



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #5 SUMMARY

Presentation on 2013 revenue bond
refunding.

Strategic Plan Relevance: Regional Mobility

Department: Finance

Associated Costs: N/A

Funding Source: N/A

Board Action Required: NO

Description of Matter:

Presentation regarding the 2013 Revenue Bond Refunding.

Attached documentation for reference:

Presentation

Contact for further information:

Bill Chapman, Chief Financial Officer

Cindy Demers, Controller

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Financing Summary:

Senior Lien Revenue Refunding Bonds, Series 2013A
Senior Lien Revenue Refunding Put Bonds, Series 2013B
Subordinate Lien Revenue Refunding Bonds, Series 2013

STRICTLY PRIVATE AND CONFIDENTIAL



Series 2013 Revenue Refunding Bonds:

Transaction Overview

Transaction Overview

- On April 23, 2013, J.P. Morgan served as bookrunner for CTRMA's \$155.8 million Series 2013A Senior Lien Revenue Refunding Bonds and \$104.0 million Series 2013 Subordinate Lien Revenue Refunding Bonds
 - Barclays, Citigroup, Coastal Securities, Estrada Hinojosa, Jefferies, Loop Capital Markets, Ramirez & Co, and Raymond James served as co-managers
- Concurrently, Loop Capital Markets sole managed the \$30.0 million Series 2013B Senior Lien Revenue Refunding Put Bonds
- FirstSouthwest and D. Ladd Pattillo & Associates served as co-financial advisors on the sale
- The Series 2013A&B Senior Lien Bonds are rated Baa2 / BBB- and the Series 2013 Subordinate Lien Bonds are rated Baa3 / BB+ by Moody's and S&P, respectively
 - ***Ahead of the sale, Moody's upgraded the Senior and Subordinate Liens from Baa3 to Baa2 and from Ba1 to Baa3, respectively***
- Bond proceeds will be used to execute a number of refundings for strategic and economic purposes:
 - Series 2005 Senior Lien Revenue Bonds – Remove National insurance policy and allow for future financing flexibility
 - Series 2005 TIFIA Loan – Eliminate cash sweep provisions that would have accelerated TIFIA's repayment ahead of other bondholders
 - Series 2010 Build America Bonds – Replace 2010 BABs with tax-exempt debt issued at historically low rates following a par call that went into effect due to sequestration
- ***CTRMA achieved NPV savings of \$17.5 million, or 5.97% of refunded par***
 - The gross cashflow savings total \$29.3 million

Series 2013 Revenue Refunding Bonds: Summary Terms of Offering

Summary Terms of Offering

| Issuance | Senior Lien Revenue Refunding Bonds | Senior Lien Revenue Refunding Put Bonds | Subordinate Lien Revenue Refunding Bonds |
|----------------------------|--|--|---|
| Series | Series 2013A | Series 2013B | Series 2013 |
| Ratings | Baa2 / BBB- / NR ¹ | | Baa3 / BB+ / NR ¹ |
| Size | \$155,810,000 | \$30,000,000 | \$103,960,000 |
| Coupon | 3.00% - 5.00% | 3.00% | 3.00% - 5.00% |
| Yield | 0.84% - 4.12% | 1.45% | 1.24% - 4.73% |
| All-In TIC | 4.326% | 3.659% ² | 4.778% |
| Optional Redemption | 01/01/23 @ 100.00 | 07/01/15 @ 100.00 | 01/01/23 @ 100.00 |
| Mandatory Tender | N/A | 01/04/16 | N/A |
| Pricing Date | April 23, 2013 | | |
| Lead Underwriters | J.P. Morgan | Loop Capital Markets | J.P. Morgan |

(1) Moody's / S&P / Fitch (not rated)

