2015

SENATE APPROPRIATIONS — TRANSPORTATION

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APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION SENATE COMMITTEE

2015 - 2016



Wesley Meredith Co-Chair



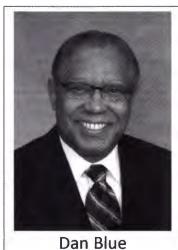
Bill Rabon Co-Chair



Warren Daniel Vice-Chair



Stan Bingham

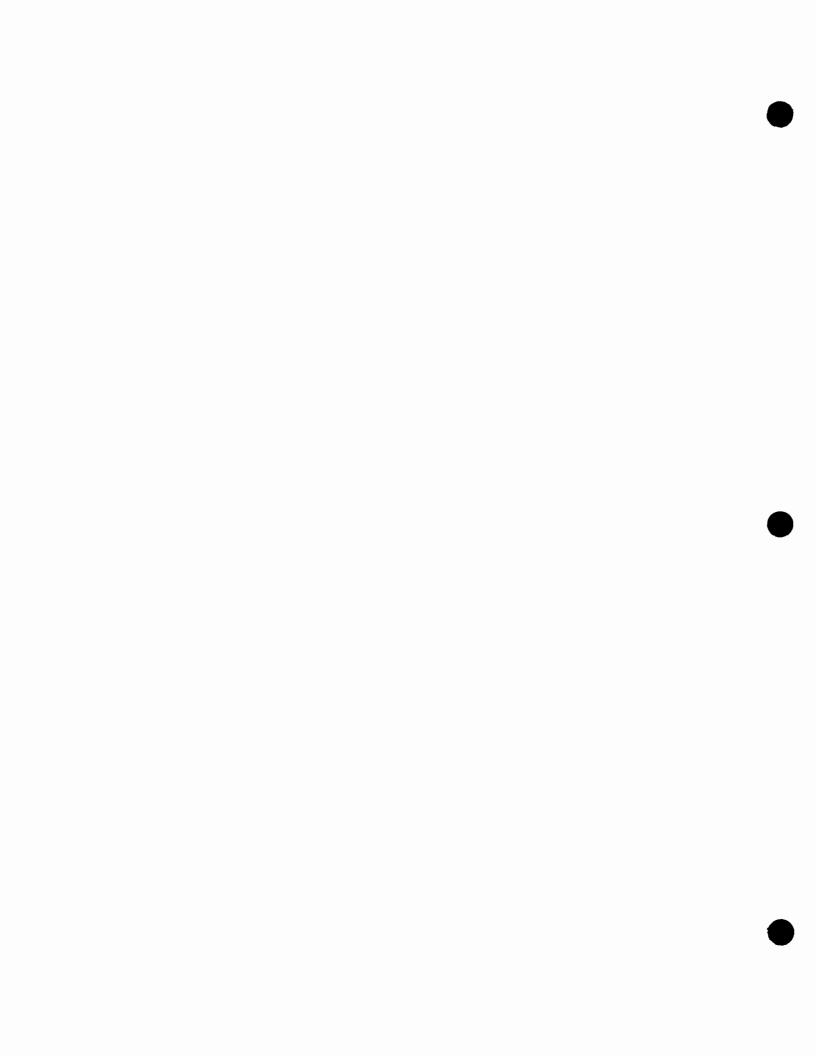




Joel D. M. Ford







Senate APPROPRIATIONS/DOT Committee 2015-2016

Sen. Wesley Meredith Co-Chair 314 LOB 919-733-5776 Wesley.Meredith@ncleg.net

Sen. Bill Rabon Co-Chair Room 311 LB 919-733-5963 Bill.Rabon@ncleg.net

Sen. Warren Daniel – Vice Chair 623 LOB 919-715-7823 Warren.Daniel@ncleg.net

Sen. Stan Bingham 625 LOB 919-733-5665 Stan.Bingham@nclet.net

Sen. Dan Blue 1117 LB 919-733-5752 Dan Blue@ncleg.net

Sen. Joel Ford 1119 LB 919-733-5955 Joel.Ford@ncleg.net

Sen. Rick Gunn 312 LOB 919-301-1446 Valerie.Fushee@ncleg.net

Sen. Joyce Krawiec 2117 LB 919-733-7850 Joyce.Krawiec@ncleg.net

STAFF

*Amna Cameron Fiscal Research 919-733-4910 Amna.Cameron@ncleg.net

Bryce Ball Fiscal Research 919-733-4910 Bryce Ball@ncleg.net

Luke Gillenwater
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919-733-6660
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Jeff Cherry Bill Drafting 919-733-6660 Jeff.Cherry@ncleg.net

Debbie Lown - Clerk 314 LOB 733-5776 meredithla@nsleg.net

Joint Appropriations Committee on Transportation

February 10, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett, Chairing

Representative Phil Shepard Representative Frank Iler Representative Paul Tine Senator Bill Rabon Senator Wesley Meredith

- Call to Order
- Committee Member Introductions
- NCDOT Remarks and Management Introductions

Nick Tennyson, Chief Deputy Secretary, NCDOT

Committee Protocol

Bryce Ball, Fiscal Research

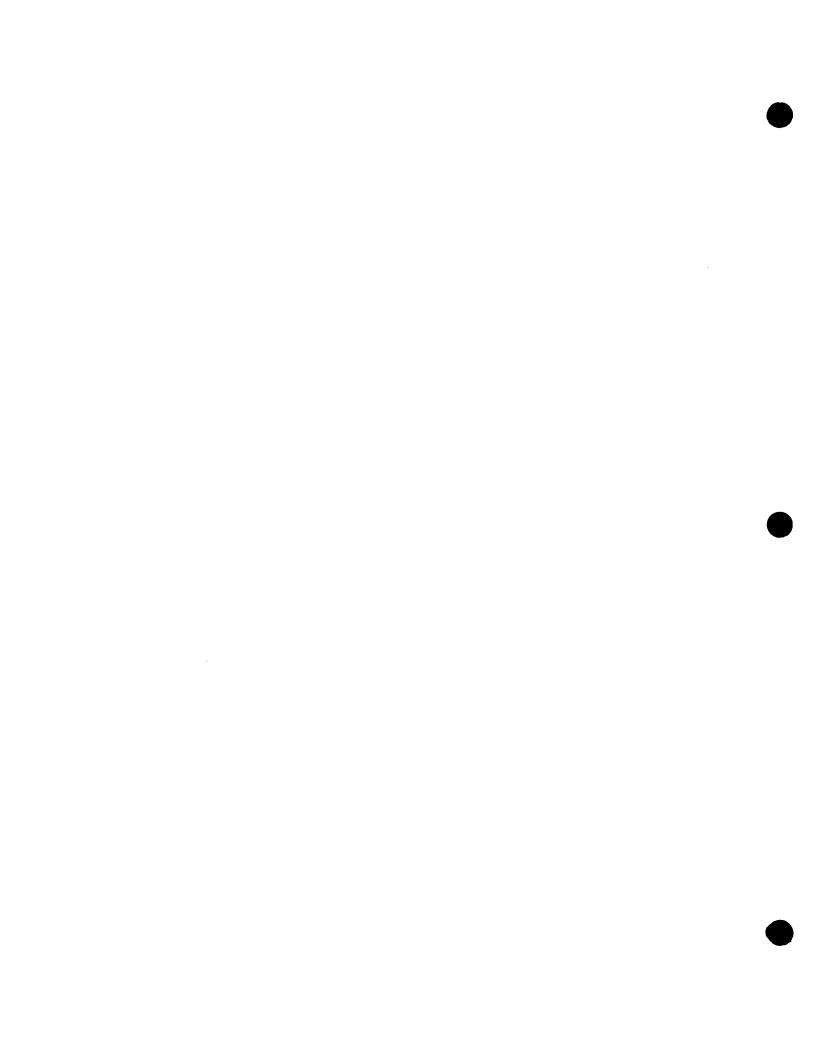
Budget Process, Roles of Staff, and Committee Schedule

Bryce Ball, Fiscal Research

• Budget Starting Points – "Long Sheet" and 2015-17 Consensus Revenue Forecast

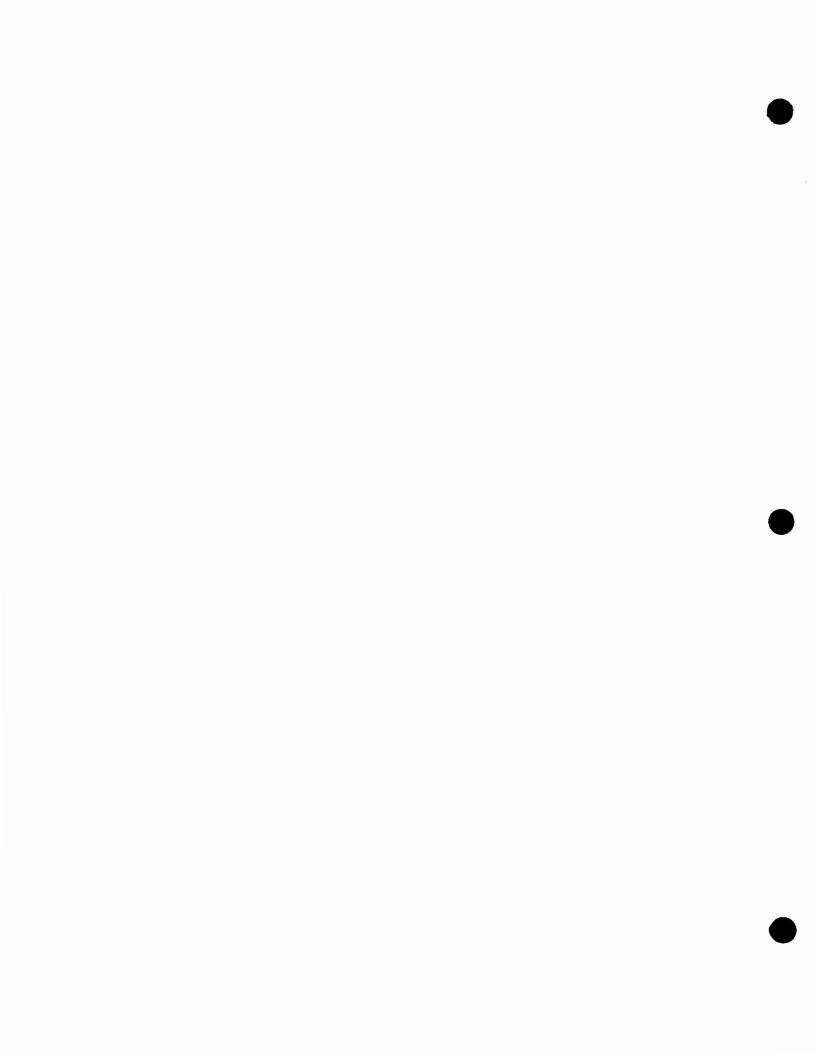
Bryce Ball, Fiscal Research

Next meeting: DOT Primer - Wednesday, February 11, 8:30 a.m.



2015 Legislative Session - Joint Appropriations Subcommittee on Transportation - Agency Contacts

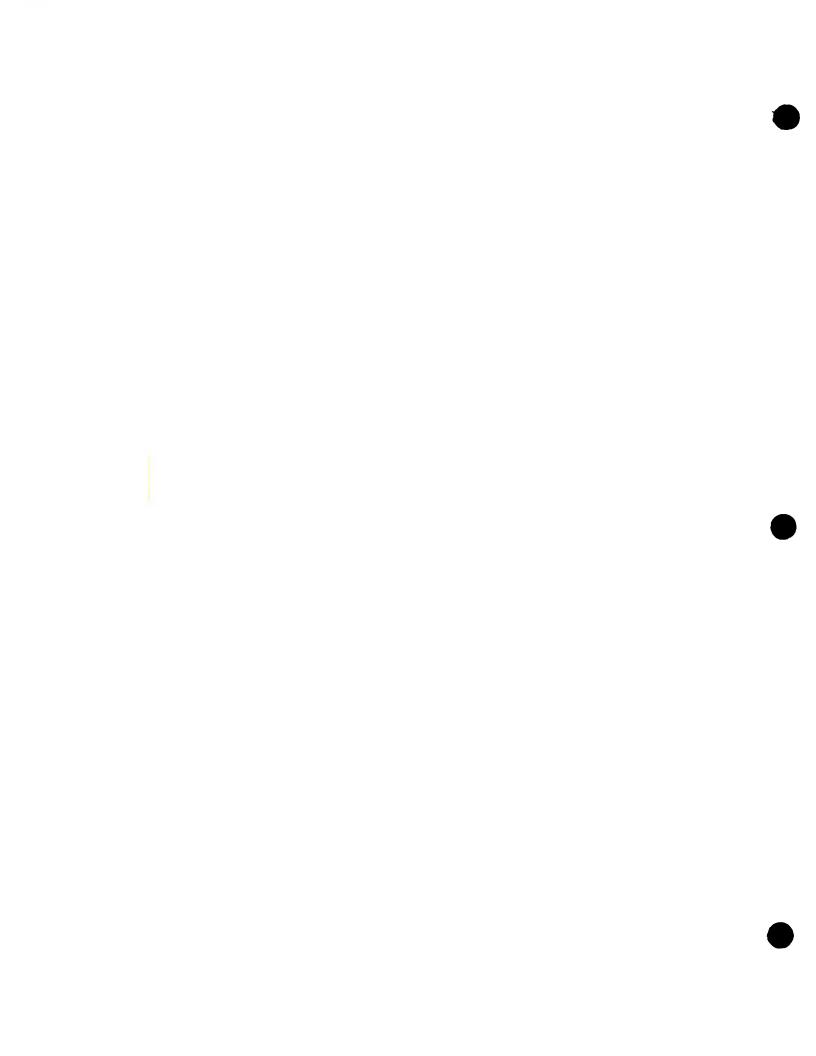
| Agency | Contact Name | Title | Email | Phone |
|---------------------------------------|------------------|---|-------------------------|---------------------|
| | Tony Tata | Secretary | ajtata@ncdot.gov | 919-707-2800 |
| | Nick Tennyson | Chief Deputy Secretary | njtennyson@ncdot.gov | 919-707-2800 |
| | Bobby Lewis | Chief of Staff & ED Strategic Initiatives | bobbylewis@ncdot.gov | 919-707-2800 |
| | Shelley Blake | General Counsel | srblake@ncdot.gov | 919-707-2800 |
| | Mike Charbonneau | Deputy Secretary of Communications | mcharbonneau@ncdot.gov | 919-707-2670 |
| | David Tyeryar | Chief Financial Officer | dtyeryar1@ncdot.gov | 919-707-4320 |
| | Jeff Mann | Deputy Secretary for Transit | jmann1@ncdot.gov | 919-707-2800 |
| December 1 (Towns to the | Rodger Rochelle | Technical Services Administrator | rdrochelle@ncdot.gov | 919-707-2900 |
| Department of Transportation | Susan Pullium | Director of Strategic Planning | swpullium@ncdot.gov | 919-707-0912 |
| | Don Voelker | Project Prioritization | djvoelker@ncdot.gov | 919-707-4740 |
| | David Ulmer | Chief Information Officer | dhulmer1@ncdot.gov | 919-707-2200 |
| | Mike Holder | Chief Engineer | mholder@ncdot.gov | 919-707-2500 |
| | Mary Jernigan | Govt. Affairs & Policy Director | mljernigan1@ncdot.gov | 919-707-2828 |
| | | | | 252-312-8359 (CELL) |
| | Reston Jones | Legislative Liaison | Irjones1@ncdot.gov | 919-707-2839 |
| | | | | 336-407-8839 (CELL) |
| Division of Motor Vehicles | Kelly Thomas | Commissioner of Motor Vehicles | kellyjthomas@ncdot.gov | 919-861-3015 |
| NCAMVRC, Inc. (License Tag Agents) | Patti Smithson | Legislative Chairperson | pdsmithson@bizec.rr.com | 910-262-7166 |
| Global TransPark | Rudy Lupton | Logistics & GTP Director | srlupton1@ncdot.gov | 919-707-2512 |
| Ports Authority | Paul Cozza | Chief Executive Officer | paul.cozza@ncports.com | (910) 343-6485 |



Joint Transportation Appropriations Committee

Committee Protocol for Presenters and Audience

- 1. Do not speak unless recognized by the chair.
- 2. Once recognized by the chair, state your name and who you represent.
- 3. Stand up when speaking.
- 4. Presenters may not recognize members from the audience to answer questions; only the chair has the authority to call on someone to speak in committee.
- 5. No materials may be distributed to the subcommittee without prior approval. Materials must be sent to Fiscal Research staff and to the six committee chairs by noon on the day prior to the committee meeting. Fiscal Research staff will respond to you if the handout is permitted.
- 6. All final presentations must be e-mailed to Fiscal Research staff and to the six committee chairs by noon on the day preceding the presentation.
- 7. Copies must be double-sided, three-hole punched, and stapled in the corner.
- 8. Copies need to be delivered to the committee clerk by 3:00 pm on the day prior to the committee meeting.
- 9. Please respect your fellow presenters and strictly adhere to the time limits.

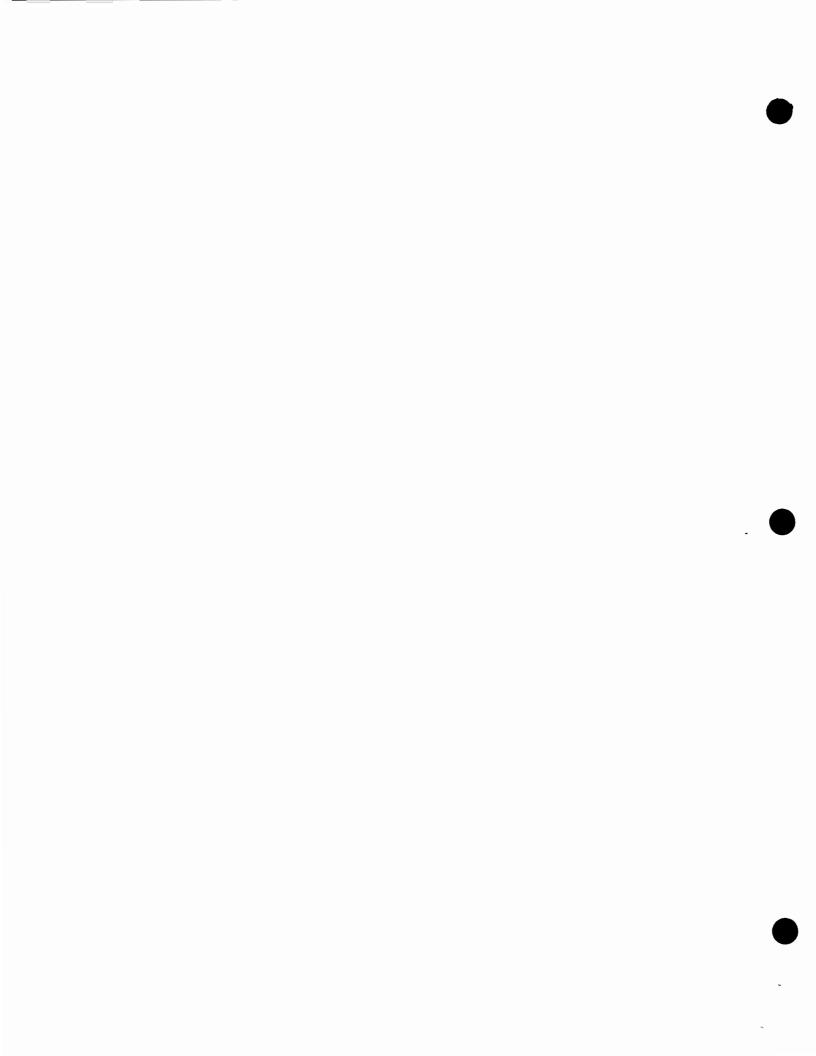


Budget Process

Joint Appropriations Committee on Transportation

February 10, 2015

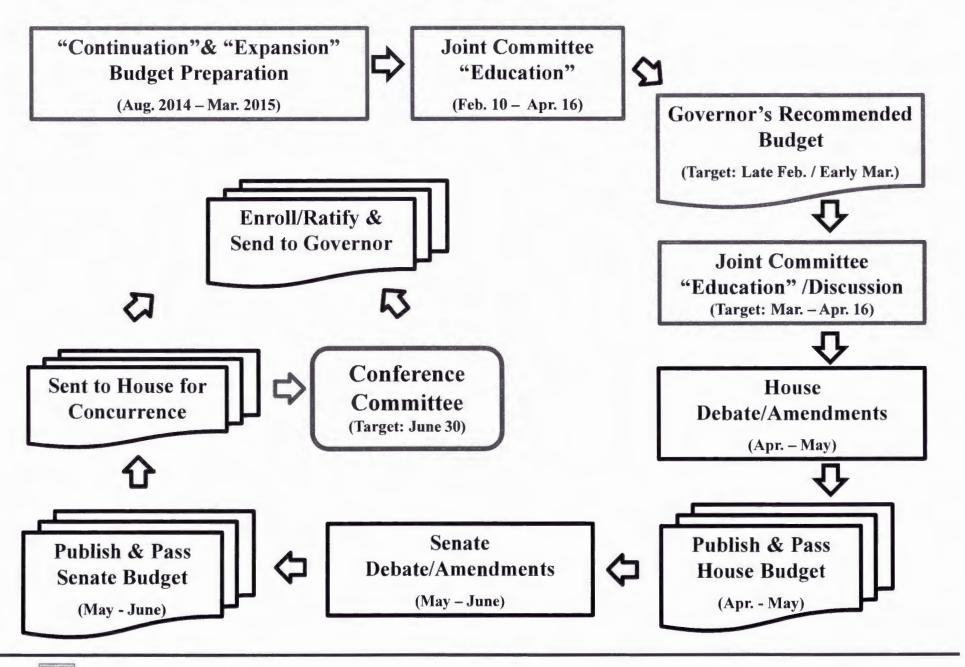




Presentation Outline

- 1. Budget/Committee Process
- 2. Roles of Staff & Agencies
- 3. Next Steps/Calendar

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Committee Process

- Joint process streamlines education and facilitates collaboration.
- Presentations balance the need for background and issue awareness.
- Transparency is the goal...

All documents and reference materials are online:

http://www.ncleg.net/gascripts/documentsites/browsedocsite.asp?nid=131

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Fiscal Research Division (FRD)

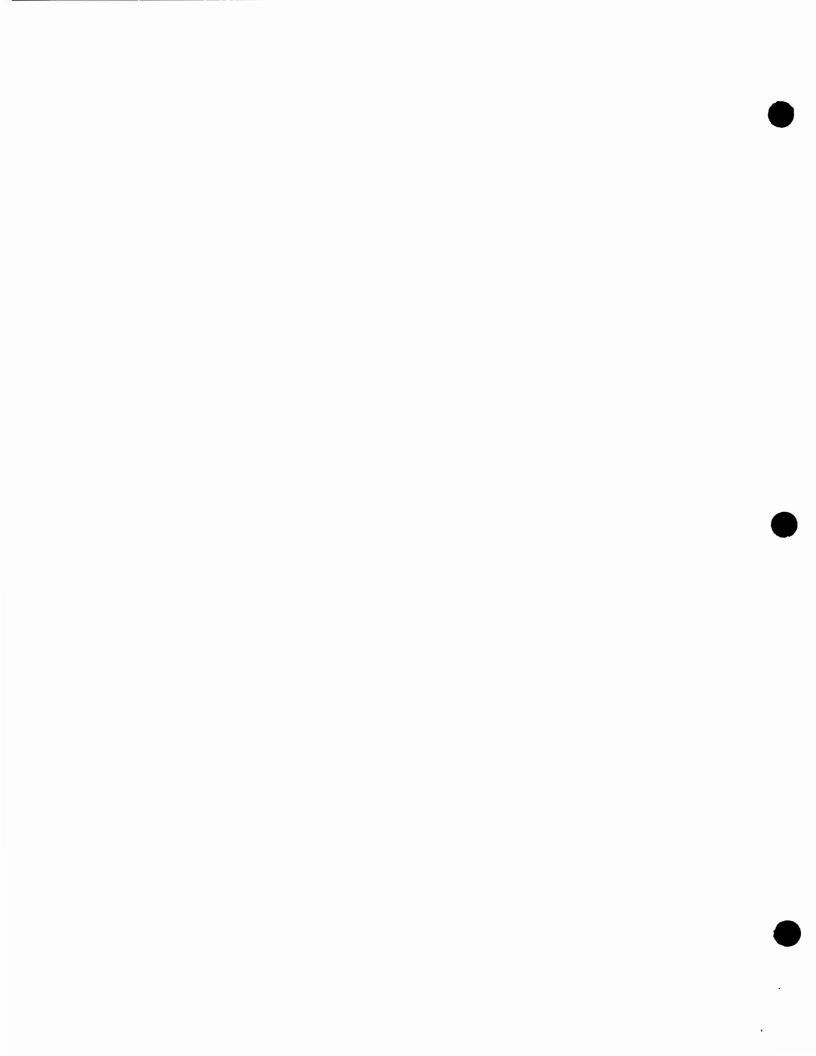
- Non-partisan, professional analysts who serve all members
- Responsibilities (Chapter 120, Article 7A) include:

Budget & Policy Analysis

- Analyzing and producing the budget
- Fiscal Notes/Memoranda
- Confidential member requests
- Special studies ("Continuation Reviews" and interim studies)

Guidance & Coordination

- Appropriations Committees
- Joint Legislative Transportation Oversight Committee
- Joint Legislative Commission on Governmental Operations



Transportation/IT Team

Amna Cameron:

- Motor Fuel and Highway Use Revenues
- State Transportation Improvement Program (STIP)
- Highway Construction & Maintenance
- Turnpike Authority
- Department of Transportation (DOT) Central Administration
- Governor's Highway Safety Program
- Powell Bill/State Aid to Municipalities

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Transportation/IT Team

Bryce Ball:

- Division of Motor Vehicles (DMV)
- Modal Divisions:
 Public Transportation, Ferry, Rail, Aviation, Bicycle/Pedestrian
- Logistics: State Ports Authority, Global TransPark, North Carolina Railroad Company
- Driver Education
- Visitor Centers

Karlynn O'Shaughnessy:

DOT/DMV Information Technology

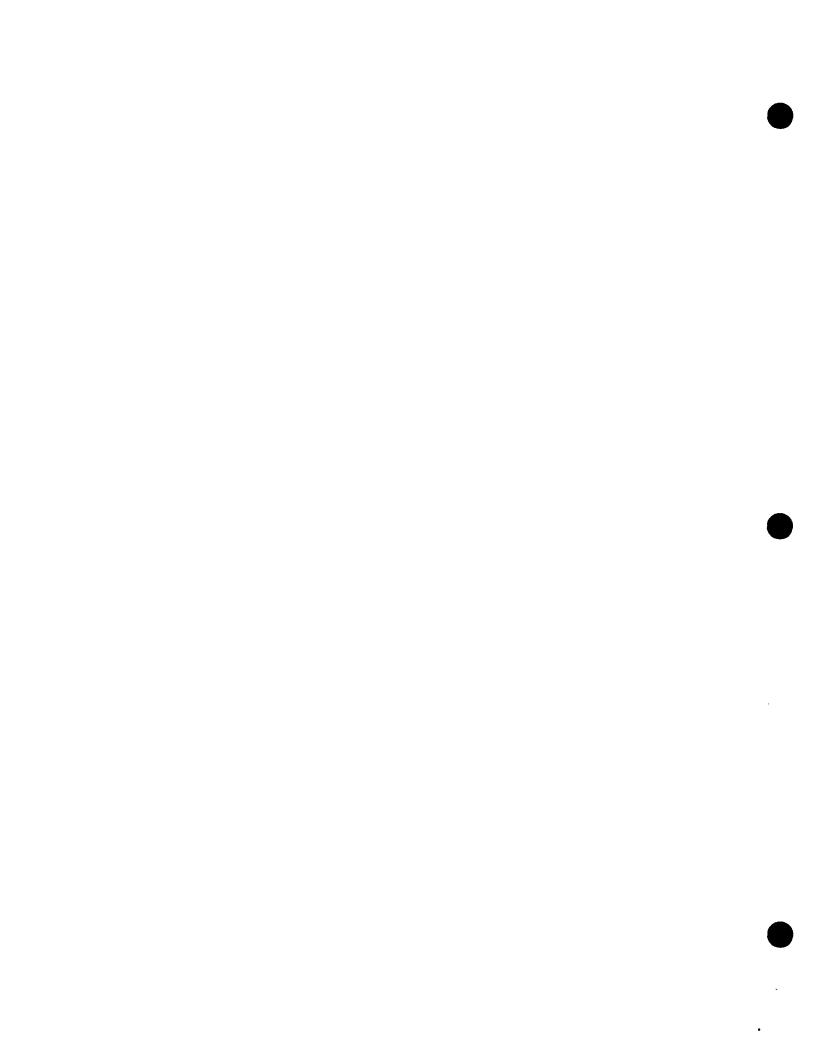
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Bill Drafting & Research

Bill Drafting & Research Divisions:

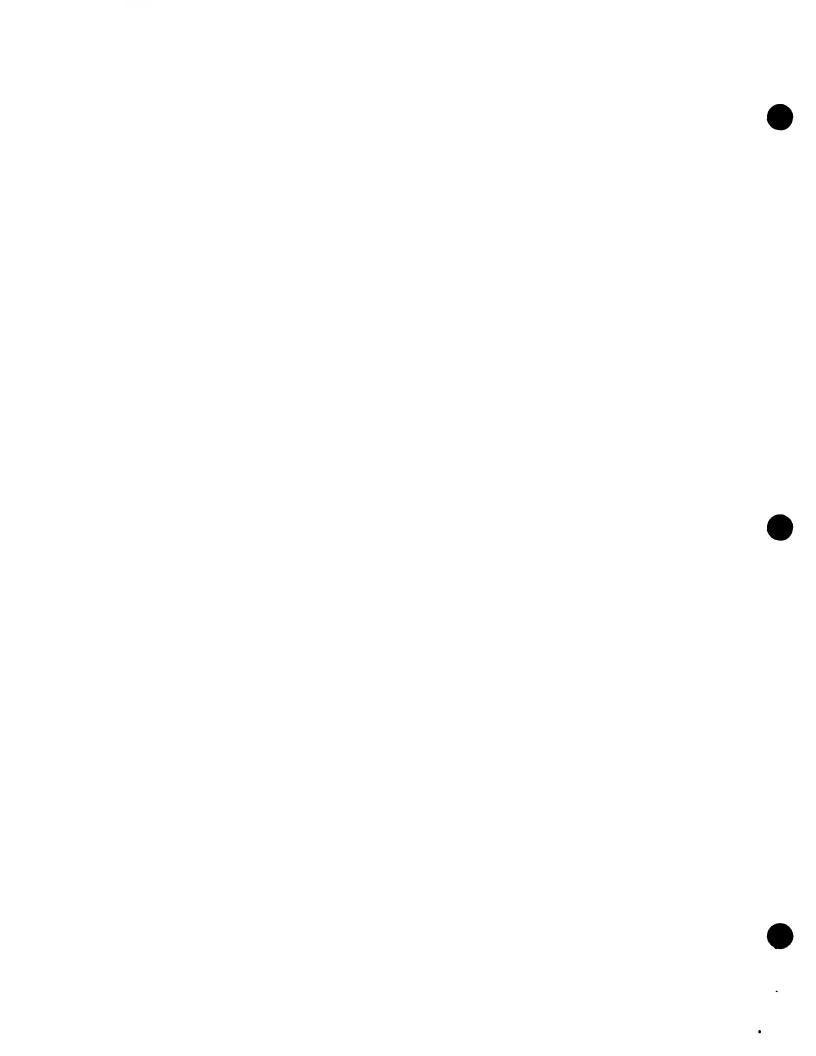
- Draft legislation and budgetary provisions
- Conduct legal research and analysis:
 - Constitutionality, statutory conformance, administrative process/regulations
- Staff Standing, Interim, and Oversight Committees



Program Evaluation Division (PED)

Program Evaluation Division:

- Conducts formal, longer-term studies of programs
- Evaluation components:
 - ✓ Performance audits
 - ✓ Activity-based costing
 - ✓ Strategic planning



OSBM & Agency Staff

Office of State Budget & Management (OSBM) and Agencies:

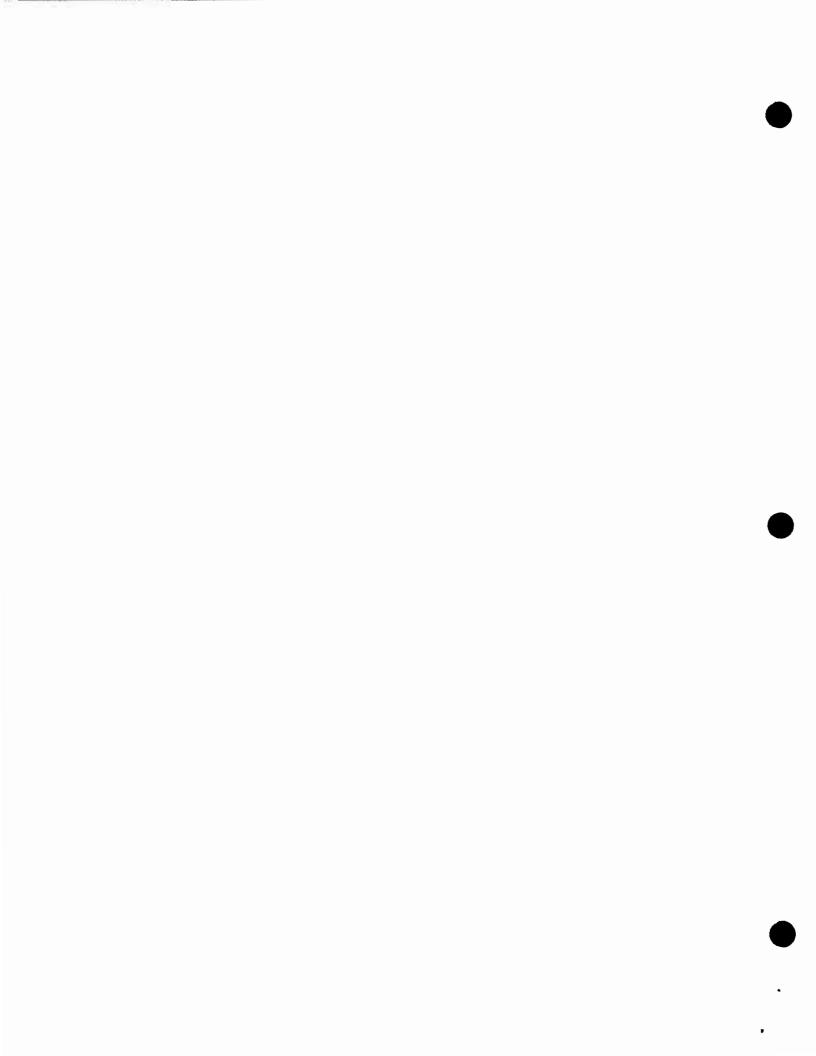
- Governor's Recommended Budget
- Orientation to agency programs
- Data collection
- Budget execution

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Next Steps

Tentative Schedule:

- 2/11/15: Transportation Primer
- 2/17/15: Transportation Funding
- 2/18/15: NCDOT 101
- 2/19/15: Highways Maintenance & Construction
- 2/24/15: Highways Staffing & Budget
- 2/25/15: Strategic Transportation Investments Update
- 2/26/15: Debt Affordability & Tolling
- 3/03/15: State Ports & Dredging



QUESTIONS?

Fiscal Research Division 919-733-4910

Amna Cameron – Amna. Cameron @ncleg.net

Bryce Ball – Bryce.Ball@ncleg.net

Karlynn O'Shaughnessy – Karlynn.O'Shaughnessy@ncleg.net

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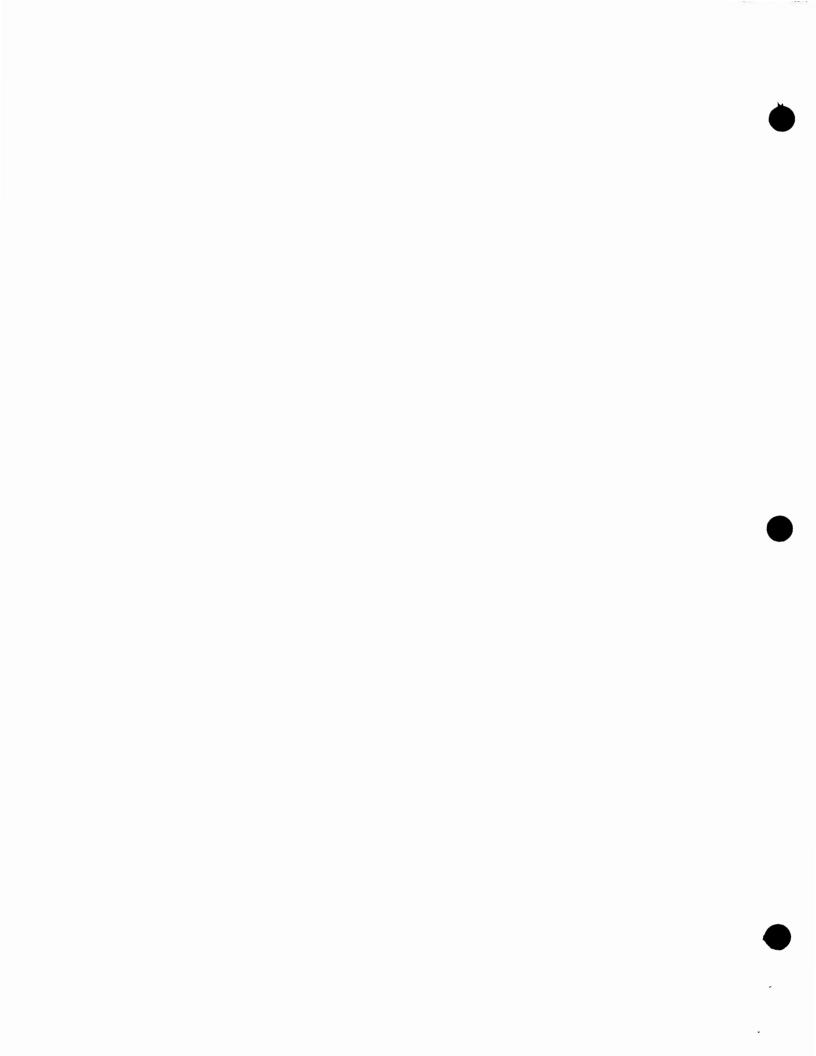
Transportation Budget Comparison: 2013-2015 Biennium

| | | | | | | | - | | | | | | | | | |
|---|-----------------------|----------------------------------|---------------------------------------|--|----------------------------------|--|---|----------------------------------|-------------------------------|----------------------------------|---|---------------------------|----------------------------|-----------------|--|--|
| | | Governor' | s Recommende | d 2013-15 Bien | nial Budget | | 2013 "Long" 5ession Enacted Biennial Budget (S.L. 2013-360) | | | | 2014 "Short" Session Enacted Budget (S.L. 2014-100) | | | | | |
| | 2013-14 | 2013-14 | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2013-14 | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | | |
| Program/Item | BASE/ CONTINUATION | Increase/Decrease (from Base) | GOVERNOR'S RECOMMENDED | BASE/ CONTINUATION | Increase/Decrease (from Base) | GOVERNOR'S RECOMMENDED | CONFERENCE (S.L. 2013-360) | Increase/Decrease (from Base) | CONFERENCE (S.L. 2013-360) | Increase/Decrease (from Base) | CONFERENCE (S.L. 2013-360) | Legislative Adjustment | REVISED (5.L. 2014-100) | Variance (%) | | |
| HIGHWAY FUND | | | | | | | | | | | | | | | | |
| Highway Fund Operations: | | | | | | | | | | | | | | | | |
| DOT-General Administration | 85,067,084 | 9,413,995 | 94,481,079 | 85,067,084 | 14,380,395 | 99,447,479 | 91,066,219 | 5,999,135 | 94,975,916 | 9,908,832 | 94,975,916 | 1,949,344 | 96,925,260 | 2.19 | | |
| Highway Division Administration | 35,139,990 | (426,429) | 34,713,561 | 35,139,990 | (426,429) | 34,713,561 | 35,139,990 | | 35,139,990 | - | 35,139,990 | - | 35,139,990 | 0.09 | | |
| Federal Aid Match - Planning and Research | 4,055,402 | | 4,055,402 | 4,055,402 | | 4,055,402 | 4,055,402 | | 4,055,402 | | 4,055,402 | | 4,055,402 | 0.09 | | |
| Construction Program: | **** | SECTION AND A SECTION ASSESSMENT | · · · · · · · · · · · · · · · · · · · | 20 20 20 20 20 20 20 20 20 20 20 20 20 2 | | MEC TO PROCESSOR OF THE TOP OF TH | | | | | | | | | | |
| State Secondary System | 88,886,298 | (1,486,064) | 87,400,234 | 88,708,526 | (1,990,013) | 86,718,513 | 27,000,000 | (61,886,298) | 12,000,000 | (76,708,526) | 12,000,000 | | 12,000,000 | 0.0% | | |
| Contingency Fund | 12,000,000 | 2,000,000 | 14,000,000 | 12,000,000 | 2,000,000 | 14,000,000 | 12,000,000 | | 12,000,000 | - | 12,000,000 | - | 12,000,000 | 0.0% | | |
| Spot Safety Improvements | 12,100,000 | (242,000) | 11,858,000 | 12,100,000 | (242,000) | 11,858,000 | 12,100,000 | | 12,100,000 | | 12,100,000 | - | | | | |
| Access and Public Service Roads | 1,758,885 | (35,178) | 1,723,707 | 1,758,885 | (35,178) | 1,723,707 | 1,723,707 | (35,178) | 1,723,707 | (35,178) | 1,723,707 | - | 1,723,707 | 0.0% | | |
| Economic Development Fund | - | 3,569,535 | 3,569,535 | - | 4,036,171 | 4,036,171 | 3,846,215 | 3,846,215 | 4,036,171 | 4,036,171 | 4,036,171 | | 4,036,171 | 0.0% | | |
| Small Urban Const. | 7,000,000 | (7,000,000) | | 7,000,000 | (7,000,000) | | 5,000,000 | (2,000,000) | 5,000,000 | (2,000,000) | 5,000,000 | | 5,000,000 | 0.0% | | |
| Subtotal - Construction Program | 121,745,183 | (3,193,707) | 118,551,476 | 121,567,411 | (3,231,020) | 118,336,391 | 61,669,922 | (60,075,261) | 46,859,878 | (74,707,533) | 46,859,878 | - | 46,859,878 | 0.0% | | |
| Maintenance Program: | | | | | | | | | | | | | | | | |
| Primary System | 163,352,819 | (16,488,083) | 146,864,736 | 163,352,819 | (19,308,083) | 144,044,736 | 147,097,510 | | 147,523,208 | (15,829,611) | 147,523,208 | (6,678,148) | 140,845,060 | -4.5% | | |
| Secondary System | 283,000,313 | (12,755,795) | 270,244,518 | 283,000,313 | (14,635,795) | 268,364,518 | 270,593,678 | (12,406,635) | 273,582,225 | (9,418,088) | 273,582,225 | (10,709,290) | 262,872,935 | -3.9% | | |
| Contract Resurfacing | 274,884,653 | 81,000,000 | 355,884,653 | 274,884,653 | 81,000,000 | 355,884,653 | 433,462,800 | 158,578,147 | 402,423,088 | 127,538,435 | 402,423,088 | 5,750,000 | 408,173,088 | 1.4% | | |
| System Preservation/Bridge Program | 79,328,495 | 101,500,000 | 180,828,495 | 79,628,495 | 100,600,000 | 180,228,495 | 179,599,774 | 100,271,279 | 153,008,350 | 73,379,855 | 153,008,350 | - | 153,008,350 | 0.0% | | |
| Pavement Preservation | - | | | | - | - | - | | - | - | | 65,045,024 | 65,045,024 | 0.09 | | |
| General Maintenance Reserve | 37,800,312 | 51,989,914 | 89,790,226 | 37,800,312 | 7,760,538 | 45,560,850 | 89,790,226 | 51,989,914 | 45,560,850 | 7,760,538 | 45,560,850 | | 45,560,850 | 0.09 | | |
| Subtotal - Maintenance Program | 838,366,592 | 205,246,036 | 1,043,612,628 | 838,666,592 | 155,416,660 | 994,083,252 | 1,120,543,988 | 282,177,396 | 1,022,097,721 | 183,431,129 | 1,022,097,721 | 53,407,586 | 1,075,505,307 | 5.29 | | |
| State Aid to Municipalities | 88,886,298 | (1,486,064) | 87,400,234 | 88,708,526 | (1,990,013) | 86,718,513 | 142,102,740 | 53,216,442 | 136,874,010 | 48,165,484 | 136,874,010 | 9,453,990 | 146,328,000 | 6.99 | | |
| Ferry Operations | 34,378,683 | 329,237 | 34,707,920 | 34,378,683 | (820,763) | 33,557,920 | 39,707,920 | 5,329,237 | 38,557,920 | 4,179,237 | 38,557,920 | (1,542,317) | 37,015,603 | -4.09 | | |
| Ferry Division Administration | 1,227,618 | | 1,227,618 | 1,227,618 | | 1,227,618 | 1,227,618 | - | 1,227,618 | - | 1,227,618 | | 1,227,618 | 0.09 | | |
| State Aid to Railroads | 21,201,153 | (424,023) | 20,777,130 | 21,201,153 | (424,023) | 20,777,130 | 39,458,130 | 18,256,977 | 24,008,130 | 2,806,977 | 24,008,130 | (960,325) | 23,047,805 | -4.09 | | |
| Rail Division Administration | 684,164 | | 684,164 | 684,164 | | 684,164 | 684,164 | - | 684,164 | | 684,164 | | 684,164 | 0.09 | | |
| State Aid to Public Transportation | 84,643,069 | (1,692,861) | 82,950,208 | 84,643,069 | (2,192,861) | 82,450,208 | 84,843,069 | 200,000 | 84,843,069 | 200,000 | 84,843,069 | | 84,843,069 | 0.09 | | |
| Public Transportation Division Administration | 401,166 | | 401,166 | 401,166 | | 401,166 | 401,166 | | 401,166 | - | 401,166 | - | 401,166 | 0.0% | | |
| State Aid to Airports | 19,968,373 | (446,221) | 19,522,152 | 17,871,694 | (446,221) | 17,425,473 | 26,500,000 | 6,531,627 | 20,000,000 | 2,128,306 | 20,000,000 | (800,000) | 19,200,000 | -4.09 | | |
| Aviation Division Administration | 2 244 510 | | 2 244 510 | 2 244 510 | | 2 244 510 | 2 244 510 | | 2.244.510 | | 2.244.510 | | 2,244,510 | 0.09 | | |

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Transportation Budget Comparison: 2013-2015 Biennium

| | | Governor' | s Recommende | d 2013-15 Bien | nial Budget | | 2013 "Long" | Session Enacted E | Biennial Budget | (S.L. 2013-360) | 2014 "Short" Session Enacted Budget (S.L. 2014-100) | | | | |
|--|-----------------------|----------------------------------|---------------------------|-----------------------------|----------------------------------|---------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|---|---------------------------|----------------------------|-----------------|--|
| | 2013-14 | 2013-14 | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2013-14 | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | |
| Program/Item | BASE/ CONTINUATION | Increase/Decrease (from Base) | GOVERNOR'S RECOMMENDED | BASE/ CONTINUATION | Increase/Decrease (from Base) | GOVERNOR'S RECOMMENDED | CONFERENCE (S.L. 2013-360) | Increase/Decrease (from Base) | CONFERENCE (S.L. 2013-360) | Increase/Decrease (from Base) | CONFERENCE (S.L. 2013-360) | Legislative Adjustment | REVISED (S.L. 2014-100) | Variance (%) | |
| Bicycle/Pedestrian | 880,513 | - | 880,513 | 880,513 | - | 880,513 | 751,066 | (129,447) | 751,066 | (129,447) | 751,066 | (30,043) | 721,023 | -4.0% | |
| OSHA | 372,792 | (7,455) | 365,337 | 372,792 | (7,455) | 365,337 | 365,337 | (7,455) | 365,337 | (7,455) | 365,337 | (7,307) | 358,030 | -2.0% | |
| Governor's Highway Safety Program | 284,932 | | 284,932 | 284,932 | - | 284,932 | 284,932 | | 284,932 | - 1 | 284,932 | (5,699) | 279,233 | -2.0% | |
| Division of Motor Vehicles | 97,122,623 | 8,058,345 | 105,180,968 | 97,127,001 | 7,575,309 | 104,702,310 | 118,994,643 | 21,872,020 | 119,532,589 | 22,405,588 | 119,532,589 | (988,255) | 118,544,334 | 0.0% | |
| Subtotal - Highway Fund Operations | 1,436,670,145 | 215,370,853 | 1,652,040,998 | 1,434,522,300 | 167,833,579 | 1,602,355,879 | 1,770,040,816 | 333,370,671 | 1,632,903,418 | 198,381,118 | 1,632,903,418 | 5,120,044 | 434,894,555 | 0.3% | |
| Transfers to Other State Agencies: | | | | | | | | | | | | | | | |
| Agriculture (Gas Inspection Fee) | 5,053,457 | - | 5,053,457 | 5,053,457 | | 5,053,457 | 5,053,457 | • | 5,053,457 | - | 5,053,457 | - | 5,053,457 | 0.0% | |
| Revenue (Motor Fuels Tax & IRP) | 5,112,866 | | 5,112,866 | 5,112,866 | • | 5,112,866 | 5,112,866 | - | 5,112,866 | | 5,112,866 | | 5,112,866 | 0.0% | |
| State Treasurer (Sales Tax Refund) | 21,551,663 | | 21,551,663 | 19,288,738 | • | 19,288,738 | 21,551,663 | | 19,288,738 | - | 19,288,738 | - | 19,288,738 | 0.0% | |
| OSC - Best Shared Services | 481,835 | | 481,835 | 481,835 | - | 481,835 | 481,835 | | 481,835 | | 481,835 | - | 481,835 | 0.0% | |
| Public Instruction - Driver Education | 27,847,950 | (625,322) | 27,222,628 | 28,384,055 | (595,583) | 27,788,472 | 26,138,808 | (1,709,142) | 26,682,132 | (1,701,923) | 26,682,132 | (306,001) | 26,376,131 | -1.1% | |
| DPS - Motor Carrier Safety | 2,010,053 | | 2,010,053 | 2,010,053 | - | 2,010,053 | 2,010,053 | | 2,010,053 | | 2,010,053 | | 2,010,053 | 0.0% | |
| Tsf to General Fund | 196,582,981 | - | 196,582,981 | 196,582,981 | - | 196,582,981 | 196,582,981 | | 196,582,981 | - | 196,582,981 | | 196,582,981 | 0.0% | |
| State Ethics Commission | - | - | - | - | * | - | 55,146 | 55,146 | 55,146 | 55,146 | 55,146 | | 55,146 | 0.0% | |
| DHHS - Chemical Test | 572,321 | - | 572,321 | 572,321 | | 572,321 | 572,321 | | 572,321 | | 572,321 | - | 572,321 | 0.0% | |
| Subtotal - Transfers to Other State Agencies | 259,213,126 | (625,322) | 258,587,804 | 257,486,306 | (595,583) | 256,890,723 | 257,559,130 | (1,653,996) | 255,839,529 | (1,646,777) | 255,839,529 | (306,001) | 255,533,528 | -0.1% | |
| Reserves & Transfers: | | | | | | | | | | | | | | | |
| Minority Contractor Development | 150,000 | | 150,000 | 150,000 | | 150,000 | 150,000 | | 150,000 | - | 150,000 | | 150,000 | 0.0% | |
| State Fire Protection Grant | 158,000 | | 158,000 | 158,000 | | 158,000 | 158,000 | | 158,000 | | 158,000 | | 158,000 | 0.0% | |
| Storm Water Management | 500,000 | - | 500,000 | 500,000 | | 500,000 | 500,000 | - | 500,000 | | 500,000 | • | 500,000 | 0.0% | |
| Global TransPark | 1,000,000 | | 1,000,000 | 1,000,000 | - | 1,000,000 | 1,000,000 | | 1,000,000 | | 1,000,000 | (250,000) | 750,000 | -25.0% | |
| Consolidated Call Center | 556,074 | - | 556,074 | 556,074 | | 556,074 | 556,074 | | 556,074 | - | 556,074 | | 556,074 | 0.0% | |
| Reserve for Administrative Reduction | (2,132,962) | | (2,132,962) | (2,132,962) | | (2,132,962) | (2,132,962) | | (2,132,962) | - | (2,132,962) | - | (2,132,962) | 0.0% | |
| Reserve for Health Insurance Adjustment | - | 2,200,000 | 2,200,000 | | 6,900,000 | 6,900,000 | 1,700,000 | 1,700,000 | 4,450,000 | 4,450,000 | 4,450,000 | (1,050,000) | 3,400,000 | -23.69 | |
| Employer's Contribution to Retirement | 82,741 | 1,200,000 | 1,282,741 | 82,741 | 1,200,000 | 1,282,741 | 1,203,741 | 1,121,000 | 1,203,741 | 1,121,000 | 1,203,741 | - | 1,203,741 | 0.0% | |
| Reserve for Retiree COLA | | 1,000,000 | 1,000,000 | - | 1,000,000 | 1,000,000 | - | - | - | | - | | - | 0.09 | |
| Disability Income Plan | - | | - | - | | | | - | | - | - | (98,700) | (98,700) | 0.09 | |
| Legislative Increase (or Bonus/Compensation/Etc. Reserve) | - | 3,801,845 | 3,801,845 | | 3,801,845 | 3,801,845 | - | - | - | - | - | - | | 0.09 | |
| Reserve for Future Benefit Needs | - | | | | - | - | - | | 1,745,000 | 1,745,000 | 1,745,000 | (1,745,000) | - | -100.09 | |
| Reserve for Retirement/COLA | - | - | | - | - | - | - | | - | | | 1,513,400 | 1,513,400 | 0.09 | |
| Salary Adjustment | - | | - | - | - | - | - | - | - | | - | 9,291,113 | 9,291,113 | 0.09 | |
| Subtotal - Reserves & Transfers | 313,853 | 8,201,845 | 8,515,698 | 313,853 | 12,901,845 | 13,215,698 | 3,134,853 | 2,821,000 | 7,629,853 | 7,316,000 | 7,629,853 | 7,660,813 | 15,290,666 | 100.49 | |
| Subtotal - Current Operations | 1,696,197,124 | 222,947,376 | 1,919,144,500 | 1,692,322,459 | 180,139,841 | 1,872,462,300 | 2,030,734,799 | 334,537,675 | 1,896,372,800 | 204,050,341 | 1,896,372,800 | 67,831,786 | 1,964,204,586 | 3.69 | |
| Capital Improvements | _ | 18,055,500 | 18,055,500 | CONTRACTOR STATEMENT OF THE | 19,937,700 | 19,937,700 | 18,055,500 | 18,055,500 | 19,937,700 | 19,937,700 | 19,937,700 | - | 19,937,700 | 0.0% | |

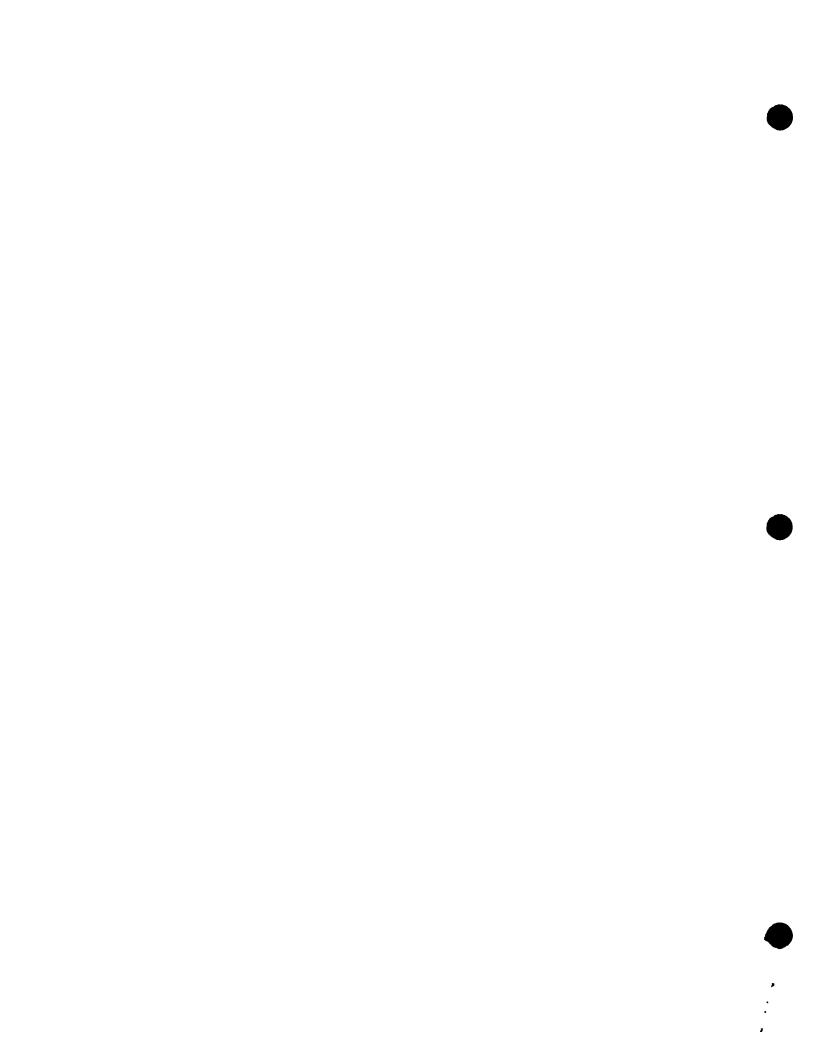


Transportation Budget Comparison: 2013-2015 Biennium

| | Governor's Recommended 2013-15 Biennial Budget | | | | | | | 2013 "Long" Session Enacted Biennial Budget (S.L. 2013-360) | | | | 2014 "Short" Session Enacted Budget (S.L. 2014-100) | | | |
|--|--|--|---------------------------|---|----------------------------------|---------------------------|-------------------------------|---|-------------------------------|----------------------------------|-------------------------------|---|----------------------------|-----------------|--|
| | 2013-14 | 2013-14 | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2013-14 | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | |
| Program/Item | BASE/ CONTINUATION | Increase/Decrease (from Base) | GOVERNOR'S RECOMMENDED | BASE/ CONTINUATION | Increase/Decrease (from Base) | GOVERNOR'S RECOMMENDED | CONFERENCE (5.L. 2013-360) | Increase/Decrease (from Base) | CONFERENCE (S.L. 2013-360) | Increase/Decrease (from Base) | CONFERENCE (S.L. 2013-360) | Legislative Adjustment | REVISED (S.L. 2014-100) | Variance (%) | |
| FOTAL - Highway Fund Appropriation | 1,696,197,124 | 241,002,876 | 1,937,200,000 | 1,692,322,459 | 200,077,541 | 1,892,400,000 | 2,048,790,299 | 352,593,175 | 1,916,310,500 | 223,988,041 | 1,916,310,500 | 67,831,786 | 1,984,142,286 | 3.5 | |
| TOTAL - Highway Fund Availability | THE PARTY OF THE P | COLOR OF THE PROPERTY OF THE PARTY OF THE PA | 1,937,200,000 | PERSONAL PROPERTY OF THE PERSON AND | 7+1115 A L. M | 1,892,400,000 | 2,048,790,299 | | 1,916,310,500 | | 1,916,310,500 | | 1,984,142,286 | | |
| Projected Revenue | | | 1,937,200,000 | | | 1,892,400,000 | 1,937,200,000 | | 1,892,400,000 | | 1,892,400,000 | | 1,973,750,000 | | |
| Transfers/Appropriated Balance/Adjustments | | | - | | | | 111,590,299 | | 23,910,500 | | 23,910,500 | | 10,392,286 | | |

HIGHWAY TRUST FUND

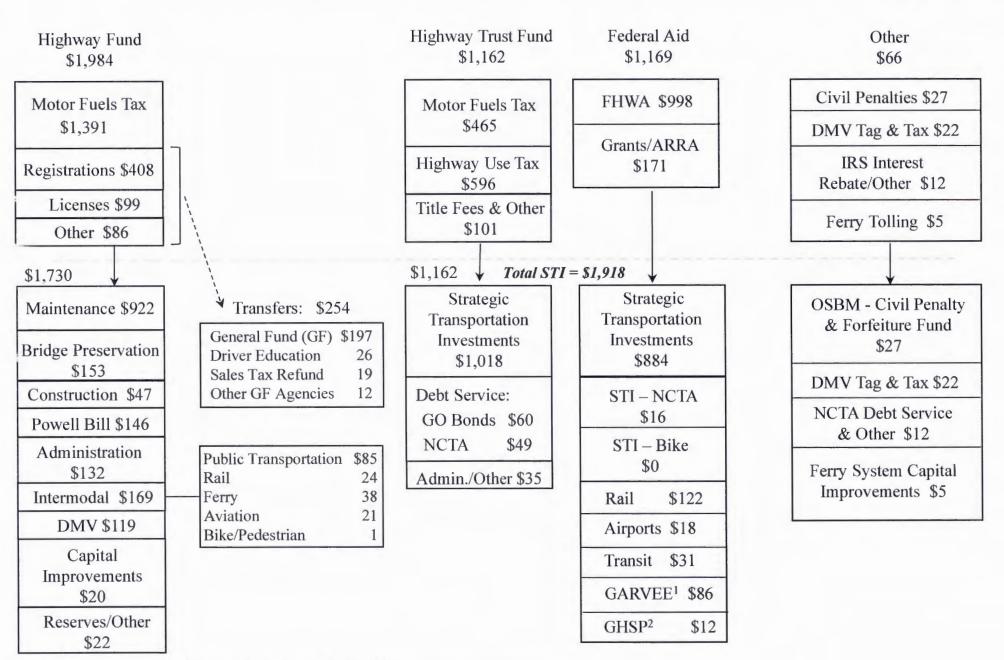
| | | | | CONTRACTOR OF THE PROPERTY OF | | | | (2.222.22 | | (0.514.530) | 45 500 000 | (11 000 000) | 24 500 000 | -24.1% |
|---|---------------|--------------|---------------|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------|
| DOT - Administration | 53,599,200 | (619,200) | 52,980,000 | 55,202,400 | (2,236,800) | 52,965,600 | 45,590,880 | (8,008,320) | 45,590,880 | (9,611,520) | 45,590,880 | (11,000,000) | 34,590,880 | -24.17 |
| Intrastate System | 515,520,933 | (8,390,482) | 507,130,451 | 530,210,557 | (27,849,812) | 502.360.745 | | (515,520,933) | - | (530,210,557) | - 1 | . [| - 1 | 0.09 |
| Urban Loop System | 164,864,838 | (3,392,762) | 161,472,076 | 191,571,718 | (11,261,304) | 180,310,414 | - | (164,864,838) | - | (191,571,718) | | | - | 0.09 |
| State Secondary System | 78,972,723 | 382,801 | 79,355,524 | 86,253,540 | (2,329,990) | 83,923,550 | - | (78,972,723) | - | (86,253,540) | - 1 | | - | 0.0% |
| Strategic Transportation Investments Program | - | | | - | - | | 930,926,530 | 930,926,530 | 950,101,672 | 950,101,672 | 950,101,672 | 67,993,140 | 1,018,094,812 | 7.2% |
| HTF State Aid to Municipalities | 56,072,216 | (880,357) | 55,191,859 | 58,054,337 | (2,922,094) | 55,132,243 | - 1 | (56,072,216) | - | (58,054,337) | - 1 | - | - 1 | 0.0% |
| Bonds: | | | | | | | | | | | | | | |
| Bond Redemption | 62,417,880 | - | 62,417,880 | 46,676,132 | | 46,676,132 | 62,417,880 | | 46,676,132 | | 46,676,132 | | 46,676,132 | 0.0% |
| Bond Interest | 16,752,210 | - | 16,752,210 | 13,631,316 | - | 13,631,316 | 16,752,210 | | 13,631,316 | | 13,631,316 | | 13,631,316 | 0.0% |
| | | | | | | | | | | | | | | 0.0% |
| NC Turnpike Authority (Gap \$) | 112,000,000 | - | 112,000,000 | 112,000,000 | - | 112,000,000 | 49,000,000 | (63,000,000) | 49,000,000 | (63,000,000) | 49,000,000 | - | 49,000,000 | 0.0% |
| NC Mobility Fund | 58,000,000 | - | 58,000,000 | 58,000,000 | | 58,000,000 | | (58,000,000) | - | (58,000,000) | | | | 0.0% |
| Transfer to Highway Fund (Visitor Center Reserve) | 400,000 | - | 400,000 | 400,000 | | 400,000 | 400,000 | | 400,000 | - | 400,000 | - | 400,000 | 0.0% |
| TOTAL - Highway Trust Fund Appropriation | 1,118,600,000 | (12,900,000) | 1,105,700,000 | 1,152,000,000 | (46,600,000) | 1,105,400,000 | 1,105,087,500 | (13,512,500) | 1,105,400,000 | (46,600,000) | 1,105,400,000 | 56,993,140 | 1,162,393,140 | 5.2% |
| TOTAL - Highway Trust Fund Availability | | | 1,105,700,000 | | | 1,105,400,000 | 1,105,087,500 | | 1,105,400,000 | | 1,105,400,000 | | 1,162,393,140 | |
| Projected Revenue | 1 | 1 | 1,105,700,000 | | 1 | 1,105,400,000 | 1,105,700,000 | | 1,105,400,000 | ll ll | 1,105,400,000 | | 1,162,370,000 | |
| Transfers/Appropriated Balance/Adjustments | | | | | | | (612,500) | | - | | - | | 23,140 | |





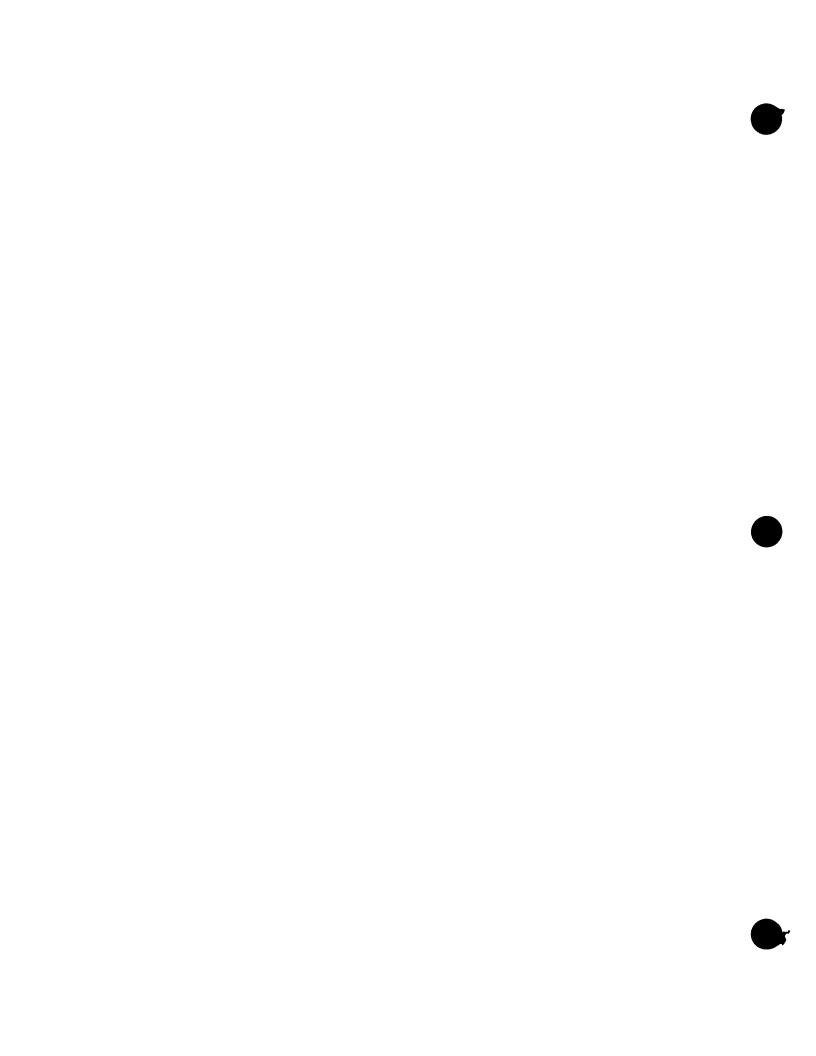


(\$ in Millions)



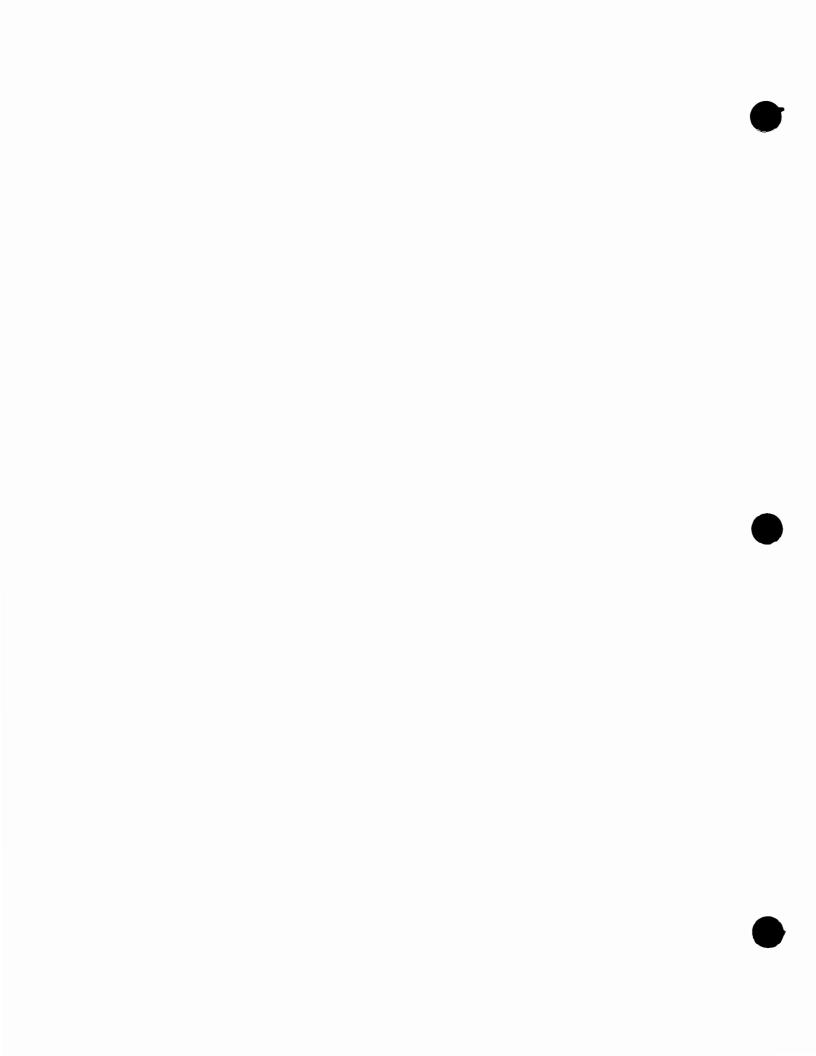
¹ Includes federal aid and GARVEE proceeds for NCTA projects

² Governor's Highway Safety Program



January Consensus Forecast

| | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2015-16 | FY 2016-17 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Highway Fund | Actual | Actual | Budget | Estimate | Consensus | Consensus | Variance | Variance |
| Motor Fuels Tax | | | | | | | | |
| Motor Fuels | 1,400.0 | 1,416.2 | 1,392.3 | 1,410.3 | 1,158.2 | 1,189.7 | (234.1) | (202.6) |
| Gasoline Inspection | 13.6 | 13.9 | 13.5 | 13.8 | 13.4 | 13.4 | (0.1) | (0.1) |
| Highway Usage Registration | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.0 | 0.0 |
| Total Motor Fuels Taxes | 1,413.9 | 1,430.5 | 1,406.2 | 1,424.4 | 1,172.0 | 1,203.5 | (234.2) | (202.7) |
| Licenses & Fees | | | | | | | | |
| Staggered Registration | 198.3 | 197.8 | 212.0 | 212.0 | 220.0 | 227.0 | 8.0 | 15.0 |
| Driver Licenses | 111.5 | 110.0 | 99.4 | 111.2 | 112.3 | 113.1 | 12.9 | 13.7 |
| Truck Licenses | 132.5 | 134.0 | 132.6 | 140.0 | 134.9 | 136.0 | 2.3 | 3.4 |
| International Registration Plan | 61.5 | 64.1 | 62.7 | 57.0 | 64.5 | 65.6 | 1.8 | 2.9 |
| Other Licenses and Fees | 31.2 | 68.1 | 55.5 | 64.2 | 65.7 | 66.9 | 10.2 | 11.4 |
| Total Licenses & Fees | 535.0 | 574.0 | 562.2 | 584.4 | 597.3 | 608.6 | 35.1 | 46.4 |
| Investment Income | 2.3 | 1.7 | 1.6 | 1.4 | 1.0 | 1.0 | (0.6) | (0.6 |
| NC Railroad Co. Dividend Payment | - | 19.2 | 3.8 | 3.0 | 3.9 | 4.0 | 0.2 | 0.3 |
| Total Highway Fund | 1,951.3 | 2,025.4 | 1,973.7 | 2,013.2 | 1,774.2 | 1,817.1 | (199.5) | (156.6 |
| Highway Trust Fund | | | | | | | | |
| Motor Fuels | 467.6 | 473.0 | 464.8 | 470.1 | 386.1 | 396.6 | (78.7) | (68.2 |
| Highway Use | 554.8 | 597.4 | 596.1 | 630.9 | 655.6 | 672.7 | 59.5 | 76.6 |
| al Tax | 1,022.4 | 1,070.4 | 1,060.9 | 1,101.0 | 1,041.7 | 1,069.3 | (19.2) | 8.4 |
| Fees | | | | | | | | |
| Certificate of Title Fees | 79.6 | 82.7 | 84.4 | 87.4 | 90.3 | 92.9 | 5.9 | 8.5 |
| Miscellaneous Title Fees | 10.2 | 10.8 | 11.0 | 11.4 | 12.0 | 13.0 | 1.0 | 2.0 |
| Lien Recording | 3.9 | 4.0 | 4.0 | 3.8 | 4.0 | 4.1 | (0.0) | 0.1 |
| Total | 93.7 | 97.4 | 99.4 | 102.6 | 106.3 | 109.9 | 6.9 | 10.5 |
| Investment Income | 2.2 | 3.2 | 2.0 | 2.0 | 2.0 | 2.0 | - | - |
| Total Highway Trust Fund | 1,118.2 | 1,171.1 | 1,162.4 | 1,205.6 | 1,149.9 | 1,181.2 | (12.5) | 18.8 |
| MFT Rate (¢/gallon) | 37.6 | 37.5 | 37.0 | 37.0 | 30.4 | 31.3 | (6.6) | (5.7 |
| Fuel Consumption (M gallons) | 5,218.5 | 5,259.1 | 5,280.3 | 5,349.8 | 5,368.5 | 5,348.5 | 88.2 | 68.2 |
| Motor Fuel Tax | 1,881.5 | 1,903.5 | 1,871.1 | 1,894.5 | 1,558.1 | 1,600.1 | (313.0) | 1 |
| Highway Use Tax | 554.8 | 597.4 | 596.1 | 630.9 | 655.6 | 672.7 | 59.5 | 76.6 |
| DMV Fees | 633.2 | 695.6 | 668.9 | 693.4 | 710.5 | 725.5 | 1 | 56.6 |
| Total Revenues | 3,069.5 | 3,196.4 | 3,136.1 | 3,218.8 | 2,924.2 | 2,998.3 | | |



NCDOT Acronyms

A

AADT Annual Average Daily Traffic

AAH Adopt-a-Highway

AAMVA American Association of Motor Vehicle Administrators http://www.aamva.org/

AASHTO American Association of State Highway & Transportation Officials http://www.aashto.org/

ABAND Abandoned

ABC Aggregate Base Course

AC Acre

ACBC Asphalt Concrete Base Course

ACEC American Council of Engineering Companies

ACI American Concrete Institute

ACIC Asphalt Concrete Intermediate Course

ACOE Army Corps of Engineers

ACS Auxiliary Coordinate System

ACSC Asphalt Concrete Surface Course

ACTT Accelerated Construction Technology Transfer

AD Arterial Design Side Slope

ADA Americans with Disabilities Act

ADT Average Daily Traffic

AEC Area of Environmental Concern

AETC All Electronic Toll Collection

AFV Alternative Fuel Vehicles

AG Attorney General

AGC Associated General Contractors of America

AH Ahead

AICP American Institute of Certified Planners

AISC American Institute of Steel Construction

ALPR Automatic License Plate Recognition

ANSI American National Standards Institute

AP or APPR Approach

APE Area of Potential Effect

API American Petroleum Institute

APL Approved Product List

ARA American Railway Association

ARC Appalachian Regional Commission

ARC Aviation Rulemaking Committee

ARID Attribute Road Inventory Data

ASCE American Society of Civil Engineers

ASHE American Society of Highway Engineers

ASPH Asphalt

AST Asphalt Surface Treatment

ASTM American Society for Testing & Materials

AT-1 Anchor Terminal

ATC Alternative Technical Concepts

ATE Area Traffic Engineer

ATS Average Travel Speed

AUE Aerial Utility Easement

AWSC All-Way Stop-Controlled

AZ Azimuth

B

B Bridge Projects (B-1234)

BA Biological Assessment

BAFO Best and Final Offer

BEACON Building Enterprise Access for North Carolina's

Core Operation Needs

BEG Begin

BIA Bureau of Indian Affairs

http://www.bia.gov/

https://mybeacon.its.state.nc.us/irj/portal

BIC Buried in Cut

BK Back

BL Base Line

BM Bench Mark

BMP Best Management Practices

BMR Bar Metal Rails

BMU Bridge Management Unit

BPF Blows per Foot

BRG Bridge

BS Backsight

BSIP Business System Information Portal

BST Bituminous Surface Treatment

BW Barrier Wall or Barbed Wire (Fence)

<u>C</u>

C Congestion Mitigation Projects (C-1234)

C&D Cease & Desist Order

CA or C/A Control of Access

CAB Capital Appreciation Bonds

CADD Computer Aided Design Drawing

CAMA Coastal Area Management Act

CAMPO Capitol Area Metropolitan Planning Organization

http://www.campo-nc.us/

CAP Corrective Action Plan

CAPA Carolina Asphalt Paving Association

CAT Capital Area Transit

CAT-1 Cable Anchor Terminal

CATV Cable Television

CB Catch Basin

CBD Central Business District

CBOM Contract Bill of Materials

CC Center of Curve or Compound Curve

CCC or 3C Continuing Comprehensive Cooperatively

CCFR Curb Cut for Future Wheelchair Ramp

CCP Coal Combustion Products

CCPCUA Central Coastal Plain Capacity Use Area

CCR Coal Combustion Residuals

CCTV Closed Circuit Television

CD Collector / Distributor

CE Categorical Exclusion

CEAP Civil Engineering Awareness Program

CEC Cation Exchange Capacity

CEI Construction Engineering & Inspection

CEQ Council on Environmental Quality

CFI Combined Field Inspection

CFR Code of Federal Regulations

CG or C&G Curb and Gutter

CGIA Center for Geographic Information and Analysis

CGR Cable Guide Rail

CIA Community Impact Assessment or Community Impact Area

CIB Current Interest Bonds

CICA Continuing Immediate Corrective Action

CII Construction Industry Institute

CIP Cast in Place

CIW Citizen's Information Workshop

CL Center Line or Chain Linked (Fence)

CLOMR Conditional Letter of Map Revision

CM Construction Manager

CMAQ Congestion Mitigation Air Quality

CMB Concrete Median Barrier

CMP Corrugated Metal Pipe

CMS Changeable Message Sign

CO Certificate of Occupancy

COGO Coordinate Geometry

CONC Concrete

CONSTR Construction

COTS Commercial Off the Shelf

CP Concurrence Point

CPESC Certified Professional in Erosion and Sediment Control

CPI Continuous Process Improvement

CPM Certified Public Manager

CPM Critical Path Method

CPSWQ Certified Professional in Storm Water Quality

CPT Cone Penetration Test

CQC Contractor Quality Control

CRC Coastal Resource Commission

CRI Criteria

CRSI Concrete Reinforcing Steel Institute

CS Corrugated Steel

CS Curve to Spiral

CSP Corrugated Steel Pipe

CSR Culvert Survey Report

CSS Context Sensitive Solution

CT Center

CTBC Cement Treated Base Course

CTE Center for Transportation and the Environment

CTP Comprehensive Transportation Plan

CVS Certified Value Specialist

CWA Clean Water Act

 $\overline{\mathbf{D}}$

D Directional Split or Factor

DB Design-Build

DBB Design-Bid-Build

DBE Disadvantaged Business Enterprise

DBEC Design-Build Executive Committee

DBIA Design-Build Institute of America

DBT Design-Build Team

DCIA Demographic Community Impact Area

DCM Division of Coastal Management

DCP Dynamic Cone Penetrometer

DDE Drainage Ditch Excavation

DEIS Draft Environmental Impact Statement

DEM Digital Elevation Model

DENR Department of Environmental and Natural

Resources

DET Detour Design

DHV Design Hourly Volume

DI Drop Inlet

DIP Ductile Iron Pipe

DLR Division of Land Resources

DLT Dual Left Turns

DMD Double Meridian Distance

DMS Dynamic Message Signs

DMV Division of Motor Vehicles

https://inside.ncdot.gov/DMV/default.aspx

DOD (US) Department of Defense

DOH Division of Highways

DOT Department of Transportation

DP Deficiency Points

DPI Department of Public Instruction

DSA Detailed Study Alternatives

DTCD Drop Type Concrete Drive

Division Traffic Engineer

DTM Digital Terrain Model

DW or D/W Driveway

DWQ Division of Water Quality

E

E East or Eastern or Easting | English | Enhancement Project Roadside (E-1234)

EA Environmental Assessment

EBL East Bound Lane

EC Erosion Control

ECHS Executive Committee for Highway Safety

Enterprise Content Management

ECRM Enterprise Content and Records Management

EDM Electronic Distance Measurement

EEP Ecosystem Enhancement Program

EFH Essential Fish Habitat

ElS Environmental Impact Statement

EIS Environmental Impact Statement (Draft and Final)

EL Elevation

EMB Embankment

EMS Emergency Medical Services

EMS Environmental Management Service

END Ending

EOP Edge of Pavement

EOT Edge of Travel Lane

EPA Environmental Protection Agency

EQN Equation

ESA Endangered Species Act

ESA Environmentally Sensitive Area

ESA Environmental Site Assessment

ESALs Equivalent Single Axle Loads

EST Estimated

ETC Electronic Toll Collection

ETJ Extra Territorial jurisdiction

EW Earthwork

EXC Excavation

EXIST Existing

F

F Ferry Projects (F-1234)

FAA Federal Aviation Administration

FD Freeway Design (Side Slope)

FDPS Full Depth Paved Shoulder

FEIS Final Environmental Impact Statement

FEMA Federal Emergency Management Agency http://www.fema.gov/

FES Flared End Section

FF Filter Fabric

FFI Final Field Inspection

FFS Free Flow Speed

fhv Heavy Vehicle Factor

FHWA Federal Highway Administration http://www.fhwa.dot.gov/

FIRMs Flood Insurance Rate Maps

FLP Federal Lands Program

FLUSA Future Land Use Study Area

FMEA Failure Mode and Effects Analysis

FMIS Fiscal Management Information System

FMLA Family Medical Leave Act

FOB Free on Board

FONSI Finding of No Significant Impact

fp Driver Population Factor

FPPA Farmland Protection Policy Act

FRA Federal Railroad Administration http://www.fra.dot.gov/

FS Feasibility Study

FS Foresight

FSC Federal Species of Concern

Ft Foot or Feet

FTA Federal Transit Administration http://www.fta.dot.gov/

FTS File Transfer System https://fts.dot.state.nc.us/

FueltaCS Fuel Tax Collection System

FWD Falling Weight Deflectometer

G

GDI Grated Drop Inlet

GHSP Governor's Highway Safety Program

GI Graded Inlet

GIS Geographical Information System

GMP Guaranteed Maximum Price

GP Grade Point

GPK Geopack files

GPR Ground Penetrating Radar

GPS Global Positioning System

GR Guard Rail

GRAU Guardrail Anchor Unit

GS General Statute

GTAC GIS Technical Advisory Committee

H

HAR Highway Advisory Radio

HARN High Accuracy Reference Network

HCM Highway Capacity Manual

HCS Highway Capacity Software

HCS Highway Capacity Software

HDPE High Density Polyethylene

HEC RAS Hydrologic Engineering Center - River Analysis System

HI Height of Instrument

HiCAMS Highway Construction and Materials System

HLA High Level Assessment

HMA Hot Mix Asphalt

HMR Hearing Map Review

HOV High Occupancy Vehicle

HPC High Performance Concrete

HPMS Highway Performance Monitoring System

HPO Historic Preservation Office

HQW High Quality Waters

HSP Highway Stormwater Program

HT Height

HUB Historically Underutilized Businesses

HUC Hydrologic Unit Code

HV Heavy Vehicle

HYD Hydraulic

Ī

Interstate or Interstate Projects (I-1234)

IAU Impact Attenuator Unit

ICA Immediate Corrective Action

ICE Indirect & Cumulative Effects

ICI Indirect & Cumulative Impact(s)

ICPM Initial Critical Path Method

Intermediate Contract Time

IDAS ITS Deployment Analysis System

IDP Individual Development Plan

Interstate Maintenance

IMAP Incident Management Assistance Patrol

IMPACT Information Management Public Affairs, Construction and

Traffic Control

IN Inch

IPL In Place Length

ISTEA Intermodal Surface Transportation Efficiency Act

IT Information Technology http://www.ncdot.gov/it/

ITE Institute of Transportation Engineers http://www.ite.org/

Institute for Transportation Research & Education http://itre.ncsu.edu/

ITS Intelligent Transportation Systems

J

JB Junction Box

JCT Junction

JD Jurisdictional Determination

JMF Job Mix Formula

JTOC Joint Transportation Oversight Committee

K

K Rest Area Projects (K-1234)

KM Kilometer

L

Loff Length of Runoff

Lout Length of Tangent Runout

LADA Location and Design Approval Letter

LARS Linear Referencing Attribute Reporting System

LC Long Chord

Local Design (Side Slope)

LEDPA Least Environmentally Damaging Practicable Alternative

LEED Leadership in Energy and Environmental Design

LiDAR Light Detection and Ranging

LMC Latex Modified Concrete

LMDA Leadership and Management Development Association

LOC Location and Surveys | Limits of Construction

LOI Letter of Interest

LOMR Letter of Map Revision

LOP Letter of Permission

LOS Level of Service

Loop (-LPA-, -LPD-)

LPA Local Public Agency

LRFD Load and Resistance Factor Design

LRS Linear Referencing System

LRTP Long Range Transportation Plan

LSA Limited Service Agreement

LT Left

M

Meter or Metric or Median Anchor Unit (M-350)

MANLAA May Affect, Not Likely to Adversely Affect

MAT Material

MBE Minority Business Enterprises

MBT Modified Bulb Tee

MCI Monolithic Concrete Island

MD Middle

MDI Median Drop Inlet (also see GDI)

MDNDS Median Ditch Slope

MDS Masonry Drainage Structure

MH Man Hole

MHW Mean High Water

MI Mile

MMS Maintenance Management System

MMTF Multi-Modal Transportation Facility

MOA Memorandum of Agreement

MOD Modified

MOE Maintenance of Effort

MOE Measures of Effectiveness

MOT Maintenance of Traffic

MOU Memorandum of Understanding

MPH Miles per hour

MPO Metropolitan Planning Organization

MPT Magnetic Particle Testing

MRG Maximum Relative Gradient

MRTDM Metroline Regional Traffic Demand Model

MSDS Material Safety Data Sheets

MSE Mechanically Stabilized Earthwalls

MSL Mean Sea Level

MTV Material Transfer Vehicle

MUMPO Mecklenburg-Union Metropolitan Planning Organization

MUTCD Manual on Uniform Traffic Control Devices

MVD Microwave Vehicle Detectors

MVM Million(s) of Vehicle-Mile(s)

MVR Motor Vehicle Registration

N

North or Northern or Northing

NAAQS National Ambient Air Quality Standards

NAC Noise Abatement Criteria

NAD North American Datum (+ MSL datum year: NAD

83)

NADO National Association of Development Organizations

NAPA National Asphalt Paving Association

NAVD North American Vertical Datum

NB(L) North Bound (Lane)

NC Normal Crown or North Carolina (Route Number)

NCAC North Carolina Administrative Code

NCAR North Carolina Accountability Report

NCAT National Center for Asphalt Technology

NCDENR North Carolina Department of Environment and

National Resources

NCDMF North Carolina Division of Marine Fisheries

NCDOT North Carolina Department of Transportation

NCEES National Council of Examiners for Engineering and

Surveying

NCFMP North Carolina Floodplain Mapping Program

NCHRP National Cooperative Highway Research Program

NCMIN North Carolina Multimodal Investment Network

NCNHP North Carolina Natural Heritage Program

NCR Non-Compliance Report

NCUTLO

NCTA North Carolina Turnpike Authority

National Committee on Uniform Traffic Laws &

Ordinances

NCWRC North Carolina Wildlife Resources Commission

http://portal.ncdenr.org/web/guest/

http://www.ncfisheries.net/

http://www.ncturnpike.org/

NDI Narrow Slot Drop Inlet

NEE Net Ecosystem Exchange

NEPA National Environmental Policy Act

NEU Natural Environment Unit

NFA Bridge Replacement Off-Federal-Aid System

NFAM Municipal Bridge Replacement Program

NHI National Highway Institute

NHP National Heritage Program

NHPN National Highway Planning Network

NHS National Highway System

NHTSA National Highway Traffic Safety Administration http://www.nhtsa.gov/

NMA National Management Association

NMFS National Marine Fisheries Service

NOAA National Oceanic and Atmospheric Administration http://www.noaa.gov/

NOV Notice of Violation

NPDES National Pollutant Discharge Elimination System

NPHQ National Partnership for Highway Quality

NPOAG National Parks Overflights Advisory Group

NPS National Park Service

NR National Register

NRCS Natural Resources Conservation Service

NRT National Recreational Trails

NRTR Natural Resources Technical Reports

NSW Nutrient Sensitive Waters

NTOC National Transportation Operation Coalition

NTP Notice to Proceed

NTS Not to Scale

NTSB National Transportation Safety Board http://www.ntsb.gov/

NTU Nephelometric Turbidity Units

NWI National Wetlands Inventory

NWP Nationwide Permit

0

O&D Origin and Destination (Survey)

OBD On-Board Diagnostics

OCR Optical Character Recognition

OEQ Office of Environmental Quality

OGAFC Open Graded Asphalt Friction Course

OJT On-the-Job Training

ONE Office of Natural Environment

ORT Open Road Tolling

ORW Outstanding Resource Waters

OS Outside of Study

OSBM Office of State Budget, and Management http://www.osbm.state.nc.us/

OSHA Occupational Safety and Health Administration http://www.osha.gov/

OSM Office of Surface Mining

OSP Office of State Personnel http://www.osp.state.nc.us/

P

P Passenger Rail Projects (P-1234) or Passenger (Car)

PADL Permeable Asphalt Drainage Layer

PAM Polyacrylamide

PART Piedmont Area Rapid Transit

PAT Pattern Lines

PC Passenger Car

PCB Portable Concrete Barrier

PCBB Prestressed Concrete Box Beam (Unit)

PCE Programmatic Categorical Exclusion

PCMS Portable Changeable Message Sign

PCN Pre-Construction Notification

PDA Performance Dashboard & Appraisal

PDA Pile Driving Analyzer

PDE Permanent Drainage Easement

PDEA Project Development and Environmental Analysis

PDF Portable Document Format

PDPS Partial Depth Pavement Shoulder

PE Professional Engineer

PEF Private Engineering Firm

PEP Product Evaluation Process

PERT Program Evaluation and Review Technique

PFI Preliminary Field Inspection

PFL Profile Sheets File (.PFL)

PGL Profile Grade Line

PGL Profile Grade Line

PHF Peak Hour Factor

Pl Plasticity Index

PI Pont of Intersection

PINC Point of Intersection No Curve

PIS Point of Intersection for Spirals

PLF Personalized Auto License Plate Fund

PLN Existing Topography File (.PLN)

PLS Professional Land Surveyor

PM Performance Metrics

PMEM Polymer-Modified Emulsion Membrane

PMP Pavement Marking Plans

PMP Project Management Professional

PMP Public Manager Program

PMR Post Hearing Map Review

PMS Portable Message Signs

POC Proof of Concept

POC Point on Curve

POT Point on Tangent

PPC Precast Prestressed Concrete

PPP Public-Private-Partnerships

PRC Point of Reverse Curve

PRL Property Graphics File (.PRL)

PRO Profile

PROP Proposed

PRS or RS Point of Reverse Spiral

PS Paved Shoulder

PS&E Plans, Specifications, and Cost Estimate

PSA Preliminary Site Assessment

PSH Preformed Scour Hole

PSH Plan Sheets

PSP Project Special Provisions

PT Point of Tangency or Point

PTSF Percent Time-Spent-Following

PUD Planned Unit Development

PUE Permanent Utility Easement

PVC Point of Vertical Intersection

PVI Point of Vertical Intersection

PVMT Pavement

PVMT SCHL Pavement Schedule

PVT Point of Vertical Tangency

Q

QA Quality Assurance

QC Quality Control

QCP Quality Control Plan

QMP Quality Management Plan

QMS Quality Management System

QPL Qualified Products List

R

R Rural Projects (R-1234) or Radius

RA Risk Assessment

RAP Reclaimed Asphalt Pavement

RAS Reclaimed Asphalt Shingle

RB Regional Business

RC Rapid Curing

RC Remove Adverse Crown, Reverse Crown, or Reverse Curve

RCBC Reinforced Concrete Box Culvert

RCL Reduced Candidate List

RCP Reinforced Concrete Pipe

RCRA Resource Conservation and Recovery Act

RCW Red-Cockaded Woodpecker

RDM Roadway Design Manual

REINF Reinforced

REM Remove

REPL Replace

RESURF Resurface

RET Retain

REU Roadside Environmental Unit

REV Revised Topo from Photogrammetry

RFC Release for Construction

RFI Request for Information

RFID Radio Frequency Identification

RFP Request for Proposals

RFQ Request for Qualifications

RGP Regional General Permit

RM Raised Median

ROD Record of Decision

ROW Right of Way

RP Ramp (-RPA-, -RPD-)

RPO Rural Planning Organization

RPOB Recycled Plastic Offset Blocks

RR Railroad

RR Railroad or Rip Rap or Rub Rail

RRR or 3R Resurfacing, Restoration, and Rehabilitation

RS Reverse Spiral

RT Right

RTCD Radius Type Concrete Drive

RTE Regional Transportation Engineer

RTOR Right Turn on Red

RTP Research Triangle Park

RTUT Right Turn Followed by U-Turn

RW or R/W Right of Way

<u>S</u>

S State Construction

S South or Southern or Southing | Scenic Beautification

Projects (S-1234)

SA Supplemental Agreements

SABC Sand Asphalt Base Course

SADLS State Automated Driver License System

SAFETEA-LU Safe, Accountable, Flexible, Efficient Transportation Equity

Act: A Legacy for Users

SAP Systems and Applications in Data Processing

SASC Sand Asphalt Surface Course

SASHTO Southeastern Association of State Highway & Transportation http://www.sashto.org/

Officials

SAU Structure Anchor Unit

SAV Submerged Aquatic Vegetation

SAVE Society of American Value Engineers

SB (L) South Bound (Lane)

SBE Small Business Enterprise

SBG Shoulder Berm Gutter

SC Special Commercial

SCC Sedimentation Control Commission

SCS Survey Control Sheets

SCS Spiral Curve Spiral

SDV Spatial Data Viewer

SE Super Elevation (Rate)

SEANC State Employees Association of North Carolina

SEE Social, Economic, and Environmental

SEP Strategic Energy Plan

SEPA State Environmental Policy Act

SFY State Fiscal Year

SG Safety Grant

SHA State Highway Agency

SHC Strategic Highway Corridor

SHC Strategic Highway Corridors

SHP Shape File

SHPO State Historic Preservation Officer

SHRP Strategic Highway Research Program

SHSP Strategic Highway Safety Plan

Systeme International (French) | Hazard Elimination Projects

(SI-1234)

SIP State Implementation Plan

SIPF Stay in Place Form

SLT Short-Listed Teams

SMC Strategic Management Committee

SMO Schedule Management Office

SNHA Significant Natural Heritage Area

SOQ Statement of Qualifications

SP Shear Point or Super Pave

SPCA Sedimentation Pollution Control Act

SPD Shear Point Diagram

SPDI Single Point Diamond Interchange

SPECS Specification, Proposals, Estimating, Contract System

SPI Spiral

SPT Standard Penetration Test

SPUI Single Point Urban Interchange

SR Secondary Road

SR Sufficiency Rating

SR Service Road or Secondary Road

SREC Structure Recommendations

SRW Segmental Retaining Wall

SS Temporary Slope Stake File

SSTI Smart State Transportation Initiative

ST Spiral to Tangent (Point)

STA Station

STaRS Schedule Tracking and Reporting System

STARS State Titling And Registration System

STBC Soil Type Base Course

STD State Transportation Department

STD Standard

STIP Surface Transportation Improvement Program

STPDA Surface Transportation Program, Direct Attributable

STPE Surface Transport Program, Enhancement

STR Structure

STRAHNET Strategic Highway Network

SUE Subsurface Utility Engineering

SUM Summary Sheets File

Superpave SUperior PERforming Asphalt PAVEments

SUT Single Unit Truck

SV Single Vehicle

SYB Symbol

T

Tangent or Truck Volume (ADT)

T&E Threatened and Endangered

TAA Take Appropriate Action

TAZ Traffic Analysis Zones

TB Top of Bank

TB Traffic Bearing

TBDI Traffic Bearing Drop Inlet

TBJB Traffic Bearing Juction Box

TBM Temporary Bench Mark

TCE Temporary Construction Easement

TCEO Traffic Congestion and Engineering Operations

TCM Transportation Control Measures

TCP Traffic Control Plans

TDE Temporary Drainage Easement

TDF Tire-Derived Fuel

TDI Tight Diamond Interchange

TDM Travel or Transportation Demand Management

TDP Time, Distance, and Place

TEA-21 Transportation Equity Act for the 21st Century

TEASS Traffic Engineering Accident Analysis System

TEMP Temporary

TEPPL Traffic Engineering Policies, Practices, and Legal

Authority

TER Truck Escape Ramps

TERM Terminator

TES Terminal End Section

TESSB Traffic Engineering & Safety Systems Branch

TIA Traffic Impact Analysis

TIFIA Transportation Infrastructure Finance & Innovation

Act

TIGER Transportation Investment Generating Economic

Recovery

TIMS Traveler Information Management System

TIN Triangulated Irregular Network

TIP Transportation Improvement Program

TIS Traffic Impact Study

TJCOG Triangle J Council of Governments

TMC Transportation or Traffic Management Center

TMT Transformation Management Team

TND Traditional Neighborhood Development

TNM Traffic Noise Model

TO Task Order

TP Turning Point

TR Trailing

TRB Transportation Research Board

http://www.trb.org/Main/Home.aspx

TRC Technical Review Committee

TS Tangent to Spiral (Point) or Typical Section

TSF Temporary Silt Fence

TSH Title Sheet

TSM Transportation Systems Management

TSR Retained Tensile Strength

TSW Truck Size and Weight

TT Turning Template

TTA Triangle Transit Authority

TTST Truck Tractor Semi-Trailer

TWG Technical Work Group

TWLTL Two-Way Left Turn Lane

TWSC Two-Way Stop-Controlled

TYP Typical Sections Details

U

UA Utility Agreement

UAPR Utility Analysis and Preliminary Routing

UBWC Ultrathin Bonded Wearing Course

UHPC Ultra-High Performance Concrete

URA Utilities Relocation Agreement

USCOE United States Army Corp of Engineers

USEPA Unites States Environmental Protection

Agency

USFWS United States Fish and Wildlife Service

USGS U.S. Geological Stream

US Geodetic Survey or US Geological

Survey

UST Underground Storage Tanks

UTL Utility File

UTs Unnamed Tributaries

V

V (Velocity) Design Speed

VC Vertical Curve

VECP Value Engineering Change Proposal

VII Vehicle Infrastructure Integration

VMT Vehicle Miles Traveled

http://www.usace.army.mil/Pages/default.aspx

http://www.epa.gov/

http://www.fws.gov/

VPD Vehicles Per Day

VPS Vehicle Positioning Systems

VSL Variable Speed Limits

VTM Voids in Total Mix

VTPD Vehicle Trips Per Day

W

West or Western or Westing | Hazard Elimination

Projects (W-1234)

WB Wheel Base

WBE Women Business Enterprises

WBL West Bound Lane

WBS Work Breakdown Structure

WCC Wheelchair Ramp Curb Cut

WCR Wheelchair Ramp

WIM Weigh-in-Motion

WLB Wetland Limit Boundary

WRC Wildlife Resources Commission http://www.ncwildlife.org/

WTAT Wet Track Abrasion Test

WW or WWF Woven Wire or Woven Wire Fence

X

XS or XSECT Cross Section

Y

Y Passenger Rail Projects (Y-1234)

<u>Z</u>

Z Passenger Rail Projects (Z-1234)

Glossary of Transportation Related Terms

Acceleration Lane – A paved auxiliary lane, including tapered areas, allowing vehicles to accelerate when entering the through-traffic lane of the roadway.

Access – The ability to reach or connect to a transportation facility (e.g. from an individual property or another mode).

Access Management – The planning, design, and implementation of land use and transportation strategies that maintain a safe flow of traffic while accommodating the access needs of adjacent development. The goal of Access Management is to balance the need to provide efficient, safe, and timely travel with the desired ability to allow access to the individual destination.

Access Point – An intersection, driveway, or opening on the right-hand side of a roadway. An entry on the opposite side of a roadway or a median opening also can be considered as an access point if it is expected to influence traffic flow significantly in the direction of interest.

Alternative – One of a number of specific transportation improvement proposals, alignments, options, design choices, etc., in a defined study area. For a transportation project, alternatives to be studied normally include the no-action alternative, an upgrading of the existing roadway alternative, new transportation routes and locations, transportation systems management strategies, multimodal alternatives, if warranted, and any combinations of the above.

Alternative Access – The ability of any vehicle to enter a roadway indirectly through a roadway of lower classification.

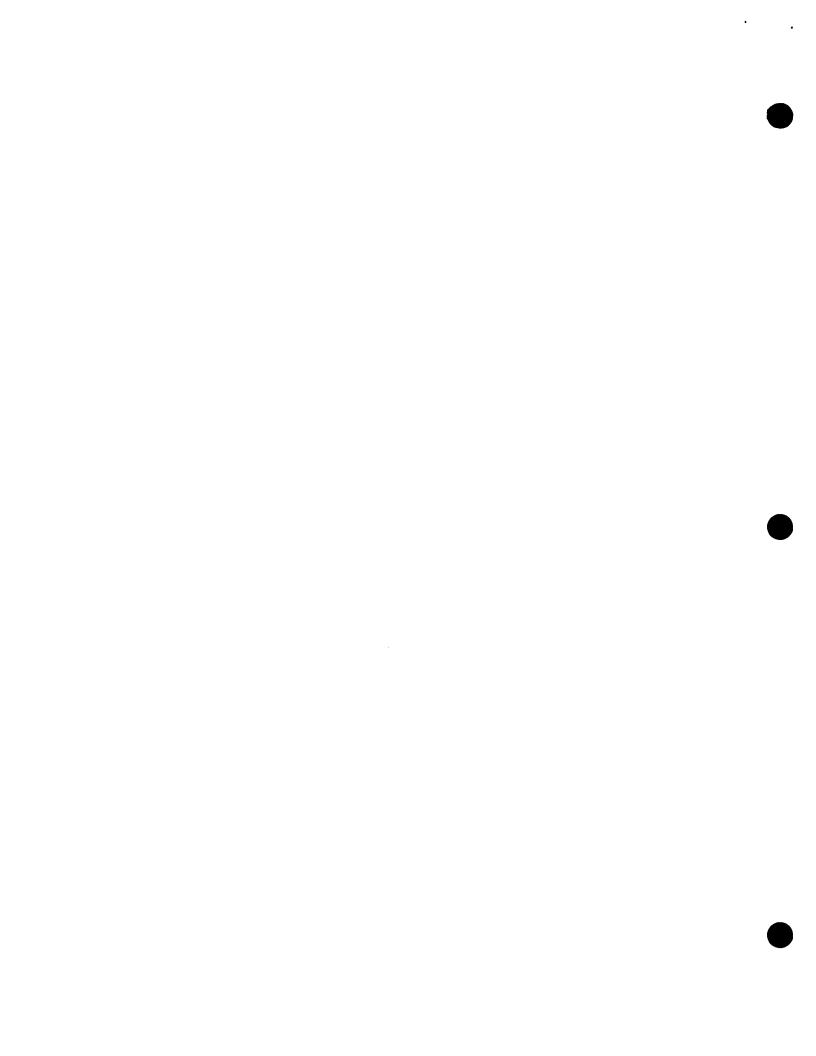
Alternatives Analysis – Comparative analysis of the social, economic and environmental impacts and benefits for alternatives on a proposed action.

Annual Average Daily Traffic (AADT) – The total volume of traffic on a highway segment for one year, divided by the number of days in the year.

Arterial – A class of roads serving major traffic movements (high-speed, high volume) for travel between major points.

Auxiliary Lane – An additional lane on a freeway to connect an on-ramp and an off-ramp.

Average Daily Traffic (ADT) – Total volume during a given time period (in whole days), greater than one day and less than one year, divided by the number of days in that time period.



Avoidance Alternative – general term used to refer to any alignment proposal which has been either developed, modified, shifted, or downsized to specifically avoid impacting one or more resources.

Boulevard – A facility with a functional purpose of moderate mobility and low to moderate access. The facility has limited or partial control of access, traffic signals, and a minimum of two travel lanes with a median. Connections are provided primarily at atgrade intersections for major and minor cross streets.

Capacity – A transportation facility's ability to accommodate a moving stream of people or vehicles in a given time period.

Clean Air Act (CAA) – Purpose is to "protect and enhance the quality of the Nation's air resources." Its primary programs regulate the release of contaminants to air from new and existing polluting facilities.

Clean Air Act Amendments of 1990 (CAAA) – Federal legislation passed in 1990 that amended the Clean Air Act. It strengthened ability of EPA to set and enforce pollution control programs aimed at protecting human health and the environment; included provisions for acid rain program.

Clean Water Act (CWA) – Objective is to "restore and maintain the chemical, physical, and biological integrity of the Nation's waters." One of the act's major enforcement tools is the National Pollutant Discharge Elimination System permit.

Collector – In rural areas, routes that serve intracounty rather than statewide travel. In urban areas, streets that provide direct access to neighborhoods and arterials.

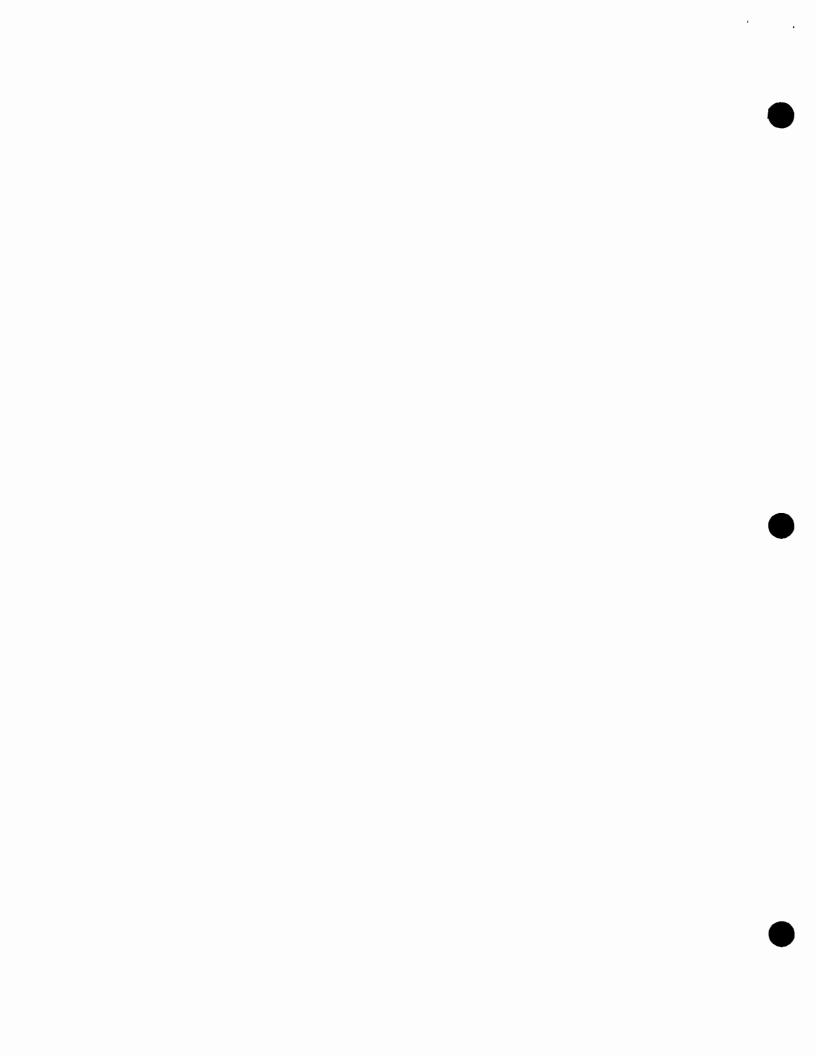
Collector/Distributor – A roadway parallel to a freeway that carries one-way traffic to and from ramps, which would otherwise exit or enter the freeway directly.

Comment Period – Duration of time during which written comments or responses may be submitted to an agency that has distributed a document for review and comment. It can be applicable to all types of documents that are circulated, as well as to formal presentations such as those, which may be given by transportation department officials at a public hearing.

Comprehensive Transportation Plan (CTP) – A mutually adopted, multimodal transportation planning set of vision maps (highway, public transportation & rail, bicycle, and pedestrian) that serves present and anticipated travel demand in a safe and effective manner.

Connectivity – The ability to travel to desired destinations.

Control of Access – The regulation of public access rights to and from properties abutting and public streets crossing highway facilities. Also see Full Control of Access, Limited Control of Access, Partial Control of Access, and No Control of Access.



Corridor – A broad geographical land area that is linear, connects major sources of trips, and may contain a number of streets, highways, transit lines, and routes; generally follows an interstate, greenway, or major roadway.

Cross-section – A basic description of type of roadway. Includes at a minimum the number of lanes and whether the roadway has a median or two-way left turn lane.

Deceleration Lane – A paved auxiliary lane, including tapered areas, allowing vehicles leaving the through-traffic lane of the roadway to decelerate.

Design Speed – A selected speed used to determine the various geometric design features of the roadway. The assumed design speed should be a logical one with respect to topography, the adjacent lane use, the classification of the highway, and the anticipated operating speed (usually 5 mph less than design speed).

Direct Effects – Effects caused by a given action and occurring at the same time and place. Changes in noise levels, fill discharges in wetlands, and changes in visual conditions are examples of direct effects.

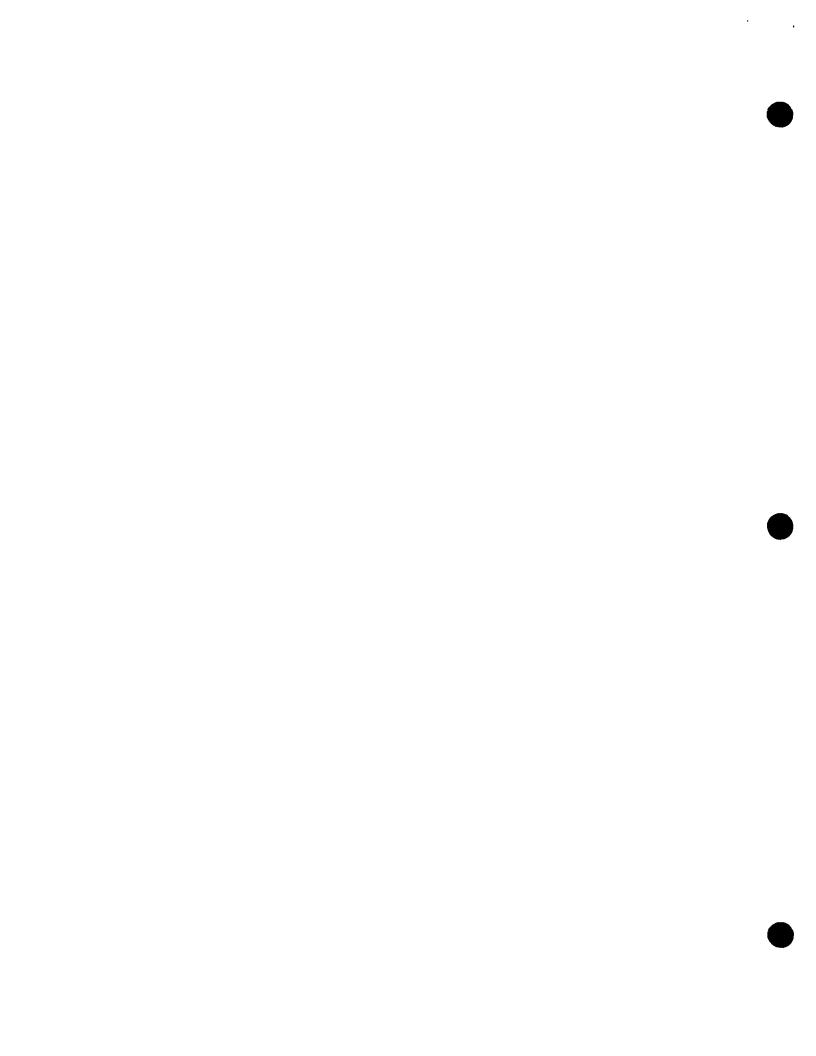
Directional Crossover – Also known as a "left-over", is an intersection which eliminates full-movement intersections. Traffic on the primary route is not affected; however, traffic on the secondary route must turn right onto the primary route and make a U-turn either at a median opening or the next full-movement intersection.

Directional Median Opening – An opening in a restrictive median that provides for specific movements and physically restricts other movements.

Diverge – A movement in which traffic separates from the primary roadway onto an exit ramp.

Ecosystem Enhancement Program (EEP) – NCDOT and NCDENR partnered to create the Ecosystem Enhancement Program, in order to deal with a rapidly expanding transportation program that would impact acres of wetlands and streams. The EEP protects the state's natural resources through the assessment, restoration, enhancement, and preservation of ecosystem functions, and through identifying and implementing compensatory mitigation programmatically, at the watershed level.

Environmental Impact Statement (EIS) – Report developed as part of the National Environmental Policy Act (NEPA) requirements, which details any adverse economic, social, and environmental effects of a proposed transportation project for which federal funding is being sought. Adverse effects could include air, water, or noise pollution; destruction or disruption of natural resources; adverse employment effects; injurious displacement of people or businesses; or disruption of desirable community or regional growth. A Draft (DEIS) and Final (FEIS) document are prepared. The FEIS must address comments received on the DEIS, making any appropriate revisions or decisions and,



identify (if not identified in the DEIS) and describe the preferred alternative and the basis for the decision.

Environmental Impacts – Direct effects of socio-economic activities and natural events on the components of the environment.

Environmental Justice Populations – Historically ethnic and low-income groups who do not typically participate in the planning process and have been under-represented and/or underserved by the transportation system.

Erosion – Wearing away of the land by running water, rainfall, wind, ice or other geological agents, including such processes as detachment, entrainment, suspension, transportation and mass movement. Geologically, erosion is defined as the process that slowly shapes hillsides, allowing the formation of soil cover from the weathering of rocks and from alluvial and colluvial deposits. Erosion is often intensified by land-clearing human activities related to farming, resident and industrial development and it has as effect increasing run-offs, decline of arable layers, siltation in lakes, lagoons and oceans.

Expansion – Activities focused on adding capacity of new facilities/services.

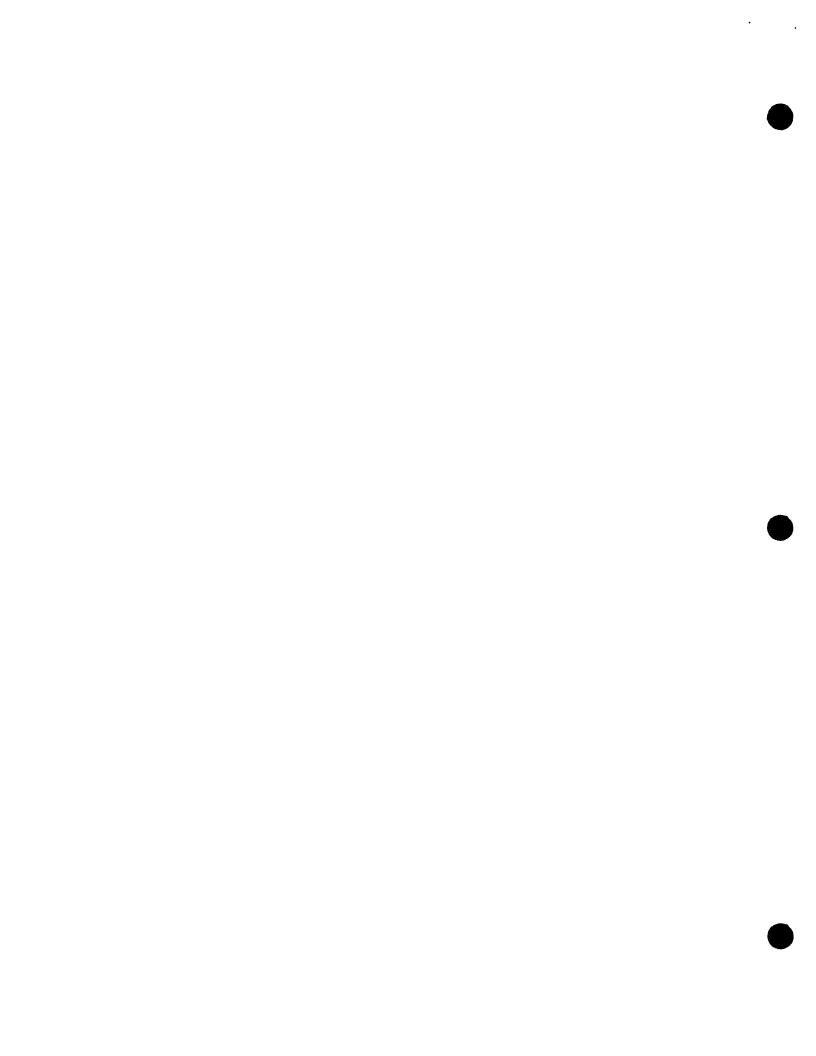
Expressway – A facility with a functional purpose of high mobility and low to moderate access. The facility has limited or partial control of access, no traffic signals, and a minimum of 4 travel lanes with a median. Connections are provided only at interchanges for major cross streets and at-grade intersections for minor cross streets.

Facility Type – A classification for highways in terms of the character of service that individual facilities are providing or are intended to provide, including the level of access, ranging from travel mobility to land access. Facility Types include Freeways, Expressways, Boulevards, and Thoroughfares.

Freeway – A facility with a functional purpose of high mobility and low access. The facility has full control of access, no traffic signals, no driveways, and a minimum of 4 travel lanes with a median. Connections are provided only at interchanges for major cross streets. All cross streets are grade-separated.

Frontage Road – A public or private drive that generally parallels a public roadway between the right-of-way and the front building setback line. The frontage road provides access to private properties while separating them from the arterial roadway. Also see Service Road.

Full Control of Access – Connections to a facility provided only via ramps at interchanges. All cross-streets are grade-separated. No private driveway connections allowed. A control of access fence is placed along the entire length of the facility and at a minimum of 1000 feet beyond the ramp intersections on the Y lines (minor facility) at interchanges (if possible).



Functional Design – A general design that includes horizontal and vertical alignments, edge of pavements, slope stakes, and right of way limits. No turn lanes are added at this stage. This type of design is usually performed using orthophotographs.

Gore Area – The triangular area located immediately between the left edge of a ramp pavement and the right edge of the major roadway pavement at either a merge or diverge area.

Grade-Separation – The use of a bridge structure and its approaches to confine portions of traffic to different elevations, thus dividing or separating the crossing movement.

High-Occupancy Toll (HOT) – HOV facilities that allow lower occupancy vehicles, such as solo drivers, to use HOV lanes in return for toll payments.

High-Occupancy Vehicle (HOV) – A vehicle with a defined minimum number of occupants (>1); HOVs often include buses, taxis, and carpools, when a lane is reserved for their use.

Hurricane Evacuation Route – Major facilities that shall be used to evacuate people from coastal areas in the event of a hurricane; developed by the North Carolina Division of Emergency Management.

Indirect and Cumulative Impacts (ICI) – Impacts on the environment which result from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (federal or non-federal) or person undertakes such other actions. Indirect impacts may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate, and related effects on air and water and other natural systems, including ecosystems. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

Intelligent Transportation Systems (ITS) – Advanced traffic operations and communications technologies that increase traffic flow on existing facilities, improve safety, and provide better and more accurate traveler information.

Interagency Leadership Team (ILT) – Their purpose is to address Goal #1 of the FHWA/NCDOT Joint Work Plan for Timely Program Delivery with Environmental Excellence. The goal is to: "develop and implement an action plan that demonstrates NCDOT, FHWA, and resource agency commitment to deliver NC's transportation program in a timely manner with environmental excellence." The mission of the ILT is "to develop an interagency plan for North Carolina to balance successfully mobility, natural and cultural resource protection, community values, and economic vitality at the confluence of our missions". Partners include: FHWA, USACE, USEPA, USFWS, NOAA, NCDOT, NCDOC, NCDENR, NCDCR, and the NCWRC.

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Interchange – A system of interconnecting roadways in conjunction with one or more grade separations that provides for the movement of traffic between two or more roadways or highways on different levels (with ramps).

Intermodal – Interconnectivity between various types (modes) of transportation.

Intermodal Surface Transportation Efficiency Act (ISTEA) – Landmark federal legislation signed into law in 1991. It made broad changes in the way transportation decisions are made by emphasizing diversity and balance of modes as well as the preservation of existing systems and construction of new facilities. The law expired in 1997, but much of the program were carried forward by the Transportation Equity Act for the 21st Century (TEA-21).

Intersection – The general area where two of more highways join or cross, including the roadway and roadside facilities for traffic movements within the area. The three general types of highway crossings are at-grade intersections, grade separations without ramps, and interchanges.

Interstate – A full control of access Freeway of at least four lanes designated by USDOT as part of the Interstate System. Interstates are the highest form of Freeways and have uniform geometric and construction standards, which include a minimum of four 12-foot wide travel lanes, a minimum shoulder width, full control of access, and design speeds of 50 to 70 miles per hour.

Interstate System – Formally known as the Dwight D. Eisenhower National System of Interstate and Defense Highways, it is the system of highways that connects the principal metropolitan areas, cities, and industrial centers of the United States. Also connects the United States to internationally significant routes in Canada and Mexico.

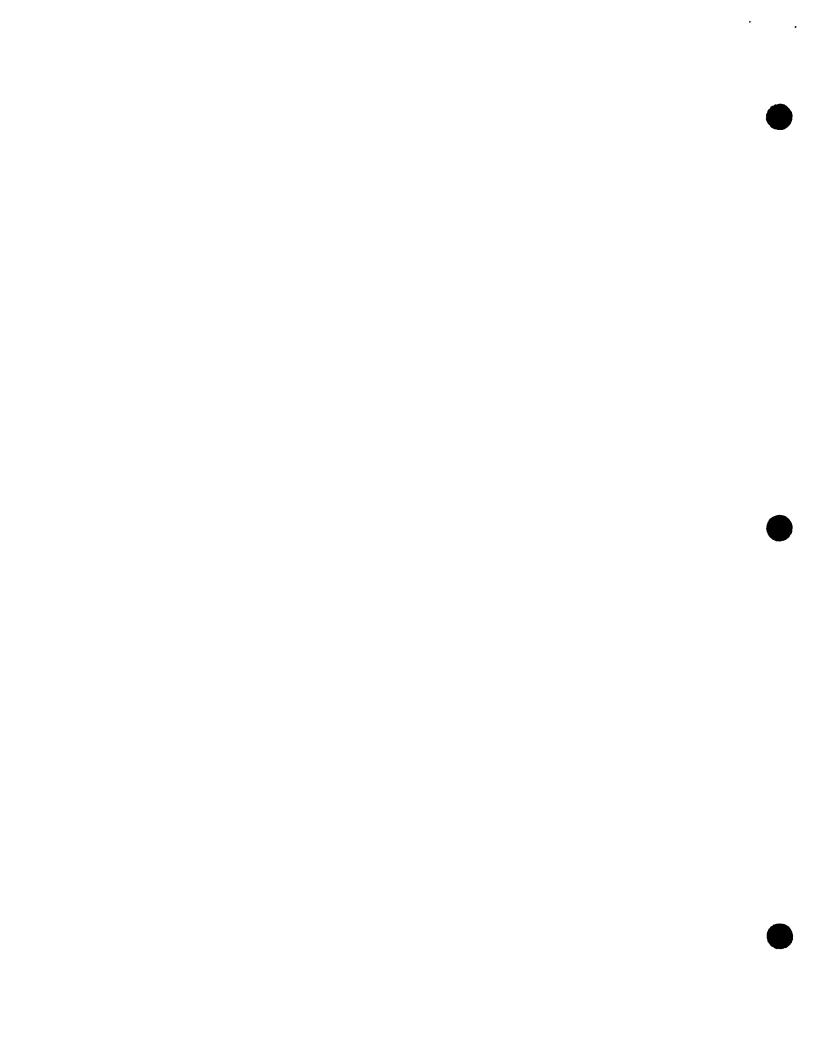
Interstate Loops and Spurs – Interstate connectors or full or partial circumferential beltways around an urban area. These highways carry a three-digit number.

Land Use Plan – A plan that establishes strategies for the use of land to meet identified community needs.

Land Use – Refers to the manner in which portions of land or the structures on them are used, i.e. commercial, residential, retail, industrial, etc.

Land-use Classification – Classification providing information on land cover, and the types of human activity involved in land use. It may also facilitate the assessment of environmental impacts on, and potential or alternative uses of, land.

Left-over – Also known as a "Directional Crossover", is an intersection which eliminates full-movement intersections. Traffic on the primary route is not affected; however, traffic on the secondary route must turn right onto the primary route and make a U-turn either at a median opening or the next full-movement intersection.



Level of Service (LOS) – 1) A qualitative assessment of a road's operating conditions. For local government comprehensive planning purposes, LOS means an indicator of the extent or degree of service provided by, or proposed to be provided by, a facility based on and related to the operational characteristics of the facility. LOS indicates the capacity per unit of demand for each public facility. 2) This term refers to a standard measurement used by transportation officials which reflects the relative ease of traffic flow on a scale of A to F, with free-flow being rated LOS-A and congested conditions rated as LOS-F.

Limited Control of Access – Connections to a facility provided only via ramps at interchanges (major crossings) and at-grade intersections (minor crossings and service roads). No private driveway connections allowed. A control of access fence is placed along the entire length of the facility, except at intersections, and at a minimum of 1000 feet beyond the ramp intersections on the Y lines (minor facility) at interchanges (if possible).

Long Range Transportation Plan (LRTP) – A document resulting from regional or statewide collaboration and consensus on a region or state's transportation system, and serving as the defining vision for the region's or state's transportation systems and services. In metropolitan areas, the plan indicates all of the transportation improvements scheduled for funding over the next 20 years.

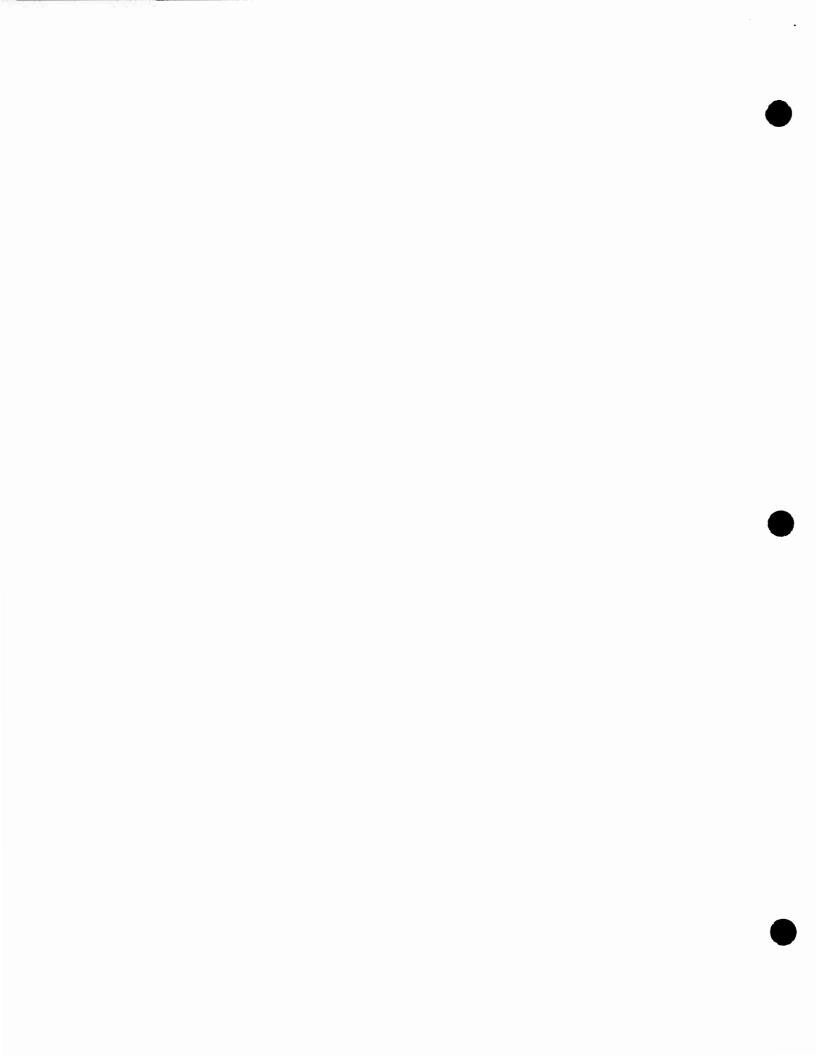
Median – The portion of a highway physically separating opposing directions of travel, not including two-way left-turn lanes; can be non-traversable (a physical barrier, such as a concrete barrier or landscaped island) or traversable (grass median or monolithic island), but not painted or striped.

Merge – A movement in which traffic combines from the primary roadway and an entrance ramp.

Merger 01 – The melding together of 404 regulations and NEPA for current projects. One of the goals of the Merger 01 process is to incorporate regulatory requirements into the NEPA decision-making process. The Merger 01 process is also designed to improve interagency coordination and it is an effort to streamline the project development and permitting processes.

Metropolitan Planning Organization (MPO) – A federally mandated transportation policymaking entity made up of representatives from local government and transportation authorities for urban areas with populations greater than 50,000. MPOs are responsible for developing long-range transportation plans and Transportation Improvement Plans (TIP) for their respective regions, while ensuring transportation projects and programs are based on a comprehensive, cooperative, and continuing (3-C) planning process.

Mitigation – The process of moderating the impact(s) a project has on the environment.



Mobility – The ability to move unimpeded, safely, and efficiently using a reliable transportation system.

Multimodal – The availability of multiple transportation options, especially within a system or corridor.

Multiple Land Use – Use of land for more than one purpose, for example, grazing of livestock, recreation and timber production. The term may also apply to the use of associated bodies of water for recreational purposes, fishing and water supply.

National Ambient Air Quality Standards (NAAQS) – Federal standards that set allowable concentrations and exposure limits for various pollutants. The USEPA developed the standards in response to a requirement of the Clean Air Act of 1990. Air quality standards have been established for the following six criteria pollutants: ozone (or smog), carbon monoxide, particulate matter, nitrogen dioxide, lead, and sulfur dioxide.

National Environmental Policy Act of 1969 (NEPA) – An act to establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality (CEQ) to administer NEPA, and to provide for other purposes. NEPA requires that any project using federal funding or requiring federal approval, including transportation projects, examine the effects of proposed and alternative choices on the environment before a federal decision is made. The NEPA process consists of a set of fundamental objectives that include interagency coordination and cooperation, and public participation in planning and project development decision-making. Environmental reviews involve an interdisciplinary and interagency process. This coordinated review process includes input from the public, as well as from other agencies, to guarantee that all environmental protections, as well as other issues are addressed.

National Highway System (NHS) – The Interstate System as well as other roads important to the nation's economy, defense, and mobility; developed by the United States Department of Transportation in cooperation with the states, local officials, and metropolitan planning organizations.

Natural Resources – Natural assets (raw materials) occurring in nature that can be used for economic production or consumption. See also renewable natural resources and non-renewable natural resources.

No Control of Access – Connections to a facility provided via ramps at interchanges, atgrade intersections, and private driveways. No physical restrictions, i.e., a control of access fence, exist. Normally, private driveway connections are defined as one connection per parcel. Additional connections may be considered if they are justified and if such connections do not negatively impact traffic operations and public safety.

North Carolina Intrastate System – A 3,600 mile system of highways designated by the North Carolina General Assembly in 1989 to be improved to at least four lanes in

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order to encourage economic development and growth, and connect the population areas to outlying areas of the state.

Notice of Intent (NOI) – An announcement to the public and to interested agencies that a project is being developed and that an EIS will be prepared. It briefly describes the study area, the proposed action, its proposed purpose and need, the agency's proposed public scoping process, and identifies the agency contact person (name and address).

Operations – The day to day tasks associated with maintaining and constructing highways. Includes evaluating driveway permits, traffic signal installations, overseeing constructing projects, and patching potholes. The 14 NCDOT Highway Division Offices are the primary groups responsible for handling the daily operations.

Partial Control of Access – Connections to a facility provided via ramps at interchanges, at-grade intersections, and private driveways. Private driveway connections are normally defined as a maximum of one connection per parcel. One connection is defined as one ingress and one egress point. The use of shared or consolidated connections is highly encouraged. Connections may be restricted or prohibited if alternate access is available through other adjacent public facilities. A control of access fence is placed along the entire length of the facility, except at intersections and driveways, and at a minimum of 1000 feet beyond the ramp terminals on the minor facility at interchanges (if possible).

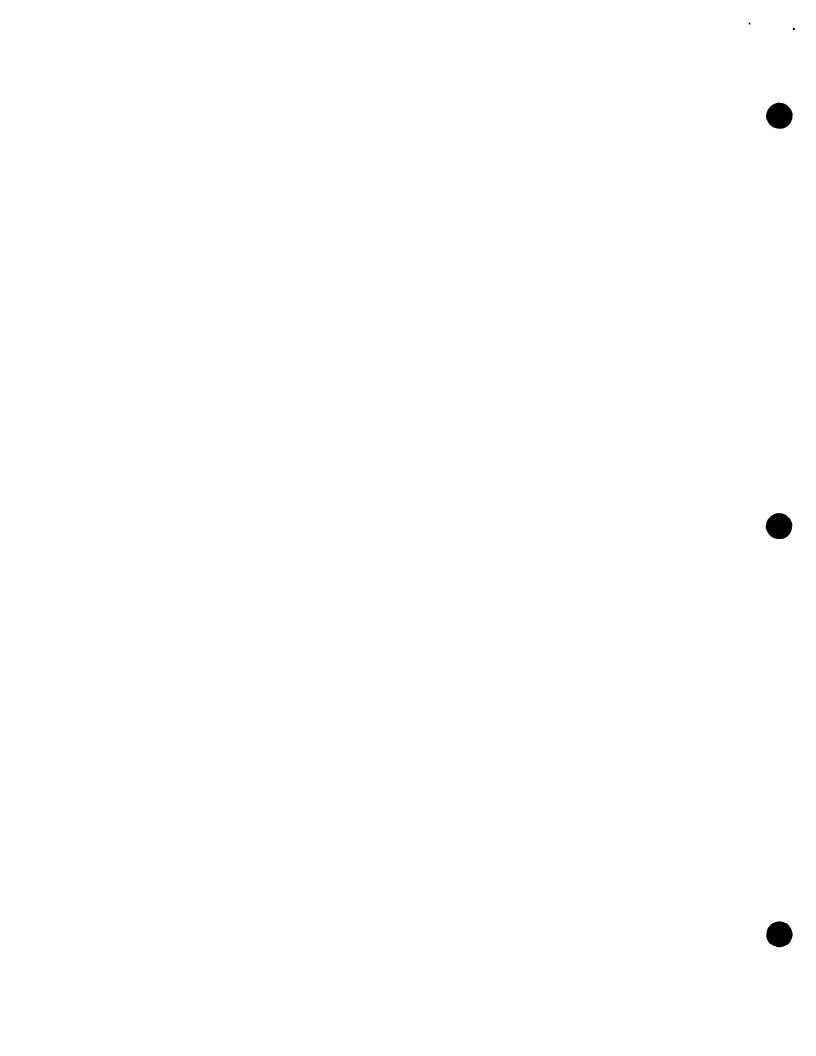
Permit – Written permission given by a governmental agency with "permitting" authority to take certain action during specific steps of a project development process. Example: permits may include permission for any construction, excavation, depositing of material, or other work in navigable waters (USACE), permission required for the discharge of dredged or fill material into waters of the United States (USACE). A permit may also refer certain other clearances or certifications such as a clearance from the FAA for proposed highway construction in the vicinity of public use and military airports, and water quality certifications for the licensing of an action that would result in a discharge into regulated waters. These approvals, plus certain others relating to solid waste management, underground storage tanks, coastal zone areas, etc., involve approvals and documentation commonly referred to as permits.

Preferred Alternative – The recommended alternative put forth no later than the FEIS. A recommended Preferred Alternative can be identified in the DEIS.

Public Hearing – A meeting designed to afford the public the fullest opportunity to express opinions on a transportation project. A verbatim record (transcript) of the proceedings is made part of the project record.

Public Involvement – The process through which government communicates with its stakeholders using a series of products, tools, documents and outreach opportunities.

Public Meeting – An announced meeting conducted by the convening agency designed to facilitate participation in the decision-making process and to assist the public in



gaining an informed view of a proposed project at any level. Can be referred to as a public information meeting or workshop.

Purpose and Need Statement – Establishes why the project is proposed and is the foundation to determine if alternatives meet the needs in the area. The Purpose and Need Statement is developed in consultation with local, state and federal agencies as well as the public. It is the first concurrence point of the 404/Merger process.

Quadrant Interchange – Also known as "square loops", is an interchange which consists of converting a full movement intersection into a grade separation and provides a quadrant roadway connecting the two streets, thus creating two new intersections. By dividing the movements of a single full movement intersection into two full movement intersections the overall efficiency is improved.

Queue – A line of vehicles waiting to be served by the roadway network or intersection control.

Ramp Junction – A short segment of highway along which vehicles transfer from an entrance ramp to the main roadway or from the main roadway to an exit ramp.

Ramp Meter – A traffic signal that controls the entry of vehicles from a ramp onto a limited access facility; the signal allows one or two vehicles to enter on each green or green flash.

Ramp Terminal – The roadway segment over which an entrance or an exit ramp joins with a surface street.

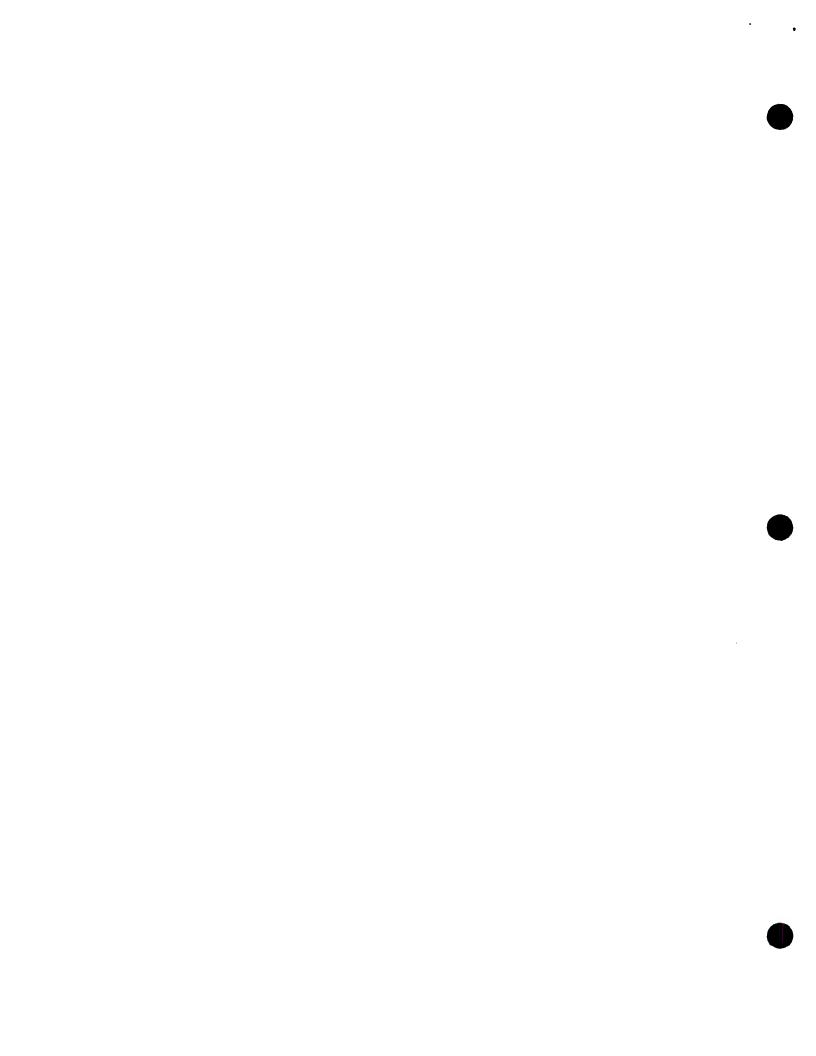
Right-in/Right-out – A roadway intersection where vehicles are restricted to entering and exiting an intersection by right-turn movement only.

Right of Way – The land (usually a strip) acquired for or devoted to highway transportation purposes.

Roundabout – An unsignalized intersection with a circulatory roadway around a central island with all entering vehicles yielding to the circulating traffic.

Rural Planning Organization (RPO) – Planning entities for rural (non-MPO) areas of three to 15 counties (establishment is voluntary). Core roles include: 1) development and prioritization of transportation projects for input into the State Transportation Improvement Program (TIP); (2) coordination of local and regional multimodal transportation plans; (3) providing an information clearinghouse (information resource center); and, (4) providing a mechanism for meaningful public participation.

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) – Congressional act authorizing federal surface transportation



programs for highways, highway safety, and transit for the five-year period from 2005-2009.

Scoping – The process of establishing the principal issues to be addressed in an environmental impact assessment.

Secondary and Cumulative Effects – See Indirect and Cumulative Impacts.

Service Interchange – A junction between a freeway and a secondary roadway.

Service Road – A public or private road, auxiliary to and normally located parallel to a controlled access facility or arterial that maintains local road continuity and provides access to parcels adjacent to the controlled access facility or arterial.

Shared Access – A single access connection serving two or more adjoining lots or parcels.

Shoulder – The portion of the roadway contiguous to the traveled way for accommodation of stopped vehicles, for emergency use, and for lateral support of the roadway.

Square Loops – Also known as "quadrant interchange", is an interchange which consists of converting a full movement intersection into a grade separation and provides a quadrant roadway connecting the two streets, thus creating two new intersections. By dividing the movements of a single full movement intersection into two full movement intersections the overall efficiency is improved.

Stakeholder – Individuals, communities, government agencies, private organizations, nongovernmental organizations or others having a legitimate interest or "stake" in both the process and outcomes of a project.

Statewide Transportation Plan – Formally known as North Carolina's Long-Range Multimodal Transportation Plan, it is the state's plan which identifies and evaluates a full spectrum of future transportation needs and potential solutions by mode and by function. The overriding purpose of this Statewide Transportation Plan is to establish a long-range blueprint for transportation investment in North Carolina. The Statewide Transportation Plan also provides a balanced picture of the state's transportation challenges and opportunities based on anticipated resources, projected passenger and freight movement needs, and estimated improvement costs. The end result is a preferred North Carolina transportation investment strategy for the next 25 years.

STRAHNET – The Department of Defense's Strategic Highway Network for moving military personnel and equipment.

Strategic Highway Corridors (SHC) – A set of primarily existing highway corridors that exemplify the long-term potential to serve passenger and freight movement in a high-

speed manner. These facilities, upon some level of improvement, will substantially increase the mobility and connectivity of travel to destinations within and just outside North Carolina, while helping foster economic prosperity and promoting environmental stewardship. The Board of Transportation adopted the SHC concept as a part of the Statewide Transportation Plan in September 2004.

Superfund – The common name used for the trust fund or process established under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) to clean up hazardous waste sites across the country. Also used to in the context of a cleanup site that has been place on the National Priorities List (e.g. a Superfund site).

Superstreet – The common name for an intersection design on a divided highway in an urban area in which a right turn, followed by a u-turn, replaces a prohibited left turn or through movement. Motorists using the major highway have the ability to turn right and (usually) left onto the minor street. Motorists on the side street can only to turn right onto the major highway, then must proceed to median crossover at least 800 feet downstream, make a u-turn on the major highway followed by a right onto the minor street to continue on "through" the intersection (if applicable). The intersections and median crossovers may be signalized. A similar design with directional crossovers, median u-turns, and no traffic signals is used in rural areas.

System Interchange – A junction between two intersecting freeways.

Thoroughfare – A facility with a functional purpose of moderate to low mobility and high access. The facility has no control of access, traffic signals, driveways with full movements, and a minimum of 2 travel lanes without a median. Connections are provided primarily at at-grade intersections.

Transportation Equity Act for the 21st Century (TEA-21) – Congressional act authorizing federal surface transportation programs for highways, highway safety, and transit for the six-year period from 1998-2003.

Transportation Improvement Program (TIP) – Federally-mandated, fiscally constrained schedule that prioritizes transportation projects and studies of regional or statewide significance that covers a minimum period of three years. (7 years in North Carolina.) A short-term, fiscally constrained program of multimodal transportation projects for metropolitan areas. It documents the anticipated timing, cost, and rationale for transportation improvements to be made in the region. It translates recommendations from the long-range transportation plan into a short-term program of improvements. The MPO generally prepares and updates the TIP every year (but is only required to do so every 2 years) in cooperation with the state transportation and public transit operators. MPOs, federal transportation agencies, and the Governor must approve the program.

Travel Demand – A measure of transportation activity. Specifically for highways, the number of vehicles desiring to use a particular facility.

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Travel Demand Management (TDM) – A system of actions whose purpose is to alleviate traffic problems through improved management of vehicle trip demand. These actions, which are primarily directed at commuter travel, are structured to either reduce the dependence on and use of single-occupant vehicles, or to alter the timing of travel to other, less congested time periods. Simply stated, the purpose of travel demand management is to maximize the movement of "people," not vehicles, within the transportation system.

Truck Traffic Percentages – The percentage of trucks of the total number vehicles using a highway.

Vehicle Miles Traveled (VMT) – A measure of highway use; measures the total miles traveled by all vehicles in the area for a specified time period (one vehicle traveling one mile is one vehicle-mile).

Weaving – The crossing of two or more traffic streams traveling in the same direction along a significant length of highway, without the aid of traffic control devices (except for guide signs).

Wetlands – Areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

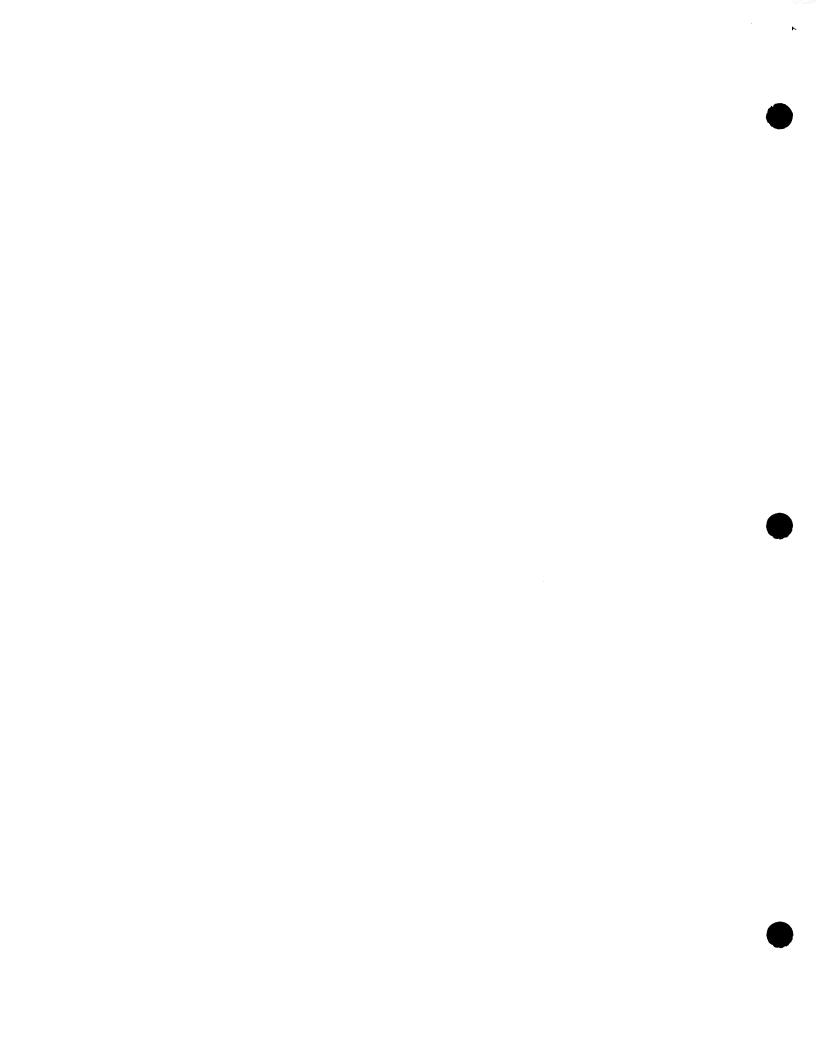
Zoning – Process in physical planning, or the results thereof, in which specific functions or uses are assigned to certain areas (for example, industrial zones, residential areas).

Sources:

NCDOT Strategic Highway Corridors. *Glossary of Terms*. http://www.ncdot.org/doh/preconstruct/tpb/SHC/pdf/shc_glossary.pdf. Website accessed January 27, 2010.

Transportation Research Board, Highway Capacity Manual. Washington, D.C. 2000.

American Association of State Highway and Transportation Officials – A Policy on Geometric Design of Highways and Streets, Fifth Edition. Washington, D.C. 2004.



Senate Committee on Appropriations on Department of Transportation Wednesday, February 11, 2015 at 8:30 AM Room 1228/1327

MINUTES

The Senate Committee on Appropriations on Department of Transportation met at 8:30 AM on February 11, 2015 in Room 1228/1327. Seven Senate members and 8 House members were present.

Senator Wesley Meredith, Chair, presided.

Connor Semon from Charlotte and Amanda Padden from Orange County served as pages.

Senator Meredith introduced Amna Cameron from the Fiscal Research Division to present the "Transportation Primer". Questions from the members were responded to by Amna Cameron and Bryce Ball from the Fiscal Research Division.

The meeting adjourned at 9:30 AM.

Senator Wesley Meredith, Chair

residing

Debbie Lown, Committee Clerk

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Joint Appropriations Committee on Transportation

February 11, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

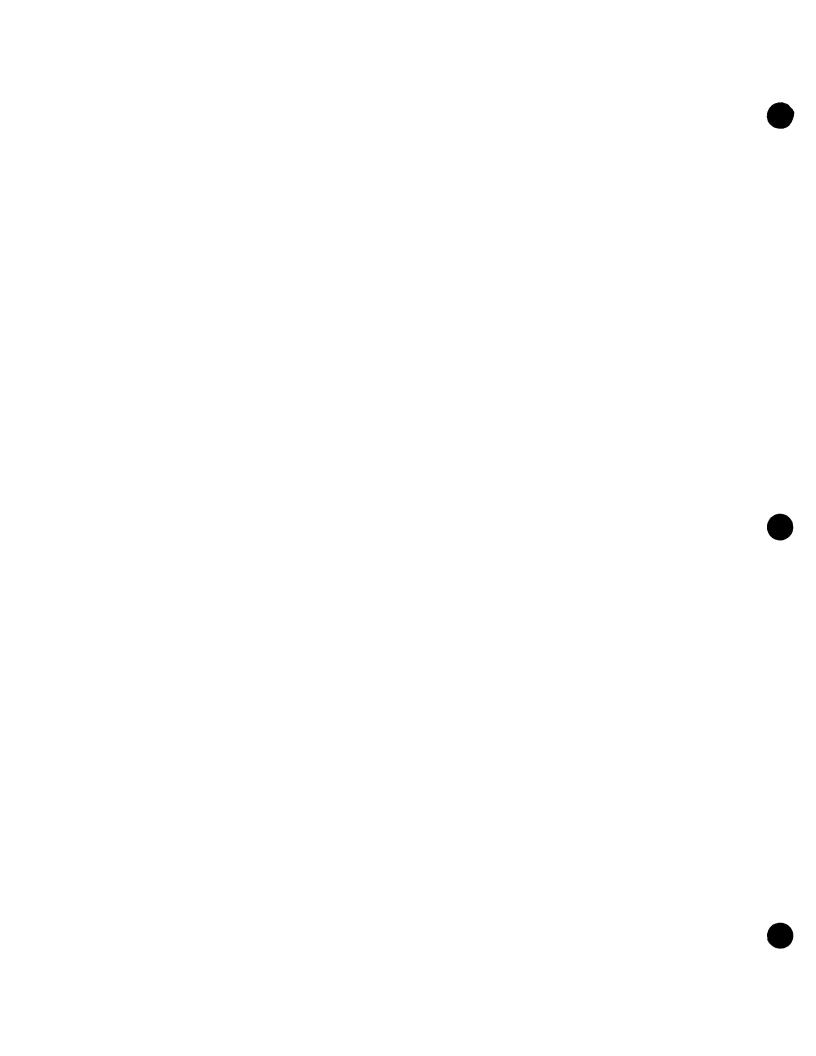
Chairs: Representative John Torbett

Representative Phil Shepard Representative Frank Iler Representative Paul Tine Senator Bill Rabon, Chairing Senator Wesley Meredith

- Call to Order
- Transportation Primer

Amna Cameron, Fiscal Research

Next meeting: Revenue Options - Tuesday, February 17, 8:30 a.m.



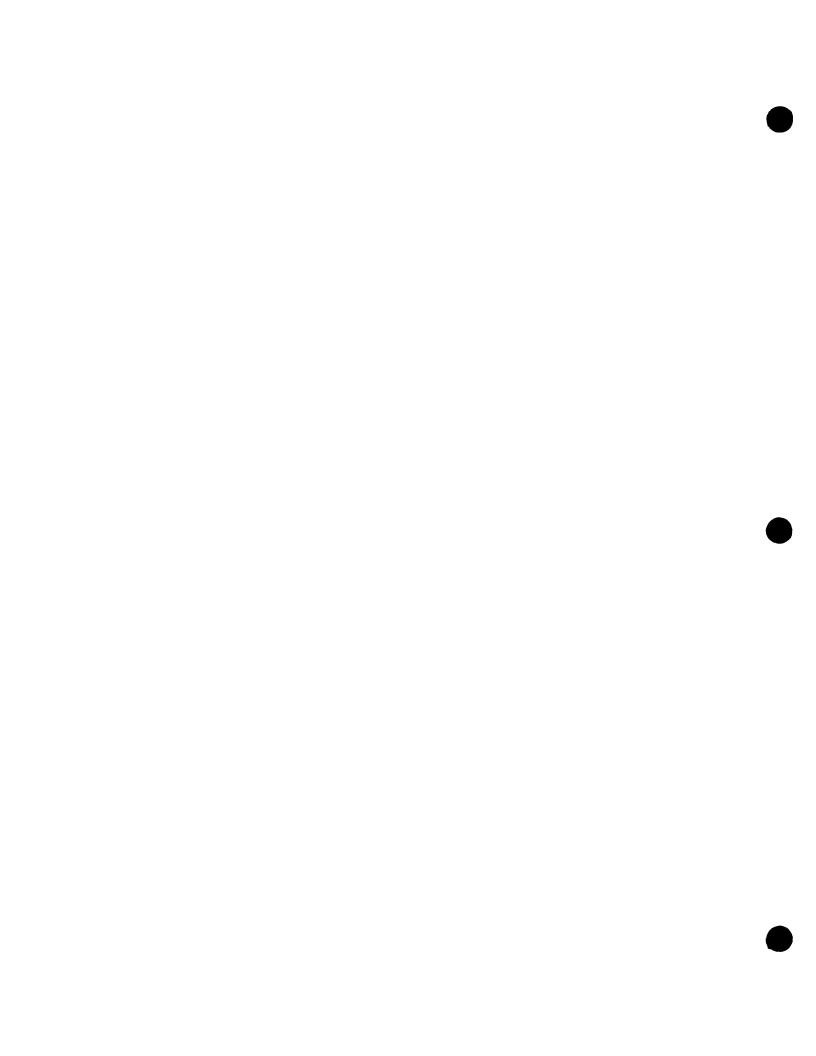
Transportation Primer

Joint Appropriations Committee on Transportation

February 11, 2015

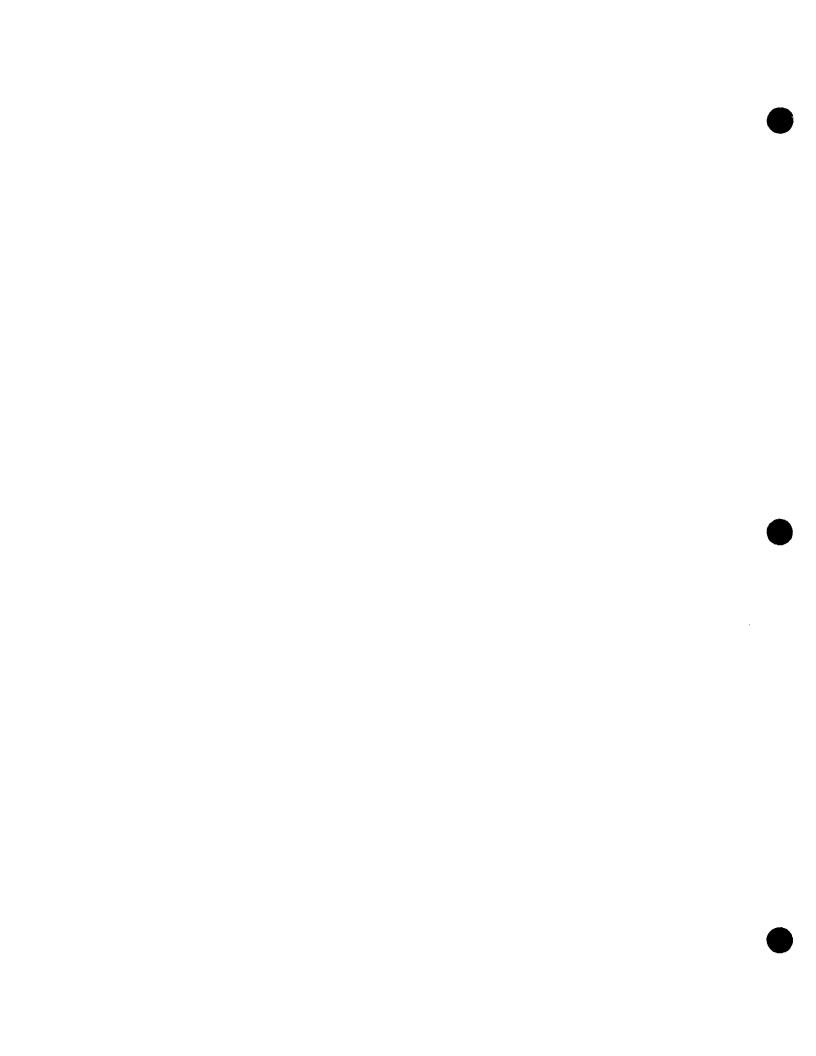
Amna Cameron Fiscal Research Division





Agenda

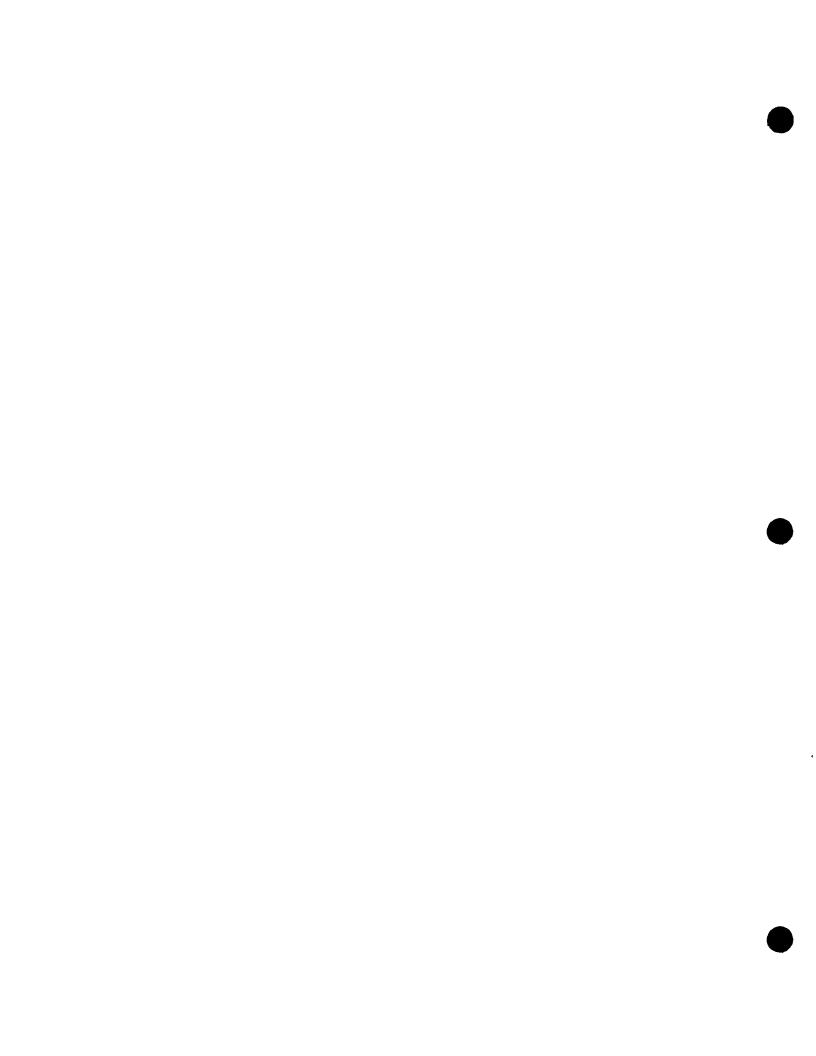
- Background
- Transportation Revenues
 - Items for Consideration
- Transportation Spending
 - Highway Fund
 - Highway Trust Fund
 - Items for Consideration
 - Summary



Background

North Carolina's State-Owned Highway System is:

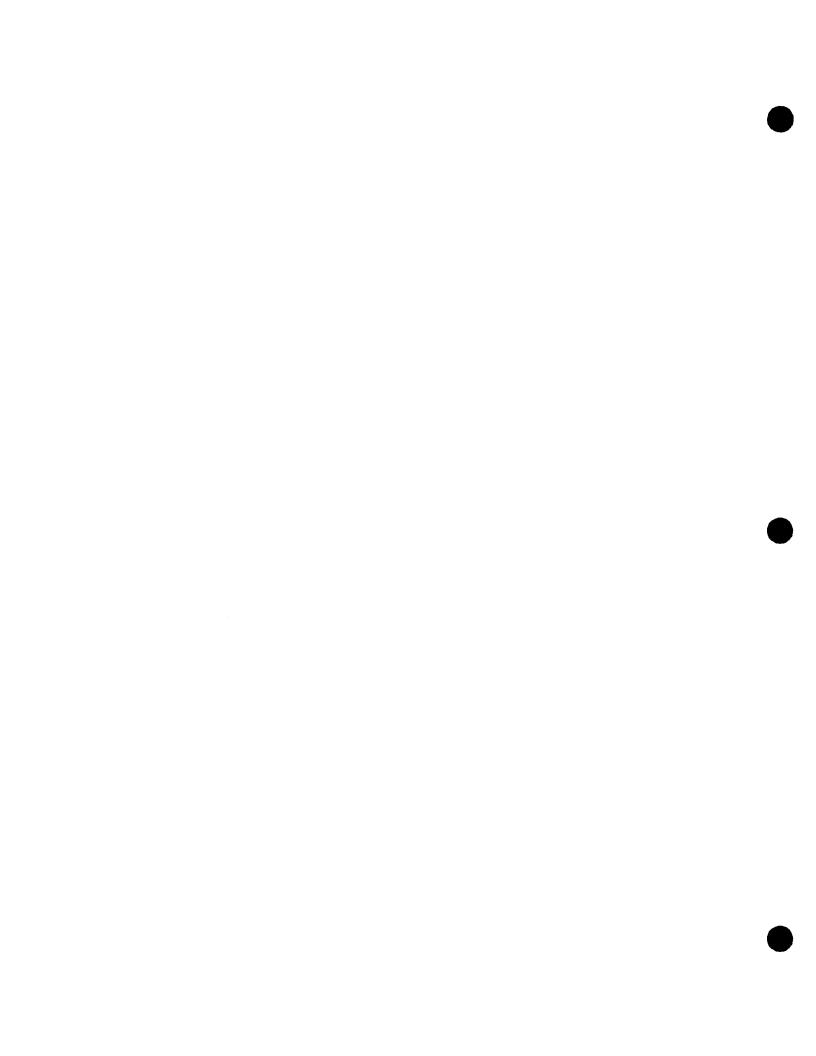
- Large 79,000 miles, second largest in the country
 - Texas is number one, by a few hundred miles
 - North Carolina secondary roads are state-owned
- Centralized All dollars flow to Raleigh
 - Highway Fund transportation project decisions made by Board of Transportation (G.S. 143B-350) and Secretary (S.L. 2012-84)
 - Highway Trust Fund project decisions made through STI prioritization process



Background: State Owned Roads

| State | Road Miles Owned by State Agency | Total Road Miles | Percent Owned by State Agency |
|----------------|-------------------------------------|------------------|----------------------------------|
| Florida | 12,079 | 121,829 | 10% |
| Georgia | 17,912 | 125,523 | 14% |
| North Carolina | 79,333 | 106,063 | 75% |
| South Carolina | 41,393 | 66,244 | 62% |
| Tennessee | 13,885 | 95,523 | 15% |
| Texas | 80,268 | 313,210 | 26% |
| Virginia | 58,296 | 74,591 | 78% |
| U.S. Total | 780,122 | 4,092,730 | 19% |

- Greater share than Florida, Georgia, or the nation as a whole.
- Local roads usually owned and controlled by local jurisdictions.

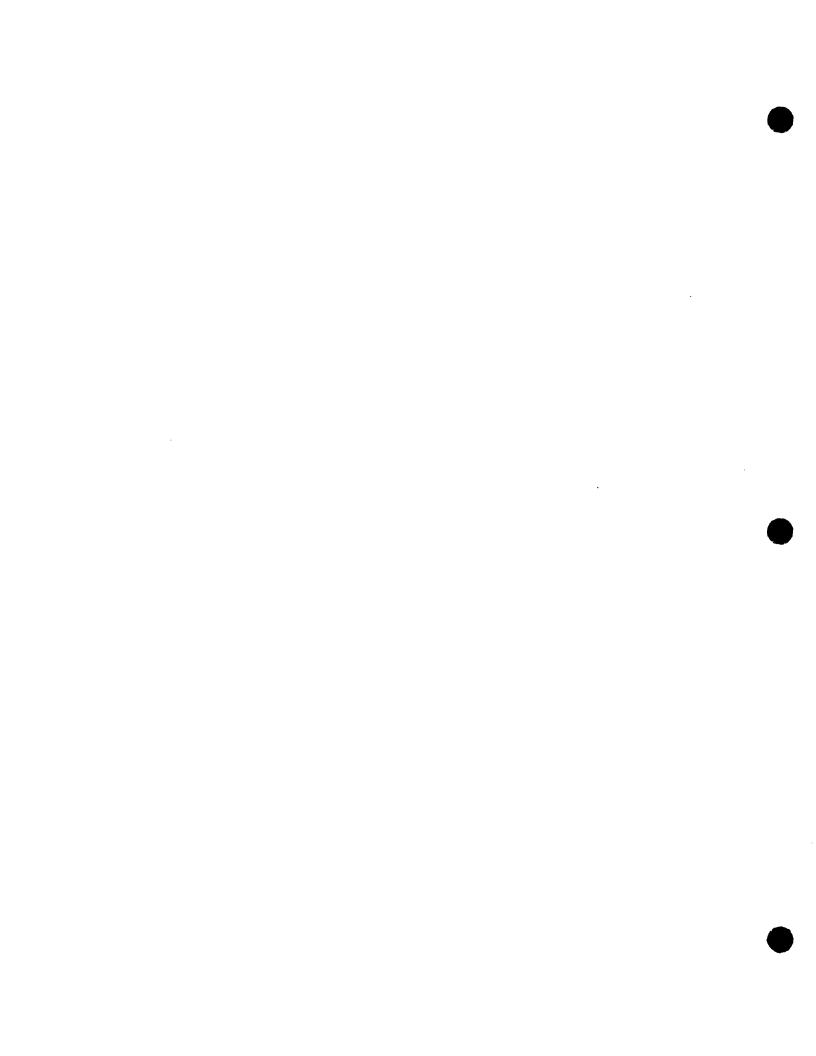


1915

- First full fledged State Highway Commission established
 - Provided road building assistance to counties

1921-1929

- NCGA authorizes takeover of 5,500 miles of county roads.
- Motor Fuel Tax raised to 5 cents per gallon (equivalent to 63 cents per gallon today)
- \$115 million in highway bonds issued
- North Carolina is the "Good Roads State"



1931

 During the Depression the state assumes responsibility for county roads, giving state responsibility for all roads except city streets.

1951

- Powell Bill
 - State takes over city streets which are part of the state highway system
 - Provided ½ cent per gallon from the motor fuel tax to cities for other city streets; allocated based on statutory formula.

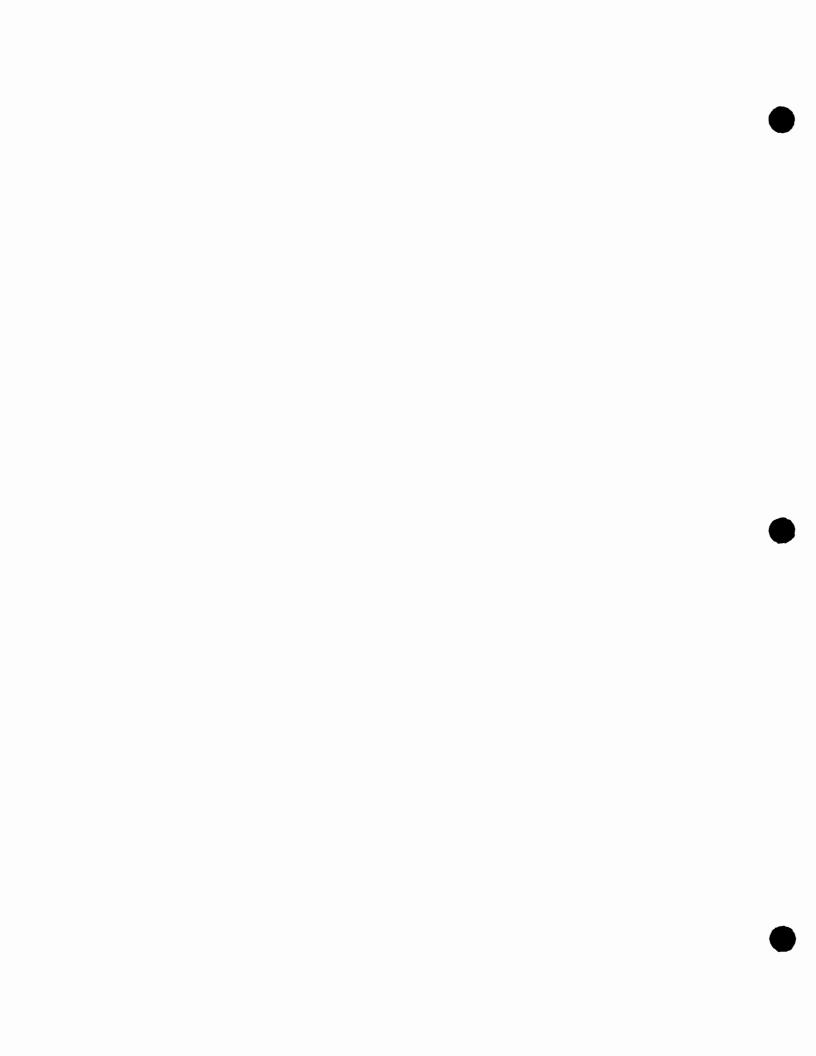
1980's

- Transportation infrastructure and funding mechanisms prove inadequate for the state's growth.
- Highway Study Commission recommends a multibillion dollar highway construction program.

1989

Creation of Highway Trust Fund (HTF)

- Goals are:
 - Completion of the Intrastate Highway System, a 3600 mile network of four-lane highways.
 - Construction of seven urban loops.
 - Pave 10,000 miles of state-maintained dirt roads.
 - Increase Powell Bill funding.

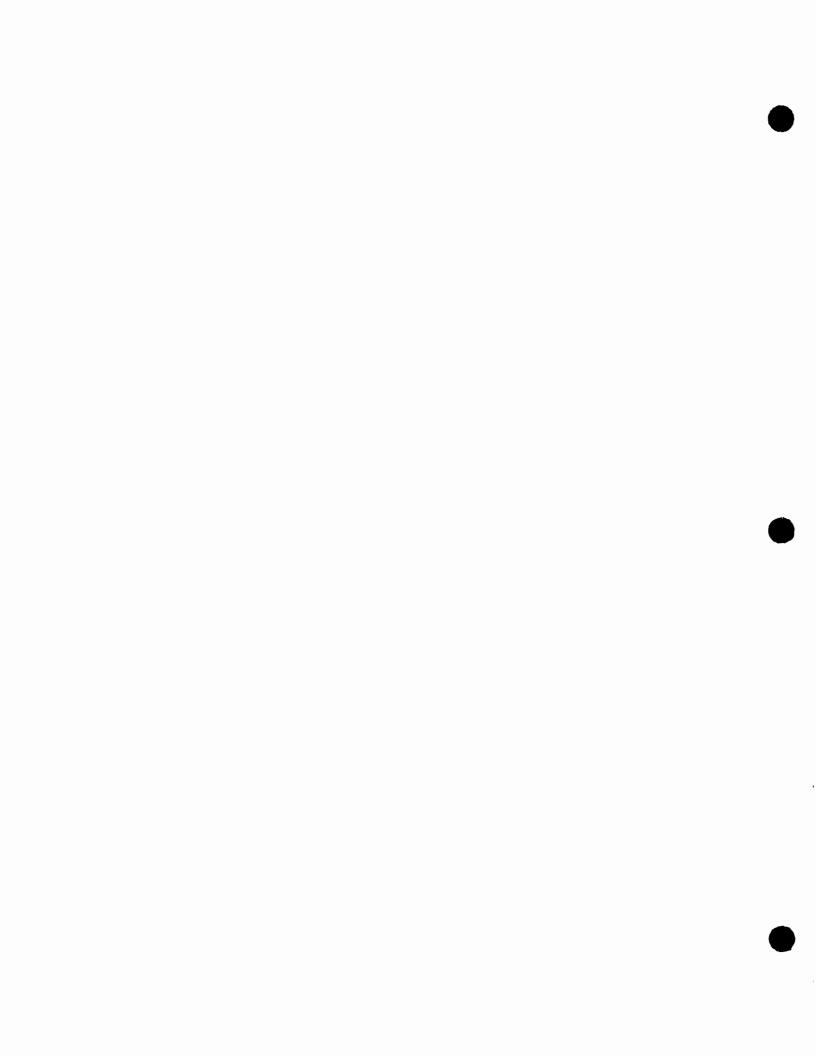


2002

• North Carolina Turnpike Authority created as an independent agency to examine the feasibility of tolling roads. The original projects were defined in Statute in 2005. Turnpike moved under DOT in 2009.

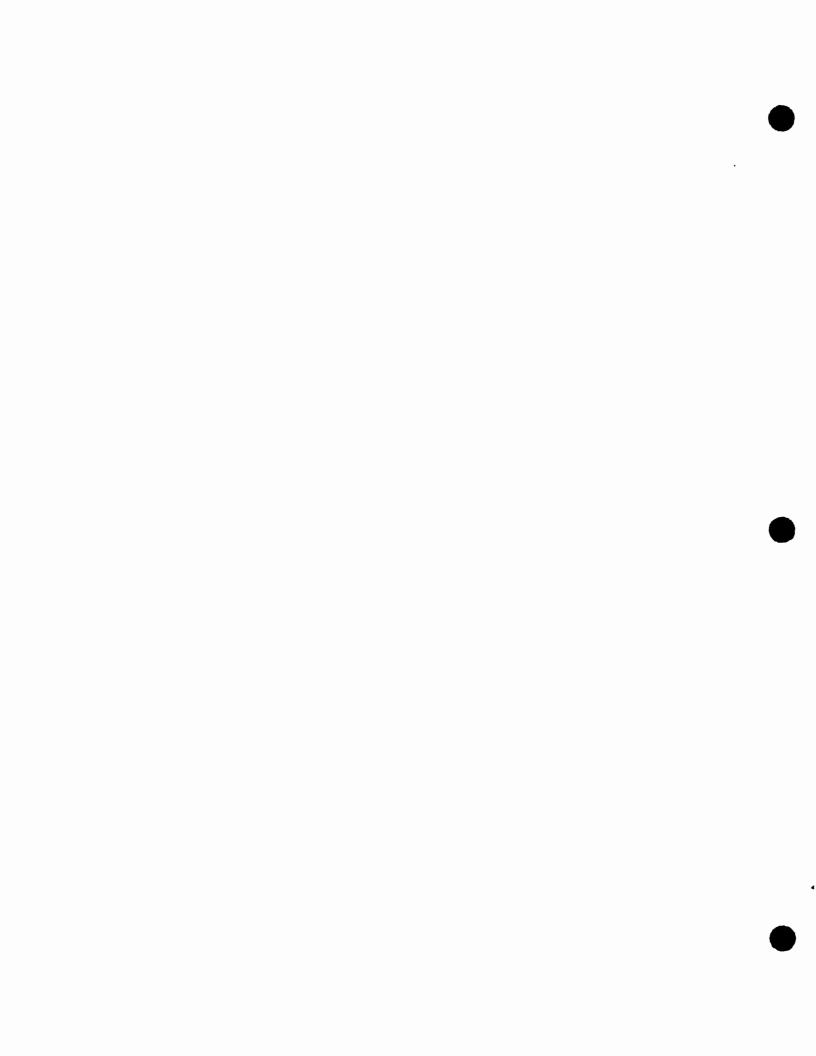
2007

• S.L. 2007-428 (SB 1513) Counties authorized to participate in the cost of rights-of-way, construction, reconstruction, improvement, or maintenance of roads on the State Highway System under agreement with the Department of Transportation.



