

p3

roject neon

PROGRESS IN MOTION >>

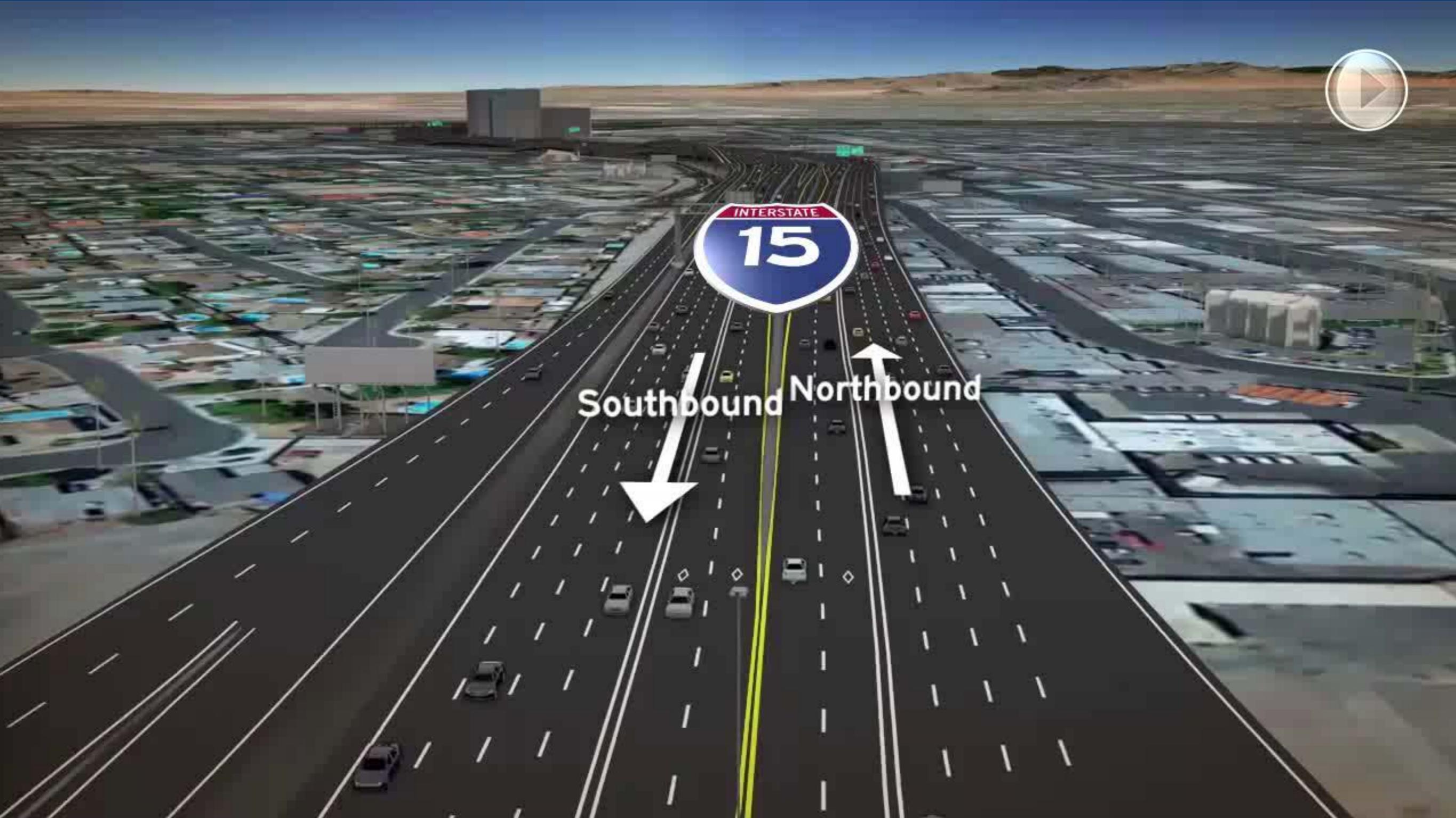
Nevada Transportation
Board Meeting
August 14, 2014

