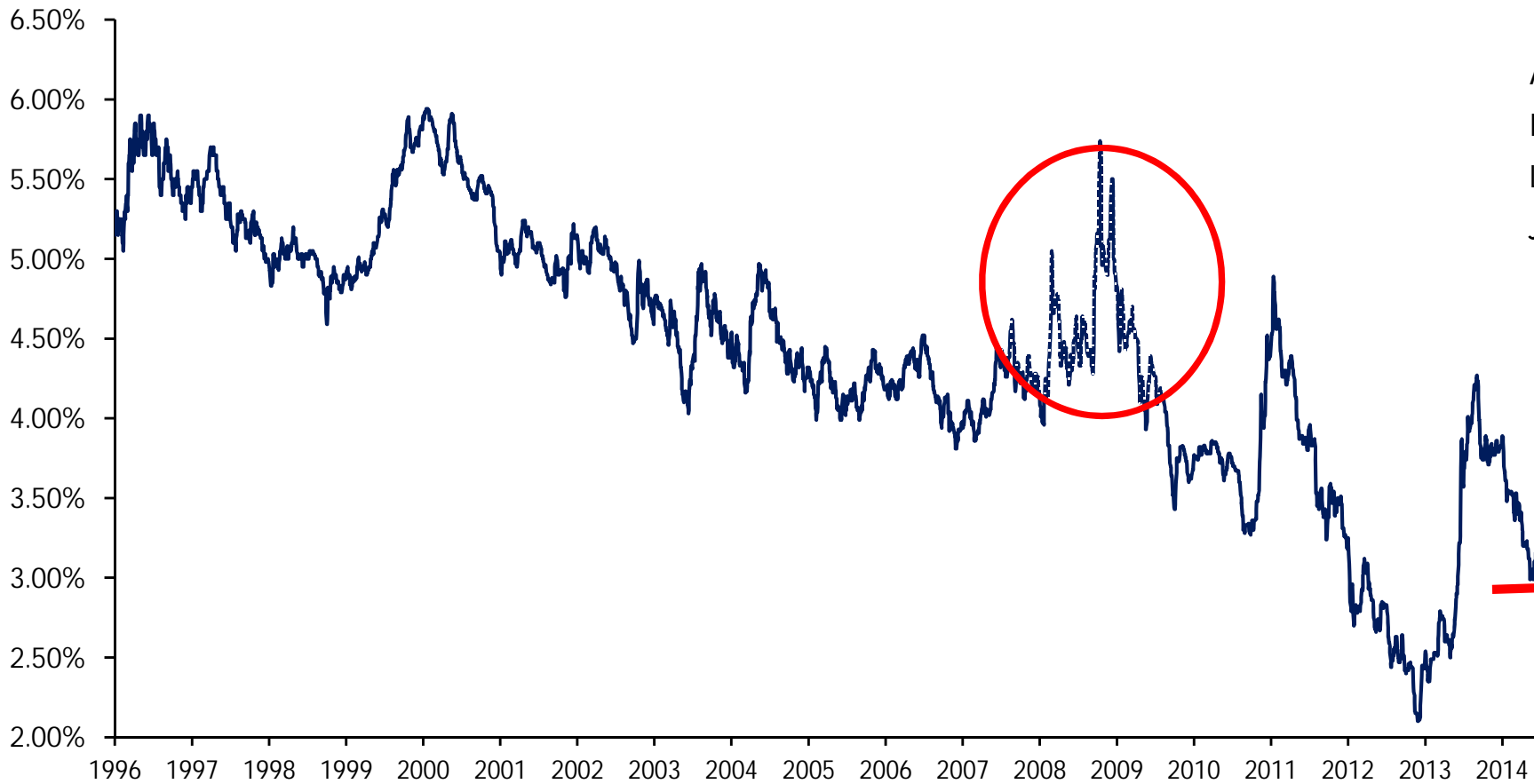
NTTA's Total Debt Outstanding



NTTA System Debt Service Profile



Historical Long-Term Rates – 20Y MMD

