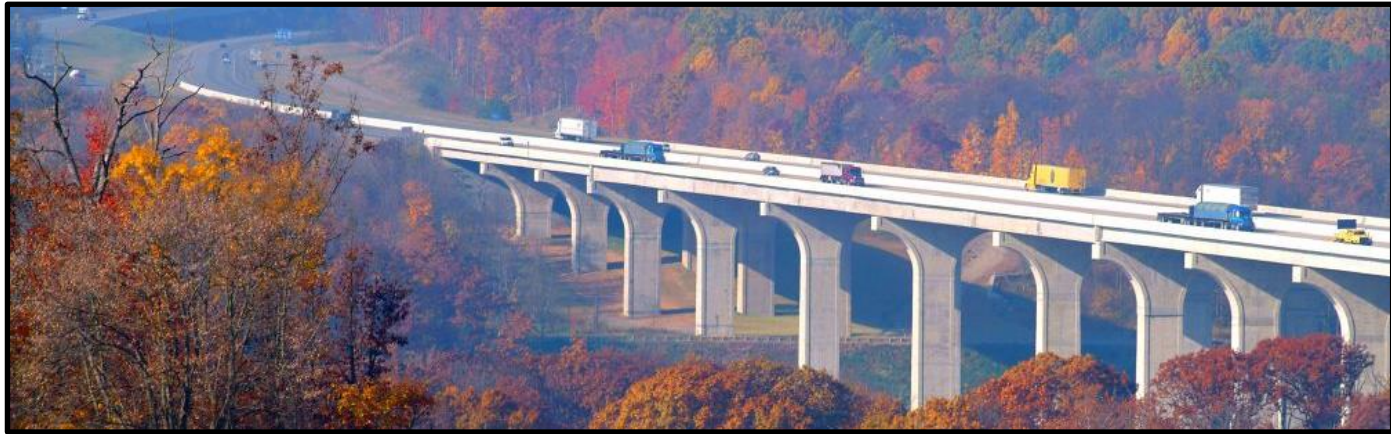




Ohio Turnpike and Infrastructure Commission



Investor Presentation
April 2014

Presentation Participants

Ohio Turnpike and Infrastructure Commission

Richard Hodges
Executive Director



Martin Seekely
Chief Financial Officer



Lisa Mejac
Assistant Comptroller



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Ohio Turnpike and Infrastructure Commission Overview

- For nearly 60 years, the Commission has operated and maintained the Turnpike using primarily toll revenues
- On July 1, 2013, the Ohio Turnpike Commission officially became the Ohio Turnpike and Infrastructure Commission (“OTIC”)
- The Commission’s mission now officially encompasses both:
 - Funding, operating and maintaining the Ohio Turnpike at its current standards; and
 - Funding “Infrastructure Projects” in partnership with the Ohio Department of Transportation
- The Commission remains an independent and autonomous organization in control of its own destiny



The Ohio Turnpike is a critical transportation asset to the State of Ohio and is a vital 241-mile route supporting commerce and economic activity in Ohio, across the Great Lakes, and the eastern half of the United States

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Ohio's Jobs and Transportation Plan

- In January 2012, ODOT announced a \$1.6 billion budget shortfall
- This funding crisis meant that ODOT would need to postpone some of the state's largest, most complex transportation construction projects by up to a decade or more
- In an effort to address this funding deficit, Governor John Kasich, along with ODOT and the Office of Budget and Management began to explore the Ohio Turnpike Commission as a potential revenue source
- After a competitive procurement process, KPMG was selected in March 2012 to conduct the Ohio Turnpike Study that evaluated three basic options:
 1. Long-Term lease agreement with a private concessionaire
 2. ODOT assuming the Turnpike's operations
 3. Keeping the Status Quo and utilizing the Commission's borrowing capacity to fund Infrastructure Projects
- On December 13, 2012, the Ohio Turnpike Analysis was published as part of Governor Kasich's Ohio Jobs and Transportation Plan

Option 3 was selected as the preferred method:

"After more than 10 months of careful study and deliberation, the state has decided not to lease the Ohio Turnpike. Instead, the turnpike would issue bonds backed by future toll revenue and use that money to build critical transportation projects mostly in Northern Ohio"



Ohio Turnpike Legislation (HB 51)

HB 51 Highlights

On April 1st, 2013 Governor Kasich signed HB 51 into law after it passed both the House and the Senate with bipartisan support; it became effective on July 1st, 2013

- Changed the Ohio Turnpike Commission's name to the Ohio Turnpike and Infrastructure Commission ("OTIC")
- Expanded the general purposes of the Commission to specify that it may finance the capital for infrastructure projects with a "nexus" to the Turnpike
 - "Nexus" is defined as including a project's:
 - Physical proximity and connectivity to the Ohio Turnpike
 - Impact on Ohio Turnpike traffic and revenues
 - Impact on the movement of goods and services on or in the area of the Ohio Turnpike
 - Enhancement or improvement of access between the Ohio Turnpike & connected areas of population, commerce, and industry
- Established rules and process for financing infrastructure projects as submitted for consideration by ODOT
- Subject to complying with bond covenants, freezes toll increases for local *E-ZPass*® trips of less than 30 miles for class 1 vehicles only through 2023
- Removes all provisions in the Ohio Revised Code that would have allowed for a private concession of the Turnpike