- Key benefits review
- NEON at a glance
- Schedule update
- Financial updates

Key Benefits

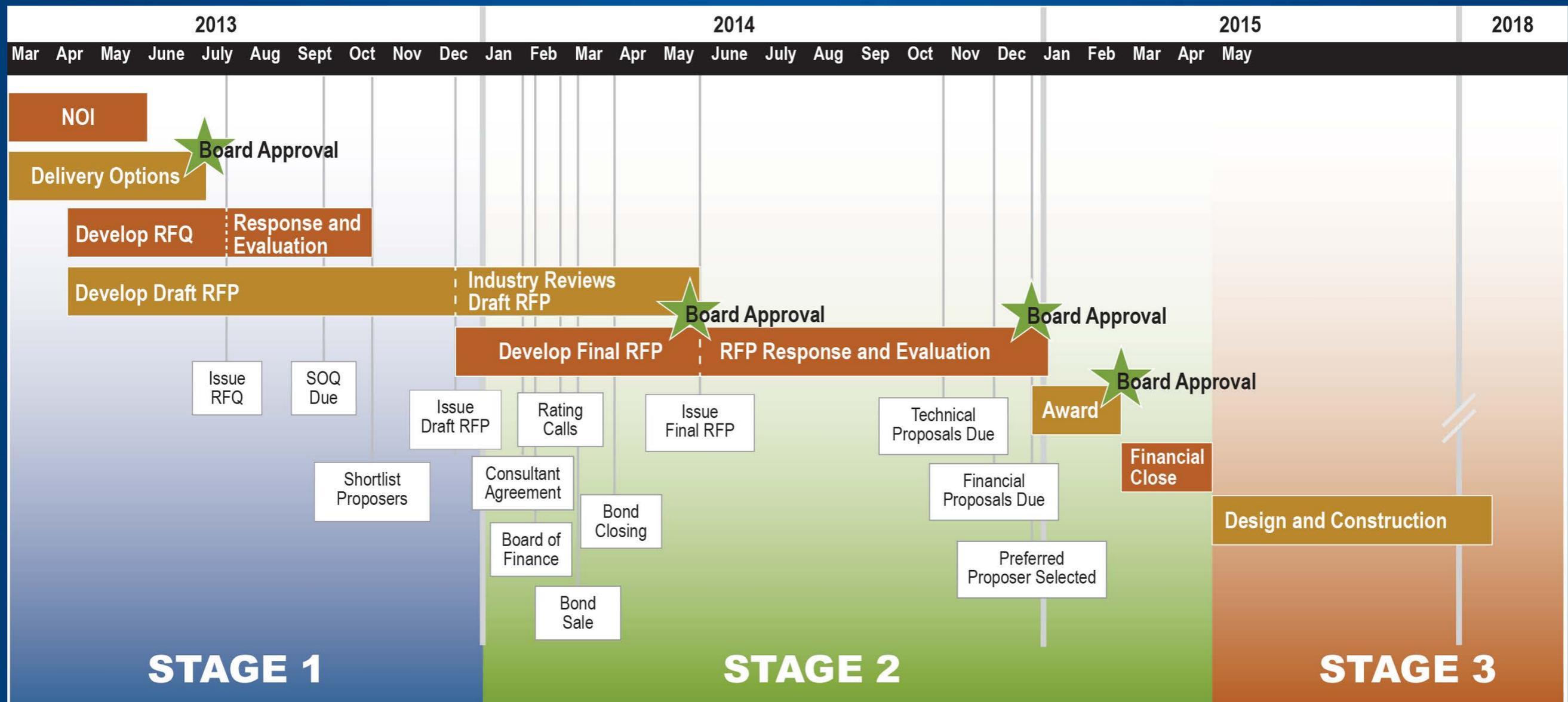
- Getting more now
- Saving project costs
- Improving connections
- Creating jobs

