

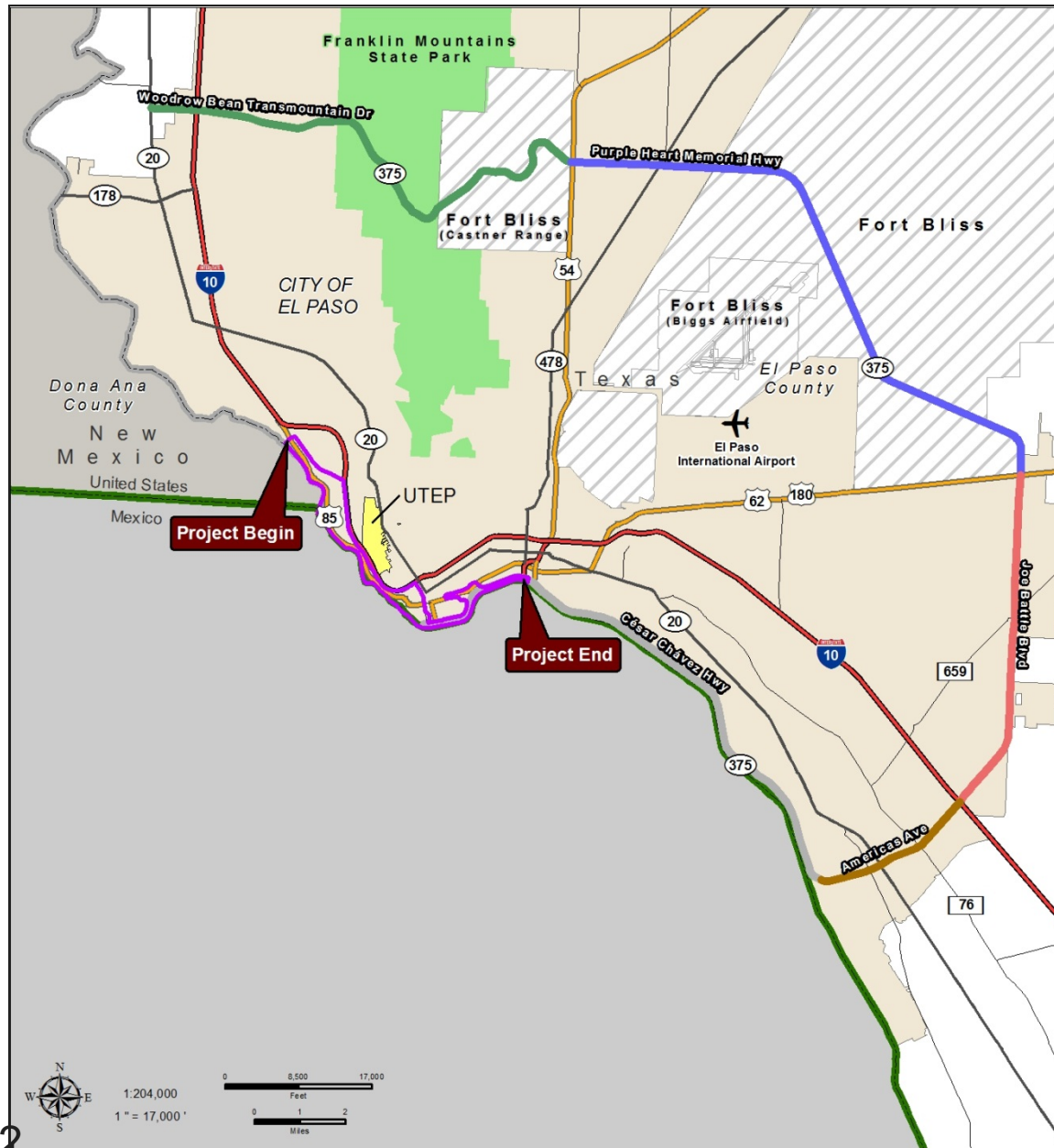
Two blue squares are stacked vertically on the left side of the slide. The top square contains a white quarter-circle arc in the bottom-left corner. The bottom square contains two white quarter-circle arcs in the bottom-left corner, one larger than the other.

