



**NEVADA
DOT**

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Series 2016 Highway Improvement and Refunding Revenue Bonds

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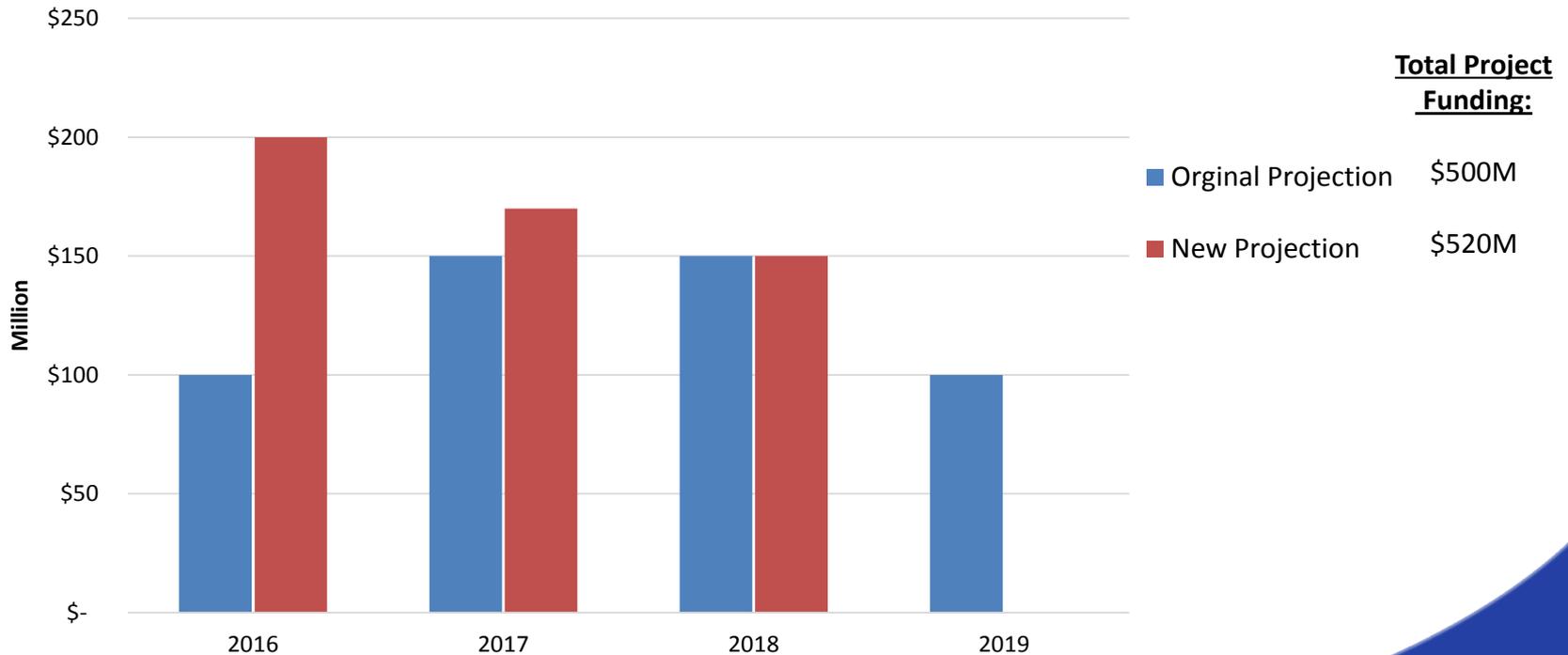




Project NEON Bonding

Bond financing schedule has been accelerated to meet accelerated project expenditure schedule

Projected Bond Sales Prior to 2015 Legislative Session vs New Projection Based on Price Proposal





2016 New Money Proceeds

- \$200M of the sale proceeds will fund ongoing capital needs for Project NEON
 - Proceeds are expected to be spent in about a year
 - Project components that are expected to be funded include:
 - Mobilization
 - Construction of southbound I-15 roadway and bridges
 - Reconstruction of westbound US 95
 - The Western Avenue – Grand Central Parkway connector
 - The Regional Flood Control Box along MLK between Sahara Ave and Wall St.
 - MLK Blvd between Oakey Blvd and Charleston Blvd
 - Advanced Traffic Management Gantries



2016 Refunding Proceeds

- \$157M* of the sale proceeds will refund all or a portion of callable Series 2006 and 2008 Revenue Bonds
 - Estimated NPV savings under current rates: \$7.7M (5.3% of refunded par)*
 - Debt service will be restructured to reduce peaks in 2017-2020
 - ✓ Helps maintain high debt service coverage
 - ✓ Provides additional bonding capacity and flexibility

