

OHIO U.S. 30 - THE OPPORTUNITY HIGHWAY

NEW INFRASTRUCTURE FINANCE MODEL

Created for JobsOhio
April 30th, 2021

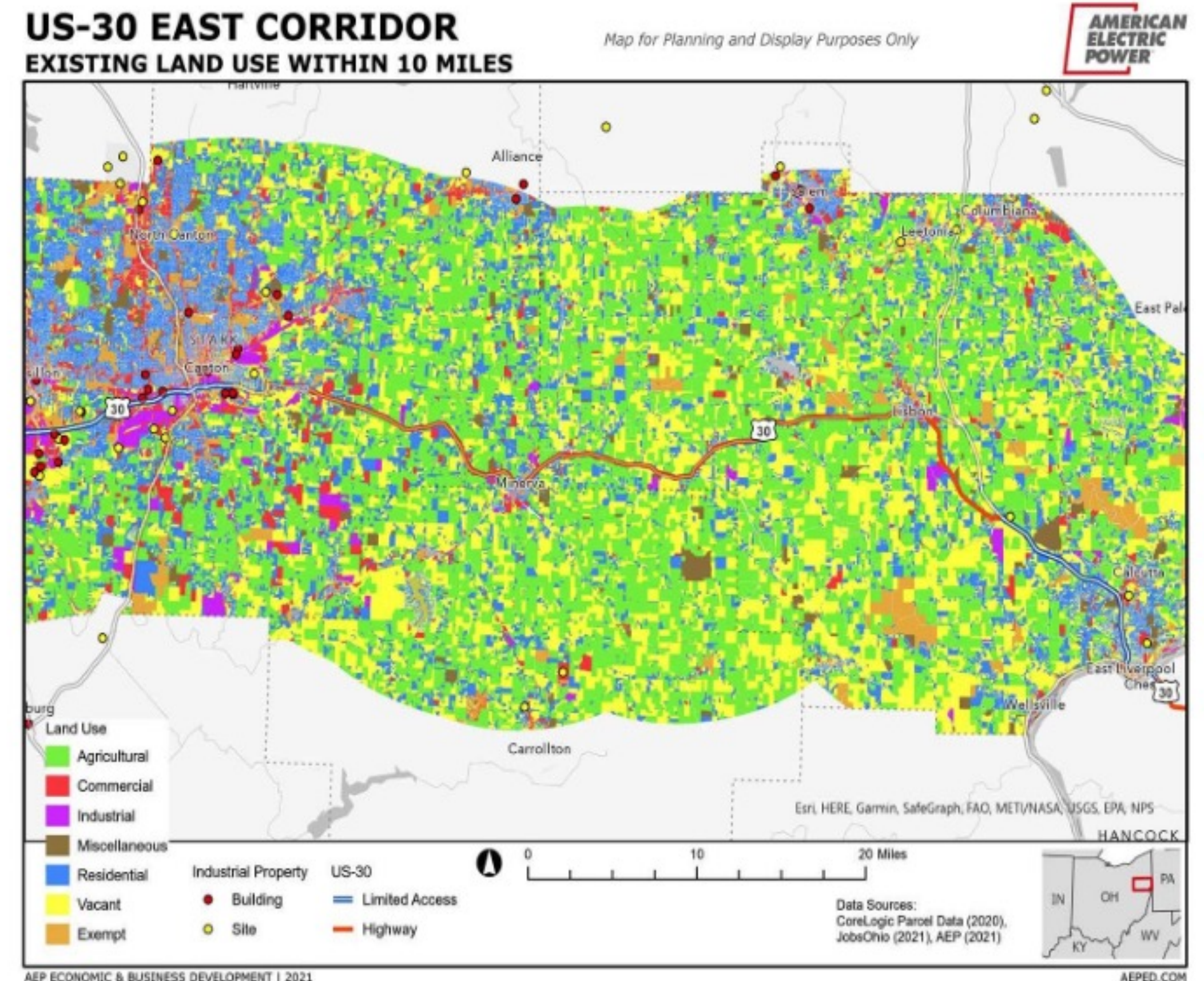
Creating

Market • Brand
Network • Benefits • Projects

Value

OBJECTIVE

- ✔ Create a clear revenue model for the U.S. 30 project, in order to support private and public funding for the smart highway.