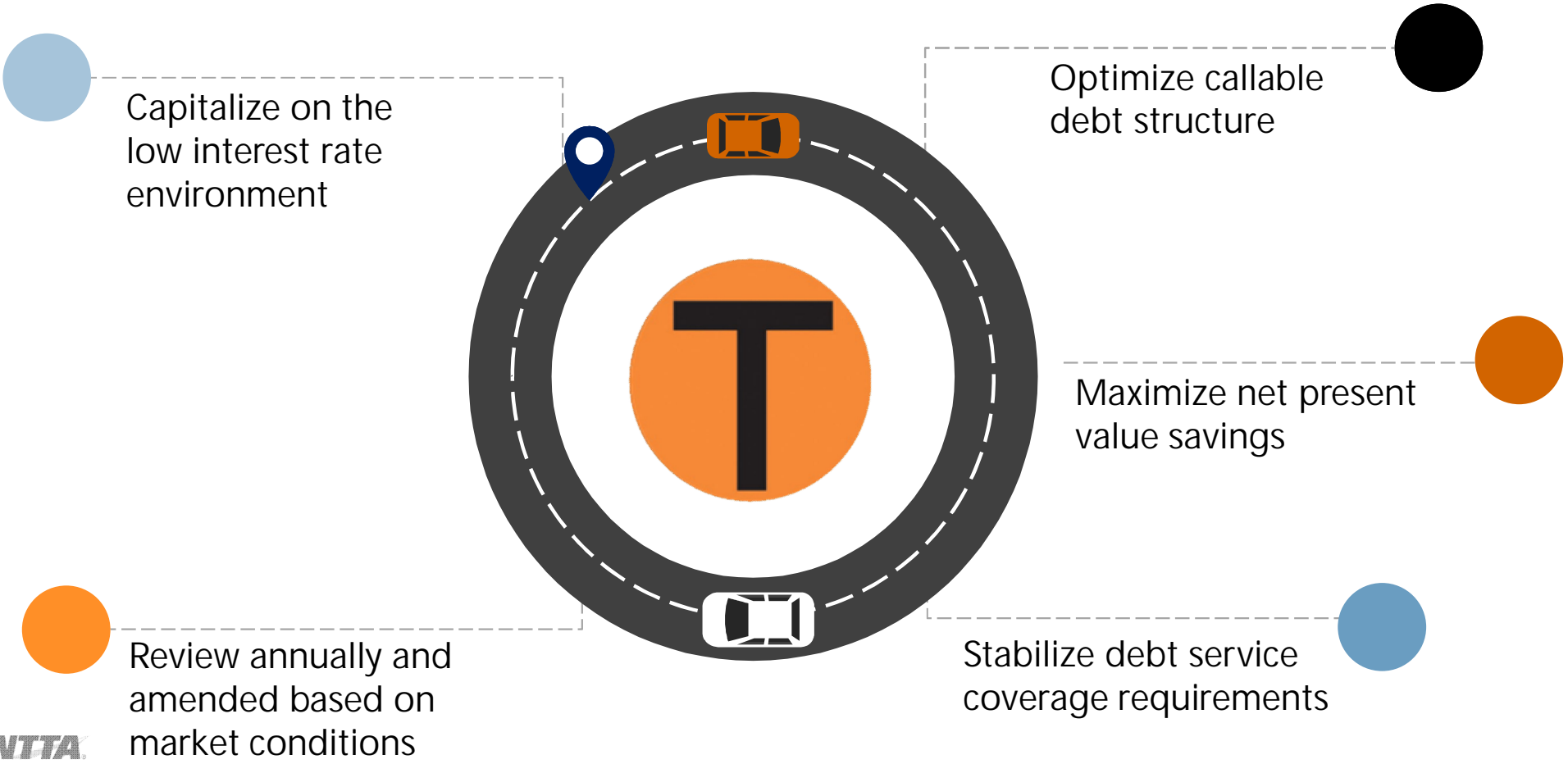


	<u>20Y MMD</u>
Avg	4.45%
High	5.94%
Low	2.10%
June 2014	3.12%