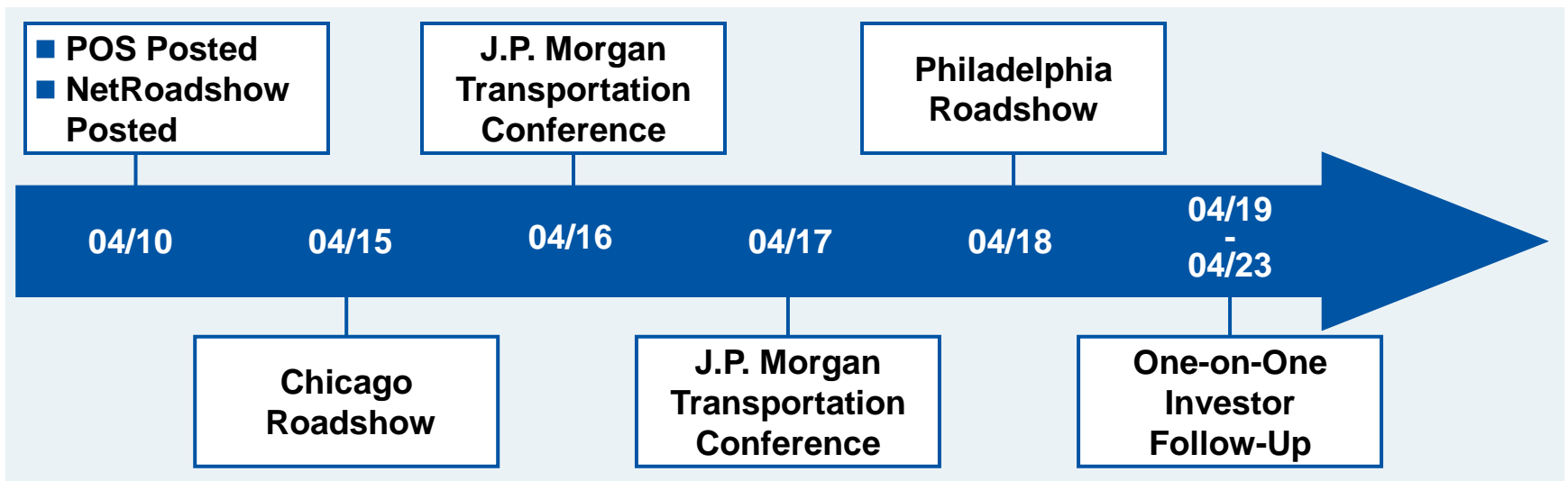
(2) Assumes refinancing at 3.90% in 2016

Series 2013 Revenue Refunding Bonds: Investor Marketing Strategy

Marketing Strategy Overview

- CTRMA, its FAs, and its underwriting team developed an extensive investor marketing program that spanned roughly two weeks and included:
 - One-on-one investor meetings with four unique investor firms in Chicago and Philadelphia
 - Seven one-on-one investors meetings at J.P. Morgan’s annual Transportation Conference
 - Presentation to over 60 Transportation Conference attendees
 - Pre-recorded NetRoadshow presentation accessed by 37 unique investor firms
 - Eight one-on-one follow-ups between investors and representatives of CTRMA, its financial advisors, and the underwriting team

Investor Outreach Timeline (2013)



Series 2013 Revenue Refunding Bonds:

