



CENTRAL TEXAS
Regional Mobility Authority

May 1, 2008



Background

- There is a funding gap to do the interim build-out of the 5 TIP projects
- Construction costs have risen as much as 60% in the last 4 years
- Congestion increasing grid lock on Central Texas roads
- More people and cars moving to Central Texas each day



Background

- Austin is the nation's most congested medium-sized city
- Uncertainty in financial markets
 - We now know that there is very little impact on infrastructure project financing
- The funding gap will continue for the near term as there is no legislative will to increase the gas tax

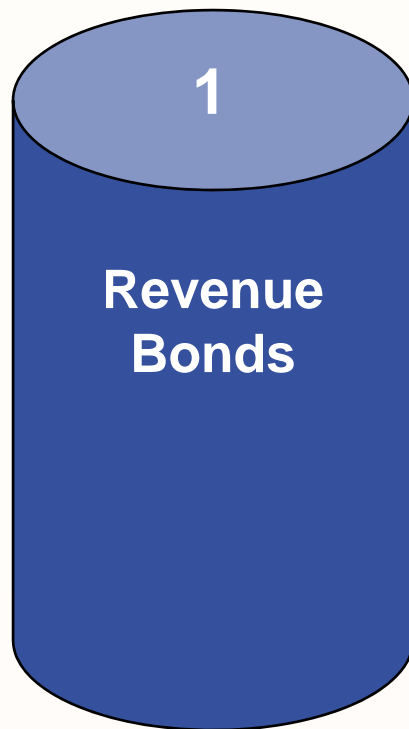


Calculation of Funding Shortfall

	<i>Ultimate</i> Build-out	<i>Interim</i> Build-out (TIP)
Project Cost	\$2.5 billion	\$1.5 billion
Anticipated Funding (Bonds and TIFIA)	\$1.0 billion	\$1.0 billion
Projected Shortfall	\$1.5 billion	\$500 million

Financing Structure

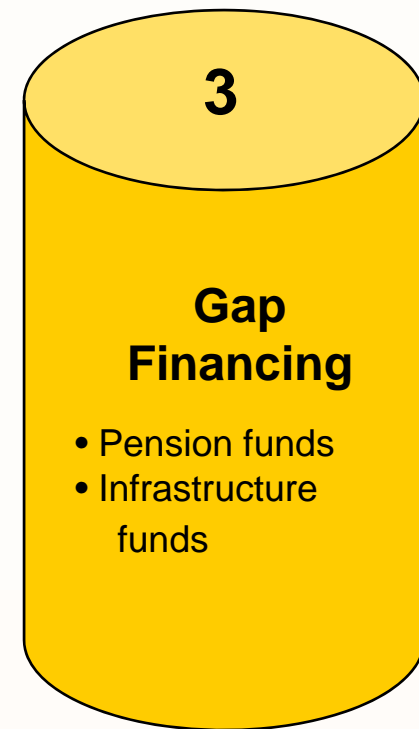
**Normal
Funding**



**Special Federal
Funding**



RFP



Strategic Financial Investor Process

- Why undertake this process?
- Need for innovative financing solutions to bridge funding gap
- Existing underwriting pool did not address the gap
 - Stimulated some of our existing underwriting pool members to develop new financing concepts



Strategic Financial Investor Process

- Why undertake this process?
- Broaden financing alternatives by expanding respondents to include others with additional expertise and experience
- Financial experts stating that there is substantial capital looking to finance infrastructure projects



Strategic Financial Investor Process

- Process began with Request For Information issuance in August 2007
- Eleven firms submitted Statements of Interest and were “pre-qualified” to respond to Request For Proposals



Strategic Financial Investor Process

- Of the pre-qualified 11 respondents, 9 firms moved to the proposal stage
- 2 of the 9 proposals were deemed non-responsive
- 7 proposals were reviewed and scored



Strategic Financial Investor Process

- Evaluation team decided to shortlist 5 proposers
 - Balfour Beatty Capital
 - Citigroup
 - Goldman Sachs
 - JPMorgan
 - Morgan Stanley



Strategic Financial Investor Process

Evaluation Criteria

Qualifications and Resources of the Firm	10%
Experience in Innovative Public Finance Transactions	20%
Proposed Financing Structure and Effectiveness in Meeting RMA Objectives	65%
Capital Structure WACC	15%
Transparency & Commitment	15%
Proof of Financing Concept	15%
Ability to Support RMA in Negotiations, including understanding of local issues	20%
HUB/DBE Utilization and Commitment	5%



Strategic Financial Investor Process

- During December 2007 through April 2008
 - Held meetings with firms in New York and Austin
 - CTRMA and its consultants remained constantly available for questions and conferences
 - Interviews with short-listed firms on April 1-3
 - Final, follow-up interviews via phone held April 16
 - Make final recommendation to CTRMA Board at April 30 Board meeting



Next Steps Runs Concurrently

- Negotiate an agreement with investor team that Board approves
- Meet with TIFIA to get conditional approval pending Environmental clearance
- Work with MPO/TxDOT on availability of immediate funding
- Finalize with local banks a short term loan to finance soft costs



Next Steps Runs Concurrently

- Develop necessary materials to issue debt late fall
 - Traffic and Revenue
 - Cost data
 - Engineering data
- Meet with Rating agencies
- Meet with Insurance companies, if necessary





CENTRAL TEXAS
Regional Mobility Authority

Questions?

