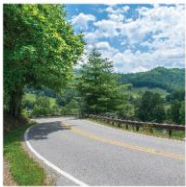




NORTH CAROLINA

Department of Transportation



Joint Appropriations Subcommittee on Transportation

North Carolina Turnpike Authority

Beau Memory | March 14, 2017

Benefits of Tolling:

- Funding source
 - Supplements traditional transportation funding
 - Can accelerate major transportation projects
- “Stable” revenue source allowing for:
 - Bond financing
 - Private-sector financing
- Voluntary user fee
- Dedicated project maintenance funds
- Potential congestion management tool

For a Toll Project to Work:

- Demonstrated benefit to public
 - Increased regional mobility
 - Reduced travel times
 - Efficient leveraging of transportation funding
 - Boosted economic development
- Non-tolled alternative
- Supplemental funding source
 - Difference between project cost and toll revenue
 - Supplemental funding, public or private equity, etc.

Legislation Review

§ 136-89.183.(a)(2)

- “...the Turnpike Authority is authorized to design, establish, purchase, construct, operate, and maintain no more than eleven projects...”

§ 136-18(39a)(a)

- “The Department of Transportation or Turnpike Authority, as applicable, may enter into up to three agreements with a private entity as provided under subdivision (39) of this section for which the provisions of this section apply.”

Turnpike Projects

- Subject to STI Prioritization
- Require approval by local planning organizations
- Must have an existing and non-tolled alternative route
- Tolling limited to new capacity

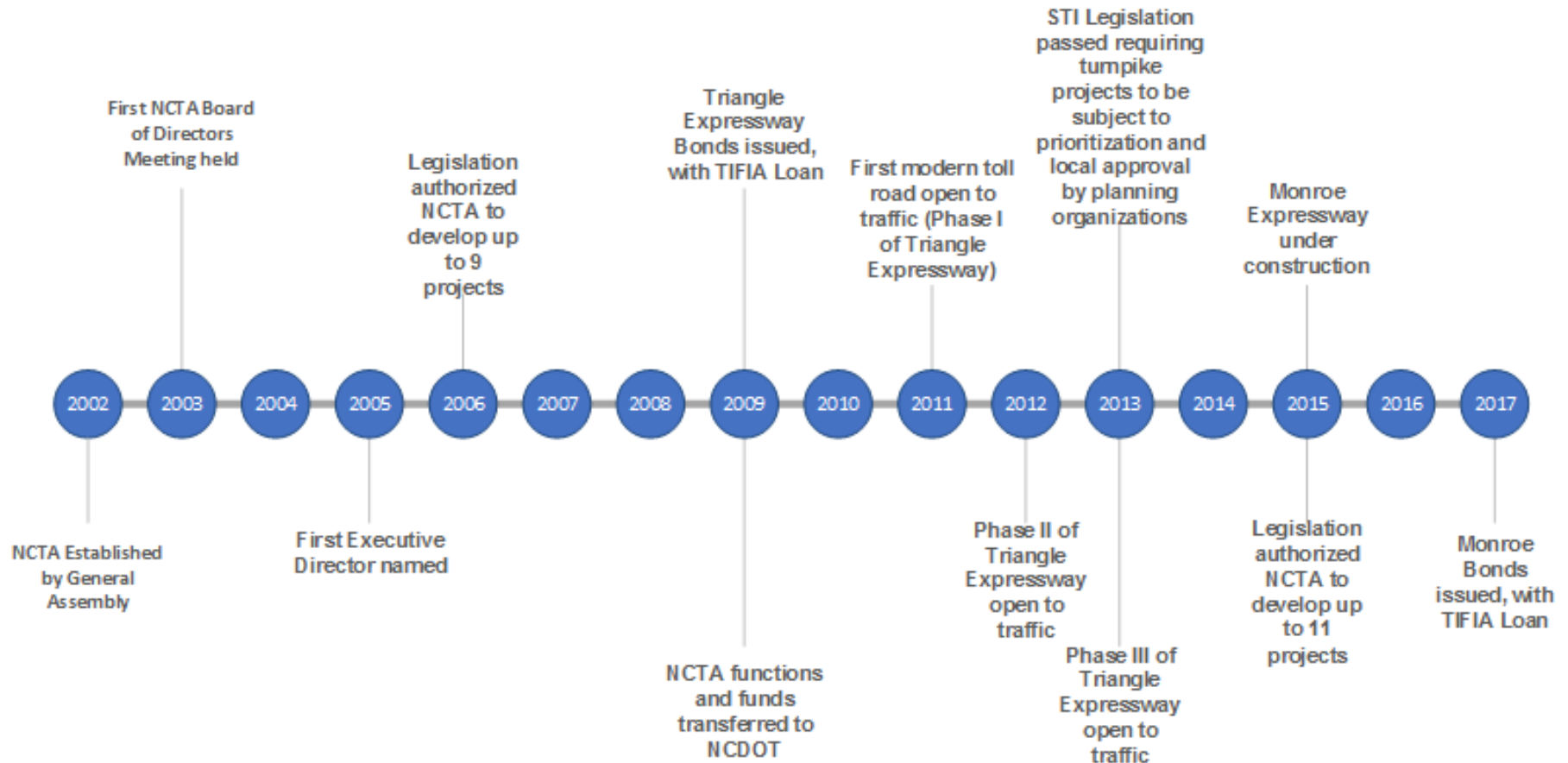
Turnpike Revenue

- Revenues from a turnpike facility must stay on that turnpike facility
- Tolls must be removed once bonds have been repaid
- Toll collection process guided by toll enforcement legislation

Turnpike Funding

- Toll revenue bonds, TIFIA loans, state appropriation bonds, and STIP funds
- Supplemental funding determined via the prioritized STIP
- Encourages local funding participation

NCTA History/Timeline



NCTA Overview

Responsibilities:

- Assist NCDOT during study, design and construction of turnpike projects
- Maintain and operate toll collections systems (including toll technology systems, back office, storefront, call center, payment processing, etc.)
- Fund and manage maintenance of project facilities (including potholes, snow removal, mowing, etc.)
- Manage NC Quick Pass® Customer Service Center
- Coordinate and support financing activities: development of cost estimates (capital and operations), Traffic & Revenue studies, plans of finance, compliance and reporting requirements, etc.

NCTA Board Structure

- Established by General Assembly in 2002
- Governed by a 9-member Board of Directors
 - 4 members appointed by the Governor
 - 4 members appointed by the NCGA (2 by Senate President Pro-Tempore, 2 by Speaker of the House)
 - North Carolina Secretary of Transportation

NCTA Board Authority

- The power to fix, revise, charge, and collect tolls and fees for the use of the Turnpike Projects pursuant to NCGS § 136-89.183 (a)(5);
- To issue bonds or notes of the NCTA pursuant to NCGS § 136-89.183(a)(6);
- To invest the proceeds of bonds or notes of the NCTA that are pending disbursement or other idle funds of the Authority in any investment authorized by NCGS § 159-30 pursuant to NCGS § 136-89.183 (6a); and
- To exercise such additional powers as shall be necessary for the financing of Turnpike Projects through compliance with the associated bond documentation, including complying with any arbitrage, rebate or other federal tax filings and providing for secondary market disclosure; provided any such additional power may be subjected to conditions, including the involvement and participation of other portions of the North Carolina Department of Transportation, which are stated within the bond documentation and executed by the Secretary acting as the Secretary.