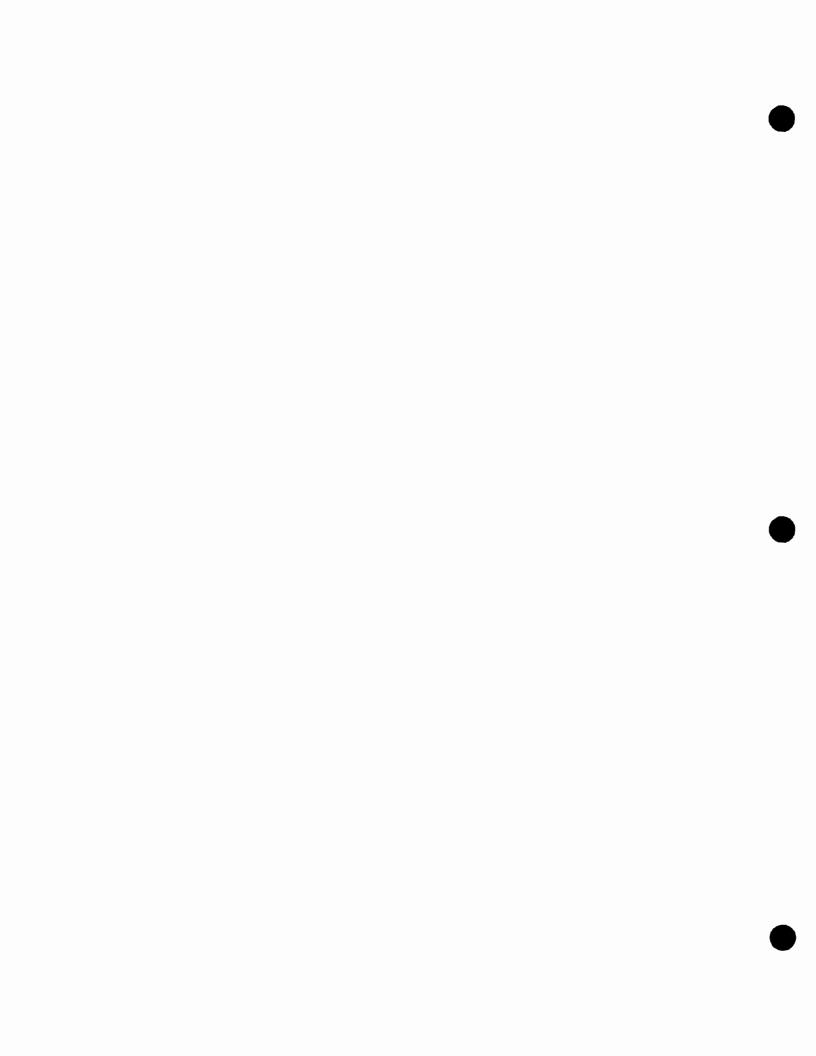
2013 Strategic Transportation Investments Act

- S.L. 2013-183 (HB 817) eliminated the Equity Formula put in place in original 1989 Highway Trust Fund law.
- Funds are distributed:
 - 40% Statewide (100% data driven)
 - 30% Regional Distributed by population (70% data driven/30% local input)
 - 30% Division Distributed equally across 14 Highway Divisions (50% data driven/50% local input)



FY 2013-15 Session Recap

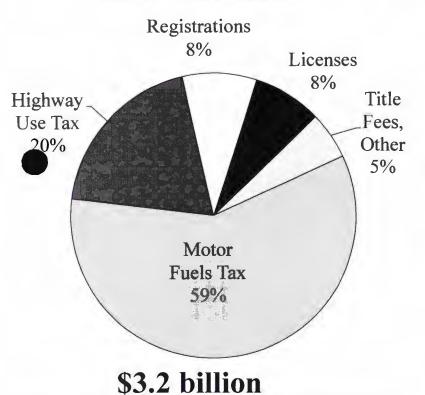
- Strategic Transportation Investments Act
- Established a dedicated Bridge Program
- Established a Pavement Preservation Program
- Established a Highway Maintenance Improvement Program
- Established Statewide Prioritization of Unpaved State Maintained Roads (and limited funding to \$12 m)
- Privatization and outsourcing increased
- Key IT projects advanced

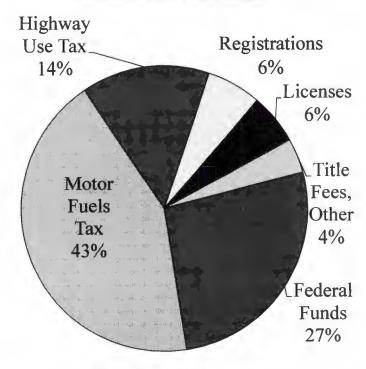


Transportation Revenues FY 2015

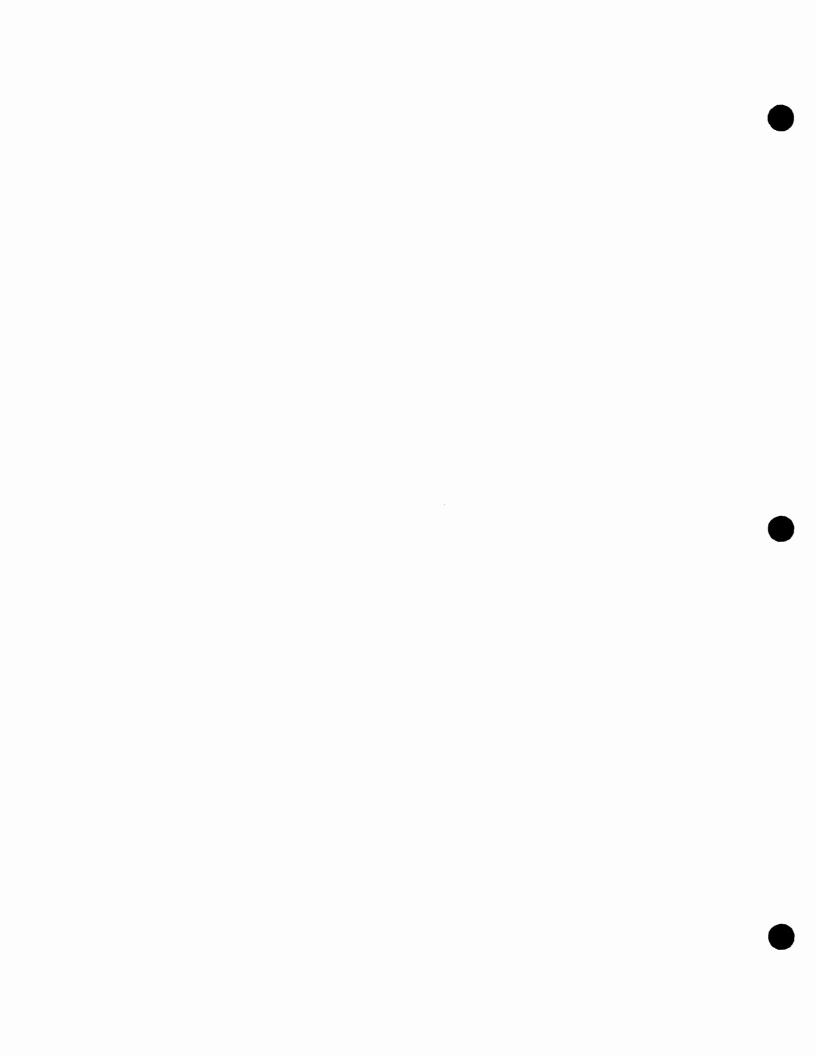
State Revenues

Total Revenues





\$4.4 billion

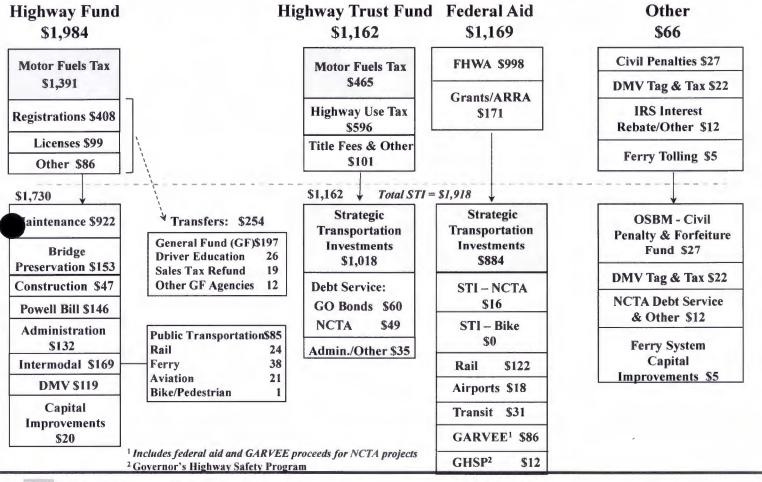


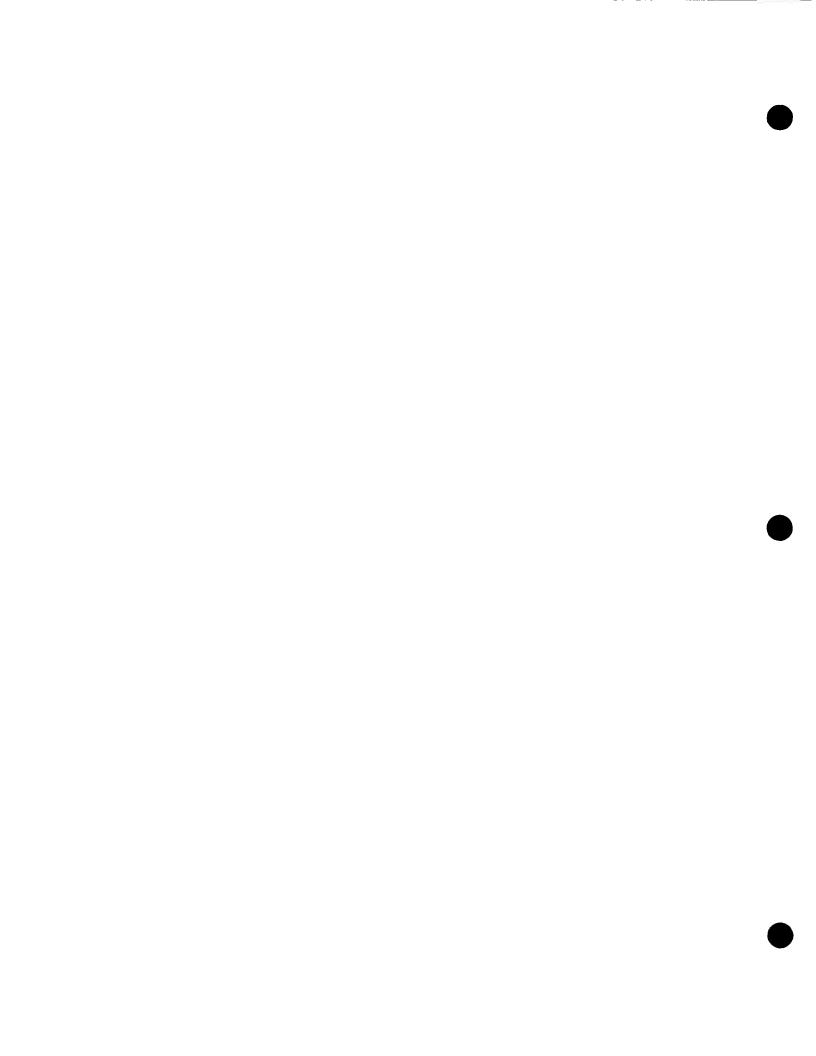
Transportation Revenues: Current vs. Forecasted

- This is a volatile forecast and represents a February 2015 consensus between DOT, OSBM, and Fiscal Research.
- Forecast will be finalized in April 2015 and any necessary changes will be incorporated in the Final Budget.
- Assumes Motor Fuels Tax rate is not capped.

| | Certified FY 2015 | Forecasted FY 2016 | Forecasted FY 2017 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Highway Fund | \$1,984,142,286 | \$1,774,200,000 | \$1,817,100,000 |
| Highway Trust Fund | \$1,162,393,140 | \$1,149,900,000 | \$1,181,200,000 |
| Average Motor Fuels Tax Rate | 37.0 cents per gallon | 30.4 cents per gallon | 31.3 cents per gallon |

FY2015 Flow of Funds (millions)

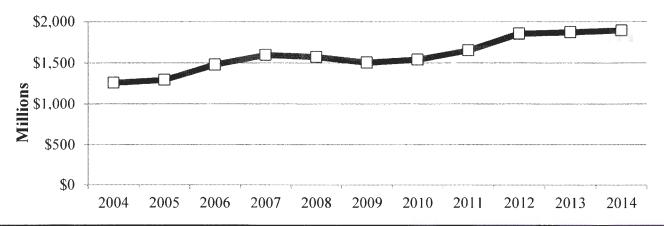




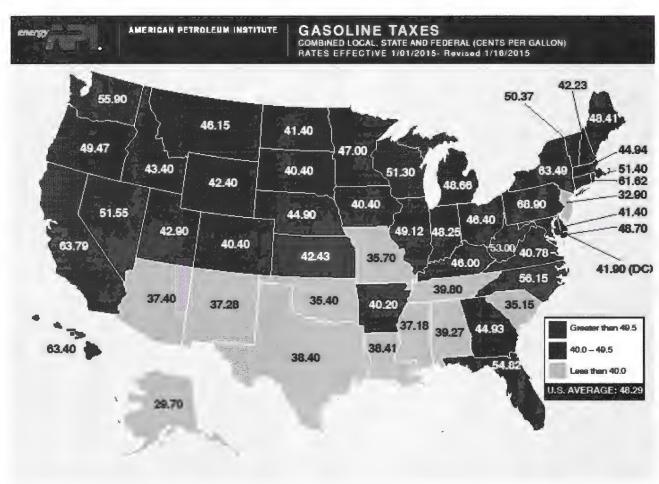
Transportation Revenues: Motor Fuel Taxes

- Rate is 37.5 cents per gallon (cpg) through June 30, 2015.
- 17.5 cpg fixed + variable rate based on wholesale price history.
- One cent equals \approx \$50 million in tax revenues.
- Consumption will decrease! CAFE standards, greater fuel efficient vehicles

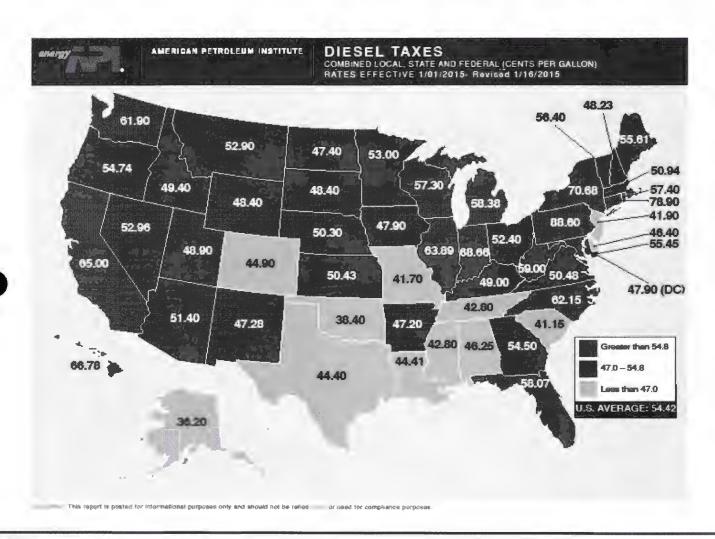
Motor Fuel Tax Collections, FY 2004-2014

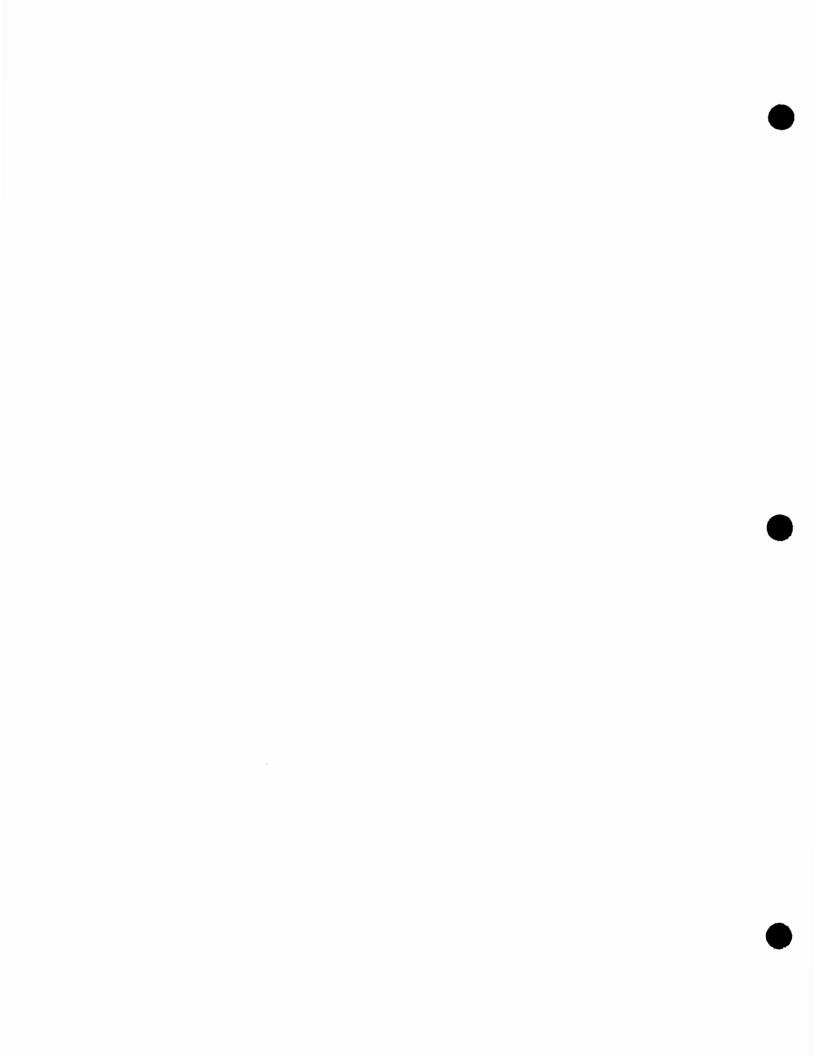


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Disclaimer: This report is posted for informational surposes only and should not be relied upon or sead for compliance purposes.

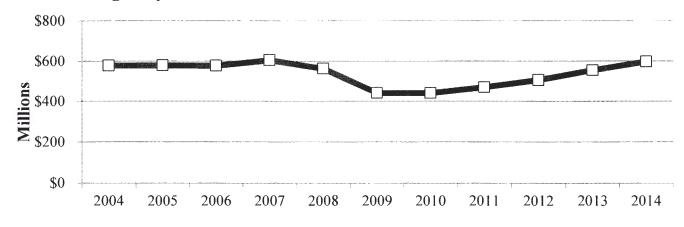


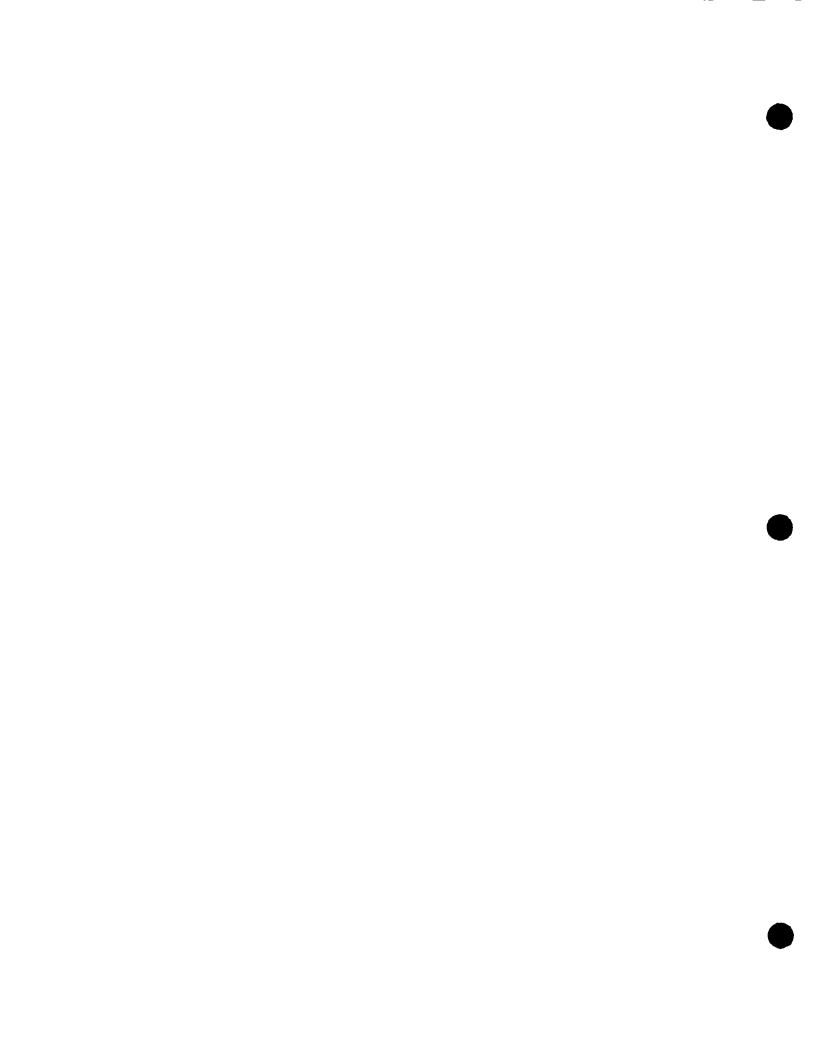


Transportation Revenues: Highway Use Tax

- Highway Use Tax is 3% of vehicle value, net of trade.
- North Carolina tax is lower than Georgia, Virginia, and South Carolina.
- Economic recovery showing in car sales. Further increases expected.

Highway Use Tax Collections, FY 2004-2014

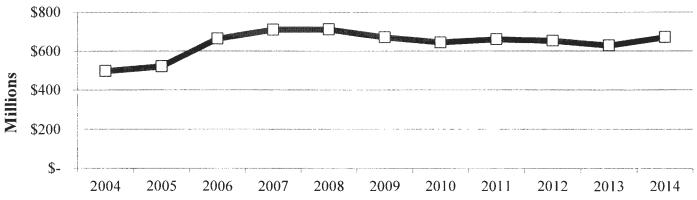


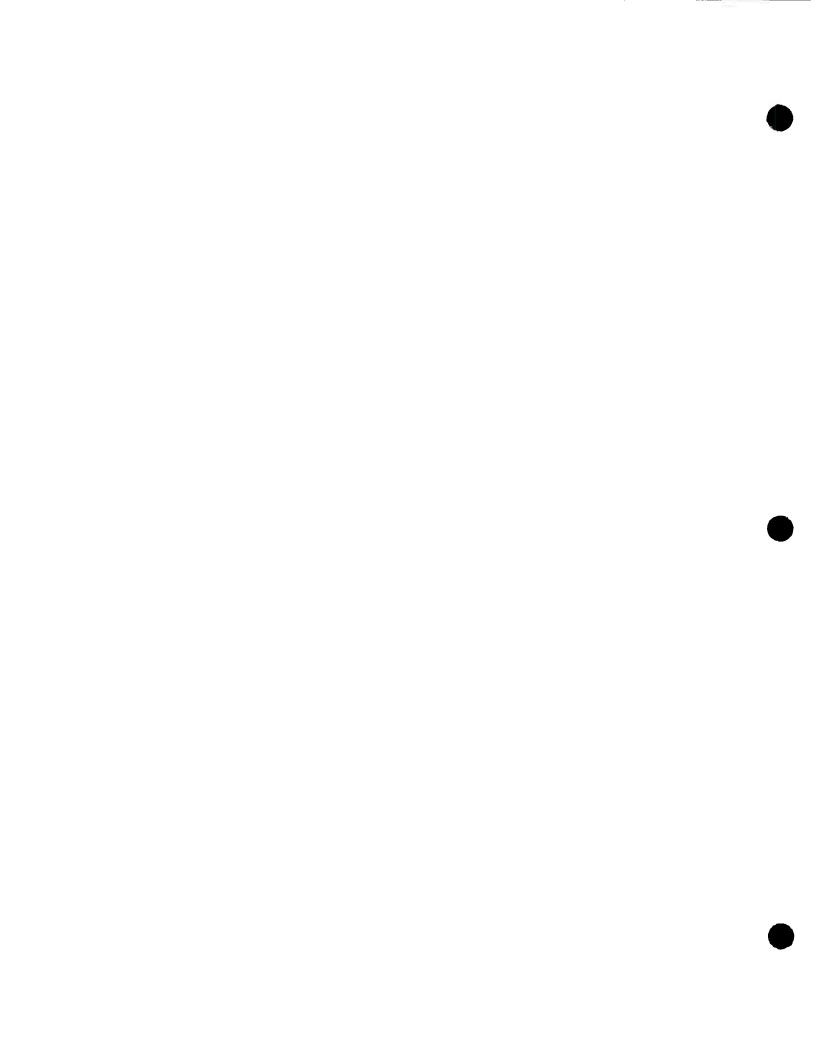


Transportation Revenues: Licenses and Fees

- Driver licenses, vehicle registration fees, truck licenses, titles...
- Generally driven by demographics.
- General Assembly increased these fees by about 20% in 2005 to account for inflation in the years since they had been set.



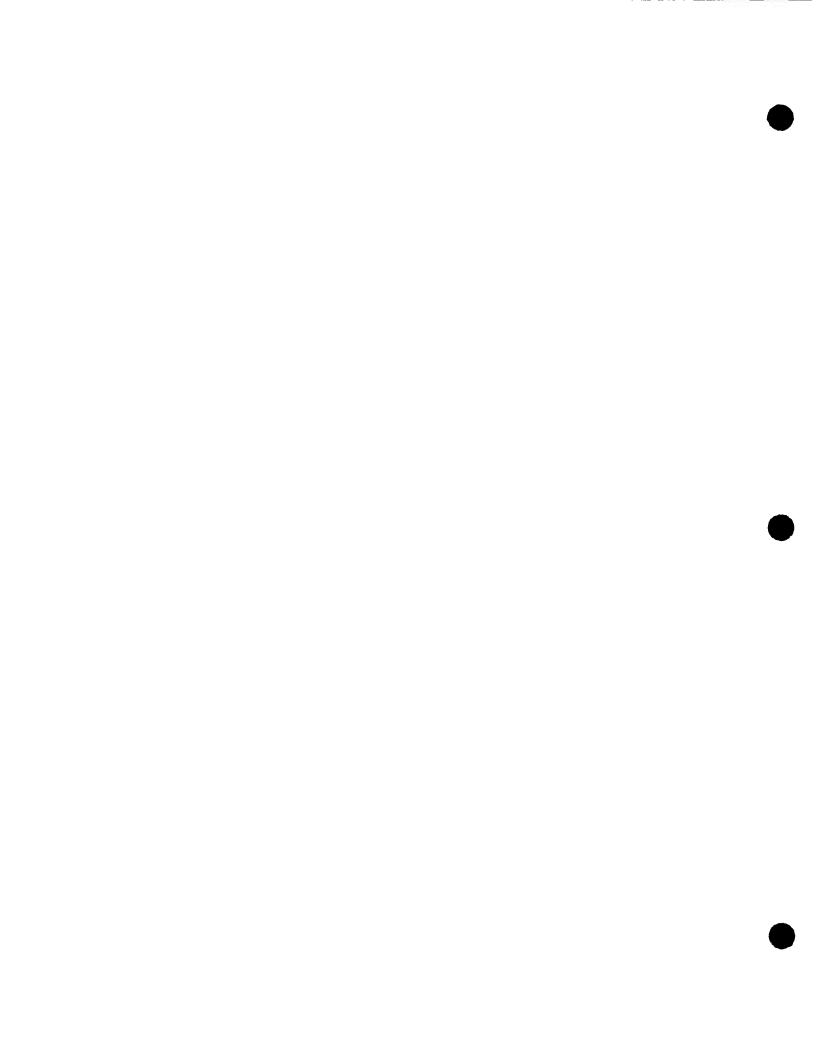




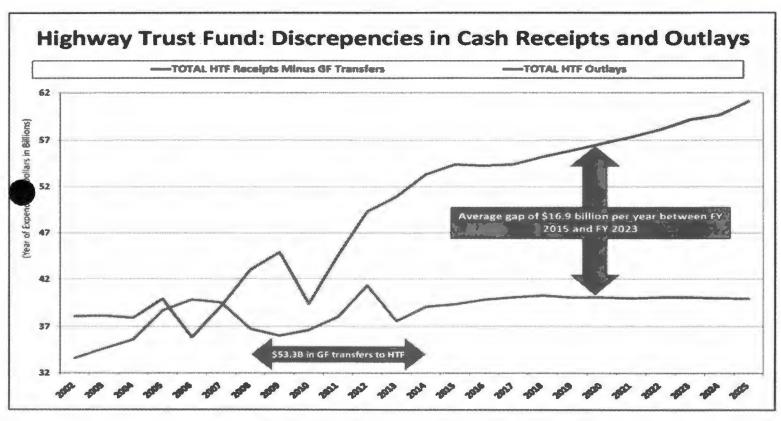
Transportation Revenues: Federal Aid

- In recent years federal aid has averaged about \$1 billion.
- MAP-21 originally in effect through October 1, 2014
 - 1st CR in effect through May 31, 2015
 - Similar funding level
 - Significant program consolidations
 - Additional tolling authority (if road capacity increased)
 - Increased TIFIA loan program
- Potential to lose federal Highway Trust Fund monies in the future. Federal Highway Trust Fund bailouts may not be sustainable.





Transportation Revenues: Federal Aid



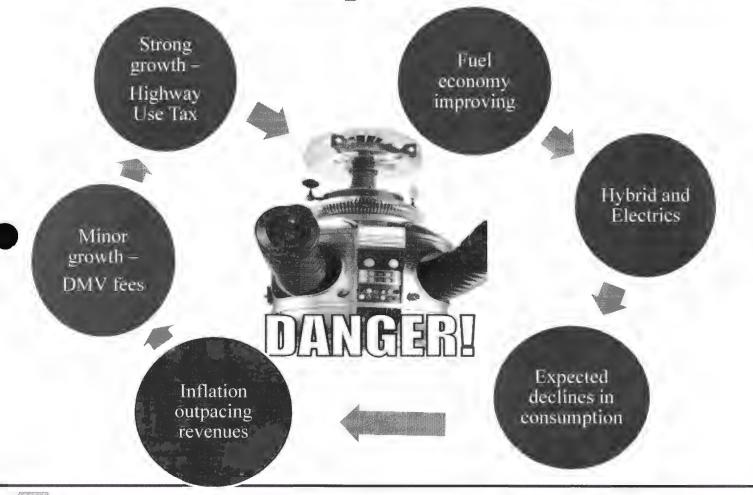
Source: AASHTO

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Transportation Revenues: Toll Projects

| Name | Total Cost | Years Tolled | Annual Gap Funding | Issues |
|------------------------|---|-----------------|---------------------------|---|
| Triangle Expressway | \$1 billion | 29 | \$25 million (FY 2009) | Opened in Dec 2011= \$19.7 million in revenues in FY2014 |
| Monroe Connector | \$725 million | 30 | \$24 million (FY 2011) | Debt issued. Lawsuit filed. Construction postponed. Record of Decision (ROD) pulled. ROD re- awarded in May 2014. Lawsuit filed. Interest Paid to Date = \$51.4 m |
| | \$655 million (\$88 million State contribution + DRAM) | | | Cintra selected in April 2014. Financial close is possible in March 2015. |

Future of Transportation Revenues



Danger, Danger ... WHY?

- Immediately: Price at the Pump
- Long Term: Revenue growth limited to Highway Trust Fund (HTF)
- Long Term: Motor fuel revenues erode Highway Fund's (HF) stability
- Price of Gas will increase but consumption and revenue will decline



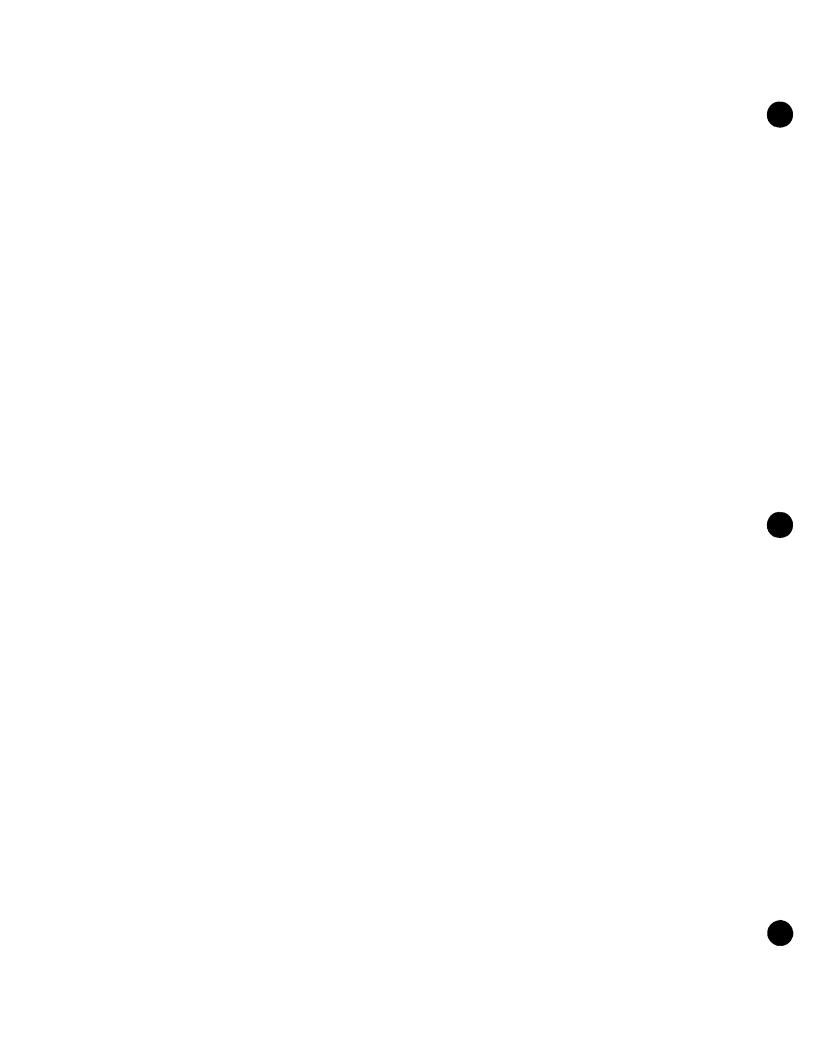
Motor Fuel Revenues

70% Now; 65% in 2 years



Highway
Use Tax

52% Now; 57% in 2 years



Cumulative Motor Fuel Loss in the Highway Fund

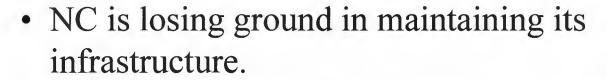
\$396 million loss through FY 2017

\$757 million loss through FY 2019

\$858 million loss through FY 2021



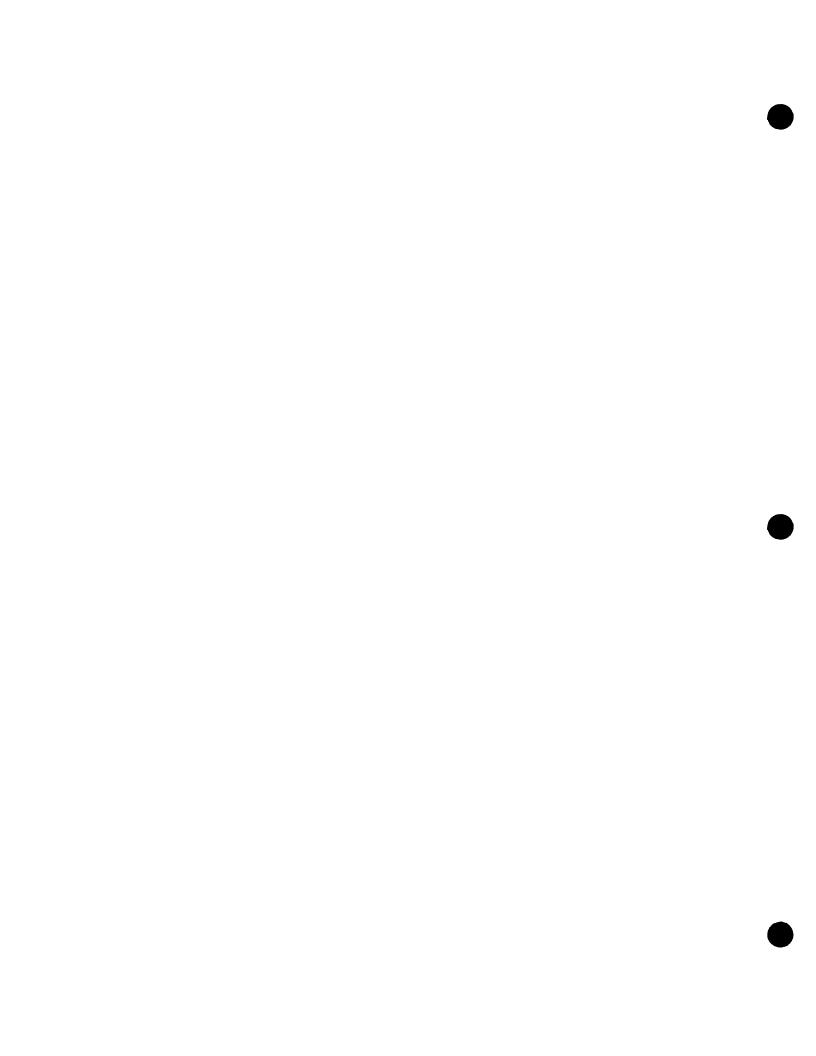
Revenues to Spending





- "BY 2040, THE STATE WILL REQUIRE \$94.1 BILLION TO SIMPLY MAINTAIN TRANSPORTATION SYSTEM CONDITIONS AS THEY ARE TODAY"
- Expected revenues: \$59.7 billion
- To create optimal conditions: Spend \$159.5 billion

 Source: ITRE Report (on Committee Website)

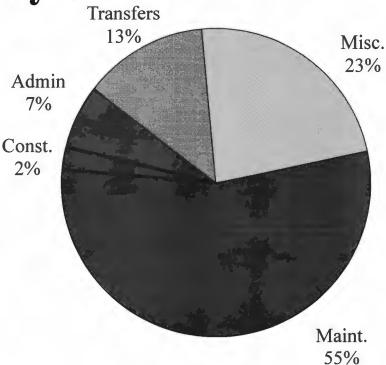


FY 2015 Transportation Spending: Highway Fund

Maintenance and Operations

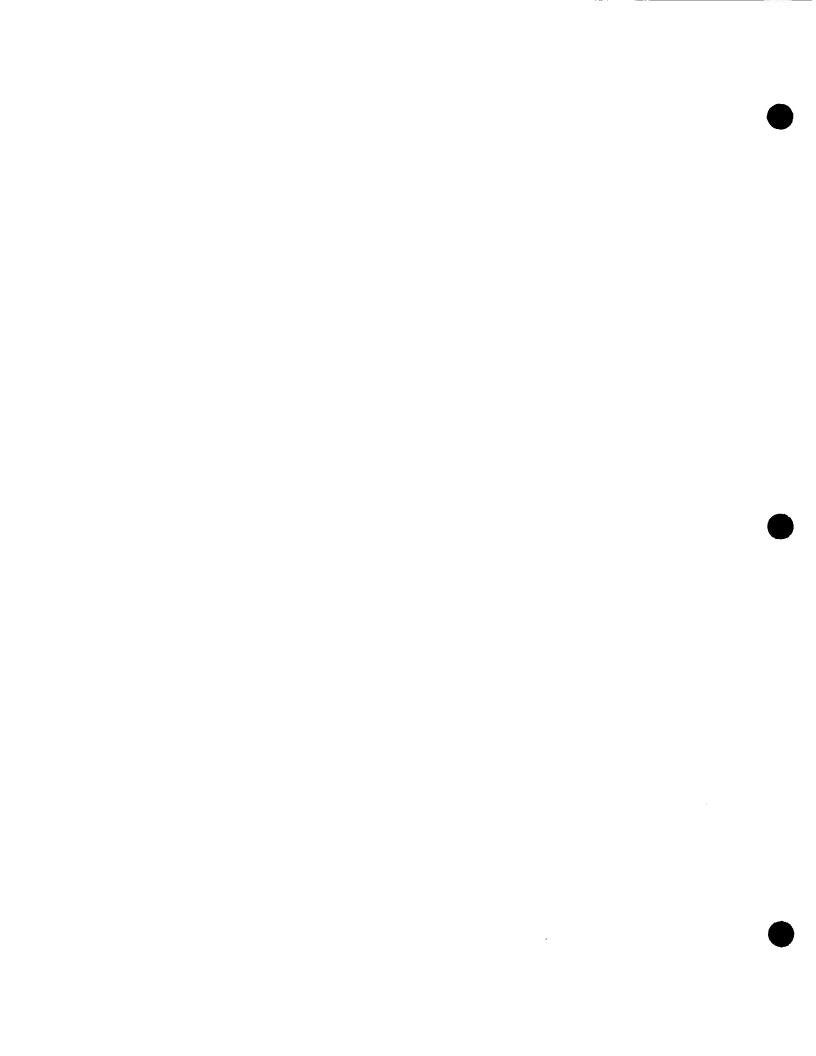
 Misc. includes intermodal operations, DMV, Aid to Municipalities

Fund, Departments of Agriculture, Revenue, Public Instruction, Public Safety, DENR, Agriculture, and DHHS



\$1.9 billion

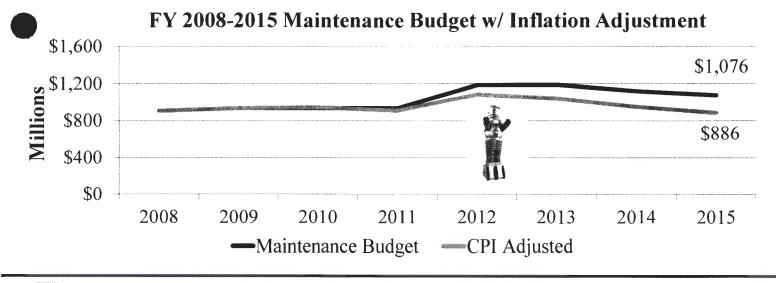


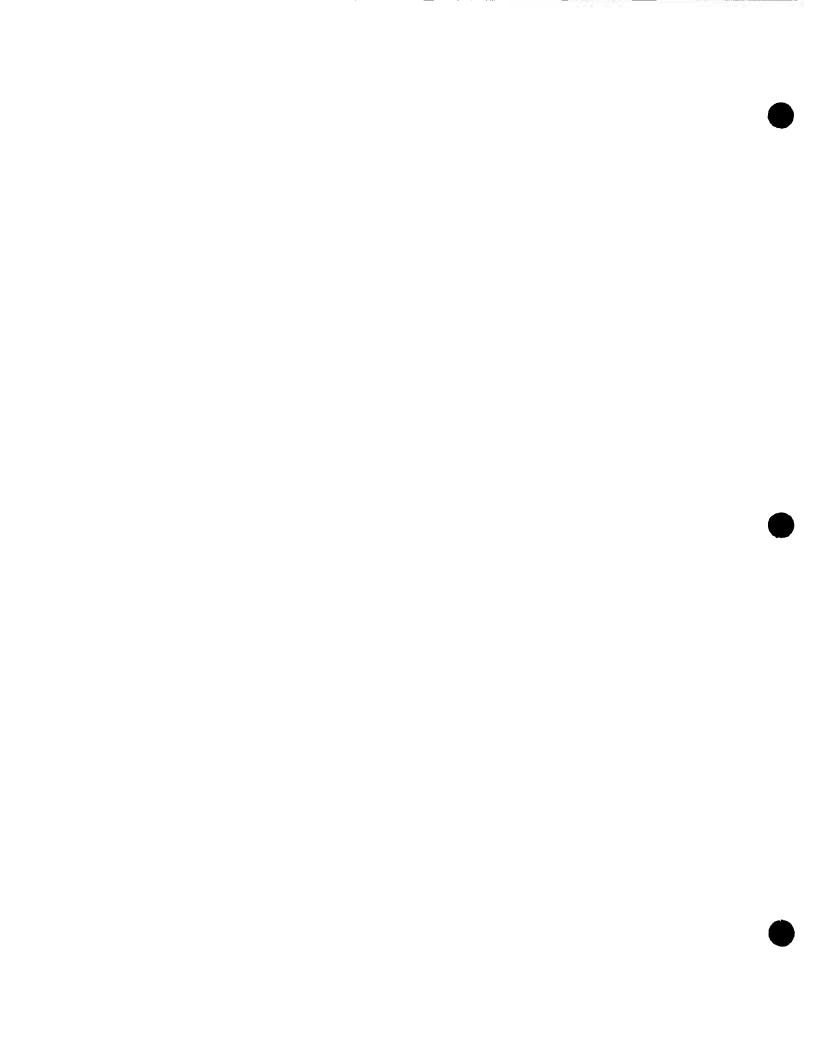


Transportation Spending: (Highway Fund) Maintenance

- Primary System (\$140m)
- ❖ Secondary System (\$262m)
- Contract Resurfacing (\$408m)

- ❖ Pavement Preservation (\$65m)
- ❖Bridge Program (\$153m)
- ❖ General Reserve (\$140m)





Transportation Spending: Secondary Roads

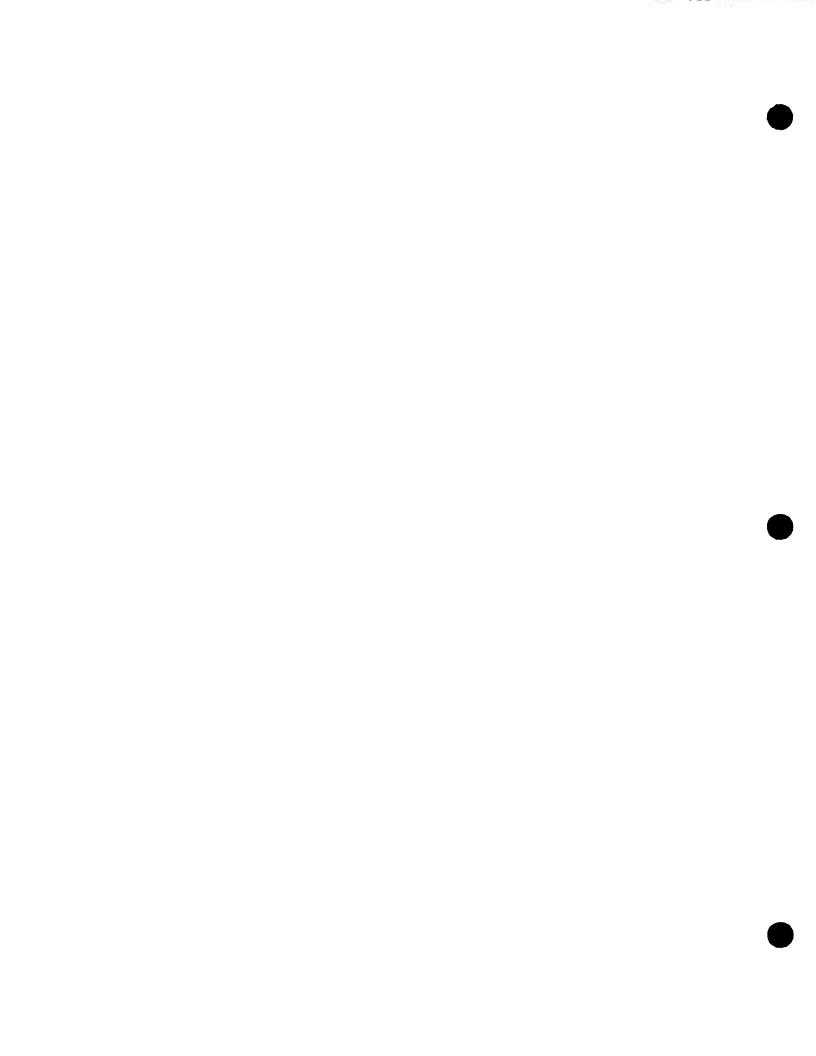
- Two dedicated funds:
 - Highway Fund Maintenance (\$262m)
 - Highway Fund Construction (\$12m) dedicated to unpaved roads
- Additional funding from Highway Trust Fund Division Needs tier

- 64,522 total miles
- 95% of secondary system is paved
- 3,412 miles unpaved:
 - 1,410 eligible
 - -2,002 on hold
- 2 year change:
 - 277 fewer miles are unpaved

Transportation Spending: Secondary Roads

Remaining Mileage of Eligible Unpaved Roads





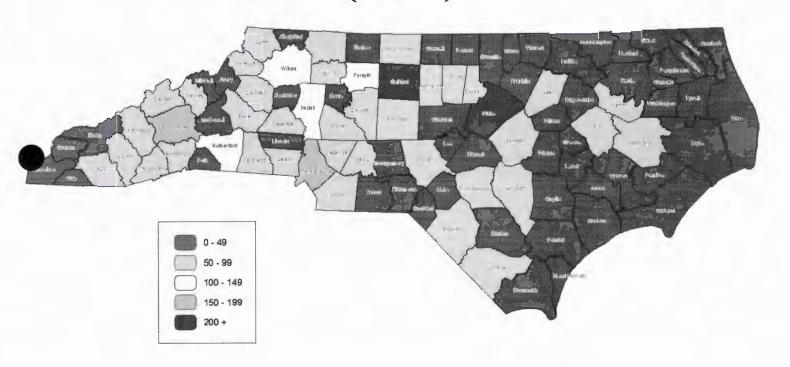
Bridges

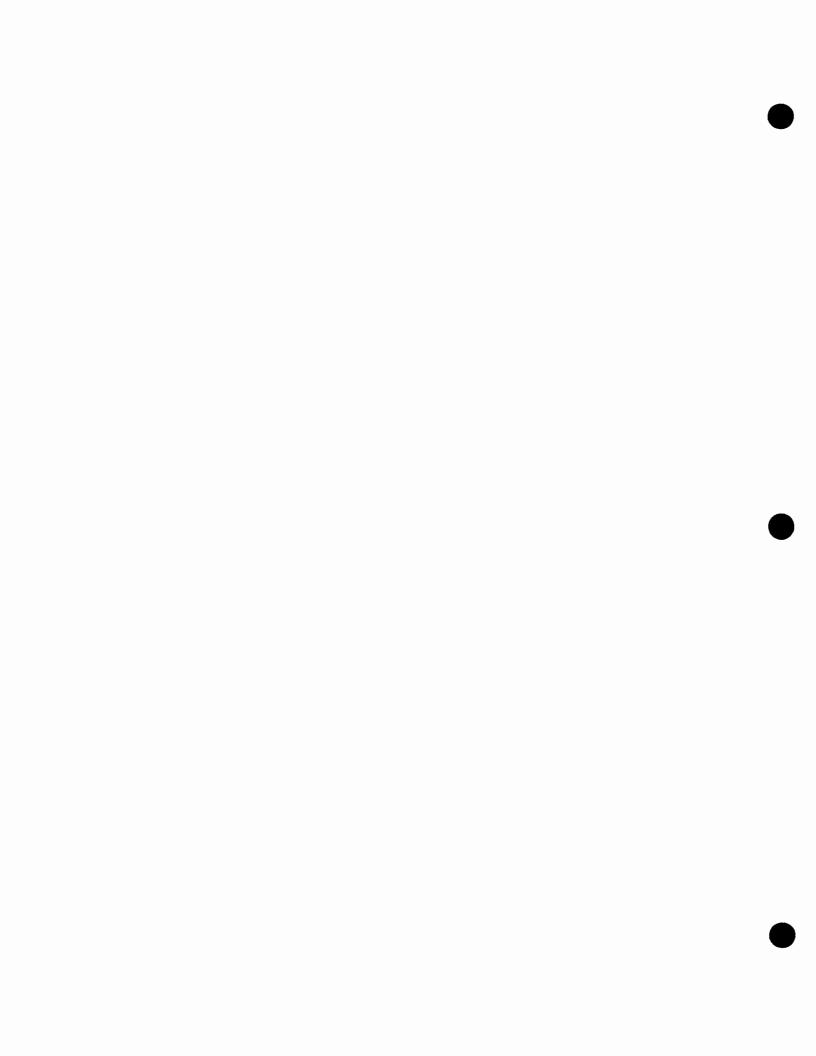
- NC has 12,493 bridges
- 2177 structurally deficient
 - 16.4% are SD (National average is 7.6%)
 - 78 counties have SD counts exceeding 10%
 - 250 SD added each year
 - \$4.3 billion to fix SD bridges
- 3,164 functionally obsolete (FO)
 - \$5 billion to fix FO bridges





Deficient Bridges and Culverts (2013)





SD Bridge Funding

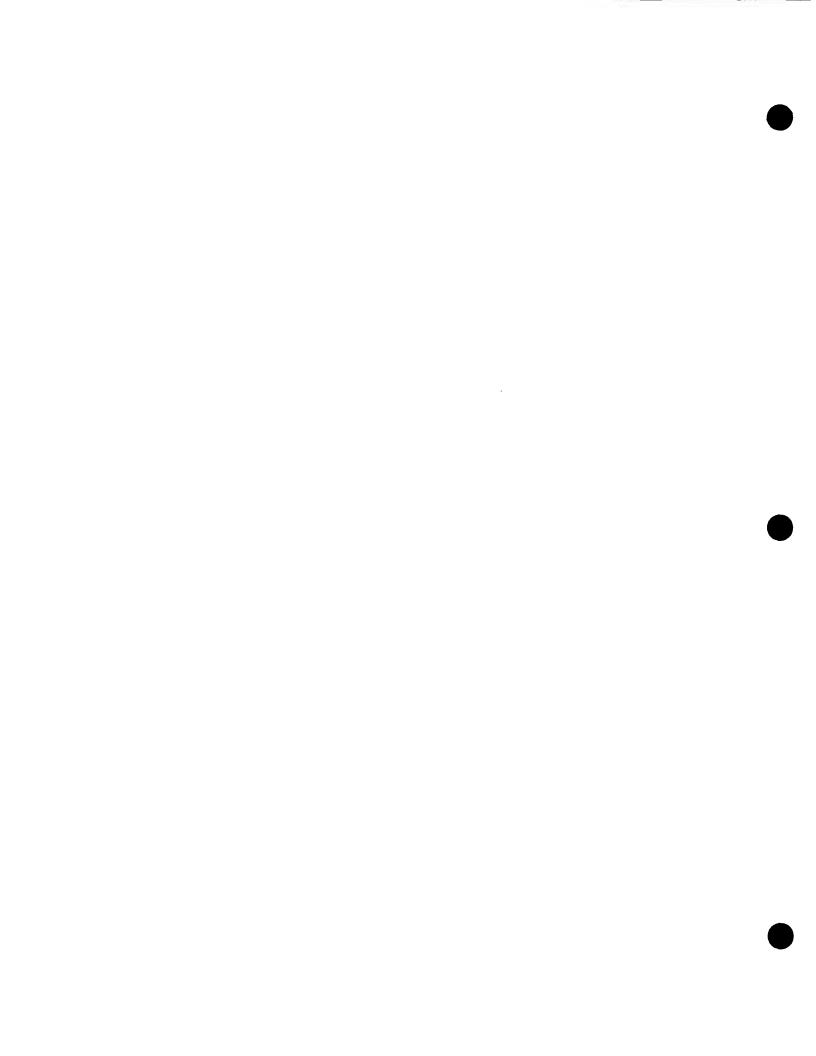
Maintain Status Quo (16%) =
\$40 million more

10% Goal
in 15
years:
years:
Add
Add \$90m

Maintain Status Quo (16%) =
\$40 million more

10% Goal
in 10 in 7 years:
Add
\$115m

\$165m

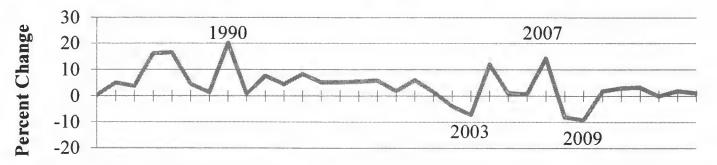


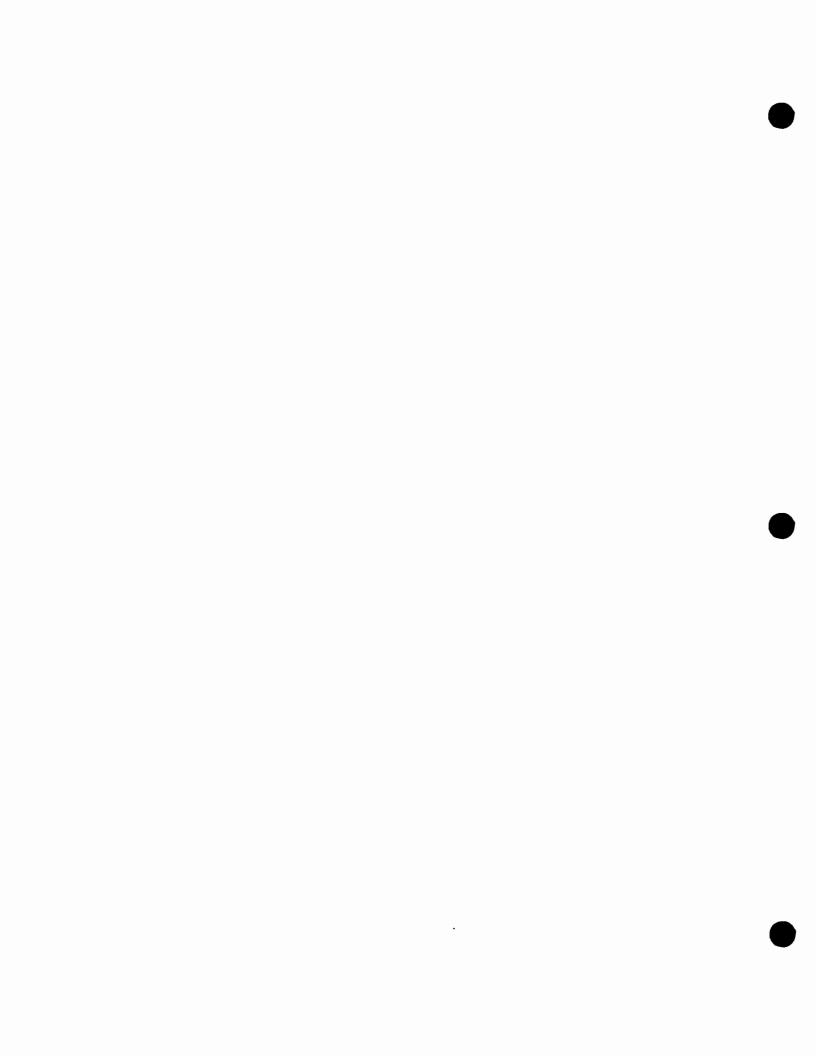
Transportation Spending: Aid to Municipalities (Powell Bill)

- 75% Population/25% miles
- 10.4% HF gas tax revenue
- If your area is losing population, it's funding is being reduced

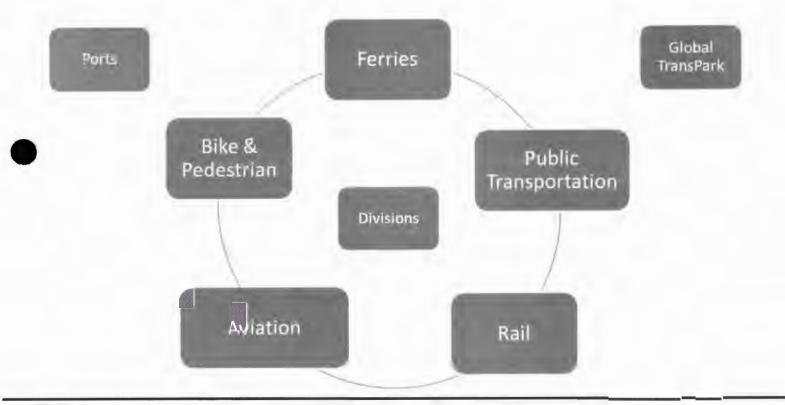
| % Change | | | | | |
|---------------|-------|-------|--|--|--|
| | 1985- | 1985- | | | |
| | 2012 | 2014 | | | |
| Funding | 203% | 212% | | | |
| Municipalites | 9% | 9% | | | |
| Population | 91% | 96% | | | |
| Mileage | 67% | 69% | | | |

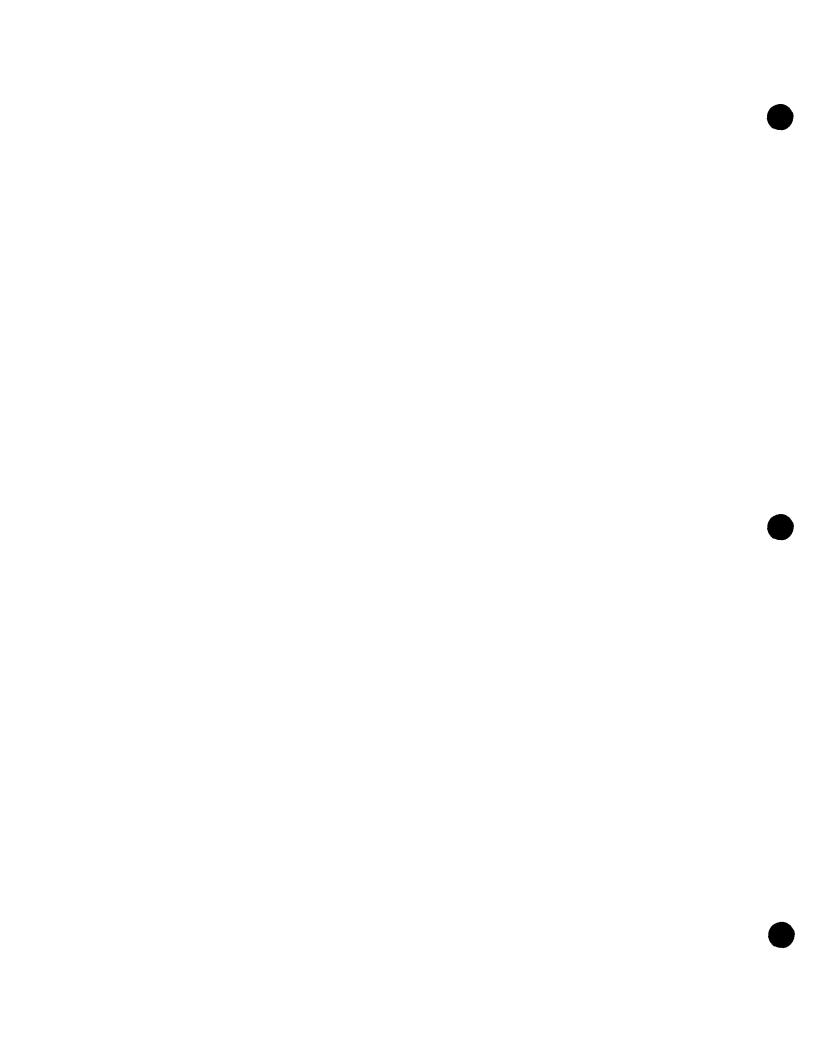
Total Amount Distributed: Annual % Change, 1983-2014





Transportation Spending: (Highway Fund) Intermodal

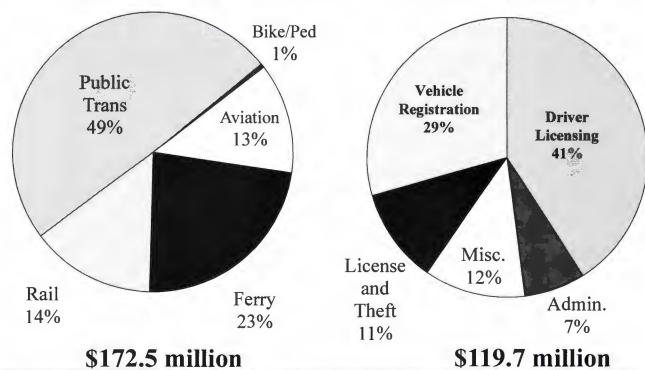


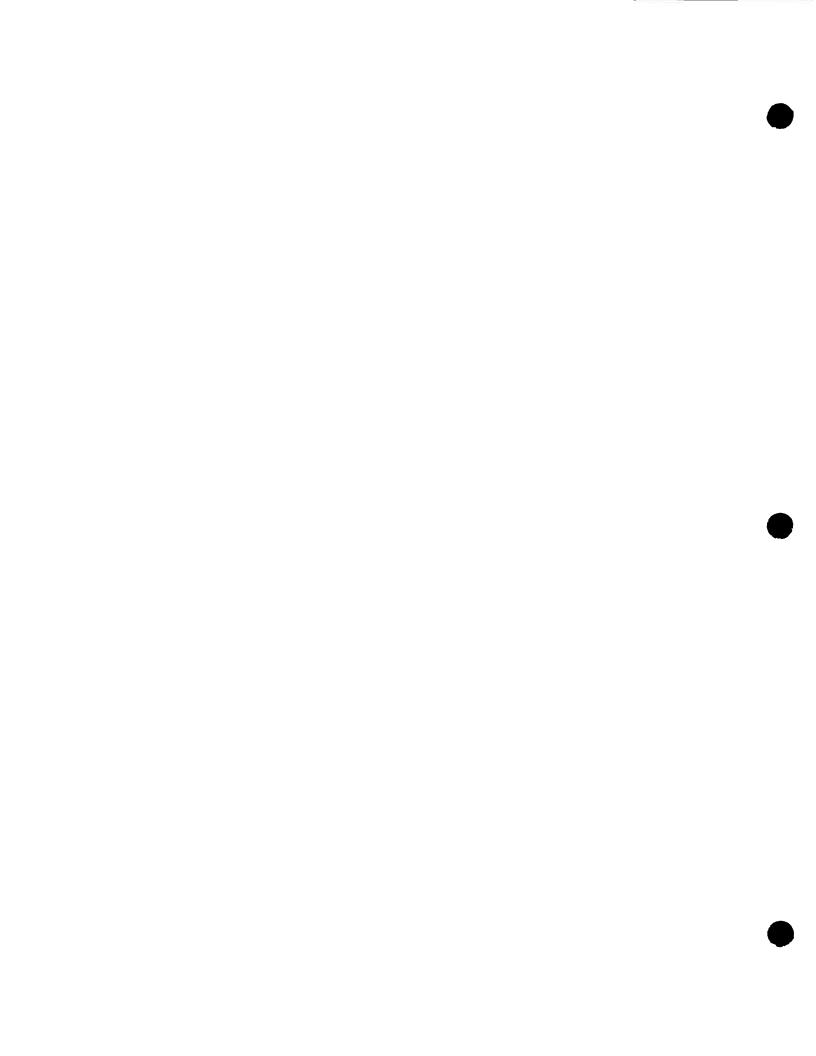


Transportation Spending: (Highway Fund) Intermodal & DMV

Intermodal: FY 2015

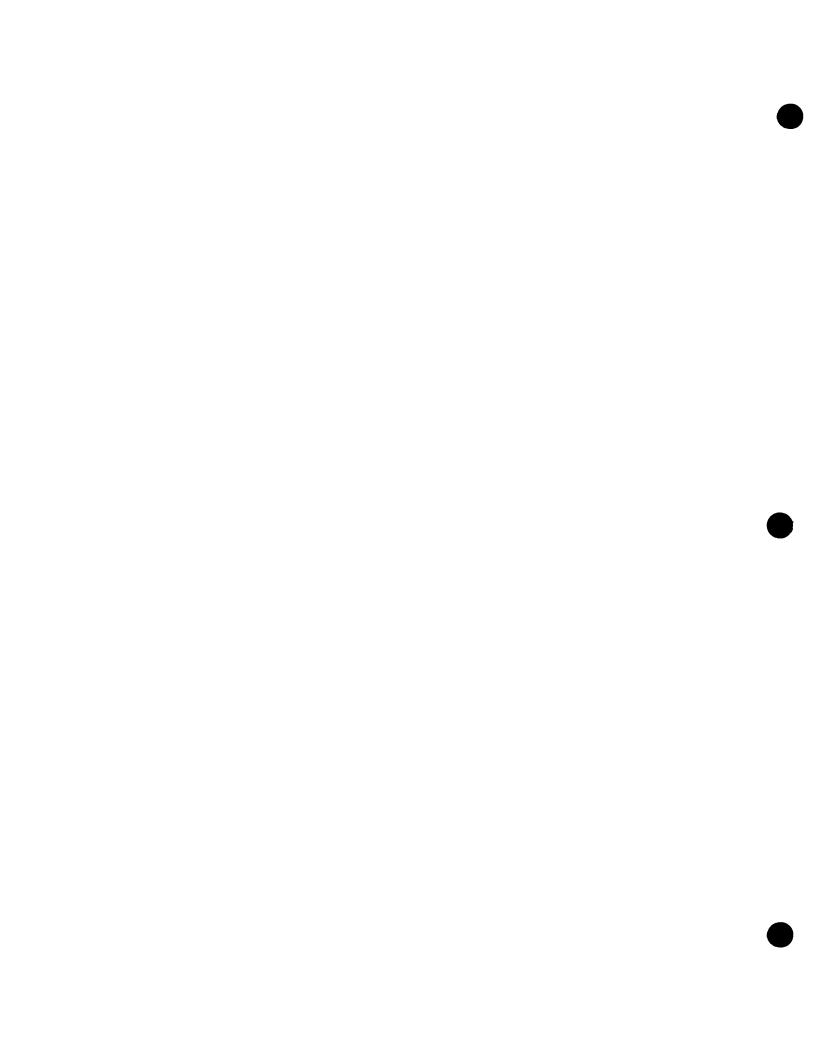




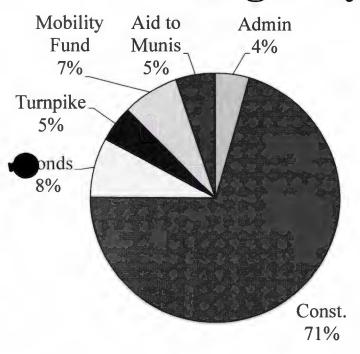


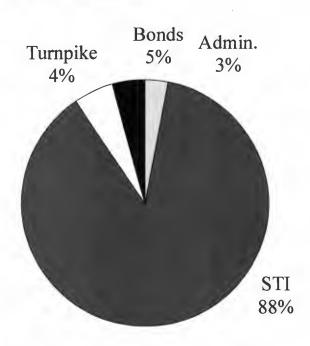
Transportation Spending: Highway Trust Fund

- Strategic Transportation Investments (STI) replaces Equity Formula
- Aid to Municipalities, General Fund transfers, and Gap Funding for new Turnpike Projects have been eliminated
- In STI, each tier focuses on congestion and benefit/cost
- Draft 10-year STIP released in November
 - Estimates HTF and federal revenue will generate \$22.7
 billion over FY 2016-2025; STIP has \$14.8 billion in projects
 - 1,100 projects (including 11 toll projects)
 - Final STIP due in May with federal approval by September



Transportation Spending: Highway Trust Fund

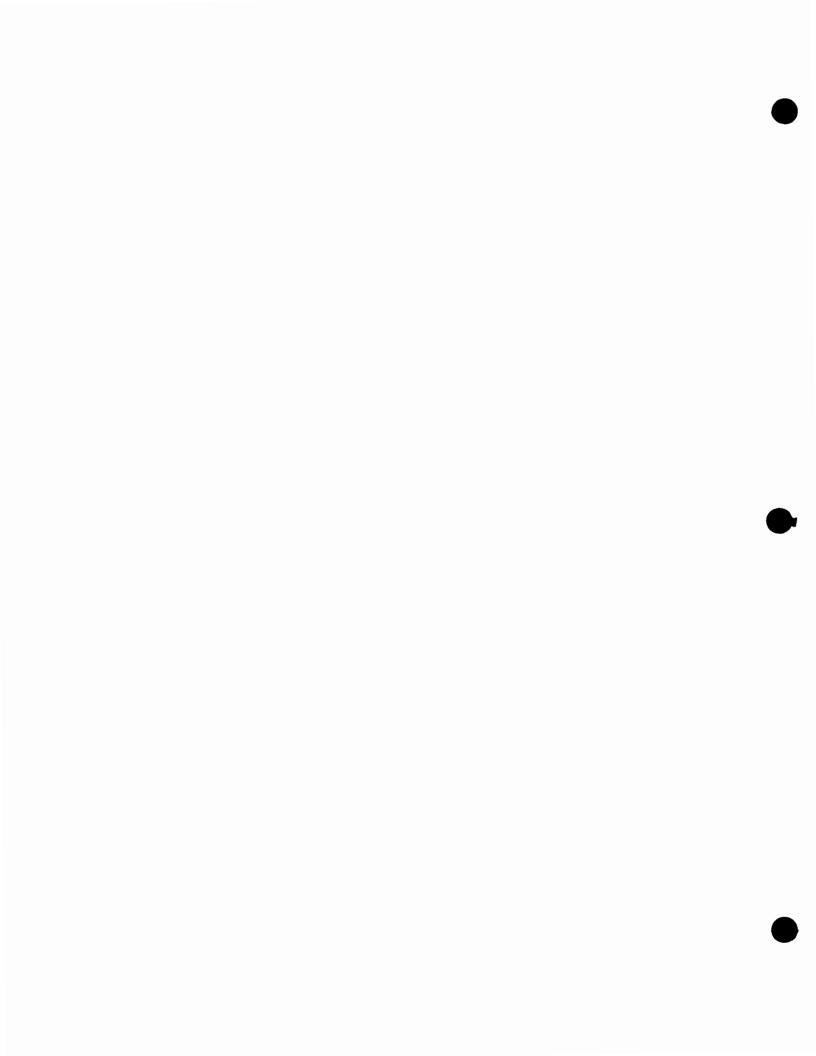




FY 2013: \$1.07 billion

FY 2015: \$1.16 billion





Transportation Spending: Considerations...

- What are your transportation funding priorities?
- How much revenue do you need to fund them?
 - What options exist to raise revenues?
 - Is spending flowing to the areas with the greatest needs?



Summary

- North Carolina has a large, centralized highway system with state, not county, responsibility for secondary roads.
- The condition of the state's roads will deteriorate without additional funding for maintenance and preservation.
 - Expected population growth will put additional demands on new construction.

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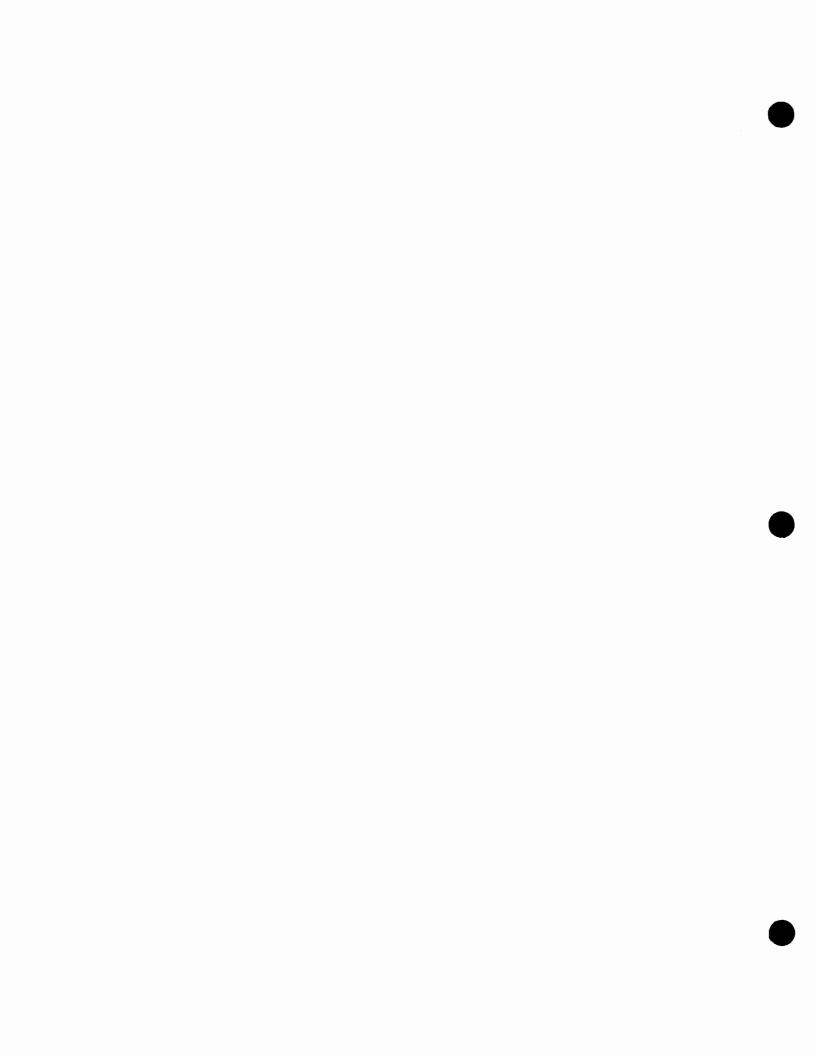
Wednesday, February 11
APPROPRIATIONS,
TRANSPORTATION (JOINT)

Room 1228/1327

Time 8:30 am

Name County

Amanda Padden Orange Graig R. Meyer



PAGES ATTENDING

| Date: 8 | 30 2-11-15 |
|------------|---|
| Committee: | Appropriations-Transportation Room: 1228/1327 |

PLEASE PRINT LEGIBILY!!!!!

| Page Name | Hometown | Sponsoring Senator |
|--------------------------|-----------|--------------------|
| Page Name 1 Connor Semon | Charlotte | Hartsell |
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Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the neeting or a Sgt. at Arms.

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Committee Sergeants at Arms

| NAME OF COMMITTEE JOINT TRANSPORTAT |
|-------------------------------------|
| DATE: 2.11.2015 Room: /228 |
| |
| 1. Name: ARHOW FORMS |
| 2. Name: Martha Gadison |
| Name: JOE AUSTINI |
| 4. Name: |
| 5. Name: |
| |
| Compte Set 14 Assure |
| 1. Name: Steve Welson. |
| ". Name: TERRY Barnihart |
| i. Name: |
| l. Name: |
| Jame: |

APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION

Name of Committee

February 11, 2015

Date

| FIRM OR AGENCY AND ADDRESS |
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| Governor's Office |
| NC DOT |
| CG. EMPNUEL GROUP |
| NCDPI |
| North Cardina Driving School |
| 2PA, RAM- NCMA |
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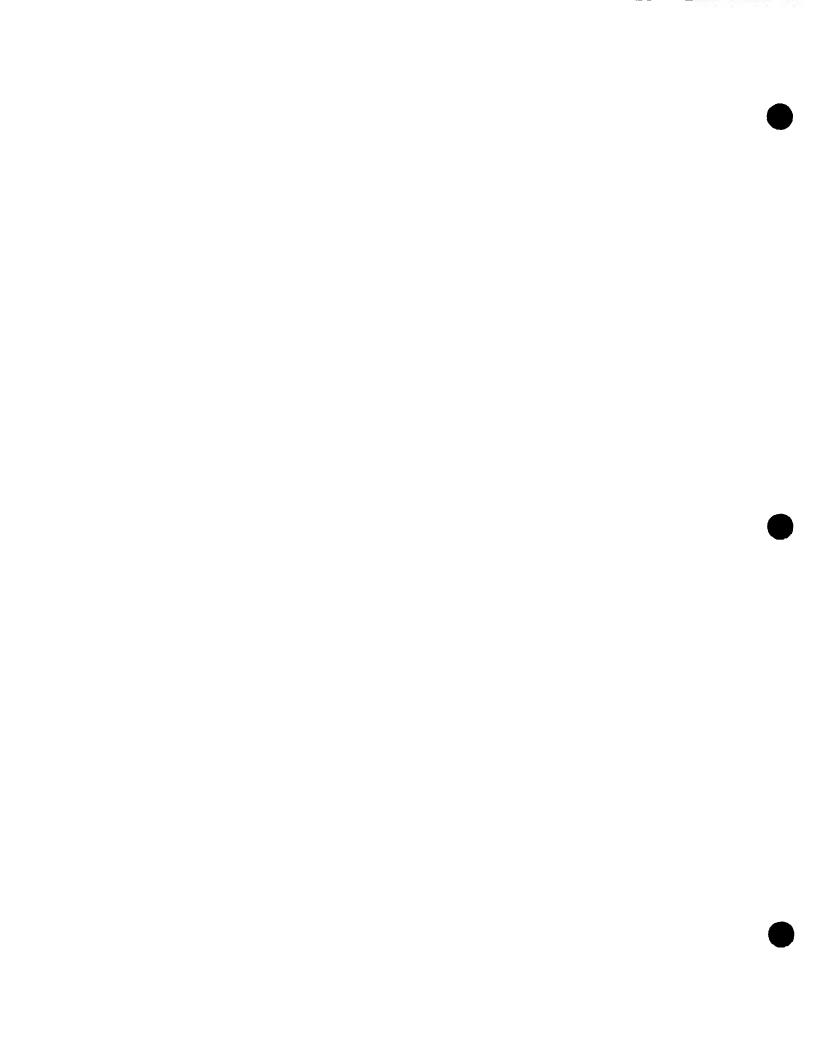
APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION

Name of Committee

February 11, 2015

Date

| NAME | FIRM OR AGENCY AND ADDRESS | |
|------------------|----------------------------|--|
| Amy Mcconker | Nc Beverage Assn | |
| SETH PALMER | NCAR | |
| Jake Cashion | NC Chember | |
| Nathan Babback | NC Chamber | |
| BERRY Jenkins | CARULINAS AGC | |
| JBSwell | IWI/Bilister | |
| E Pone V | CAPA | |
| Michelle Frazier | WE48 | |
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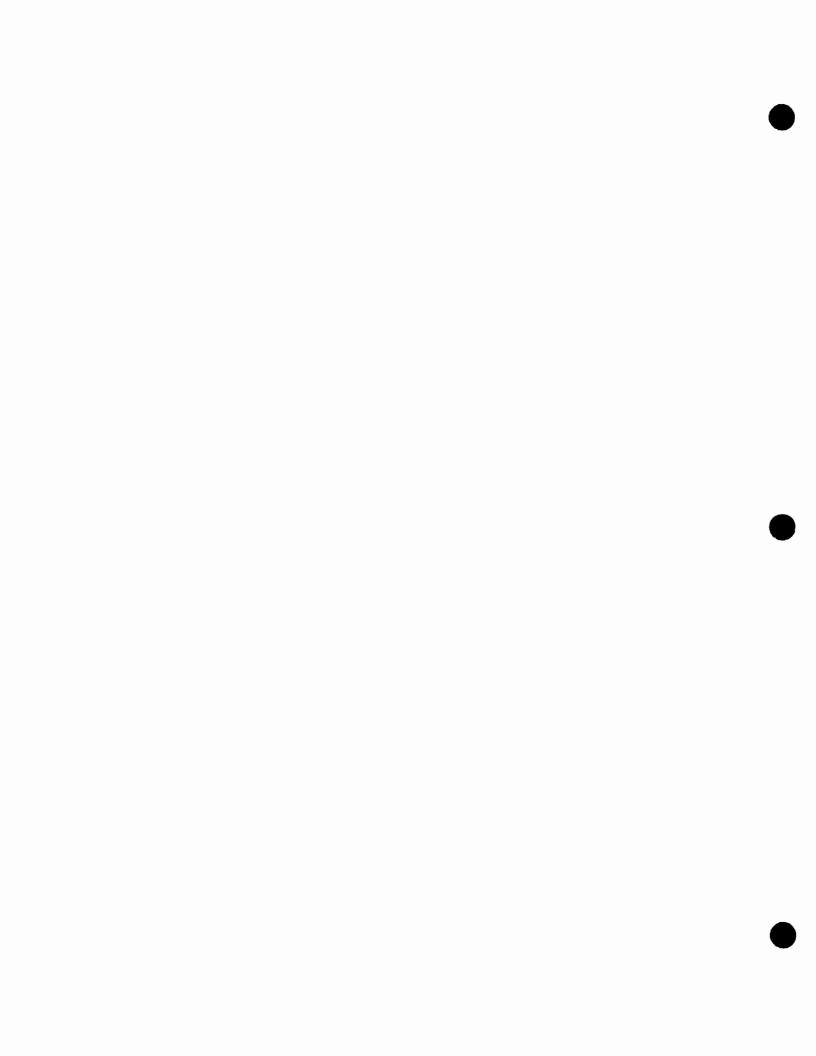
APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION

February 11, 2015

Name of Committee

Date

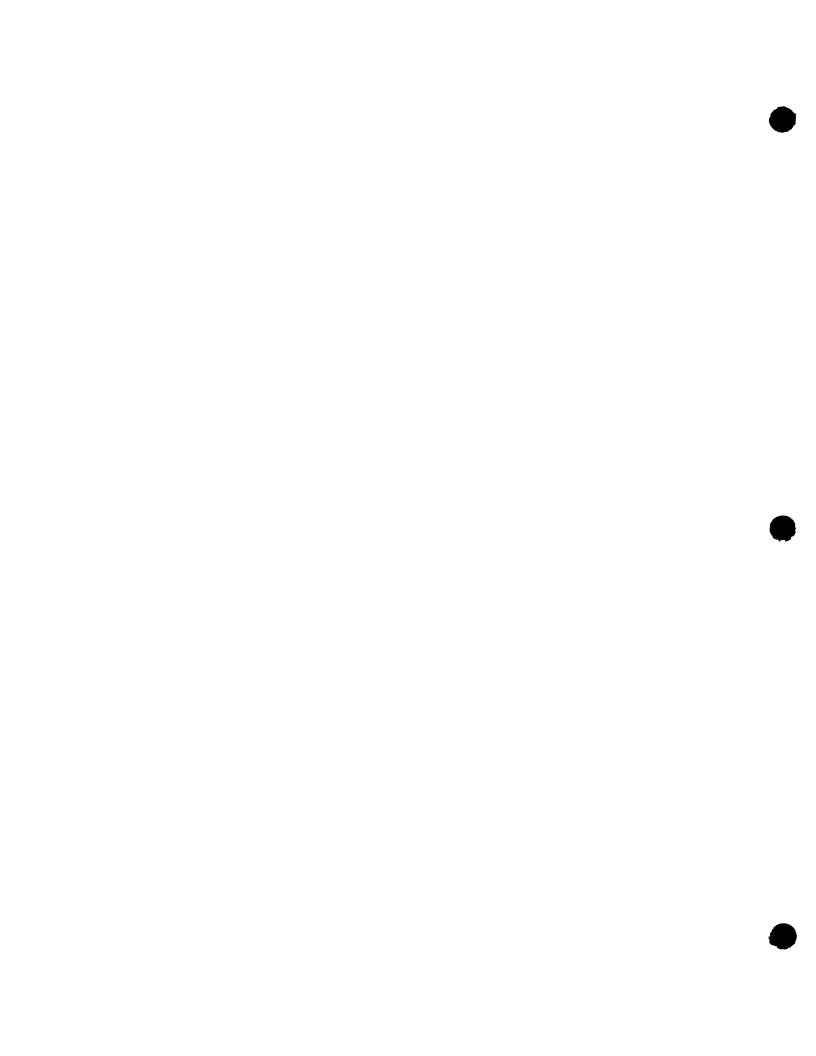
| NAME | FIRM OR AGENCY AND ADDRESS | |
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| H. TACAico | NCNOT | |
| Mac Boxley Prian Merwald | williams mullen | |
| Dana Featon | Cot Charloto | |
| Kym Hunter | | Cento |
| Erin bres | TUC | |
| Sarah Hardin | CR | |
| ANDY WALSH | SA | |
| pluttend'. | MF\$S | |
| Adam Barks | Salven Lan | |
| BOBBY LEWIS | NCDOT | |



APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION February 11, 2015

Name of Committee Date

| NAME | FIRM OR AGENCY AND ADDRESS |
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| Conne Wlow | CRINCA |
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Joint Appropriations Committee on Transportation

February 24, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett

Representative Phil Shepard, Chairing

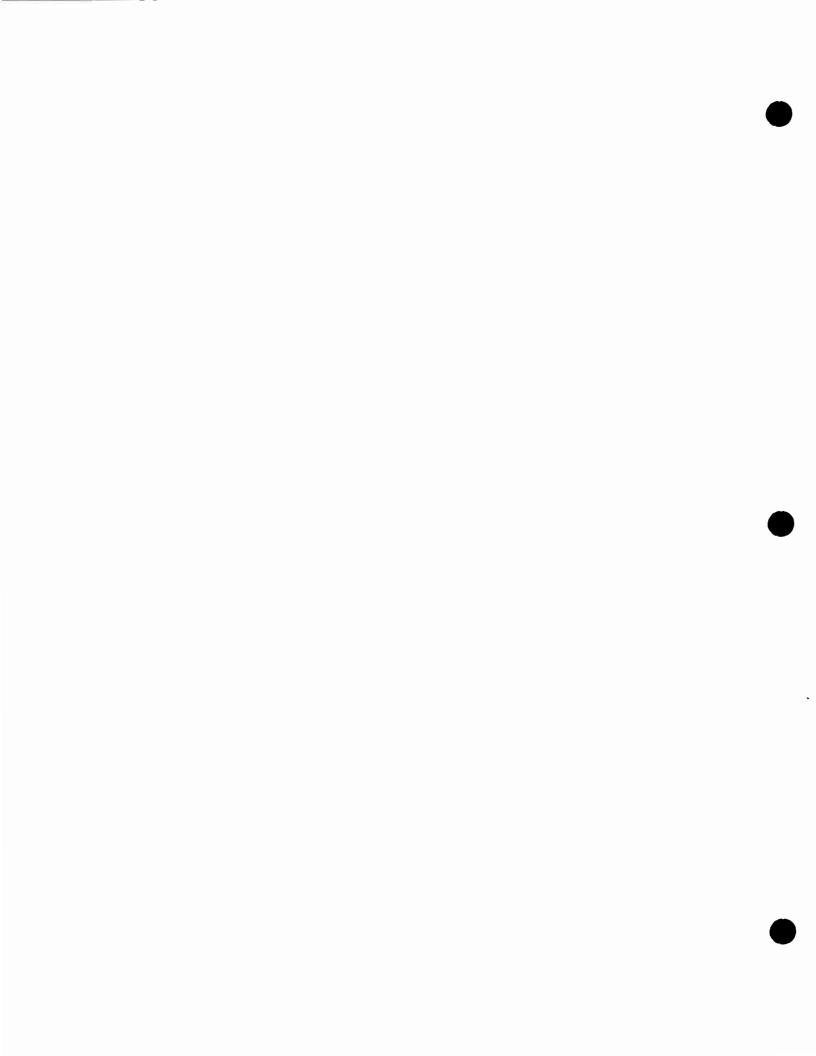
Representative Frank Iler Representative Paul Tine Senator Bill Rabon Senator Wesley Meredith

- Call to Order
- Transportation Revenue Options

Burt Tasaico, State Program Analysis Engineer Department of Transportation

Mike Holder, Chief Engineer Department of Transportation

Next meeting: DOT Overview - Wednesday, February 25, 8:30 a.m.





Joint Appropriations Committee on Transportation

Transportation Funding

H. Tasaico, PE February 18, 2015



Meeting Outline

- State Transportation Funding Sources
 - Transportation Primer Brief Recap
 - Revenue Outlook 2 &10 years
 - DMV Fee Structure
 - Comparison to VA, SC, TN & GA
 - Electric & Hybrid Vehicle Revenues
- Transportation Revenue in Other States
- Funding Options

Present Funding

State Funding

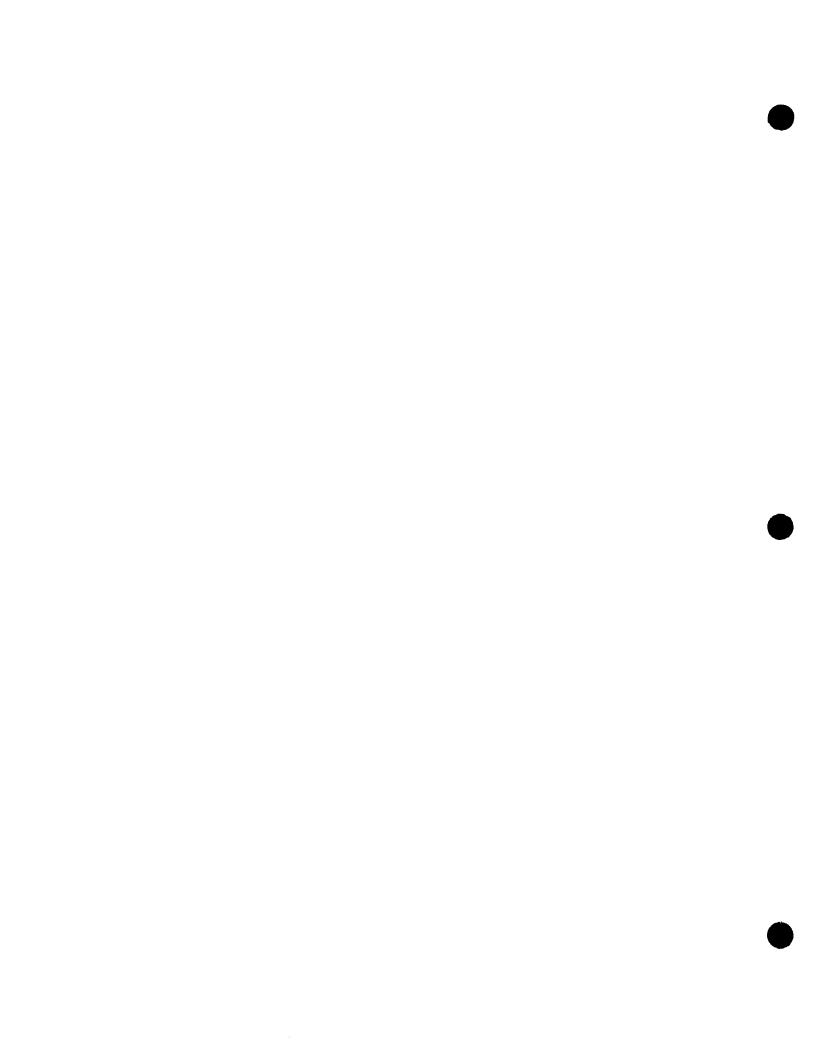


72% State Funds 28% **Federal Funds**

- No Political Appetite for **National Solutions**
- Up to States to Fix

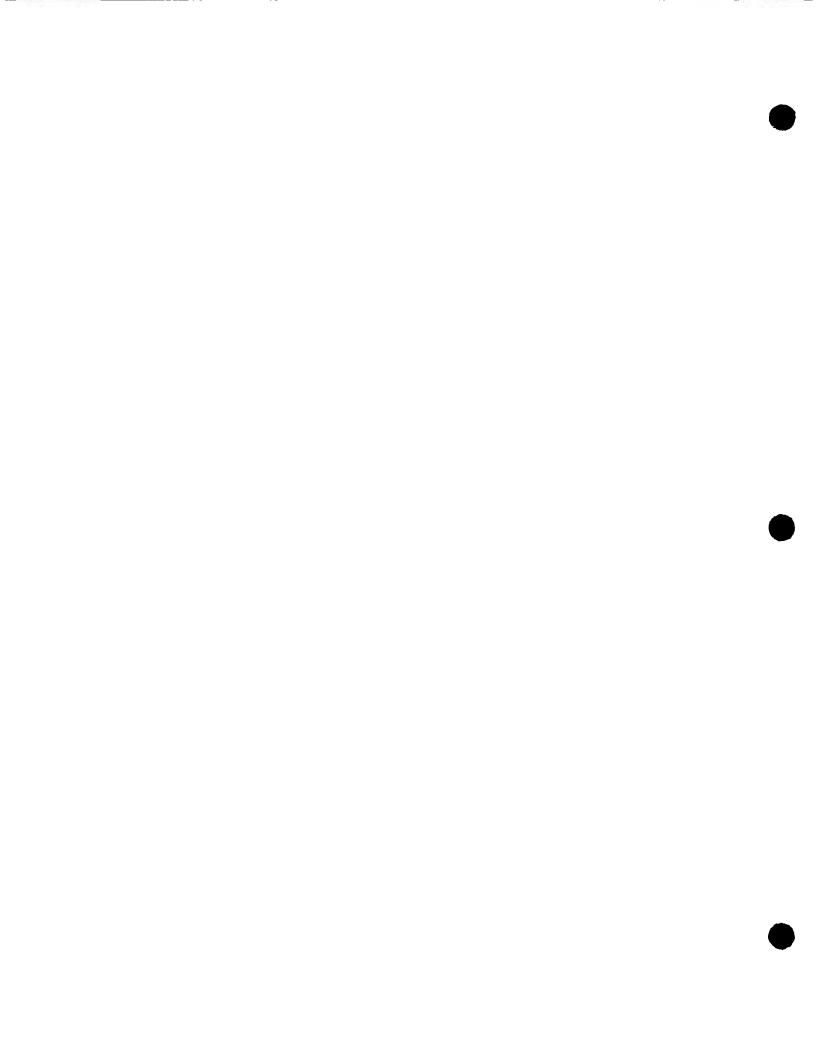


10% Fund 20%



Revenue Variable and Data Sources

| Source | Variables | Data Sources |
|--------------------|------------------|---|
| Motor Fuel Tax | Rate | US – EIAGlobal InsightLegislative |
| Moto | Fuel Consumption | In-House Model |
| DMV Fees | Rate | General Statute |
| | Transactions | Regression AnalysisHistoricalNC Population Growth |
| > × | Rate | General Statute |
| Highway Use Tax | Transactions | Historical NC Population Growth |
| | Vehicle Pricing | Global Insight |
| Federal | Revenue | Congressional Budget Office |

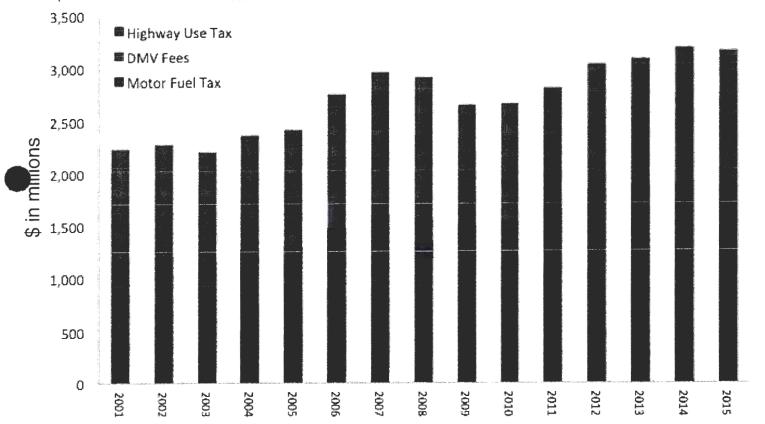


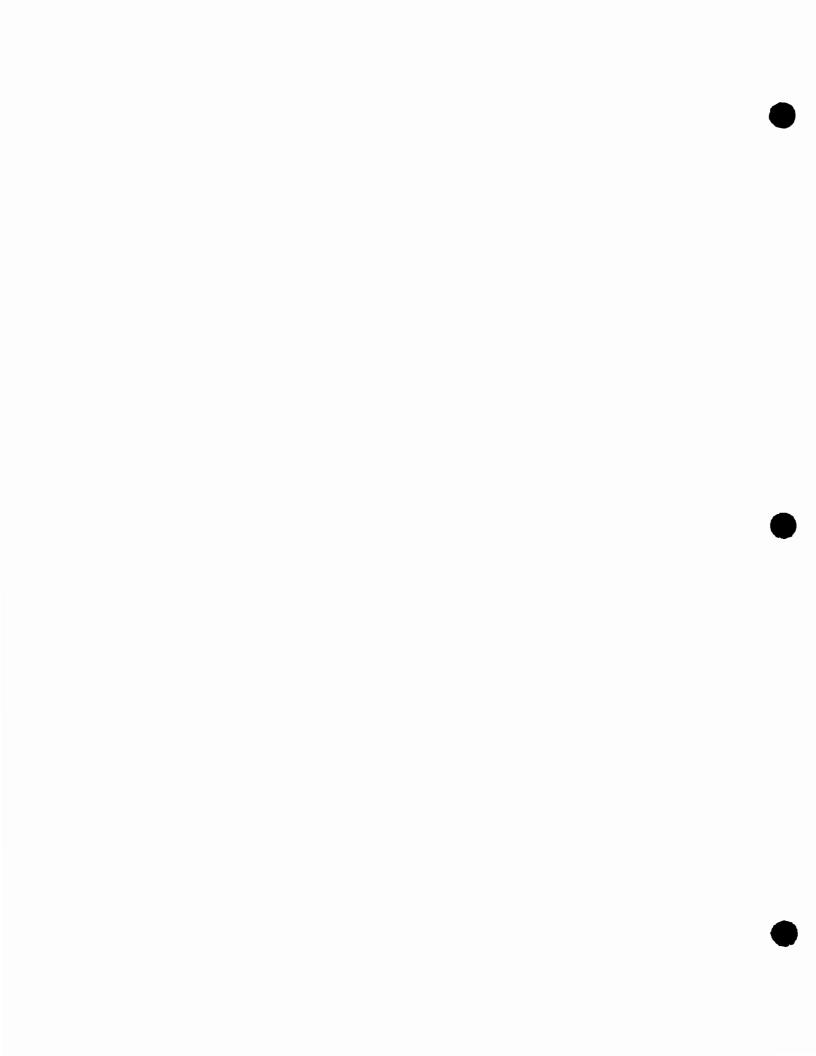
North Carolina

ncdot.gov

State Transportation Revenue Sources

(2001 - 2014 Actual & 2015 Estimated)

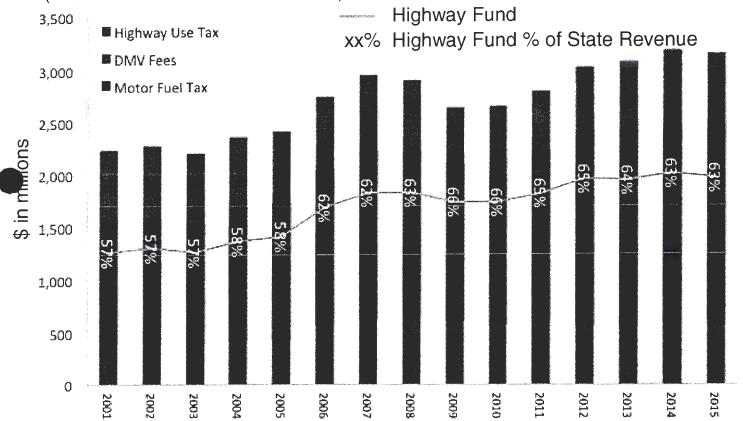




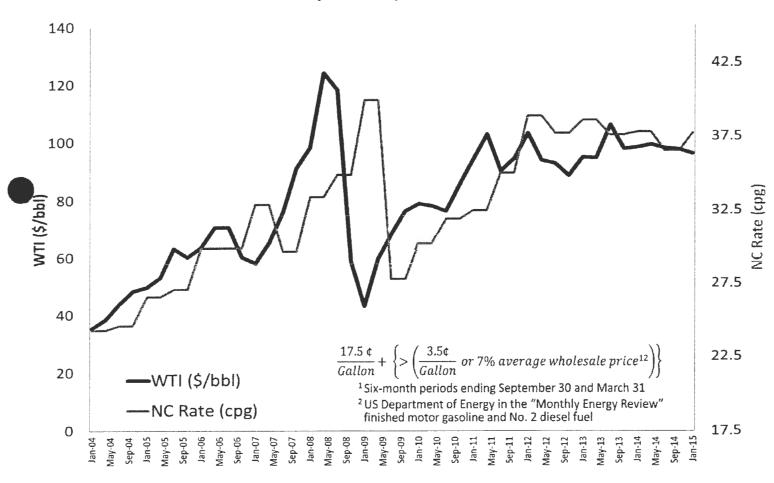
North Carolina

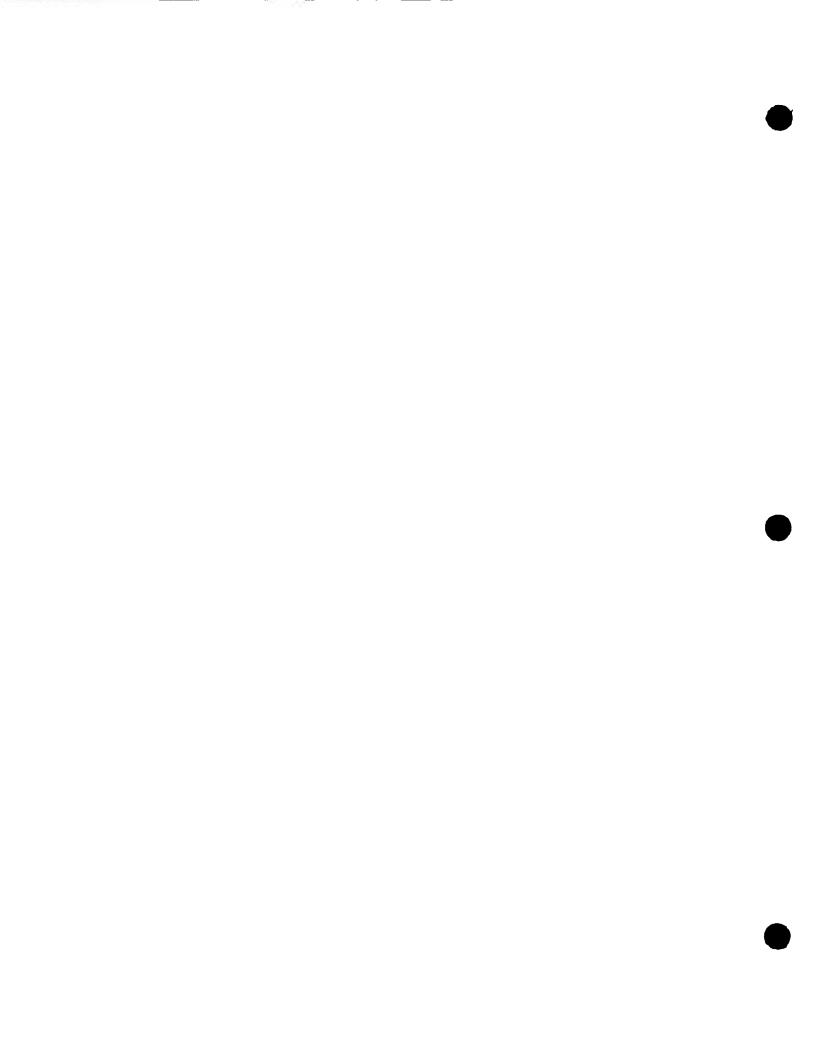
State Transportation Revenue Sources

(2001 - 2014 Actual & 2015 Estimated)



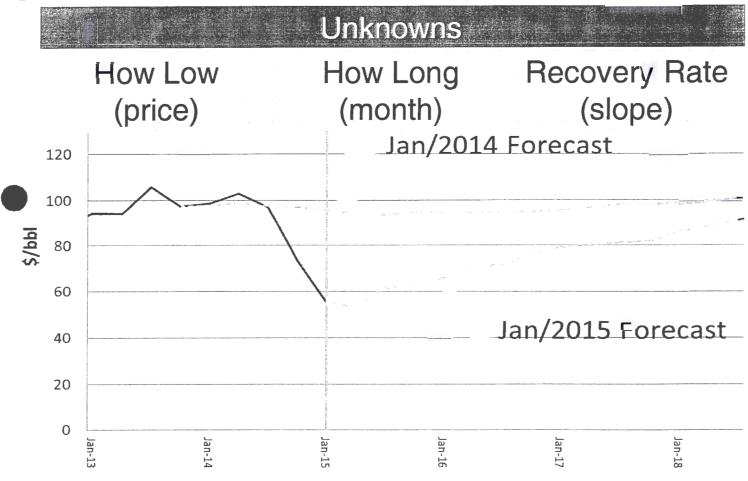
Crude Oil Prices (WTI) & NC MFT Rate

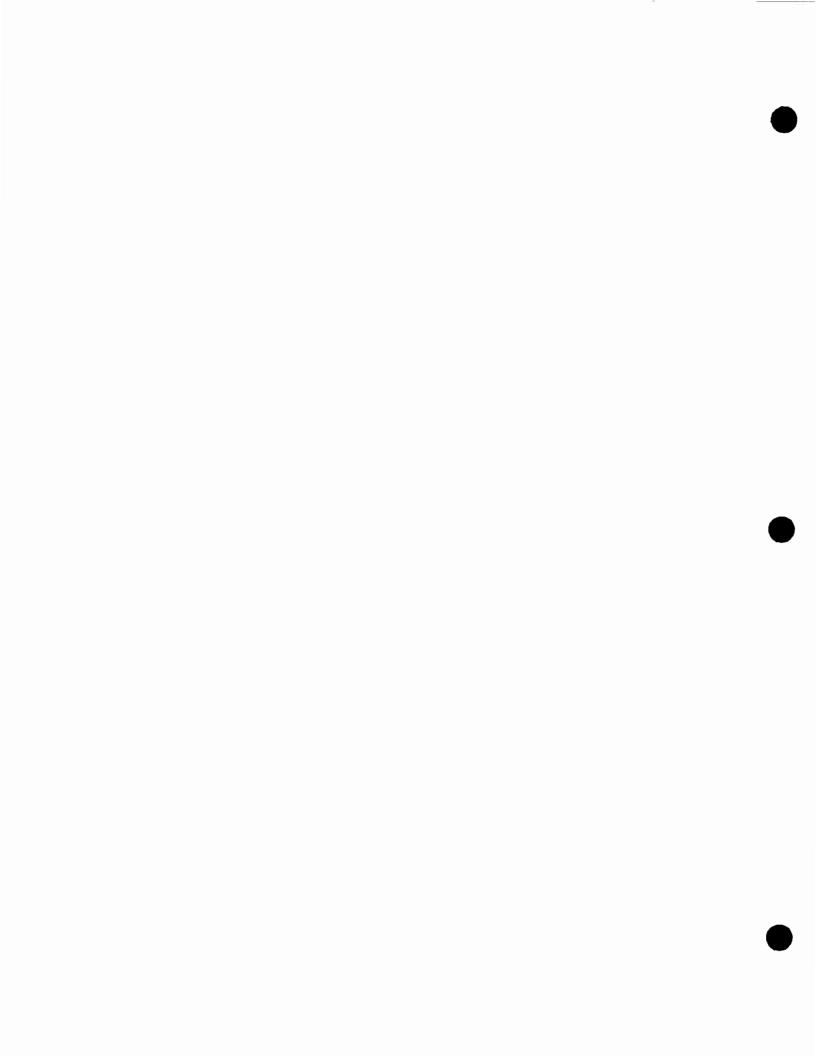




North Carolina

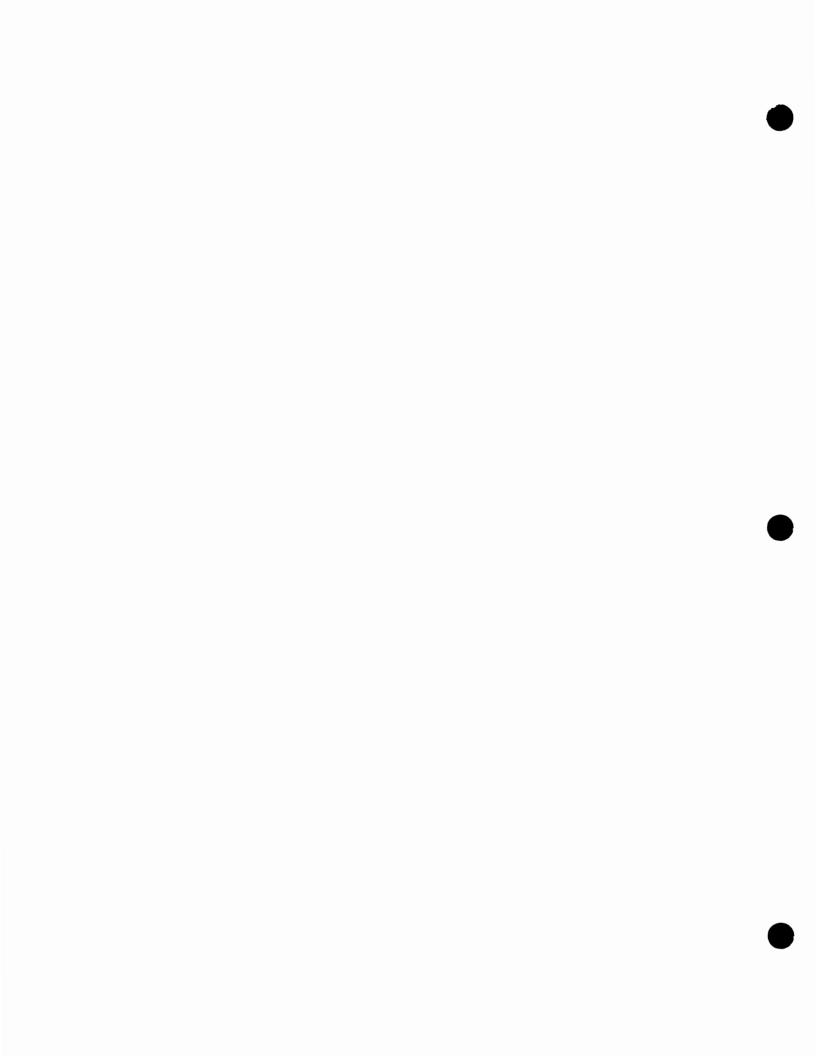
Crude Oil Forecast





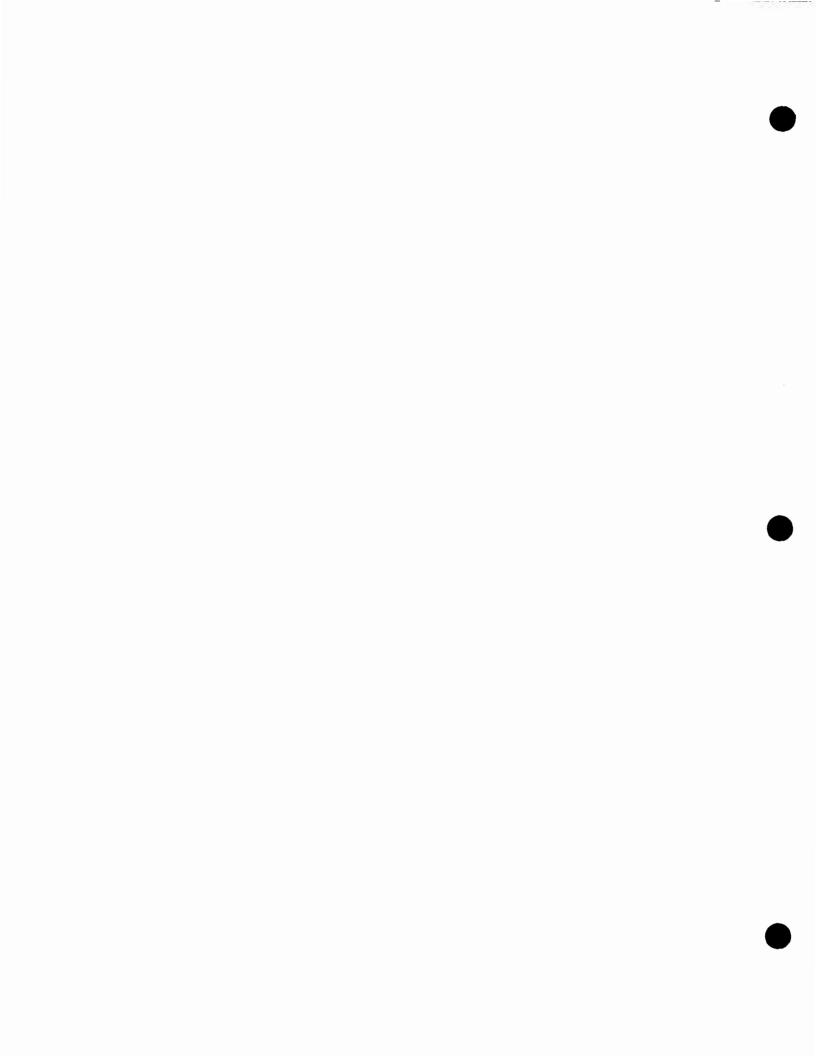
Biennium - Sneak Preview (as of Jan/15)

| | Rate | Volume | Price | Overall |
|------------------|----------|--------|-------|----------------------|
| Motor Fuel Taxes | | | n/a | |
| ● DMV Fees | | | n/a | |
| Highway Use Tax | \ | | | |
| 2015 % Change | | | | -7% 2016 -4% 2017 |

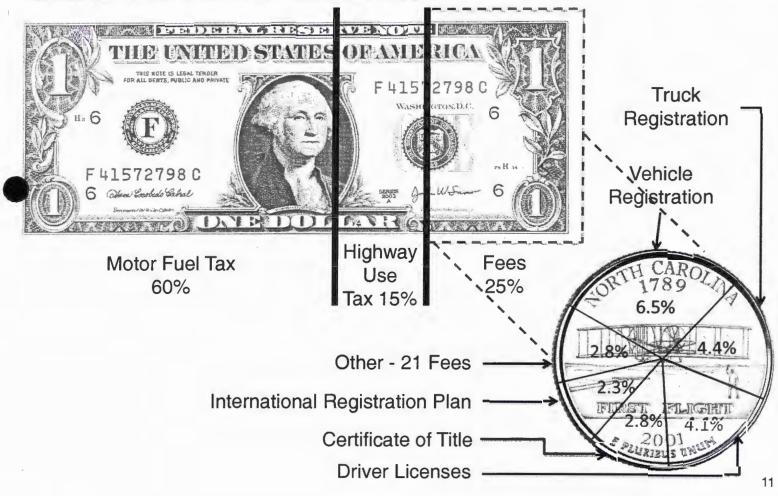


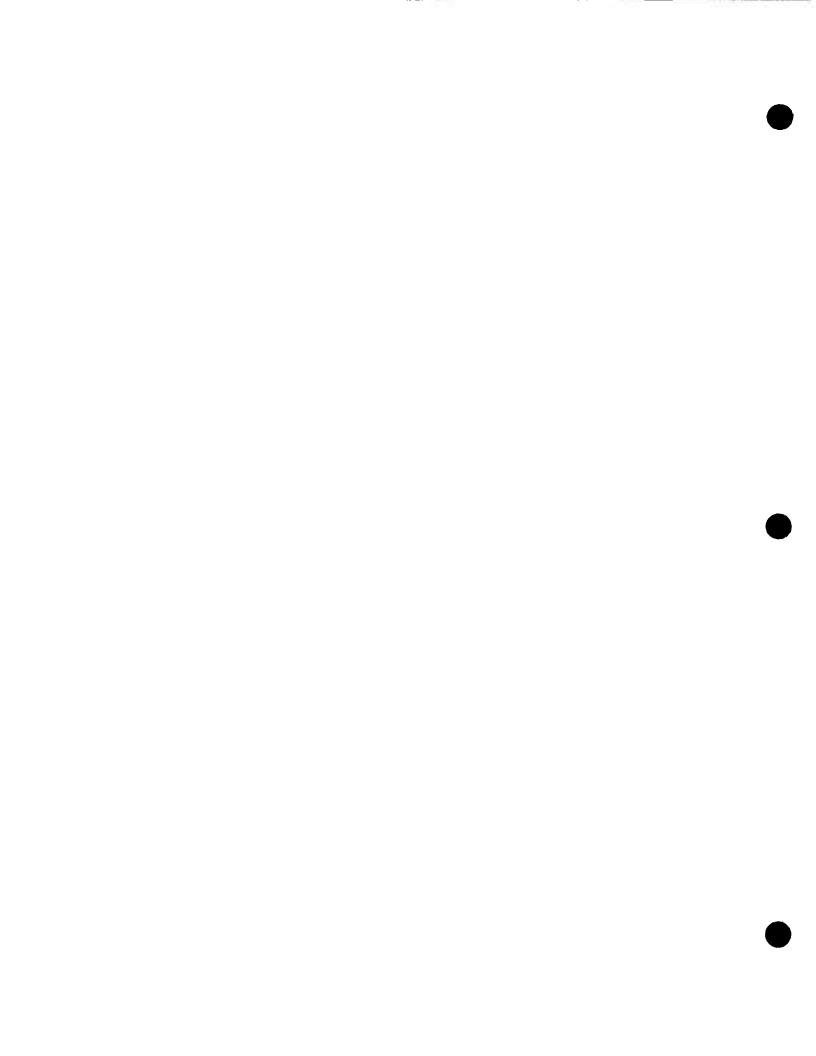
Revenue Variable and Data Sources

| Source | Variables | Data Sources | 10 Year Change |
|--------------------|---------------------|---|----------------|
| Motor Fuel Tax | Rate | US – EIAGlobal InsightLegislative | |
| Moto | Fuel Consumption | In-House Model | Dayling |
| sees | Rate | General Statute | No Change |
| DMV Fees | Transactions | Regression AnalysisHistoricalNC Population Growth | Increase |
| | Rate | General Statute | No Change |
| Highway Use Tax | Transactions | Historical NC Population Growth | Increase |
| Ξ̈́Ď | Vehicle Pricing | Global Insight | No Change |
| Federal | Revenue | Congressional Budget Office | PLAT |



State Revenue Sources





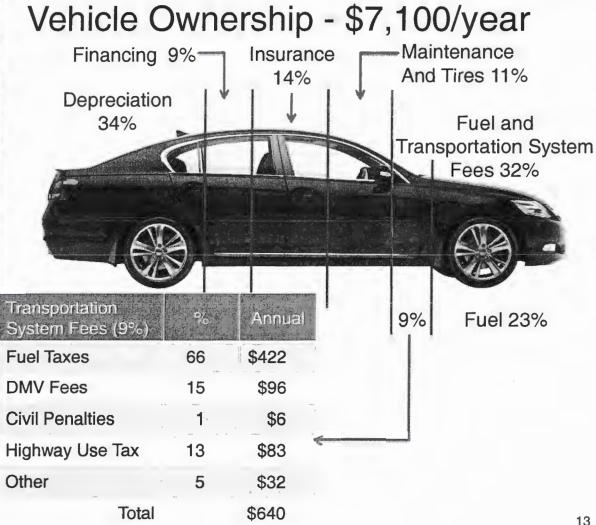
NC Driver and Vehicle Fees

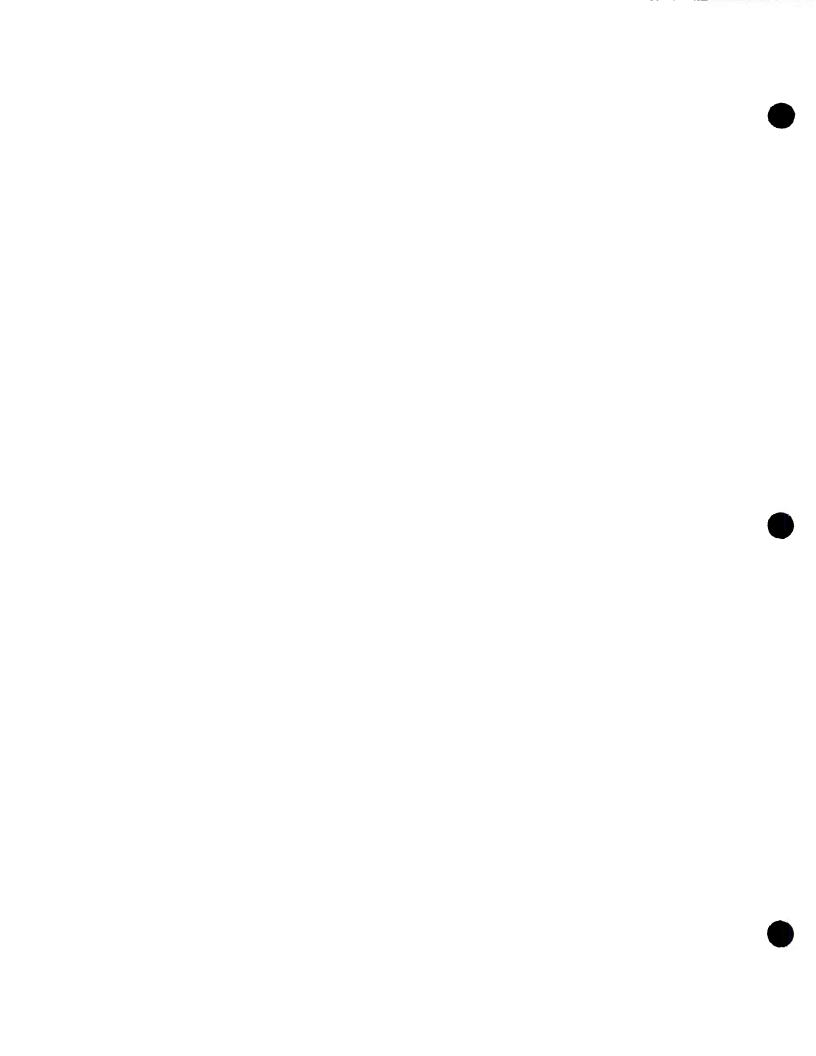
NC General Statutes – Chapter 20 Found at http://www.ncdot.gov/dmv/fees/25 DMV Fee Revenue Categories Single Revenue Category – multiple fees

| Driver License Fees | Application | Class A | Class B | Class C | Learner Permit | Duplicate | Endorsement | Temporary | Provisional | Limited | Limited Provisional |
|---------------------------|-------------|---------|---------|---------|----------------|-----------|-------------|-----------|-------------|---------|---------------------|
| Driver | | X | X | X | | X | X | | | | |
| Learner | | | | | X | X | X | | | | |
| Commercial | X | X, | X | X | X | X | X | | 4 | | - |
| Graduated | | | | | | X | | X | X | X | X |







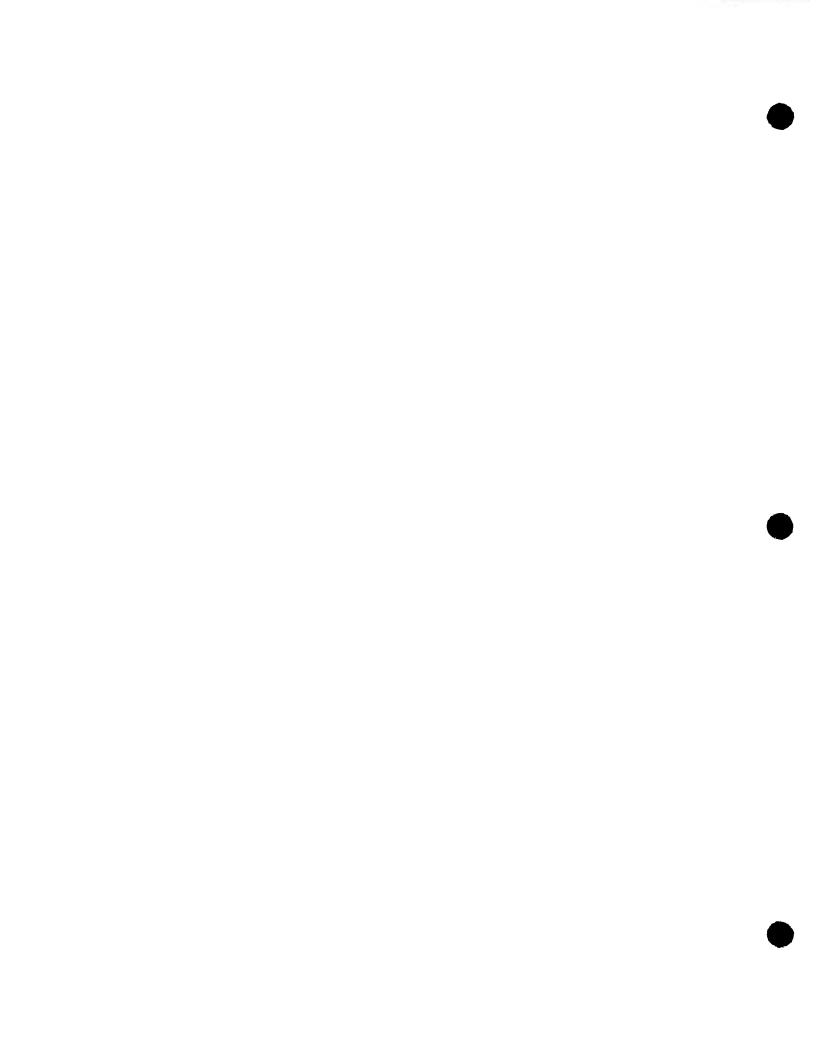


ncdot.gov

Comparison – Annual Costs (\$)

| | NC | VA | SC | TN | - GA | |
|--|--------|--------|--------|--------|--------|--|
| Motor Fuel Tax - Gas (cpg) | 36.5 | 19.88 | 16.0 | 20.0 | 26.53 | |
| Diesel (cpg) | 36.5 | 23.38 | 16.0 | 17.0 | 30.1 | |
| Local (cpg) | | | | 1 .0 | | |
| Surcharge (%) | | | | | 4 | |
| Motor Fuel Tax Cost (\$) | 419.25 | 152.23 | 120.00 | 150.75 | 206.93 | |
| Driver License (\$) | 4.00 | 4.00 | 2.50 | 3.90 | 4.00 | |
| Title Fee (\$) | 8.00 | 2.00 | 3.00 | 2.30 | 3.60 | |
| Local Tax (\$) | | | | 41.35 | | |
| Vehicle Registration | 28.00 | 40.75 | 24.00 | 24.00 | 20.00 | |
| Highway Use Tax Rate (%) | 3.00 | 4.05 | 5.00 | 7.00 | 7.00 | Assumptions ¹ Mileage 15,000 |
| Trade-In | Yes | | Yes | Yes | Yes | ¹ MPG 20 |
| Cap (\$) | | | 300 | | | ² Vehicle Price \$30,000 ² Trade-in \$5,000 |
| ² Highway Use Tax Cost (\$) | 150.00 | 243.00 | 60.00 | 350.00 | 350.00 | ² Ownership (years) 5 |
| Total (rounded) | \$464 | \$442 | \$210 | \$572 | \$585 | 14 |

14



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NC Vehicle Registration – 2014 Approximately 8.8 million vehicles

- 66% Autos
- 20% Trucks (≈50% <4,000 lbs.)
- 11% Trailers
- 3% Other (motorcycles, RV, buses, etc.)

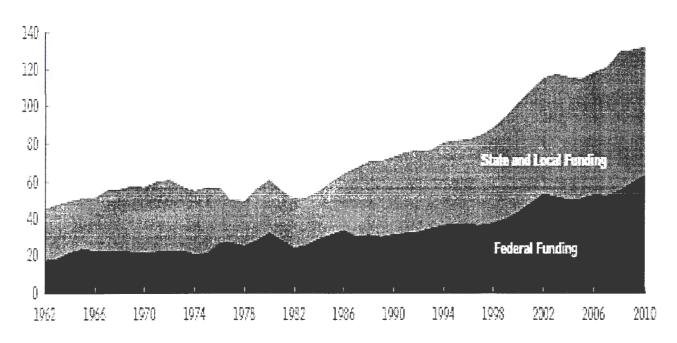
| Vehicle Type | 2014 | Annual Ir | ncrease |
|--------------|---------|-----------|---------|
| | Approx. | 2009-14 | 2015-20 |
| Electric | 2,000 | 40% | 11% |
| Hybrid | 40,000 | 30% | 8% |

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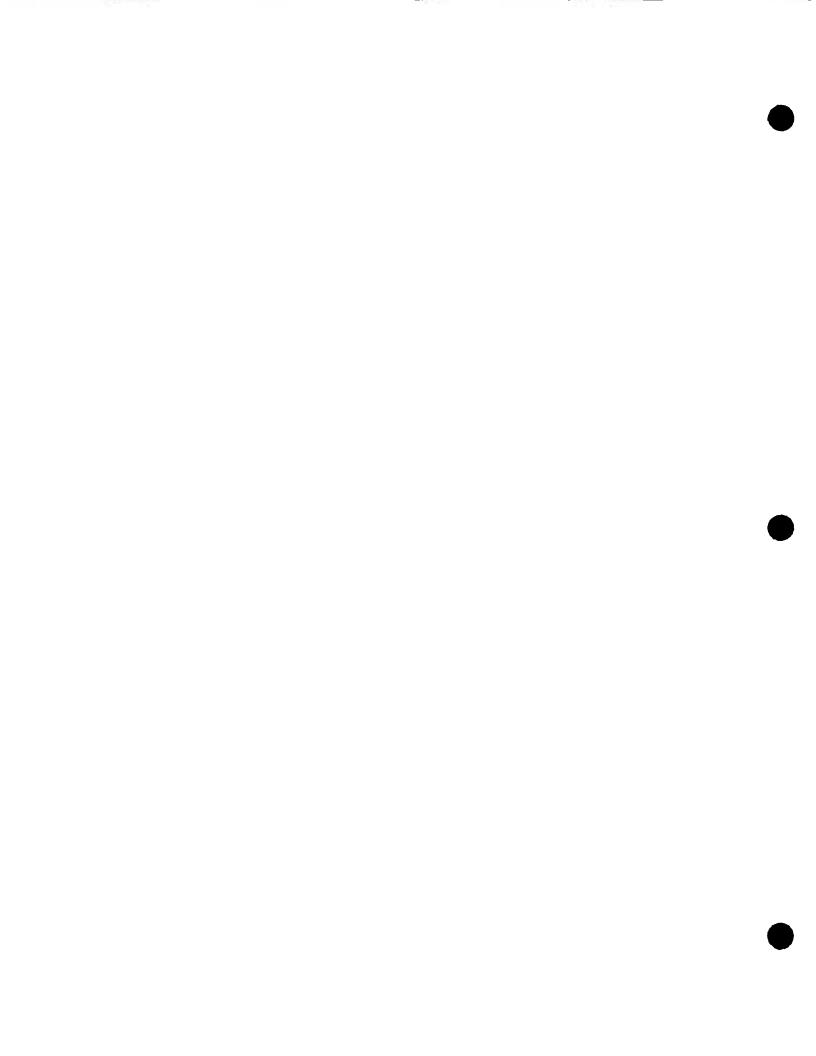
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Transportation Infrastructure Investment

Billions of 2012 Dollars



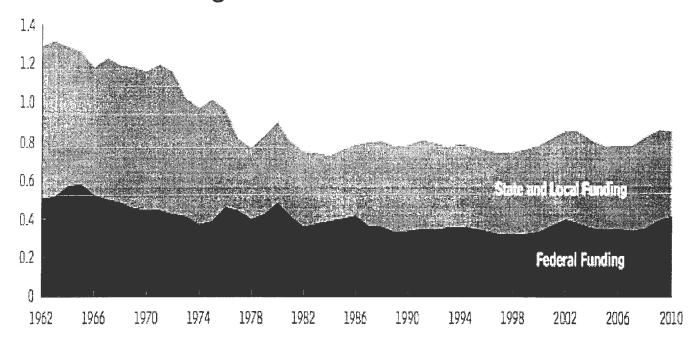
CBO - December 2013



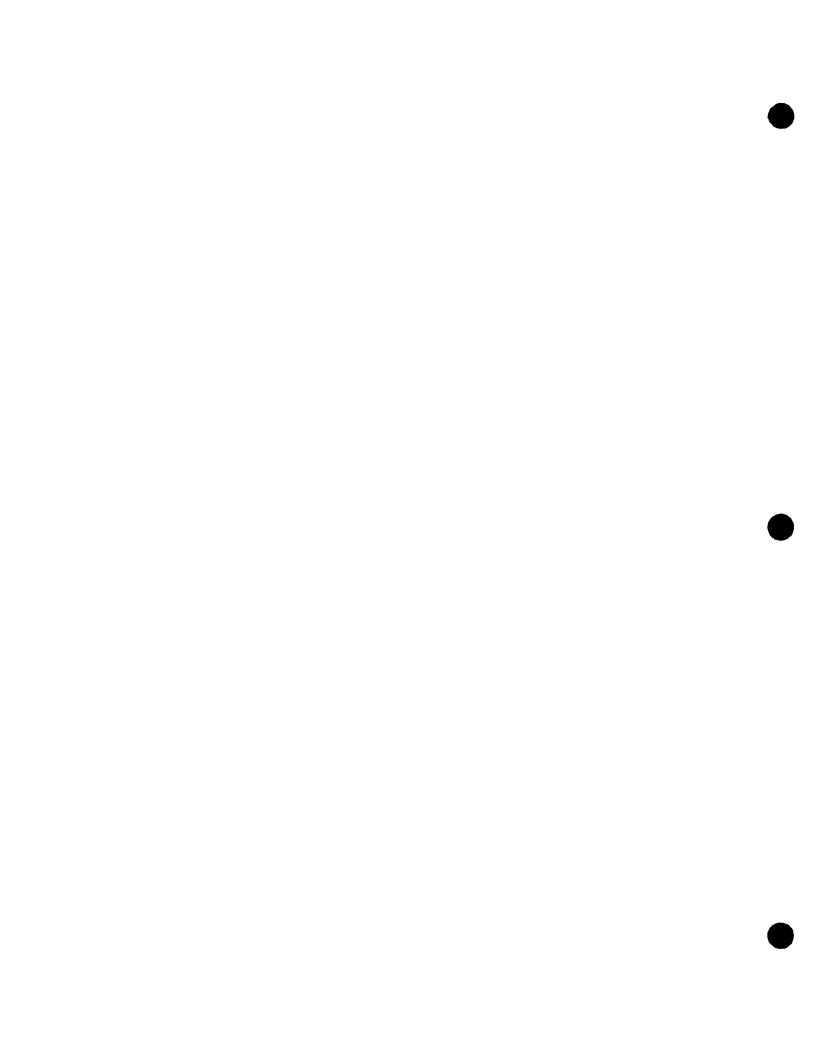
ncdot.gov

Growing Funding Need

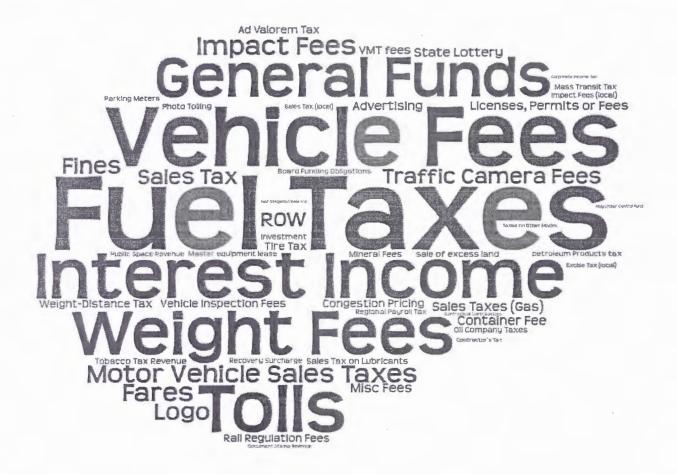
Percentage of Gross Domestic Product



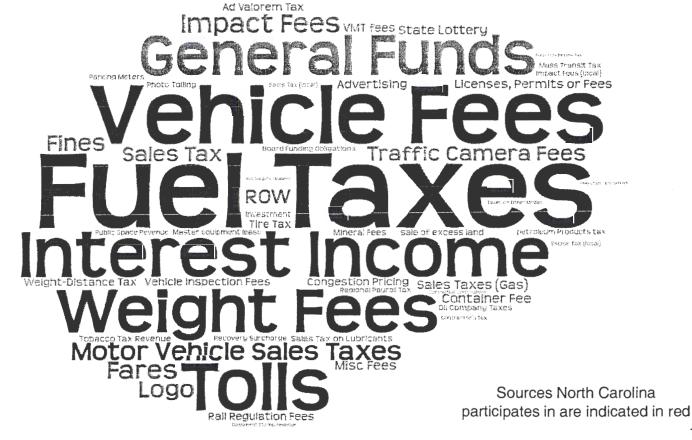
CBO - December 2013

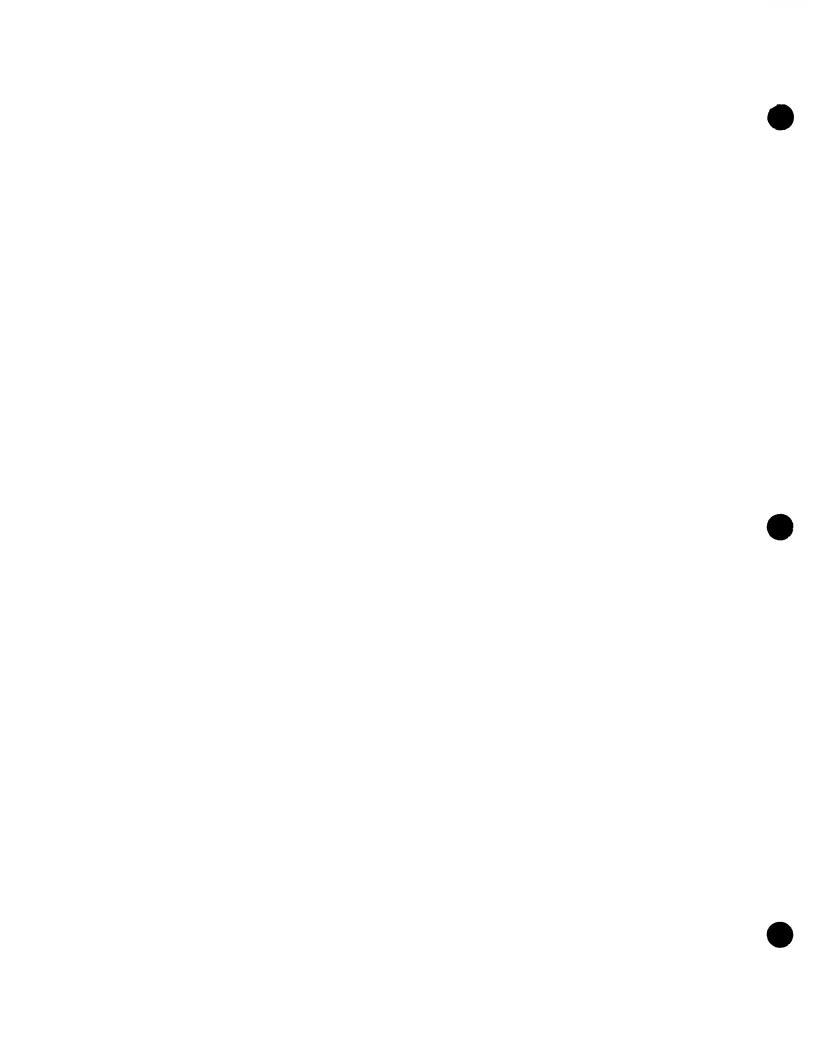


State Revenue Sources



State Revenue Sources





States are Seeking Transportation Funding and Finance

Traditional Funding Options

Less Traditional Options

- Gas taxes
- Other taxes on motor fuels
- Motor vehicle fees
- Tolls

- Distance-based fee
- Taxes on alternative fuels

Finance Solutions that borrow against or otherwise leverage revenues

- Bonds
- · Federal credit assistance
- State infrastructure banks
- Public-private partnerships

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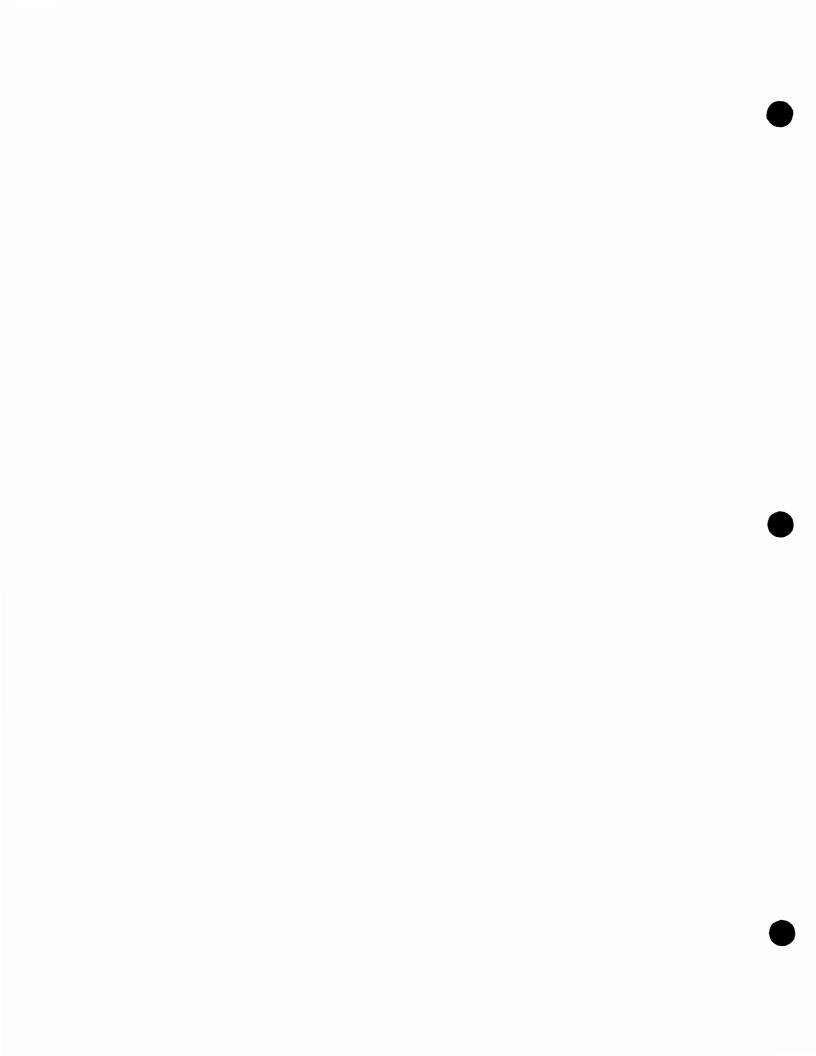
Legislation Attempted for Increased Transportation Revenue



Actively considered (but not enacted) in 2013-2014 sessions

Source: Transportation for America

21



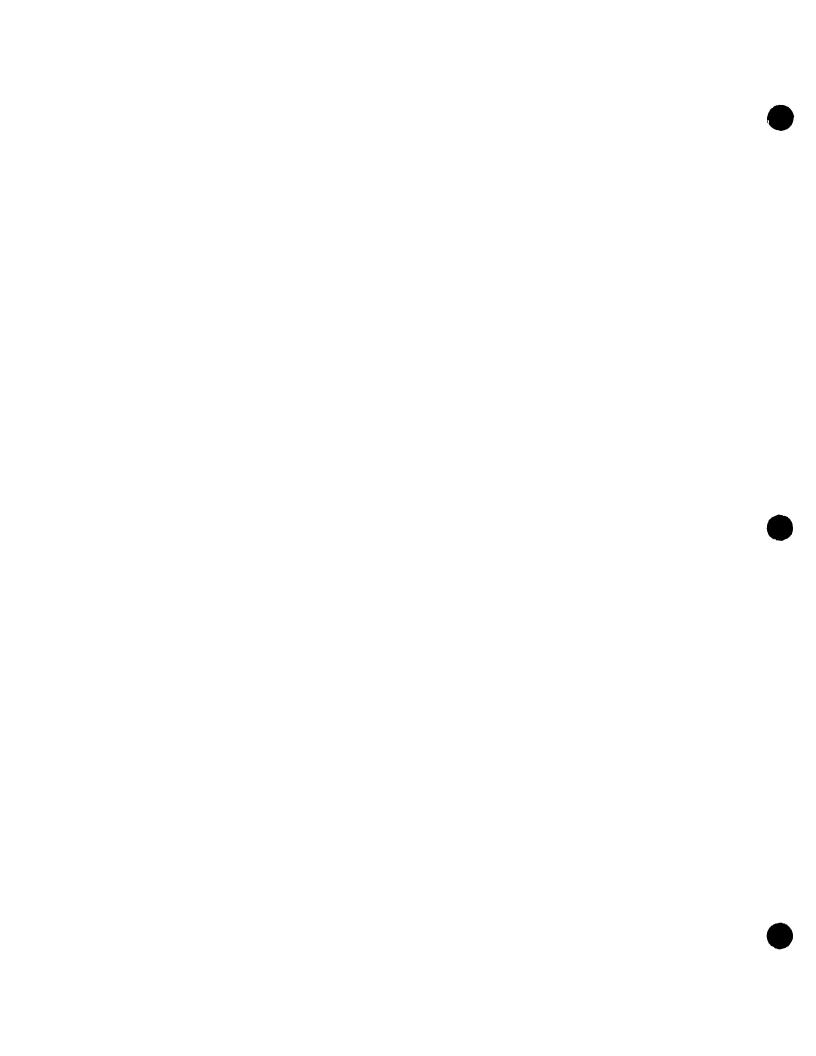
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Successful in Increasing Transportation Revenue



Enacted 2012 Enacted 2013 Enacted 2014

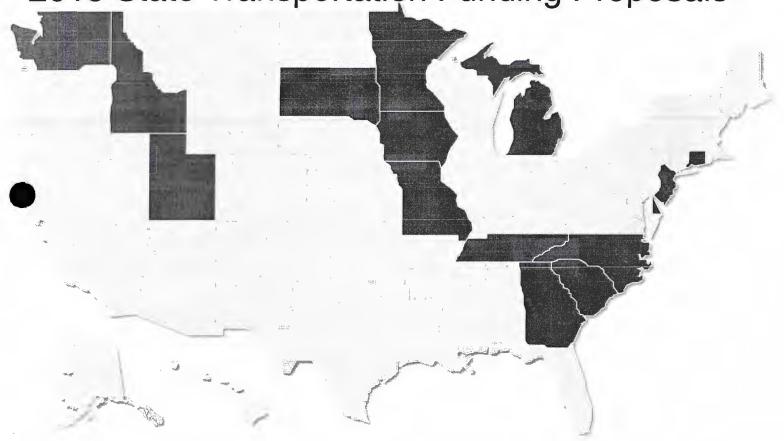
Source: Transportation for America

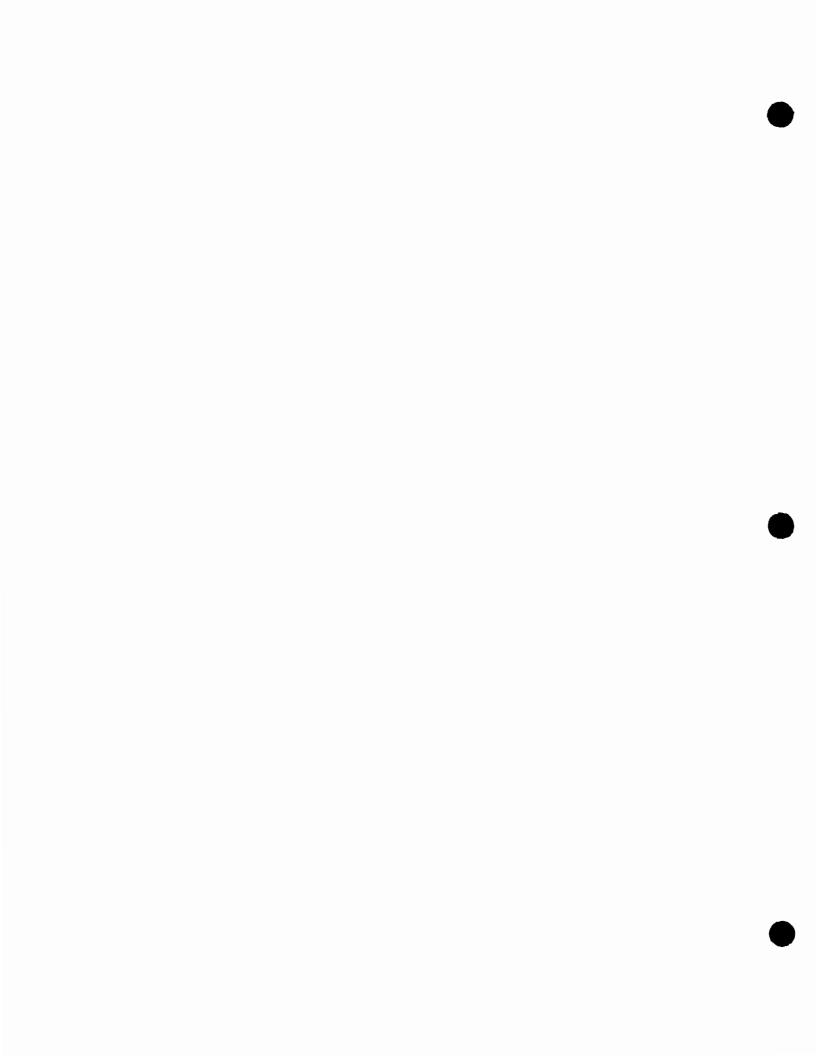


North Carolina DEPARTMENT OF TRANSPORTATION

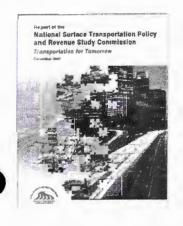
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2015 State Transportation Funding Proposals





Previous Revenue Studies







National







North Carolina
Department of Transportation

Transformation Management Team Final Report

> Volume Eight: McKinsey Report



State

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\$2.20

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\$1.63

\$2.37

\$5.00

\$9.65

\$24.05

\$2.41

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\$0.08

\$5.33

\$0.94

\$10.95

\$12.29

\$1.17

11084

92.60

10010

\$8.83 \$2.12

SLAS

AASHTO - Revenue Options

Matrix of Illustrative Surface Transportation Revenue Options

Motor Fuel Tax-Diesel \$13.21 Motor Fuel Tax-Gas signi increase in current rate (approx. 10% increase in total exten Heavy Vohicle Use Tag \$0.55 Sales Tex-Trucks and In \$0.33 Container Tax Dalier per TEU \$1.66 Dolar arrangly \$1.08 \$3.07 Freight Bill All Modes \$3.60 \$1.17 Freight Charge—Ton (All Modes) \$1.22 \$1.44 Freight Charge—Ton-Mile (Truck Only) ofton-mile of domestic shipments Freight Charge—Ton-Mile (All Modes) #ton-mile of domestic shipments Imported Oil Tex \$5.76

Dollar arroually

Percent of sales

Percent of colors

Percent of sales

Dollar per bioxcle fire

Percent of sales (excl. excise to

1.50 Opensorger sale traveled on all transit modes

100 ¢LDV vehicle mile traveled on all roads

Motor Fuel Tax Indusing to CPI—Diese Motor Fuel Tax Indusing to CPI—Ger Oil, Gas, and Minerals Receipts

Registration Fee-Hyterid LDVs

Sales Tax - Auto-related Parts & Servi

Sales Tax - New Light Duty Vehicles

Bales Tax-New and Used Light Duty Vel

Vehicle Miles Traveled Fee-Light Duty Ve

Registration Fee-Trucks

Sales Tay-Focucies

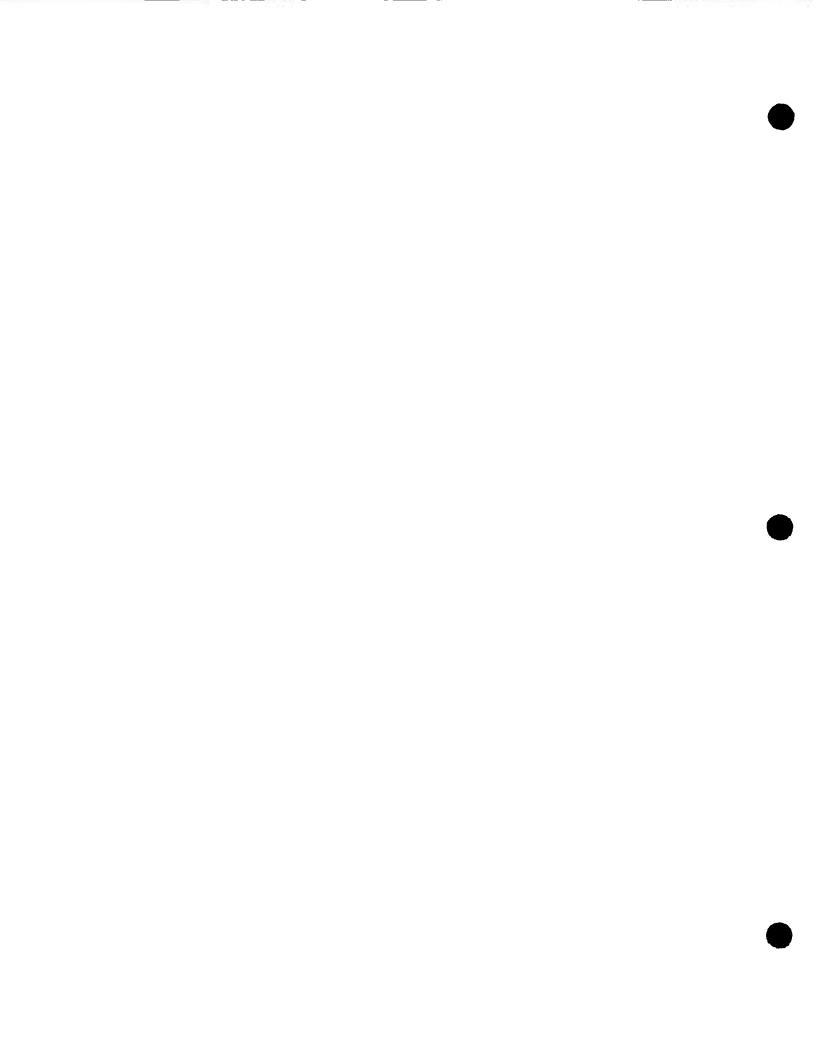
Sales Tex-Dessel

Tire Tax-Bicycles

Twe Tax-Light Duty Vei

Sales Tax-Ges

Matrix of Illustrative Surface Transportation Revenue Options



ncdot.gov

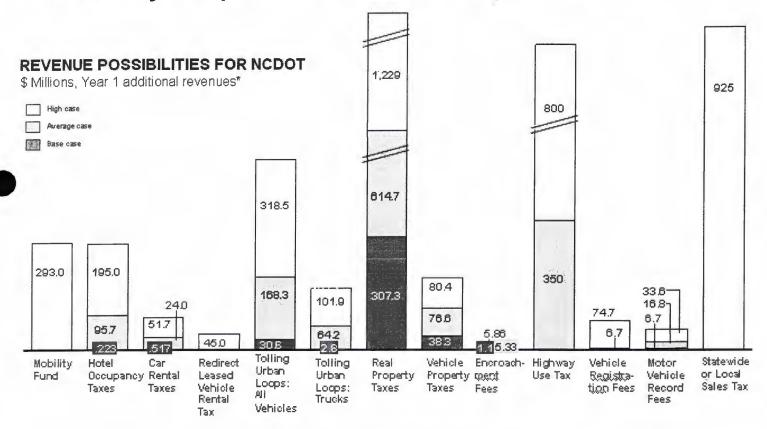
21st Century Transportation Committee - Recommendations

Goal: \$1 billion per year for the next 10 years

- Eliminate Transfers (HF and HTF)
- Implement VMT (Statewide and Local Option)
- Increase Highway Use Tax Rate and Class A & B caps
- Increase Passenger Vehicle Registration Fees
- Increase Stagger Registration Fees
- Consider Weight based Vehicle Registration Fees
- Consider Bond Referendum
- Allow Local Option Tax
- Implement Indexing DMV Fee Rates Structure
- Implement Statewide Interstate Tolling
- Implement Differential Fuel Tax Rates

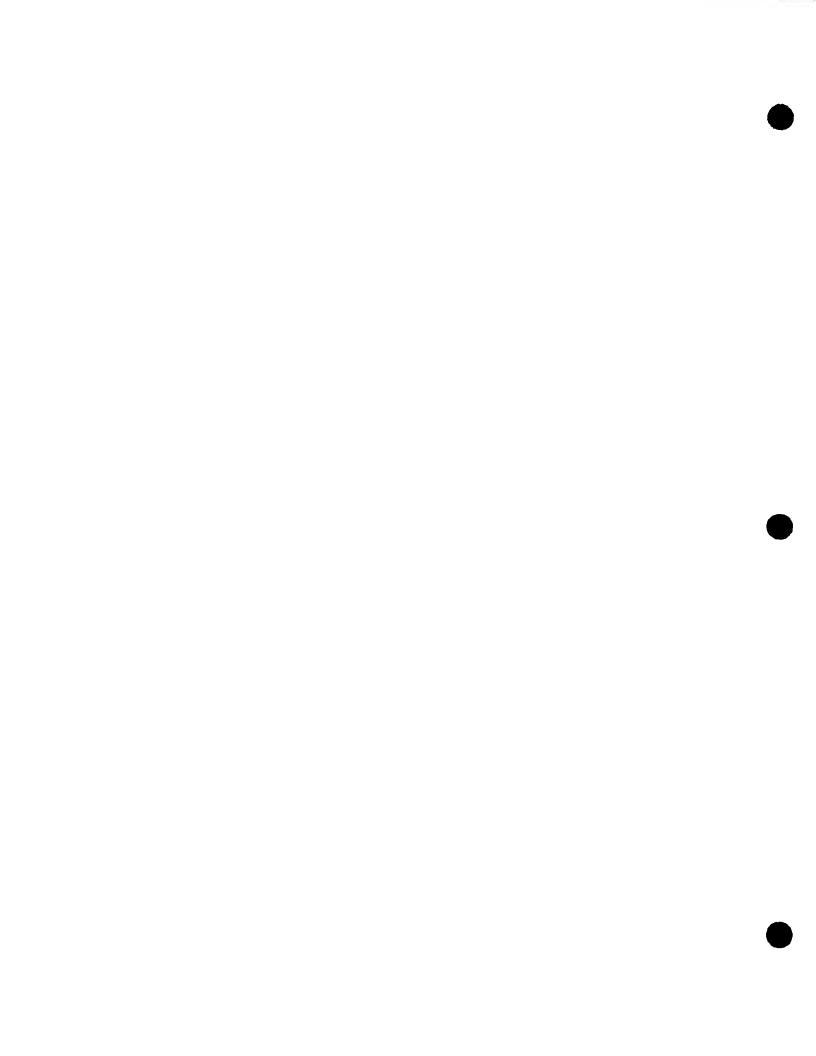


McKinsey Report - Revenue Options



Legend = New Sources of Funding/Current Sources of Funding

^{*} Except Leveraging Debt, which measures additional revenues every other year over an 8-year period; and General Fund transfers, which measures average annual return over an 8-year period.

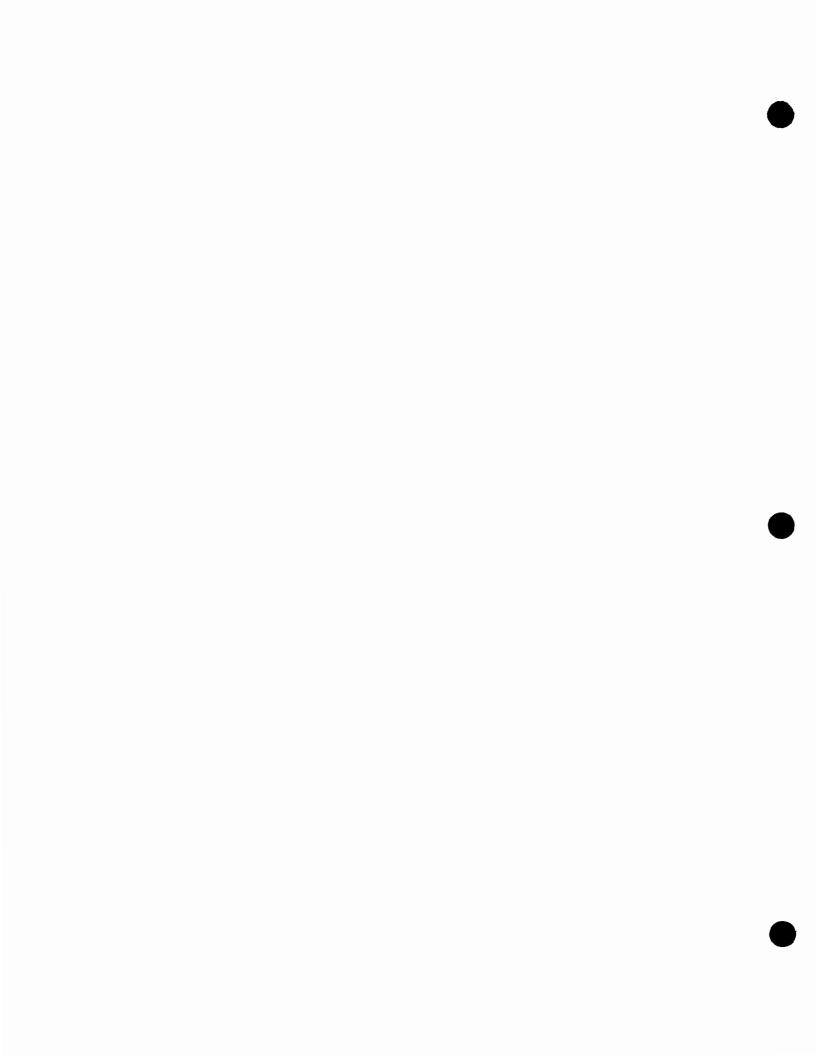


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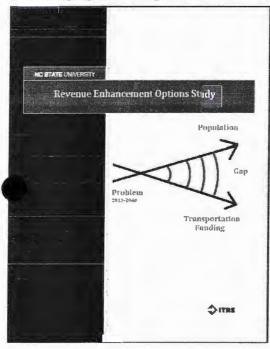
2040 Plan - Revenue Enhancement Options

| Continue motor fuel tax indexing | \$19 Billion |
|-------------------------------------|--------------|
| Increase registration/license fees | \$6 Billion |
| Eliminate Highway Fund transfers | \$4 Billion |
| Redirect vehicle lease fee to NCDOT | \$1 Billion |
| Increase Highway Use Tax | \$3 Billion |
| Local vehicle property tax | \$1 Billion |
| Auto insurance surcharge | \$12 Billion |
| Wholesale motor fuels tax | \$12 Billion |
| Interstate tolling | \$42 Billion |
| VMT Fee | \$27 Billion |

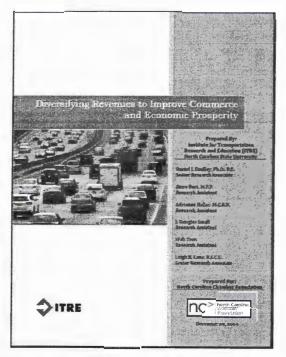


North Carolina DEPARTMENT OF TRANSPORTATION

Recent Studies



Do we have a crisis?
Do we need a paradigm shift?
What are our best options?
What are our next steps?
Annotated Bibliography Supplement



Benefits of Infrastructure Investment Infrastructure Spending Impacts Annual Driving Expenses Criteria for Ranking Revenue Options

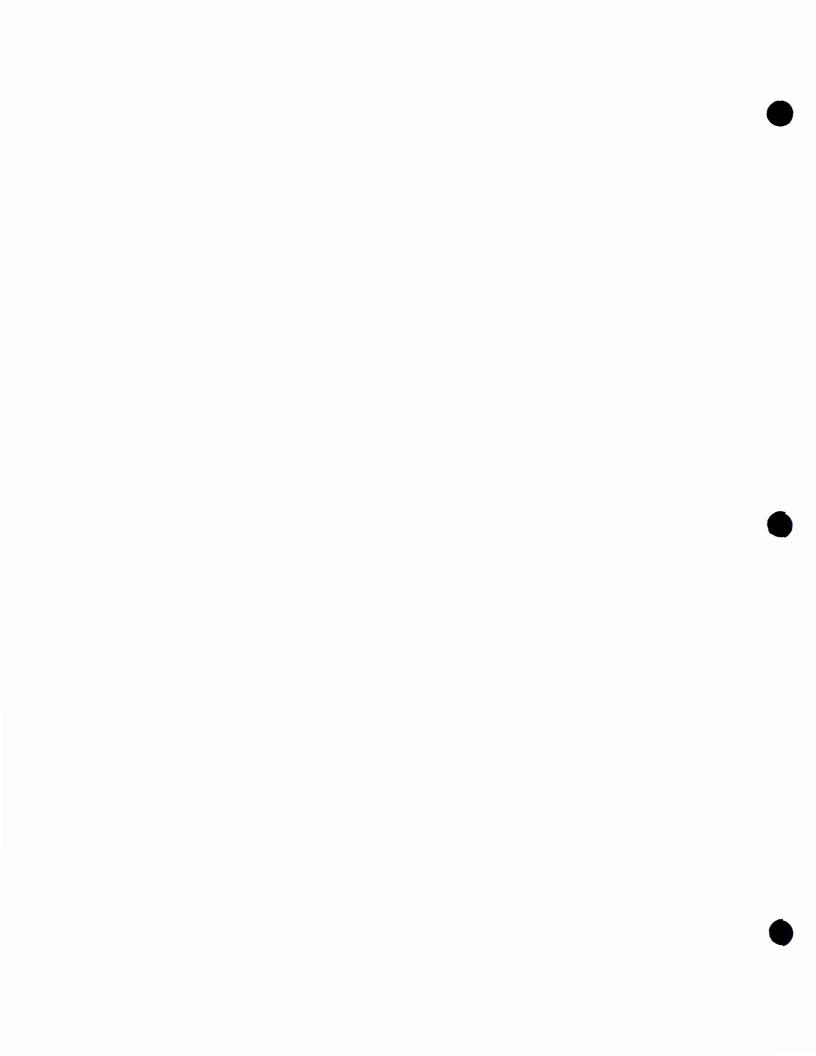
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Fees/Privatization/Sponsorship Opportunities

Mike Holder, PE, Chief Engineer

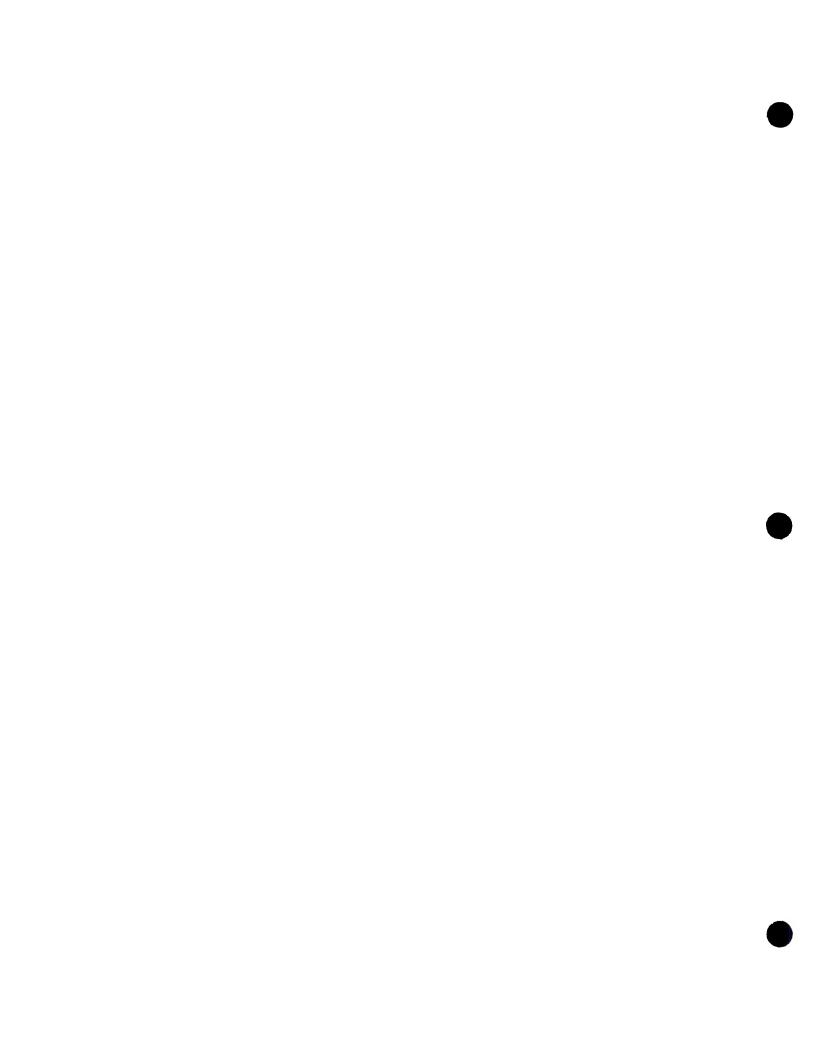
Appropriations, Transportation February 17, 2015



Statutory Requirement

Section 34.17 of Budget Bill:

- Board of Transportation to study fees, sponsorship, and privatization to reduce public funds used on services provided by DOT
- Board must report to NCGA JLTOC by Dec. 1, 2014.