Source: Thomson Reuters (TM3) and Bloomberg

Strategic Refinancing Plan



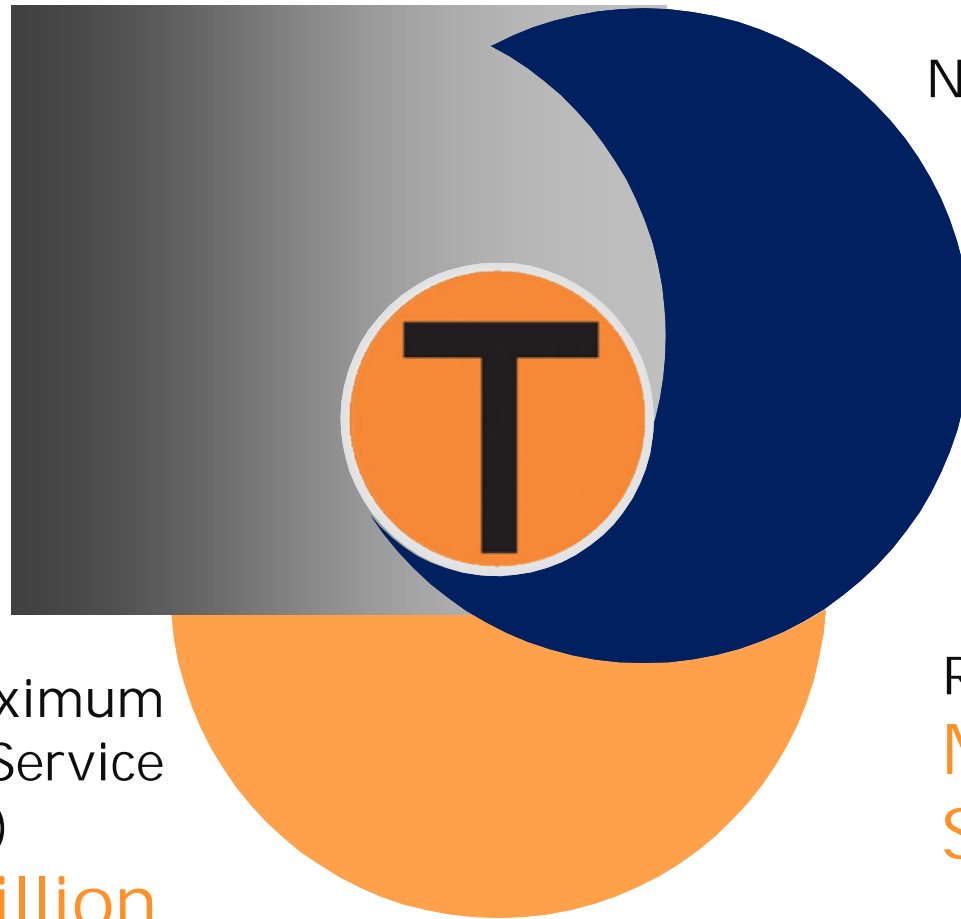
Strategic Refinancing Plan: Results