NCTA Administrative Funding

Highway Trust Fund:

- FY17 Authorized Budget: \$0.81M
 - Funds 4 NCTA positions plus certain other expenses such as financial advisors and annual CAFR audit
 - Must be repaid to NCDOT with interest

Previous Administrative Funding Budget

- FY09 Authorized Budget: \$6.35M
- FY10 Authorized Budget: \$4.78M
- FY11 Authorized Budget: \$5.18M
- FY12 Authorized Budget: \$3.03M
- FY13 Authorized Budget: \$1.92M
- FY14 Authorized Budget: \$1.77M
- FY15 Authorized Budget: \$0.80M
- FY16 Authorized Budget: \$0.93M

NCTA Staff

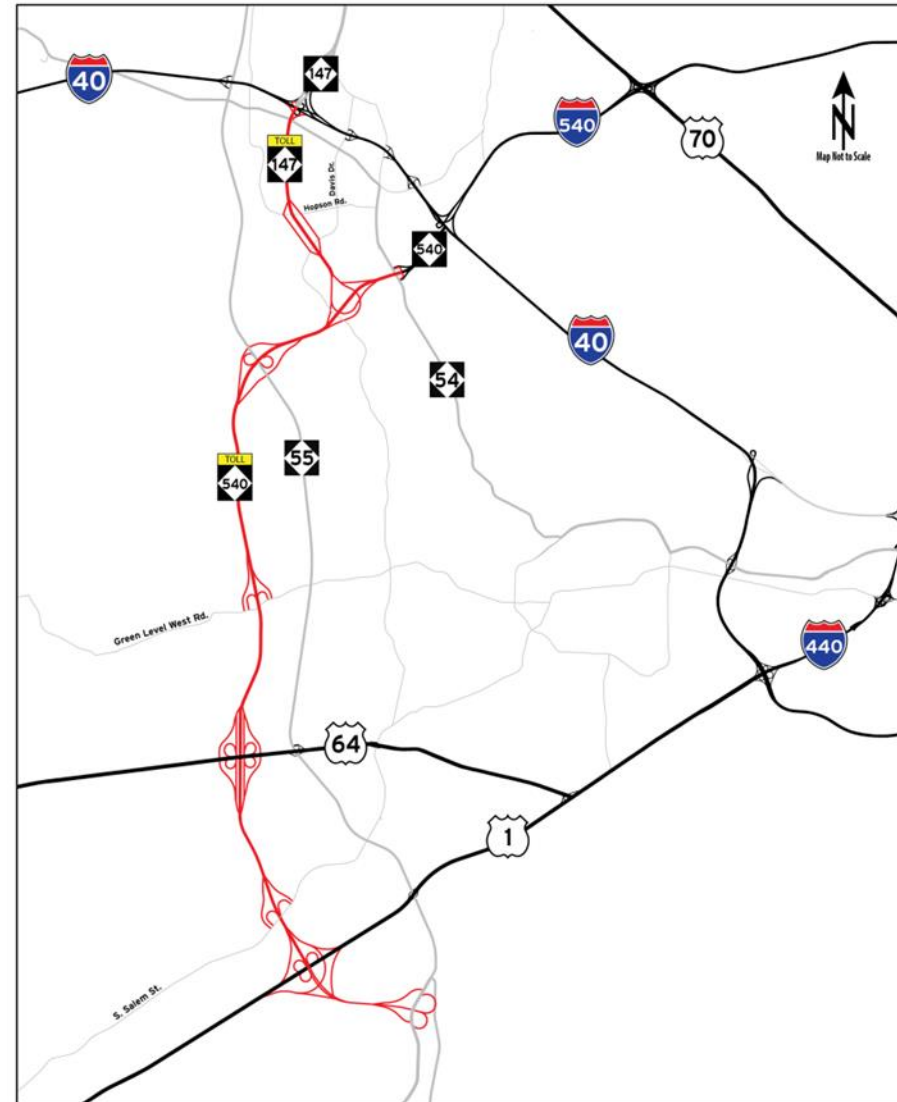
Total NCTA staff of 13 (4 vacancies)

- Executive Director
 - Deputy Director
 - Project Controls Engineer
 - Regional Toll Road Manager (vacant)
 - Director of Toll Road Operations
 - Toll System Collection Manager
 - Roadside Toll Collection System Manager
 - Customer Service Center Manager (vacant)
 - Customer Service Center Manager (vacant)
 - Director of Finance & Budget
 - Director of Community Affairs
 - Director of Business Affairs (vacant)
 - Office Manager

Turnpike Authority Projects Overview

Triangle Expressway

- NC's 1st modern toll road
- 18.8 mi between I-40 (near Durham) and NC 55 Bypass (near Holly Springs)
- Phased Opening
 - Phase I: December 8, 2011
 - Phase II: August 3, 2012
 - Phase III: January 2, 2013
- Modern all-electronic tolling facility
- Capital Expenditures ~ 5% under budget
- Weekday Traffic Growth ~ 21% (YOY)
- \$3.13 trip with Quick Pass (~ \$0.18/mile)