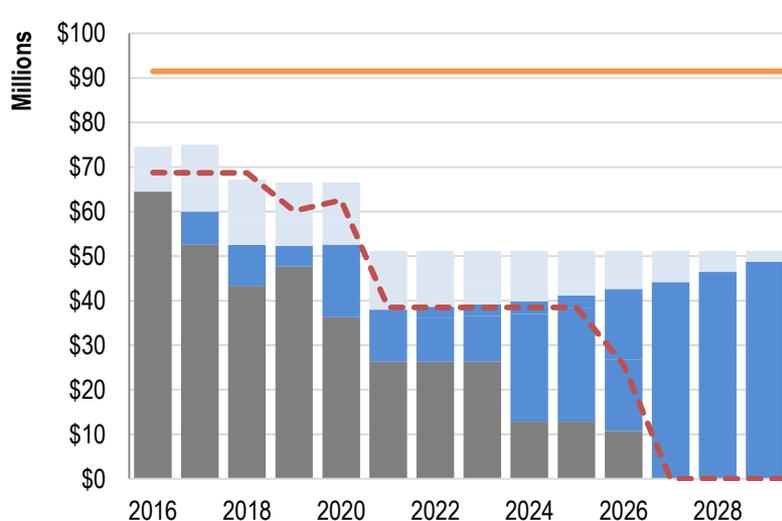
*Depending on market condition, NDOT may refund less candidates and final savings may differ



Proposed Series 2016 Bonds

- Not-to-exceed par amount: \$365M*
 - \$200M New Money Proceeds for Project NEON
 - \$157M Refunding Proceeds for economic savings
- On parity with outstanding senior lien bonds (raising Additional Bonds Test to 3.0x)
- Current ratings: AAA/AA+/Aa2
- Competitive sale in 1st quarter 2016

Proposed Structure & Projected Statistics



Proposed Final Maturity	12/1/2029
Aggregate Maximum Annual Debt Service (MADS) after Issuance**	\$75M
Aggregate MADS Coverage**	3.66x
All-In-TIC**	2.88%

- Series 2016 Interest
- Series 2016 Principal
- Existing Aggregate Debt Service (Excludes Refunded)
- 3.0x Debt Service Coverage
- - - Aggregate Debt Service before 2016 Refunding

*Current market conditions (premium bonds) would require \$301M in par amount

**Preliminary estimate ; Coverage statistics calculated with FY2015 unaudited pledged revenue (without federal aid)



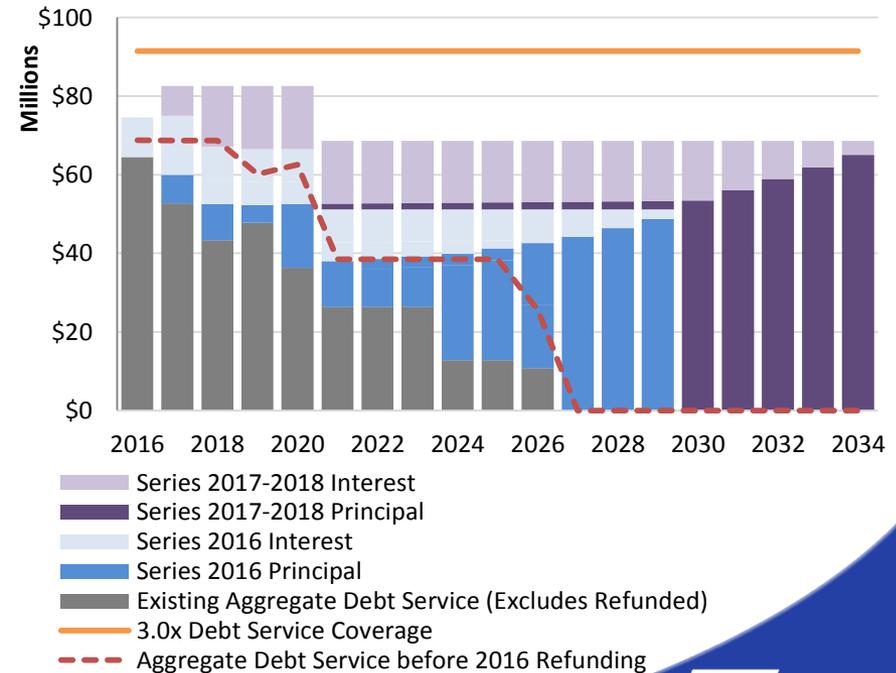
Future Plan of Finance

- The Series 2016 Bonds are structured in consideration of NDOT's future borrowing needs
 - Annual debt service coverage after Project NEON completion is not expected to fall below 3.3x* (peak debt service of \$83M occurring in 2017-2020)
 - Annual debt service after 2020 does not exceed \$70M (4.0x* debt service coverage)