- ✔ The Model is based on maximizing revenue sources from *new* infrastructure, as the U.S. moves rapidly toward a Fourth Industrial Revolution infrastructure model.
- ✔ This Model is relevant for other projects in Ohio, as well as for transportation and other ‘digital platform’ projects - like bridges and transit facilities - throughout the Midwest, as well as the rest of the U.S.

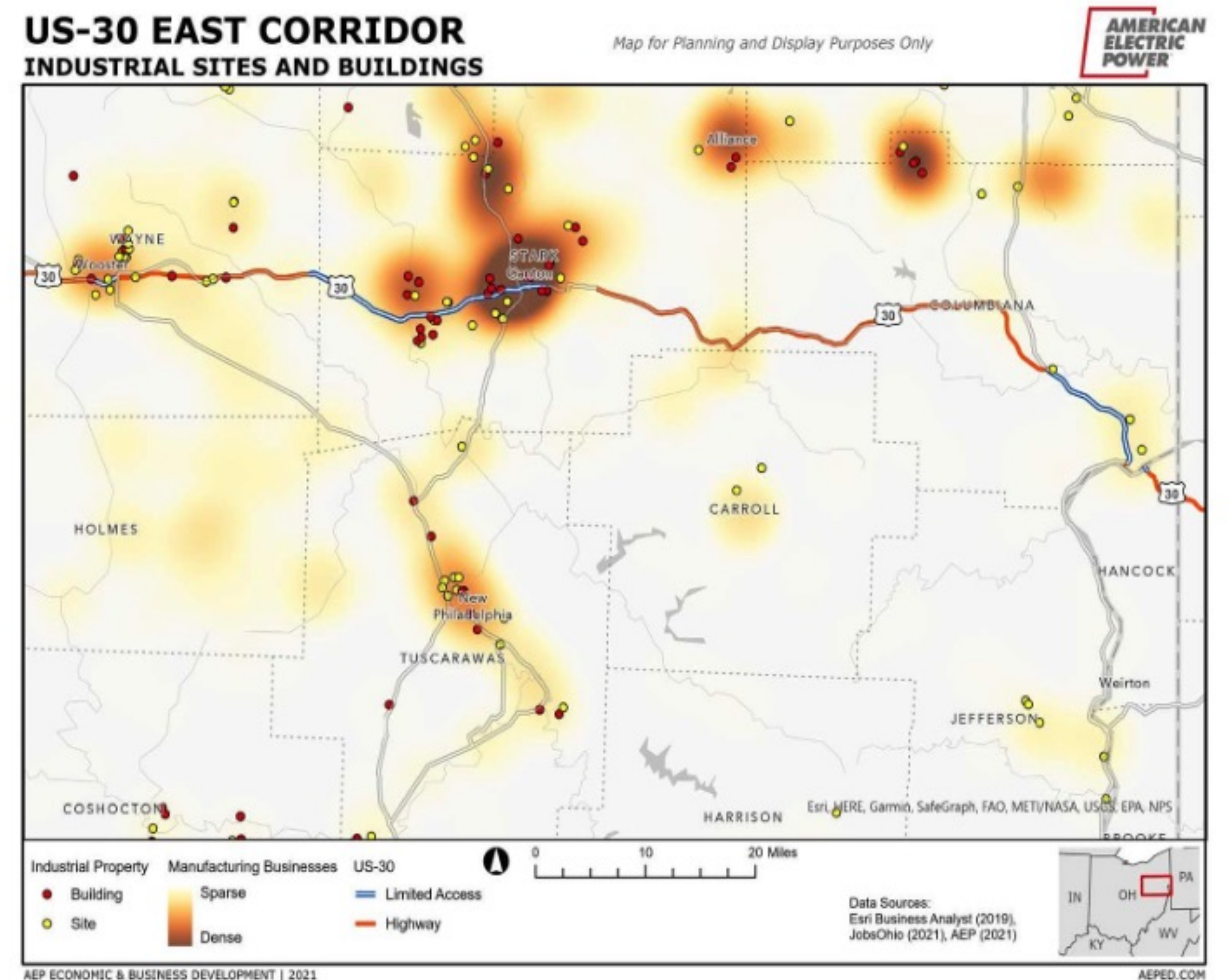


OBJECTIVE (CONT)