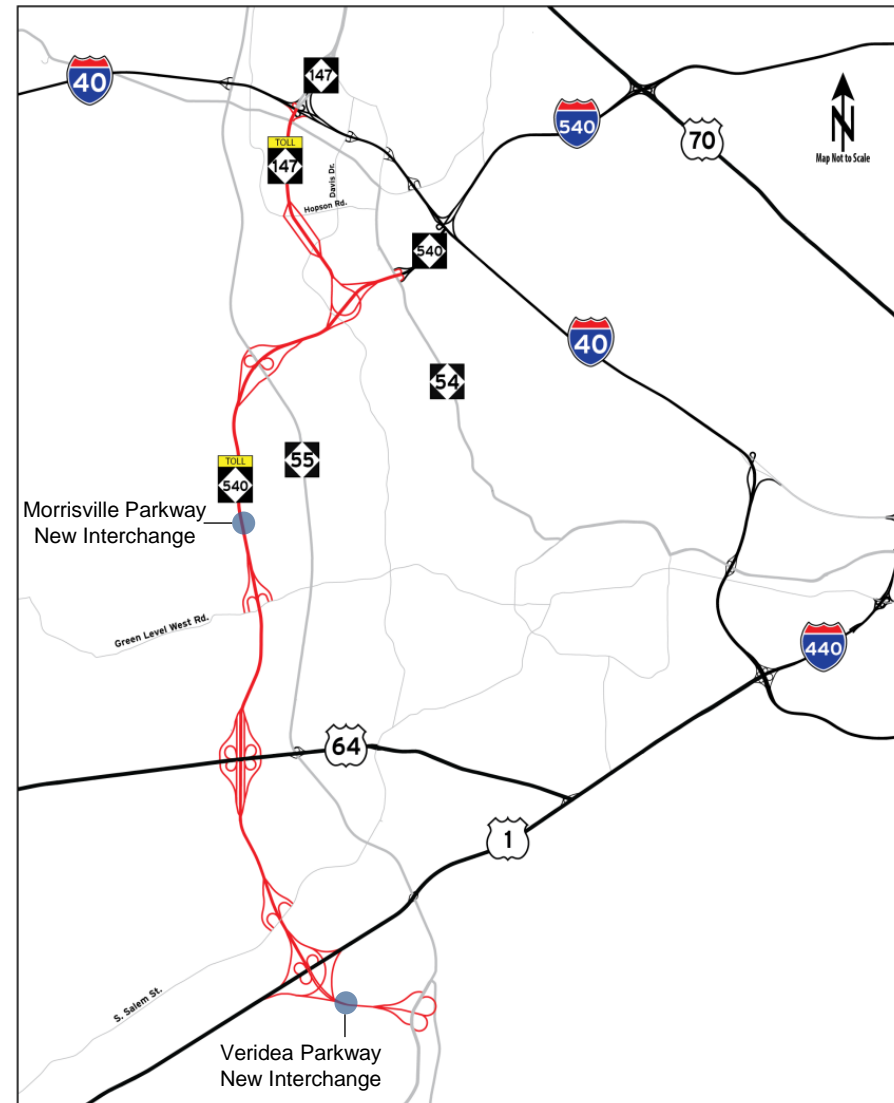
Triangle Expressway

Morrisville Parkway Interchange

- Cooperative effort between NCTA, NCDOT, and Town of Cary
- Open to traffic (Late 2018)

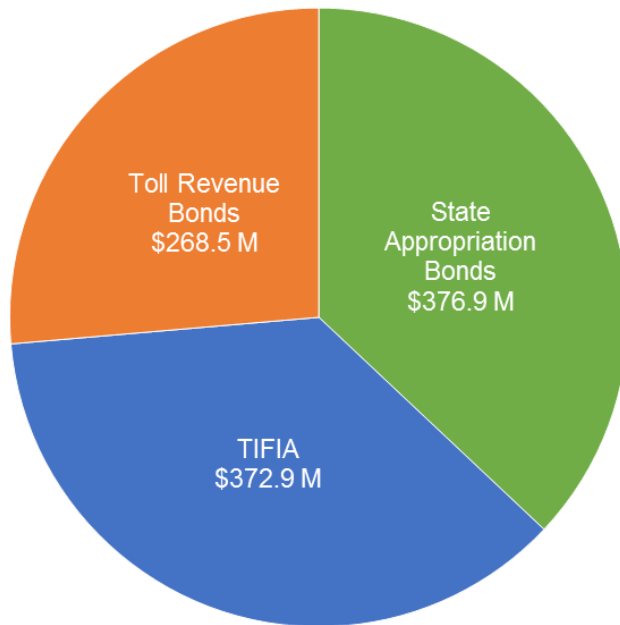
Veridea Parkway Interchange

- Design-Build contract was awarded June 26, 2015 for \$18.4 million
- Open to traffic (March 2017)

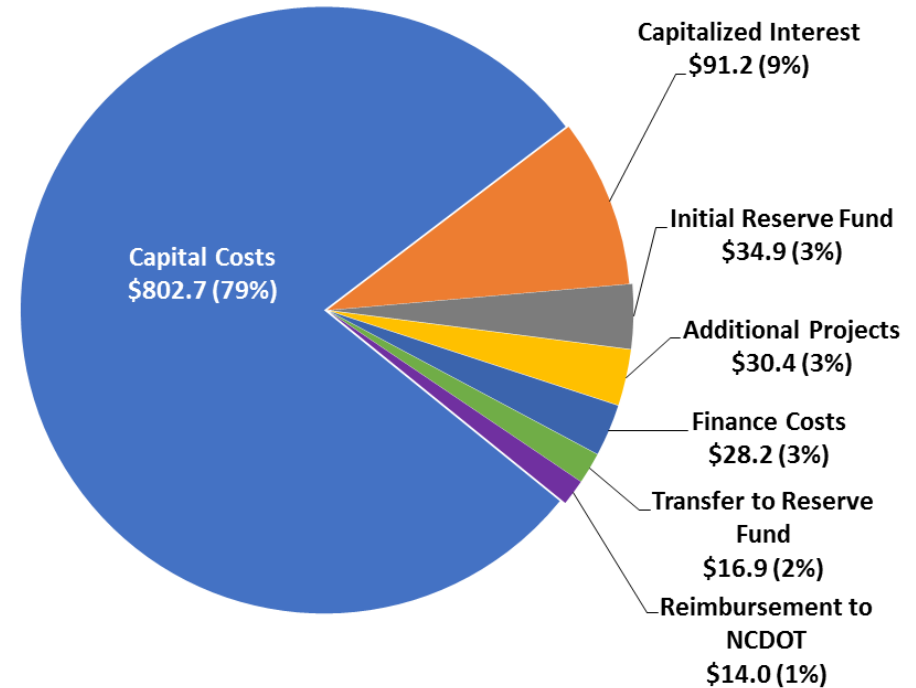


Triangle Expressway

Sources:



Uses:



Triangle Expressway Funding Sources

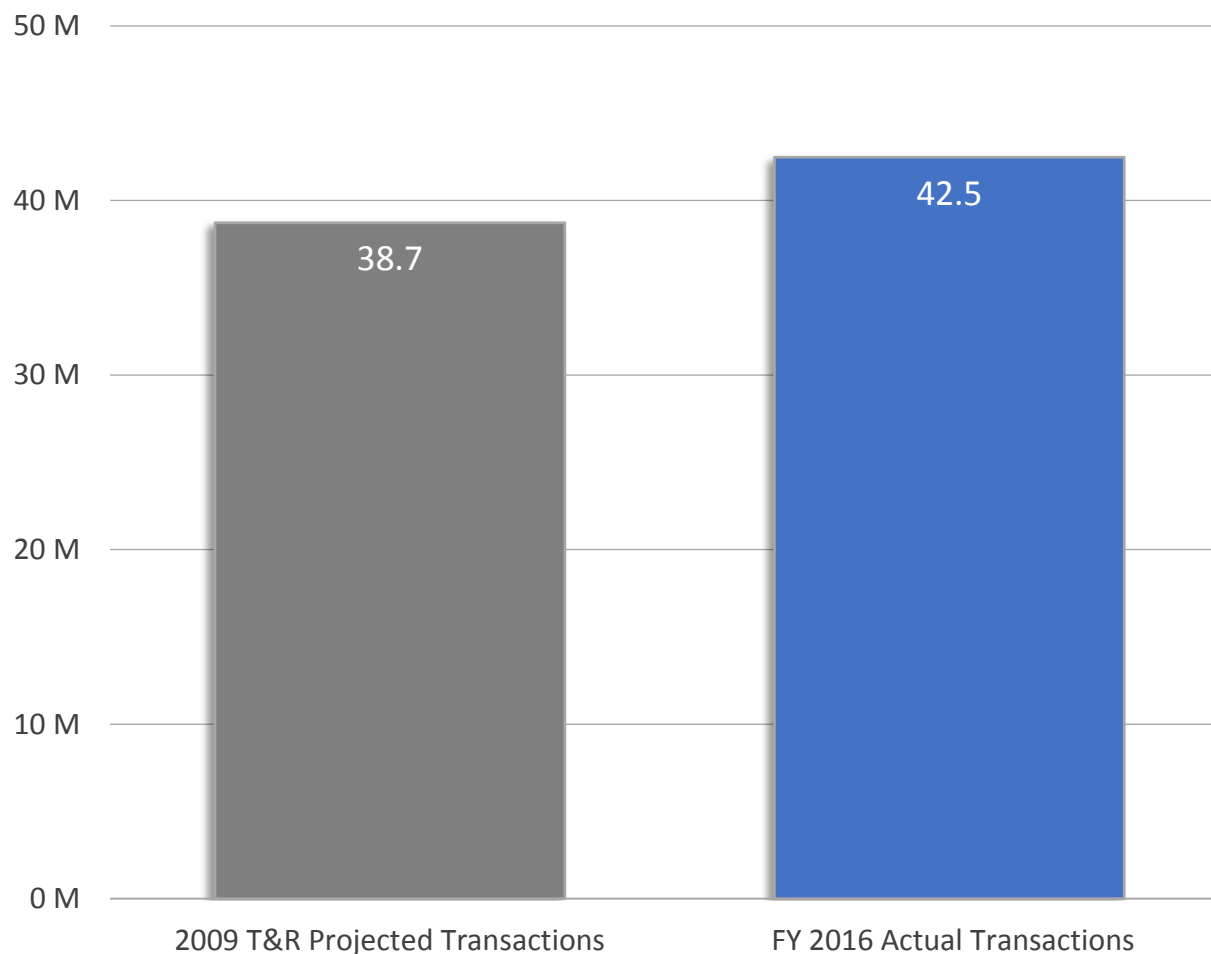
- Senior Lien Toll Revenue Bonds
 - \$270,083,108.85 Series 2009A&B Bonds were issued July 29, 2009
 - All debt remains outstanding
 - Bonds are callable (1/1/2019)
 - Issued with a 40-year final maturity (1/1/2039) and a All-in TIC of 6.40%
- Subordinate TIFIA Loan
 - \$372.9 million was drawn during 2009-2013
 - The current balance (including accrued interest) is \$430.4 million
 - Fixed rate of 4.25%
 - Principal repayment is flexible with a covenant to fully repay by 2047 – 35 years after substantial completion
- Senior Lien State Appropriation Revenue Bonds
 - \$352,675,000 Series 2009B Bonds were issued July 29, 2009 as Build America Bonds
 - \$349,305,000 remains outstanding
 - Issued with a 30-year final maturity (1/1/2039) and an All-in TIC of 4.33%
 - Bonds are callable (1/1/2019)
 - Supported by a \$25 million State gap funding contribution (pledged revenues)