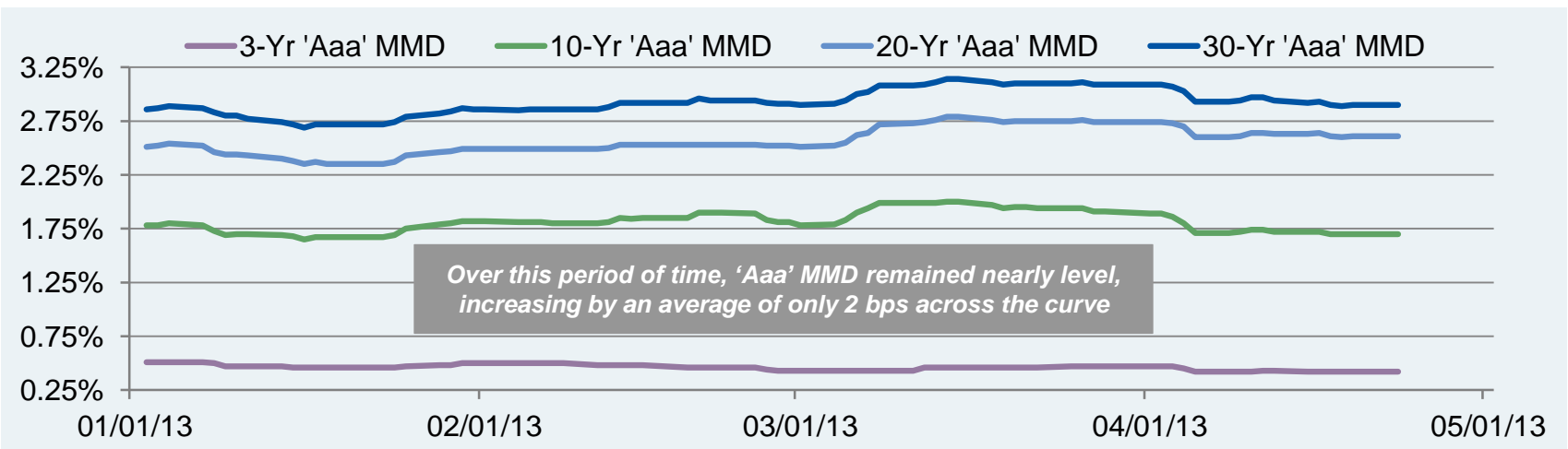
Investor Outreach Participants

| Company | Participation Type | | | Company | Participation Type | | |
|---|--------------------|----------|---------------------------|--|--------------------|----------|---------------------------|
| | NetRoadshow | Roadshow | Transportation Conference | | NetRoadshow | Roadshow | Transportation Conference |
| 1 Americo | X | | | 21 Invesco | | X | |
| 2 Barclays | X | | | 22 J.P.Morgan J.P. Morgan Asset Management | X | | |
| 3 BlackRock | X | | X | 23 Lord, Abbett & Co. | X | | |
| 4 BMO Capital Markets | X | | | 24 Mariner | X | | |
| 5 Capital Research & Management | X | | X | 25 MetLife | X | | |
| 6 Cedar Ridge Partners | X | | | 26 MFS Investment Management | X | | |
| 7 Citigroup | X | | | 27 New York Life | X | | |
| 8 College Retirement Equities Fund (TIAA-CREF) | X | | | 28 Northern Trust | X | | |
| 9 Columbia Management | | | X | 29 ORIX | X | | |
| 10 Concordia Advisors | | | X | 30 PIMCO | X | | |
| 11 Delaware Investment Advisers | X | | | 31 Principal Global Investors | X | | |
| 12 Deutsche Asset Management | X | | | 32 Putnam Investment Management | X | | |
| 13 Federated | X | | X | 33 Samuel Capital Management | X | | |
| 14 Fidelity | X | | | 34 Schroder Investment Management | X | | |
| 15 First Security Finance | X | | | 35 T. Rowe Price | X | X | |
| 16 Franklin Resources | X | | X | 36 Vanguard | X | X | |
| 17 Gannett, Welsh & Kotler | X | | | 37 Virtus Investment Partners | X | | |
| 18 Goldman Sachs Asset Management | X | | | 38 Waddell & Reed | X | | |
| 19 Guggenheim | X | X | | 39 Wells Capital Management | X | | |
| 20 HIMCO | X | | X | 40 Wells Fargo | X | | |