☑ The Model also assumes that there is strong potential in digitizing and electrifying the corridor for the creation of a logistics hub in support of

- 📍 Advanced manufacturing, including supply chain re-shoring, and
- 📍 Advanced agricultural production and processing

☑ This is the basis for the most positive - Build it and They Will Come - of our three scenarios



REVENUE SOURCES - *NEW* INFRASTRUCTURE

1. **Land Uplift** - including both the value of the land increase, and potential intermodal anchors at each end
2. **Data Sales** - including for both vehicle (autonomy) and commercial (traffic flow) information
3. **5G Tower Rentals** - 5G is interesting because towers must be placed every 1000 feet (and even closer together in hilly terrain)
4. **Utility Rights of Way** - includes broadband, natural gas (both wet and dry gas), and high voltage electricity
5. **EV Charging** - Continuous or point charging of electric vehicles, including autonomous trucks
6. **Traditional Revenue Sources** - increased property and commercial taxes, billboards, etc.

This Creates Enormous Economic and National Security Resilience

UPSHOT - THE MODEL WORKS

Including the model's new infrastructure revenue assumptions the project has the potential to generate more than \$1 billion in total revenue over the first 20 operational years of the project.

When using a 5% discount rate, the model identifies monetizable baseline revenues of over \$450 million. Note: Even at a risk adjusted discount rate of 10% we have over \$200 million in revenues to backstop a \$1 billion project.

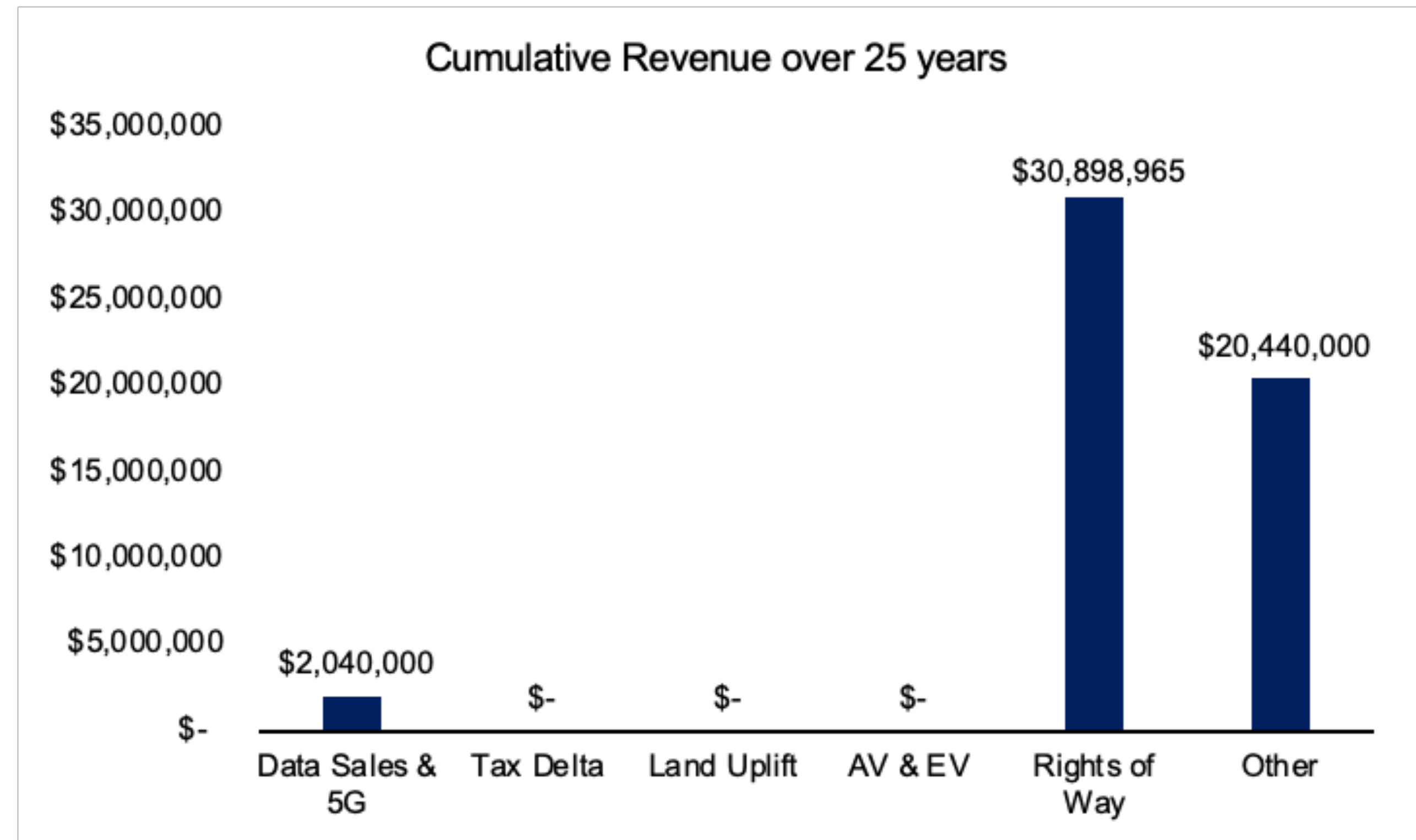
NPV Analysis	Free Cash Flow
Discount Rate	NPV
5%	\$453,013,624
6%	\$386,420,233
7%	\$331,080,241
8%	\$284,898,541
9%	\$246,198,977
10%	\$213,635,760
11%	\$186,124,494
12%	\$162,788,297
13%	\$142,915,579
14%	\$125,926,842
15%	\$111,348,508