OTIC – New Name, New Mission, Same Strong Credit

The Commission's high quality credit is based on an established operating history, willingness to increase tolls and strong bondholder legal protections

Credit Strengths

- Long history of facilitating interstate travel and serving the diverse economic base of Northern Ohio
- Stable and mature traffic profile
- Good road conditions with ongoing fully-funded capital improvement plan funded primarily with cash
- Demonstrated willingness to raise toll rates in 2009, 2012 and new forward-looking toll regime to increase rates 2.7% per year through 2023
- Strong bondholder legal protections
- Strong existing and future liquidity and reserves
- High pro-forma debt service coverage ratios

Credit Challenges...

- New Mission and Higher Leverage →
- Long-term Willingness to Raise Tolls →
- Ensuring the Turnpike's O&M and CapEx is fully funded →
- Elasticity and Traffic Diversion →

...are Mitigated

- ▶ Strong legal covenants; formalized debt service coverage policy; Infrastructure Projects will improve access to the Turnpike and further strengthen Ohio's economy
- ▶ 1995-1999, 2007, 2009 and 2012 Toll Increases; Commission has independent toll setting authority; 10 years of increases adopted on July 15, 2013
- ▶ CapEx funded by 97% PAYGO funding
- ▶ Strong and competitive statewide toll road which is a vital link connecting the Northeast and Midwest regions; low toll rates



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OTIC's Capital Program

The Commission is committed to maintaining the *excellent* condition of the Turnpike System

Recent CapEx History and Highlights

- | | |
|--|---------------|
| • Third lane expansion of 160 miles between MP 59 and MP 218 | \$725 million |
| • Service Plaza Reconstruction | \$200 million |
| • E-ZPass® Toll Collection System | \$50 million |
| • Pavement Replacement – 30 lane miles complete | \$45 million |

Future Capital Program

- URS as the Commission's GEC performs annual inspections for all Commission assets. From URS' "condition assessment report," a detailed Capital Improvement Plan was developed and will be maintained on an annual basis
- The Turnpike's capital expenditures largely support three major initiatives: Base Pavement Replacement, Resurfacing & Repaving, as well as Bridge Rehabilitation/ Reconstruction
- Over the course of 35 years, there is a 10% shift in the CapEx budget from Pavement Replacement to the Third Lane Reconstruction project, starting in year 2038

Nearly all of the Commission's future CapEx is projected to be funded via PAYGO

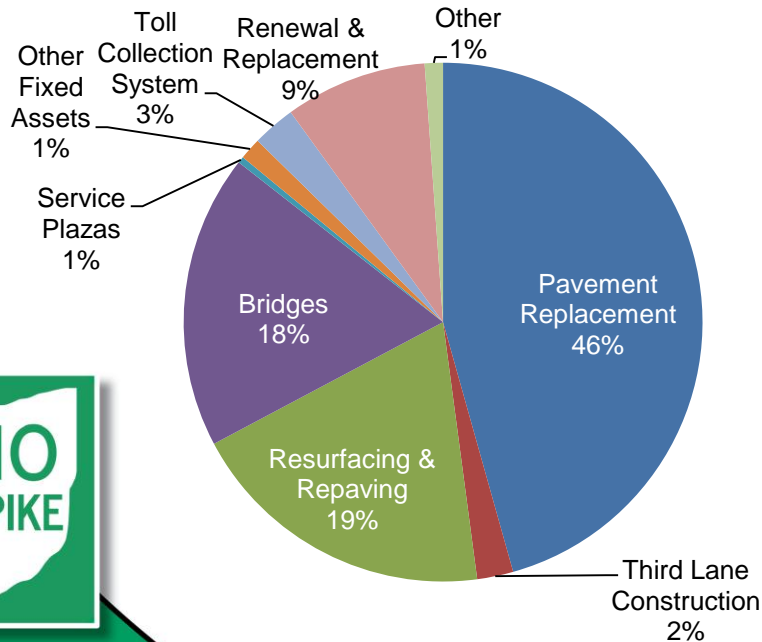


2014-2048 Capital Improvement Program – \$3.1 billion

URS and the Commission's Capital Plan is broken down into major categories including Pavement Replacement, Bridges and Resurfacing & Repaving