NEON at a Glance



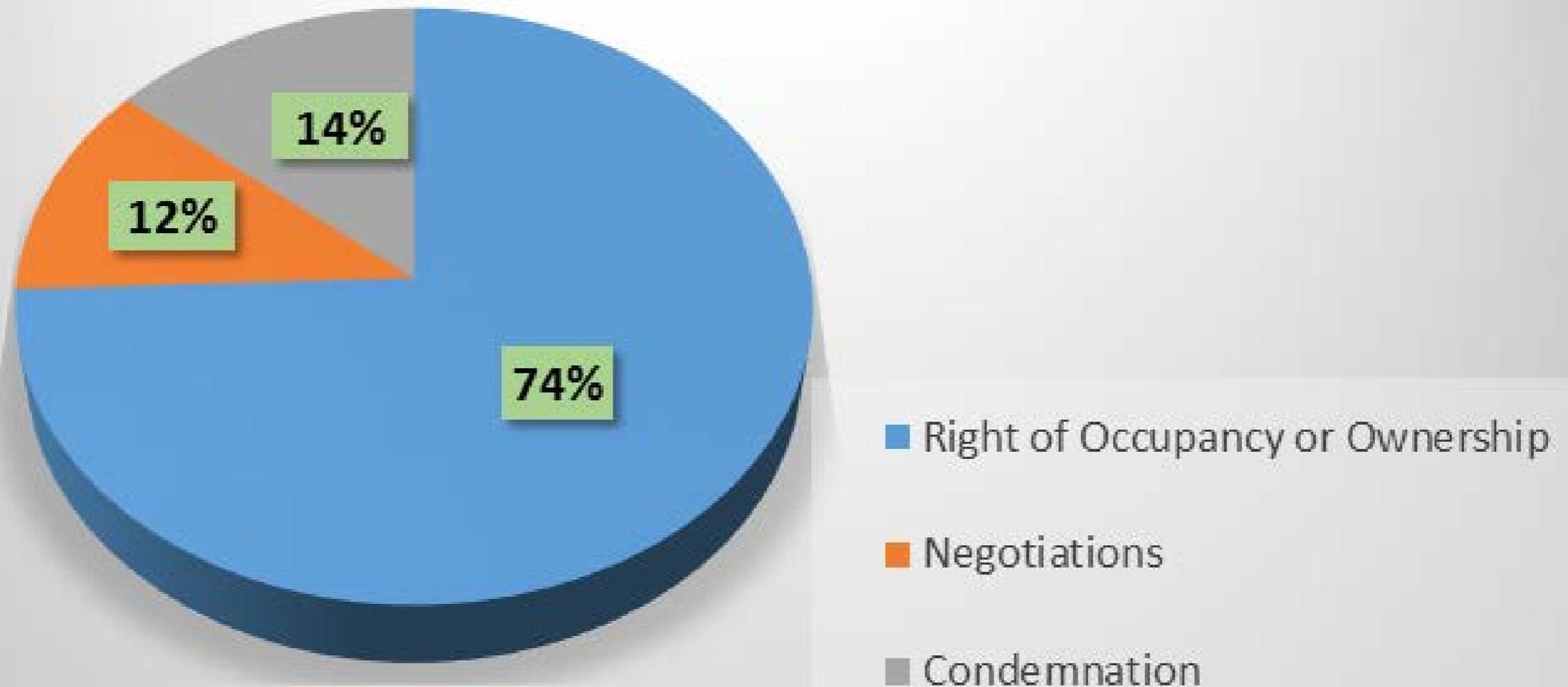
Schedule Update

P3 RFP DEVELOPMENT STATUS



Phase 1 ROW Update

Right of Way Status as of April 2014



Financial Updates

Phase 2: \$20.5M

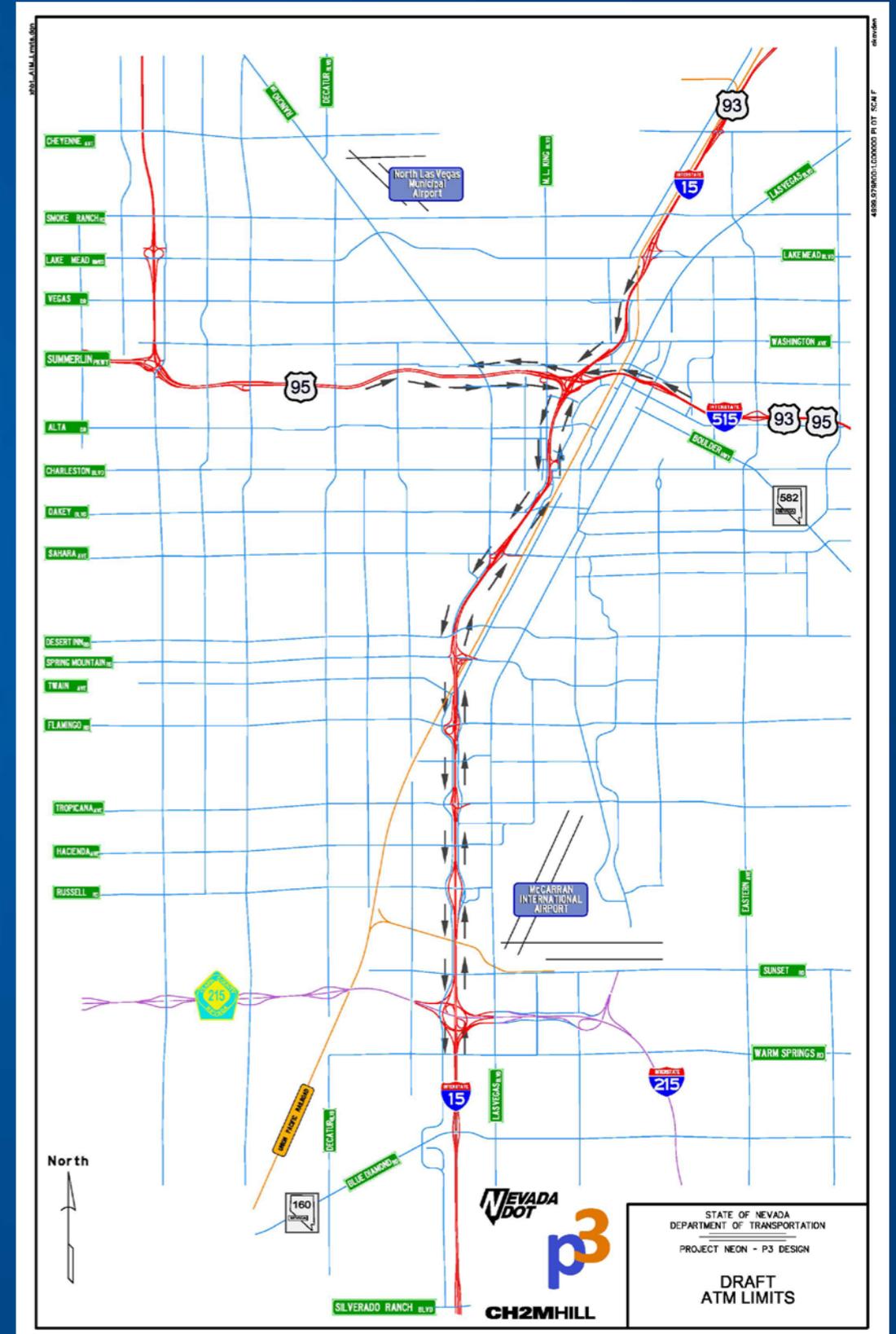
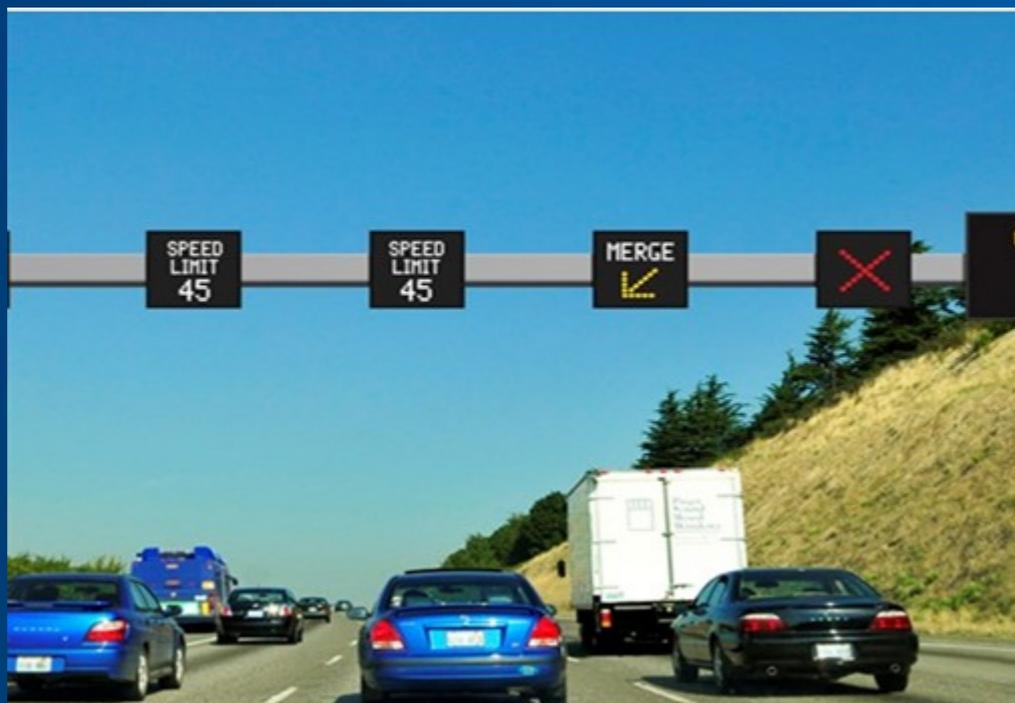
MLK Extension from Oakey to Alta
(City of Las Vegas)