Estimated Sources and Uses				
Amount in (\$000's)	Series 2016	Series 2017	Series 2018	Total
Par + Premium	\$ 356,788	\$ 171,223	\$ 151,144	\$ 679,155
Bond Fund	2,150			2,150
Total Sources	\$ 358,938	\$ 171,223	\$ 151,144	\$ 681,305
Capital Projects	\$ 200,000	\$ 170,000	\$ 150,000	\$ 520,000
Refunding Escrow	157,069			157,069
Cost of Issuance	1,869	1,223	1,144	4,236
Total Uses	\$ 358,938	\$ 171,223	\$ 151,144	\$ 681,305

Estimated Aggregate Debt Service and Coverage				
Aggregate MADS after Issuance	\$75M	\$83M	\$83M	\$83M
MADS Coverage*	3.66x	3.32x	3.32x	3.32x

Debt Profile after Project NEON Borrowings*



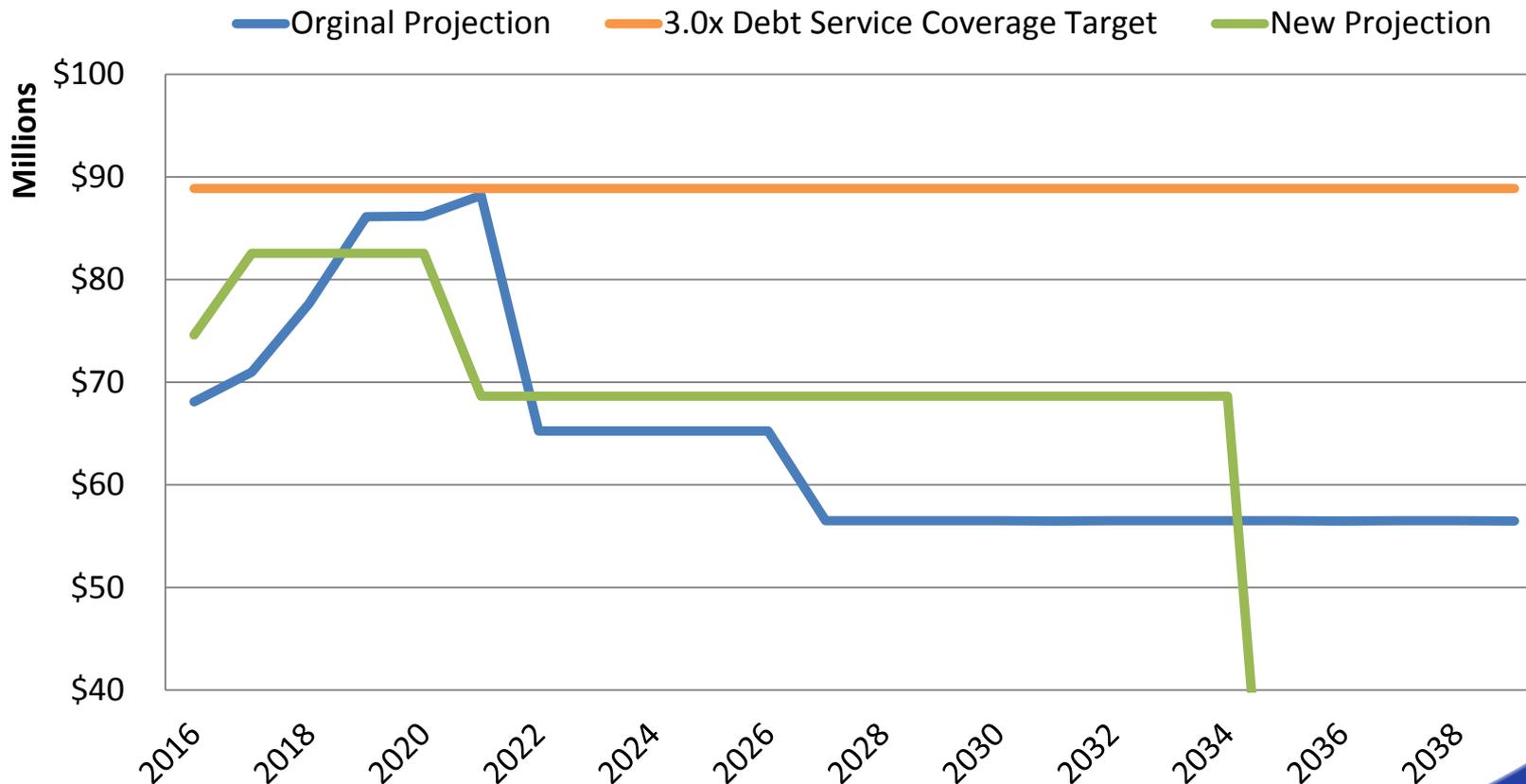
*Using FY2015 unaudited pledged revenue (without federal aid); Future issuances based on current estimates of draw amount and schedule