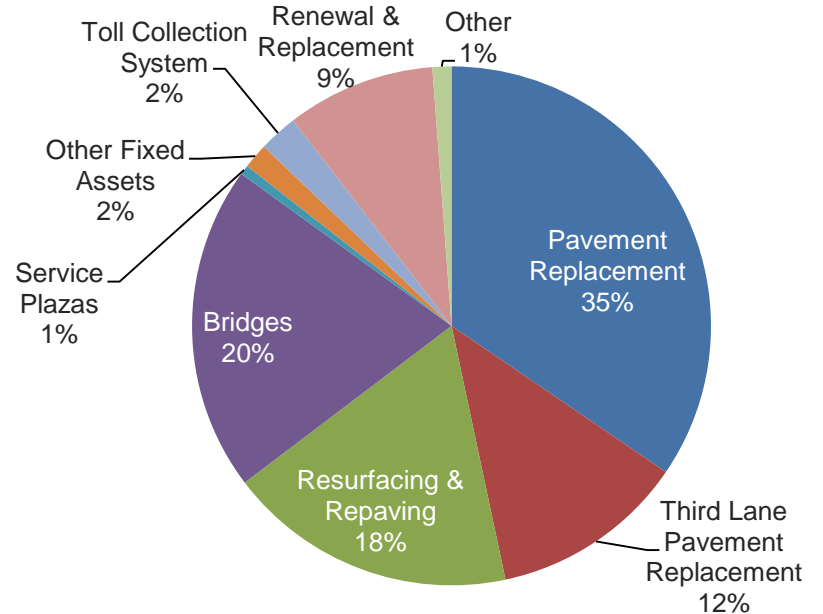
2014-2023 Capital Improvement Program

\$931.2 million



2014-2048 Capital Improvement Program

\$3.1 billion



Series 2013 Transaction Overview

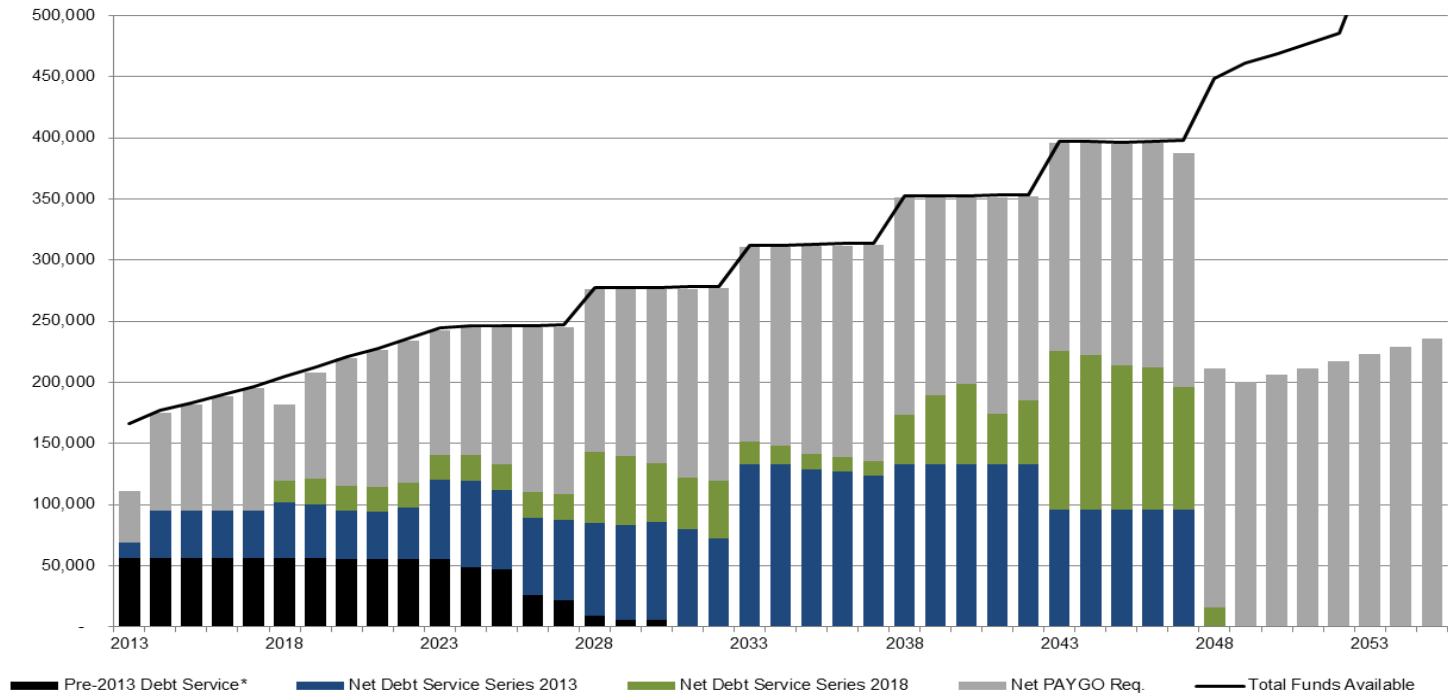
	Senior Lien	Junior Lien
Issue:	Turnpike Revenue Bonds 2013 Series A	Turnpike Junior Lien Revenue Bonds 2013 Series A (Infrastructure Projects)
Par Amount:	\$73,495,000	\$994,812,816
Projects Funded:	Turnpike System Projects	Infrastructure Projects
Bond Types:	CIBs	CIBs, CABs and Convertible CABs
Amount & Maturities:	CIBs: 2047-48 \$73,495,000	CIBs: 2019-48 \$709,270,000 CABs: 2036-43 \$140,542,470 Conv. CABs: 2034-36 \$145,000,346
Reserve Requirements:	100% Maximum Annual Debt Service	100% Average Annual Debt Service
Ratings:	Moody's: Aa3 S&P: AA- Fitch: AA	Moody's: A1 S&P: A+ Fitch: A+