BORDER HIGHWAY WEST

Presentation to TxDOT SPD
March 27, 2013

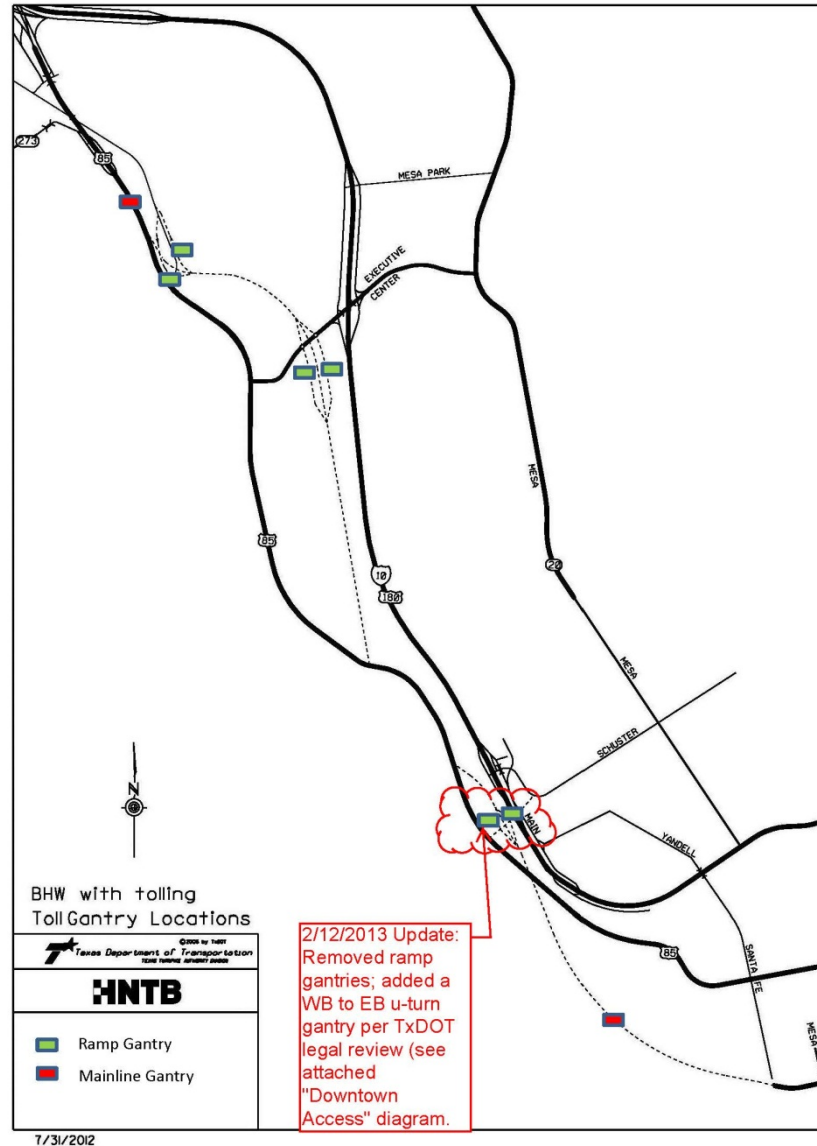
- Project Overview
- Traffic and Revenue Forecast
- Toll O&M and R&R Forecast
- Financing Scenarios and Feasibility Analysis

PROJECT OVERVIEW



- Project Limits:
 - From Racetrack Dr. Near Doniphan Rd. and New Mexico (NM) 273 to United States Highway (US) 54.
- Length:
 - Approximately 9 miles, of which approximately 7 miles would be tolled.
- Type of facility:
 - Proposed 4 Lane Controlled-Access Toll Facility.