Financial Updates

Advanced Traffic Management Systems (ATMS)

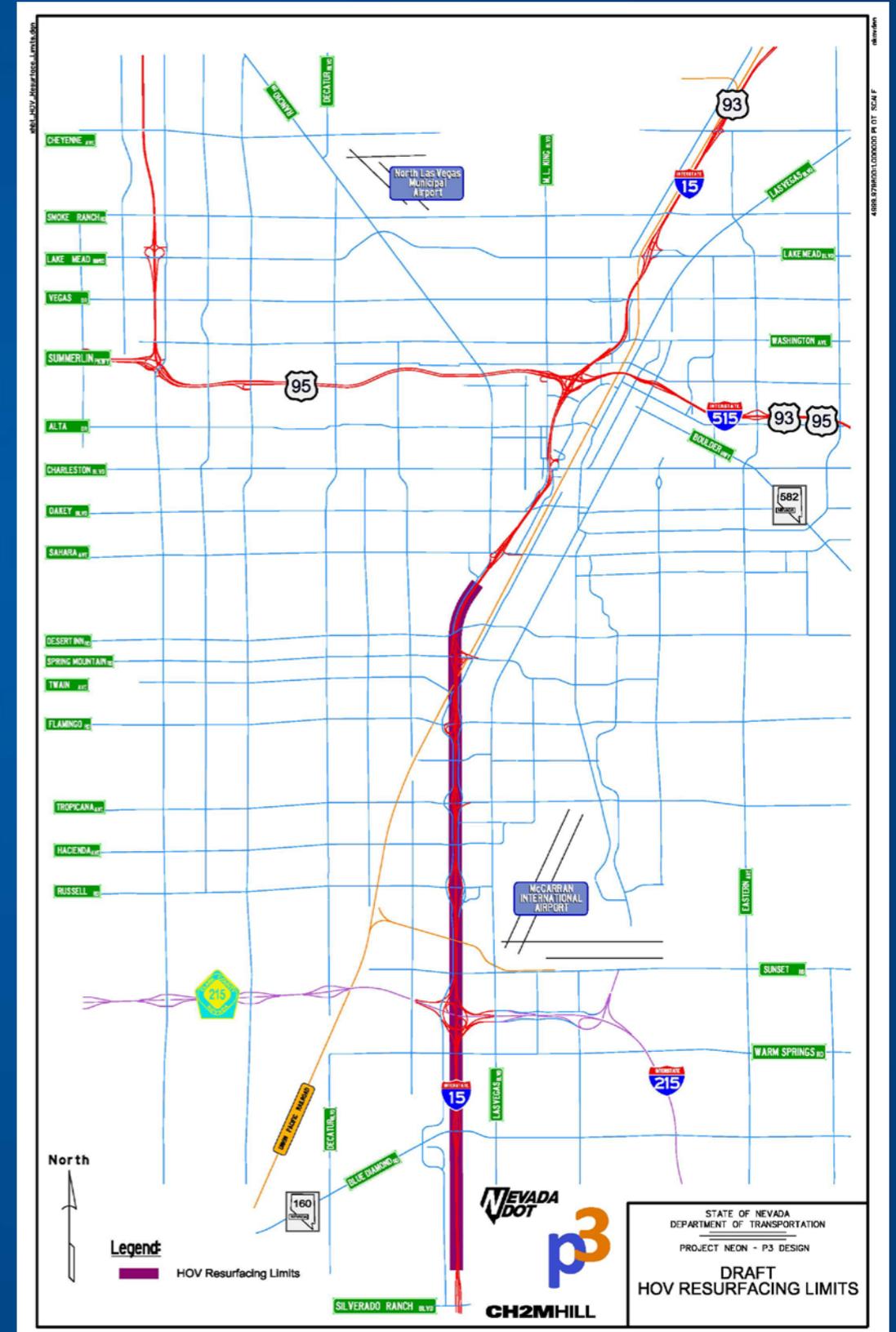
Expanded Limits: \$25M



Financial Updates

Express to HOV Lane Conversion (Incl. Mill & Overlay)