Projected Debt Service after Project NEON Borrowings

Original Projection vs New Projection

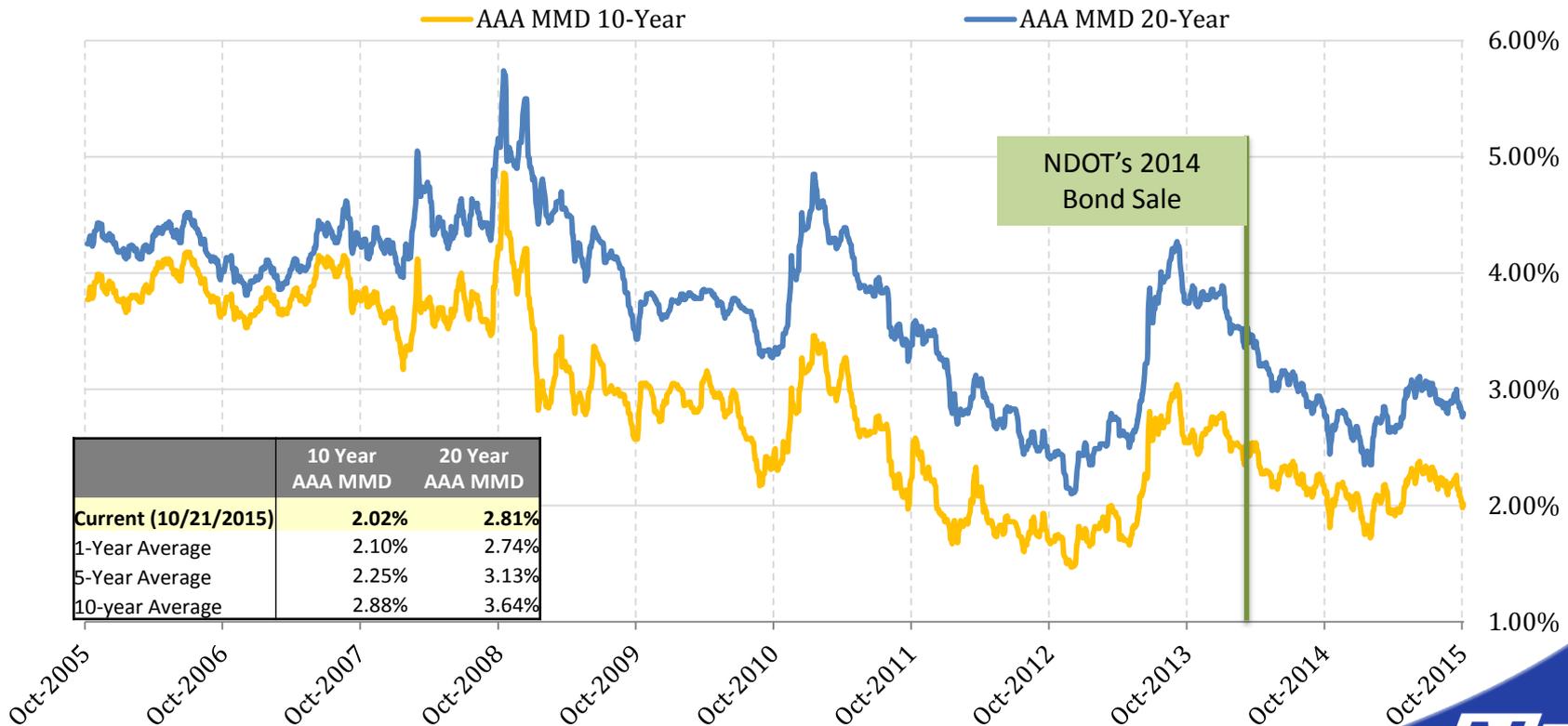




Market Context

- Municipal borrowing rates remain low, providing a favorable environment to issue bonds