Refunded
**\$3.3
Billion**

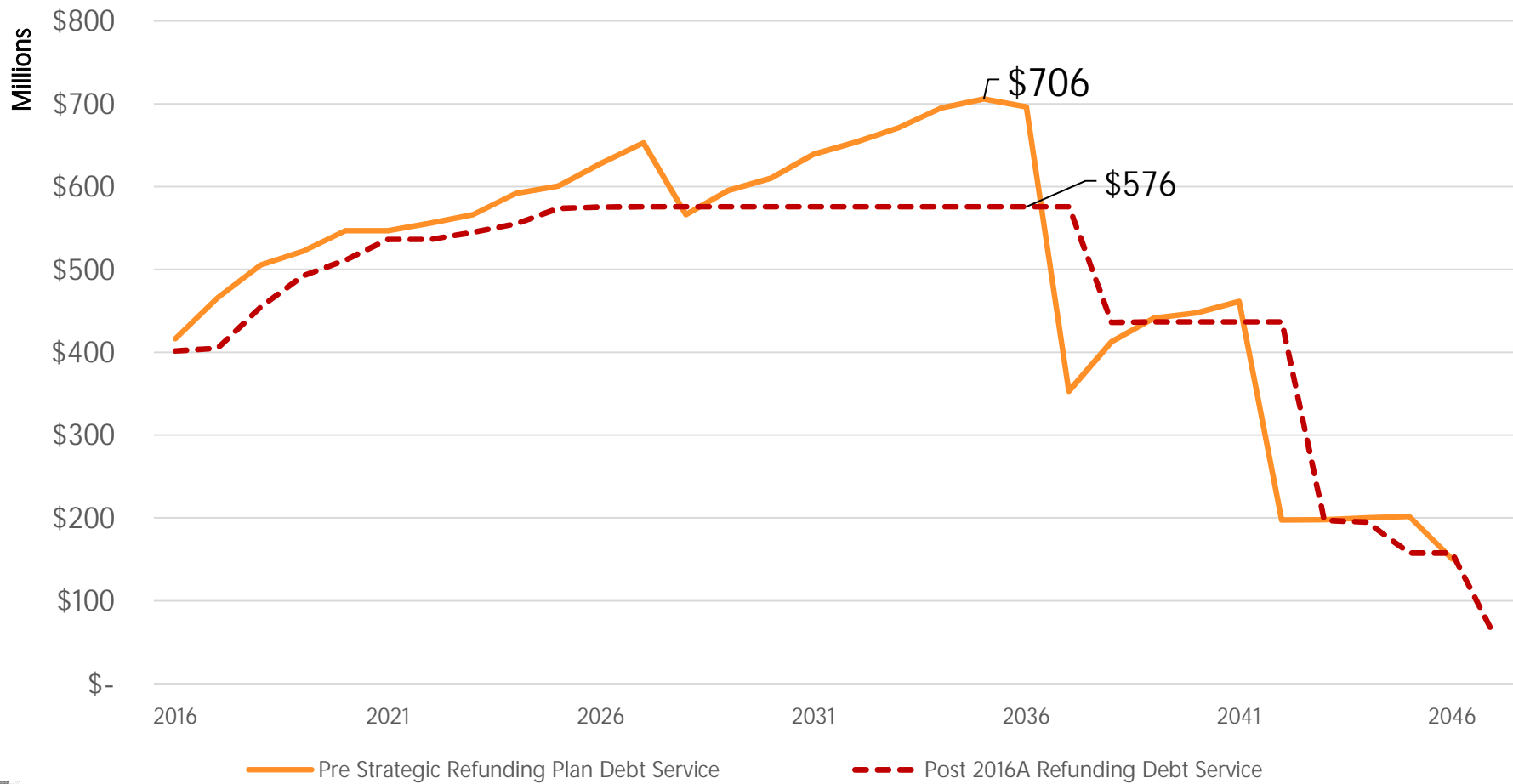
New Present Value (NPV)
Savings
\$467 Million