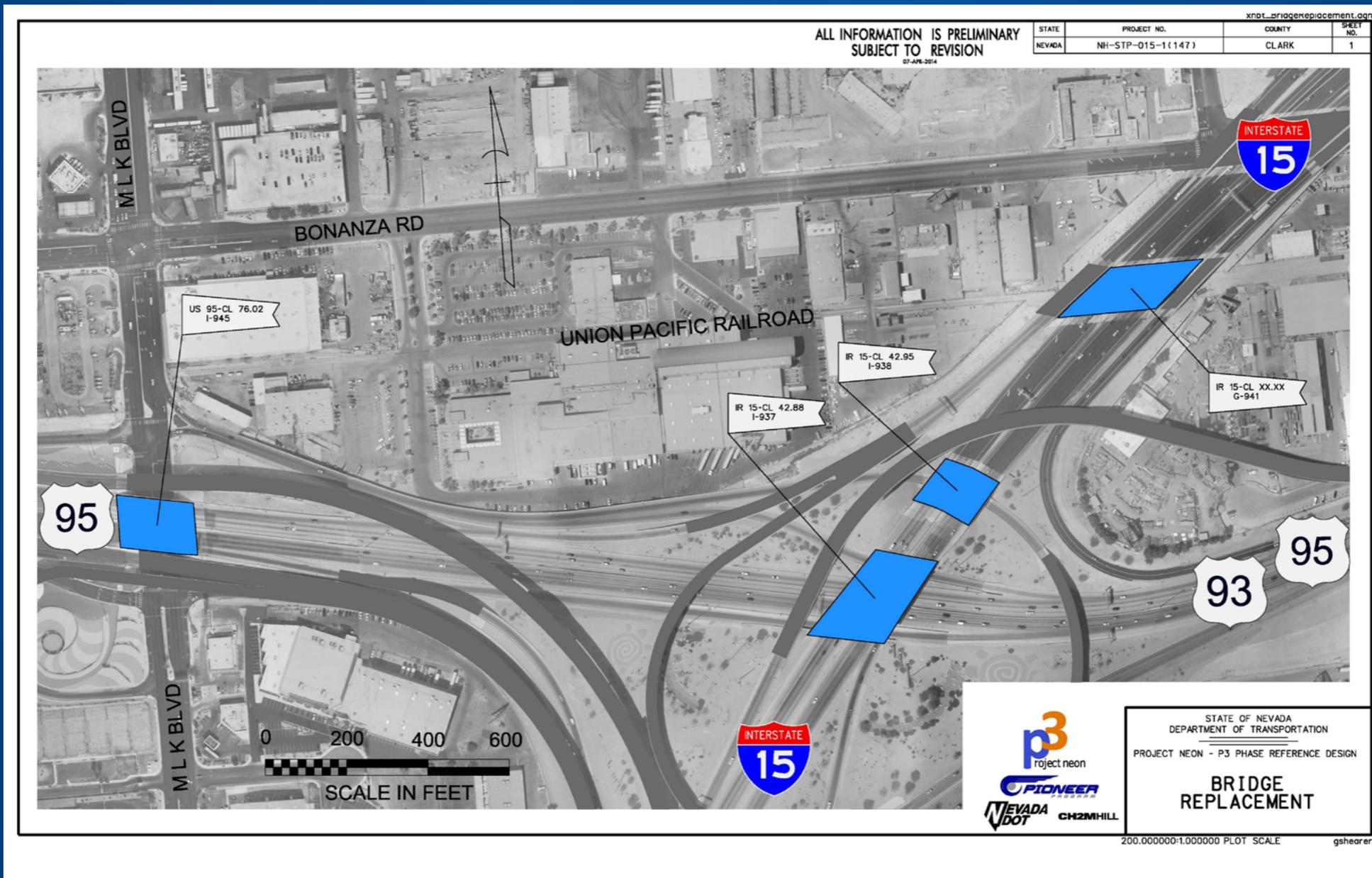
\$5M



Financial Updates

Structures (Replacement Bridges)

\$30M





Current Total Cost Estimate

<p>Total Payments over the life of Project Neon – P3 Phase (P3 Project)</p>	<p>\$740 million in NPV terms (Overall NPV)</p> <ul style="list-style-type: none">- Includes debt service on ROW and future Final Acceptance Payment (FAP) bonds, Availability Payments and City of Las Vegas contribution- Excludes ROW and PE costs that have already been spent/ programmed
<p>Annual Availability Payment (AP)</p>	<p>\$32.7 million in year-of-expenditure dollars (YOES) in the first year of operations (FY 2019), with the final annual payment at \$59.5 million in FY2053.</p> <ul style="list-style-type: none">- 90% of AP escalates at a fixed annual 1.75% and 10% escalates with CPI
<p>Statewide Annual Debt Service Threshold</p>	<p>Under \$100 million annually:</p> <ul style="list-style-type: none">- \$98.9 million in maximum year (FY 2020) including O&M- \$94.7 million excluding O&M