Composite Debt Service Profile and Uses of Funds

The Commission's debt structure generates significant debt service coverage and preserves PAYGO capital

Thousands



The Commission Has Raised Tolls to Fund its New Mission

The Commission has independent toll setting authority under the Ohio Revised Code

Since 1995, the Commission has regularly increased tolls to meet its funding obligations including in:

- Every year from 1995 – 1999
- January 2007
- October 2009
- January 2012

On July 15, 2013, the Commission adopted a 10-year schedule of toll increases to fund its new obligations

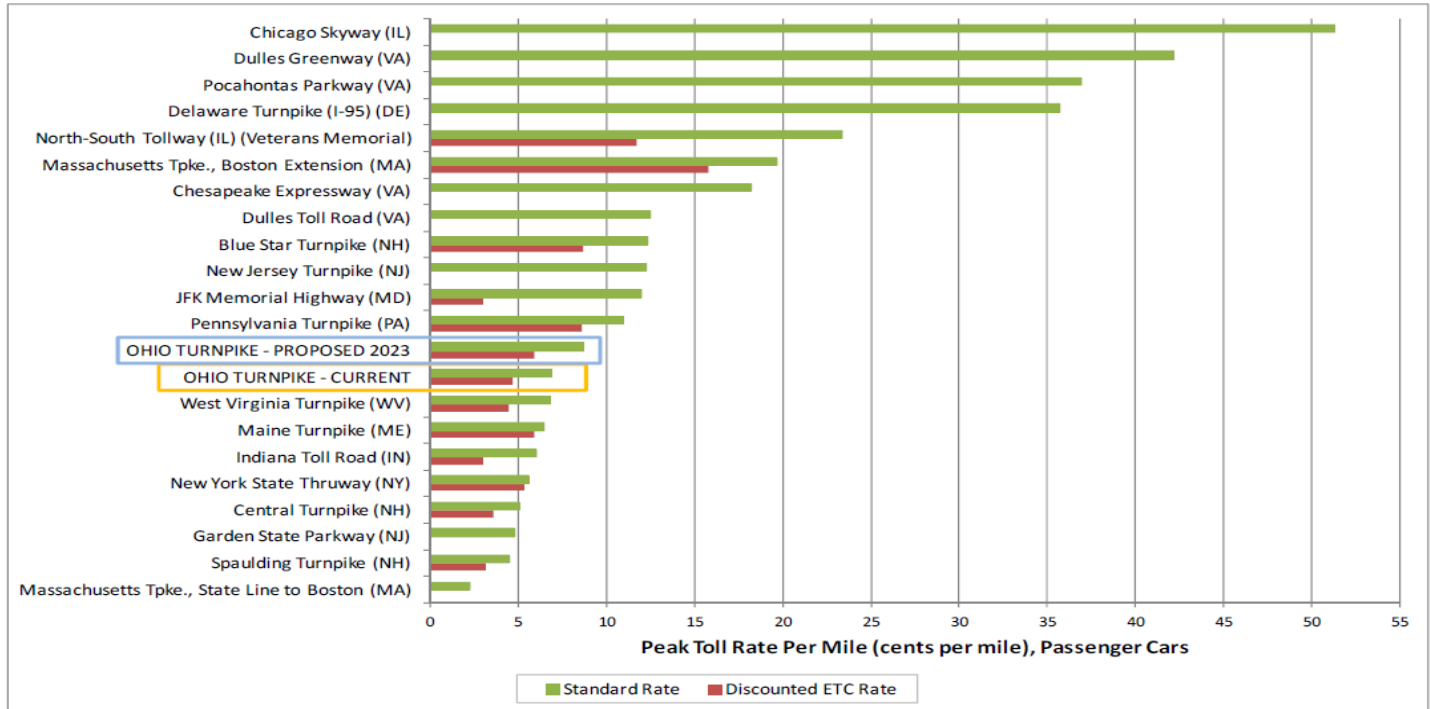
- Toll rates are to be increased 2.7% per year from 2014 through 2023
 - Toll increases are implemented on January 1 of each year
- Toll rates for *E-ZPass*® trips of less than 30 miles will be held constant for class 1 vehicles through 2023
 - In 2012, these trips represented only 4.4% of total VMT and 2.1% of total pledged revenues
- Toll rates are rounded to the nearest quarter, therefore, even though the toll rate per mile has increased “every year,” many trips will not see an increase every year

The logo for the Ohio Turnpike, featuring the words "OHIO" and "TURNPIKE" in a bold, green, sans-serif font. The text is set against a white background that is shaped like the outline of the state of Ohio. This white shape is centered within a larger green square that has a white border.