Scenario 1: Business as Usual

☑ **Scenario 1** is the ‘concrete and steel’ scenario model, monetizing traditional revenues related to rights of way - including fiber optics and vertical real estate such as billboards or street lighting. It also includes lease income for service stations.

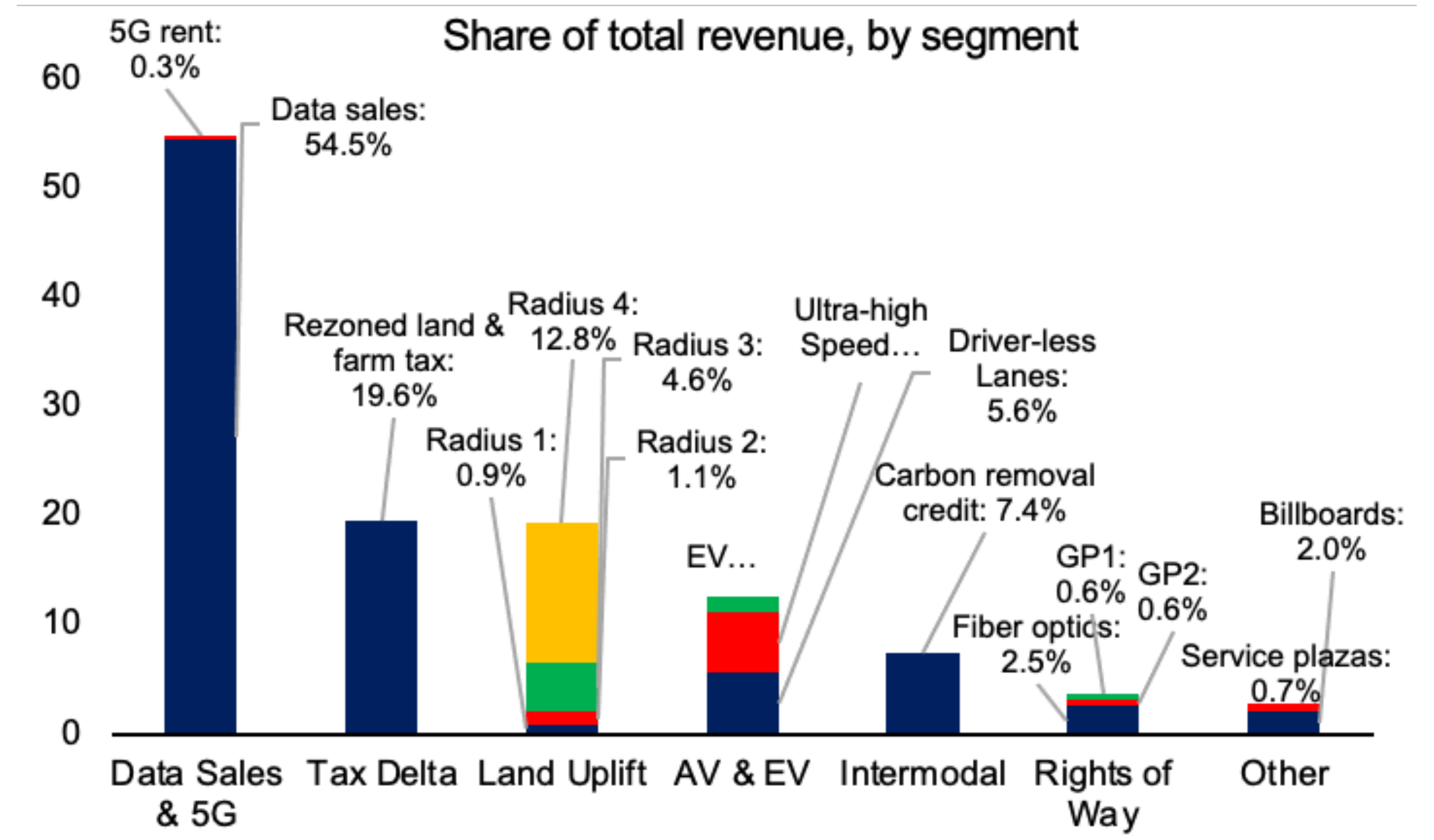
☑ *This scenario points to a potential to generate just \$60 million over the first 20 operational years of the project. **This is sufficient to justify the voluntary contribution model.***

☑ This is a pre Fourth Industrial Revolution scenario, with minimal values for *new* infrastructure sources.



Scenario 2: Gold of the 21st Century

- ✓ **Scenario 2** builds on traditional revenue sources, adding income from data sales, and other related revenues, especially including land value uplift.
- ✓ This ‘leveraging the gold of the 21st Century’ scenario is extremely powerful. The scenario recognizes the increasing value of data - while also highlighting the land uplift potential of the project. Note: there will be additional revenue from the Biden Administration’s 2030 decarbonization goals.
- ✓ *The scenario points to a potential to generate more than \$750 million over 25 years.*
- ✓ This would easily underwrite as much as a \$2 billion highway project - now better described as a digital platform project.