REDUCED Maximum
Annual Debt Service
(MADS)
\$130 Million

Rating Upgrades
**Moody's/
S&P**



NTTA System Debt Service Profile



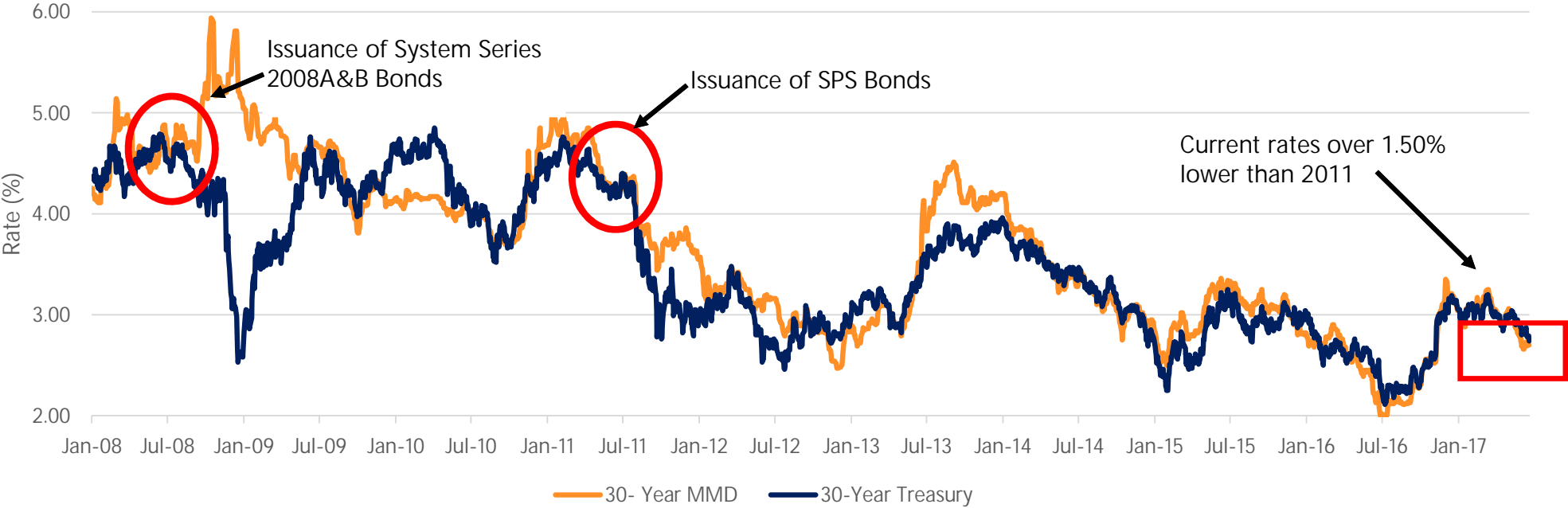
SPS Debt - Background

- Debt secured to finance and construct President George Bush Turnpike: Western Extension and Chisholm Trail Parkway.
- Project exemplified great partnership
 - NTTA Issued 1st Tier Bonds: \$1,378,250,000
 - USDOT Provided TIFIA Loan: \$458,132,000
 - TxDOT Provided TELA “backstop”: \$5,900,000,000
- TELA was temporary and provided financial support to bondholders if project revenues are not sufficient to cover debt service. Backstop enabled NTTA to receive lower borrowing costs.
- TxDOT required NTTA to take future action
 - Refinance SPS without TELA (FY2019-FY2021)
 - NTTA pay TxDOT penalty (FY2022)

Refunding Background

Current market conditions provide an opportunity to continue executing The Plan as well as combine the System and Special Projects System (SPS) into one system.

30 Year MMD and 30 Year U.S. Treasury Historical Rates
Jan. 2, 2008 through June 20, 2017



Combining the System and SPS - Benefits

Organizational

- Create one strong System
- Fulfill contractual obligations
- Accelerate capacity improvements (PGBT-WE & CTP)

Financial

- Achieve significant debt service savings
- Eliminate requirement to fund excessive reserves
- Avoid TxDOT penalty

Internal

- Approve one total budget
- Perform one consolidated audit
- Inspect one combined network of roads

Marketing/Financing Efforts

September 13	Meetings Conducted with Rating Agencies
September 22	Internet Road Show Released 100+ viewers
October 2 – 4	Investor Conference (Boston, NJ and NY) 40 firms ~ \$2.5B
October 11 – 12	Pricing
November 1	Closing

2017 A&B Summary

Par Amount of Bonds: \$2,509,315,000

Underwriting Team

- Joint Senior Manager Bank of America Merrill Lynch (bookrunner), JPMorgan Chase
- Co-Managers Barclays, Citigroup, Jefferies LLC, Loop Capital, Morgan Stanley, Ramirez & Co., RBC Capital, Markets and Siebert Cisneros Shank & Co.

Market Conditions

- Largest municipal transaction during the week of pricing
- Received \$19 billion in orders, 7.5x oversubscribed
- Diverse investor base: retail, institutional and international
- Solid demand led to 2 to 18 bps adjustments along the yield curve