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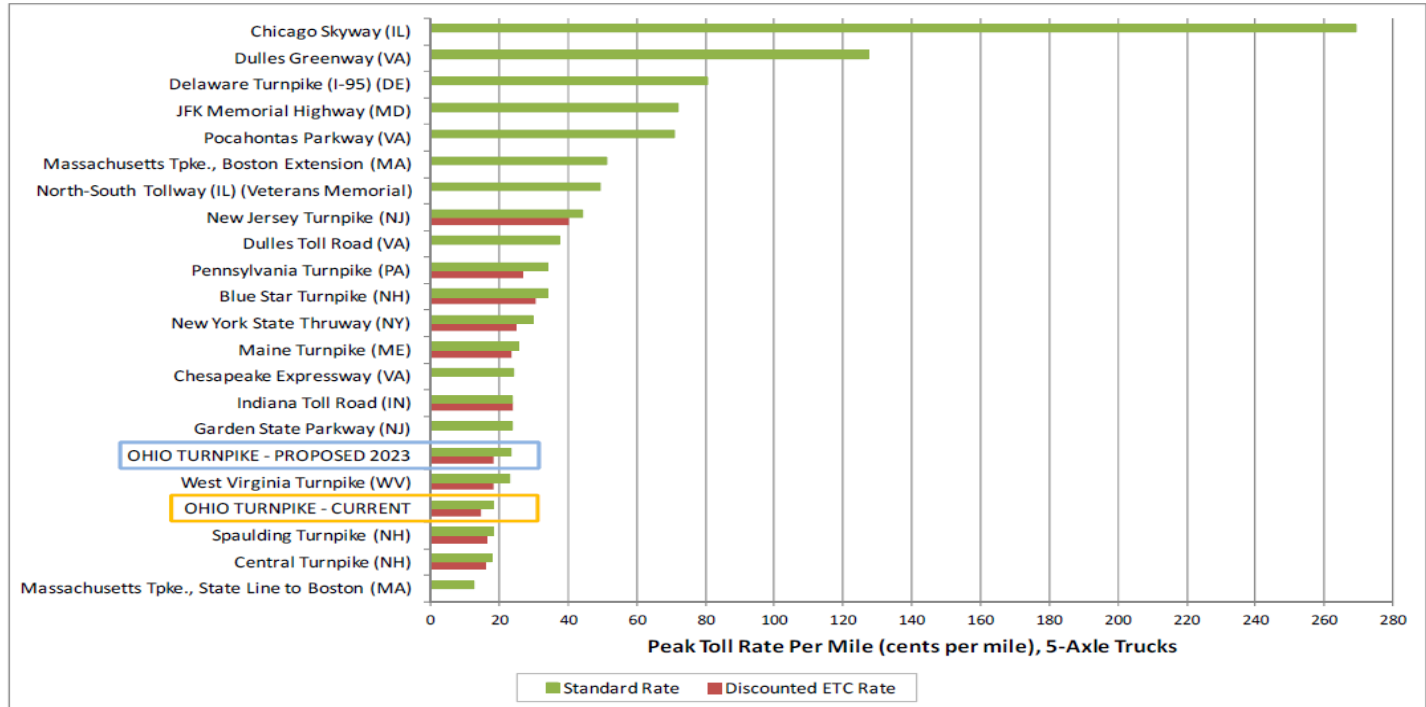
OTIC's Auto Toll Rates Are Low Versus Its Peers

The Turnpike's adopted 2014 toll rates are low compared to its peers and forecasted to remain low even after ten years of 2.7% annual increases



OTIC's Commercial Toll Rates Are Also Low Versus Its Peers

The Turnpike's adopted 2014 toll rates are low compared to its peers and forecasted to remain low even after ten years of 2.7% annual increases



Even in 2023, OTIC Toll Rates Will Still be Low Versus Its Peers

The Turnpike's adopted 2014 toll rates are low compared to its peers and forecasted to remain low even after ten years of 2.7% annual increases

2014 E-ZPass® Rates

	Ohio 2014	Ohio 2023	New York	Indiana ¹	Illinois	Penn.	New Jersey
Passenger Cars	\$ 0.048	\$0.061	\$0.048	\$0.030	\$0.065	\$0.085	\$0.092
Commercial Vehicles (30K LBS)	0.149	0.189	0.239	0.246	0.333	0.211	0.402
Commercial Vehicles (80K LBS)	0.149	0.189	0.239	0.246	0.333	0.445	0.402

2014 Non E-ZPass® Rates

	Ohio 2014	Ohio 2023	New York	Indiana	Illinois	Penn.	New Jersey
Passenger Cars	\$ 0.070	\$0.089	\$0.051	\$0.062	\$0.131	\$0.121	\$0.123
Commercial Vehicles (30K LBS)	0.188	0.238	0.271	0.246	0.333	0.296	0.440
Commercial Vehicles (80K LBS)	0.188	0.238	0.271	0.246	0.333	0.621	0.440

¹ Currently cars pay \$0.03 and the state of Indiana subsidizes \$0.032 for a total cost of \$0.062. The state subsidy will end in 2016.