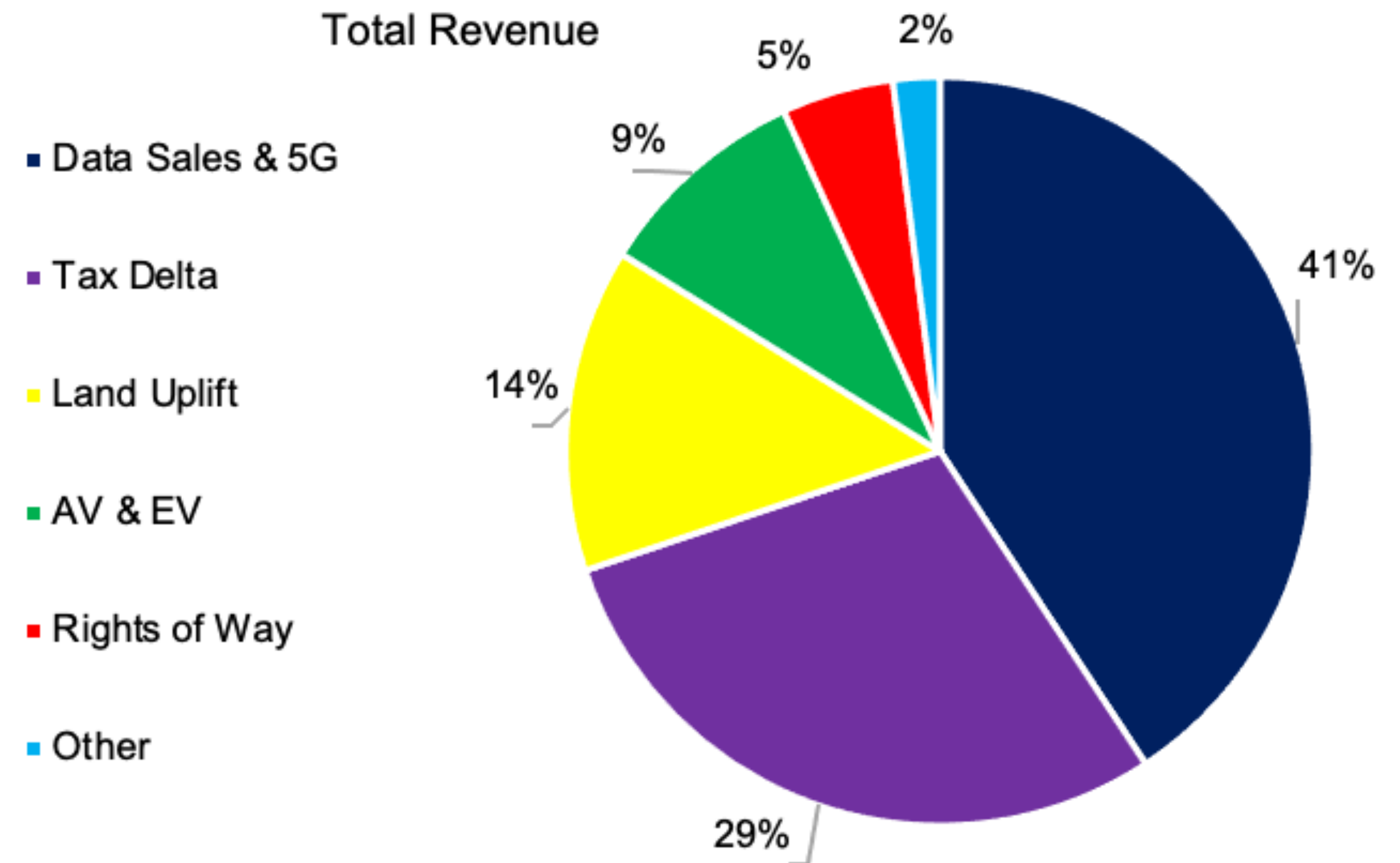


SCENARIO 3: DYNAMIC BIATWC

✓ **Scenario 3** builds on the previous scenarios to include energy rights of way – including natural gas and high voltage electricity transmission.