Development Fees

- Traffic Impact Analysis Reviews
- Commercial Driveway Permits
- Encroachment Reviews
- Subdivisions: plan and plat reviews, and onsite inspections

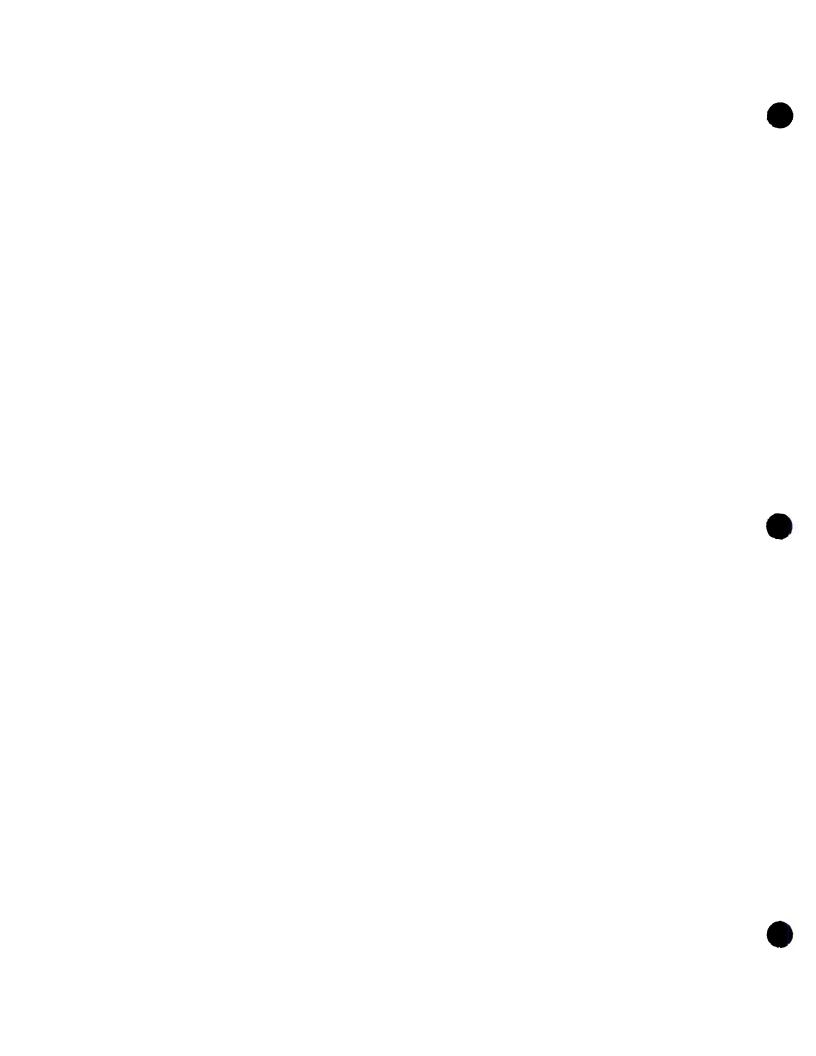


Table F-1

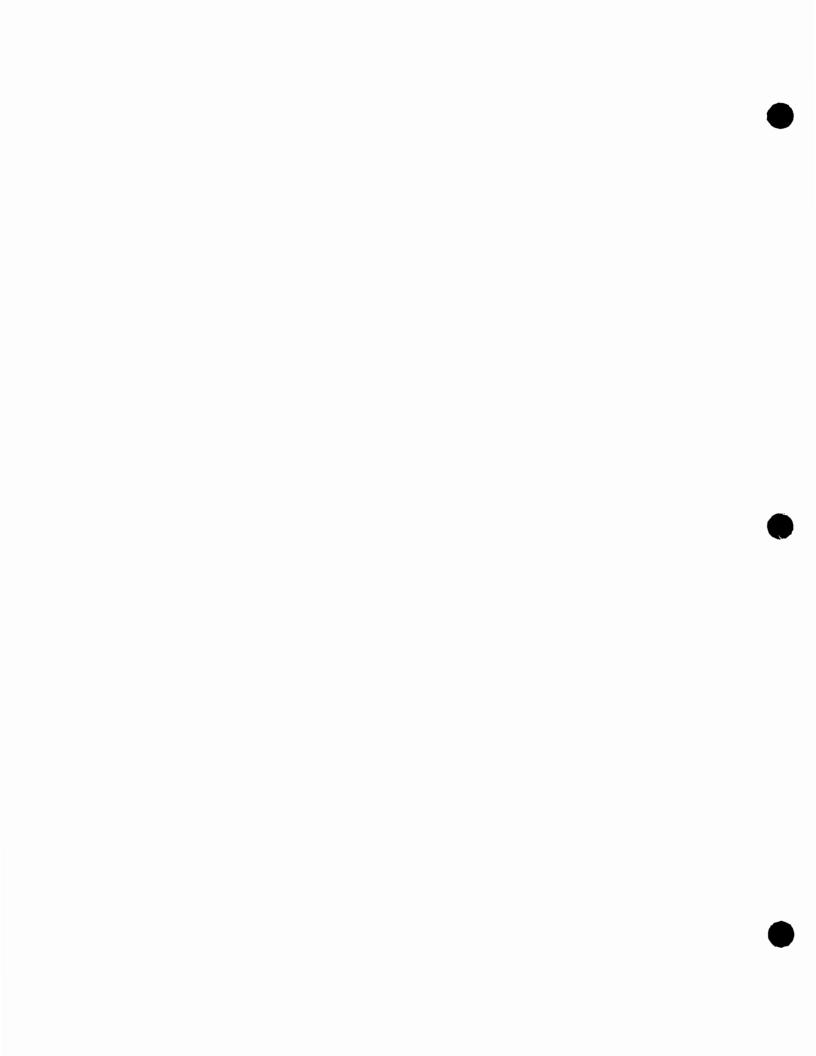
| TRAFFIC IMPACT ANALYSIS FEE SCHEDULE | | | |
|---|----------------|--|--|
| Description/Projected Average Trips Per Day of Site | Processing Fee | | |
| Category A - Uses with 10 - 3,000 TPD | \$250 | | |
| Category B - Uses with 3,000- 10,000 TPD | \$1,000 | | |
| Category C - Uses with 10,000-15,000 TPD | \$3,000 | | |
| Category D - Uses with above 15,000 TPD | \$4,000 | | |

| DRIVEWAY PE | RMIT APPLICATION F | EE SCHEDULE | | |
|--|---------------------------------|-------------|----------------|----------|
| Driveway Permit application fee (Includes inpsection) | Trip Generation (Trips per day) | | | |
| | <1,500 | 1,500-3,000 | 3,000 - 15,000 | > 15,000 |
| | \$150 | \$500 | \$1,000 | \$2,000 |
| C/A Break | | \$2,000 | | |
| Median Break | | \$1,000 | | |

| FEE STRUCTU | JRE FOR ENCROACHN | MENTS* | * | |
|--|-------------------|------------------------------|----------------|----------|
| Encroachment Type | Agreement | Project Scope | | |
| | | Small | Medium | Large |
| Utility | 16.1 | 0-1,000' | 1,000'-2 miles | >2 miles |
| | | \$250 | \$500 | \$750 |
| Non-Utility | 16.1A | I | \$200 | |
| Widening, Curb & Gutter, Storm Drainage, etc. | 16.1B | | \$500 | |
| Piping Treated Effluent | 16.1C | | \$200 | |
| | 45.0 | 0-1,000' | 1,000'-2 miles | >2 miles |
| Interstate & Other C/A Highways | 16.2 | \$250 | \$500 | \$1,000 |
| Original Blanket Agreements | 16.3, 16.4,16.5 | \$100 | | |
| Blanket Encroachment Authorization Letters | NA | \$100 | | |
| Three-Party Agreements (Primary & Secondary | 455 | 0-500' | 500'-1,000' | >1,000 |
| Roadways) | 16.6 | \$250 | \$500 | \$750 |
| hree-Party Agreements (Interstate & Other C/A Highways) | 16.6A | \$250 | \$500 | \$1,000 |
| | | 0-1,000 CY Disturbed | | \$500 |
| Grading on ROW on Interstates & Other C/A | 16.7 | >1,000 CY Disturbed | | \$1,000 |
| Highways | 16.7 | Material Removed From ROW | | \$1/CY |

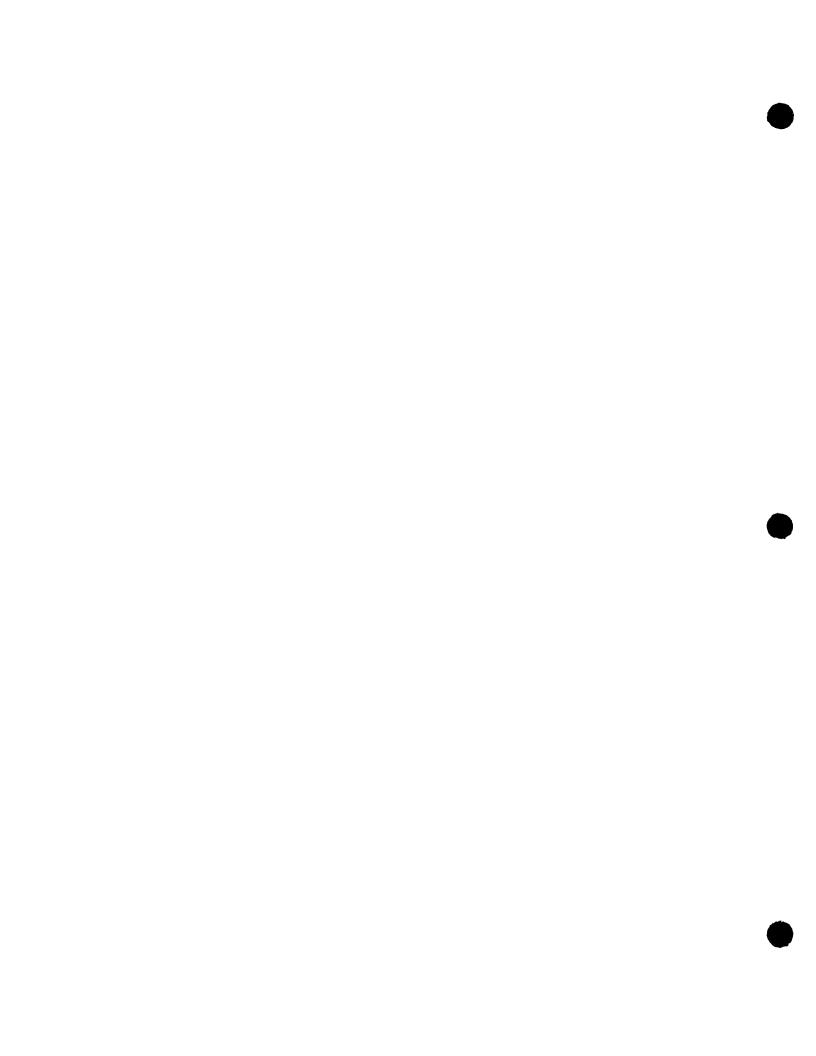
^{*} Encroachment Fees do not apply to encroachments for single family dwellings.

| | Processing Fee Total Linear Feet of Roadway | | | |
|--|---|------------------|----------|--|
| Activity | | | | |
| | < 5,000 | 5,000' - 15,000' | > 15,000 | |
| Plan Review (Construction or As-Built) | \$2,000 | \$3,500 | \$5,000 | |
| Inspection for Built to Standards (basic letter issue) | \$500 | \$1,000 | \$1,500 | |
| Plat Review (Signed plat for Recordation) | \$200 | \$275 | \$350 | |



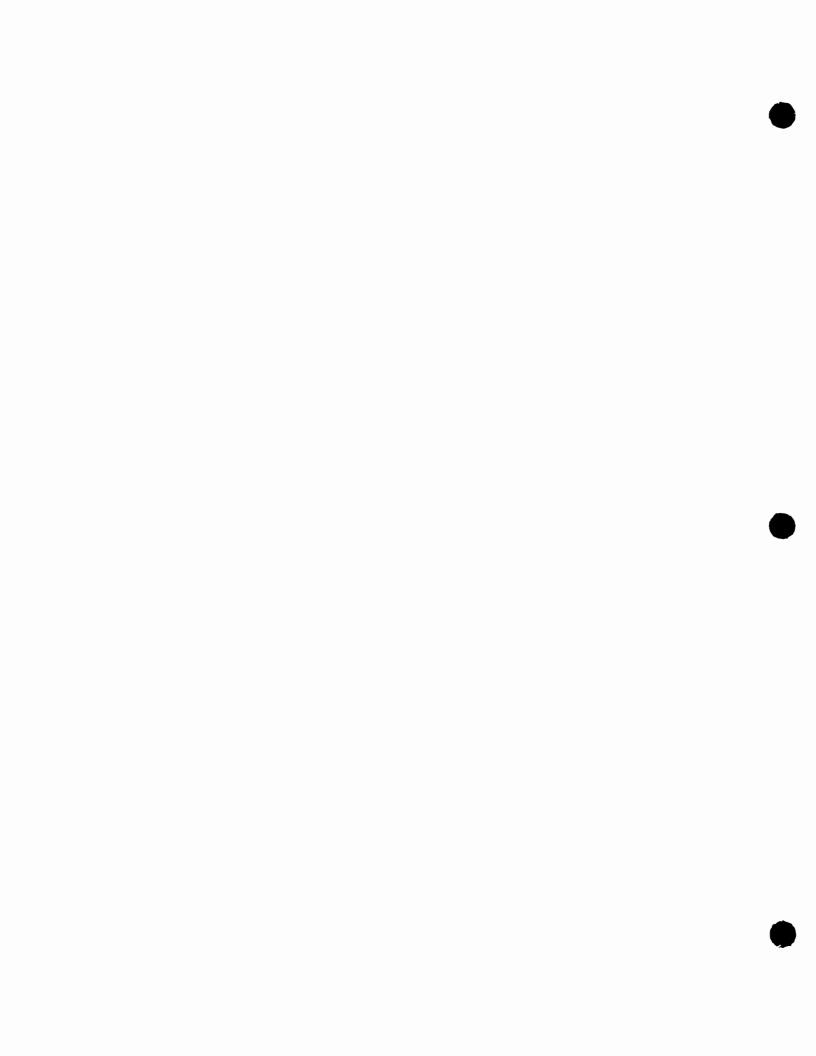
Development Fees (Cost Recovery)

- Traffic Impact Analysis Reviews
 - New Fee Schedule See Table F-1
 - · Based on projected Trips Per Day generated by site
 - Ranges from \$250 to \$4,000
 - Existing fee: none
- Commercial Driveway Permits
 - New Fee Schedule See Table F-1
 - Based on projected Trips per Day generated by site
 - Ranges from \$150 to \$2,000
 - Surcharges for Control of Access breaks or median breaks
 - Existing fee: \$50



Development Fees (Cost Recovery)

- Encroachment Reviews
 - New Fee Schedule See Table F-1
 - Based on type of encroachment, and in some cases length
 - Ranges from \$100 to \$1,000
- Subdivisions: plan and plat reviews, and on-site inspections
 - New Fee Schedule See Table F-1
 - · Based on linear feet of roadway
 - Ranges from \$150 to \$5,000
 - Existing Fee: none



Residential Driveways and Driveway Pipe Installation

• No fee proposed (no change)

Surplus Right of Way (ROW) Disposal/Control of Access (C/A) Revision (Cost Recovery

• New Administrative Fee: \$1,600

• Retain Appraisal Fee: \$3,500 (approx)

45/yr 🗪 \$72,000

Courses Offered to Private Sector (Cost Recovery)

Increase fees to approximate cost per student

· Currently charge fees, but fees are too low

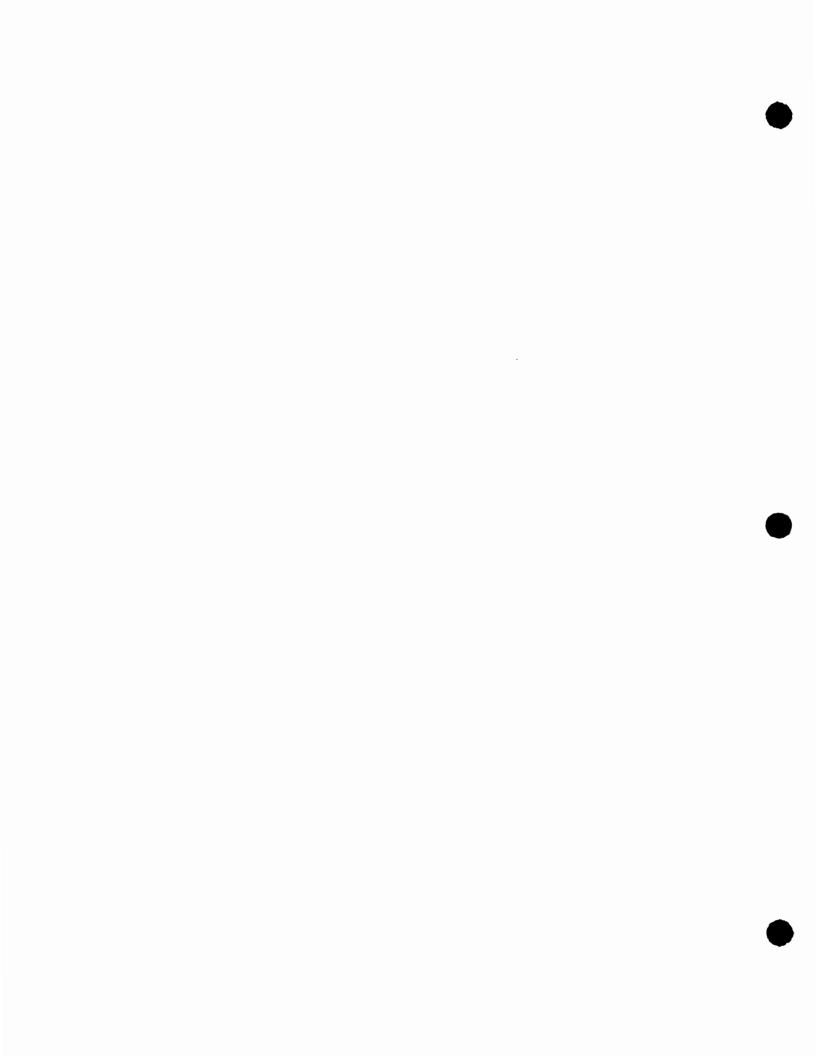
3,000/yr \$90,000

Expected cost recovery: \$90,000 annually

Selective Vegetation Removal (Cost Recovery)

• Increase Fee to \$600 (from \$200) to cover costs

196/yr \$78,400



Outdoor Advertising (Cost Recovery)

- Increase New Permit Fee to \$240 (from \$120)
- Increase Annual Renewal Fee to \$120 (from \$60)

7,800/yr 📦 \$235,000

Oversize/Overweight (OSOW) Loads (Cost Offset)

- Increase (from \$12) to \$17/dimension
- Increase Superload (from \$3) to \$4 per 1,000 lbs over 350K lbs

180,000/yr 🗪 \$1,480,000

House Moves (Cost Recovery)

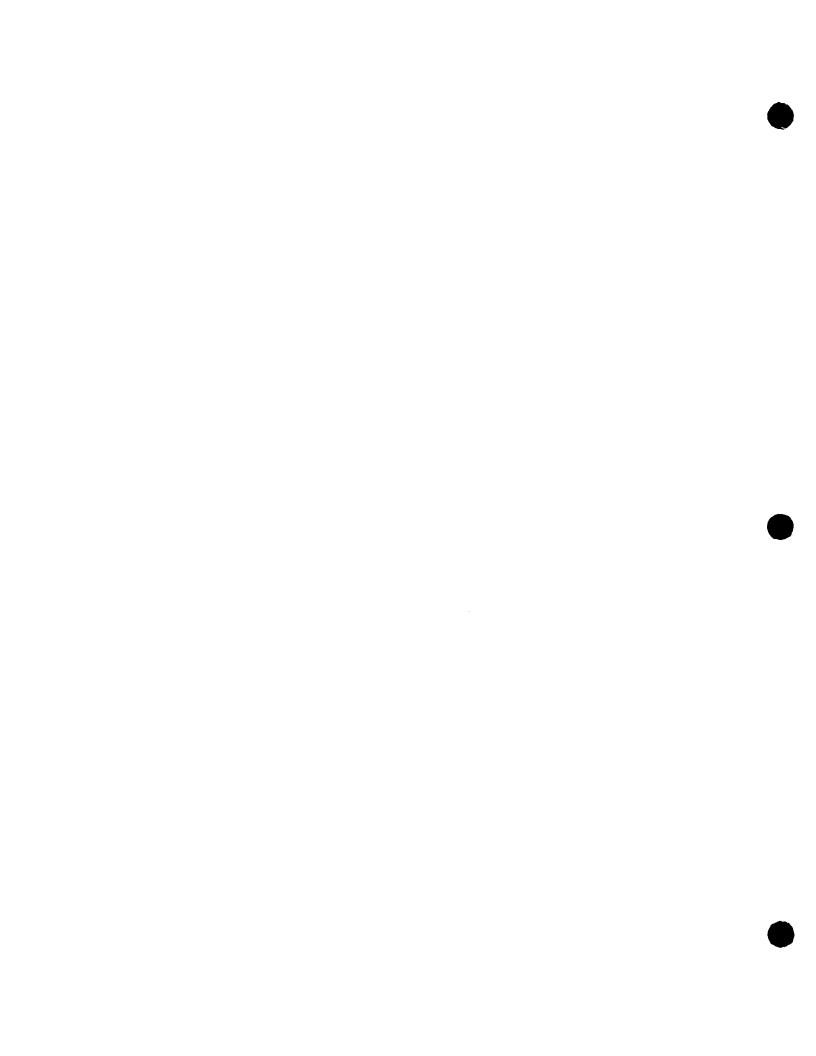
- Increase individual permit fee to \$100 (from \$20) when no signals are involved
- · Charge actual cost when signals are involved

322/yr 🗪 \$25,000

Crash Analysis Reports (Cost Recovery)

- New Flat Fee: \$200/report
- · Current Fee: none

1,500/yr 📦 \$300,000



Report Recommendations: Sponsorships and Privatization

Sponsor-A-Highway (Litter Pickup) (Cost Avoidance)

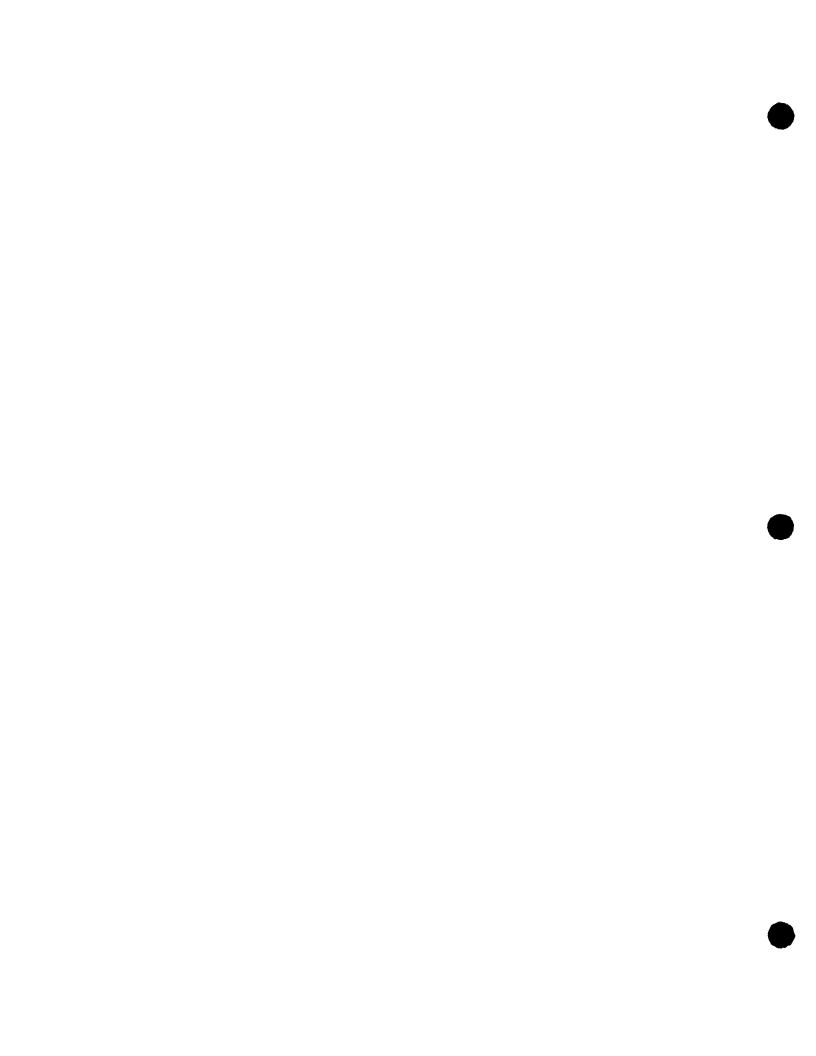
- Expand to all Interstate/Primary
- Pilot for 7 Divisions now being expanded to 14 Divisions

Expand Sponsorship Program to Include Interchange Landscaping & Mowing (Cost Avoidance)

Advertise for Rest Area Sponsorships (Cost Offset)

Logo Signs/Tourist-Oriented Destination Signs (TODS) Program – Revenue Generation

- Convert to revenue-generating program (requires legislative change)
- Privatize



Report Recommendations: Other Cost Avoidance/Cost Recovery Opportunities

Subdivision Bridge Inspections – Cost Avoidance

- No fee proposed, but applicant must pay for inspection by a prequalified private engineering firm
- Current fee: none

Signals Required by Development — Cost Avoidance (existing program)

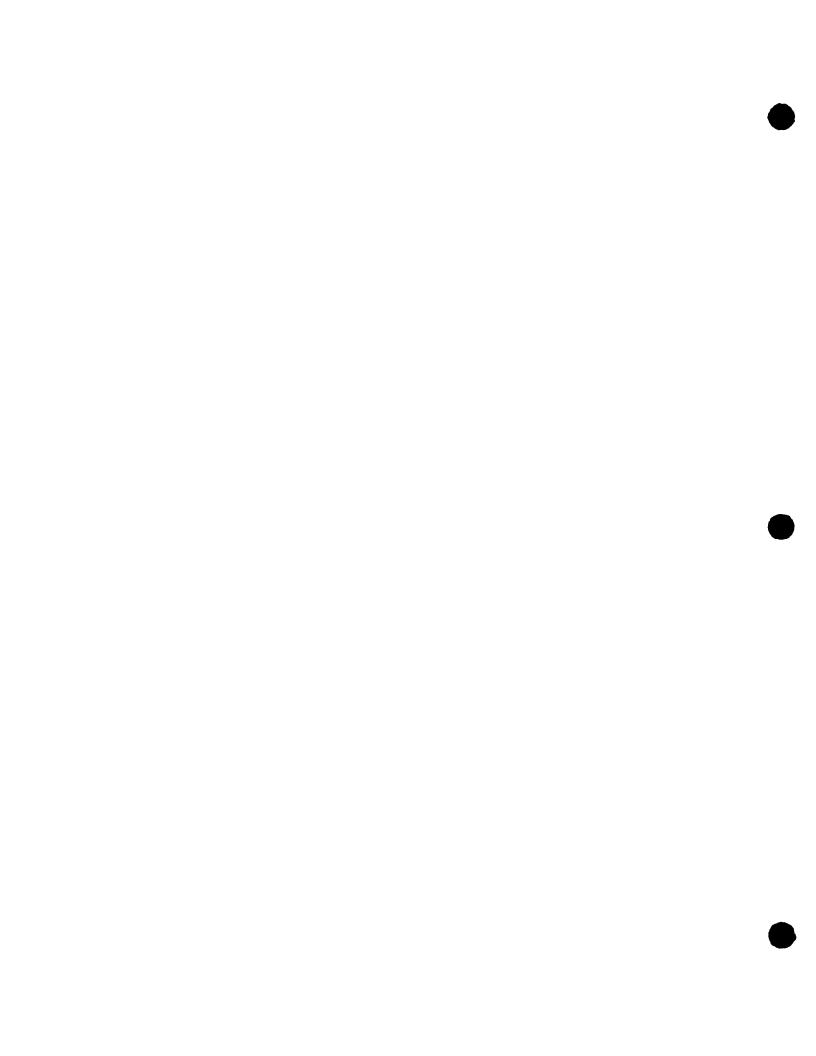
- Recover actual costs via agreement
- Same as existing process

Lease ROW for Encroachments – Revenue Generation

Study GA model

Lease ROW to Telecommunication Companies – Revenue Generation

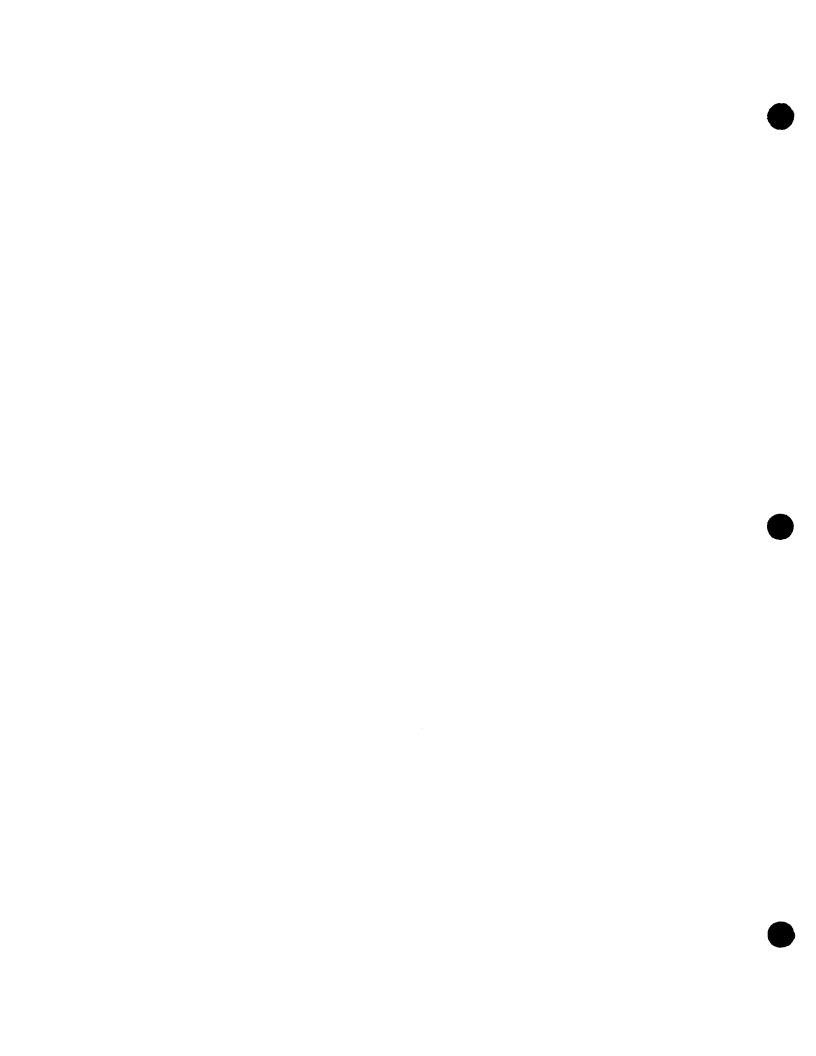
 Seek legislative change to authorize DOT to collect and retain revenue for use of ROW by telecommunication companies





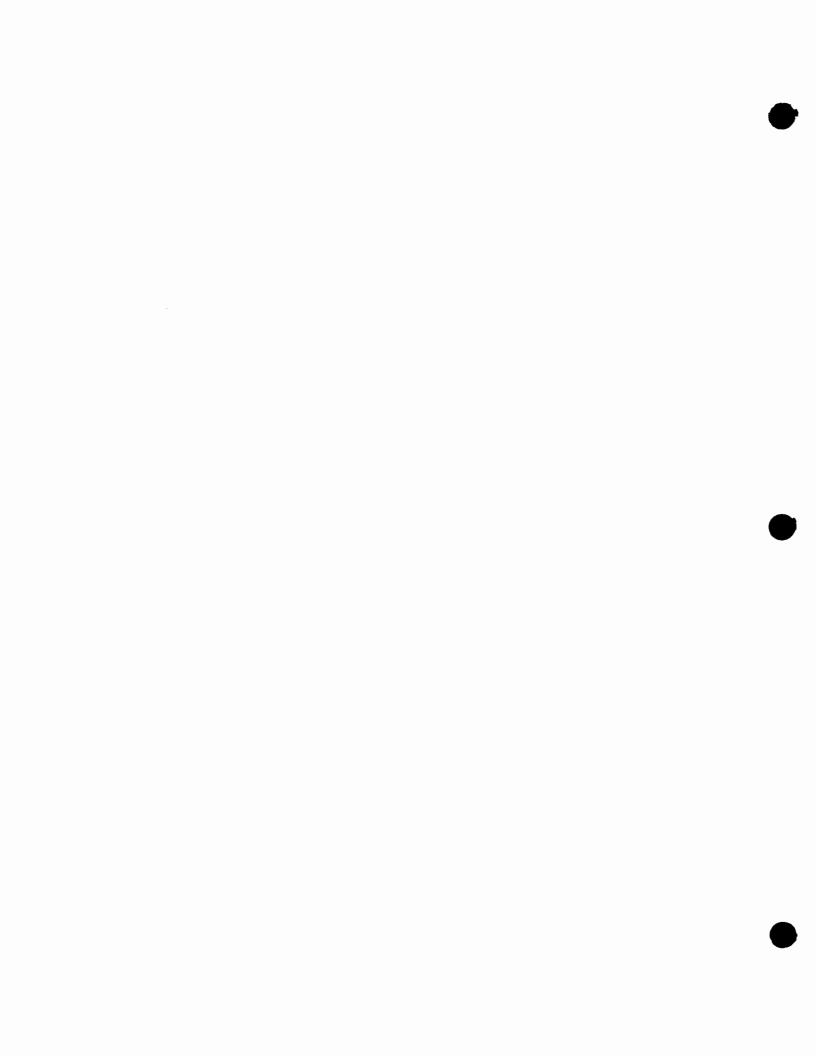
Summary of Fee Recommendations – Table F-2

| Service | Existing Fee | Proposed Fee | Financial Benefit | Estimated Net Annual Revenue Increase |
|--|--|---|-------------------|--|
| Various Developer Fees | | See Fee Schedule | Cost Recovery | \$5,000,000 |
| Residential Driveways & Pipe Installation | \$0 | \$0 | N/A | N/A |
| ROW disposal, C/A revision | \$0 Admin fee Actual Cost Appraisal Fee | \$1,600 Admin Fee Actual Cost Appraisal Fee (no change) | Cost Recovery | \$72,000 |
| Courses offered to private sector | \$0 | Actual cost per student | Cost Recovery | \$90,000 |
| Selective Vegetation Removal | \$200 | \$600 | Cost Recovery | \$78,000 |
| Outdoor Advertising | \$120 new \$60 renewal | \$240 new \$120 renewal | Cost Recovery | \$235,000 |
| Oversize/Overweight | \$12 per dimension; \$3/1,000 lbs for Superloads | \$17 per dimension; \$4/1,000 lbs for Superloads | Cost Offset | \$1,500,000 |
| House moves | \$100 annual \$20 individual | \$100 annual (no change) \$100 individual (no signals involved); actual cost when signals are involved | Cost Recovery | \$25,000 |
| Crash Analysis Reports | \$0 | \$200 | Cost Recovery | \$300,000 |

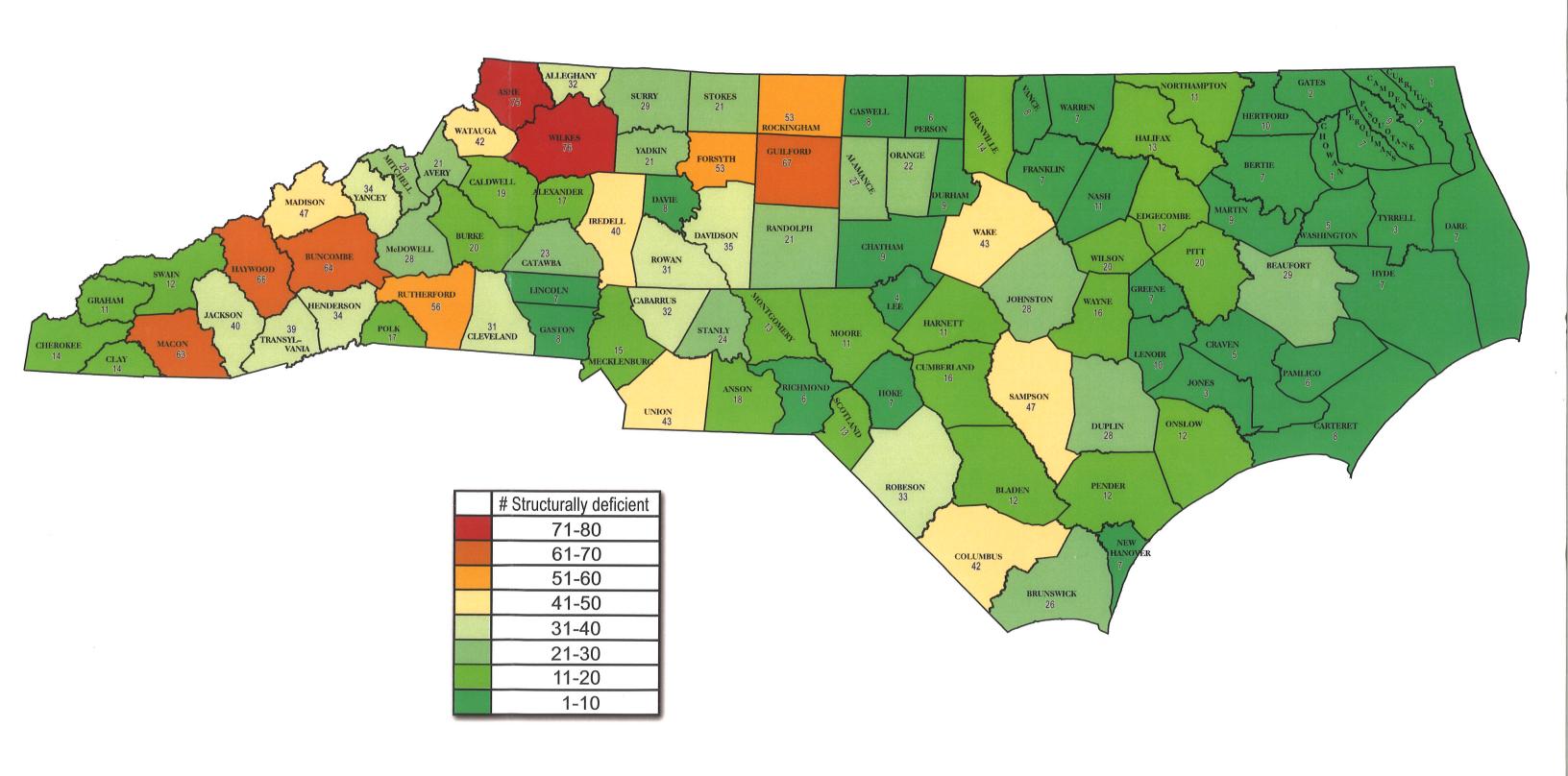


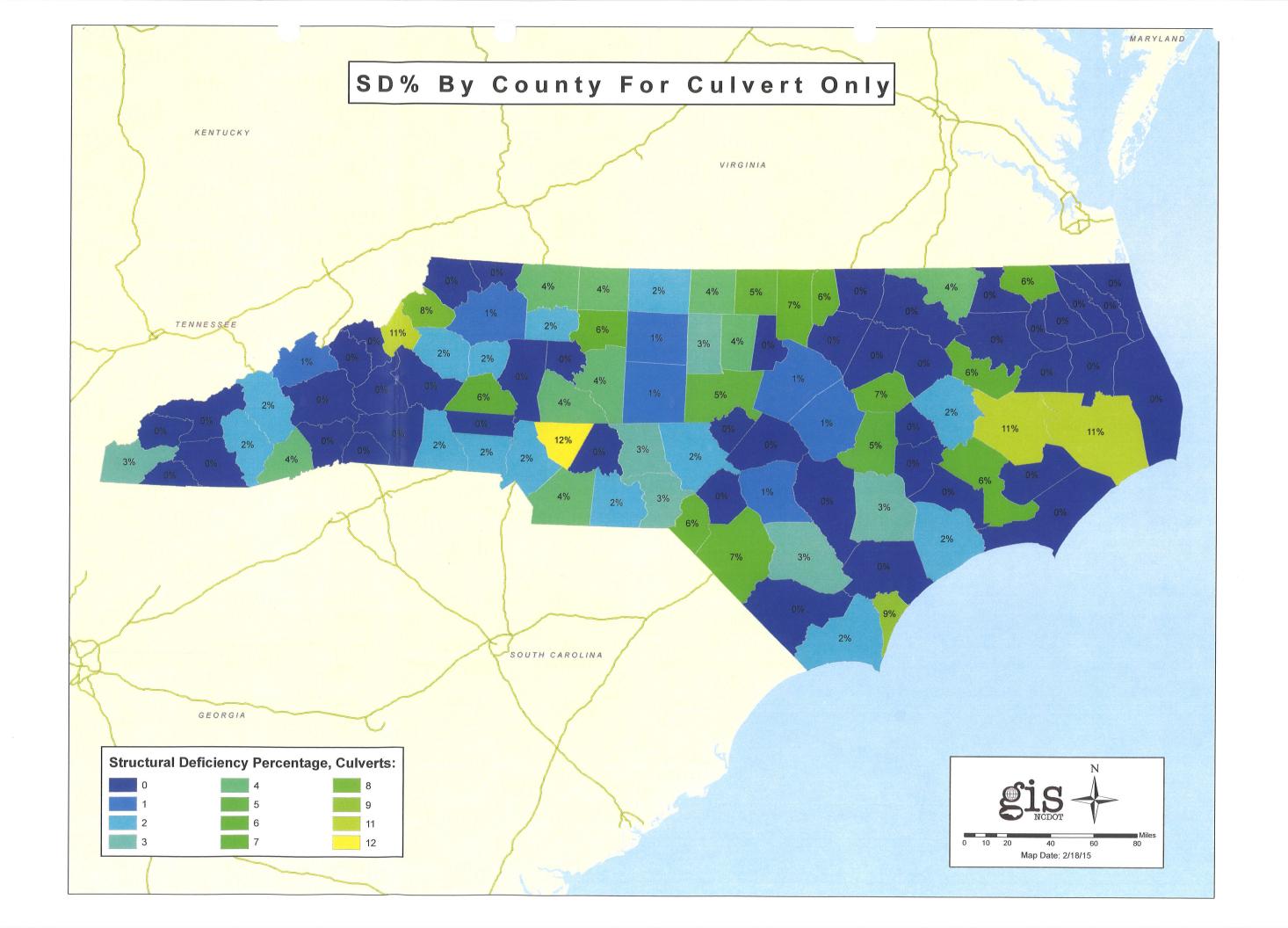
Summary of Other Recommendations – Table F-3

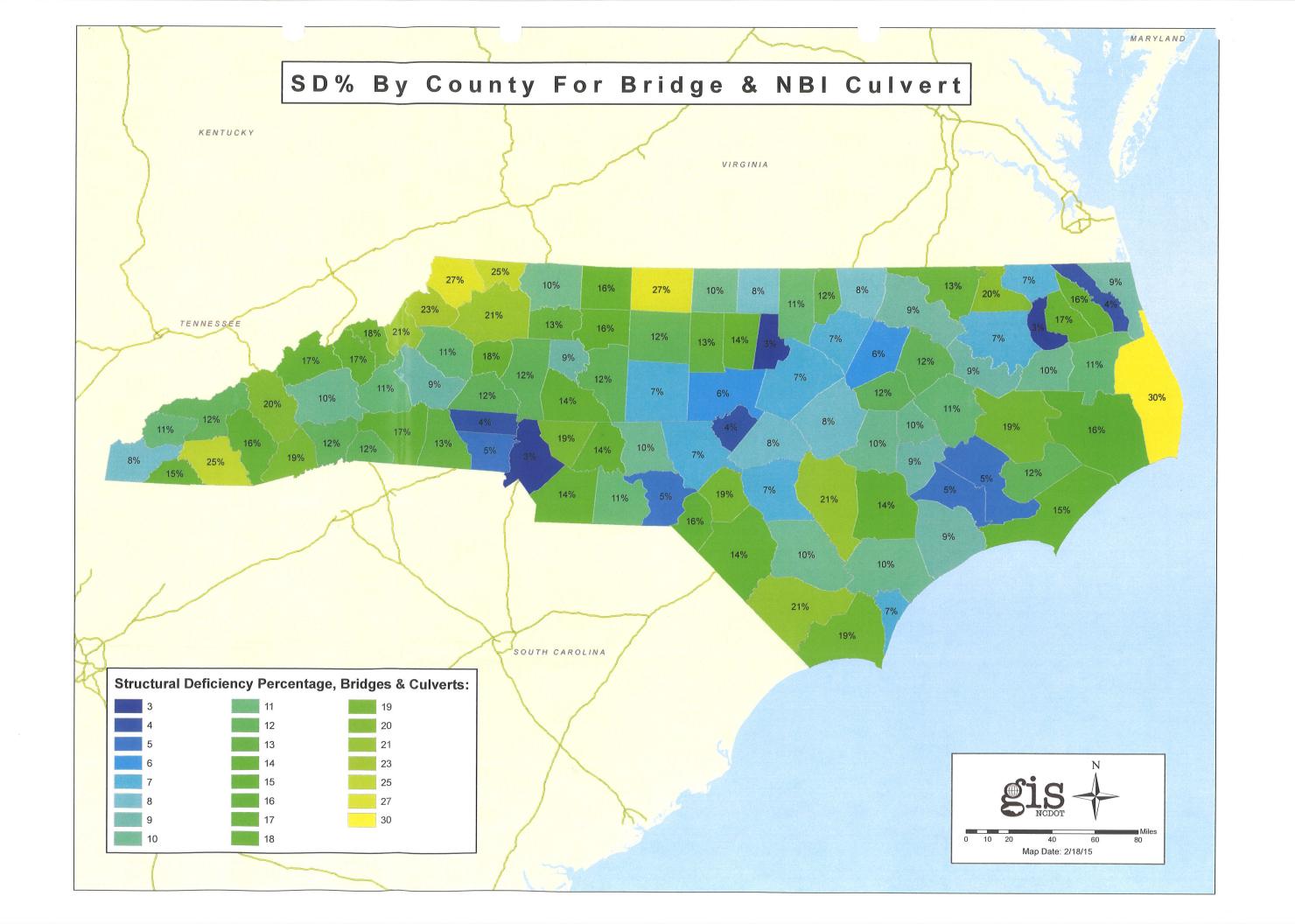
| Item | Recommendation | Financial benefit | Estimated Net Annual Revenue Increase |
|--|--|-----------------------|---------------------------------------|
| Subdivision Bridge Inspections | Make applicant responsible for inspections | Cost avoidance | \$82,000 |
| Signals Required by Developer | Keep current process (recover actual cost) | Cost avoidance | \$0 |
| Lease ROW for Encroachments | Study GA Model | Revenue generation | \$10,000,000+ |
| Lease ROW to Telecommunication companies | Seek legislative change to authorize DOT to collect and retain revenue | Revenue generation | \$4,000,000+ |
| Sponsorships – highways | Expand Sponsor-a-Highway (Litter Pickup) to all Interstate/Primary | Cost avoidance | \$300,000 |
| Sponsorships – interchanges | Expand Sponsorship Program to Include Interchange Landscaping & Mowing | Cost avoidance | \$10,000/ interchange |
| Sponsorships – rest areas | Advertise for Rest Area Sponsorships | Cost offset | \$1,000-\$5,000 /site |
| Privatization | Logo/TODS; also convert to revenue— generating program (requires legislative change) | Revenue generation | \$1,000,000-\$3,000,000 or more |

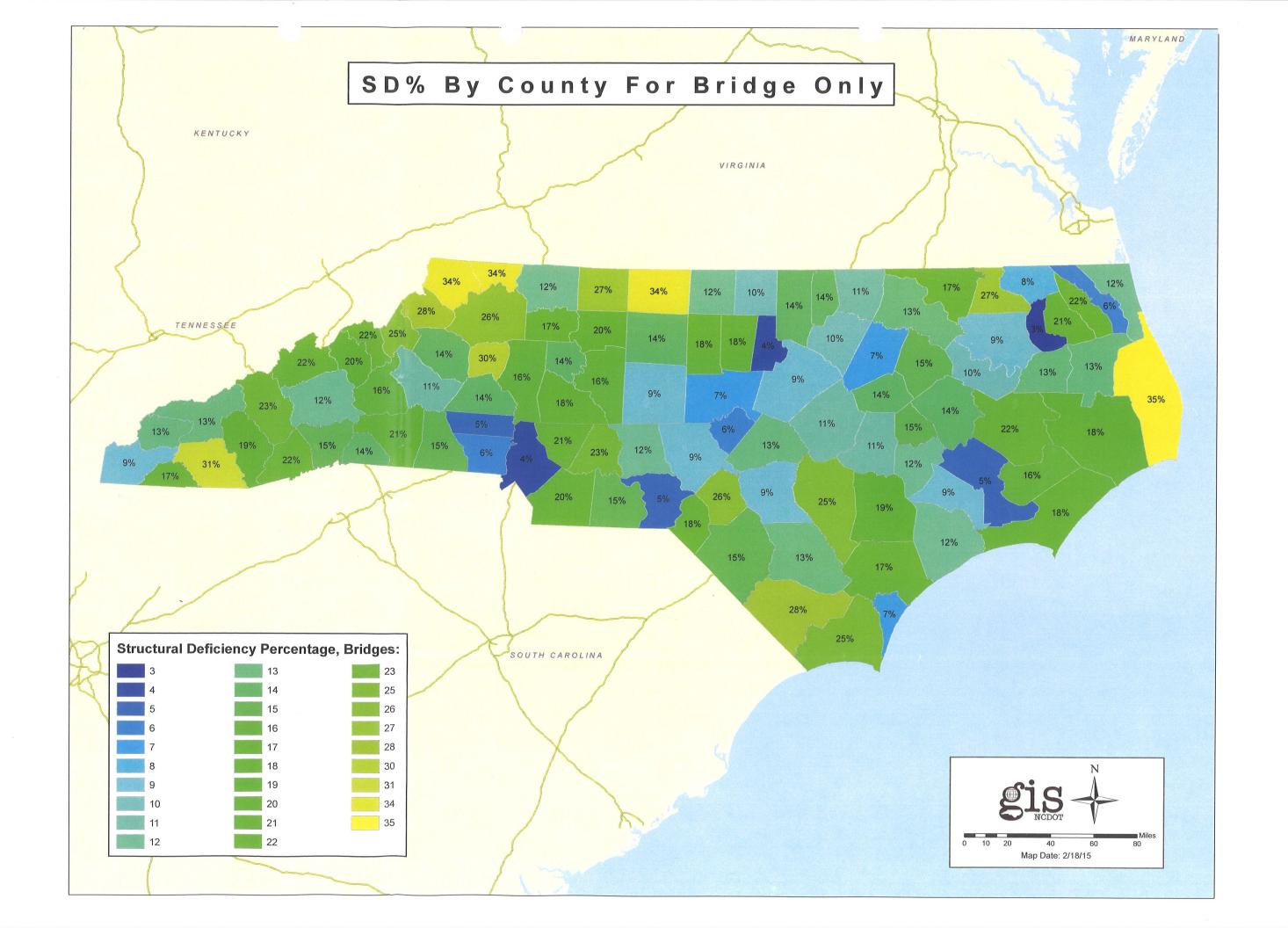


Number of Structurally Deficient Bridges By County









Senate Committee on Appropriations on Department of Transportation Tuesday, March 3, 2015 at 8:30 AM Room 1228/1327 LB

MINUTES

The Senate Committee on Appropriations on Department of Transportation met at 8:30 AM on March 3, 2015 in Room 1228/1327. Four Senate members and six House members were present.

Senator Warren Daniel, Vice-Chair, presided.

Daria Thomas from Kinston, Alexis Powell from Greenville, and Justus Hargett from Jones County served as pages.

Senator Daniel made the announcement that due to the cancelled meetings because of weather, for the committee to remain on track the scheduled overview presentations could be found on the committee's website.

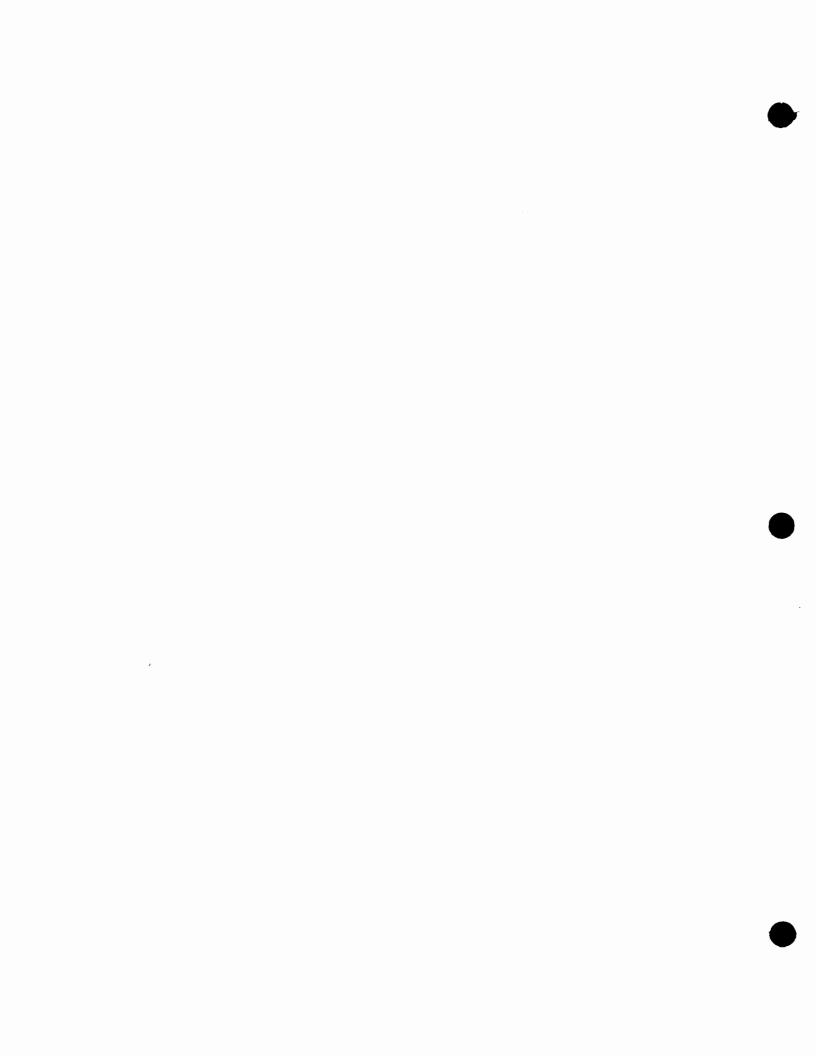
Mike Holder the Chief Engineer from the Department of Transportation began the presentation of "Highway Maintenance and Operations Overview". Questions raised by members during his presentation were responded to by Mr. Holder. The second portion of the presentation was done by Jennifer Brandenburg the State Asset Management Engineer for the Department. All questions that came from this segment were answered by Ms. Brandenburg.

The meeting adjourned at 9:32 AM.

Senator Warren Daniel, Vice - Chair

Presiding

Debbie Lown, Committee Clerk



Joint Appropriations Committee on Transportation

March 3, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs:

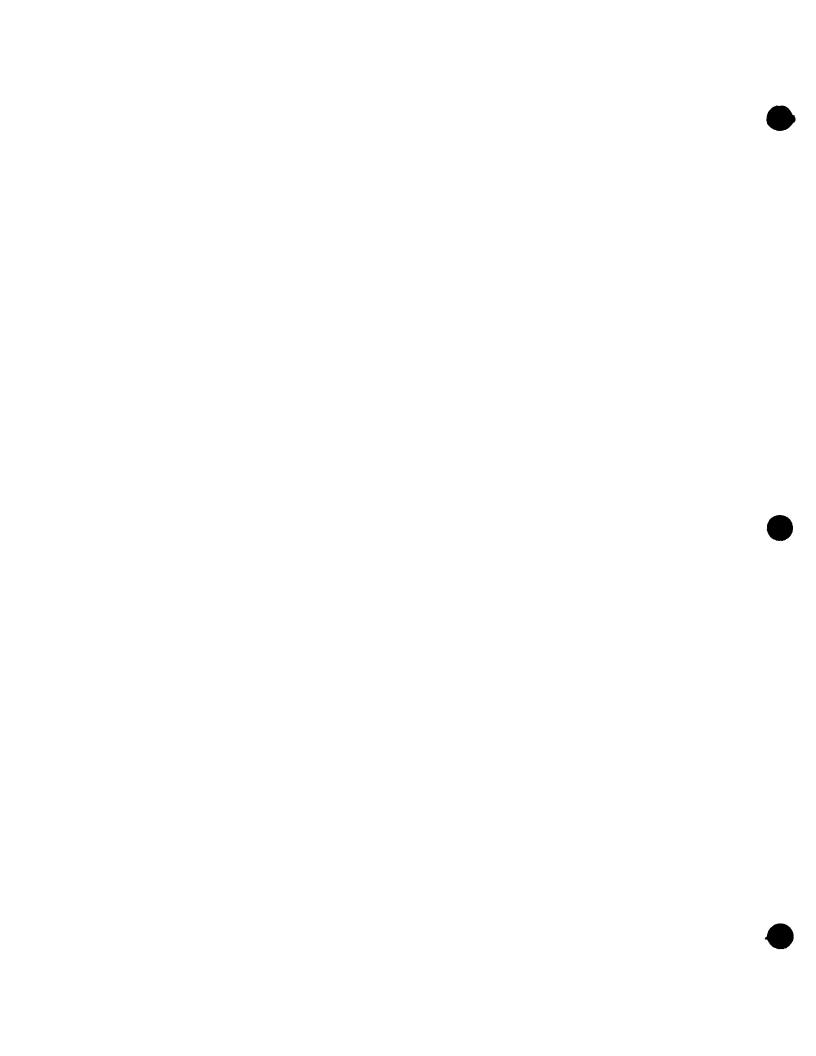
Representative John Torbett Representative Phil Shepard Representative Frank Her Representative Paul Tine Senator Bill Rabon, Chairing Senator Wesley Meredith

- Call to Order
- Highway Maintenance and Operations Overview

Mike Holder, Chief Engineer Department of Transportation

Jennifer Brandenburg, State Asset Management Engineer Department of Transportation

Next meeting: Highway Maintenance and Operations: Budget and Staffing - Wednesday, March 4, 8:30 a.m.

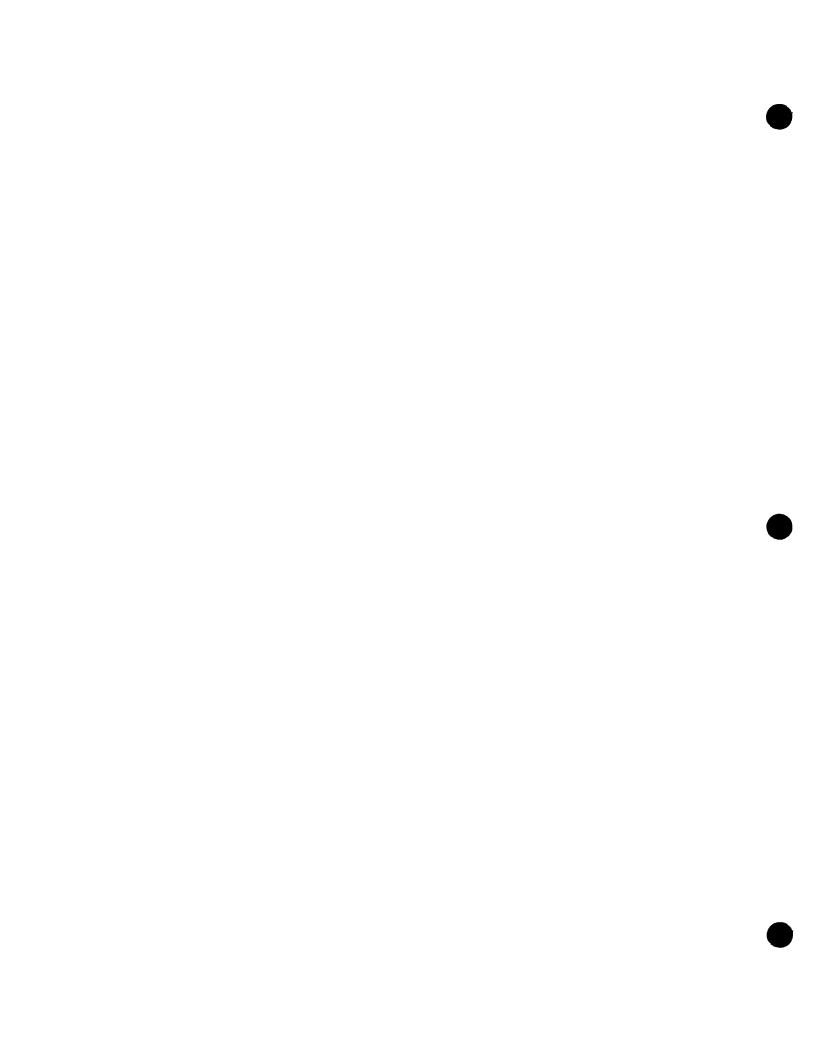




Overview of Maintenance and Construction Programs

Mike Holder, PE, Chief Engineer Jennifer Brandenburg, PE, State Asset Management Engineer

March 3, 2015



Overview

Maintenance and Construction

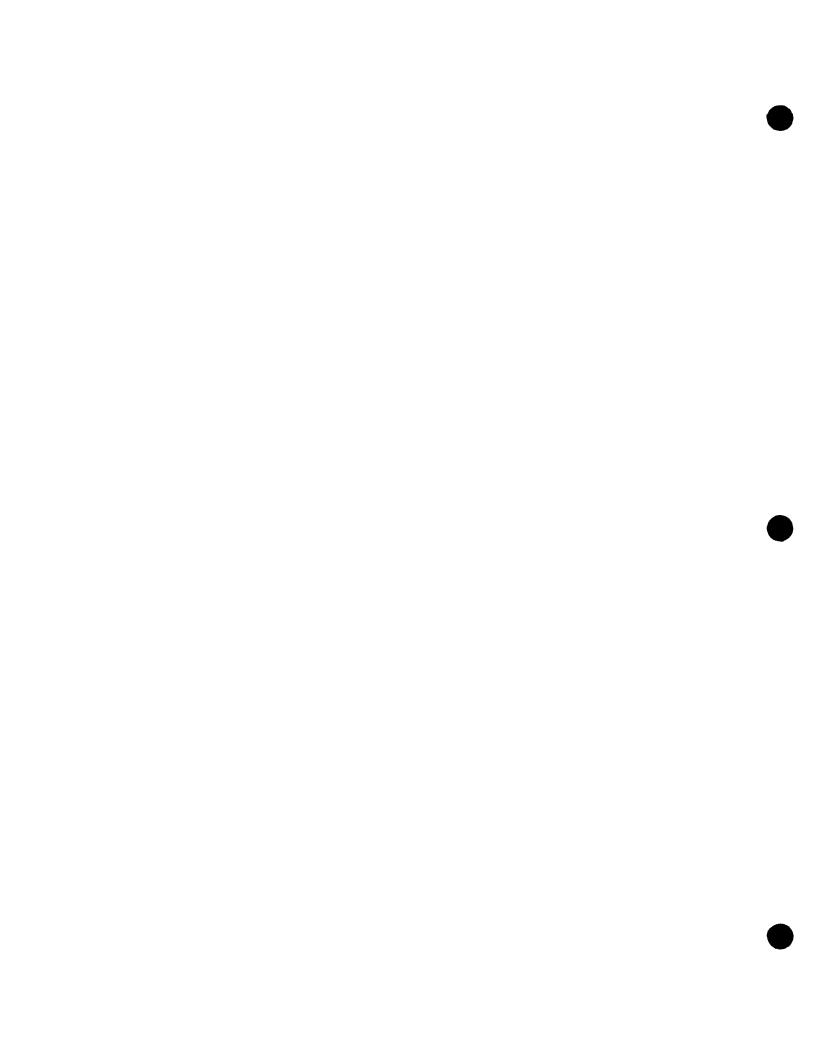
- State v. local responsibilities
- · Division structure
- Funding overview

Legislative Changes

MOPAR (Maintenance & Operation Performance Annual Report)

Needs Based Budgeting (NBB)- Allocation Formulas

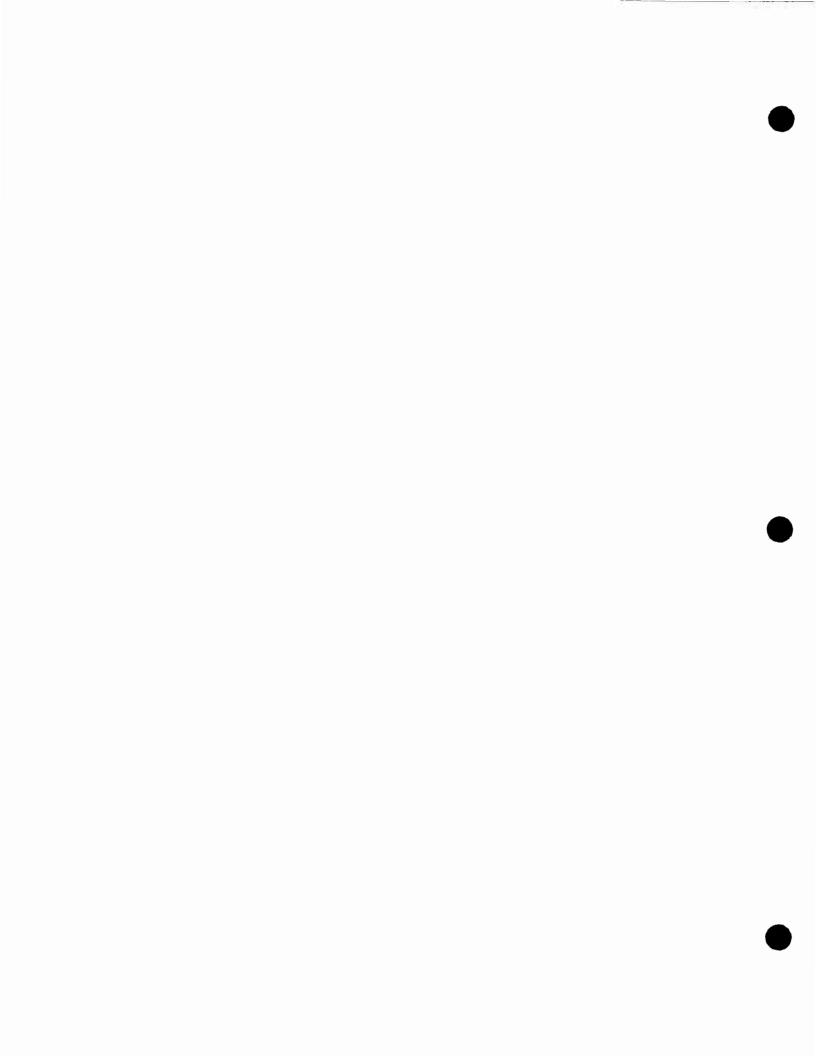
- Bridge Maintenance
- Highway Maintenance Improvement Program (HMIP)



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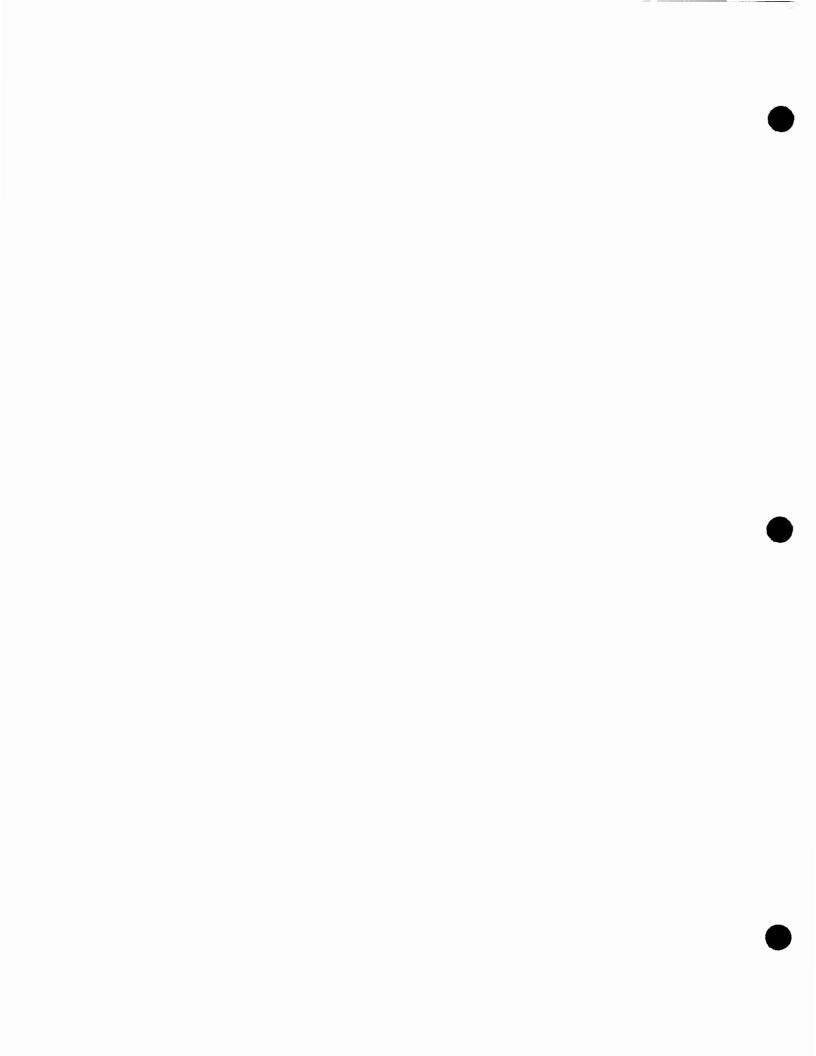
Transportation Division Responsibilities

- Construction activities
 - Project development
 - · Contract administration
 - Surveying/inspection
- Road and bridge maintenance activities
 - Transportation planning and local coordination
 - Commercial, industrial, and residential development
 - Review and approve:
 - Encroachment
 - Driveway permits
 - Subdivision roads to be added to State system

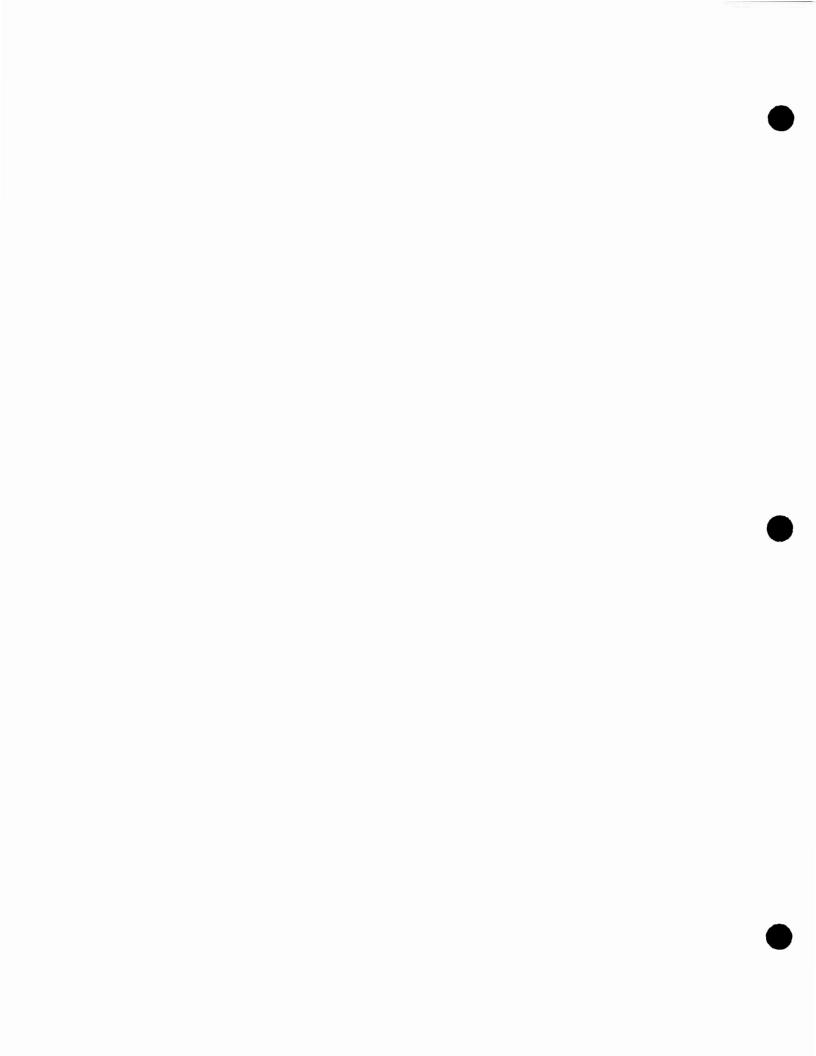


14 Transportation Divisions





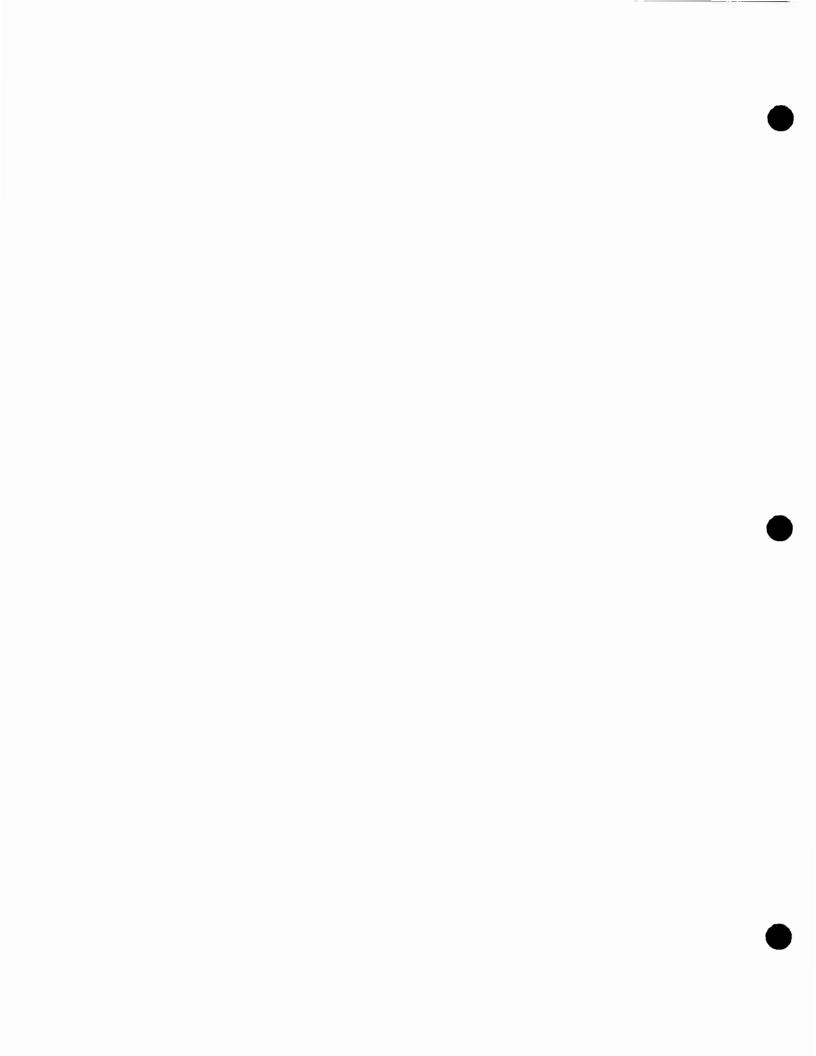
State v. Local Responsibilities



State Responsibility

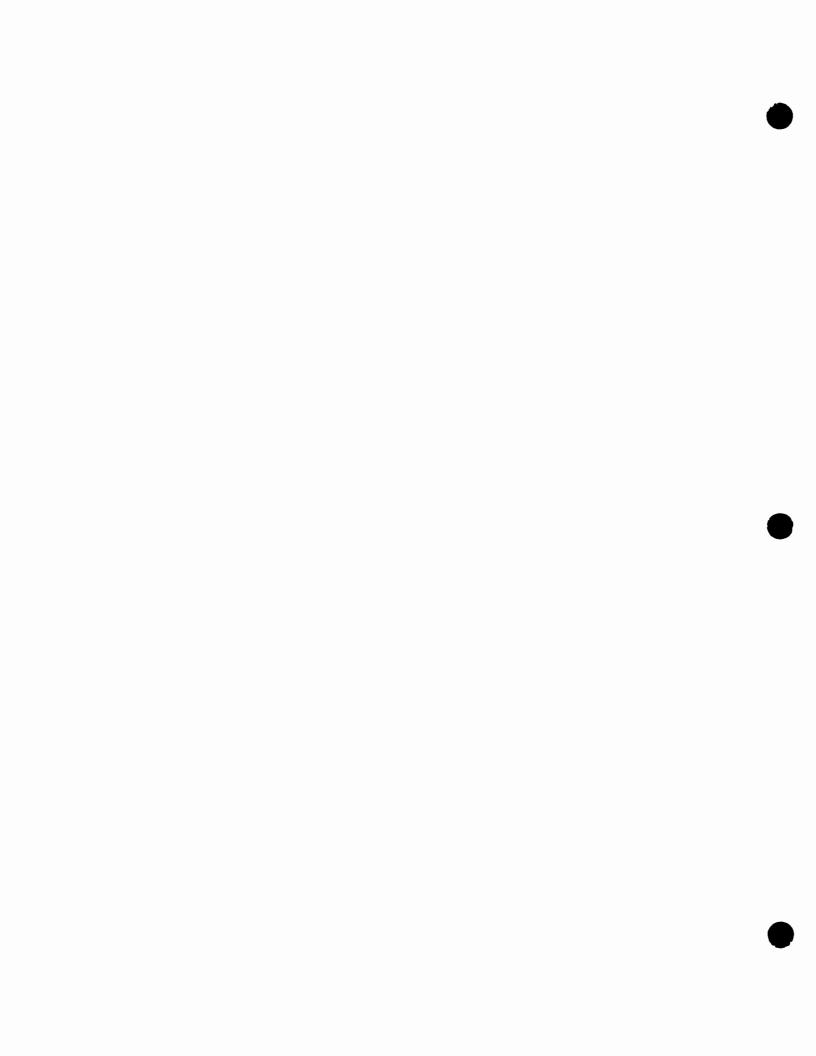
North Carolina State Highway System:

- 79,585 road miles
 - Approximately 15,000 primary road miles
 - Approximately 64,000 secondary road miles
 - 163,450 paved lane miles
 - 3,689 miles of unpaved roads
- 18,038 structures
- 95.6M square feet bridge deck area
- Over 9,000 signals



Municipal Roads

- Of those 79,585 road miles, 9,360 are state maintained within municipal limits
- In addition, municipalities statewide maintain 22,500+ of their own road miles with the assistance of Powell Bill funds



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Municipal Street Aid - Powell Bill Funds

Funds allocated from the Highway Fund to provide financial assistance for streets maintained by municipalities

- 10.4% of Highway Fund
 - FY2014 \$147.3M
 - FY2013 \$145.6M
- Allocation 75% Population + 25% Miles
- · Eligible activities
 - Construction and Maintenance
 - Sidewalks & bike lanes
 - Traffic Control Devices
 - Municipal Street Bond Debt Service

Municipal Responsibility Local Agreements

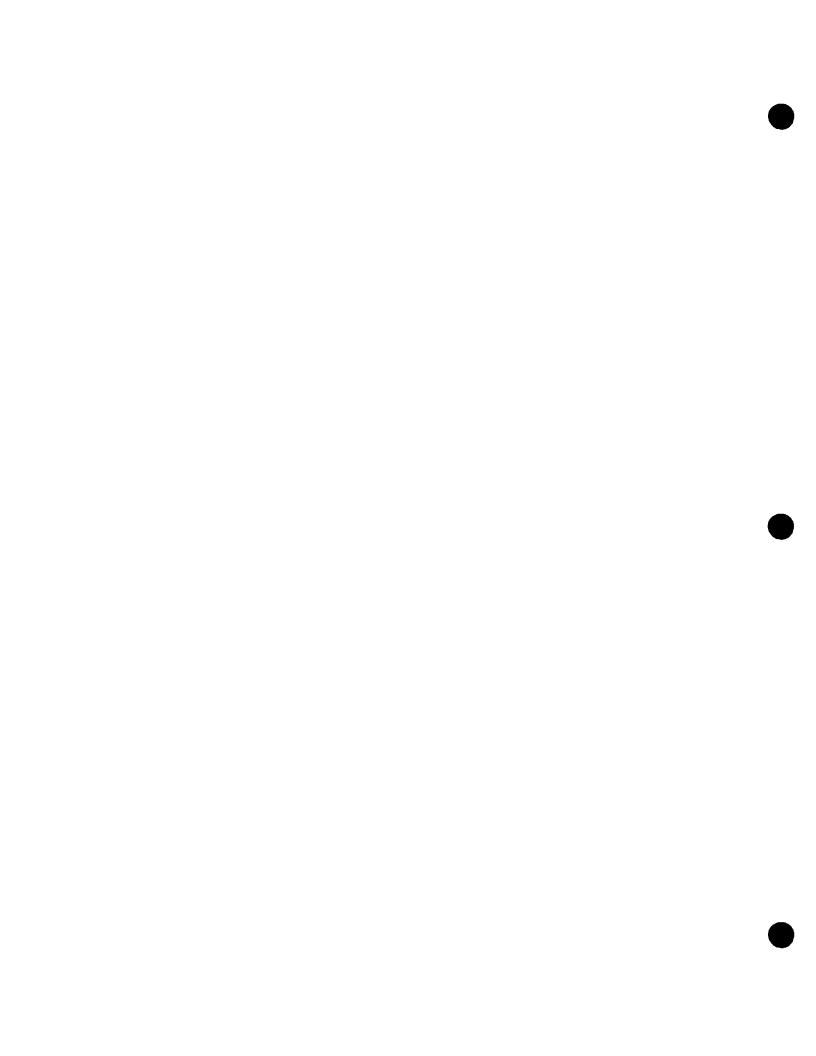
- NCDOT enters into maintenance agreements with municipalities when beneficial
 - Traffic Control Devices
 - Mowing
 - Sweeping
- Example:
 - NCDOT pays Charlotte to maintain traffic control devices (signs, pavement markings, traffic signals, computerized traffic signal system)

Funding Overview

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Funding Overview

- Federal Funding
 - Interstate Maintenance
 - Bridge Program
- State Highway Funds
 - Contract Resurfacing
 - Highway Maintenance
 - Bridge Program
 - Pavement Preservation Program
 - Secondary Road Paving Program
 - Contingency
 - Small construction
 - · Economic development
 - Spot safety
 - Public access

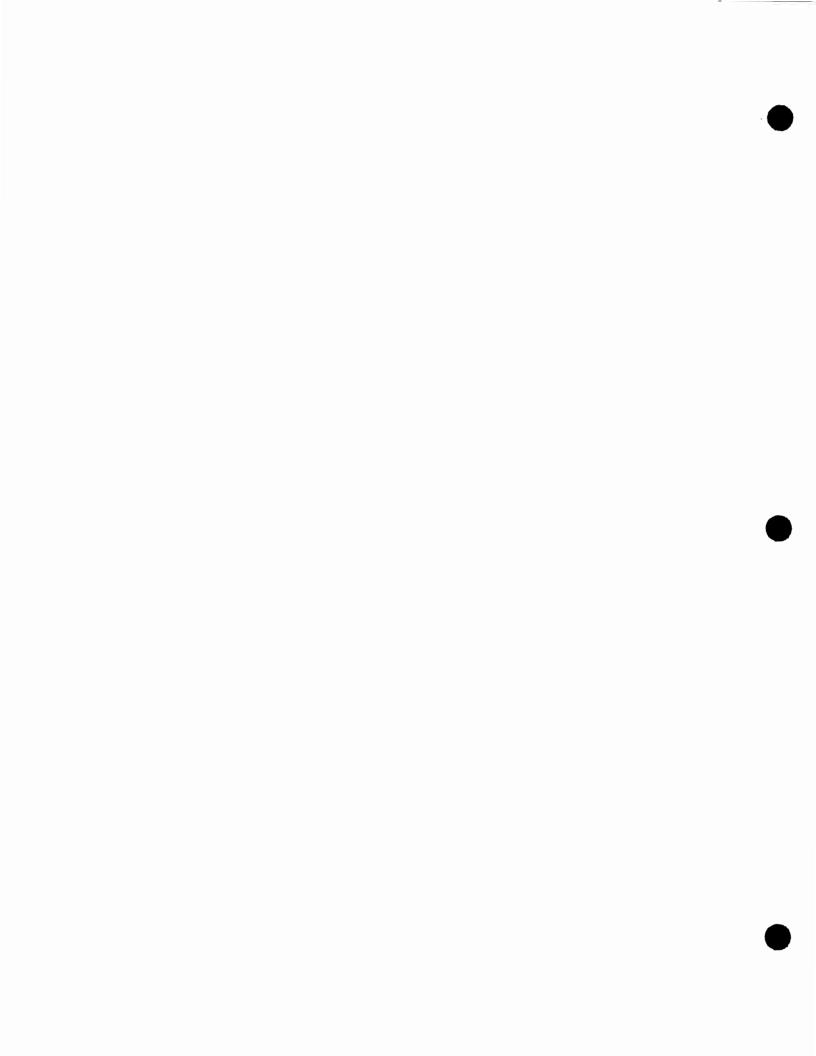


Current Year Funding

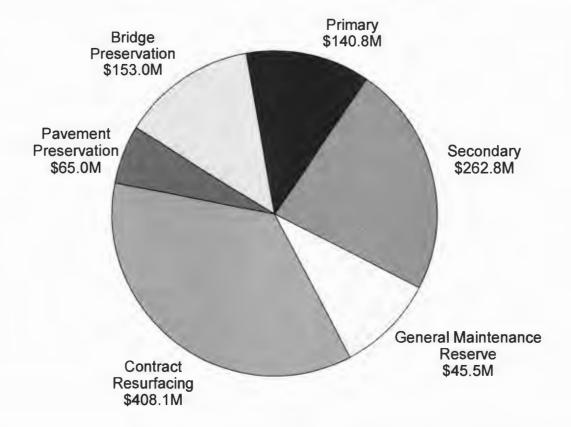
| Categories: | Need | State Allocation | Federal Allocation | Impact | |
|--|-----------------|---------------------|----------------------------|--|--|
| i Contract resurfacing (Primary and Secondary) | \$411,480,000 | \$408,173,000 | | Does not include rehabilitation (\$300M) | |
| Interstate pavement resurfacing | \$101,000,000 | | \$91,000,000 | | |
| ii. Pavement preservation | \$100,947,000 | \$65,045,000 | | Pavement lives will shorten, condition visibly degrading in next 4-5 years | |
| iii. Routine highway, bridge and avernent maintenance, & culverts | \$899, 127,000 | \$439,413,000 | | Targets continue not to be met. Targets and priorities to be reviewed to optimize current funding levels and | |
| Primary | \$456,514,000 | \$154,626,000 | | enable consistent application across the State. | |
| Secondary | \$442,613,000 | \$284,796,000 | | | |
| iv. Disasters and emergencies | \$74,133,000 | \$56,500,000 | | Shortfalls will be addressed using routine maintenance funds. Further reducing the abilities to meet targets. | |
| Primary | \$43,443,000 | \$33,118,000 | | | |
| Secondary | \$30,670,000 | \$23,382,000 | | | |
| v. Structurally sound bridge preservation | \$60,000,000 | | | ¹Interstate only ²Decreases over time: \$100M in | |
| Primary | \$48.000,000 | | \$9,000,0001 | 2016, \$75M in 2017, and \$50M in | |
| Secondary | \$12,000,000 | | | 2018 on out | |
| vi. Structurally unsound bridge rehabilitation, repair on replacement. | \$325,000,000 | \$153,008,000 | \$191,000.000 ² | More of our bridges will become structurally deficient as they exceed their average replacement age at higher rates than previously seen | |
| Primary | \$195,000,000 | \$91,805,000 | | | |
| Secondary | \$130,000,000 | \$61,203,000 | | | |
| Total | \$1,870,668,000 | \$1,122,139,000 | \$282,000,000 | 12 | |

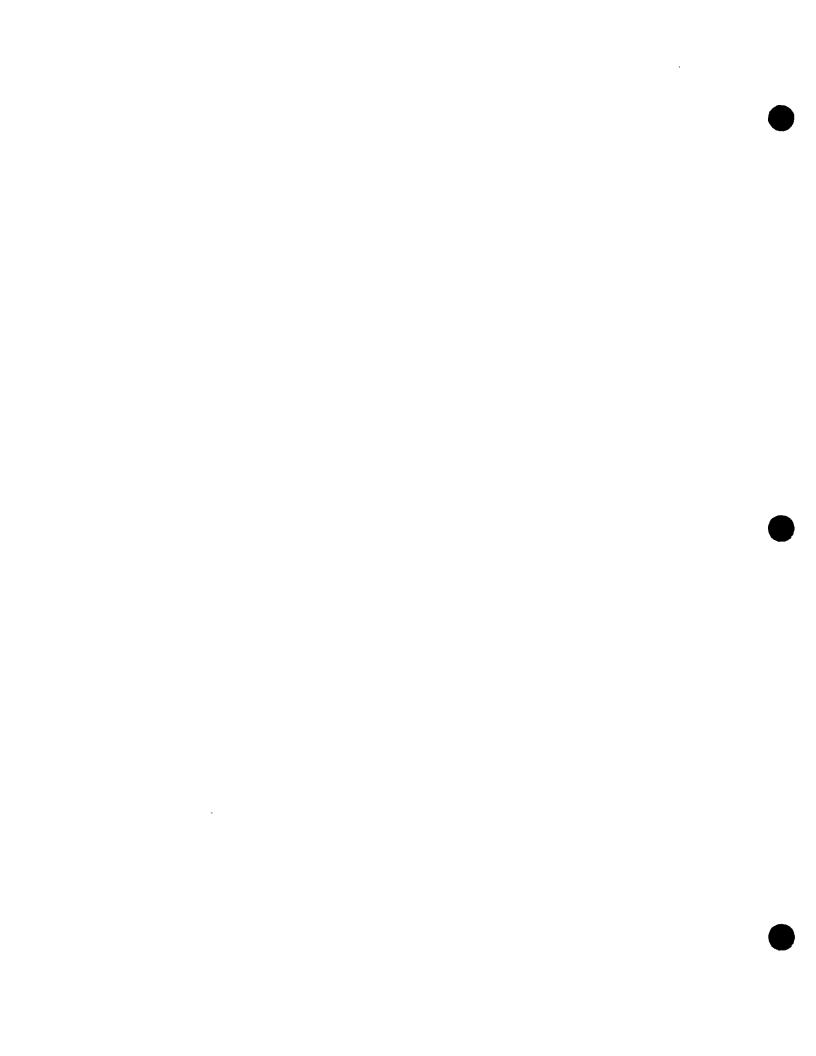
Funding

| Budget scenario | Contract resurfacing | Pavement preservation | Routine highway maintenance | Disasters and emergencies | Structurally unsound bridge maintenance |
|------------------------|----------------------|--------------------------|--------------------------------|---------------------------|---|
| -\$700M Full needs) | 10M | 35M | 465M | 20M | 170M |
| +\$600M | 10M | 35M | 365M | 20M | 170M |
| +\$400M | 10M | 35M | 165M | 20M | 170 M |
| -\$200M | 10M | 35M | 35M | 20M | 100M |
| Current funding | ; levels | | | | |
| \$100M | -75M | | -25M | | |
| \$200M | -75M | | -75M | | -50M |
| \$300M | -100M | | -150M | | -50M |
| Priority | 5 | 2 | 4 | 1 | 3 |



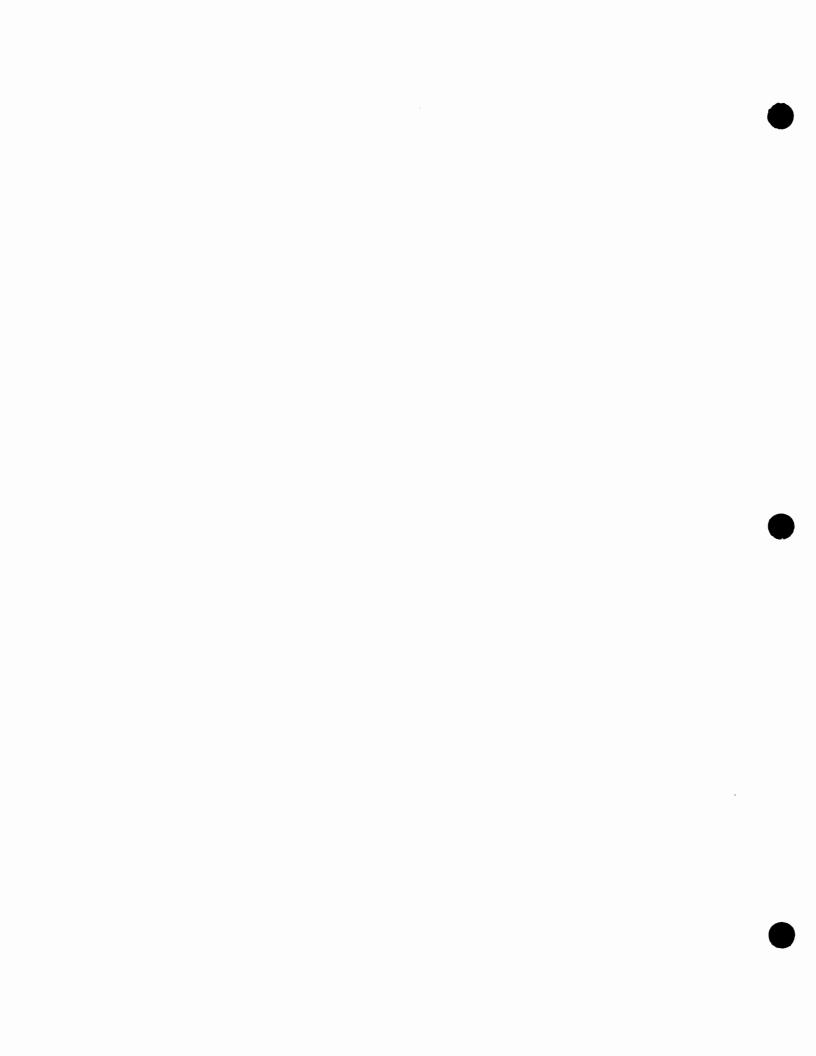
FY15 Allocation By Category





Legislative Directives - Summary

- DOT staffing study
- Pavement preservation outsourcing
 - First report submitted December 2014
- Report on condition of State highway system & maintenance funding needs
 - MOPAR delivered January 2015
 - Highway maintenance improvement program (HMIP)
 - First report to be delivered on April 1, 2015
 - · Contract resurfacing program letting schedule
 - 70% previous FY program funds contracted by September 1st, annually



North Carolina DEPARTMENT OF THANSPORTATION

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MOPAR

MOPAR

SL 2014-100, Section 34.11(c) NCDOT MAINTENANCE AND OPERATIONS
Performance Analysis Report



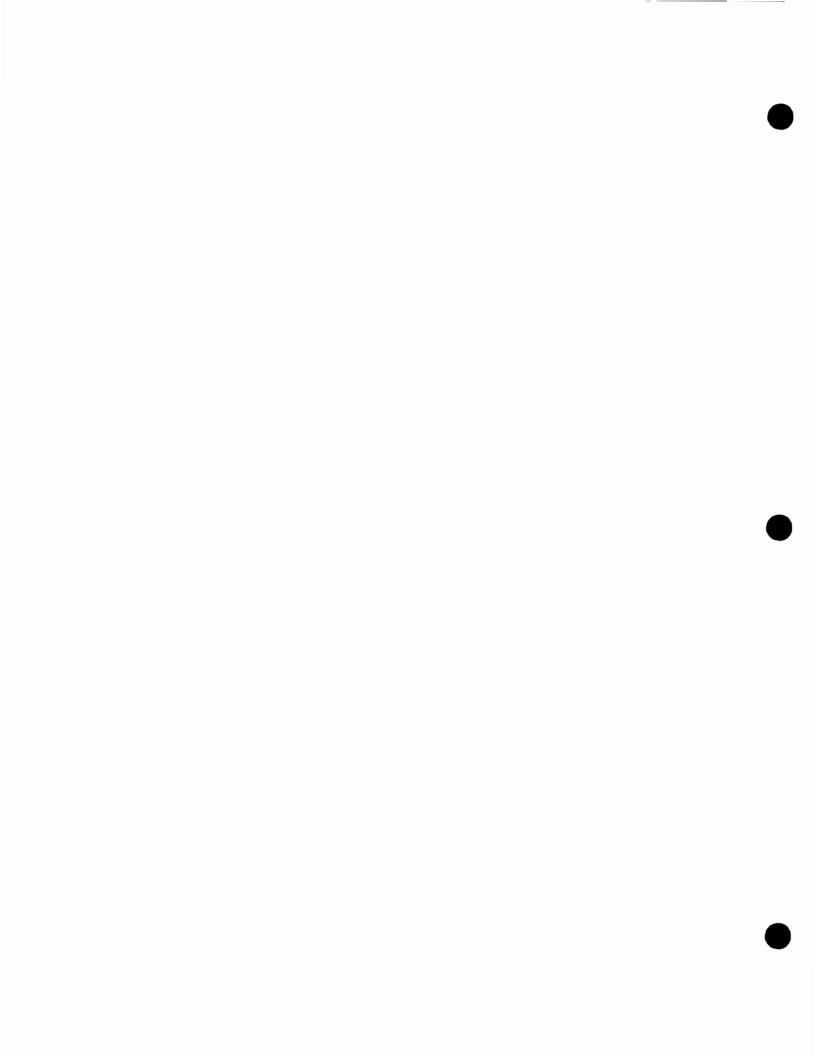
MOPAR vs. Maintenance Condition Assessment Program (MCAP)

- MOPAR 2014
 - Condition management
 - Funding needs
 - Division level data
 - Staffing
 - System performance
 - Mobility
 - Reliability
 - Structured around goals

- MCAP 1998
 - Condition management
 - Funding needs
 - Statewide data
 - Structured around assets

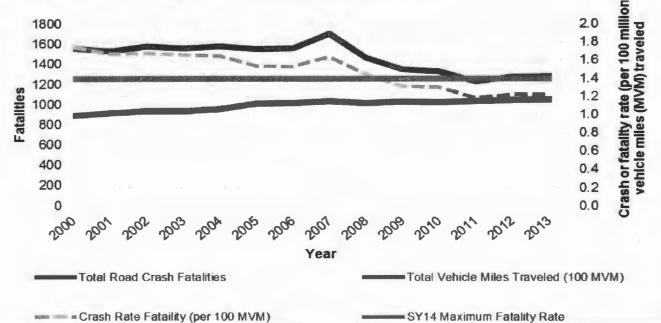
NCDOT Goals

- Make our transportation network safer
- Make our transportation network move people and goods more efficiently
- Make our infrastructure last longer
- Make our organization a place that works well
- Make our organization a great place to work

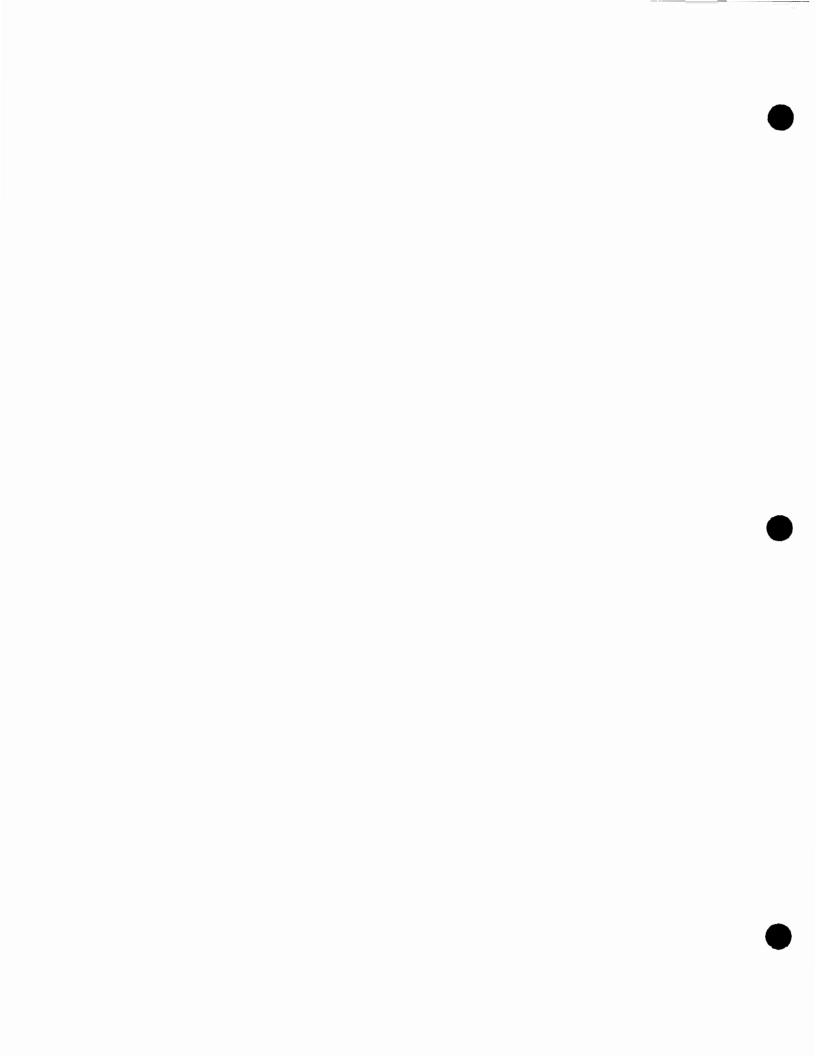


Safer

- Crashes cost \$10.1B /year
- Fatalities 18% (since 2000)
- Injuries ↓ 23% (since 2000)



20



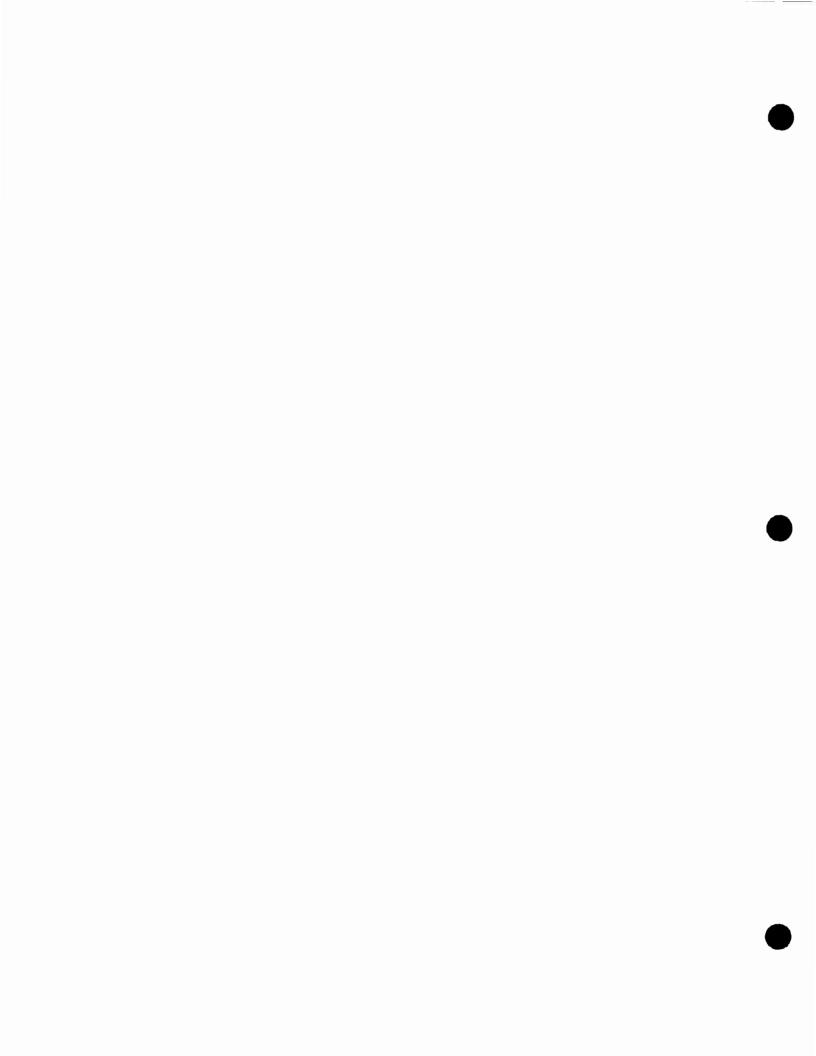
Safer

- Activities that contribute:
 - Signs and road markings
 - Signal maintenance & operation
 - Guardrail installation & repair
 - Shoulder repair
 - Coordinate with emergency services

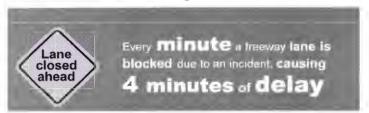






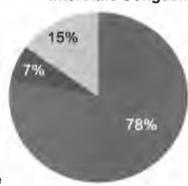


Move People & Goods

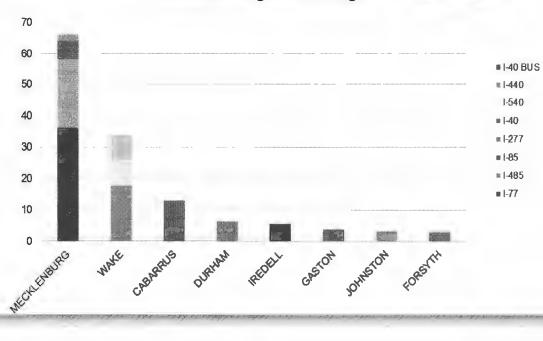


Interstate Congested Mileage

Interstate Congestion Levels



- m Great Little to Moderate Congestion (Within 15% of speed limit)
- Good Moderate to Severe Congestion (Between 15-30% of speed limit)
- ** Poor Severe Congestion (Less than 30% of speed limit)



22



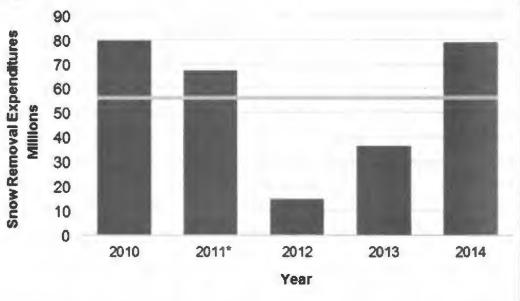
23

Move People & Goods

(Disasters & Emergencies)

Other Needs

- · Declared events
- Non declared events
 - · Snow & ice



Move People & Goods

- Activities that contribute:
 - Turn lanes
 - Ramp metering
 - IMAP activities
 - Snow/ice clearance
 - Debris removal
 - Major drainage repairs



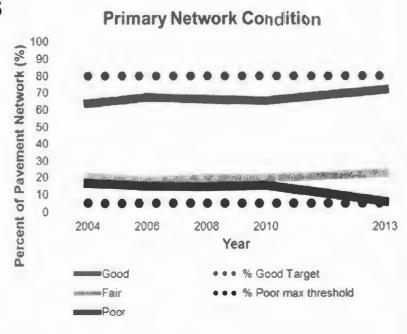


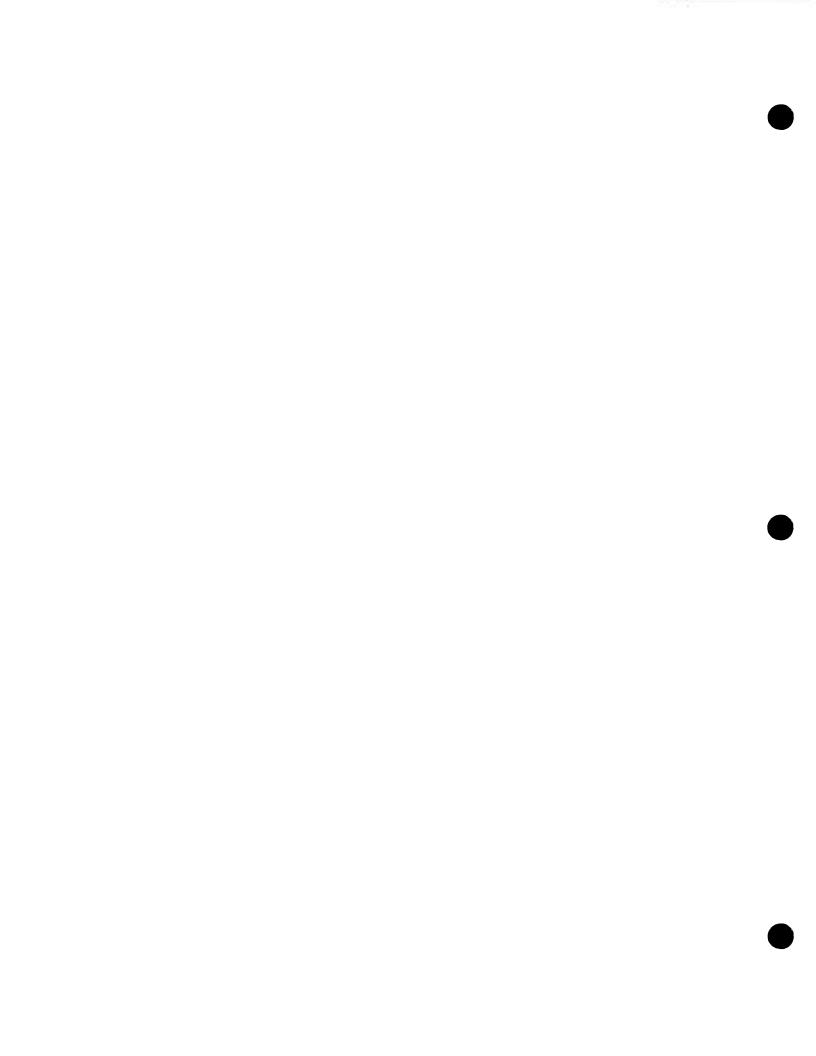


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Last Longer (Pavements)

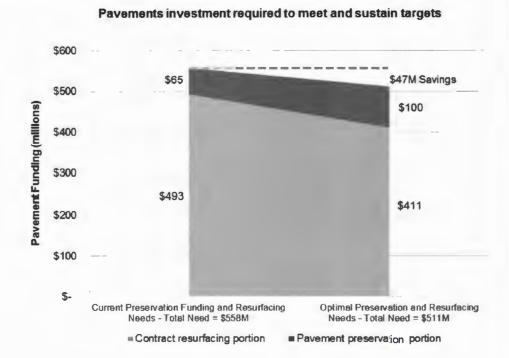
- Interstate pavements at target
- Secondary pavements at target
- Primary pavements improving

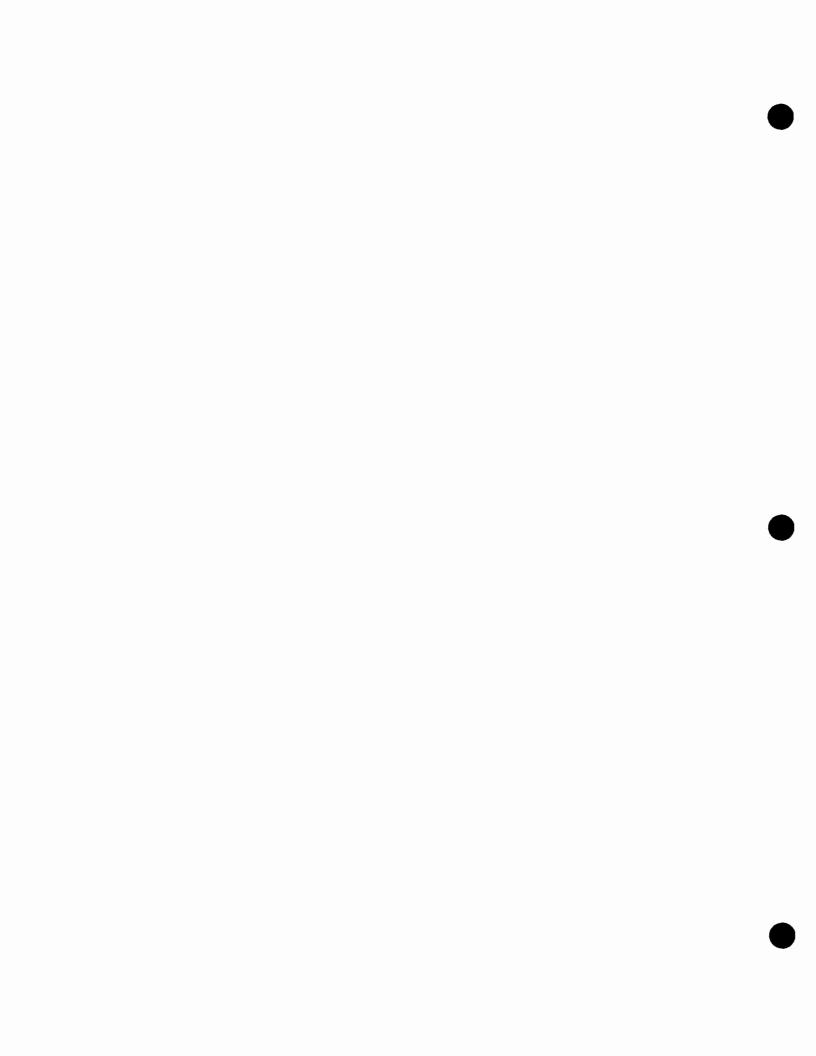




Last Longer (Pavements)

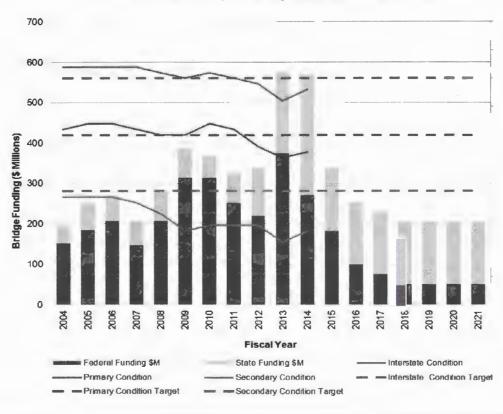
- Pavement preservation (\$100 million)
- Resurfacing (\$411 million)
 - Federal Interstate program (\$91 million)





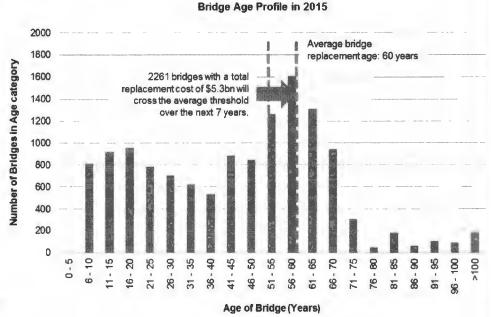
Last Longer (Bridges)

Historic and future expected bridge funding, historic condition



Last Longer (Bridges)

- Replace on average323/year
- Need to replace 50% more than 2014
- Preservation pushes life cycle to 75 years



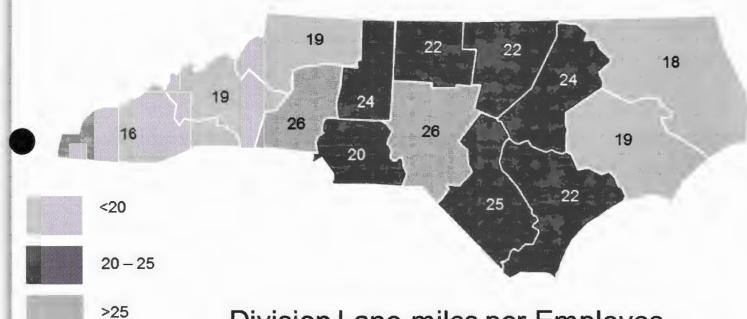
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Last Longer (Roadway)

- Activities that contribute:
 - Hazard removal
 - Shoulder maintenance
 - Ditching
 - Drainage structure repair
 - Mowing
 - Litter removal

| | | | | System | |
|-------------|-------------------------|----------------------------|------------|---------|-----------|
| Asset group | Activity | Purpose | Interstate | Primary | Secondary |
| Pvmts | Unpaved Shoulders | Minimize incident severity | 95 | 94 | Œ |
| -3 | Boxes | Extend pvmt life | 85 | 89 | 91 |
| eg eg | Crossline Pipes (Blked) | Extend pvmt life | 87 | 80 | 81 |
| Dramage | Crossline Pipes (Dmgd) | Extend pvmt life | 27 | 96 | 91 |
| 0 | Ditches | Extend pvmt life | 00 | 34 | 67 |
| | Ground Mounted Signs | Provide advance notice | × | 94 | 85 |
| Traffic. | Pvmt Markings | Provide guidance | 26 | 186 | 10 |
| F | Pavement Markers | Provide guidance | 87 | 10 | |
| | Words and Symbols | Provide guidance | 7 | 9.7 | |
| | Bridge Maintenance | Extend life | 88 | 77 | 63 |
| 9, | NBIS Culvert | Extend life | | .000 | 1000 |
| Brdge | Non-NBIS Culvert | Extend life | E1 | 12 | 56 |
| | Ovhd Sign Structures | Extend life | 88 | 24 | 84 |

Works Well (Efficiently)



Division Lane-miles per Employee

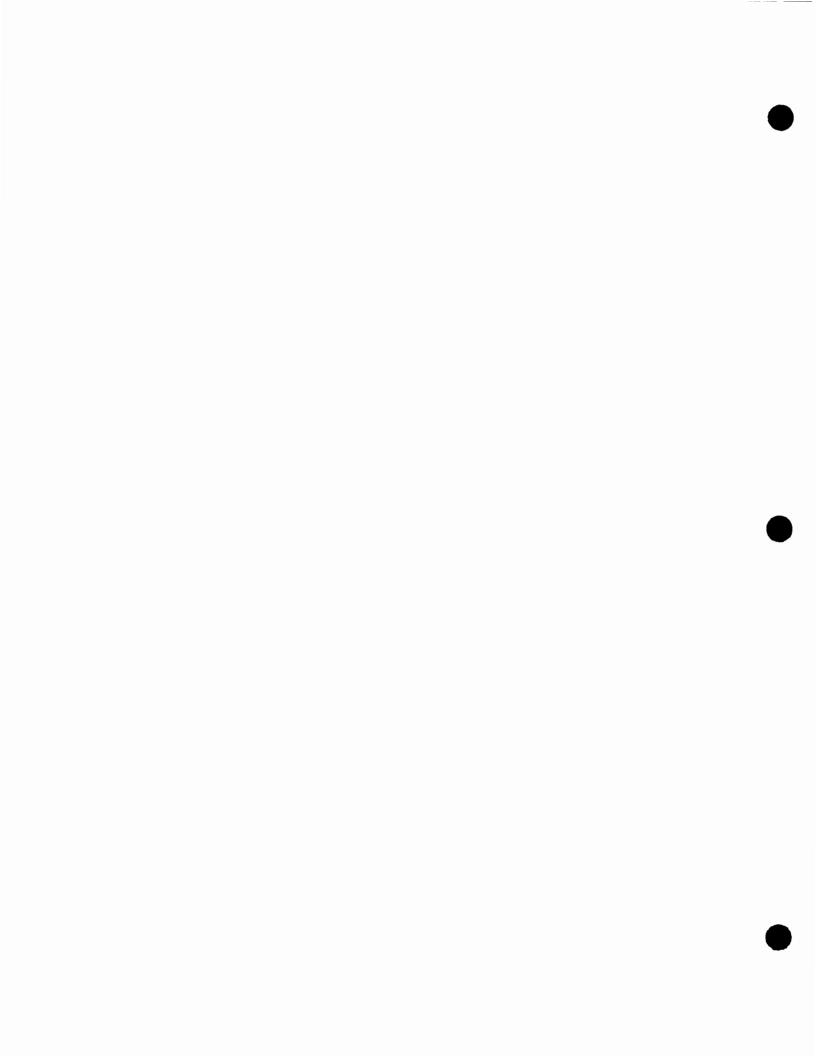
Works Well Example: Improving Fleet Utilization

- Analyze equipment utilized less than 20%
- Purchase multi-purpose equipment types and attachments
 - Disposal of equipment

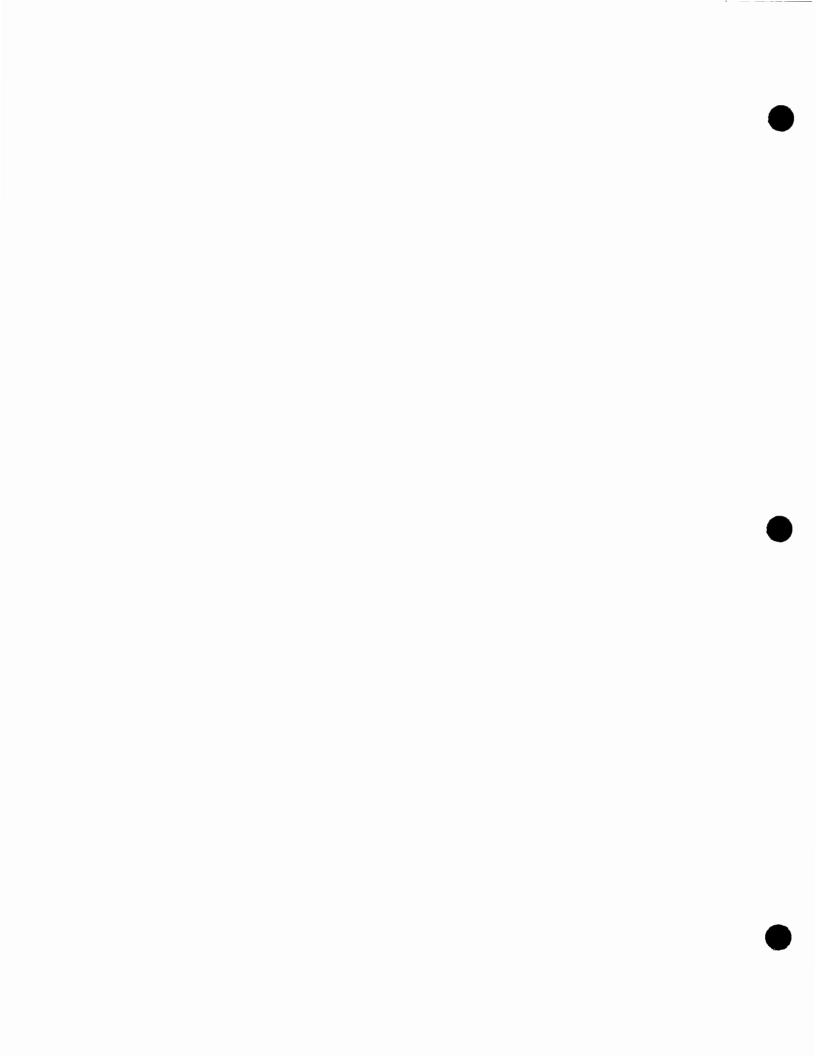
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Works Well Example: Low Cost Maintenance Alternatives

- Operational technique improvements
- Lower-cost and more resilient materials
- Timing treatments correctly to minimize costs
- Bridge preservation activities



Needs-Based Maintenance Allocations



North Carolina

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Needs-Based Maintenance Allocations

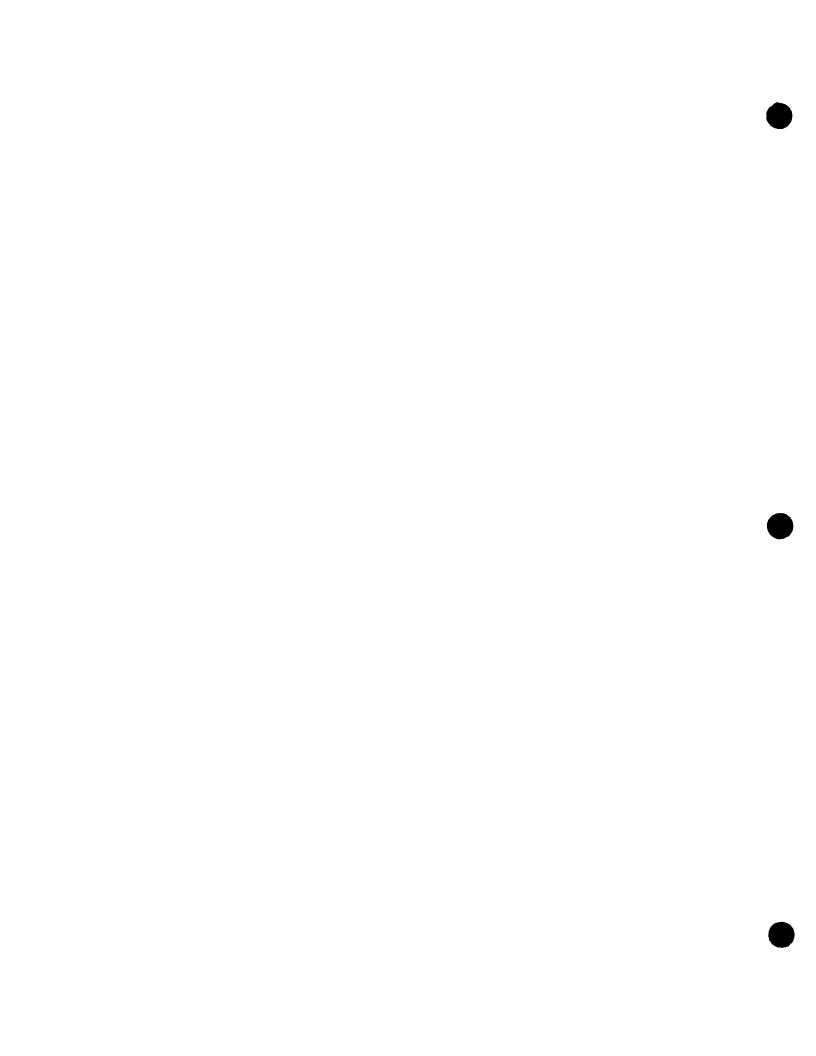
- FY 14 100% needs based methodology
- Replaced inventory based method
- Determined funds needed to achieve target
- LOS or provide routine services
 - 3 categories of needs:
 - Assessed
 - Non-assessed
 - Emergency & administration

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Purpose of Maintenance Allocation Changes

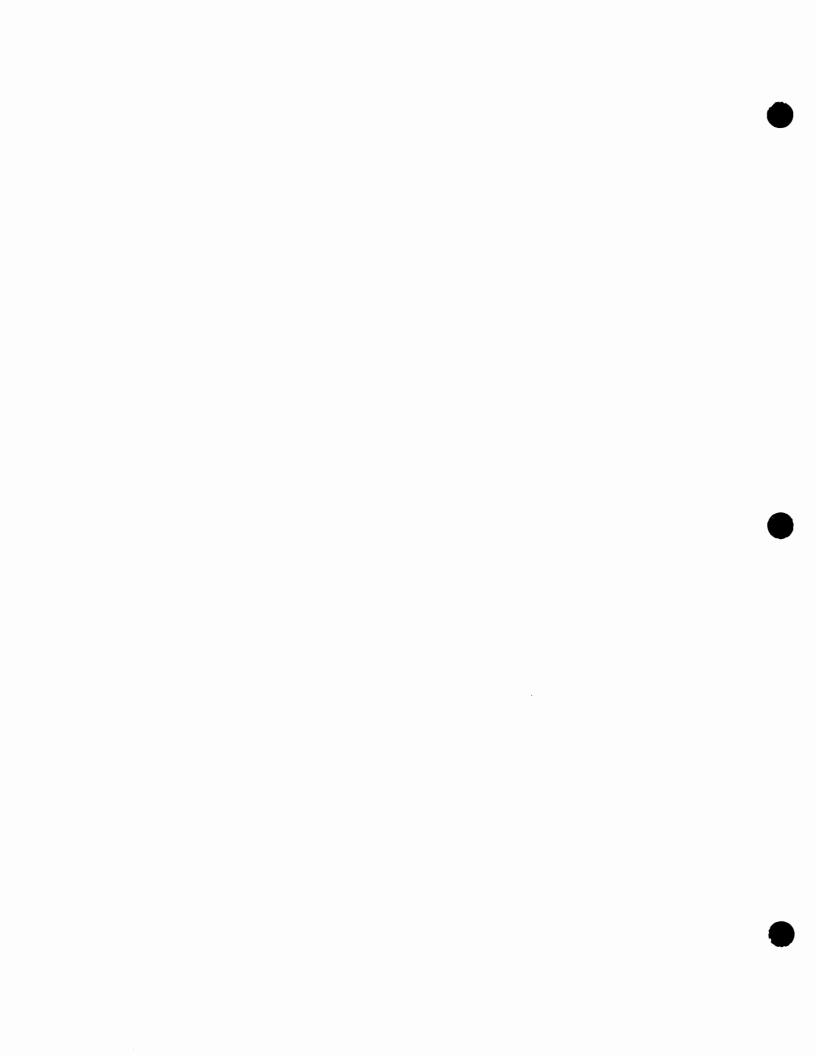
- Data driven decision making
- Targeted levels of service
- Better accountability
- Most efficient use of maintenance funds
- Shift resources to better serve the public need





Lessons Learned

- Shifted funds between areas in some unexpected ways
- Analysis tools are good
- Decision trees need to be "tweaked"
- Need to better account for administrative costs
- · Like software, this is an iterative process

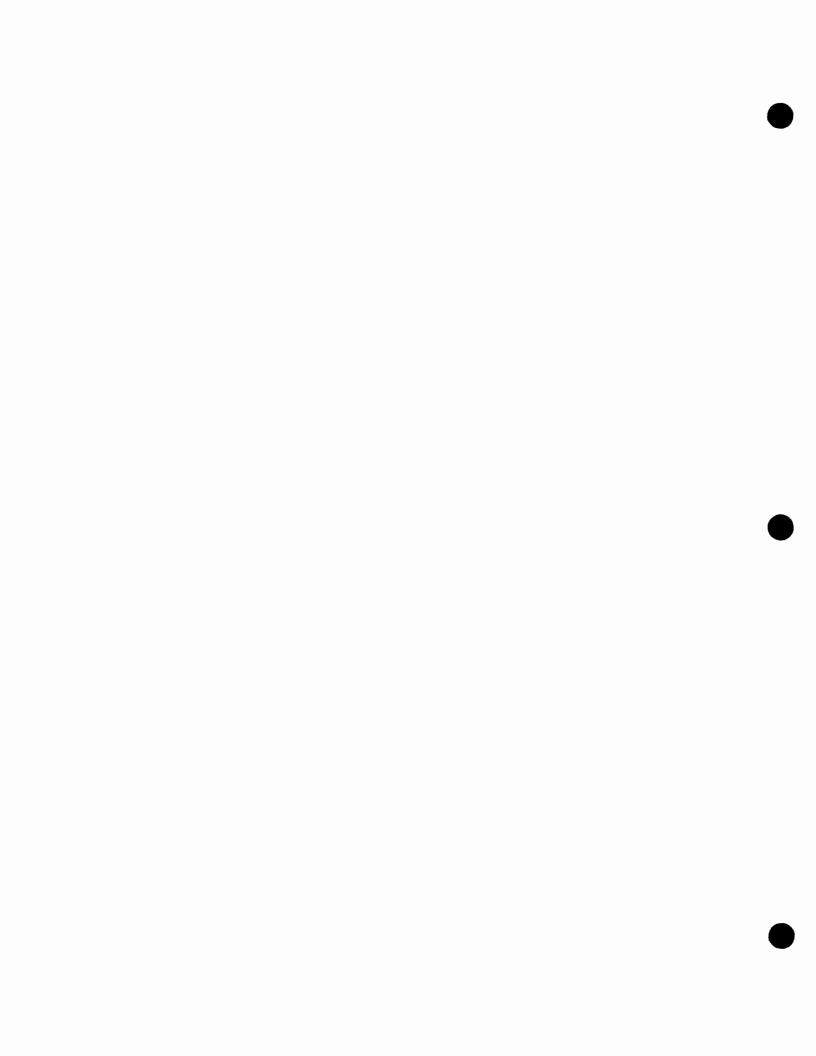


Closing the Loop

The role of maintenance in asset management

Funding cycle:

- Condition report published
- Recommendations for maintenance appropriations distributed
- Legislative discussions
- Appropriation finalized
- Allocations determined
- Work plans developed
- Condition evaluated



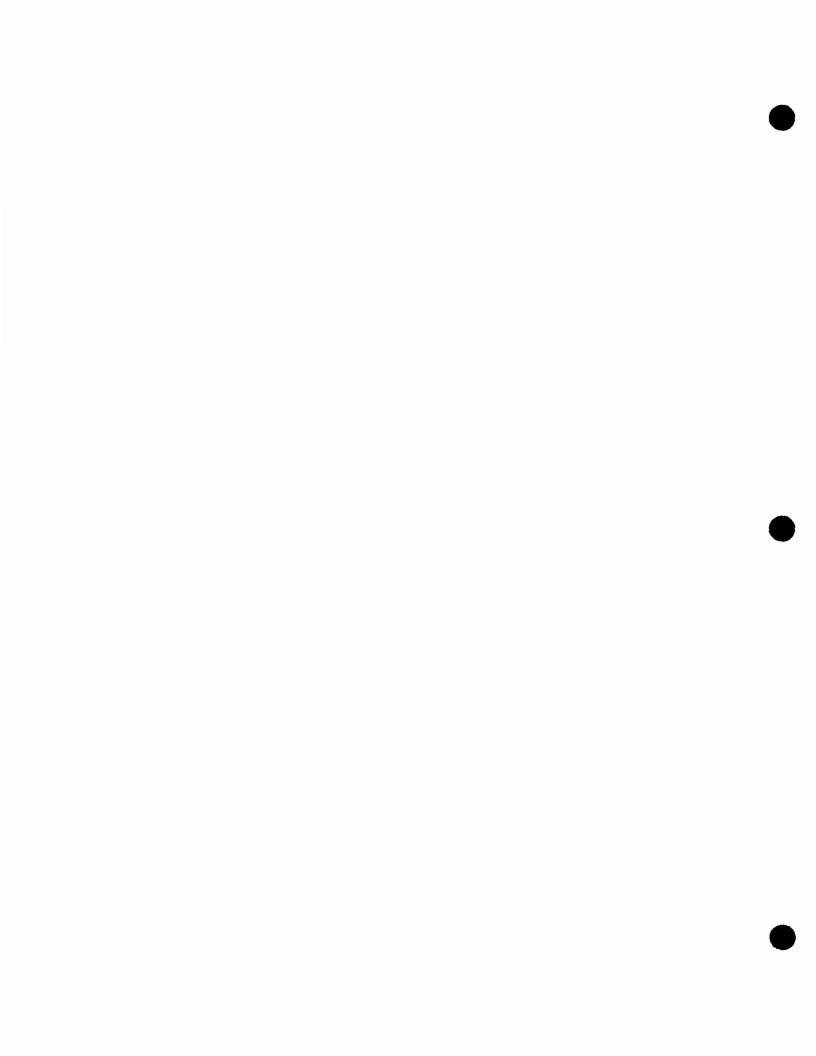
Bridge Program

Bridge Program – Current Statistics

| % of State maintained bridges that are Structurally Deficient (SD) | 16% (2,200 bridges of 13,500) |
|--|--------------------------------------|
| National ranking for SD% | 48 of 50 States |
| Average age of replaced bridges | 60 Years |
| Number of bridges exceeding average replacement age | 1,600 Bridges |
| Number of bridges between 50 and 60 years old | 3,200 Bridges |
| Number of additional bridges projected to become SD each year due to age | 250 Bridges |

Bridge Program -- \$153M in 2015

- "Funds allocated to this program shall be used for improvements to structurally deficient and functionally obsolete (FO) bridges."
 - For small bridges that are low impact through Division Managed (e.g., Express Design-Build)
 - For previously federally funded through Central Let
- Requesting statutory language addition to also use funds "to preserve structurally sound bridges".
 - · Prevent bridges from becoming deficient
 - Extend service, extend life, delay replacement, save money long term
 - 185 high value bridges ~ \$9 Billion in assets
 - Wright Memorial Bridge example: \$24M today v. \$200M later



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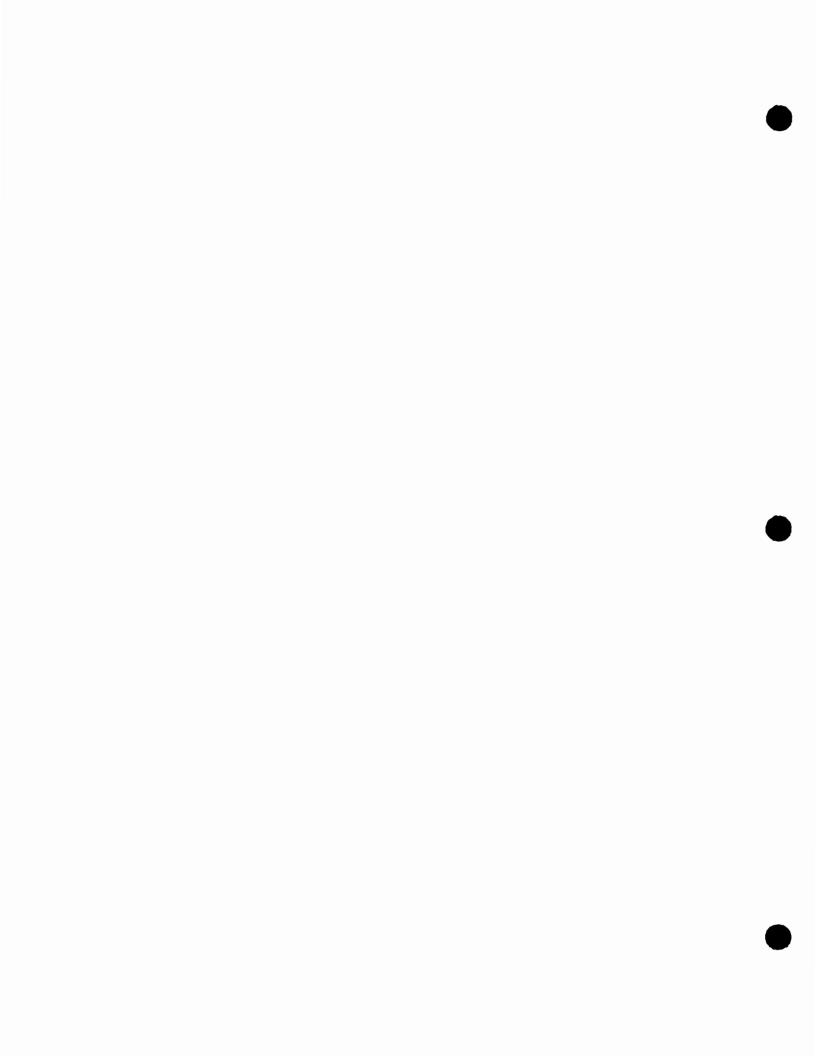
Bridge Program Funding Scenarios



41

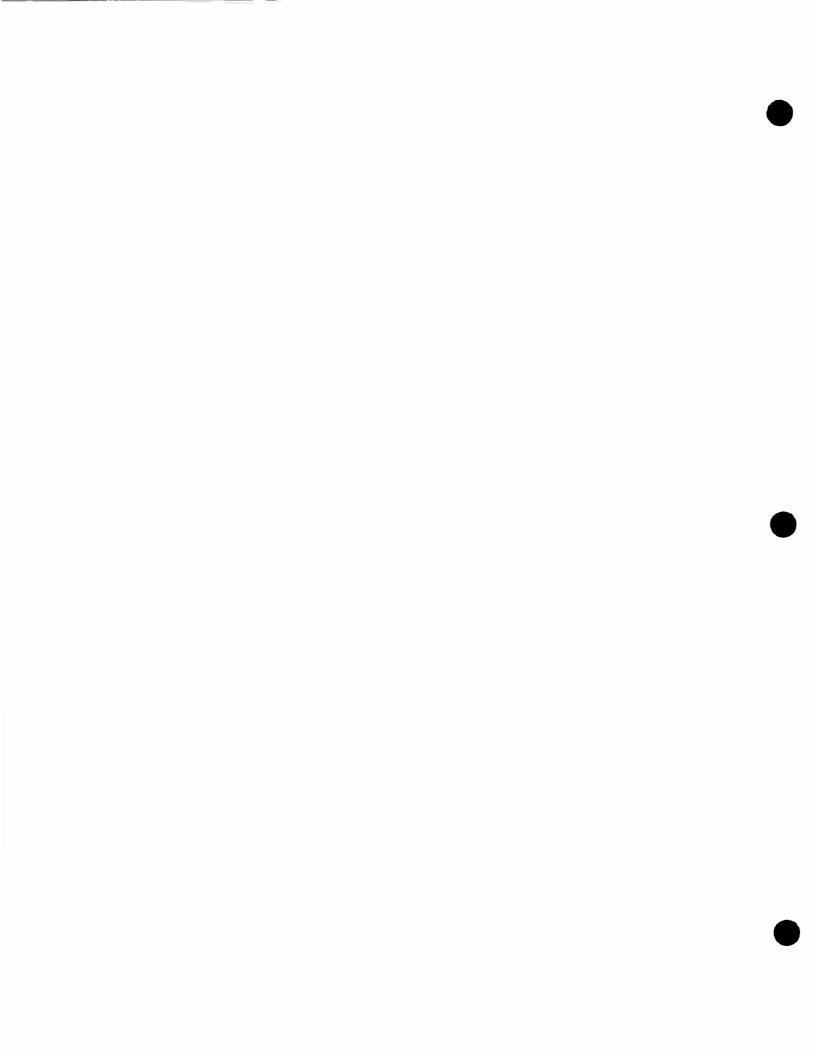
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Funding Allocations



Highway Maintenance

- Budget categories:
 - Primary system
 - Secondary System
 - General Maintenance Reserve
- Provides funding for all routine highway and bridge maintenance operations
- Funds allocated to highway divisions per needs-based formulas



Allocation Formulas

Primary and Secondary Maintenance

<u>Division Needs</u> Statewide Needs

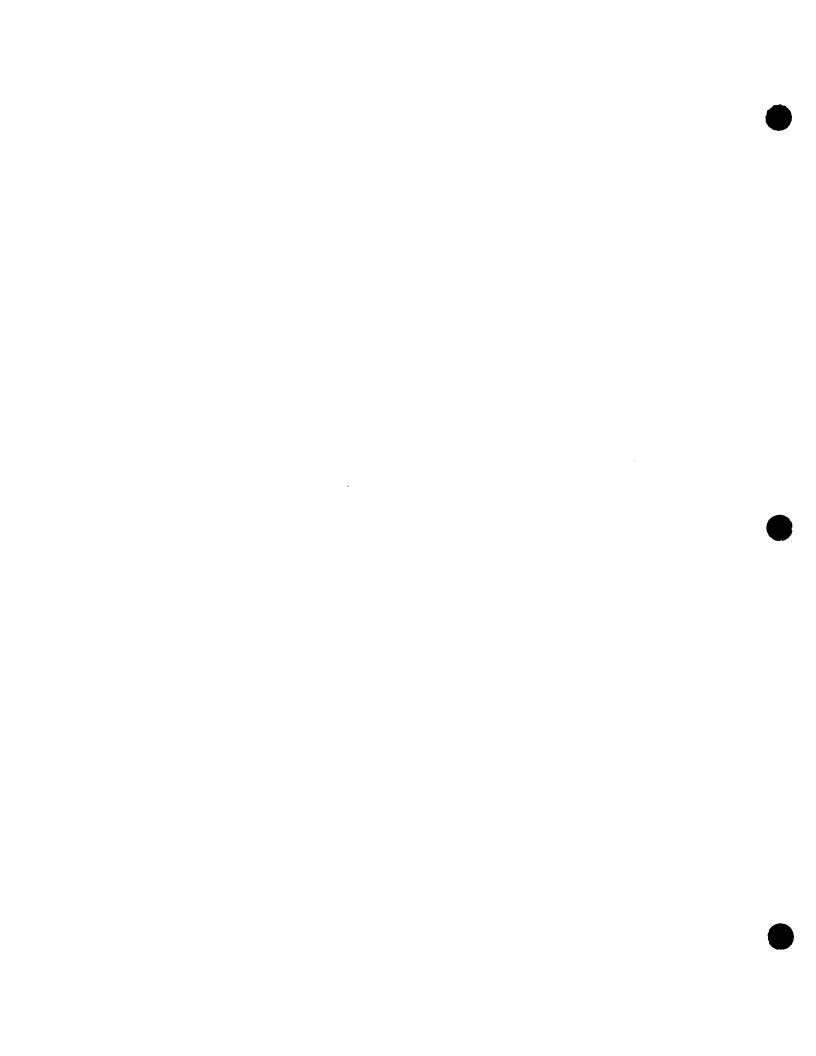
Statewide/Division Needs Calculation

For Assessed Needs: Funds Needed to bring assets to current target.

Examples: Bridges, Pavement, Unpaved Shoulder, Ditches, Ground Mounted Signs, Landscaping, Rest Areas, Traffic Signalization, etc.

<u>For Non-Assessed Needs</u>: Based on cyclical cost or historical expenditure data

Examples: Mowing, Litter, Guardrail, Unpaved Roads, Incident Management



How is this formula better?

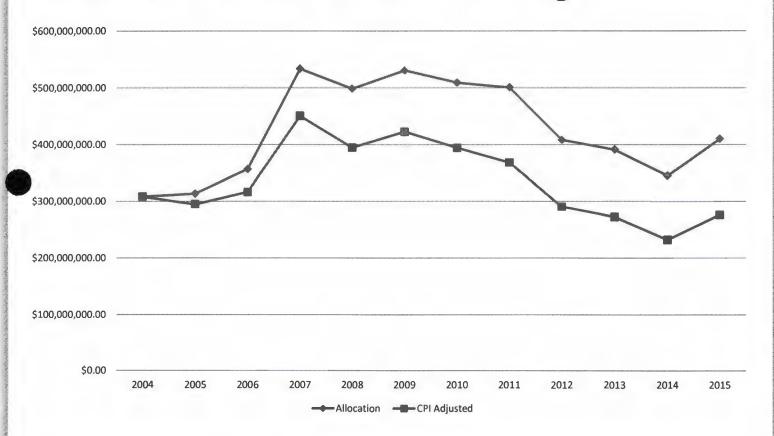
- Needs based
 - Old formula allocated funding based on needs as well as population and the number of highway miles in a division
- Efficient
 - New approach ensures we are investing limited maintenance dollars at the right time, in the right place and on the right roads.
 - Utilizes advances in technology
 - Enables us to more accurately collect and track inventory and condition data to determine the maintenance needs
 - Examples: automated data collection, handheld devices, asset management systems
- Performance measures
 - Set level of service targets
 - Examples: pavement and bridge condition; drainage; vegetation; signs; and pavement markers/stripping

The maintenance funding allocation is then prorated based on the recommended needs and needs determined by historical expenditures. 45

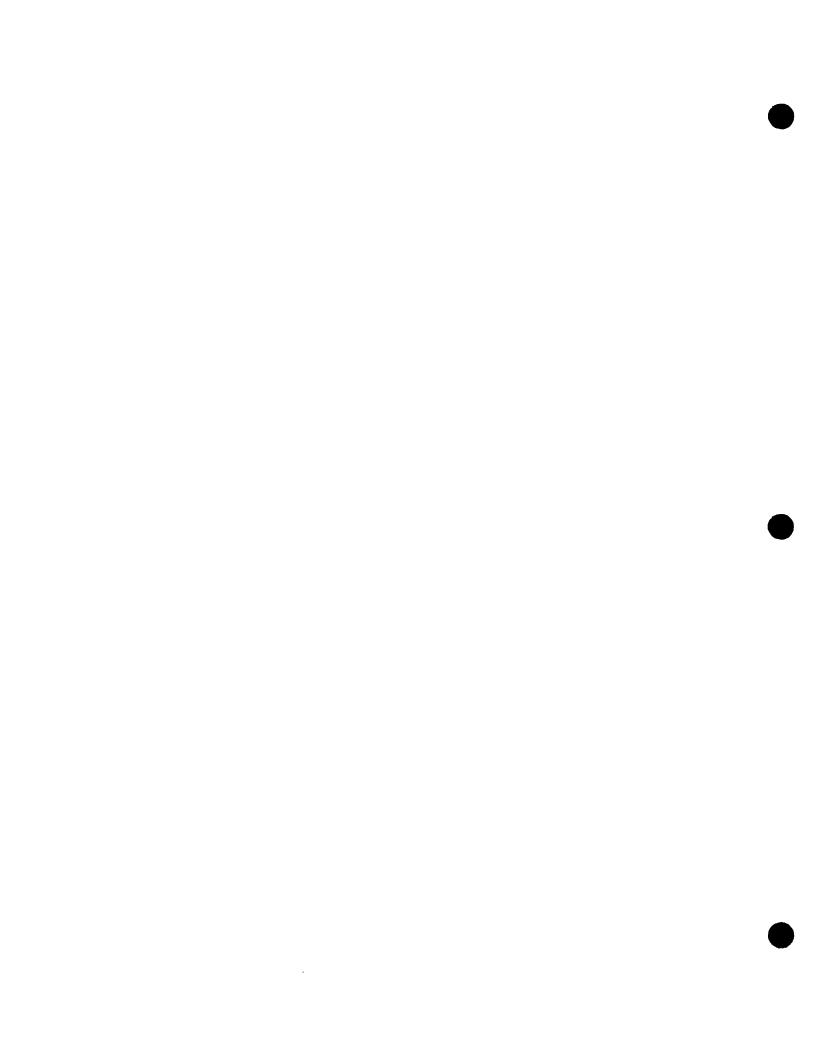
Challenges, Opportunities, and Strategies

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General Maintenance Funding



47



Challenges

Material Costs

- Asphalt (+133%)
- Salt (+134%)
- Cationic Rapid Settings (CRS2) (tack coat) (+162%)

Unit Costs

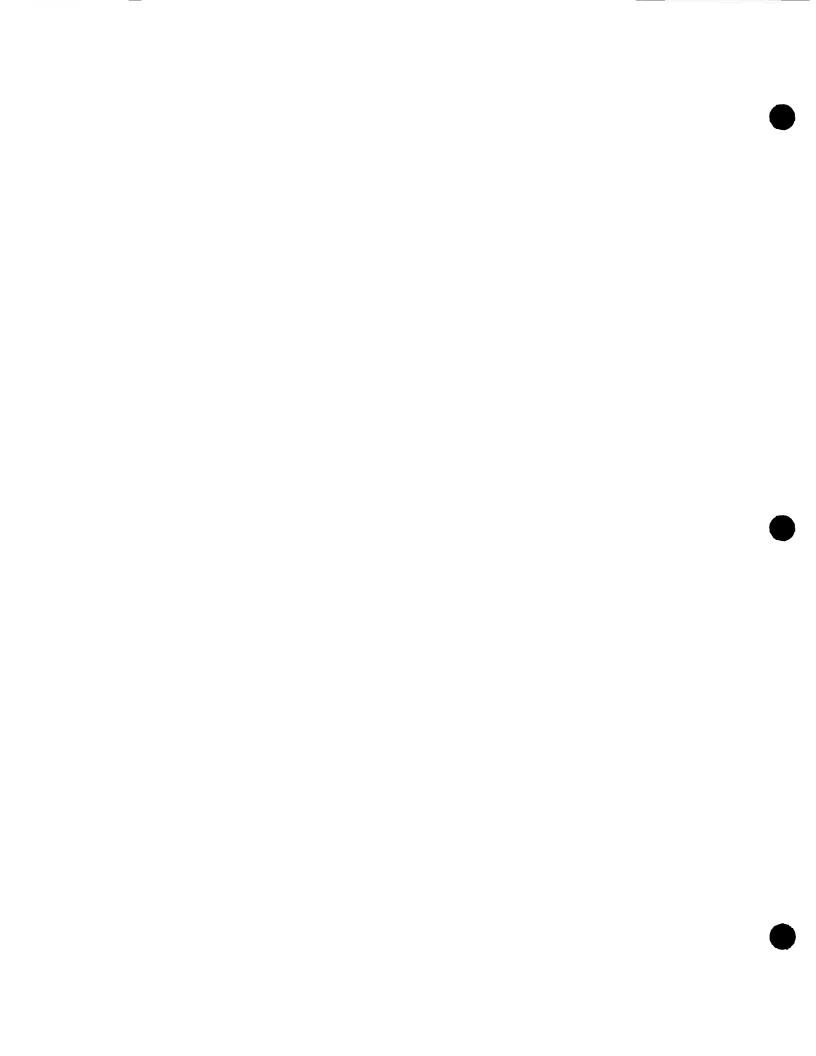
- Pipe Installation (+35%)
- Guardrail Installation (+114%)
- Striping (+50%)

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Pavement Preservation

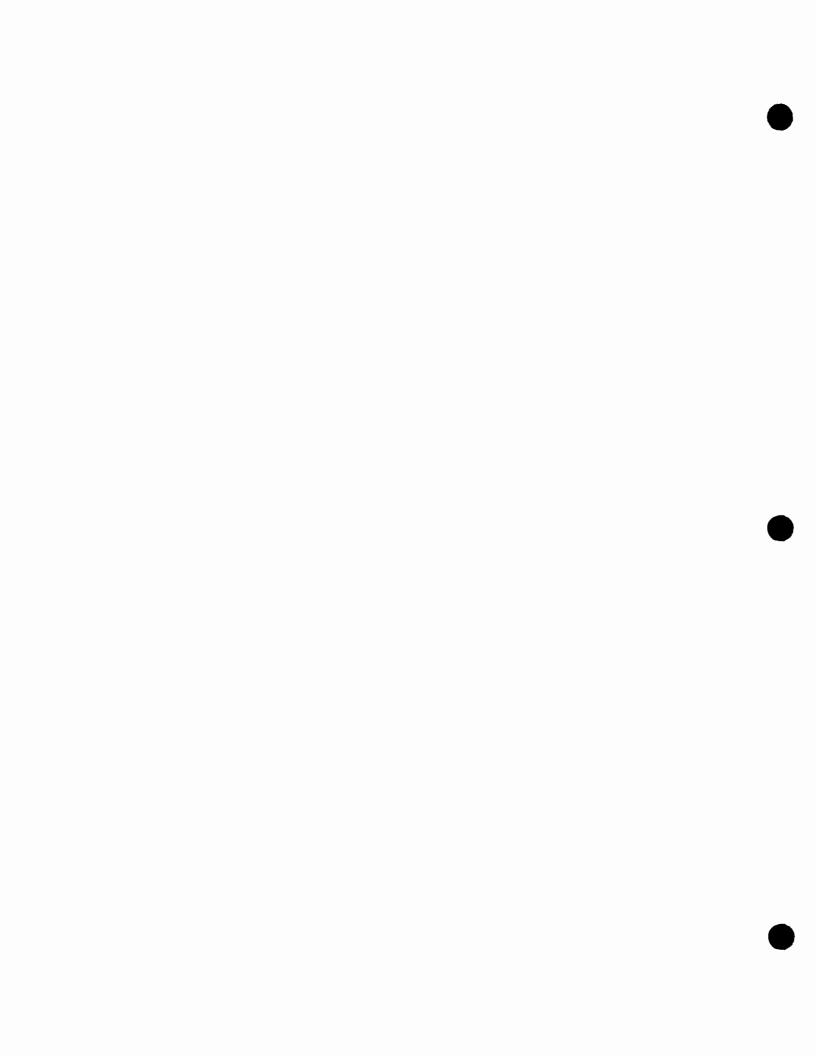
- FY 2015 = \$65M
- Needs assessed through pavement condition survey
- Formula:

<u>Division Needs</u> Statewide Needs

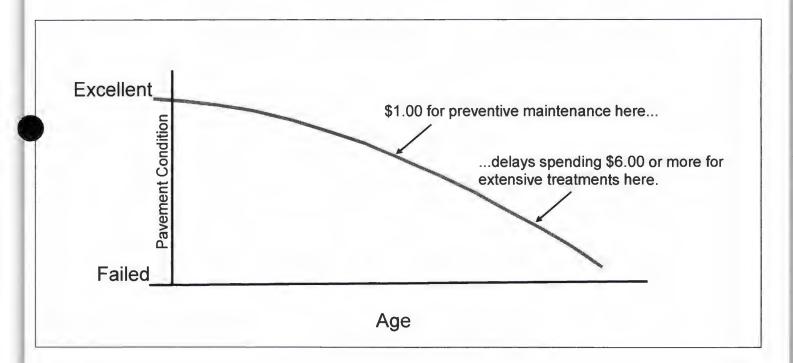


Why Pavement Preservation?

- Cost-effective approach
 - Planned vs. reactive strategy
 - •Up to a 6 to 1 savings ratio vs. "worst first"
- Good pavements stay good
 - Prevents failures before they occur
 - Results in smoother, safer roads
 - Reduces vehicle operations costs
 - Improved highway/user satisfaction
 - Reflects favorably on agency and paving industry

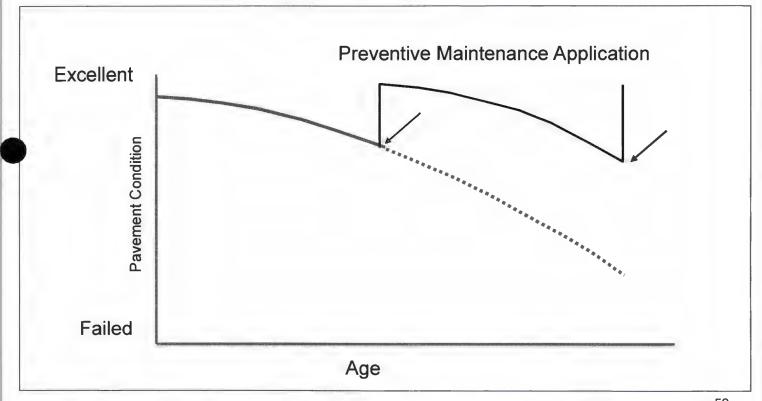


Preventive Maintenance Concept



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Preservation Strategy



52

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Contract Resurfacing

- FY 2015 = \$408M
- Needs assessed through pavement condition survey
- 100% of pavements surveyed
- Formula for annual distribution to Divisions:

<u>Division Needs</u> Statewide Needs

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Resurfacing

- Single lift of hot mixed asphalt
- Pavement is in fair to good condition
 - Patching of failed localized areas for good performance



Rehabilitation

- Pavement is in poor condition
- Traffic volumes exceed current strength
- Pavement is structurally inadequate
- Can be funded from contract resurfacing
- 9% pavements are poor \$172M



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Secondary Road Paving Program

FY 2015 = \$12M recurring

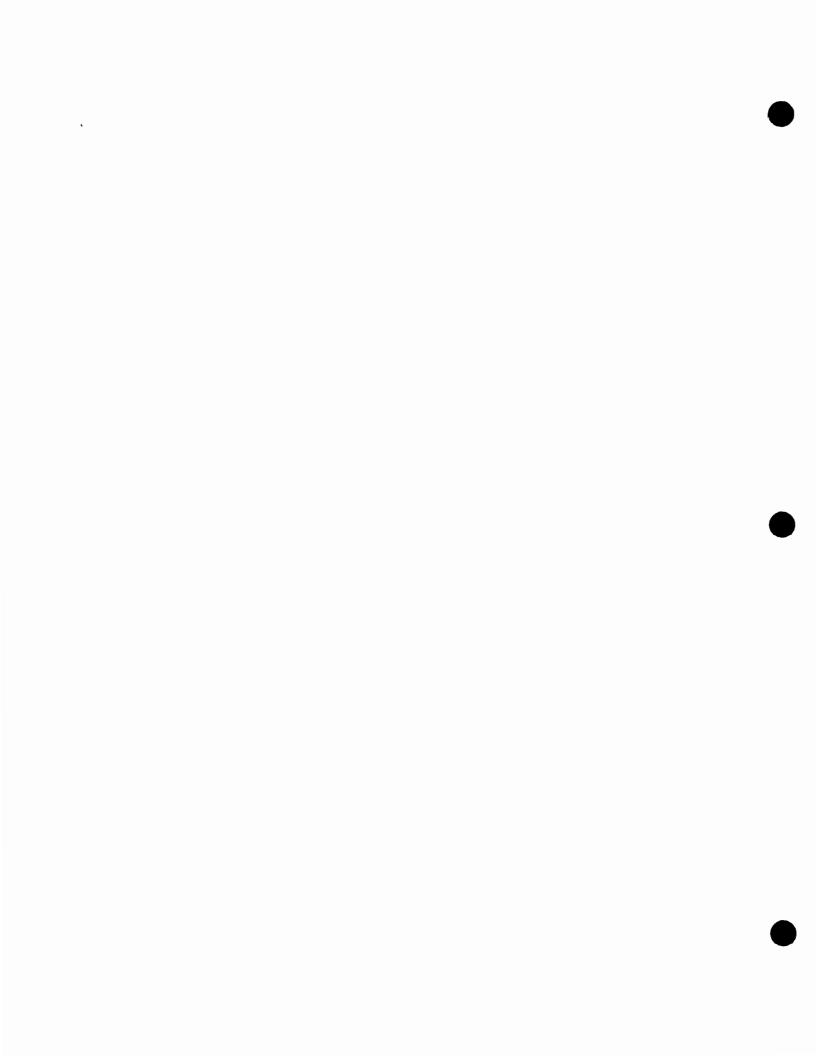
Program amended under S.L. 2013-183:

- Unpaved road paving program
- Statewide priority list

3,412 unpaved miles in statewide paving priority list

Priority based on point values, which are assigned based on criteria:

- Land use (How many homes, businesses, recreation areas?)
- Road characteristics (Connector or dead end? Traffic volume? School buses?)



North Carolina

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Other State Funding Programs

Spot safety

Contingency

Small construction

Economic development

Public access

\$12.1M

\$12M

\$5M

\$4M

\$1.2M

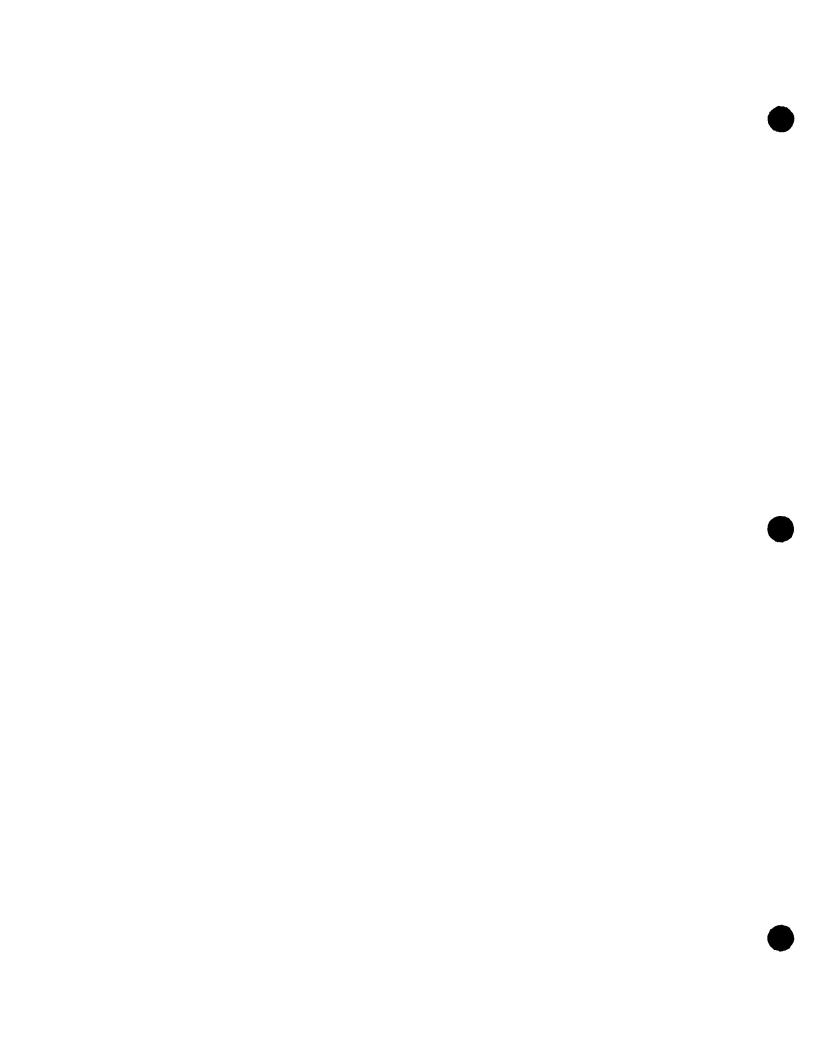
Staffing Strategy

- Align the number of staff with current and expected maintenance and operations activities
- Explore two main delivery mechanisms: inhouse and outsourcing
- Consider variability and seasonality of work

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Action Items

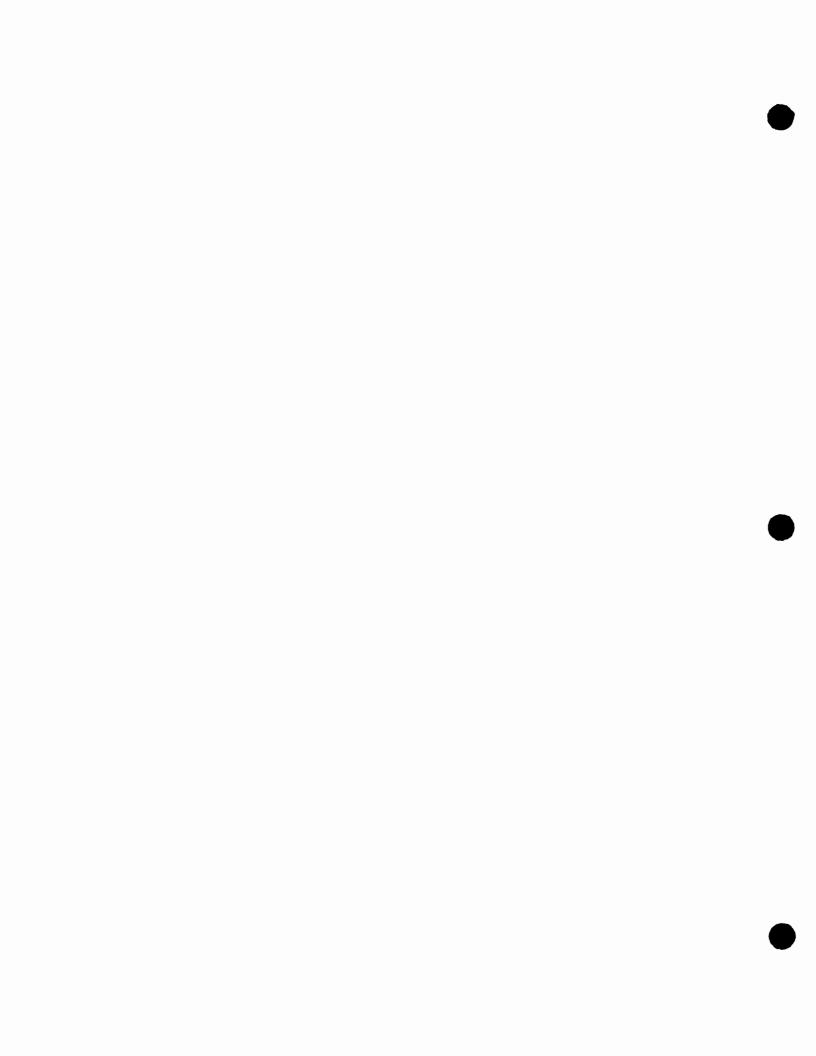
- Implement staffing plan
 - · Realign staff as needed
 - Evaluate costs of in house vs. outsourcing
 - Assess existing standard crew size standards
- Conduct study of indirect cost factors expect to complete this by April 1
 - Develop formal cost allocation plan recommendations will be part of indirect report
 - Investigate differences in planned vs actual accomplishments
 - Create transportation asset management plan



Needs based on MOPAR

- Increased funding for bridges exceeding their average replacement age
- Increased pavement preservation funding
- Increased maintenance funding flexibility





Highway Maintenance Improvement Plan

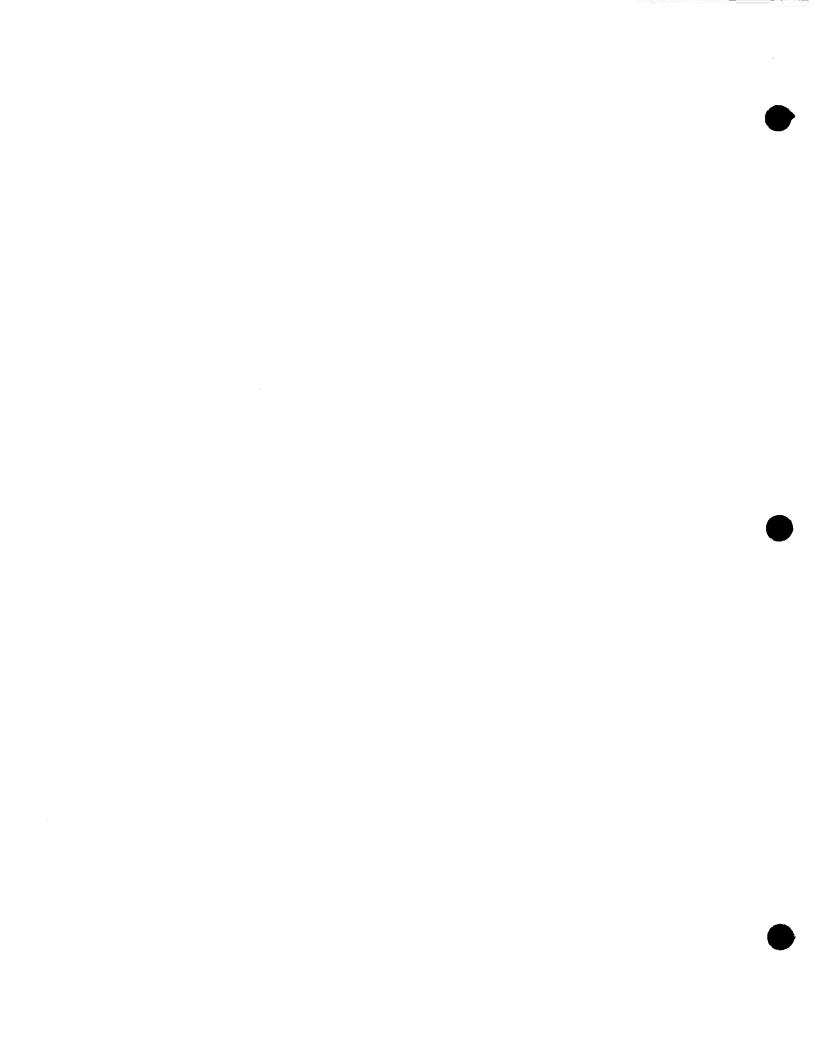
Includes:

- Year's work to be completed
- Specific roadways in each county
- Specific sections of roadways to be treated
- Type of treatment applied
- Estimated cost

| Plan Year | County | Route | Begin Description | End Description | Length | Budget Group | Treatment | Estimated Cost |
|--------------|--------|---------|----------------------|-----------------------|--------|-----------------|---|-------------------|
| FY 2016 | Bertie | SR 1107 | SR 1106 | END MAINT | 0.880 | Preservation | Split Seal | \$ 35,000.00 |
| FY 2016 | Bertie | US 17 | NC 308 + 1.793 miles | SR 1001 + 1.082 miles | 2.000 | Resurfacing | Mill 1.5" & Replace (B Level) | \$397,750.00 |
| FY 2016 | Bertie | US 17 | .4 mile E NC 308 | NC 308 + 1.793 miles | 1.793 | Rehabilitation | Mill 1.5" & Replace / 1.5" Overlay (B Level) | \$354,750.00 |

(Sample from Division 1)

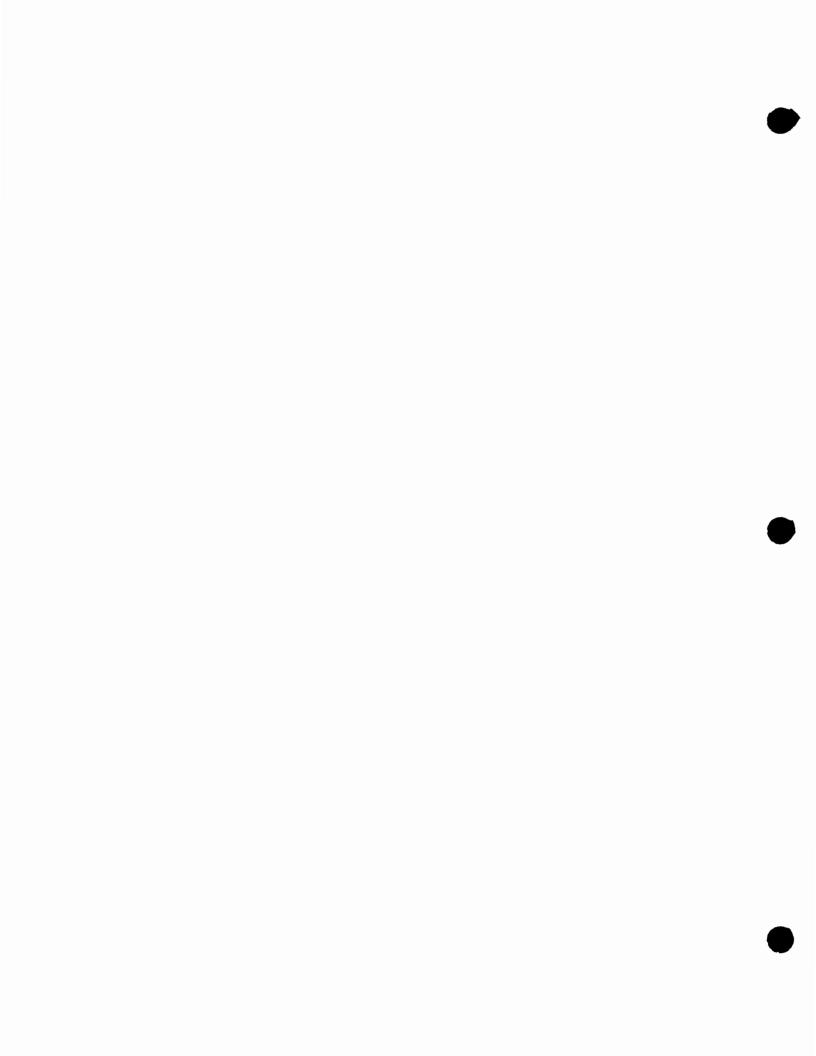
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Future HMIP Cycles

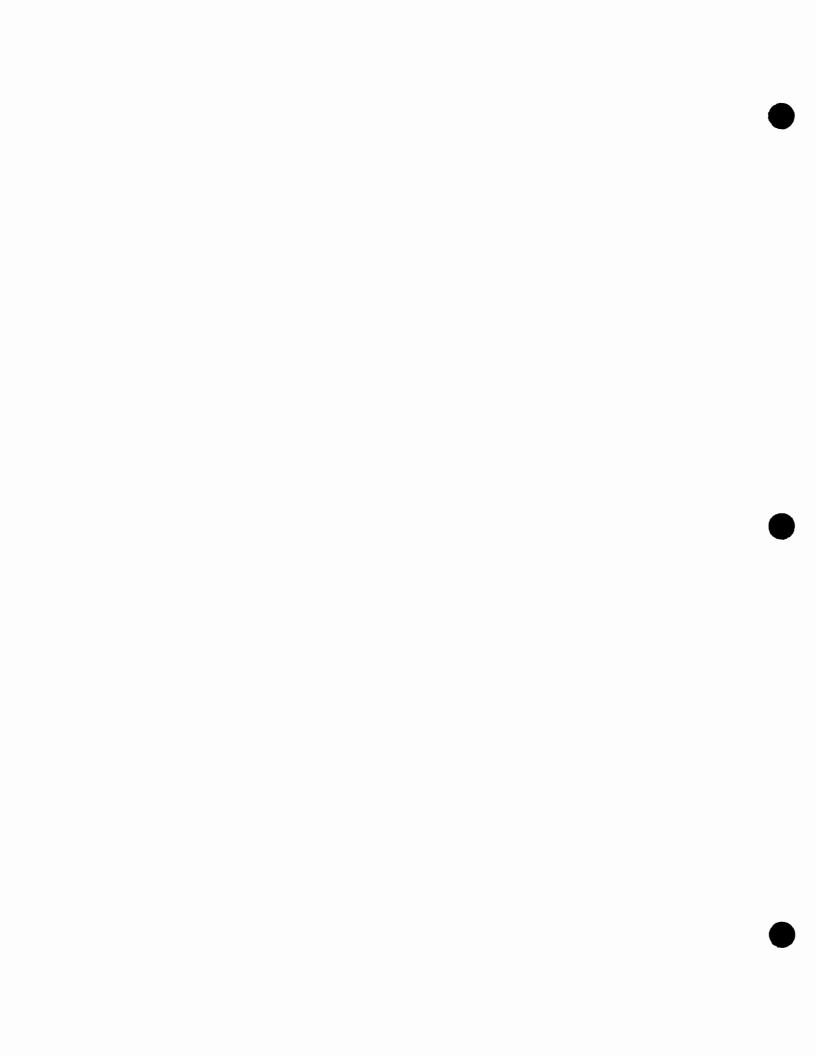


- Divisions report on delivery
- HMIP updated annually
- Board adopts new 3-year HMIP
- HMIP posted on web by April 1st



Committee Sergeants at Arms

| | F COMMITTEEJoint Comm on Appropriations/Transportation Room:1228/ 1327 |
|-------------------------|---|
| 2. Name: Name: 4. Name: | House Sgt-At Arms: Carlton Adams Martha Gadison Joe Austin |
| | Senate Sgt-At Arms: |
| l. Name: | MATT URBEN |
| % Name: | STEVE MCKAIG |
| . Name: _ | |
| l. Name: | |
| DY. | |



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Tuesday, March 3
APPROPRIATIONS,
TRANSPORTATION
(JOINT)

Room 1228/1327

Time 8:30 am

| Name | County | Sponsor |
|----------------|--------|--------------|
| | | |
| Justus Hargett | Jones | Pat McElraft |

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SENATE PAGES ATTENDING

| COMMITTEE: Joint A | Aprops | D.O. | T. |
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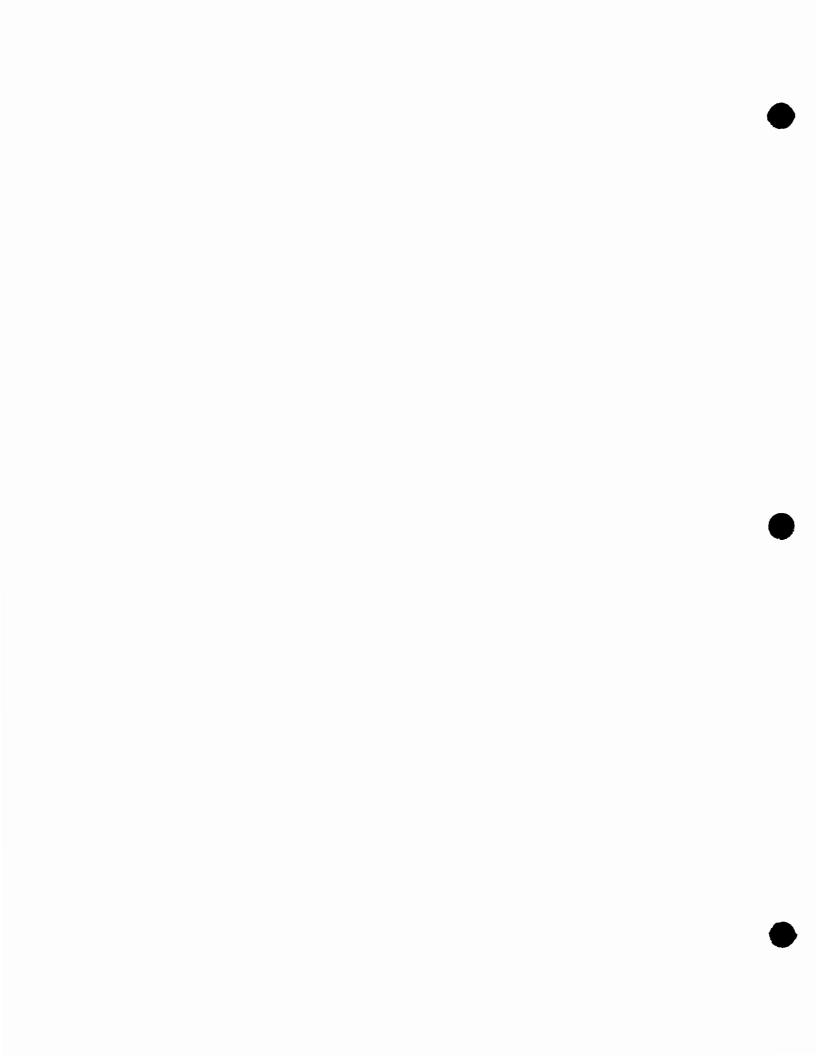
DATE: 3/3, TIME: 8,30, ROOM: 1228/LB

Pages: Please print legibly.....or else!!!!!!!!!!!!

| , | Page Name | Hometown | Sponsoring Senator |
|---|-----------------|------------|--------------------|
| (| 1) Davia Thomas | Kinston | Don Davis |
| (| | Greenville | Don Davis |
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Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.