Investors from 40 separate firms participated in the investor outreach program

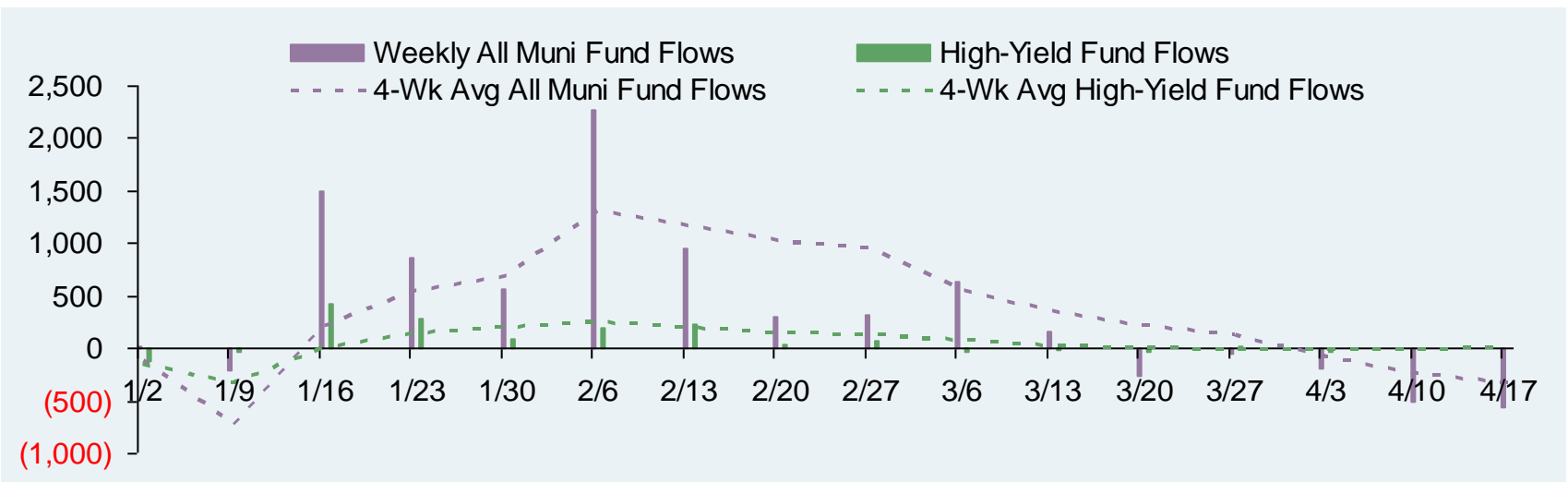
Series 2013 Revenue Refunding Bonds: Pre-Pricing Market Conditions

'Aaa' MMD (January 1, 2013 – April 23, 2013)



Source: Municipal Market Data

Muni Fund Flows (January 1, 2013 – April 23, 2013) (\$mm)



Source: Lipper FMI, iMoneyNet; Reflects all tax-exempt mutual funds that report on a weekly and monthly basis, excluding tax-exempt money market funds

Series 2013 Revenue Refunding Bonds:

Final Pricing Scales

| | | Series 2013A Senior Lien Revenue Refunding Bonds (Baa2 / BBB- / NR) | | | Series 2013 Subordinate Lien Revenue Refunding Bonds (Baa3 / BB+ / NR) | | |
|------|-------|--|-------|---------------|---|-------|---------------|
| | MMD* | Coupon | Yield | Spread to MMD | Coupon | Yield | Spread to MMD |
| 2014 | 0.19% | 3.00% | 0.84% | 65 | 3.00% | 1.24% | 105 |
| 2015 | 0.28% | 4.00% | 1.01% | 73 | 4.00% | 1.48% | 120 |
| 2016 | 0.40% | 5.00% | 1.21% | 81 | 5.00% | 1.75% | 135 |
| 2017 | 0.53% | 5.00% | 1.43% | 90 | 5.00% | 2.03% | 150 |
| 2018 | 0.70% | 5.00% | 1.70% | 100 | 5.00% | 2.30% | 160 |
| 2019 | 0.87% | 5.00% | 1.97% | 110 | 5.00% | 2.57% | 170 |
| 2020 | 1.08% | 5.00% | 2.19% | 111 | 5.00% | 2.83% | 175 |
| 2021 | 1.30% | 5.00% | 2.42% | 112 | 5.00% | 3.10% | 180 |
| 2022 | 1.49% | 5.00% | 2.62% | 113 | 5.00% | 3.33% | 184 |
| 2023 | 1.68% | 5.00% | 2.82% | 114 | 5.00% | 3.51% | 183 |
| 2024 | 1.82% | | | | | | |
| 2025 | 1.95% | | | | | | |
| 2026 | 2.09% | | | | | | |
| 2027 | 2.23% | | | | | | |
| 2028 | 2.32% | | | | | | |
| 2029 | 2.40% | | | | | | |
| 2030 | 2.46% | | | | | | |
| 2031 | 2.51% | | | | | | |
| 2032 | 2.56% | | | | | | |
| 2033 | 2.61% | 5.00% | 3.85% | 124 | 5.00% | 4.48% | 187 |
| 2034 | 2.66% | | | | | | |
| 2035 | 2.71% | | | | | | |
| 2036 | 2.76% | | | | | | |
| 2037 | 2.80% | | | | | | |
| 2038 | 2.83% | | | | | | |
| 2039 | 2.86% | | | | | | |
| 2040 | 2.87% | | | | | | |
| 2041 | 2.88% | | | | | | |
| 2042 | 2.89% | | | | 5.00% | 4.73% | 184 |
| 2043 | 2.90% | 5.00% | 4.12% | 122 | | | |