New Debt Management Policies Were Adopted on July 15, 2013

To underscore the Commission's commitment to remain fiscally conservative, the Commission adopted a formal 2.0x Senior Lien Debt Service Coverage policy and a formal Liquidity Policy to ensure that it always has enough Cash on Hand to sufficiently cover any extraordinary event

- **Debt Service Coverage Policy** – The Commission commits to budgeting each year to a minimum of 2.0x coverage on its Senior Lien obligations
- **Liquidity Policy** – The Commission is committing to maintain a minimum of 365 days cash on hand divided among the following reserves, all of which can be used to cover debt service in the event of a shortfall:
 - General Reserve Fund (includes Expense Reserve)
 - Non-Trust Fund
 - Service Plaza Capital Improvement Fund
 - Fuel Tax Fund
 - System Projects Fund
 - Renewal and Replacement Fund



Historical Cash on Hand and Liquidity

The Commission's Liquidity Policy formalized its already existing practice of maintaining substantial liquidity at all times.

Historical Average Monthly Fund Balances (in \$ Millions)

	2009 ¹	2010	2011	2012	2013 ²
General Reserve Fund ¹	72.3	82.8	74.4	73.5	47.7
Non-Trust Fund	26.3	26.8	40.4	52.5	45.2
Capital Funds:					
<i>Service Plaza Capital</i>	3.2	3.5	3.4	3.6	3.0
<i>Fuel Tax Fund</i>	0.7	0.9	1.6	3.2	1.5
<i>System Projects</i>	6.6	14.0	23.2	14.7	38.4
<i>Renewal & Replacement</i>	4.3	5.0	5.6	5.3	6.3
Total Capital Funds	14.8	23.4	33.8	26.7	49.2
Total All Funds on Hand	\$113.4	\$133.0	\$148.5	\$152.7	\$142.1
Annual O&M	\$113.7	\$115.9	\$110.9	\$111.3	\$108.7
Days Cash on Hand	365	422	487	500	477

¹ 2009 and early 2010 Fund balances were lower due to reductions in the Commission's capital program due to the recession. Future CapEx projections are higher and thus capital fund balances will be higher ² In Jan. 2013 the Commission replaced its DS Reserve credit facility issued by Assured Guaranty with \$49.3 million of cash transferred from its GRF and Non-Trust Fund



Infrastructure Projects

County	Project	Amount
Hancock/Wood	I-75 Widening	\$ 270,980,000
Lucas	I-75 Widening	20,000,000
Lucas	I-75 / I-475 Interchange Modification	163,000,000
Lucas	I-475/SR 20 Interchange	10,000,000
Lorain	SR 57 Widening	16,000,000
Erie	US 250 Widening	12,900,000
Cuyahoga	Interbelt Bridge Replacement	273,120,000
Cuyahoga	Opportunity Corridor	39,000,000
Summit	I-271 Widening	60,000,000
Mahoning/Trumbull	I-80 Widening	65,000,000
		\$ 930,000,000



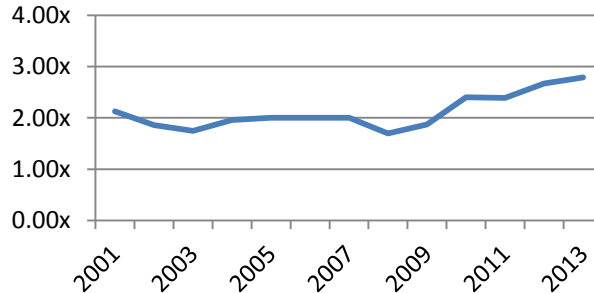
Recent Turnpike Performance 2001 to 2013

The Ohio Turnpike has experienced stable traffic and revenue and increasing debt service coverage notwithstanding the Great Recession

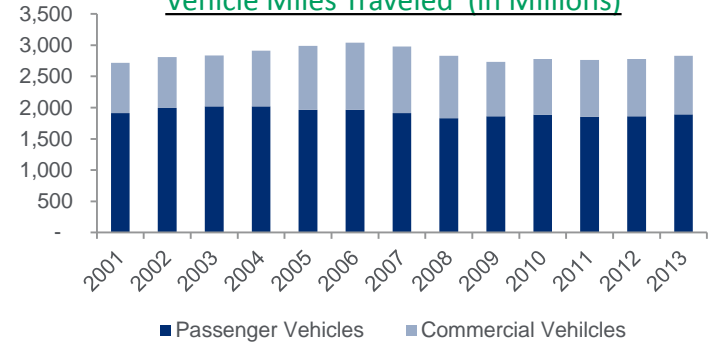
Commission Results Summary

- Stable annual traffic
- Toll revenue growth due to toll increases in October 2009 and January 2012
- *E-ZPass*® introduced in 2009
- Strong debt service coverage