VISITOR REGISTRATION SHEET

JT. Committee on Approprations
Name of Committee Terresportation

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

| NAME | FIRM OR AGENCY AND ADDRESS |
|---------------|----------------------------|
| AndyChase | KMA |
| Mu Termina | NCOUT |
| Grin Jones | TWC |
| Jey Sten | NCAL |
| ANDY WALSH | · 5A |
| 94- Zing 112 | NGA |
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| Susan Pullium | NCDOT |
| H. TASAico | 10/101 |
| CS+611.s | C5+ |

31 E 10 CETAMENTIES ON PRINCIPATIONS 30 30 15 wertetzogentag!

VISITOR REGISTRATION SHEET

IT Committee on APPROPRIOU' Name of Committee

3.3.5

TRAMPOMATION

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

| NAME | FIRM OR AGENCY AND ADDRESS |
|---------------------|----------------------------|
| Joe Millers | MªClees Consulting |
| MARY JEXNIGAN | NCDOT |
| Kristin Webb Barnes | NCOOT |
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| 7- Jun | . MISC- |
| MISSY PAIR | NCDOT |
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Joint Appropriations Committee on Transportation

March 4, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs:

Representative John Torbett
Representative Phil Shepard

Representative Frank Iler, Chairing

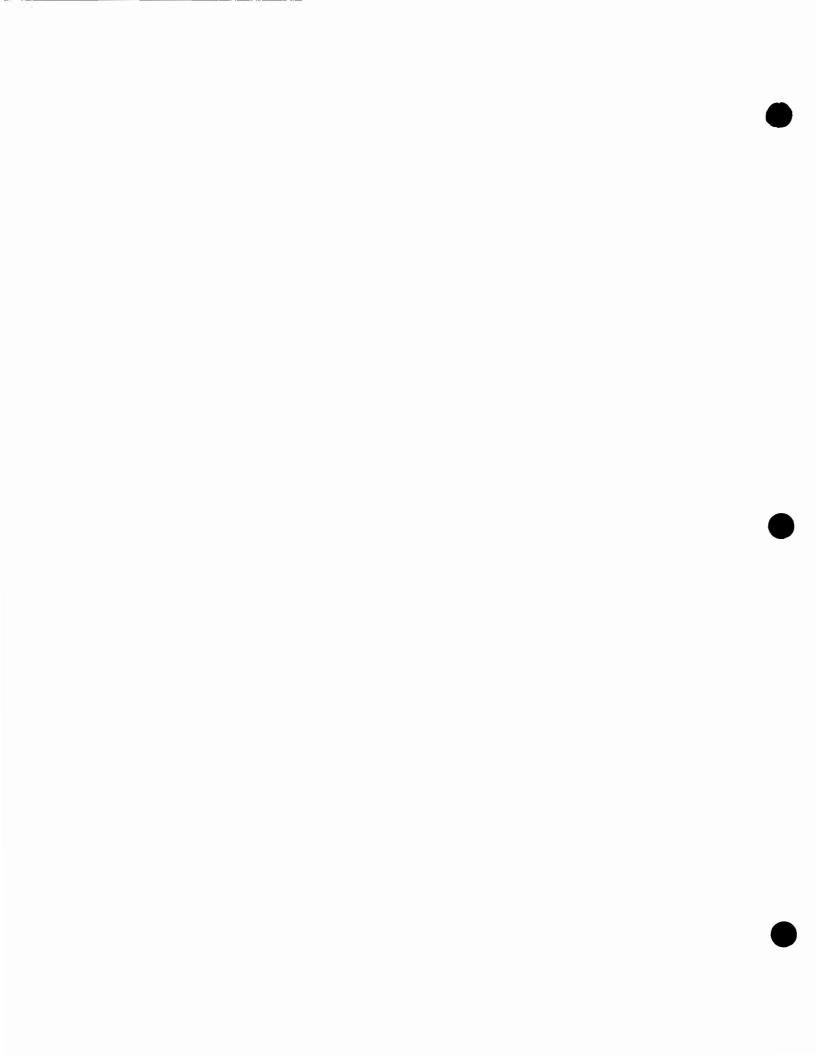
Representative Paul Tine

Senator Bill Rabon, Chairing Senator Wesley Meredith

Call to Order

• DOT Overview

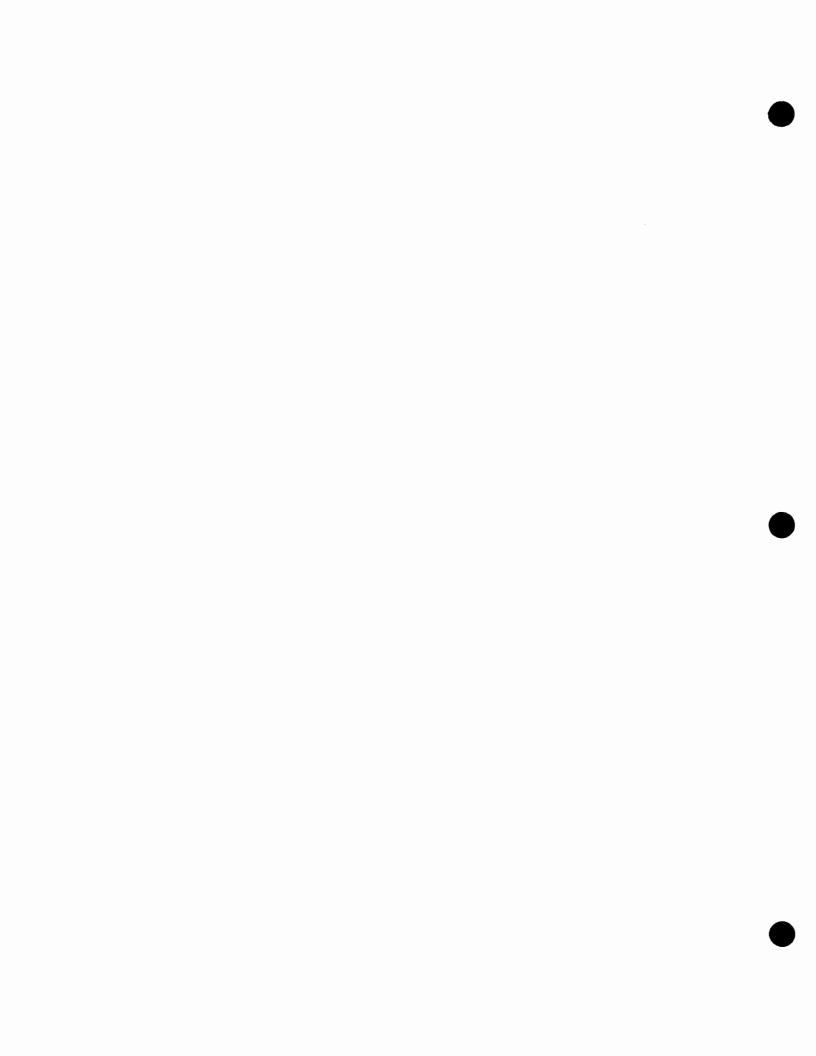
Nick Tennyson, Chief Deputy Secretary Department of Transportation





NCDOT Overview

Nick Tennyson, Chief Deputy Secretary March 4, 2015



North Carolina

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Overview

- Major Functions of DOT
- Board of Transportation
- Highway System Overview
- Construction- Road Building Process
- Operations and Maintenance
- Intermodal

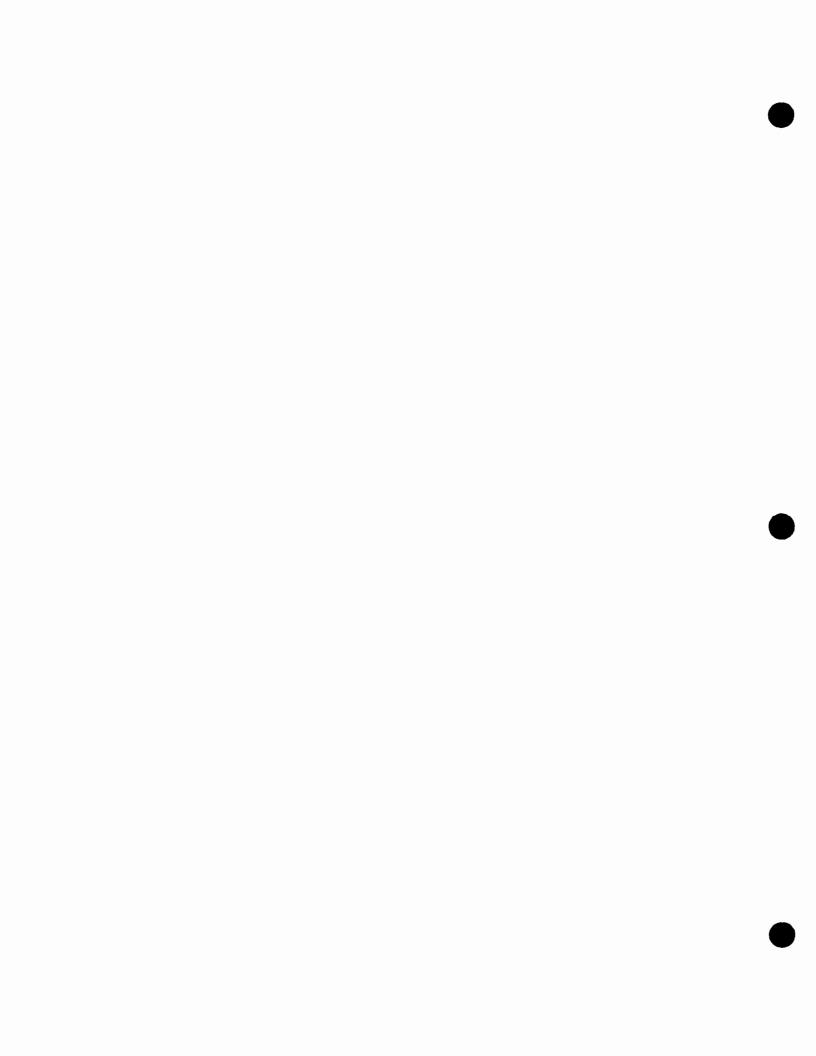
North Carolina

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North Carolina Department of Transportation

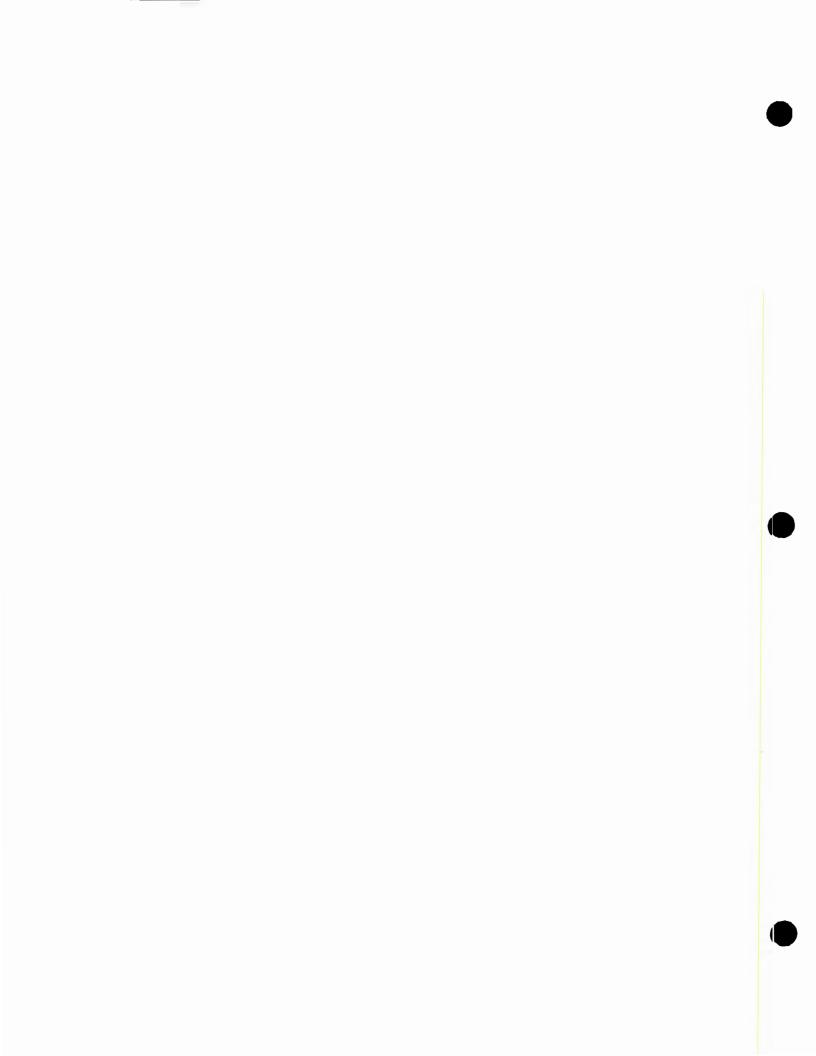
- Employs about 12,000 people
 - Positions range from transportation workers and engineers to archaeologists and ferry captains
- Led by the Secretary of Transportation, a member of the Governor's cabinet
- · Oversees all aspects of transportation in North Carolina, including:
 - ♦ Highways
 - ♦ Rail
 - ♦ Aviation
 - ♦ Ferries
 - ♦ Public Transit
 - ♦ Bicycle and Pedestrian Transportation
 - ♦ Division of Motor Vehicles
 - ♦ State Ports
 - ♦ Global TransPark

3



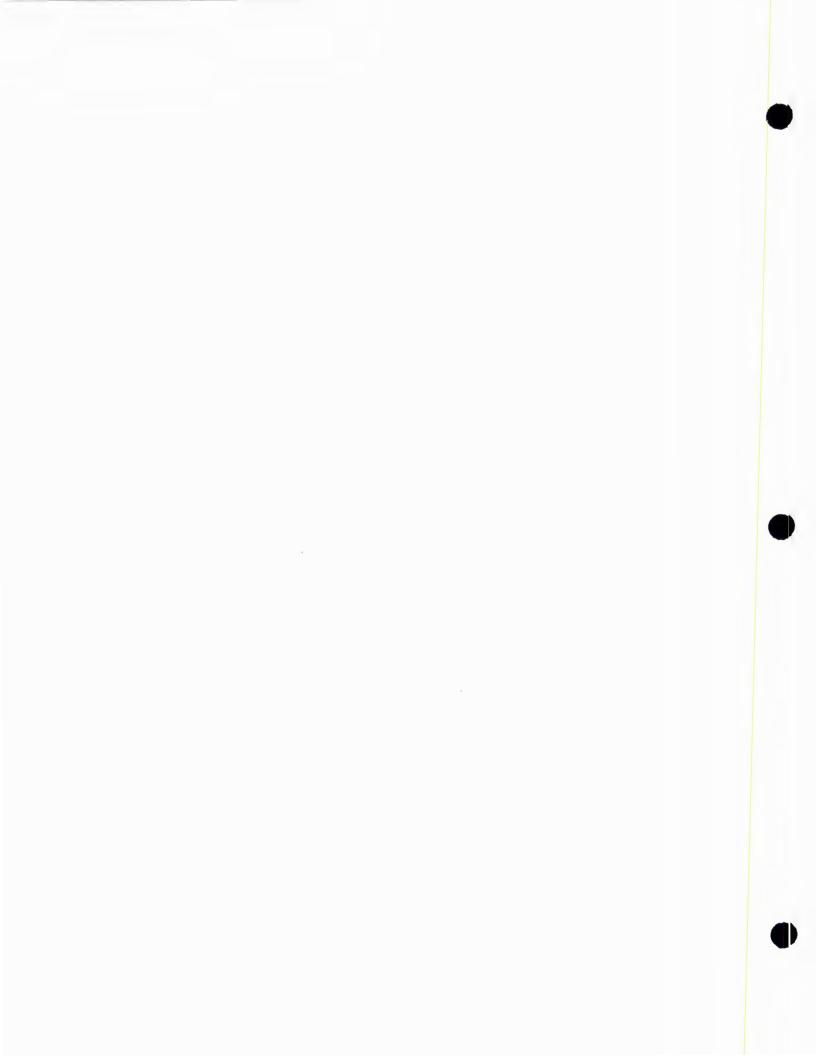
Board of Transportation

- Works with NCDOT staff members to make decisions about transportation priorities and funding allocations
- Comprised of 19 members; all appointed by the Governor
 - Each of the 14 divisions has one representative
 - Five at-large members representing:
 - State Ports and Aviation Issues
 - Rural Transportation Issues
 - Environmental Issues
 - Government-Related Finance & Accounting Issues
 - Mass Transit



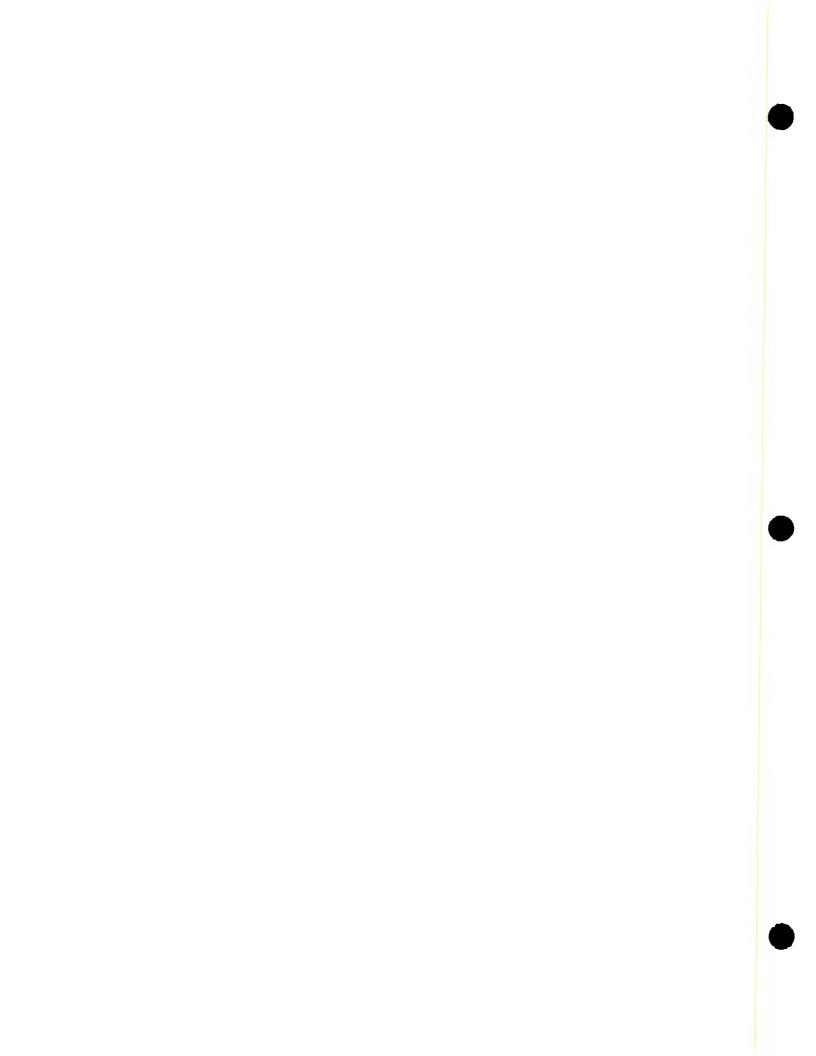
Board of Transportation

- At least 3 members must be registered voters of a political party other than the political party of the Governor
- No more than 2 members may reside in the same highway division
- The Governor must submit proposed appointees to the Joint Legislative Transportation Oversight Committee for a 30-day review/comment period



Highway System

- Responsible for 79,500+ mile highway network, comprised of:
 - Interstates 1,327
 - Primary
 - US routes 5,566
 - NC routes 8,170
 - Secondary 64,522
 - Farm-to-market or local roads
- Responsible for more than 18,000 bridges, culverts and pipes along the highway system



Project

Development

Transportation Program Life Cycle

Long-Range Planning

Determine Needs

Prioritization

Program Development

Fund Projects

Project Planning

Minimize Impacts

Project Design

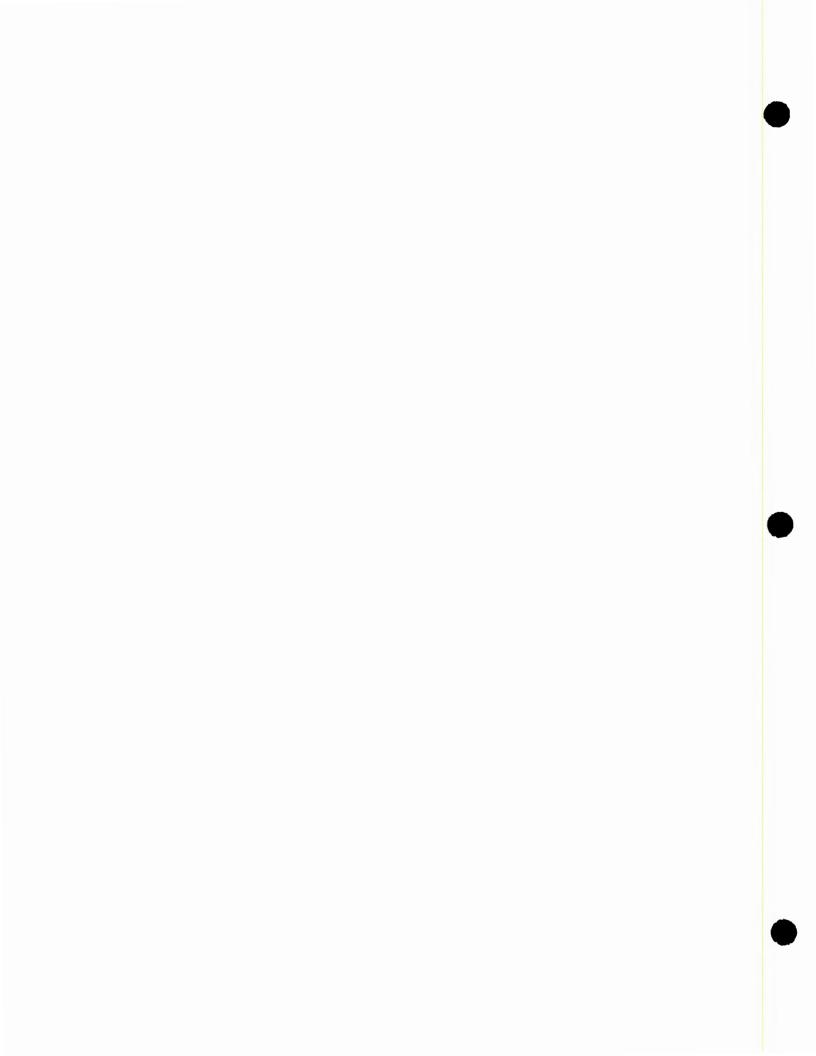
Design and Acquire ROW

Construction

Build Facility

Maintenance & Operations

Maintain Facility



Project Development

- Identify purpose and need of transportation project
- Evaluate route alternatives to minimize impacts to the environment, homes and businesses
- Select preferred alternative
- · Complete environmental planning documents
- Determine construction limits

Typical Preconstruction Times

(from start of planning to contract letting)

Major new location projects — 8 to 10 years

Widening projects — 5 to 8 years

Bridge projects — 1 to 4 years

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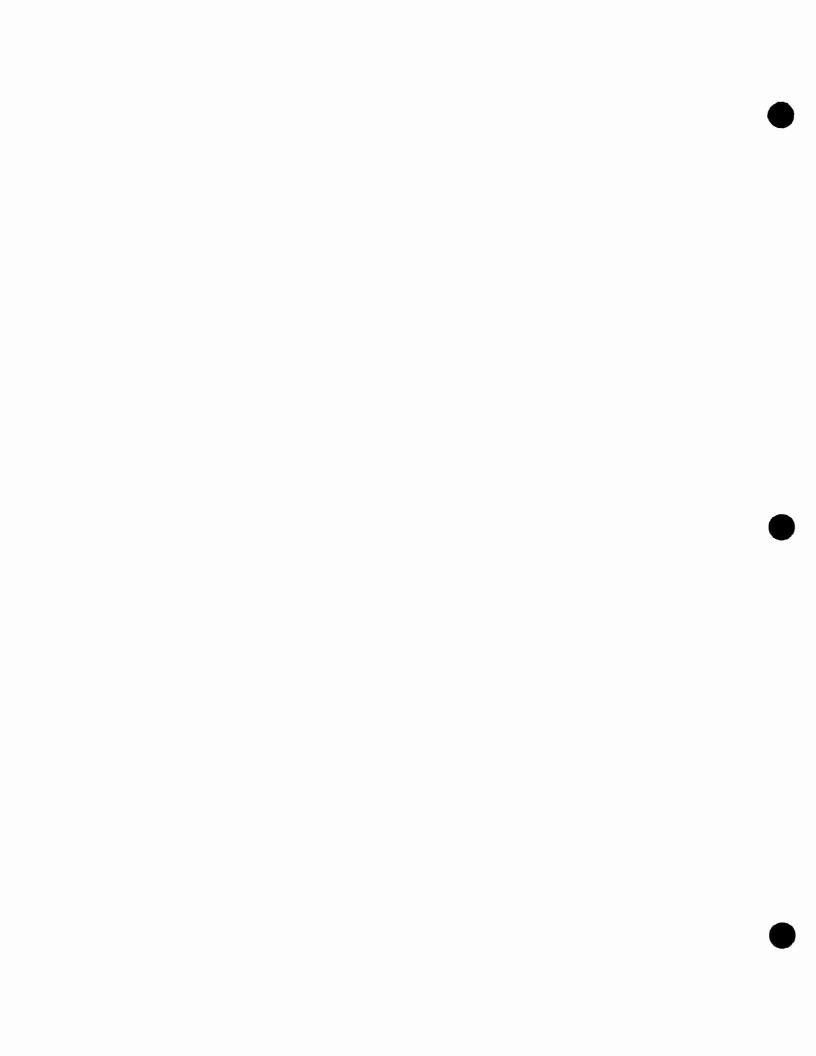
Highway Design

- Survey and design highways, bridges and other features, including:
 - Right of way
 - Utilities
 - Drainage systems
 - · Retaining walls
 - Lighting



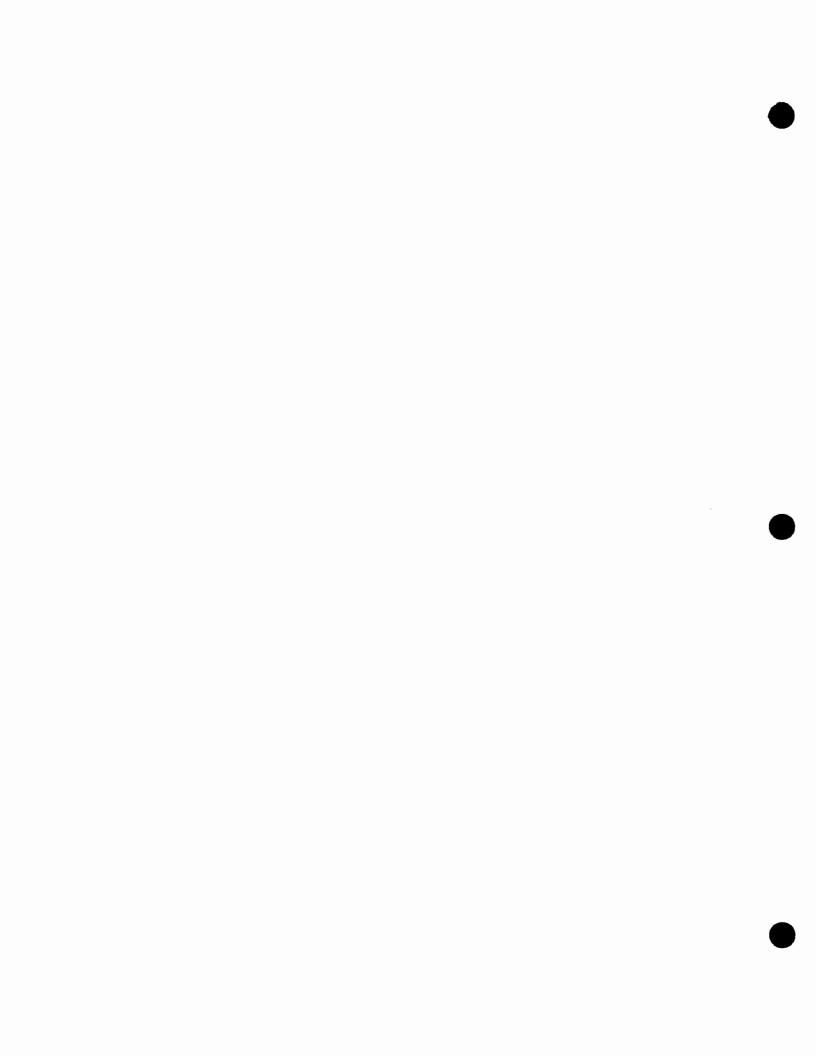
- Provide cost-effective designs that meet schedule and budget
- Minimize impacts to the environment
- Minimize impacts to homes and businesses





Contract Award

- Prepare project contract information
- Advertise project lettings
- Bids are submitted by contractors
- Bids are reviewed for cost and ensuring bids meet requirements
- By law, contract is awarded to lowest bidder that meets all requirements



Phases of Construction Work

Surveying

Clearing

Erosion Control

Bottom Drainage

Rough Grading

Bridge Foundations

Top drainage

Fine grading

Base and Pave

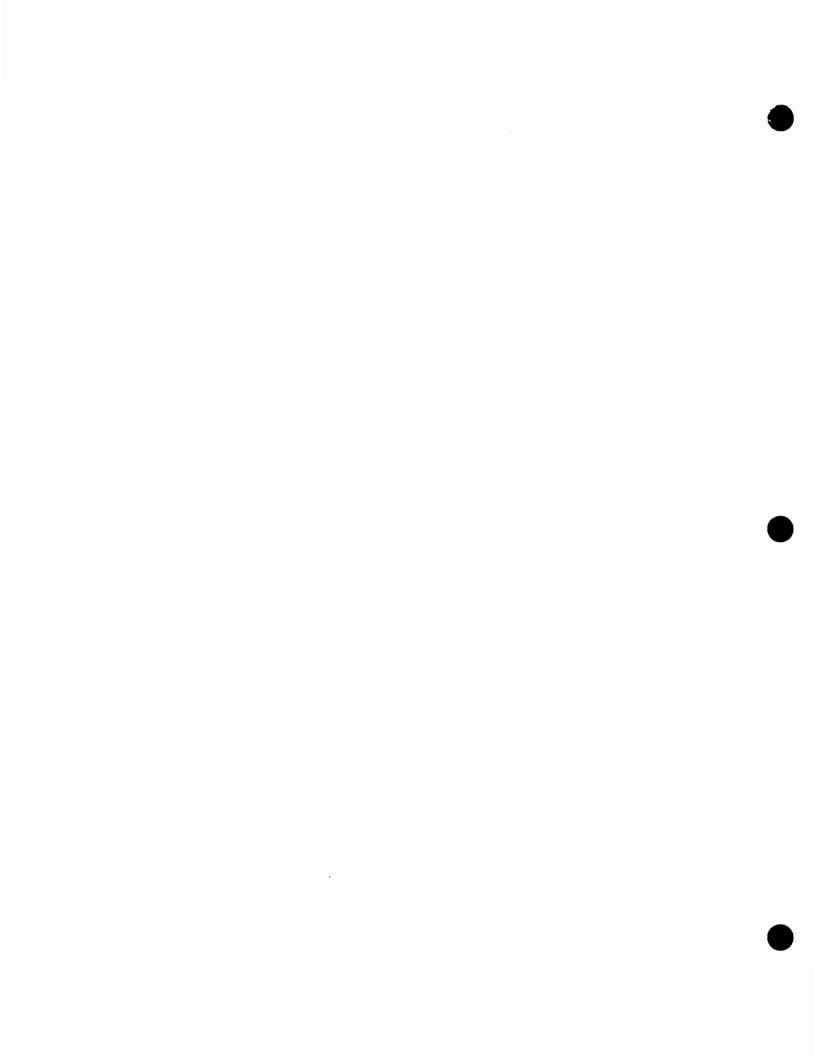
Bridge Beams and

Deck

Guardrail

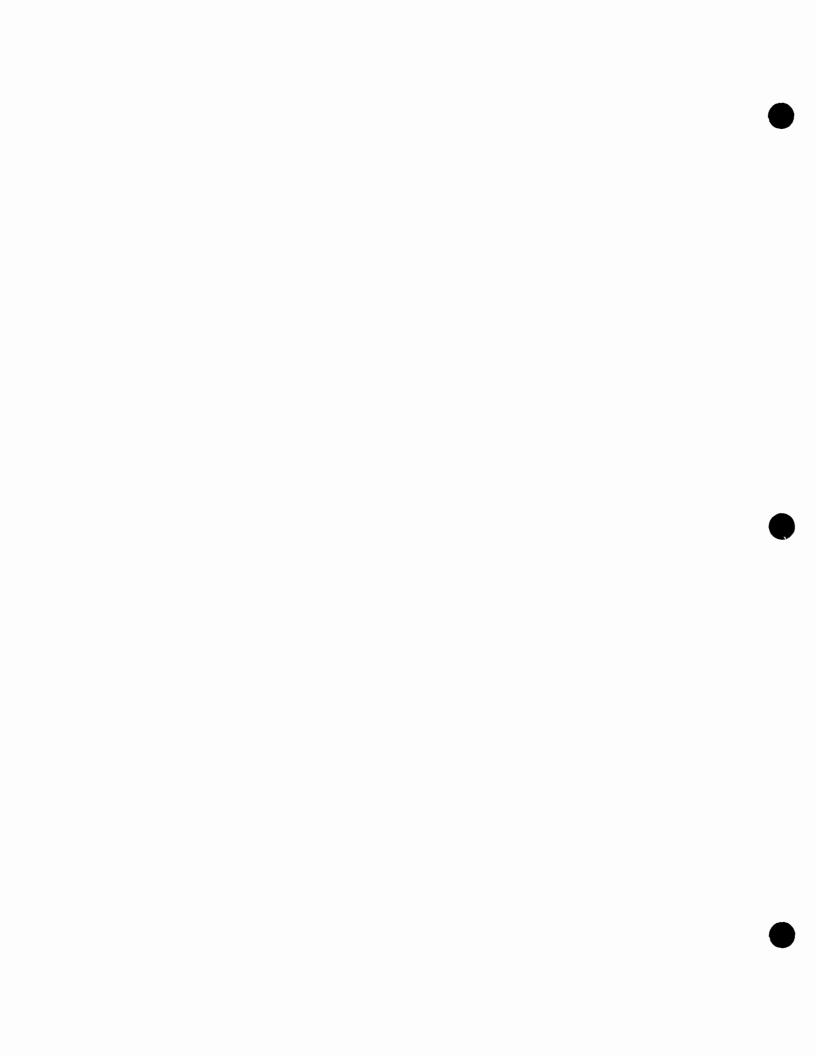
Markings, Signs,

Signals



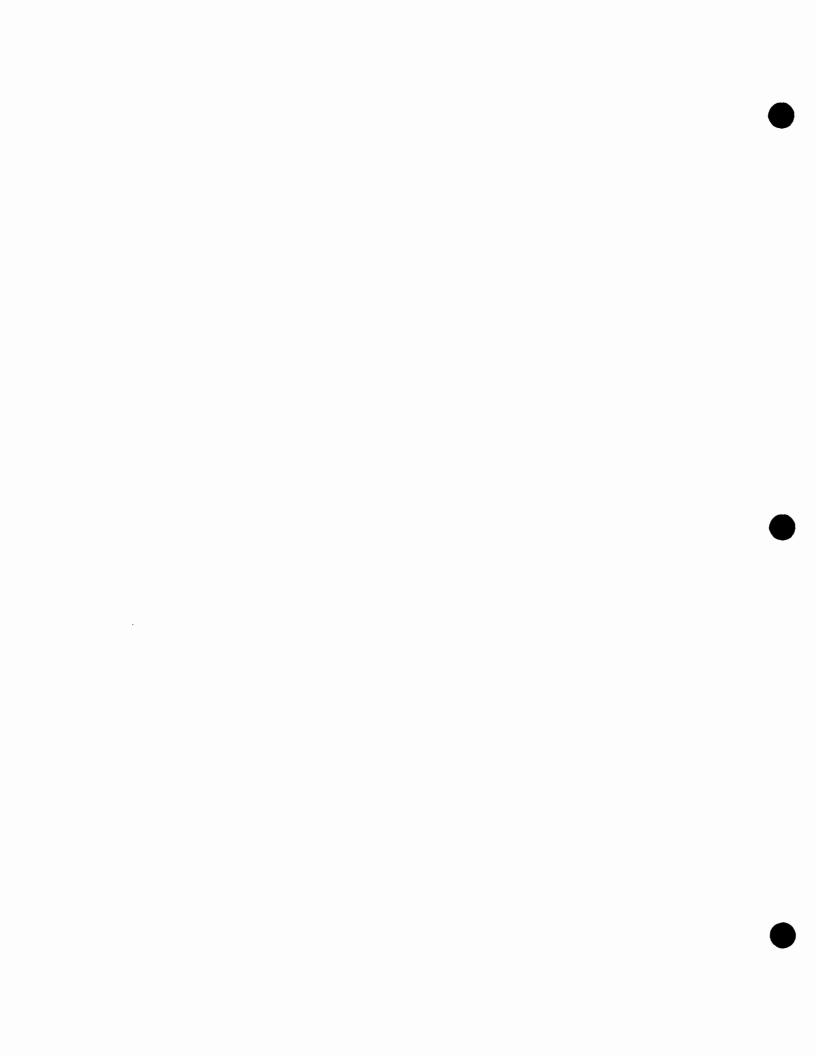
Construction

- Provide support for construction contract administration
- Responsible for oversight of approximately 600 active highway-related projects
- Projects are diverse and dynamic
 - Bridges and roads
 - Rest areas
 - Bus terminals
 - Weight stations
 - Communication technologies
- Requires innovation and flexibility



Typical Project Construction Times

- New Location 3 ½ 4 years
- Major Pavement Rehabilitation 2 ½ 3 years
- Urban Widening 2 3 years
- Bridge Replacement (low impact) 6–18 months

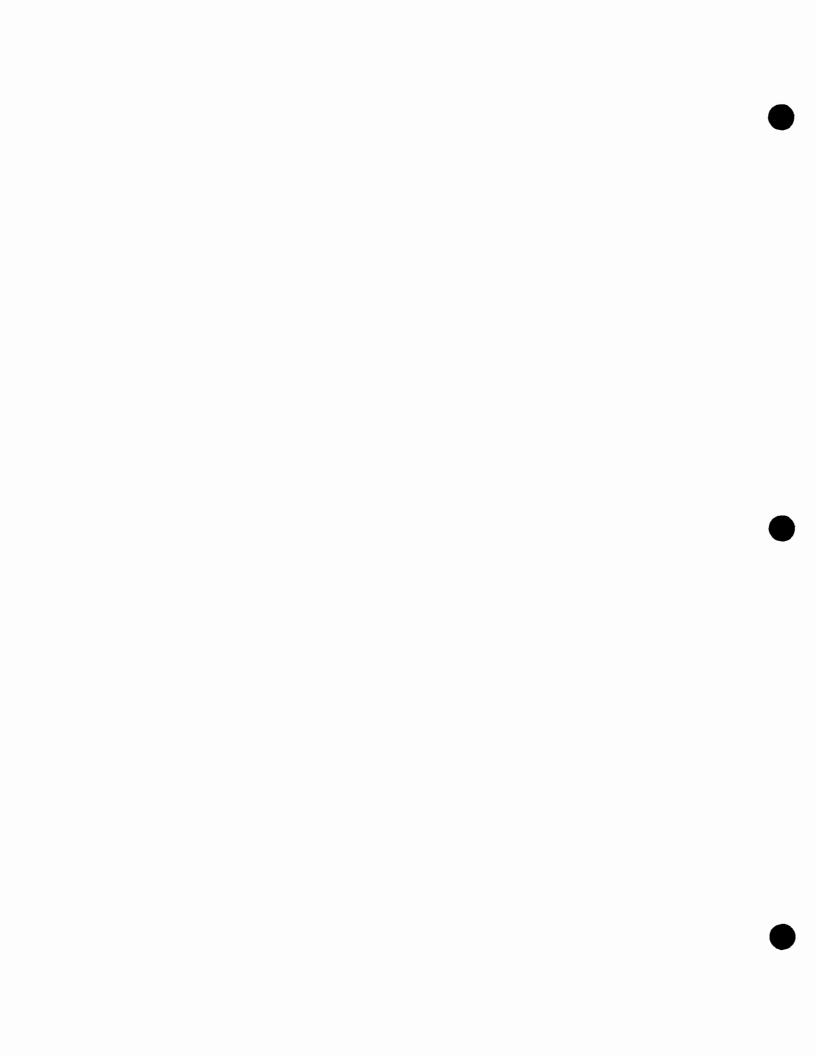


Field Operations

- Under direction of Chief Engineer
- 14 transportation divisions

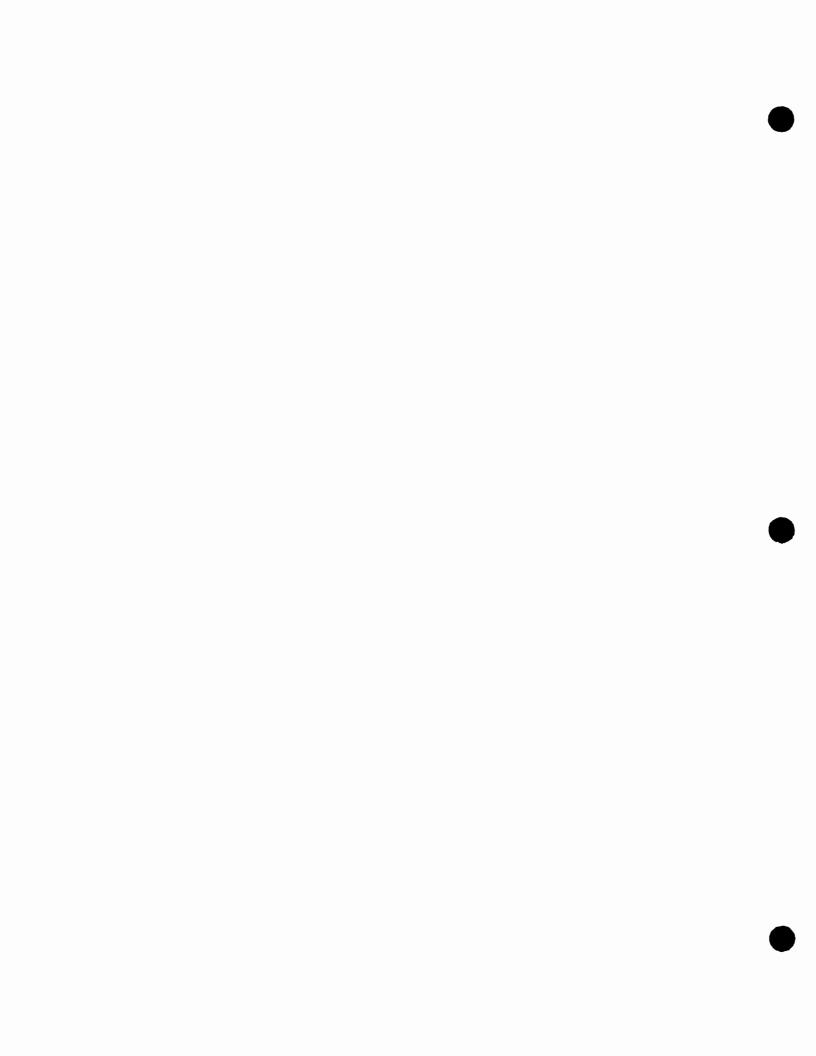


- 3 primary functions:
 - Construction
 - Operations/Traffic Management
 - Maintenance

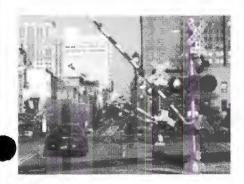


Maintenance and Operations

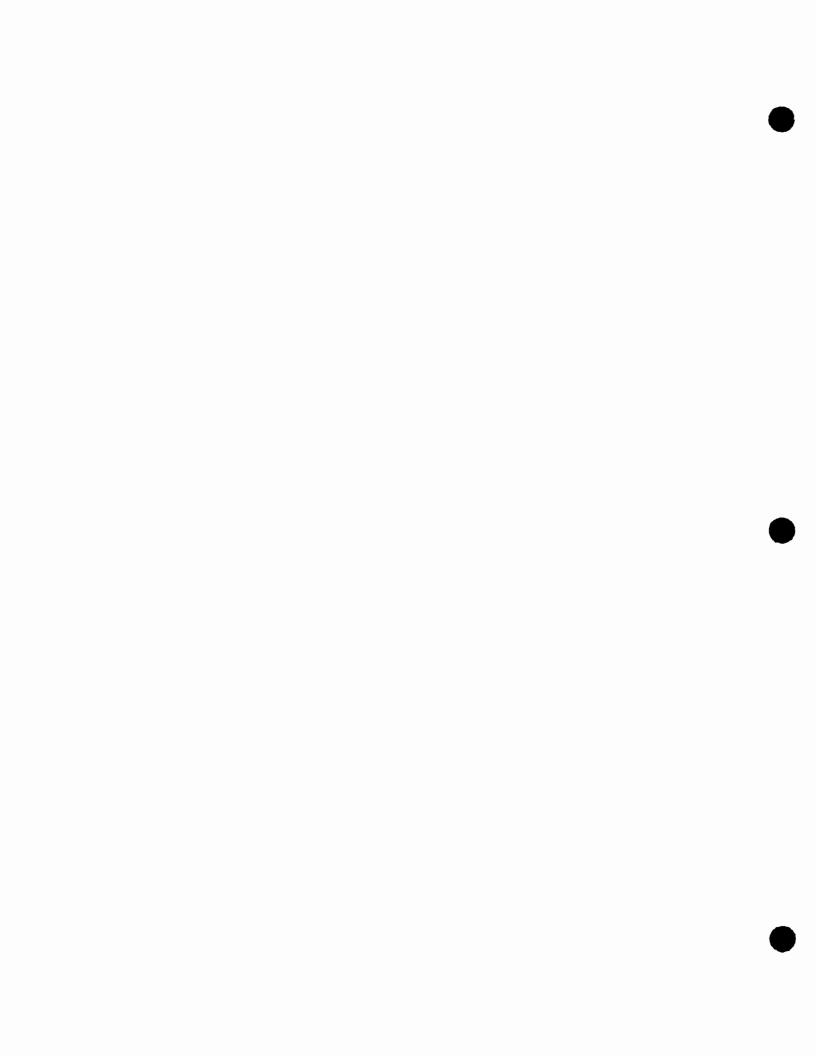
- Primary and Secondary Maintenance
 - Traffic management
 - Roadside environmental activities
 - · Snow and ice removal
 - · Litter and debris removal
 - Drainage installation and improvements
 - · Pavement markings, sign installation & replacement
 - Mowing and vegetation management
- Pavement Preservation
- Contract Resurfacing
- Bridge Program Activities
 - Repair, preservation, and replacement



Rail



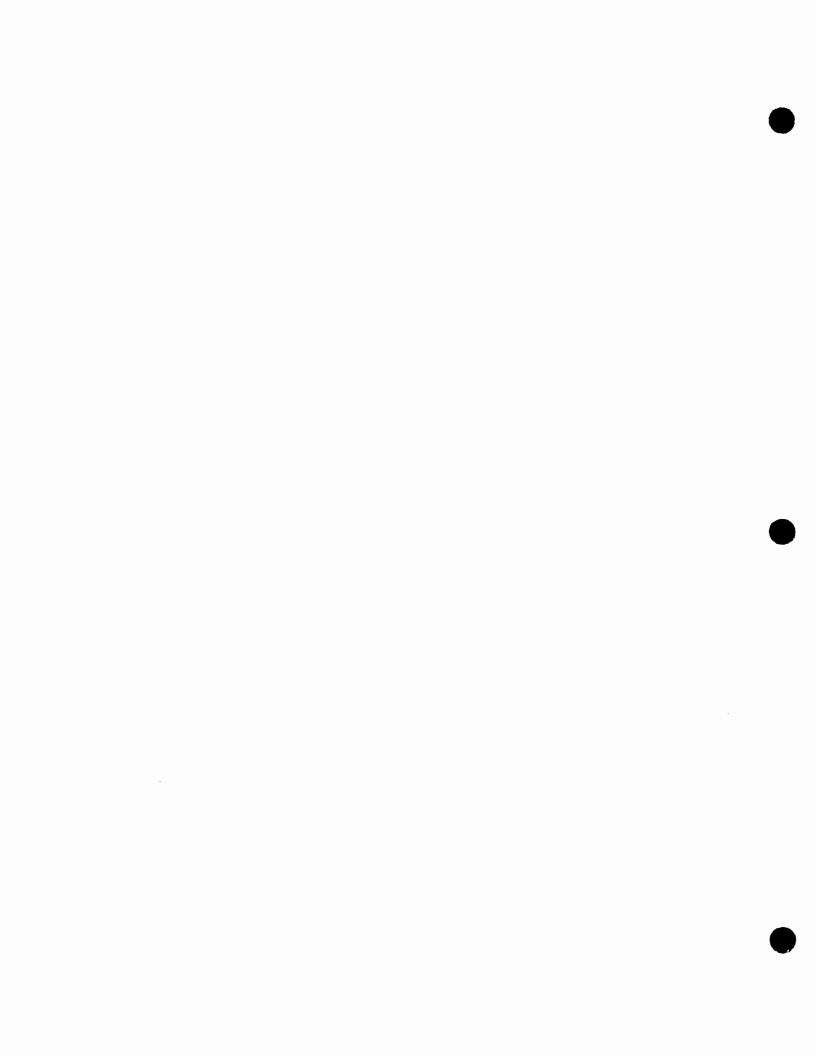
- Railroads in North Carolina operate more than 3,300 miles of track
- There are 3,834 at-grade public crossings statewide
 - 70% have signal warning devices (gates and/or flashing lights)
- Two Class I and 21 short line railroads operate in North Carolina, transporting more than 1.6 million carloads of freight each year
- The state-owned *Piedmont* provides passenger service between Charlotte and Raleigh 3 times daily; state-supported *Carolinian* provides service between Charlotte and Raleigh with continuing service to New York City



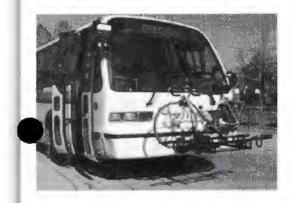
Aviation

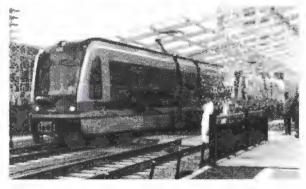


- Responsible for 3 primary functions:
 - State system planning
 - Airport and aviation system development
 - Operations and maintenance of state aircraft
- Aircraft provide a range of services:
 - Statewide emergency response
 - Aerial photography and spatial information for transportation projects
 - Passenger service
- Commercial and general aviation airports contribute about \$26 billion to the state's economy each year and help create more than 108,000 jobs.

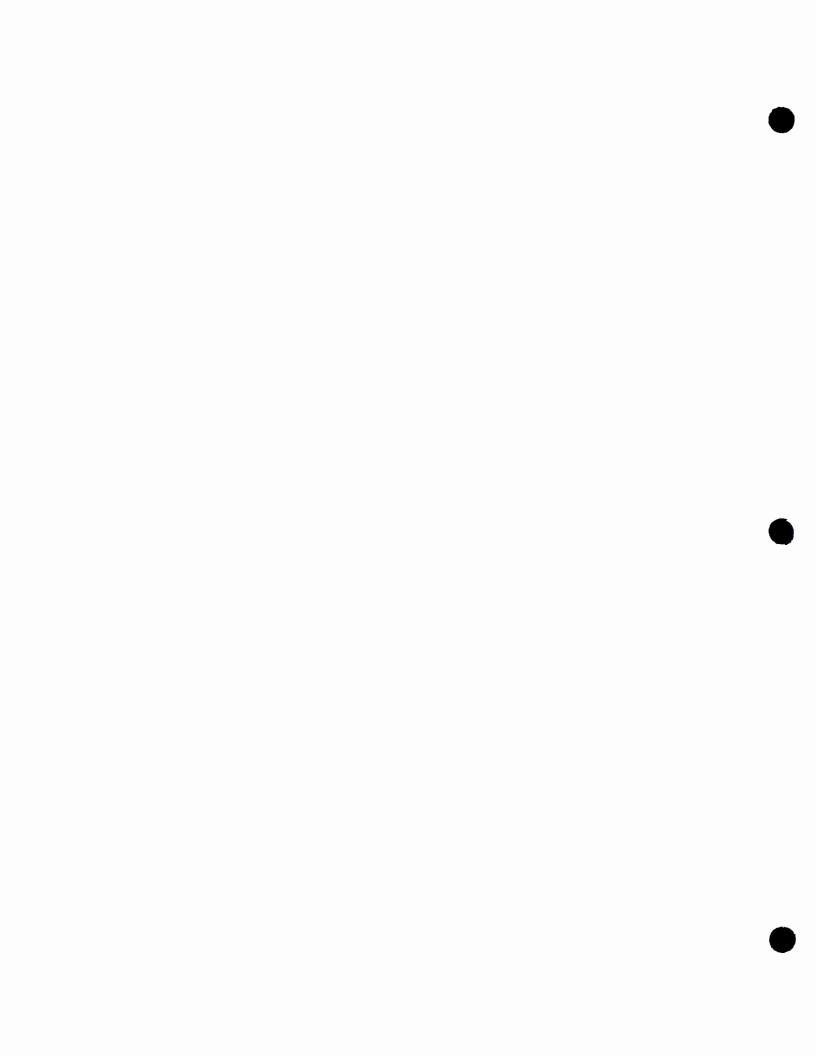


Public Transportation

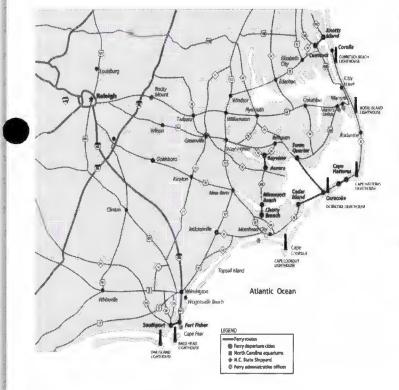




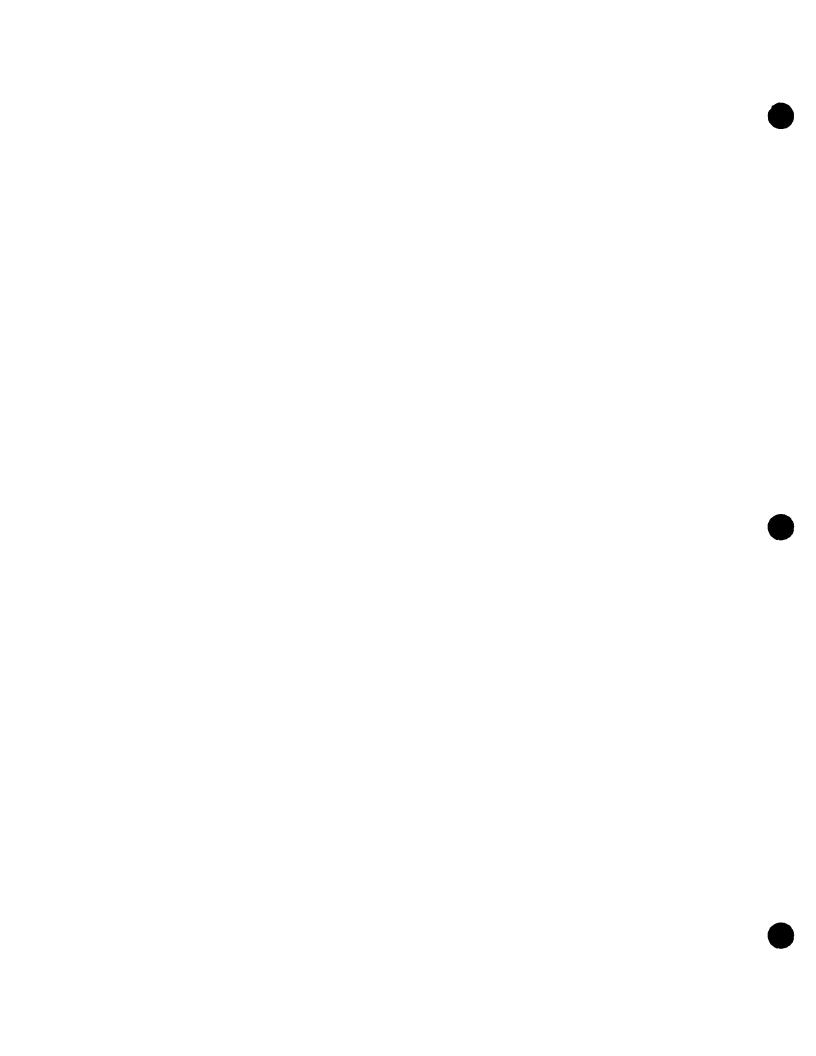
- Administer federal and state grants, provides safety and training opportunities, and planning and technical assistance to systems
- Systems are county/municipally owned and provide service in all 100 counties; includes light rail
 - Provided 77.5 million individual trips in 2014
 - Operate 2,398 vehicles
 - Provided 88.9 million miles of service
- 15% ridership increase since 2008
- Systems employ about 5,000 people across the state; \$409 million industry



Ferry



- Largest state-owned system on the east coast; second largest in the nation
- Operate 22 ferries across
 7 routes; 3 routes tolled
- Carry about 2 million passengers per year
- Vital in hurricane evacuation and post-storm recovery on Outer Banks

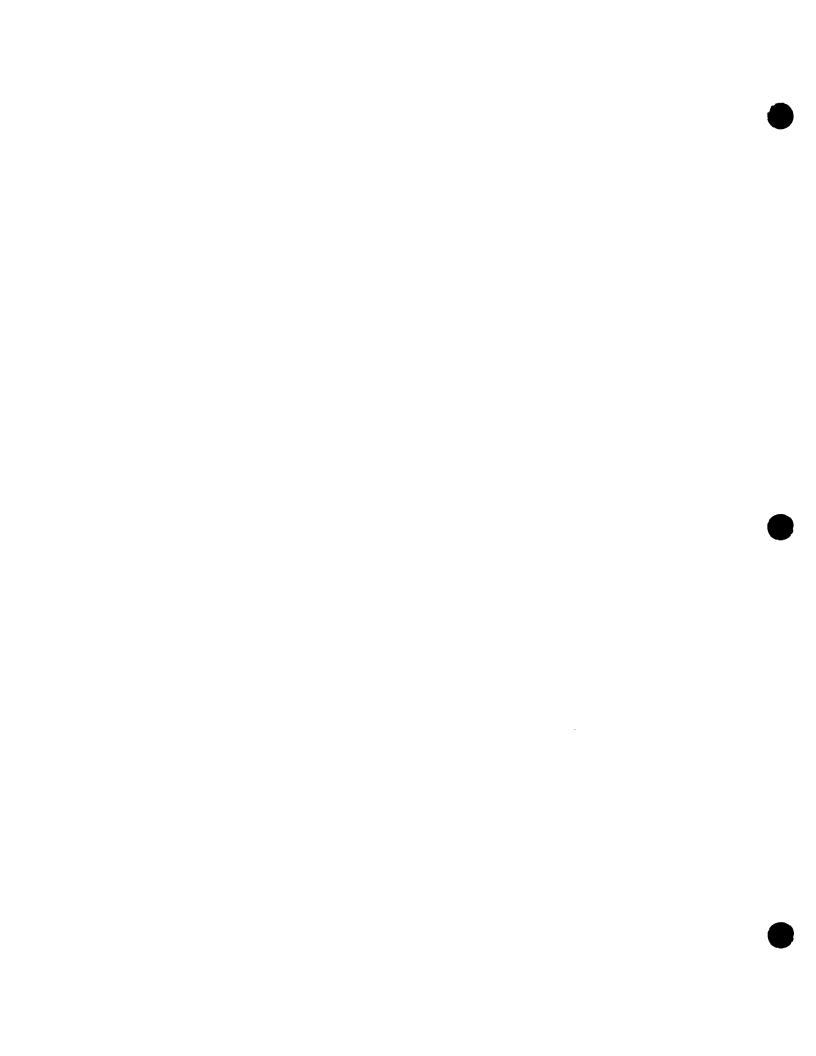


Bicycle and Pedestrian





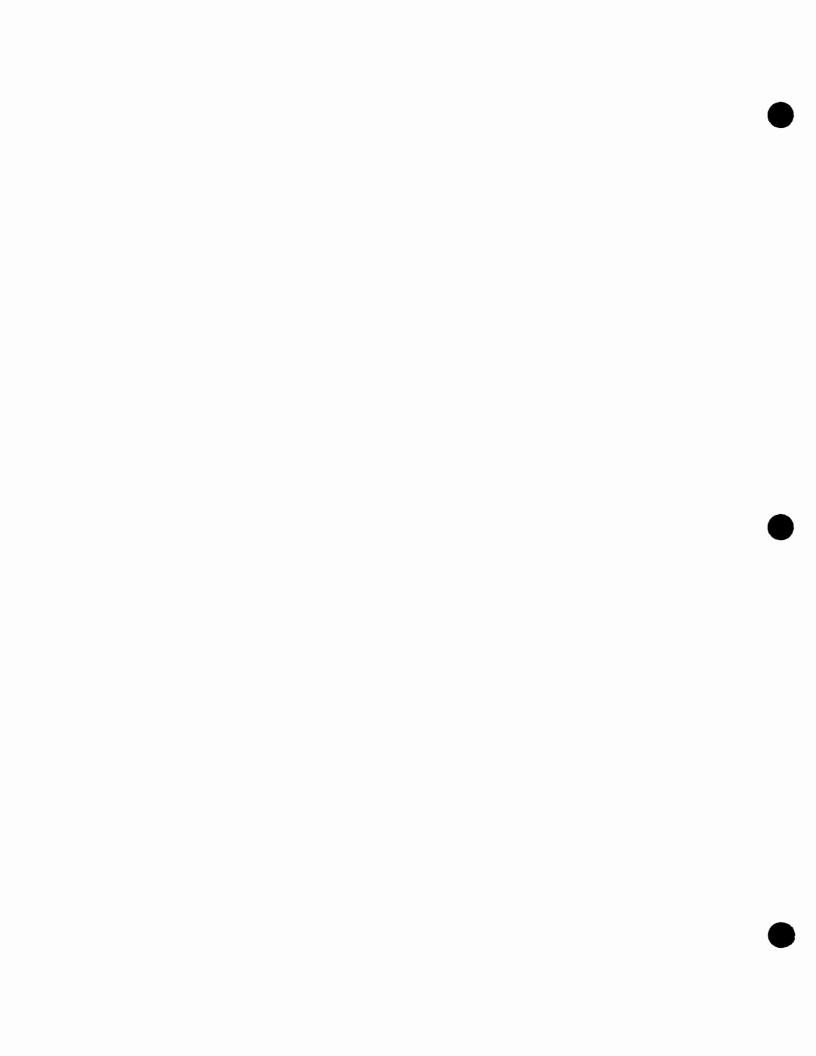
- Touches all aspects of bicycling and walking, including:
 - Designing facilities
 - Creating and implementing safety and educational programs and campaigns
 - Fostering multi-modal planning
 - Integrating bicycling and walking into ongoing activities of NCDOT
 - Mapping cross-state bicycle routes



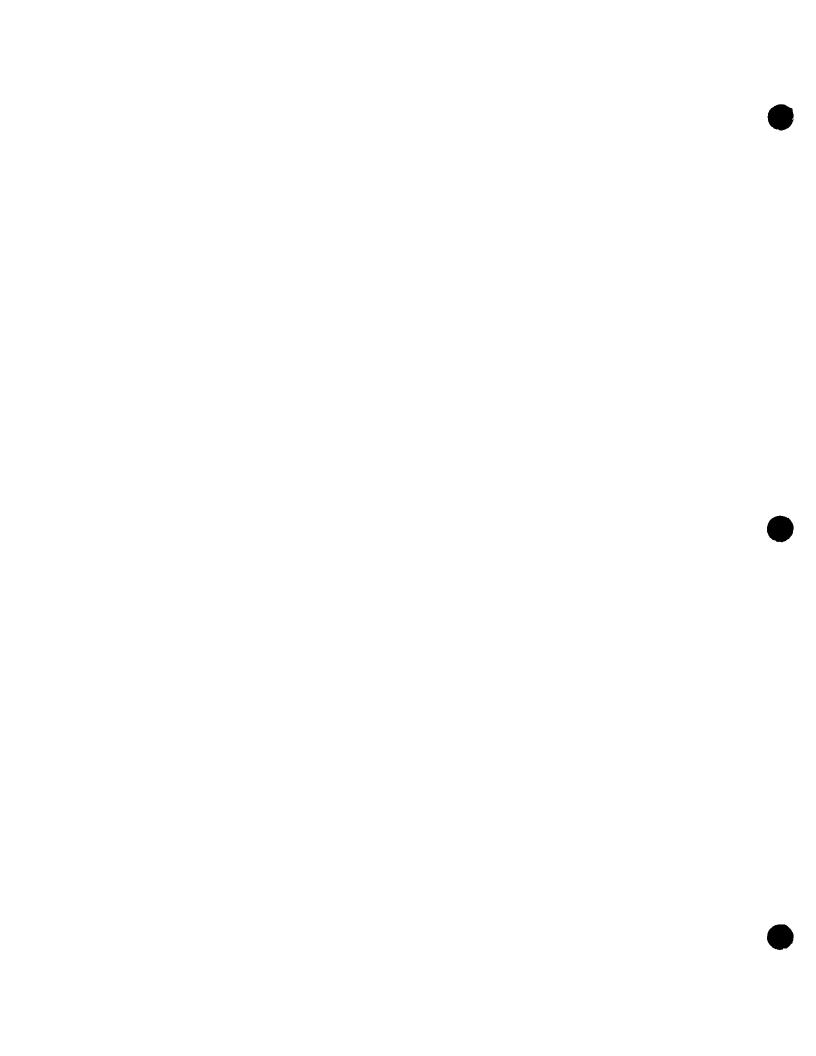
Division of Motor Vehicles (DMV)

- Registers about 34,500 vehicles per day; 8.8 million vehicles registered in North Carolina
- Conducts more than 8,300 driver license-related transactions daily; 7.4 million licensed drivers in North Carolina
- Oversees administrative hearings, DWI revocations and insurance lapses
- Tracks and audits more than 5.9 million vehicle emissions inspections and more than 3 million safety inspections
- DMV's License and Theft Bureau recovered 911 stolen vehicles valued at \$7.4 million in 2014





Questions?



Senate Committee on Appropriations on Department of Transportation Thursday, March 5, 2015 at 8:30 AM Room 1228/1327

MINUTES

The Senate Committee on Appropriations on Department of Transportation met at 8:30 AM on March 5, 2015 in Room 1228/1327. Six Senate members and seven House members were present.

Senator Wesley Meredith, Chair, presided.

Anna DeGrauw from Mecklenburg County and Ann Hunter Carraway from Wake Forest served as pages.

Senator Meredith introduced each presenter in the following order.

David Wasserman, Senior Transportation Engineer from the Prioritization Office for the Department of Transportation gave the review of the Prioritization 3.0/Draft STIP.

Joe Guerre, Principal of Cambridge Systematics presented Review of 3.0 Methodology a Summary of Key Findings and Recommendations. Questions raised during this segment were responded to by Mr. Guerre and Amna Cameron from Fiscal Research.

Susan Pullium the Director of Strategic Planning for the Department of Transportation presented the Review of Changes Under Consideration by P4-O Workgroup. Questions from members were responded to by Ms. Pullium and Ms. Cameron.

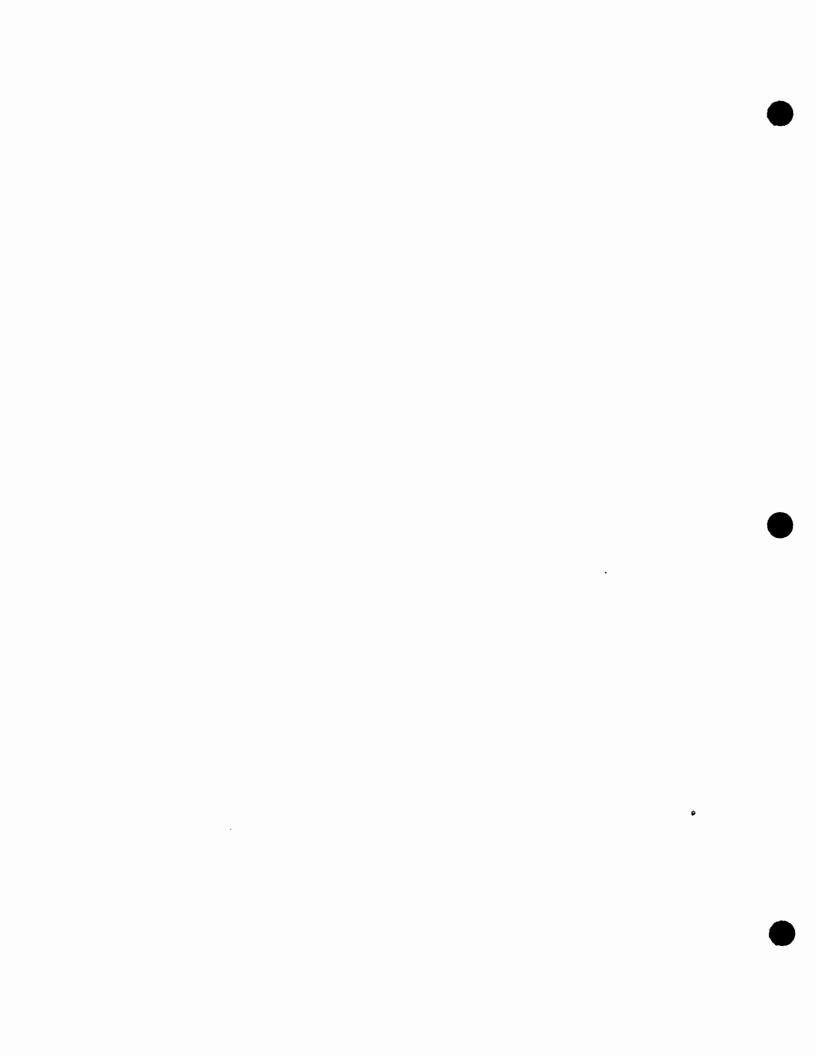
Paul Black the President of the North Carolina Association of MPO's/Director of the French Broad River MPO and Patrick Flanagan from the Executive Committee of the North Carolina Association of RPO's/Director of Down East RPO gave the last presentation of the day, the MPO/RPO Feedback on Process.

The meeting adjourned at 9:39 AM.

Senator Wesley Meredith, Chair

Presiding.

Debbie Lown, Committee Clerk



Joint Appropriations Committee on Transportation

March 5, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs:

Representative John Torbett Representative Phil Shepard

Representative Frank Iler Representative Paul Tine Senator Bill Rabon

Senator Wesley Meredith, Chairing

- Call to Order
- Review of P3.0 Methodology

David Wasserman, Senior Transportation Engineer Prioritization Office Department of Transportation

Summary of Statistical Analysis and Review of P3.0 Process

Joe Guerre, Principal Cambridge Systematics

Review of Changes Under Consideration by P4.0 Workgroup

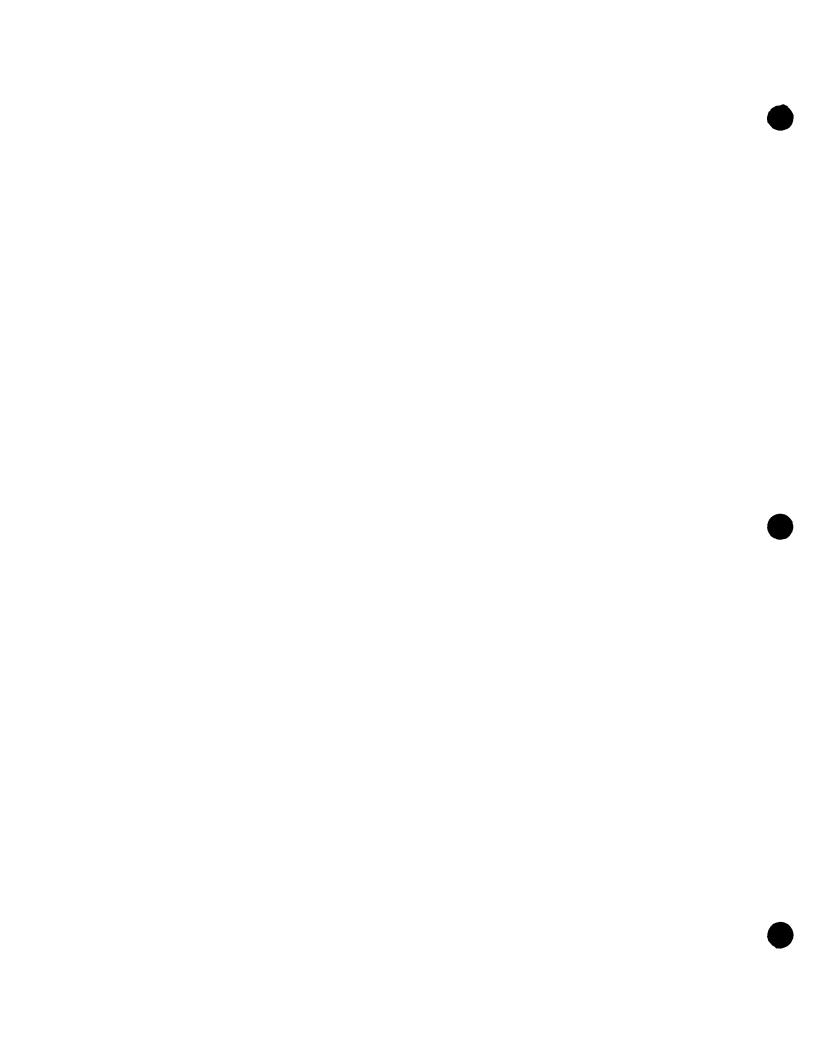
Susan Pullium, Director of Strategic Planning Department of Transportation

MPO/RPO Feedback on Process

Paul Black President, North Carolina Association of MPO's Director, French Broad River MPO

Patrick Flanagan Executive Committee, North Carolina Association of RPO's Director, Down East RPO

Next meeting: Governor's Transportation Budget- Wednesday, March 11, 8:30 a.m.





Prioritization 3.0 / DRAFT STIP

David Wasserman, P.E. NCDOT Prioritization Office March 5, 2015



How the STI Works

40% of Funds = \$6B

30% of Funds = \$4.5B

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Estimated \$15B in Funds for SFY 2016-2025

Statewide Mobility

Focus → Address Significant Congestion and Bottlenecks

Eligible Projects

- Statewide type Projects (such as Interstates)
- Selection based on 100% Data
- Projects Programmed prior to Local Input Ranking

Regional Impact

Focus → Improve Connectivity within Regions

Eligible Projects

- Projects Not Selected in Statewide Mobility Category
- Regional Projects
- Selection based on 70% Data & 30% Local Input
- Funding based on population within Region (7)

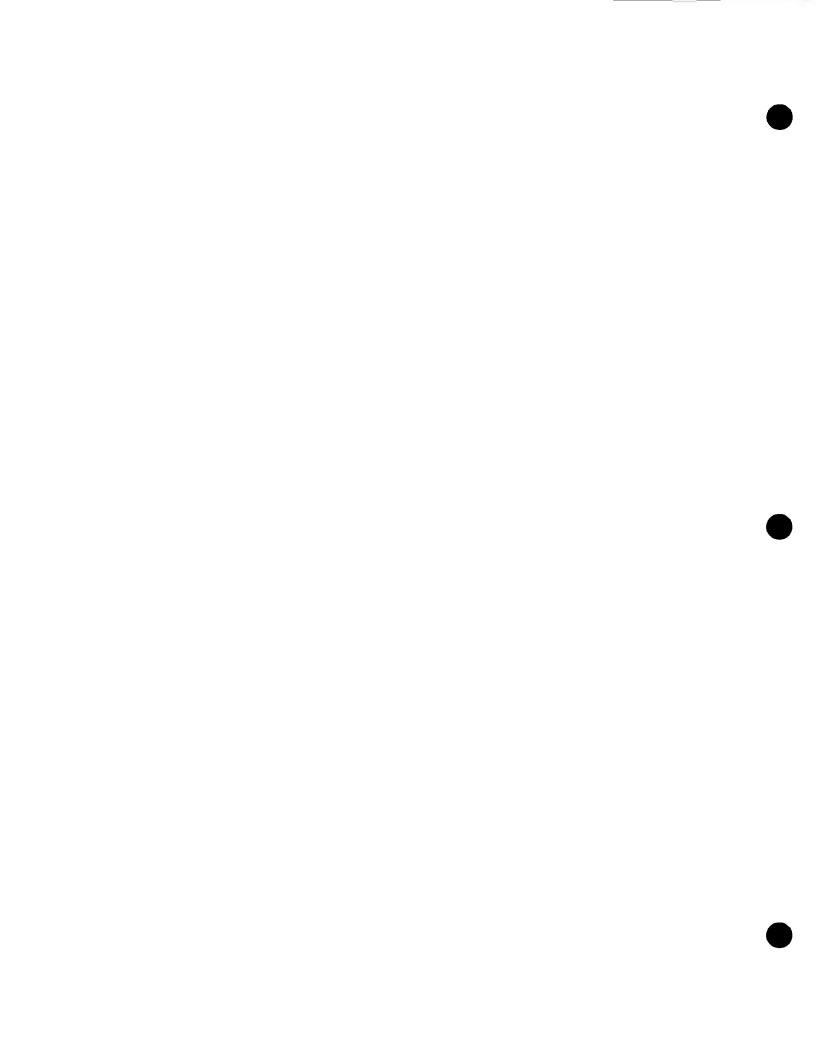
Division Needs

Focus → Address Local Needs

Eligible Projects

- Projects Not Selected in Statewide or Regional Categories
- Division Projects
- Selection based on 50% Data & 50% Local Input
- Funding based on equal share for each Division (14) = ~\$25M / yr.

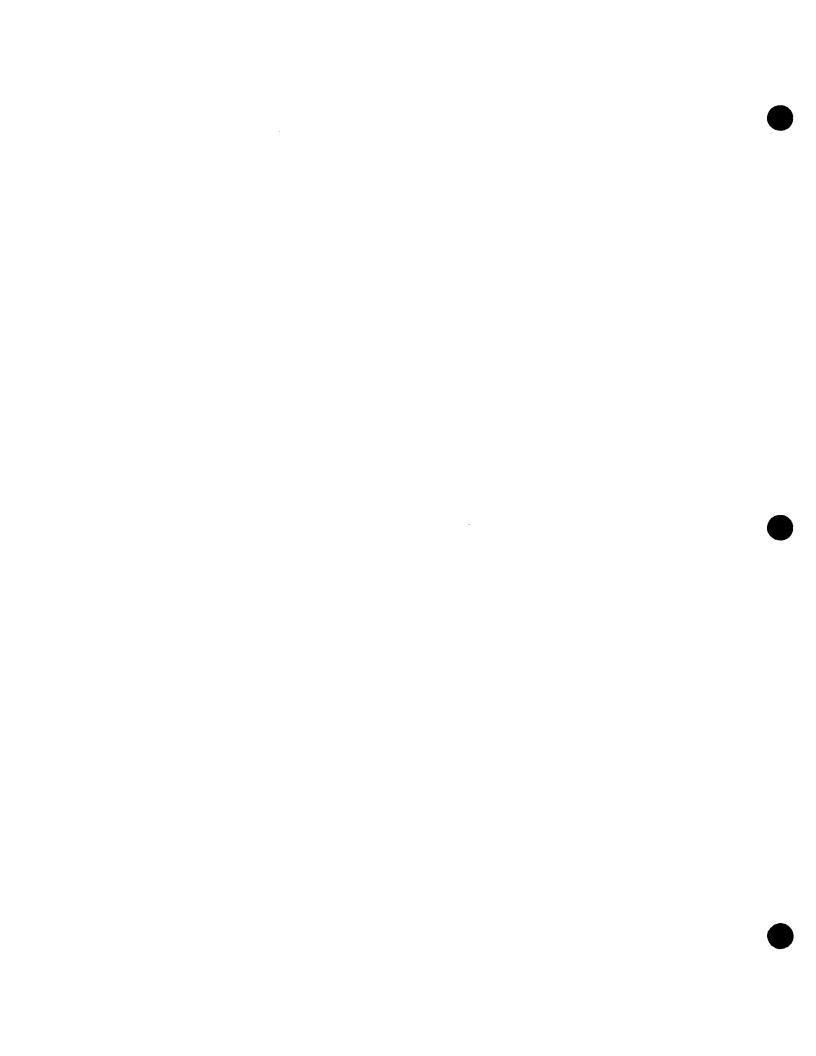
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Highway Scoring Criteria and Weights

| Funding | QUANTITATIVE | LOCAL INPUT | | | |
|---|---|---------------|--------------|--|--|
| Category | Data | Division Rank | MPO/RPO Rank | | |
| Statewide Mobility | [Travel Time] Benefit/Cost = 30% Congestion = 30% Economic Competitiveness = 10% Safety = 10% Multimodal [& Freight + Military] = 20% | | | | |
| | Total = 100% | | | | |
| Regional Impact Division Needs | [Travel Time] Benefit/Cost = 25% Congestion = 25% Safety = 10% Accessibility/Connectivity = 10% | 15% | 15% | | |
| | Total = 70% | | | | |
| | [Travel Time] Benefit/Cost = 20% Congestion = 20% Safety = 10% | 25% | 25% | | |
| | Total = 50% | | | | |

Note: Div. 1, 2, 3, & 4 have agreed to use different criteria for Regional Impact and Division Needs projects.





STI – Non-Highway Criteria

Separate prioritization processes for each mode

Must have minimum of 4 quantitative criteria

Criteria based on 0-100 point scale with no bonus points and not favoring any particular mode of transportation

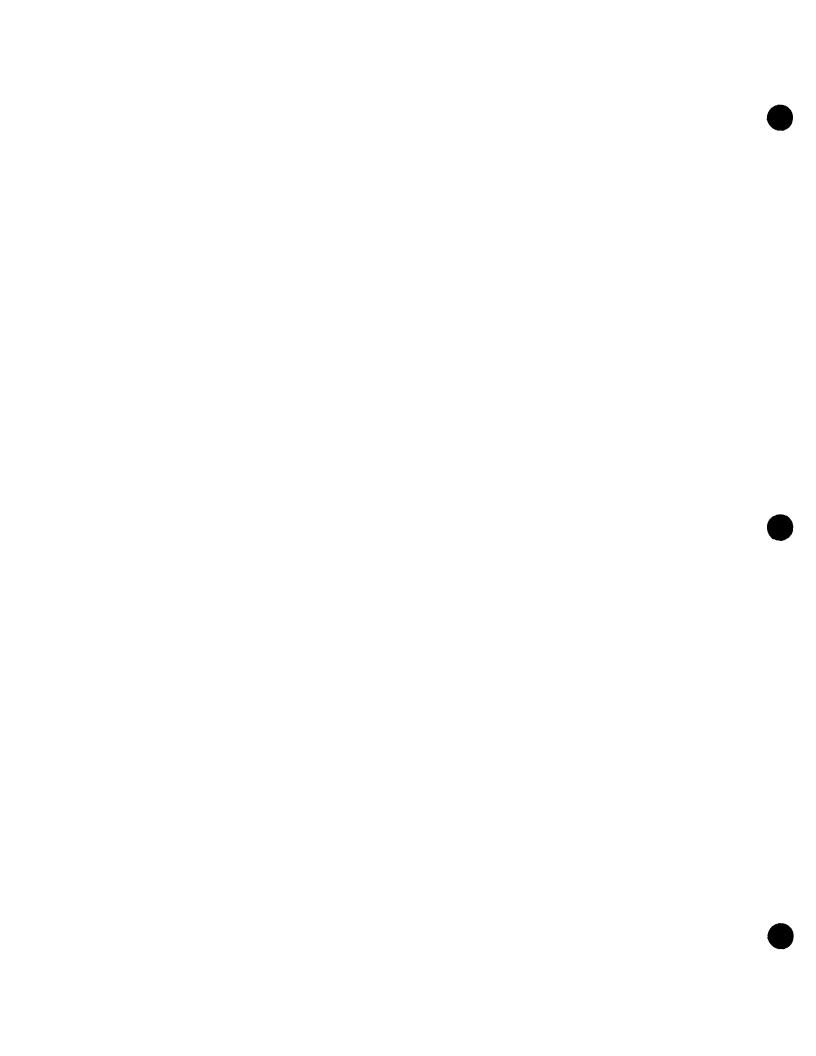












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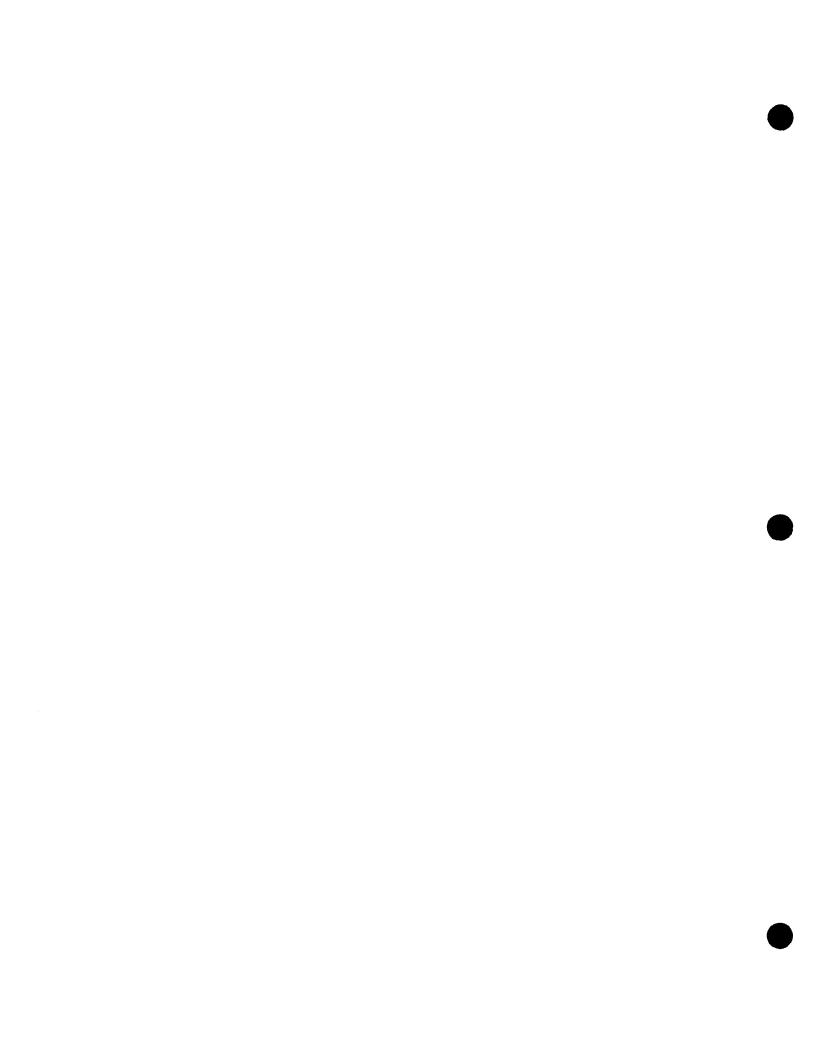
North Carolina

Normalization Approach

For Prioritization 3.0

- Statewide Mobility (only) No normalization, scores are stand-alone for comparison (highway, aviation, freight rail)
- Regional Impact & Division Needs Allocate funds to Highway and Non-Highway modes based on minimum floor or %s

| Mode | Workgroup Recommendation | Historical Budgeted | Historical Expenditures | Draft 2016-2025 STIP Funding |
|-----------------|-----------------------------|------------------------|----------------------------|---------------------------------|
| Highway | 90% (min.) | 93% | 96% | 95% |
| Non- Highway | 4% (min.) | 7% | 4% | 5% |



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Projects Scored

Highways - 1800

Bicycle/Pedestrian - 500

Public Transportation – 200

Aviation - 500

Ferry - 50

Rail - 50

TOTAL = 3100

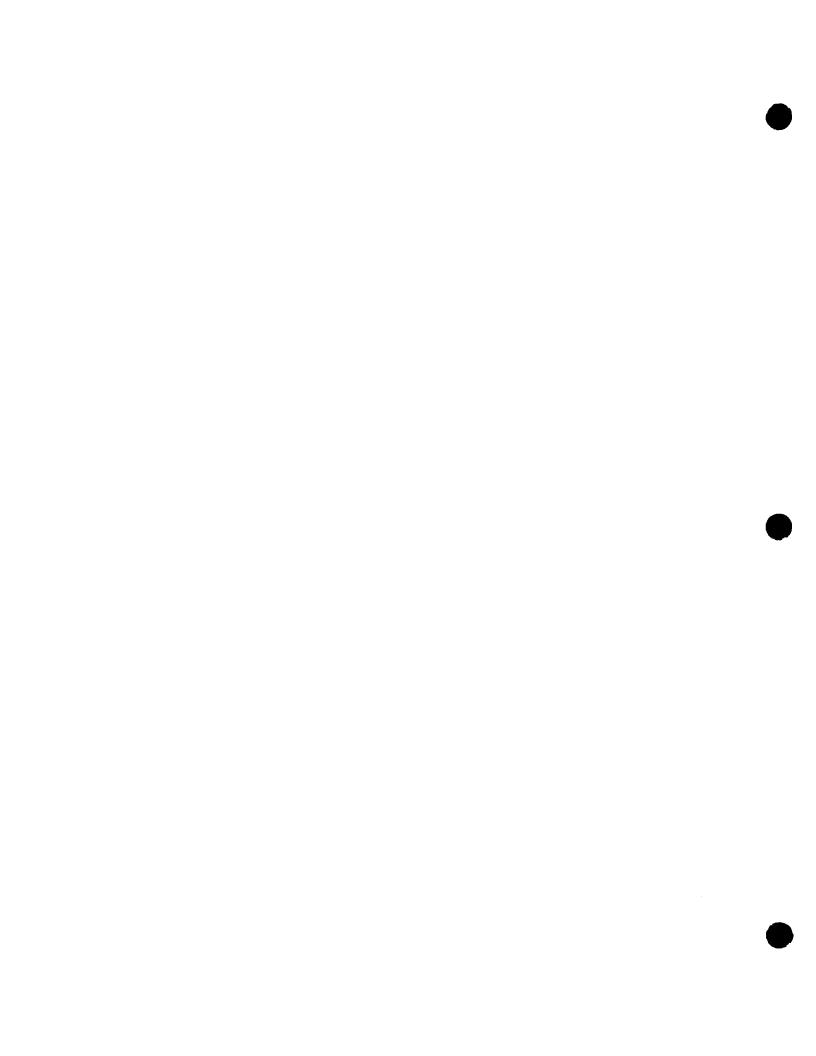
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Projects Programmed in Draft STIP

| Projects | Statewide Mobility | Regional Impact | Division Needs | Total |
|-----------------|-----------------------|--------------------|-------------------|-------|
| Highway | 85 | 149 | 184 | 418 |
| Non- Highway | 11 | 13 | 117 | 141 |
| Total | 96 | 162 | 301 | 559 |





presented to

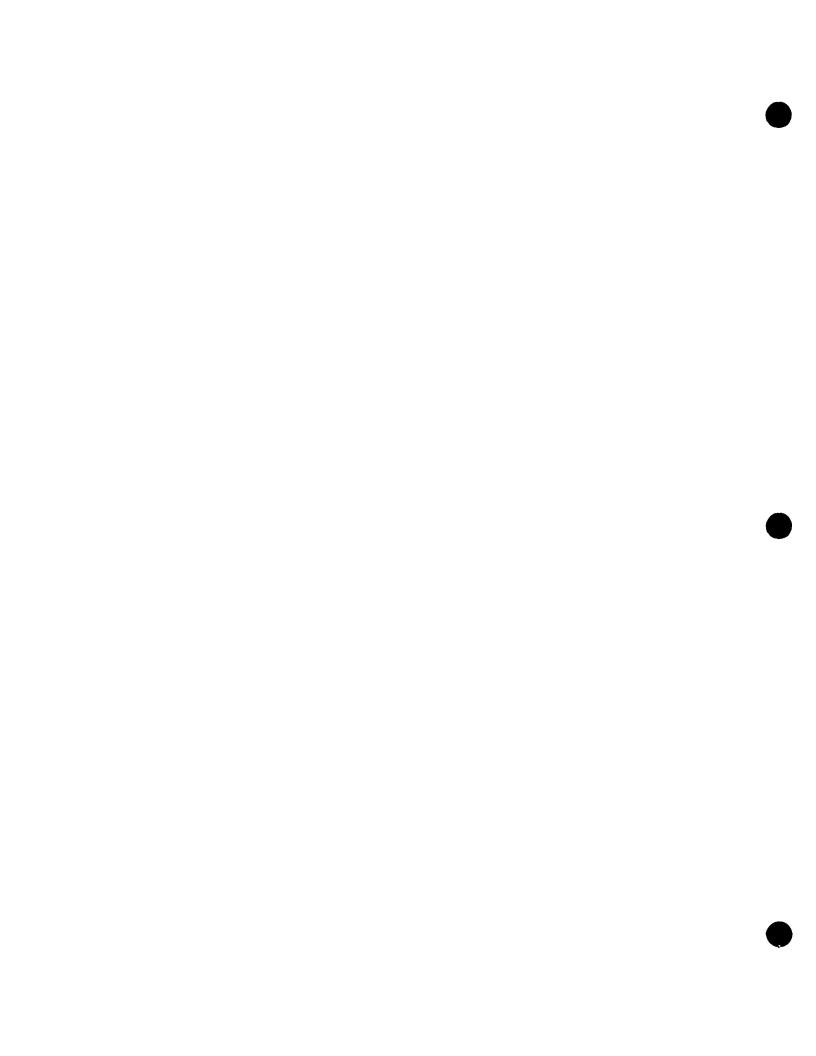
NC Joint Transportation Appropriations Committee

presented by
Cambridge Systematics, Inc.
Joe Guerre

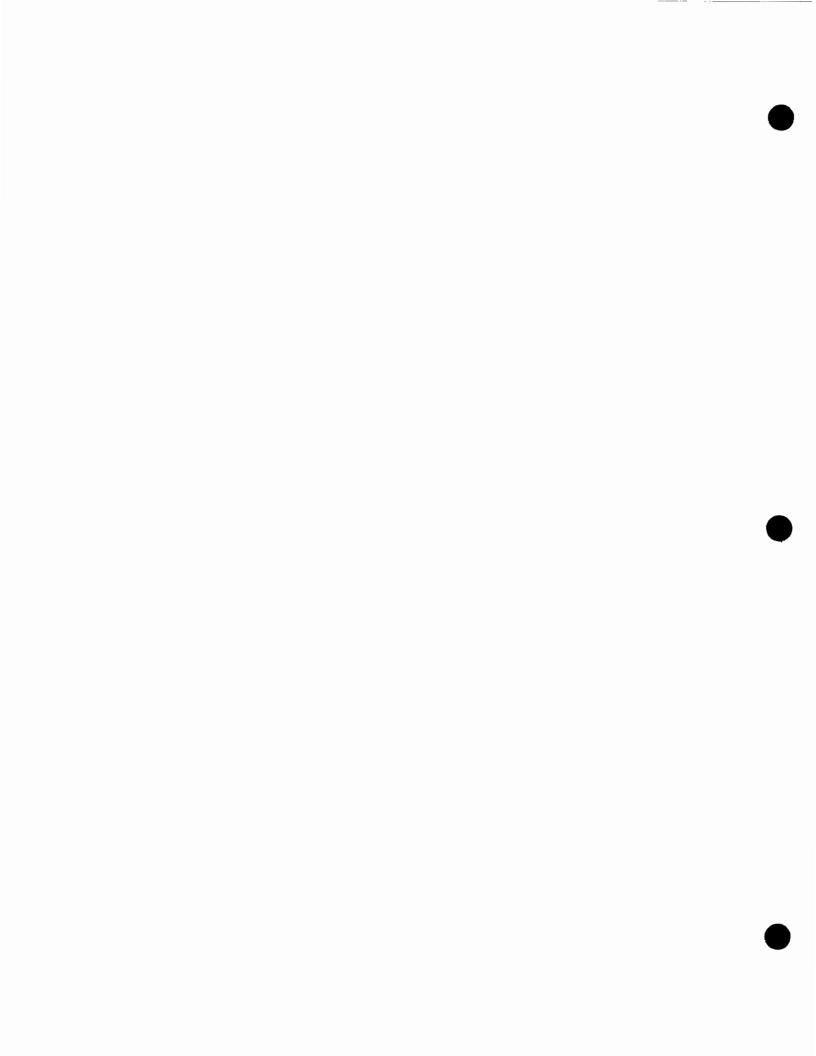
March 5, 2015

ECONOMETRICA, INC.

CAMBRIDGE

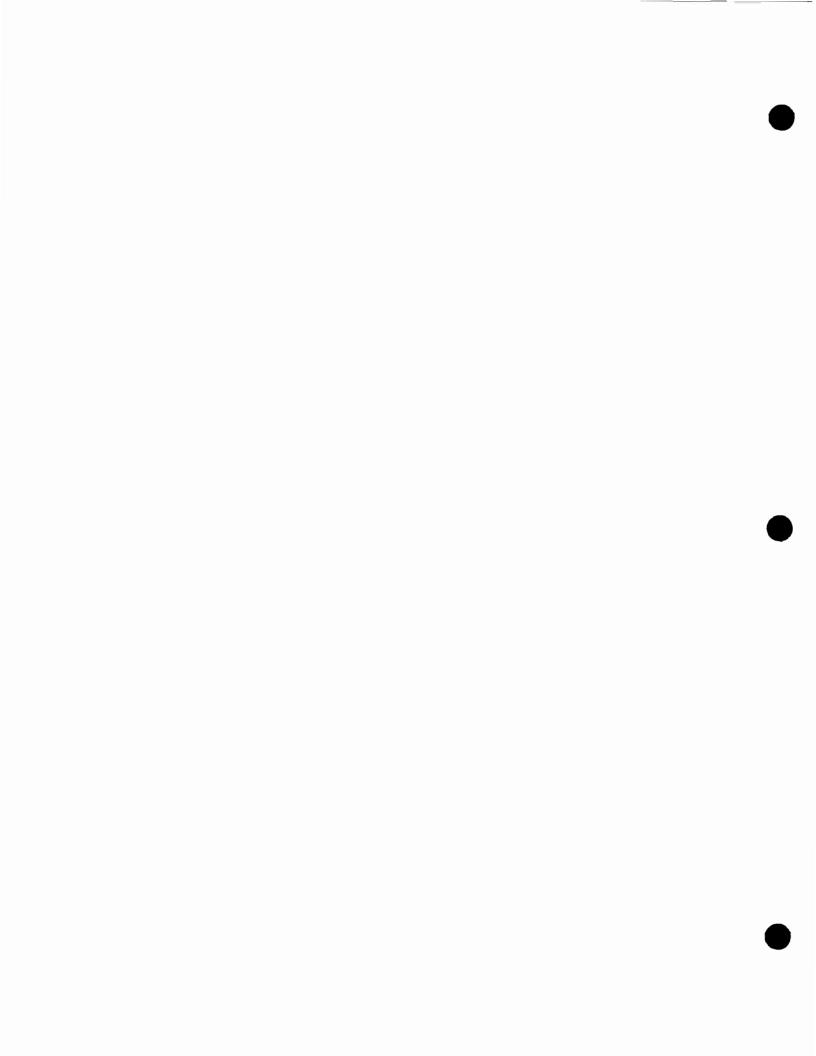


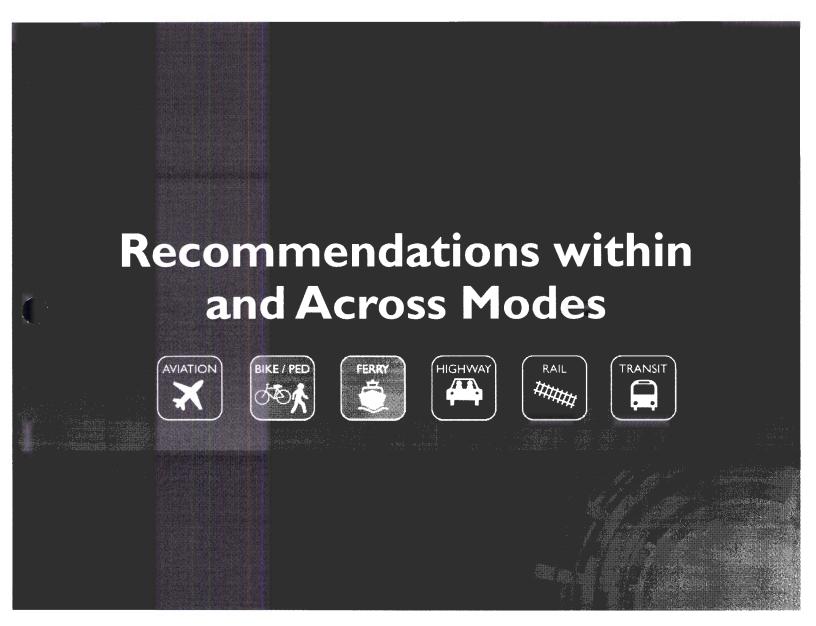
Approach Statistical Transportation Track Track Recommended **Enhancements** CAMERIDE ECONOMETRICA, INC.

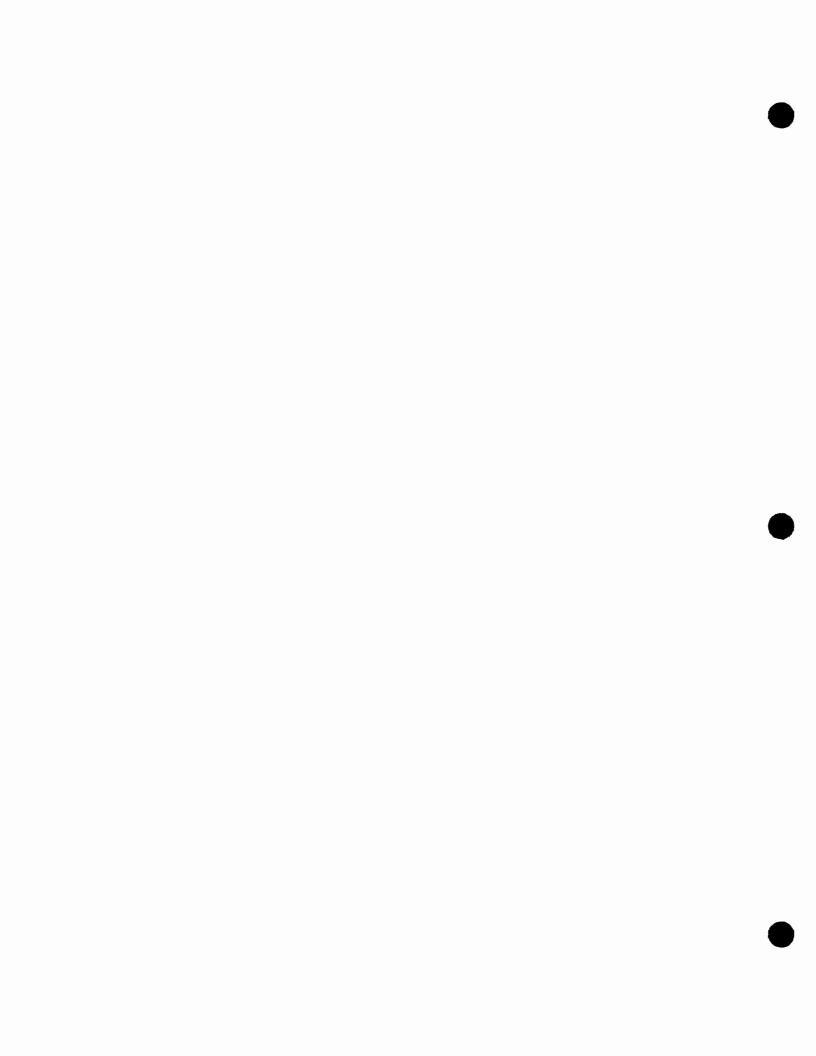


Overall Themes

- Very mature process that represents significant time and numerous best practices
- From outside perspective, we've identified some inconsistencies and relatively easy options to address them
 - » Mathematical inconsistencies
 - » Terminology inconsistencies
- Significant biases by project type don't appear to be an issue







Biggest Statistical Issues Across Modes

Low ranges and disproportional weighting

| Disproportionate Impact of Criteria on Quantitative Scores Statewide Rail Projects | | | | | | | |
|--|-----------------|---|------------------------|--------|---------------|--------------|----------|
| Statistic | Benefit Cost | Total Control of the | Capacity Congestion | Safety | Accessibility | Connectivity | Mobility |
| Weight | 20% | 10% | 15% | 15% | 10% | 10% | 20% |
| Percent of Score Accounted for by Criteria | 5% | 2% | 9% | 18% | 3% | 8% | 54% |

Global recommendation - scale all criteria from 0-100 consistently

ECONOMETRICA, INC.



Recommendation – Grade all Projects on a Curve

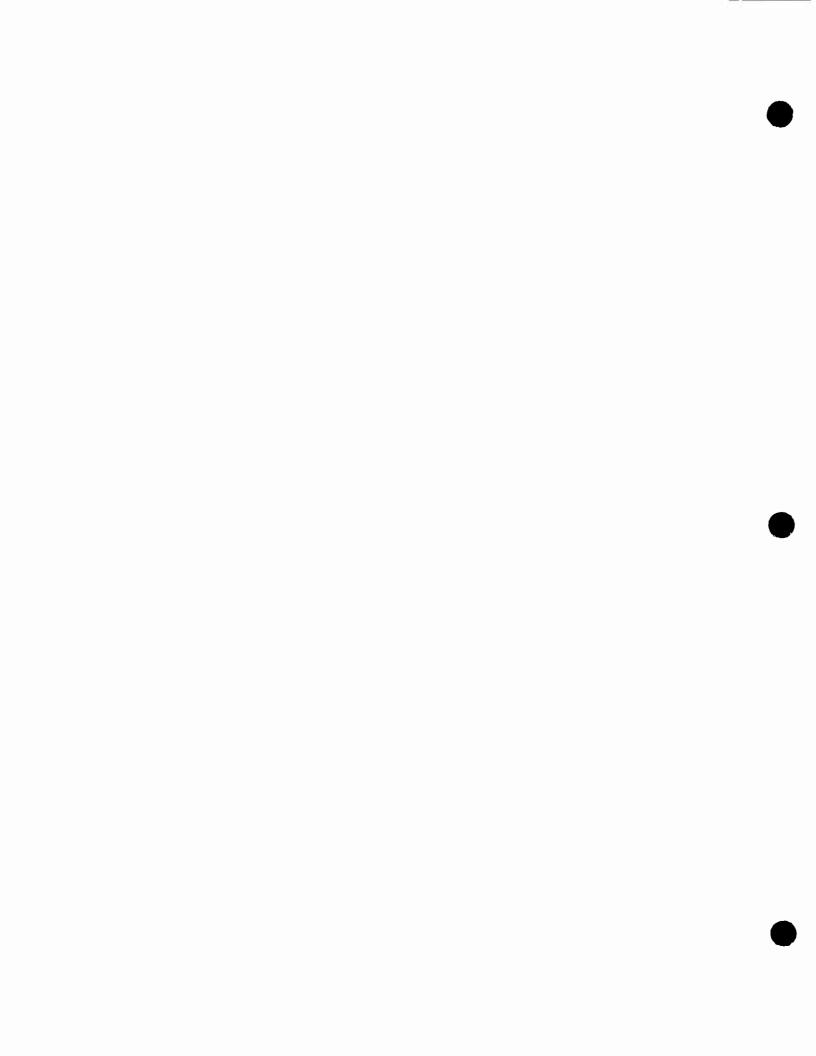
Example – Highway Congestion



P3.0 — Recommended scaling based on relative distribution

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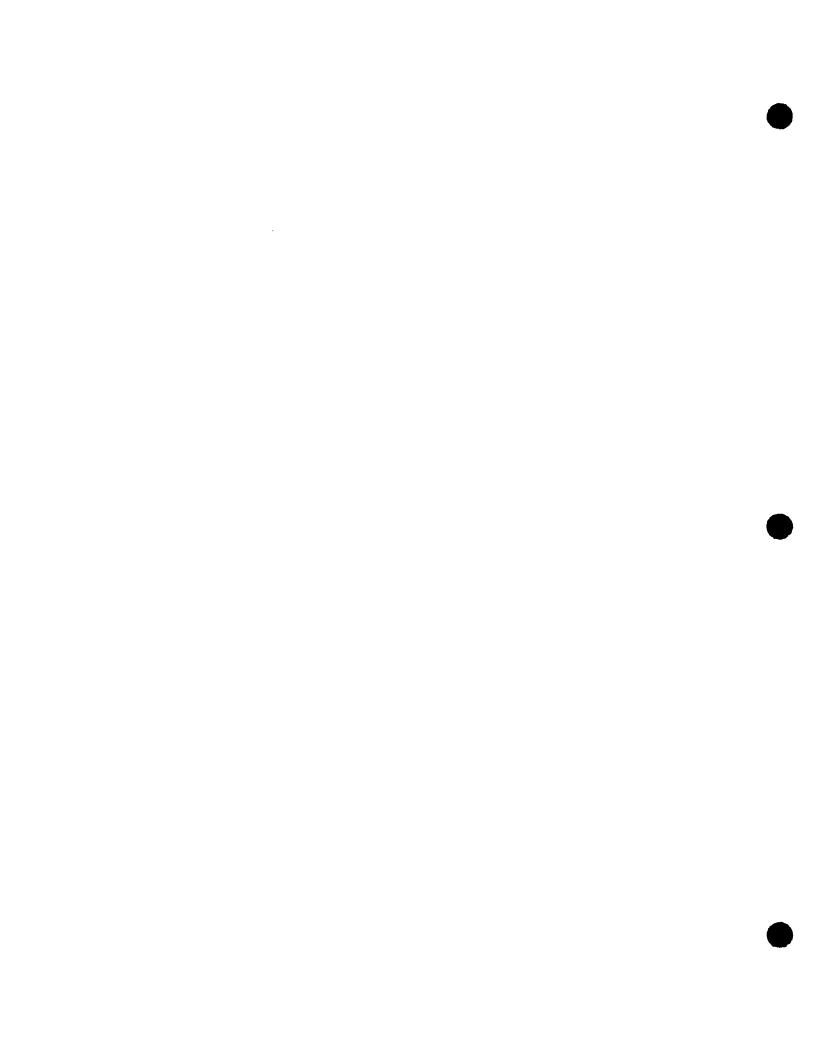


Implications of Grading on a Curve

- It will be possible for a project to get a total score of 100
- There will be a mixture of low, medium and high scoring projects
- Results will more closely reflect the weights assigned to each criterion
 - Consistent scaling will help with prioritization within modes and prioritization across modes

Econometasca, Inc





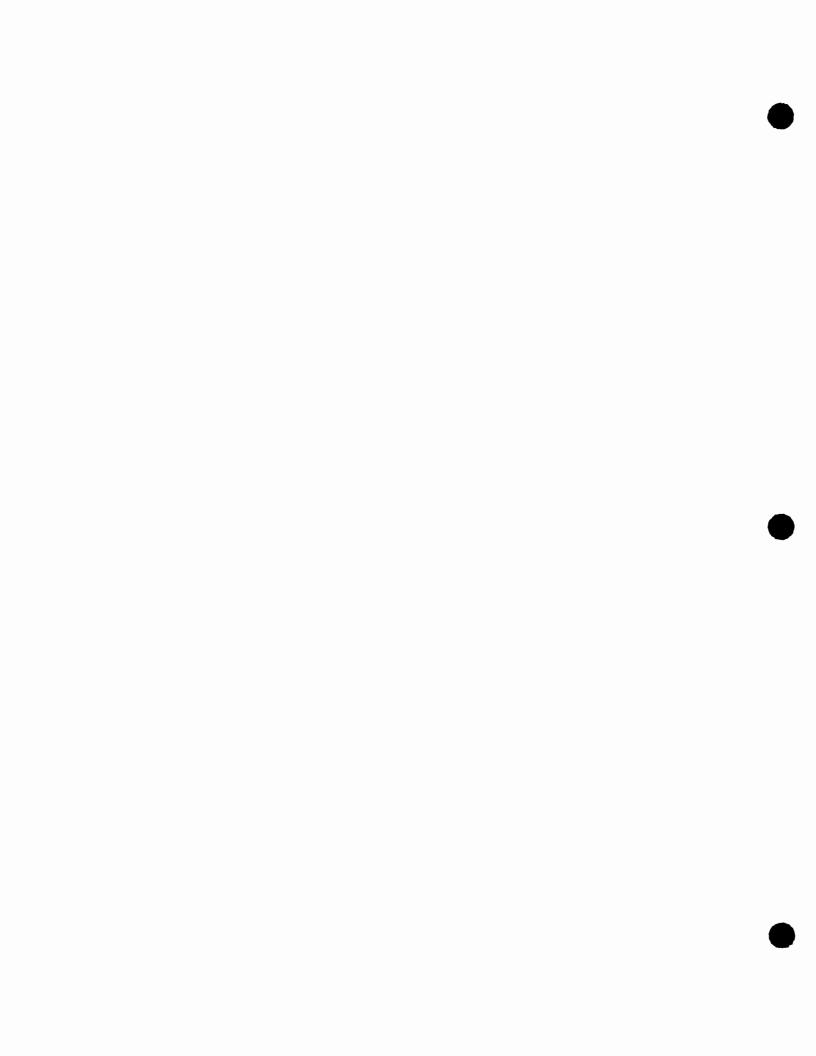
Other Global Recommendations

- Improve consistency of terms between modes
- When possible, evaluate projects based on expected benefit rather than current conditions
- Calculate cost-effectiveness when benefit-cost is not possible

$$Cost - Effectiveness = \frac{non - monitized\ benifits}{project\ cost}$$

Introduce a new Financial Leverage criterion

$$Financial\ Leverage = \frac{non - NCDOT\ project\ costs}{NCDOT\ project\ costs}$$



Other Global Recommendations

It's not mathematically possible to definitively quantify the differences between apples and oranges.

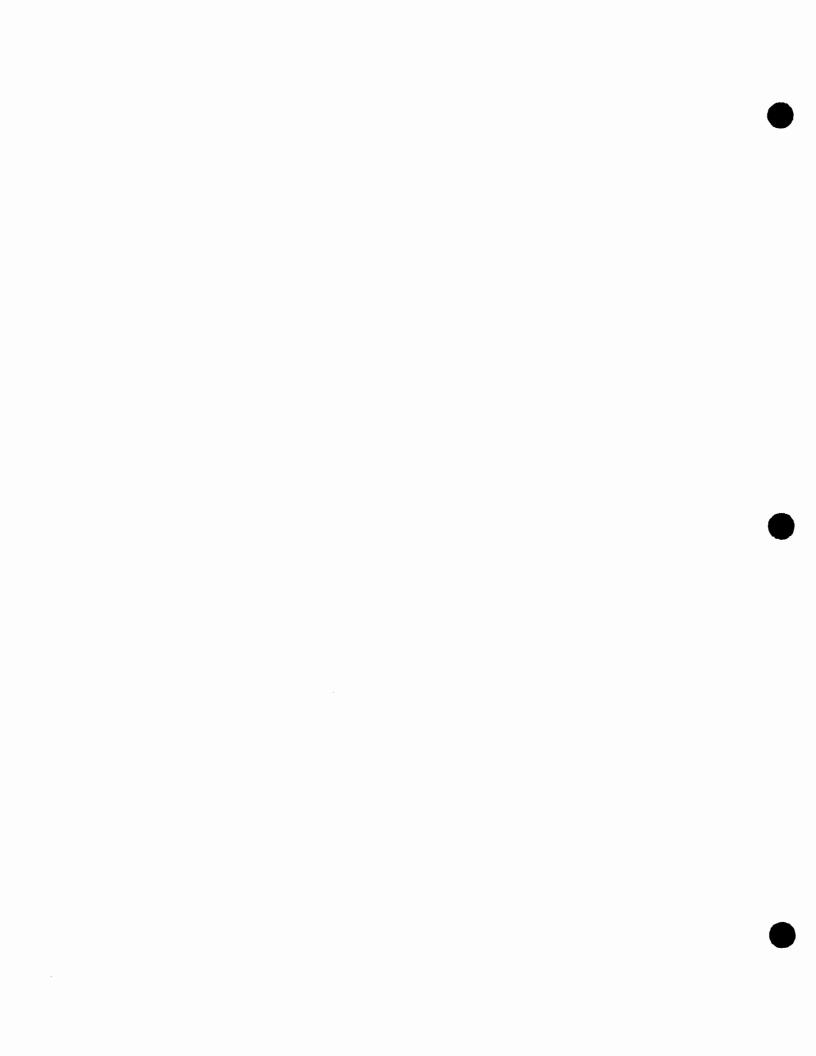
But we make these types of decisions every day.



- Cross-modal recommendations
 - » Continue to use mode-specific criteria rather than criteria that are applicable across modes
 - » Ensure transparency when evaluating priorities across modes

Econometrica.Inc.





Highway Recommendations



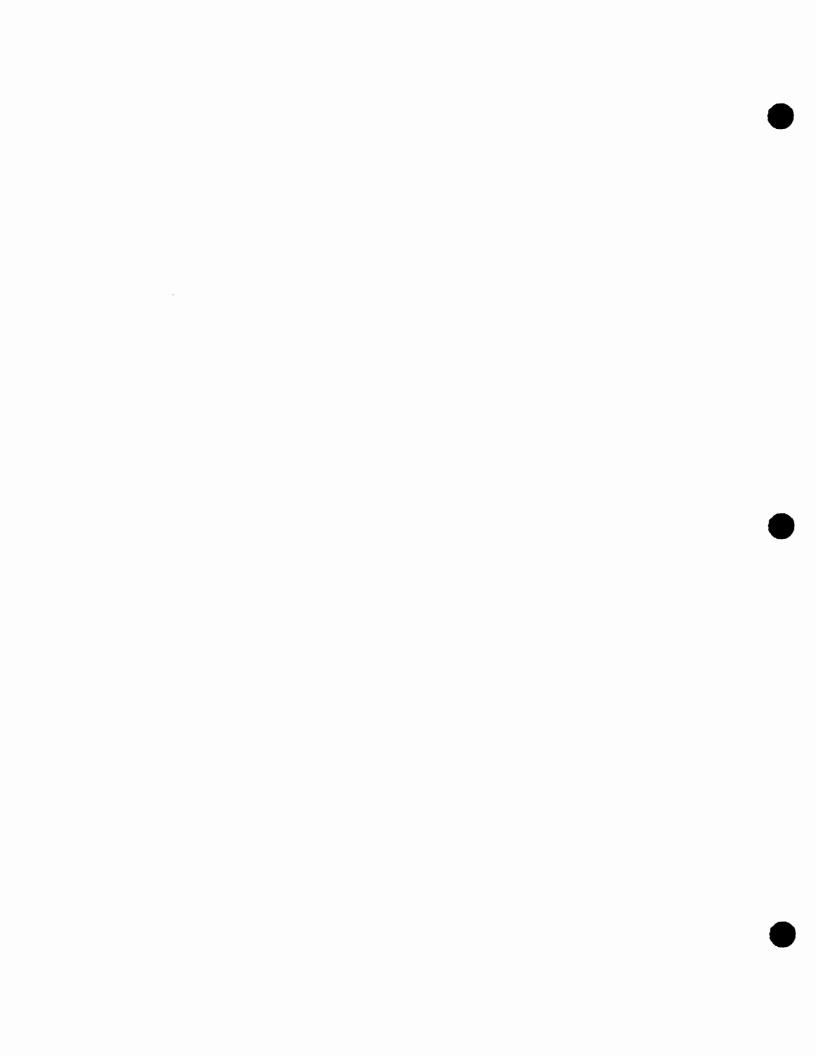










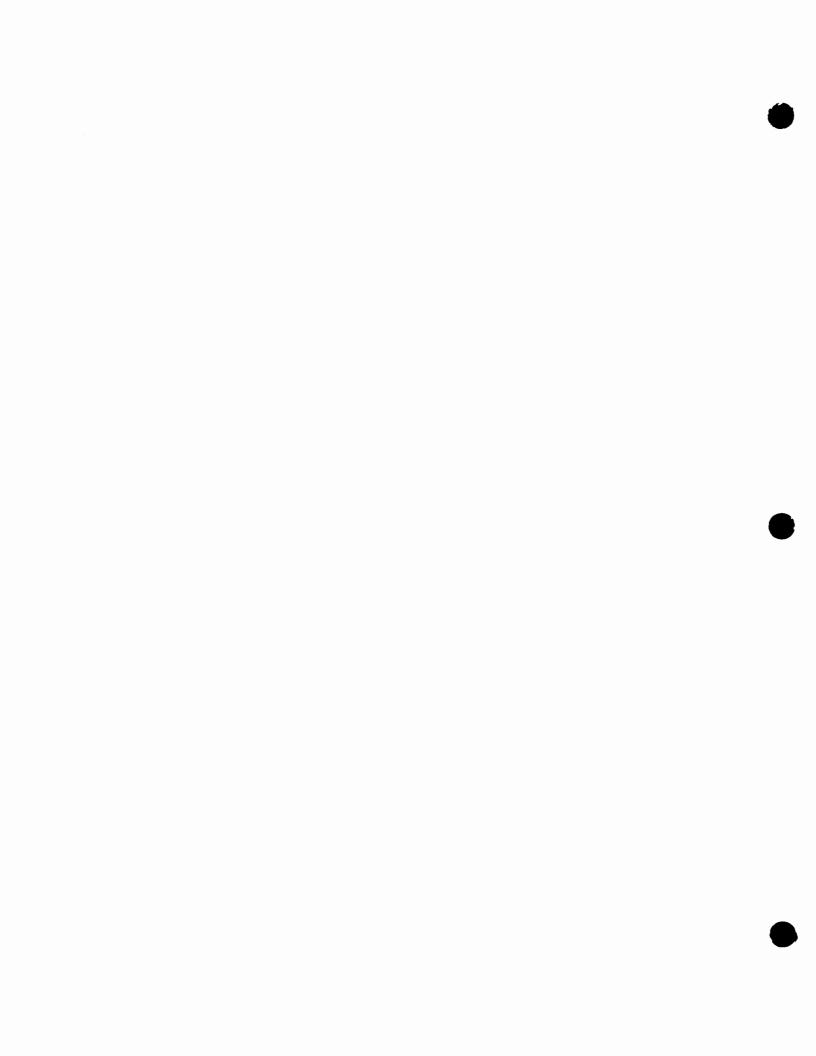


Highway Recommendations

- H.I Improve travel time calculation
- H.2 Update the values of time used in B/C
- H.3 Include additional benefits in B/C
- H.4 Rename B/C to "Leveraged B/C" and revise calculation
- H.5 Use seasonal traffic volumes for Congestion and B/C
- H.6 Improve Congestion calculation to capture project impacts
- H.7 Improve Safety calculation to capture project impacts
- H.8 Define objective of connectivity/accessibility

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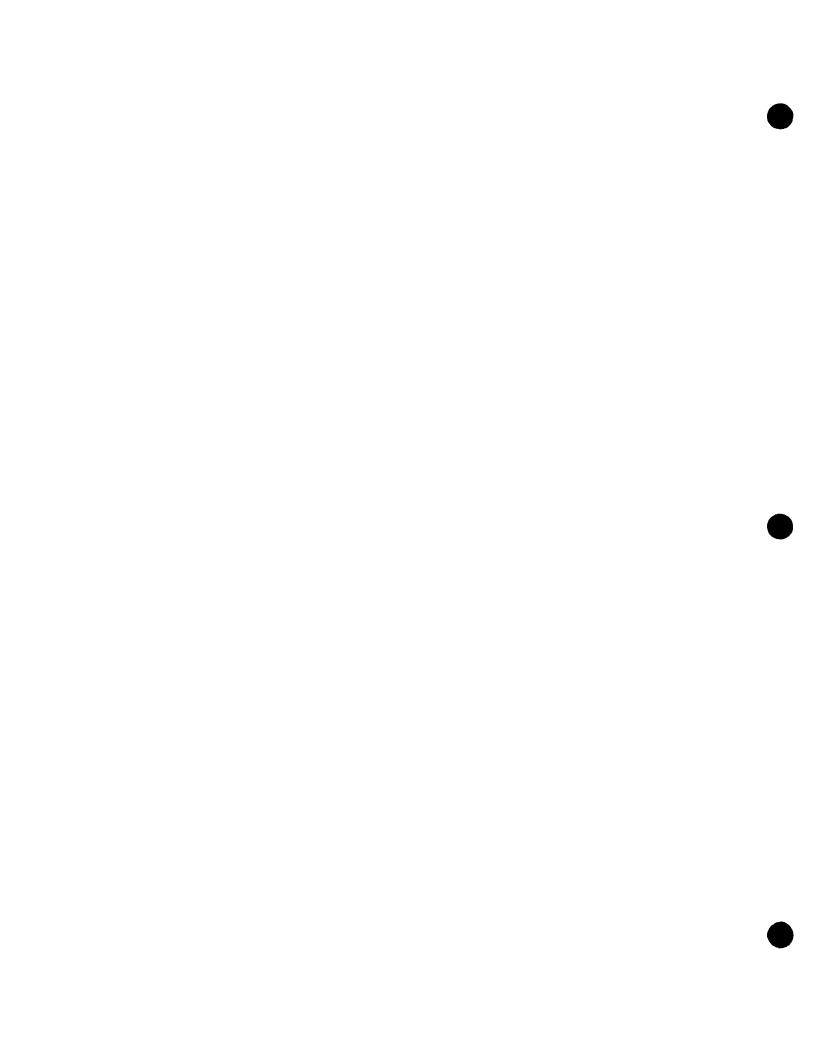
Update on P4.0 Workgroup

- Process Overview
- Summary of Consensus Recommendations (to date)
- Review of Topics Still Under Discussion
- Review of Topics to be Discussed at Future Meetings



Process Overview

- Establish workgroup for P4.0
 - · Began discussions in September 2014
 - Evaluate results of P3.0
 - · Identify topics for discussion & areas for improvement
 - Consensus decision making
- Interim recommendations shared with stakeholders, BOT, & General Assembly throughout process
- Final recommendations presented to BOT in June with anticipated approval in July
- Report to JLTOC in December 2016

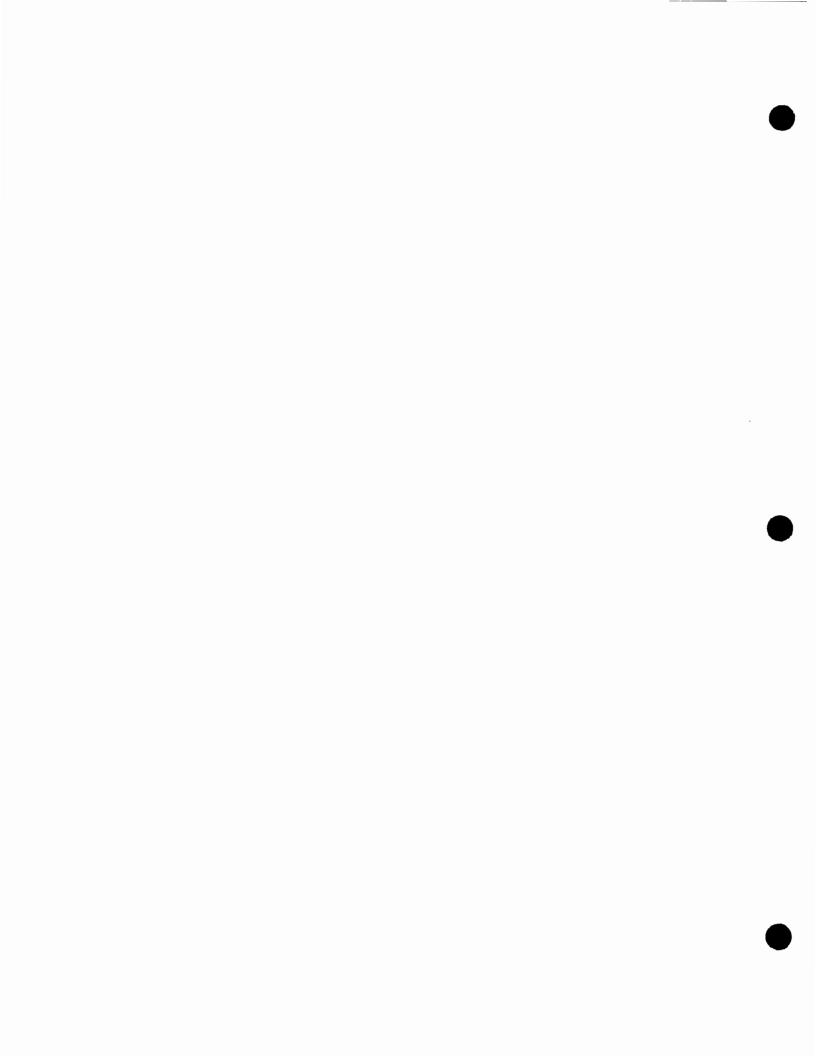


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Summary of Consensus Recommendations (to date)

- 1. P4.0 schedule and local input period(s)
 - Two 60-day periods
- 2. Projects not subject to re-prioritization
 - Projects committed to ROW (or construction) through 2020
 - 3. Incorporate Cambridge's Global recommendations
 - Scaling will ensure consistency throughout scoring



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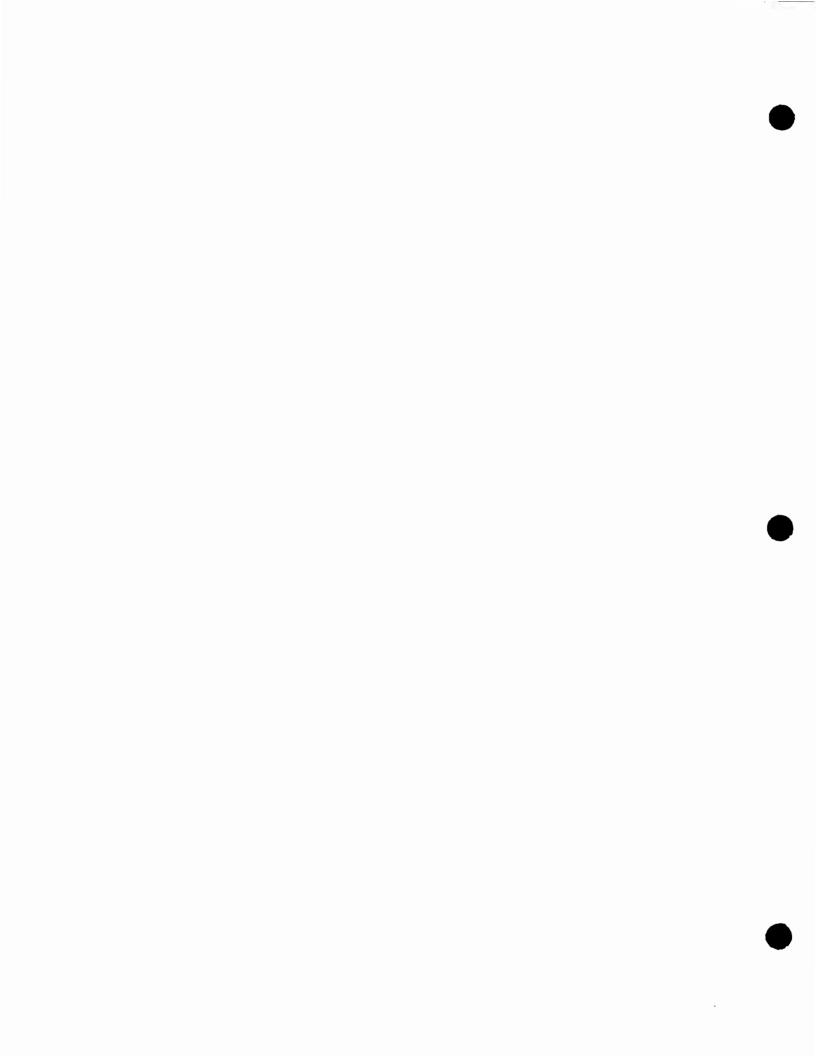
Summary of Consensus Recommendations (to date)

4. Multi-modal/Freight Criteria

Separate criteria for projects which impact passenger terminals & freight terminals

5. Accessibility/Connectivity Criteria

- Definition/Goal: Improve access to opportunity in rural and less affluent areas and improve interconnectivity of the transportation network
- Identified scoring criteria that emphasize the Department of Commerce economic distress indicators & the project's ability to upgrade roadway function

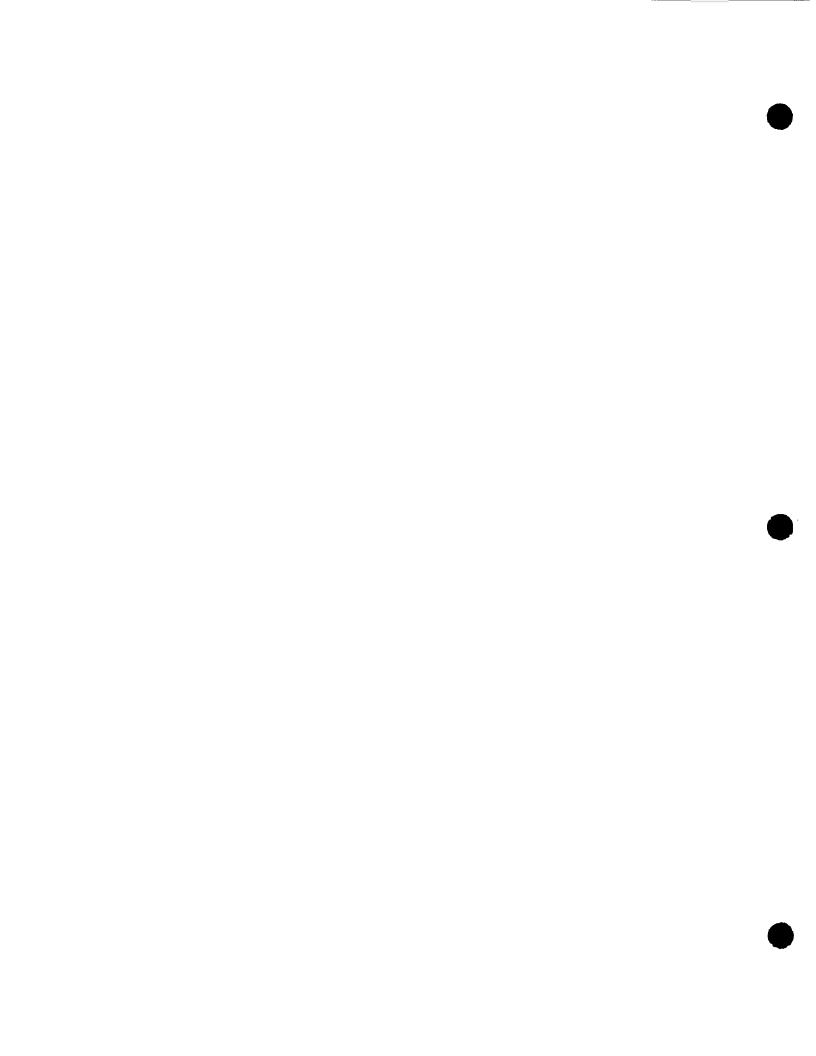


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Summary of Consensus Recommendations (to date)

6. Other Highway Criteria:

- Continue to use the same definitions/calculations from P3.0 for:
 - Pavement Condition
 - Lane Width
 - Shoulder Width
 - Economic Competitiveness



Topics Still Under Discussion

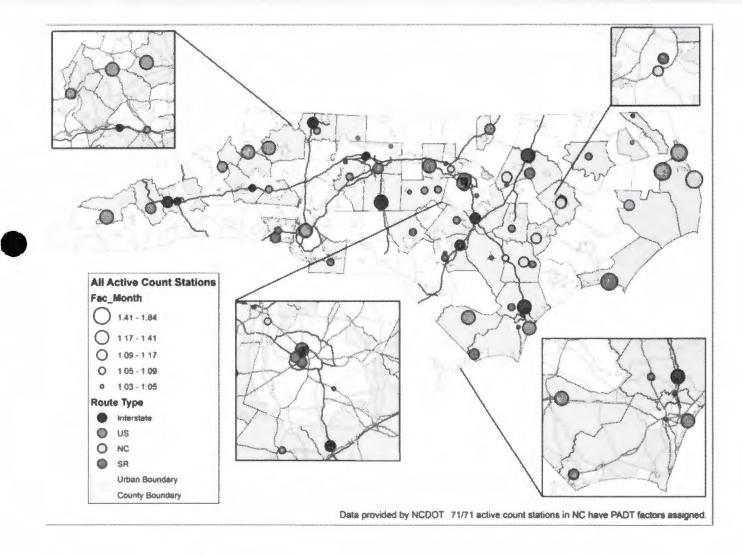
1. Benefit-Cost Criteria:

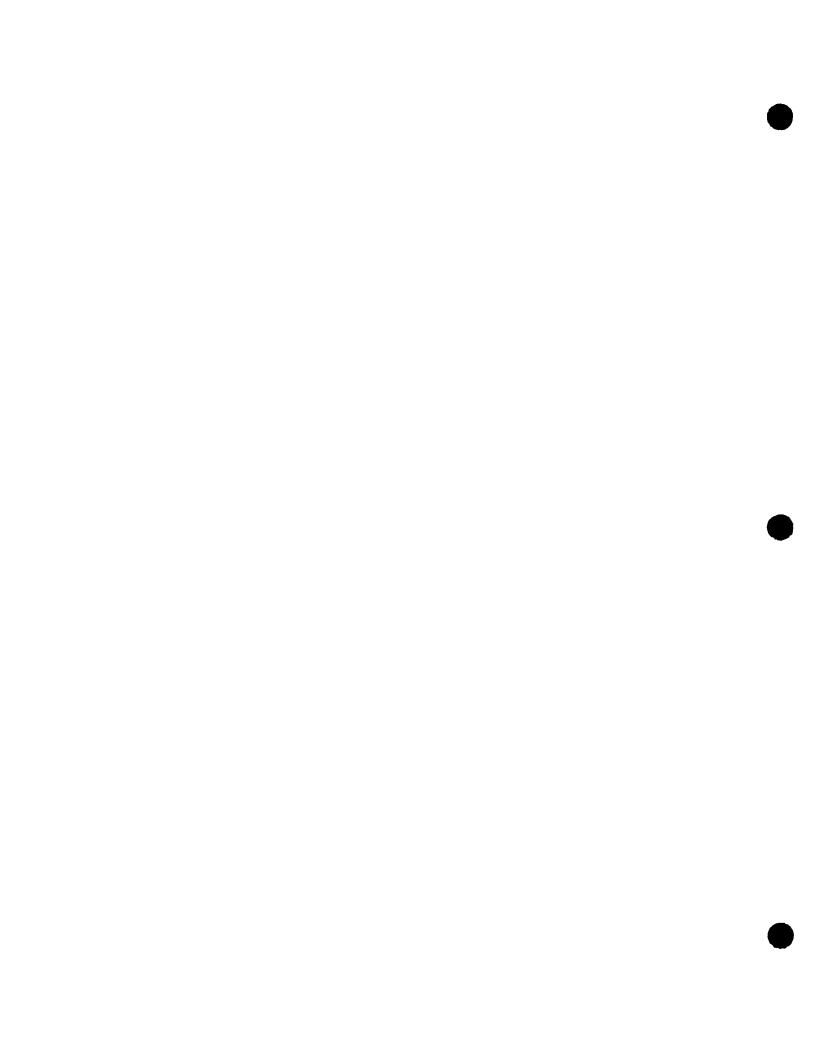
improve effect on scoring & improve financial leverage of local contribution

2. Peak/Seasonal Traffic:

 high impact of tourism, seasonal traffic fluctuations, and areas throughout the state with extended periods of increased traffic

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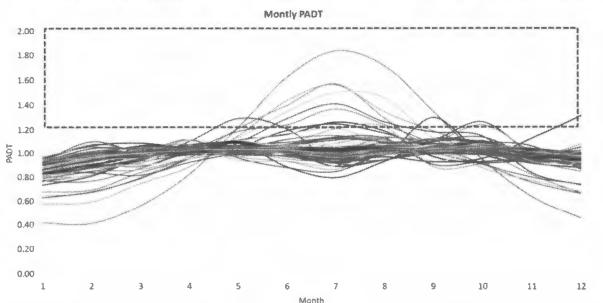


Variation of Average Volume by Month of Year



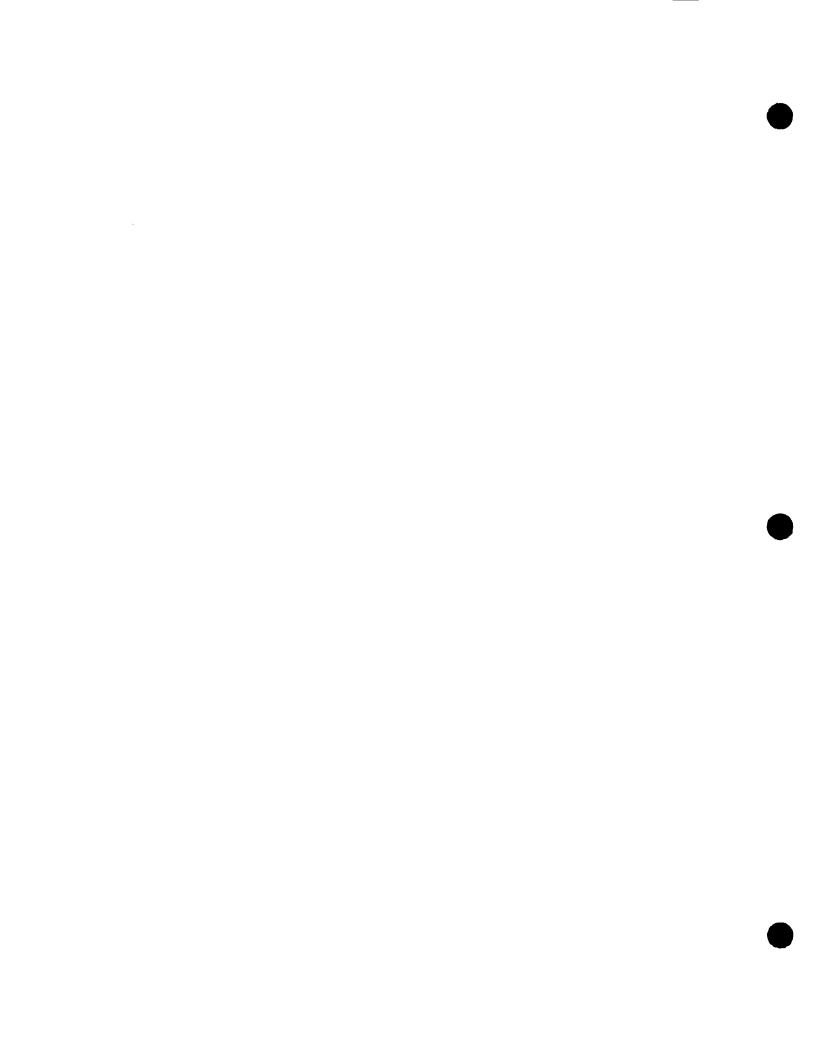


12 -> December



♦ITRE

http://www.itre.ncsu.edu

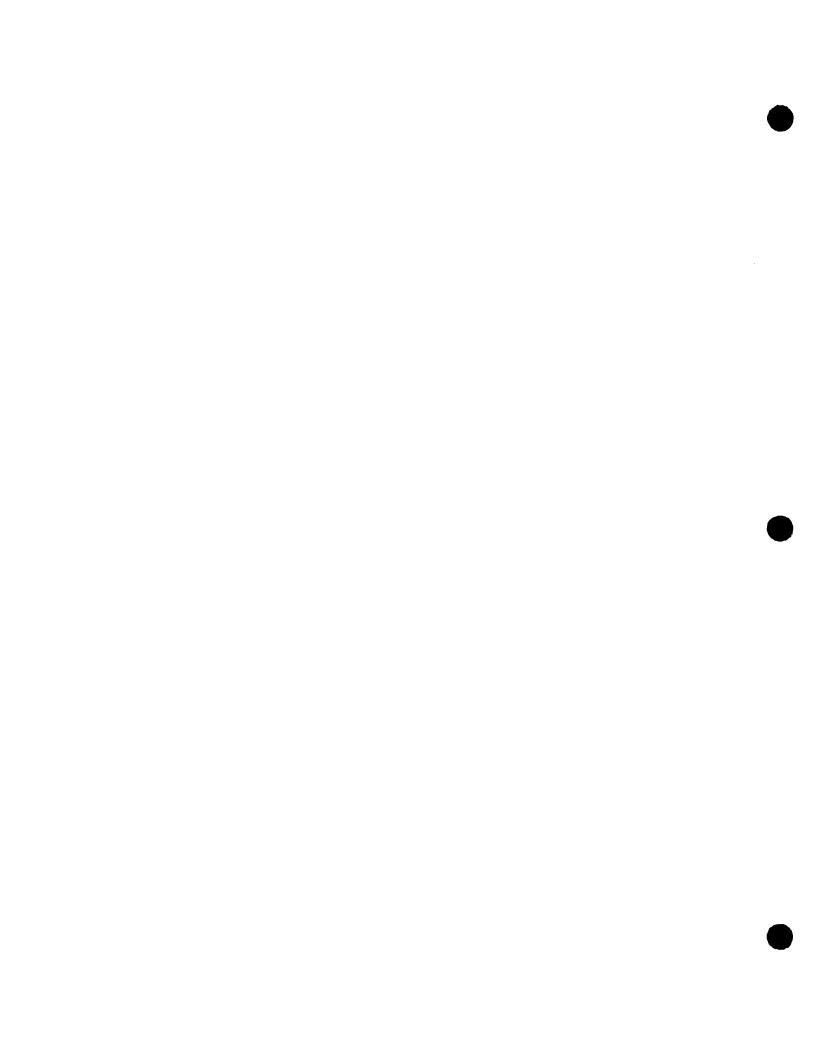


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Topics Still Under Discussion (cont.)

- 3. Future Projections:
 - · use future projections of travel demand & economic impact
- 4. Safety Criteria:
 - consider including additional safety benefits of projects
- 5. Congestion Criteria:
 - · confirm data elements and scoring



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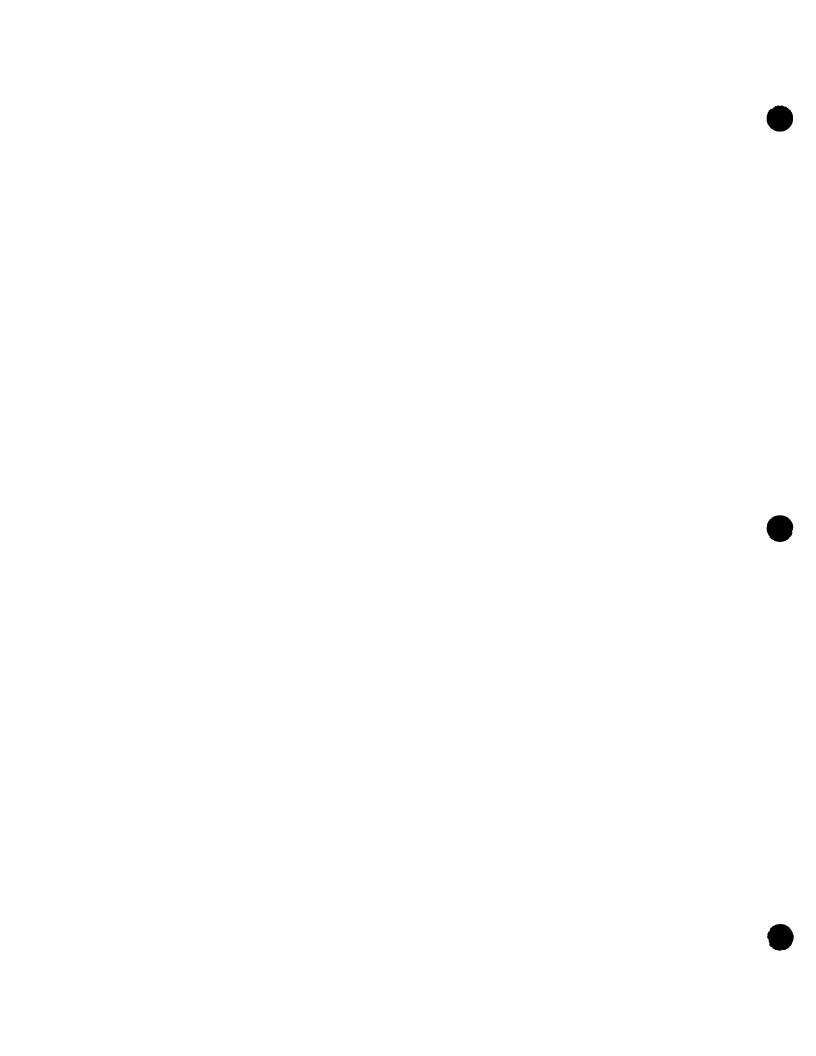
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Topics Still Under Discussion (cont.)

- 6. Non-Highway Modes Criteria:
 - improve data elements and scoring
- 7. Evacuation Routes:
 - evaluate whether or not to include
- 8. Normalization:
 - thorough review, process worked better than anticipated
 - evaluating percentage distribution

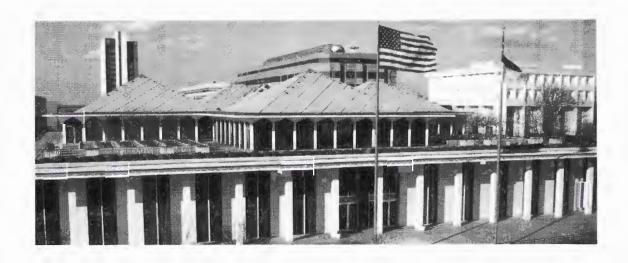
Topics to be Discussed at Future Meetings

- 1. Review overall weights of criteria
- Discuss removal of projects from database and new submittals
- 3. Review local input points available in MPOs, RPOs, & Divisions
- 4. Discuss MPO, RPO, & Division Engineer local input methodologies



SPOT 3 Lessons from the MPO/RPO Perspective

Joint Transportation Appropriations
Committee

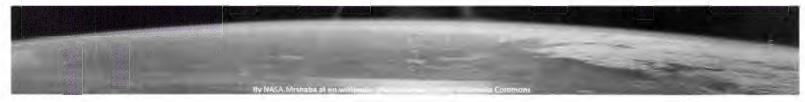


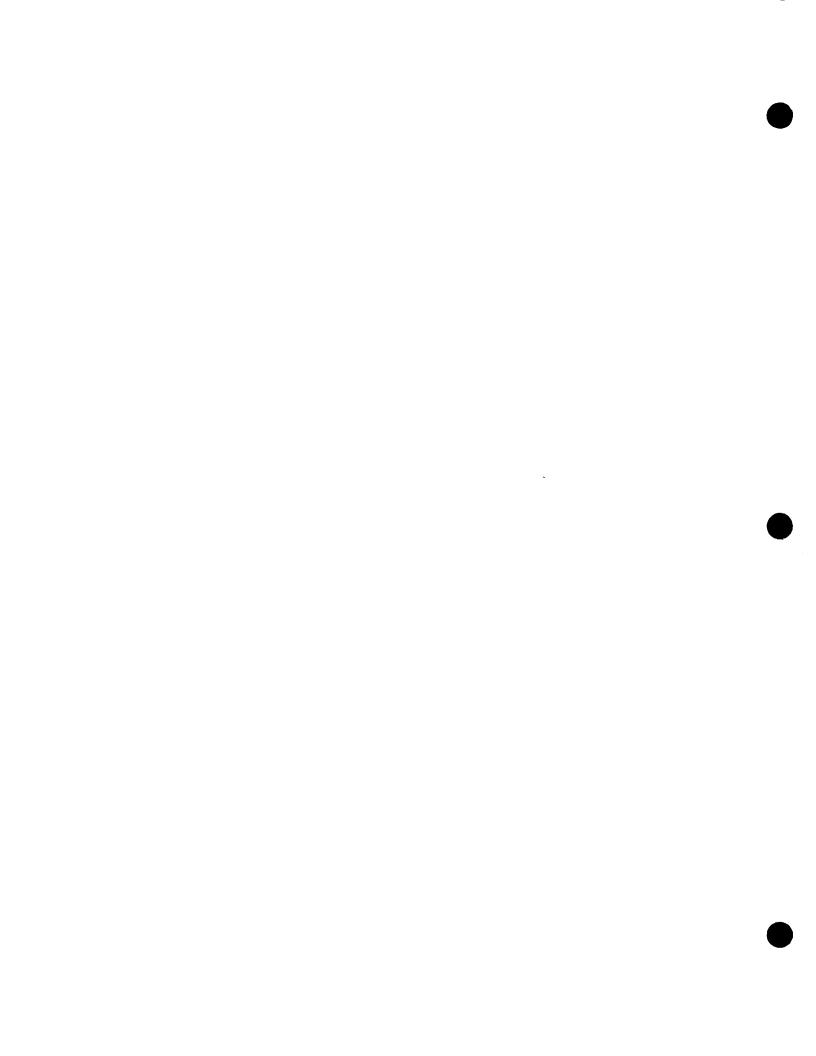
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Big Picture Issues

STI worked well, improving transparency & delivering a good mix of projects; some things we learned along the way:

- · Revenue. Revenue. Revenue.
- STP-DA/TAP Funds-Reconsider Exemption
- Classification of Regional Facilities & Expand Eligible Projects to Include Rail at the Ports
- Respect of Public Process-Statewide Tier and MTP/LRTP alignment
- Non-Highway Strategy



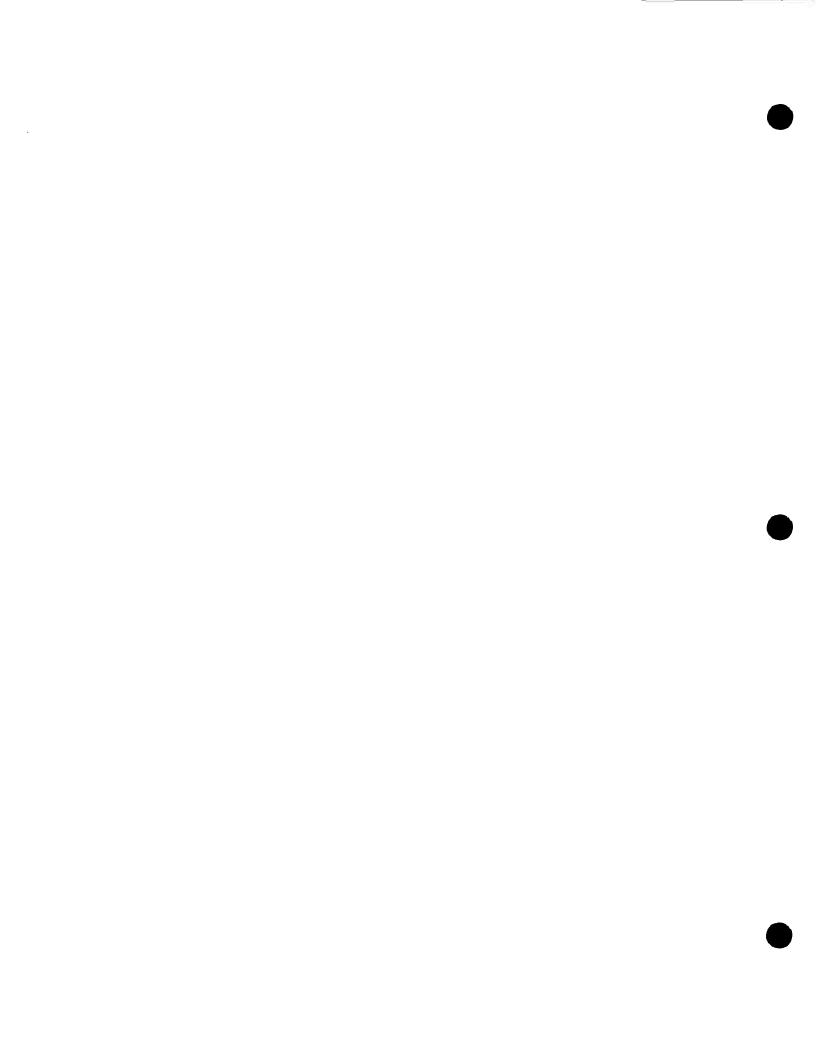


STI Worked Well!

- MPOs/RPOs consider the STI to be an overall success
- Transparency improved
- NCDOT/MPO/RPO coordination improved
- The workgroup process was effective at hammering out the technical details of making the law work.



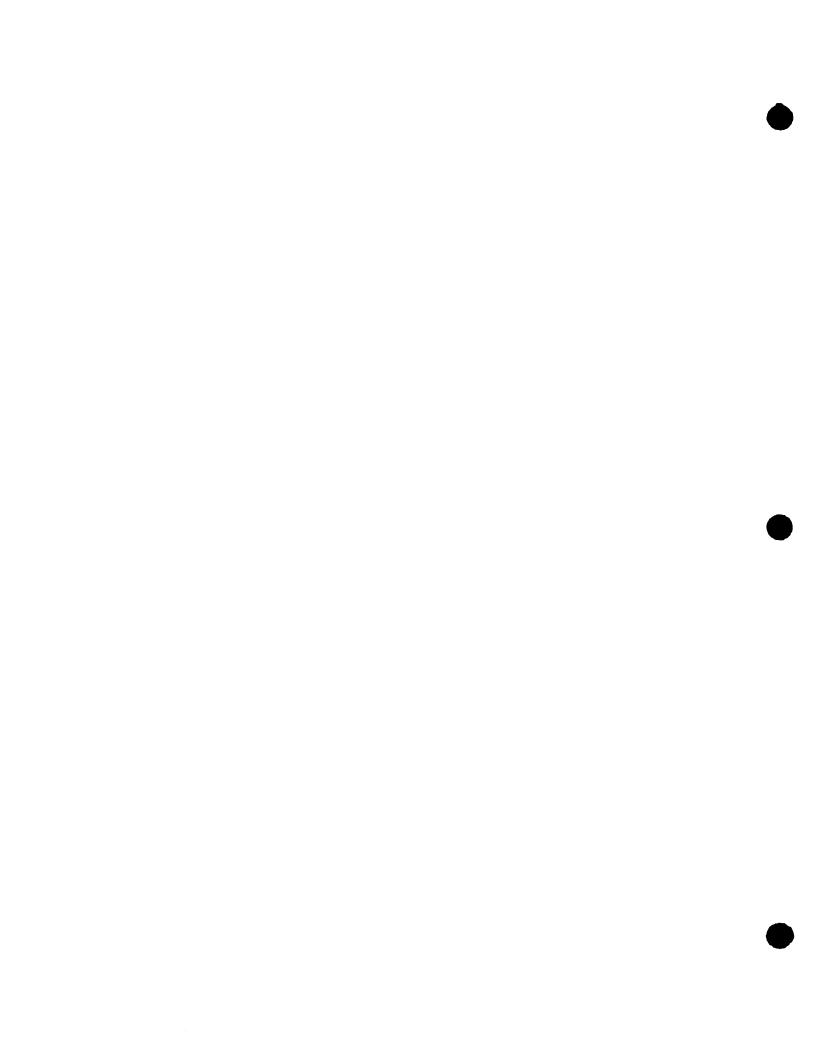
"Thumbs up". Licensed under CC BY-SA 3.0 via Wikimedia



Revenue

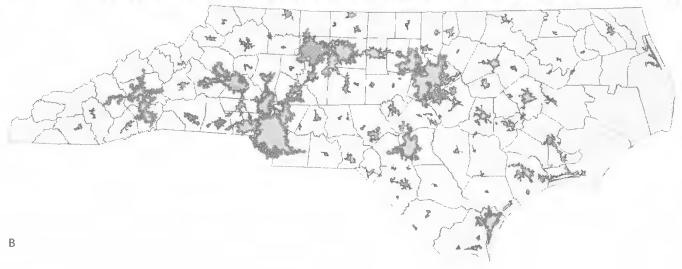
- We all know revenue is falling compared to Vehicle Miles Traveled
- We applaud the General Assembly's efforts to steward our resources while looking for ways to rebalance the equation.

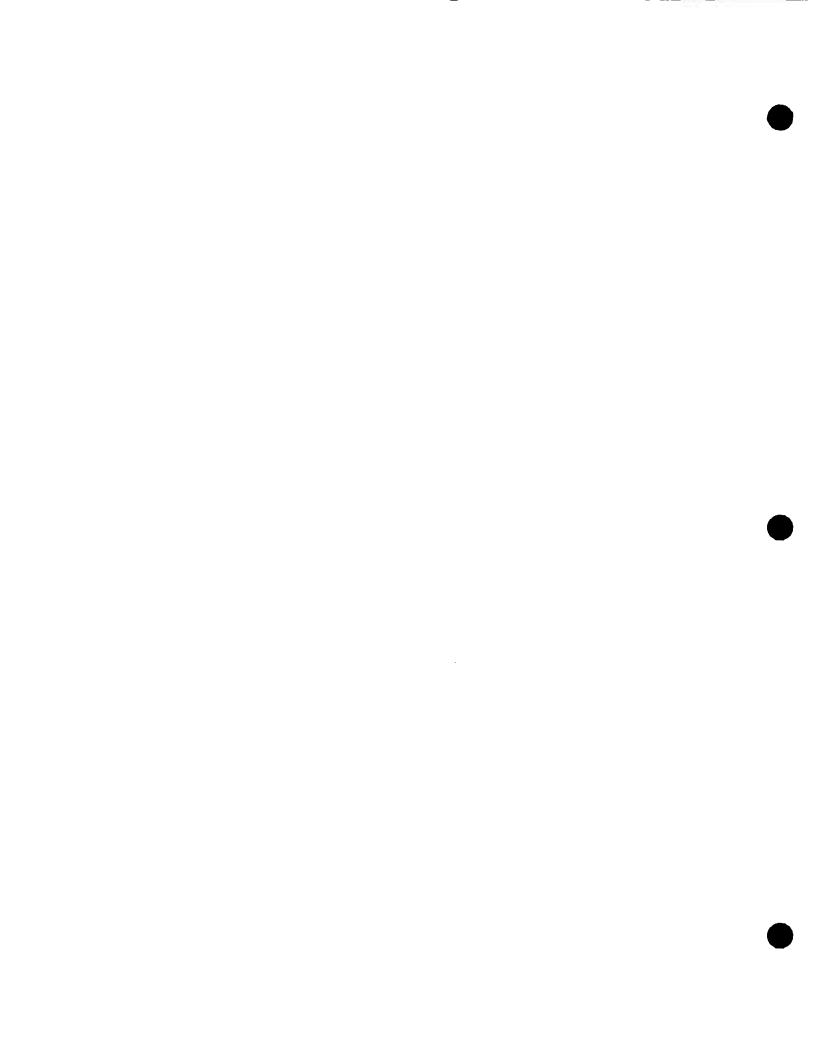




Surface Transportation Program-Direct Allocation (STP-DA) and Transportation Alternatives Program (TAP)

- 10 Large (>200,000 population) MPOs get a direct allocation of federal funds via STP-DA and TAP
- These funds tend to be used on Division tier

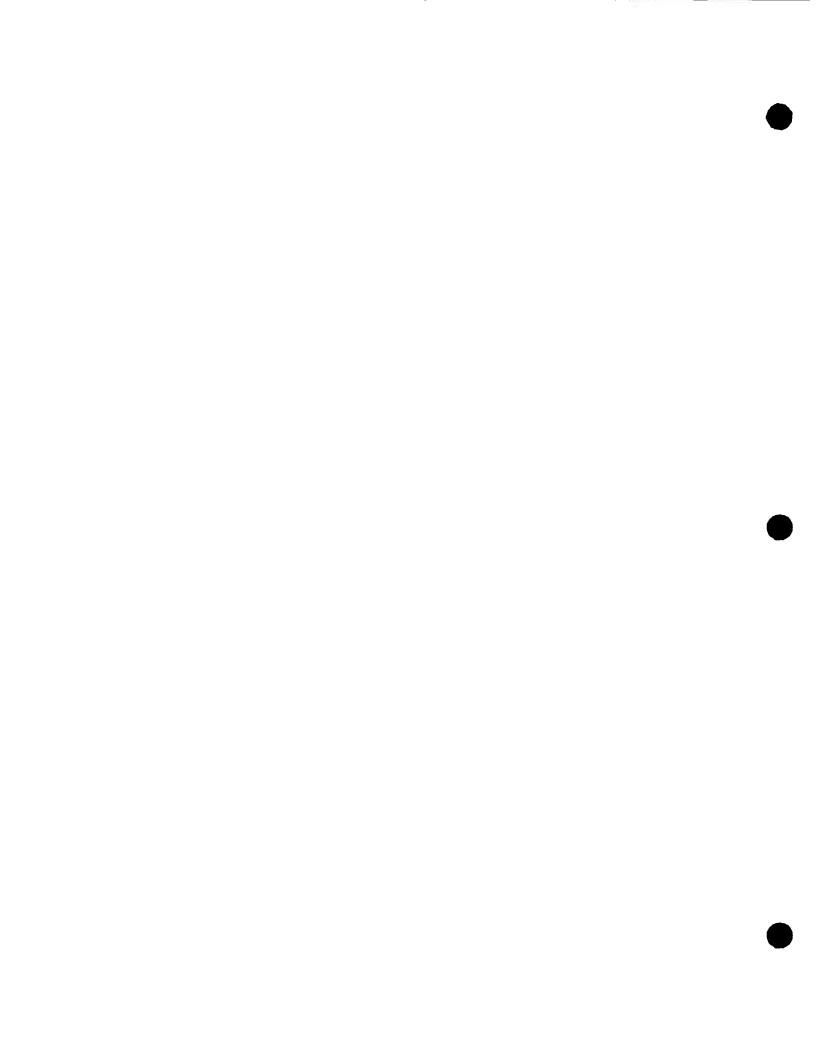




STP-DA and TAP (continued)

- STP-DA/TAP are not exempt from STI; this reduces access to Division resources for areas that do not receive STP-DA or TAP funds.
- The Division tier includes a majority of road miles and non-roadway infrastructure, and it is already overloaded.
 - Please re-examine exempting STP-DA & TAP from STI, like the CMAQ or Appalachian funds





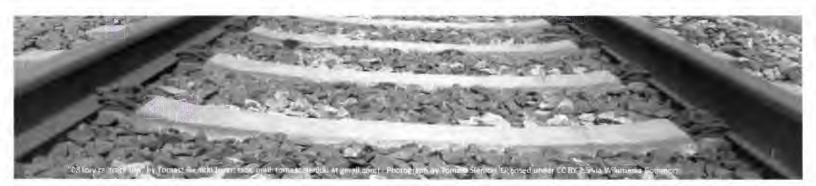
Expand Definition of Regional Needs

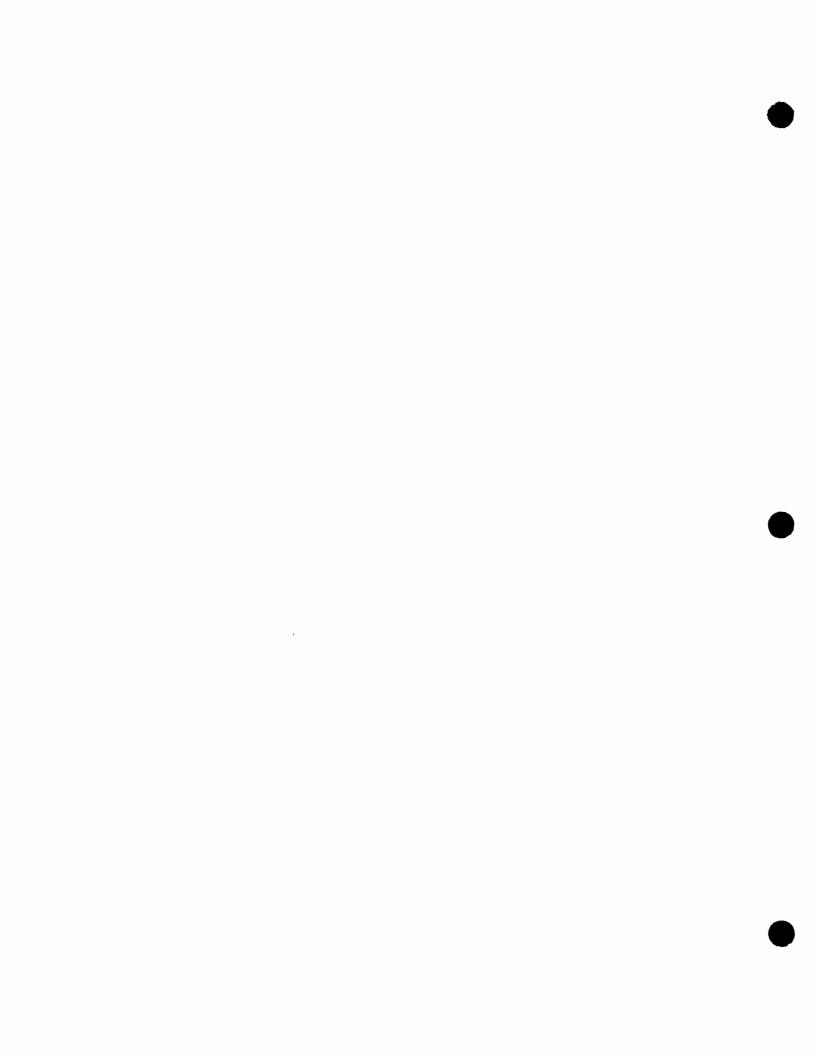
- The current threshold for projects to qualify for the Regional tier created inconsistencies when compared to how a facility actually functions.
- This led to added pressure on the Division tier, and limited the opportunity for these facilities to be funded.
- Please re-examine how expressways and high-volume arterials are classified for the regional tier, regardless of NC/US route designation
 - Please re-examine the threshold for inclusion of fixed guideway transit projects, notably the 2-county provision
 - Please consider Ferry projects for inclusion in the Regional tier



Expand Eligiblity: Short Line Rail

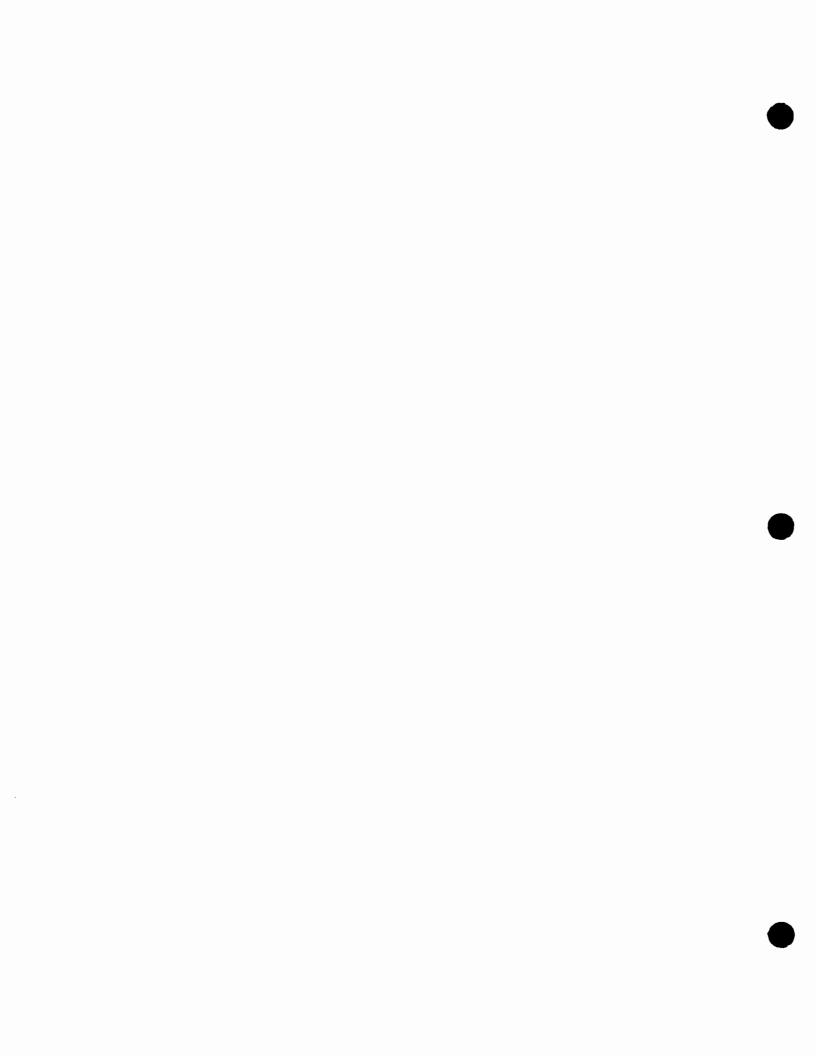
- Privately operated rail short lines are not eligible for funds under STI.
- Both of the NC Ports and other State-owned assets have State-owned short line rail on their property that are operated by private contractors.
- Ideally, all State-owned short line rail facilities would be eligible for funding in STI.





Public Process Issues

- MPOs have a federally-recognized process and resulting plans (LRTP or MTP plus TIP) that have rigorous public participation and buy-in
- These plans are used for Air Quality determinations in many parts of the state
- The Statewide Tier has no mechanisms to tie these plans to prioritization other than nonconcurrence of regional TIPs and STIP
- Please consider some mechanism for local input at the statewide tier.



Non-Highway Strategies

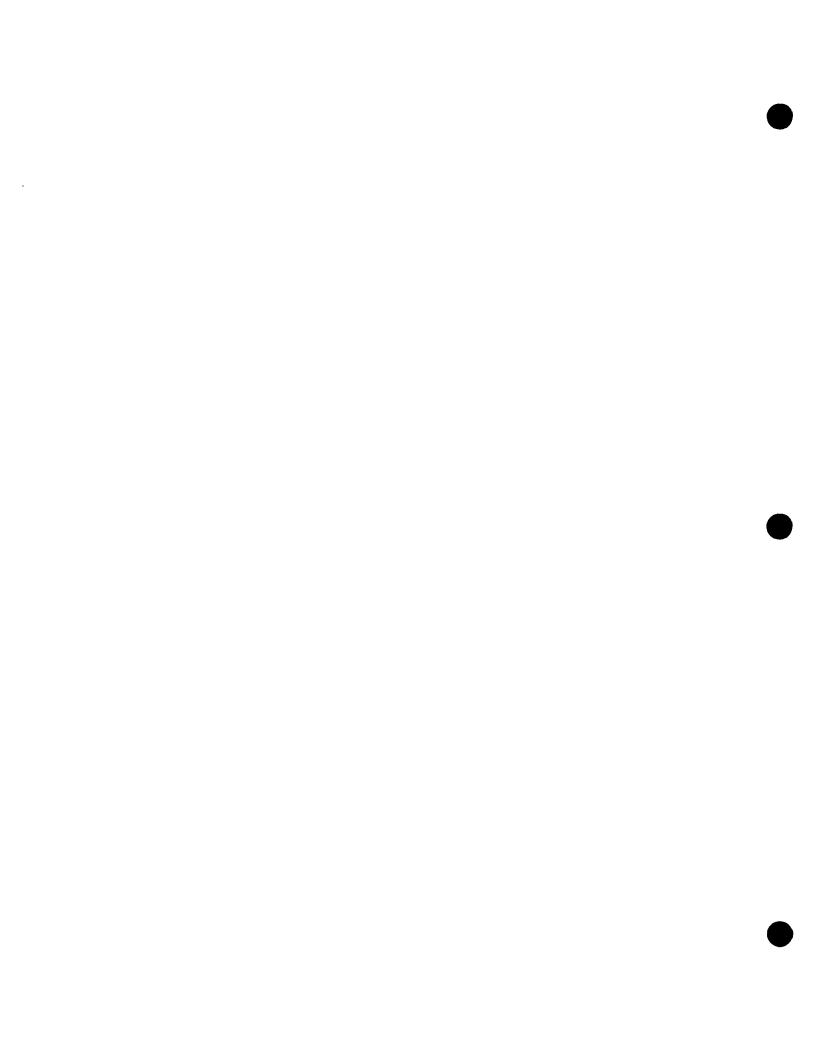
- As part of fiscal stewardship, STI recognizes bike & pedestrian as local responsibilities.
- This saves state money in the short term, but may create a problem for economic development in the long term:
- We know quality of life issues are important to attract talented labor and high-paying jobs.
- Please consider permitting state match for bicycle and pedestrian projects. This would especially benefit rural areas.
- Please help <u>cities & towns</u> find additional ways to generate transportation revenue.



Committee Sergeants at Arms

Joint Comm on Appropriations, Transportation

| AME O | F COMMITTEE |
|-------|----------------------------------|
| ATE: | Room; |
| Name | House Sgt-At Arms: Carlton Adams |
| | Martha Gadison |
| | Joe Austin |
| | , |
| Name: | |
| | |
| | Senate Sgt-At Arms: |
| Name: | |
| Name: | Giles Jettreys |
| Name: | |
| Name: | |
| Name: | |



SENATE PAGES ATTENDING

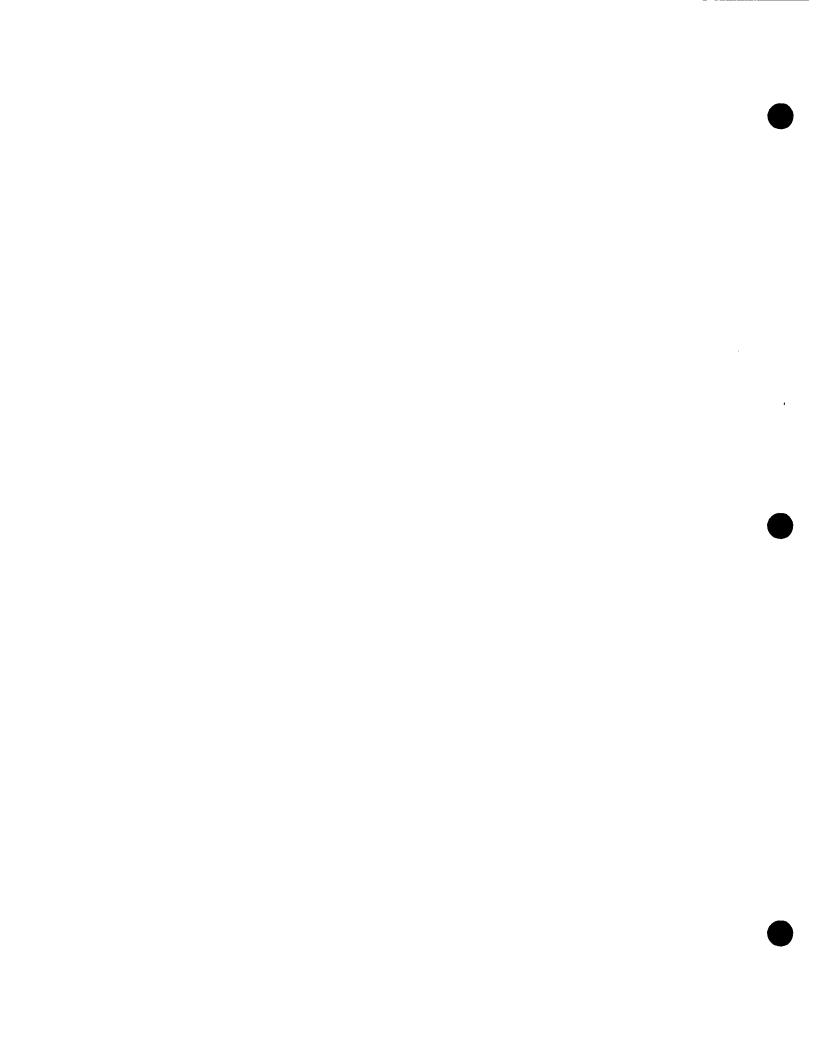
| COMMITTE | E: Voint App - | D.O.T. | |
|----------|----------------|---------------|------|
| DATE: 3 | 5, TIME: _ | 8',30, ROOM:_ | 1228 |

Pages: Please print <u>legibly</u>.....or else!!!!!!!!!!!!!

| Page Name | Hometown | Sponsoring Senator |
|----------------------|----------------|---------------------------|
| 1) Ann Hunter Carrau | my Wake Forest | Barefoot |
| 2 | | |
| 3 | | |
| 4 | | |
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Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.

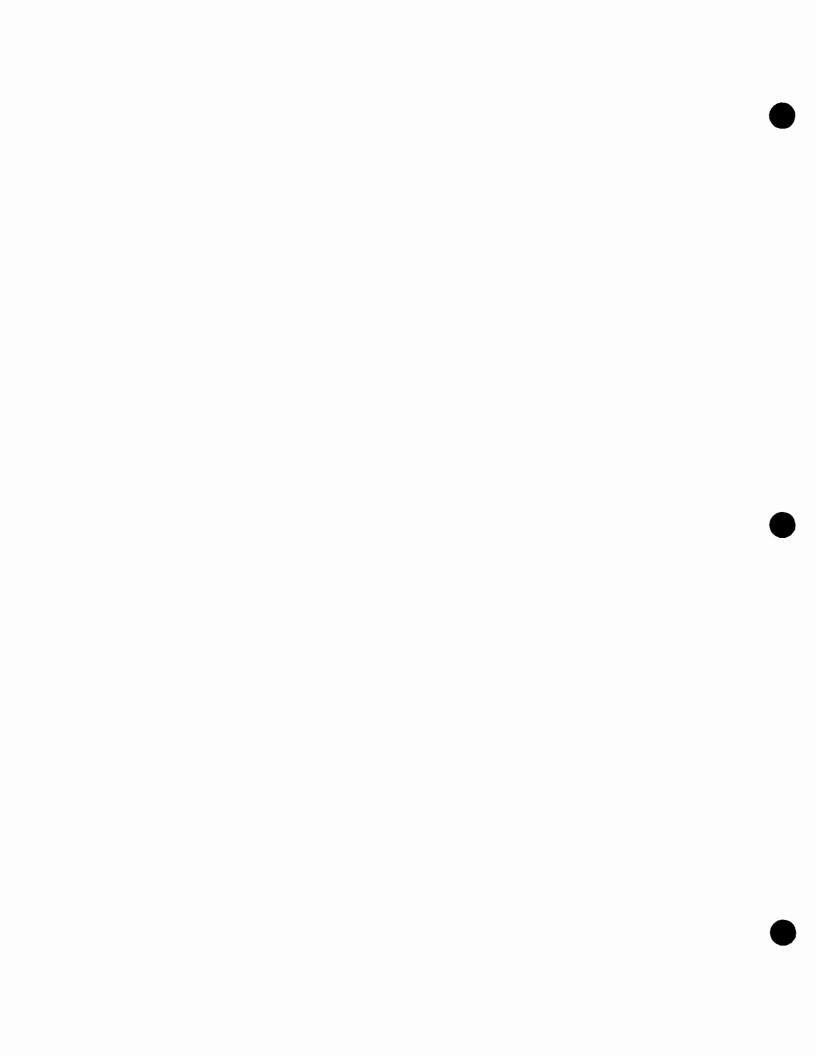


Thursday, March 5
APPROPRIATIONS,
TRANSPORTATION
(JOINT)

Room 1228/1327

Time 8:30 am

| Name | County | Sponsor | |
|--------------|-------------|-----------------------|--|
| | | | |
| Anna DeGrauw | Mecklenburg | John R. Bradford, III | |



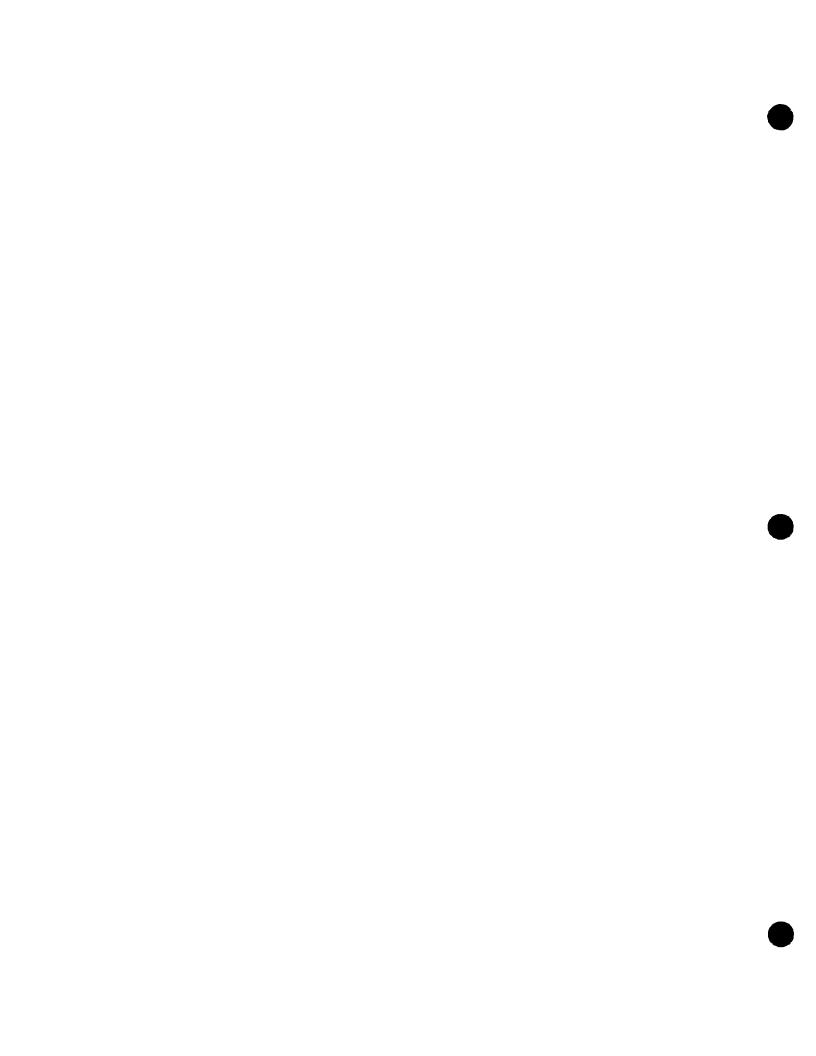
Joint Committee On Appropriations, Transportation

3/5/15

Name of Committee

Date

| NAME | FIRM OR AGENCY AND ADDRESS |
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Joint Committee On Appropriations, Transportation 3/5/15

Name of Committee

Date

| NAME | FIRM OR AGENCY AND ADDRESS |
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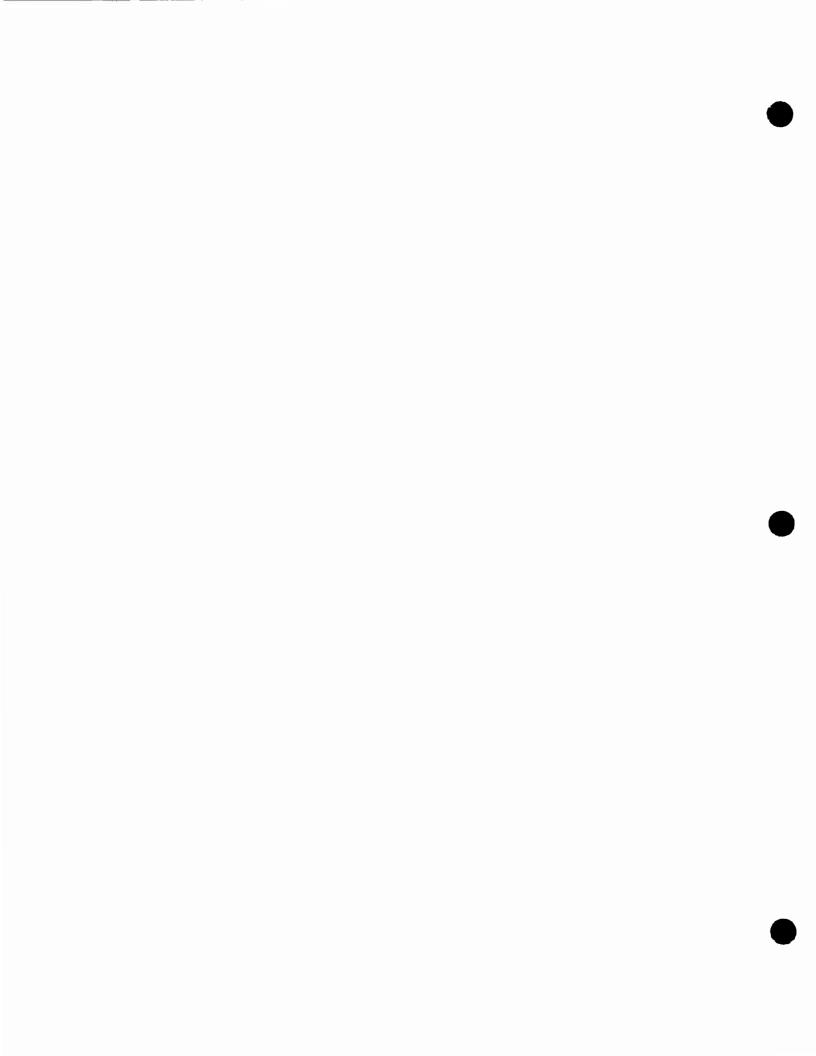
Joint Committee On Appropriations, Transportation

3/5/15

Name of Committee

Date

| NAME | FIRM OR AGENCY AND ADDRESS |
|----------------|----------------------------|
| Roston Jones | NCDOT |
| MARY DANGAN | NCPOT |
| Bren Blown | ~20 |
| Jay Stem | NCAA |
| L'sa Riegel | · Bike Walk NC |
| Bany Salaning | Nt Christa |
| Phoche Landon | Brooks Parce |
| Calvin Leggett | NCDOT |
| Alpesh Patel | NCDOT |
| PAUL BLACK | NCAMPO / FBRMPO |
| Jake Cashion | NCCC |



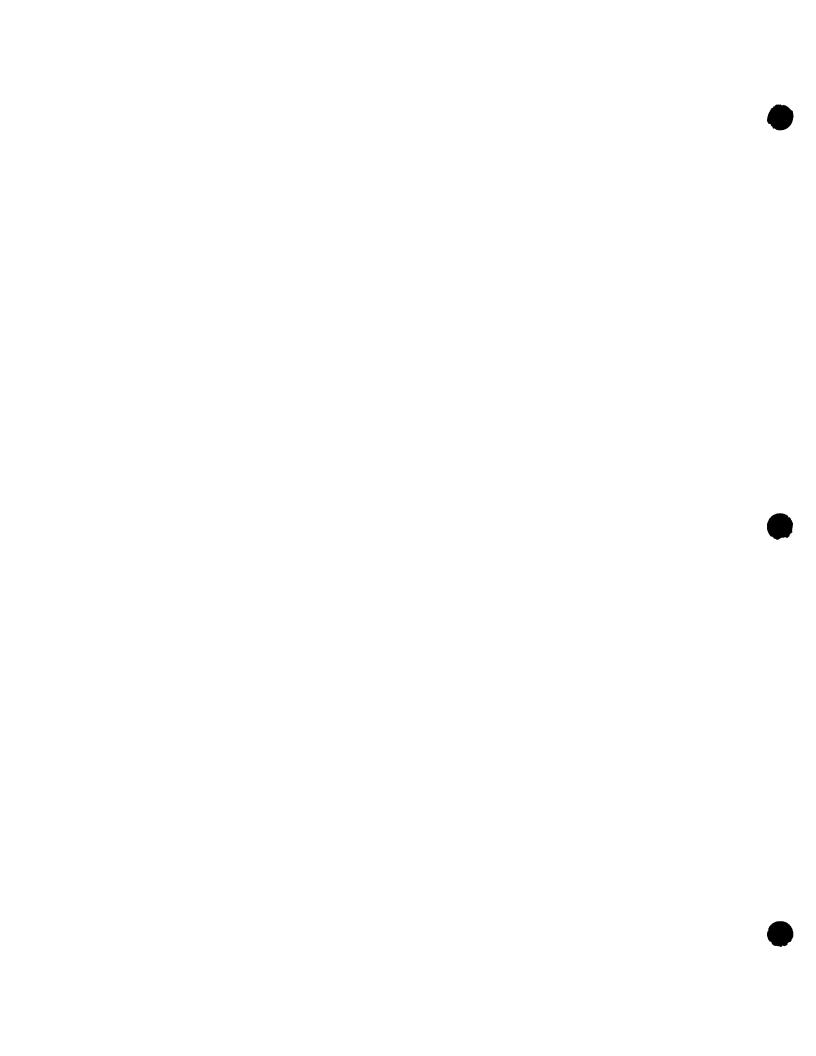
Joint Committee On Appropriations, Transportation

3/5/15

Name of Committee

Date

| NAME | FIRM OR AGENCY AND ADDRESS |
|------------|----------------------------|
| Andy Chase | KMA |
| ANDY WALSH | A |
| H. IACAico | NC107 |
| & Tyerral | Nesor |
| Mhul Dunn | Runa |
| Zhu | RANCE XEMA |
| Lac Mich | M=Cles Corsut |
| Dave Home | Smil Anders |
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Joint Appropriations Committee on Transportation

March 11, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett

Representative Phil Shepard

Representative Frank Iler

Representative Paul Tine, Chairing

Senator Bill Rabon Senator Wesley Meredith

• Call to Order

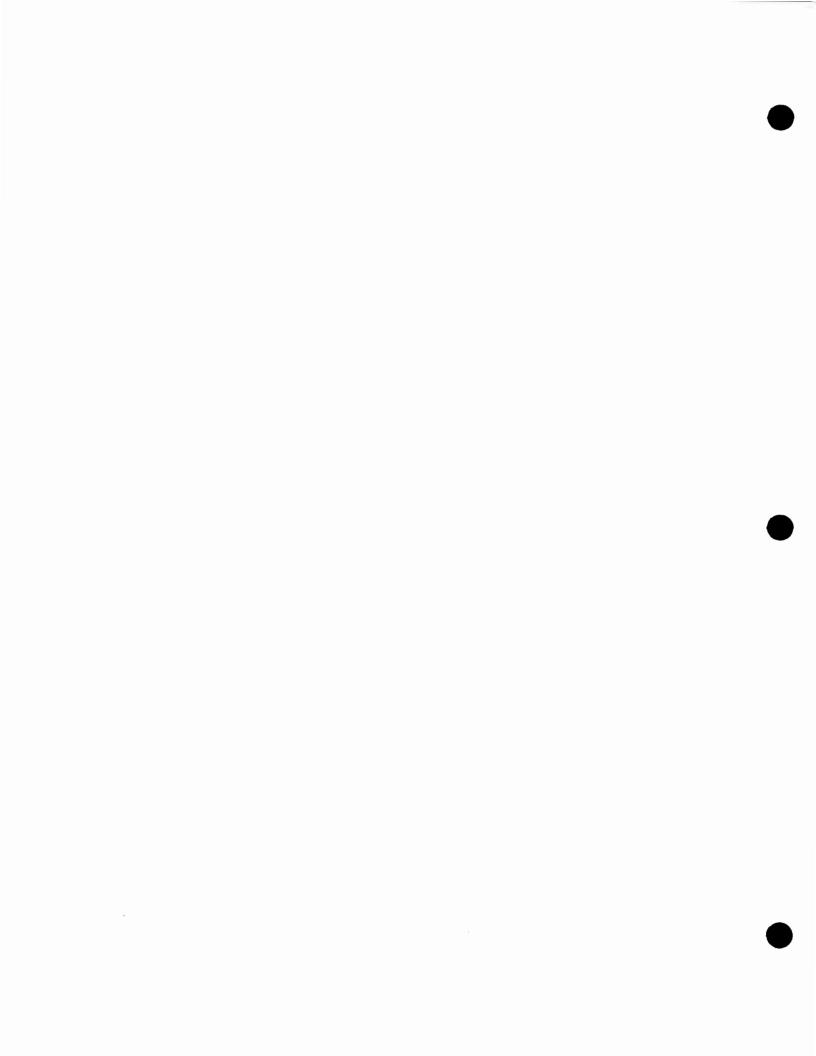
• Presentation of Governor's Transportation Budget

Thomas Cheek, Transportation Budget Analyst Office of State Budget and Management

Presentation of Governor's Transportation Bond

Bobby Lewis, Chief of Staff Department of Transportation

Next meeting: Department of State Treasurer's Transportation Debt Affordability Study, Turnpike Authority and Tolling; - Thursday, March 12, 8:30 a.m.

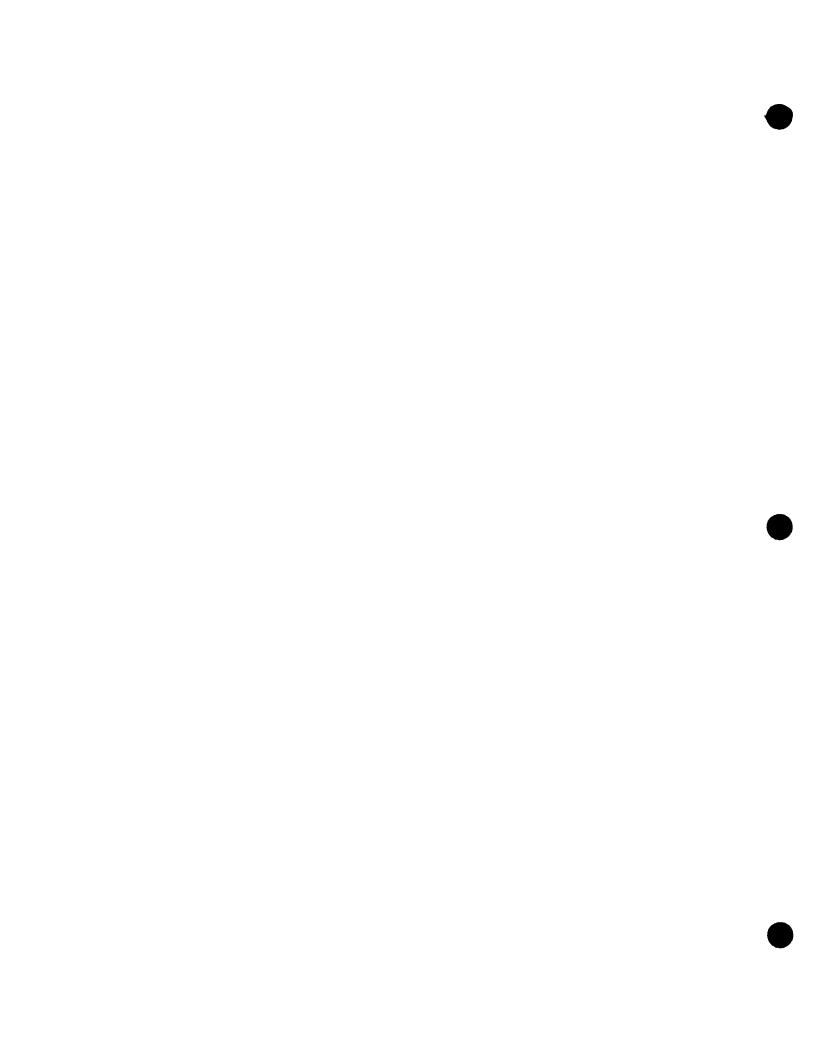


THE GOVERNOR'S RECOMMENDED BUDGET



Pat McCrory Governor

The State of North Carolina 2015 - 2017



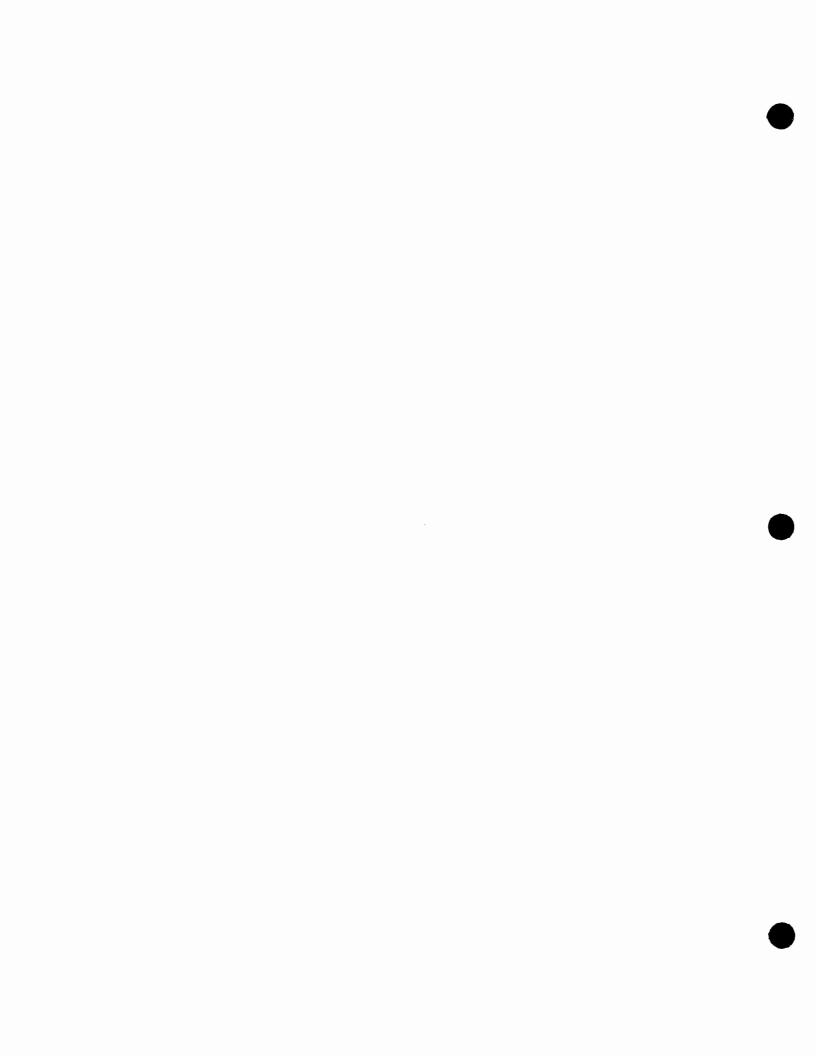


Timetable for the 2015-17 Budget Preparation Process

August 26, 2014: 2015-17 biennial budget instructions were sent out by the Office of State Budget and Management

October 31, 2014: All base budget adjustments, expansion, reduction, and capital requests were due into the Office of State Budget and Management.