Refunding Results

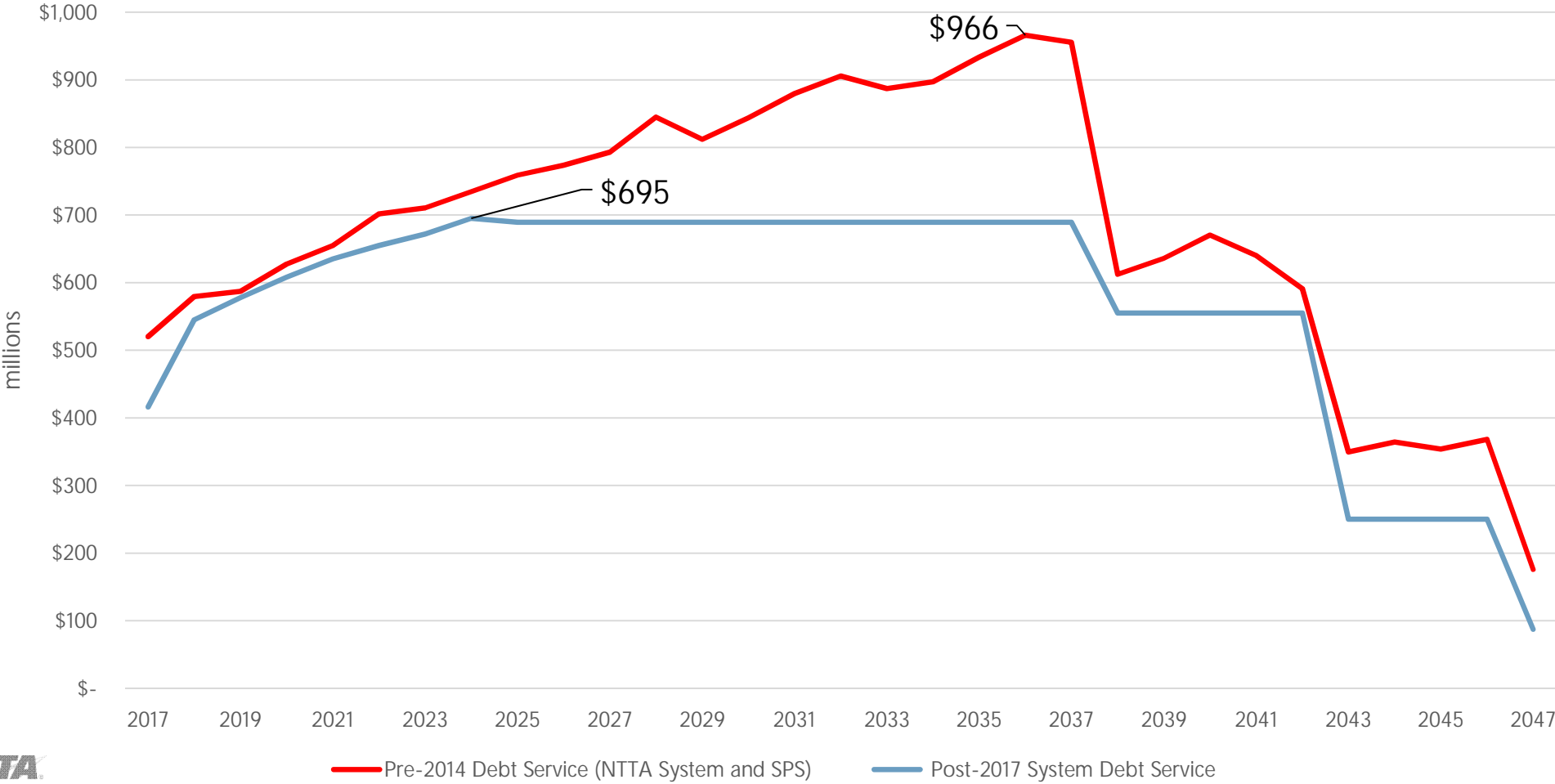
Key Metrics	2017 A&B Refunding*
Net Present Value Savings	\$384.7M
% Savings of Refunded Bonds	14.9%
True Interest Cost	3.72%
Maximum Annual Debt Service (MADS) Reduction	\$270M *** (\$966M to \$696M)

* NTTA System and SPS

** NTTA System Only

*** NTTA System and SPS Pre-2014 v. Post 2017 A&B

Debt Service Profile – Post Issuance



Summary



Accelerated transportation projects

Managed financial obligations prudently

Poised to continue serving our customers

North Texas Tollway Authority

Our Mission

❖ **Provide** a safe and reliable toll road system ❖ **Increase** value and mobility options for customers ❖ **Operate** the Authority in a businesslike manner ❖ **Protect** our bondholders ❖ **Partner** to meet our region's growing need for transportation infrastructure