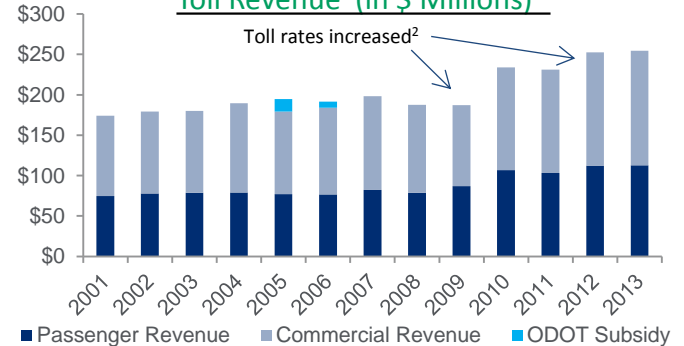
Debt Service Coverage



Vehicle Miles Traveled (in Millions)



Toll Revenue (in \$ Millions) ¹

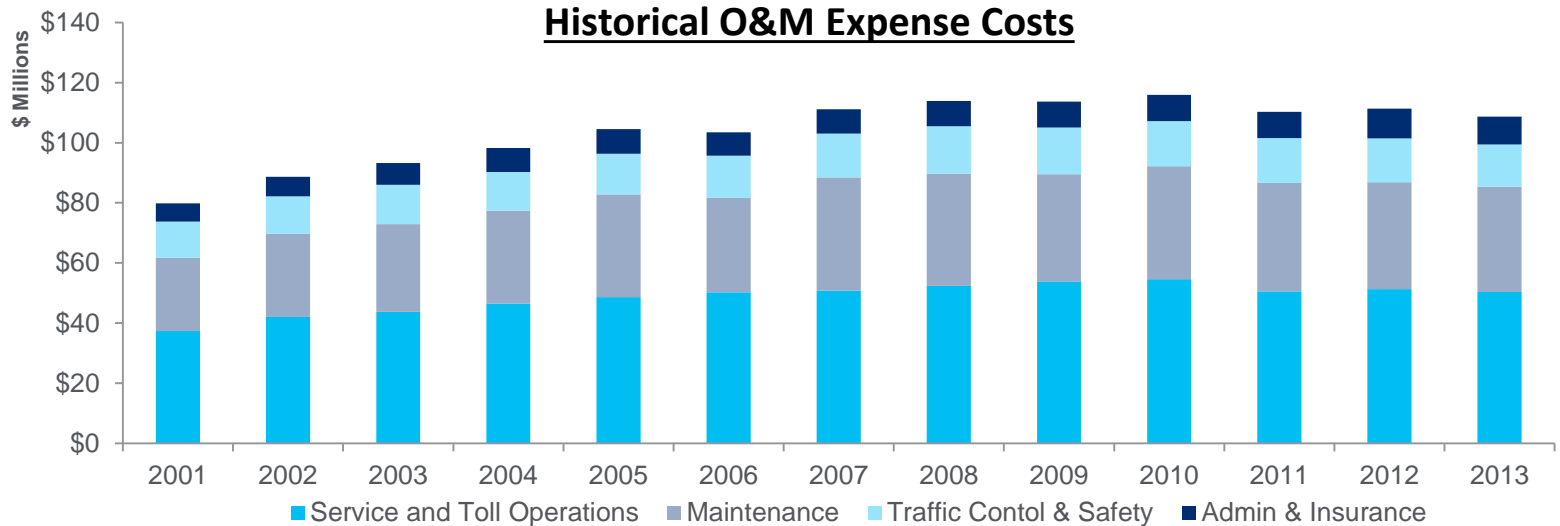


¹ ODOT Subsidy represents moneys paid by ODOT to the Commission in 2005 & 2006 to reduce toll rates for trucks ² Toll rates increased in October 2009 and January 2012



O&M Expenses Have Decreased Recently

- In 2013, toll operations costs decreased by 10.6% compared to 2010 due primarily to the decrease in toll collectors' wages as a result of increased use of *E-ZPass*® and automated toll payment machines
- From 2009 through 2013, the Commission decreased full and part-time employment by approximately 17%, from 1,165 to 965 employees