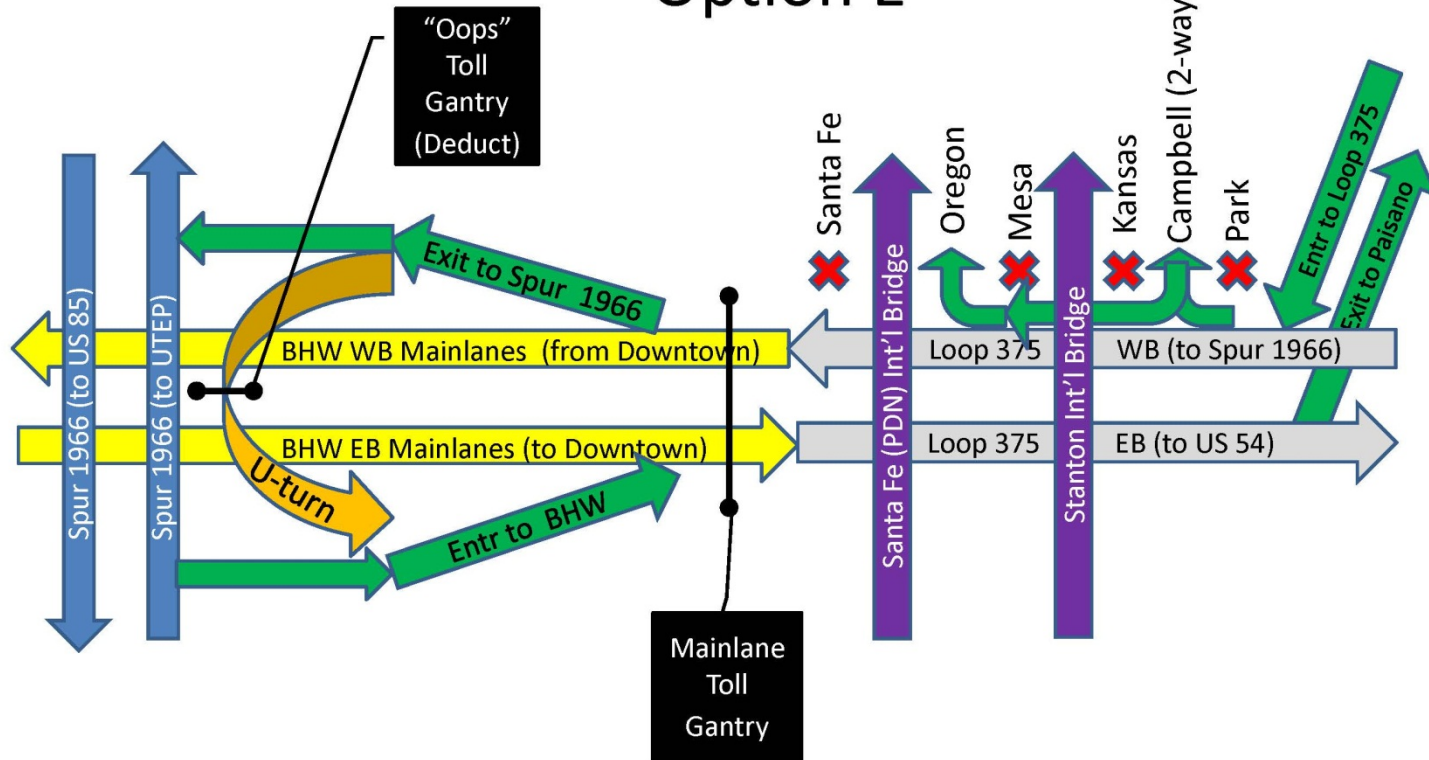
TOLL CONCEPT DIAGRAM



TOLL CONCEPT DIAGRAM

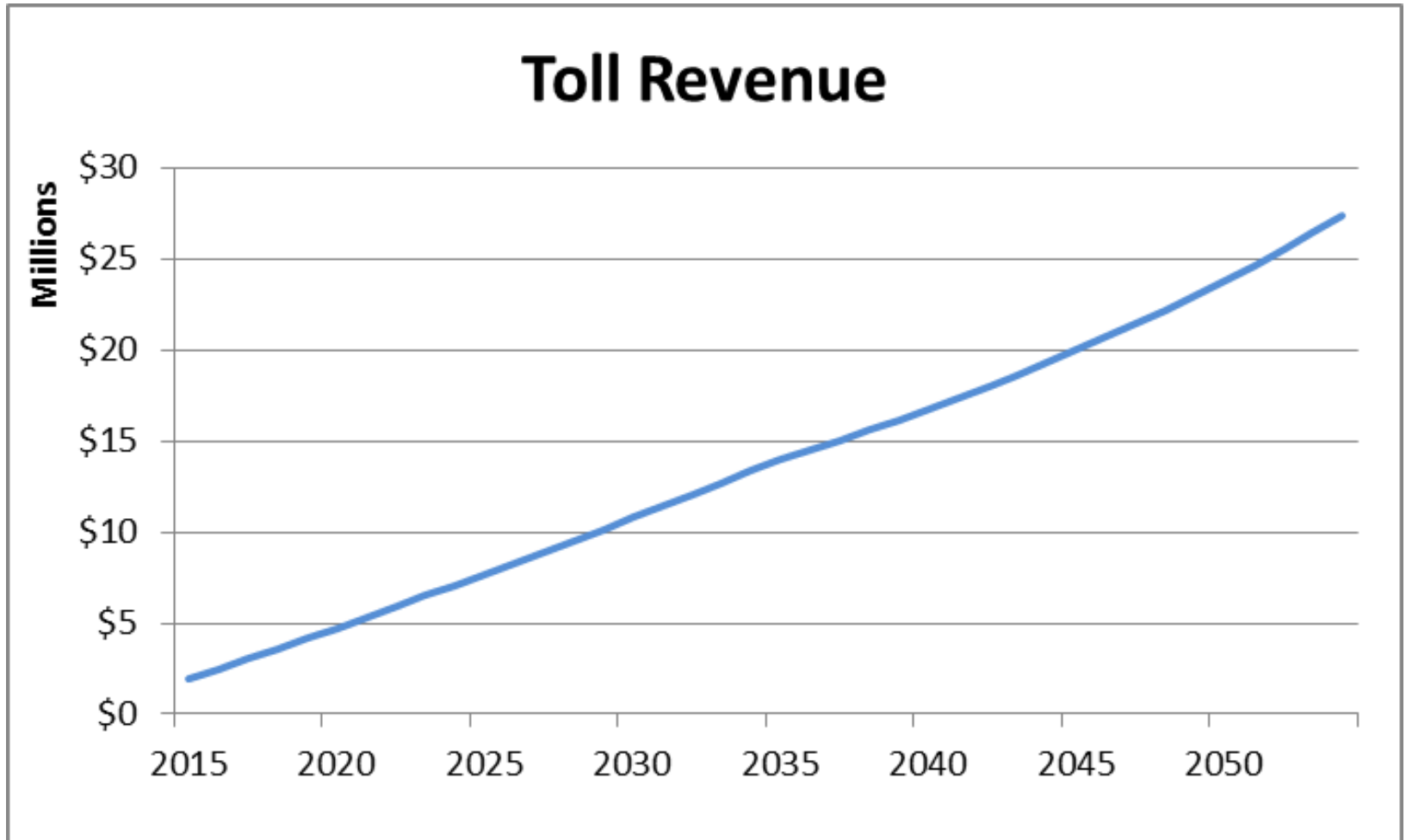


Downtown Access Option E



Original: 12/19/12
Updated: 1/7/13

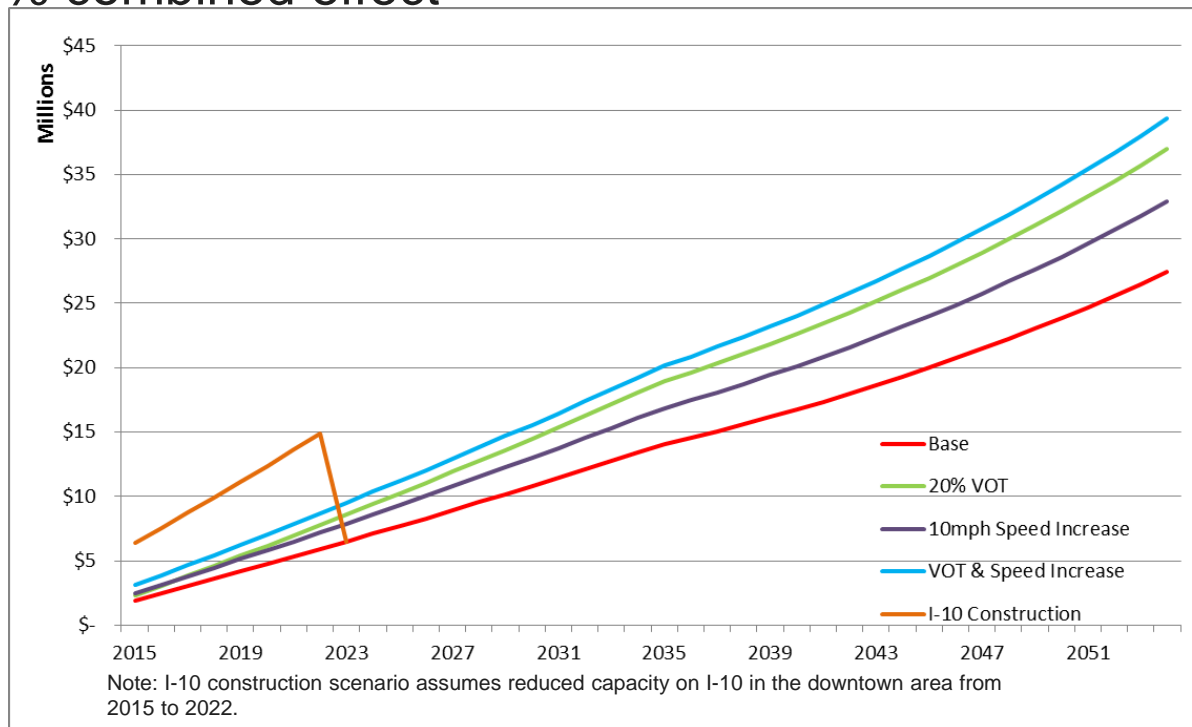
- Model utilized
- Toll policy
- Toll rates
- VOT



Preliminary; subject to change

Test VoT and average speed

- 33% average revenue gain based on higher VoT
- 21% average revenue gain when speed increases 10mph
- 45% combined effect



- Sketch level, first cut at O&M
- Based on limited project specific data
 - Lane miles, per bridge, per toll lane, etc.
- Placeholders where data was not available using industry data
- Annual costs over 40 years
- Inflation at 2.5% per year

General Operations

- Non-toll collection costs
- No BHW specifics, all industry assumptions
- Includes:
 - General administration and management staffing
 - Utility costs
 - Law enforcement
 - Insurance, marketing, consulting