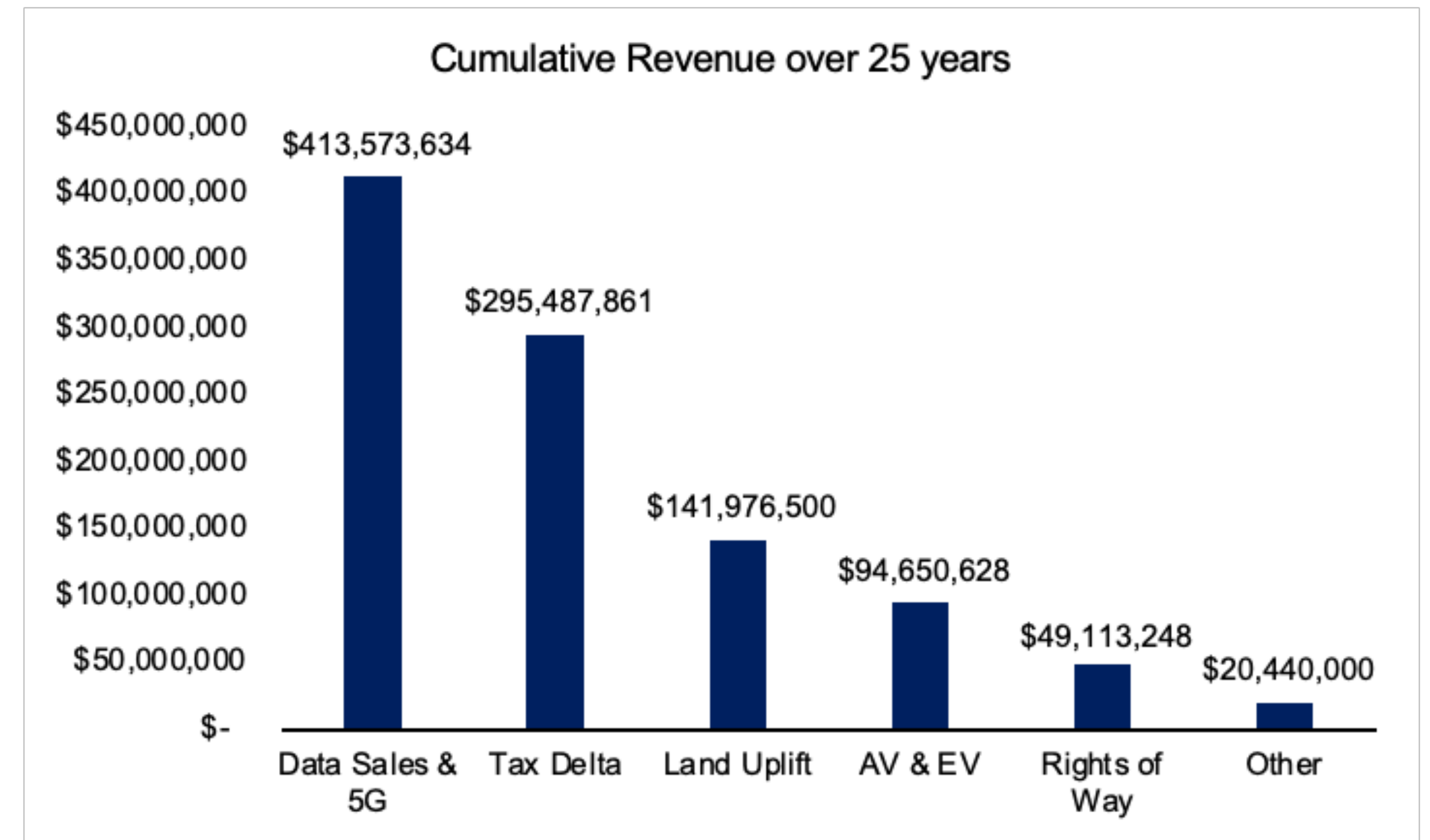
✓ In this scenario, the corridor is turbo-charged with a high voltage transmission and low-latency data infrastructure function. This results in the creation of series of clusters and business parks hosting petrochemical downstream businesses, edge data centers, advanced manufacturing and next-generation vertical agriculture.

✓ *The scenario points to a potential to generate more than \$1 billion in revenue over the first 20 operational years of the project.*



CONCLUSION & NEXT STEPS

- ✔ *These numbers demonstrate the potential for back-stopping the voluntary contribution strategy for the initial phase of the project.*
- ✔ *The numbers also highlight the potential to create a funding structure that allows for up to \$2.2 billion in capital expenditures (assuming a 20-80 equity/debt ratio).*
- ✔ *It is clear that moving forward immediately is the right decision - not betting but “planning on a more promising future where data, connectivity and electrification do in fact become fully ubiquitous?” and eastern Ohio becomes a high growth advanced manufacturing and advanced agriculture hub.*





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