Pro Forma Income Statement – 2013-2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Gross Revenues</u>¹:										
Total Toll Revenue:	252,900	260,400	268,600	277,300	286,500	295,900	305,400	315,300	325,700	336,000
Total Other Revenue	20,650	23,903	24,273	24,887	25,252	27,221	28,596	30,231	31,063	31,980
Total Gross Revenues ¹	273,550	284,303	292,873	302,187	311,752	323,121	333,996	345,531	356,763	367,980
Gross Operating Expenses Paid from Pledged Revenues ¹	109,300	109,000	111,800	114,600	117,200	120,400	123,600	127,000	131,000	134,500
Net Revenues Available for D/S	164,250	175,303	181,073	187,587	194,552	202,721	210,396	218,531	225,763	233,480
<u>Senior Debt Service Requirement</u>²:										
Existing Debt Service Requirement	56,169	56,214	56,211	56,219	56,233	56,220	56,219	55,925	55,863	55,905
Series 2013 Senior Debt Service Requirement	1,230	3,689	3,689	3,689	3,689	3,689	3,689	3,689	3,689	3,689
Series 2018 Senior Debt Service Requirement	0	0	0	0	0	2,330	2,796	2,796	2,796	2,796
Total Gross Senior Debt Service Requirement	57,399	59,903	59,900	59,908	59,922	62,239	62,703	62,410	62,348	62,390
Less Total Senior DSRF Earnings ³	-	419	419	419	419	335	250	250	250	250
Net Senior Debt Service Requirement	57,399	59,483	59,480	59,489	59,503	61,904	62,454	62,160	62,098	62,140
<u>Junior Debt Service Requirement</u>⁴:										
Series 2013 Junior Debt Service Requirement	11,247	33,742	33,742	33,742	33,742	37,163	37,305	33,995	33,354	33,354
Series 2018 Junior Debt Service Requirement	-	-	-	-	-	20,988	25,186	25,186	25,186	25,186
Total Gross Junior Debt Service Requirement	11,247	33,742	33,742	33,742	33,742	58,151	62,491	59,180	58,540	58,540
Less Total Junior DSRF Earnings ⁴	-	640	640	640	536	712	992	992	992	992
Net Junior Debt Service Requirement	11,247	33,102	33,102	33,102	33,206	57,439	61,499	58,188	57,548	57,548
Net Composite Debt Service Requirement	68,646	92,585	92,582	92,591	92,709	119,343	123,953	120,348	119,646	119,688
Senior Lien Debt Service Coverage	2.86x	2.95x	3.04x	3.15x	3.27x	3.27x	3.37x	3.52x	3.64x	3.76x
Composite Debt Service Coverage	2.39x	1.89x	1.96x	2.03x	2.10x	1.70x	1.70x	1.82x	1.89x	1.95x

Source: Ohio Turnpike and Infrastructure Commission

(1) Revenues and expenses are projected by Jacobs Engineering Group except Pledged Funds Investment Income.

(2) Assumes 2013 par amount of \$73.8 million at an all-in-interest cost of 4.96% and 2018 par amount of \$55.9 million at an all in interest cost of 5.38% primarily for Turnpike related projects.

(3) Assumed 0.70% on Debt Service Reserve Fund balance.

(4) Assumes 2013 par amount of \$1.034 billion at an all-in-interest cost of 5.68% and 2018 par amount of \$553.2 million at an all in interest cost of 5.93% primarily for Infrastructure related projects.



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2013 Actual Results Versus Projection

	2013	2013	INCREASE / (DECREASE)	
	Actual	Bond Projection	\$	%
REVENUES:				
TOLL	\$ 258,156,111	\$ 256,419,000	\$ 1,737,111	.7%
CONCESSION	14,088,169	14,100,000	(11,831)	(.1%)
INVESTMENT	2,521,137	289,000	2,232,137	772.4%
FUEL TAX	2,292,087	2,098,000	194,087	9.3%
OTHER	3,467,224	3,032,000	435,224	14.4%
TOTAL REVENUES	\$ 280,524,728	\$ 275,938,000	\$ 4,586,728	1.7%
EXPENDITURES:				
OPERATION, MAINTENANCE & ADMINISTRATION:				
ADMINISTRATION & INSURANCE	\$ 9,293,115	\$ 9,400,000	\$ (106,885)	(1.1%)
MAINTENANCE OF ROADWAY & STRUCTURES	35,014,999	35,600,000	(585,001)	(1.6%)
SERVICES & TOLL OPERATIONS	50,369,399	49,900,000	469,399	.9%
TRAFFIC CONTROL, SAFETY & PATROL	14,039,675	14,400,000	(360,325)	(2.5%)
TOTAL OPERATION, MAINTENANCE & ADMINISTRATION	108,717,188	109,300,000	(582,812)	(.5%)
DEBT SERVICE PAYMENTS	72,835,535	72,786,000	49,535	.1%
TOTAL EXPENDITURES	181,552,723	182,086,000	(533,277)	(.3%)
TRANSFERS TO / (FROM):				
EXPENSE RESERVE	(539,000)	(539,000)	-	-
NON-TRUST FUND	145,317	198,000	(52,683)	(26.6%)
FUEL TAX FUND	2,296,317	2,105,000	191,317	9.1%
SERVICE PLAZAS CAPITAL IMPROVEMENTS RESERVE	394,144	348,300	45,844	13.2%
RENEWAL & REPLACEMENT FUND	4,804,258	7,160,000	(2,355,742)	(32.9%)
SYSTEM PROJECTS FUND	89,873,595	84,579,700	5,293,895	6.3%
INFRASTRUCTURE FUND	1,997,374	-	1,997,374	-
TOTAL TRANSFERS	98,972,005	93,852,000	5,120,005	5.5%
TOTAL EXPENDITURES & TRANSFERS	\$ 280,524,728	\$ 275,938,000	\$ 4,586,728	1.7%



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TURNPIKE**

Questions



Senior Lien

Aa3

AA-

AA

Moody's

S&P

Fitch

Junior Lien

A1

A+

A+