March 5, 2015: Governor Pat McCrory releases his recommended budget





Components of the Budget

Components of the Budget:

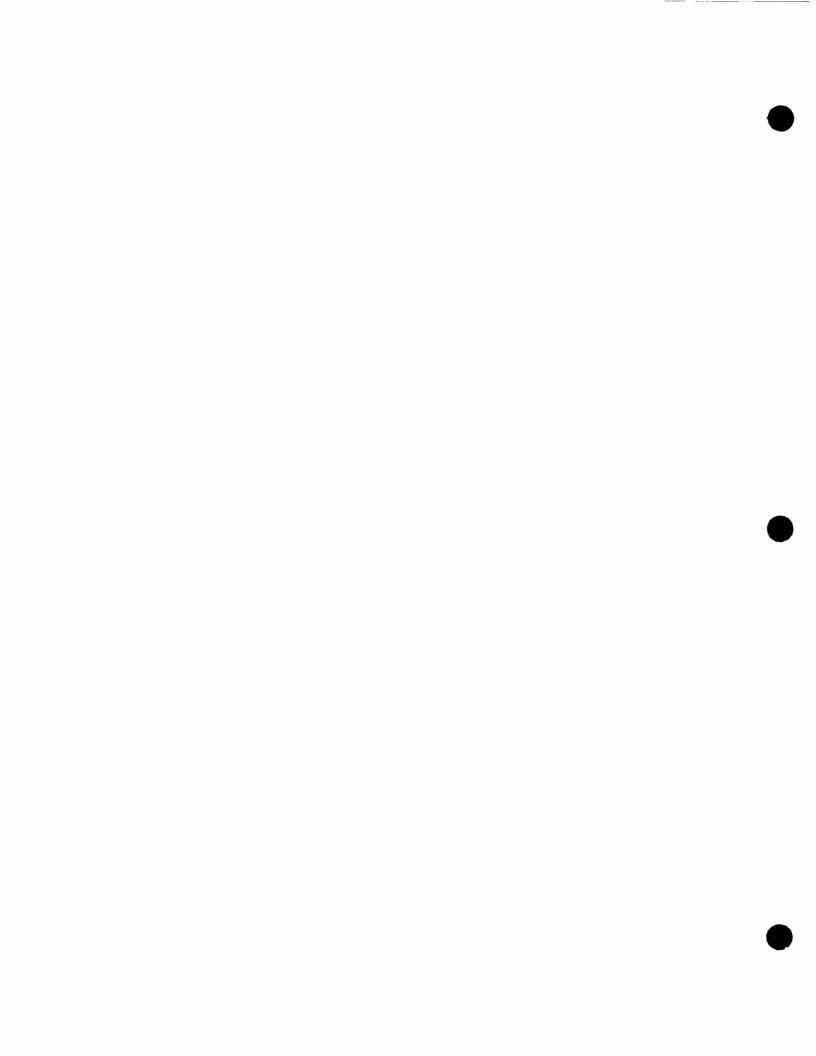
Base Budget

The Base Budget is part of the recommended State budget that provides the baseline for the next biennium. The base budget is the authorized budget for an agency with adjustments for the following {Per G.S. 143C-1-1(d)}:

- Annualization of programs and positions
- Reductions to adjust for items funded with nonrecurring funds during the prior fiscal biennium.
- Increases to adjust for nonrecurring reductions during the prior fiscal biennium.
- Adjustments for federal payroll tax changes
- Rate increases in accordance with the terms of existing leases of real property
- Adjustments to receipt projects, made in accordance with G.S. 143C-3-5(b)(2)c
- Reconciliation of intra-governmental and inter-governmental transfers

Recommended Changes: Expansion (operating and capital) & Reductions

Agencies were asked to provide 2% reduction options





Highway Fund Base Budget

Highway Fund (84210)

Adjustments to the Base Budget 2015-16

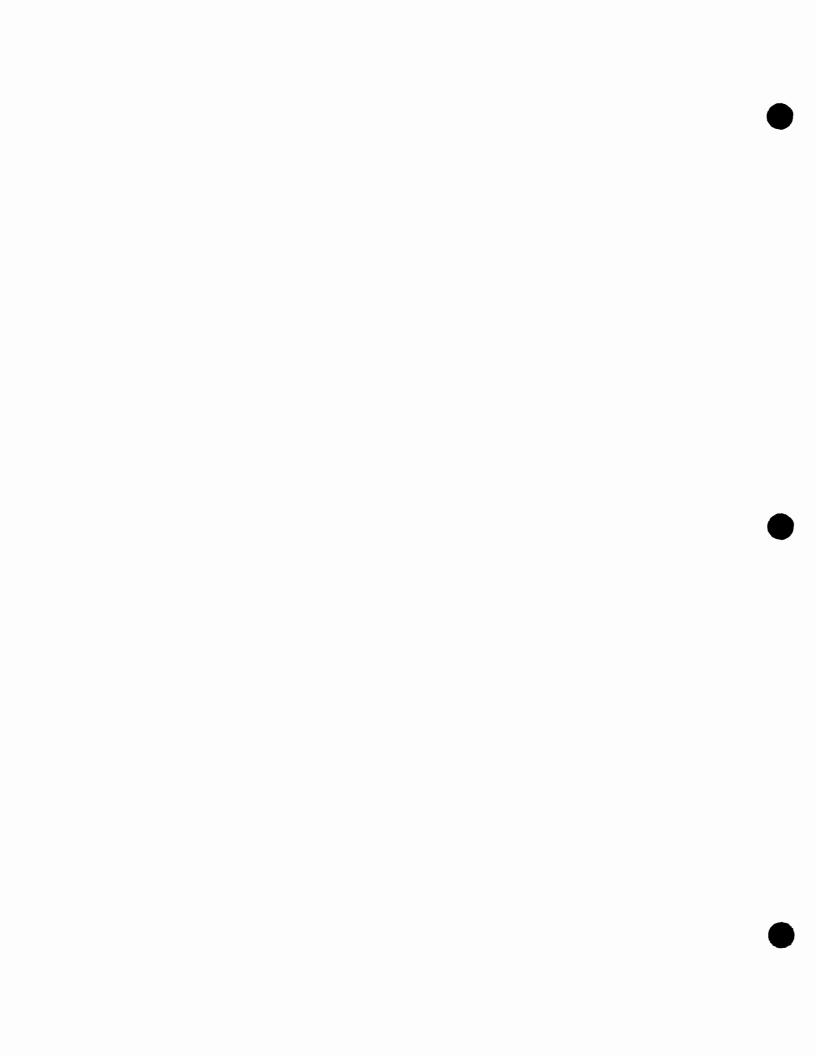
Changes to Base Budget

| | what goo to back manget | | | | | |
|----------------|-------------------------|----------------|---------------|----------------|-----------------|--|
| | 2014-15 | Net | Net | Total | 2015-16 | |
| Total | Authorized | Recurring | Non-Recurring | Change | Base Budget | |
| Requirements | \$7,284,747,772 | (\$67,899,440) | | (\$67,899,440) | \$7,216,848,332 | |
| Receipts | \$5,300,605,486 | (\$2,433,578) | | (\$2,433,578) | \$5,298,171,908 | |
| Appropriations | \$1,984,142,286 | (\$65,465,862) | | (\$65,465,862) | \$1,918,676,424 | |
| CFB | \$0 | \$0 | | \$0 | \$0 | |
| FTE | 12,454.000 | (55.000) | | (55.000) | 12,399.000 | |

Adjustments to the Base Budget for 2016-17

Changes to Base Budget

| | 2014-15 | Net | Net | Total | 2016-17 |
|----------------|-----------------|----------------|---------------|----------------|-----------------|
| Total | Authorized | Recurring | Non-Recurring | Change | Base Budget |
| Requirements | \$7,284,747,772 | (\$67,899,440) | | (\$67,899,440) | \$7,216,848,332 |
| Receipts | \$5,300,605,486 | \$4,018,921 | | \$4,018,921 | \$5,304,624,407 |
| Appropriations | \$1,984,142,286 | (\$71,918,361) | | (\$71,918,361) | \$1,912,223,925 |
| CFB | \$0 | \$0 | | \$0 | \$0 |
| FTE | 12,454.000 | (55.000) | | (55.000) | 12,399.000 |





Highway Trust Fund Base Budget

0.000

Highway Trust Fund (84290)

CFB

FTE

Adjustments to the Base Budget 2015-16

| | | Changes to i | sase buoger | | |
|----------------|---------------|--------------|---------------|-------------|-----------------|
| | 2013-14 | Net | Net | Total | 2015-16 |
| Total | Actual | Recurring | Non-Recurring | Change | Base Budget |
| Requirements | \$635,447,695 | (\$346,477) | | (\$346,477) | \$1,162,046,663 |
| Receipts | \$0 | \$0 | | \$0 | \$0 |
| Appropriations | \$635,447,695 | (\$346,477) | | (\$346,477) | \$1,162,046,663 |

\$0

0.000

Adjustments to the Base Budget for 2016-17

0.000

Changes to Base Budget

| Total | 2013-14 Actual | Net Recurring | Net Non-Recurring | Total Change | 2016-17 Base Budget |
|----------------|-------------------|------------------|----------------------|-----------------|------------------------|
| Requirements | \$635,447,695 | (\$346,477) | | (\$346,477) | \$1,162,046,663 |
| Receipts | \$0 | \$0 | | \$0 | \$0 |
| Appropriations | \$635,447,695 | (\$346,477) | | (\$346,477) | \$1,162,046,663 |
| CFB | \$0 | \$0 | | \$0 | \$0 |
| FTE | 0.000 | 0.000 | | 0.000 | 0.000 |

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Table 8
Highway Fund and Highway Trust Fund Budget, 2015-16

| P1091-16 | | | F | Reductions | | Other Co | ontinuation/Exp | ansion | | | |
|--|-----------------------------------|---------------|--------------|--------------|---------------|------------|-----------------|-----------|--------------|---------------|----------|
| Part | | FY 2015-16 | - | | Appropriation | | | | | 2015-16 | Net |
| Domain | | Base | | | Supported | | | Supported | Net | Approved | Position |
| Control Majnings | Function | Appropriation | Recurring | Nonrecurring | Positions | Recurring | Nonrecurring | Positions | Change | Appropriation | Change |
| Manifestation 134,879 | DOT Administration | 86,036,808 | | | | 2,534,500 | 23,956,000 | | 26.490,500 | 112,527,308 | |
| Manamenanco | Division of Highways | | | | | | | | | | |
| Manifesting | Administration | 33,467,959 | - | - | | | | | | 33,467,959 | - |
| Memory And Policy And Policy And Stand | Construction | 41,859,878 | * | | | 5,000,000 | | - | 5,000,000 | | - |
| State And Municipalities | Maintenance | 1,084,441,389 | (31,359,865) | | | 19,563,777 | | | (11,796,088) | 1,072,645,301 | |
| State Act to Municipalities | Planning and Research | 4,055,402 | (4,055,402) | - | | | | - | (4,055,402) | | - |
| Automotodid | OSHA Program | 358,030 | - | | | | | - | | 358,030 | - |
| Argents 12,00.952 12,00.952 | State Aid to Municipalities | 146,328,000 | (2,246,400) | | - | | | | (2,246,400) | 144,081,600 | |
| Part | Multi-Modal | | | | | | | | | | |
| Public Tansportation | Airports | 21,260,952 | | | - | | | | | 21,260,952 | |
| Public Transportation 85.172.419 - 3.000,000 3.000,000 88.173.419 23.551.674 | Вкусіе | 726,895 | | - | | | | - | * | 726,895 | - |
| Ralincide | Ferry | 38,900,395 | | - | - | 850,000 | 700,000 | - | 1,550,000 | 40,450,395 | |
| Common's Highway Safety Program 251,241 | Public Transportation | 85,173,419 | | - | - | 3,000,000 | | - | 3,000,000 | 88,173,419 | |
| Powson of Motor Vehicles 120,402,414 | Railroads | 23,651,674 | ÷ | - | | | | - | | 23,651,674 | |
| Cher State Agencies | Governor's Highway Safety Program | 251,241 | | | | | | | | 251,241 | |
| Part | Division of Motor Vehicles | 120,402,414 | | | • | | | - | | 120,402,414 | |
| Capital Improvements | Other State Agencies | 13,673,581 | (21,815) | - | | | | - | (21,815) | 13,651,766 | |
| Total Highway Fund 1,918,676,424 (44,178,900) 650,000 34,739,076 42,663,400 33,223,576 1,951,900,000 18,007,400 18, | Transfer to General Fund | 215,871,719 | | | | 983,726 | | | 983,726 | 216,855,445 | |
| Total Highway Fund 1,918,676.424 (44,178.900) - (50.000) 34,739,076 42,663,400 33,223,576 1,951,900,000 35,094,813 35,094,814 35,094 | Other Reserves | 2,216,668 | (6,495,418) | | (50 00) | 2,807,073 | | | (3,688,345) | (1,471,677) | (50.00) |
| Administration 35,064,813 30,000 30,000 35,094,813 Construction Strategic Prioritization Program 1,017,967,933 58,018,453 58,018,453 1,075,985,486 Intressate System Urban Loop System Screendary Roads State Aid to Munipalities Bond Redemption 46,676,132 11,0909,476 50 10,000,9476 12,813,045 12,813,045 12,918,885 (85,640) 50 10 10,009,476 12,813,045 | Capital Improvements | ÷ | | | | | 18,007,400 | ÷ | 18,007,400 | 18,007,400 | |
| Construction Cons | Total Highway Fund | 1,918,676,424 | (44,178,900) | | (50.00) | 34,739,076 | 42,663,400 | - | 33,223,576 | 1,951,900,000 | (50.00) |
| Strategic Prioritization Program 1,017,967,033 \$8,018,453 1,075,985,486 Intrestate System | Administration | 35,064,813 | | | | 30,000 | * | | 30,000 | 35,094,813 | |
| Intrastate System | Construction | | | | | | | | | | |
| Bonds 46,676,132 110,999,476) 35,766,656 Bond Redemption 46,676,132 110,999,476) 10,999,476 35,766,656 Bond Redemption 12,938,685 (85,640) (85,640) 12,853,045 NC Tumpike Authority (GAP Funds) 49,000,000 10,000,000 10,000,000 10,000,000 NC Mobility Fund 10,000,000 10,000,000 10,000,000 10,000,000 Revere for Visitor's Centers 400,000 10,000,000 10,000,000 10,000,000 | Strategic Prioritization Program | 1,017,967.033 | * | | - | 58,018,453 | - | - | 58,018,453 | 1,075,985,486 | |
| Secondary Roads State Aid to Munipalities Bonds Bonds State Aid to Munipalities Bond Redemption 46,676,132 (10,909,476) (10,909,476) 35,766,556 Bund Interest 12,938,685 (85,640) (85,640) 45,000,000 NC Tumpike Authority (GAP Funds) 49,000,000 Colspan="4">Colspan="4 | Intrastate System | | | | | | | | | | |
| Bonds *********************************** | Urban Loop System | | | | | | | | * | | |
| Bonds Company | Secondary Roads | | | | | | | | - | - | |
| Bond Redemption 46.676.132 (10,909.476) (10,909.476) (10,909.476) 35.766.656 Bond Interest 12,938.685 (85.640) (85.640) (85.640) 12,830.05 NC Tumpike Authority (GAP Funds) 49,000,000 10,000.00 10,000.00 10,000.00 NC Mobility Fund 10,000.00 10,000.00 10,000.00 10,000.00 Reverve for Visitor's Centers 400,000 10,000.00 10,000.00 10,000.00 | State Aid to Munipalities | - | | | | | | | - | - | |
| Bond Interest 12,938,685 (85,640) (85,640) (85,640) (85,640) 12,833,045 NC Tumpike Authority (GAP Funds) 49,000,000 (9,000,000) | Bonds | | | | | | | | | | |
| NC Tumpike Authority (GAP Funds) 49,000,000 - 49,000,000 | Bond Redemption | 46,676,132 | | (10,909,476) | - | - | - | - | (10,909,476) | 35,766,656 | |
| NC, Mobility Fund Reserve for Visitor's Centers 400,000 · · · · · · 400,000 | Bond Interest | 12,938,685 | • | (85,640) | | * | | - | (85,640) | 12,853,045 | |
| Reserve for Visitor's Centers 400,000 · · · · · · · 400,000 | NC Turnpike Authority (GAP Funds) | 49,000,000 | - | - | - | - | - | | | 49,000,000 | |
| | NC Mobility Fund | | | | | | | | | - | - |
| Table 1 Table 1 | Reserve for Visitor's Centers | 400,000 | | | - | - | | | - | 400,000 | * |
| Total riighway Trust Pland 1,162,046,663 - (10,995,176) - 58,048,453 47,053,337 1,209,100,000 | Total Highway Trust Fund | 1,162,046,663 | | (10,995,116) | | 58,048,453 | - | | 47,053,337 | 1,209,100,000 | - |

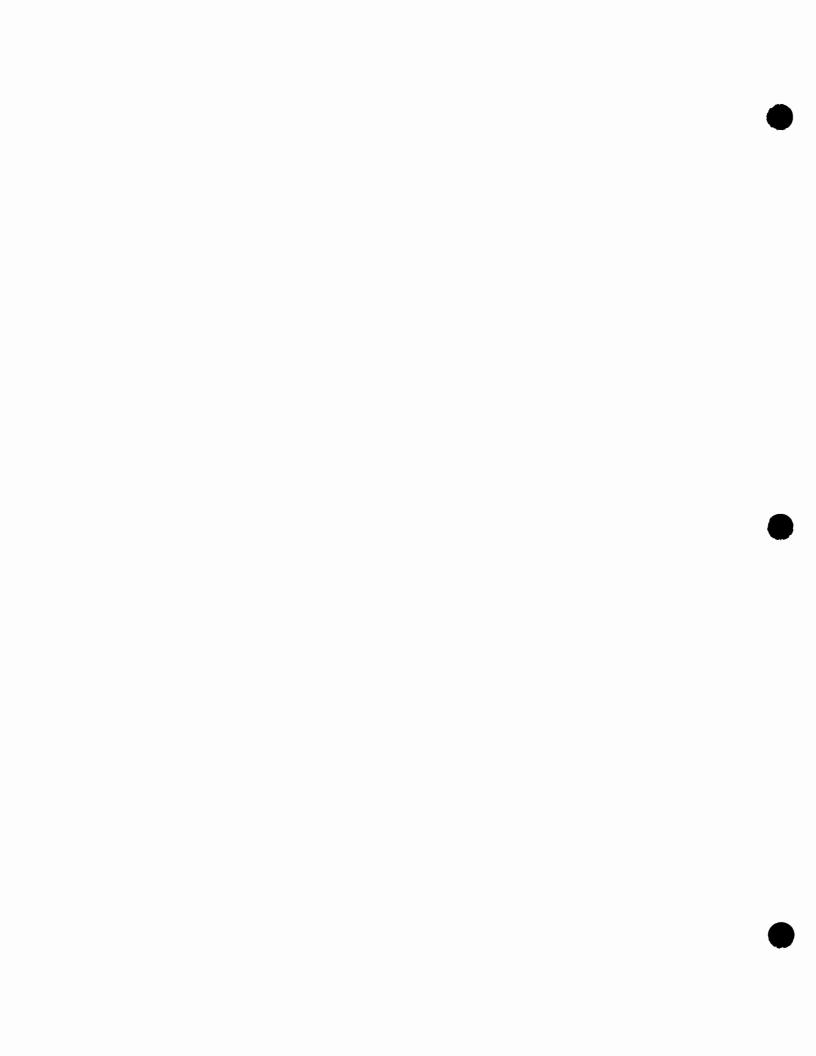
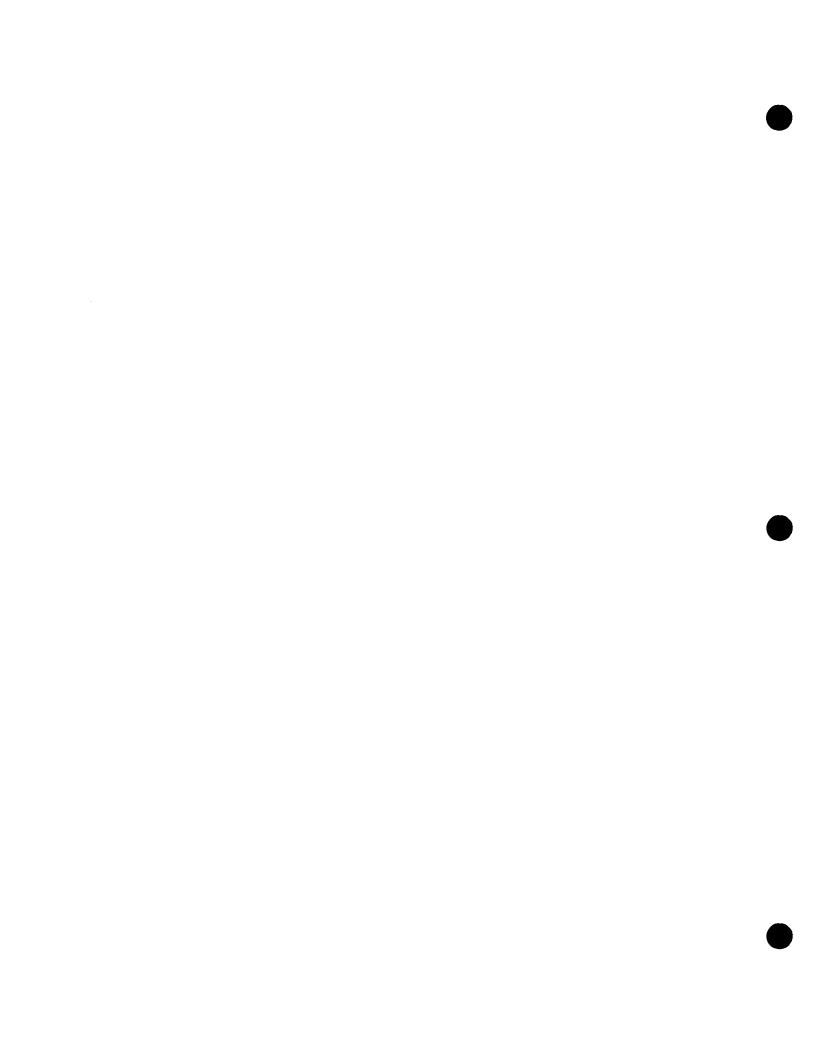


Table 9
Highway Fund and Highway Trust Fund Budget, 2016-17

| | | F | Reductions | | Other Co | ontinuation/Expa | ansion | | | |
|-----------------------------------|---------------|--------------|--------------|---------------|-------------|------------------|---------------|-------------|---------------|----------|
| | FY 2016-17 | | | Appropriation | | | Appropriation | | 2016-17 | Net |
| | Base | | | Supported | | | Supported | Net | Approved | Position |
| Function | Appropriation | Recurring | Nonrecurring | Positions | Recurring | Nonrecurring | Positions | Change | Appropriation | Change |
| DOT Administration | 86,036,808 | | | - | 4,110,500 | | * | 4,110,500 | 90,147,308 | |
| Division of Highways | | | | | | | | | | |
| Administration | 33,467,959 | | | - | | | | - | 33,467,959 | - |
| Construction | 41,859,878 | - | - | - | 5,000,000 | * | - | 5,000,000 | 46,859,878 | - |
| Maintenance | 1,084,441,389 | (31,364,874) | | - | 94,174,252 | - | • | 62,809,378 | 1,147,250,767 | - |
| Planning and Research | 4,055,402 | (4,055,402) | - | - | | | | (4,055,402) | | |
| OSHA Program | 358,030 | | | | | | | | 358,030 | - |
| State Aid to Municipalities | 146,328,000 | (7,404,800) | | - | | | | (7,404,800) | 138,923,200 | - |
| Mult-Modal | | | | | | | | | | |
| Airports | 21,260,952 | - | - | - | | * | - | - | 21,260,952 | |
| Bicycle | 726,895 | • | - | - | | * | - | - | 726,895 | |
| Ferry | 38,900,395 | | | - | 850,000 | - | - | 850,000 | 39,750,395 | - |
| Public Transportation | B5,173,419 | - | | - | 3,000,000 | • | - | 3,000,000 | 88.173,419 | |
| Railroads | 23,651,674 | | | | | | | - | 23,651,674 | |
| Governor's Highway Safety Program | 251,241 | | | , | | | - | - | 251,241 | |
| Division of Motor Vehicles | 113,949,915 | - | - | - | - | - | - | | 113,949,915 | |
| Other State Agencies | 13,673,581 | (16,806) | | - | - | | | (16,806) | 13,656,775 | |
| Transfer to General Fund | 215,871,719 | | | | 2,017,621 | - | - | 2,017,621 | 217,889,340 | |
| Other Reserves | 2,216,668 | (7,028,442) | | (50.00) | 6,174,726 | | | (853,716) | 1,362,952 | (50.00 |
| Capital Improvements | | | | | | 18,019,300 | | 18,019,300 | 18,019,300 | |
| Total Highway Fund | 1,912,223,925 | (49,870,324) | | (50.00) | 115,327,099 | 18,019,300 | - | 83,476,075 | 1,995,700,000 | (50.00) |
| Administration | 35,064,813 | | | | 100,000 | - | | 100,000 | 35,164,813 | |
| Construction | | | | | | | | | | |
| Strategic Prioritization Program | 1,017,967,033 | | - | | 77,155,925 | | * | 77,155,925 | 1,095,122,958 | |
| Intrastate System | , | | | | | | | * | * | - |
| Urban Loop System | - | | | | | | | | | |
| Secondary Roads | • | | | | | | | | - | - |
| State Aid to Municipalities | - | | | | | | | | | - |
| Bonds | | | | | | | | | | |
| Bond Redemption | 46,676,132 | | - | | 1,243,028 | - | - | 1,243,028 | 47,919,160 | |
| Bond Interest | 12,938,685 | * | - | - | 154,384 | | | 154,384 | 13,093,069 | - |
| NC Turnpike Authority | 49,000,000 | | | | | * | | - | 49,000,000 | - |
| NC Mobility Fund | | | | | | | | | | |
| | | | | | | | | | | |
| Reserve for Visitor's Centers | 400,000 | - | | * | - | | | | 400,000 | |



Highway Fund Revenue Forecast 2015-17

The Highway Fund receives support from three revenue sources. The primary source is the excise tax on motor fuels, of which the Highway Fund receives seventy-five percent. The second source is licenses and fees collected by the Division of Motor Vehicles. The third source is interest earned on investments of Highway Fund cash balances held by the State Treasurer. Table 11 shows revised projections for the Highway Fund revenue collections for FY 2014-15 and projections for the 2015-17 biennium.

Current Fiscal Year Update

FY 2014-15 revenues are projected to decrease by 0.9 percent compared to last year, but still finish \$14.6 million over budget. This result is mainly driven by an unexpected increase in licenses and fees revenue (1.8 percent over last year and 4.0 percent over forecast). While motor fuel consumption is expected to increase over the previous year due to falling gas prices, motor fuel tax revenue will likely decrease by 2.2 percent due to a lower than expected motor fuel tax rate, and finish 0.5 percent below forecast.

Fiscal Year 2015-17 Revenue Projections

Total Highway Fund revenue collections are expected to decline 1.8 percent in FY 2015-16 and then increase 2.2 percent in FY 2016-17. The forecast anticipates a modification to the motor fuel tax rate effective March 1, 2015. The changes increase total motor fuel tax revenue by an estimated \$475 million over the biennium. Despite this revenue boost, motor fuel tax revenues are projected to decrease 3.6 percent in FY 2015-16 as gas prices are estimated to remain significantly low. As prices start to trend higher, motor fuel tax revenue is forecast to grow 2.4 percent in FY 2016-17. Reflecting a growing population and strengthening economy, the revenue from licenses and fees is anticipated to grow 2.2 percent in FY 2015-16 and 1.9 percent in FY 2016-17.

Anticipated Revenue Changes

• Modify Motor Fuel Tax Rate – The forecast anticipates changes to stabilize motor fuel revenue and accelerate a reduction in the motor fuel tax rate to 35 cents per gallon effective March 1, 2015 through December 31, 2015, which is 2.5 cents lower than the current rate. Also, effective January 1, 2016, the forecast anticipates changes to the computation of the variable component of the motor fuel tax rate. The changes insulate the rate from future volatility in gas prices and maintain it at or below recent levels (see figure 12). Based on current gas price projections, the tax changes slightly reduce FY 2014-15 revenue, and increase total motor fuel tax revenue by an estimated \$475 million over the biennium.

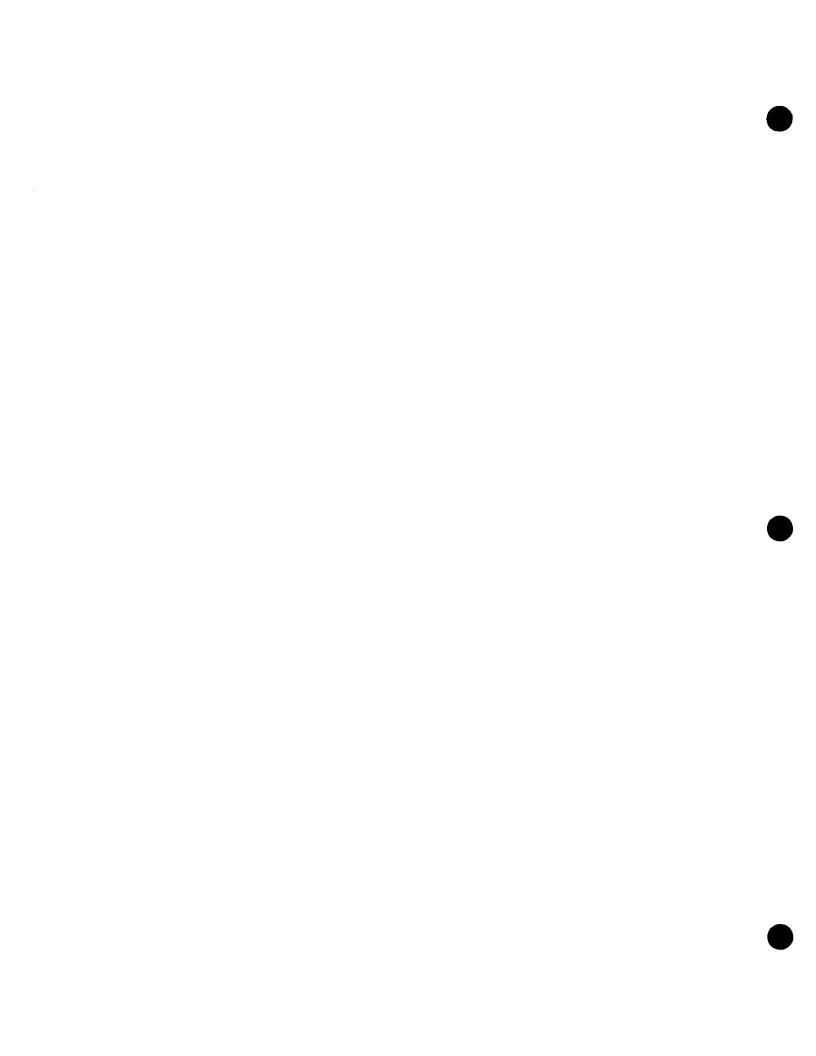


Table 11

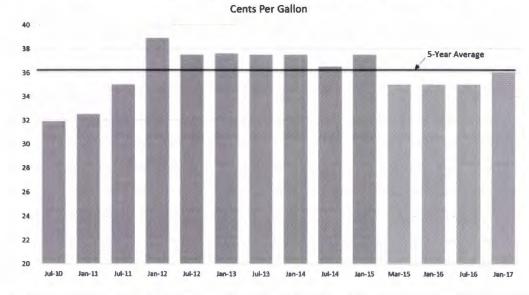
Highway Fund Revenue by Fiscal Year: Recent History and Forecast (In Millions)

| Source | 2013-14 Actual | 2014-15 Budget | 2014-15 Revised | 2015-16 Budget | Percent Change | 2016-17 Revised | Percent Change |
|---------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| Motor Fuels Tax | | | | | | | |
| Motor Fuels | 1,416.2 | 1,392.3 | 1,385.4 | 1,335.8 | -3.6% | 1,368.3 | 2.4% |
| Gasoline Inspection | 13.9 | 13.5 | 13.8 | 13.4 | -2.9% | 13.4 | 0.0% |
| Highway Use Reg. | 0.4 | 0.4 | 0.4 | 0.4 | 10.8% | 0.4 | 0.0% |
| Total Motor Fuel Taxes | 1,430.5 | 1,406.2 | 1,399.5 | 1,349.6 | -3.6% | 1,382.1 | 2.4% |
| Licenses and Fees | | | | | | | |
| Staggered Registration | 203.0 | 212.0 | 212.0 | 220.0 | 3.8% | 227.0 | 3.2% |
| International Registration Plan | 110.0 | 99.4 | 111.2 | 112.3 | 1.0% | 113.1 | 0.7% |
| Driver Licenses | 134.0 | 132.6 | 140.0 | 134.9 | -3.6% | 136.0 | 0.8% |
| Truck Licenses | 64.1 | 62.7 | 57.0 | 64.5 | 13.1% | 65.6 | 1.7% |
| Other Licenses and Fees | 63.1 | 55.5 | 64.2 | 65.7 | 2.2% | 66.9 | 1.9% |
| Total Licenses and Fees | 574.3 | 562.2 | 584.4 | 597.3 | 2.2% | 608.6 | 1.9% |
| Investment Income | 1.7 | 5.4 | 4.4 | 4.9 | 11.4% | 5.0 | 2.4% |
| Total Highway Fund Availability | 2,006.5 | 1,973.7 | 1,988.3 | 1,951.9 | -1.8% | 1,995.7 | 2.2% |

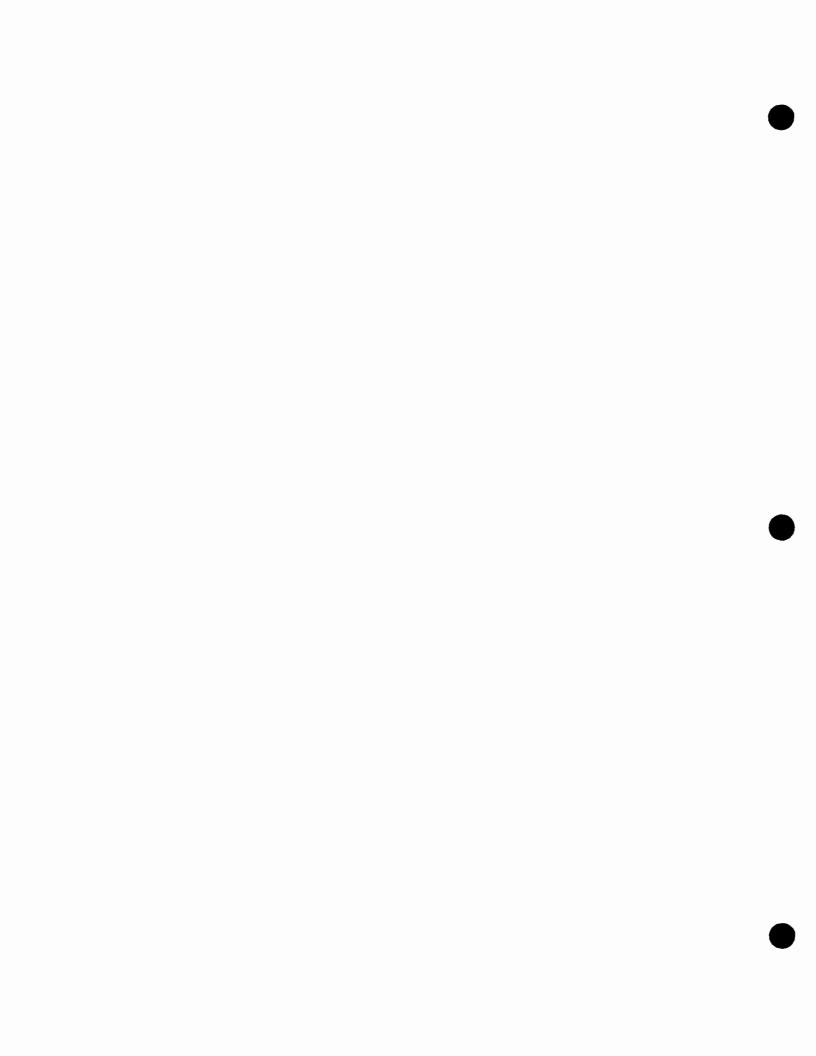
Totals may differ from the sum of their parts due to rounding.

Figure 12

Motor Fuel Tax Rate Remains Below Recent Levels



^{*}July 2010 through January 2015 reflect actual motor fuel tax rates. March 2015 through January 2017 projected rates from Governor's 2015-17 Recommended Budget.



Highway Trust Fund Revenue Forecast 2015-17

The Highway Trust Fund, established in 1989, receives support from four sources. The primary source is the highway use tax, or sales tax, on vehicle sales. The second source is twenty-five percent of the excise tax on motor fuels. The third source is fees on various title registrations. The final source is the interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer. Table 12 shows revised projections for the Highway Trust Fund revenue collections for FY 2014-15 and projections for the 2015-17 biennium.

Current Fiscal Year Update

FY 2014-15 revenues are expected to exceed last year's levels by 2.1 percent, close to \$35 million above the official forecast. The surplus is primarily fueled by better than anticipated highway use tax as car sales exceed expectations. The revenue from this source is anticipated to finish 5.6 percent over FY 2013-14 and \$34.8 million above forecast. Motor fuel tax revenue is projected to decrease by approximately \$3 million due to a lower than expected motor fuel tax rate, while certificate of title and miscellaneous fees are forecast to grow 5.3 percent over the last fiscal year and finish above forecast.

Fiscal Year 2015-17 Revenue Projections

Total Highway Trust Fund revenue is expected to increase 1.0% in FY 2015-16 and 2.6 percent in FY 2016-17. The forecast anticipates a modification to the motor fuel tax rate effective March 1, 2015. The changes increase total motor fuel tax revenue by an estimated \$475 million over the biennium. Despite this revenue boost, motor fuel tax revenues are projected to decrease 3.6 percent in FY 2015-16 as gas prices are estimated to remain significantly low. As prices start to trend higher, motor fuel tax revenue is forecast to grow 2.4 percent in FY 2016-17. Highway use tax revenue is anticipated to increase 3.9 percent and 2.6 percent in FY 2015-16 and FY 2016-17, respectively, as the economy continues to improve. Combined, title registrations and miscellaneous fees are projected to grow 3.5 percent in each year of the biennium.

Anticipated Revenue Changes

• Modify Motor Fuel Tax Rate – The forecast anticipates changes to stabilize motor fuel revenue and accelerate a reduction in the motor fuel tax rate to 35 cents per gallon effective March 1, 2015 through December 31, 2015, which is 2.5 cents lower than the current rate. Also, effective January 1, 2016, the forecast anticipates changes to the computation of the variable component of the motor fuel tax rate. The changes insulate the rate from future volatility in gas prices and maintain it at or below recent levels (see figure 12). Based on current gas price projections, the tax changes slightly reduce FY 2014-15 revenue, and increase total motor fuel tax revenue by an estimated \$475 million over the biennium.

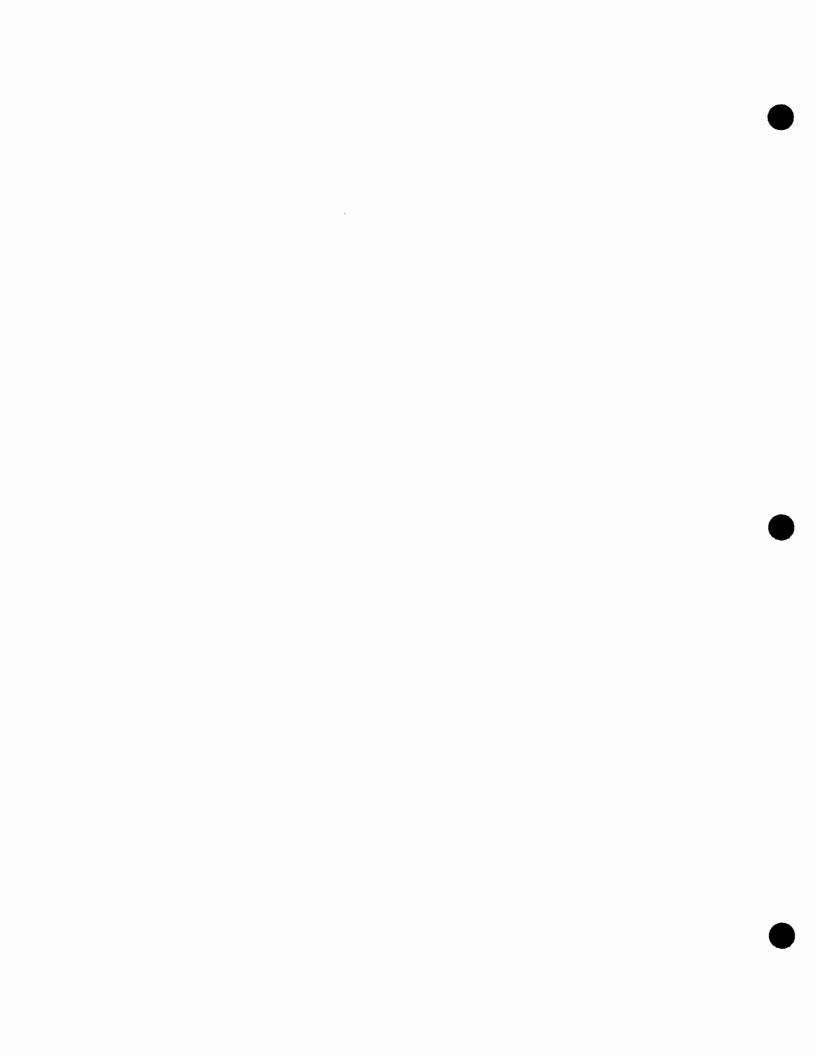


Table 12
Highway Trust Fund Revenue by Fiscal Year: Recent History and Forecast (In Millions)

| Source | 2013-14 Actual | 2014-15 Budget | 2014-15 Revised | 2015-16 Budget | Percent Change | 2016-17 Revised | Percent Change |
|---------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| Fuel Taxes and Fees | | | | | | | |
| Motor Fuel Tax | 474.6 | 464.8 | 461.8 | 445.3 | -3.6% | 456.1 | 2.4% |
| Highway Use | 597.4 | 596.1 | 630.9 | 655.6 | 3.9% | 672.7 | 2.6% |
| Certificate of Title Fees | 82.7 | 84.4 | 87.4 | 90.3 | 3.2% | 92.9 | 2.9% |
| Miscellaneous Title Fees | 14.7 | 15.0 | 15.2 | 16.0 | 5.3% | 17.1 | 6.6% |
| Subtotal | 1,169.4 | 1,160.4 | 1,195.3 | 1,207.1 | 1.0% | 1,238.7 | 2.6% |
| Interest on Investments | 3.2 | 2.0 | 2.0 | 2.0 | 0.0% | 2.0 | 0.0% |
| Total Highway Trust Fund Availability | 1,172.7 | 1,162.4 | 1,197.3 | 1,209.1 | 1.0% | 1,240.7 | 2.6% |

Totals may differ from the sum of their parts due to rounding.

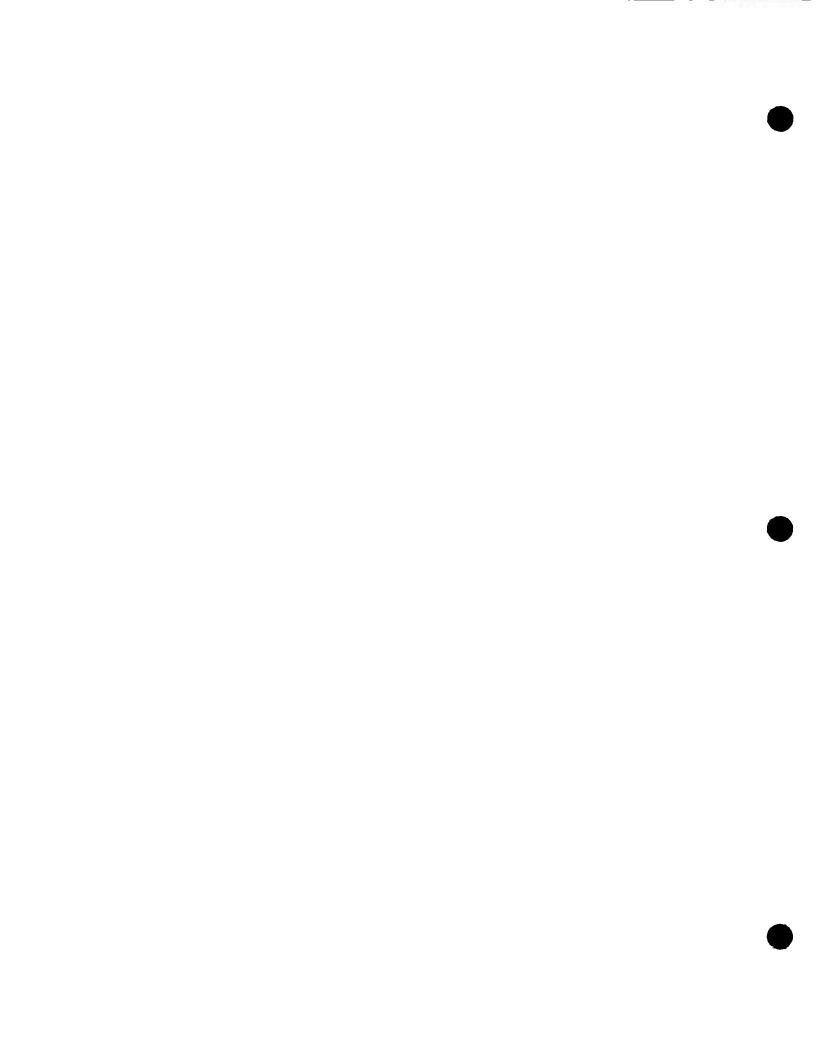


Figure 13

Transportation Funding Sources for 2015-16

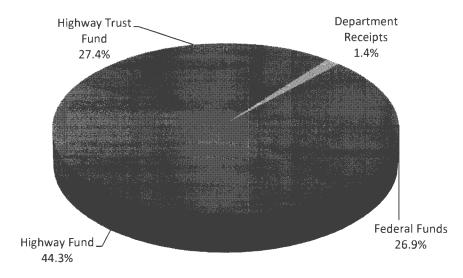
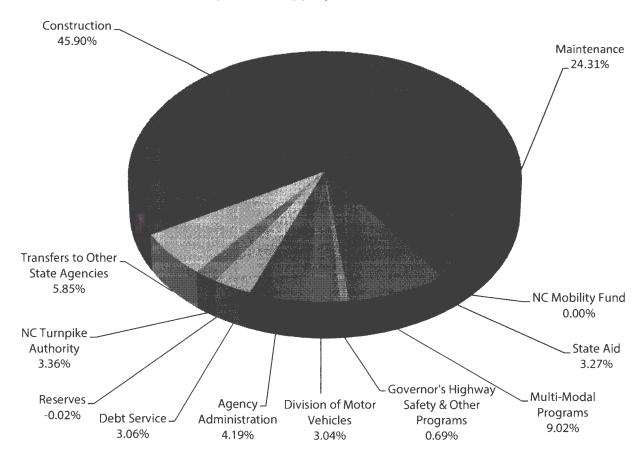


Figure 14

Transportation Appropriations for 2015-16



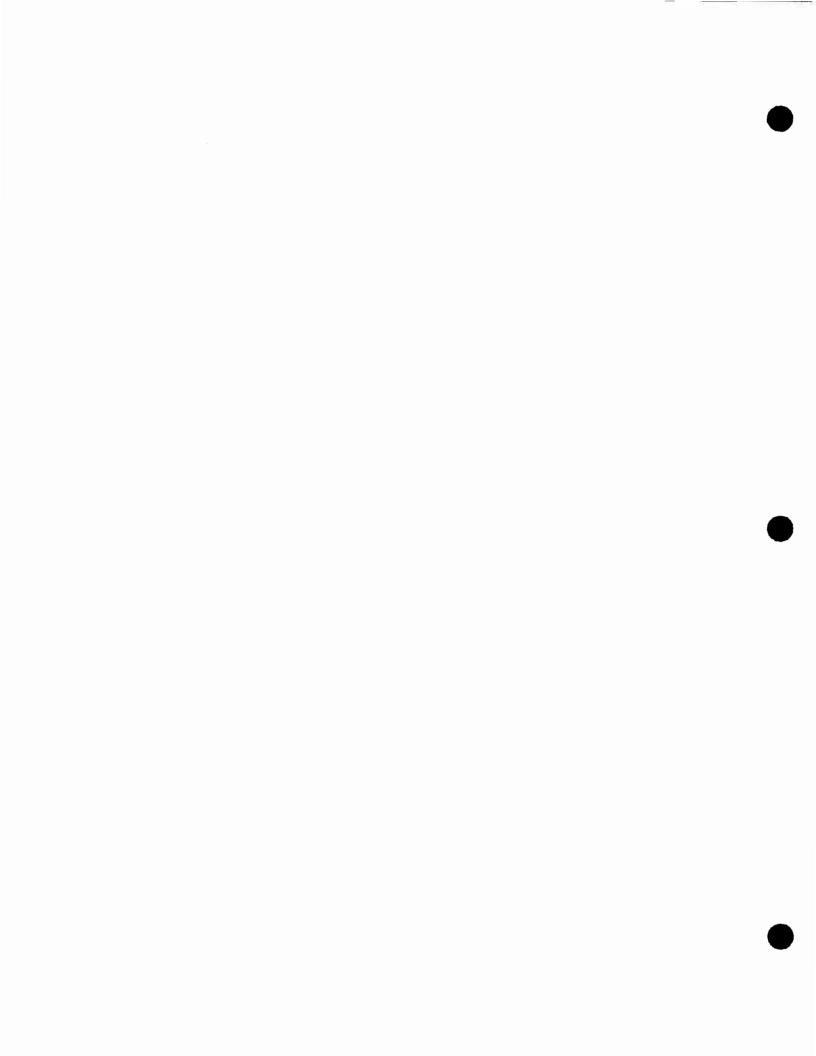


Table 13

Highway Fund - Approved Availability and Appropriations - 2015-17

| Description | 2015-16 Approved | 2016-17 Approved | |
|---|---------------------|---------------------|--|
| Budget Availability | | | |
| Beginning Credit Balance: | , | | |
| Unappropriated Balance from FY 2014-15 | \$ - | - | |
| Anticipated Reversions from FY 2014-15 | - | - | |
| Anticipated Over collections from FY 2014-15 | - | - | |
| Anticipated Beginning Unreserved Credit Balance | - | - | |
| Budgeted Revenue: | | | |
| Tax Revenue | 1,349,600,000 | 1,382,100,000 | |
| Non-tax Revenue | 597,400,000 | 608,600,000 | |
| Intvestment Income | 1,000,000 | 1,000,000 | |
| NC Railroad Company Dividend Payment | 3,900,000 | 4,000,000 | |
| Total Highway Fund Revenue | 1,951,900,000 | 1,995,700,000 | |
| Total Availability | 1,951,900,000 | 1,995,700,000 | |
| Appropriations: | | | |
| Original Certified Budget | 1,918,676,424 | 1,912,223,925 | |
| Reductions | (44,178,900) | (49,870,324) | |
| Expansion | 77,402,476 | 133,346,399 | |
| Total Appropriations | 1,951,900,000 | 1,995,700,000 | |
| Total Ending Balance | \$ - | \$ - | |

Table 14

Highway Trust Fund - Approved Availability and Appropriations - 2015-17

| Description | 2015-16 Approved | | |
|---|---------------------|----|---------------|
| Budget Availability | | | |
| Beginning Credit Balance: | | | |
| Unappropriated Balance from FY 2014-15 | \$ - | \$ | - |
| Anticipated Reversions from FY 2014-15 | - | | - |
| Anticipated Over collections from FY 2014-15 | - | | - |
| Anticipated Beginning Unreserved Credit Balance | • | | - |
| Budgeted Revenue: | | | |
| Tax Revenue | 1,100,900,000 | | 1,128,800,000 |
| Non-tax Revenue | 106,200,000 | | 109,900,000 |
| Investment Income | 2,000,000 | | 2,000,000 |
| Total Highway Trust Fund Revenue | 1,209,100,000 | | 1,240,700,000 |
| Total Availability | 1,209,100,000 | | 1,240,700,000 |
| Appropriations: | | | |
| Original Certified Budget | 1,162,046,663 | | 1,162,046,663 |
| Reductions | (10,995,116) | | - |
| Expansion | 58,048,453 | | 78,653,337 |
| Total Appropriations | 1,209,100,000 | | 1,240,700,000 |
| Total Ending Balance | \$ - | \$ | - |



Funding for Supplemental Budget

| Highway Fund Forecast (Primarily C | perations & Mair | iteriarice, Diviv) | | |
|--|------------------|---------------------------------|----|-----------------------------|
| | | FY 2015-16 | | FY 2016-17 |
| Base Budget to Continue Current Operations | \$ | 1,918,676,424 | \$ | 1,912,223,92 |
| Revenue Estimate with Floor of 35 cents on Gas Tax | \$ | 1,951,900,000 | \$ | 1,995,700,00 |
| Note: OSBM Estimate based on SB 20 | | | | |
| Funds Available for Supplemental Budget Requests: | \$ | 33,223,576 | \$ | 83,476,075 |
| Highway Trust Fund Forecast (Pri | marily New Poad | Construction) | | |
| nighway frust runu rolecast (rin | mainy new nodu | | | |
| nighway Trust Fund Forecast (Fin | many new Road | FY 2015-16 | | FY 2016-17 |
| Base Budget to Continue Current Operations | \$ | | \$ | FY 2016-17 1,162,046,663 |
| Base Budget to Continue Current Operations | | FY 2015-16 | \$ | |
| | \$ | FY 2015-16 1,162,046,663 | • | 1,162,046,663 |

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Transportation

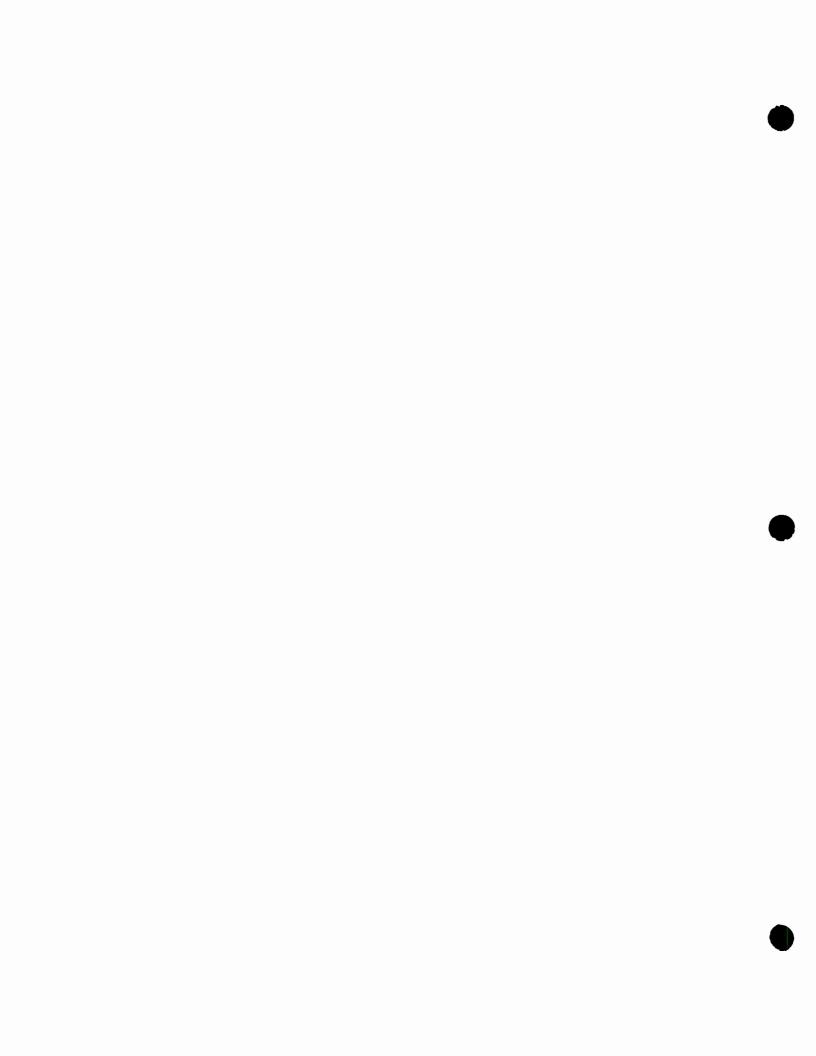
Commits nearly \$4.8 billion over the biennium to lay the foundation for our 25-year transportation vision, which focuses on connecting small towns and economic centers to simplify citizens' commutes for work, school and recreation.

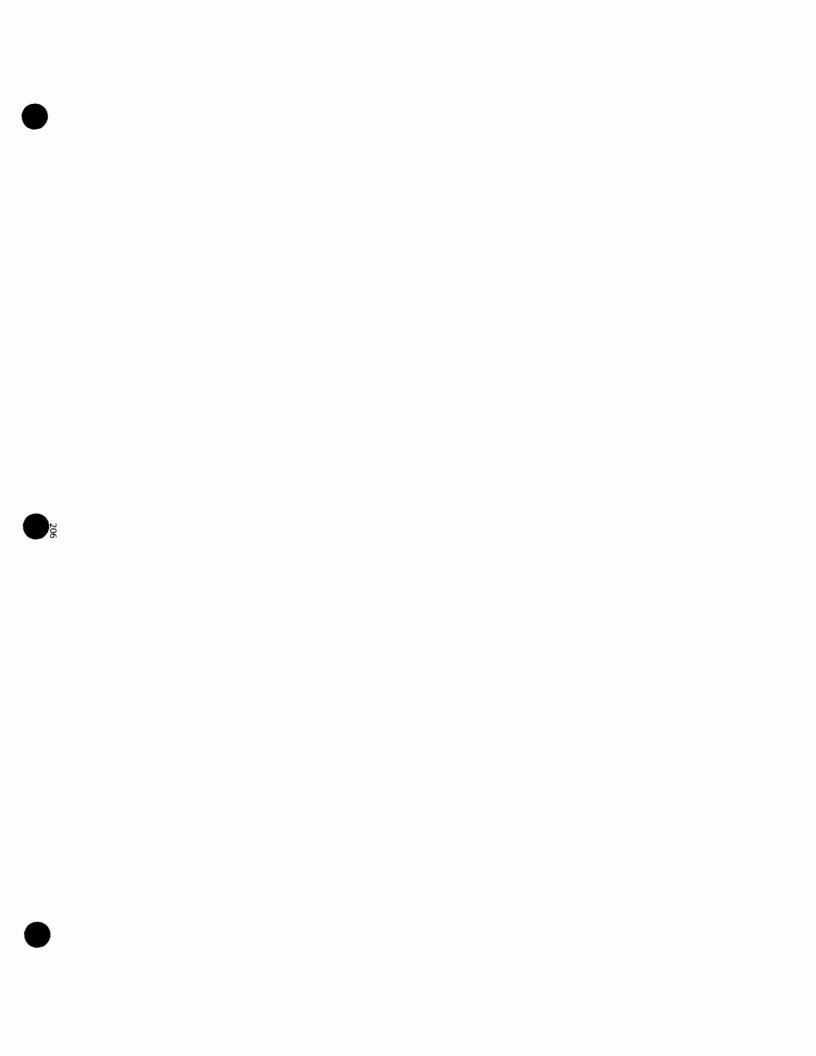
Supports economic growth and job creation by providing increased funding for strategic investments in preserving and improving our state's critical infrastructure.

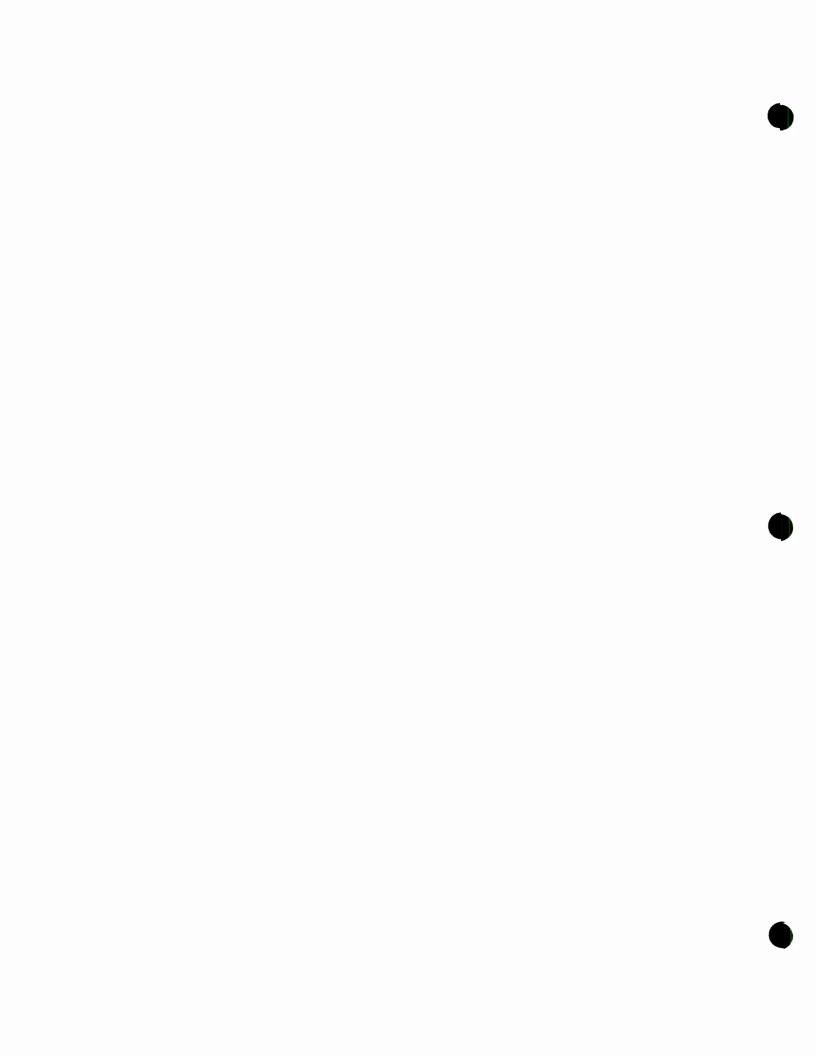
Makes targeted investments in various transportation improvement projects to ease congestion, particularly in urban and rural communities across the state.

Maintains our commitment to improve citizen experiences with the Division of Motor Vehicles by allocating funds for a substantial technology and equipment upgrade.









Highway Fund

Highway Fund (84210)

Year 1 Adjustments to the Base Budget 2015-16

| | | | | Char | nges to Base Budget | | % A from | |
|----------------|------------------------|------------------|---------------|-----------------------|---------------------|--------------------|------------|---------------|
| | 2013-14 | 2014-15 | 2014-15 | Net | Net | Total | 2014-15 | 2015-16 |
| Total | Actual | Certified | Authorized | Recurring | Non-Recurring | Change | Authorized | Base Budget |
| Requirements | \$ 7,535,121,883 \$ | 6,708,248,496 \$ | 7,284,747,772 | \$ (67,899,440) \$ | 4. | \$ (67,899,440) | (0.93%) \$ | 7,216,848,332 |
| Receipts | \$ 5,388,302,629 \$ | 4,724,106,210 \$ | 5,300,605,486 | \$ (2,433,578) \$ | | \$ (2,433,578) | (0.05%) \$ | 5,298,171,908 |
| Appropriations | \$ 2,146,819,254 \$ | 1,984,142,286 \$ | 1,984,142,286 | \$ (65,465,862) \$ | le le | \$ (65,465,862) | (3.30%) \$ | 1,918,676,424 |
| FTE | 12,725.000 | 12,393.000 | 12,454.000 | (55.000) | 0.000 | (55.000) | (0.44%) | 12,399.000 |

Recommended Change Budget for 2015-16

| | | | Recomm | mende | d Change Budget for | 2015-1 | 6 | _ | | % A from | % A from |
|---------------|------------------------|---------------|----------------|-------|---------------------|--------|-------------|----|----------------|------------|-------------|
| | 2014-15 | 2015-16 | Net | | Net | | Recommended | | Recommended | 2014-15 | 2015-16 |
| | Authorized Budget | Base Budget | Recurring | | Non Recurring | | Change | | 2015-16 Budget | Authorized | Base Budget |
| Requirements | \$ 7,284,747,772 \$ | 7,216,848,332 | \$ 650,321 | \$ | 42,663,400 | \$ | 43,313,721 | \$ | 7,260,162,053 | (0.34%) | 0.60% |
| Receipts | \$ 5,300,605,486 \$ | 5,298,171,908 | \$ 10,090,145 | \$ | | \$ | 10,090,145 | \$ | 5,308,262,053 | 0.14% | 0.19% |
| Appropriation | \$ 1,984,142,286 \$ | 1,918,676,424 | \$ (9,439,824) | \$ | 42,663,400 | \$ | 33,223,576 | \$ | 1,951,900,000 | (1.62%) | 1.73% |
| FTE | 12,454.000 | 12,399.000 | (50.000) | | 0.000 | | (50.000) | - | 12,349.000 | (0.84%) | (0.40%) |

Year 2 Adjustments to the Base Budget for 2016-17

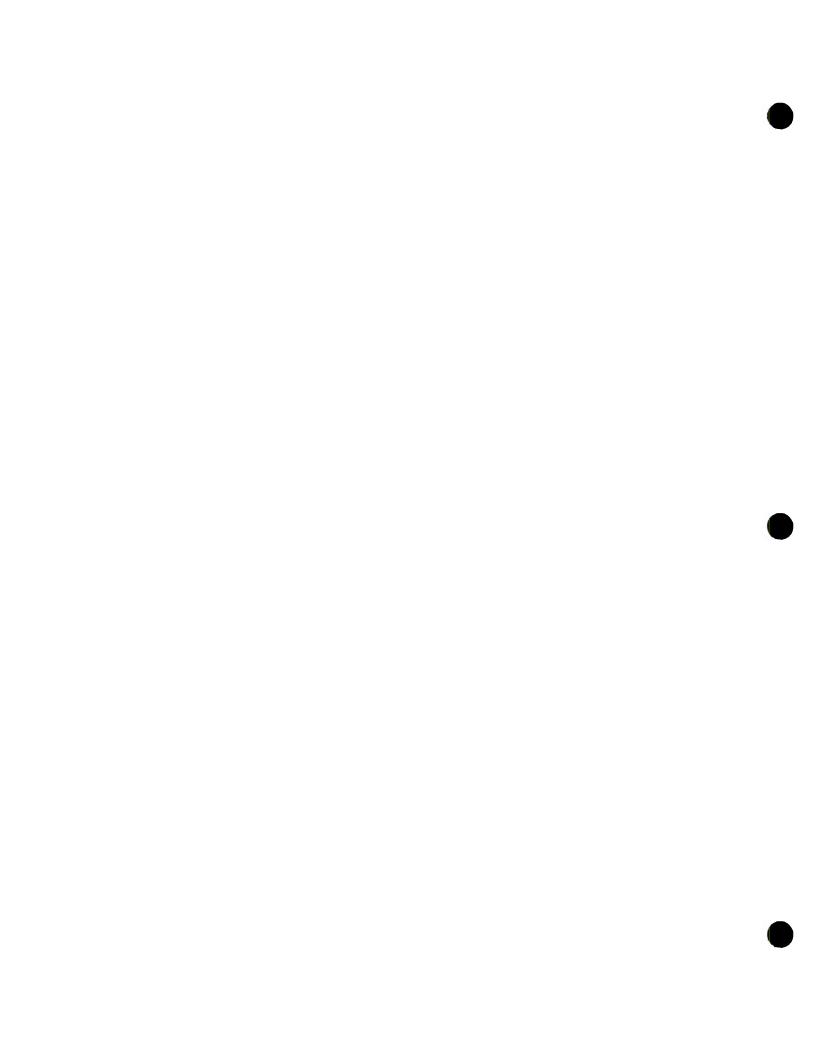
| , | | g | | | | Chan | ges to Base Budget | | % A from | |
|----------------|----|------------------|------------------|---------------|----|-----------------|--------------------|--------------------|------------|---------------|
| | | 2013-14 | 2014-15 | 2014-15 | | Net | Net | Total | 2014-15 | 2016-17 |
| Tota | ıl | Actual | Certified | Authorized | | Recurring | Non-Recurring | Change | Authorized | Base Budget |
| Requirements | \$ | 7,535,121,883 \$ | 6,708,248,496 \$ | 7,284,747,772 | 5 | (67,899,440) \$ | - | \$ (67,899,440) | (0.93%) \$ | 7,216,848,332 |
| Receipts | \$ | 5,388,302,629 \$ | 4,724,106,210 \$ | 5,300,605,486 | \$ | 4,018,921 \$ | - 1 | \$ 4,018,921 | 0.08% \$ | 5,304,624,407 |
| Appropriations | \$ | 2,146,819,254 \$ | 1,984,142,286 \$ | 1,984,142,286 | \$ | (71,918,361) \$ | + | \$ (71,918,361) | (3.62%) \$ | 1,912,223,925 |
| FTE | | 12.725.000 | 12,393,000 | 12,454,000 | | (55.000) | 0.000 | (55,000) | (0.44%) | 12,399,000 |

Recommended Change Budget for 2016-17

| | | | | Recommend | led Change Budget for 2016- | -17 | | % A from | % A from |
|---------------|----|-------------------|------------------|-----------------|-----------------------------|-----------------|----------------|------------|-------------|
| | | 2014-15 | 2016-17 | Net | Net | Recommended | Recommended | 2014-15 | 2016-17 |
| | | Authorized Budget | Base Budget | Recurring | Non Recurring | Change | 2016-17 Budget | Authorized | Base Budget |
| Requirements | \$ | 7,284,747,772 \$ | 7,216,848,332 \$ | (21,855,585) \$ | 18,019,300 \$ | (3,836,285) \$ | 7,213,012,047 | (0.98%) | (0.05%) |
| Receipts | 5 | 5,300,605,486 \$ | 5,304,624,407 \$ | (87,312,360) \$ | - \$ | (87,312,360) \$ | 5,217,312,047 | (1.57%) | (1.65%) |
| Appropriation | \$ | 1,984,142,286 \$ | 1,912,223,925 \$ | 65,456,775 \$ | 18,019,300 \$ | 83,476,075 \$ | 1,995,700,000 | 0.58% | 4.37% |
| FTE | | 12,454.000 | 12,399.000 | (50.000) | 0.000 | (50.000) | 12,349.000 | (0.84%) | (0.40%) |

Recommended Changes for Highway Fund (84210)

| | | | | | | 2015-2016 | | | 2016-2017 | |
|----|--|------|----|------------|----|---------------|------------|------------------|---------------|------------|
| | | | | Recurring | | Non Recurring | | Recurring | Non Recurring | |
| | | | | Changes | | Changes | Total | Changes | Changes | Total |
| 1. | Statutory Adjustment - DOT Sales Tax Exemption | | | | | | | | | |
| | Adjusts the amount required from the Highway Fund to reimburse the State's General Fund for the | Req | \$ | 983,726 | | - \$ | 983,726 | \$ 2,017,621 | | 2,017,621 |
| | department's sales tax exemption on purchases per GS 105-164.44D. | Rec | \$ | | \$ | - \$ | - | \$ | \$ - \$ | - |
| | | Appr | \$ | 983,726 | | - \$ | 983,726 | \$ 2,017,621 | | 2,017,621 |
| | | Pos | | 0.000 |) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 2. | Reserves and Transfers - Benefit Adjustments for Department of Transportation Employees | | | | | | | | | |
| | Increases funding to the State's contribution to the Teachers' and State Employees' Comprehensive | Req | \$ | 1,815,540 | \$ | - \$ | 1,815,540 | \$ 5,224,702 | | 5,224,702 |
| | Major Medical Plan for employees in the Department of Transportation and other state agencies | Rec | \$ | 78,905 | | - \$ | 78,905 | \$ 78,905 | | 78,905 |
| | supported by Highway Fund appropriations, effective January 1, 2016. Funding is also provided to match | Appr | \$ | 1,736,635 | | - \$ | 1,736,635 | \$ 5,145,797 | | |
| | the anticipated employee longevity schedule for the 2015-17 biennium. | Pos | | 0.000 |) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 3. | Reserves and Transfers - Department Wide Payroll Additive Adjustment | | | | | | | | | |
| | Adjusts the annual payroll additive charged to the Administrative fund centers. The payroll additive is a | Req | \$ | 1,327,054 | \$ | - \$ | 1,327,054 | \$ 1,327,054 | \$ - \$ | 1,327,054 |
| | standard indirect labor charge to cover unemployment and worker's compensation as a percentage of | Rec | \$ | 256,616 | \$ | - \$ | 256,616 | \$ 298,125 | \$ - \$ | 298,125 |
| | direct labor cost. | Appr | \$ | 1,070,438 | \$ | - \$ | 1,070,438 | \$ 1,028,929 | \$ - \$ | 1,028,929 |
| | * | Pos | | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 4. | Invest in Road Preservation and Improvements Across the State - Reserve for General Maintenance | | | | | | | | | |
| | Increases General Maintenance Reserve funding to preserve and improve roads throughout the state. | Req | | 19,563,777 | | - \$ | 19,563,777 | \$ 94,174,252 | | 94,174,252 |
| | The reserve provides flexible funding that can be allocated by system (primary and secondary) based on | Rec | \$ | | \$ | - \$ | - | \$ | | |
| | need for specific highway maintenance activities that preserve or improve the overall condition of the | Appr | \$ | 19,563,777 | | | 19,563,777 | \$ 94,174,252 | | |
| | transportation system. This adjustment is an increase of 42.94% in FY 2015-16 and 206.70% in FY 2016-2017 when compared to the 2014-15 certified budget. | Pos | | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 5. | Construction - Improve Safety and Ease Congestion - Continue Small Construction Improvements | | | | | | | | | |
| | Funds transportation improvement projects in rural and urban areas across the state through the Small | Req | S | 5,000,000 | 5 | - \$ | 5,000,000 | \$ 5,000,000 | \$ - \$ | 5,000,000 |
| | Construction Program. These improvement projects enhance safety for the traveling public and support | Rec | \$ | - | \$ | - \$ | - | \$ | \$ - \$ | |
| | congestion mitigation. (Session Law 2013-360 changed the program funding from recurring to non- | Appr | \$ | 5,000,000 | \$ | - \$ | 5,000,000 | \$ 5,000,000 | \$ - \$ | 5,000,000 |
| | recurring.) | Pos | | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 6. | IT Division - Modernization of Driver Services and Vehicle Services (DMV) | | | | | | | | | |
| | Completes the modernization of the Division of Motor Vehicles Statewide Automated Driver License | Req | 5 | 2,500,000 | \$ | 23,956,000 \$ | 26,456,000 | \$ 4,076,000 | \$ - \$ | 4,076,000 |
| | System, improving efficiency and customer service. | | \$ | | \$ | - \$ | | \$ | \$ - \$ | |
| | -,, | Appr | \$ | 2,500,000 | \$ | 23,956,000 \$ | 26,456,000 | \$ 4,076,000 | \$ - \$ | 4,076,000 |
| | | Pos | | 0.000 | | 0.000 | 0.000 | | | 0.000 |



2016-2017

Changes

0.000

- \$ 2,001,011 - \$ 2,001,011

0.000

Recurring

0.000

\$ 2,001,011 \$ 2,001,011 \$ \$ 2,001,011 \$ 2,001,011 \$

0.000

7. Motor Vehicles - Tax and Tag Together Program

Continues 44 of the 54 current time-limited positions set to expire June 30, 2015 for the Tax and Tag

Together program. The positions are supported by the administrative fee authorized in G5 105-330.5(b).

Appr \$ 2,001,011 \$ 2,001,01

8. Multi-Modal Transportation (Ferry Division) - Hatteras Alternate Route and Spill Response

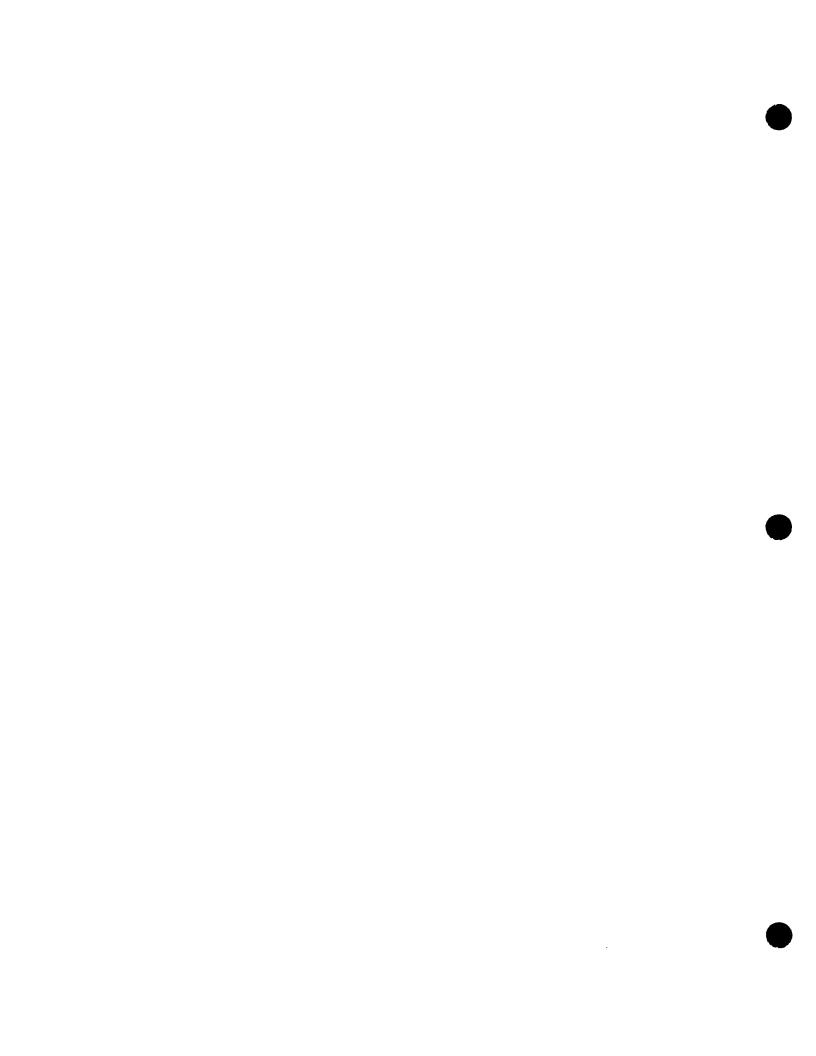
| | Requirement | | | | | | | | | | | | | |
|---|---|-------------|----|------------------|----|------------|----|------------------|----|------------------|----|---------------|----------|----------|
| | Reallocates highway funds to cover fuel costs for the newly designated Hatteras Inlet route, which has | Req | \$ | 850,000 | | - | \$ | 850,000 | \$ | 850,000 | | - 9 | | 850,000 |
| | increased from four miles in length to ten miles. Also provides funds for the new federal mandate to | Rec | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - 5 | _ | - |
| | prepare and train for oil spill responses for vessels 400 gross tons and above. | Appr Pos | \$ | 850,000 0.000 | | 0.000 | \$ | 850,000 0.000 | \$ | 850,000 0.000 | | 0.000 | | 0.000 |
| 9 | . Multi-Modal Transportation (Ferry Division) - Equipment Replacement and Water Tower Repair | | | | | | | | | | | | | |
| | Replaces deteriorating hydro-blasting equipment, repairs the water tower at the shipyard, and upgrades | Req | \$ | | \$ | 700,000 | \$ | 700,000 | \$ | - | \$ | - 5 | 5 | - |
| | underground water lines to ensure an adequate supply of water remains available. Allocates highway | Rec | \$ | - | \$ | | \$ | | \$ | | \$ | - 5 | : | - |
| | funds on a nonrecurring basis. | Appr | \$ | | \$ | 700,000 | | | \$ | | \$ | - 5 |) | - |
| | | Pos | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| 1 | Multi-Modal Transportation (Public Transportation) - Increase funds for Statewide Grant, Rural Capital and Urban Bus Programs | | | | | | | | | | | | | |
| , | Allocates funds to the Public Transportation Division to match federal funds and provide state funding | Req | \$ | 3,000,000 | \$ | - | \$ | 3,000,000 | \$ | 3,000,000 | \$ | - \$ | 3, | 000,000 |
| | for programs not receiving federal funds. The recommendation provides \$1 million each for the rural and | Rec | \$ | - | \$ | - | \$ | | \$ | - | \$ | - 5 | - | - |
| | urban capital match funds. | Appr | \$ | 3,000,000 | - | - | \$ | 3,000,000 | \$ | 3,000,000 | | - \$ | 3, | 000,000 |
| | | Pos | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| 1 | 1. Capital, Repairs and Renovations | | | | | | | | | | | | | |
| | Funds capital improvements, repair, and renovation projects included in the Department of | Req | \$ | - | \$ | 18,007,400 | \$ | 18,007,400 | \$ | - | \$ | 18,019,300 | 18, | 019,300 |
| | Transportation's 2015-21 Capital Improvements Plan. Capital projects are listed in the Capital Section of | Rec | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - \$ | | - |
| | the budget document. | Appr | \$ | - | | 18,007,400 | | 18,007,400 | \$ | - | \$ | 18,019,300 \$ | 18, | 019,300 |
| | | Pos | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| 1 | 2. Administration - Board of Transportation | | | | | | | | | | | | | |
| | Funds the Board of Transportation based on actual expenses. | Req | \$ | 34,500 | \$ | - | \$ | 34,500 | \$ | 34,500 | \$ | - 5 | | 34,500 |
| | | Rec | \$ | - | \$ | - | \$ | - | \$ | | \$ | - 5 | 3 | - |
| | | Appr | \$ | 34,500 | \$ | - | \$ | 34,500 | \$ | 34,500 | \$ | - \$ | ; | 34,500 |
| | | Pos | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |
| 1 | 3. Statutory Adjustment - State Aid to Municipalities | | | | | | | | | | | | | |
| | Adjusts the State Aid to Municipalities appropriation per GS 136-41.1. The revenue forecast used to | Req | Ś | (2,246,400) | Ś | | \$ | (2,246,400) | Ś | (7,404,800) | S | - 5 | 17.4 | 104,800) |
| | adjust this program is based on the Governor's recommendation to modify the Motor Fuels Tax Rate in | Rec | Ś | ,_,_,,,,,,,, | Š | | Ś | ,, | S | ,, | Ś | - 5 | 177 | - 1,000) |
| | GS 105-449.80. This adjustment is a decrease of 1.54% in FY 2015-16 and 5.06% in FY 2016-17 when | Appr | \$ | (2,246,400) | \$ | - | \$ | (2,246,400) | Ś | (7,404,800) | \$ | - 5 | (7,4 | 104,800) |
| | compared to the 2014-15 certified budget for this program. | Pos | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 | | 0.000 |

2015-2016

Changes

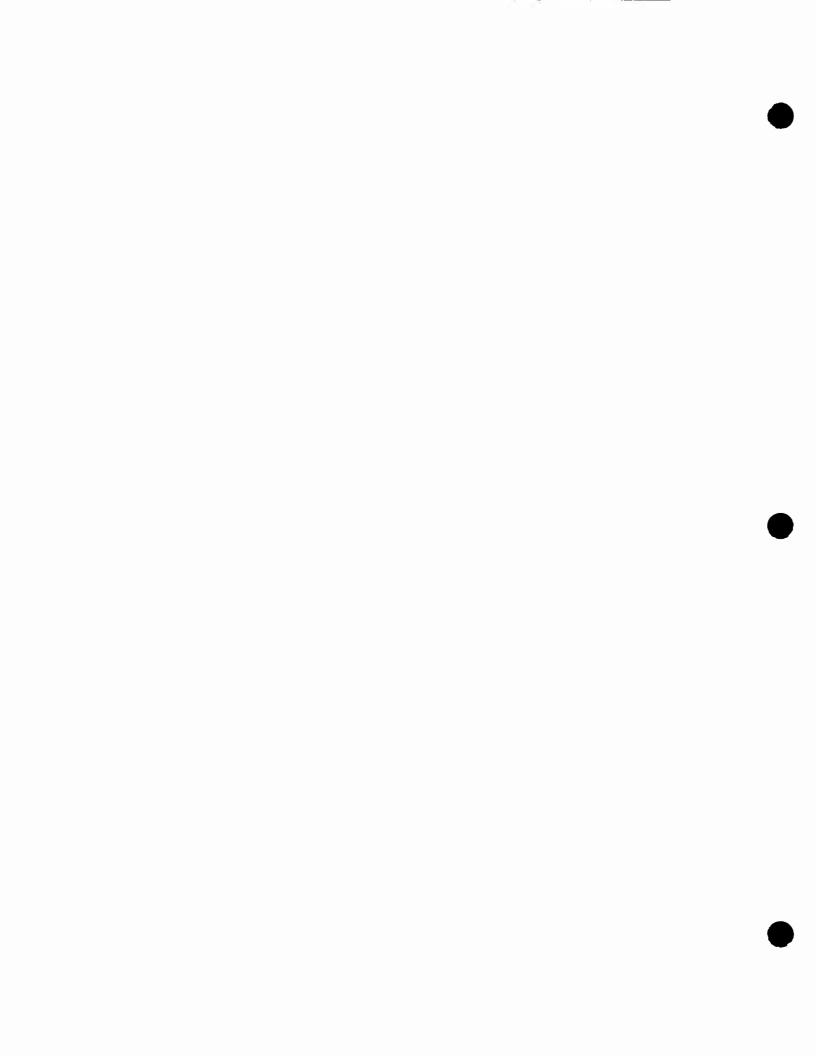
Non Recurring Changes

0.000



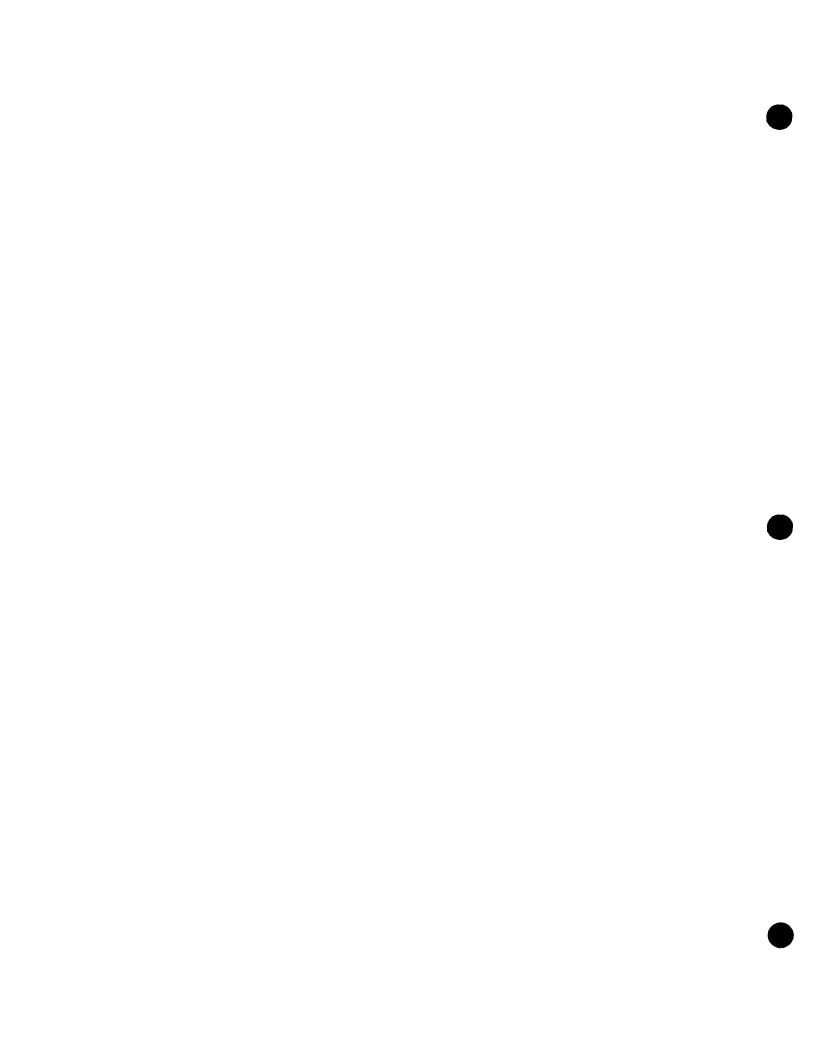
2016-2017

| | | | | Recurring | Non Re | ecurring | | | Recurring | Non Recurring | | |
|-----|---|------|------|-------------|--------|----------|--------------|--------|------------|---------------|----|--------------|
| | | | | Changes | (| Changes | Total | | Changes | Change | s | Total |
| 14. | Adjustment for Federal Revenue | | | | | | | | | | | |
| | Adjusts receipts to match anticipated federal revenue for the upcoming biennium. | Req | \$ | 8,570,211 | \$ | - \$ | 8,570,211 | \$ (8 | 8,873,803) | \$ - | \$ | (88,873,803) |
| | | Rec | \$ | 12,625,613 | \$ | - \$ | 12,625,613 | \$ (8 | 4,818,401) | \$ - | \$ | (84,818,401) |
| | | Appr | \$ | (4,055,402) | \$ | - \$ | (4,055,402) | \$ (| 4,055,402) | \$ - | \$ | (4,055,402) |
| | | Pos | | 0.000 | | 0.000 | 0.000 | | 0.000 | 0.000 |) | 0.000 |
| 15. | Transfers - Base Budget Adjustments to Other State Agencies | | | | | | | | | | | |
| | Adjusts transfers from the Gasoline Inspection Fee to cover expenses for the Department of Revenue | Req | \$ | (21,815) | \$ | - \$ | (21,815) | \$ | (16,806) | \$ - | \$ | (16,806) |
| | (\$1,313 in FY 2015-16 and \$6,322 in FY 2016-17) for collecting the tax, and the expenses for the | Rec | \$ | 9 8 | \$ | - \$ | | \$ | - 5 | | \$ | - |
| | Department of Agriculture (\$5,283 in FY 2015-16 and \$5,283 in FY 2016-17) for fuel inspection. Funds | Appr | \$ | (21,815) | \$ | - \$ | (21,815) | \$ | (16,806) | | \$ | (16,806) |
| | are being reduced to the Department of Public Health by \$21,451 for the Alcohol Forensic Test Program | Pos | | 0.000 | | 0.000 | 0.000 | | 0.000 | 0.000 |) | 0.000 |
| | to match their base budget. A \$30,032 reduction is being taken in the transfer to the Department of | | | | | | | | | | | |
| | Revenue for Fuel Tax Compliance due to reduction in rent expenses. A \$23,072 increase is being | | | | | | | | | | | |
| | budgeted for the Motor Carrier Safety Program administered by the State Highway Patrol in the | | | | | | | | | | | |
| | Department of Public Safety. | | | | | | | | | | | |
| 16. | Maintenance - Statutory - Adjustment for Bridge Program to Repair Structurally Deficient Bridges | | | | | | | | | | | |
| | Adjusts the funding for the Bridge Program based on the revised revenue estimate for the Highway | Req | \$ | (493,957) | \$ | - \$ | (493,957) | \$ | (498,966) | \$ - | 5 | (498,966) |
| | Fund. This program receives the balance of funds generated from the Gasoline Inspection Fee after | Rec | \$ | | \$ | - \$ | - | \$ | - 5 | - | \$ | |
| | deducting expenses for the Department of Revenue for collecting the tax and expenses for the | Appr | \$ | (493,957) | \$ | - \$ | (493,957) | \$ | (498,966) | \$ - | \$ | (498,966) |
| | Department of Agriculture for fuel inspection. This adjustment is a 0.32% decrease when compared to | Pos | | 0.000 | | 0.000 | 0.000 | | 0.000 | 0.000 |) | 0.000 |
| | the 2014-15 certified budget for this program. | | | | | | | | | | | |
| 17. | Maintenance - Reallocation of Primary Maintenance Reserve | | | | | | | | | | | |
| | Reallocates funding for the Primary Maintenance Program. Funds for the program are used for routine | Req | \$ | 10,803,068) | \$ | | (10,803,068) | \$ (1 | 0,803,068) | \$ - | | (10,803,068) |
| | highway and bridge maintenance activities such as patching, mowing, snow removal, signing, pavement | Rec | \$ | | | - \$ | - | \$ | - 5 | | \$ | - |
| | marking, rest area operations, and bridge repair on the state primary system comprised of all Interstate, | | \$ 1 | 10,803,068) | \$ | | (10,803,068) | \$ (10 | 0,803,068) | | | (10,803,068) |
| | US, and NC designated highways. This adjustment is a 7.67% decrease when compared to the 2014-15 | Pos | | 0.000 | | 0.000 | 0.000 | | 0.000 | 0.000 |) | 0.000 |
| | certified budget for this program. | | | | | | | | | | | |
| 18. | Maintenance - Reallocate Secondary Maintenance Reserve | | | | | | | | | | | |
| | Reallocates funding for the Secondary Maintenance Program. The Secondary Maintenance Program | Req | \$ 1 | 20,062,840) | \$ | - \$ | (20,062,840) | \$ (2) | 0,062,840) | \$ - | \$ | (20,062,840) |
| | provides for routine highway and bridge maintenance activities such as patching, mowing, snow | Rec | \$ | - | \$ | - \$ | - | \$ | - : | | \$ | - |
| | removal, signing, pavement marking, bridge repair, machining, and stabilization on the state secondary | | \$ | 20,062,840) | \$ | | (20,062,840) | \$ (2) | | | | (20,062,840) |
| | system comprised of all paved and unpaved routes carrying the "SR" designation. This adjustment is a | Pos | | 0.000 | | 0.000 | 0.000 | | 0.000 | 0.000 | 1 | 0.000 |
| | 7.63% decrease when compared to the 2014-15 certified budget for this program. | | | | | | | | | | | |
| | | | | | | | | | | | | |



| Total | |
|--|--|
| 2,189,761) | |
| 2,189,761) 0.000 | |
| 2,762,037) | |
| 2,762,037) 0.000 | |
| 6,948,644) 4,872,000) 2,076,644) | |
| (50.000) | |

| | | | | | 2015-2016 | | | | | 2016-2017 | | |
|--|------|----|-------------|----|---------------|----------|---------|----|--------------|------------------|-----|-------------|
| | | | Recurring | | Non Recurring | | | _ | Recurring | Non Recurring | _ | |
| | | | Changes | | Changes | | Total | | Changes | Changes | | Total |
| 19. Reserves and Transfers - Eliminate Prior Year Employee Benefit Reserves | | | | | | | | | | | | |
| Reduces funds that were not required to implement the prior year Legislative Increase, Retirement rate | Req | \$ | (2,189,761) | \$ | | \$ (2,18 | 9,761) | \$ | (2,189,761) | \$ | \$ | (2,189,761) |
| and Hospital/Medical rate adjustments. | Rec | \$ | | \$ | | \$ | | \$ | | \$ | \$ | - |
| ,,, | Appr | \$ | (2,189,761) | \$ | - | \$ (2,18 | 9,761) | \$ | (2,189,761) | \$ - | \$ | (2,189,761) |
| | Pos | | 0.000 | 1 | 0.000 | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| 20. Reserves and Transfers - Actuarial Retirement Rate Adjustment | | | | | | | | | | | | |
| Reduces the State's contribution to the Teachers' and State Retirement System for the 2015-17 | Reg | 5 | (2,229,013) | \$ | - | \$ (2,22 | 9,013) | \$ | (2,762,037) | \$ - | \$ | (2,762,037) |
| biennium to fund the Annual Required Contribution while maintaining actuarial soundness. | Rec | \$ | - | \$ | - | \$ | - | \$ | - | \$ | \$ | - |
| | Appr | \$ | (2,229,013) | \$ | | \$ (2,22 | 9,013) | \$ | (2,762,037) | \$ - | \$ | (2,762,037) |
| | Pos | | 0.000 | ı | 0.000 | | 0.000 | | 0.000 | 0.000 | | 0.000 |
| 21. Reserves and Transfers - Position Reductions | | | | | | | | | | | | |
| Reallocates funding for 50 administrative positions and 81 field positions to aid the department in | Req | 5 | (6,948,644) | \$ | - | \$ (6,94 | 8,644) | \$ | (6,948,644) | \$ - | \$ | (6,948,644) |
| reaching outsourcing targets set by the General Assembly. | Rec | \$ | (4,872,000) | \$ | - | \$ (4,87 | 2,000) | \$ | (4,872,000) | \$ - | \$ | (4,872,000) |
| | Appr | \$ | (2,076,644) | \$ | 7 | \$ (2,07 | 6,644) | \$ | (2,076,644) | \$ - | \$ | (2,076,644) |
| | Pos | | (50.000) | | 0.000 | (5 | (000.0 | | (50.000) | 0.000 | | (50.000) |
| Total Requirements | | \$ | 650,321 | \$ | 42,663,400 | \$ 43,31 | 3,721 | \$ | (21,855,585) | \$ 18,019,300 | \$ | (3,836,285) |
| Total Receipts | | \$ | 10,090,145 | \$ | | \$ 10,09 | 0,145 | \$ | (87,312,360) | \$ - | 5 (| 87,312,360) |
| Total Appropriation | | \$ | (9,439,824) | \$ | 42,663,400 | \$ 33,27 | 3,576 | \$ | 65,456,775 | \$ 18,019,300 | \$ | 83,476,075 |
| Total GF Positions | | | (50.000) | | 0.000 | (5 | (0.000) | | (50.000) | 0.000 | | (50,000) |



Highway Trust Fund

| | | _ |
|--|--|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Highway Trust Fund (84290)

Year 1 Adjustments to the Base Budget 2015-16

| | | | | | | Chan | ges to Base Budget | | | % A from | |
|----------------|-------------------|---------------------|---------------------|----|-----------|------|--------------------|------|-----------|------------|---------------|
| | 2013-14 | 2014-15 | 2014-15 | | Net | | Net | | Total | 2014-15 | 2015-16 |
| Total | Actual | Certified | Authorized | | Recurring | | Non-Recurring | | Change | Authorized | Base Budget |
| Requirements | \$ 635,447,695 | \$ 1,162,393,140 | \$ 1,162,393,140 | \$ | (346,477) | \$ | No. | \$ | (346,477) | (0.03%) \$ | 1,162,046,663 |
| Receipts | \$ | \$ * | \$ + | \$ | | \$ | - | \$ | | 0.00% | - |
| Appropriations | \$ 635,447,695 | \$ 1,162,393,140 | \$ 1,162,393,140 | \$ | (346,477) | \$ | £. | \$ | (346,477) | (0.03%) | 1,162,046,663 |
| FTE | 0.000 | 0.000 | 0.000 | - | 0.000 | | 0,000 | 1000 | 0.000 | 0.00% | 0.000 |

Recommended Change Budget for 2015-16

| | | | Recomi | nende | d Change Budget for 20 | 015-1 | 6 | | % A from | % & from |
|---------------|--------------------------|---------------------|------------------|-------|------------------------|-------|-------------|---------------------|------------|-------------|
| | 2014-15 | 2015-16 | Net | | Net | | Recommended | Recommended | 2014-15 | 2015-16 |
| | Authorized Budget | Base Budget | Recurring | | Non Recurring | | Change | 2015-16 Budget | Authorized | Base Budget |
| Requirements | \$ 1,162,393,140 | \$ 1,162,046,663 | \$ 58,048,453 | \$ | (10,995,116) | \$ | 47,053,337 | \$ 1,209,100,000 | 4.02% | 4.05% |
| Receipts | \$ | \$ - | \$ -44 | 5 | | \$ | | \$ | 0.00% | 0.00% |
| Appropriation | \$ 1,162,393,140 | \$ 1,162,046,663 | \$ 58,048,453 | 5 | (10,995,116) | \$ | 47,053,337 | \$ 1,209,100,000 | 4.02% | 4.05% |
| FTE | 0.000 | 0.000 | 0.000 | | 0.000 | | 0.000 | 0.000 | 0.00% | 0.00% |

Year 2

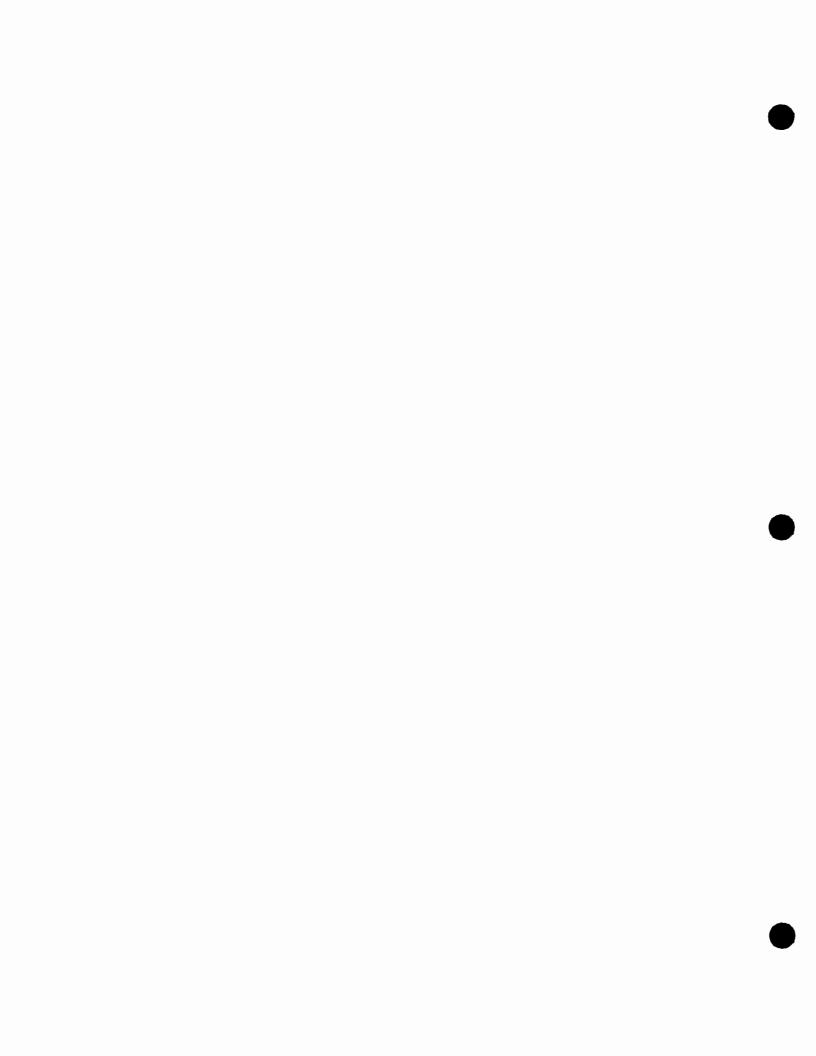
| , | | se Budget for 2016- | | | | | Chan | ges to Base Budget | | | % & from | |
|----------------|----|---------------------|------------------|----|---------------|-----------------|------|--------------------|----|-----------|------------|---------------------|
| | | 2013-14 | 2014-1 | 5 | 2014-15 | Net | | Net | | Total | 2014-15 | 2016-17 |
| Tota | 1 | Actual | Certifie | d | Authorized | Recurring | | Non-Recurring | 4 | Change | Authorized | Base Budget |
| Requirements | \$ | 635,447,695 | \$ 1,162,393,140 | \$ | 1,162,393,140 | \$ (346,477) | \$ | + | \$ | (346,477) | (0.03%) | \$ 1,162,046,663 |
| Receipts | \$ | - | \$ | \$ | | \$ * | \$ | - | \$ | - | 0.00% | \$ - |
| Appropriations | \$ | 635,447,695 | \$ 1,162,393,140 | \$ | 1,162,393,140 | \$ (346,477) | \$ | * | \$ | (346,477) | (0.03%) | \$ 1,162,046,663 |
| FTE | | 0.000 | 0.00 | 0 | 0.000 | 0.000 | | 0.000 | | 0.000 | 0.00% | 0.000 |

Recommended Change Budget for 2016-17

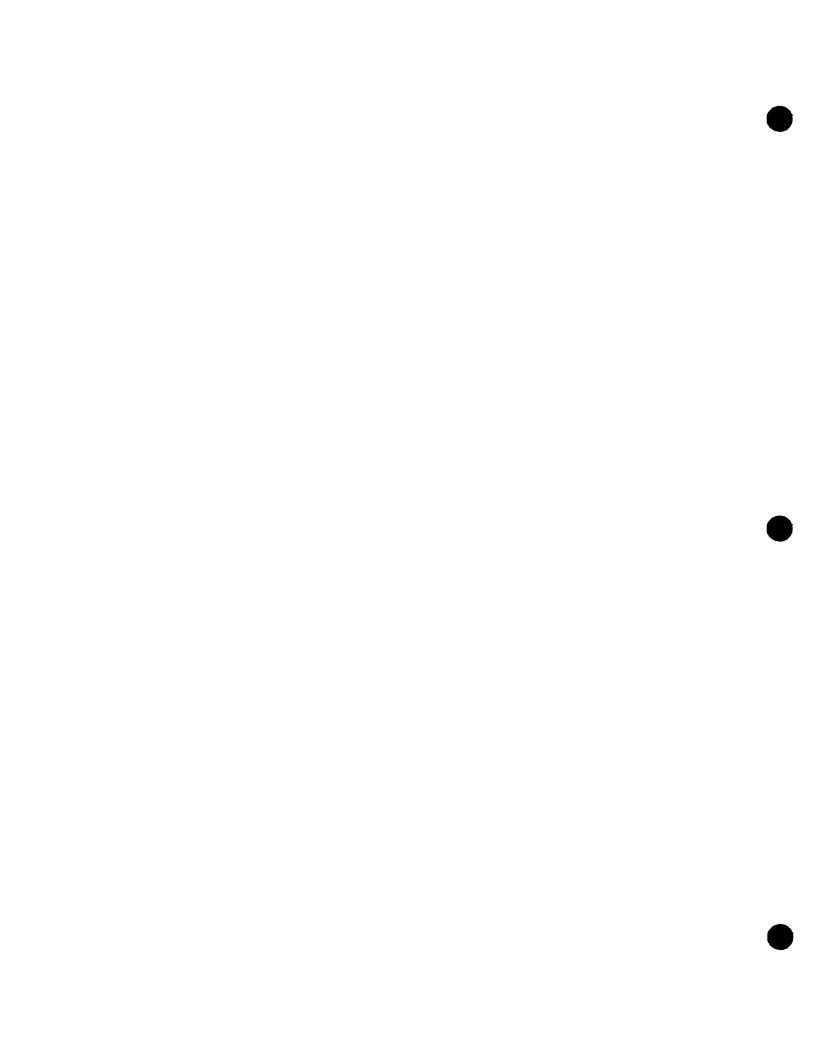
| | | | Recomm | nender | d Change Budget for: | 2016-1 | .7 | | % A from | % A from |
|---------------|--------------------------|---------------------|------------------|--------|----------------------|--------|-------------|---------------------|------------|-------------|
| | 2014-15 | 2016-17 | Net | | Net | | Recommended | Recommended | 2014-15 | 2016-17 |
| | Authorized Budget | Base Budget | Recurring | | Non Recurring | | Change | 2016-17 Budget | Authorized | Base Budget |
| Requirements | \$ 1,162,393,140 | \$ 1,162,046,663 | \$ 59,515,865 | \$ | - | \$ | 78,653,337 | \$ 1,240,700,000 | 6.74% | 6.77% |
| Receipts | \$ - | \$ | \$ | \$ | - | \$ | + | \$ - | 0.00% | 0.00% |
| Appropriation | \$ 1,162,393,140 | \$ 1,162,046,663 | \$ 59,515,865 | \$ | 46 | \$ | 78,653,337 | \$ 1,240,700,000 | 6.74% | 6.77% |
| FTE | 0.000 | 0.000 | 0.000 | 0 | 0.000 | | 0.000 | 0.000 | 0.00% | 0.00% |

Recommended Changes for Highway Trust Fund (84290)

| Recommended Changes for Fighway Trust Fund (84250) | | | | 2015-2016 | | | | 2016-20 | 17 | |
|---|---------|----|------------|-----------------|-----------------|----|---------------|---------|-------|-------------|
| | | _ | Recurring | | | _ | Recurring | Non Rec | | |
| | | | Changes | Changes | Total | | Changes | Ch | anges | Tota |
| Adjustment for Debt Service Obligation | | | | | | | | | | |
| Adjusts the amount budgeted for debt service payments to accurately reflect the principal and intere | st Req | \$ | - | \$ (10,995,116) | \$ (10,995,116) | \$ | 1,397,412 | ; | - (| 1,397,412 |
| due based on the current repayment schedule. | Rec | \$ | 1-1 | \$ - | \$ - | \$ | - \$ | ; | - (| - |
| • • | Appr | \$ | | \$ (10,995,116) | \$ (10,995,116) | \$ | 1,397,412 \$ | 5 | - (| 1,397,412 |
| | Pos | | 0.000 | 0.000 | 0.000 | | 0.000 | | 0.000 | 0.00 |
| Adjustment to Administration Funding - Benefit Adjustment for Department of Transportation Employees | | | | | | | | | | |
| Provides funds to increase the State's contribution to the State Employees' Comprehensive Major | Req | \$ | 30,000 | \$ - | \$ 30,000 | \$ | 100,000 \$ | 5 | - (| 100,000 |
| Medical Plan for employees in the Department of Transportation and other state agencies supported | by Rec | \$ | - | \$ - | \$ - | \$ | - \$ | 5 | - (| - |
| Highway Trust Fund receipts effective January 1, 2016. | Appr | \$ | 30,000 | \$ - | \$ 30,000 | 5 | 100,000 \$ | | - (| 100,000 |
| , , | Pos | | 0.000 | 0.000 | 0.000 | | 0.000 | | 0.000 | 0.00 |
| 3. Increase Strategic Investment in Infrastructure | | | | | | | | | | |
| Funds the Strategic Prioritization funding plan as established in Session Law 2013-183, House Bill 817 | Req | \$ | 58,018,453 | \$ - | \$ 58,018,453 | \$ | 77,155,925 | ; | - (| 77,155,925 |
| This adjustment is a 5,70% increase in FY 2015-16 and a 7,58% increase when compared to the 2014 | 15 Rec | \$ | - | \$ - | \$ - | \$ | - \$ | 5 | - (| - |
| certified budget for this program. The increased funding will provide \$1,075,985,486 in FY 2015-16 a | nd Appr | \$ | 58,018,453 | \$ - | \$ 58,018,453 | \$ | 77,155,925 \$ | 5 | | 77,155,925 |
| \$1,095,122,958 in FY 2016-17. | Pos | | 0.000 | 0.000 | 0.000 | | 0.000 | | 0.000 | 0.00 |
| T. 10 P. 10 | | _ | 50.040.453 | ¢ (10.00F 116) | A 47 053 337 | _ | 70 (12 327) | | | . 20 (12 22 |
| Total Requirements | | \$ | 58,048,453 | \$ (10,995,116) | \$ 47,053,337 | \$ | 78,653,337 | | | 78,653,337 |
| Total Receipts Total Appropriation | | 5 | 58 048 453 | \$ (10,995,116) | * | \$ | | | - | 78,653,337 |
| Total GF Positions | | 2 | 0.000 | | | | 0.000 | | 0.000 | 0.00 |
| Total or Fositions | | | 0.000 | 0.000 | 0.000 | | 0.000 | | 0.000 | 0.00 |



Turnpike Authority



Turnpike Authority (64208)

Year 1 Adjustments to the Base Budget 2015-16

| | | | | | | | Char | nges to Base Budget | | | % A from | | |
|----------------|----|--------------|----|------------|------------------|-------------|------|---------------------|----|--------|------------|-----|-------------|
| | | 2013-14 | | 2014-15 | 2014-15 | Net | | Net | | Total | 2014-15 | | 2015-16 |
| Total | | Actual | | Certified | Authorized | Recurring | | Non-Recurring | | Change | Authorized | | Base Budget |
| Requirements | 5 | 133,971,018 | \$ | 88,028,886 | \$ 86,292,671 | \$ 6,869 | \$ | * | \$ | 6,869 | 0.01% \$ | 1 | 86,299,540 |
| Receipts | 15 | 112,901,450 | 5 | 88,028,886 | \$ 86,292,671 | \$ 6,869 | \$ | 40 | 5 | 6,869 | 0.01% \$ | - 1 | 86,299,540 |
| Appropriations | \$ | 4 | \$ | - | \$ - | \$ * | \$ | 4 | \$ | | 0.00% \$ | | - |
| CFB | S | (21,069,569) | \$ | .00 | \$ | \$ - 141 | \$ | 360 | 5 | | 0.00% \$ | | |
| FTE | | 14.000 | | 19.000 | 13.000 | 0.000 | | 0.000 | | 0.000 | 0.00% | | 13.000 |

Recommended Change Budget for 2015-16

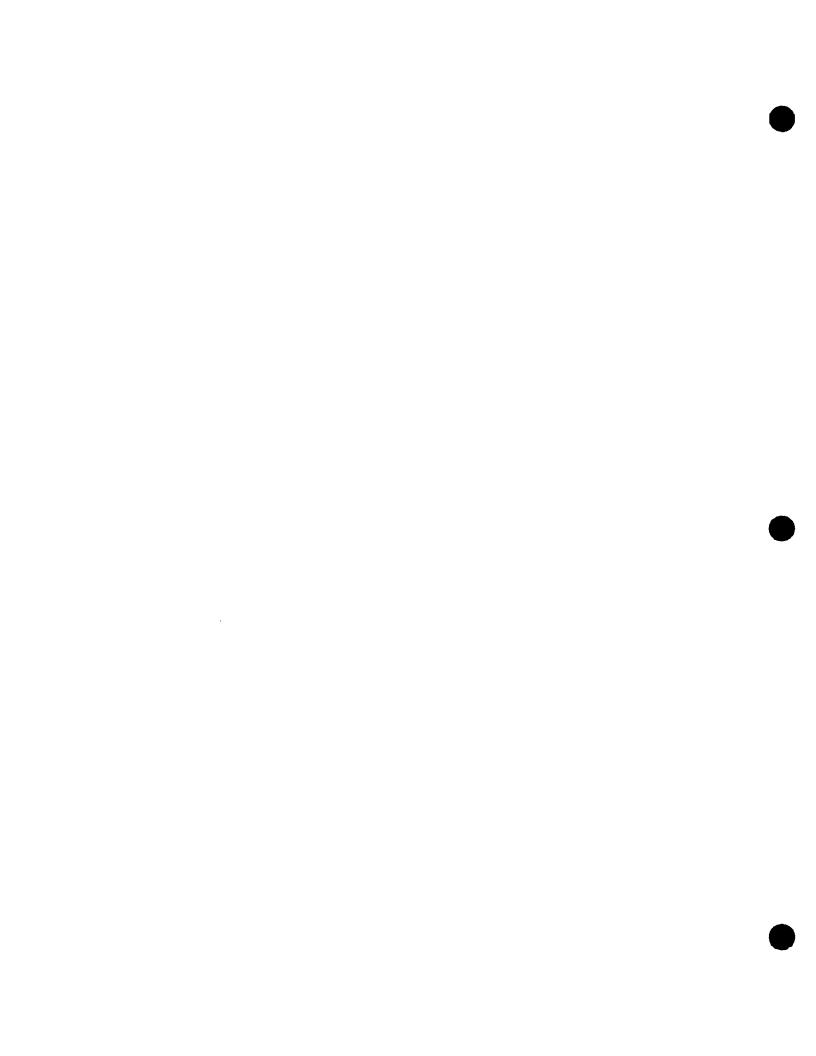
| | | | | Recomi | men | ded Change Budget for | 201 | 5-16 | | % & from | % & from |
|---------------|--------------------------|------------------|----|------------|-----|-----------------------|-----|-------------|-------------------|------------|-------------|
| | 2014-15 | 2015-16 | ; | Net | | Net | | Recommended | Recommended | 2014-15 | 2015-16 |
| | Authorized Budget | Base Budget | | Recurring | | Non Recurring | | Change | 2015-16 Budget | Authorized | Base Budget |
| Requirements | \$ 86,292,671 | \$ 86,299,540 | \$ | 18,059,511 | \$ | 10- | \$ | 18,059,511 | \$ 104,359,051 | 20.94% | 20.93% |
| Receipts | \$ 86,292,671 | \$ 86,299,540 | \$ | 18,059,511 | \$ | 4 | \$ | 18,059,511 | \$ 104,359,051 | 20.94% | 20.93% |
| Appropriation | \$ 7. | \$ 44 | 5 | | 5 | ** | \$ | 4- | \$ * | 0.00% | 0.00% |
| CFB | \$ * | \$ * | \$ | - 2 | \$ | \$ | \$ | * | \$ - | 0.00% | 0.00% |
| FTE | 13.000 | 13.000 | | 0.000 | | 0.000 | | 0.000 | 13.000 | 0.00% | 0.00% |

Year 2

| Aujustinents to | tile bos | c booger to co-o | | | | Ch | hanges to Base Budget | | | % A from | 1 | |
|-----------------|----------|------------------|------------------|------------------|--------------|----|-----------------------|----|--------|------------|----|-------------|
| | | 2013-14 | 2014-15 | 2014-15 | Net | | Net | | Total | 2014-15 | | 2016-17 |
| Total | 1 | Actual | Certified | Authorized | Recurring | | Non-Recurring | | Change | Authorized | i | Base Budget |
| Requirements | \$ | 133,971,018 | \$ 88,028,886 | \$ 86,292,671 | \$ 6,869 | \$ | * | \$ | 6,869 | 0.01% | \$ | 86,299,540 |
| Receipts | \$ | 112,901,450 | \$ 88,028,886 | \$ 86,292,671 | \$ 6,869 | \$ | | \$ | 6,869 | 0.01% | \$ | 86,299,540 |
| Appropriations | \$ | + | \$ 2 | \$ 44 | \$ * | \$ | e · | \$ | * | 0.00% | \$ | * . |
| CFB | 5 | (21,069,569) | \$ + | \$ * | \$ 10 ; · | \$ | + | 5 | | 0.00% | \$ | 4 |
| FTE | | 14.000 | 19.000 | 13.000 | 0.000 | | 0.000 | | 0.000 | 0.00% | 4 | 13.000 |

Recommended Change Budget for 2016-17

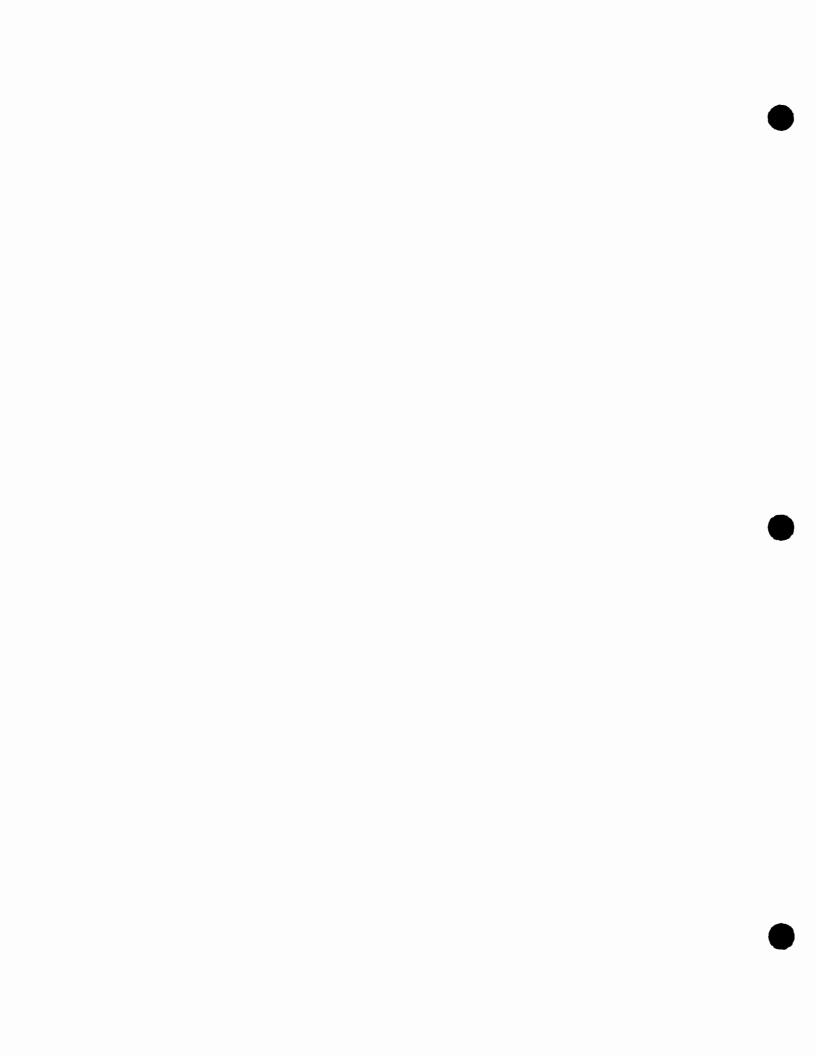
| | | | Recomi | mend | ed Change Budget for 2 | 016- | 17 | _ | | % A from | % & from |
|---------------|--------------------------|------------------|------------------|------|------------------------|------|-------------|----|----------------|------------|-------------|
| | 2014-15 | 2016-17 | Net | | Net | | Recommended | | Recommended | 2014-15 | 2016-17 |
| | Authorized Budget | Base Budget | Recurring | | Non Recurring | | Change | | 2016-17 Budget | Authorized | Base Budget |
| Requirements | \$ 86,292,671 | \$ 86,299,540 | \$ 21,448,511 | \$ | *. | \$ | 21,448,511 | \$ | 107,748,051 | 24.86% | 24.85% |
| Receipts | \$ 86,292,671 | \$ 86,299,540 | \$ 21,448,511 | \$ | = | \$ | 21,448,511 | \$ | 107,748,051 | 24.86% | 24.85% |
| Appropriation | \$ * | \$ - | \$ | \$ | | \$ | 9 | \$ | + | 0.00% | 0.00% |
| CFB | \$ Ser. | \$ - | \$ - 2 | \$ | * | \$ | 447 | \$ | * | 0.00% | 0.00% |
| FTE | 13.000 | 13.000 | 0.000 | | 0.000 | | 0.000 | | 13.000 | 0.00% | 0.00% |



Transportation Turnpike Authority

Recommended Changes for Turnpike Authority (64208)

| | | | | 2015-2016 | | | 2016-2017 | |
|---|------|----|------------|---------------|------------|------------------|---------------|------------------|
| | | | Recurring | Non Recurring | | Recurring | Non Recurring | |
| | | | Changes | Changes | Total | Changes | Changes | Total |
| 1. Payroli Additive and Longevity Adjustment | | | | | | | | |
| Adjusts the annual payroll additive charged to the Administrative fund centers. The | Req | \$ | 13,511 | \$ - \$ | 13,511 | \$ 13,511 | \$ - | \$ 13,511 |
| payroll additive is a standard indirect labor charge to cover unemployment and | Rec | \$ | 13,511 | \$ - 5 | 13,511 | \$ 13,511 | \$ | \$ 13,511 |
| worker's compensation as a percentage of direct labor cost. Funding is also provided | ∆ FB | S | - | \$ - 5 | - | \$ - | \$ - | \$ - |
| to adjust the longevity account lines to match the anticipated longevity schedule for the biennium. | Pos | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 2. Adjustment for Debt Service Obligation | | | | | | | | |
| Adjusts the amount budgeted for debt service payments to accurately reflect the | Req | \$ | 18,046,000 | - \$ | 18,046,000 | \$ 21,435,000 | - | 21,435,000 |
| principal and interest due based on the current repayment schedule. | Rec | \$ | 18,046,000 | \$ - \$ | 18,046,000 | \$ 21,435,000 | \$ - | \$ 21,435,000 |
| | ∆ FB | \$ | - | \$ - \$ | - | \$ - | \$ - | \$ - |
| | Pos | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Requirements | | \$ | 18,059,511 | \$ - \$ | 18,059,511 | \$ 21,448,511 | \$ - | \$ 21,448,511 |
| Total Receipts | | \$ | 18,059,511 | \$ - \$ | 18,059,511 | \$ 21,448,511 | \$ | \$ 21,448,511 |
| Total Change in Fund Balance (Δ FB) | | \$ | - | \$ - \$ | - | \$ - | \$ | \$ - |
| Total NGF Positions | | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |



Capital - Non-General Fund

| | | • |
|---|--|---|
| € | | |

Total

2016-2017

Changes

194,800 \$

194,800 \$

0.000

2,190,000 \$ 2,190,000 \$ 0.000

1,198,000

1,198,000

0.000

0.000

0.000

0.000

194,800

194,800

2,190,000 2,190,000 0.000

1,198,000

0.000

0.000

Changes

5. Local Truck Storage Shed - Statewide

7. Lee County Resident Engineer's Office

has exceeded its useful life.

Funds statewide replacement of several local truck storage sheds.

6. Greenville DMV/State Highway Patrol Office and SHP Garage

Funds design and construction of a new 25,000 SF DMV/SHP office building and 10,000 SF SHP garage on Req S existing land in Pitt County.

Rec S Δ FB S

Funds design and construction of the resident engineer's office. The current facility is rated as poor and

Recommended Changes for Department of Transportation

| 1 | . Department of Motor Venicles - Headquarters | | | | | | | |
|-----|--|-----|------------|-----------|-----------------|------------|--------------|-----------|
| | Funds design and construction of a new 282,000 SF facility on NCDOT owned property/parcel on Poole | Req | \$ - \$ | - | \$ - | \$ - \$ | - \$ | - |
| | Rd in Raleigh, improving customer service and enhancing efficiency. | Rec | \$ - \$ | 4,844,800 | \$ 4,844,800 | \$ - \$ | - \$ | |
| | | ΔFB | \$ - \$ | 4,844,800 | \$ 4,844,800 | \$ - \$ | - \$ | - |
| | | Pos | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 2 | Anson County Blacksmith Shop | | | | | | | |
| | Funds replacement of 1500 SF shop on the existing site. The building was constructed in 1931 and has | Reg | \$ - \$ | | \$ - | \$ - \$ | - \$ | - |
| | exceeded its useful life. | Rec | \$ - \$ | 195,000 | \$ 195,000 | \$ - \$ | - \$ | |
| | LAGE GEORGE IN AND AND AND AND AND AND AND AND AND AN | ΔFB | \$ - \$ | 195,000 | \$ 195,000 | \$ - \$ | - \$ | - |
| | | Pos | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 3 | Nash County Equipment Sub-Shop | | | | | | | |
| | Funds design and construction of a new 11,000 SF equipment sub-shop. Current facility is 50 years of | Req | \$ - \$ | - | \$ - | \$ - \$ | - \$ | - |
| | | Rec | \$ - \$ | 194,200 | \$ 194,200 | \$ - \$ | 2,590,800 \$ | 2,590,800 |
| | | ΔFB | \$ - \$ | 194,200 | \$ 194,200 | \$ - \$ | 2,590,800 \$ | 2,590,800 |
| | | Pos | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 4 | . Gaston County Equipment Sub-Shop | | | | | | | |
| N | Funds design and construction to replace existing shop constructed in 1945. | Reg | \$ - \$ | | \$ - | \$ - \$ | - \$ | - |
| 228 | | Rec | \$ - \$ | 2,409,000 | \$ 2,409,000 | \$ - \$ | - \$ | - |
| | | ΔFB | \$ - \$ | 2,409,000 | \$ 2,409,000 | \$ - \$ | - \$ | - |
| | | Pos | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | | | | | | | | |

Req \$ Rec \$

0.000

0.000

0.000

0.000

5,344,700 \$

5,344,700 \$

0.000

0.000

0.000

0.000

5,344,700 5,344,700 0.000

ΔFB

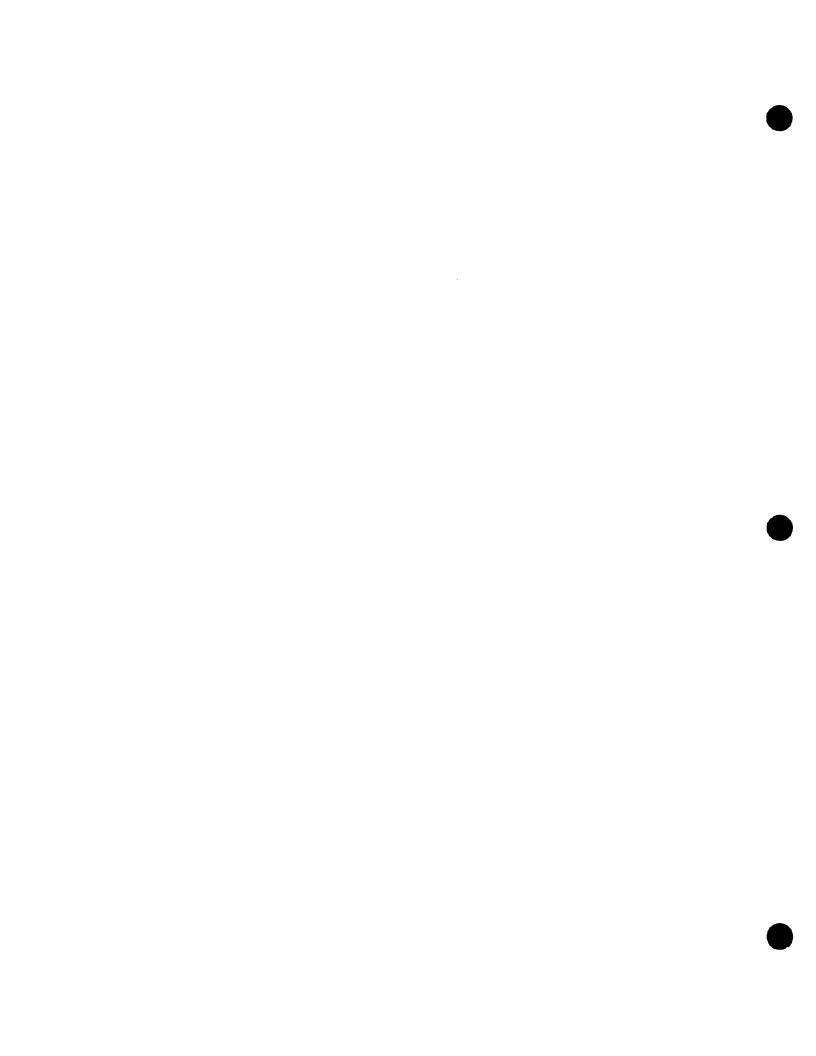
Pos

Rec \$ Δ FB \$ 2015-2016

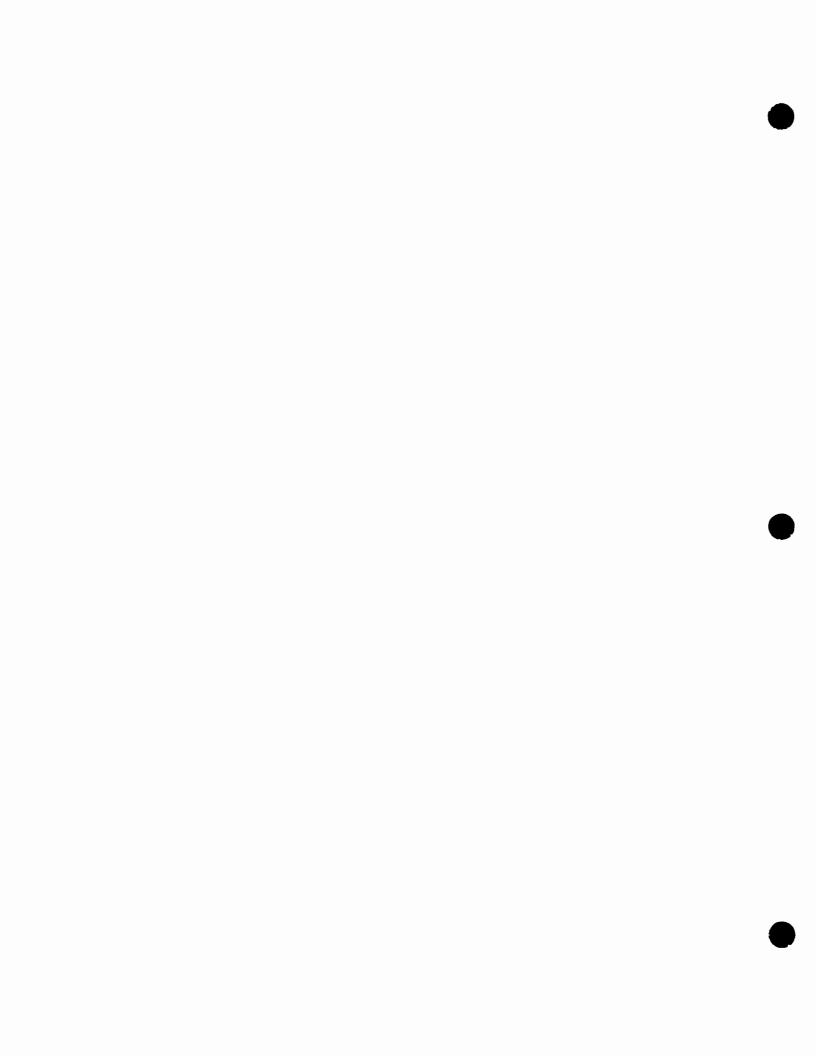
Changes

Changes

Total



| | | | | 2015-2016 | | | | 2016-2017 | | |
|--|------|-----------|----|---------------|----|------------|-----------|---------------|----|------------|
| | | Recurring | | Non Recurring | | | Recurring | Non Recurring | | |
| | | Changes | | Changes | | Total | Changes | Changes | | Total |
| 8. Watauga County District Engineer's Office | | | | | | | | | | |
| Funds design and construction of a 5,000 5F district office. The current facility was constructed in 1969. | Req | \$ | \$ | - | \$ | - | \$ - : | - | \$ | |
| • | Rec | \$ - | \$ | - | \$ | - | \$ - 5 | 1,165,000 | \$ | 1,165,000 |
| | Δ FB | \$ | \$ | | \$ | - | \$ - 5 | -,, | \$ | 1,165,000 |
| | Pos | 0.000 | | 0.000 | | 0.000 | 0.000 | 0.000 | | 0.000 |
| 9. Surry County District Engineer's Office | | | | | | | | | | |
| Funds design and construction of new 5,000 SF district engineer's office in Surry County on the existing | Req | \$ | \$ | - | \$ | - | \$ - : | \$ - | \$ | |
| yard. | Rec | \$ | \$ | - | \$ | - | \$ - 5 | 1,197,000 | \$ | 1,197,000 |
| yoru. | ΔFB | | | | Т | | | 1,197,000 | \$ | 1,197,000 |
| | Pos | 0.000 | | 0.000 | | 0.000 | 0.000 | 0.000 | | 0.000 |
| 10. Guilford County Bridge/Bridge Maintenance Assembly | | | | | | | | | | |
| Funds design and construction of a 4,000 5F Bridge/Bridge Maintenance building on the existing yard in | Req | \$ | \$ | - | Ś | - | \$ - : | \$ - | \$ | - |
| Guilford County. | Rec | \$ - | \$ | - | \$ | - | \$ - : | 1,024,000 | \$ | 1,024,000 |
| Guildia adariti | ΔFB | | | | | | | 1,024,000 | \$ | 1,024,000 |
| | Pos | 0.000 | | 0.000 | | 0.000 | 0.000 | 0.000 | | 0.000 |
| 11. Scotland County Maintenance Office | | | | | | | | | | |
| Funds design and construction of a 5000 SF maintenance office on the existing yard in Scotland County. | Req | \$ - | \$ | | \$ | - | \$ - : | 5 - | \$ | - |
| Existing facility was constructed in 1955 and has exceeded its useful life. | Rec | \$ | \$ | - | \$ | - | \$ - 5 | 1,109,000 | \$ | 1,109,000 |
| | ∆ FB | | | | | | | 1,109,000 | \$ | 1,109,000 |
| | Pos | 0.000 | | 0.000 | | 0.000 | 0.000 | 0.000 | | 0.000 |
| Total Requirements | | \$ - | \$ | | \$ | - | \$ - : | \$ - | \$ | - |
| Total Receipts | | \$ - | _ | 12,987,700 | _ | 12,987,700 | \$. : | 10,668,600 | _ | 10,668,600 |
| Change in Fund Balance (A FB) | | \$ | \$ | | \$ | 12,987,700 | \$ | 10,668,600 | \$ | ,, |
| Positions | | 0.000 | | 0.000 | | 0.000 | 0.000 | 0.000 | | 0.000 |

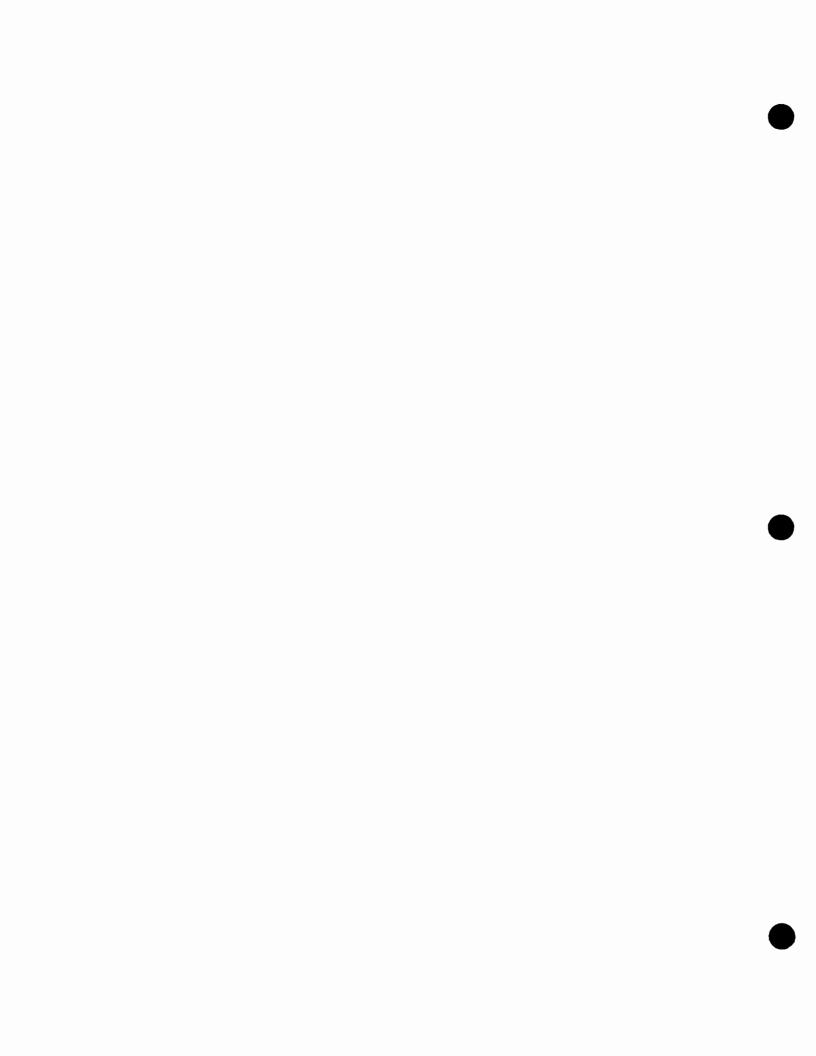




Worksheet III Summary of Capital Requests Non General Fund Fund Repairs and Renovations Budget Period : 2015-21

150-Department of Transportation

| Priority | Project Title | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Total |
|----------|---|---------------|-------------|-------------|-----------|---------|---------|---------|--------------|
| 1 | High-Rise Code Compliance Renovations | Requirements | \$957,000 | \$957,000 | \$0 | \$0 | \$0 | \$0 | \$1,914,000 |
| | | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$957,000 | \$957,000 | \$0 | \$0 | \$0 | \$0 | \$1,914,000 |
| 2 | Roof Repairs & Replacements - Statewide | Requirements | \$3,450,000 | \$3,450,000 | \$0 | \$0 | \$0 | \$0 | \$6,900,000 |
| | | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$3,450,000 | \$3,450,000 | \$0 | \$0 | \$0 | \$0 | \$6,900,000 |
| 3 | Chilled Water Piping and Insulation | Requirements | \$612,700 | \$612,700 | \$612,700 | \$0 | \$0 | \$0 | \$1,838,100 |
| | Replacement | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$612,700 | \$612,700 | \$612,700 | \$0 | \$0 | \$0 | \$1,838,100 |
| 4 | TBC: Annex Building Window Replacement | Requirements | \$0 | \$724,000 | \$0 | \$0 | \$0 | \$0 | \$724,000 |
| | | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$0 | \$724,000 | \$0 | \$0 | \$0 | \$0 | \$724,000 |
| 5 | Art Museum Elevator Modernization | Requirements | \$0 | \$251,000 | \$0 | \$0 | \$0 | \$0 | \$251,000 |
| | | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$0 | \$251,000 | \$0 | \$0 | \$0 | \$0 | \$251,000 |
| 3 | DMV Field Facilities - Window Replacement | Requirements | \$0 | \$341,000 | \$0 | \$0 | \$0 | \$0 | \$341,000 |
| | Statewide | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$0 | \$341,000 | \$0 | \$0 | \$0 | \$0 | \$341,000 |
| 7 | Rowan County Renovation and Addition | Requirements | \$0 | \$630,000 | \$0 | \$0 | \$0 | \$0 | \$630,000 |
| | | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$0 | \$630,000 | \$0 | \$0 | \$0 | \$0 | \$630,000 |
| Total 15 | 0-Department of Transportation | Requirements | \$5,019,700 | \$6,965,700 | \$612,700 | \$0 | \$0 | \$0 | \$12,598,100 |
| | | Receipts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | Appropriation | \$5,019,700 | \$6,965,700 | \$612,700 | \$0 | \$0 | \$0 | \$12,598,100 |

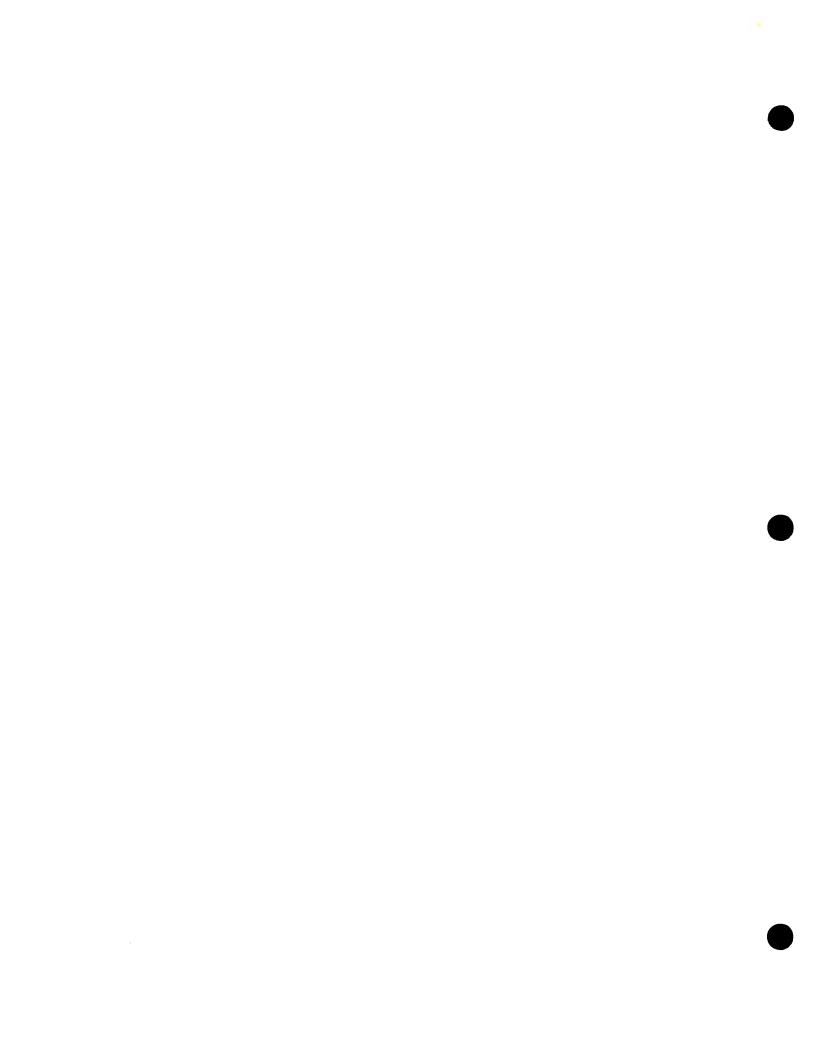


- \$10 million to ease congestion in rural and small urban areas.
- Proposes targeted, long-term investment to update our state's critical infrastructure through bond financing.
 - We will request a transportation bond of \$1.2 to \$1.4 billion that will allow us to take advantage of historically low interest rates for quicker construction of projects in the 25-year vision plan.
 - Projects funded through a revenue bond will be the next projects in line, scored under the Mobility Formula, with environmental documents in place to ensure projects can begin immediately.
 - North Carolina has an established history of responsibly using long-term financing for critical infrastructure that supports the needs of a growing population and economy.
- Begins to address the inefficiency of state buildings that are a blight to North Carolina's main streets.
 - Simply using the same amount of space per state employee as is standard in the private sector could save an estimated \$180 million.
 - We will submit a \$1.2 to \$1.4 billion general obligation bond proposal, which will revitalize buildings that can be saved, and build new, workable and efficient facilities for the National Guard, community colleges and other agencies that will help create economic development opportunities for their communities.
 - This financing, achieved at historically low interest rates, will help improve safety and increase productivity, while saving taxpayer money.

Supporting those who keep North Carolina safe

Fulfilling the core government function of providing for the safety and security of our citizens, and supporting those who defend our freedom.

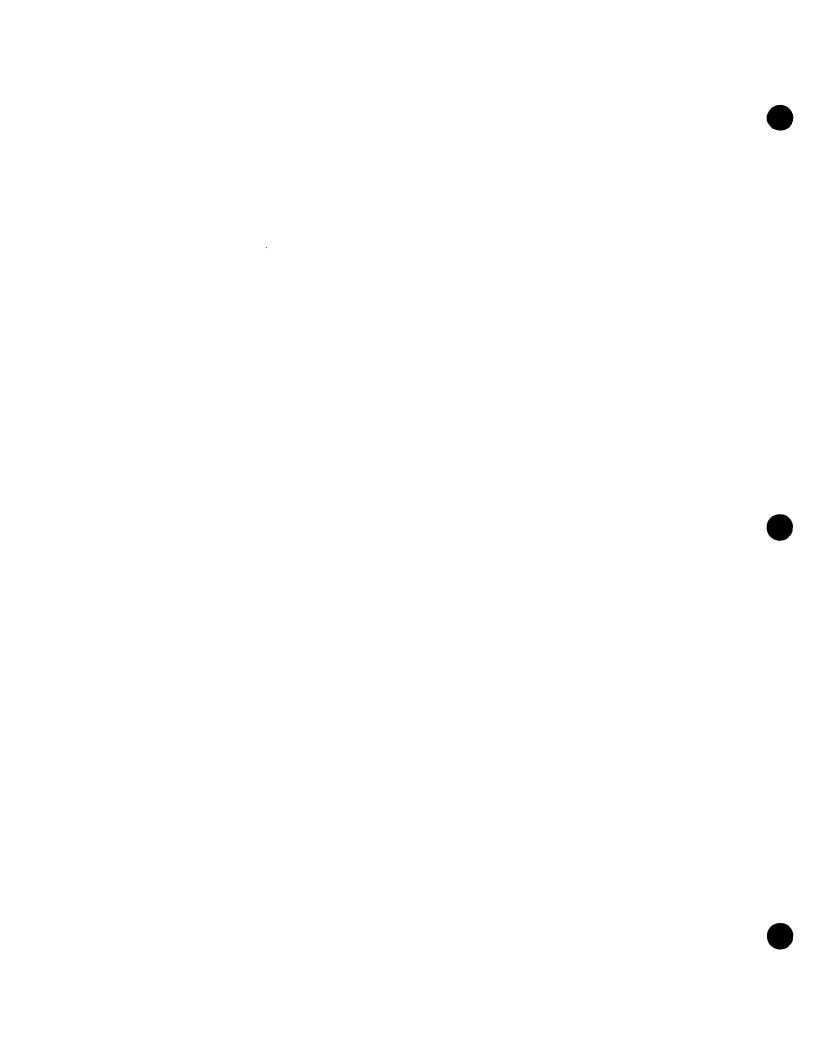
- This budget reinforces North Carolina's reputation as the most military-friendly state in the nation by providing for those who defend our freedom.
 - Funds in-state tuition for nonresident military veterans at institutions within the UNC system and the state's 58 community colleges.
 - Coordinates and centralizes services for military communities, active duty personnel and veterans by creating the Department of Military and Veterans Affairs at no additional cost. The department will reorganize programs that protect and advocate on behalf of our military bases, promote the health and safety of our veterans and military families and connect our veterans to jobs.
 - Directs the Governor's Crime Commission to engage local officials to support the development of additional veterans' courts, building on the success of courts in Harnett and Cumberland counties.



Appendix Table 7C
Total North Carolina Transportation Program Budget by Function and Source of Funds, 2015-16

| Function | Highway Fund | Highway Trust Fund | * Other | Federal | Total |
|---------------------------------------|------------------|-----------------------|------------------|------------------------|---------------|
| DOT Administration | \$ 112,527,308 | \$ 9,348,559 | \$ 5,891,609 | \$ - \$ | 127,767,476 |
| Division of Highways | | | | | |
| Administration | 33,467,959 | 20,513,654 | 286,434 | - | 54,268,047 |
| Construction | 46,859,878 | 1,075,985,486 | - | 884,829,562 | 2,007,674,926 |
| Maintenance | 1,072,645,301 | - | - | - | 1,072,645,301 |
| Planning and Research | - | - | - | 17,680,000 | 17,680,000 |
| OSHA Program | 358,030 | - | - | - | 358,030 |
| State Aid to Municipalities | 144,081,600 | • | - | - | 144,081,600 |
| Multi-Modal | | | | | |
| Airports | 21,260,952 | - | - | 18,000,000 | 39,260,952 |
| Bicycle | 726,895 | - | - | - | 726,895 |
| Ferry | 40,450,395 | - | 5,000,000 | - | 45,450,395 |
| Public Transportation | 88,173,419 | - | - | 31,000,000 | 119,173,419 |
| Railroads | 23,651,674 | - | - | 121,954,342 | 145,606,016 |
| Governor's Highway Safety | 251,241 | - | ÷ | 12,000,000 | 12,251,241 |
| Division of Motor Vehicles | 120,402,414 | 4,408,057 | 9,539,372 | - | 134,349,843 |
| NC Turnpike Authority | - | 49,820,124 | 13,499,731 | 16,000,000 | 79,319,855 |
| NC Mobility Fund | - | - | - | - | - |
| Other State Agencies | 13,651,766 | - | 27,700,000 | - | 41,351,766 |
| Transfer to General Fund | 216,855,445 | - | - | - | 216,855,445 |
| Other Reserves | (1,471,677) | 400,000 | - | | (1,071,677) |
| Capital Improvements | 18,007,400 | - | - | - | 18,007,400 |
| Debt Service | = | 48,619,701 | - | 86,322,962 | 134,942,663 |
| Uncommitted Trust Fund Administration | | 4,419 | ~ | - | 4,419 |
| Total Transportation | \$ 1,951,900,000 | \$ 1,209,100,000 | \$ 61,917,146 | \$ 1,187,786,866 \$ | 4,410,704,012 |

^{*} Other does not include \$4,098,625,804 in receipts related to projects that represent a duplication of other budgeted funds.

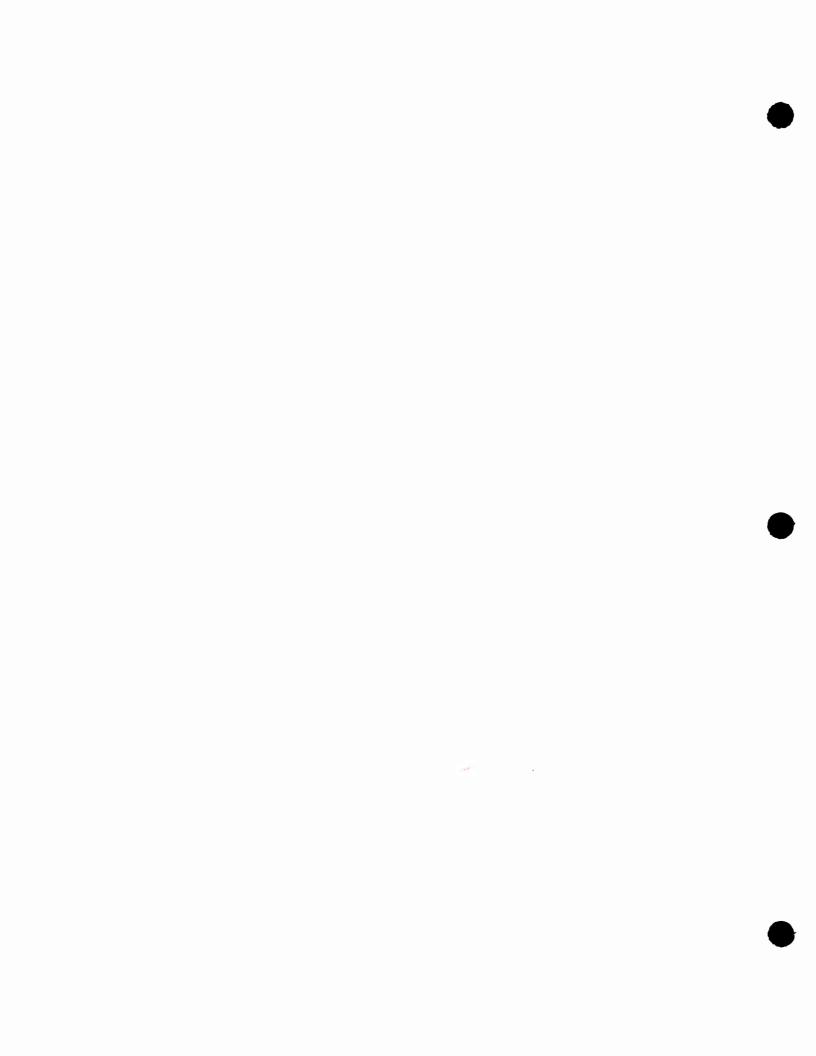


Appendix Table 7D

Total North Carolina Transportation Program Budget by Function and Source of Funds, 2016-17

| Function | | Highway Fund | Highway Trust Fund | | * Other | | Federal | Total |
|---------------------------------------|----|-----------------|-----------------------|----|------------|----|------------------|---------------|
| DOT Administration | \$ | 90,147,308 | \$ 9,348,559 | \$ | 5,891,609 | \$ | - \$ | 105,387,476 |
| Division of Highways | | | | | | | | |
| Administration | | 33,467,959 | 20,513,654 | | 286,434 | | - | 54,268,047 |
| Construction | | 46,859,878 | 1,095,122,958 | | - | | 884,829,562 | 2,026,812,398 |
| Maintenance | | 1,147,250,767 | - | | - | | - | 1,147,250,767 |
| Planning and Research | | = | - | | - | | 17,680,000 | 17,680,000 |
| OSHA Program | | 358,030 | = | | • | | - | 358,030 |
| State Aid to Municipalities | | 138,923,200 | - | | - | | - | 138,923,200 |
| Multi-Miodal | | | | | | | | |
| Airports | | 21,260,952 | = | | - | | 18,000,000 | 39,260,952 |
| Bicycle | | 726,895 | - | | - | | - | 726,895 |
| Ferry Operations | | 39,750,395 | - | | 5,000,000 | | - | 44,750,395 |
| Public Transportation | | 88,173,419 | - | | - | | 31,000,000 | 119,173,419 |
| Railroads | | 23,651,674 | - | | - | | 121,954,342 | 145,606,016 |
| Governor's Highway Safety | | 251,241 | - | | - | | 12,000,000 | 12,251,241 |
| Division of Motor Vehicles | | 113,949,915 | 4,408,057 | | 15,991,871 | | | 134,349,843 |
| NC Turnpike Authority | | - | 49,820,124 | | 13,499,731 | | 16,000,000 | 79,319,855 |
| NC Mobility Fund | | - | - | | - | | - | - |
| Other State Agencies | | 13,656,775 | - | | 27,700,000 | | - | 41,356,775 |
| Transfer to General Fund | | 217,889,340 | - | | - | | - | 217,889,340 |
| Other Reserves | | 1,362,952 | 400,000 | | - | | - | 1,762,952 |
| Capital Improvements | | 18,019,300 | - | | - | | - | 18,019,300 |
| Debt Service | | - | 61,012,229 | | - | | 86,322,962 | 147,335,191 |
| Uncommitted Trust Fund Administration | 1 | - | 74,419 | | - | | - | - 74,419 |
| Total Transportation | \$ | 1,995,700,000 | \$ 1,240,700,000 | s | 68,369,645 | Ś | 1,187,786,866 \$ | 4,492,556,511 |

^{*} Other does not include \$4,105,078,303 in receipts related to projects that represent a duplication of other budgeted funds.



Senate Committee on Appropriations on Department of Transportation Tuesday, March 17, 2015 at 8:30 AM Room 1228/1327 of the Legislative Building

MINUTES

The Senate Committee on Appropriations on Department of Transportation met at 8:30 AM on March 17, 2015 in Room 1228/1327 of the Legislative Building. Six Senate and seven House members were present.

Senator Bill Rabon, Chair, presided.

William Comer from Winston-Salem, Anthony Forte from Boiling Spring Lakes and Tabi Zorn from Union County served as pages.

Senator Rabon introduced each presenter in the following order:

Greg Gaskins, Deputy Treasurer, State and Local Government Finance Division for the Department of State Treasurer presented the *Transportation Debt Affordability Study*. Questions from the members were responded to by Mr. Gaskin and Dora Fazzini, Director, NC Capital Facilities Finance Agency for the Department of State Treasurer.

Beau Memory, Executive Director of Turnpike Authority for the Department of Transportation gave a presentation titled, *Turnpike Authority and Public-Private-Partnership Projects*. Questions from members during this portion of the presentation were responded to by Mr. Memory.

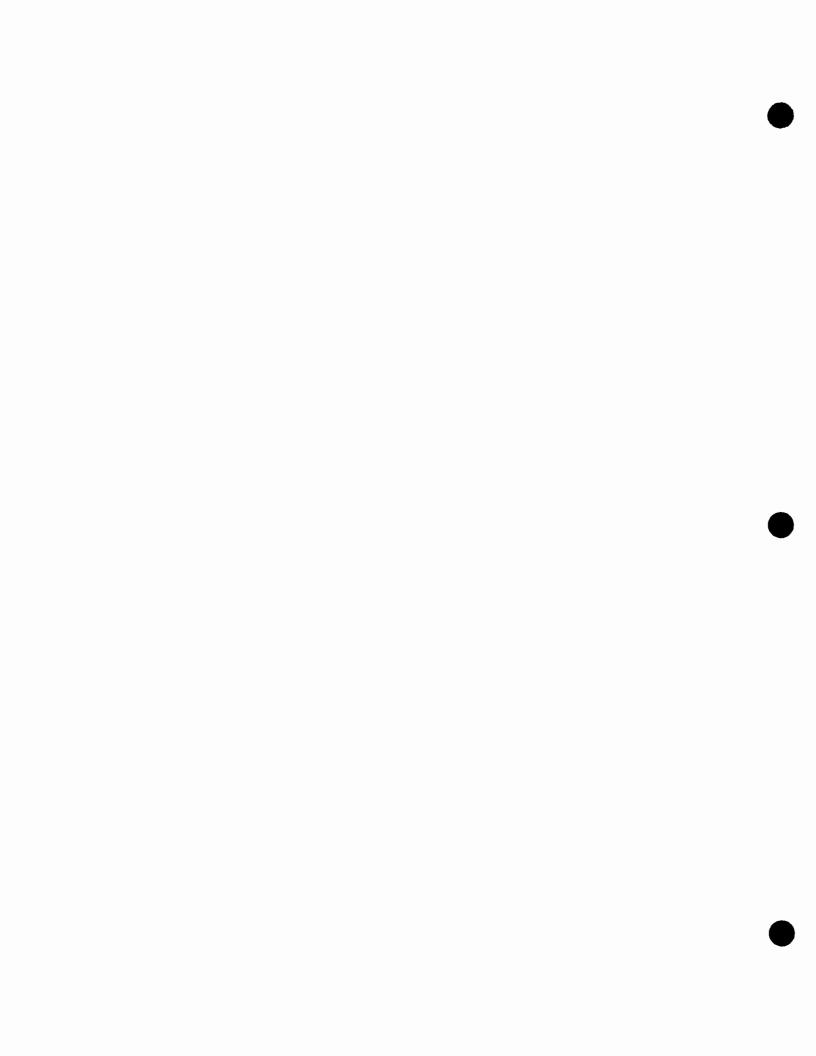
Rodger Rochelle, Administrator of Technical Services Division for the Department of Transportation presented the last segment of the *Turnpike Authority and Public-Private-Partnership Projects*.

The meeting adjourned at 9:25.

Senator Bill Rabon, Chair

Presiding

Débbie Lown, Committee Clerk



Joint Appropriations Committee on Transportation

March 17, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett

Representative Phil Shepard Representative Frank Her Representative Paul Tine Senator Bill Rabon, Chairing Senator Wesley Meredith

- Call to Order
- Transportation Debt Affordability Study

Greg Gaskins, Deputy Treasurer, State and Local Government Finance Division Department of State Treasurer

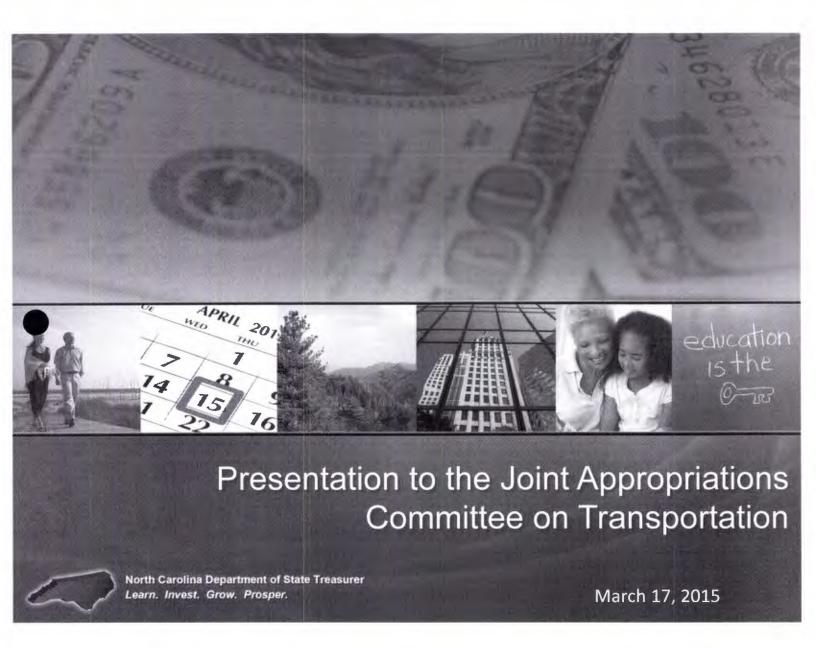
Dora Fazzini, Director, NC Capital Facilities Finance Agency, State and Local Government Finance Division Department of State Treasurer

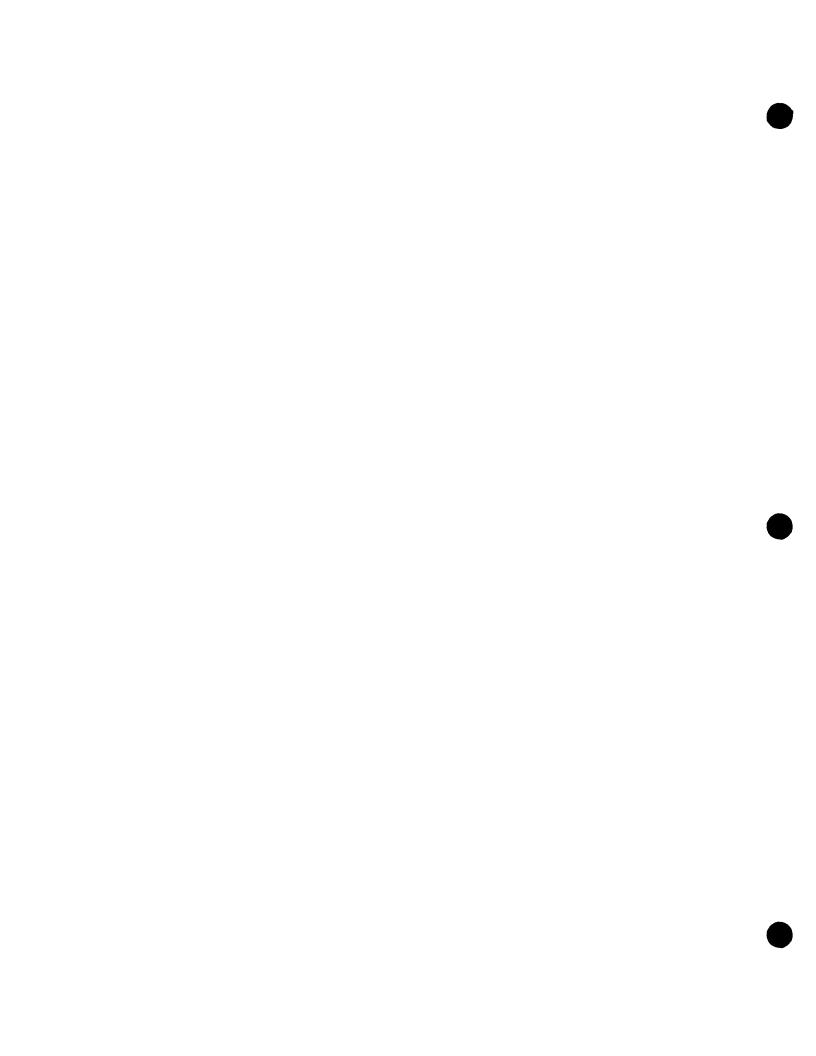
• Turnpike Authority and Public-Private-Partnership Projects

Beau Memory, Executive Director of Turnpike Authority Department of Transportation

Rodger Rochelle, Administrator of Technical Services Division Department of Transportation

Next meeting: North Carolina Railroad Co. and Dredging - Wednesday, March 18, 8:30 a.m.





Debt Affordability Advisory Committee

The Committee is legislatively directed to:

- Annually advise the Governor and the General Assembly of the estimated debt capacity of the General Fund for the upcoming ten years
- Annually advise the Governor and the General Assembly of the estimated debt capacity of the Highway and Highway Trust Fund ("Transportation" funds) for the upcoming ten years
- Recommend other debt management policies it considers desirable and consistent with the sound management of the State's debt



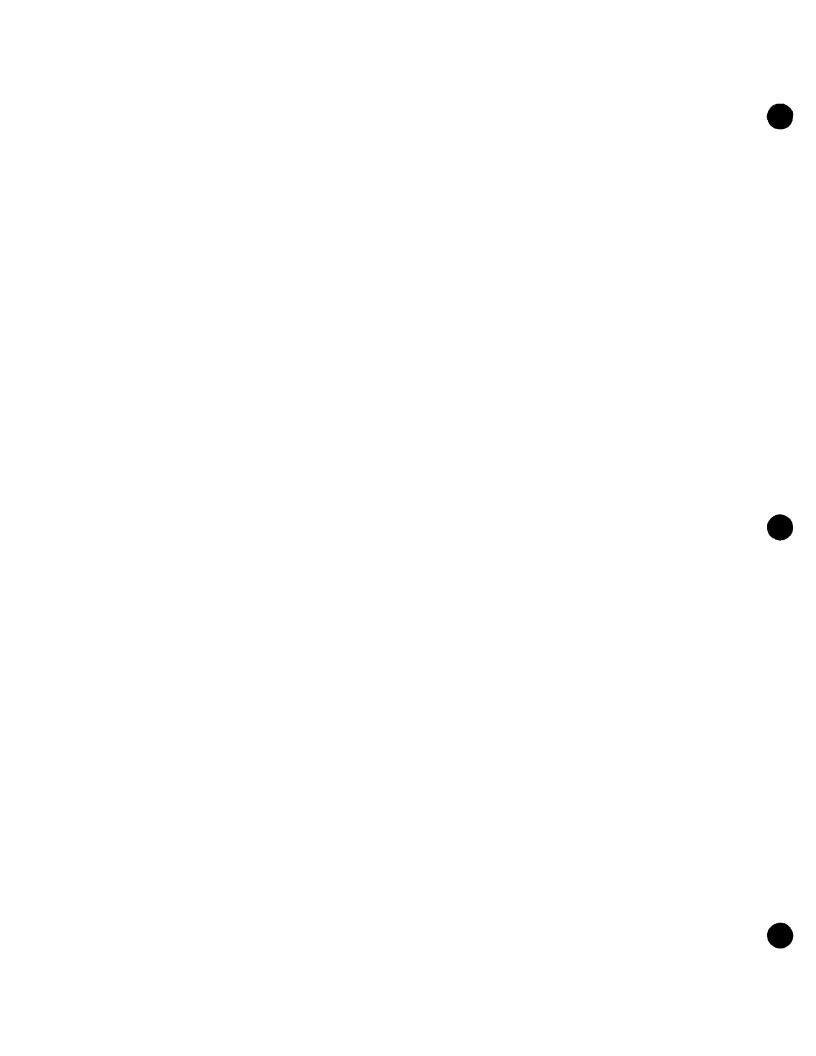
Study makes no recommendations regarding the use of available debt capacity.

Study is due February 1.



North Carolina Department of State Treasurer State and Local Government

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Debt Affordability Advisory Committee

Membership

- Janet Cowell, State Treasurer
- Lee Roberts, State Budget Officer
- Lyons Gray, Secretary of Revenue
- Beth Wood, State Auditor
- Linda Combs, State Controller

Senate Appointees

- Frank Aikmus
- Bradford Briner

House Appointees

- Gene Chianelli
- Tom Turner



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Review: What is Debt Affordability?

The amount of debt that may be prudently authorized and issued in a given period *without* negatively affecting the credit position or impairing the budget flexibility of the issuer.

- The amount of debt that is affordable ("capacity") is finite
- Capacity can be measured and compared
- Issuance beyond a prescribed level can erode credit ratings
- The State measures its available capacity using tax-supported debt: self-supporting debt is excluded



Outstanding Transportation Debt by Type at 6/30/14

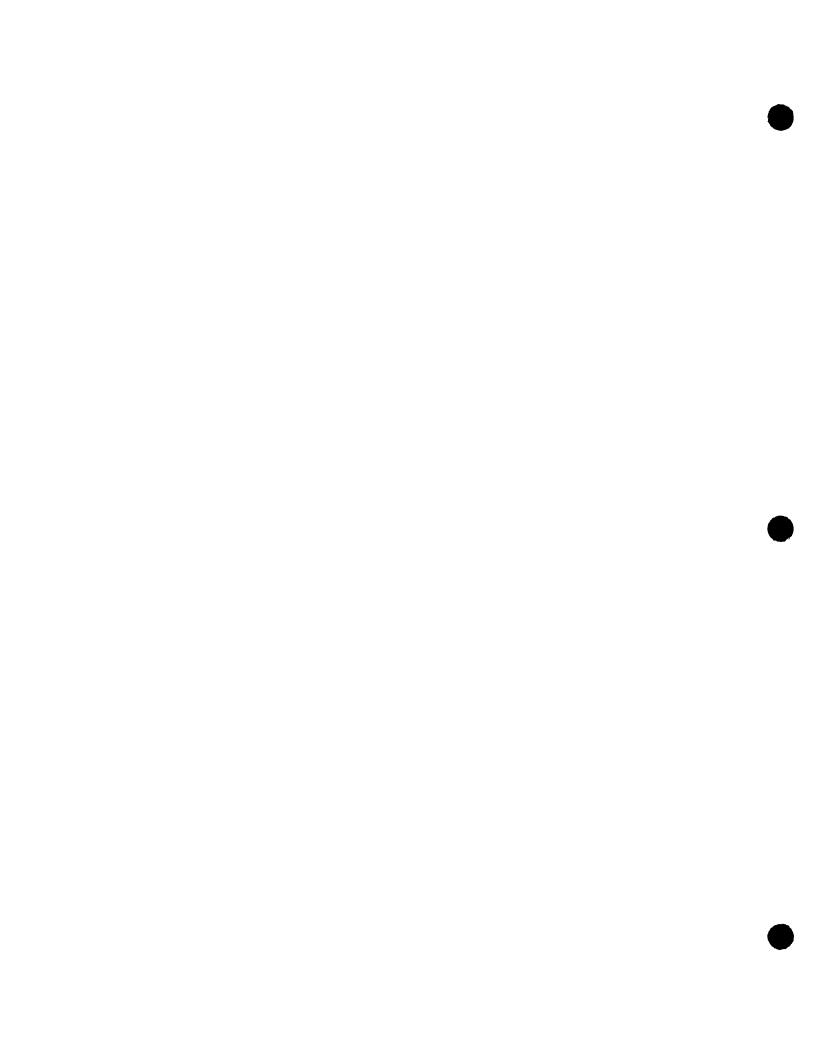
| Tax-Supported Debt* | (millions) |
|---|------------|
| Highway Fund Supported GO Bonds | \$282.2 |
| "GAP Funding" Supported NCTA Revenue Bonds | \$769.2 |
| "Availability Payments" & DRAM (total of payment amounts) | \$88.0 |
| Total Transportation Tax-Supported Debt | \$1,139.4 |
| Non Tax-Supported Debt | (millions) |
| GARVEEs (Grant Anticipation Revenue Vehicle Bonds) | \$540.8 |
| Toll Supported NCTA Revenue Bonds(includes TIFIA) | \$621.6 |
| Total Transportation Non Tax-Supported Debt | \$1,162.4 |
| Total Transportation Debt | \$2,301.8 |

^{*} Tax-supported debt includes debt supported by state (not federal) highway revenues, for example motor fuels tax and vehicle registration fees.



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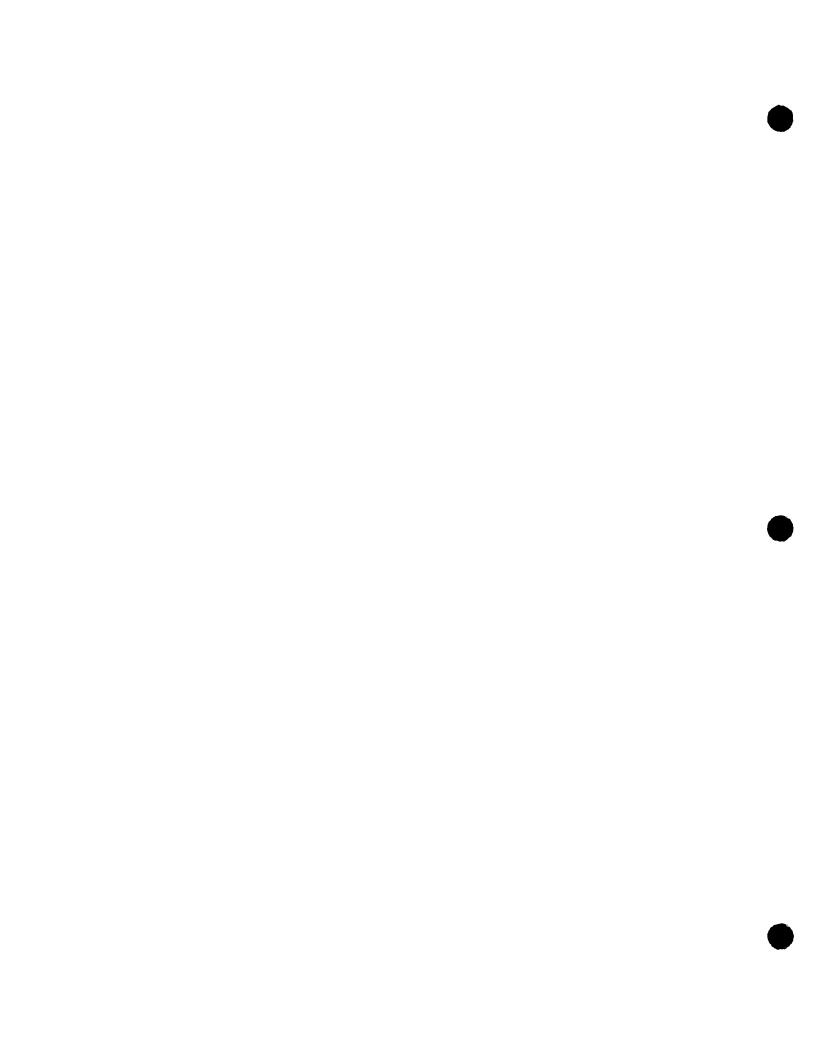
Transportation Debt Affordability

- Highway and Highway Trust Fund capacity combined
- All State-level transportation revenues used (DOT projection)
- Federal revenues, toll revenues (and any related toll-supported debt)
 and GARVEES are excluded
- "GAP Funding" for NCTA projects (\$49 million/year), availability payments and commitments under a DRAM are included
- Guideline adopted: amounts used for transportation-related debt support should not exceed 6% of the State's transportation revenues



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Transportation Model Highlights

10-Year Model Horizon

All State –level Transportation Revenues included (federal revenues excluded)

Repayment of existing debt and NCTA bond support incorporated GARVEE debt service excluded)

Assumes future debt issued at 6.15% for 25 year term (conservative)

Guideline adopted based on analysis of peers (mostly southeastern) developed in consultation with DOT:



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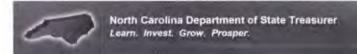
Transportation Peer Group Comparisons

Transportation Group Comparisons

| <u>State</u> | Ratings (5) | Maturity / Yrs | Transportation DS % of Transportation Revenues (1)(2) |
|----------------|-------------|----------------|---|
| Florida | AAA/AAA/Aa1 | 30 | 6.2% |
| Georgia (3) | AAA/AAA/Aaa | 15 | 17.7% |
| Kentucky | AA-/AA-/Aa2 | 20 | 8,6% |
| Missouri (4) | AAA/AAA/Aaa | 20 | 15.2% |
| North Carolina | AAA/AAA/Aaa | 20 | 3.8% |
| South Carolina | AAA/AA+/Aaa | 10 | 6.0% |
| Tennessee | AAA/AA+/Aaa | N/A | 0.0% |
| Texas | AAA/AAA/Aaa | 30 | 13.8% |
| Virginia | AAA/AAA/Aaa | 25 | 3.0% |
| | Median | | 6.2% |
| | Average | | 8.2% |

⁽¹⁾ The data for North Carolina, Kentucky and Missouri are from the 2014 CAFR, all others are from the 2013 CAFR.

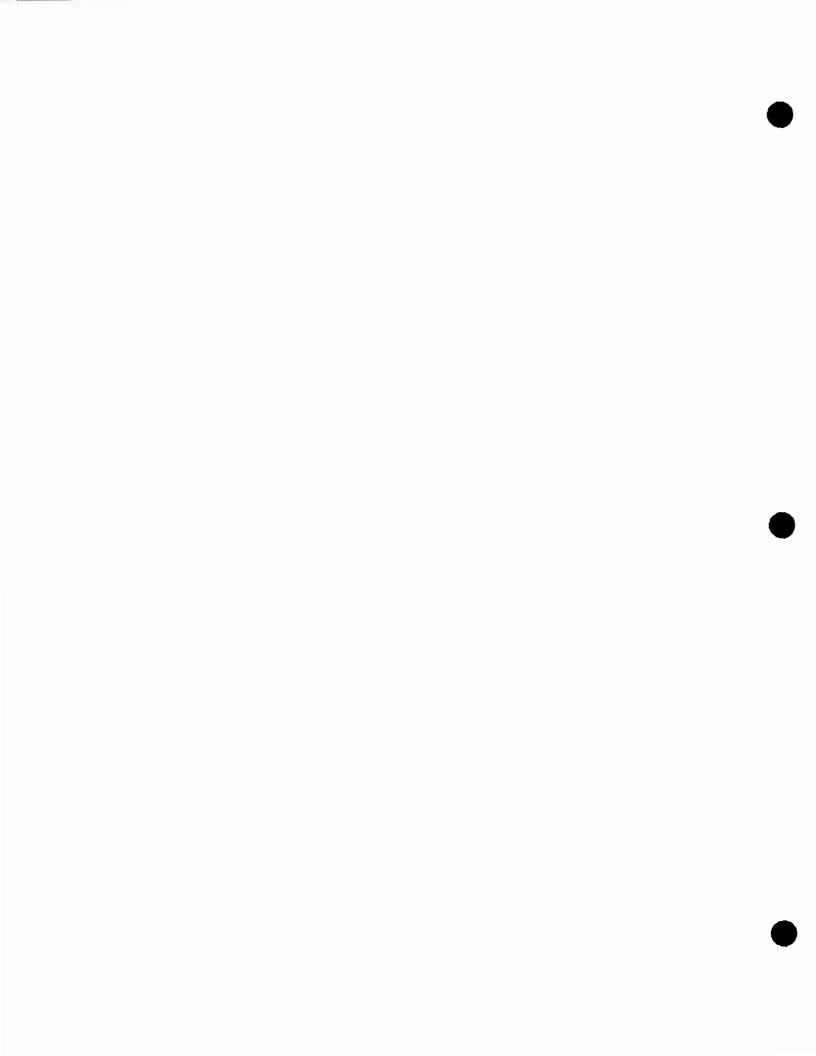
⁽⁵⁾ Fitch / Standard & Poors / Moodys.