Triangle Expressway Revenues



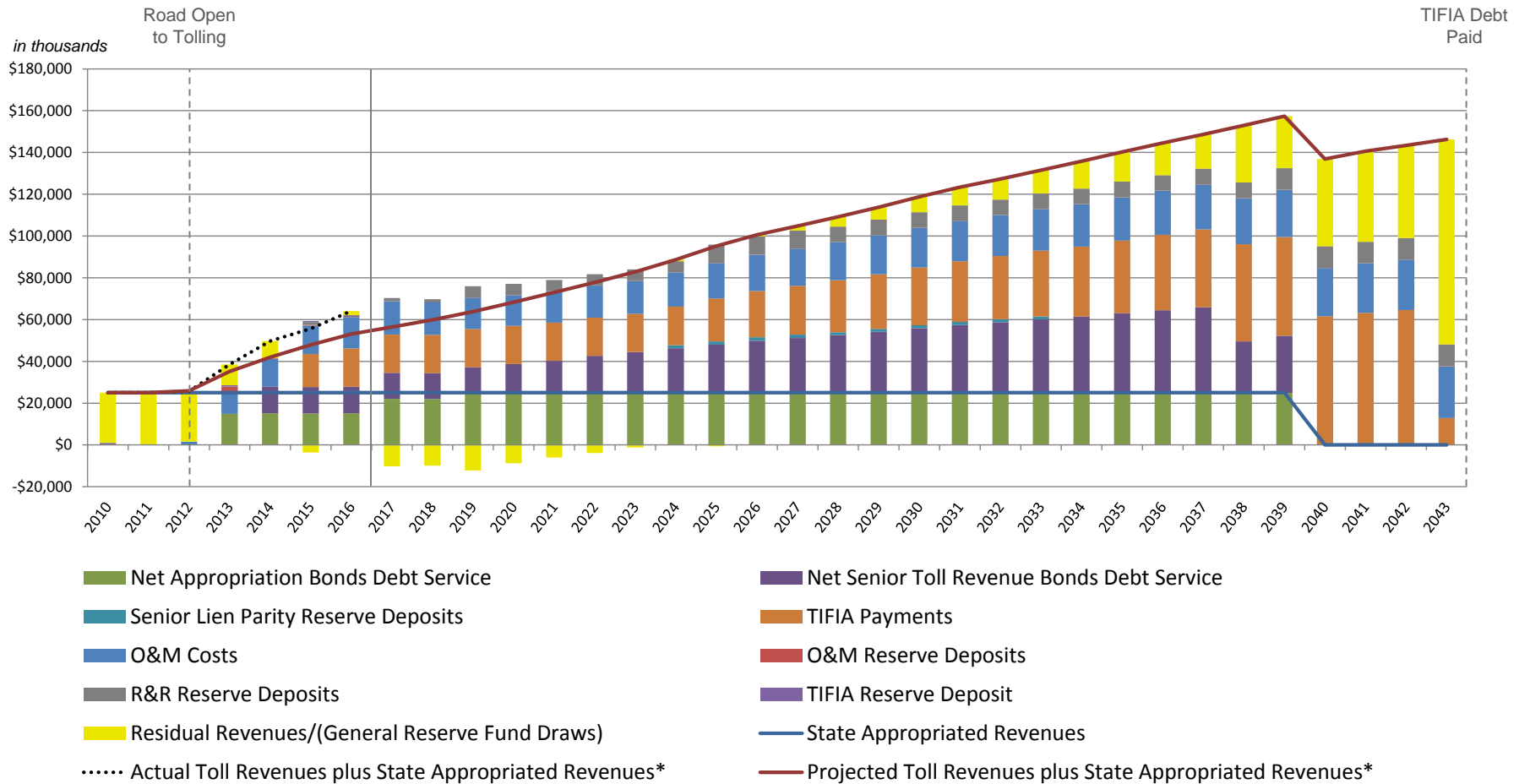
This information is unaudited and for informational purposes only