Toll Operations

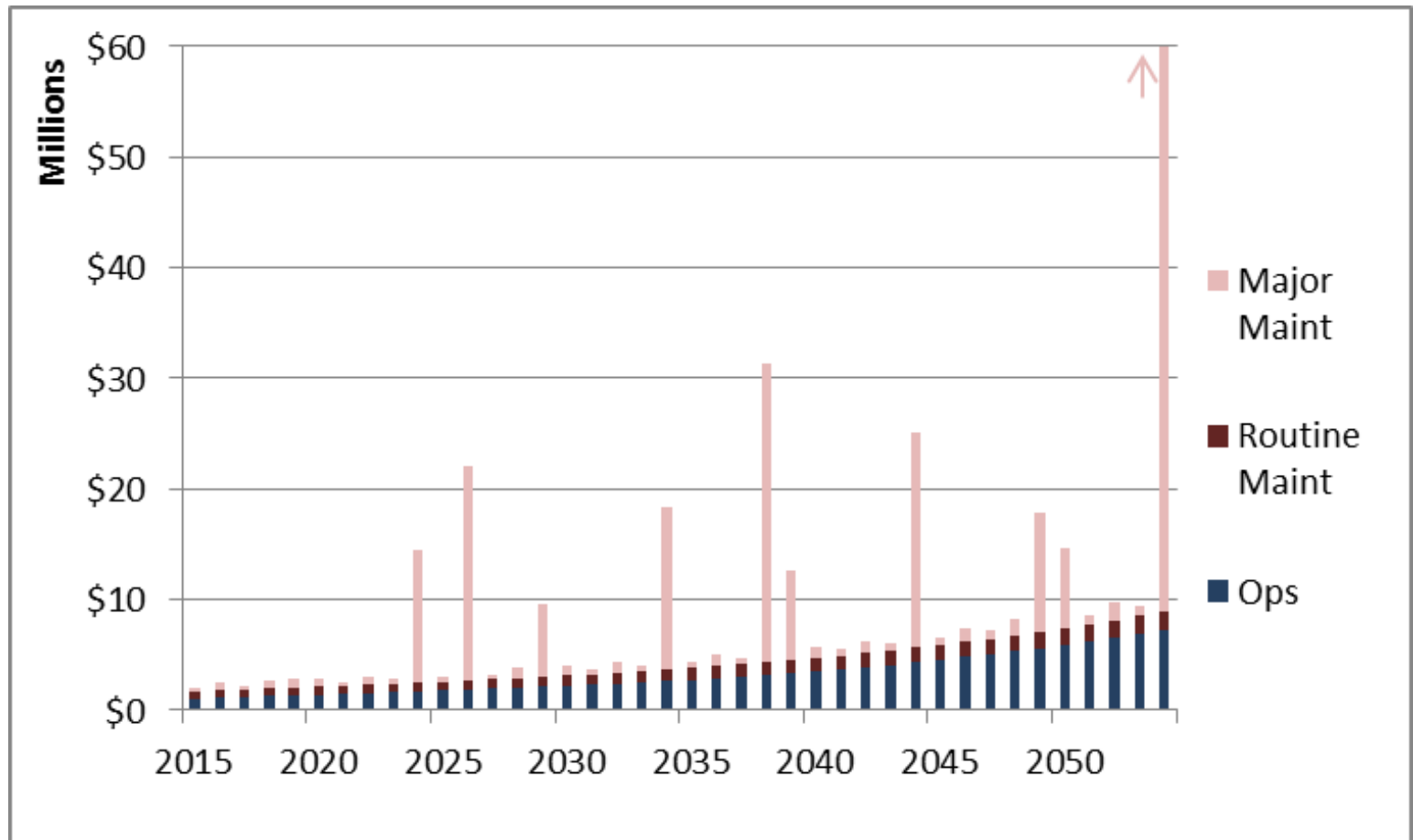
- All electronic toll collection
- All traffic tolled (not managed lanes)
- Transponder and postpaid video tolling
- Connected to traffic and revenue projections
 - Cost per transaction
 - Revenue loss coordination
- Toll transactions costs assume CRRMA will enter into similar transponder and video arrangements as CTRMA

Routine Maintenance

- Regular activities, annual or more frequent
- No BHW specifics, used industry assumptions on a cost per lane mile basis only
 - Landscaping, litter control
 - Minor pavement, guardrail and drainage repairs
 - Lighting, signage and pavement markings
 - Bridge cleaning and minor maintenance