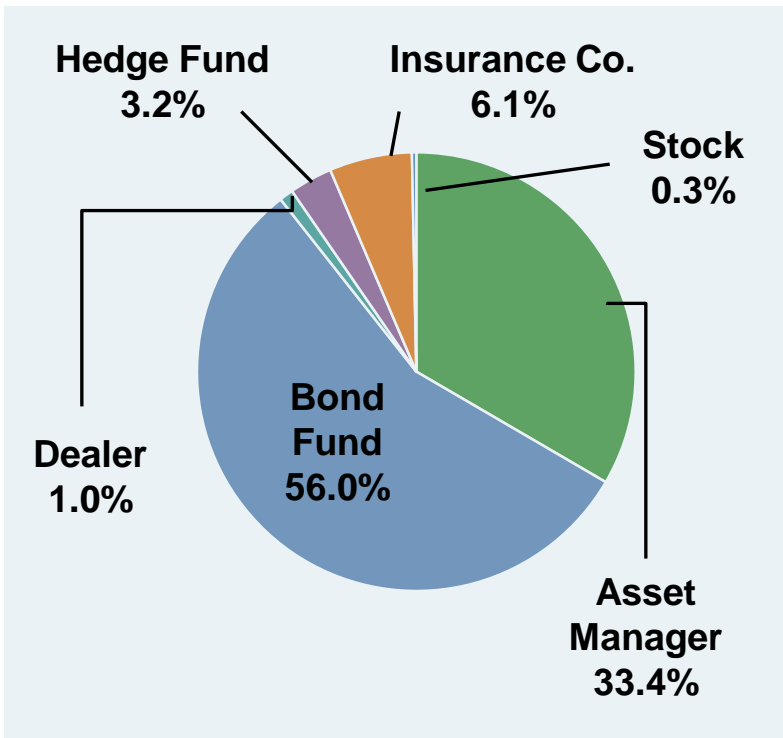
"MMD" is the long-term tax-exempt benchmark rate set daily by Thomson Reuters Municipal Market Data, based on primary and secondary market activity in investment grade municipal securities; Rates as of COB April 23, 2013; *Early MMD through 2026

The Series 2013B Put Bonds priced with a 3.00% coupon, a 1.45% yield, and a 9% step-up rate