Triangle Expressway Transactions



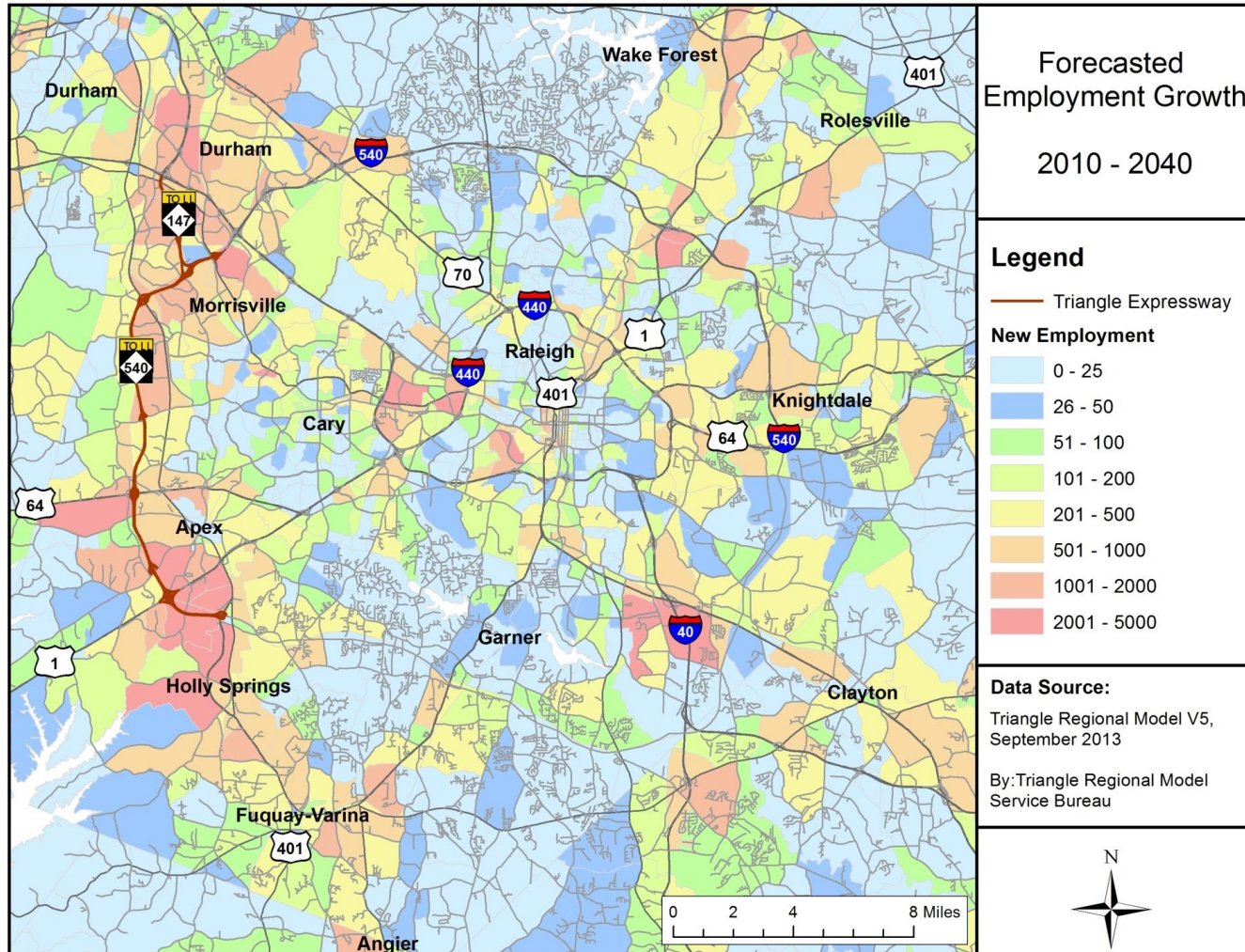
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Triangle Expressway Revenues

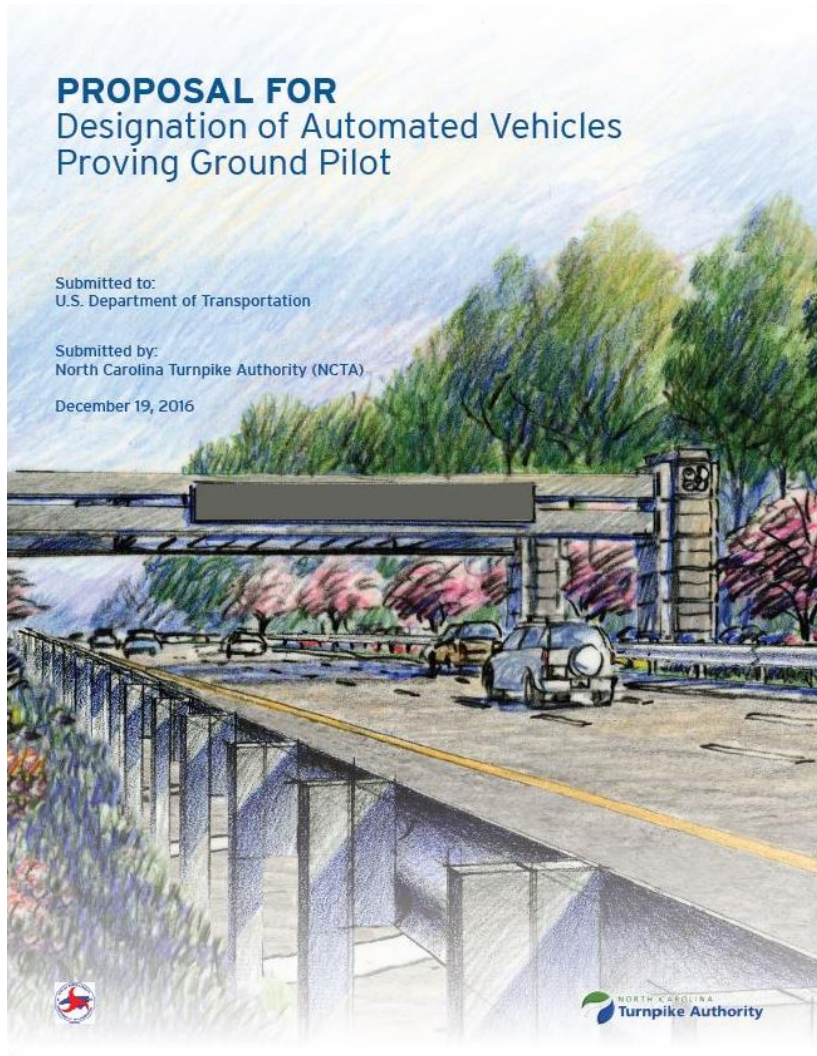


This information is unaudited and for informational purposes only

Triangle Expressway Corridor Growth:



Automated Vehicle Proving Ground



- 10 out of 60 applicants chosen
- Partners
 - NC State University
 - UNC – Chapel Hill
 - Duke University
 - NC A&T University
 - UNC – Charlotte
 - The Regional Transportation Alliance
 - NCDOT
- NCTA maintains control to safeguard safety and reliable customer service

NC Quick Pass®

NC Quick Pass®

- Prepaid account
- Two Transponder Options:
 - NC Quick Pass
 - NC Quick Pass E-Zpass
- 35% savings on tolls

Bill By Mail

- Post-paid
- License plate image recognition
- Higher toll rate due to increased processing costs



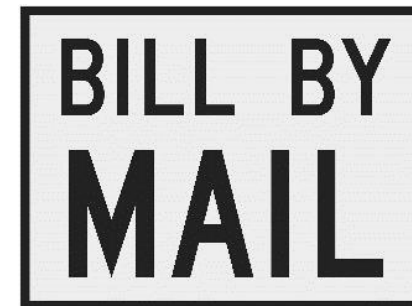
NC QUICK PASS Limited Time Offer*
SAVE 50% on your NC Quick Pass E-ZPass transponder purchase!