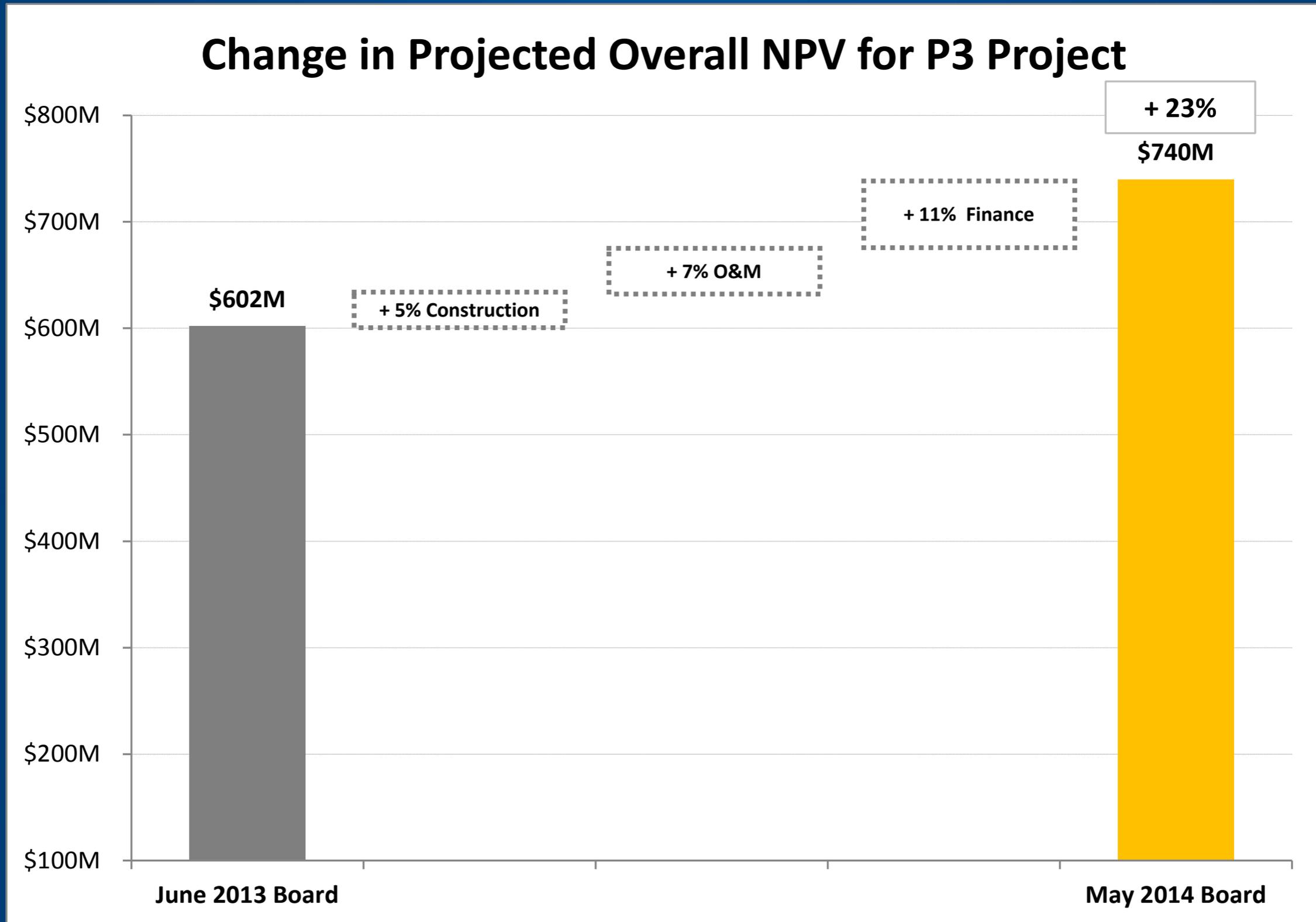
Changes Since June 2013

2013

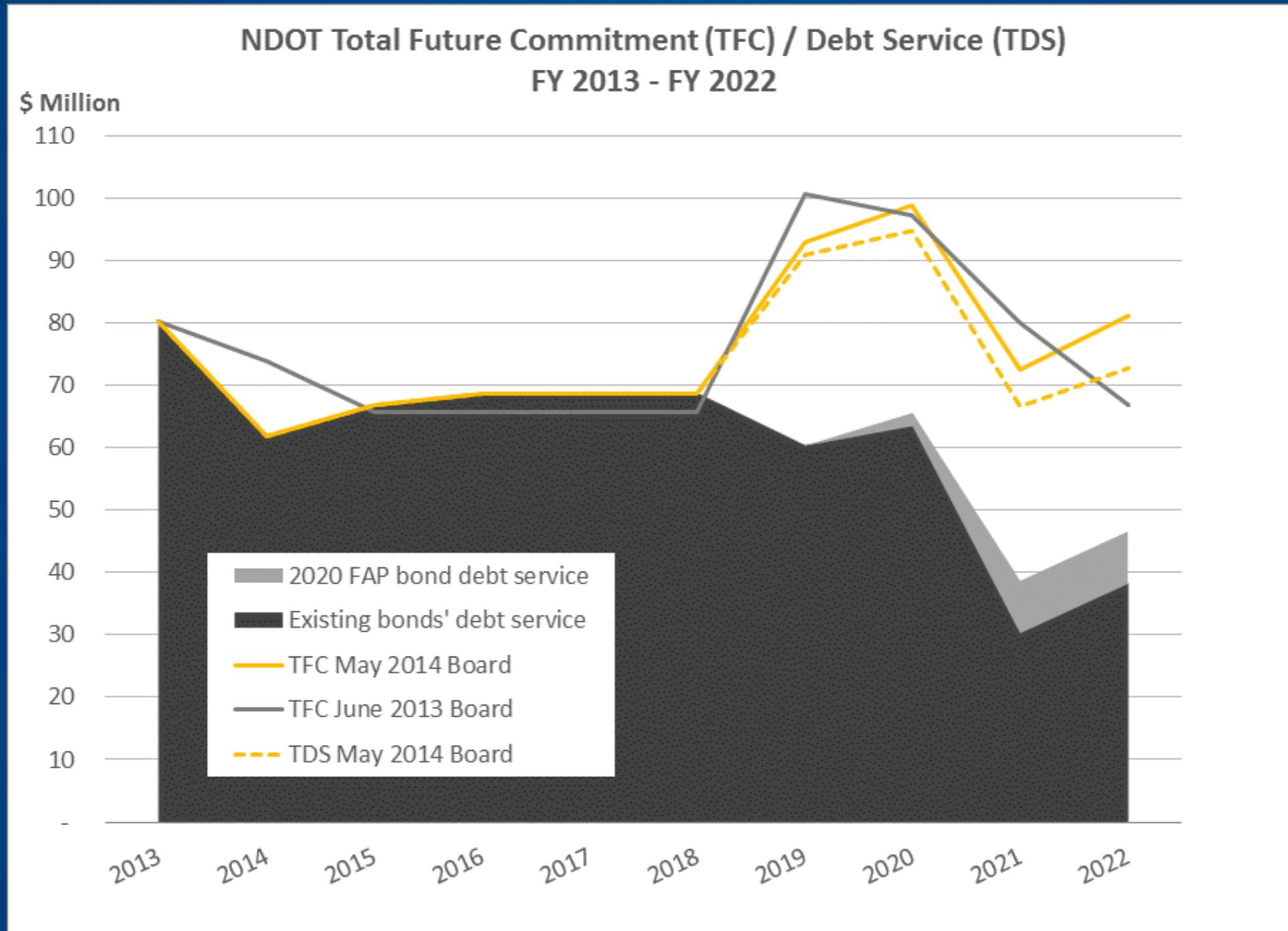
The increase in Overall NPV from the \$602 million provided to the Board of Transportation in June 2013 is due to three main factors:

Factor	Financial Impact
5% increase in construction and development costs	Updated cost estimates incorporated \$80 million additional costs (MLK extension, four new bridges, updated construction and utilities costs).