10-Year Historical AAA MMD



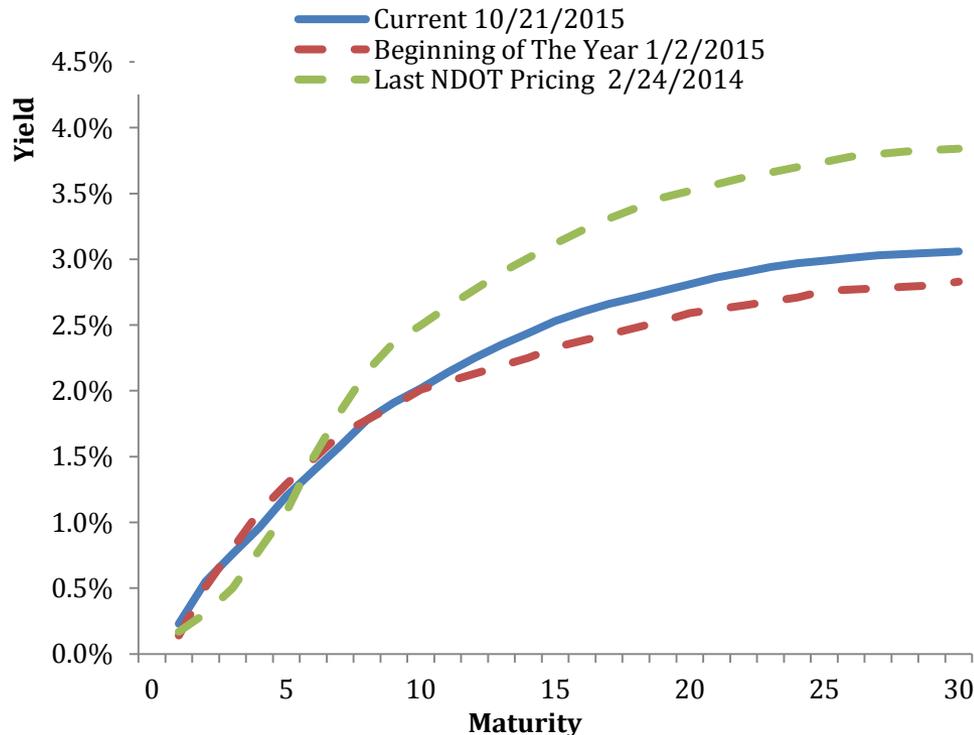
“AAA MMD”, the Thomson Reuters Municipal Market Data AAA Curve is a benchmark for tax-exempt municipal borrowing rates



Market Context

- The AAA MMD yield curve has flattened significantly since NDOT's last bond sale
 - Mid to long-term interest rates are attractive on an absolute basis, while
 - Slightly higher short-term interest rates allow an advance refunding to be more efficient

Current AAA MMD Yield Curve



Maturity	Current 10/21/2015	Δ Compared to NDOT's Last Pricing
1	0.23%	6 bps
2	0.55%	24 bps
3	0.76%	26 bps
4	0.96%	17 bps
5	1.20%	12 bps
6	1.39%	-10 bps
7	1.58%	-26 bps
8	1.78%	-37 bps
9	1.91%	-46 bps
10	2.02%	-48 bps
11	2.14%	-50 bps
12	2.25%	-52 bps
13	2.35%	-55 bps
14	2.44%	-57 bps
15	2.53%	-59 bps
16	2.60%	-62 bps
17	2.66%	-65 bps
18	2.71%	-68 bps
19	2.76%	-71 bps
20	2.81%	-71 bps



Appendix – Proposed Schedule

Date	Preliminary Financing Schedule
Nov 9 th , 2015	Requests Board approval of Bond Resolution
Nov 10 th , 2015	Requests Board of Finance approval of Bond Resolution
Dec 15 th , 2015	Interim Finance Committee meeting
Week of Jan 18 th , 2016	Rating Agencies Meetings/ Tours
Week of Feb 1 st , 2016	Post Preliminary Official Statement
Week of Feb 15 th , 2016	Competitive Sale of Bonds
Week of Mar 7 th , 2016	Closing



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