With a NC Quick Pass transponder, you'll save up to 35% on the Triangle Expressway and pay for tolls effortlessly! Your NC Quick Pass E-ZPass transponder can be used on the following toll facilities:

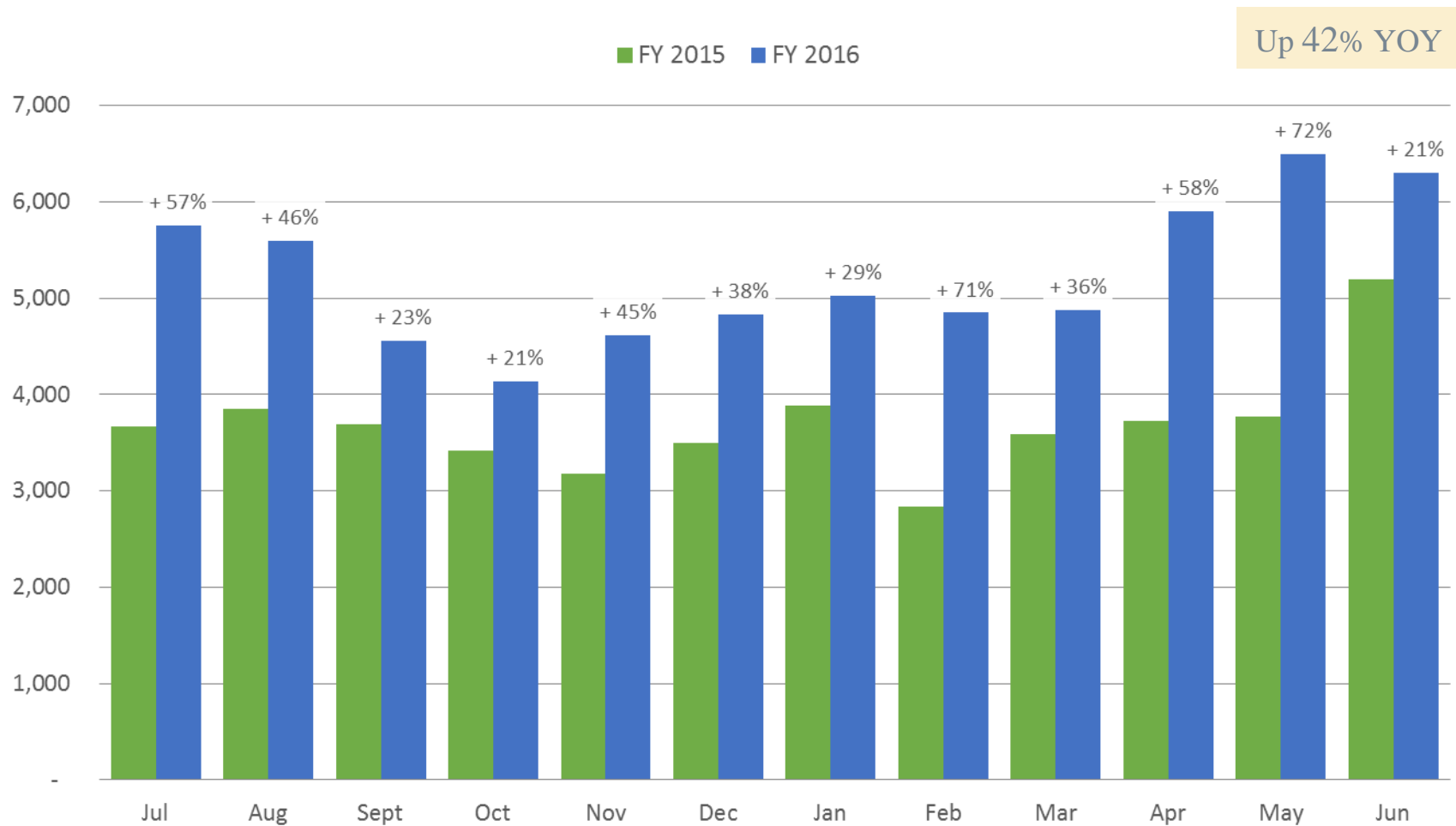
E-ZPass **SUNPASS** **PEACH PASS**

*Promotion is valid through January 31, 2017 and is not valid on Sticker and Exterior transponders. Questions? Call (877) 769-7277.

Holiday promotion: December 1st through January 31st



NC Quick Pass® Transponders Sold



Community Outreach

Participate in community events along the corridor to expand public awareness about NC Quick Pass®



HollyFest NC Quick Pass® Booth



Town of HollySprings Retweeted



NC Turnpike @TriangleExpress · Oct 27

#NCQuickPass will be in attendance at this year's HollyFest 2016 on Sat., Oct. 29 from 10 am-4 pm ow.ly/uP0O305ACA9 @ToHollySprings



2

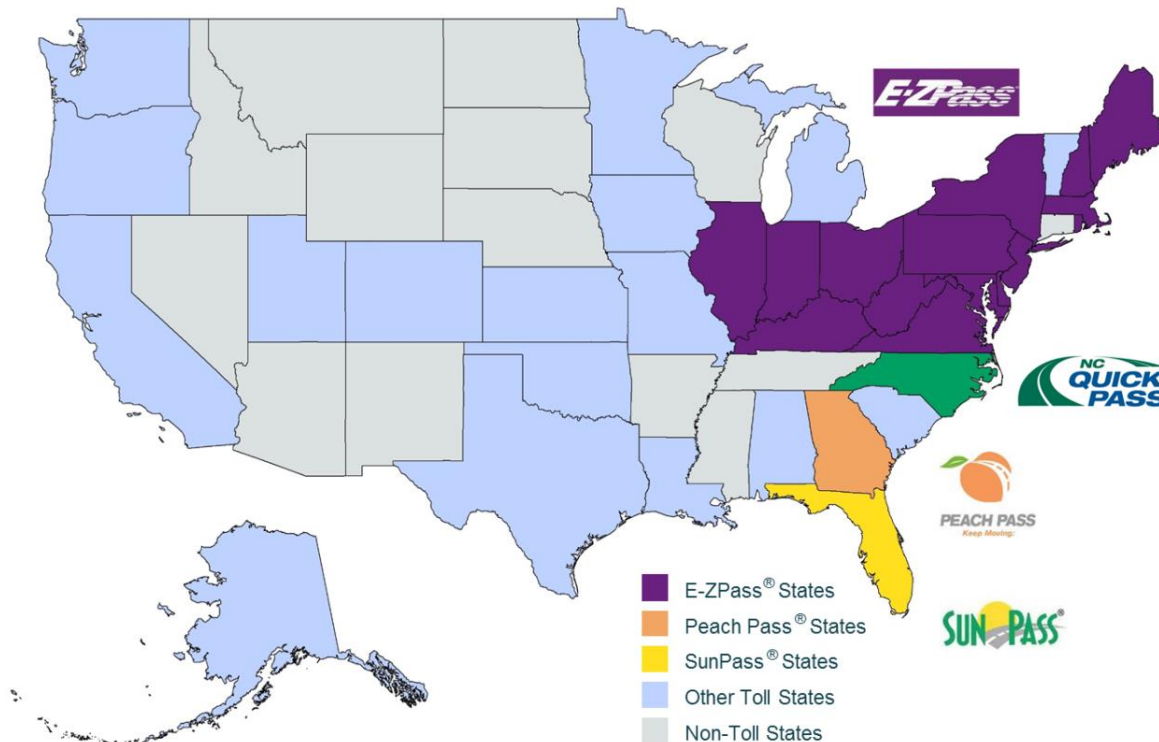


2



Customer Service

- Most interoperable electronic toll collection system in the nation
- Interoperable with nearly 50 agencies
- Working on agreements with Texas, Oklahoma, & South Carolina