7% increase in Operations and Maintenance (“O&M”) and lifecycle costs	Increase in O&M and lifecycle costs to take into account the finalized O&M limits and costs of the P3 Project.
11% increase in financing costs	Increase in interest rates impacted all public and private financing instruments - mitigated to a degree by refinements in the financial structure and adjustments in NPV discounting methodology (using a two-tiered approach for financing beyond 20 years – with a 6% average)

Impact on Overall NPV



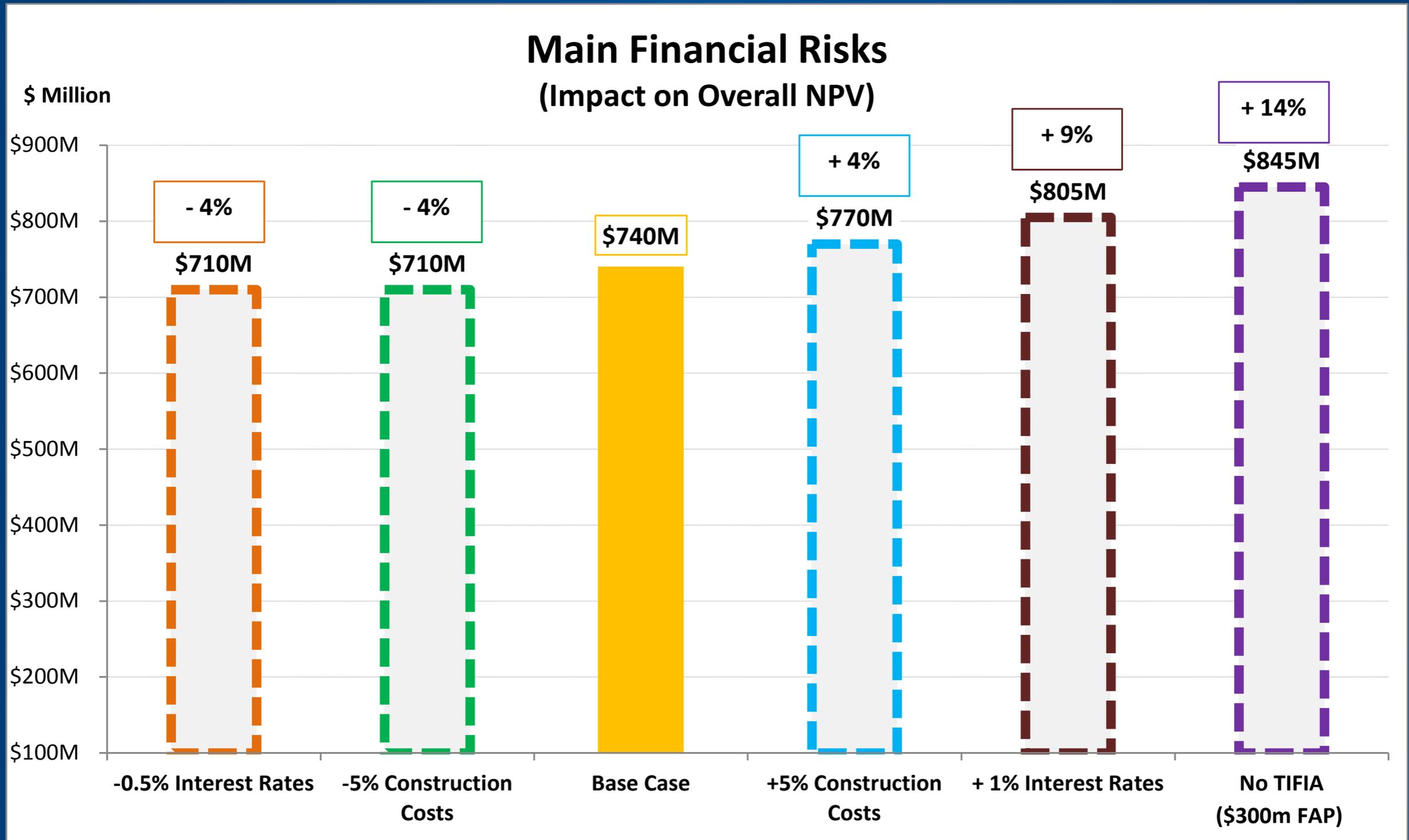
Medium-Term Outlook (FY2022)