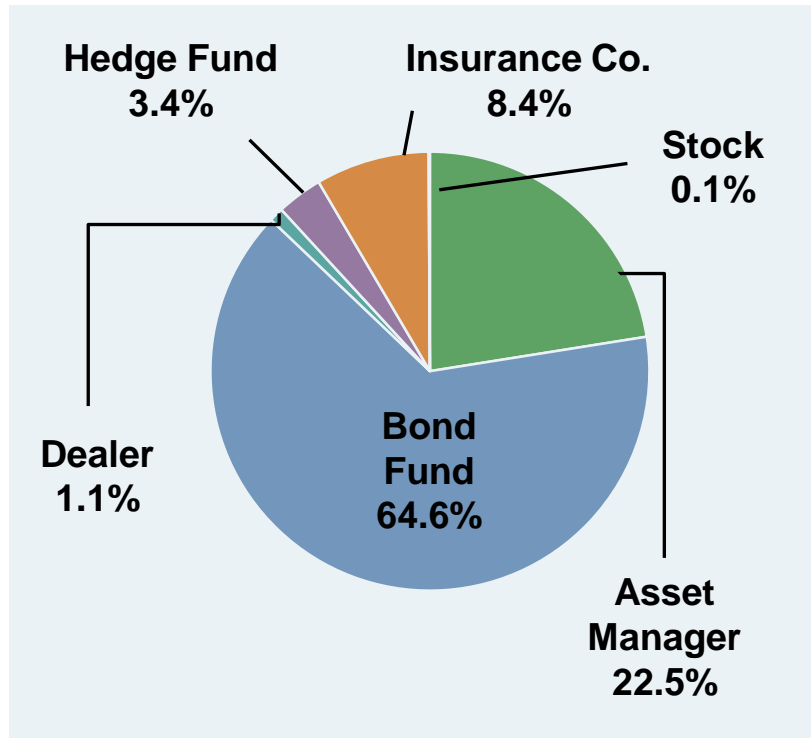
Series 2013 Revenue Refunding Bonds:
Final Allotments for Fixed-Rate Series

Allotments by Investor Type

Series 2013A Senior Lien



Series 2013 Subordinate Lien



The Series 2013A Senior Lien and Series 2013 Subordinate Lien bonds received, in aggregate, nearly \$3.1 billion of orders (\$2.9 billion of which were “priority” orders), representing approximately 12x subscription