⁽²⁾ Excludes Garvee debt service (if any) and Federal Revenues.

⁽³⁾ Allocated Debt Service.

⁽⁴⁾ Missouri uses overall capacity to support transportation debt; overall debt service as % of revenue = 1.8% (2013 CAFR).



Transportation Model Results

2015 DAAC Study (August 2014 Concensus Forecast) Transportation Debt Capacity

Net Tax-Supported Debt Capacity using 6.0% debt service/revenues target ratio (In millions of dollars)

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|--------|--------|-------|-------|
| Total Additional Debt Capacity per Year | \$1,043.5 | \$22.1 | \$70.9 | \$0.0 | \$0.0 |
| Debt Capacity Available Each and Every Year | 226.3 | 226.3 | 226.3 | 226.3 | 226.3 |

In addition to that already authorized but unissued. Assumes additional debt capacity is authorized and issued in stated fiscal year.



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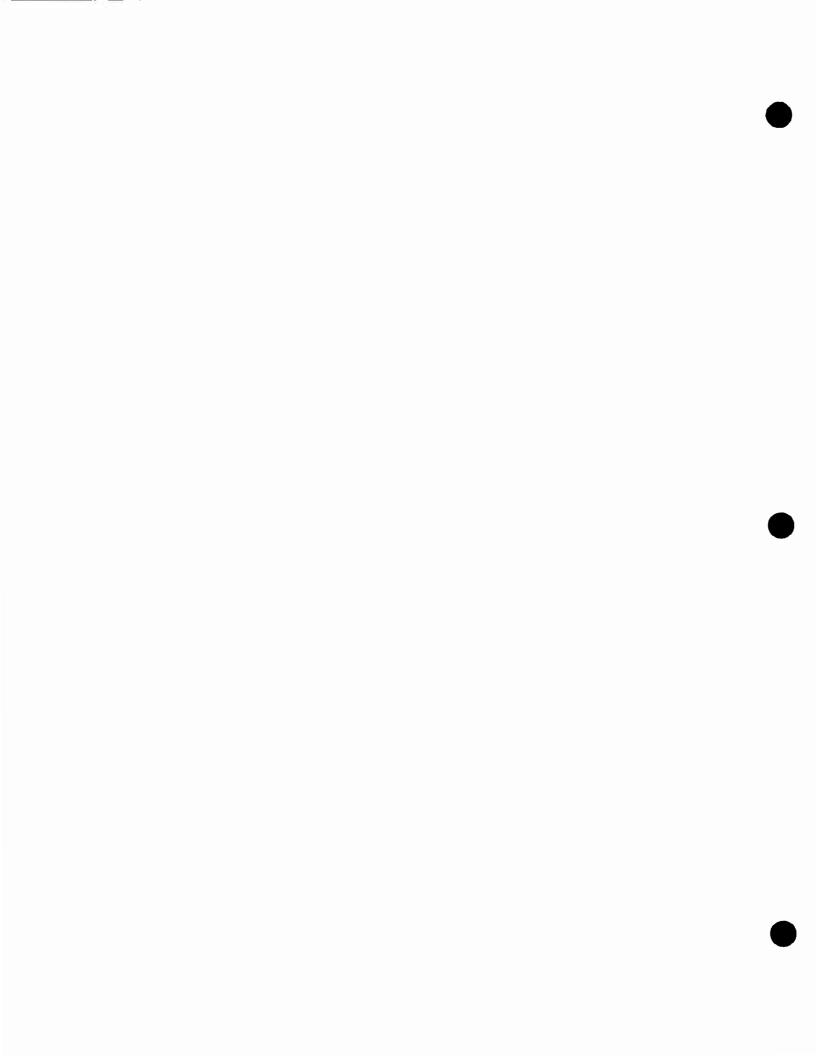
Combined GF and Transportation Results

General Fund and Transportation Funds Combined Debt Service / Revenue Percentages

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|----------------|-------|-------|-------|-------|-------|
| General Fund | 3.66% | 3.63% | 3.28% | 3.14% | 2.95% |
| Transportation | 3.69% | 3.34% | 3.39% | 3.13% | 3.14% |
| Combined | 3.67% | 3.59% | 3.30% | 3.14% | 2.97% |

Note: Percentages are based on forecasted revenues and debt service.





Transportation Model Results

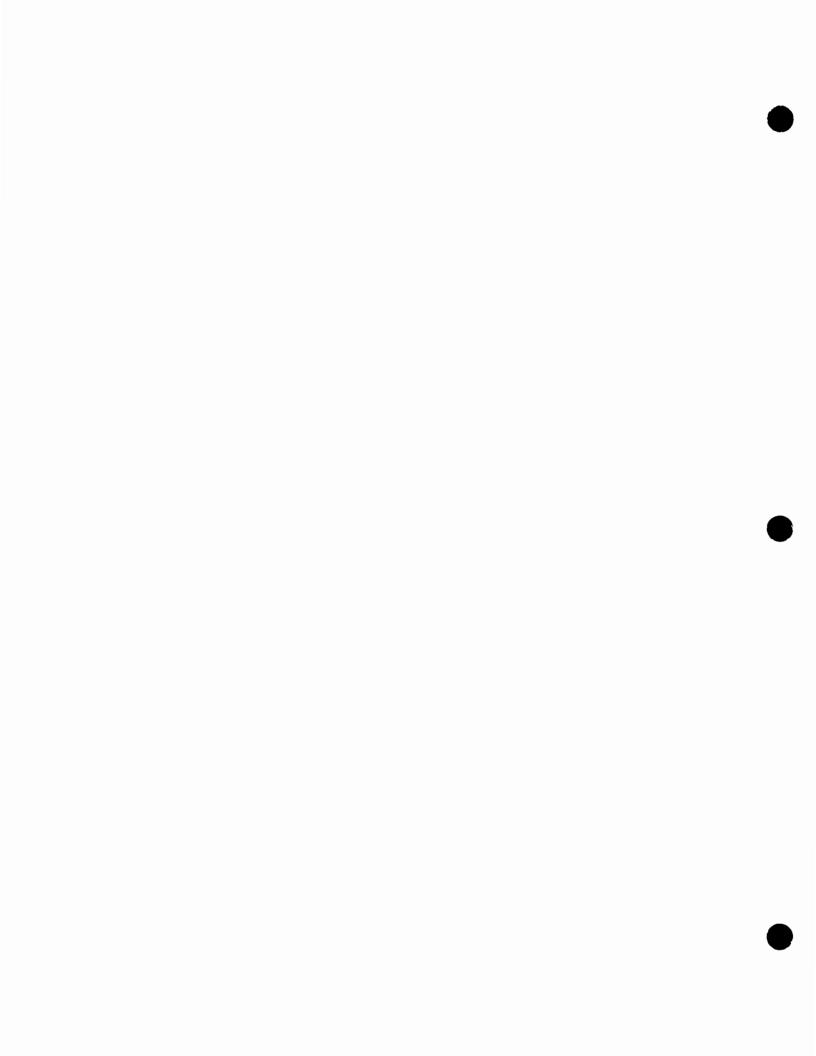
February 2015 Concensus Forecast Transportation Debt Capacity

Net Tax-Supported Debt Capacity using 6.0% debt service/revenues target ratio (In millions of dollars)

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------|-------|---------|-------|--------|
| Total Additional Debt Capacity per Year | \$874.5 | \$0.0 | \$181.5 | \$0.0 | \$11.8 |
| Debt Capacity Available Each | | | | | |
| and Every Year | 213.6 | 213.6 | 213.6 | 213.6 | 213.6 |

In addition to that already authorized but unissued. Assumes additional debt capacity is authorized and issued in stated fiscal year. Based on Revenue Forecast provided by Fiscal Research February 3, 2015.





Transportation Model Results

Governor's Budget Forecast Transportation Debt Capacity

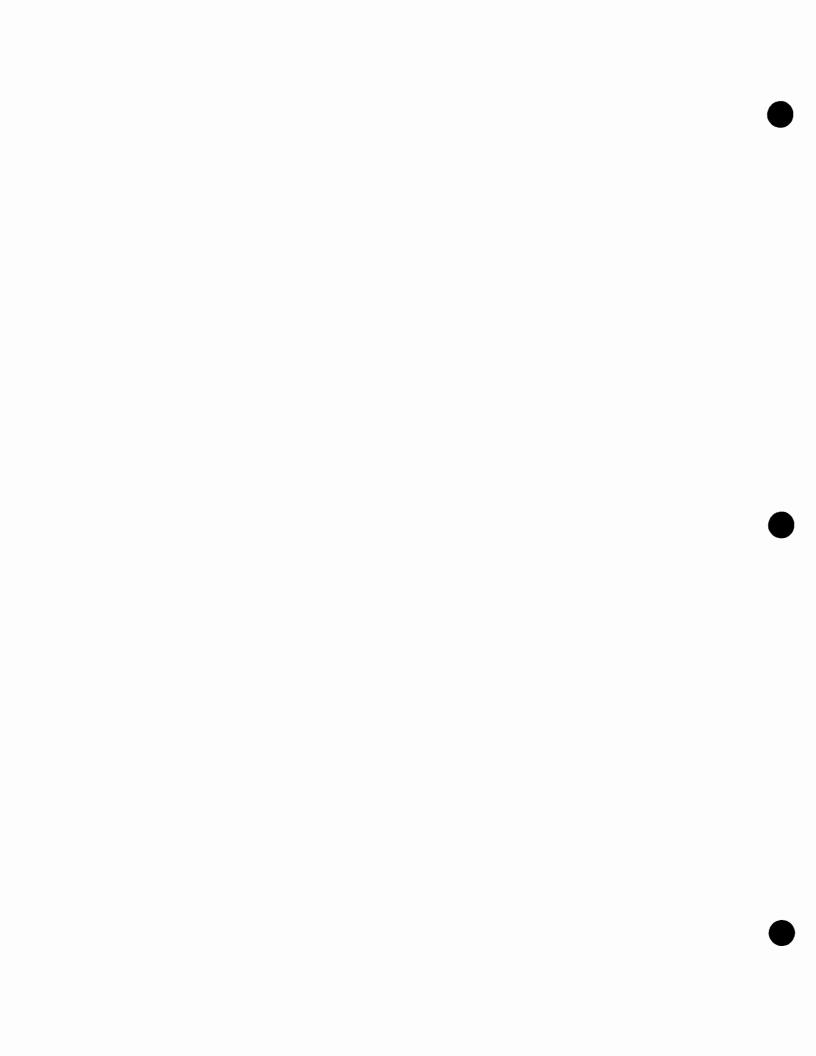
Net Tax-Supported Debt Capacity using 6.0% debt service/revenues target ratio (In millions of dollars)

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-------|---------|-------|--------|
| Total Additional Debt Capacity per Year | \$1,060.8 | \$0.0 | \$259.3 | \$5.2 | \$46.9 |
| Debt Capacity Available Each and Every Year | 274.4 | 274.4 | 274.4 | 274.4 | 274.4 |

In addition to that already authorized but unissued. Assumes additional debt capacity is authorized and issued in stated fiscal year. Based on revenue forecast contained in Senate version of SB 20.

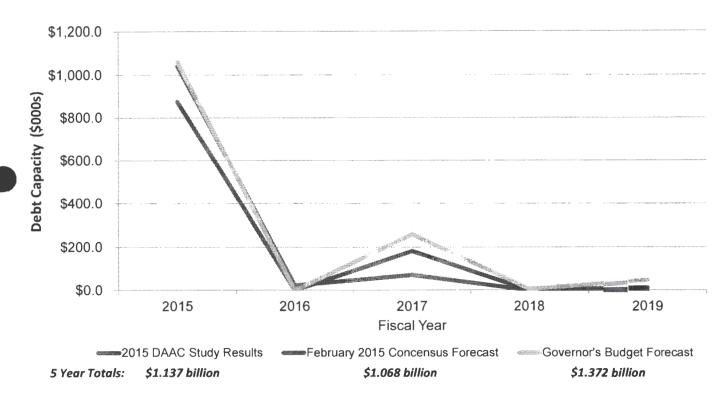


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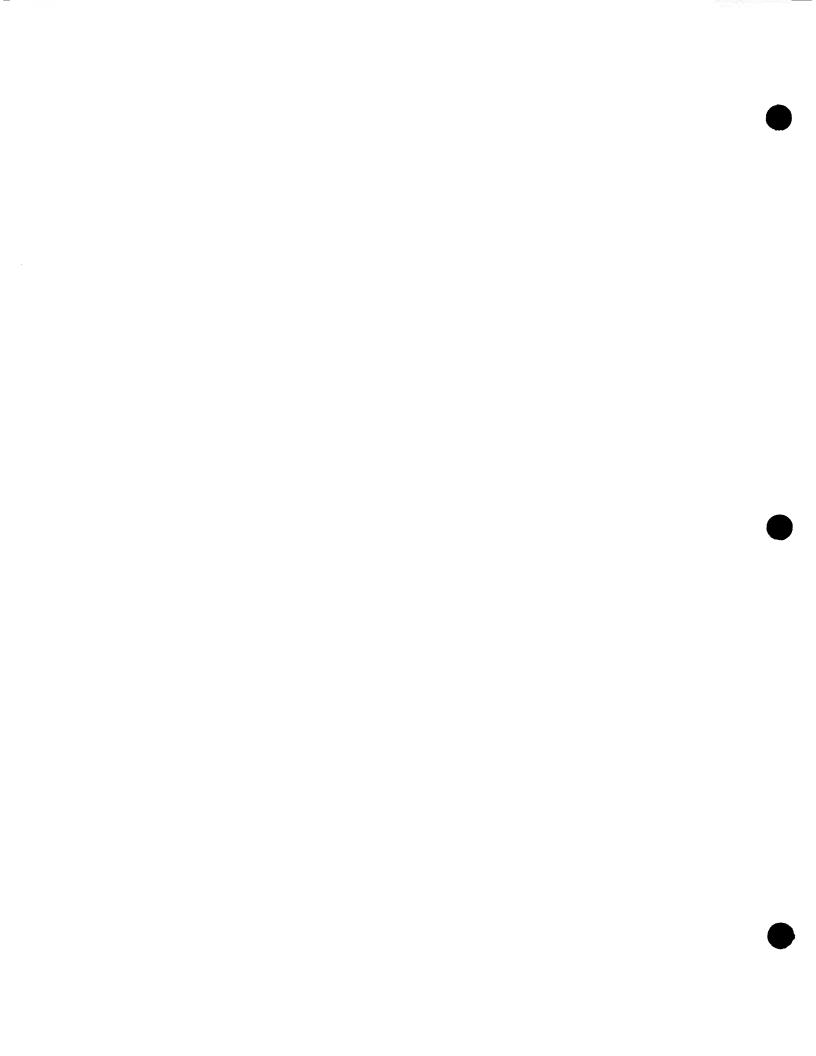
Transportation Debt Capacity Solution Comparisons

Transportation Debt Capacity Solutions





North Carolina Department of State Treasurer Learn. Invest. Grow. Prosper.





North Carolina Turnpike Authority
Joint Appropriations Committee on Transportation
Beau Memory & Rodger Rochelle

March 17, 2015

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Agenda

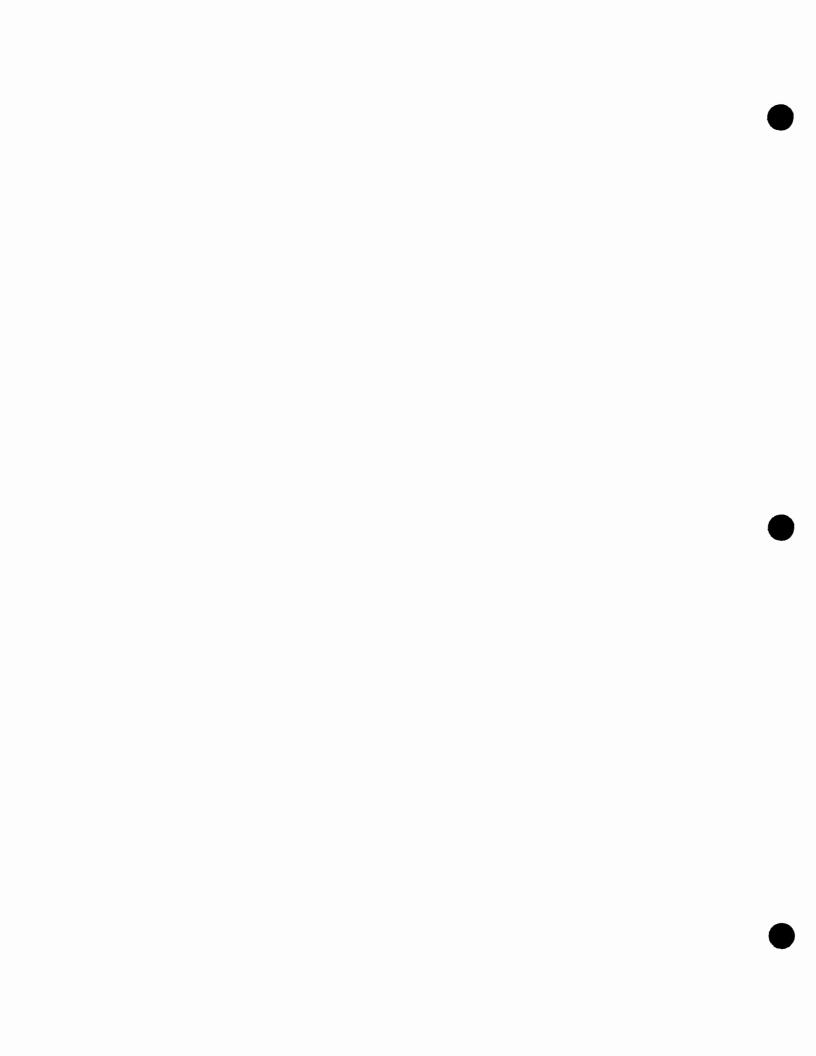
- Legislation Review / Turnpike Vision Beau Memory
- Turnpike Authority Projects Overview Beau Memory
- I-77 Express Lanes Rodger Rochelle

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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



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For a Toll Project to Work:

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

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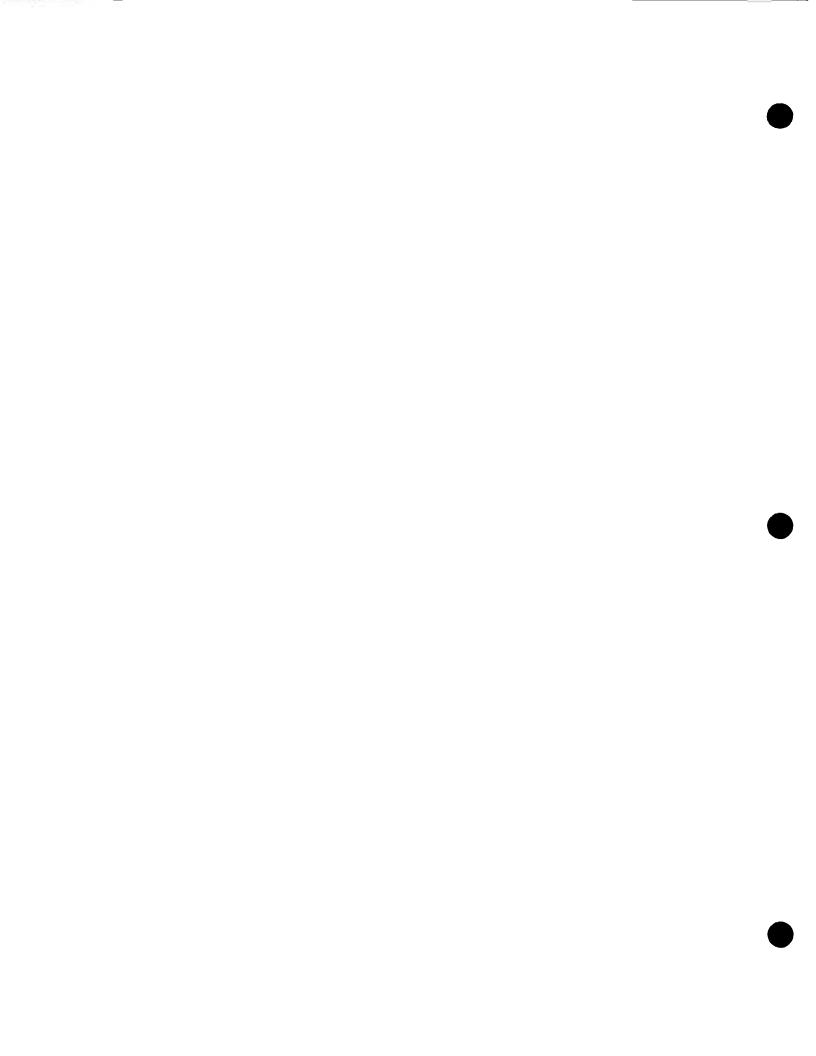
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Legislation Review

Prior to HB 817 - Strategic Transportation Investments

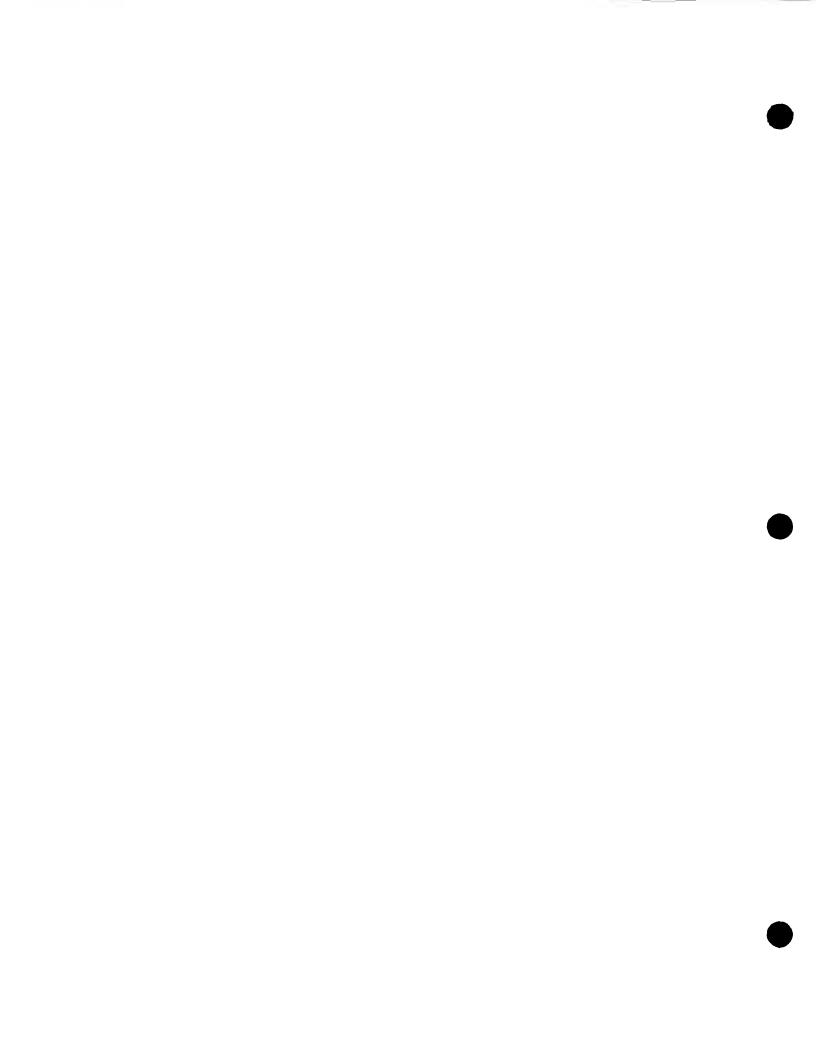
- Nine turnpike projects can be studied and developed
- Five turnpike projects were identified and selected for study in statute
 - Four turnpike projects were appropriated supplemental funding
 - Two turnpike projects reached financial close



Legislation Review

With HB 817

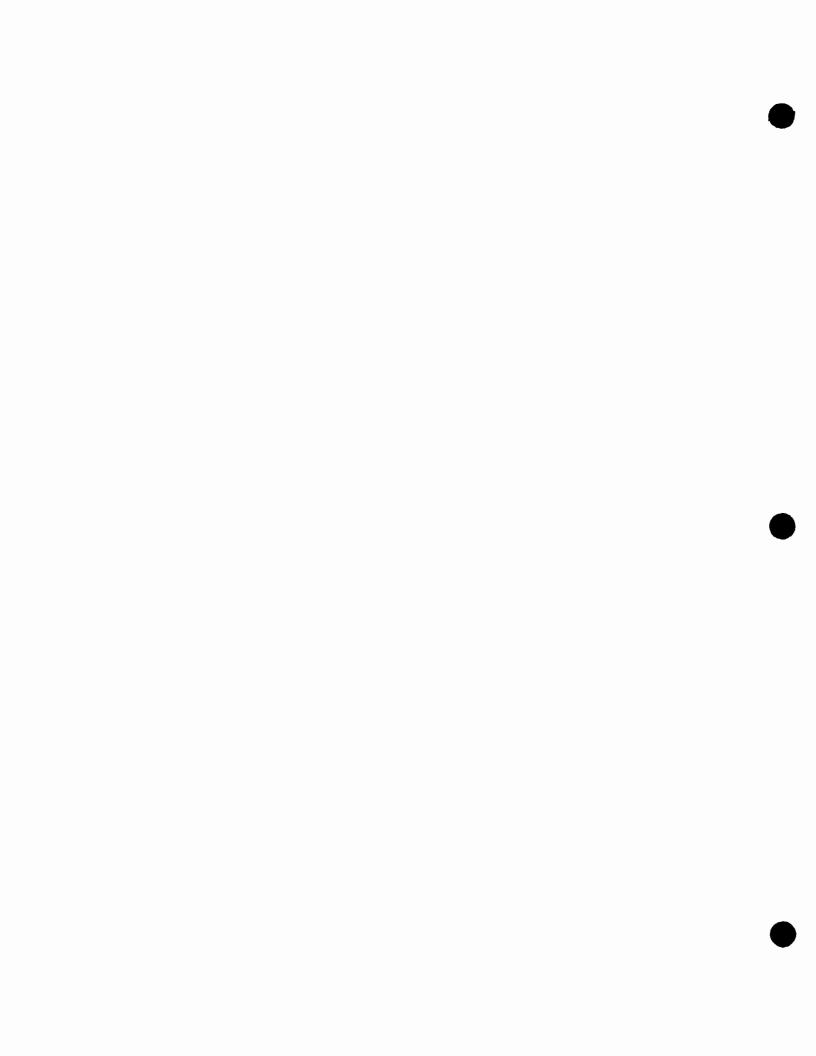
- Nine turnpike projects can be studied and developed
- Turnpike projects subject to prioritization
- Turnpike projects require approval by local planning organizations
 - Encourages local funding participation
 - Limits tolling to only new capacity
 - Supplemental funding determined via the prioritized STIP



Legislation Review

The law also states:

- Turnpike projects must have an existing and non-tolled alternative route.
- Revenues from a turnpike facility must stay on that turnpike facility.
 - Once the bonds have been repaid, the tolls must be removed.

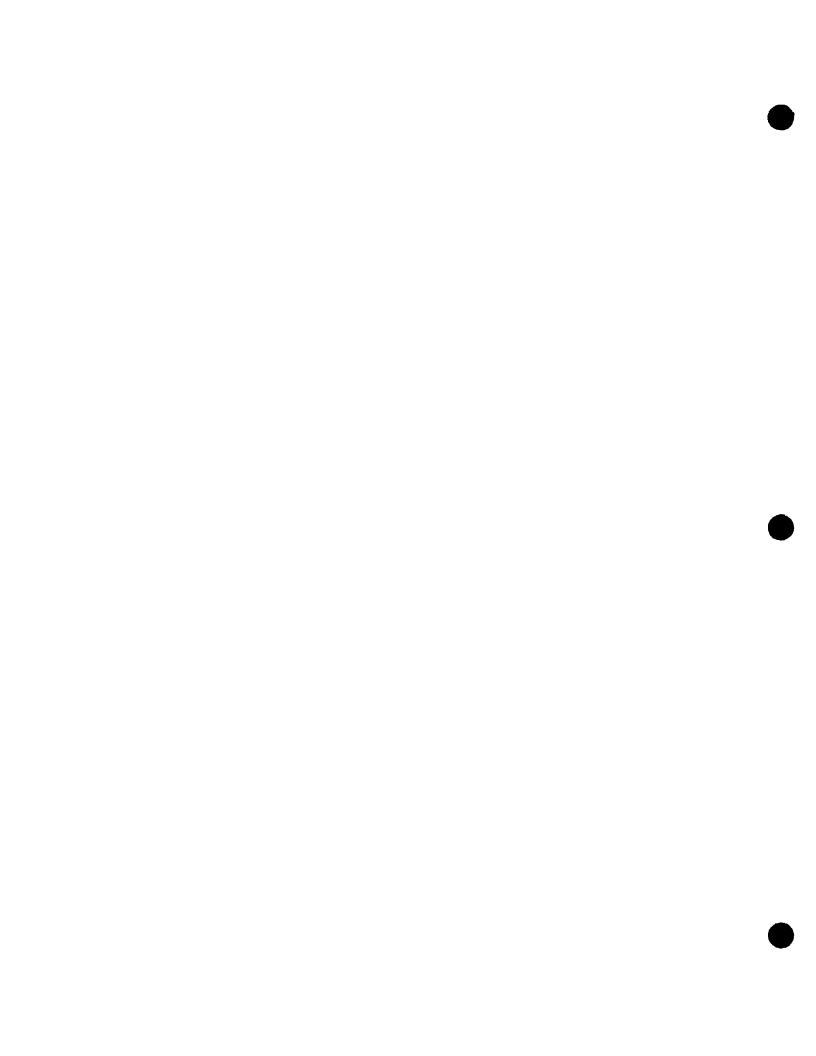


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Agenda

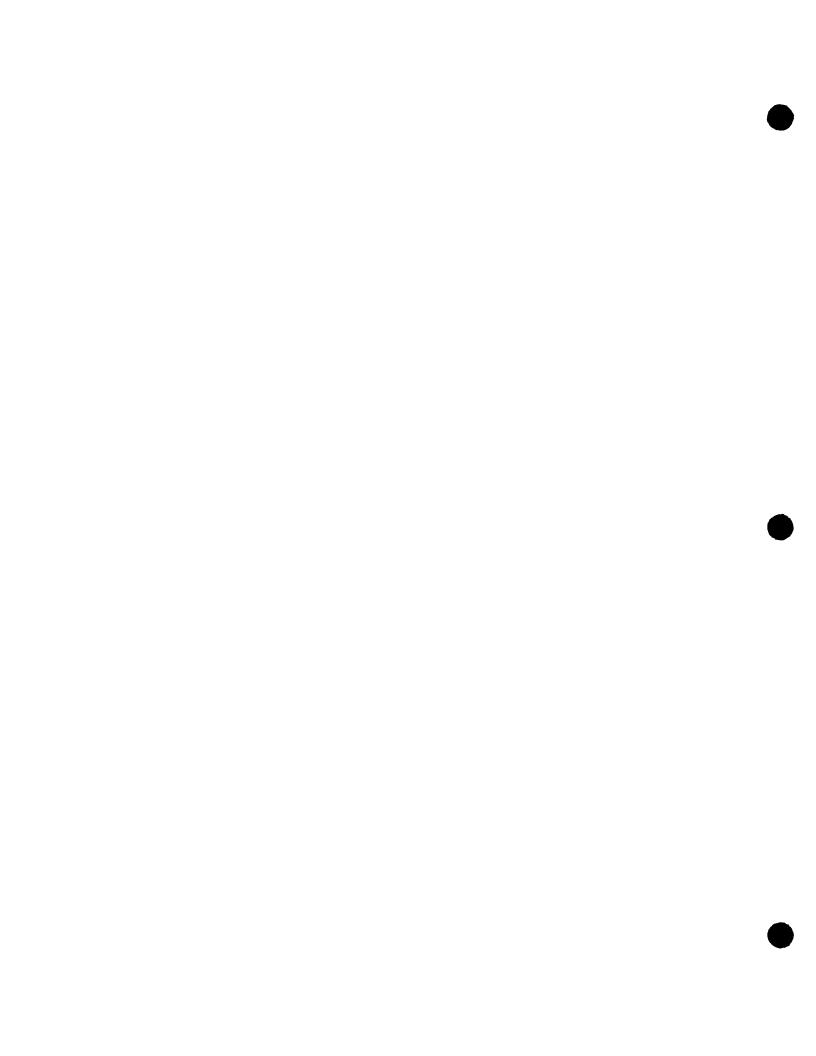
- Legislation Review / Turnpike Vision
- Turnpike Authority Projects Overview Beau Memory
- I-77 Express Lanes



Turnpike Projects

Six projects meet statutory requirements

- Triangle Expressway (3 Projects)
- Monroe Expressway
- I-77 Express Lanes
- I-485 Express Lanes

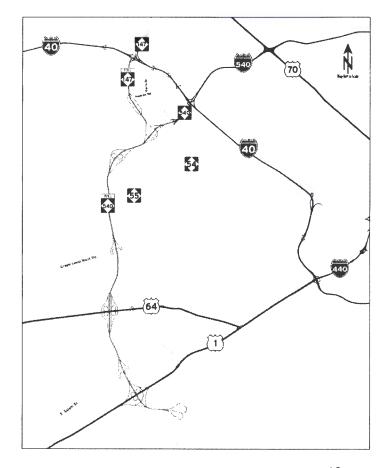


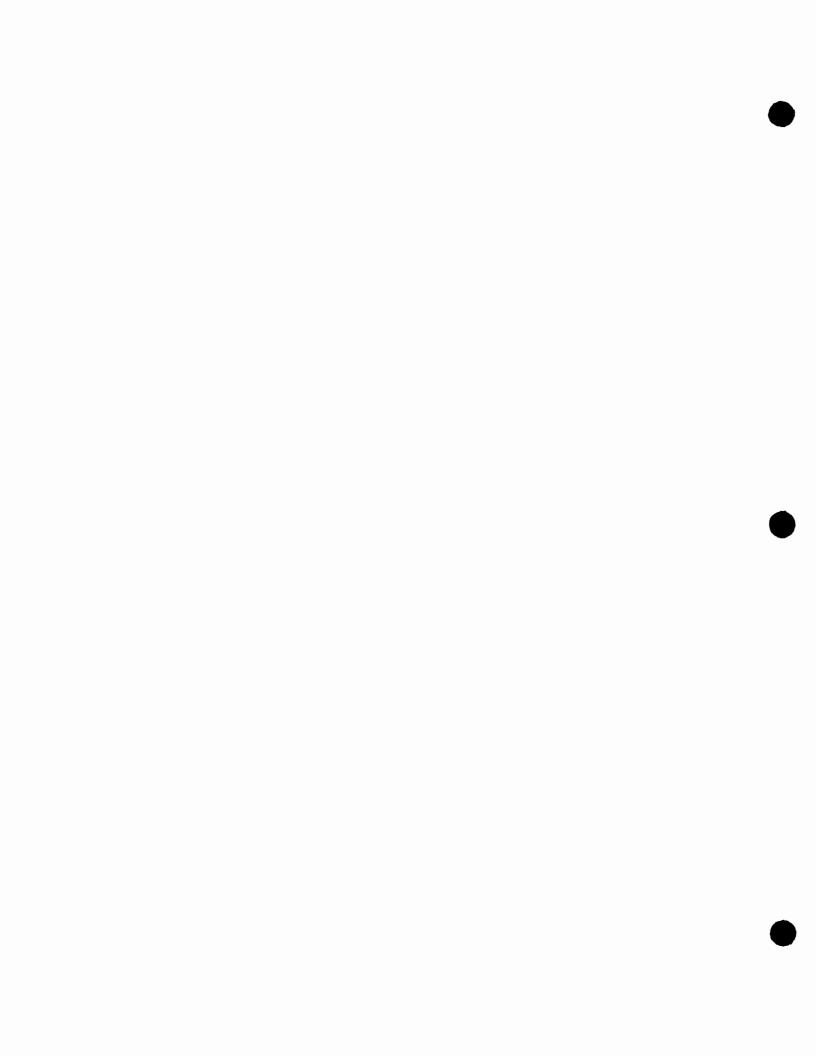
North Carolina

Projects Overview

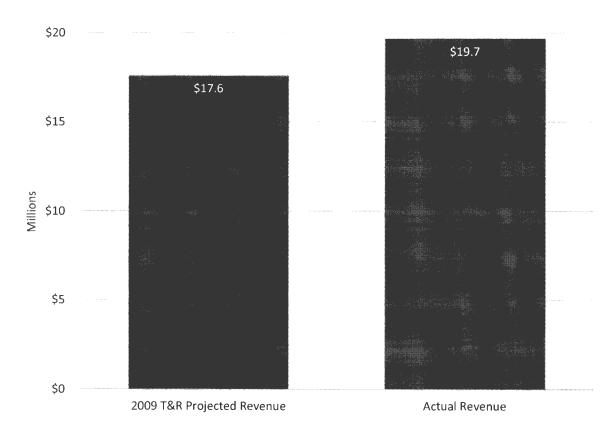
Triangle Expressway

- 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 ~ 40% (YOY)
- \$2.91 trip with Quick Pass (~ \$0.17/mile)

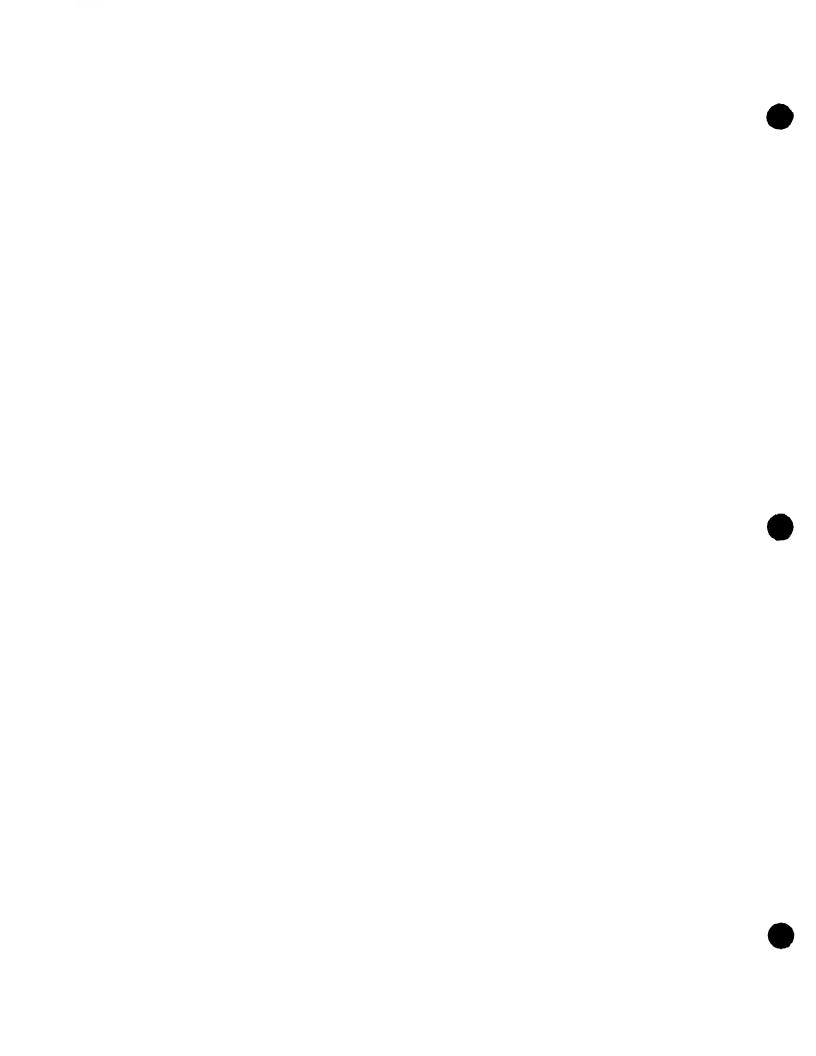




Triangle Expressway | Revenue in FY 2014

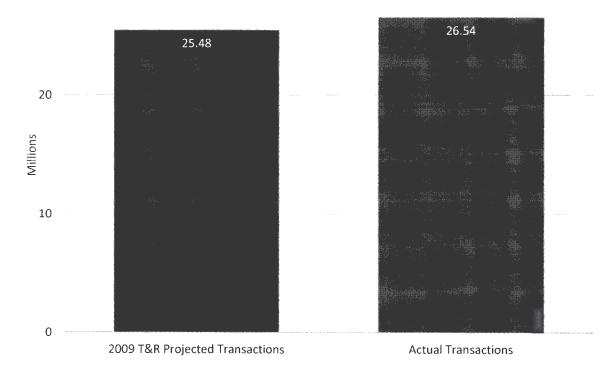


Note: The date provided is unaudited and intended for use as general information only.

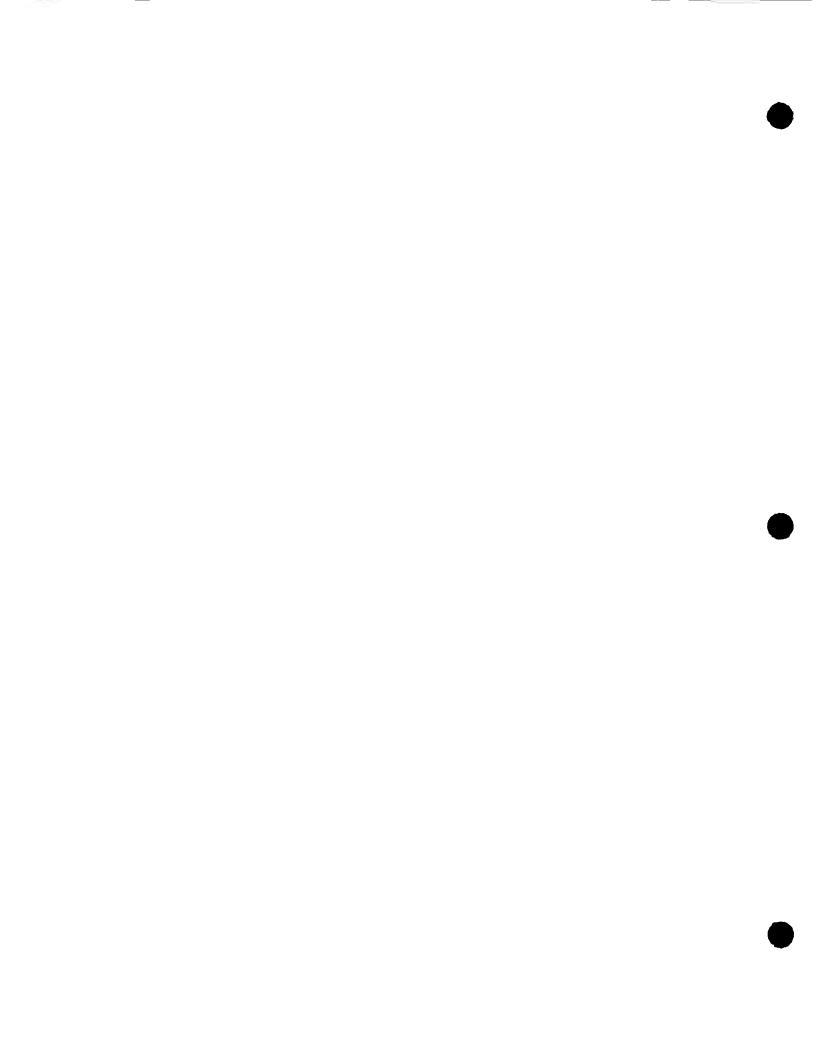


Triangle Expressway | Transactions in FY 2014

30

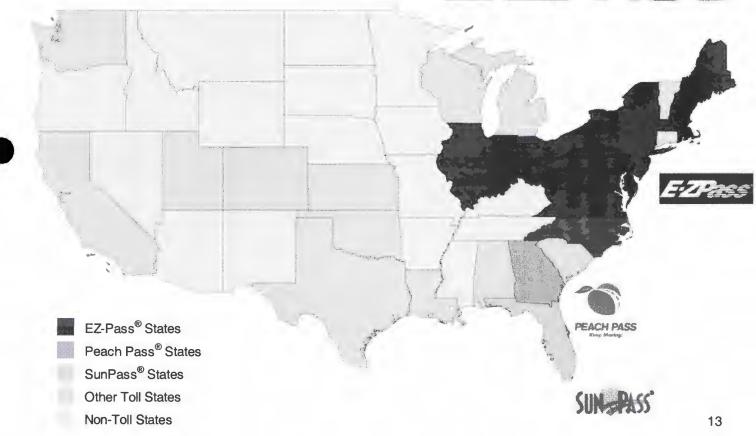


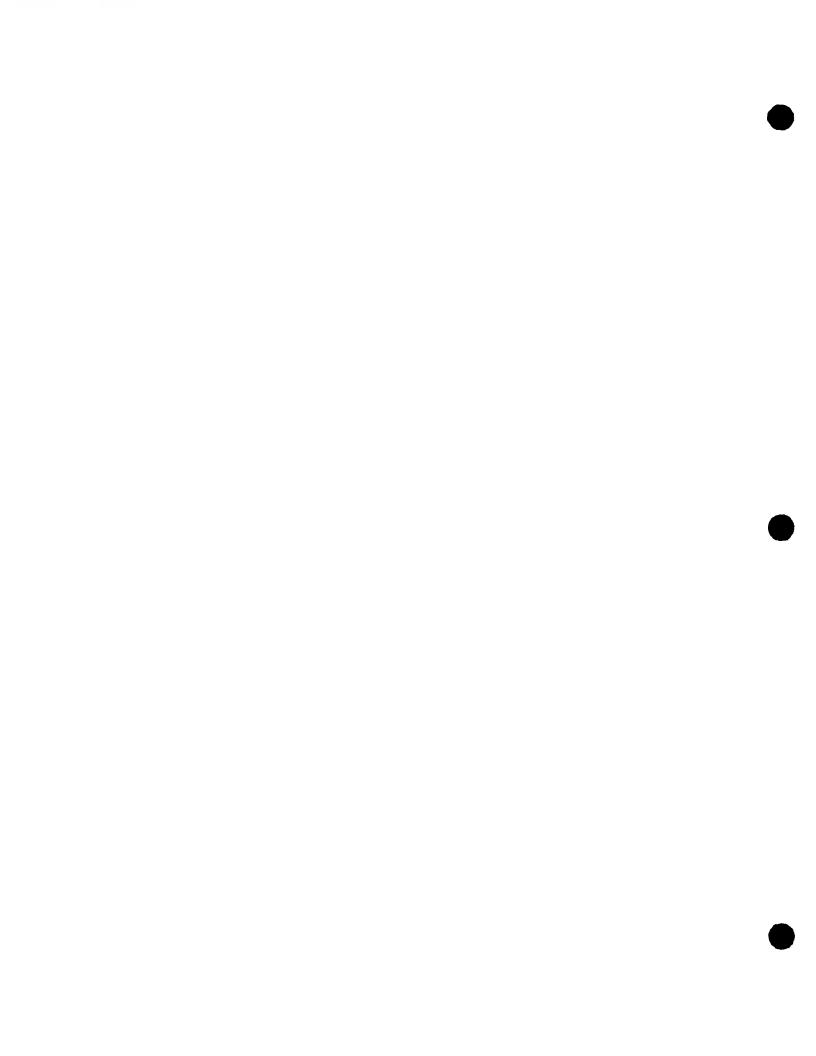
Note: The date provided is unaudited and intended for use as general information only.



Interoperability







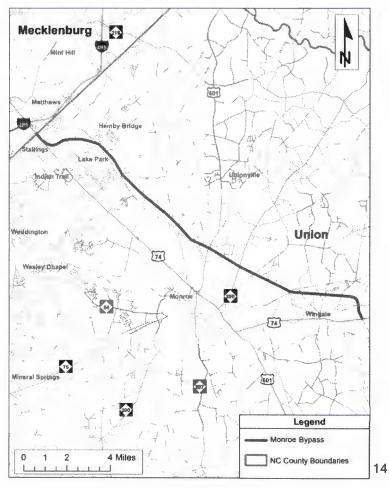
Monroe Expressway

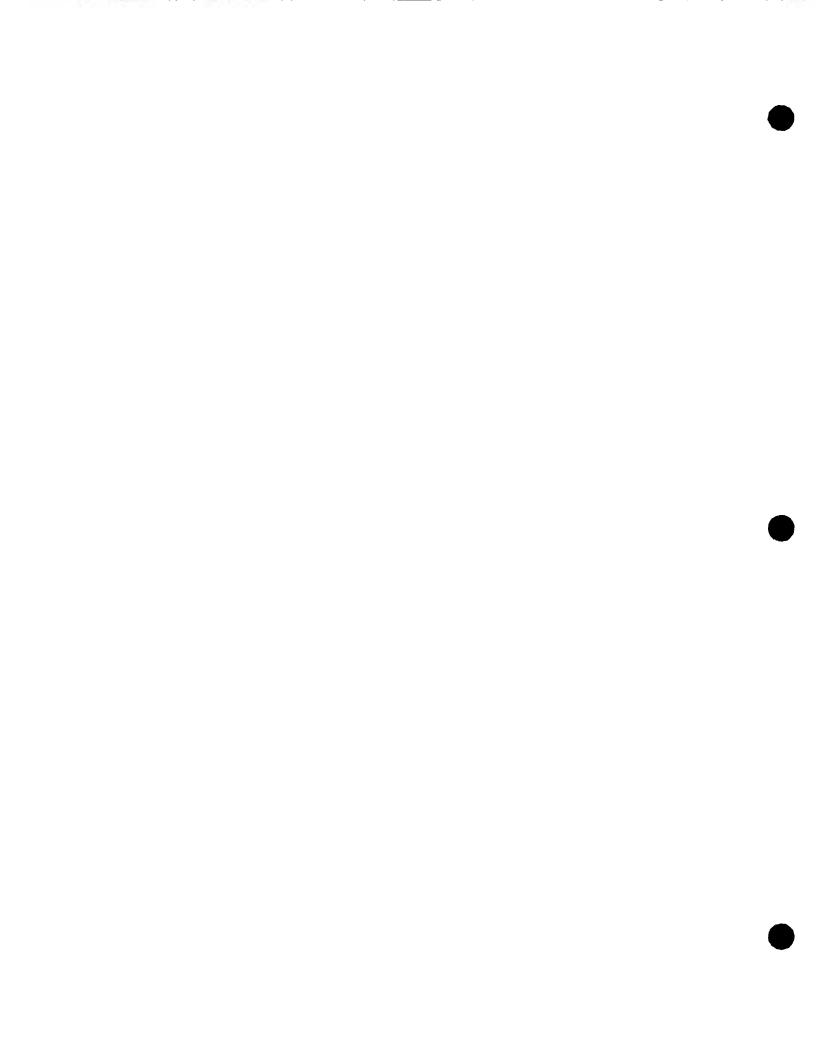
Project Data

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

Upcoming Milestones

- ROW Acquisition (Ongoing)
- Environmental Permitting (2015)
- Begin Construction (2015)





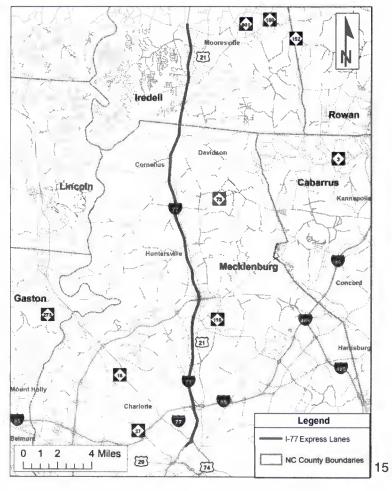
I-77 Express Lanes

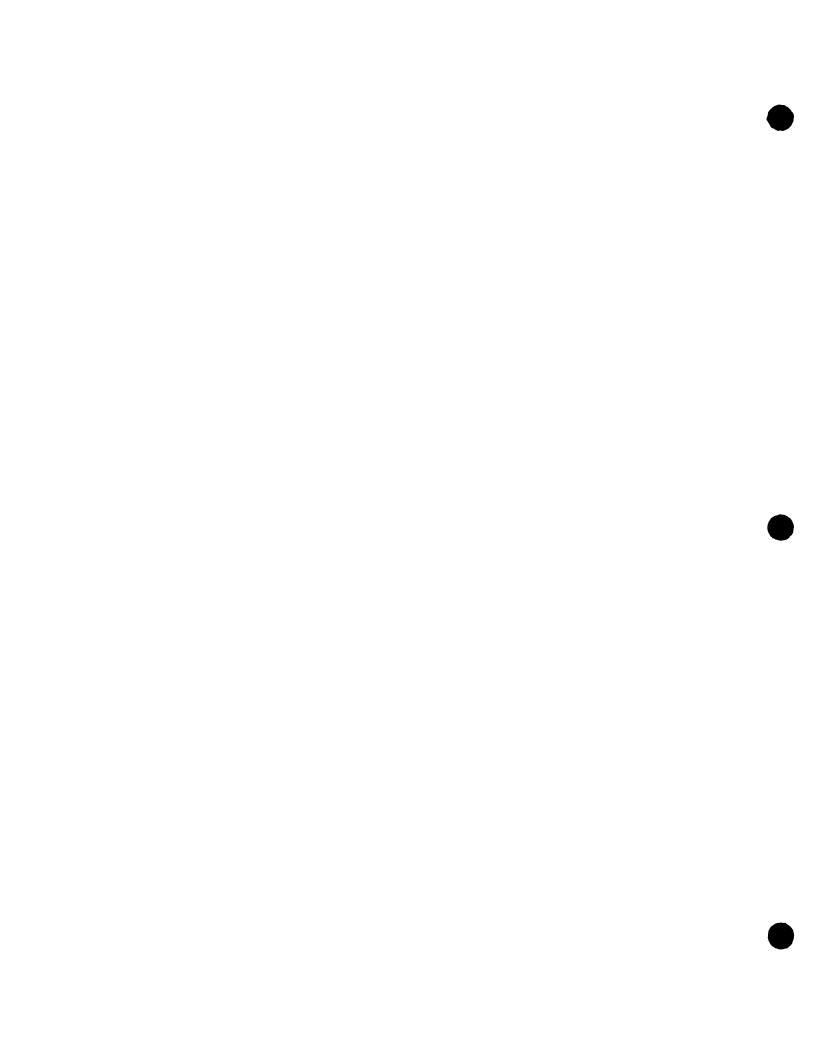
Project Data

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

Upcoming Milestones

- Financial Close (2015)
- Begin Construction (2015)





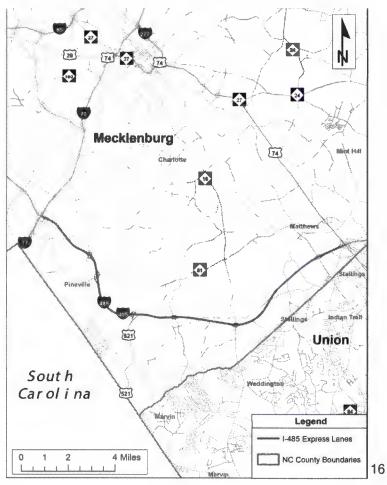
I-485 Express Lanes

Project Data

- I-5507
- 16.6 mi new capacity
- I-77 to US 74

Upcoming Milestones

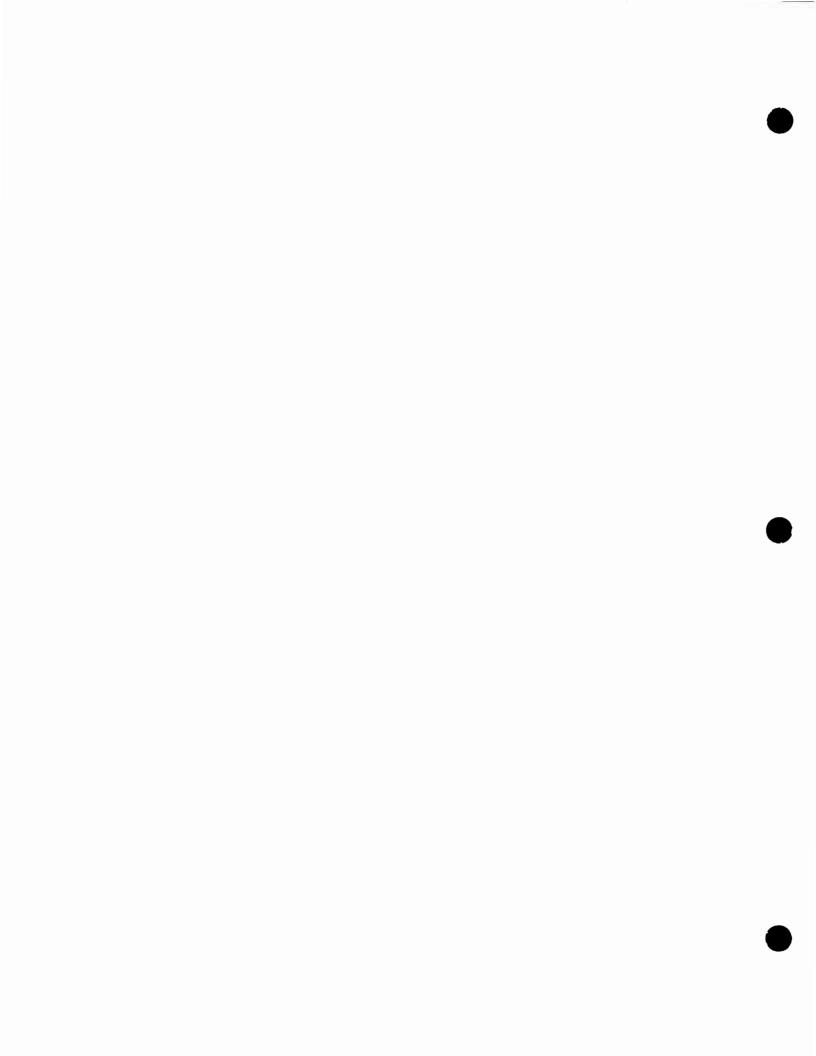
- Environmental Documents (2015)
- Begin ROW Acquisition (2016)
- Begin Construction (2016)



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Toll Projects in Draft STIP

- Number of turnpike projects limited to nine
 - Six turnpike projects
 - Three projects open to traffic (Triangle Expressway)
 - Three current turnpike projects in Draft STIP
 - Monroe Expressway
 - I-77 Express Lanes
 - I-485 Express Lanes
 - Eight additional projects in Draft STIP
 - Four new location projects & four express lane projects approved by local planning organizations and prioritized in Draft STIP
- Final STIP approval: July 2015



Toll Projects in Draft STIP

Eight Additional Projects:

| 2. | STIP# | Project | Limits | ROW | Construction |
|----|----------------|----------------------|--------------------------|---------|--------------|
| | R-2721 | Complete 540 | NC 55 to US 401 | FY 2017 | FY 2017 |
| | U-5526 | US 74 Express Lanes | Wallace Ln. to I-277 | FY 2017 | FY 2017 |
| | R-2576 | Mid-Currituck Bridge | Coinjock to Corolla | FY 2019 | FY 2019 |
| | U -2509 | US 74 Express Lanes | I-485 to Conference Dr. | FY 2020 | FY 2022 |
| | R-2828 | Complete 540 | US 401 to I-40 | FY 2022 | FY 2022 |
| | I-5702 | I-40 Express Lanes | US 15/501 to I-440/US 64 | FY 2024 | future year |
| | I-5718 | I-77 Express Lanes | I-485 to I-277 | FY 2024 | future year |
| | R-2829 | Complete 540 | I-40 to US 64 | FY 2025 | future year |

Capacity Improvements

New Location Toll Facility

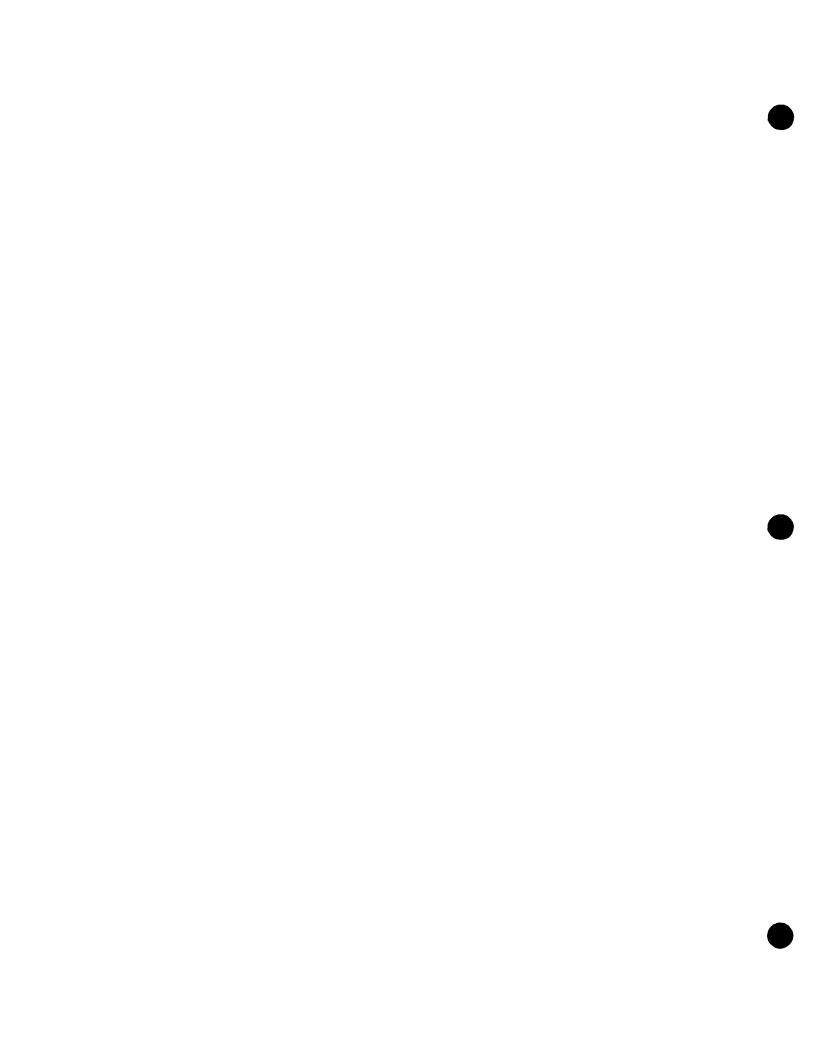
Toll Projects in Draft STIP

Eight Additional Projects:

| | STIP# | Project | Limits | ROW | Construction |
|------|------------------|--------------------------------|---------------------------|---------|--------------|
| | R-2721 | Complete 540 | NC 55 to US 401 | FY 2017 | FY 2017 |
| | U-5526 | US 74 Express Lanes | Wallace Ln. to I-277 | FY 2017 | FY 2017 |
| | R-2576 | Mid-Currituck Bridge | Coinjock to Corolla | FY 2019 | FY 2019 |
| | U-2509 | US 74 Express Lanes | I-485 to Conference Dr. | FY-2020 | FY-2022 |
| | R-282 8 | Complete 540 | US-401-to-l-40 | FY 2022 | FY-2022 |
| | 1-5792 | I-40-Express-Lanes | US 15/501 to I-440/US 64 | FY-2024 | future-year |
| 6112 | -5718 | 1-77-Express-Lanes | -485-to-1-277 | FY-2024 | future-year |
| | R-2829 | Complete 540 | 1-40 to US-64 | FY-2025 | future-year |

Capacity Improvements

New Location Toll Facility

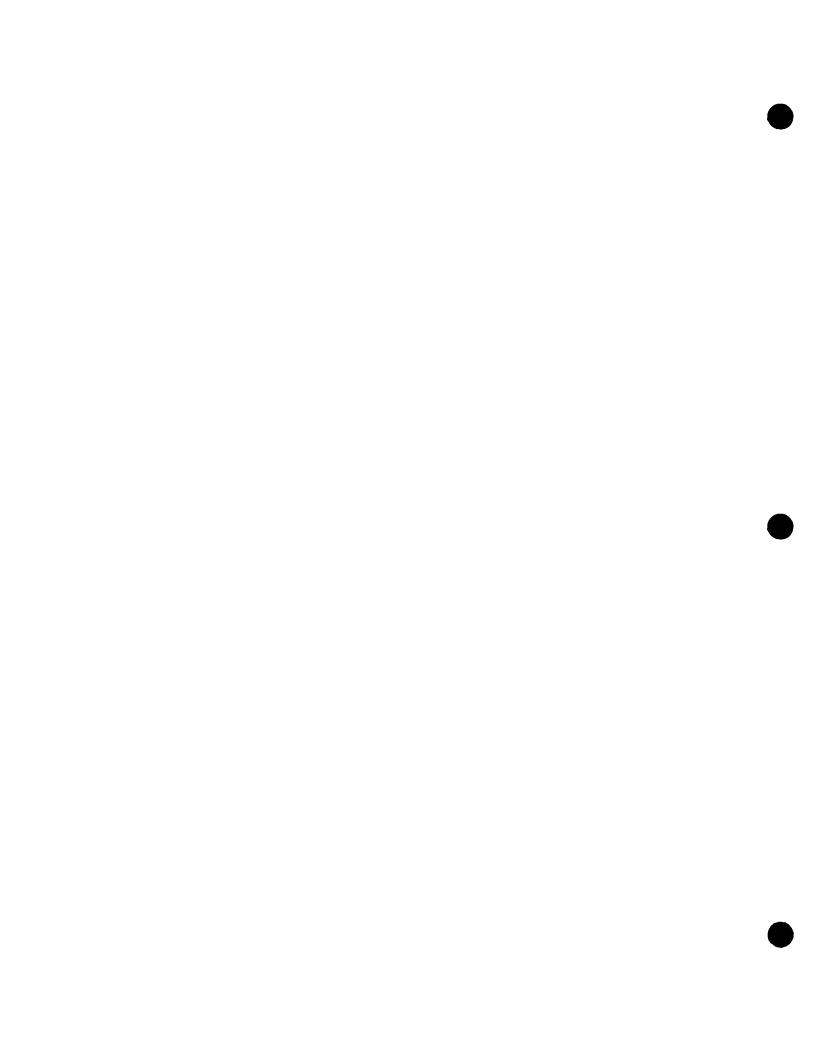


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Agenda

- Legislation Review / Turnpike Vision
- Turnpike Authority Projects Overview
- I-77 Express Lanes Rodger Rochelle

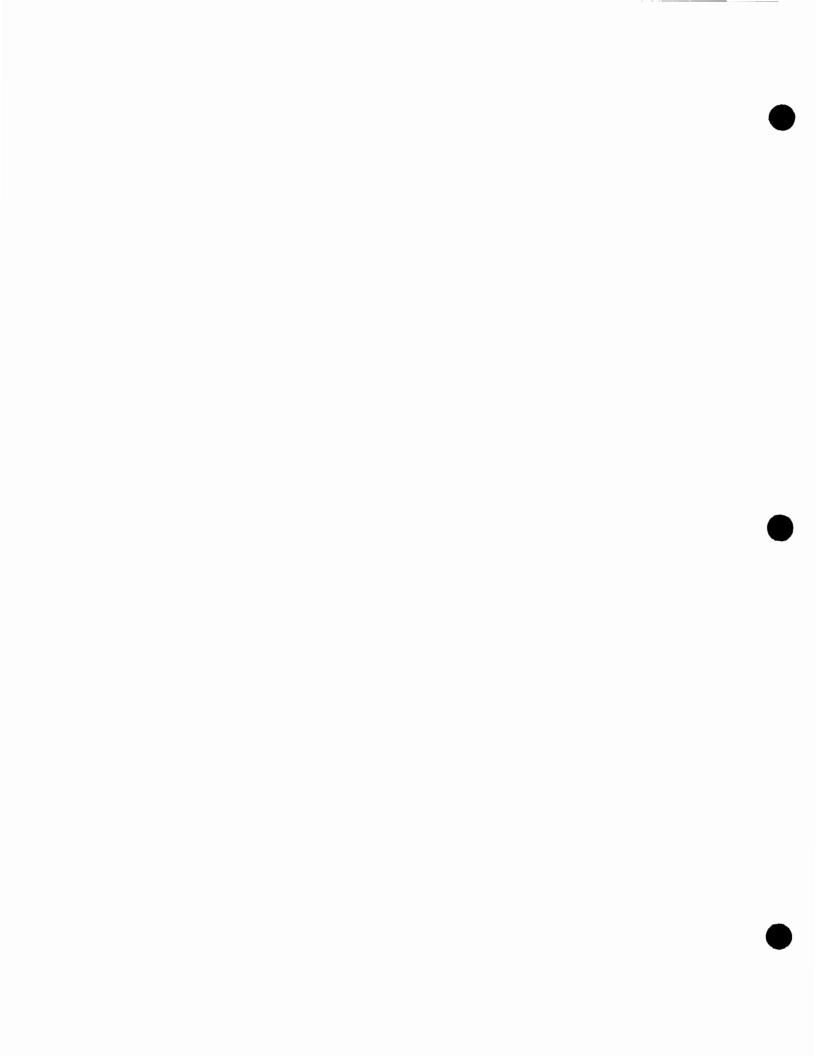


Project Description



- In 2009, a Fast Lanes Study analyzed 12 corridors in a 10 county region. The Charlotte City council identified the I-77 corridor in Charlotte-Mecklenburg as a candidate for High Occupancy Toll (HOT) lanes.
- The I-77 corridor is critical to the region as the only major North-South connection in the vicinity and the project will improve mobility and long term economic growth in the region.
- The project provides a comprehensive long-term congestion management solution for the corridor through dynamic pricing and encouraged transit/carpool use.
- The Project is anticipated to involve 100 local firms and suppliers and generate 8,000 jobs.

| Section | HOT Lanes | Section Limits | |
|---------|-----------|---|--|
| South | 2 | 2.5 miles on I-77 and 1.25 miles on I-277 with direct HOT lane connector to I-277 | |
| Central | 2 | 15 miles from I-77/I-85 interchange to Exit 28 (Catawba Avenue) | |
| North | 1 | 8 miles generally from Exit 28 to Exit 36 (NC 150) | |

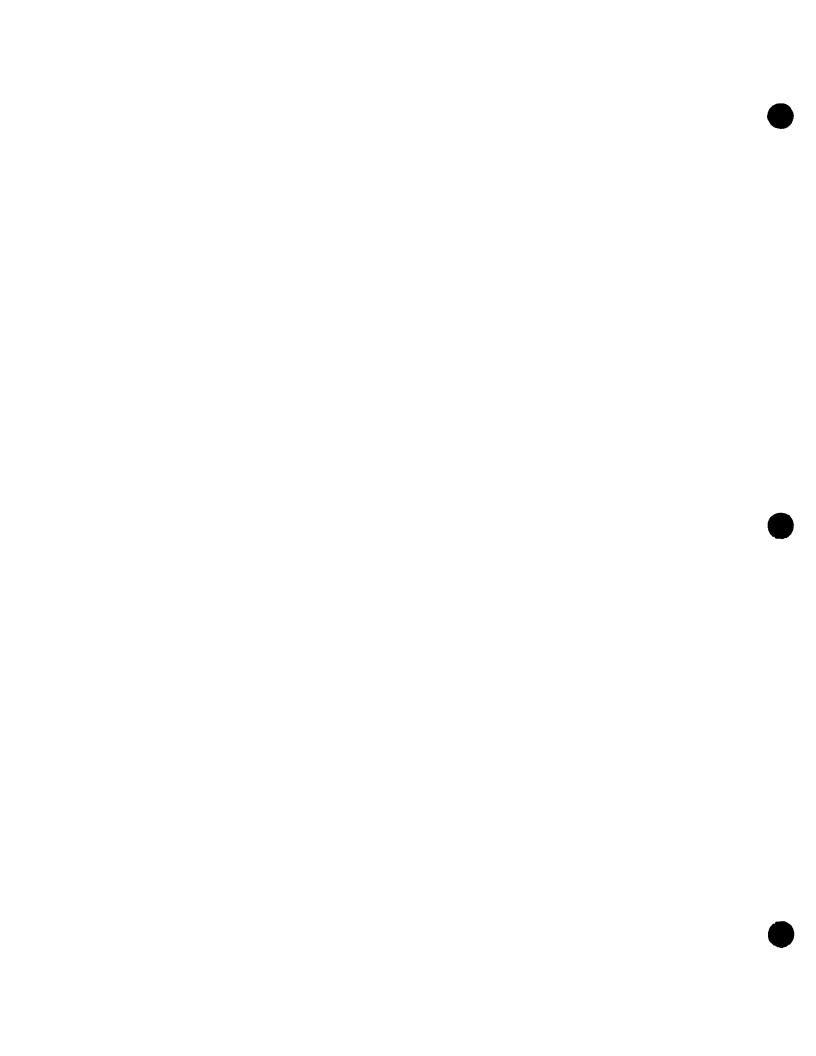


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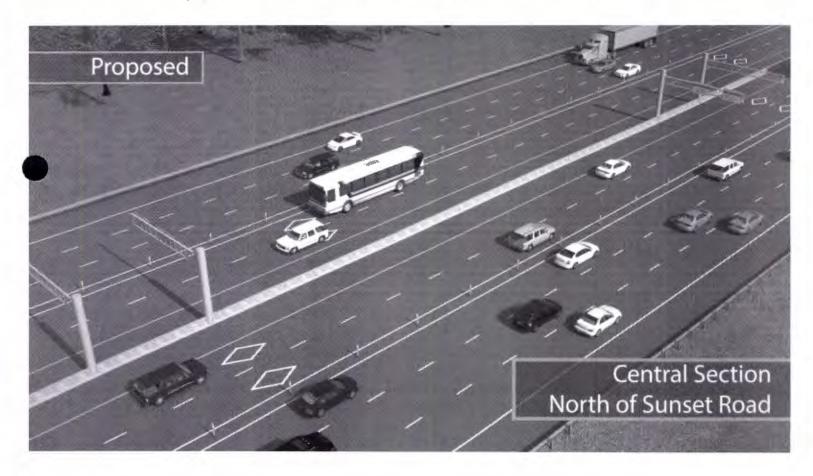
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NCDOT Procurement Results

- Total project investment of \$655 Million
- Public funds amount bid of \$88.2 million well below the maximum amount set by NCDOT (\$170 million)
- Most public funds infused at the latter stages of construction (contract only required pro rata investment)
- Private equity investment of approximately \$235 Million
- Debt assumed by private partner (PABs and TIFIA) approximately \$300 Million
- Contract provides for a contingent developer rating adjusting mechanism (DRAM) amount of \$75 million to mitigate risk and satisfy rating agencies in the revenue downside case, although no DRAM is projected to be used in the base case
- Fixed annual payment (\$1 Million) for maintenance of the general purpose (GP) Lanes and "fence-to-fence" commensurate with current maintenance contract



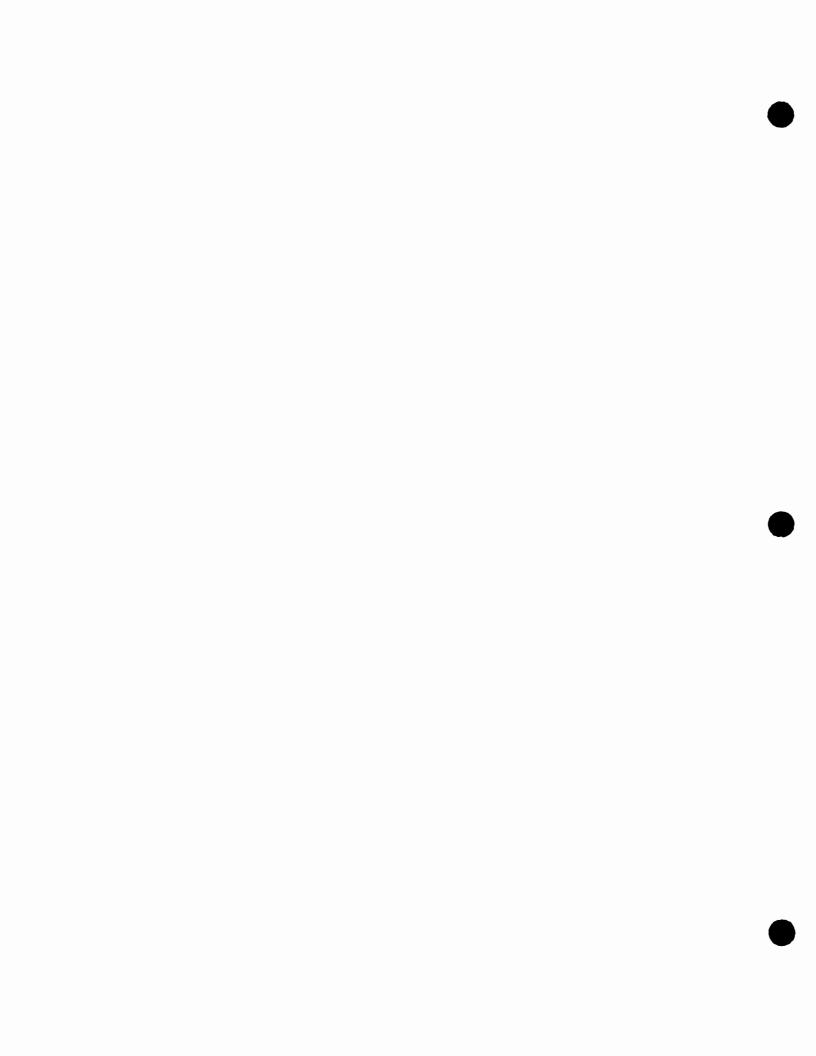
Typical Section - Central Section





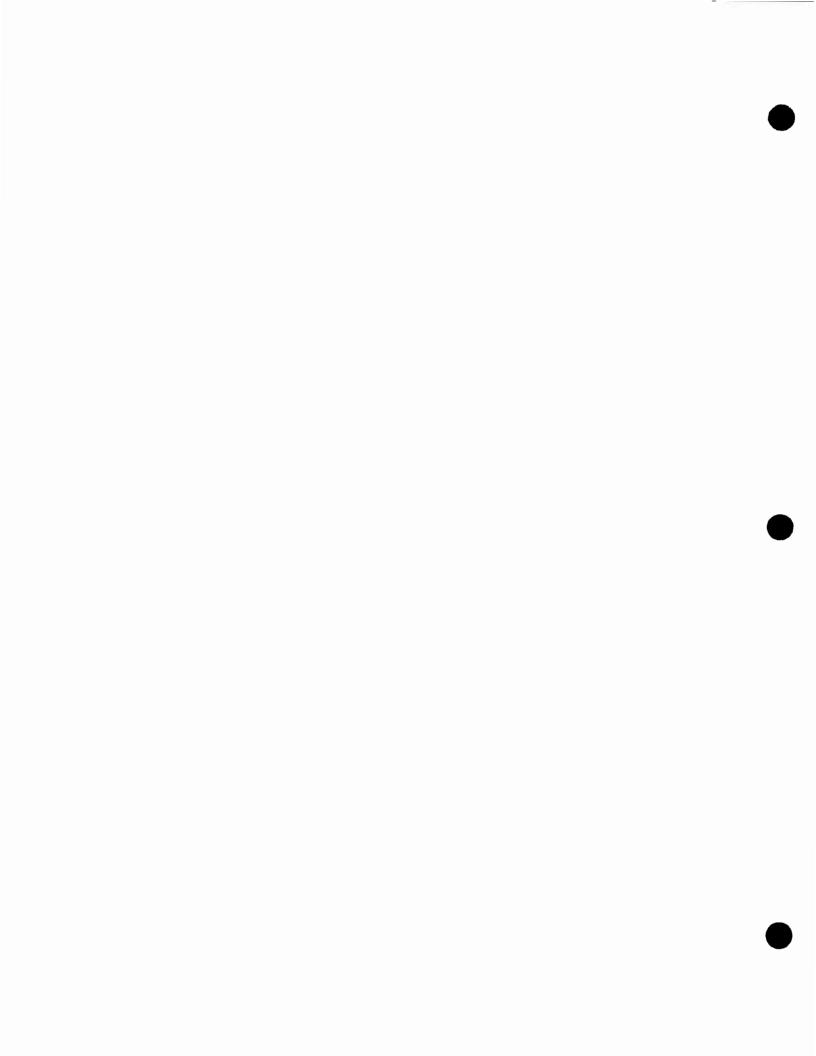
I-77 to I-277 Direct Connection





Key Benefits of I-77 P3 Model

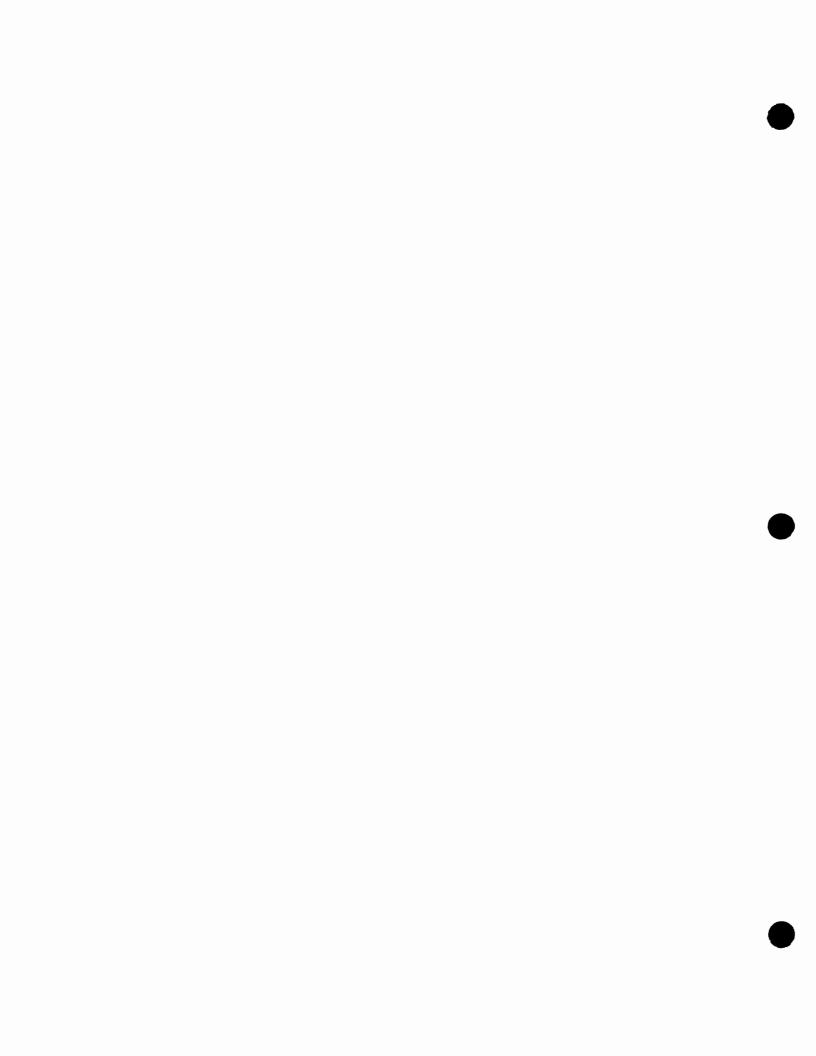
- Private partner responsible for design, construction, financing, operation and maintenance (O&M) risks
- Private partner is responsible for cost overruns during construction and operating phases
- Private partner accepts revenue risk
- Accelerates schedule and improves schedule certainty
- Whole-life cost optimization
- Private capital at risk and known/capped public investment
- Private sector expertise and innovation



North Carolina ncdot.gov

Key Milestones and Activities

- March 30, 2012 four (4) proposers were shortlisted
- April 6, 2012 Issued first draft RFP to shortlisted proposers
- May 2012 February 2013 Roughly 30 bidder one-on-one meetings
- April 26, 2013 Obtained initial indicative investment grade rating from Fitch Ratings
- April 2013 February 2014 Concluded roughly 40 one-on-one meetings with bidders
- March 18, 2014 Issued final RFP (Addendum 7)
- March 31, 2014 Technical and Financial Proposals due
- April 11, 2014 Announce Apparent Best Value Cintra Infraestructuras, S.A.
- April 25, 2014 Report to Joint Legislative Commission on Governmental Operations NCGS 136-89.183(a)(2)
- April 25, 2014 Report to Chairs of JLTOC and Transportation Appropriations NCGS 136-18(39a)(f)(5)
- June 5, 2014 Board of Transportation Concurrence in award
- June 26, 2014 Commercial Close
- April 2015 Financial Close
- 2015 2018 Final design, public hearing/outreach, and construction



Committee Sergeants at Arms

| NAME OF | COMMITTEE | Joint Comm On Appopr, Transportation |
|------------|-------------|--------------------------------------|
| DATE: | 3/17/15 | Room: 1228/1327 LB |
| | | House Sgt-At Arms: |
| 1. Name: _ | Carlton Ada | ams |
| 2. Name: _ | Messia Cade | |
| Name: _ | Joe Austin | , |
| 4. Name: | | |
| 5. Name: | | • |
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| | | Senate Sgt-At Arms: |
| l. Name: | Terry Bar | nhardt eh |
| % Name: | Hal Roa | ch. |
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| l. Name: | | |
| Name: | | |

House

Tuesday, March 17
APPROPRIATIONS
TRANSPORTATION
(JOINT)

Room 1228/1327

Time 8:30 am

| Name | County | Sponsor |
|-----------|--------|---------------|
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| Tabi Zorn | Union | D. Craig Horn |

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Semate

PAGES ATTENDING

Date: 3-17,8:30

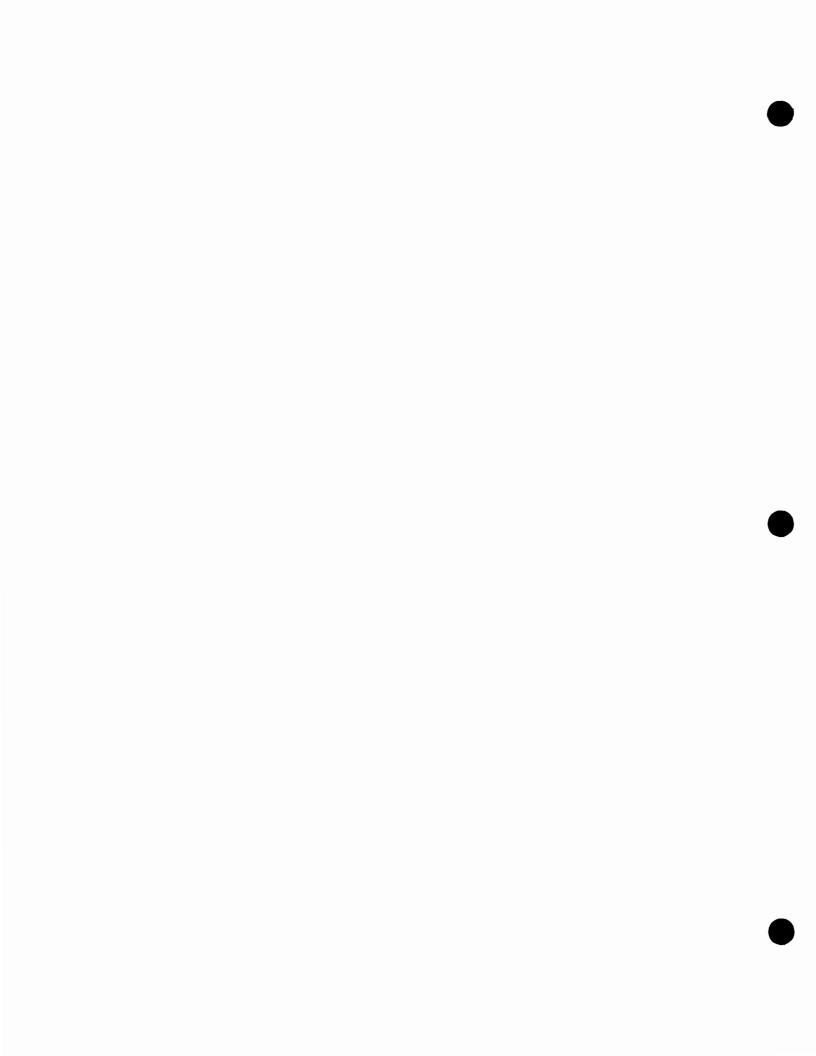
Committee: Voint-App. - D.O. T. Room:

PLEASE PRINT LEGIBILY!!!!!

| Page Name | Hometown | Sponsoring Senator |
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| 1) William Comer | Winston-Solem | Kraweic |
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Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the leeting or a Sgt. at Arms.



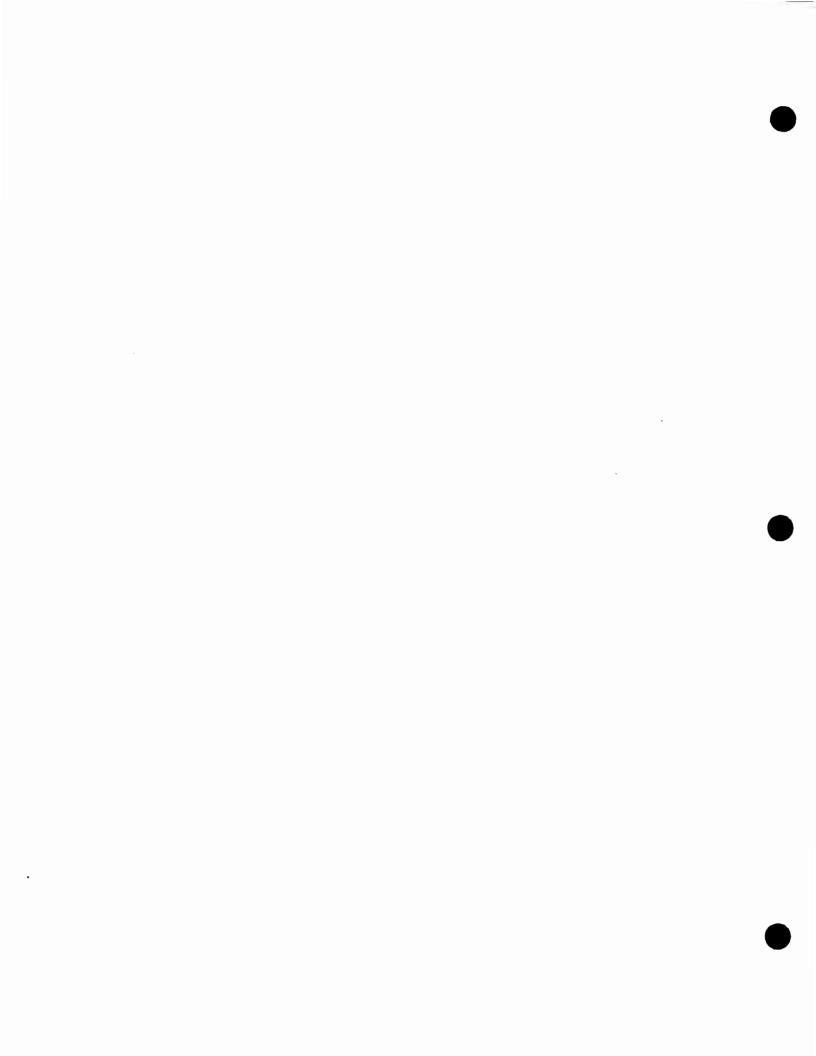
Joint Comm on Appropr, Transportation

3/17/15

Name of Committee

Date

| NAME | FIRM OR AGENCY AND ADDRESS |
|-----------------|----------------------------|
| Lewis Andrews | NC State Treasurer |
| DONA FAZZIKI | // |
| Aug Lashim | 1)/ |
| 7 m | MISC RANC-NEMA-LPAS |
| Brad Young | DST. |
| Phothe Landon | Brooks Pierce |
| Reston Jones | NCDOT |
| Thomas Cheek | OSBM |
| Berly Jakins | CARO LINAS AGE |
| ALMILAK | NZ Dept of Recenve |
| Crystal Gillins | D.C. Trucking Association |



Joint Comm on Appropr, Transportation

3/17/15

Name of Committee

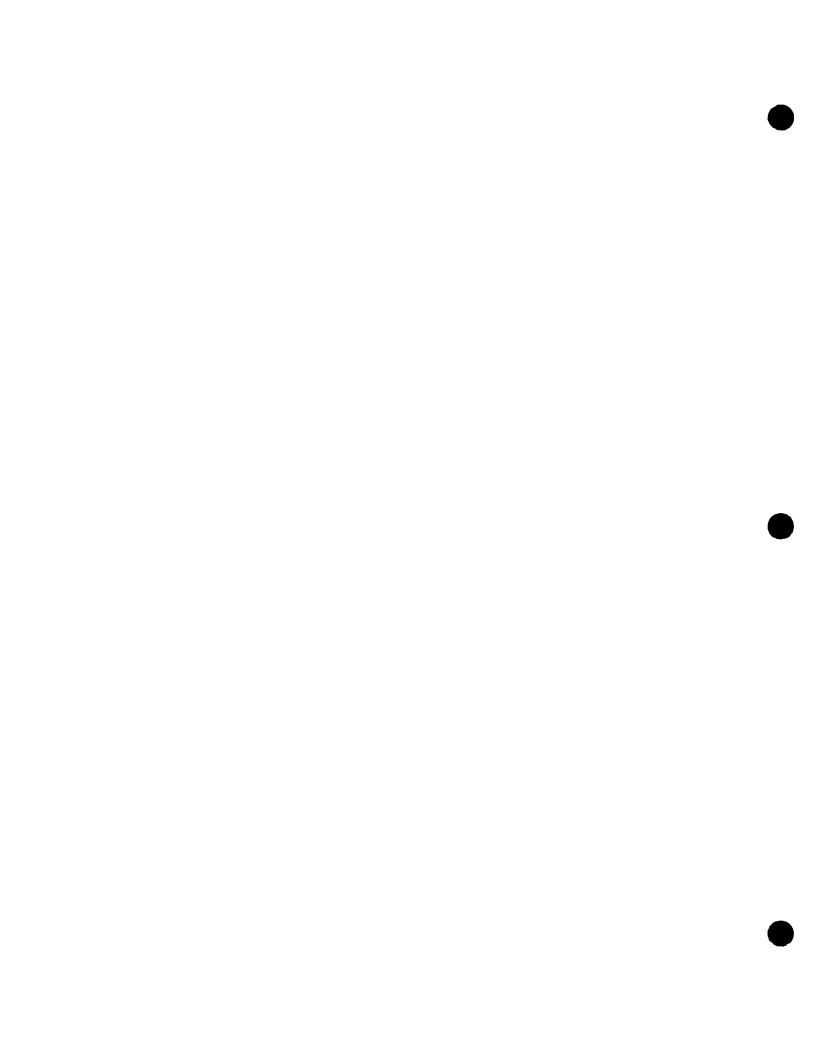
Date

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| ANDY LOUGHSTE | NCOOT |
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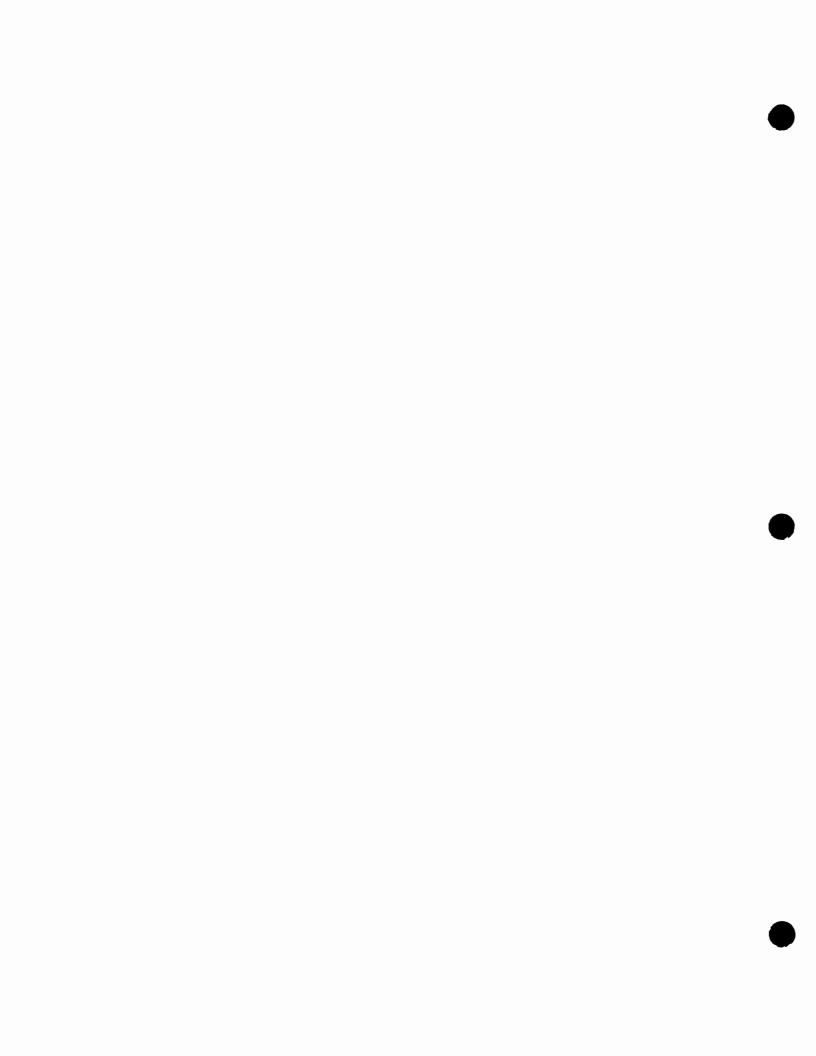
Joint Comm on Appropr, Transportation

3/17/15

Name of Committee

Date

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|-----------------|----------------------------|
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| ANDY WALSY | 5A |
| BOSBY CEWIS | NCDOT |
| Jake Cashion | NCCC |
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Joint Appropriations Committee on Transportation

March 18, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett, Chairing

Representative Phil Shepard Representative Frank Iler Representative Paul Tine Senator Bill Rabon Senator Wesley Meredith

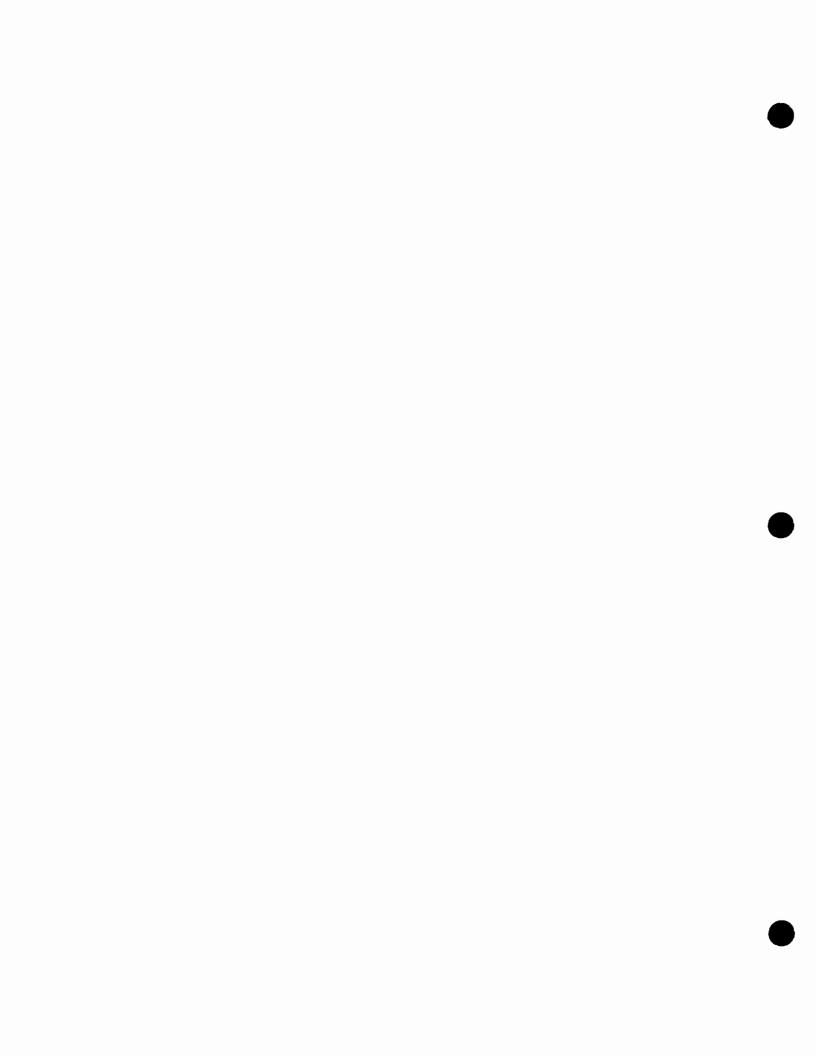
- Call to Order
- North Carolina Railroad Company

Scott Saylor, President North Carolina Railroad Company

Dredging Jurisdiction & Funding

Tom Reeder, Assistant Secretary for Environment Department of Environment and Natural Resources

Next meeting: North Carolina State Ports Authority and Global TransPark - Thursday, March 19, 8:30 a.m.

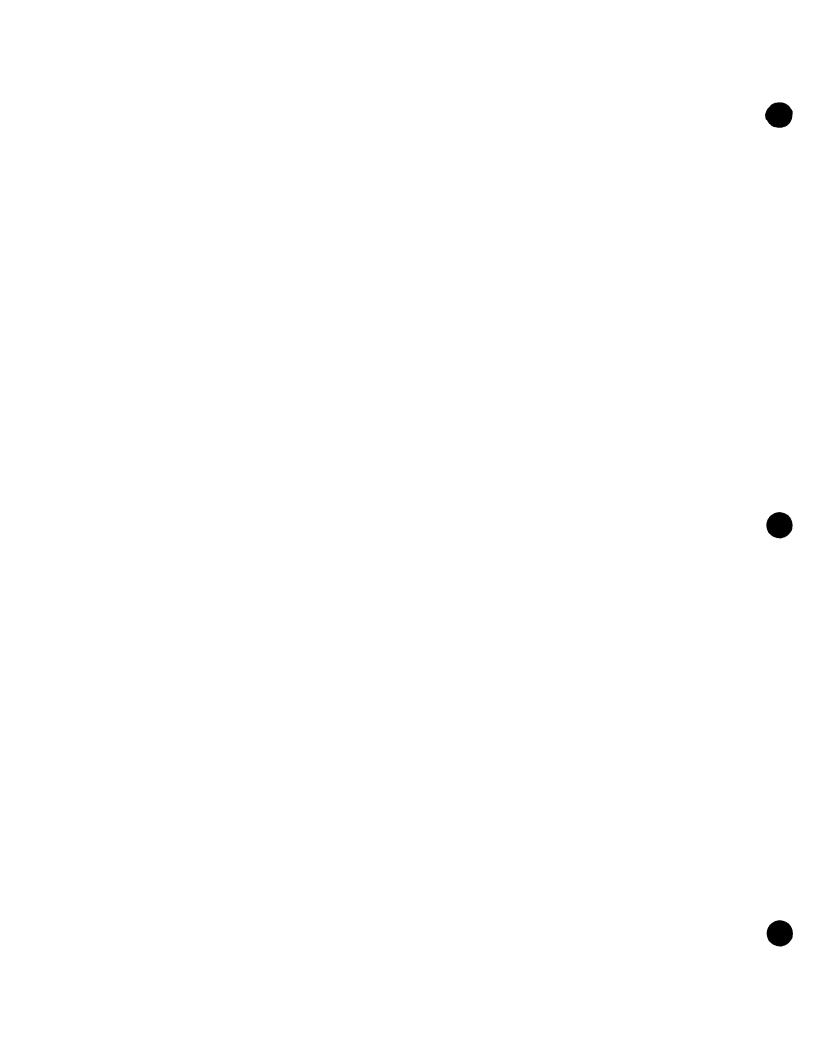


Joint Committee of Appropriations on Transportation

Scott Saylor

President, North Carolina Railroad Company March 18, 2015





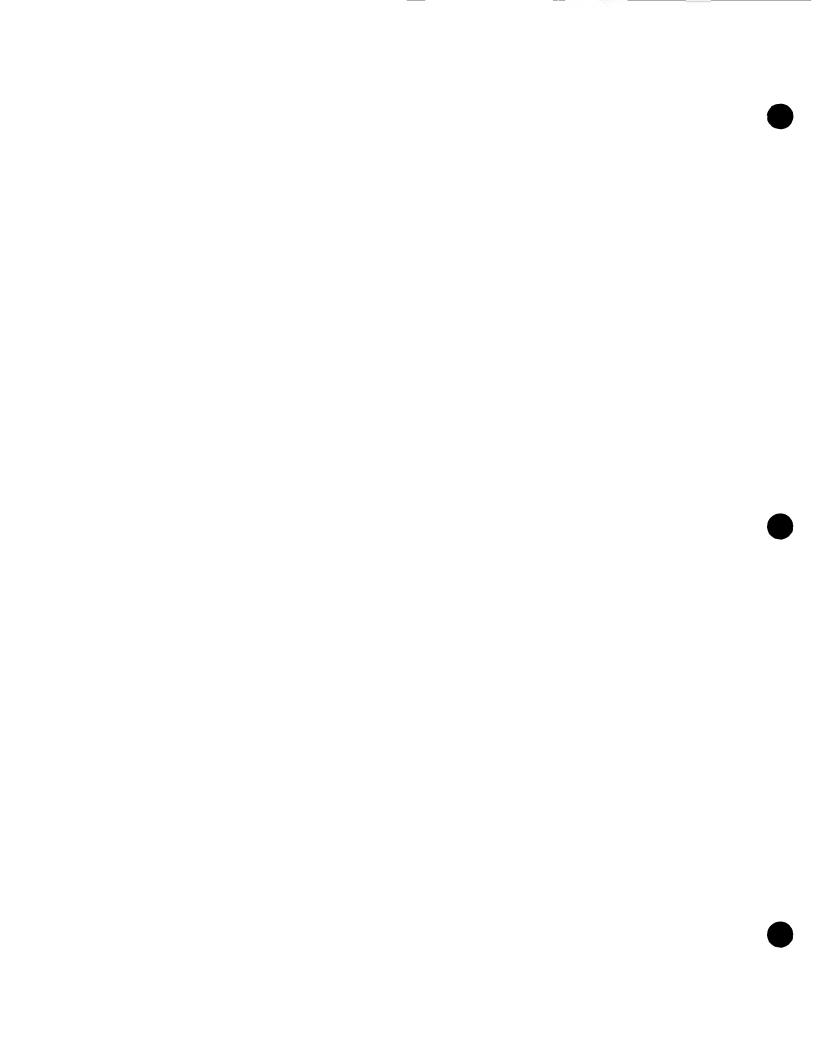
Our Mission

To develop the unique NCRR assets for the good of the people of North Carolina, our single shareholder

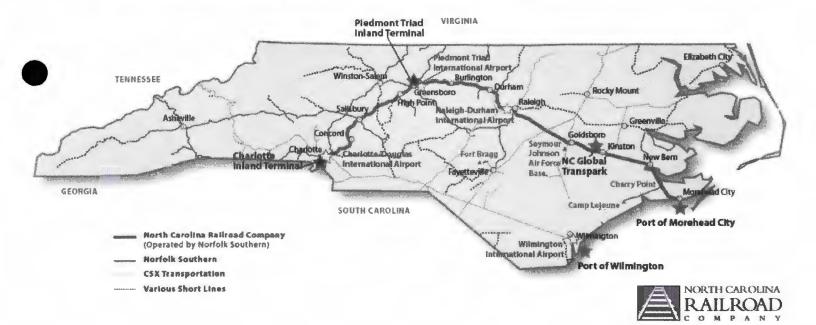
Our Vision

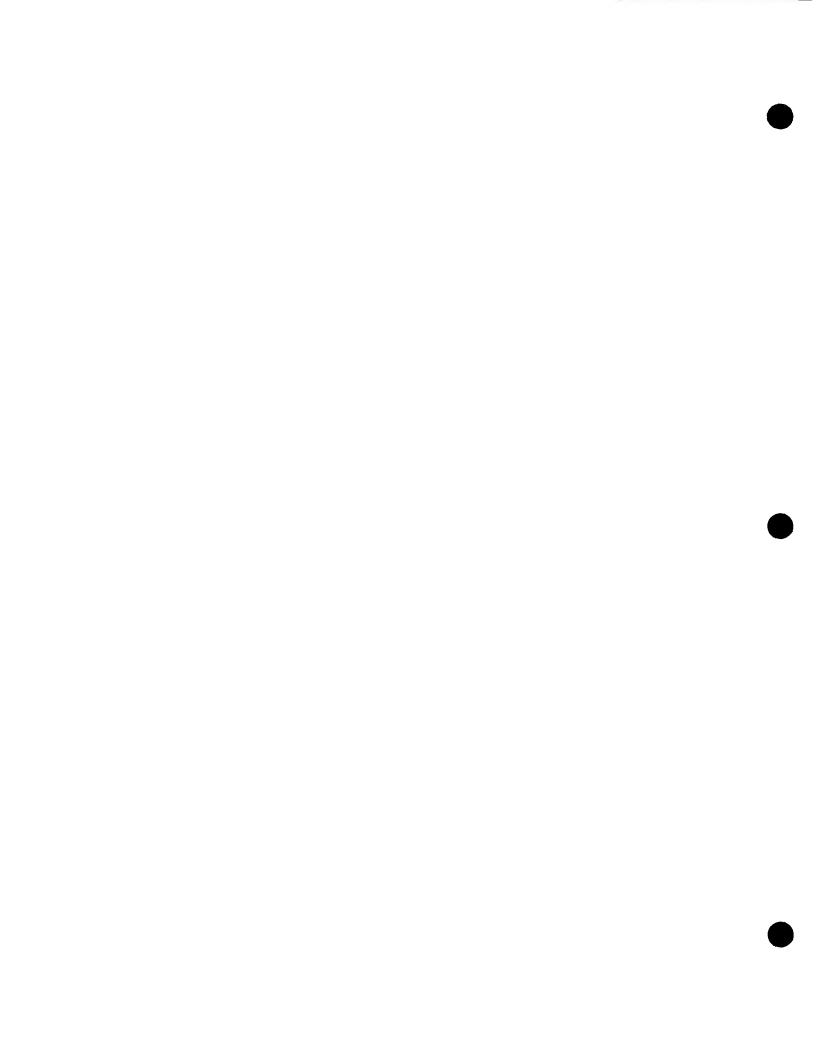
To improve our state by enabling freight to grow business, expanding rail to move people, and investing in North Carolina

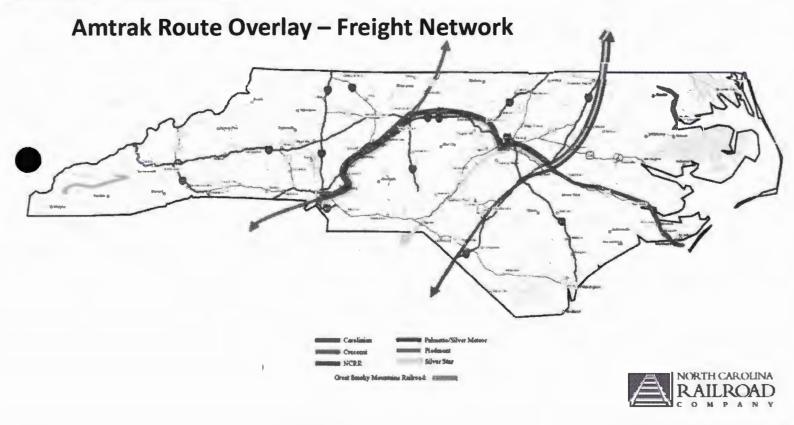


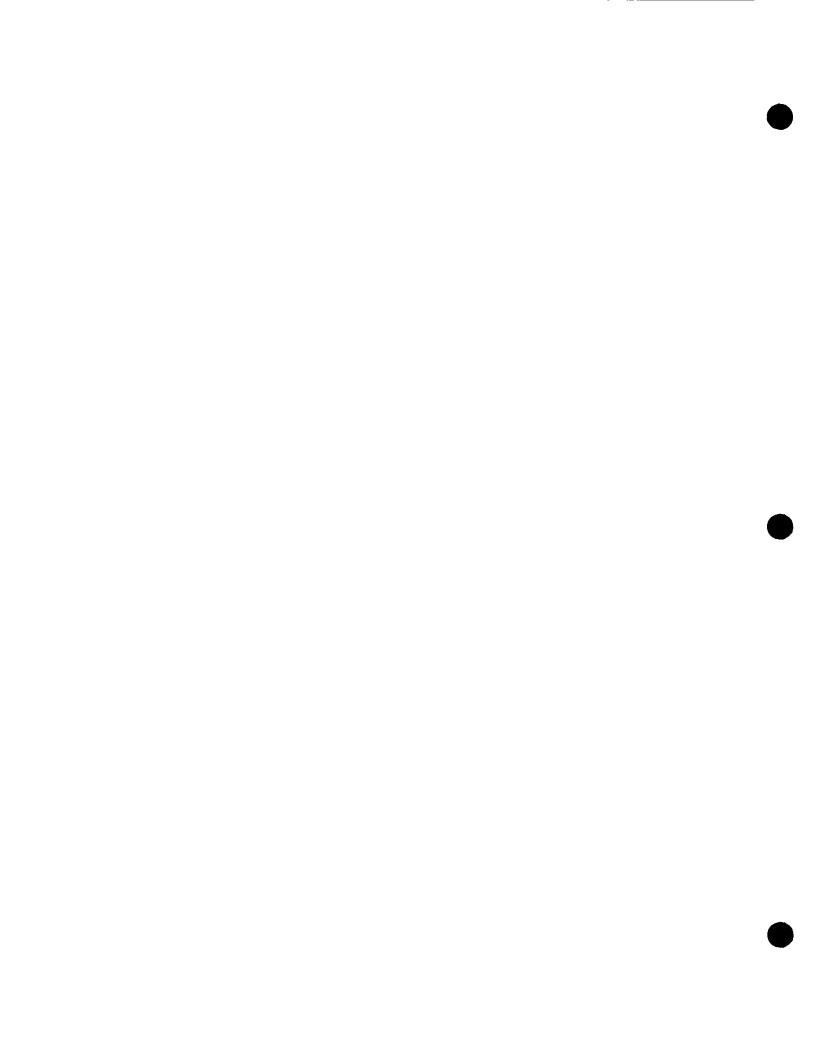


We manage the assets and capital of the 317-mile rail corridor between Charlotte and Morehead City



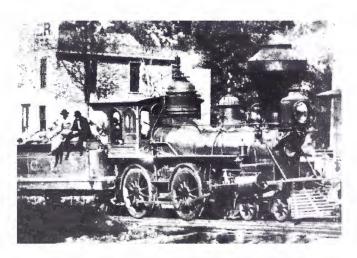






COMPANY HISTORY

- Business corporation chartered in 1849
- Founded with both private and state stock owners
- Operated by Southern Railway under a 99-year net lease, which expired in 1995
- Remaining private shares acquired in 1998 (\$71 million)
- New (net) agreement with Norfolk Southern in 1999; Renewals to 2044



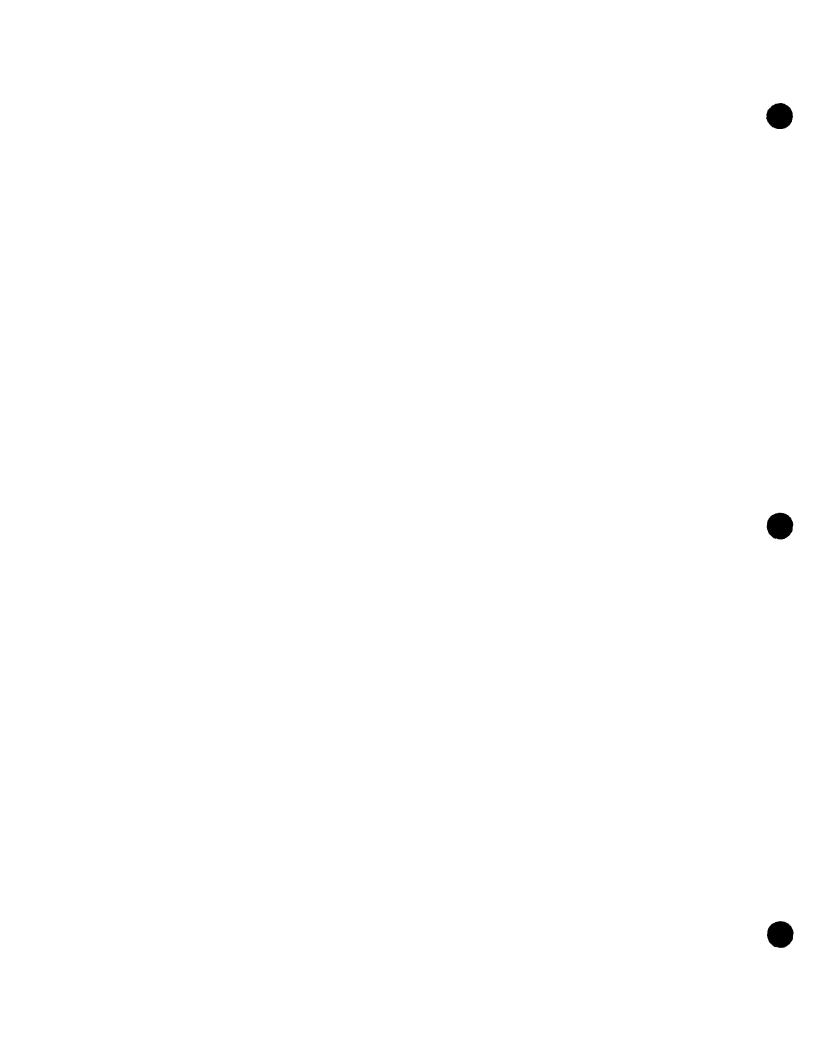




We've been a unique part of the state's transportation system for 166 years

- Private/Public Structure
 - A private corporation with stock owned by the state
- Revenue-Generating for Economic Development & Infrastructure
 - Approx. \$12 million annually in infrastructure and economic development capital (incl. dividends)
- Operates with Private, Non-Taxpayer Money
 - Receives no state appropriations
- Assets Part of Tax Base
 - Generates nearly \$2 million in property tax revenue annually





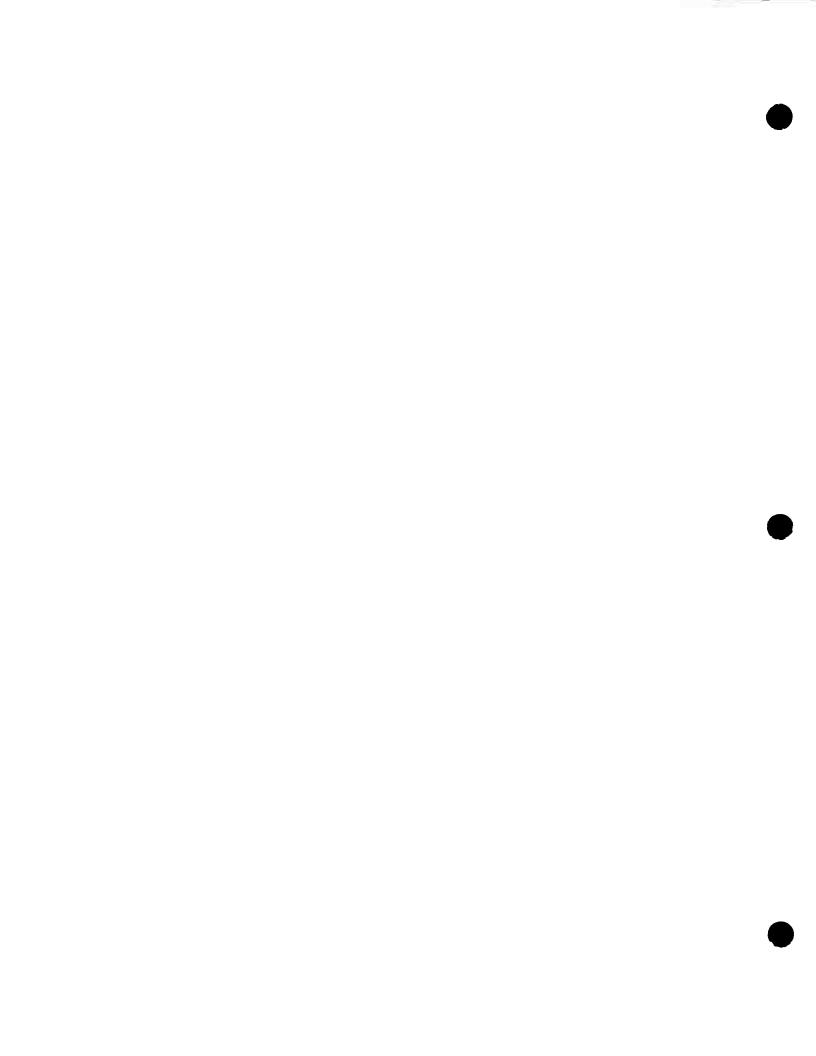
ORGANIZATION

- 13 member Board of Directors
 - 4-year staggered terms



- Long-term, renewable lease with Norfolk Southern that runs through 2044.
 - Lease generates approximately \$12-14 million each year in working capital
 - Corporate revenue funds NCRR's capital investments and expenses (14 employees)





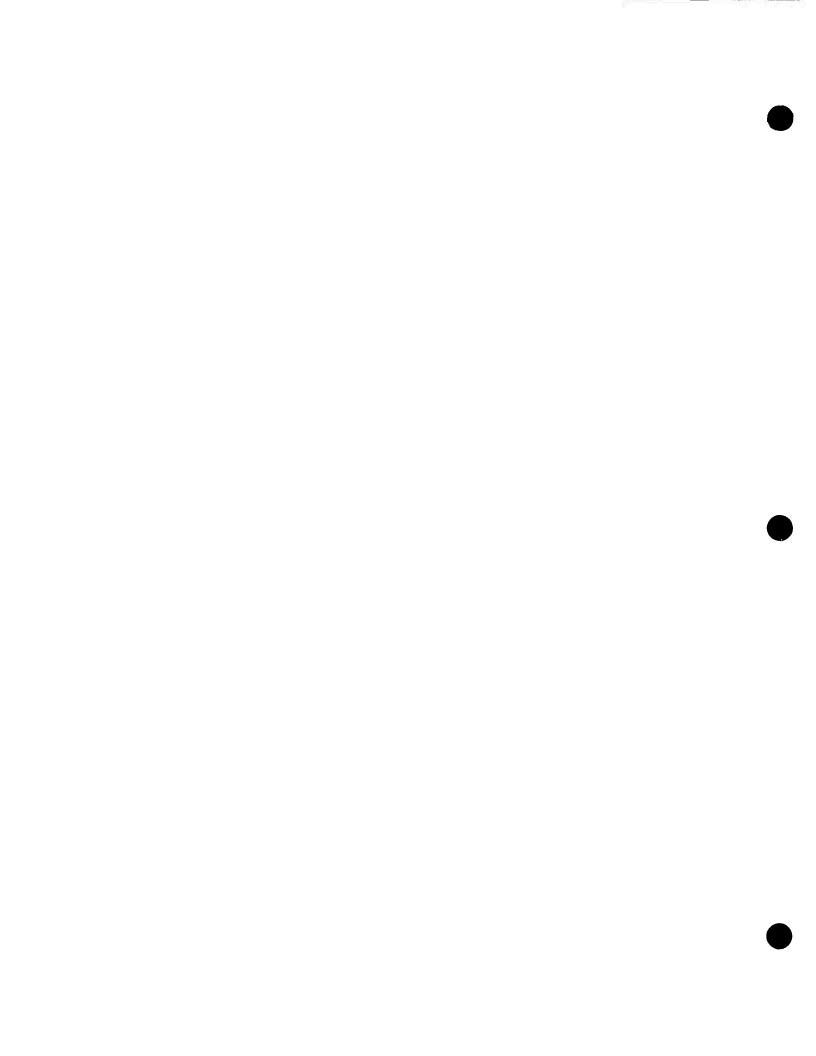
NCRR pays an annual dividend to the State

- December, 2013 one time payment of \$15.5 million
- January, 2014 annual payment of \$3.6 million
- February, 2015 annual payment of \$3.7 million

Total dividend payments since Dec, 2013 = \$22.8 million

 Per G.S. 124-5.1 (S.L. 2013-360) dividend payments are deposited by State into the Freight Rail & Rail Crossing Safety Improvement fund administered by the NCDOT Rail Division

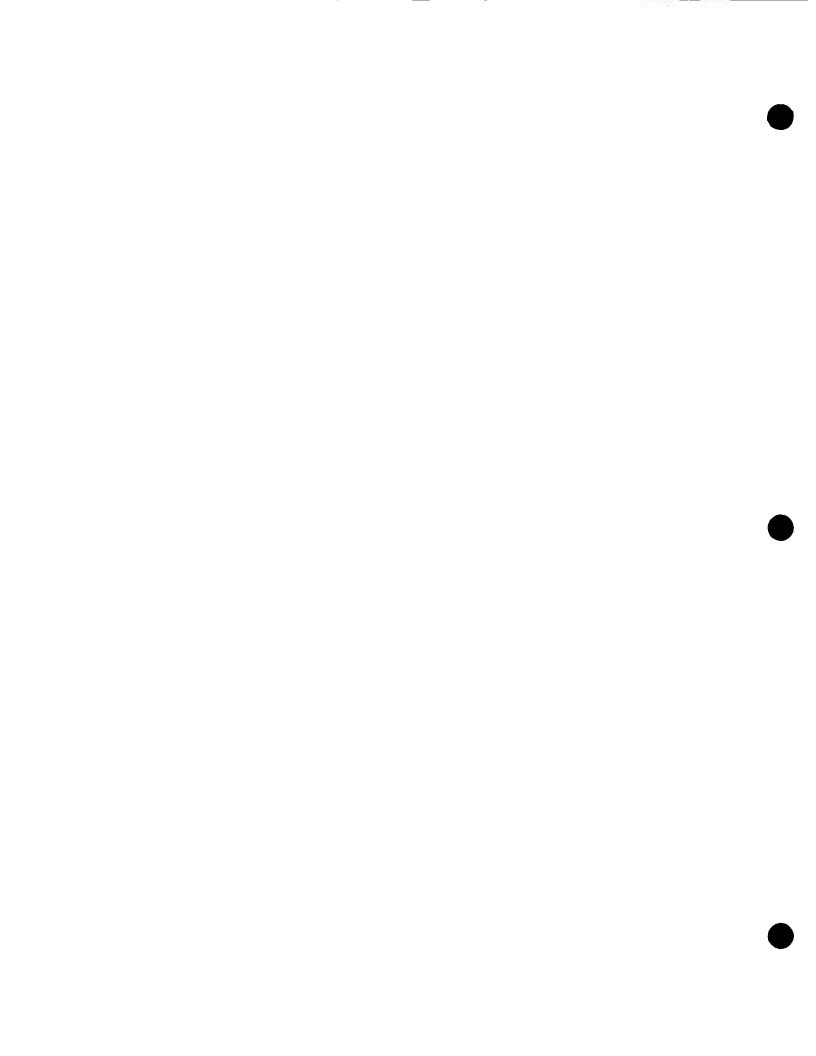




NCRR ASSETS

- 317-mile, 200-foot wide corridor from Charlotte to Morehead City
- Stations & Buildings
- Yards & Maintenance Facilities
- Other Land & Property



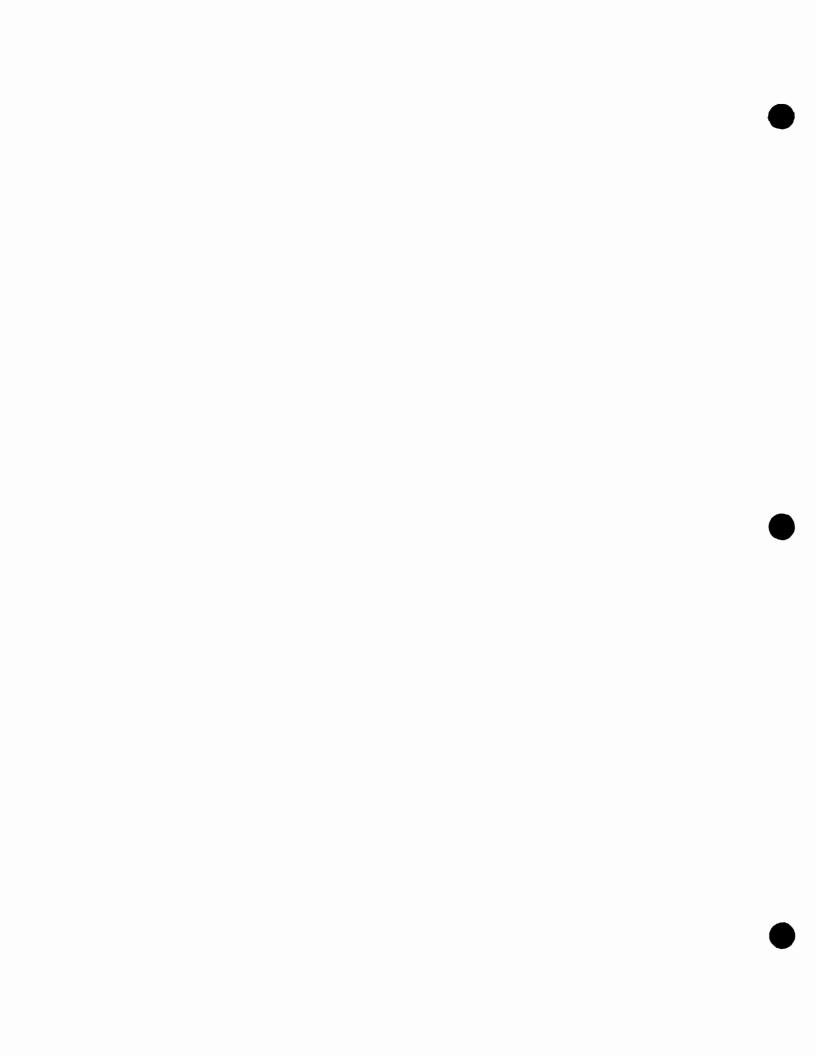


NCRR PROPERTY

- Original corridor: 7,662 acres
 - Roadways in the corridor: 460.1 acres
- Corridor additions (since 1800's): 189.5 acres
 - Other property (since 1800's): 203.2 acres

All NCRR property is included in ad valorem tax base (city/county)





WHO WE ARE

Making the most of a valuable asset

- **Economic Development:** Leveraging assets to bring in jobs and business opportunities
- Capital Investments: NCRR invested \$80 million over the past 13 years to improve and expand rail infrastructure
 - **Unique Structure:** Business structure and flexibility to serve the people of the state to create jobs
 - **Direct and Indirect Revenue Contribution:** Rail and infrastructure improvements and dividend





We help pump \$800 million dollars of economic benefit into the state's economy *annually*



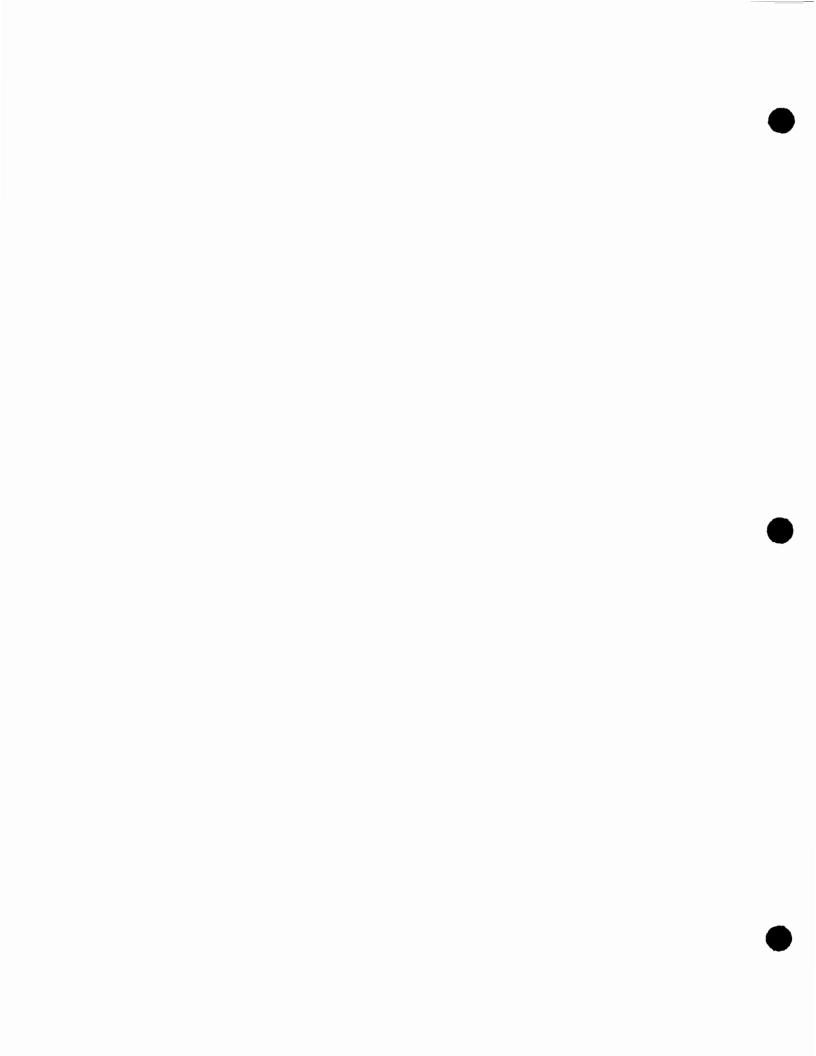


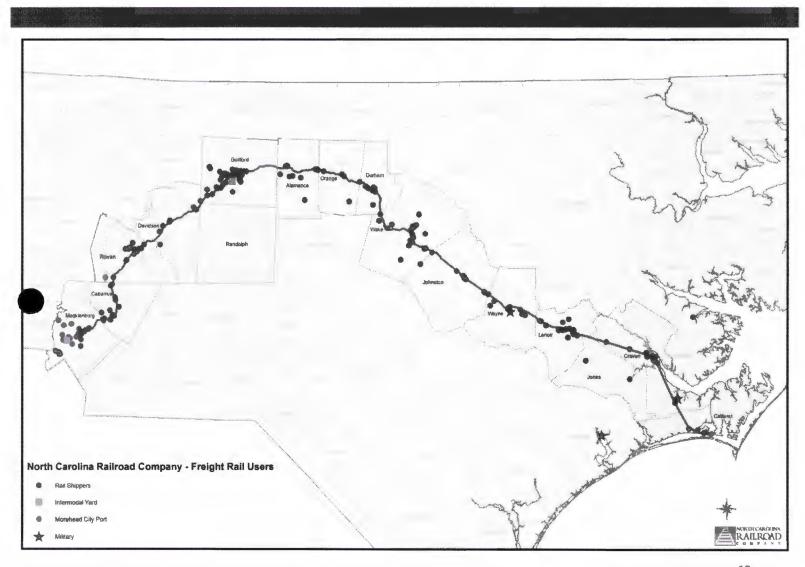
FOOTNOTE:

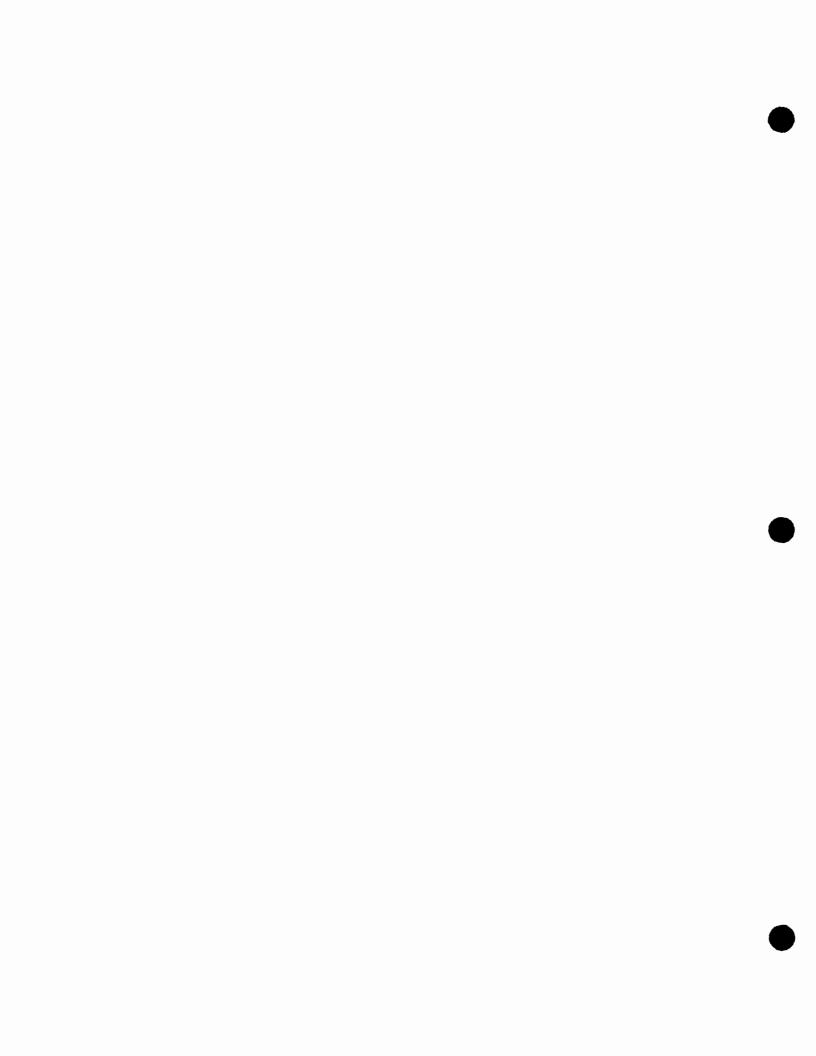
Source: RTI International

 $The \,RTI \,analyzed \,transportation \,costs \,and \,economic \,values \,associated \,with \,NCRR \,as \,compared \,with \,moving \,freight \,solely \,by \,other \,means \,without \,NCRR.$

12







ECONOMIC IMPACT

Our impact is statewide

100+ North Carolina employers

Rely on NCRR lines to conduct business

159,000 carloads + 188,000 containers = 11.4 million tons
Freight traffic originated or terminated on the NCRR corridor

\$80 million Invested by NCRR alone in capital improvements to enhance safety and efficiency since 2001, plus partner investments

STRATEGIC PLAN

Our Strategy for the Future

Increase business development investment to create competitive advantage for NC



- Freight customer (track) access
- Partnerships with Local Economic Developers to protect rail-served industrial sites
- Planning for infrastructure expansion over the long term for the main corridor double and triple tracking where justified
- Evaluate other investments that have economic development catalyst potential, such as inland terminal or hub expansions
- Promote safe access in urban areas to protect through routes
- Ensure rail operations growth while supporting population boom within the state



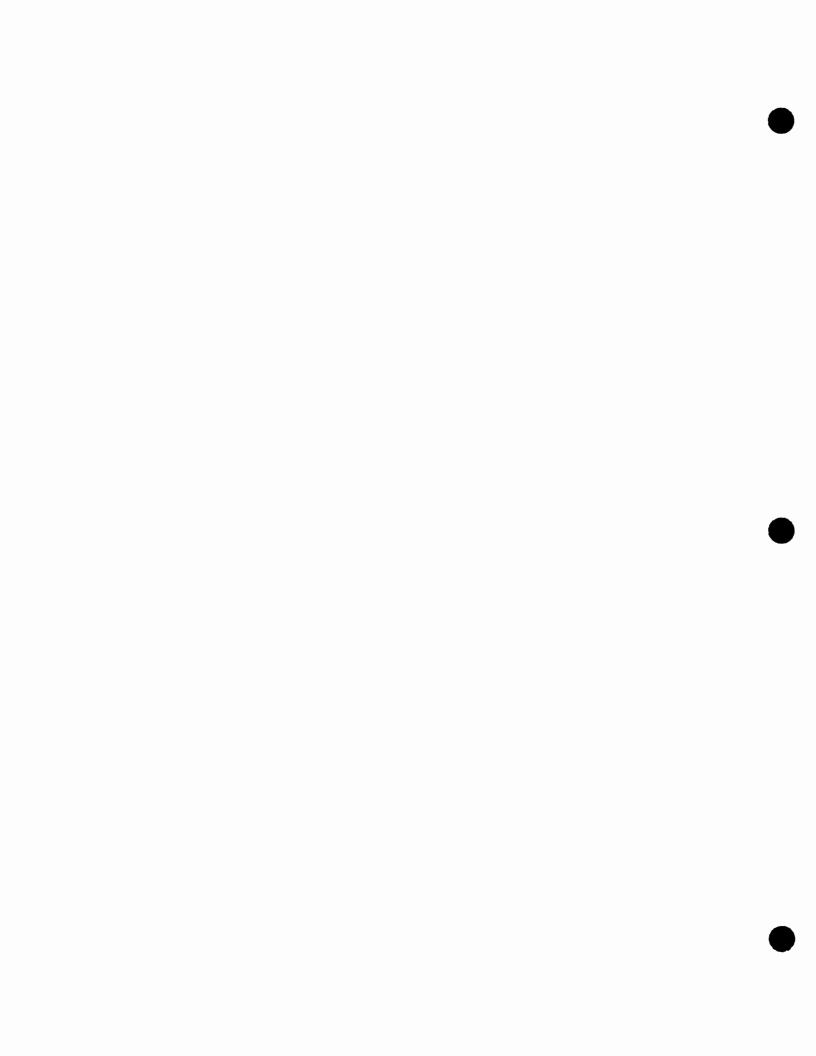
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STRATEGIC PLAN

Strategic Plan Implementation – Property Assets

- Non-Corridor Legacy Key Properties under evaluation and negotiation for Sale/Exchange
- Focus on reinvestment into Industrial Property to better align with Strategic Plan Job Creation Goals
- Rail Site availability is declining in NC urban growth

































NC Main Street Program

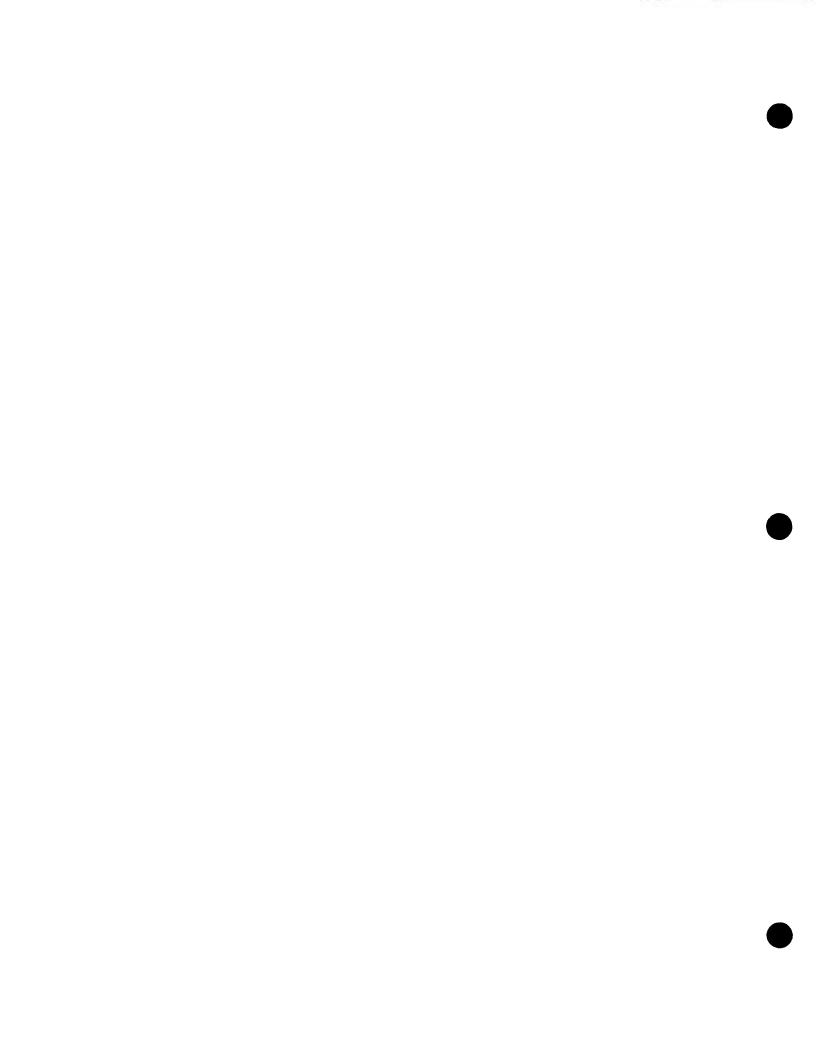


Committed investments:

- NCRR currently has over \$96 million in investments committed through 2019
- Since 2001 NCRR has invested over \$80 million in improvements to the railroad







Investment in action:

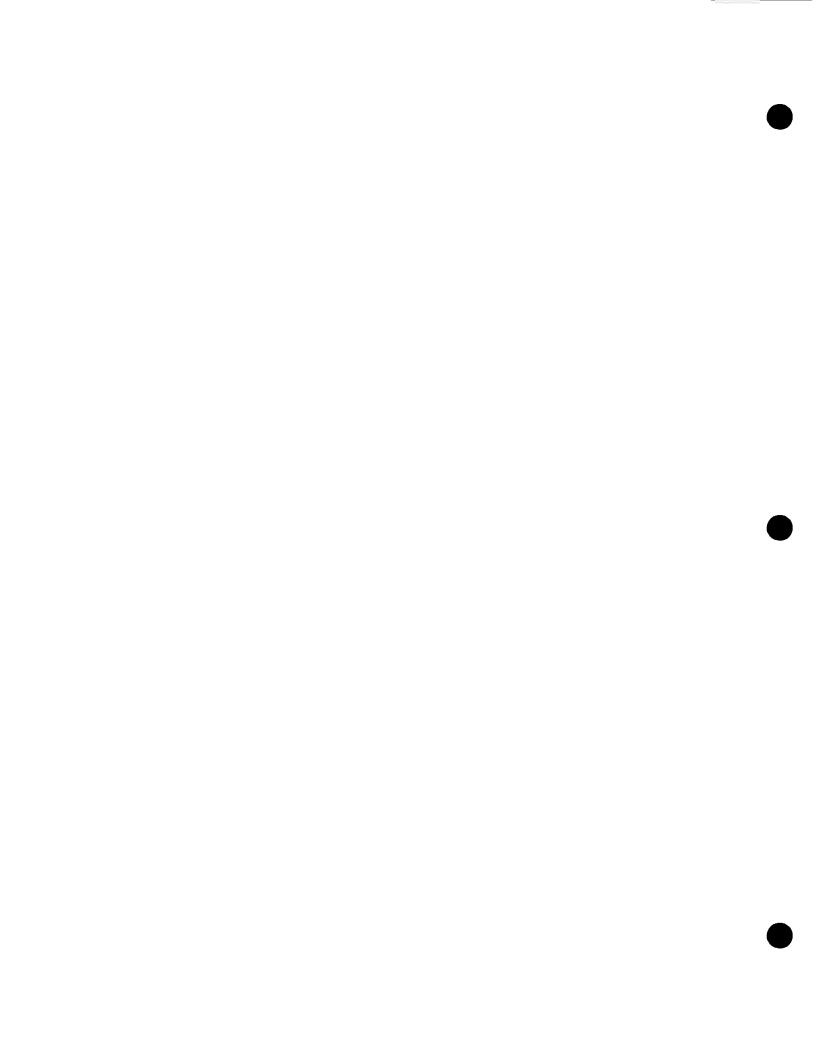
Sanderson Farms Expansion

- NCRR improvements helping support business expansion in N.C.
- 1,500 jobs announced in 2008 (now over 1600 jobs)
- 1,100 new jobs announced March 12
- Rail-served grain delivery in Kinston along NCRR will serve both operations



Sanderson Farms, Kinston





Investment in action: Cambro

- Cambro is building a facility in Alamance County, bringing 100 jobs and \$34 million in local investments
- NCRR is investing \$750,000 in a lead track to serve Cambro and spark wider development for rail
- NCDOT gave \$200,000 from NCRR dividends to help build spur track as incentive



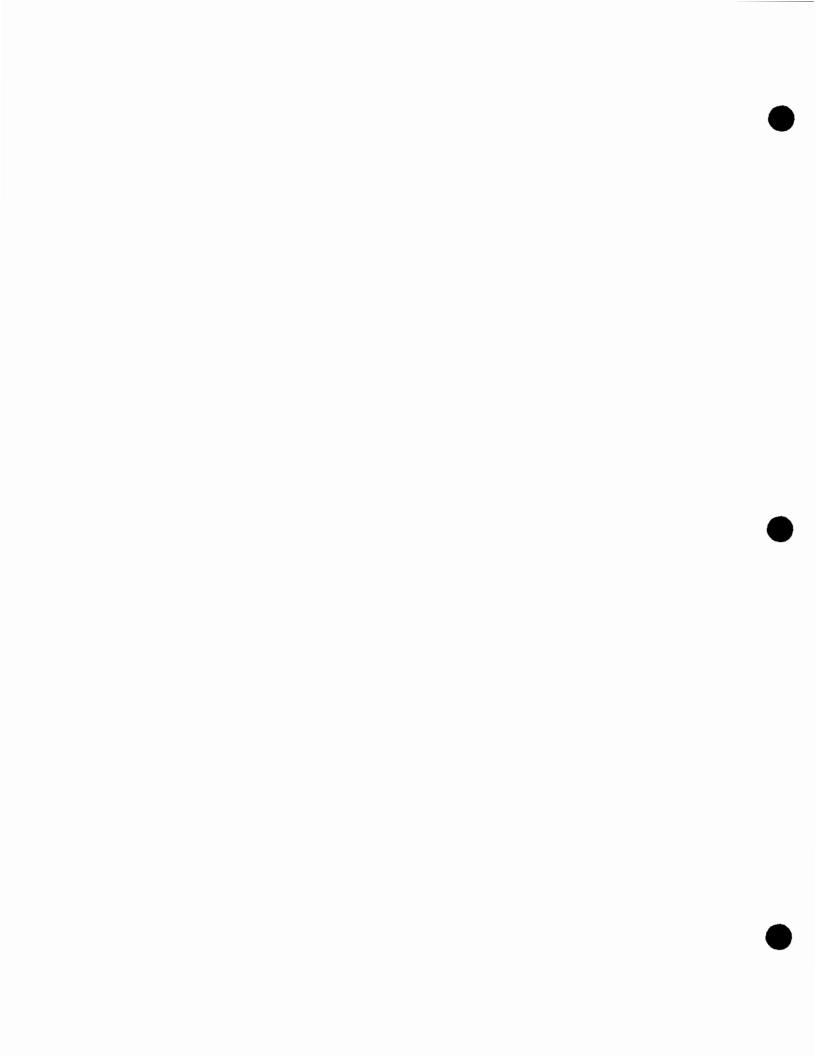
Cambro Groundbreaking at NCIC in Mebane, May 2014



Investment in action: Additional capital investment

- In 2014, NCRR approved \$13 million in new economic development investments
- These investments will expand rail access, improve safety and sustain rail projects from Mecklenburg County northeast to Durham County and southeast to Wake and Craven Counties
 - With a focus on improving freight infrastructure, these investments highlight the new strategic plan's emphasis on job creation and retention



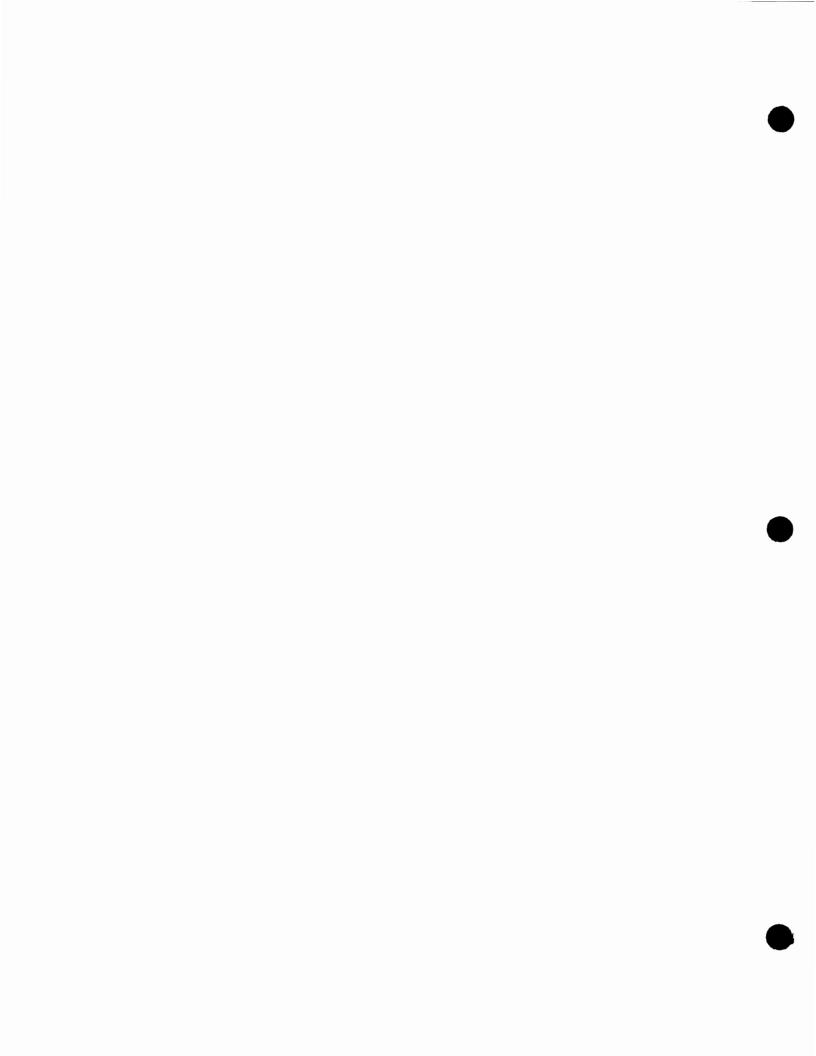


BENEFITS FOR OUR CITIZENS

Looking forward, here's what we'll do under our Strategic Plan:

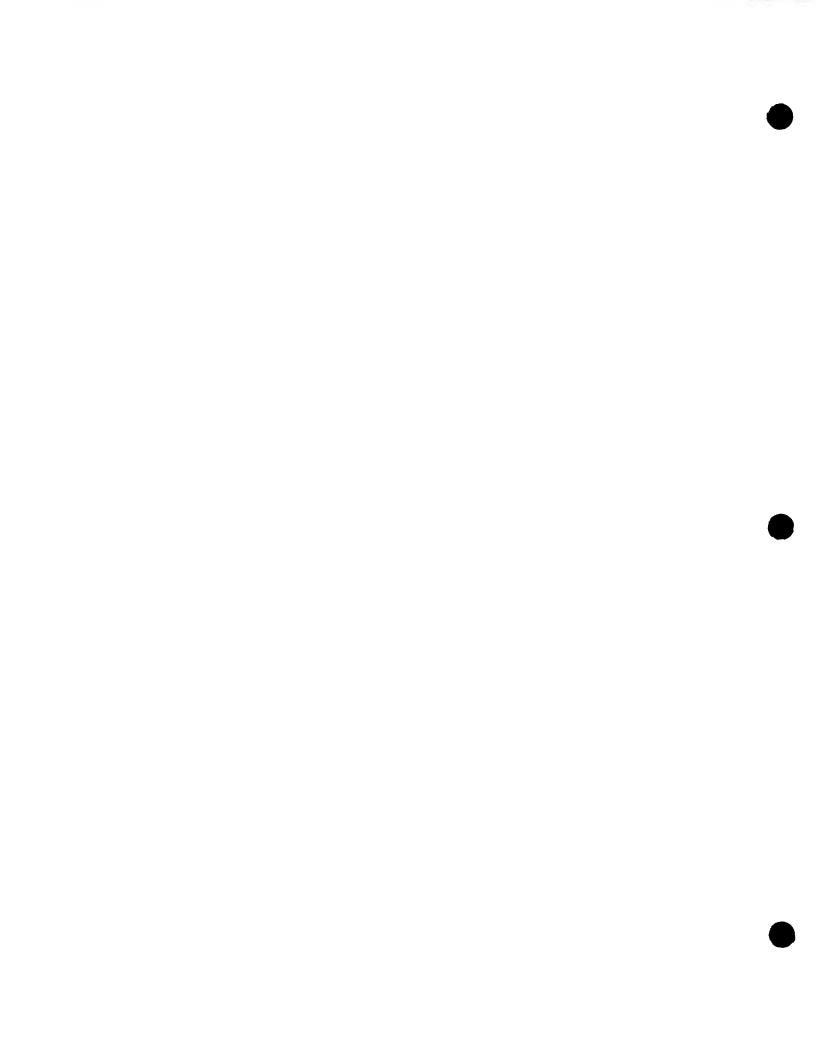
- Collaborate with all our partners, including the economic development community, to expand the manufacturing base of the state and create high value jobs
- Create new partnerships with economic developers and state agencies to attract development and give NC a strategic advantage in attracting jobs
- Commit to a new focus on capital investment in freight that spurs development both on and off the corridor
- Work with NCDOT and local entities to support the growth of passenger service in key markets

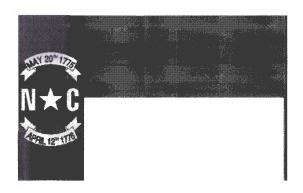




THE ROAD TO LONG-TERM JOB CREATION IS MORE THAN JUST A ROAD.







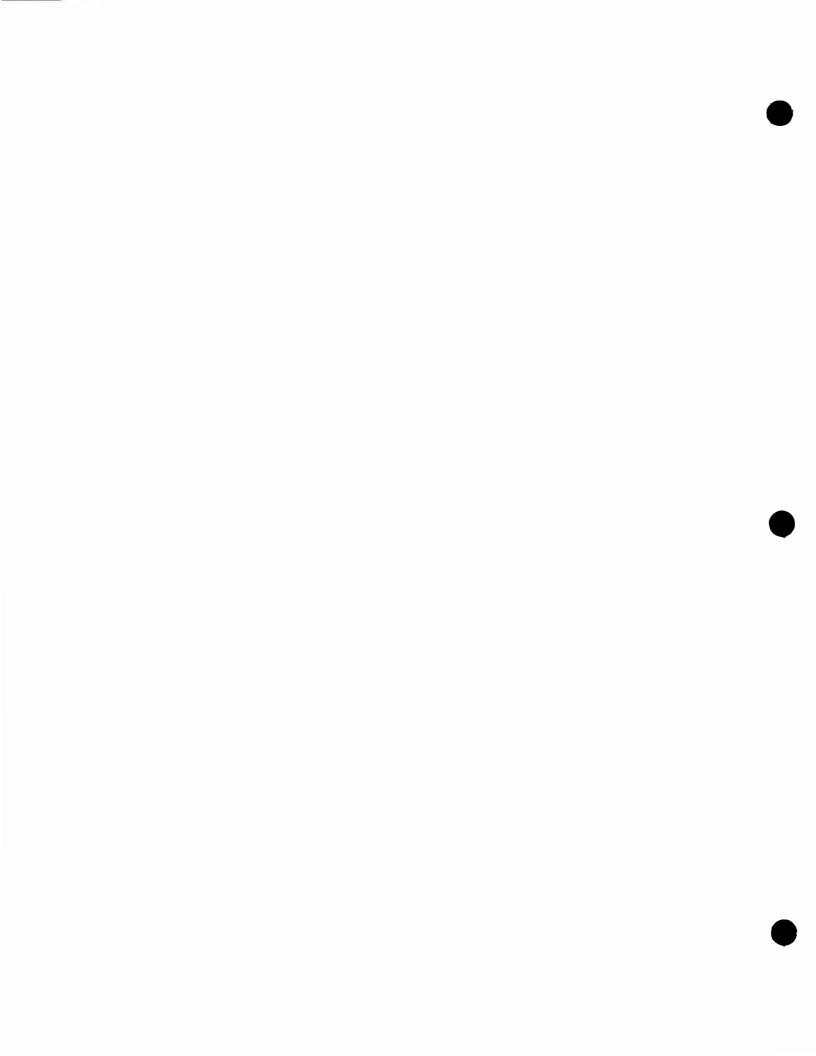
Dredging in North Carolina

Joint Transportation Appropriations Committee
March 18, 2015



Overview

- Type of Inlets in North Carolina
- State & Federal Funding for Dredging Operations
 - Shallow Draft Navigation Channel & Lake Dredging Fund
- Memorandums of Agreement with Army Corps
 - Other Dredging Issues/Alternatives



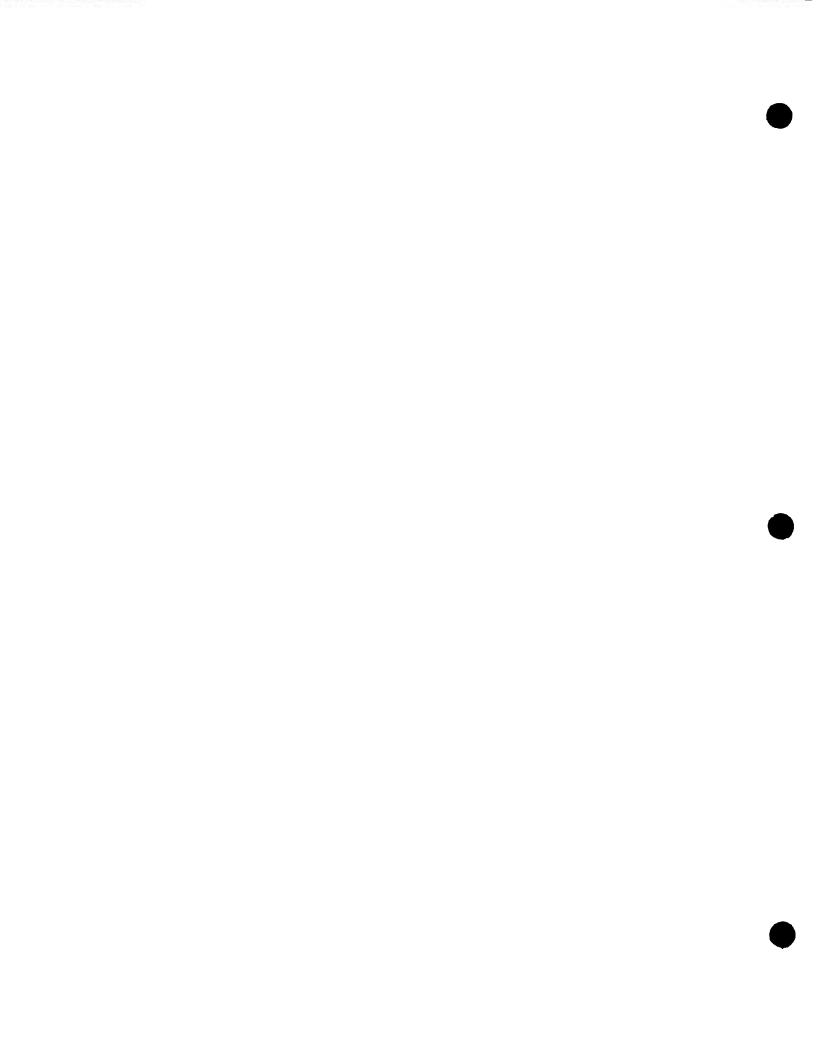
Why Do We Need Dredging?

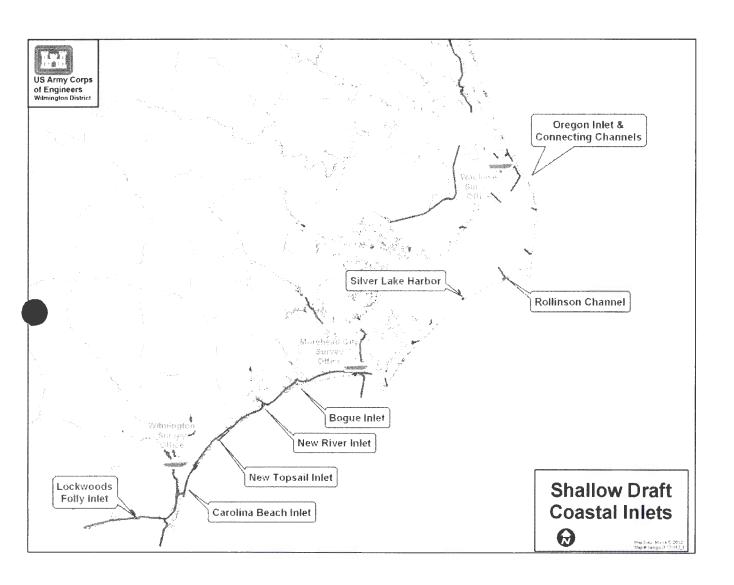
- NC Coastline has a wide variety of inlets that are critical to coastal commerce – coastal highways
 - Commercial traffic at NC Ports / Commercial fishermen/
 Charter fisherman / Recreation & tourism
- These inlets constantly shoal & fill in with sand
- Only through routine dredging and maintenance can these inlets remain open to support NC's economy

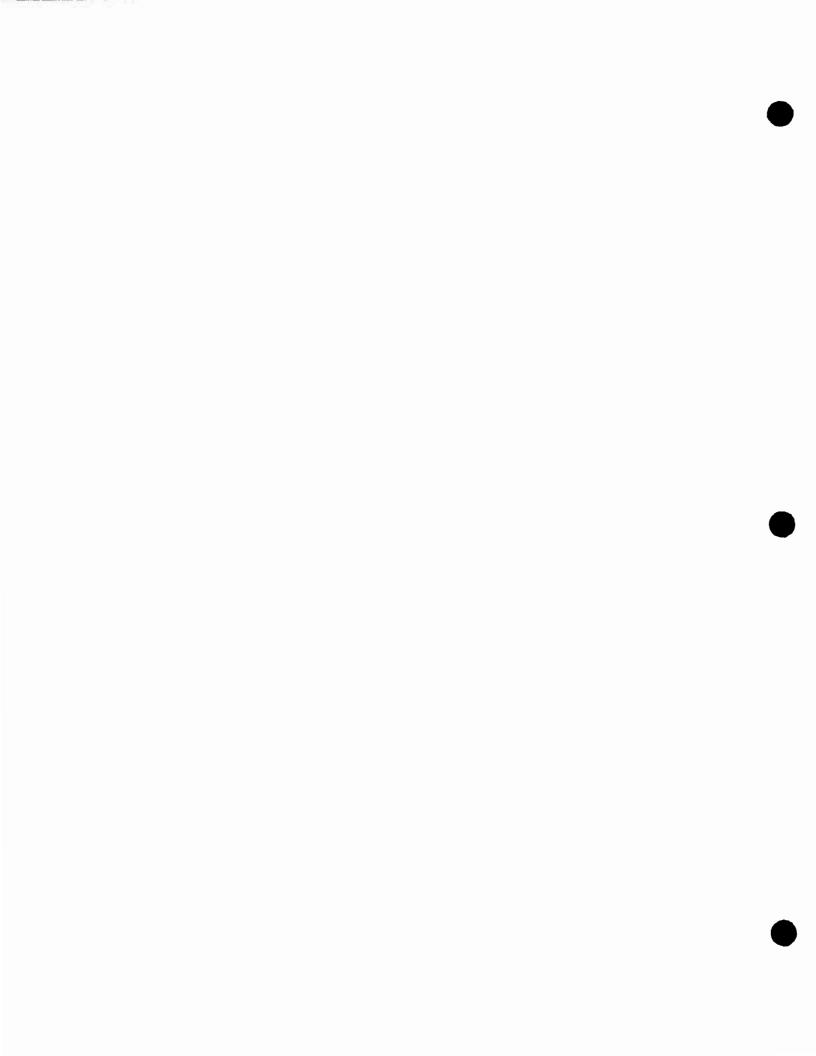
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Two Types of Federally Authorized Inlets in NC

- Federally-Authorized Channels/Inlets:
- Shallow Draft Inlets:
 - Authorized depths of 15 feet or less
 - Many shallow draft inlets in NC
 - Historically have been the biggest problem due to their tendency to shoal rapidly
- Deep Draft Inlets:
 - Authorized depths greater than 15 feet
 - Two in NC: Wilmington Harbor & Morehead City
 - Historically have not been as big a problem in NC









US Army Corps of Engineers



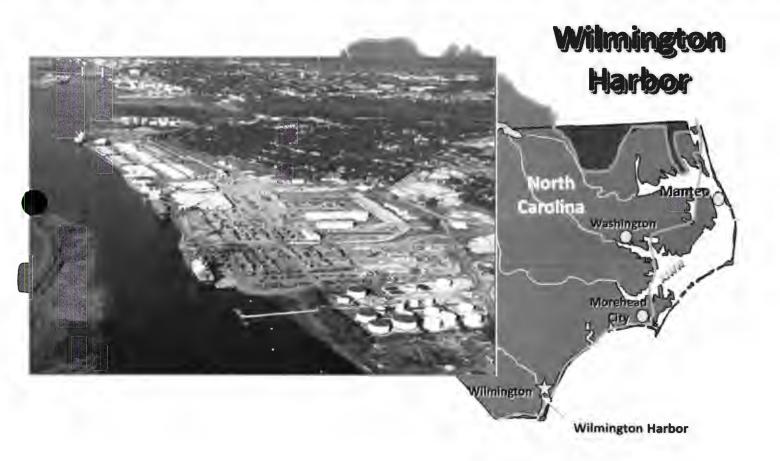


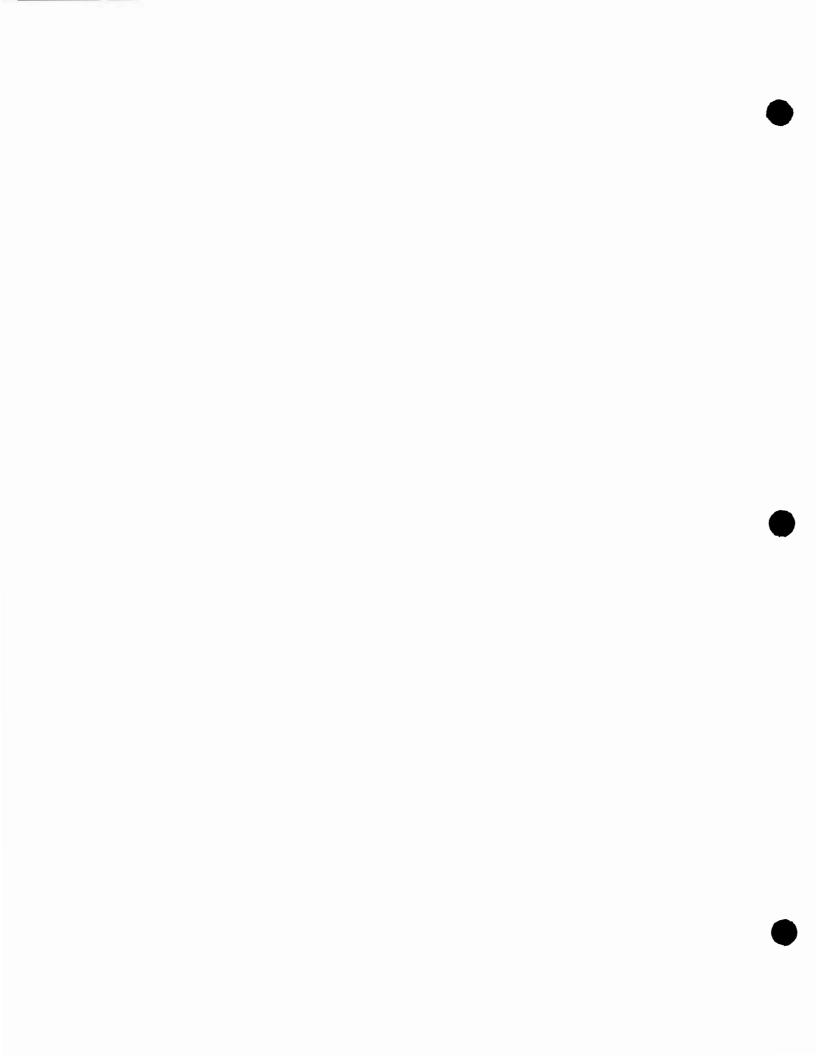
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US Army Corps of Engineers





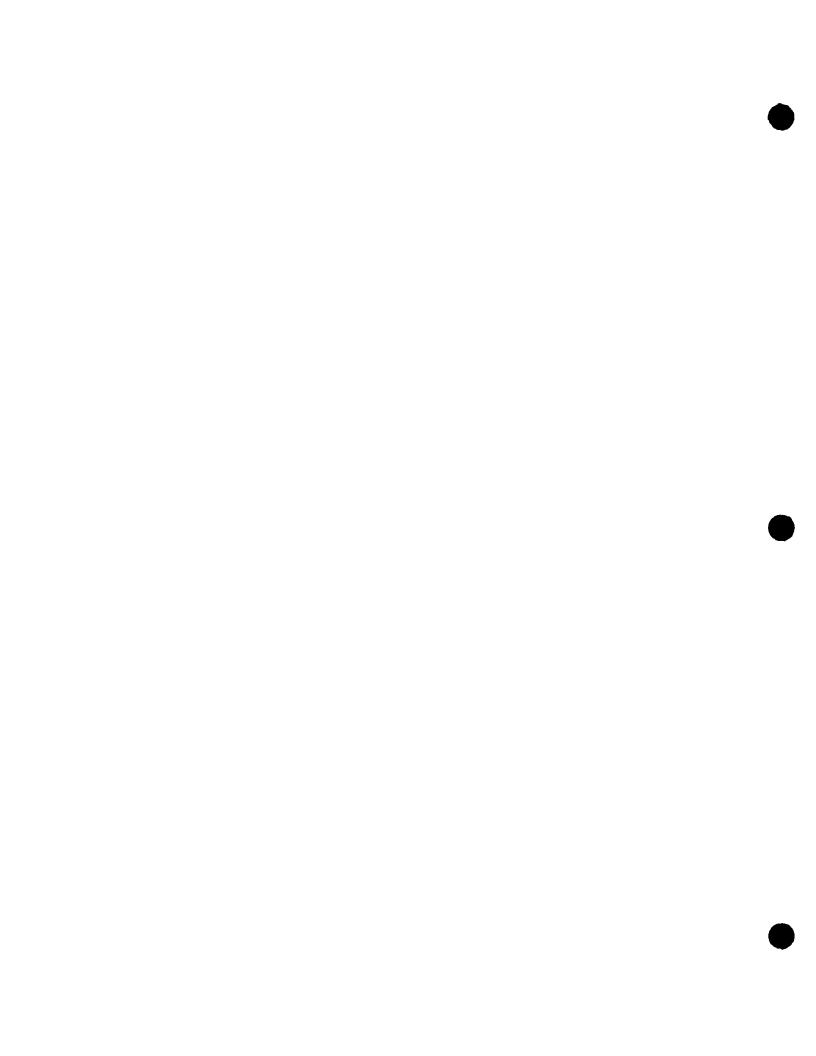


Other Dredging Requirements in NC

- Not "Federally Authorized:"
- Ferry Channels
 - Maintained by NC DOT
- DENR has "passed through" money from DOT to Corps
 - Connecting channels from federal inlets to ferry channels covered under Shallow Draft MOA
- Berthing Areas at State Ports
 - Entirely maintained by State Ports & NC DOT
 - No DENR involvement

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Funding for Dredging Operations

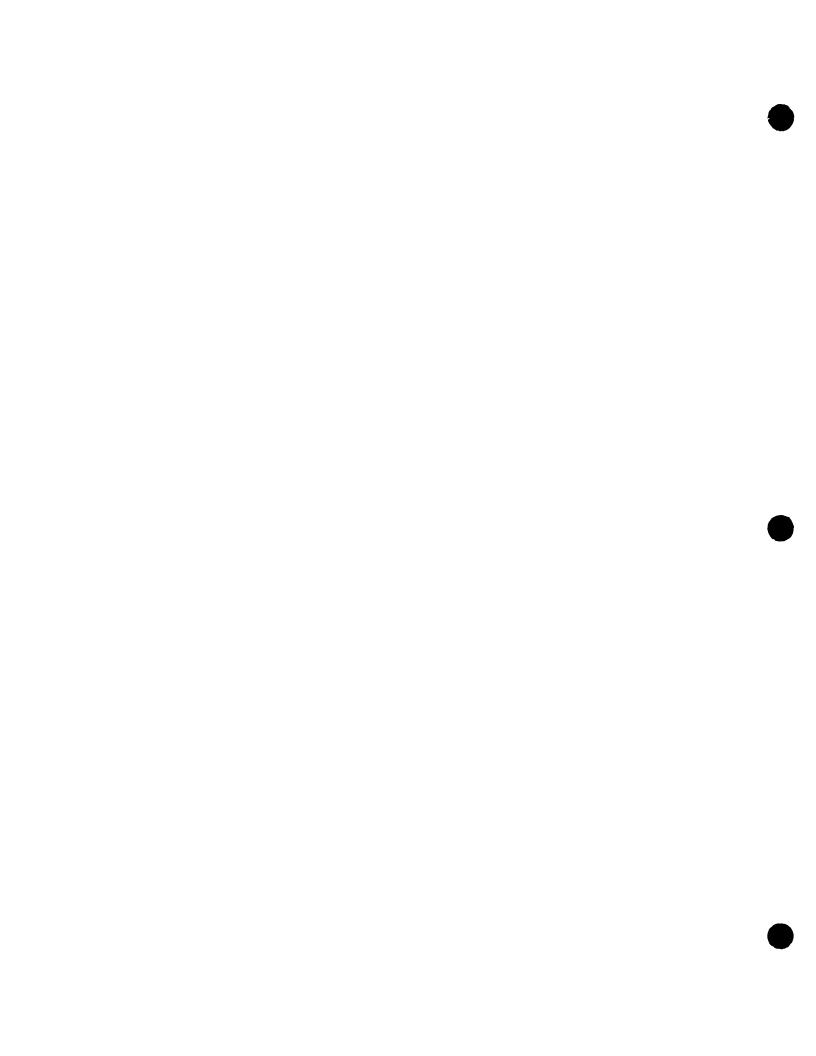


Background

- If inlets are "federally authorized" feds maintain if funding is available.
- NC used to receive substantial federal funding to maintain shallow draft and deep draft inlets
- Federal funding supplemented occasionally for both Deep Draft & Shallow Draft Channels w/State funds
- Federal funding has declined in recent years

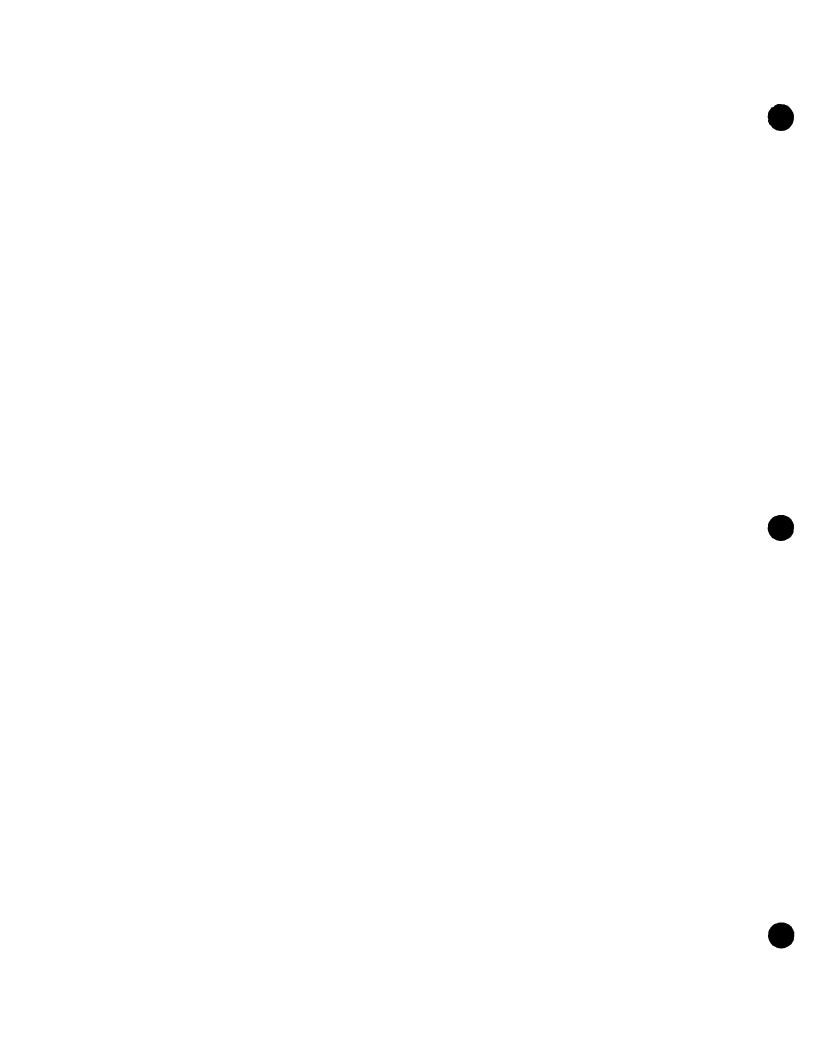
Federal Dredge Funding FY 2011 - 2015

| Project | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|----------------------|---------|---------|---------|---------|---------|
| Wilmington Harbor | \$11.9M | \$20.4M | \$16.5M | \$18.0M | \$14.0M |
| Morehead City | \$4.0M | \$8.7M | \$10.1M | \$6.3M | \$8.9M |
| Shallow Draft Inlets | \$12.7M | \$22.3M | \$19.8M | \$8.8M | \$6.4M |



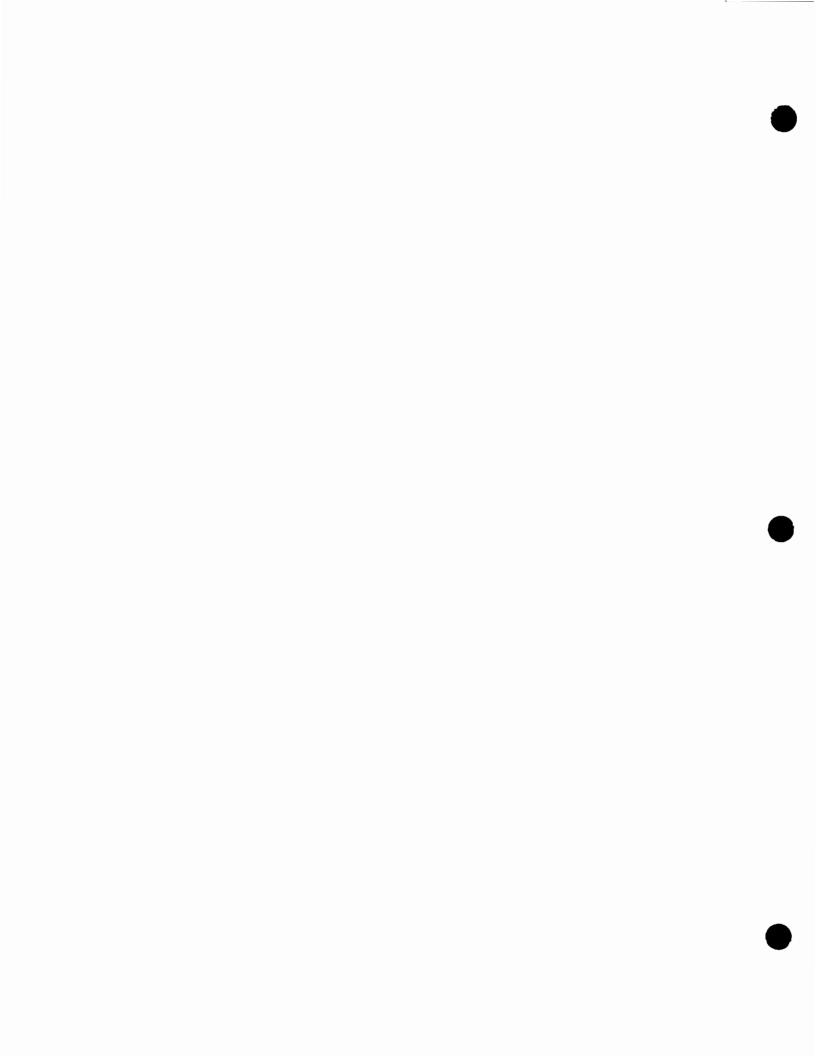
Alternatives to Federal Funding

- Develop Memorandum of Agreement (MOA) with Army Corps
- Provide State funding to Corps to conduct dredging
- Corps already has permits for dredging & experience and trained staff for project management
 - State needs funding source



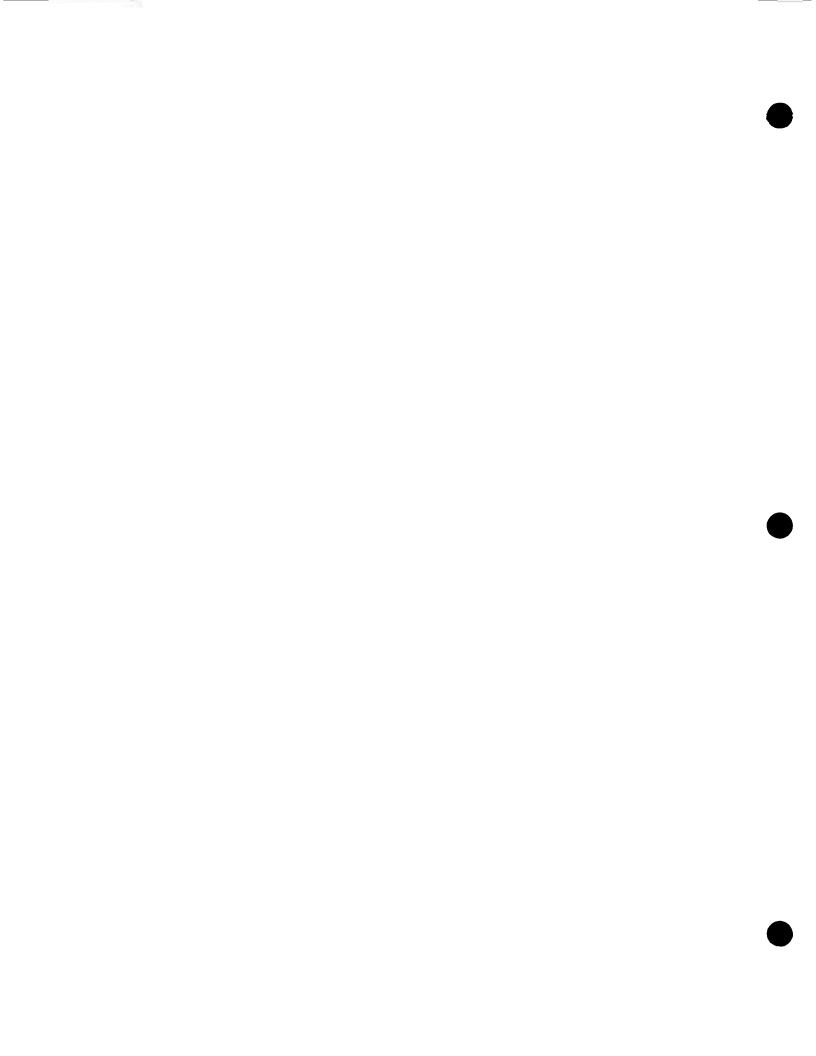
Memorandum of Agreement (MOA)

- Corps can not accept non-federal funding without a MOA
- MOAs are usually drafted for a specific project, i.e, dredging project, beach nourishment project, study...
- MOAs can cover a one-time activity (short term MOA) or may cover a number of activities over several years (long term MOA)
 - MOAs must go through Washington DC for approval and normally take 6 months or longer to be finalized



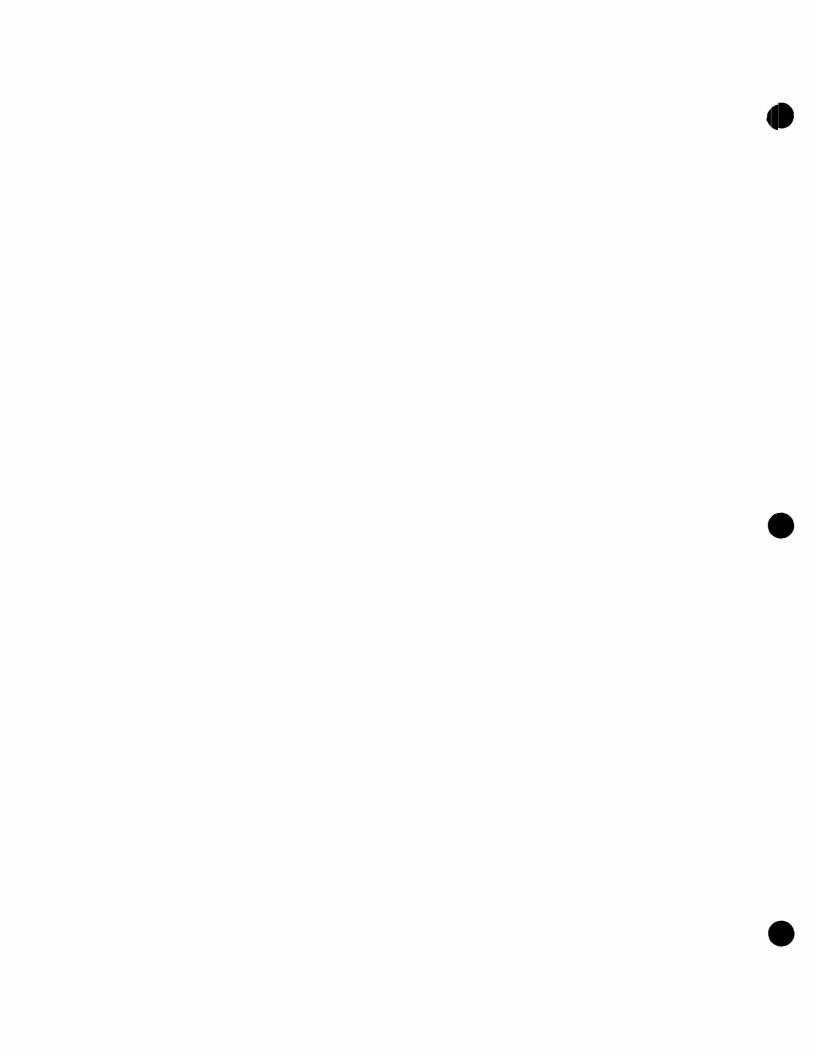
Shallow Draft Inlet Dredging (Non-Oregon Inlet)

- NC realized it could no longer depend upon federal govt for routine dredging of shallow draft inlets
- Two actions were taken
 - Long-term MOA developed
 - Shallow Draft Navigation Channel & Lake Dredging Fund



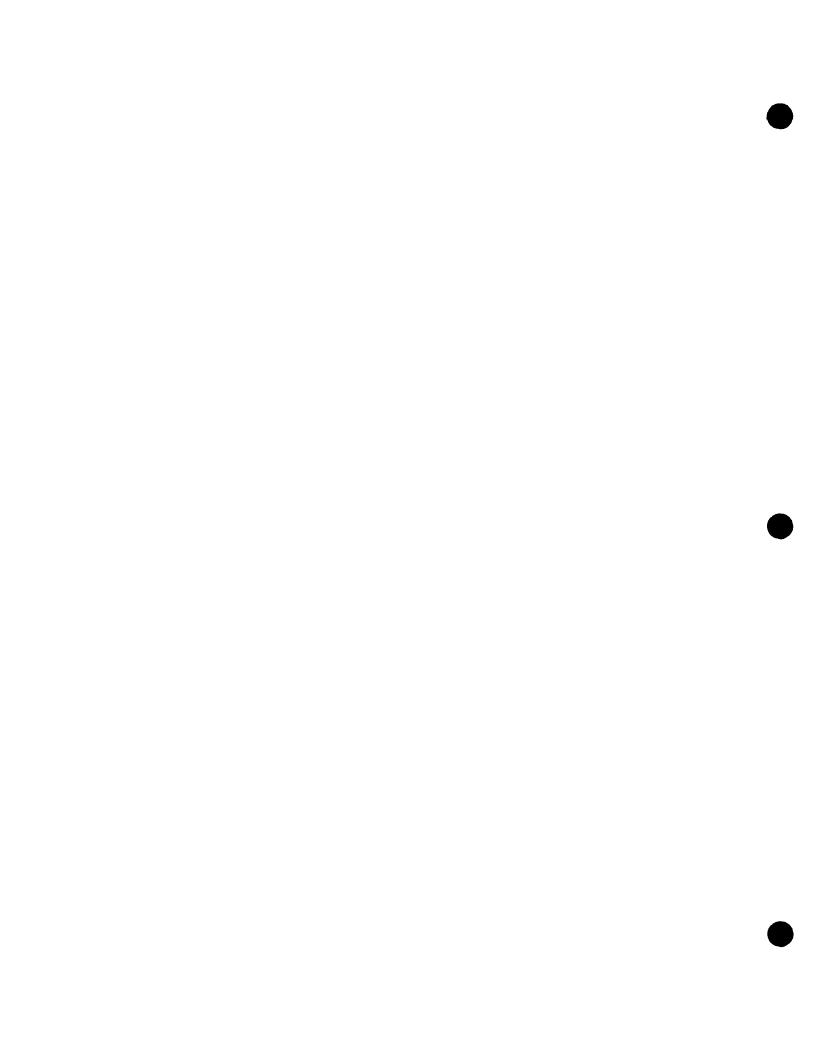
Shallow Draft MOA

- Covers 5 years
- Allows NC to contribute up to \$4M per year to Corps for dredging of all shallow draft channels
- Contributed money is made up of State & local funds
 - MOA does not have enough capacity to keep Oregon Inlet open year round (OI needs \$7M - \$10M/yr)
 - Dredging is performed (usually) by Corps dredges
 - MOA allows for Corps to contract w/private dredges
 - Dredging done at request/discretion of NC



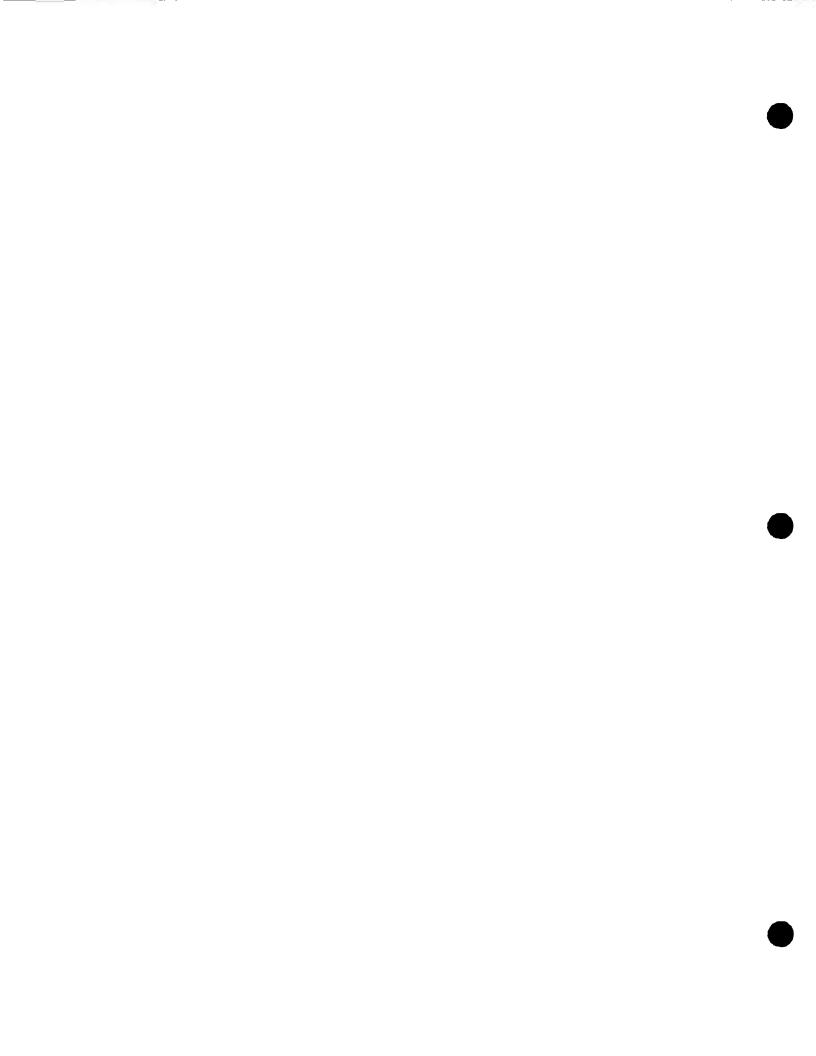
Shallow Draft Navigation Channel & Lake Dredging Fund

- Established by G.S.143-215.73F
- Provides State share for Shallow Draft MOA
- Also provides State share for Non-Corps & interior lake dredging projects
- State funds must be matched 50-50 with local funds
- Funds provided by small percentage of gas tax & percentage of boater registration fees
- Provides approximately \$6M per year
 - About \$1.5M per quarter



Shallow Draft Navigation Channel & Lake Dredging Fund

- \$8,717,521 received in fund since its establishment
- \$6,766,946 encumbered in 7 grant contracts
- One additional grant for \$517,250 pending for N. Topsail
- \$300,000 pending for Oregon Inlet dredging
 - One grant request only partially filled
 - Requested \$4.25M
 - \$1.25M provided to date (remainder will follow this year)
 - No request denied to date



Outstanding Issues

- Dredging of Morehead City / Wilmington Channels
 - One time MOA in development (Morehead City)
 - Long Term MOA may be necessary
 - Source for State funding
 - Other potential sources for funding
- Dredging of Oregon Inlet
 - Potential MOA in development
 - 340 days of dredging @ OI per year for \$7.2M
 - \$3.6M local funds / \$3.6M State match
 - State funding source

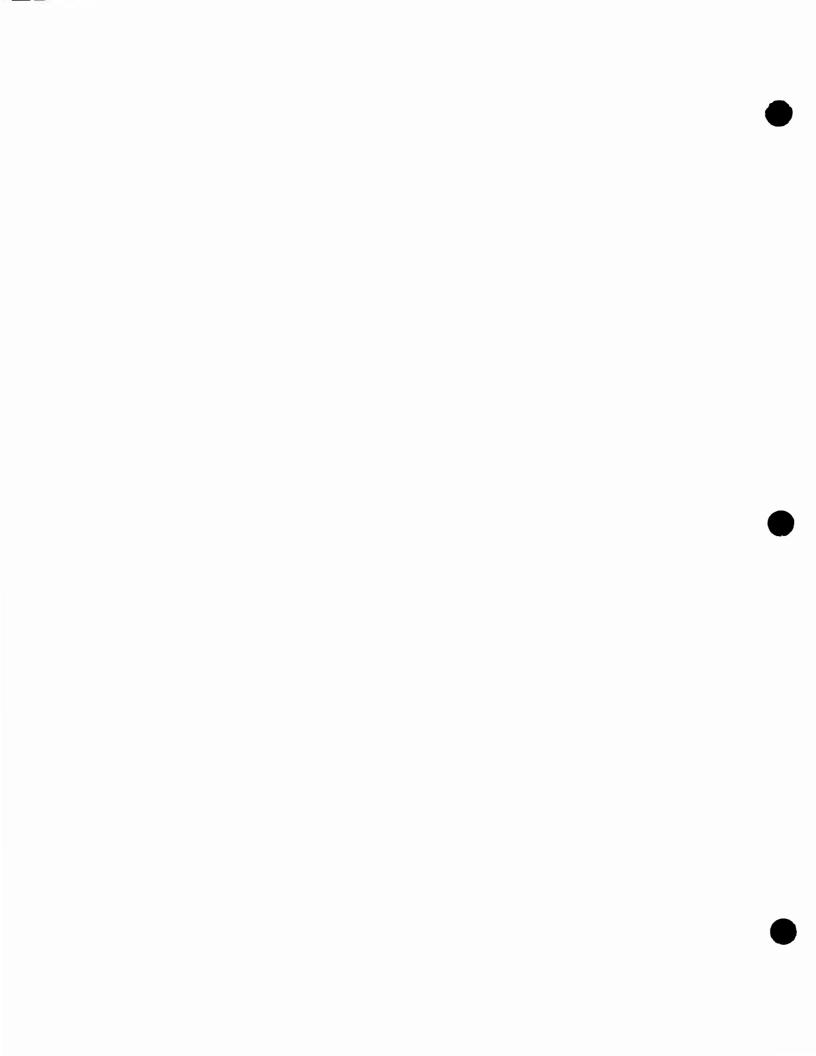
Other Issues of Interest

- Future Funding Gaps
 - Very difficult to predict
 - Storms / Federal funding / Rates of shoaling
- Bundling of Dredging-Beach Nourishment Projects
 - Accomplished where practical
 - Dredged sand must be beach compatible
 - Done in the past at request of local govt
 - Funding supplemented by State/local sources

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Other Alternatives

- State obtains federal dredge authorizations
 - This process underway for some shallow draft inlets
- Allows State to contract with private dredges independent of Corps
- State procures its own dredges
 - Studied in 2005
 - Not the most cost effective alternative in 2005
 - O& M costs/Crewing costs/Overhead & management



Contact Information:

Tom Reeder
Assistant Secretary for Environment
919-707-8619
tom.reeder@ncdenr.gov

Senate Committee on Appropriations on Department of Transportation Thursday, March 19, 2015 at 8:30 AM Room 1228/1327 of the Legislative Building

MINUTES

The Senate Committee on Appropriations on Department of Transportation met at 8:30 AM on March 19, 2015 in Room 1228/1327 of the Legislative Building. Four Senate and six House members were present.