Major Maintenance

- Also termed renewal and replacement (R&R)
- Non-routine, component or system work
- No BHW specifics, all industry assumptions
- Includes:
 - Pavement joints, grinding and replacement
 - Bridge joints and deck repairs
 - Toll and ITS equipment replacements
 - Inspections and design services

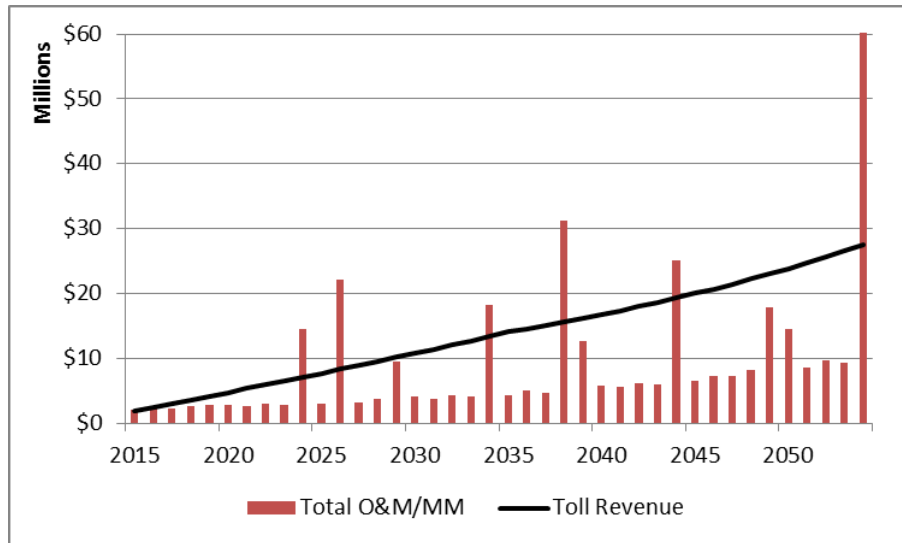


Preliminary; subject to change

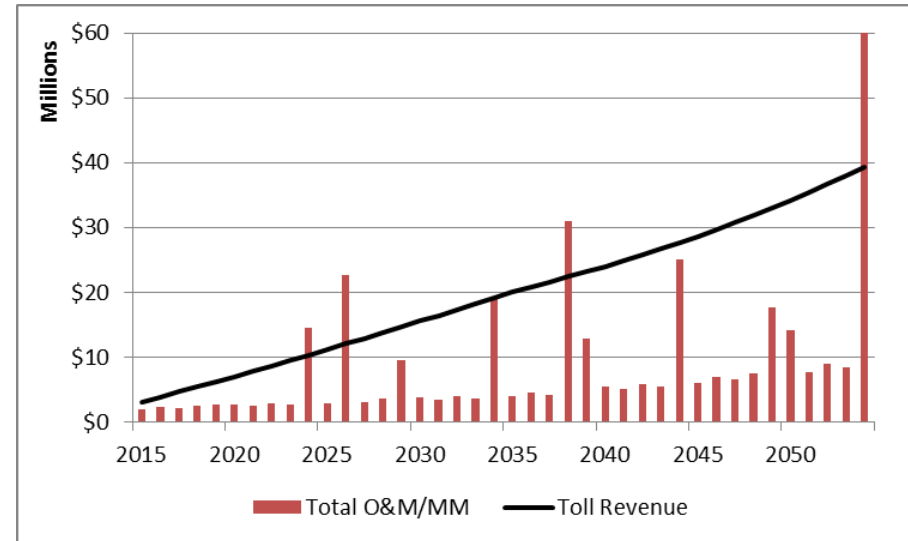
NET REVENUE FORECAST

- Project is cash flow positive

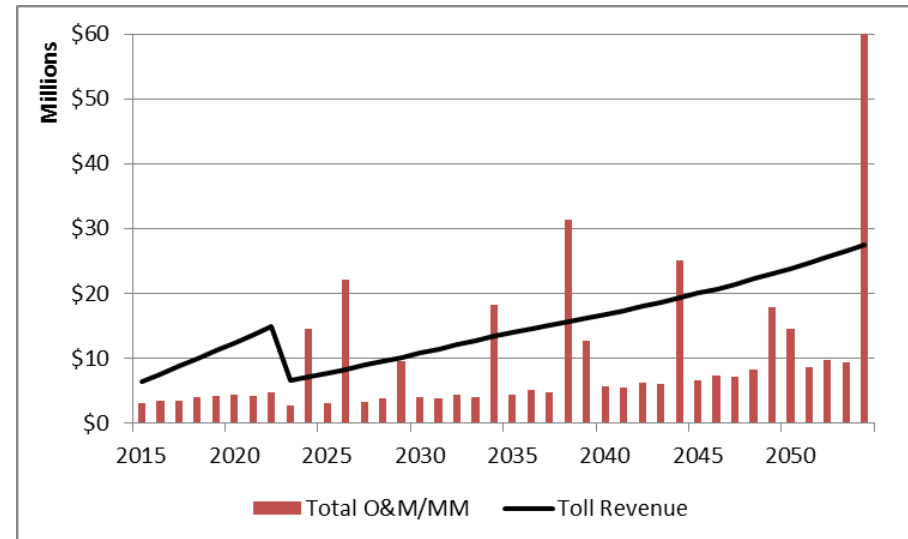
Base Case



Higher VoT and Speed



Construction on I-10



- PV calculation of **Gross** Revenues – BASE CASE

Term \$m	3.50%	5.00%	6.50%
20-Yr	90	74	61
30-Yr	154	117	90
40-Yr	186	136	102

Note: Does not represent financing capacity.

- PV of **Gross** Revenues – Higher VOT and Speed

Term \$m	3.50%	5.00%	6.50%
20-Yr	132	108	89
30-Yr	224	170	131
40-Yr	270	198	148

- PV of **Net** Revenues – Higher VOT and Speed

Term \$m	3.50%	5.00%	6.50%
20-Yr	63	51	42
30-Yr	115	87	66
40-Yr	148	107	79

Note:
Coverage and
financing costs
will constrain
bonding
capacity

Preliminary; subject to change

- PV of **Gross** Revenues – I-10 Construction

Term \$m	3.50%	5.00%	6.50%
20-Yr	132	112	96
30-Yr	196	155	125
40-Yr	229	174	137

- PV of **Net** Revenues – I-10 Construction

Term \$m	3.50%	5.00%	6.50%
20-Yr	57	49	43
30-Yr	82	66	54
40-Yr	101	78	62

Note:
Coverage and
financing costs
will constrain
bonding