- 2016 IBTTA National Toll Excellence Award for Customer Service & Marketing Outreach
- 2016 IBTTA President's Award

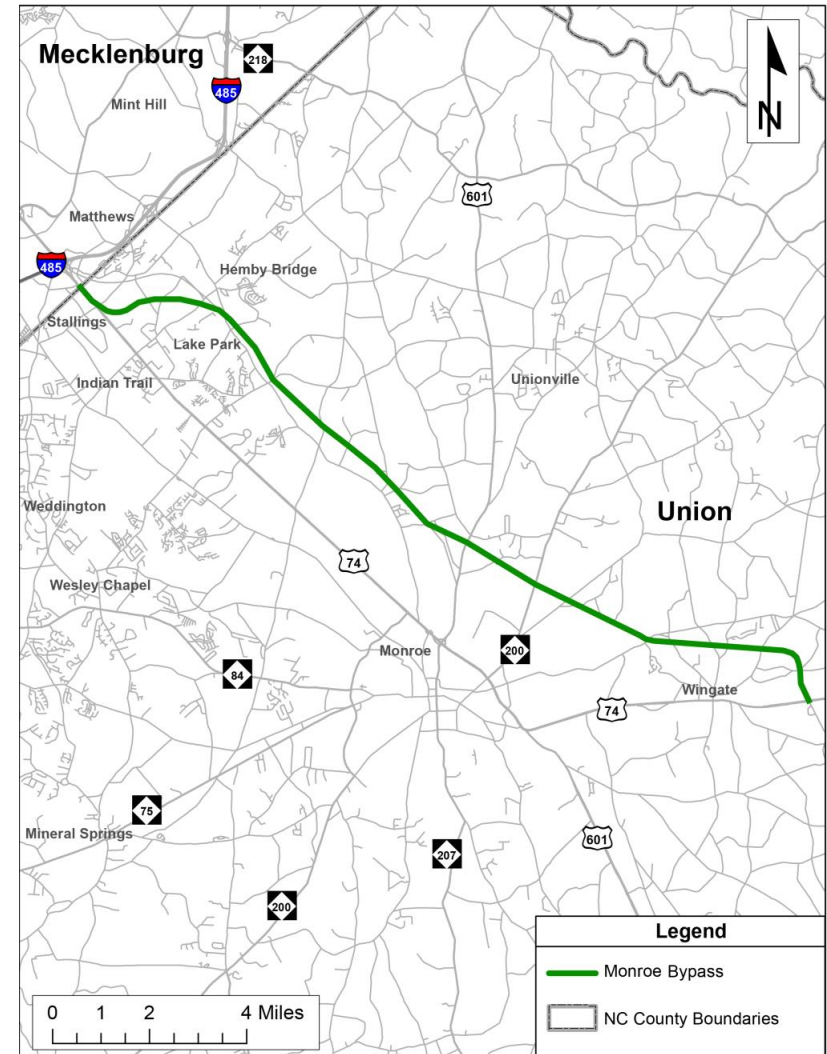
Monroe Expressway

Project Data

- R-3329
- 19.8^{mi} of new location
- I-485 to US 74

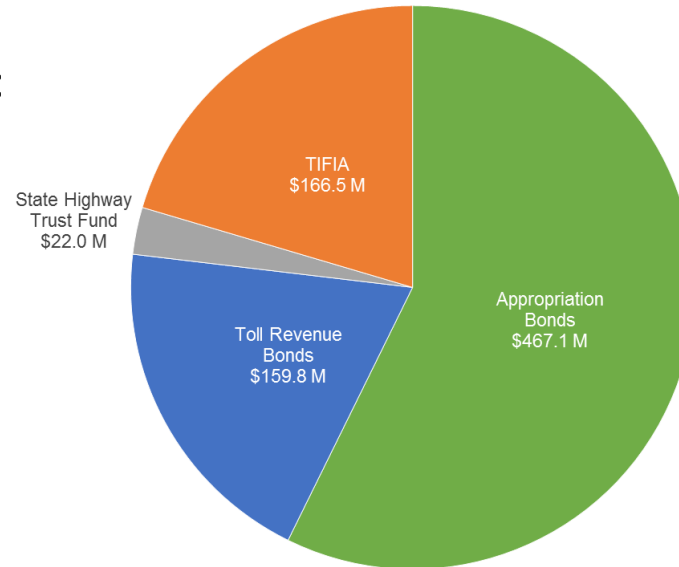
Upcoming Milestones

- Right of Way Completion (2017)
- Open to Traffic (2018)
- Final Completion (2019)



Monroe Expressway

Sources:



CAPITAL ITEMS	BUDGET	EXPENDITURES	COMPLETE
DESIGN-BUILD CONTRACT	\$ 453,598,883	\$ 315,714,327	69.6%
LANDSCAPING	\$ 5,909,217	\$ 18,960	0.3%
CEI BY SUMMIT	\$ 18,182,982	\$ 5,957,307	32.8%
UTILITIES	\$ 4,759,188	\$ 1,414,919	29.7%
DIESEL FUEL AND AC RESERVES	\$ 13,884,391	\$ (1,234,566)	-8.9%
RIGHT OF WAY	\$ 147,269,475	\$ 104,142,931	70.7%
TOLL INTEGRATION	\$ 23,950,050	\$ 1,096,347	4.6%
ADMINISTRATION AND RESERVES	\$ 63,316,315	\$ 5,747,426	9.1%
TOTALS	\$ 730,870,501	\$ 432,857,651	59.2%

Monroe Expressway Funding Sources

- Senior Lien Toll Revenue Bonds
 - \$10,000,000 Senior Lien Turnpike Revenue Bonds, Series 2011 sold on November 9, 2011
 - \$1,165,000 remains outstanding
 - Bonds are callable 10/1/2017
 - Issued with a final maturity of 7/1/2022 and at a fixed rate of 2.48%
 - \$137 million Monroe Expressway Toll Revenue Bonds, Series 2016 sold on January 25, 2016
 - All debt remains outstanding
 - Bonds are callable 7/1/2026
 - Issued with a final maturity of 7/1/2054 and a All-in TIC of 6.40%
- Subordinate TIFIA Loan
 - Authorized to draw up to \$166.5 million
 - No draws have been made to date
 - Fixed rate of 3.08%
 - Final maturity of 7/1/2053
- Senior Lien State Appropriation Revenue Bonds
 - \$233,920,000 Series 2010A sold on October 14, 2010 as Build America Bonds
 - All debt remains outstanding
 - Issued with a 30-year final maturity (1/1/2041) and an All-in TIC of 3.50%
 - Optional make-whole call at Treasuries plus 25 basis points, and also an optional extraordinary make whole redemption at Treasuries + 100 basis points.
 - \$ 214,505,000 Series 2011 Bonds sold on November 16, 2011
 - \$139,830,000 remains outstanding
 - Issued with a 30-year final maturity (7/1/2041) and an All-in TIC of 3.90%
 - Bonds are callable (7/1/2021)
 - Supported by a \$24 million State gap funding contribution (pledged revenues)