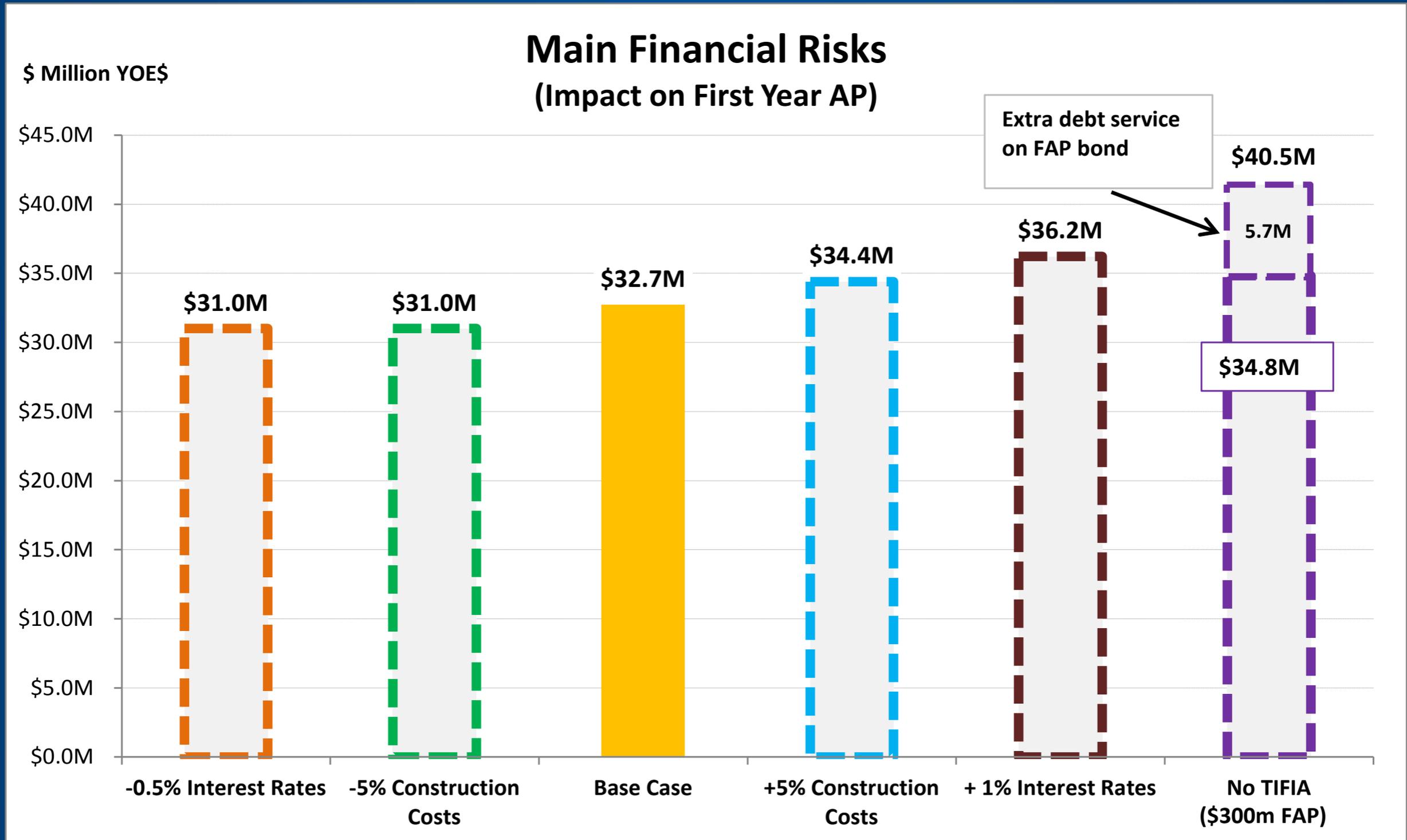
TFC = DS on existing highway revenue bonds + DS on new ROW and FAP bonds + AP (incl. O&M and lifecycle costs).

TDS = DS on existing highway revenue bonds + DS on new ROW and FAP bonds + Financing portion of the AP.

Sensitivities (Overall NPV)



Sensitivities (Availability Payment)



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