Series 2013 Revenue Refunding Bonds:
Investor Participant Conversion

Summary of Investor Participation by Outreach Event¹

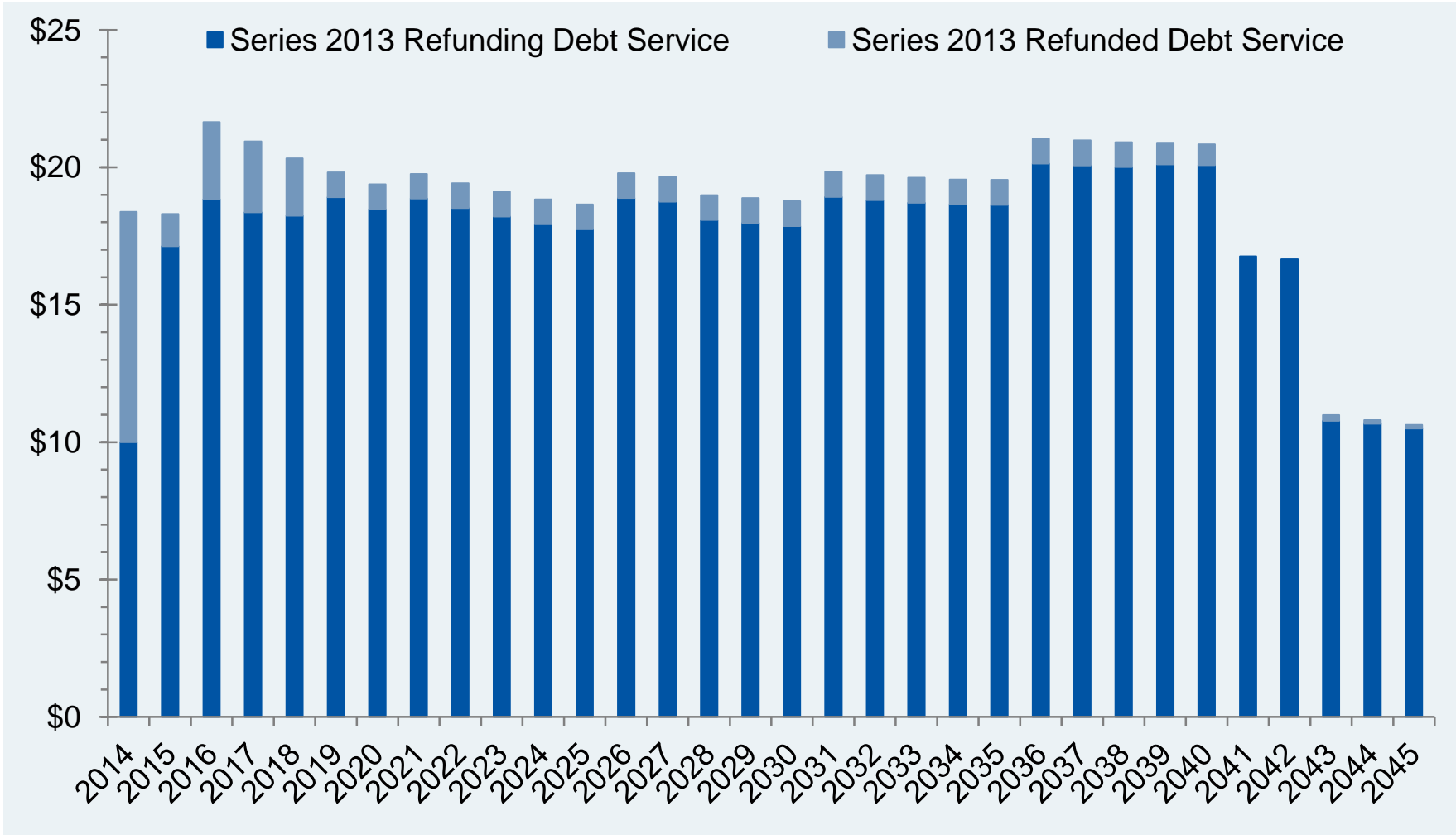
| <i>Outreach Event</i> | <i>Investor Participants</i> | <i>Investors Placing Orders</i> | <i>Conversion Rate</i> | <i>Orders Placed by Participants (\$mm)</i> |
|--|------------------------------|---------------------------------|------------------------|---|
| In-Person Investor Meetings | 4 | 4 | 100% | 598.9 |
| J.P. Morgan Transportation Conference | 7 ² | 5 | 71% | 431.8 |
| NetRoadshow | 37 | 22 | 59% | 1,754.3 |
| One-on-One Follow-up | 8 | 8 | 100% | 449.0 |

(1) Investor participants may appear in more than one category; Excludes 2013B Revenue Refunding Put Bonds

(2) Represents one-on-one meetings; Excludes attendees at group presentation

Series 2013 Revenue Refunding Bonds: Debt Service Savings

Projected Debt Service Savings (\$mm)



CTRMA achieved an average of nearly \$1 million in annual debt service cost savings through the Series 2013 refunding

Series 2013 Revenue Refunding Bonds: Post-Transaction Debt Position

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

| Outstanding CTRMA Debt | | |
|-------------------------------|----------------|--|
| Lien | Description | Outstanding Post Series 2013 Transaction |
| Senior | ■ Series 2010 | ■ \$103,020,178 |
| | ■ Series 2011 | ■ \$306,905,778 |
| | ■ Series 2013A | ■ \$155,810,000 |
| | ■ Series 2013B | ■ \$30,000,000 ¹ |
| Senior Total | | \$595,735,956 (77% of total debt outstanding) |
| Junior | None | — |
| Subordinate | ■ Series 2011 | ■ \$70,000,000 |
| | ■ Series 2013 | ■ \$103,960,000 |
| Subordinate Total | | \$173,960,000 (23% of total debt outstanding) |
| Other Obligations | None | — |
| Total Debt Outstanding | | \$769,695,956 |

Note: Does not include Regions Bank Drawdown Note

(1) Represents 3.9% of total debt outstanding

CTRMA