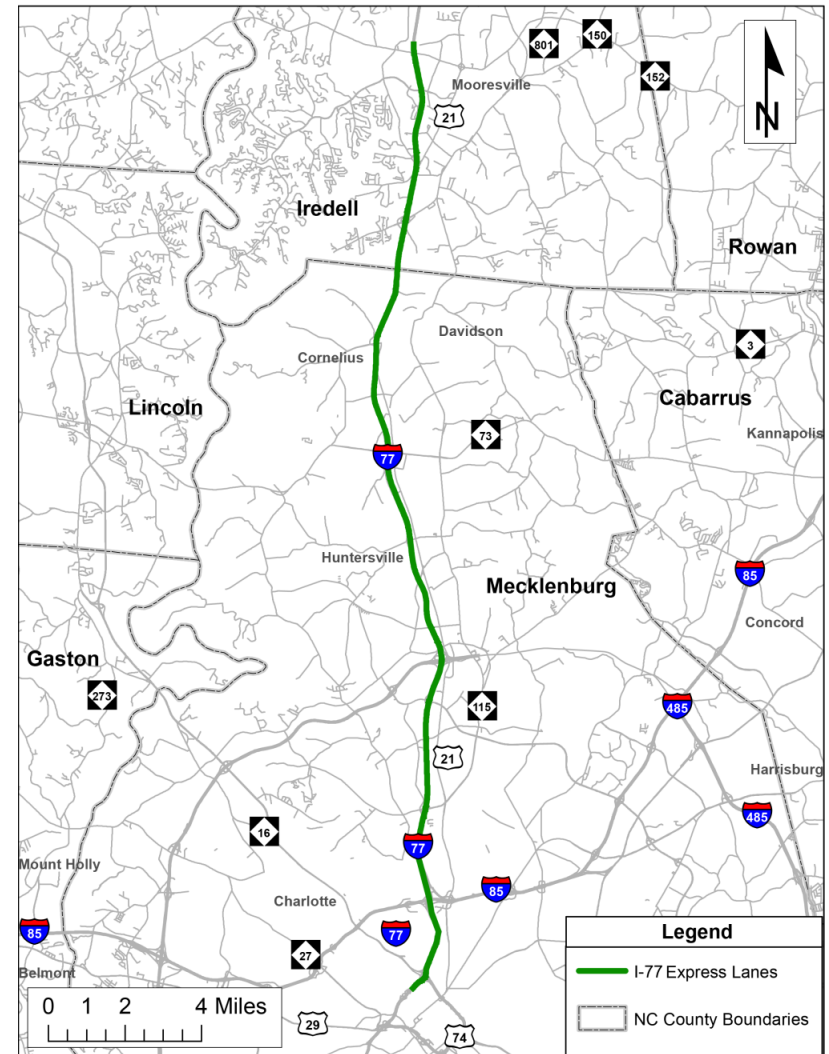
I-77 Express Lanes

Project Data

- I-5405
- 26.0^{mi} new capacity & HOV conv.
- I-277 to NC 150

Upcoming Milestones

- Phase I open to traffic (2017)
- Substantial Completion (2019)
- Final Completion (2019)



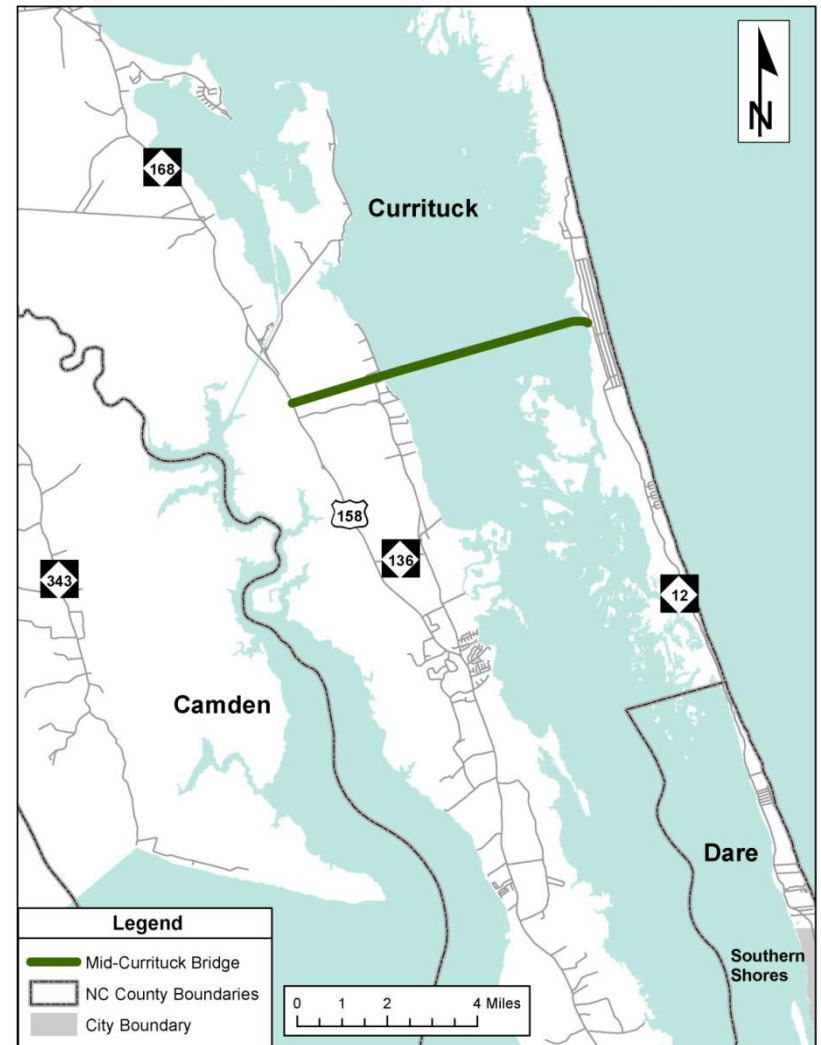
Mid-Currituck bridge

Project Data

- R-2576
- 7.0^{mi} of new location
- Spans Currituck Sound connecting the Currituck County mainland with its Outer Banks

Upcoming Milestones

- Complete financial feasibility study (2017)
- Begin ROW Acquisition (2017)
- Begin Construction (2017)



Toll Projects in Draft STIP

- Draft STIP (FY 2017 - FY 2027) Submitted January 2017
- Final STIP approval: June 2017

STIP #	Project	Limits	ROW	Construction
I-5507	I-485 Express Lanes	I-77 to US-74	FY 2017	FY 2017
R-2576	Mid-Currituck Bridge	Bridge spanning Currituck Sound	FY 2017	FY 2017
U-5526A	US 74 Express Lanes (Phase I)	I-277 to Wallace Lane	FY 2017	FY 2018
R-2721	Complete 540	NC 55 to US 401	FY 2020	FY 2020
R-2828	Complete 540	US 401 to I-40	FY 2020	FY 2020
U-2509	US 74 Express Lanes (Phase II)	I-485 to Conference Drive	FY 2020	FY 2020
I-5718	I-77 Express Lanes	I-485 to I-277	FY 2024	FY 2027
I-5702	I-40 Express Lanes	US 15/501 to Wade Avenue	FY 2026	FY 2026
R-2829	Complete 540	I-40 to US 64	FY 2027	FY 2027

Thank you