Senator Bill Rabon, Chair, presided.

Anthony Forte from Boiling Spring Lakes and Bryson Hill from Brunswick County served as pages.

Senator Rabon introduced each presenter in the following order:

Paul Cozza, Chief Executive Officer of the North Carolina State Ports Authority gave a presentation. Before he began he introduced two people visiting that sat on their board, Tom Adams and Dan Girly. Mr. Girly served as their chairman. Questions from the members were responded to by Mr. Cozza.

Sherman "Rudy" Lupton, Logistics Director for the Department of Transportation gave a presentation on the Global TransPark. Questions from the members were responded to by Mr. Lupton.

The meeting adjourned at 9:40 AM.

Senator Bill Rabon, Chair

Presiding

Debbie Lown, Committee Clerk

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Joint Appropriations Committee on Transportation

March 19, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett

Representative Phil Shepard Representative Frank Iler Representative Paul Tine Senator Bill Rabon

Senator Wesley Meredith, Chairing

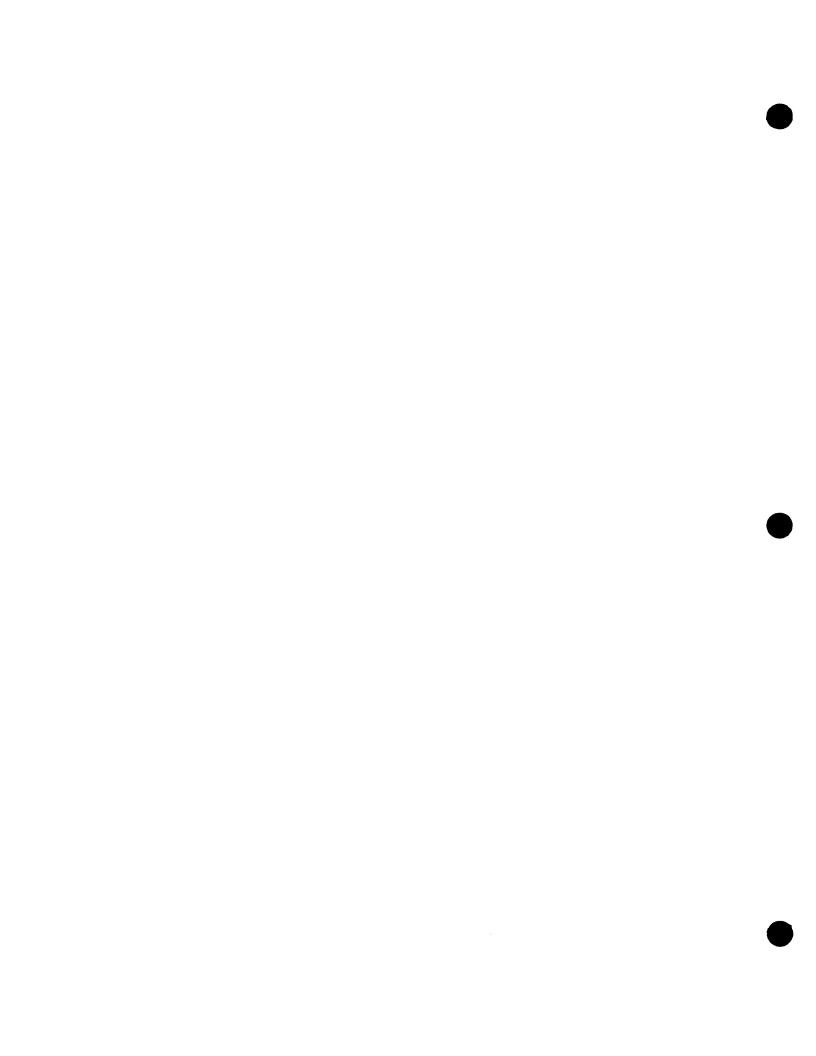
- Call to Order
- North Carolina State Ports Authority

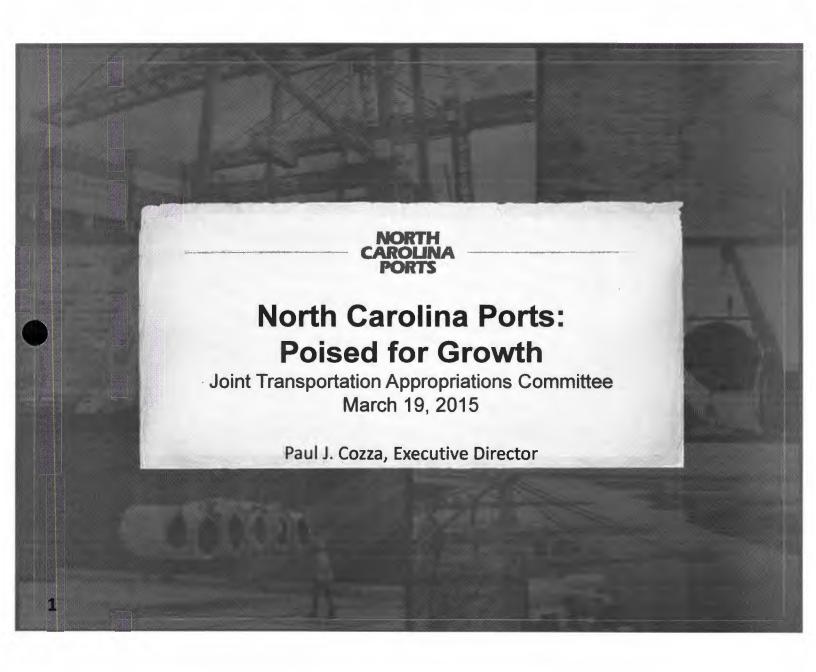
Paul Cozza, Chief Executive Officer North Carolina State Ports Authority

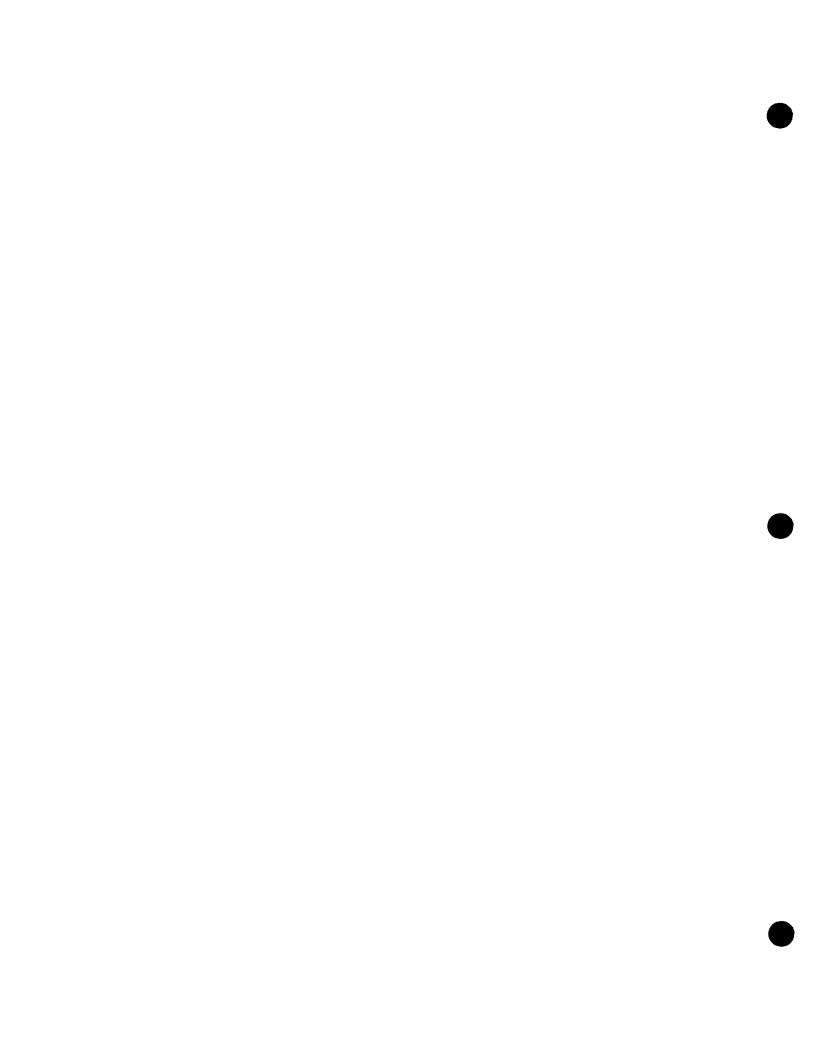
Global TransPark

Sherman "Rudy" Lupton, Logistics Director Department of Transportation

Next meeting: NCDOT Rail Division - Tuesday, March 24, 8:30 a.m.

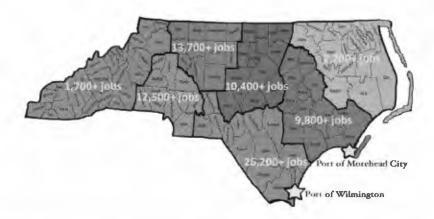






A conduit for economic activity

Ports Support NC



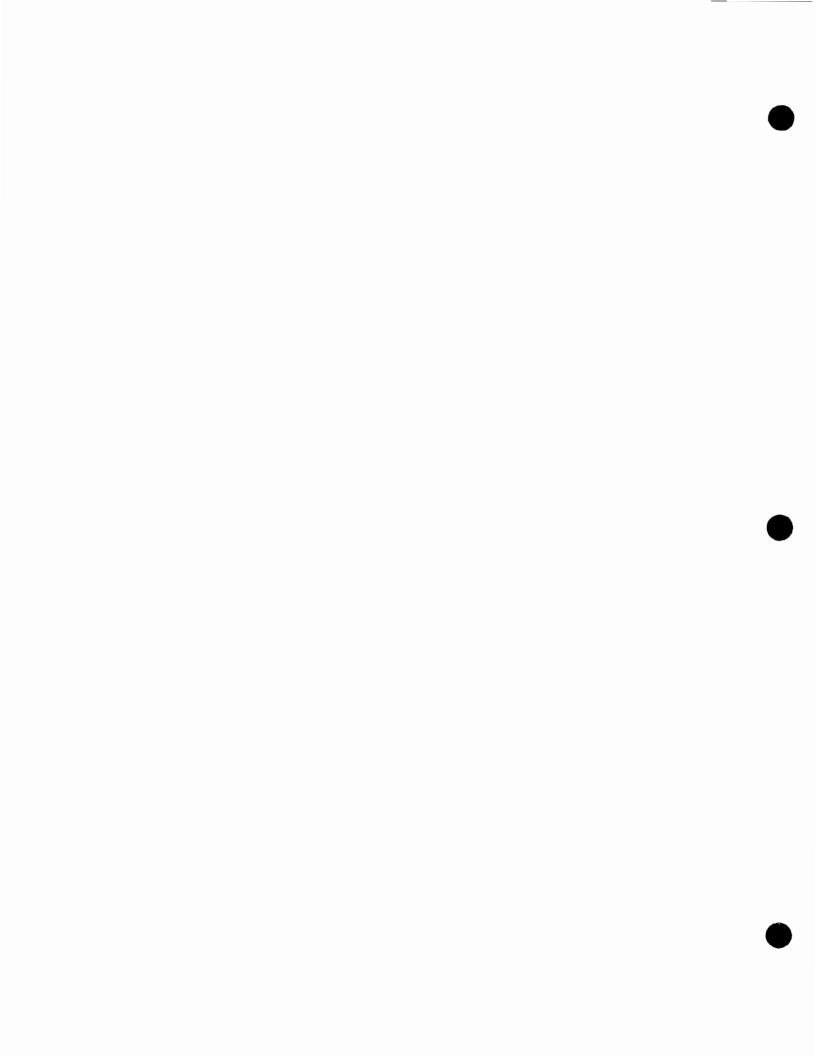
North Carolina jobs provided directly or indirectly by the ports statewide 76,700 +

Annual tax revenues gained through the ports for the statewide economy \$707 million +

Annual economic contribution to the state's economy associated with goods moving through NC Ports \$14 billion +

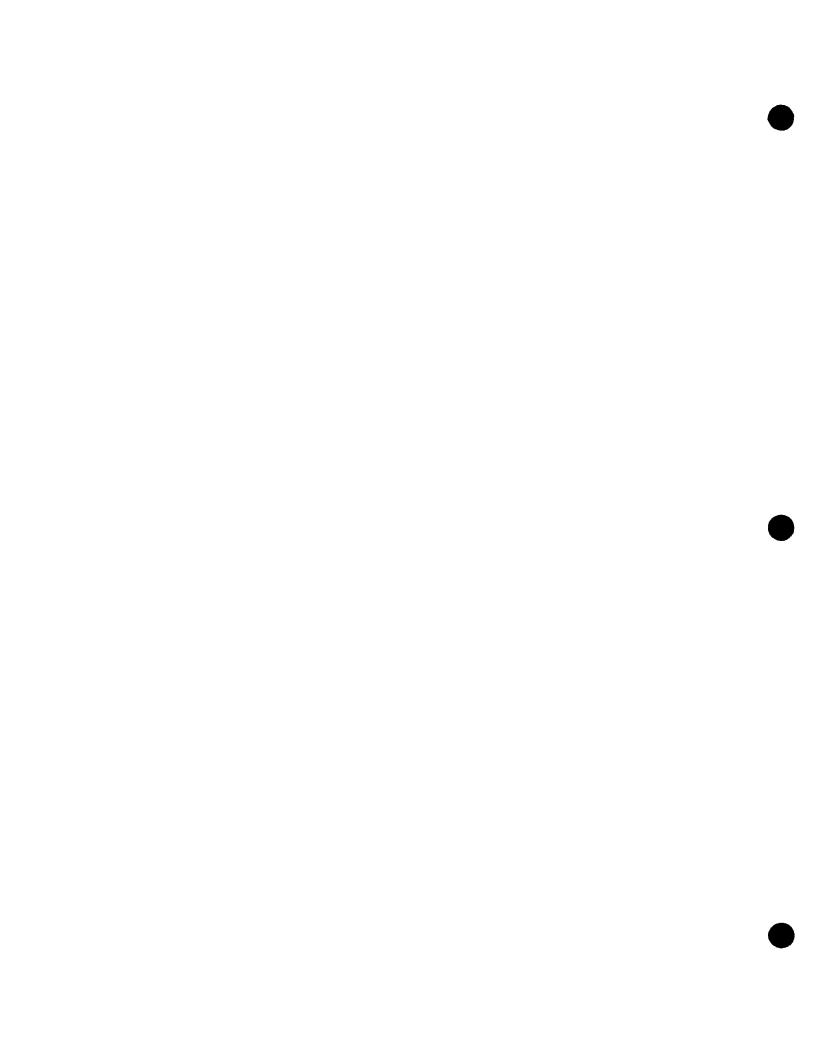
Economic Contribution of the North Carolina Ports
Institute for Transportation Research and Education, N.C. State University (November 2014)

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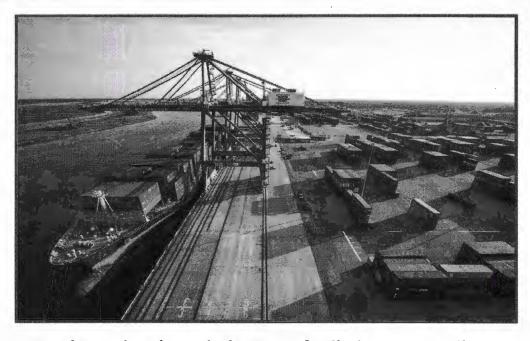


North Carolina Ports at a glance

- Own and operate two ports and two inland facilities
- Financial & volume statistics
 - 300,000 containers annually
 - · More than 4 million tons of bulk cargo
 - Generates revenue in excess of \$40 million
 - Directly employs 220 (1,842 rely on the port on any given day)
 - Generates earnings and cash flow to meet annual operating requirements
- Actively promotes, markets and sells port services
 - Full suite of container services
 - Cargo stevedoring
 - · Container and bulk cargo storage
 - Staging & warehousing
 - Packing & stripping of cargo



The Port of Wilmington



Goods moving through the Port of Wilmington contribute \$12.9 billion to North Carolina's economy

Containers, bulk, breakbulk ,roll-on roll-off
 284+ acres
 Authorized 42 foot channel
 Rail Served by CSX



Port of Wilmington carriers

















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The Port of Morehead City



Goods moving through the Port of Morehead City contribute more than \$1 billion to North Carolina's economy

Bulk, breakbulk, and roll-on roll-off
128+ acres, plus an additional 150+ acres on Radio Island
Authorized 45 foot channel
Rail served by Norfolk Southern



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Port of Morehead City customers



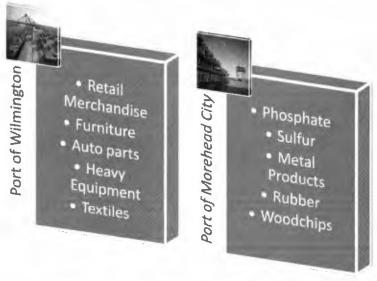






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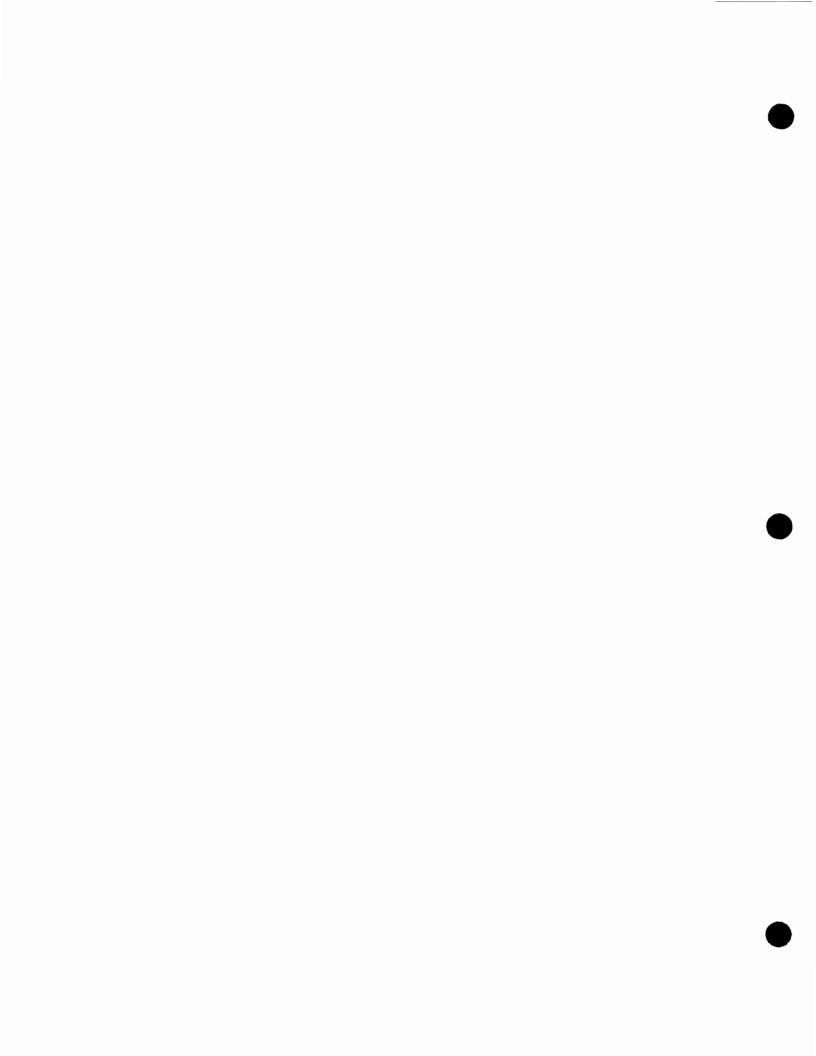
Volume leaders



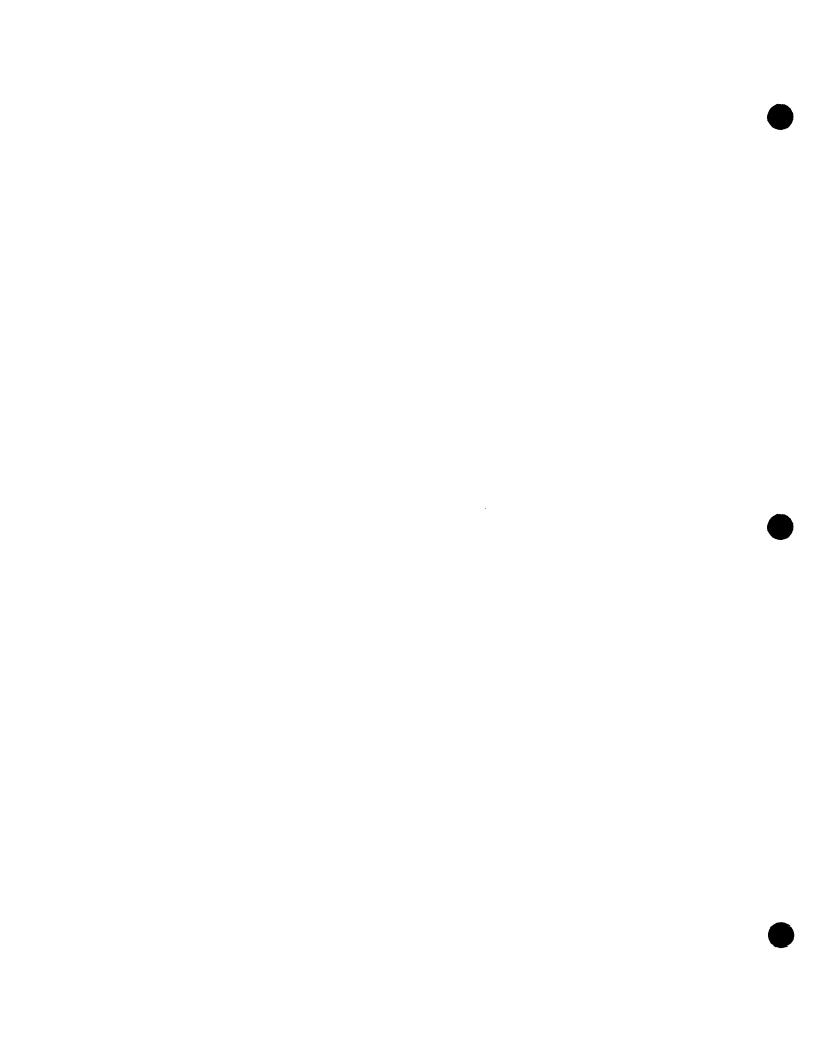
Agriculture – Export Containers

| Forest Products | 40,556 |
|-----------------------|--------|
| Woodpulp | 16,344 |
| Poultry | 5,548 |
| Animal feed, Pet food | 2,975 |
| Tobacco | 1,456 |
| Pork/ Hogs | 536 |
| Cotton, Baled | 154 |
| Total | 67,559 |

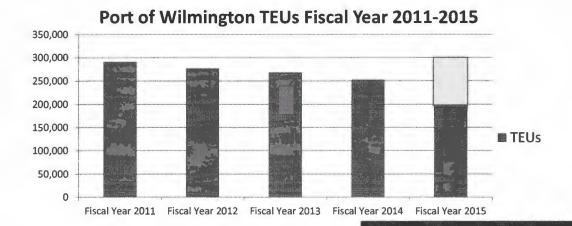




The competitive landscape



Current status



· Fastest growing port on U.S. East Coast

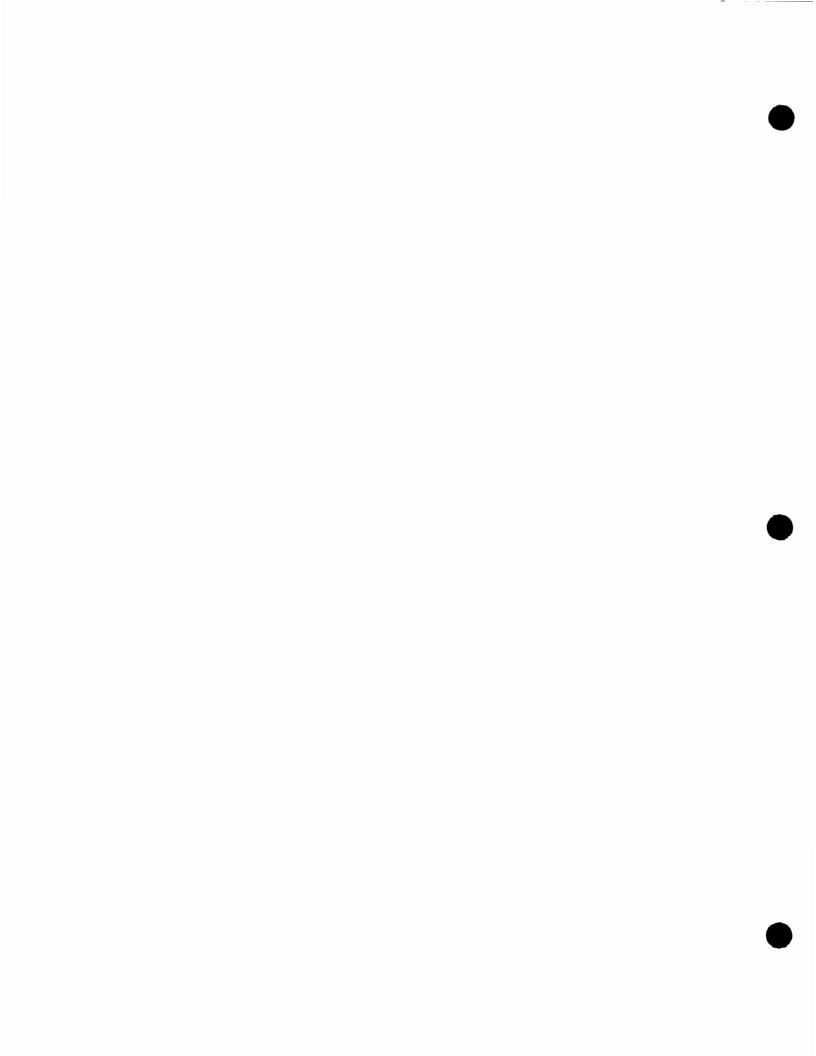
- Containers 21 % growth over prior year (fastest growing port on the U.S. East Coast by volume percentage)
- General Cargo 3% growth over prior year (POW), 36% growth over prior year (MHC excludes PCS Phosphate)

Advancing the commercial business

- Set goals and objectives
- •Create key performance indicators
- · Monthly results meetings
- New projects wood pellets/cold storage/bridge girders
- Extended gate hours
- Headcount efficiency (FY14 approved 237/Est. 215 FY15)
- Prioritization of sales/business development

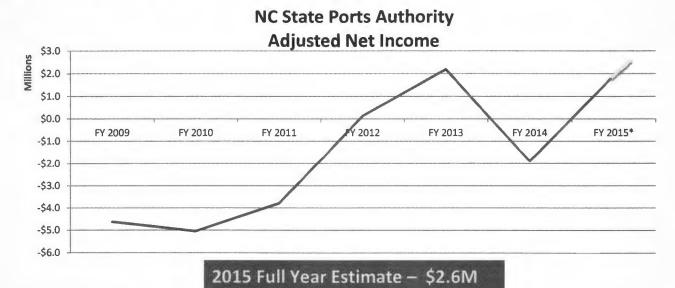


FY 2015 TEUs Estimate - 300,000



Current status

Profit Driven



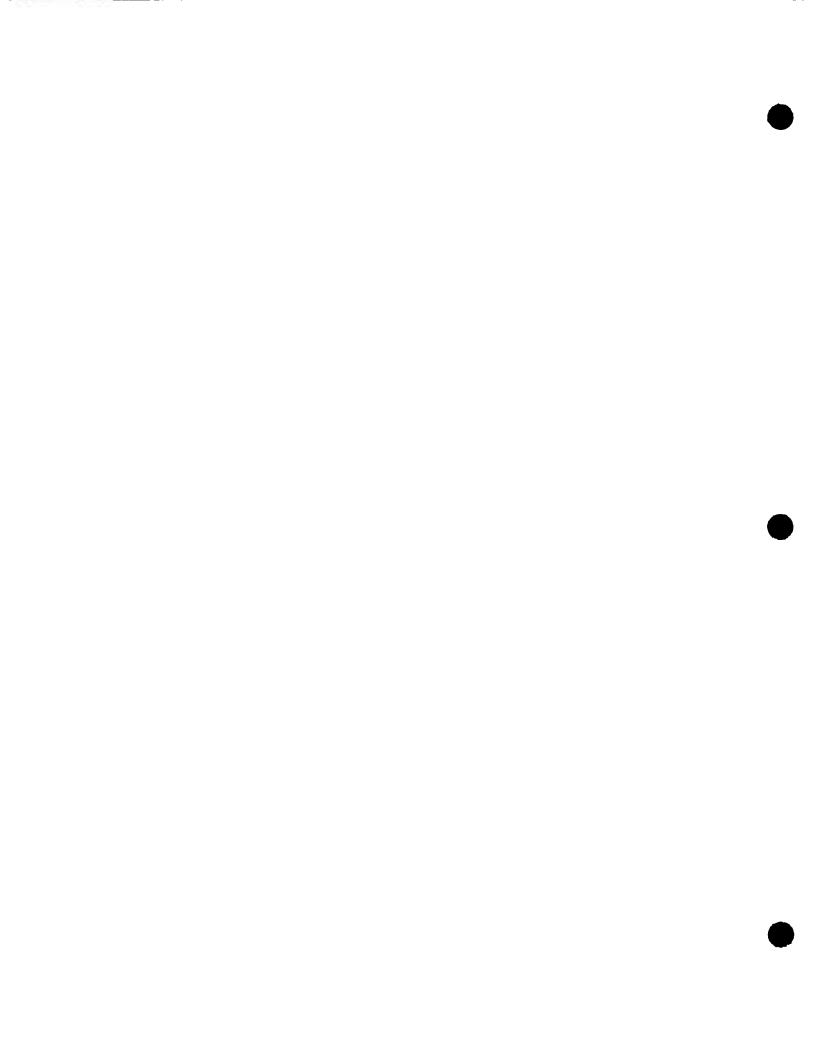
Year to date

• Revenue: \$2.7M over prior year (up 12%)

• Net income: \$3.9 over prior year (\$1.9M over budget)

• Cost savings: \$602K





North Carolina Ports advantages









Unmatched Performance

 One of the highest crane productivity rates in the South Atlantic

- Second to none truck turn times

Velocity Leader

 Fast, seamless service from the berth, to the yard, to the gate
 Lack of congestion

Cost Efficient

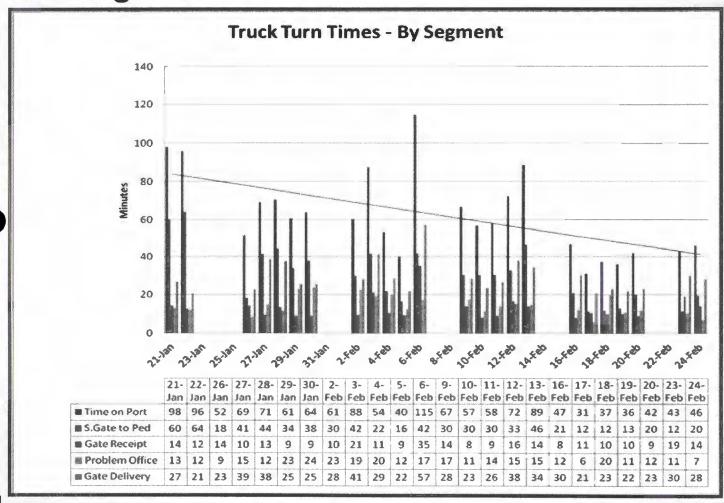
- We offer cost competitive solutions to our customer base

Impeccable Service

- Accolades from customer base



Strategic Success Measures



The industry leader in customer satisfaction

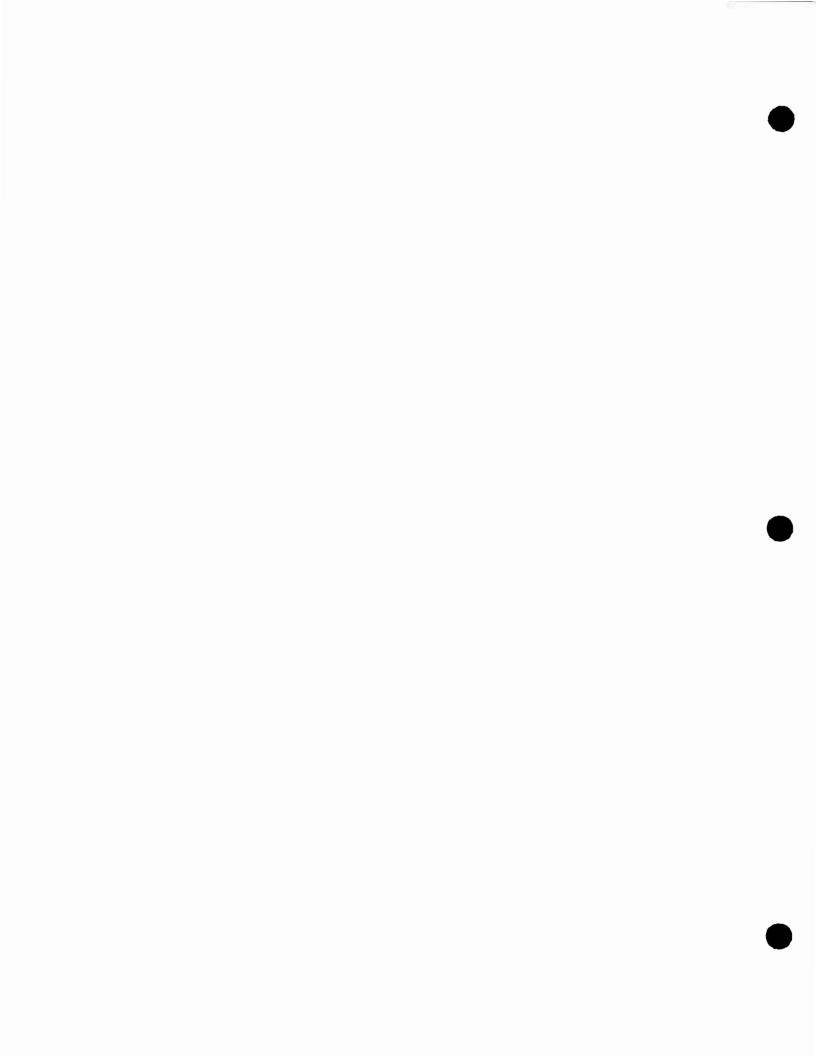
"They are easy to do business with...and they are unwaveringly customer-centric."

Dean Tracy

Director, International Transportation Lowe's Home Improvement







Planning for growth / planning for success

Market Based Assessment

Addressable market identification
 Set goals for growth



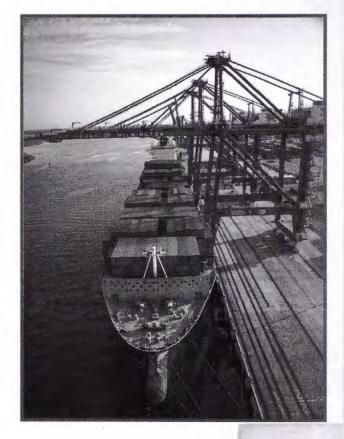
Operational Capabilities

- Best in class
- Maximize terminal utilization
- Identify capital investment needs

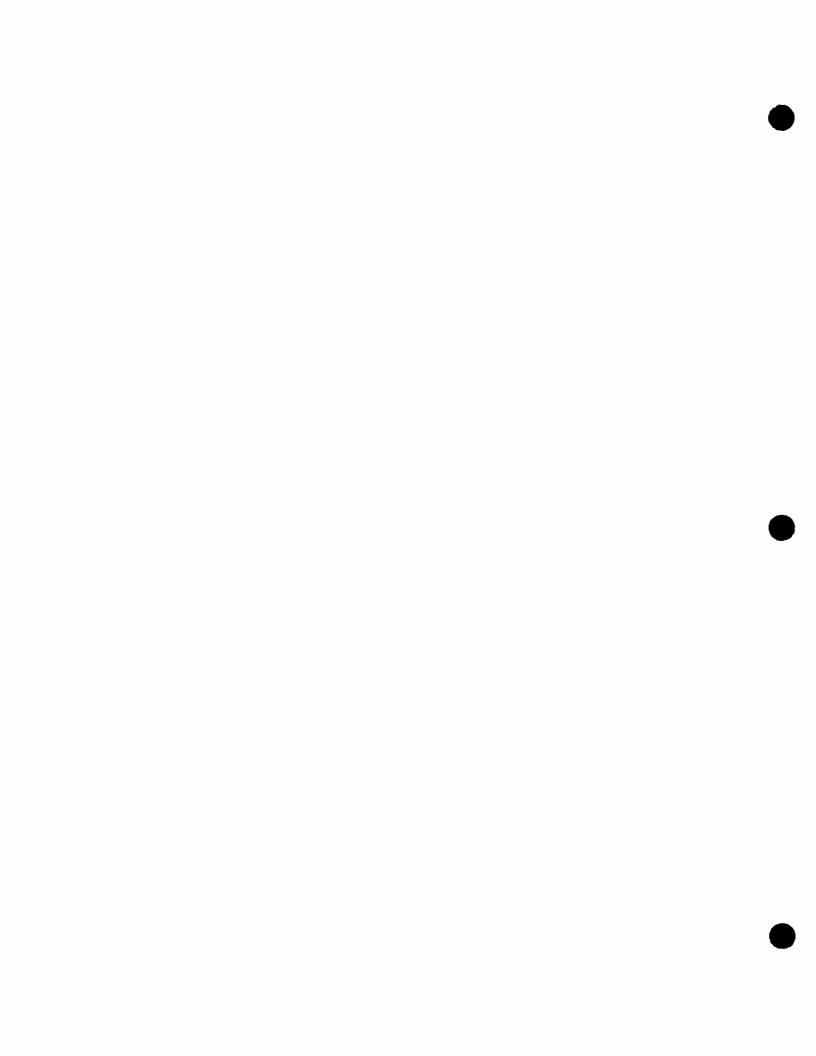


Execution

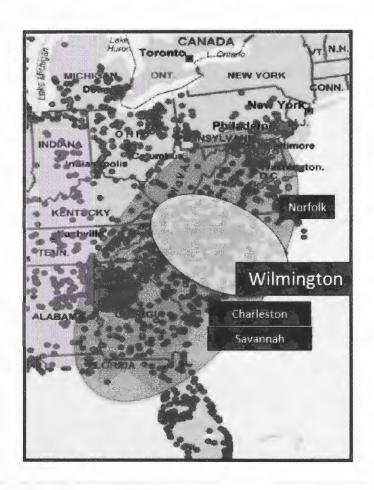
- Sales coverage and goals
- Second to none operational service levels
 - Facility investment



NORTH CAROLINA PORTS

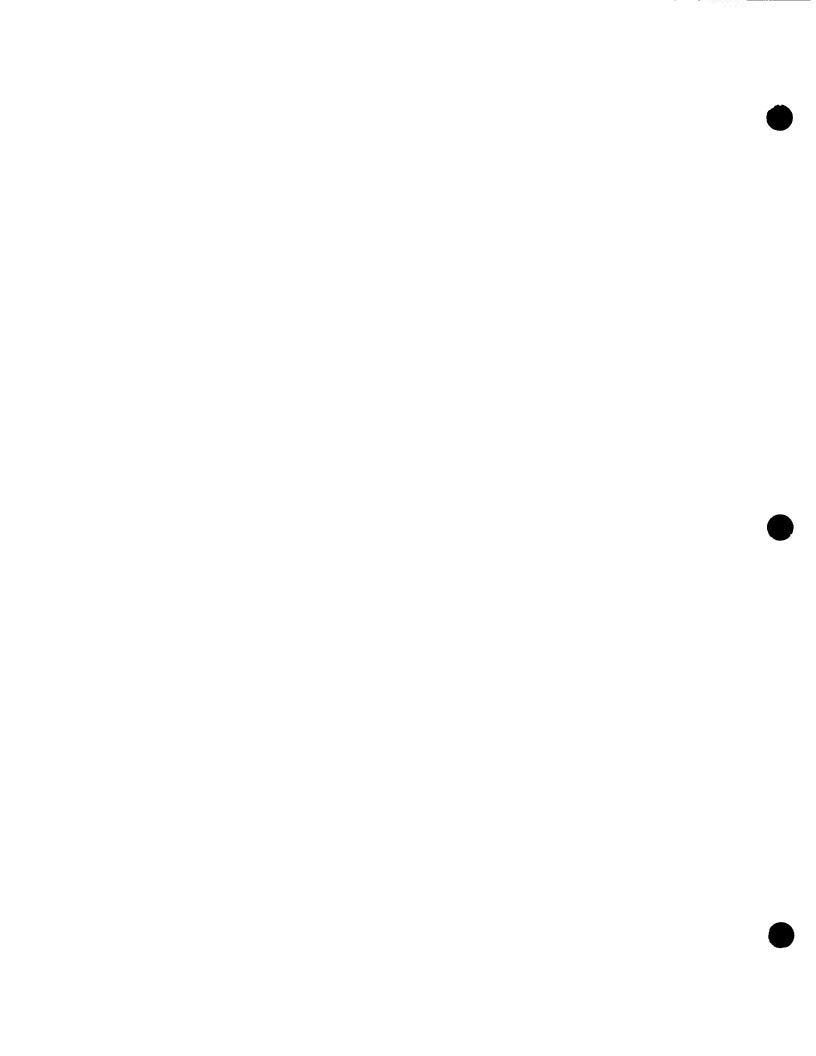


Port of Wilmington addressable market



* Green dots indicate market clusters of large accounts





Data Overview

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Planning for growth / planning for success

Market Based Assessment

Addressable market identification
 Set goals for growth



Operational Capabilities

- Best in class
- Maximize terminal utilization
- Identify capital investment needs



Execution

- Sales coverage and goals
- Second to none operational service levels
 - Facility investment

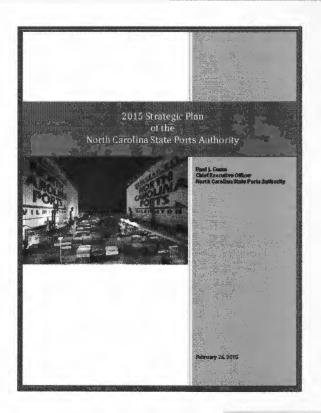


NORTH CAROLINA PORTS

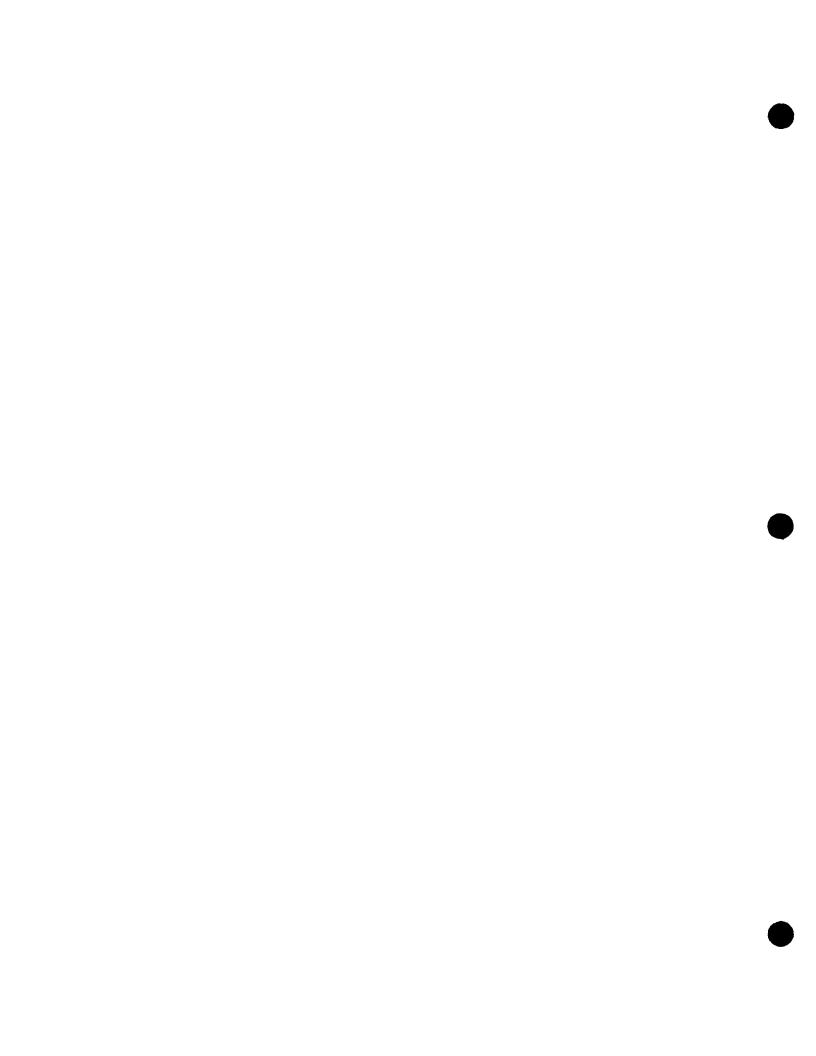
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The Five Year Strategic Plan

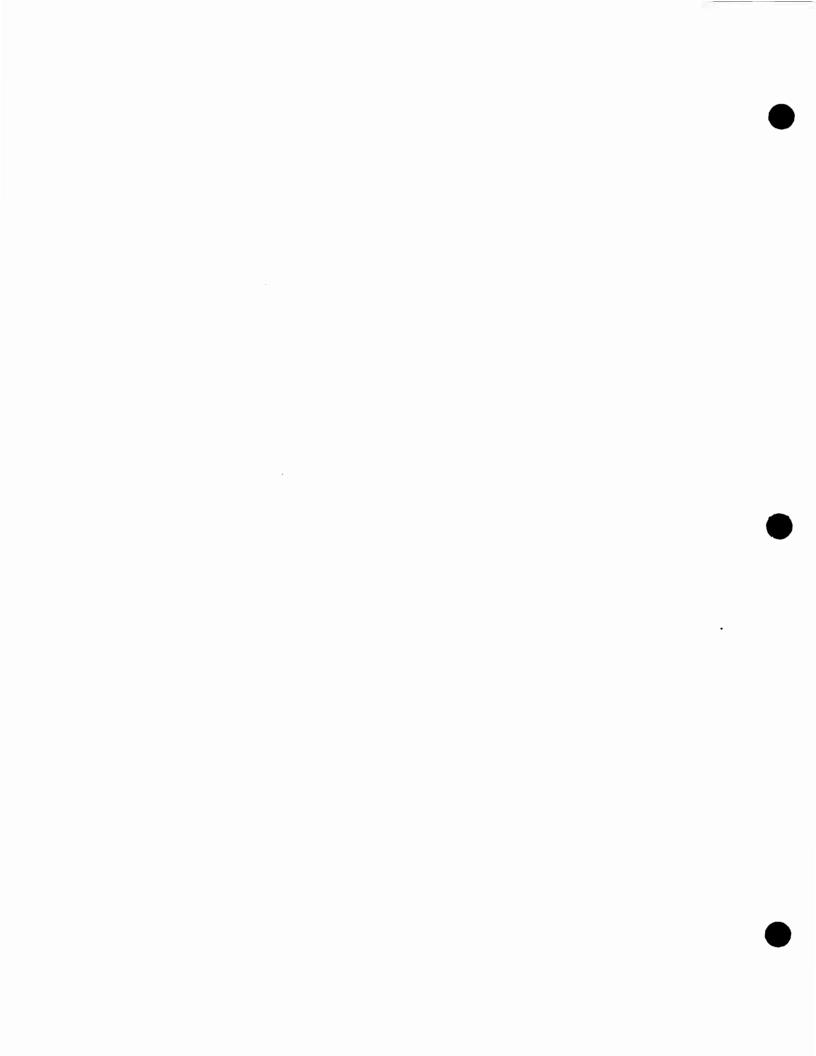
- Double container business to >500K TEUs
- Expand business of general terminals by 4M tons
- Execute an investment plan for terminal, road and rail infrastructure to support growth
- Channel enhancement in Wilmington and Morehead City
- Achieve long term financial stability to independently fund capital growth prospects







Investing in the future



Infrastructure investment plan

| | FY 2015 - FY 2020 | FY 2021 - FY 2025 |
|----------------|-------------------|-------------------|
| Administration | 5,000,000 | 2,000,000 |
| Morehead City | 16,000,000 | 42,000,000 |
| Wilmington | 93,000,000 | 90,000,000 |
| \$ Total | 114,000,000 | 134,000,000 |

Highlights in FY 2015 - FY 2020

Berth 7 extend 50' gauge Crane Rail Wilmington
Berth 8 replacement Wilmington
Purchase 2 new Post Panamax Cranes Wilmington
Berth 9 new submerged toe wall Wilmington
Crane 1 Investment MHC
Crane 2 Investment MHC
Maritime Building renovation MHC



Immediate capital investment requirements

Extend 50-ft gauge rail at Berth 7

\$1.9 million

Berth 8 Replacement Project Replace 645ft x 200ft of dock structure.

Includes 645ft of new landside crane rail

\$32 - \$36 million

Extend 100-ft gauge rail into Berth 7
Extend landside crane rail an additional
115ft into Berth 7 for max working envelope of cranes

\$1.3 million

Purchase two new Container Cranes

\$26 - \$30 million

Install submerged Toe Wall at Berth 9
Required to maintain stability of structure
at depths below -42ft

TOTAL

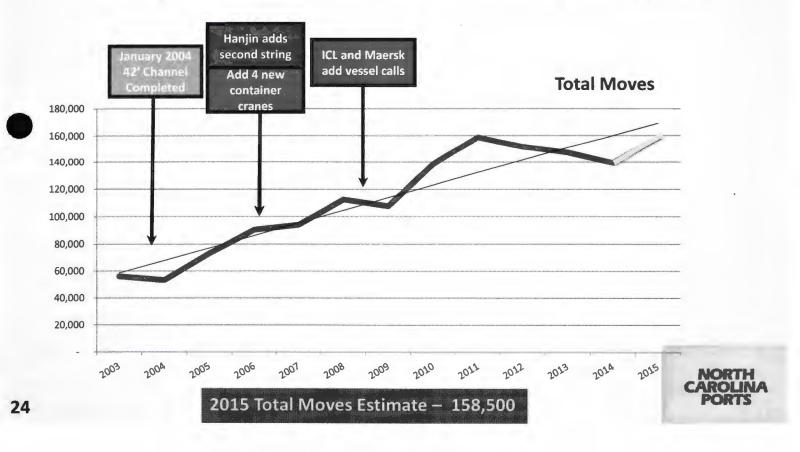
\$5.8 million

\$75 million

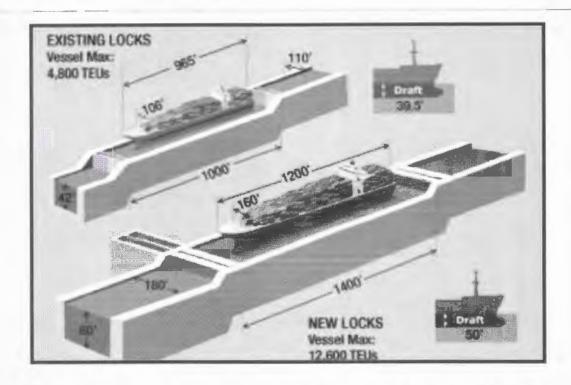


A sound investment

Wilmington's Container Volume has Grown Significantly Following the Completion of the 42' Channel Project and Terminal Upgrades

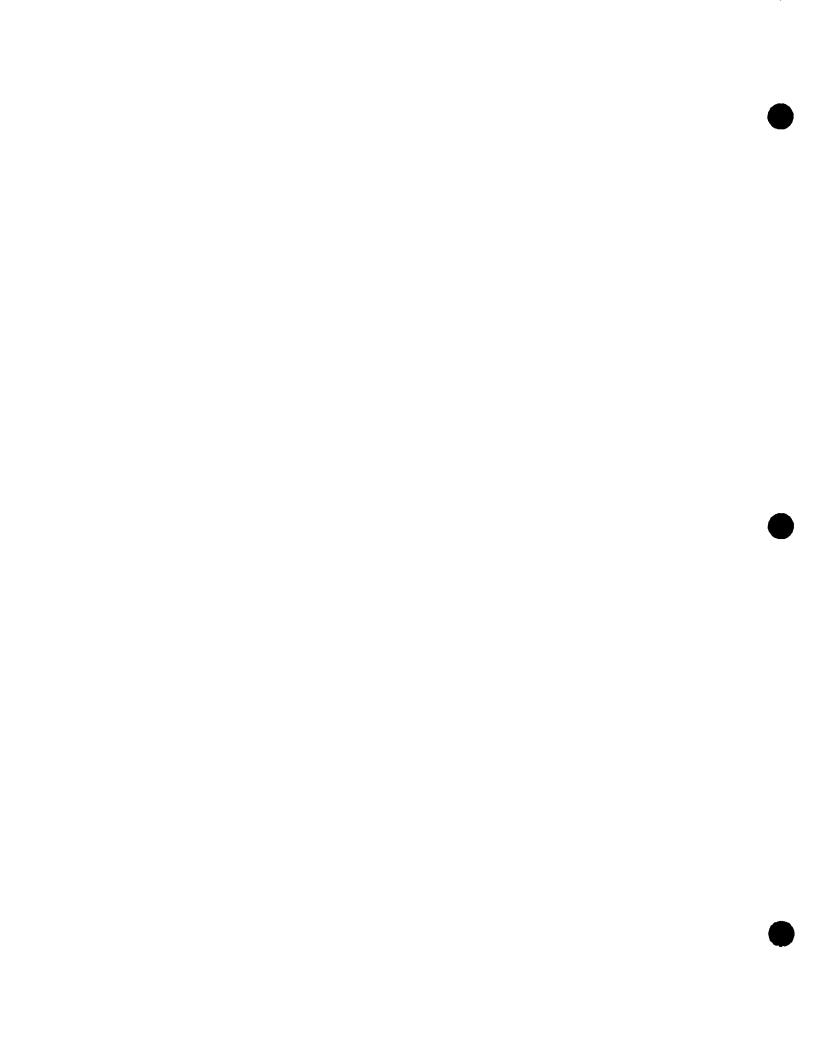


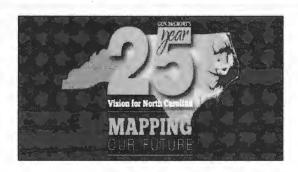
The Panama Canal



The Panama Canal expansion project is intended to double the capacity of the Panama Canal by 2016 by creating a new lane of traffic and allowing more and larger ships to transit.







"With landside and waterside improvements, the ports would be positioned to respond to the next generation of shipping vessels that will be in service once the major Panama Canal enhancement project is completed."

- NCDOT 25 Year Vision





In summary

Five year goals

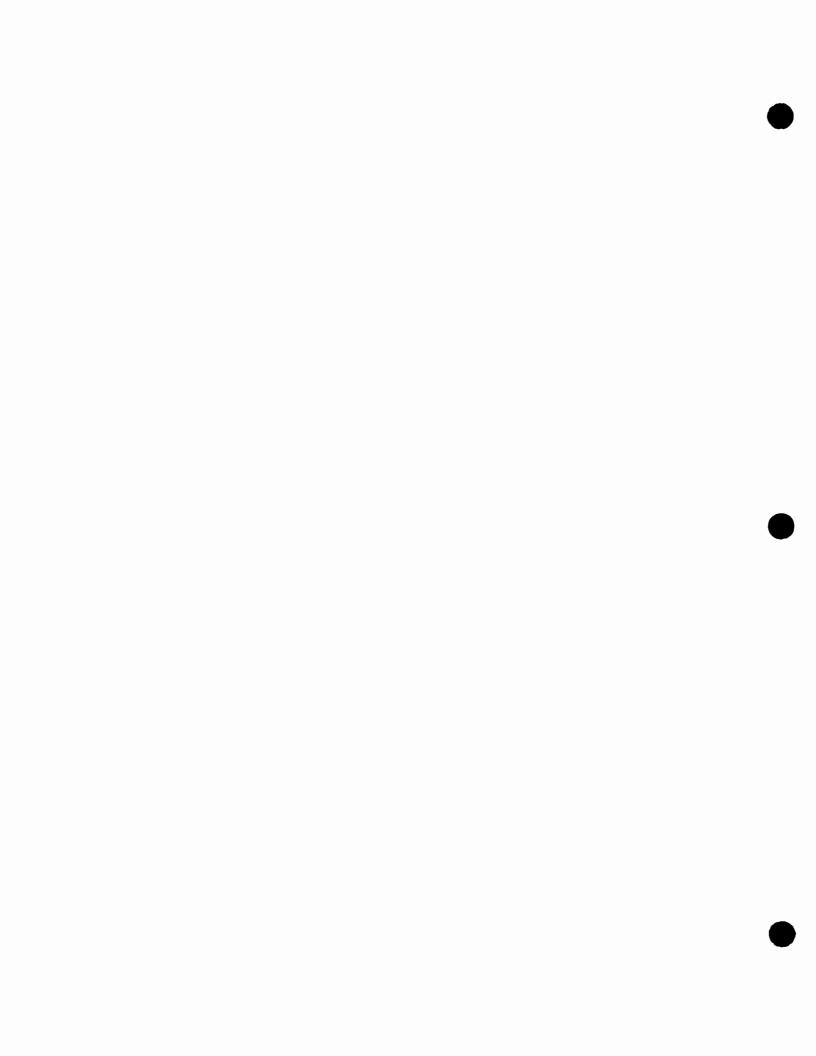
- Double container business to >500K TEUs
- Expand business of general terminals by 4M tons
- Channel enhancement in Wilmington and Morehead City

Timing is perfect

- Panama Canal expansion
- North America port congestion
- Migration to U.S. East Coast distribution
- Forecast demographic shift to Southeast

It's time to reclaim North Carolina's market





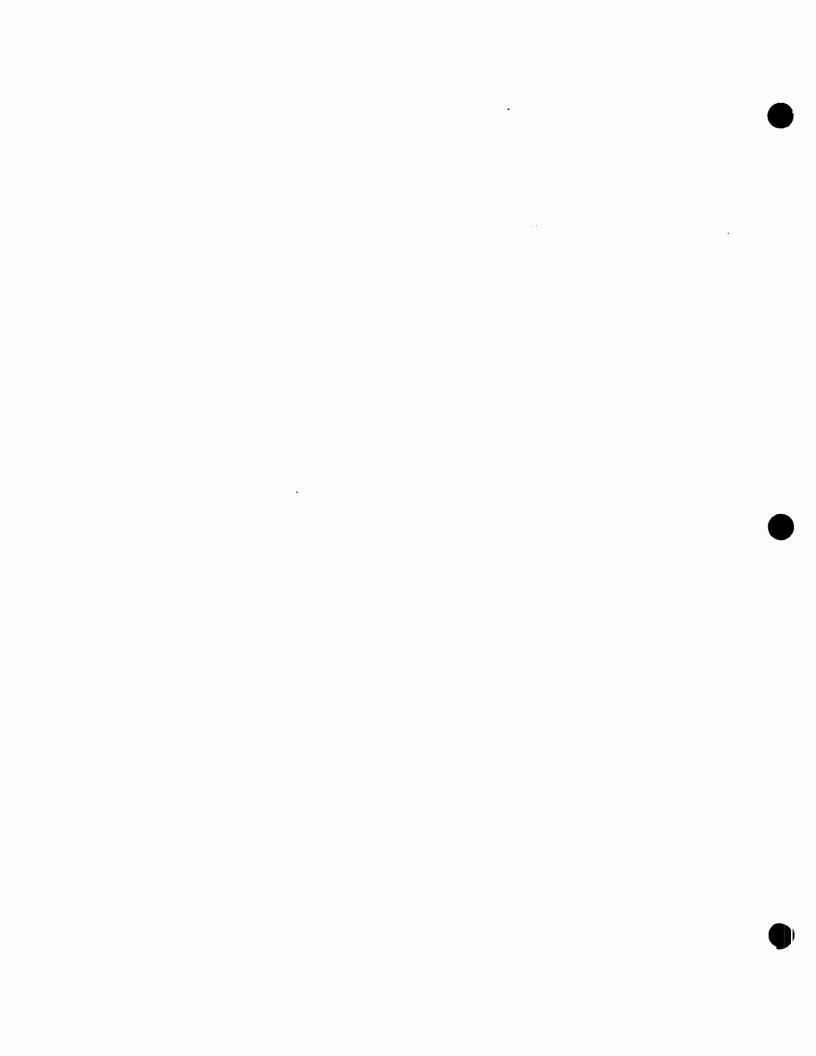




Global TransPark

Joint Transportation Appropriations Committee
Rudy Lupton

19 March 2015

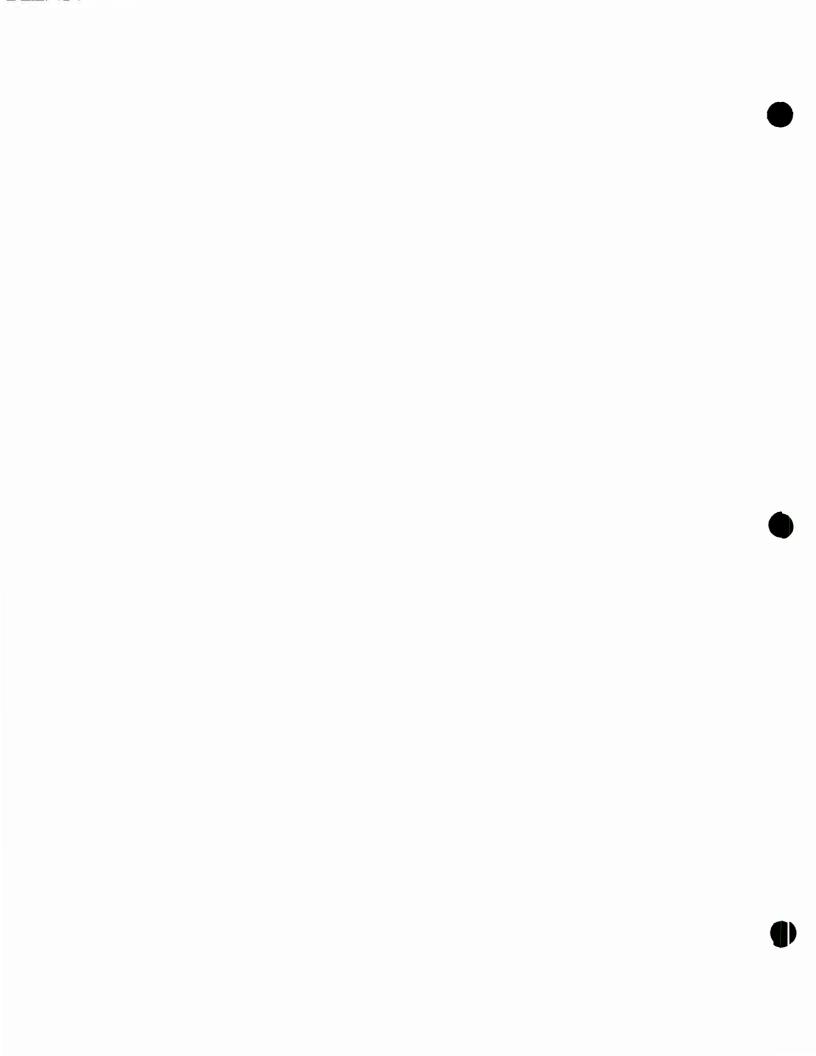




Overview

North Carolina Global TransPark

- "Aerotropolis" Concept
 - Multi-modal manufacturing and distribution hub
 - "Just-in-time" delivery capability to global markets
 - \$733m conceptual investment
- Air Cargo Authority authorized in 1991
 - Independent agency, governed by 20-member board
 - Exempt from property tax
 - Zoning powers & debt authority
 - Kinston/Lenoir County selected
 - \$25M Escheats Fund loan
- Aligned under DOT in 2011 (S409)





Facilities and Assets Overview

> Infrastructure

- 4 lane access to Highway 70
- 11,500 foot runway
- 6.5 mile rail spur connects to NCRR

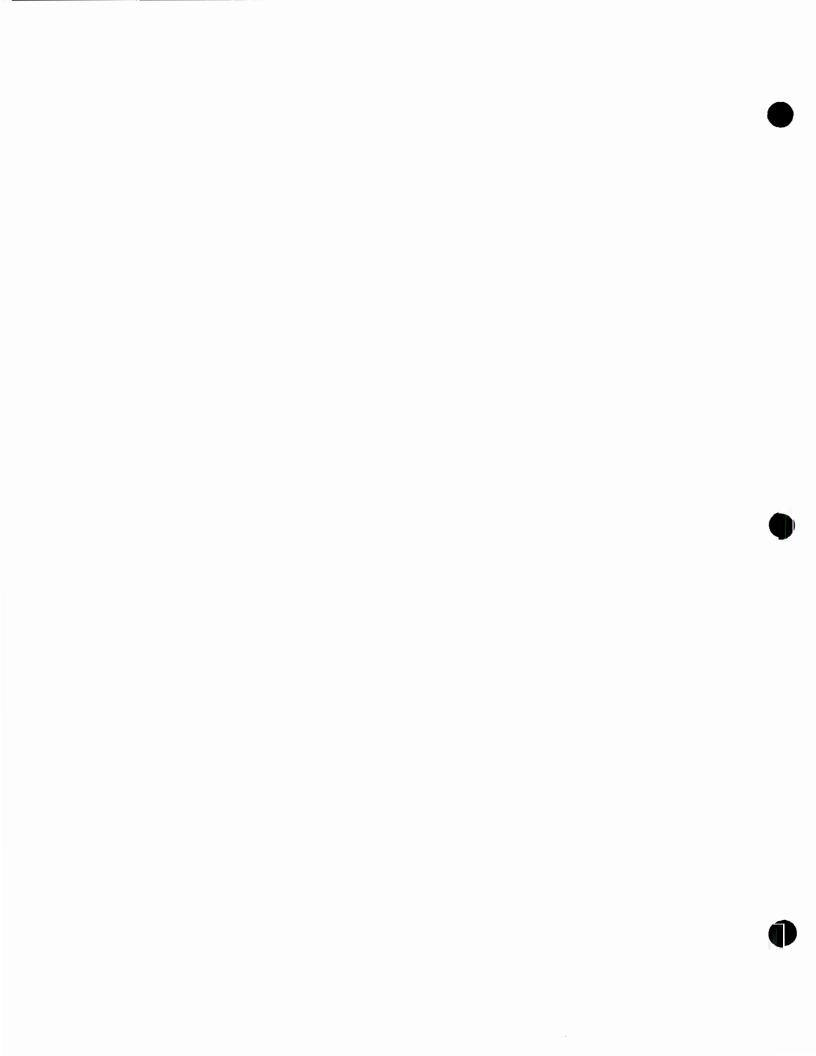
Land & Facilities

- 14 parcels 902 acres
- 744 acres within 404 permit area
- 13 facilities warehouse, office & hangar facilities

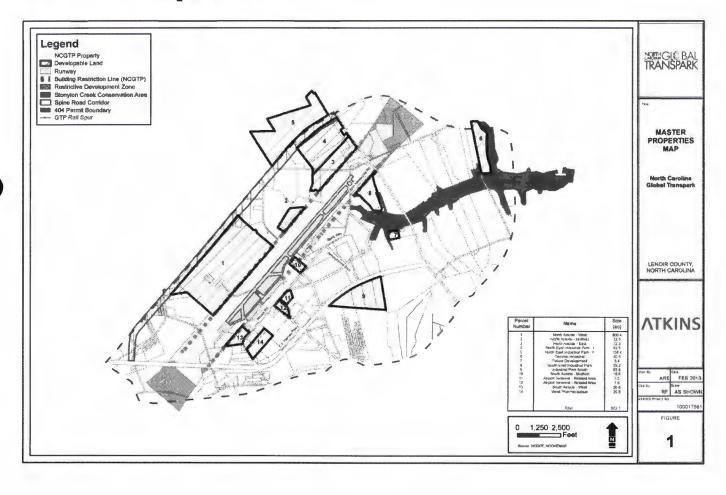
> Foreign Trade Zone

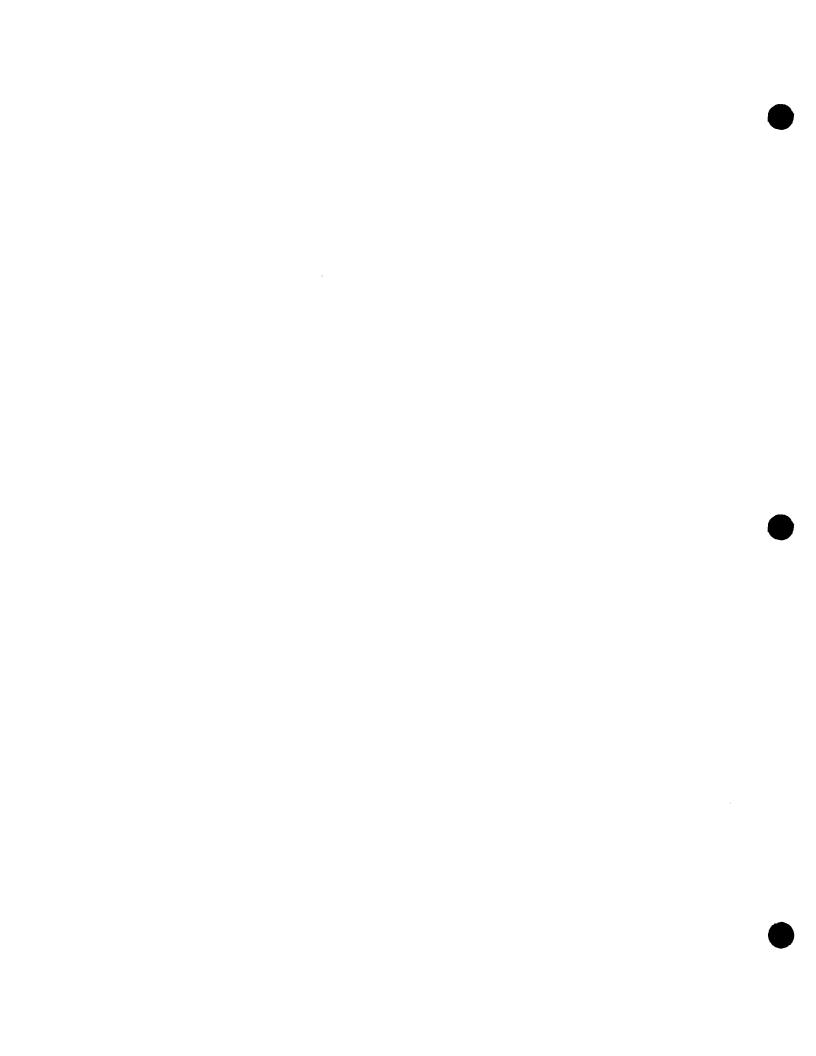
- Encompasses 23 counties
- Provides duty-free, delayed duty status to participating businesses





GTP Properties

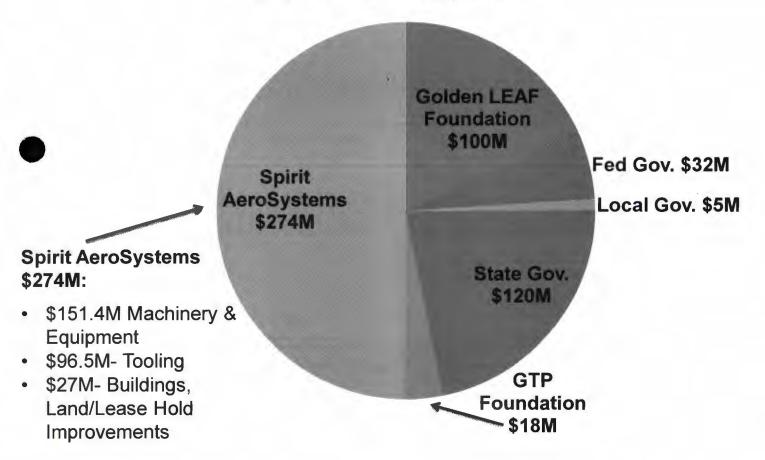




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Investment by Source

Actual Investment = \$549M

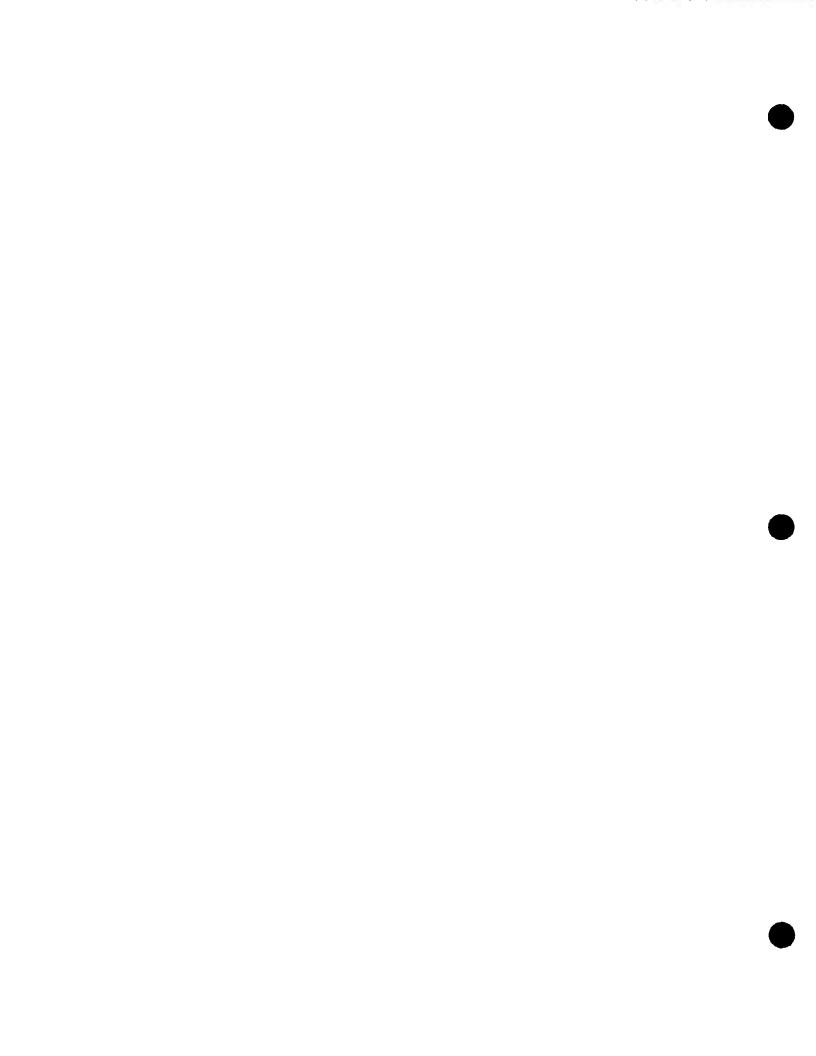


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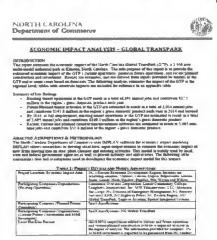
Spirit Funded Capital Projects 2015-2016

- 22 Capital Projects in 2015
 - Starts \$10M
 - Finishes \$24M
- Examples
 - Automated Fiber Placement Machine \$6M
 - Completion of 2nd Autoclave \$2.6M
 - Quality Assurance Lab \$600K
- Additional investment planned for 2016





Economic Impact



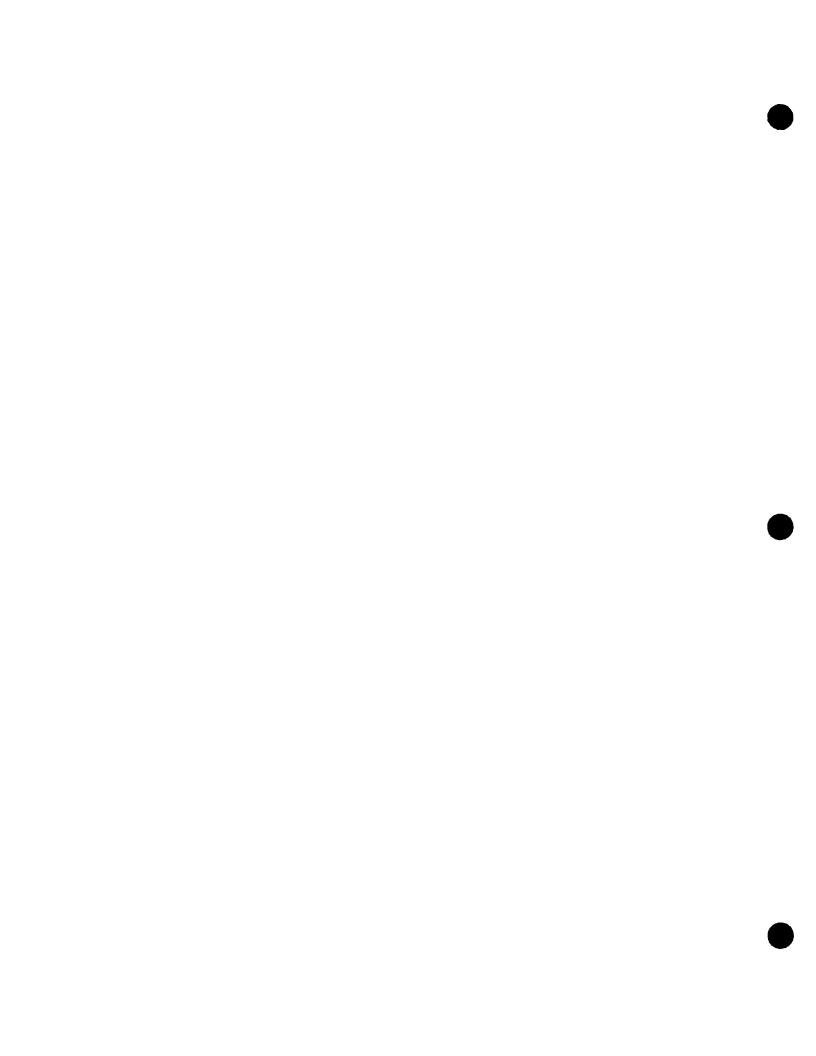
Economic Impact Analysis – GTP (2010)

- \$42.5M Overall Impact
- \$20.5M Payroll
- \$2.4M Local & State Taxes
- Supports 391 jobs

Economic Contributions of Airports (2012)

- \$219M Overall Impact
- \$46M Payroll
- \$5.8M Local & State Taxes
- Supports 1,230 jobs statewide







Historical Employment

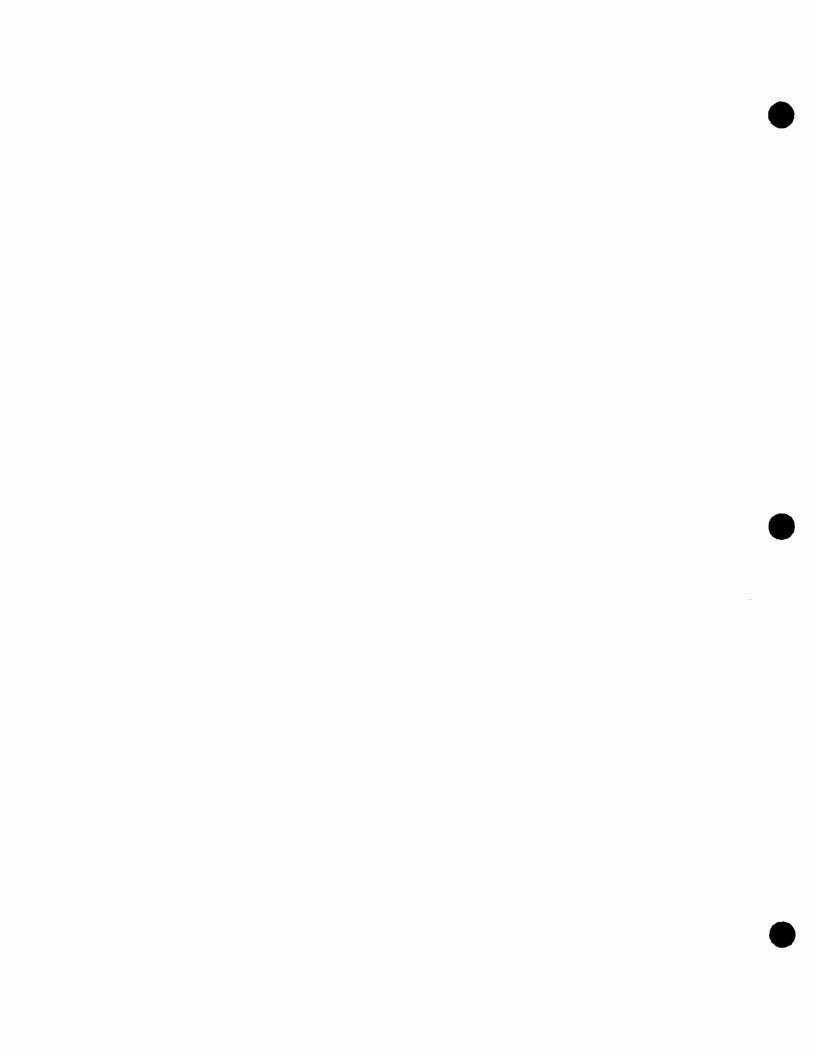
Private Sector Employment

| | | 2011 | 2012 | 2013 | 2014 |
|------|---------------------|----------|----------|----------|----------|
| Priv | vate Sector Employe | es* 357 | 436 | 486 | 456 |
| | Total Payroll | \$16.2M | \$22.2M | \$24.5M | \$22.0M |
| | Average Pay | \$45,317 | \$50,800 | \$50,402 | \$48,185 |

^{*}From GTP FY Tenant Survey - 30 June 2014

Current Public Sector Employment

- 59 employees
- 1 Federal, 4 State agencies





Inducement Goals - Spirit

Aggregate Eligible Positions

| Year* | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------|------|------|------|------|------|------|-------|-------|-------|
| Target | 125 | 250 | 375 | 500 | 625 | 750 | 1,000 | 1,000 | 1,000 |
| 80%** | 100 | 200 | 300 | 400 | 500 | 600 | 800 | 800 | 800 |
| Actual | 162 | 262 | 382 | 422 | 375 | | | | |

Aggregate Capital Improvement

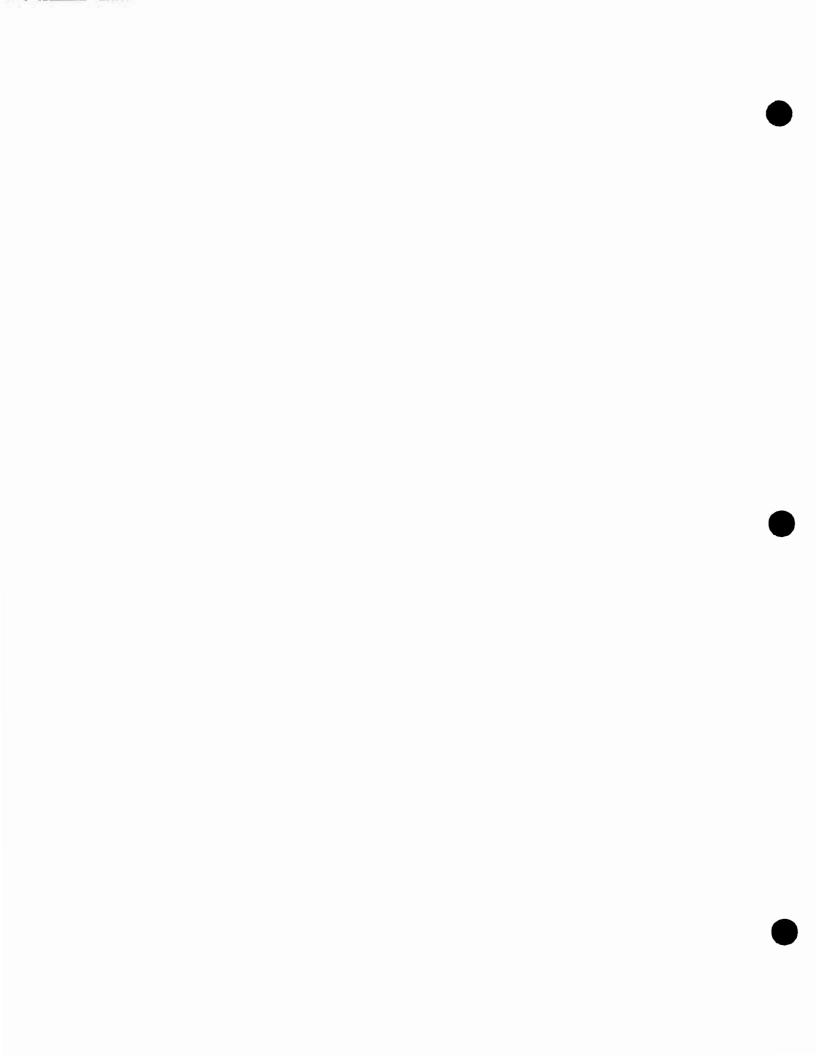
| Year | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------|-------|--------|--------|--------|--------|--------|--------|
| Target | 0 | \$19 | \$41.5 | \$50 | \$60 | \$75 | \$100 |
| 50%*** | 0 | \$9.5 | \$20.8 | \$25 | \$30 | \$37.5 | \$50 |
| Actual | \$5.8 | \$29.9 | \$71.9 | \$74.7 | \$74.9 | \$79.1 | \$92.2 |

 ^{*} Targets are based on calendar year

Source: Page 6, Paragraph 3 of North Carolina Governmental Incentives Agreement

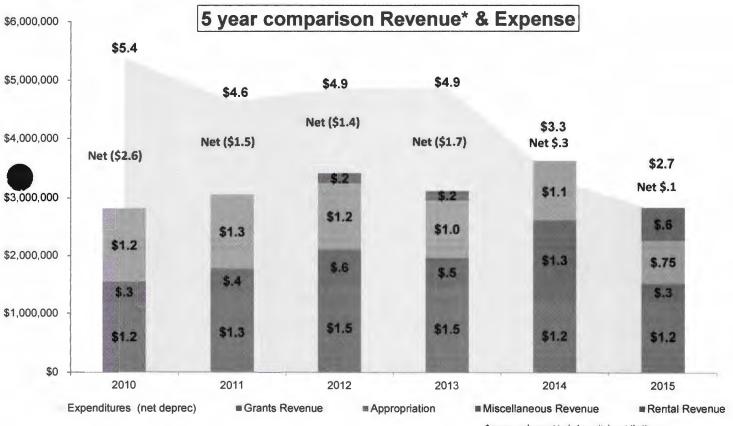
^{**} Required to meet at least 80% of the total target jobs

^{***} Required to meet at least 50% of the total Aggregate Capital Improvement Target





Key Financial Indicators



^{*} revenue does not include capital contributions



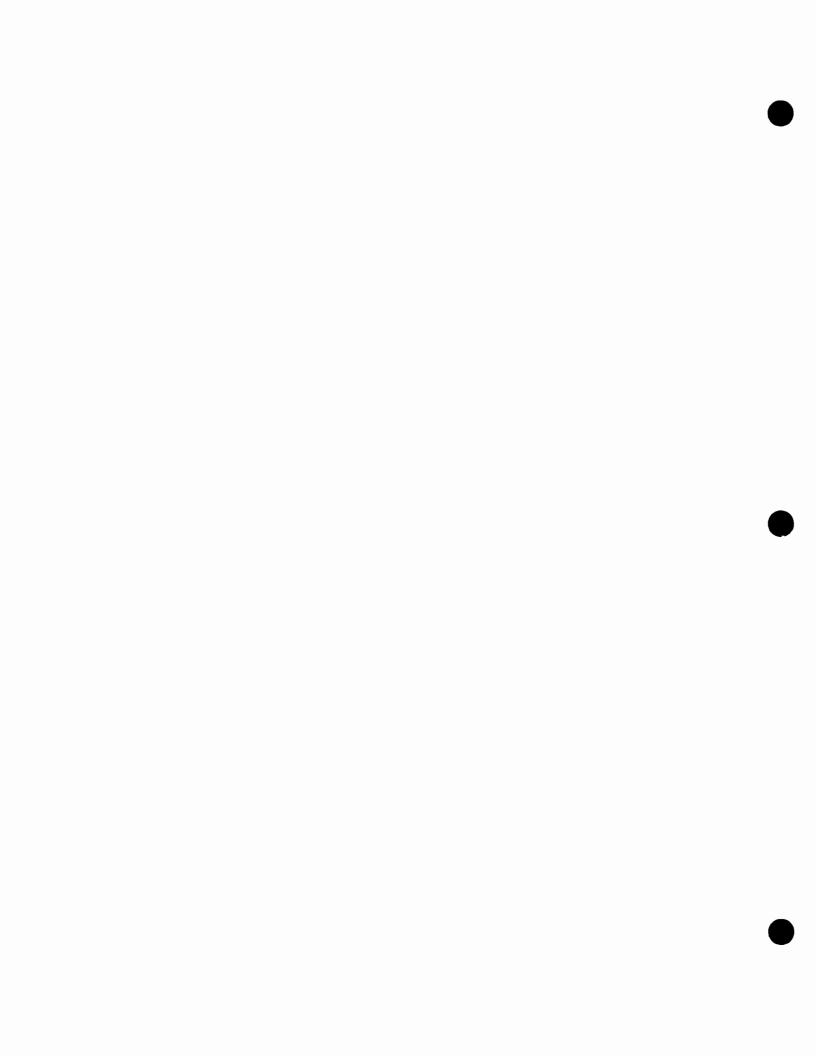
Key Financial Indicators

Revenue by Cost Center

Expenses by Cost Center



Projected FY15 Cash Flow \$93,106



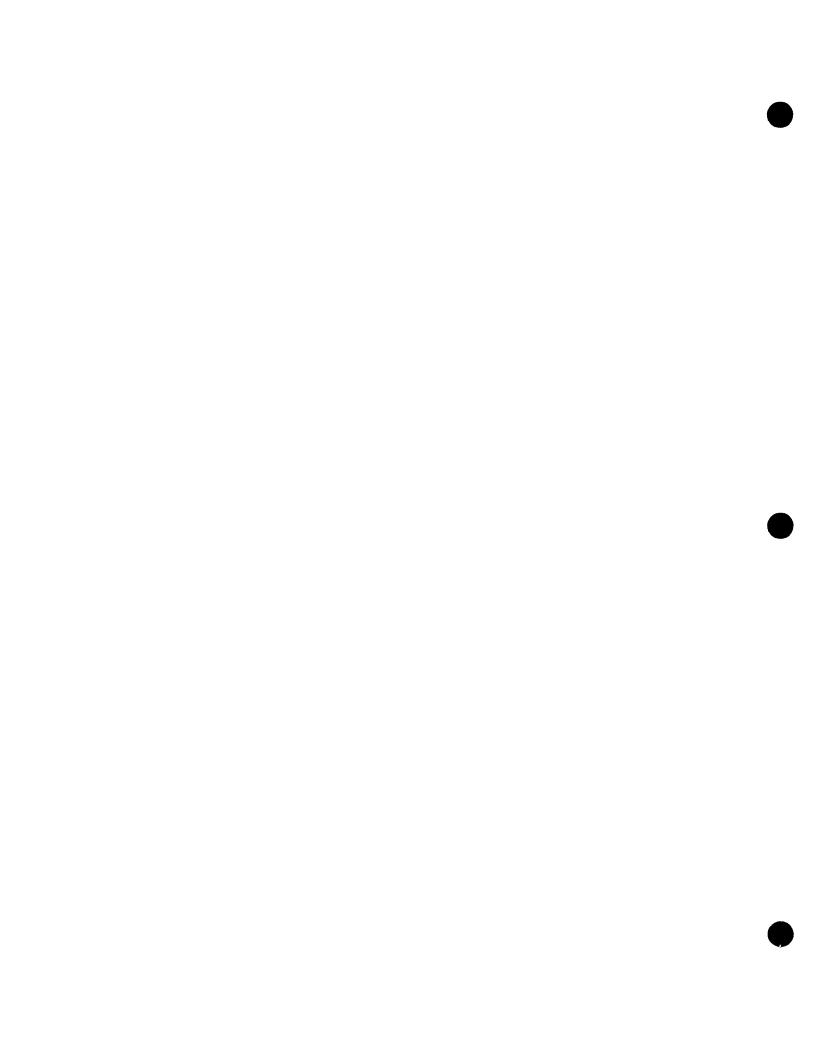


Key Financial Indicators

Net Position

| | , | Period Ending | | | | |
|-------------------------------------|-----------------|---------------|----|---------------|---------------|---------------|
| | June 30, 2010 | June 30, 2011 | Ju | ıne 30, 2012 | June 30, 2013 | June 30, 2014 |
| Cash & Investments | \$5,540,756 | \$6,001,619 | | \$3,329,579 | \$3,923,223 | \$4,541,526 |
| Cash & Investments (Res) | \$5,452,117 | \$678,349 | | \$1,053,850 | \$896,683 | \$895,479 |
| Assounts Receivable | \$246,592 | \$265,188 | | \$1,820,483 | \$325,033 | \$25,164 |
| Capital Assets, net of depreciation | \$237,901,282 | \$252,615,536 | < | \$255,753,918 | \$172,352,721 | \$166,142,508 |
| TOTAL ASSETS | \$249,140,747 | \$259,560,692 | | \$261,957,830 | \$177,497,660 | \$171,604,677 |
| Accounts Payable | \$5,523,849 | \$847,442 | | \$1,140,915 | \$344,593 | \$313,377 |
| Notes Payable | \$43,722,378 | \$28,333,070 | > | \$36,139,919 | \$38,091,435 | \$10,899,263 |
| TOTAL LIABILITIES | \$49,246,227 | \$29,180,512 | | \$37,280,834 | \$38,436,028 | \$11,212,640 |
| NET POSITION | \$199,894,520 | \$230,380,180 | | \$224,676,996 | \$139,061,632 | \$160,392,037 |
| | | | | | | |
| | Escheats Fund I | nterest | | | Escheats Fund | |
| | | | | | | |

Asset restatement





Expense Reduction Efforts

- > Debt reduction
 - Loan payoffs
 - · Refinancing remaining loans
- Consolidated operations
 - · To reduce utility costs
 - · To reduce operating expenses
 - To gain personnel efficiencies
- Reduced consulting expenses
 - Insourced work
- Leverage available expertise

\$900K reduction in annual expenses



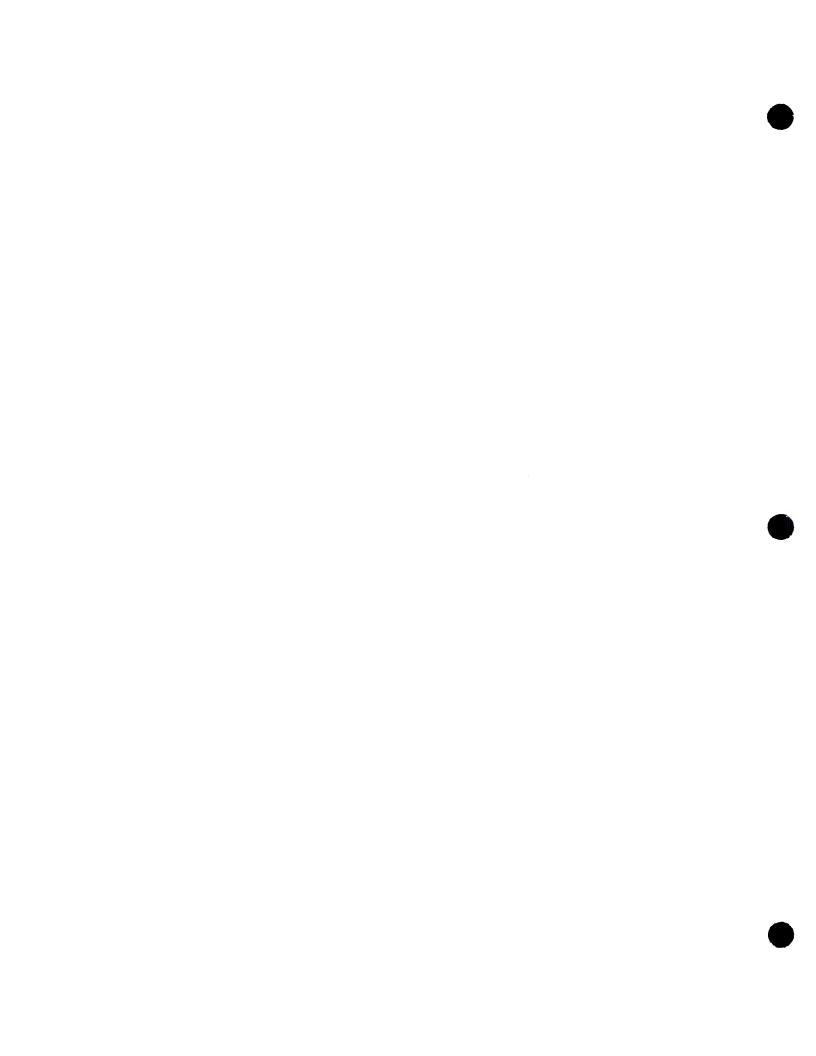
Long Term Obligations

- ➤ Reduced long-term obligations by 62% during FY15
- > Loans Repaid

| Building Name/Type | Loan Amount | Funding Source |
|--------------------------|-----------------|----------------|
| GTP-2 (Warehouse) | \$1.2M | GIP Gash |
| GTP-5 (Office) | \$1.4M | GTP Cash |
| FBO (Hangars) | \$563K | GTP Cash |
| Training Center (Office) | \$52 2 K | GTP Cash |
| Gas Line | \$100K | GTP Cash |

➤ Remaining debt – \$6.5M

| Building Name/Type | Loan Balance | Rate | Term |
|------------------------|--------------|-------|--------|
| GTP-7/(Warehouse) | \$2.9M | 6.75% | 17 yrs |
| FBO Expansion (Office) | \$453K | 4.25% | 32 Yrs |
| GTP-1 (Warehouse) | \$3.1M | 0% | 13 yrs |

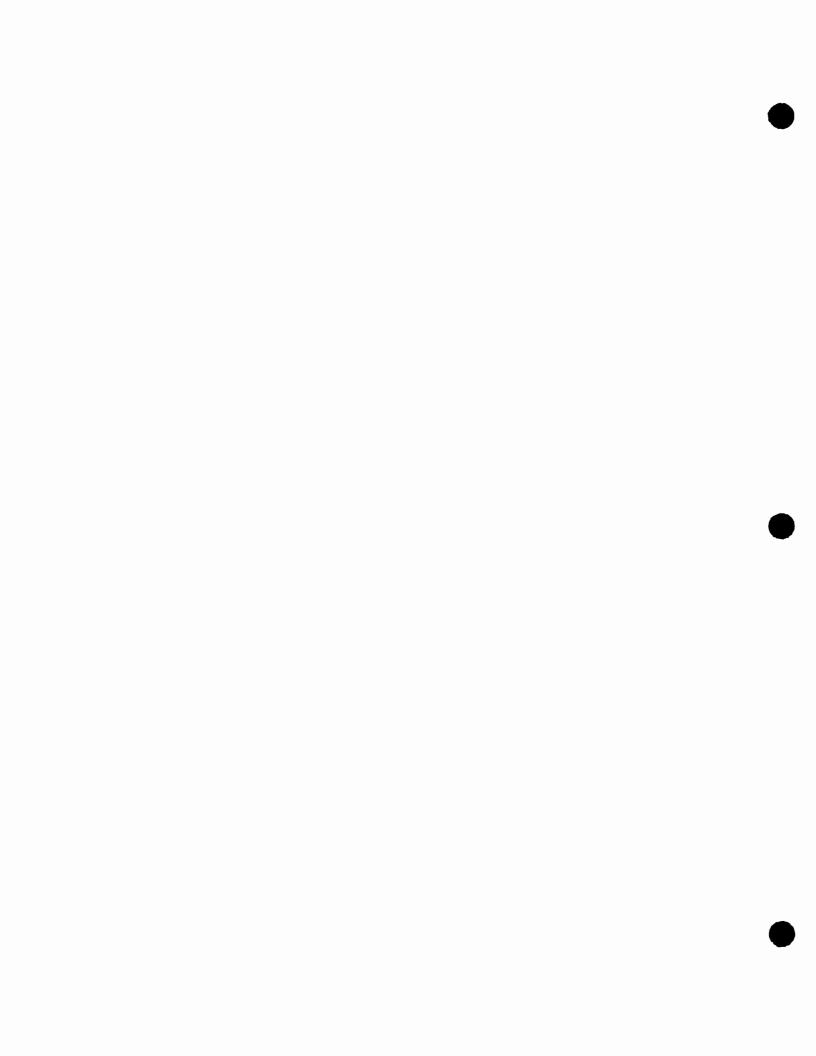


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Marketing Efforts

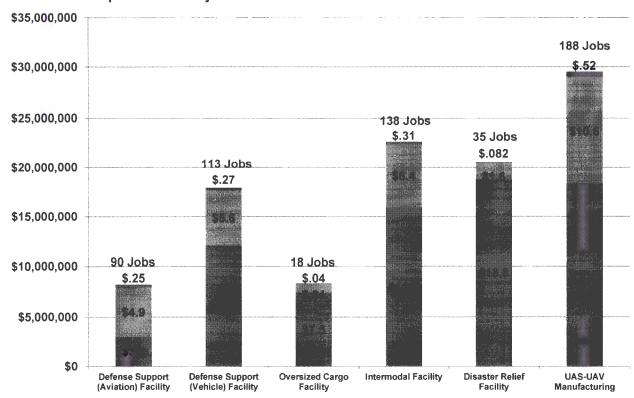
- Historic approach Broad
 - What is the ROI?
- ➤ Current approach Focused
 - Core industries
 - Sustaining & growing existing tenant base
 - Leveraging partners
 - Building relationships





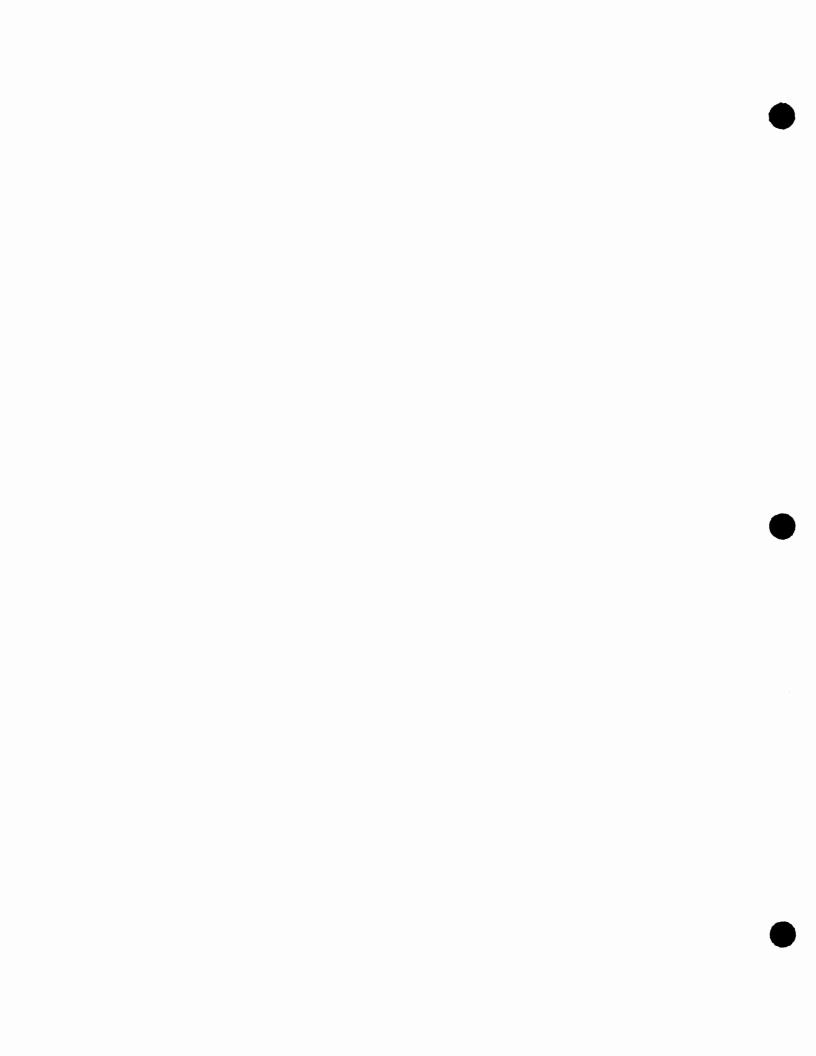
Target Markets & Opportunities

Comparison of Project Cost to Salaries and Tax Generated



[■] Projected Annual Tax Revenue by Project

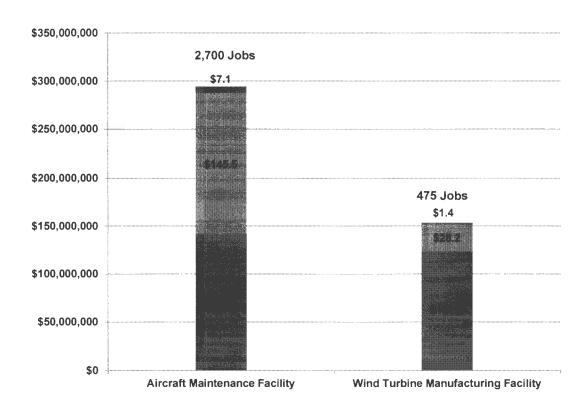
[■] Calculated Salaries by Project





Target Markets & Opportunities

Comparison of Project Costs, Salaries and Tax Generation

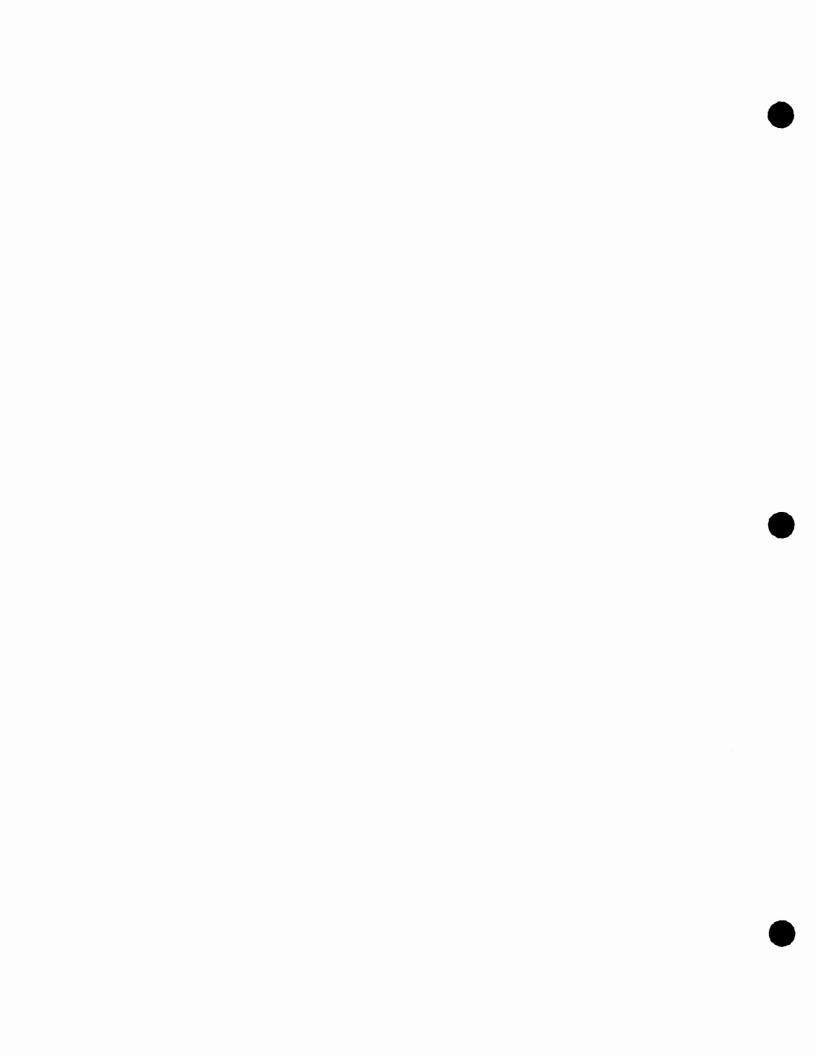


■ Projected Annual Tax Revenue by Project

■ Calculated Salaries by Project

■ Jobs (avg)

™ Total Cost

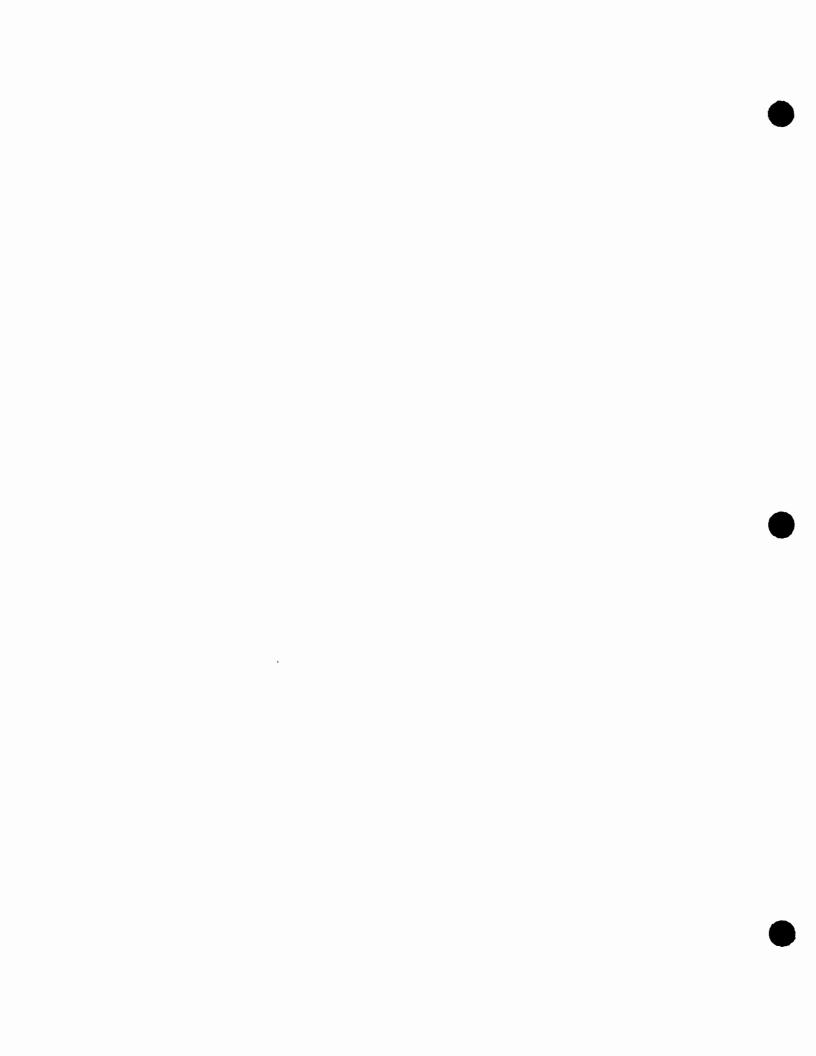


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Capacity for Growth & Revenue Generation

- Capacity to grow exists
 - Available land
 - Leasable facilities
- Capacity to generate revenue exists
- Positive ROI is being realized
- ➤ Recommend a predictable appropriation reduction based on revenue growth measured against prior year





On-Site/Existing Infrastructure Needs

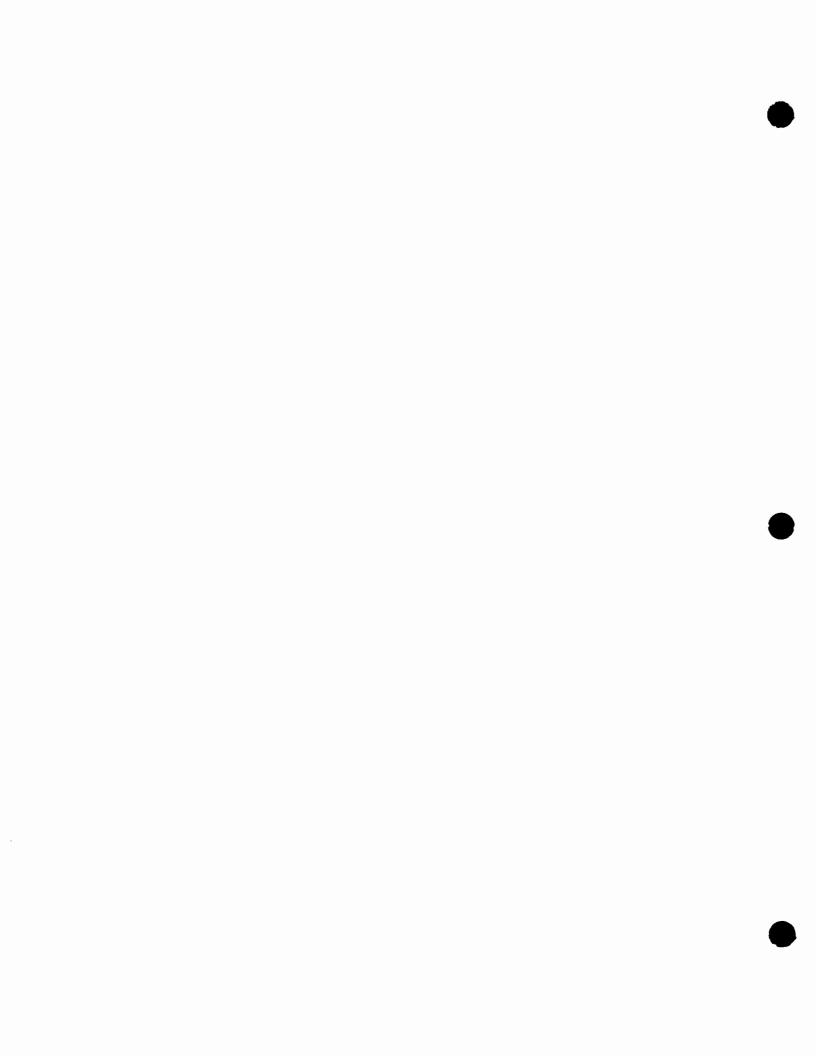
- Continued funding of highway infrastructure projects between I95, GTP & Port of MHC
 - Goldsboro Bypass (ongoing, 2016 completion)
 - Highway 148 Harvey Parkway to Highway 11 (funded)
 - Kinston Bypass (not programmed in 10 year STIP)
 - New Bern Bypass (James City section funded)
 - Havelock Bypass (funded)
 - Northern Carteret Rail & Freeway (feasibility study)
- > Improve Rail Service options in Eastern North Carolina
 - · Competition is limited
- Upgrade Rouse Rd Extension/Spirit Way to support increased truck traffic
- Redundant electrical power supply at GTP
 - Redundant electrical required for production processes
 - · Could become a factor in attracting customers

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Questions



SENATE PAGES ATTENDING

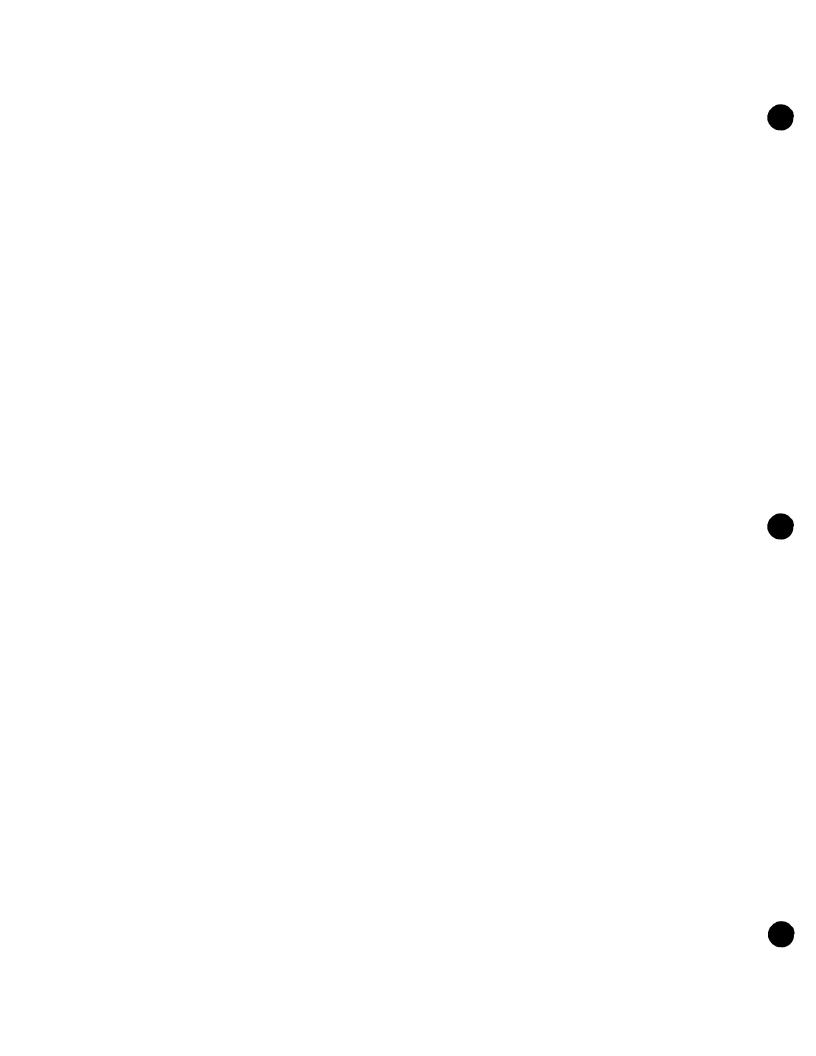
| committee: Joint: | D.O.T. | ROOM:_ | 1228 |
|-------------------|--------|--------|------|
| DATE: 3 -/ | 9TIME: | 8:30 | 9 |

PLEASE PRINT <u>LEGIBILY</u>!!!!!!!!!!....or else!

| Page Name | Hometown | Sponsoring Senator |
|----------------------------|----------------------|--------------------|
| 1.) Anthony Forte 2. | Boiling Spring lakes | Rabon |
| 3. | | |
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| 10. | | |

Do not add names below the grid.

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



Thursday, March 19
APPROPRIATIONS
TRANSPORTATION
(JOINT)

Room 1228/1327 Time 8:30 am

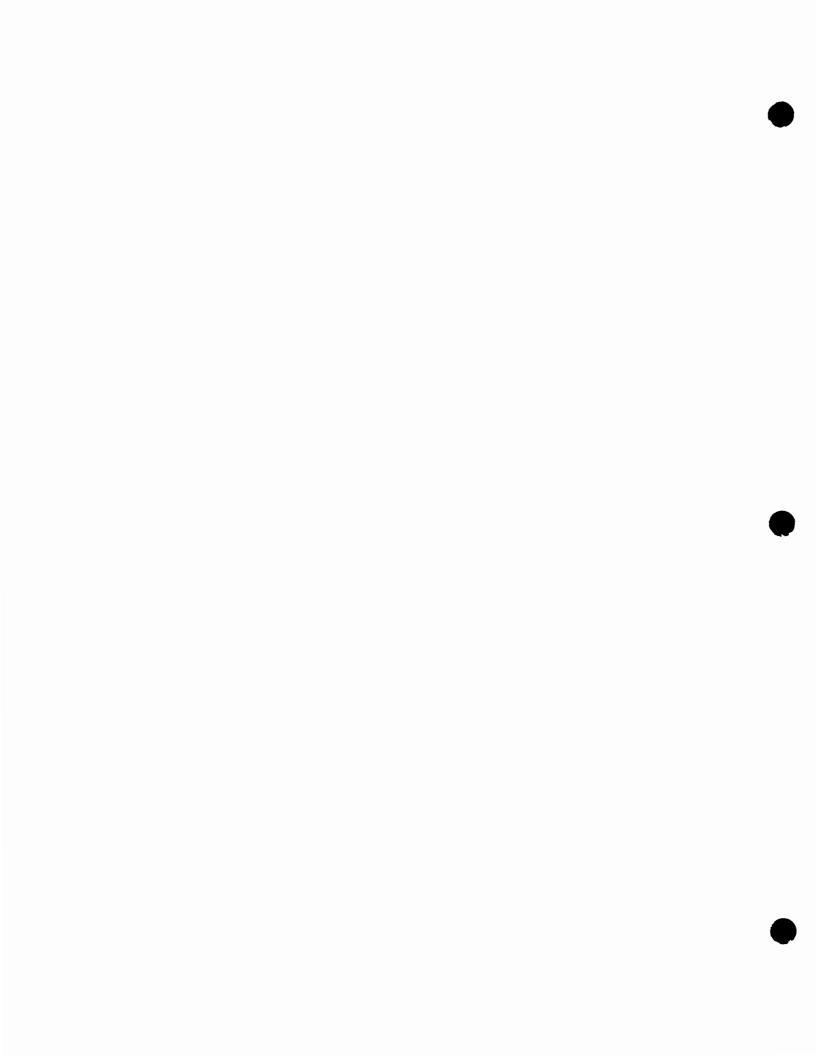
| Name | County | Sponsor |
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| Bryson Hill | Brunswick | Frank Iler |

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Committee Sergeants at Arms

Joint Comm on Appropriations, Transportation

| | 3/19/15 Room: 1228/1327 | |
|---------|----------------------------------|---|
| Name: | House Sgt-At Arms: Carlton Adams | |
| | Martha Gadison | |
| | Joe Austin | |
| | | |
| Name: _ | • | |
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| | Senate Sgt-At Arms: | |
| Name: | Hal Roach | |
| Name: | Hal Koach | |
| Name: | | 6 |
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| Name: | | |

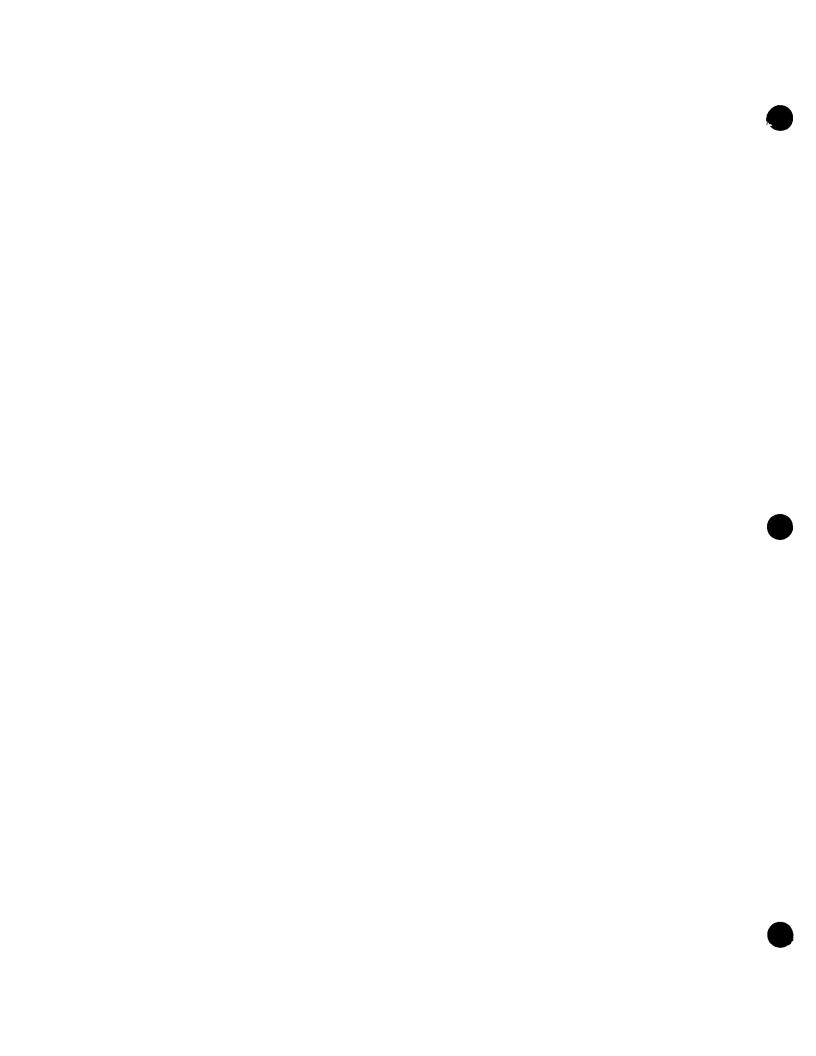


VISITOR REGISTRATION SHEET

[Committee Name]

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

| NAME | FIRM OR AGENCY |
|----------------|-----------------|
| LauvaBlair | NU Ports |
| Tom WAMS | NC PORTS |
| GLEG FENNELL | NL BETS |
| Reston Jones | NC DOT |
| DAN GURLEY | NC PORTS |
| MurDesor | pare |
| Je Mª Clees | Meclees Consult |
| John Hoomen | NCDOC |
| Colley Lone | NC DOC |
| Auny Wassel | SA |
| Adam Banks | Satvar Lan |
| BOBBY LEUIS | NEDOT |
| KEVIN Le Court | SEANC . |
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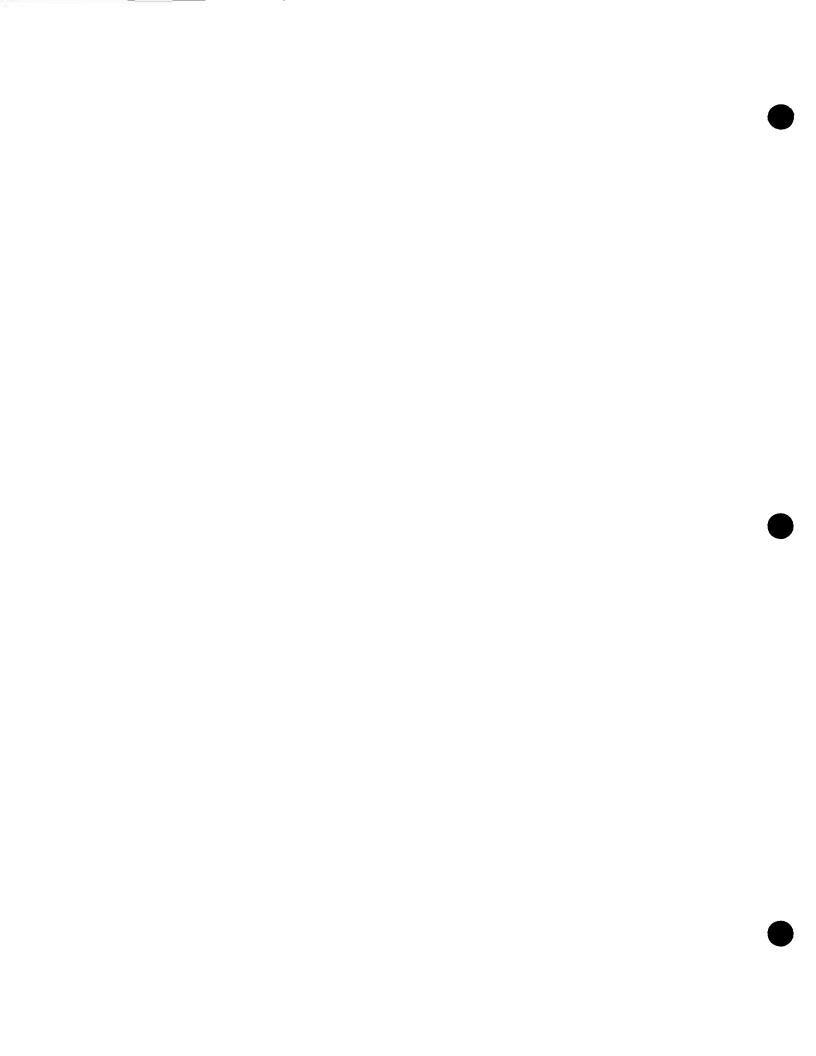
VISITOR REGISTRATION SHEET

Transpertation App.
(Committee Name)

3-19-15 Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

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| Thomas Check. | OSBM |
| Proche Landon | Brooks Pierce |
| Jay Sten | NEAR |
| Don Carrington | Certine Toursel |
| Thuyllaly | ZNOW NUMB - LIMS. |
| Stornes | Treasuler |
| AndyChase | KMA |
| Jett Trees | Lever hog- s |
| LORI F-ULLER | WEBOT |
| Fred Bone | Bone: Asso. |
| Crystal Collins | NC Trucking ASSID. |
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| | 09-22-2012 |



Joint Appropriations Committee on Transportation

March 25, 2015 8:30 a.m. Room 1228/1327 LB

Agenda

Chairs: Representative John Torbett

Representative Phil Shepard, Chairing

Representative Frank Iler Representative Paul Tine Senator Bill Rabon Senator Wesley Meredith

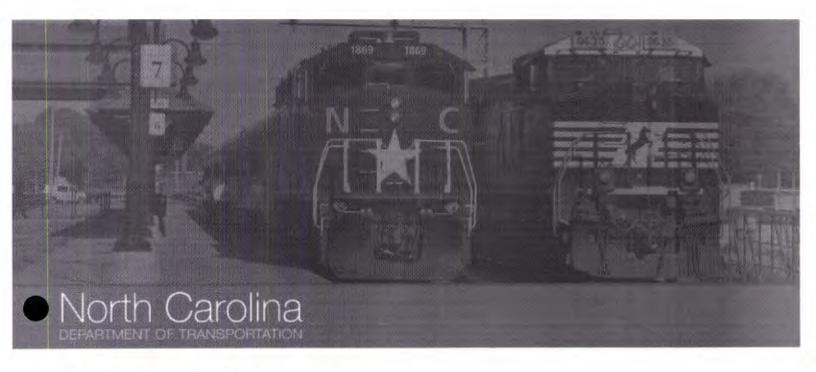
Call to Order

• NCDOT Rail Division

Paul Worley, Director, Rail Division North Carolina Department of Transportation

Next meeting: NCDOT Ferry Division - Thursday, March 26, 8:30 a.m.

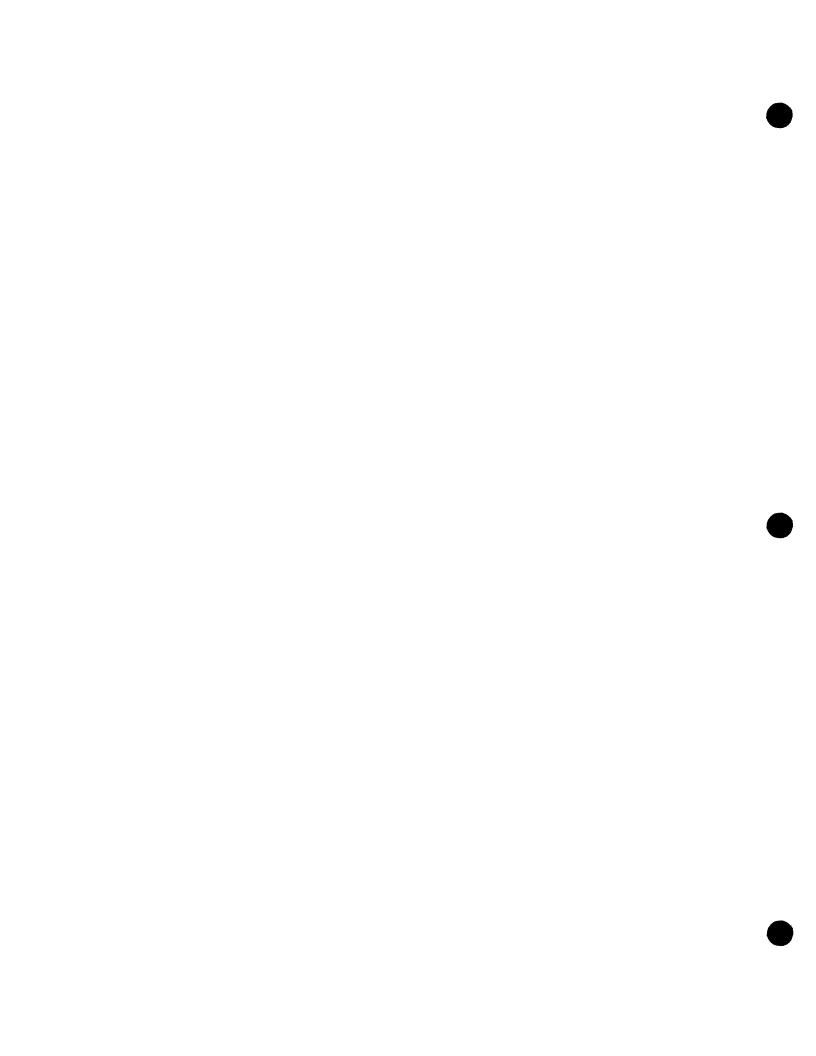
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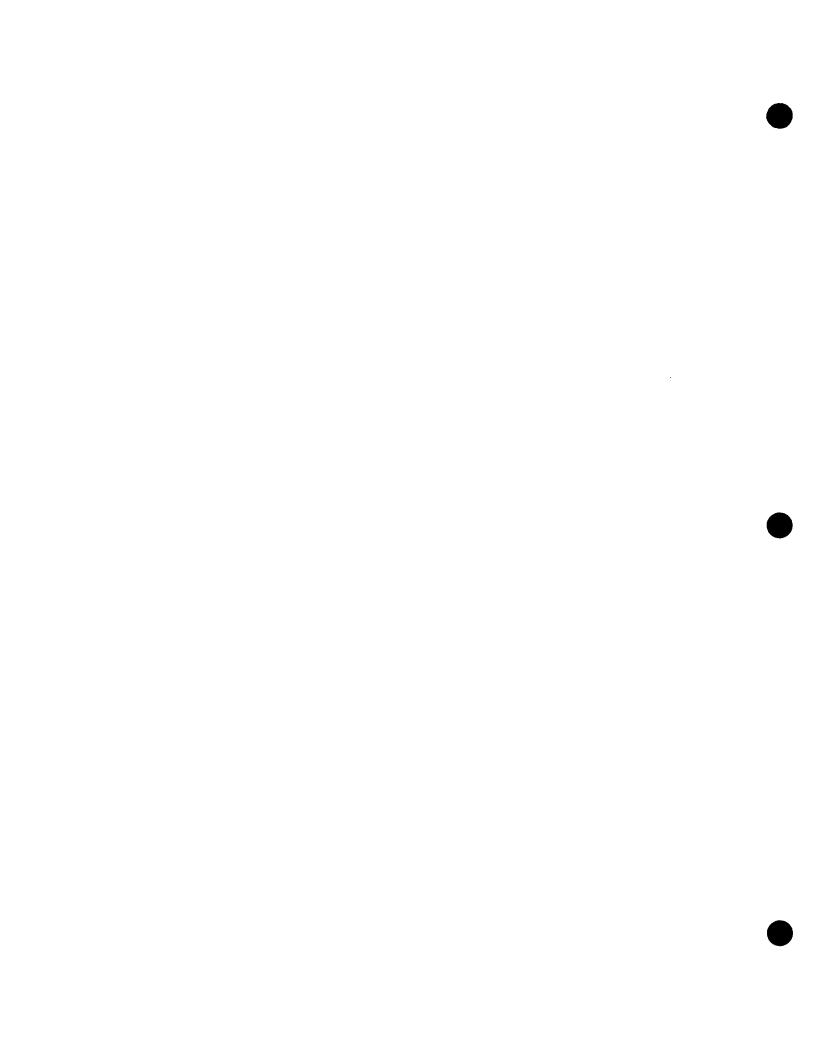
NCDOT Rail Division

Joint Legislative Transportation Oversight Committee March 24, 2015

Paul C. Worley, CPM Rail Director



North Carolina ncdot.gov Rail Overview



North Carolina ncdot.gov Railroads Operate in 86 of 100 Counties 6 8 19 Daily State **Short Line** Daily Class I State-owned Supported Amtrak Railroads Railroads Corridors **Trains** Thru-2,331 miles 1,024 miles 109 miles **Trains**

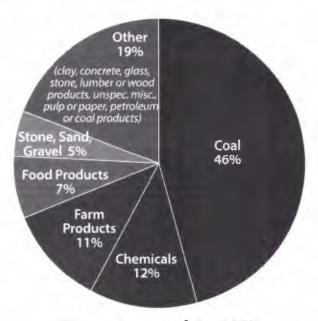
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Freight Rail Traffic

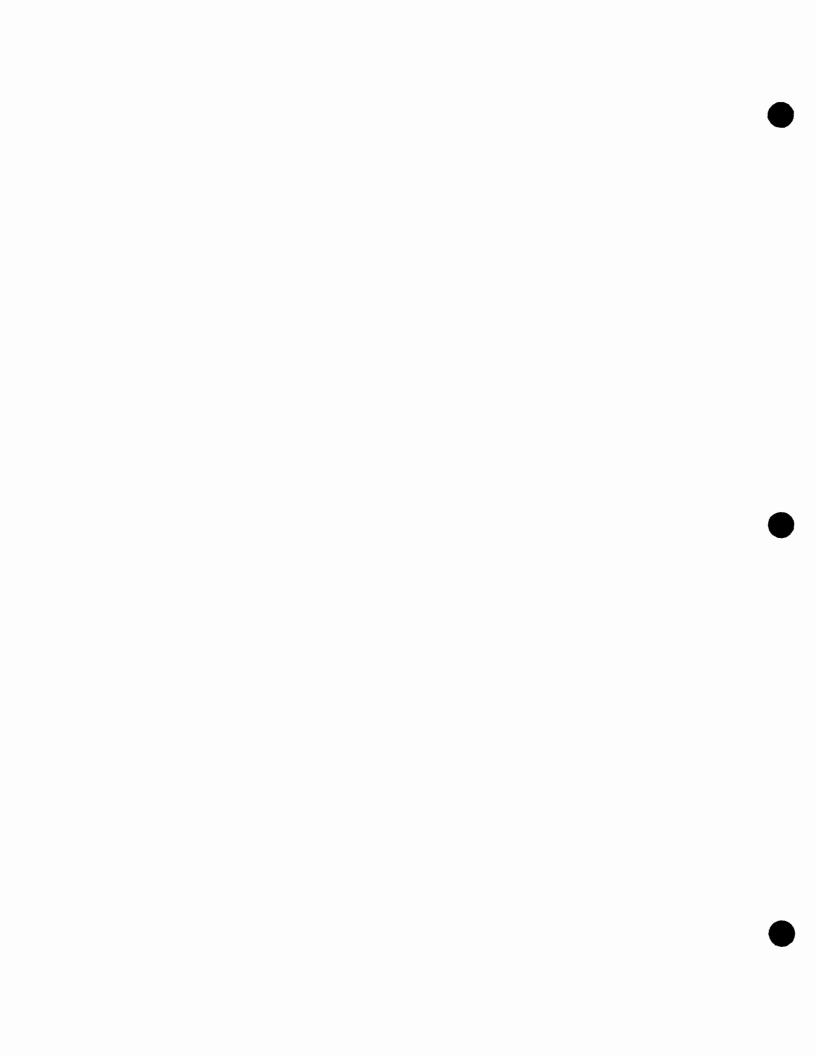


Originated in NC 10.4 million tons/204,200 carloads



Terminated in NC 47.9 million tons/591,200 carloads

*2012 Data



'ncdot.gov

Train Economics

- One train can carry as much freight as several hundred trucks
- Reduces long-distance truck volumes on highways
- 75% of trips are more than 440 miles in distance and heavy loads

It would take approximately

+ 4.6 Million

additional trucks to handle the

82 Million Tons of freight

that originate in, terminate in or moved through North Carolina by rail each year.

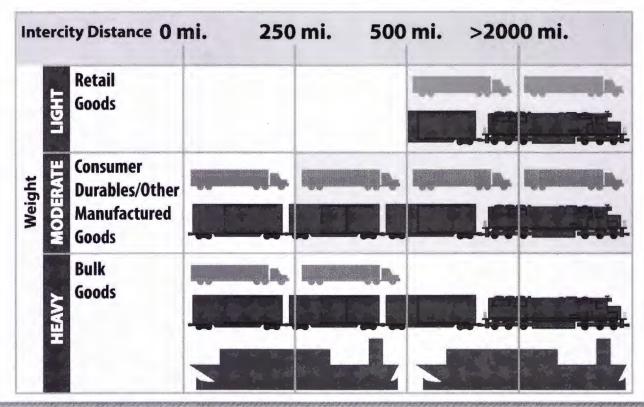




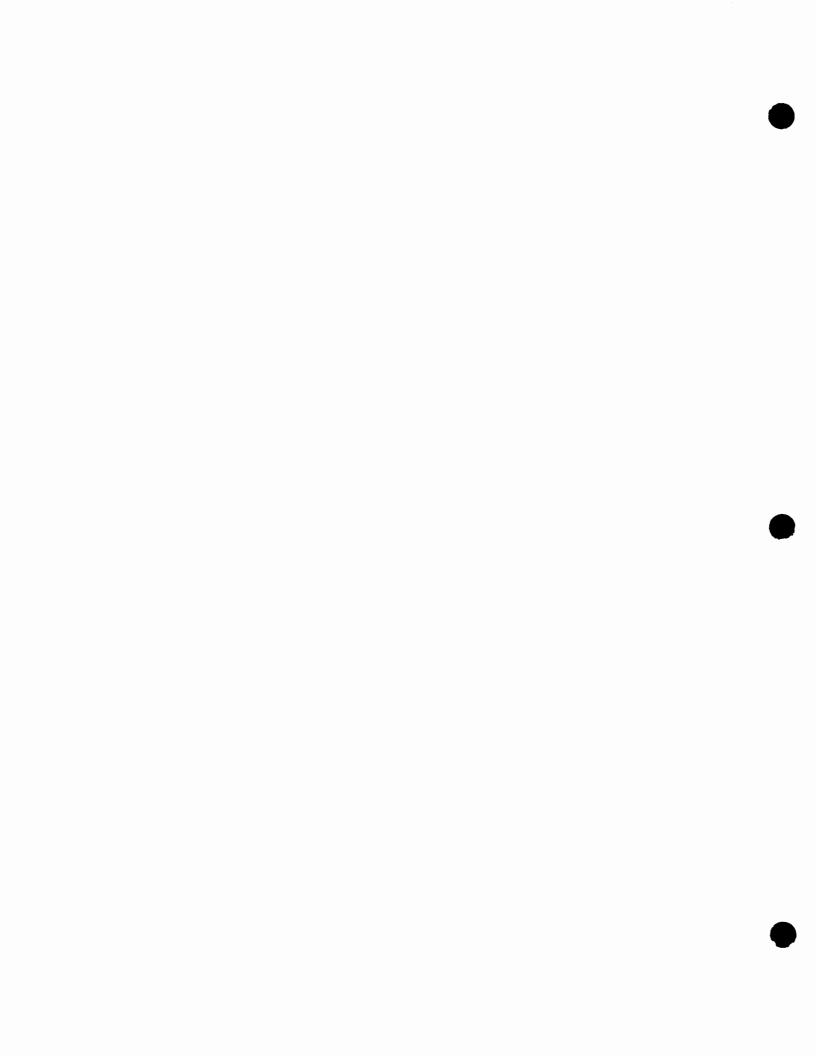
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The Role of Rail

The potential advantage of different modes with respect to weight and distance

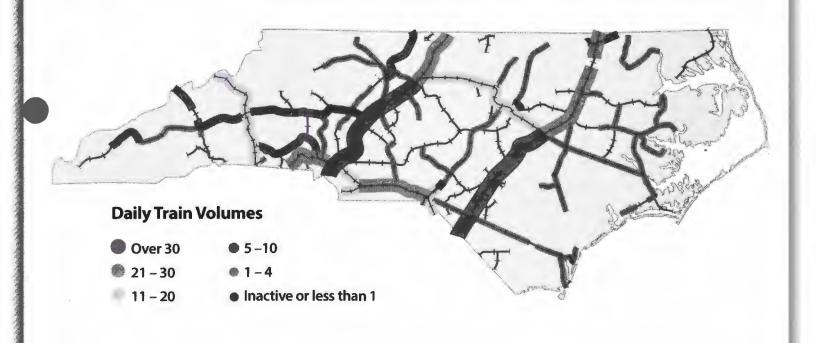


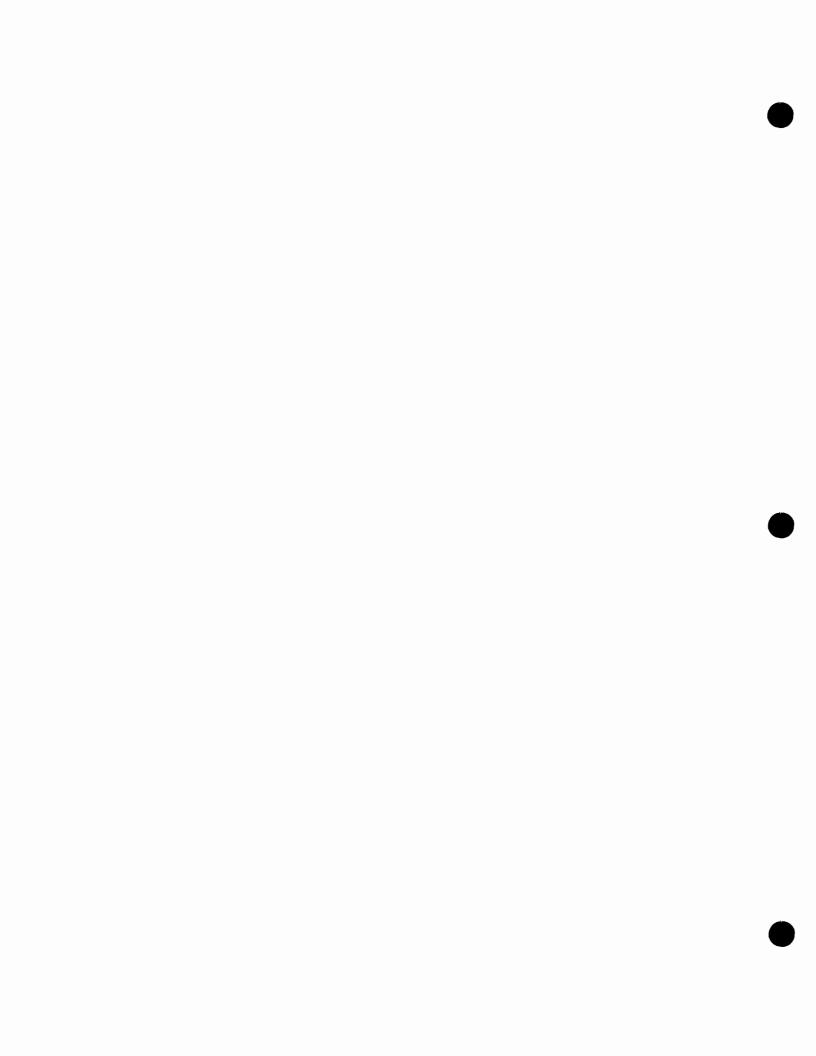
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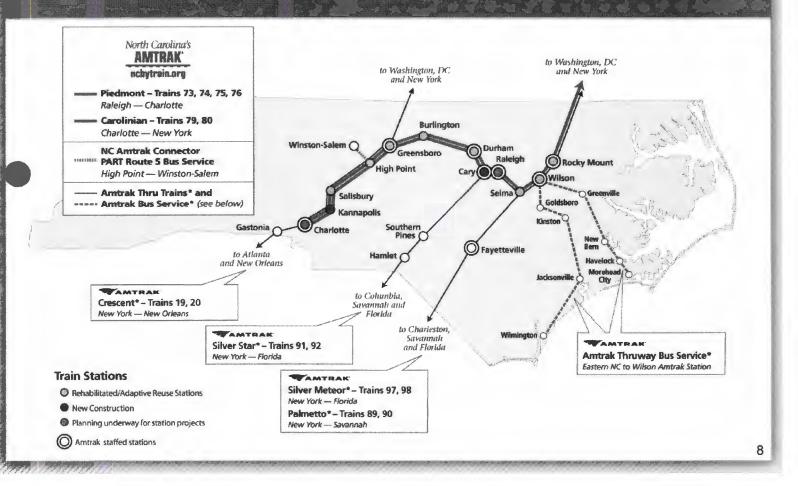
2014 Train Volumes in North Carolina

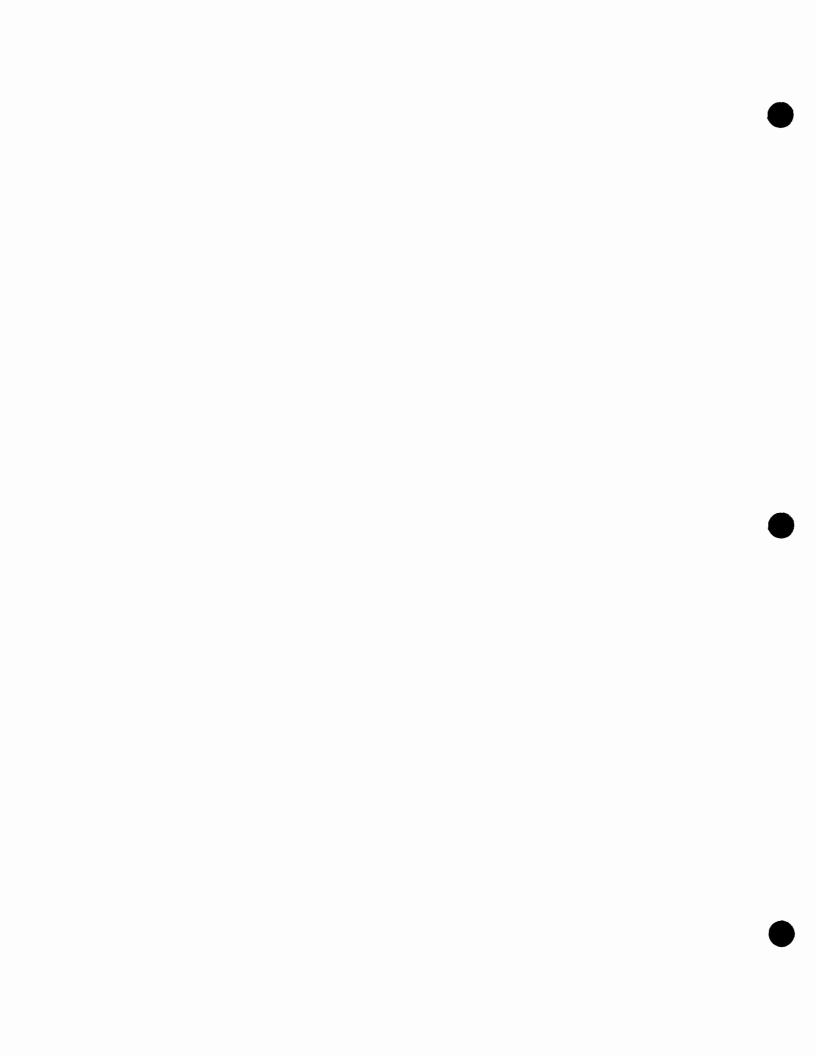




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Current Passenger Rail Services





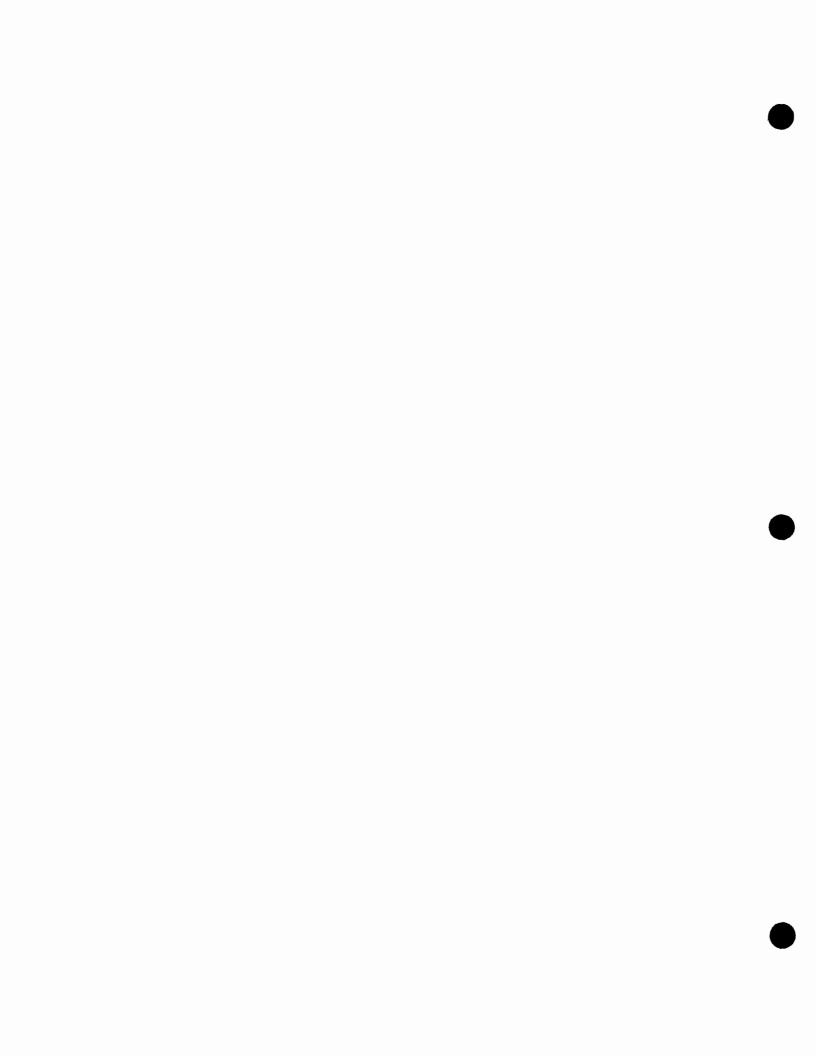
Economic Impact of Rail in North Carolina

Railroad Direct Economic Impacts for Freight and Passenger Rail in North Carolina

| | Freight (2014 Dollars)* | Passenger (2014 Dollars)* |
|---------------------------------|-------------------------|---------------------------|
| User Cost Savings (Shipper) | \$1,496M | - |
| Amtrak Wages and Purchases | | \$89M |
| Tourist Spending | - | ** \$2M |
| GSMR Direct Wages and Purchases | | \$6M |
| GSMR Tourist Direct Spencing | | \$16M |
| Pavement Savings | \$96M | \$4M |
| Congestion Savings | \$162M | \$4M |
| Total | \$1,754M | \$121M |

^{*}Tourist spending, pavement savings, congestion savings, auto emissions, and safety for passenger rail are based on trips to NC that would not have been made without rail.