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Preliminary; subject to change

- Traditional Public Delivery
 - Gross or Net Revenue Pledge
 - Gross assumes a third party will fund/guarantee O&M
 - Financing Capacity Analysis
 - Tax-exempt bonds and/or TIFIA
- P3 DBFOM Delivery
 - Availability Payment Transaction
 - Repayment is tied to a pledge of public funds
 - Payments are triggered by the facility being “available” or open to traffic and maintained according to the contract standards
 - Public sector retains toll rate setting ability

- Project cannot support much debt
- Revenues in early years cannot support much current interest debt
 - Capital Appreciation Bonds (CABs) would be required
- Investment grade coverage would further reduce bonding capacity
- Project would benefit from State, County or City credit support (TELA)

- Traffic model
 - Mission model might be underestimating traffic (single mode, outdated demographic, trip tables not reflective of new capacity, low VOT)
 - Horizon model is under development (April 2013)
 - T&R will be re-run with Horizon model
- New economic activity on both ends of project are not captured in Horizon model
 - Downtown El Paso redevelopment and ballpark
 - Santa Teresa residential development and expansion of maquilas
- New capacity on I-10
 - New fourth lane between Executive Center and Sunland Park (C-D lanes project)
- Expensive non-tolled connection points on project ends
- Toll policy not formalized