North Carolina ncdot gov NCDOT Rail Improvements History **North Carolina ARRA Award Passenger** Piedmont Improvement Program (PIP) Railroad Improvement Program (NCRRIP) Safety **Program** 1995 Piedmont mid-day added **Piedmont** Effort began Sealed Corridor Sealed Corridor (3rd frequency) (4th frequency) Carolinian service to signalize initiated completed resumed after all passenger 5-year hiatus crossings First Traffic **Piedmont** Separation (5th frequency) Study **TBD** First crossina Piedmont service CLT-RGH closed begins 3 hours 10 minutes All passenger CLT-RGH routes treated 4 hours with 20 minutes retroreflective crossbucks

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NCDOT Rail Corridors – 109 miles preserved

| Corri | dor | Location | Date acquired | Length (miles) | Cost | Status |
|--------|---------------------------------|---|---------------|----------------------------|-------------|---------------------------|
| 1. M | urphy Branch | Andrews to Murphy | 7-18-88 | 14.23 | \$650,000 | Rail Banked |
| 2. Fra | anklin County | Franklinton to Louisburg | 11-2-90 | 9.6 | \$162,108 | Rail Banked |
| | edmont & Northern harlotte) | Charlotte | 11-27-91 | 0.77 | \$186,000 | Trail Lease |
| | edmont & Northern It. Holly) | Mt. Holly to Gastonia & Belmont | 12-5-91 | 11.6 (main) 3.0 (spur) | \$483,221 | Operating Lease |
| 5. Ma | aiden Branch | S. Newton to Lincoln Co. line | 4-13-93 | 6.3 | \$130,000 | Rail Banked |
| 6. W | ilmington & Weldon | Wallace to Castle Hayne | 8-4-94 | 27.1 | m- | Rall Banked |
| 7. Du | urham & South Carolina | Durham to NC 54 | 8-18-95 | 5.07 (main) 3.07 (spur) | \$1 | Trail Lease & Rail Banked |
| 8. Du | urham & South Carolina | Chatham-Wake Co. line to New Hill | 8-18-95 | 7.35 | \$1 | Trail Lease & Rail Banked |
| 9. Lir | ncolnton (C&NW) | Lincolnton | 1-27-97 | 0.61 | \$10 | Rail Banked |
| 10. Du | urham & South Carolina | Fayetteville Street to Chatham-Wake Co. line | 8-6-98 | 6.34 | \$425,000 | Trail Lease |
| 11. W | ilmington Lead | Fourth Street to McRae Stree | t 6-12-02 | .25 | \$100,000 | Rail Banked |
| 12. Na | ash County Railroad | Momeyer to Spring Hope | 11-02-05 | 4.3 | \$10 | Rail Banked |
| 13. W | inston-Salem R-Line | Downtown Winston-Salem | 2-26-06 | 2.0 | \$2,686,276 | Trail Lease & Rail Banked |
| 14. GI | obal TransPark Spur | Kinston | 9-30-12 | 5.7 | | Soliciting Leas |

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NCDOT Corridor Activity

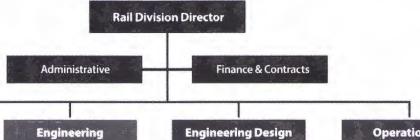
- Piedmont & Northern Gastonia to Mount Holly, resumed operation
 February 2012, preliminary negotiations underway with new operator
- Andrews to Murphy Line Study complete, strong local interest in track/service restoration
- Global TransPark Spur Evaluating lease options
- Wallace to Castle Hayne Line –
 Department of Defense interested in restoration
- S- and SA-Line Preservation for future Southeast Corridor connecting North Carolina to Northeast Corridor



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NCDOT Rail Division Functions



Planning & Development

- Project Development
- Freight Improvement **Program Management**
- Intermodal and Freight **Planning**
- Passenger Rail Planning
- Environmental Documentation

Coordination & Safety

- · Railroad & Rail Transit **Safety Oversight**
- · Safety Outreach & **Training**
- Crossing Safety Studies
- Crossing Surfaces and **Rail Encroachments**
- Inventory & Data

& Construction

- Rail Project Engineering & Design
- Construction Management
- Highway Project **Delivery Support**
- Signals & Devices

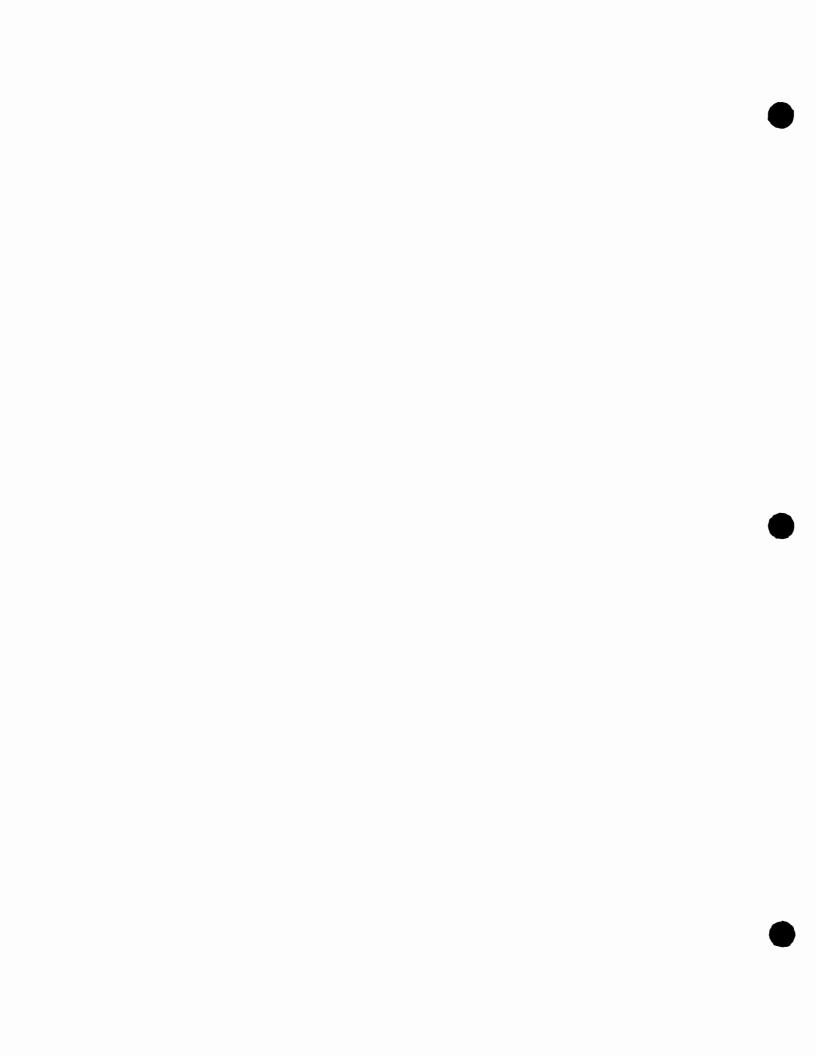
Operations & Facilities

- Passenger Operations
- · Equipment, Facilities & Stations
- Marketing
- · Rail Corridor Preservation









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Rail Division - State Funding

Rail Division Allocation from Governor's Budget

for SFY 2015:

\$23,519,768

Contracted Services \$10,000,000

Unencumbered Funds as of 3/15: \$2,855,067

Freight Rail & Rail Xing Safety - \$3,750,000

Administrative - \$684,164

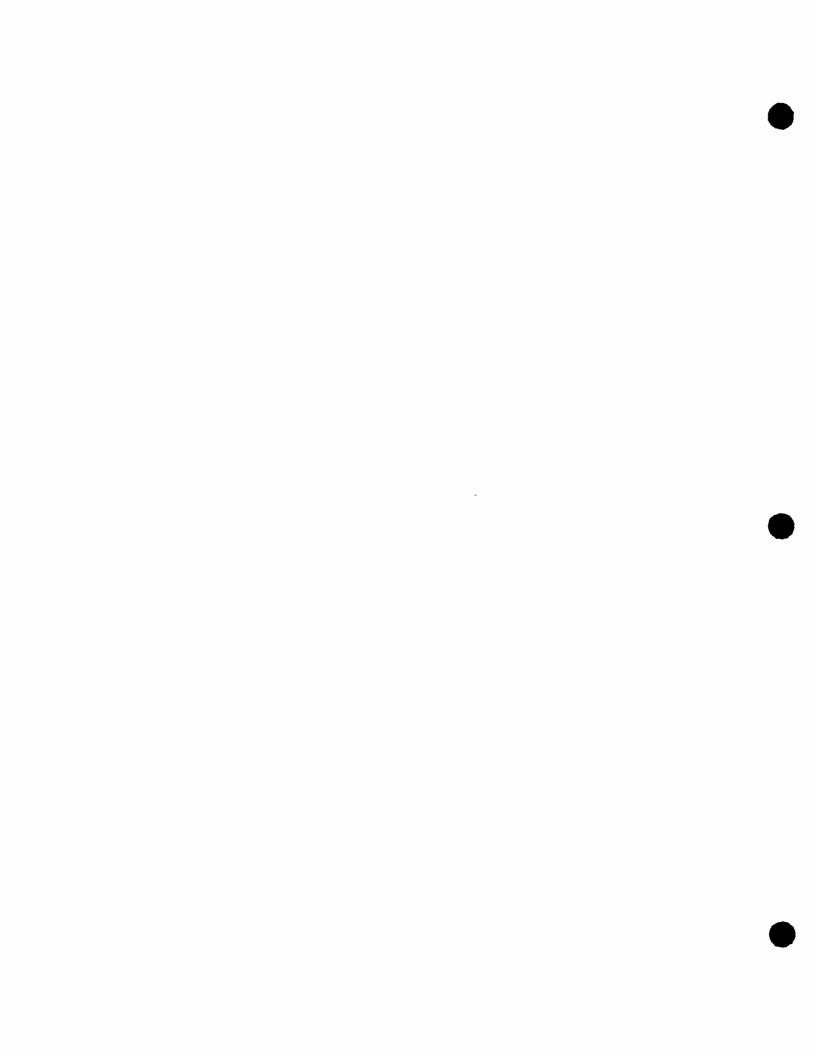
Operations & Facilities \$1,336,464

Engineering & Safety \$1,326,667

Planning & Project Development Studies \$1,156,667

Maintenance of Rail Infrastructure \$2,050,000

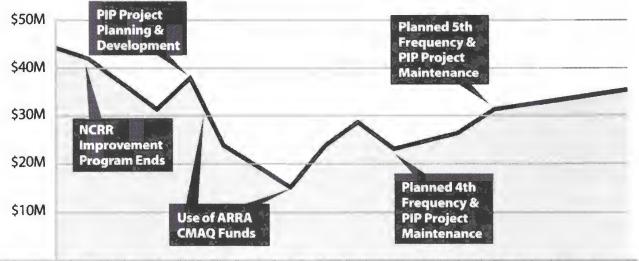
Rail Capital & Safety - \$3,215,806



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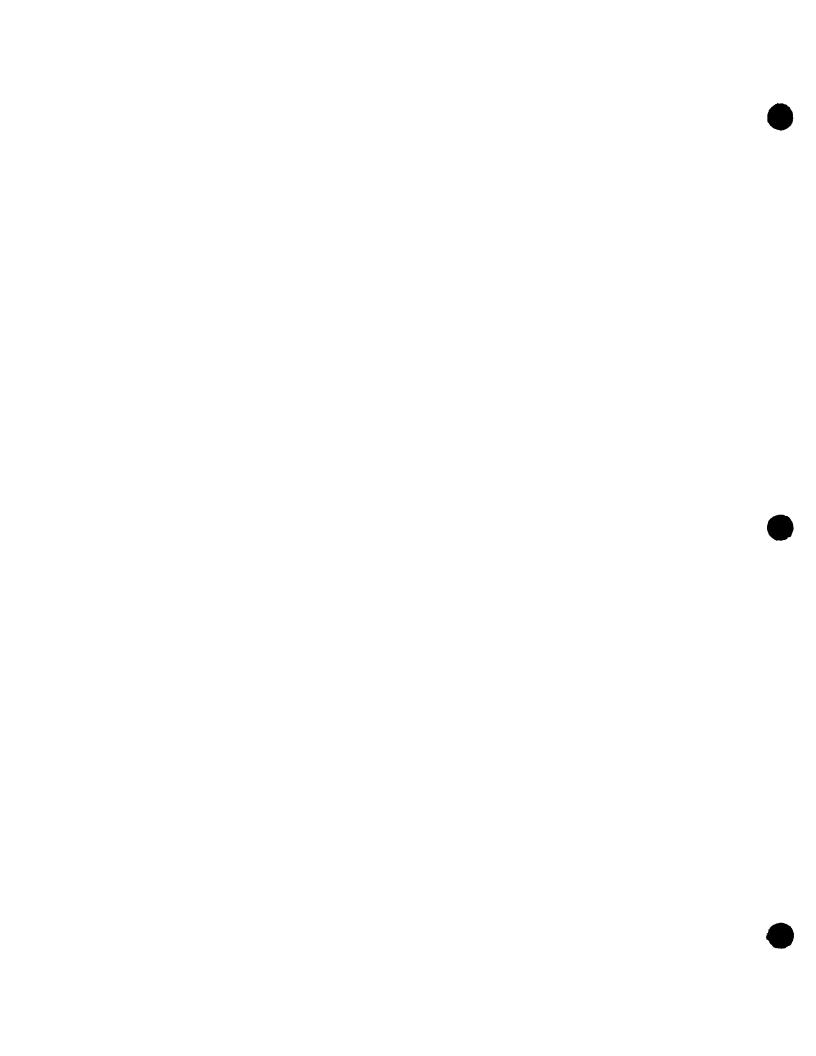
O&M History and Future Estimates

Operations and Maintenance



SFY Estimates

'08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24 '25



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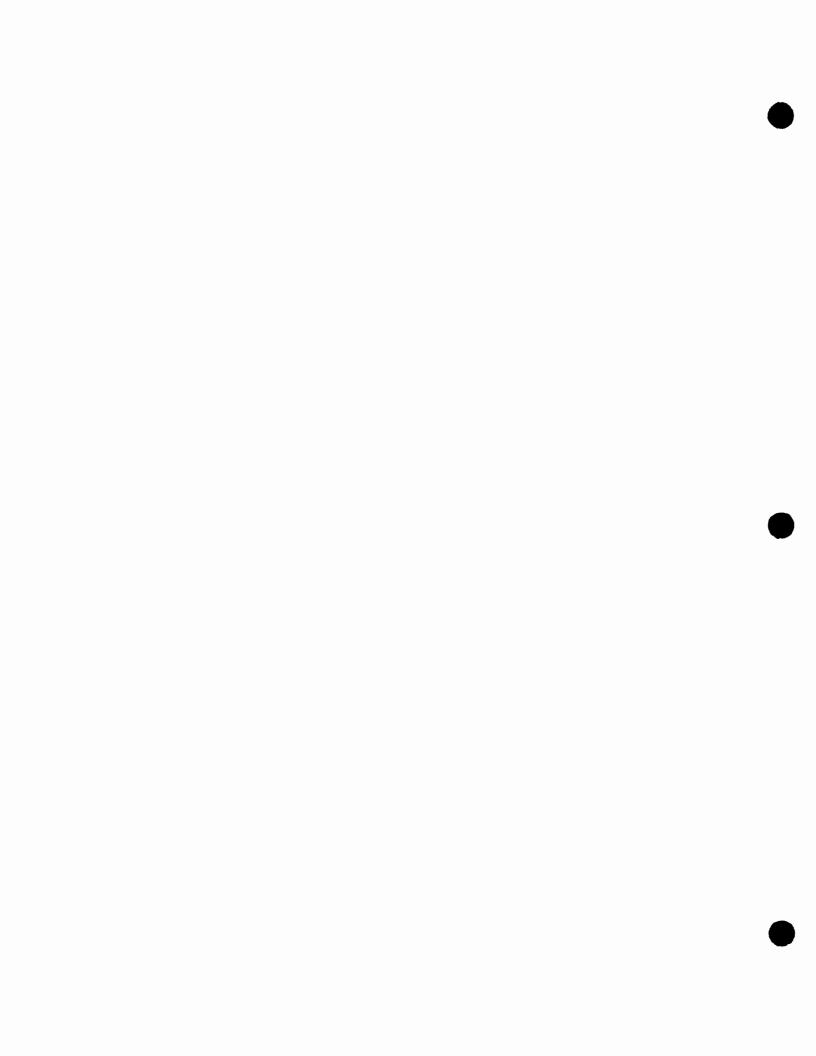
Plan Draft Recommendations - Freight

- Safety improvements along Investment Tier corridors (heavy freight traffic and serving our ports)
- Capacity improvements at/near intermodal terminals
- Evaluate competitive intermodal service to Eastern NC and the Triangle, considering agriculture, cold storage and manufacturing
- Study railroad bypasses of New Bern and Morehead City
- Seek partnerships for restoration of Wallace-Castle Hayne segment (Port of Wilmington)
- · Study market needs for hydraulic fracturing
- Serve emerging markets (wood pellets)
- Preserve corridors





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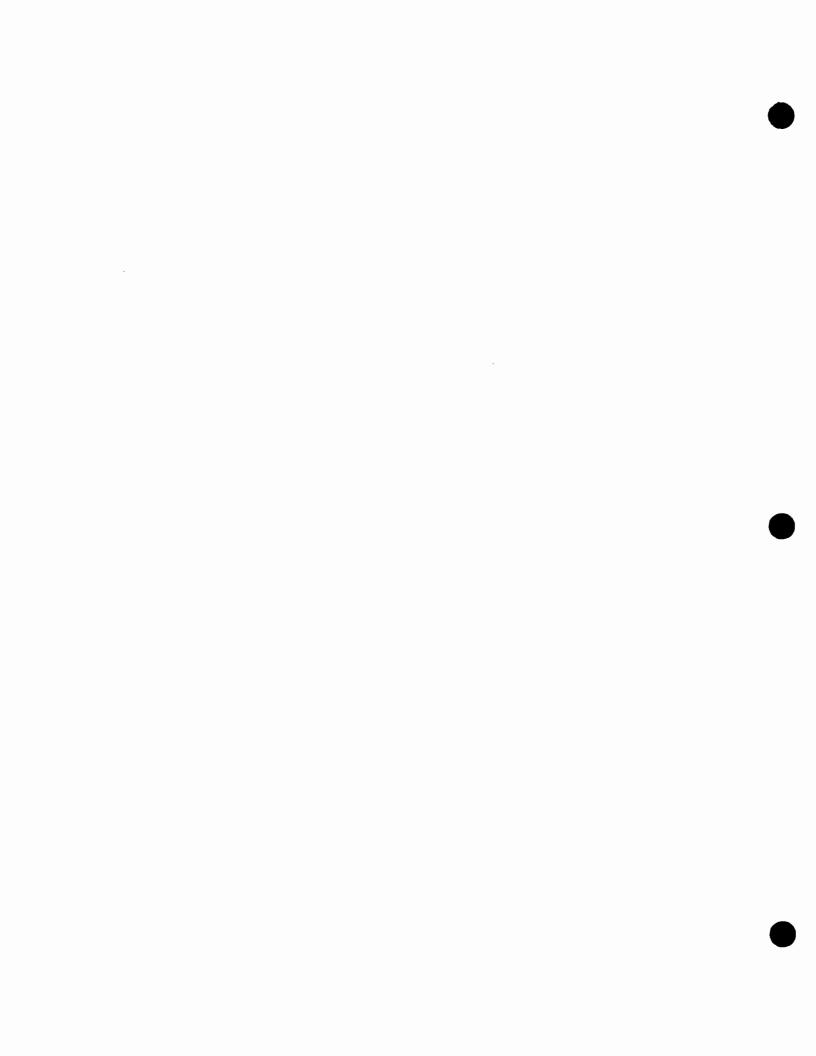


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Freight Program – Funding Needs and Sources

| | Funding | | |
|--|--------------|--------------|--------------|
| Short Line Projects and Needs (Based on 11 short line survey responses) – Eligible for Funding by FRRCSI | 0-5 Years | 6-10 Years | 11-20 Years |
| Bridges | \$3,524,000 | \$3,200,000 | \$21,692,000 |
| Rail | \$4,838,000 | \$11,413,000 | \$27,600,000 |
| Ties and Surfacing | \$13,834,000 | \$14,072,000 | \$29,544,000 |
| Additional Capacity | \$15,500,000 | \$4,650,000 | \$1,300,000 |
| Rail Yards | \$1,100,000 | \$1,600,000 | |
| Transloads | \$2,360,000 | \$500,000 | |
| Other Needs | \$2,370,000 | \$1,135,000 | \$2,070,000 |
| Other Short Line Projects | | | 3 |
| Relocate ACWR (Mecklenburg County) | | \$16,500,000 | |
| Front Street Lead Track Signals and Gates (New Hanover County)* | \$900,000 | | |
| Andrews to Murphy Reactivation (Cherokee County) | | \$16,400,000 | |
| Grade Separations and Port of Wilmington Gates (New Hanover Co.)* | \$50,000,000 | | 1 |
| Total - Short line Project Needs | \$94,426,000 | \$69,470,000 | \$82,206,000 |

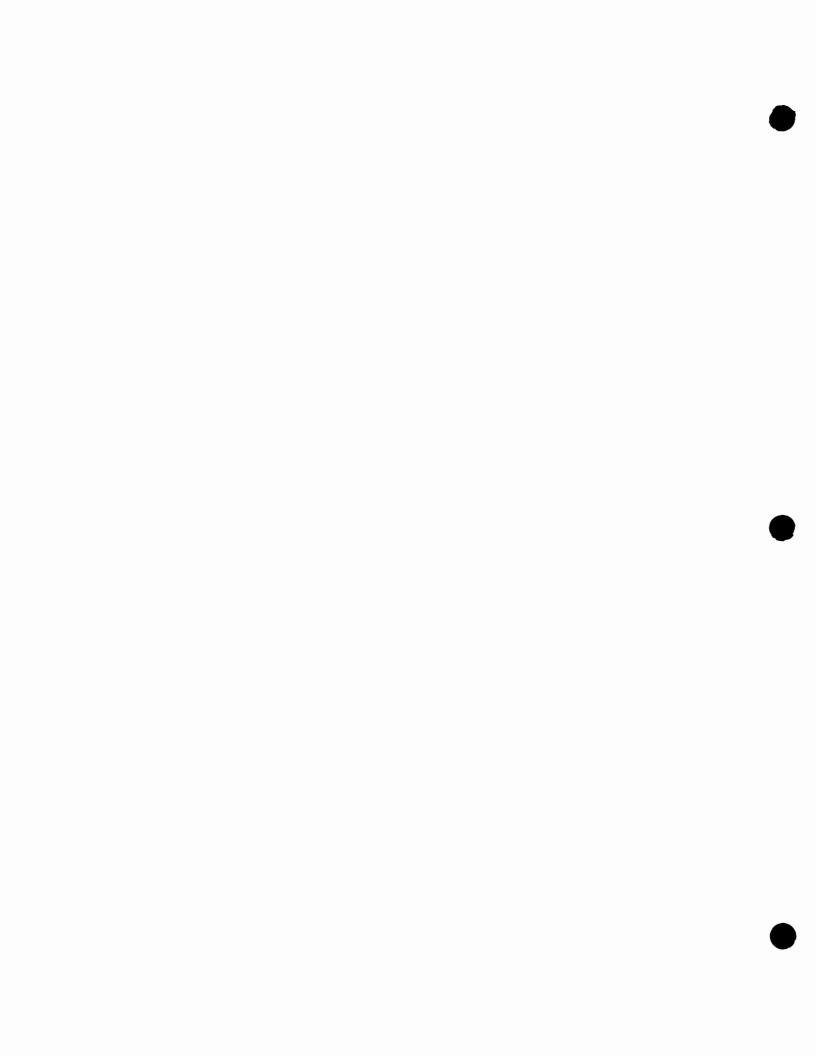
^{*} If identified by a Traffic Separation Study, could potentially be funded by grade separation funds Y-5500



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Freight Program – Funding Needs and Sources

| Class I Projects and Needs – Funded / Identified by STI/SMF P3.0 | 0-5 Years |
|---|--------------|
| New Norfolk Southern TBT (Bulk Terminal) Facility in Charlotte | \$976,000 |
| Container parking / storage adjacent to Norfolk Southern's Greensboro Intermodal Facility (converts former Roundhouse property) | \$1,695,000 |
| CSXT - 10,000 foot siding extension at Stouts in Union County. Creates passing siding on segment of single track that benefits general freight and intermodal traffic | \$10,600,000 |
| Upgrade NS rail line paralleling US 52 in Albemarle (Stanly County) to allow for freight | \$2,126,000 |
| Subtotal | \$15,397,000 |
| Funded by State | \$8,549,000 |
| Funded by CSXT | \$5,300,000 |
| Funded by NS | \$1,549,000 |
| Additional Near, Mid, and Long-term Class I freight rail projects: (2015-2040) track improvements/new access, intermodal and rail yard improvements, crossing safety and grade separations, corridor preservation and energy development support. | \$1,1B |



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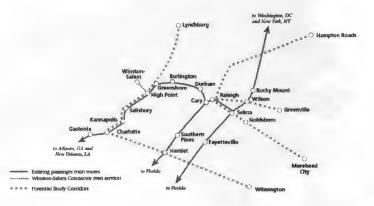
Plan Draft Recommendations - Passenger

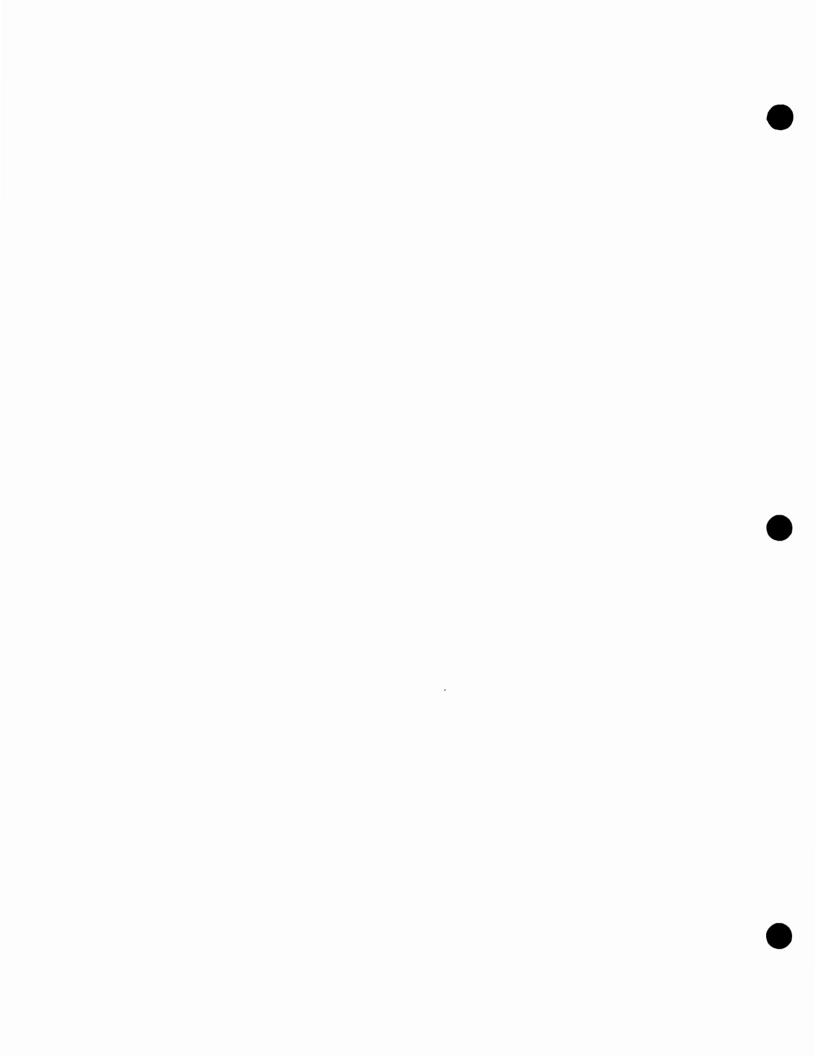
Southeast Corridor

- Implement 4th and 5th frequencies
- Add stops, increase speeds, and improve travel times (esp. Greensboro to Raleigh)
- Construct multimodal stations Charlotte & Raleigh
- Secure S-Line corridor and complete service planning

New Markets

- Utilize Thruway bus services to grow markets/ridership
- Incrementally develop WNC and SENC service
- Conduct studies for future market connections

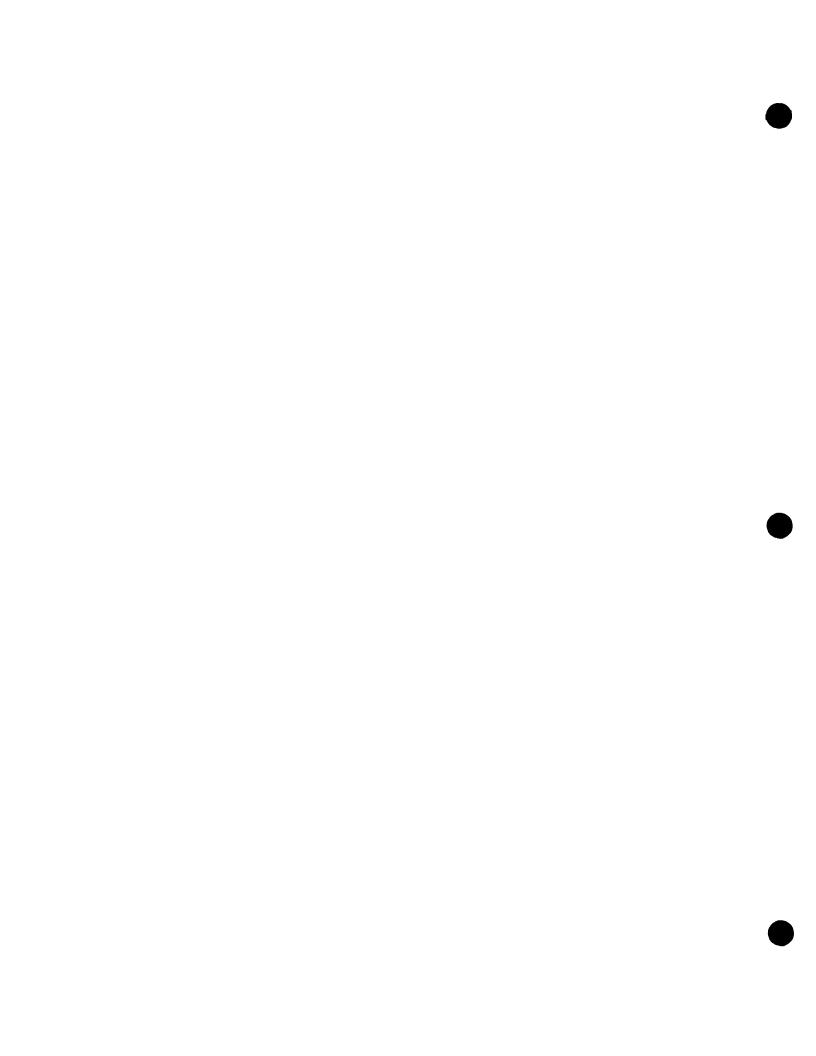




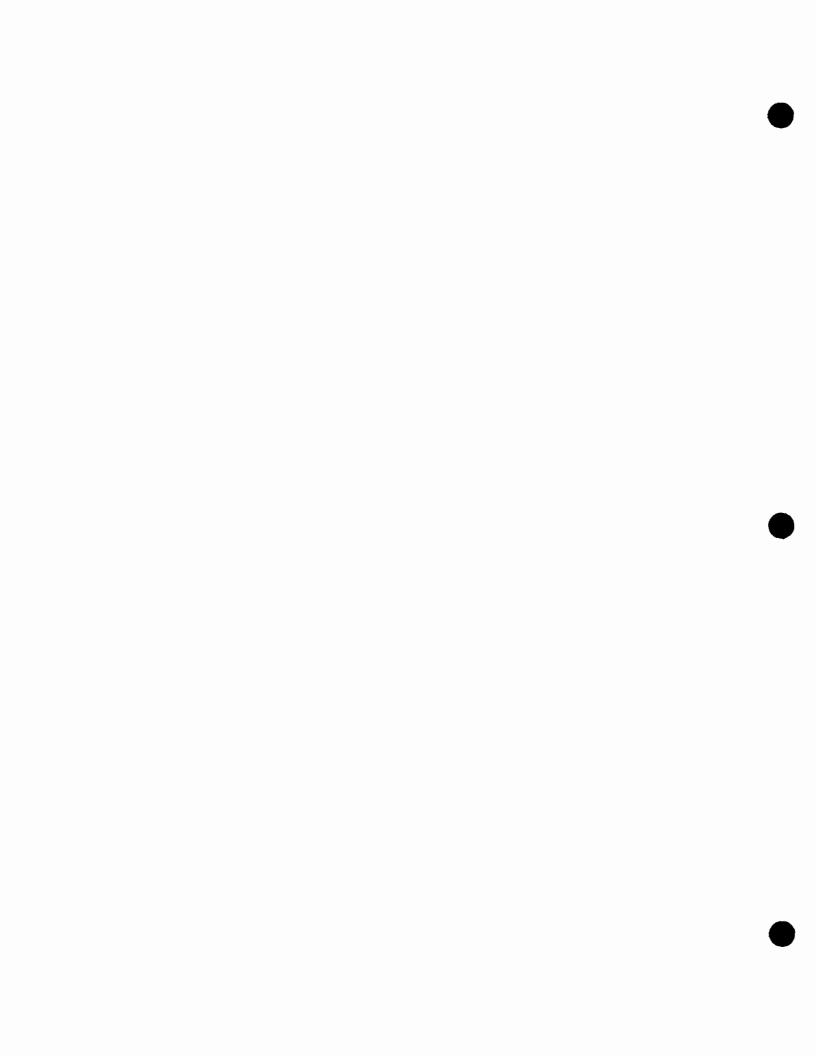
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Passenger Program – Funding Needs and Sources

| Program | Funding Needs | Funding Sources | Timeframe |
|--|-----------------|---|---|
| Southeast Corridor - Fourth and Fifth Frequencies | | | |
| Wi-Fi on <i>Piedmont</i> | \$567,000 | State O&M, Amenities Charge | 2015-2016 |
| Implement Positive Train Control (PTC) (8 locomotives, 5 CCU, 4 spares) | \$2,125,000 | State O&M | 2015 |
| Ongoing maintenance for PTC | \$150,000/yr. | State O&M | 2016-future |
| Hillsborough Station and track improvements | \$8,400,000 | STI/ Other (TTA), Local | 2018 |
| 5 th Frequency – Expansion of Capital Yard; new equipment (loco, CCU, lounge, coach) | \$35,400,000 | Federal, STI | 2019 |
| Southeast Corridor - Service Improvements, Piedmont | Corridor | | |
| New Stations at Lexington, Harrisburg, associated track upgrades to class 5 (90 MPH), station improvements | \$237,400,000 | Federal, STI, Local | 2022-2035 |
| Charlotte Gateway Station (and associated track improvements) | \$210,000,000 | Public-Private Partnership, FTA grant, Federal, STI, Local funds | 2020-2030 |
| Southeast Corridor - Full Implementation | | | |
| Full Southeast Corridor Implementation (Charlotte-Greensboro-Raleigh-Richmond) | \$4,451,000,000 | Federal, STI, Public-Private Partnerships | 2025-2030 |
| Carolinian Improvements | | | |
| New equipment to replace existing Carolinian trainsets | \$76,600,000 | Federal, STI, Amtrak | 2020 |
| Eastern North Carolina Service | | | |
| Station improvements (Fayetteville, Wilson, Selma) to accommodate growing ridership | \$2,500,000 | Federal, STI | 2018-2025 |
| Potential Connecting Services | | | |
| Western NC Passenger Service (Salisbury to Asheville) | TBD | Federal, STI, O&M, Local | 2018 (Thruway Bus Service) 2035 (Rail) |
| Southeastern NC Passenger Service (Raleigh to Wilmington)(Amtrak currently provides Thruway Bus service between Wilson and Wilmington) | TBD | Federal, STI, Local | 2035 (Rail) |



North Carolina ncdot.gov Piedmont Improvement Program



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PIP Funding & Service Requirements



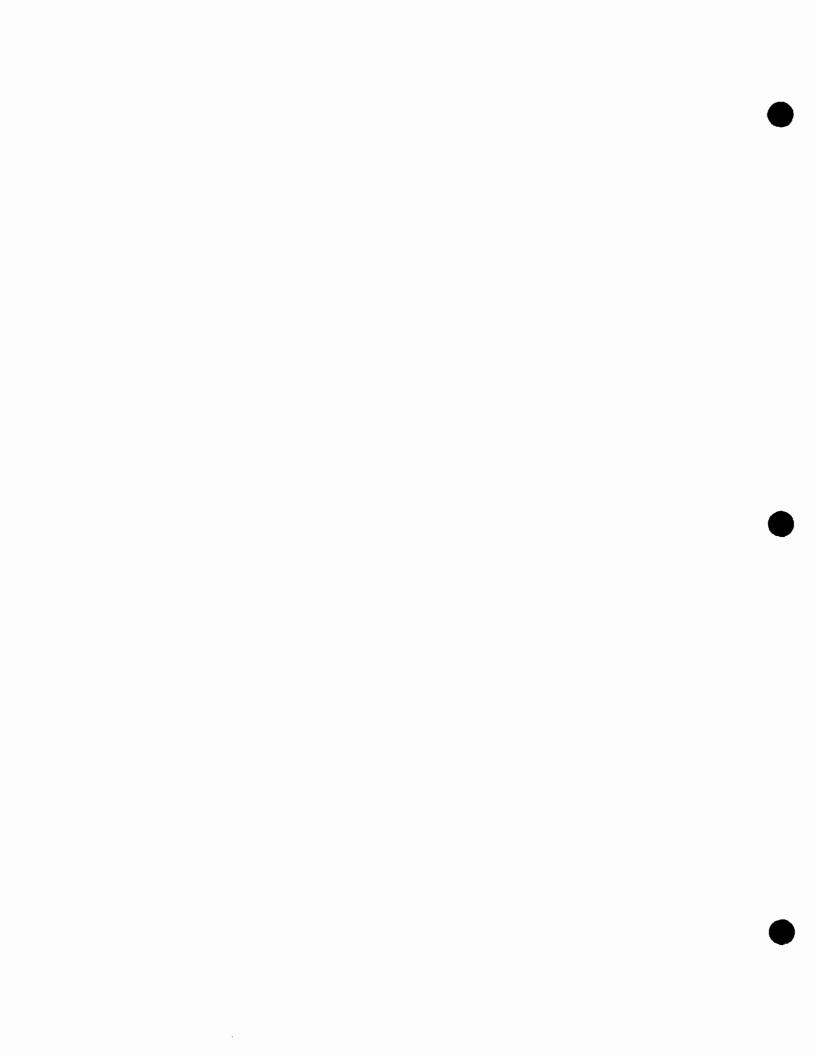
2009 – NCDOT was awarded \$546.5M in FRA grants for a series of rail projects along the Piedmont Corridor between Charlotte and Raleigh and Congestion Mitigation projects north of Rocky Mount on CSX.

Cooperative Agreement – Defines NCDOT's requirements:

- Continue the 3rd frequency
- Introduce 4th frequency
- Complete and maintain improvements

(Modeling verified capacity that includes 4th and 5th)





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PIP Components



- 5 Station Improvement Projects
- 2 Locomotive & Rail Car Maintenance Facility Projects
- · North Carolina's Amtrak Equipment-coaches, locomotives, cab control units
- 12 Grade Separations
- 24 Public Crossing Closures
- 16 Private Crossing Closures
- 2 Passing Sidings
- 3 Double Track Projects
- Curve Realignments
- Highway Improvements



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Projects Benefit Passenger & Freight



Benefits include:

- Make railroads safer for all trains and motorists by eliminating at-grade crossings
- · Modernize the railroad
- Improve capacity, operations and reliability
- Reduction in both highway and train delays



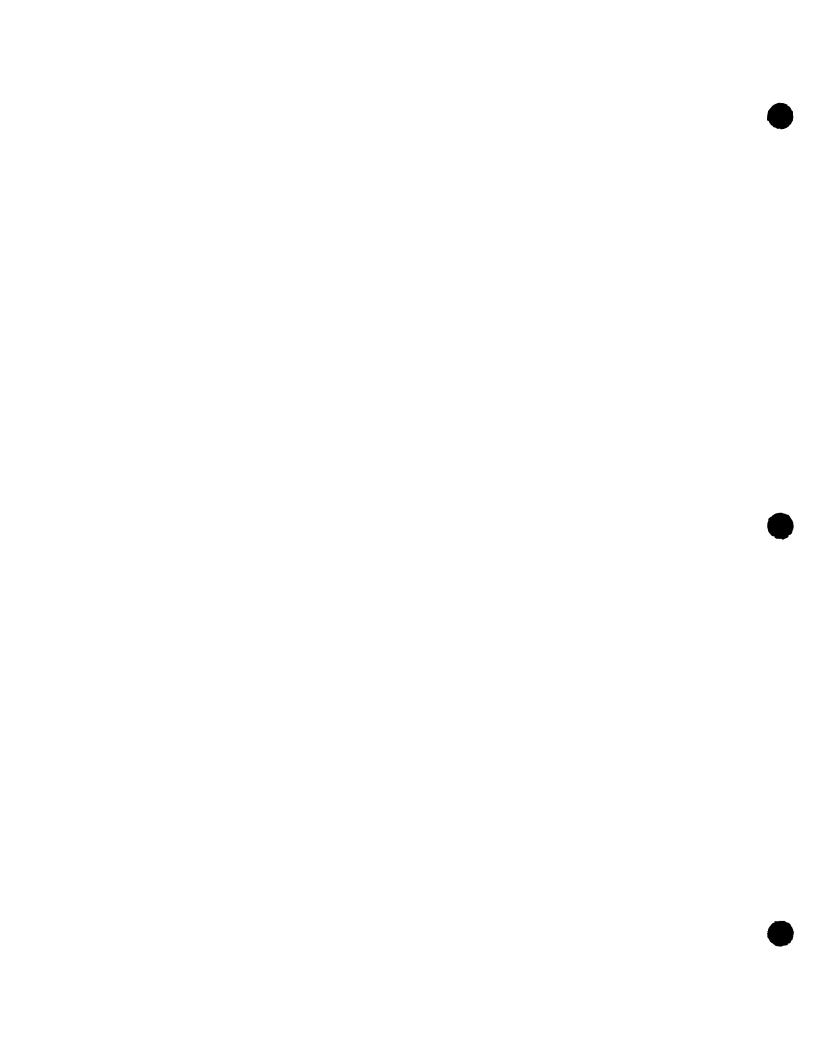


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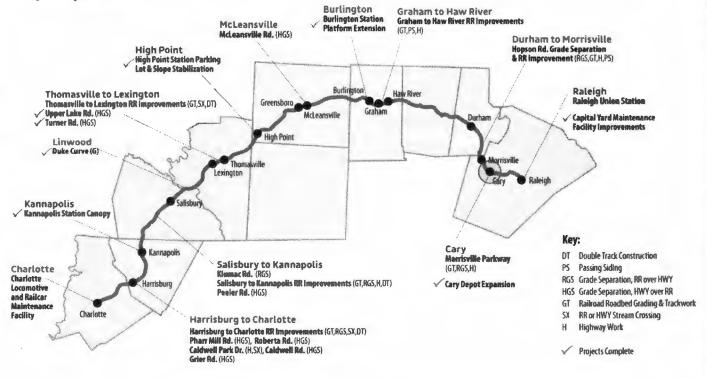
ARRA Spending to Date



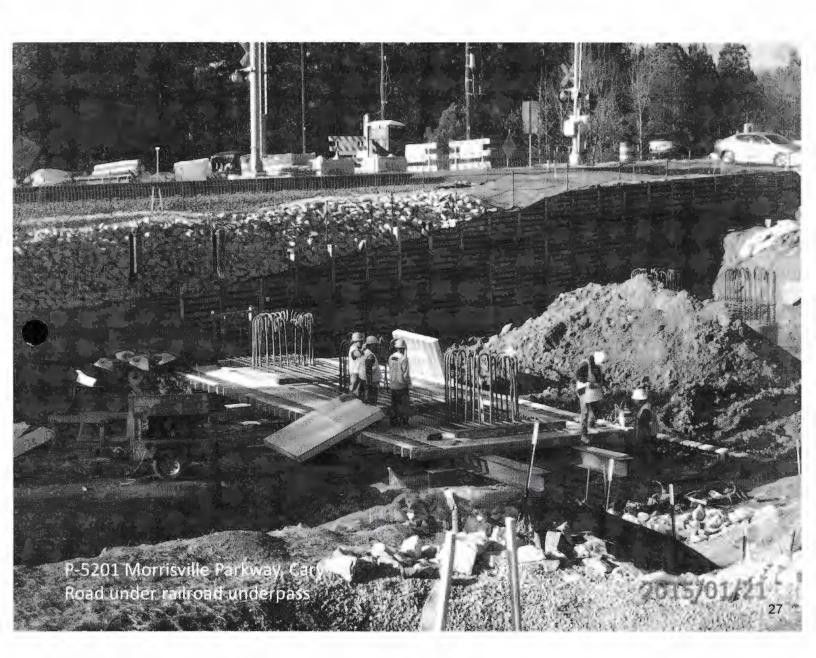
| | Funding | Expended | Commitments |
|--------------------------------|------------------|----------|-------------|
| Equipment | \$32.7M | \$26.3M | \$0.6M |
| Stations/Facilities | \$75.3M | \$10.9M | \$9.3M |
| PDA/ROW | \$63.7M | \$44.7M | \$4.6M |
| Track/Structures | \$345.6M | \$149.9M | \$181.8M |
| CRISP | \$2.7M | \$2.2M | |
| Subtotal: | \$520.0 M | \$234.0M | \$196.4M |
| Congestion Mitigation | \$26.5M | \$1.7M | \$14.3M |
| Total: | \$545.6M | \$235.7M | \$210.7 |
| *To date FRA has reimbursed \$ | 219 3M | | |





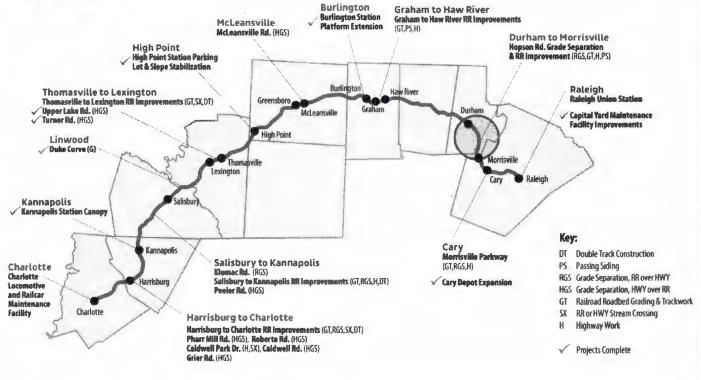


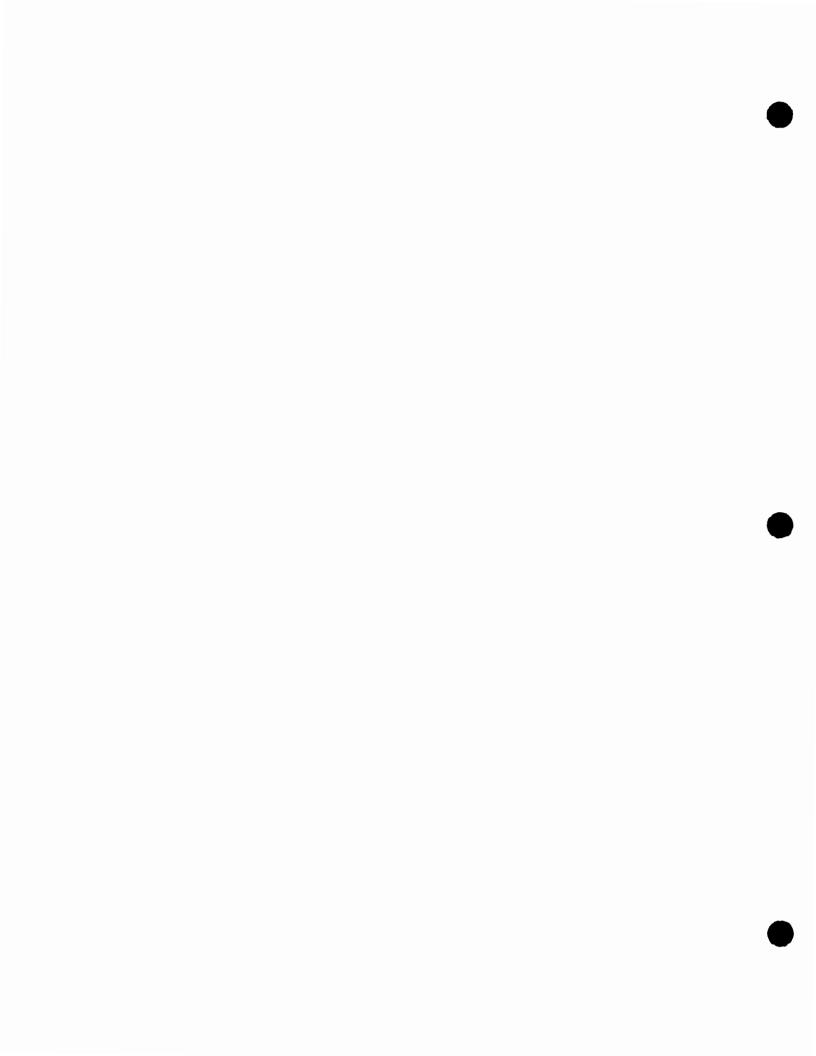




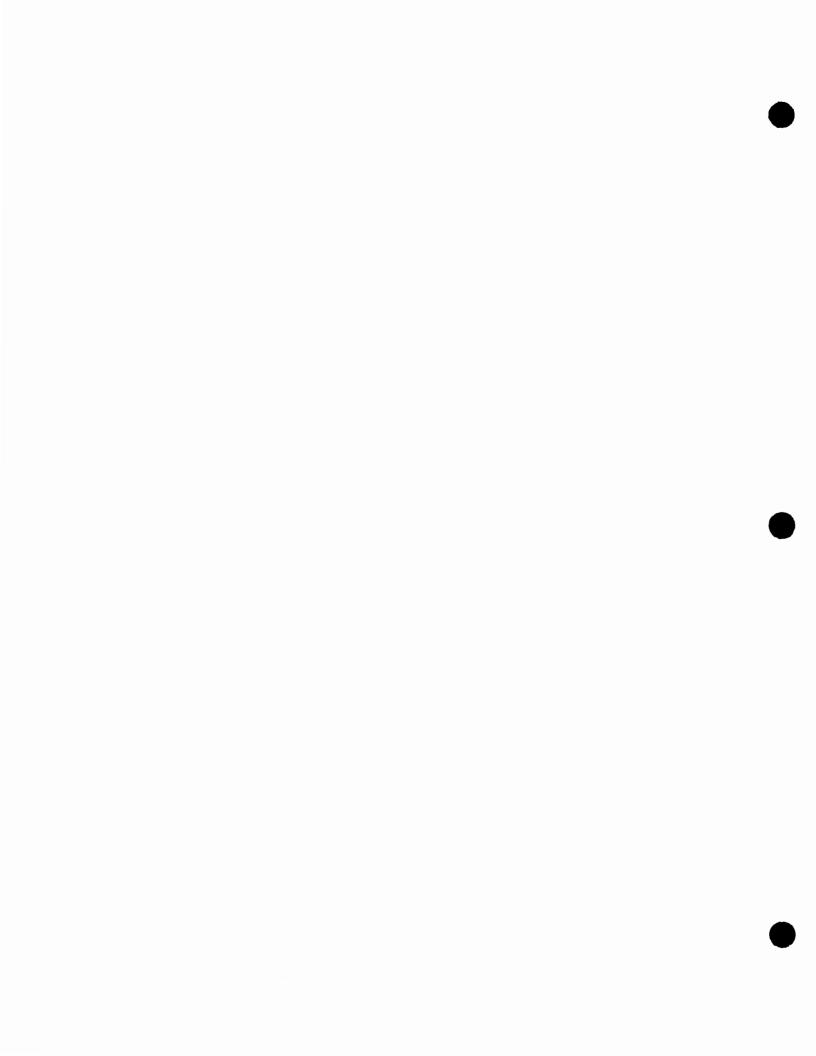




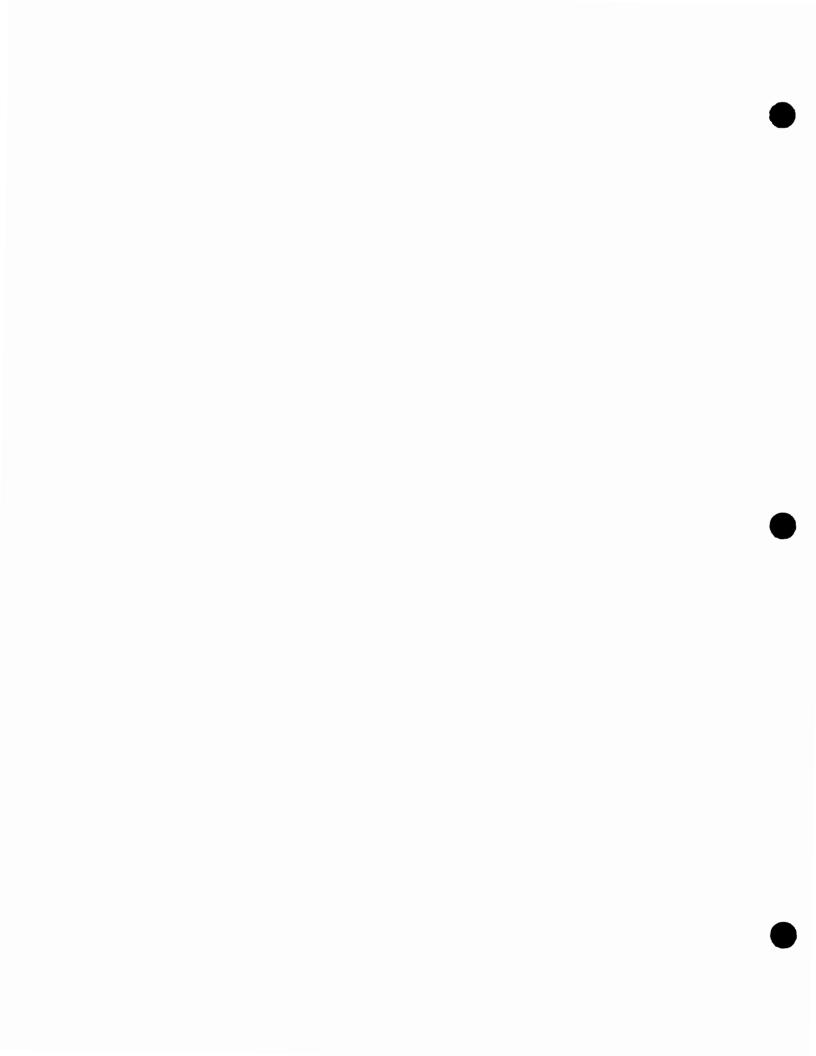




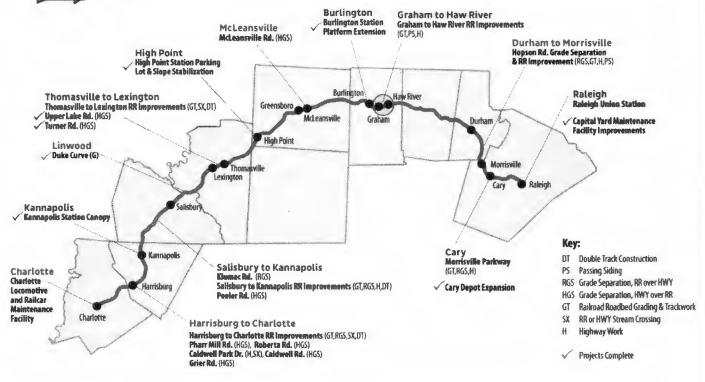


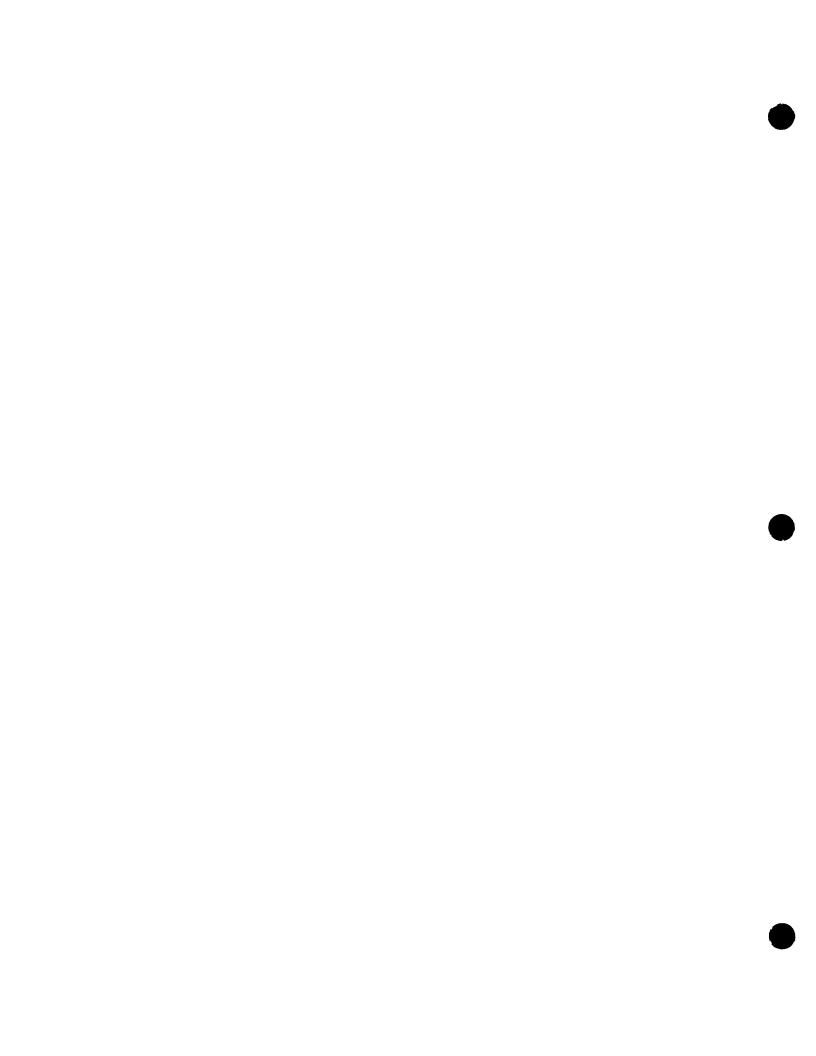




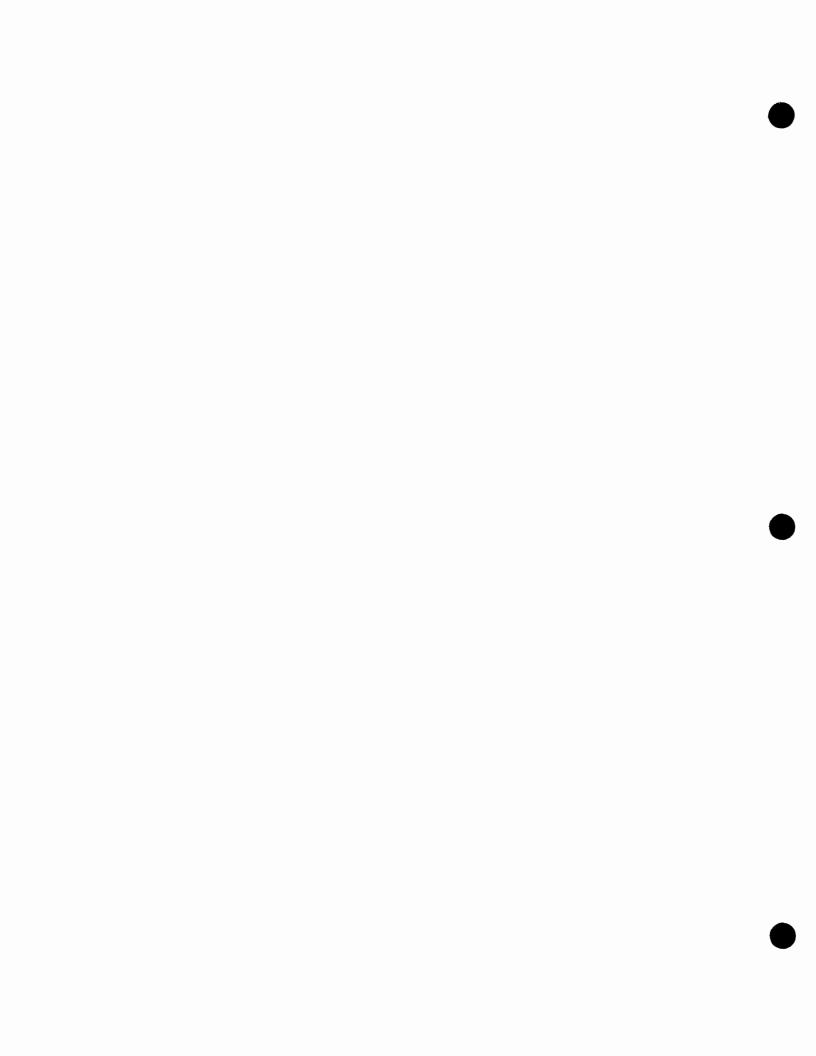




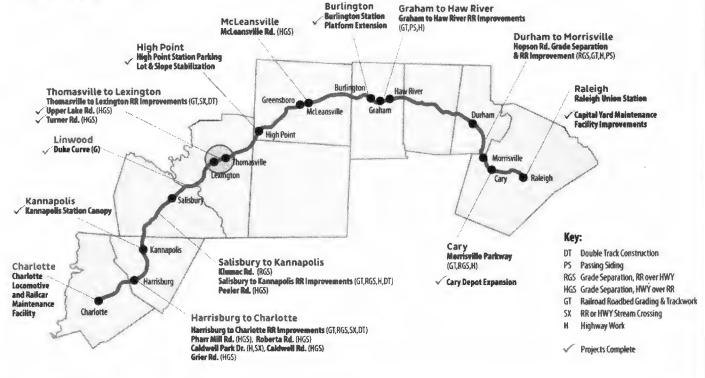


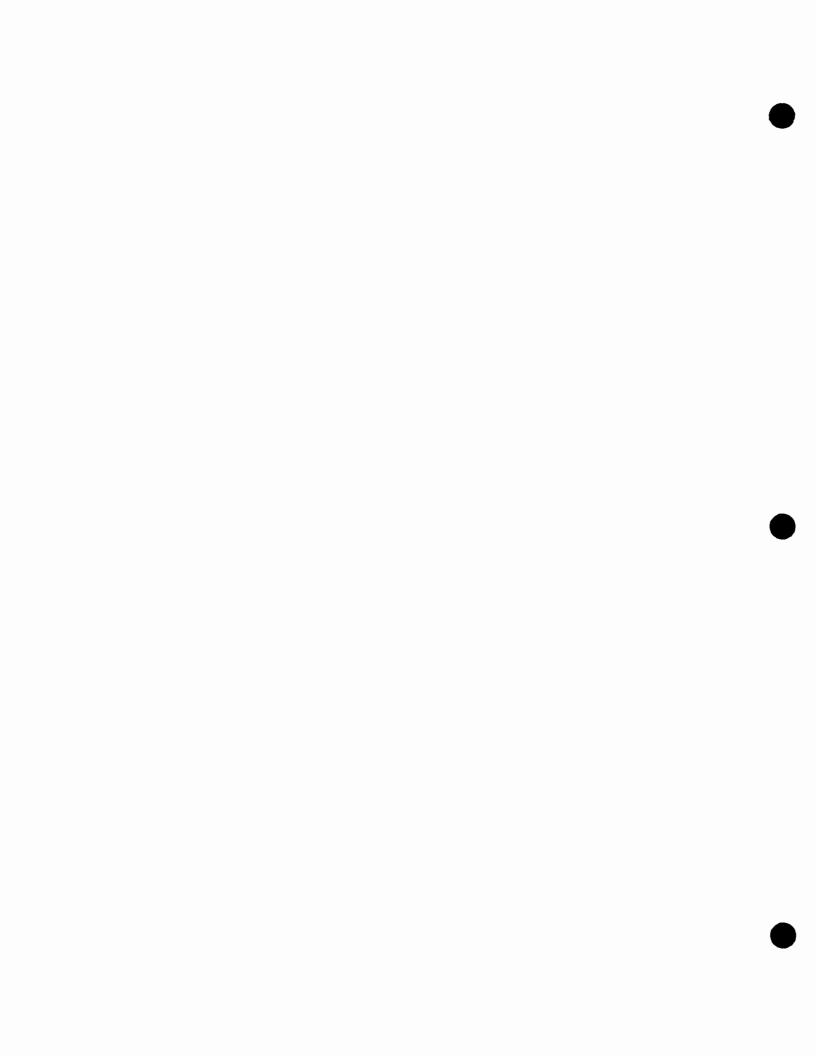


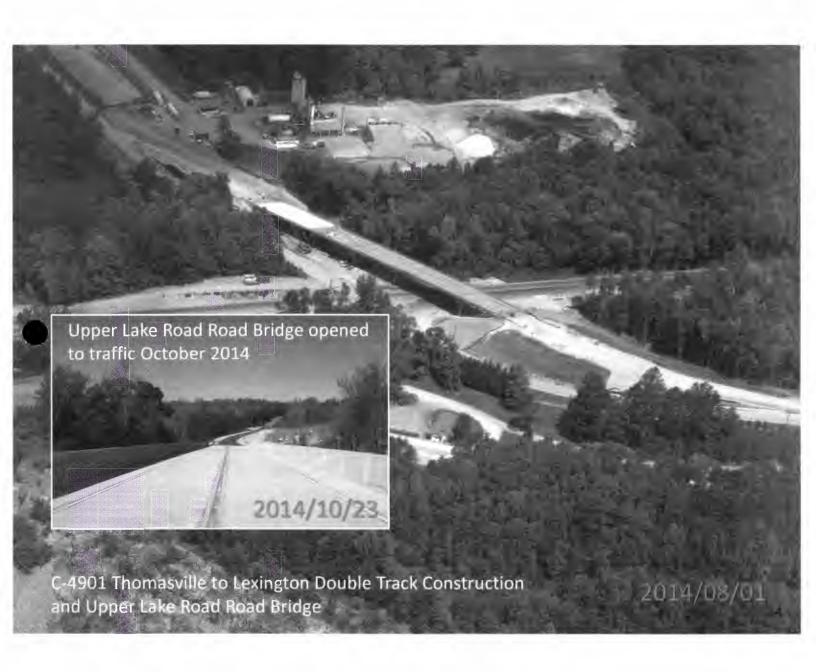


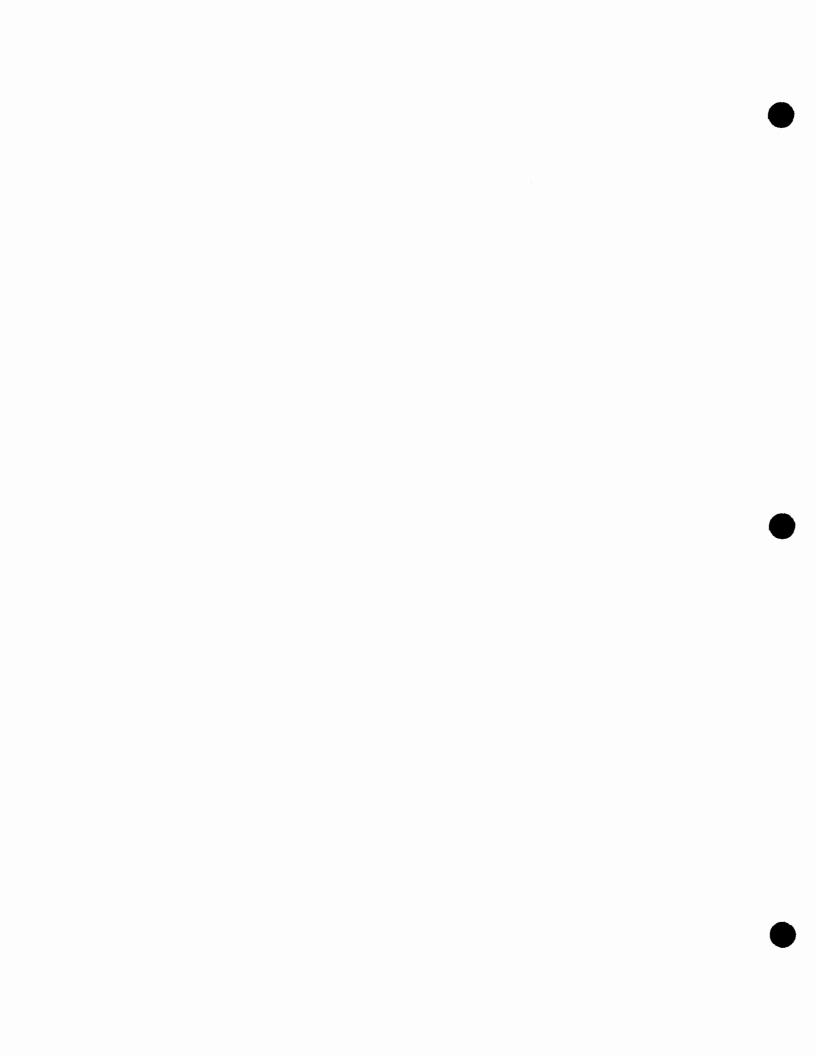


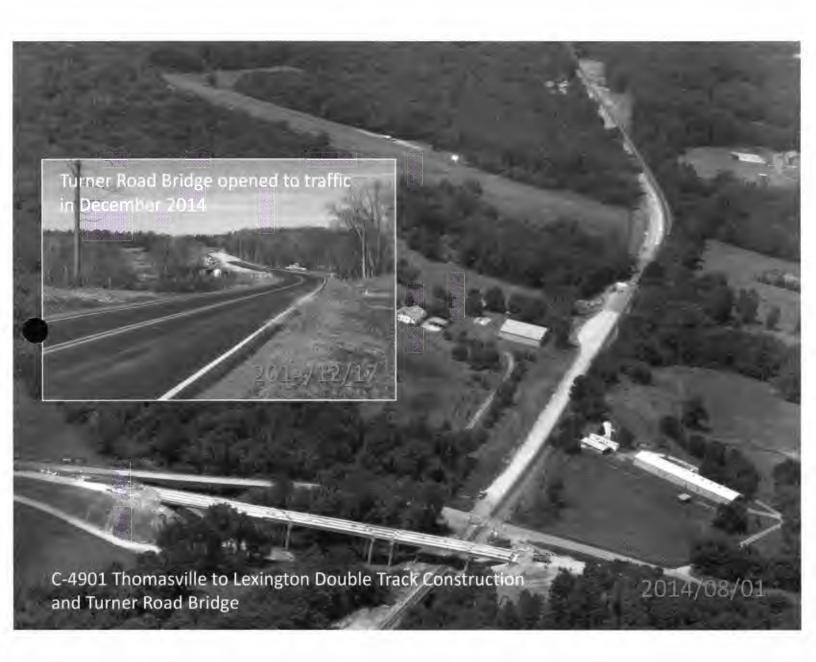


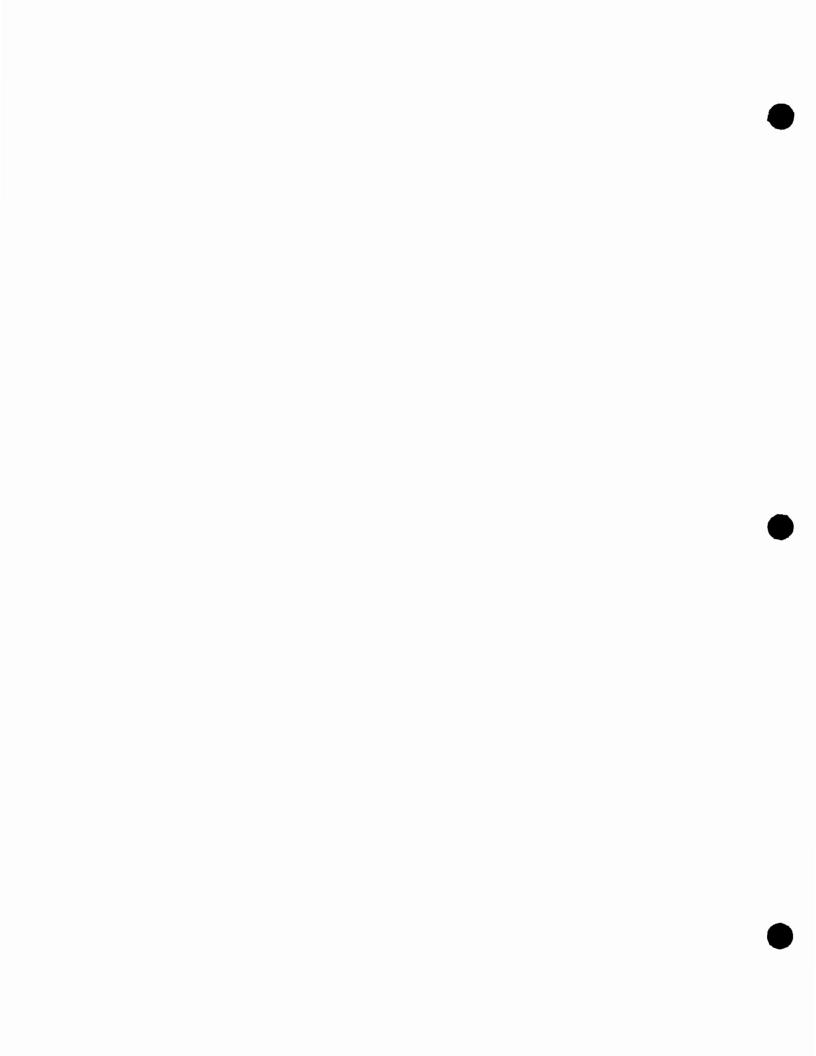




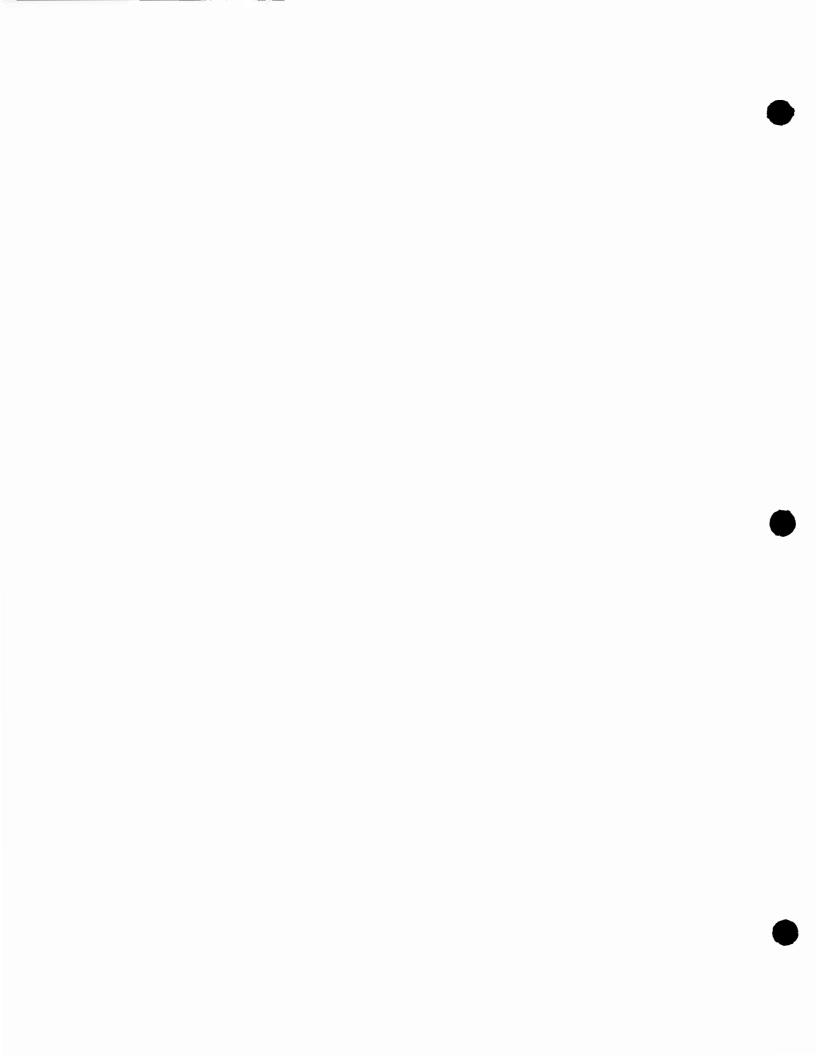


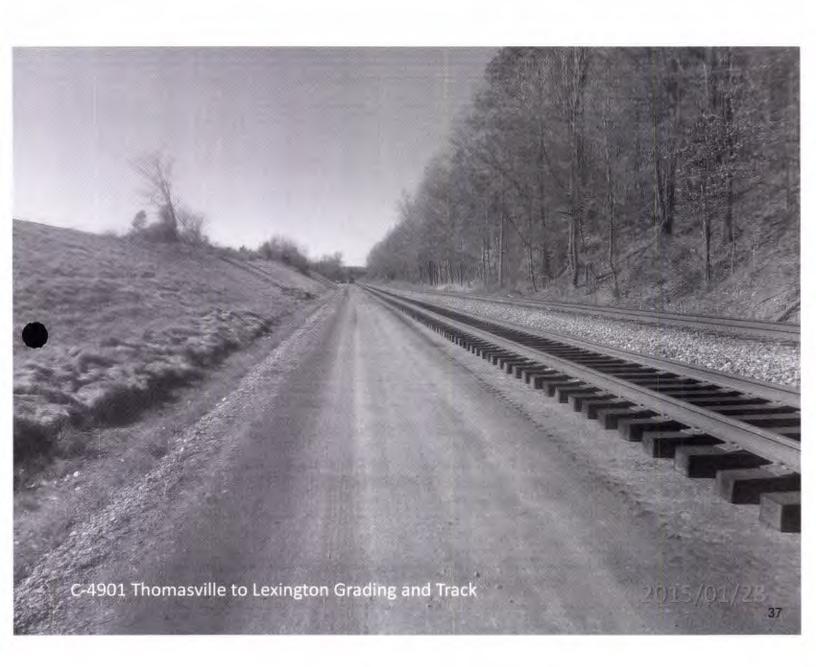








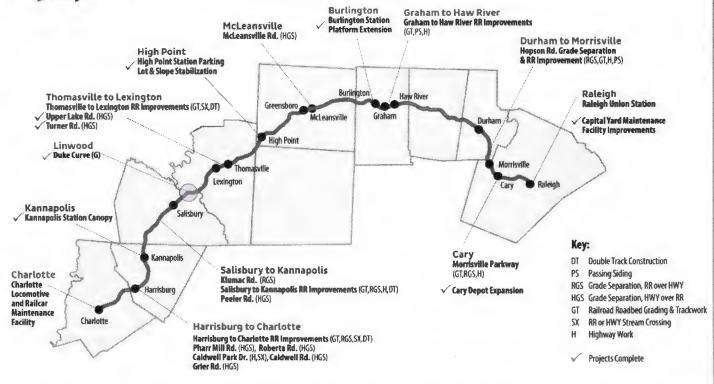


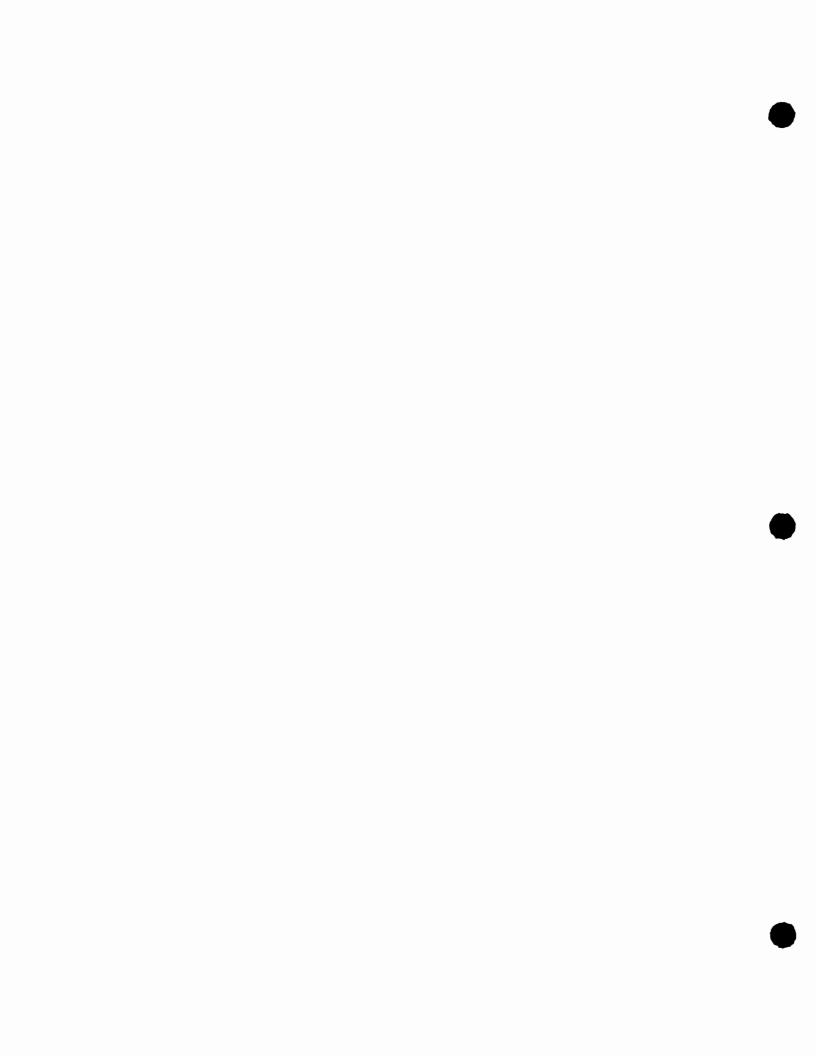


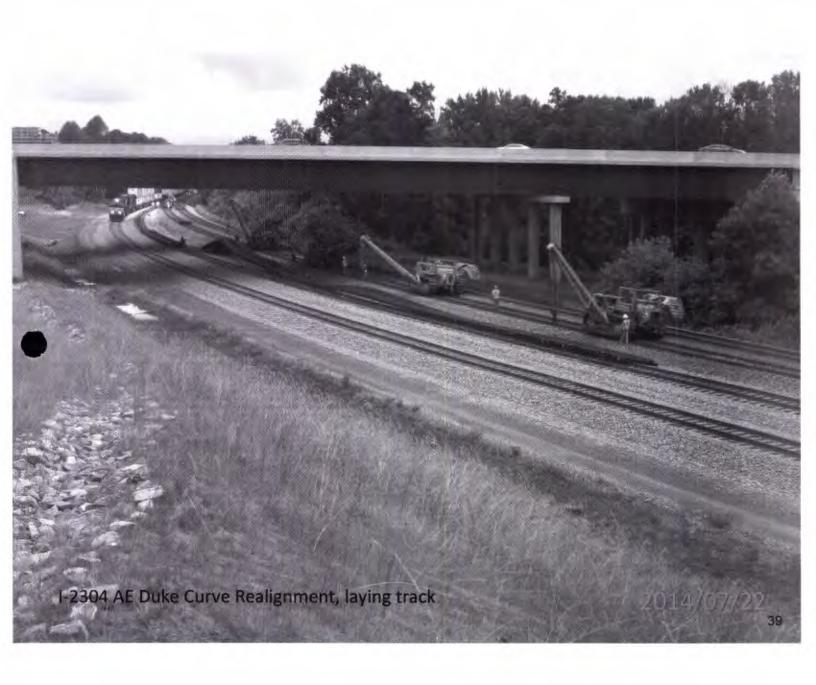
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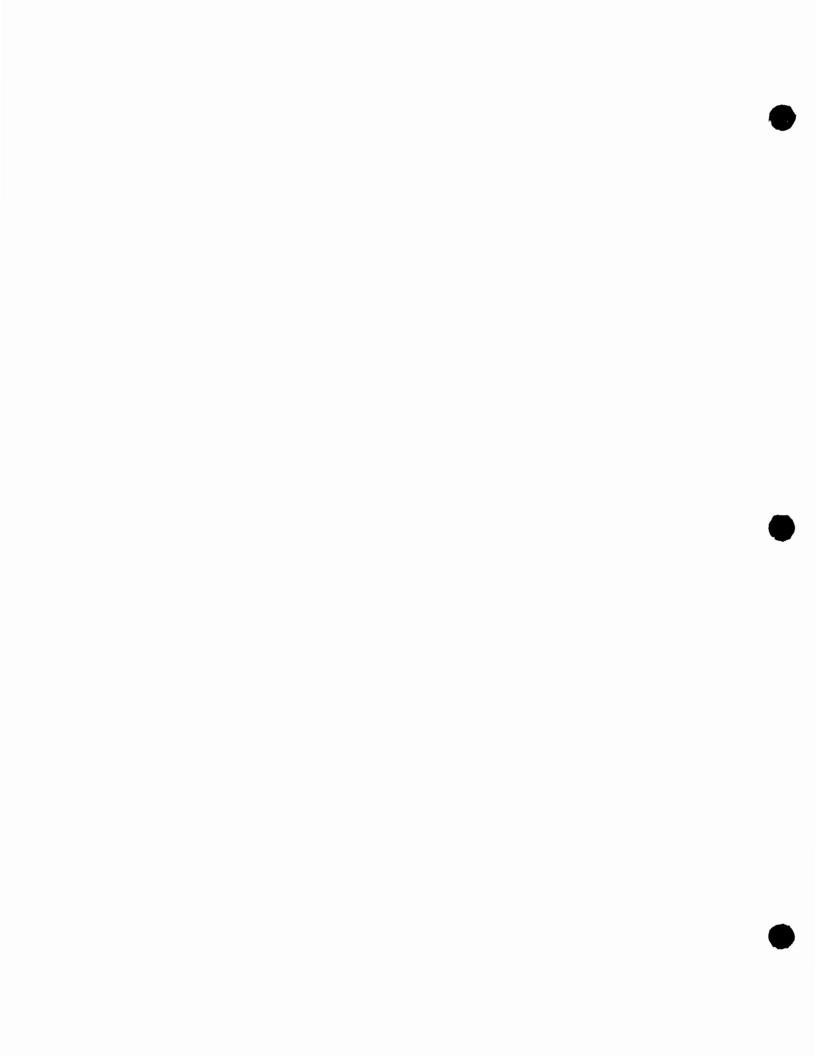


Piedmont Improvement Program Projects



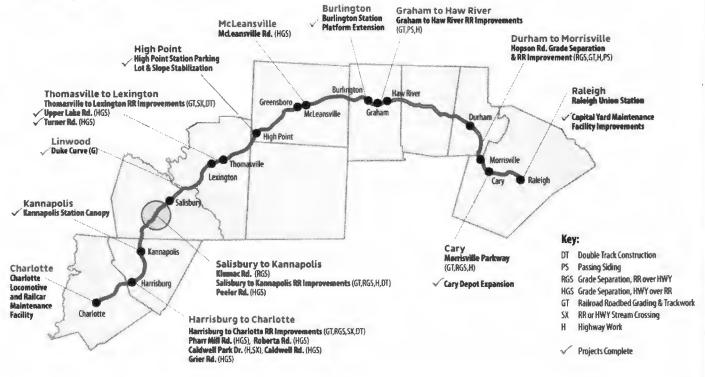


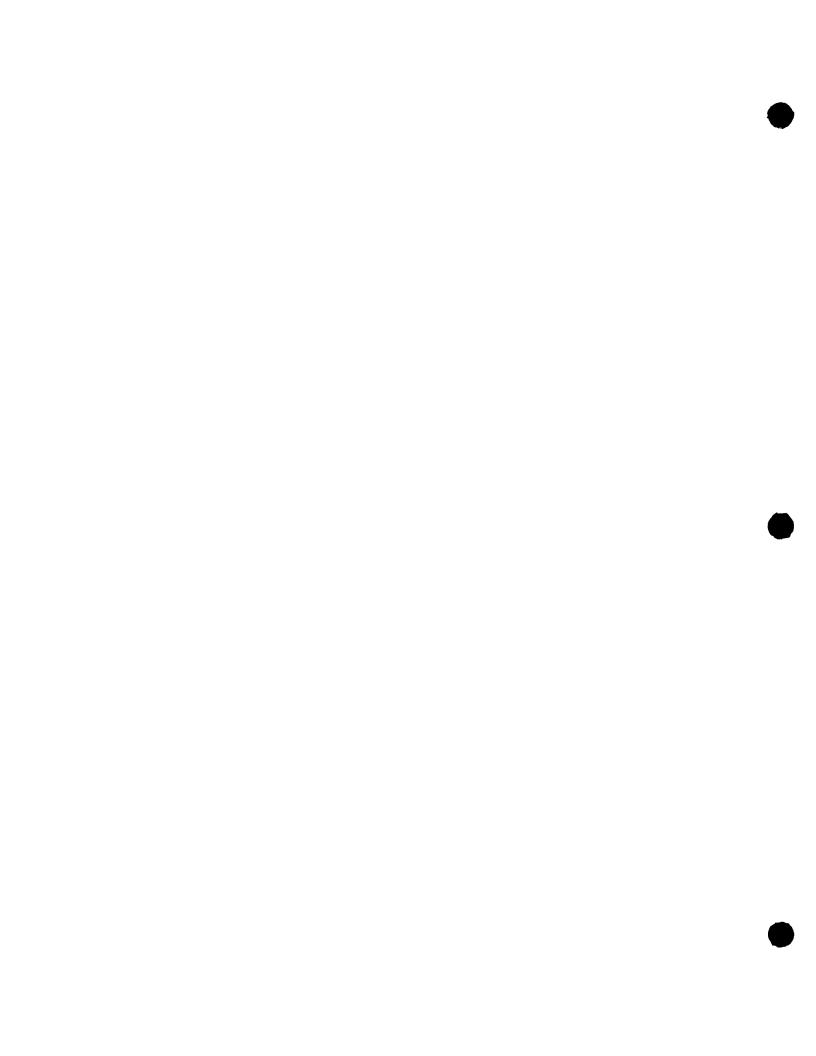


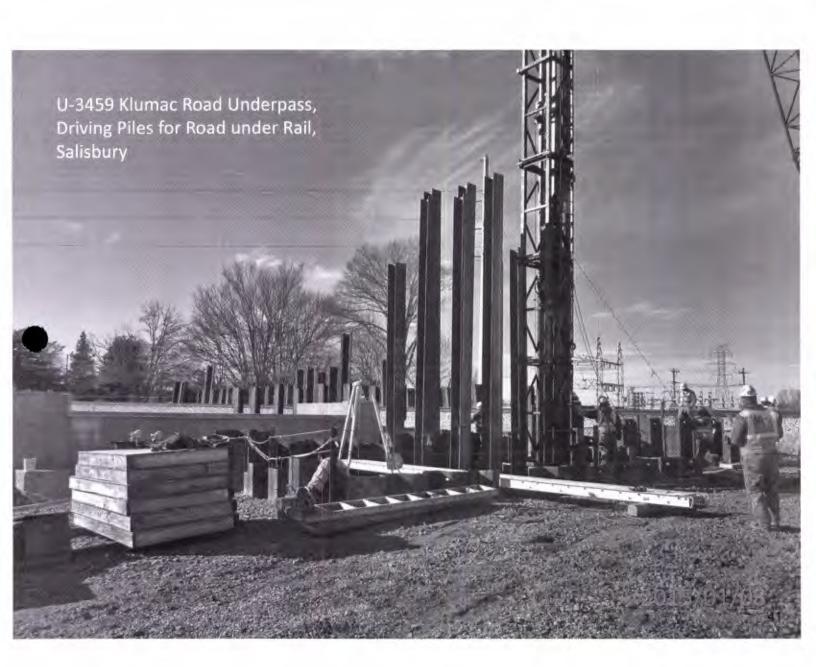


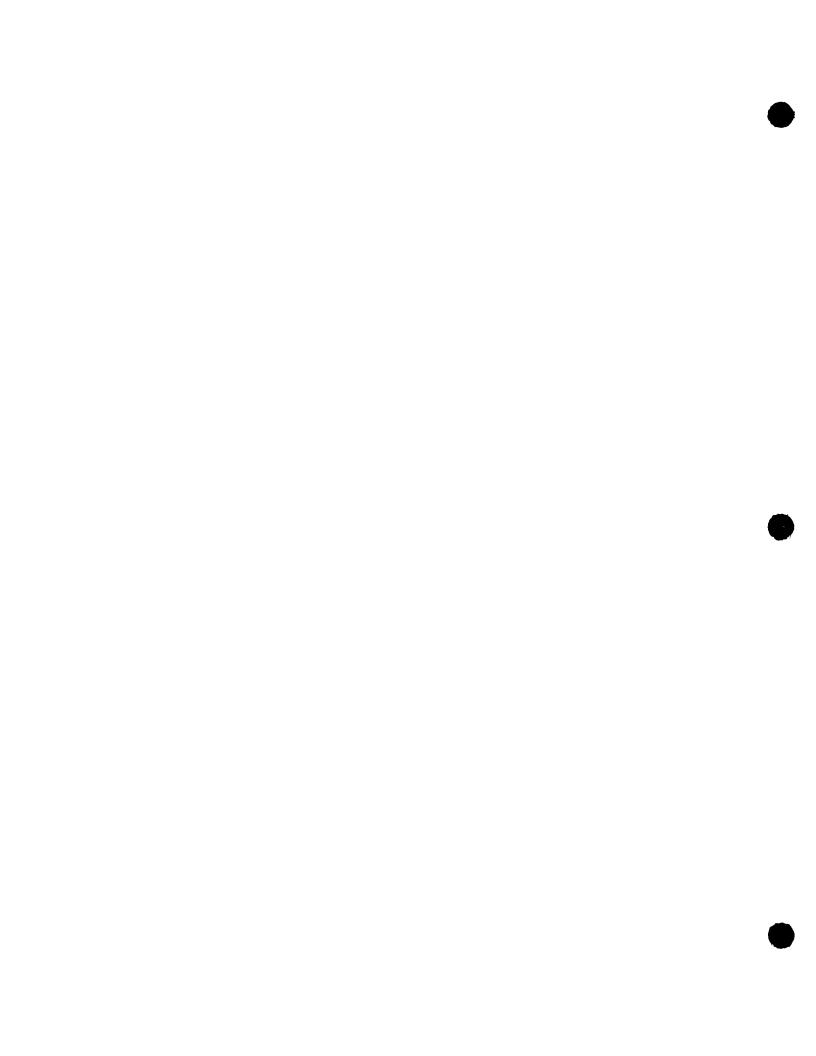


Piedmont Improvement Program Projects

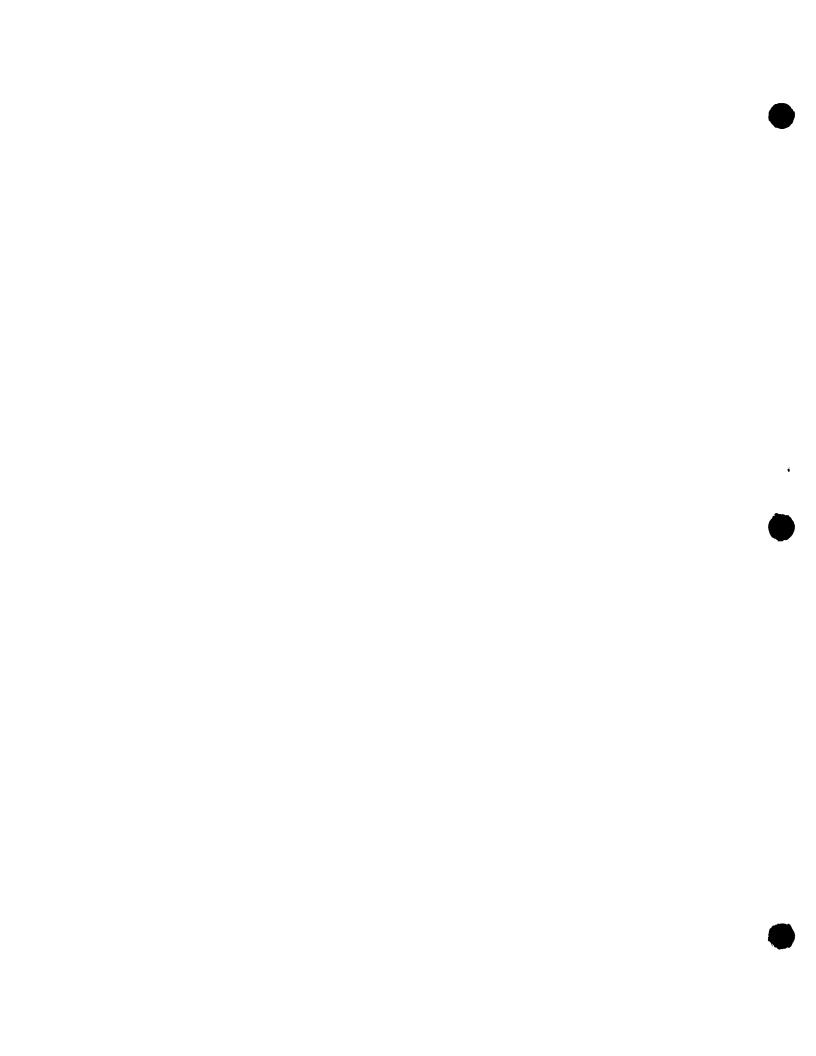




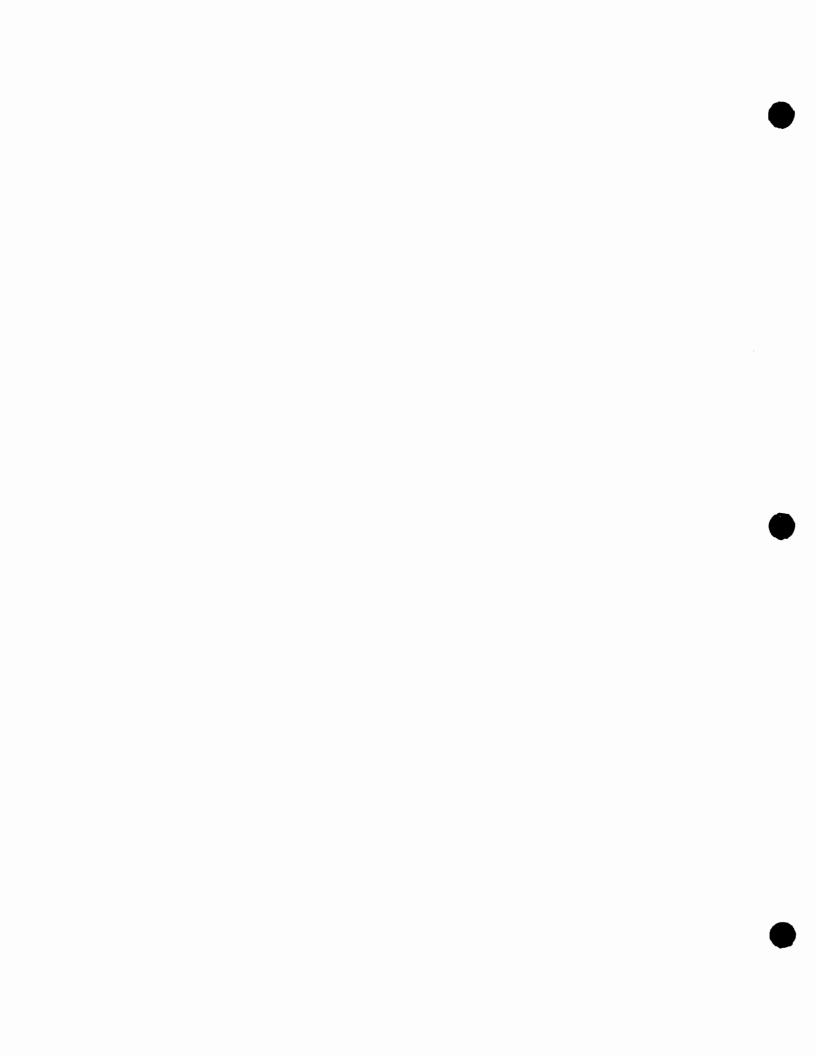




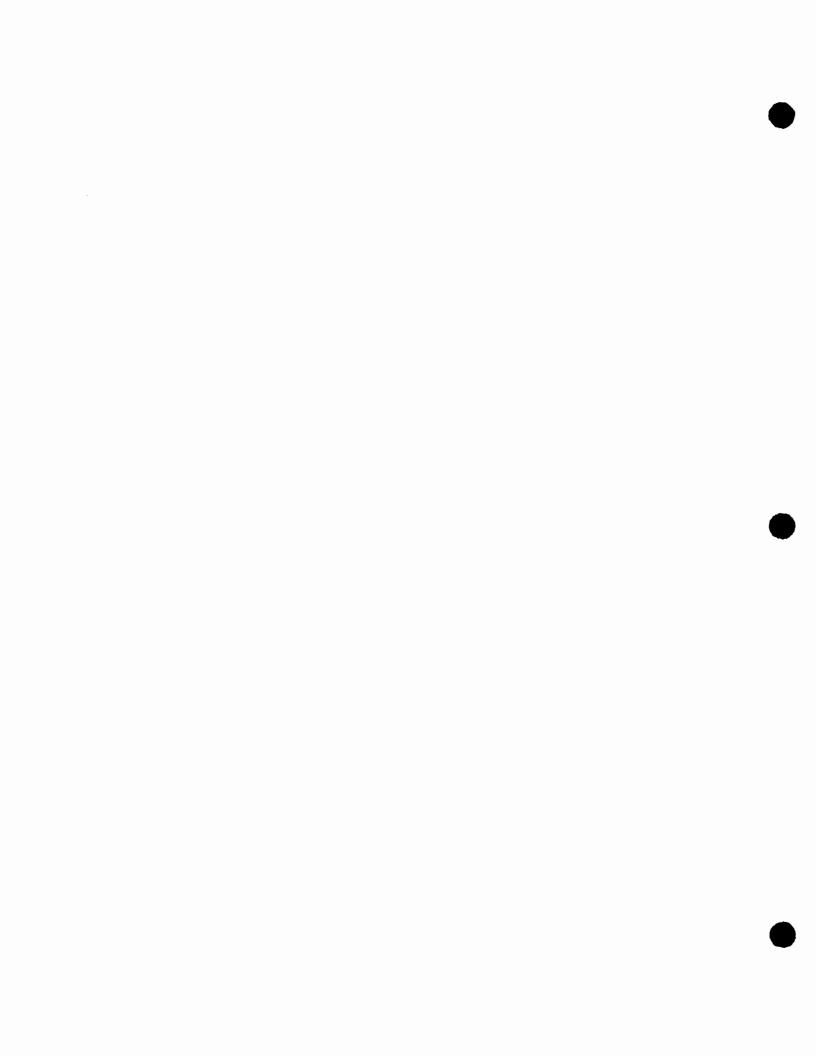






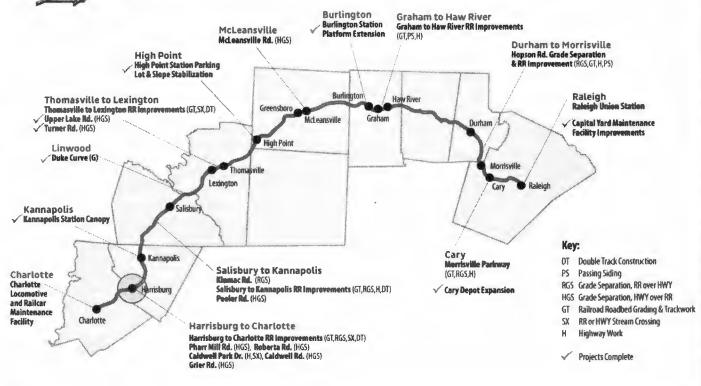


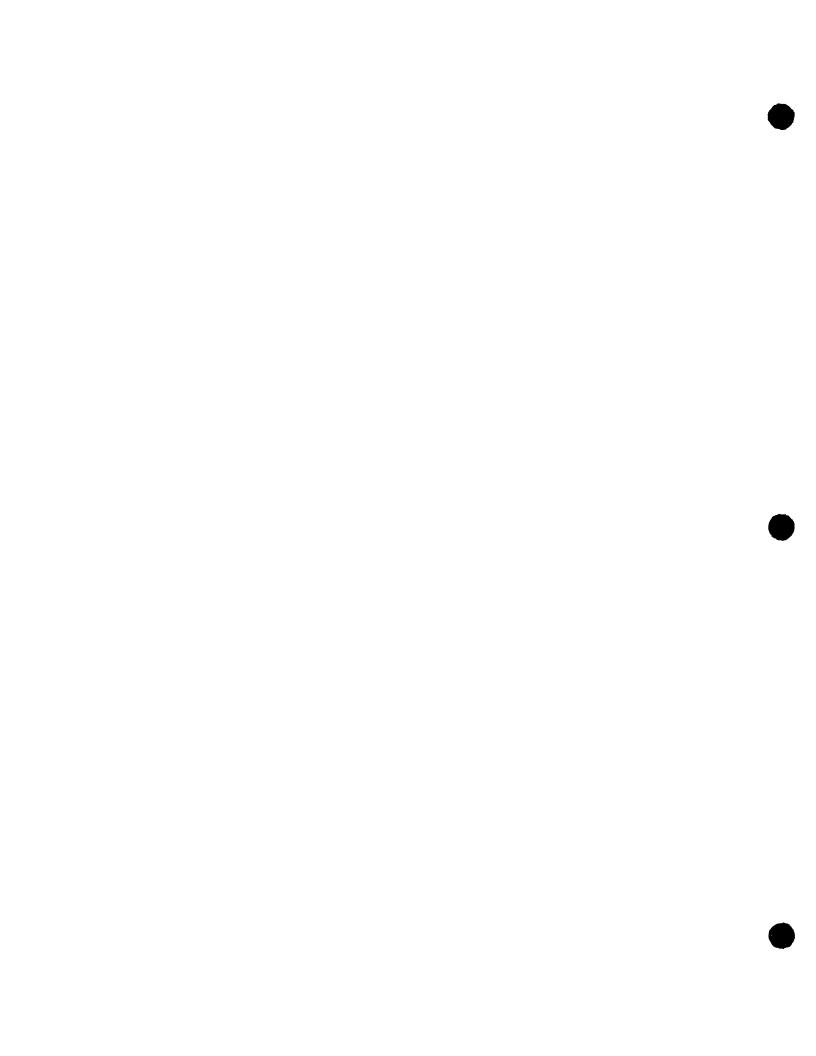






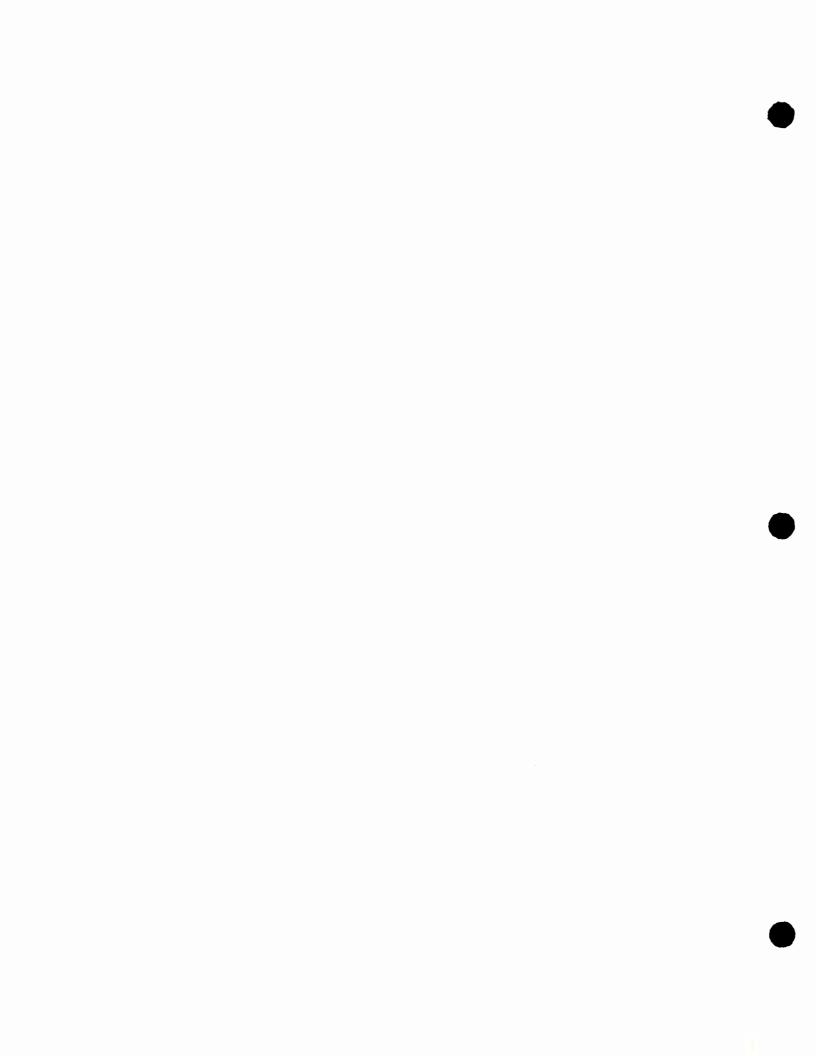
Piedmont Improvement Program Projects

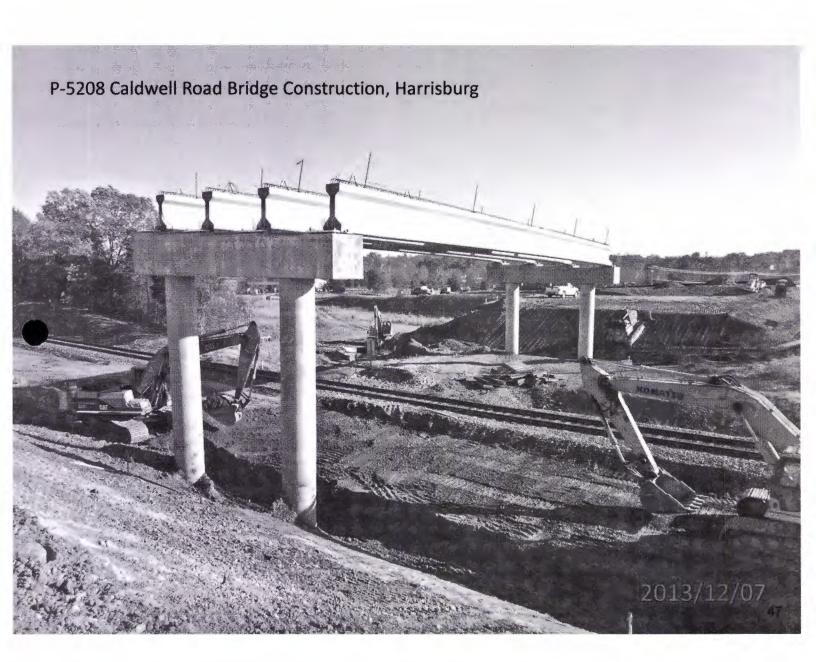


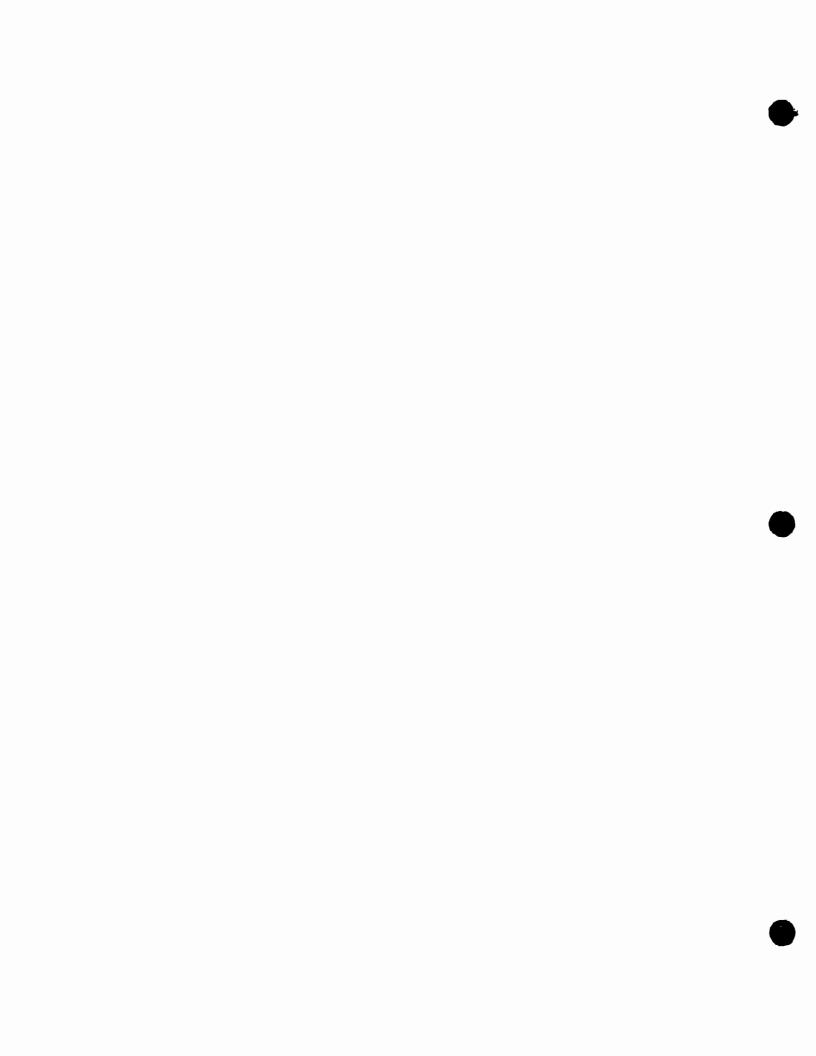


P-5208 Roberta Road Bridge Construction, Harrisburg

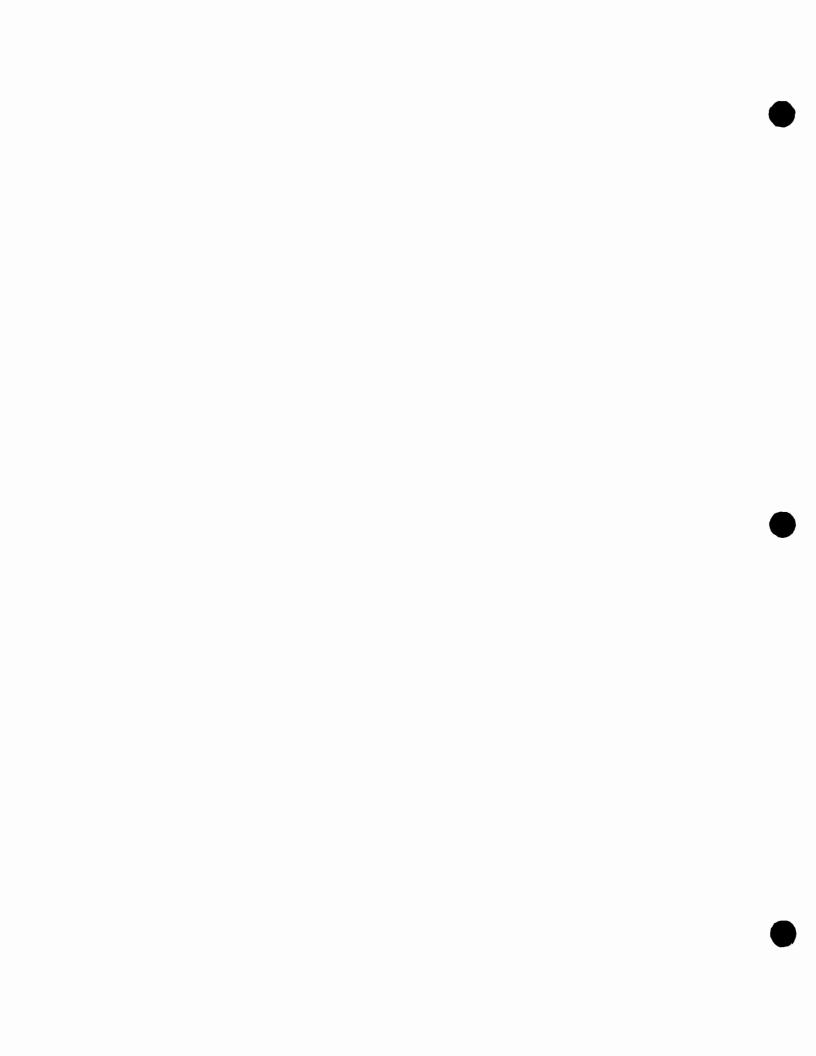


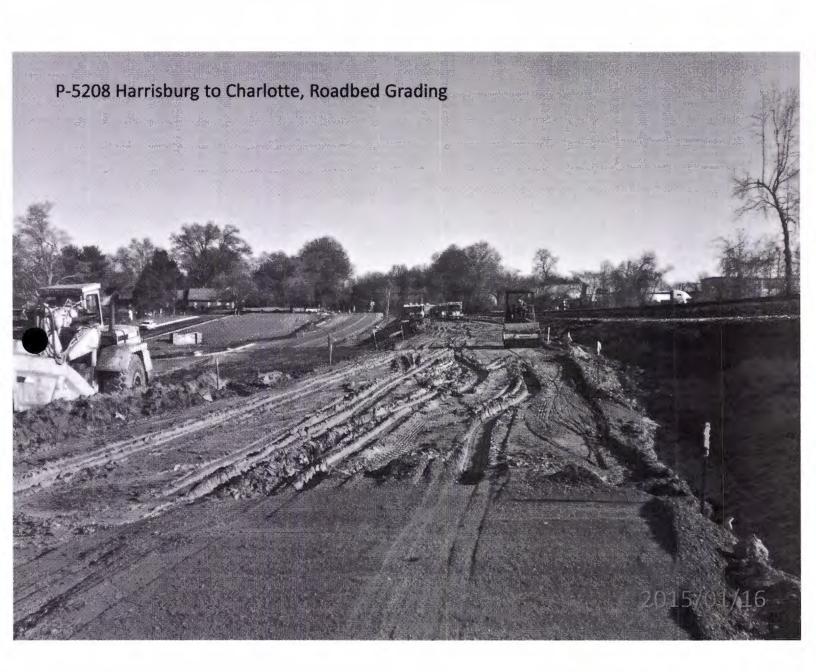


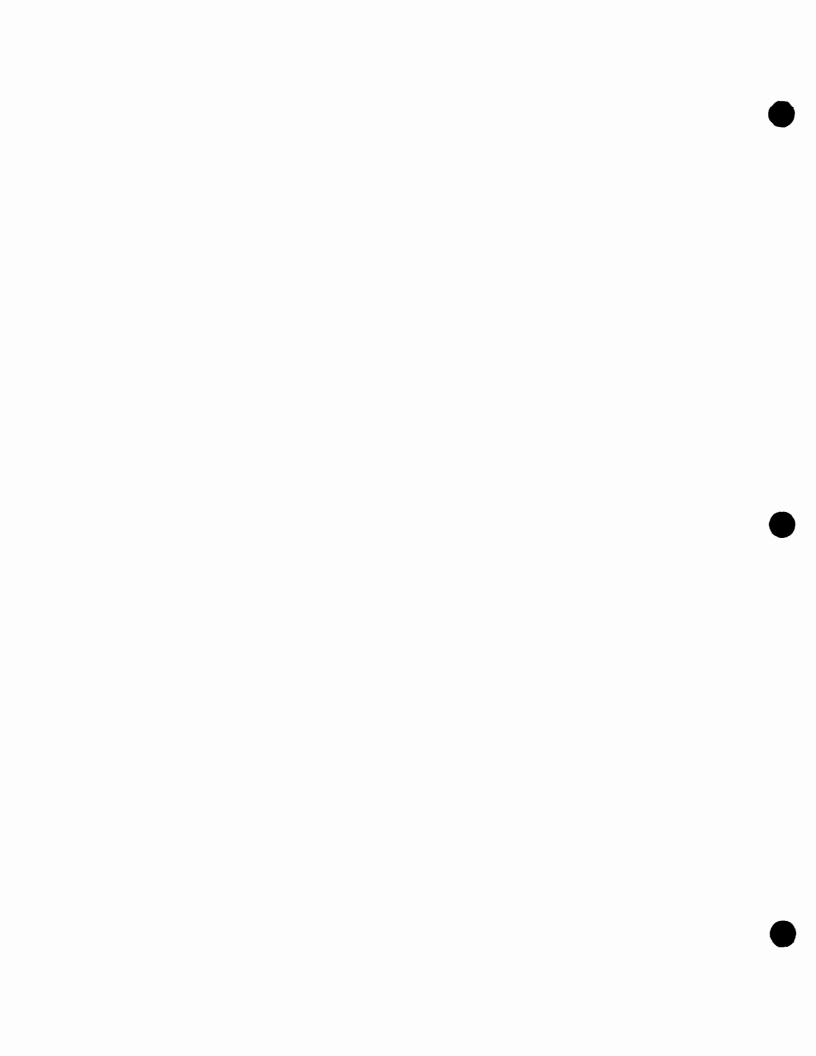




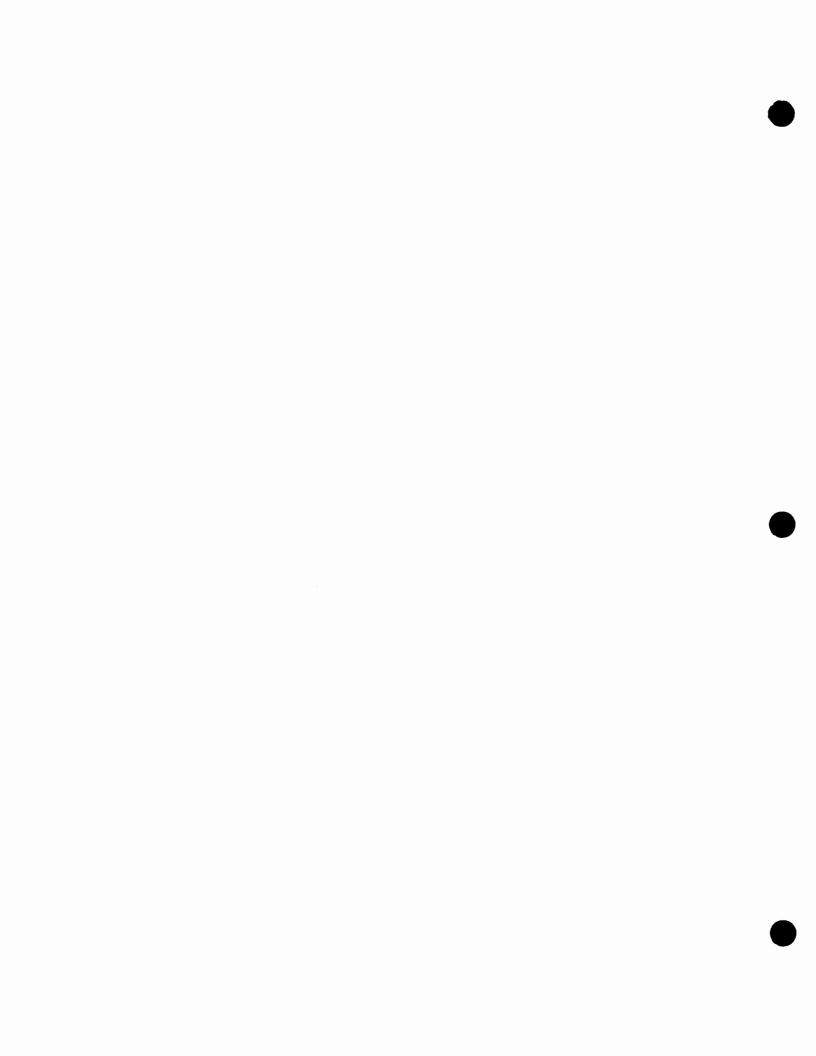




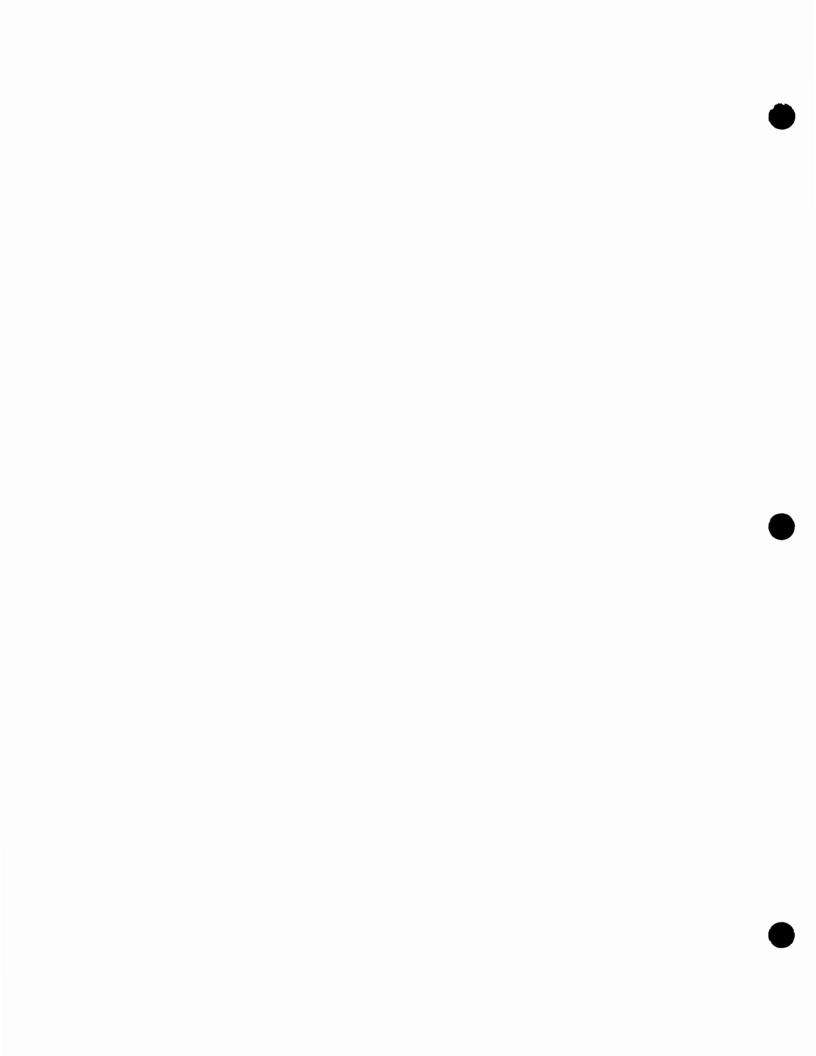












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Freight Rail & Rail Crossing Safety Improvement Fund

Established 2013 under NCGS §124-5.1 and funded by annual NCRR cash dividends

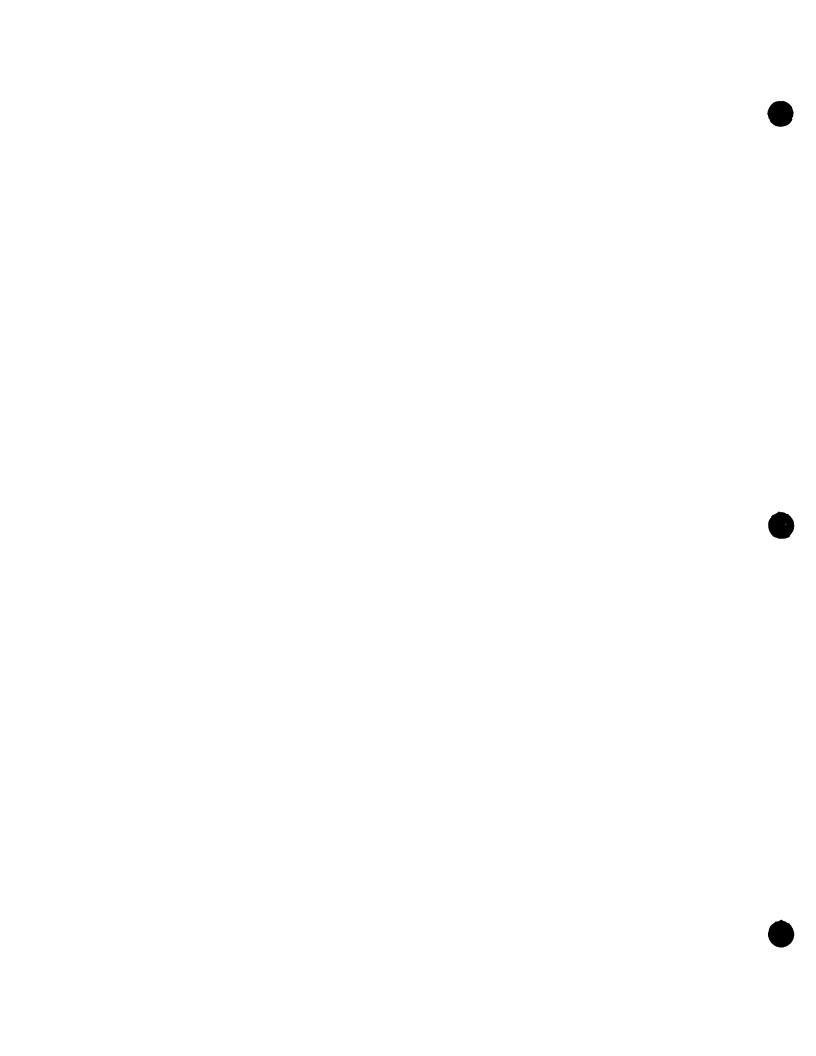
\$22,95m allocated to date

- \$19.2M SFY 2014
- \$3.75M SFY 2015

Program goals:

- · Make North Carolina's railroads safer
- Meet the needs of existing rail customers
- Address needs of prospective rail customers
- Build to meet the needs of future rail customers in small urban and rural areas





North Carolina

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State Grant Programs - FRRCSI Funded

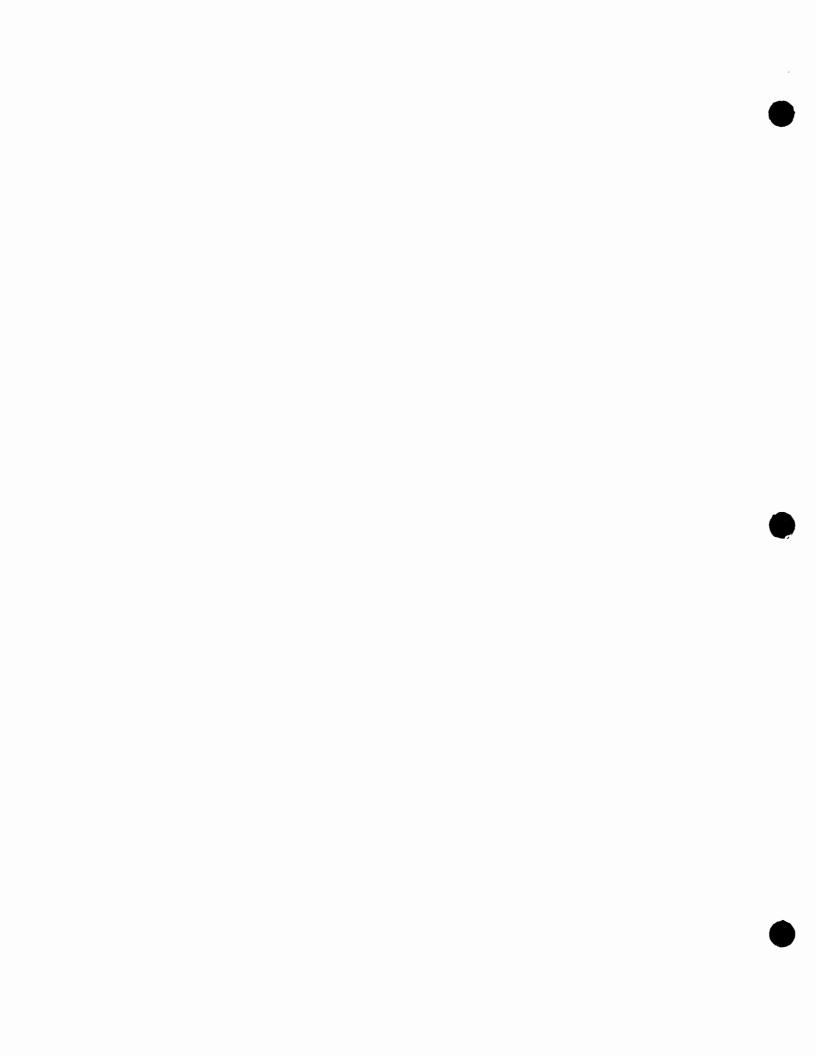
Short Line Infrastructure Assistance Program (SIAP)

- Traditionally funded by annual state legislative allocation
- Previous annual allocations have ranged from \$0 to \$2 million
- FR&RCSI is the source of funding in FY14 & FY15

Rail Industrial Access Program (RIAP)

- · Traditionally funded by annual state legislative allocation
- Previous annual allocations have ranged from \$119k to \$1 million
- Provides funds for construction of rail spurs to allow industries new or expanded rail access
- · Bringing jobs to people
- · Diverting freight from highways to rail





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Project Categories & Needs

Funds allocated statewide by NCDOT to projects based on:

- -Eligibility
- -Needs
- -Prioritization methodologies



- Short Line Infrastructure Assistance
- Class I Infrastructure Projects
- **Federal Grant Matching Funds**

Grade Crossing Protection, Elimination & Signalization

- Closures
- Corridors
- Signals
- Signage

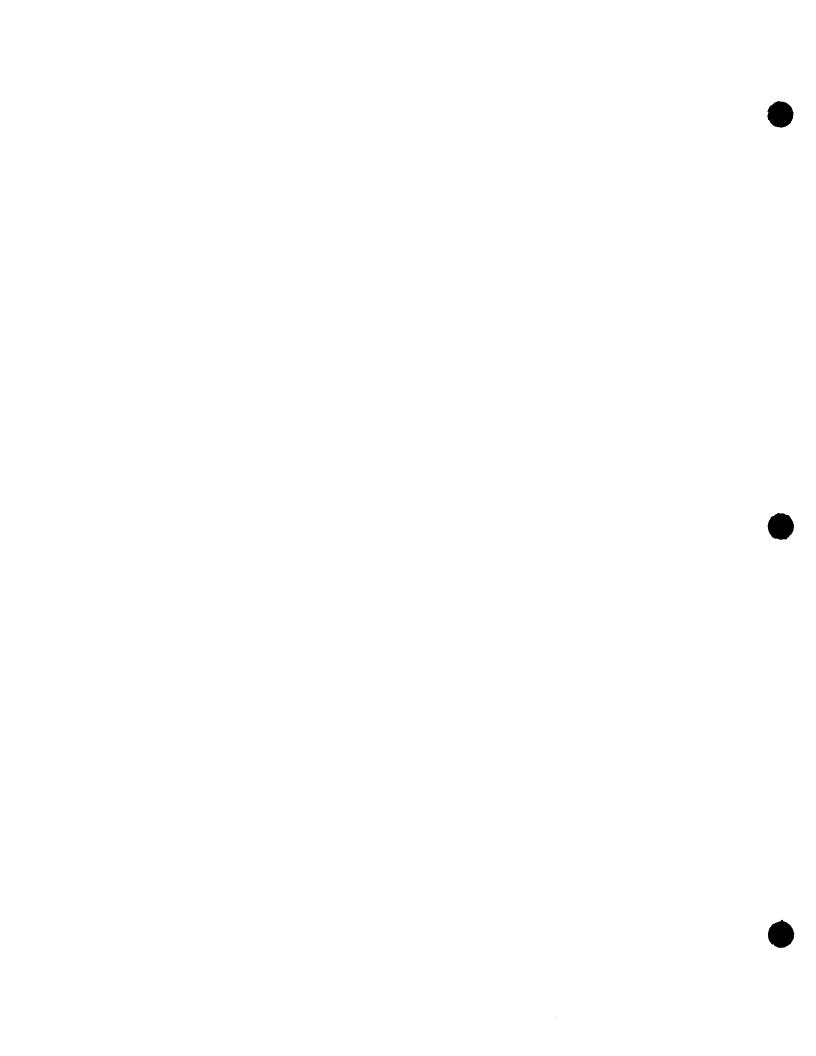
Improvements

- Surfaces

Rail Access **Improvements**

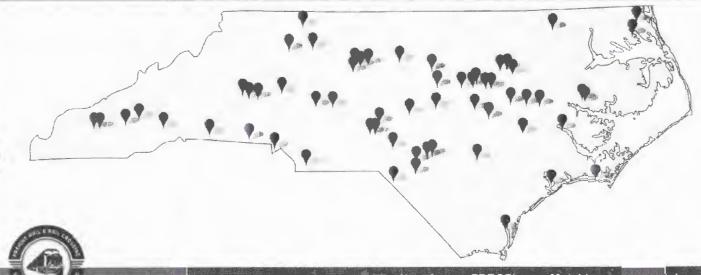
- Discretionary Grant Matching Funds
- Rail Industrial Access
- Military
- Ports
- Industry





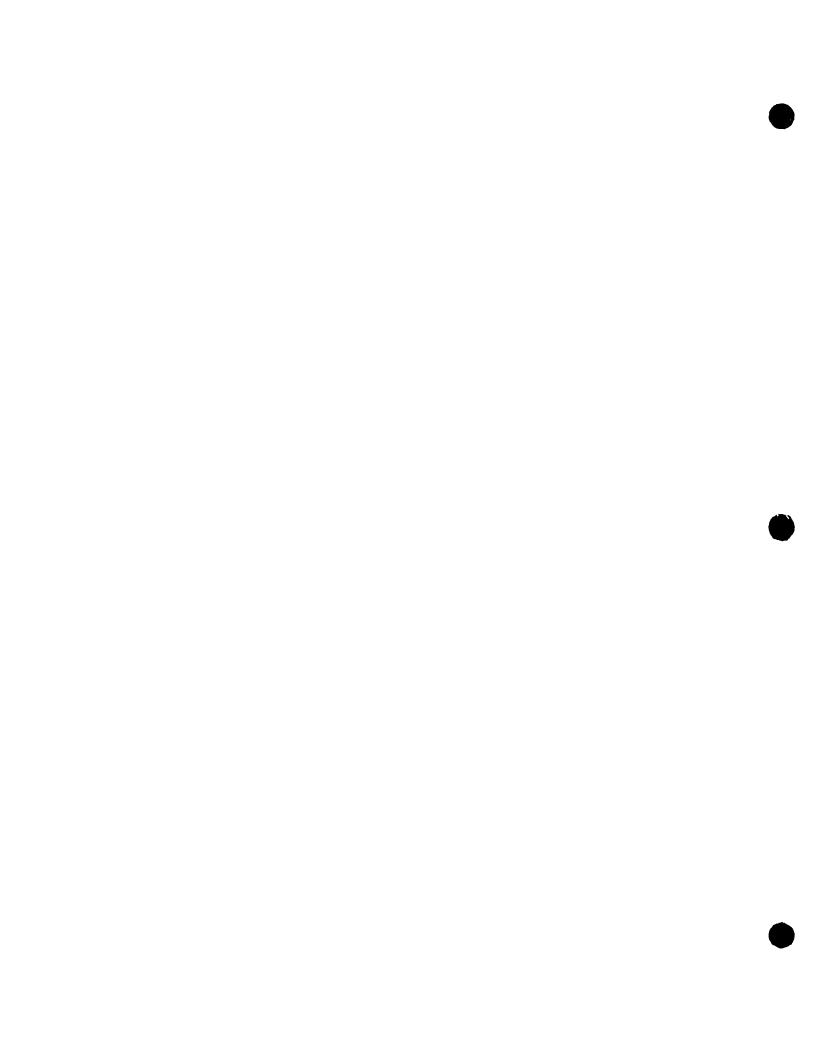
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FRRCSI Projects - 2014-2015



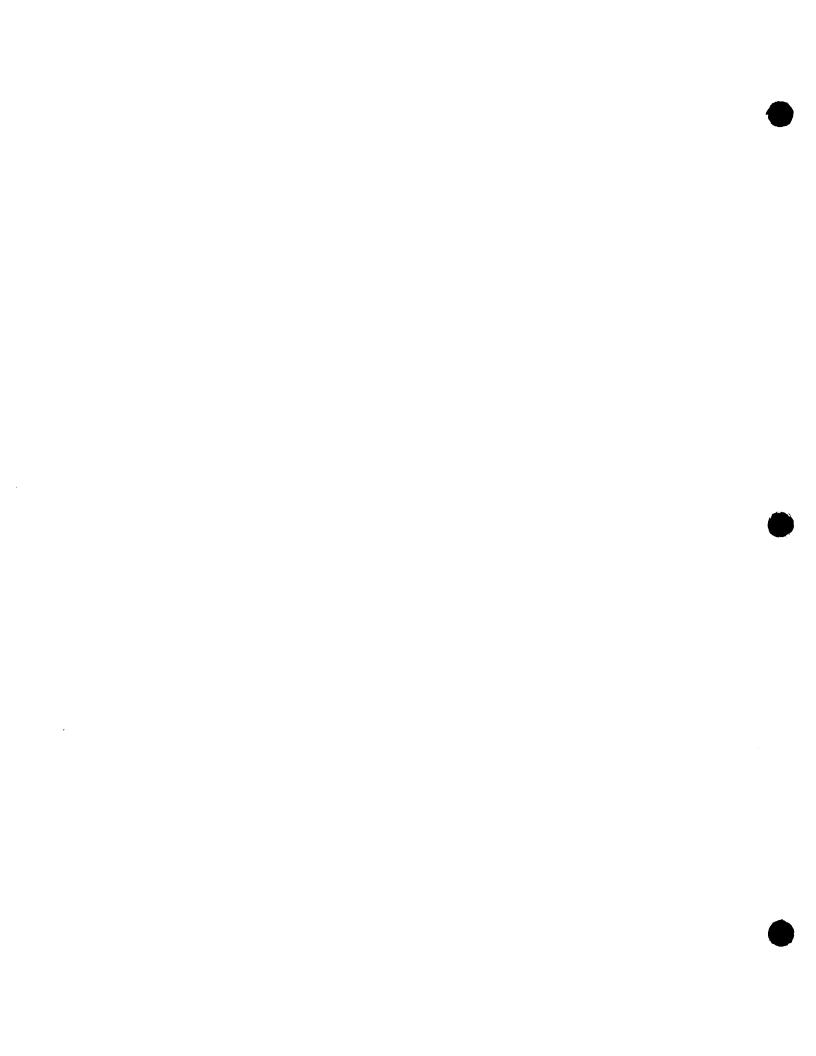
| Project Categories | No. of Projects | FRRCSI Funding | Matching Funding | Total Funding |
|---------------------------------------|--------------------|-------------------|---------------------|------------------|
| Track Infrastructure Improvements | 24 | 7.0M | 6.2M | 13.2M |
| Crossing Safety & Signal Improvements | 31 | 9.4M | 0.1M | 9.5M |
| Rail Access Improvements | 25 | 6.5M | 15.5M | 22.0M |
| Program Grand Total | 80 | 22.9M | 21.8M | 44.7M |

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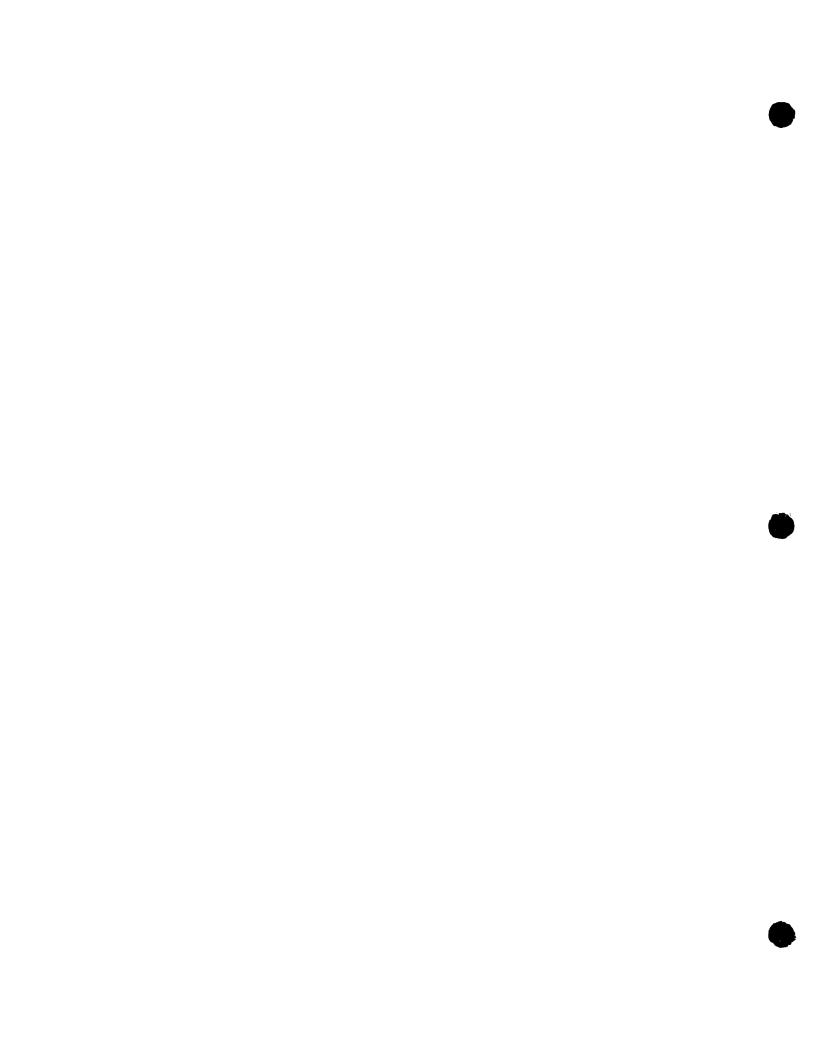
2014/2015 Fund Allocations

| Project Categories | Project Type | FRRCSI Funding | Railroad Match | Total Investment |
|---------------------------------------|------------------------|-------------------|-------------------|---------------------|
| Track Infrastructure Improvements | Economic Development | 0.8M | _ | 0.8M |
| | Short Line | 6.1M | 6.2M | 12.3M |
| | Management | 0.2M | - | 0.2M |
| Crossing Safety & Signal Improvements | Closure | 3.2M | - | 3.2M |
| | Corridor | 1.6M | - | 1.6M |
| | Crossing Assistance | 3.9M | - | 3.9M |
| | Crossing Surface | 0.8M | 0.1M | 0.9M |
| | Management | 0.1M | - | 0.1M |
| Rail Access Improvements | Industrial Access | 1.2M | 3.8M | 5.0M |
| | Military/Port/Industry | 5.0M | 11.7M | 16.7M |
| | Management | 0.4M | - | 0.4M |
| Program Grand Total | | 22.9M | 21.8M | 44.7M |



2015 Funding Utilization

| Project Categories | Project Type |
|--|--|
| Track Infrastructure Improvements | \$2.83 million to fund 11 projects that will improve short line railroads by adding capacity, increasing operating efficiency and enhancing safety on these critical rural development corridors |
| Crossing Safety & Signal Improvements | \$500,000 to fund two projects which will modernize rail crossing signals and improve safety – 8 crossings will be closed to improve safety for trains and vehicles |
| Rail Access Improvements | \$411,000 to fund two projects that will improve rail access for new and existing businesses and enhance the ability to move freight via the rail network |



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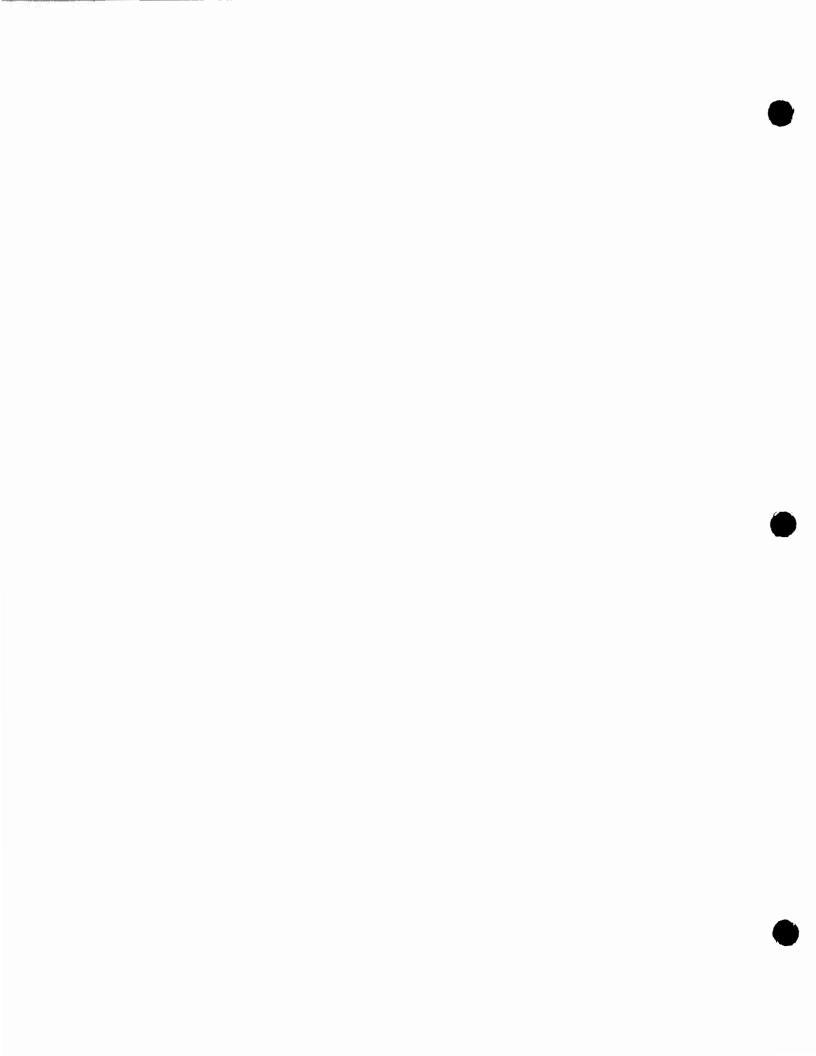
Future FRRCSI Needs

- Bridges: Many on light density lines need upgrading to 286K standards for today's railcars
- New bulk or intermodal terminals:
 Build or support
- Rail Plan identifies \$43,526,000*
 need over next 5 years





*See Slide 16.



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FRRCSI Gaps in Eligibility

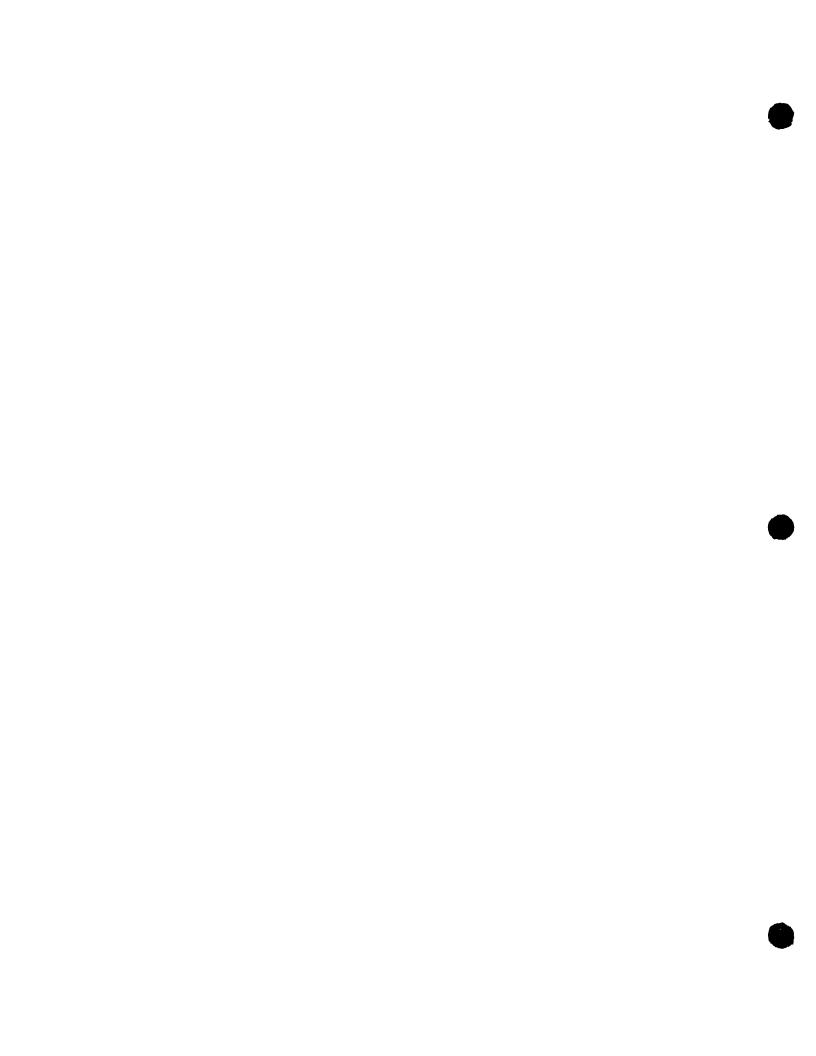
- STI does not lend itself to funding intermodal projects
- FRRCSI funds help to fill that gap, but not completely

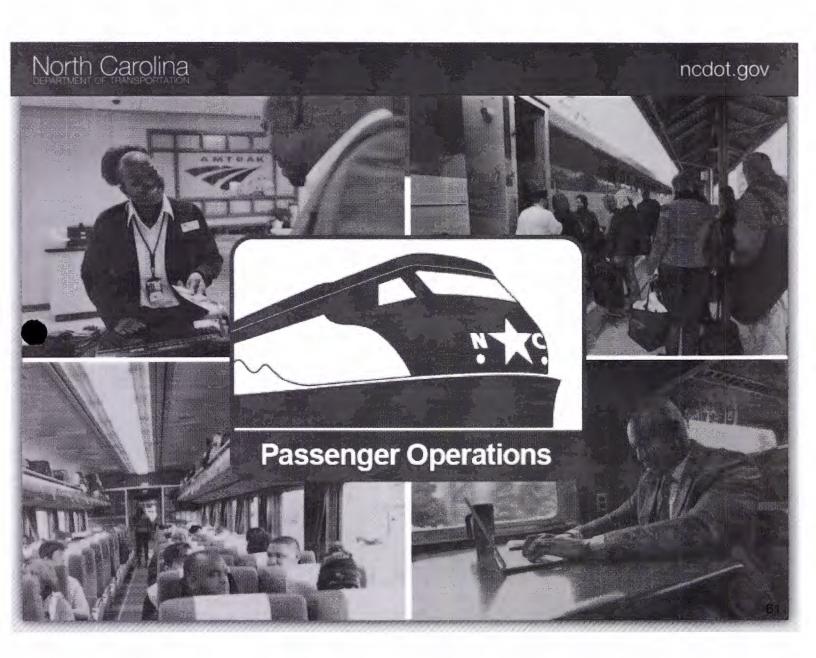
Example: Great Smoky Mountains Railroad

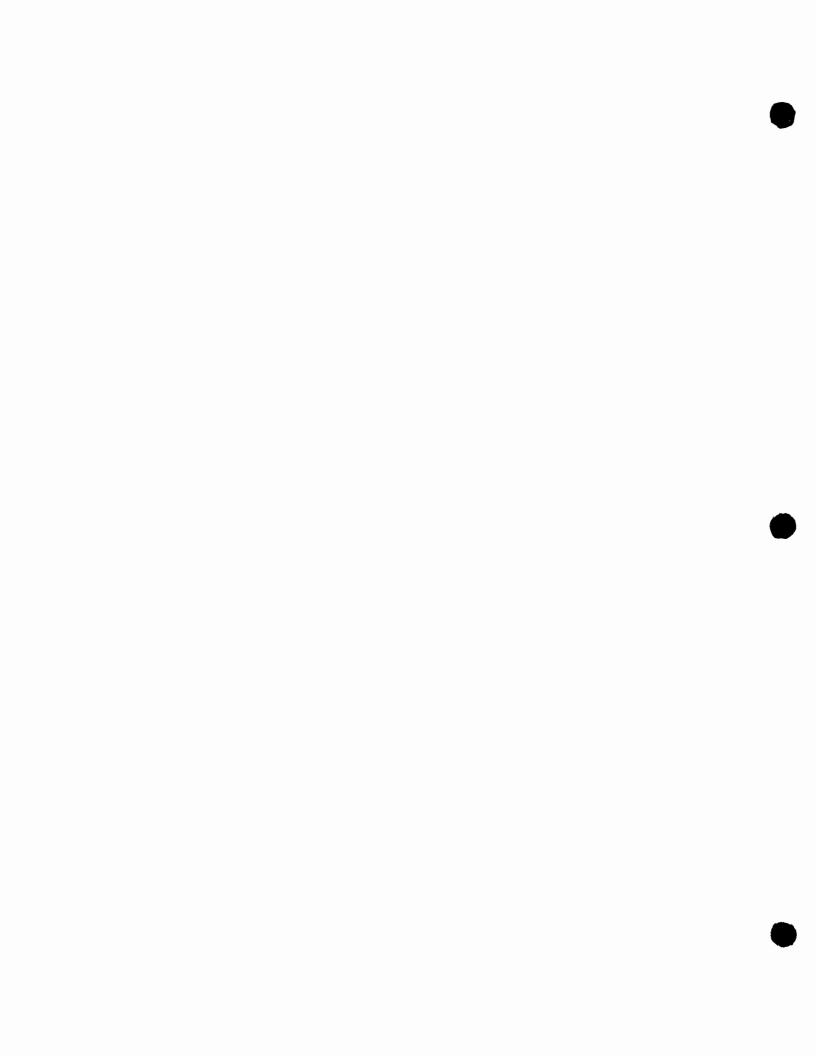
- Since the GSMR does not provide freight service, they do not qualify under FRRCSI.
- SIAP improvements are funded through FRRCSI.











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Passenger Rail Investment & Improvement Act of 2008 (PRIIA) Section 209

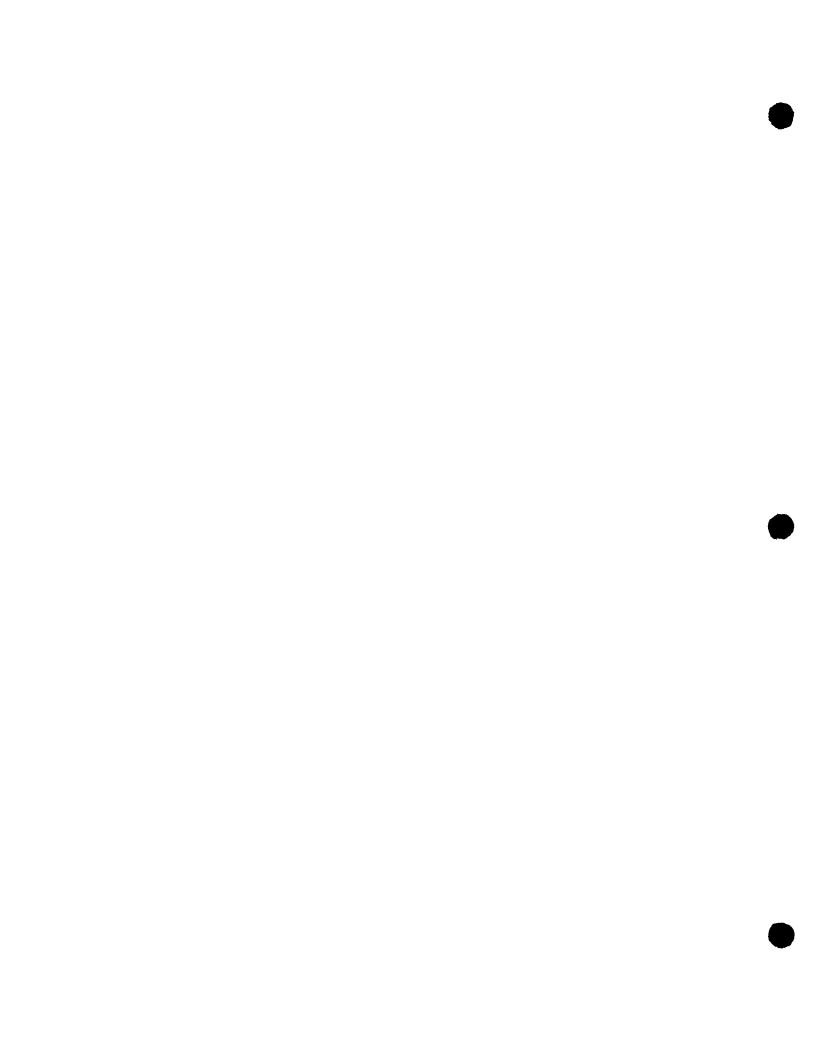
Intent of Section 209 Legislation: establish pricing methodology for governing state payments to Amtrak for services provided

- State payments have increased
- Includes direct, shared and equipment capital costs, with credit provided for passenger revenue

Section 209 impact on NC: Cost increase of \$2.9M

| | FFY 2012 | FFY2014 | Percent Change |
|-------------|----------|---------|----------------|
| Net Payment | \$4.29M | \$6.46M | 50% |

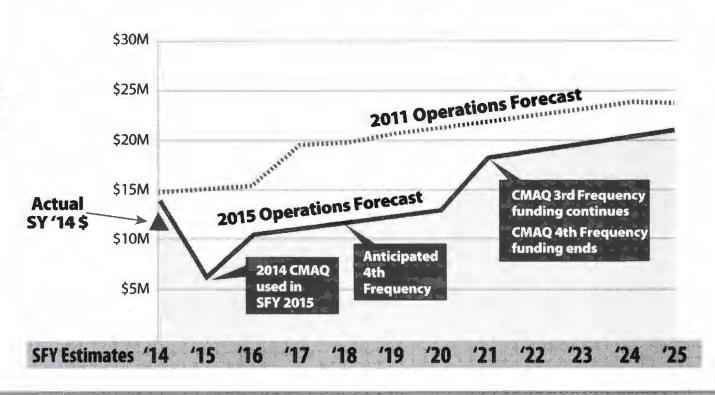
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Operations Funding Forecast

Operations Funding Forecast



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CMAQ Funding Timeline

CMAQ used to support 3rd Frequency Piedmont Operations

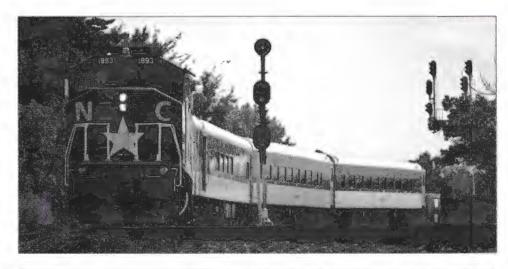
As per federal law, funding will continue indefinitely

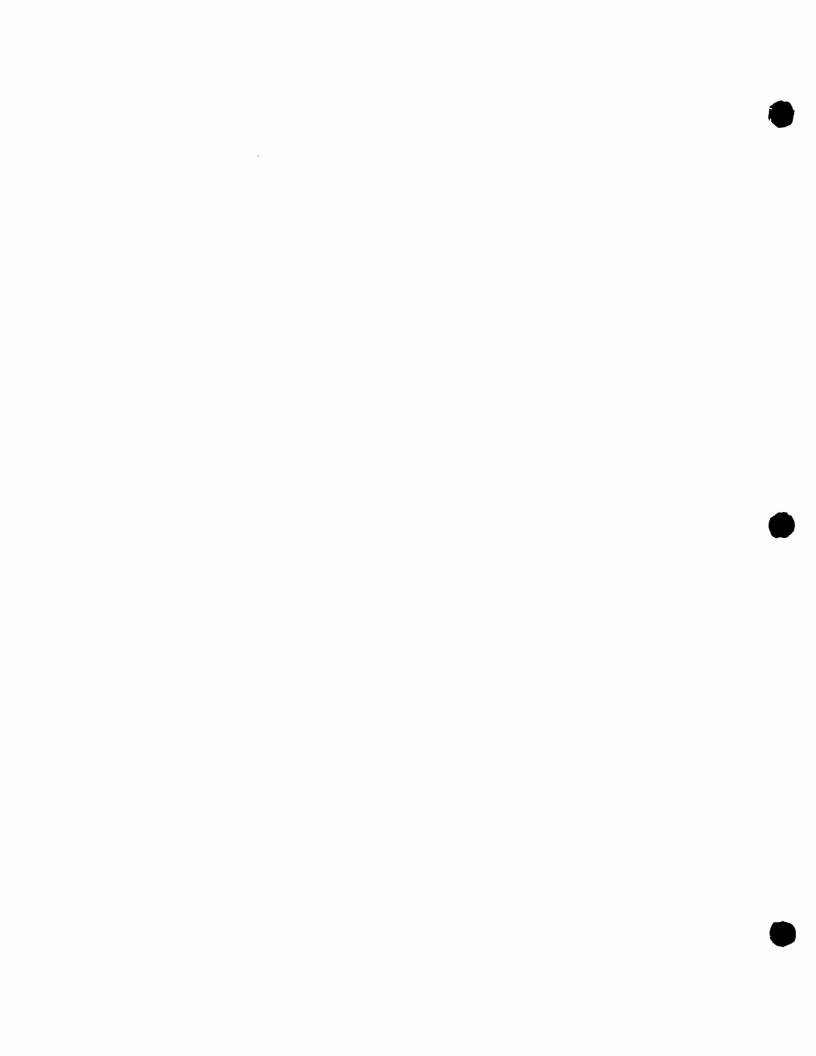
Additional CMAQ funds used to support Marketing FFY15-16

Anticipate being able to continue beyond FFY16

CMAQ funds for 4th Frequency *Piedmont*

 Only eligible for first 3 years of operation (FFY 2018)





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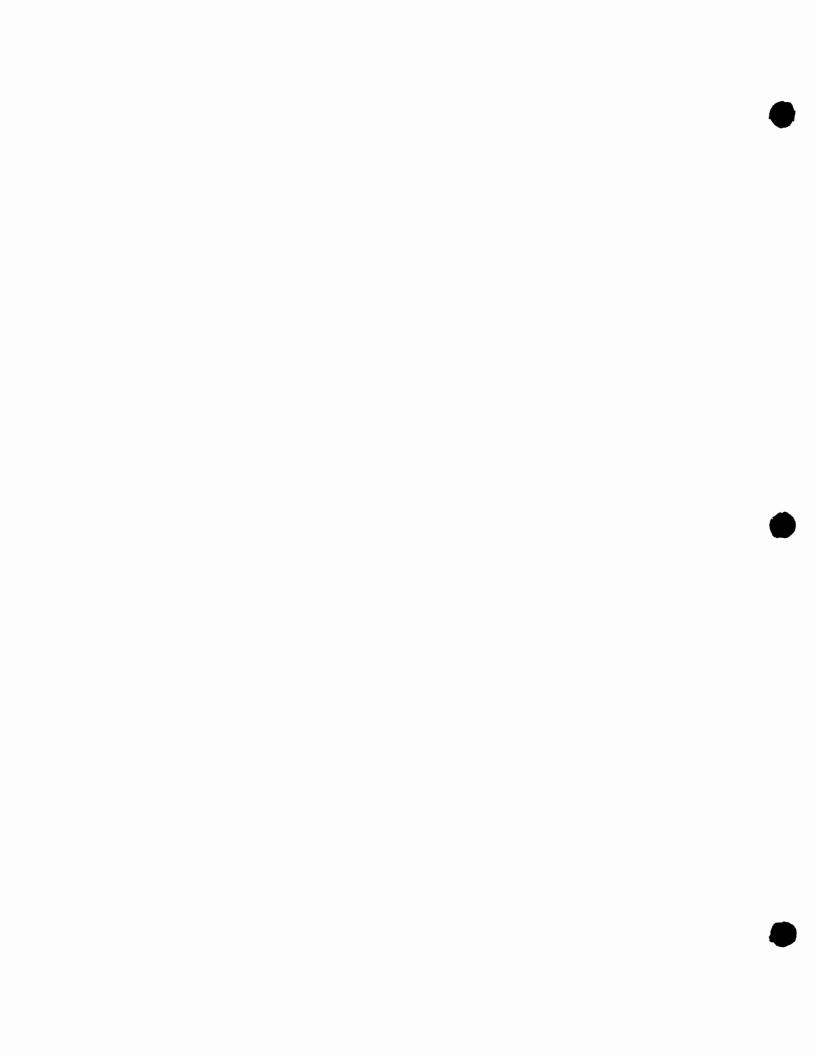
Piedmont Route Performance

December 2014 Customer Satisfaction Rating 91%

| | | Project | ted |
|---|--------------|---------------|----------------|
| | SFY2014 | SFY2015 | SFY2016 |
| | | Transfer and | STATE AND LAND |
| Passenger Revenue | \$3,413,423 | \$3,558,957 | \$3,665,700 |
| CMAQ | \$0 | **\$7,500,000 | \$3,750,000 |
| State Rail Funds (Budgeted) | \$10,488,136 | \$3,801,288 | \$7,772,685 |
| Total Revenue | \$13,901,559 | \$14,860,245 | \$15,188,385 |
| Amtrak | \$6,646,349 | \$6,916.502 | \$6,985,667 |
| Fuel | \$1,265,414 | \$1,223,291 | \$1,259,990 |
| Mechanical | \$3,149,846 | \$3,201,739 | \$3,297,791 |
| Insurance | \$1,143,833 | \$1,236,000 | \$1,273,080 |
| Total Direct Expense | \$12,205,442 | \$12,577,532 | \$12,816,528 |
| Passenger Program Overhead & Contingency* | \$1,696,116 | \$2,282,713 | \$2,371,857 |
| Total Direct & Overhead Expense w/Contingency | \$13,901,559 | \$14,860,245 | \$15,188,385 |
| Fare Box Recovery Ratio | 28% | 28% | 29% |
| Number of Passengers | 169,900 | 173,100 | *174,500 |

^{*}Includes Station & Facility Rent, NCDOT Station Attendant Program, NS Maintenance Payments and Administrative **FFY 14 and 15 CMAQ

^{***} Ridership forecast is conservative due to construction delays and train annulments during PIP construction



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Carolinian Route Performance

December 2014 Customer Satisfaction Rating 83%

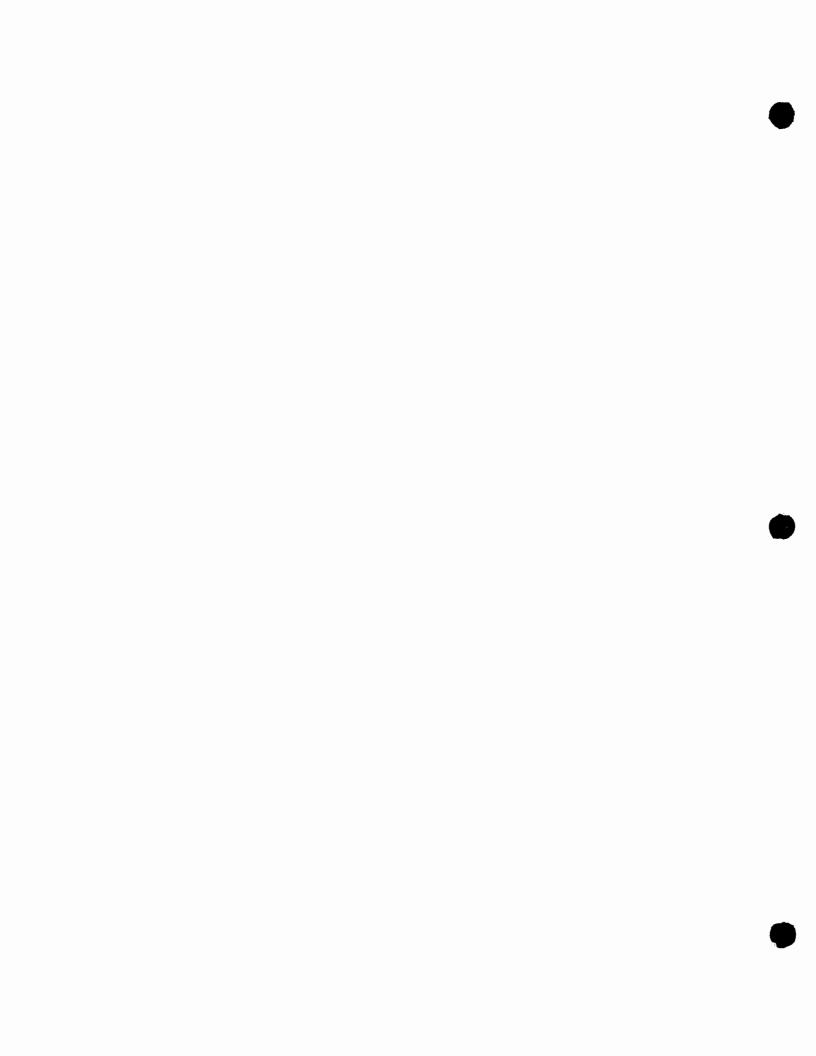
| | | Projec | ted |
|---|--------------|--------------|--------------|
| | SFY2014 | SFY2015 | SFY2016 |
| | | 3 de 2 de 2 | 194. |
| Passenger Revenue | \$16,344,841 | \$16,501,881 | \$16,666,900 |
| CMAQ* | \$0 | \$0 | \$0 |
| State Rail Funds (Budgeted) | \$2,953,943 | \$3,960,295 | \$4,033,056 |
| Total Revenue | \$19,298,783 | \$20,462,176 | \$20,699,956 |
| Amtrak | \$18,450,725 | \$19,320,819 | \$19,514,028 |
| Total Direct Expense | \$18,450,725 | \$19,320,819 | \$19,514,028 |
| Passenger Program Overhead & Contingency** | \$848,058 | \$1,141,357 | \$1,185,928 |
| Total Direct & Overhead Expense w/Contingency | \$19,298,783 | \$20,462,176 | \$20,699,956 |
| Fare Box Recovery Ratio*** | 89% | 85% | 85% |
| Passengers | 303,300 | 315,300 | *315,800 |

^{*}Not eligible for CMAQ

^{**}Includes Station & Facility Rent, NCDOT Station Attendant Program, NS Maintenance Payments and Administrative

^{***}Fare Box Recovery Ratio excludes Amtrak Equipment Capital Charge

^{****} Ridership forecast is conservative due to construction delays and train annulments during PIP construction



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Implemented Cost Reductions and Enhancements

\$676.15K SFY2014 Savings Shift to non-Rail Funding Sources

\$296K

Winston-Salem Connector Bus Service \$44K

High Point & Salisbury Station Attendants

Restructure Services

\$40K

NCBYTRAIN Call Center \$1.15K

Amenities on Piedmont **Fare Strategies**

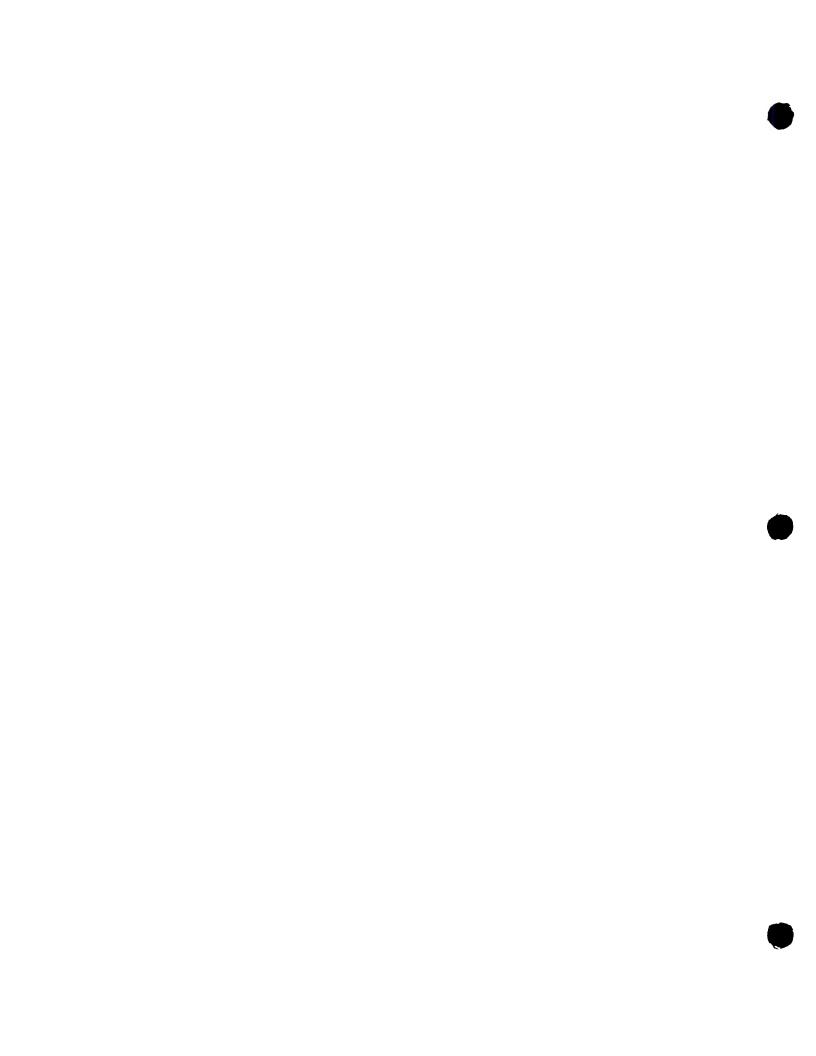
\$175K

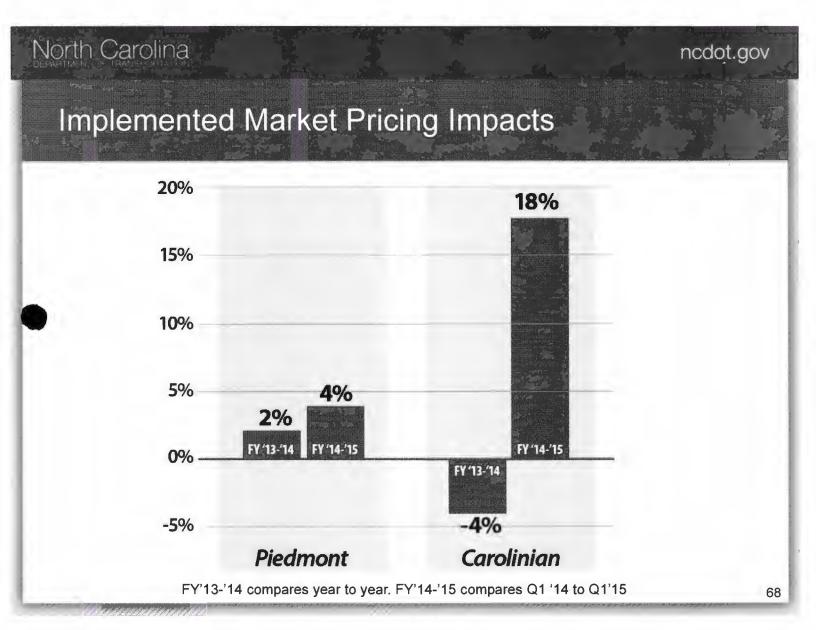
Market Pricing to Increase Revenue

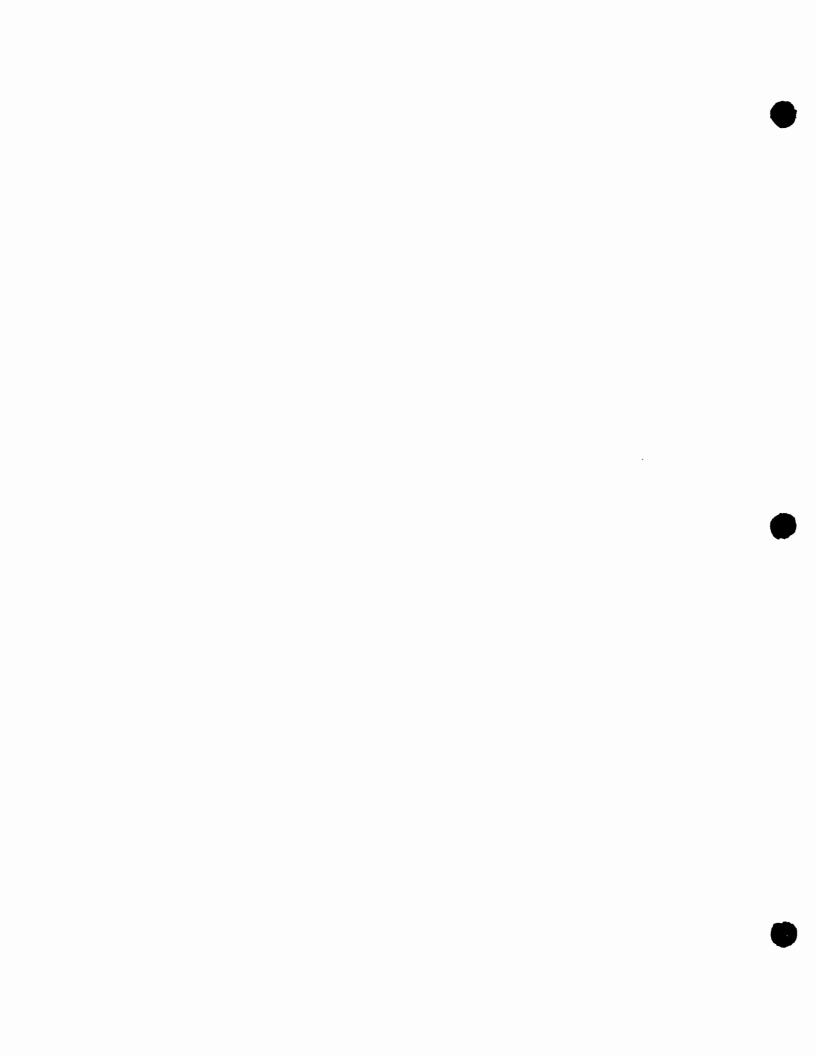
Fuel Adjustment

\$120K

Fuel Consumption Adjustment on Carolinian







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Reducing Costs & Generating Revenue

Near Term-1 year:

Ongoing Fare Strategies based on new market research:

- Have increased revenue 11% and ridership 4% efforts continue
- Onboard and General Public Survey conducted Spring and Fall 2014
- General Awareness Survey underway
- Results are driving marketing efforts and fare strategy

Amenities Fee:

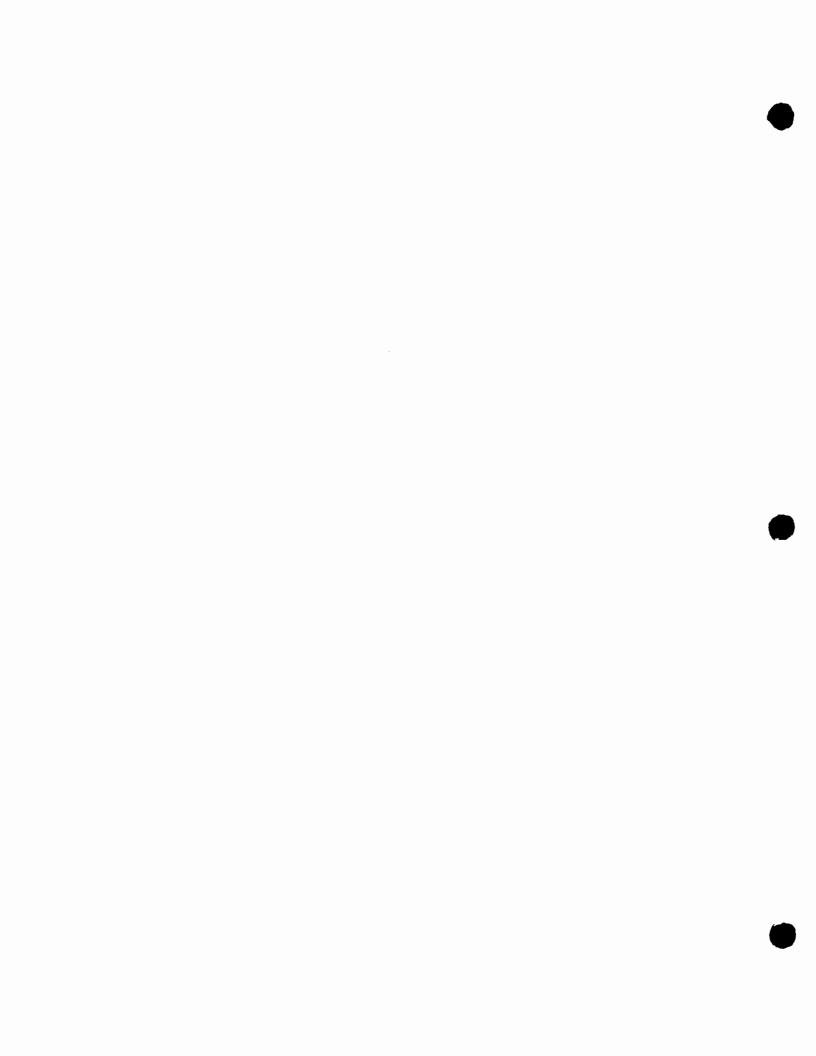
Will be raised by 50¢ to \$1 to cover new Wi-Fi coming in May – +\$35K

Reservations & Ticketing Efficiency:

- Evaluating measures to reduce usage of Amtrak call center services, and increase interactive self-serve ticketing
- Gained direct access to Amtrak Fare & Seat Inventory Management System

Generate Revenue:

· Sponsorships and business opportunities, requires legislation



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Reducing Costs & Generating Revenue

Mid Term-2-3 years:

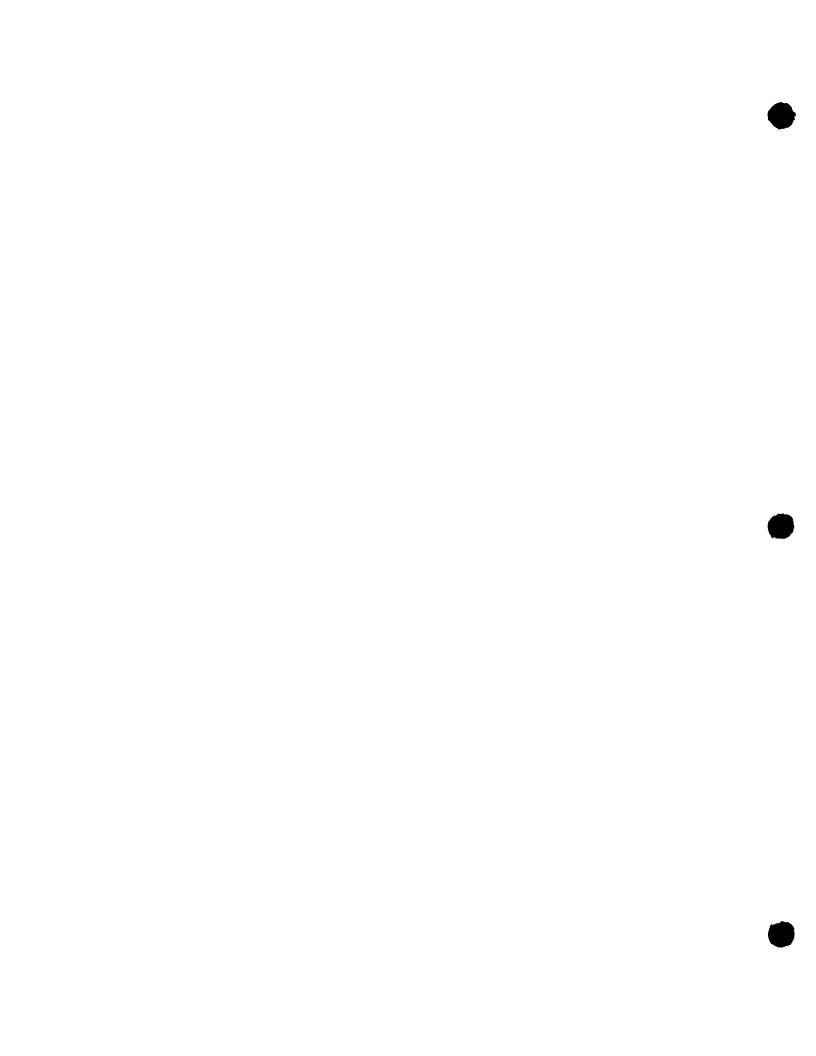
Station Staffing and Onboard/Crew base efficiencies:

- Now being scoped
- Potential savings of \$500k+
- · Value of offering reserved seating vs. unreserved seating

Completion of Raleigh Union Station

Completion of PIP improves reliability





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Reducing Costs & Generating Revenue

Long Term-2017 and beyond:

Completion of Charlotte Gateway Station

Grow Ridership:

- · Additional Station stops at Harrisburg, Lexington and Hillsborough
- · Feeder services, connectivity

Station Efficiencies:

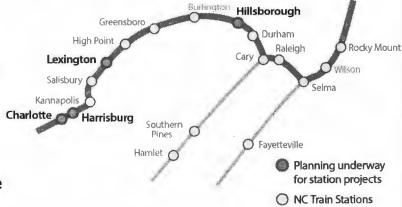
- Staffing
- Expand local support of stations

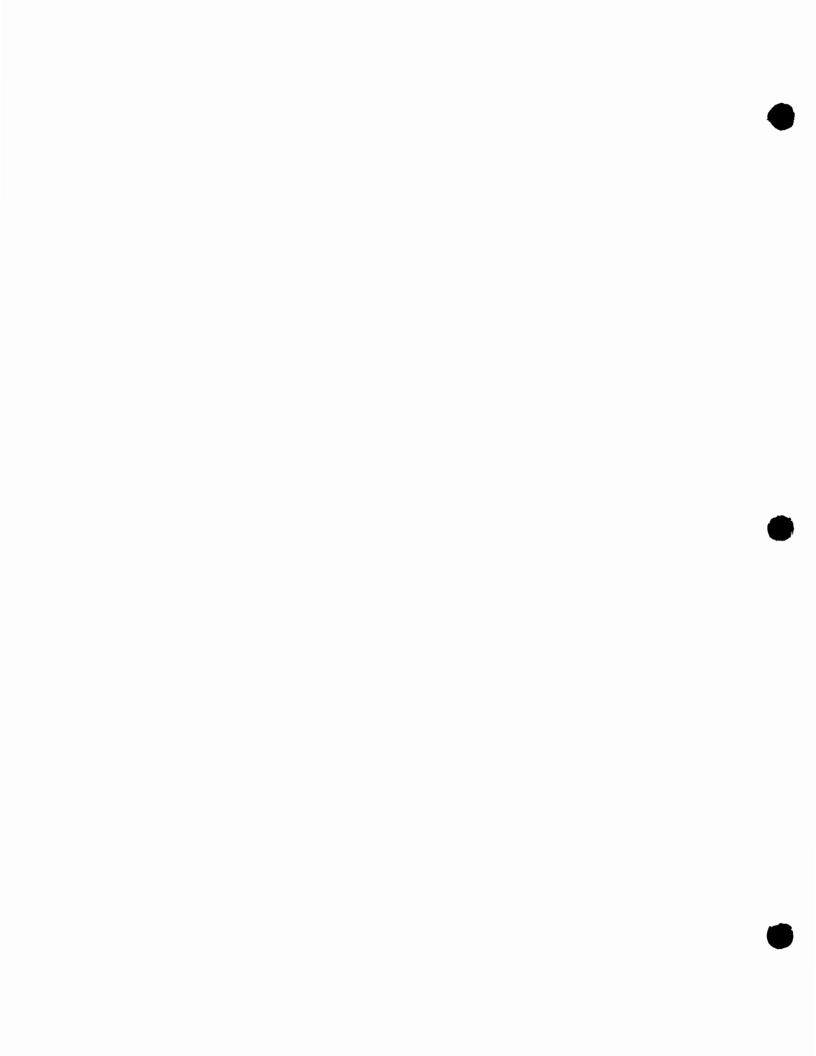
Equipment and Facilities

· Continue to pursue efficiencies

Service Procurement:

· Investigate options to streamline

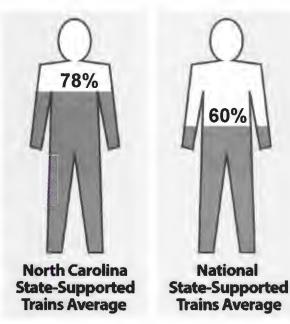


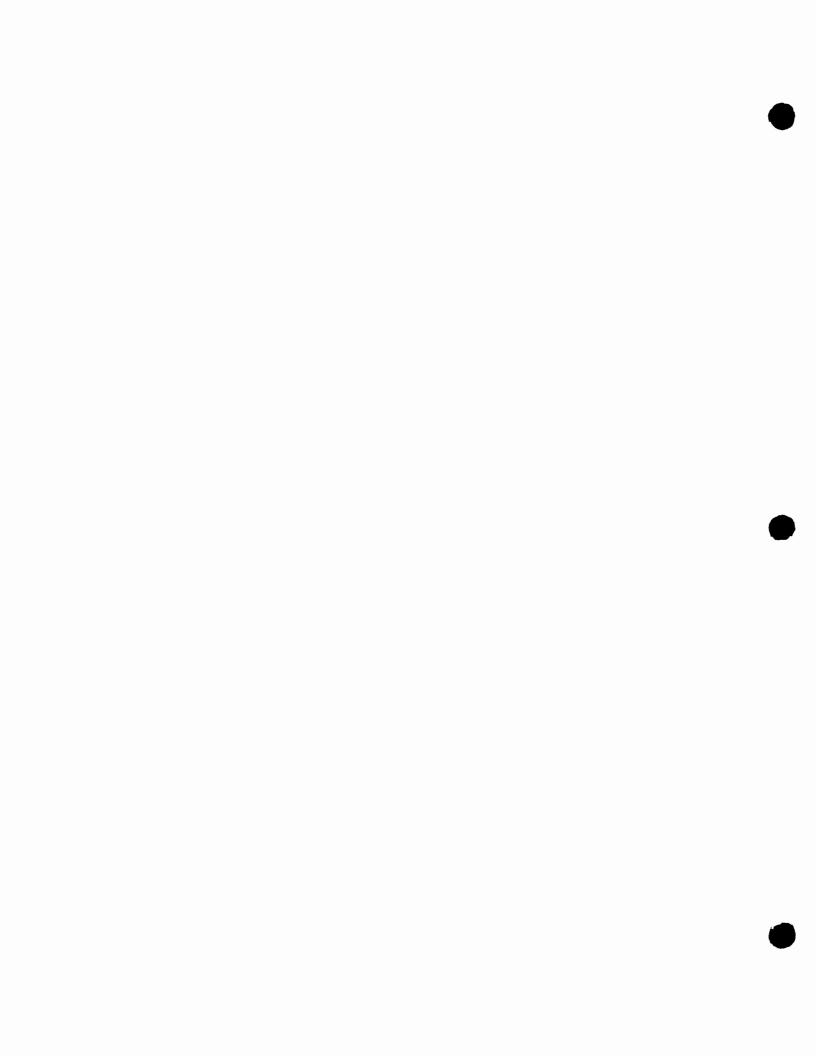


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How North Carolina's Amtrak Compared to Other State-supported Trains in 2014

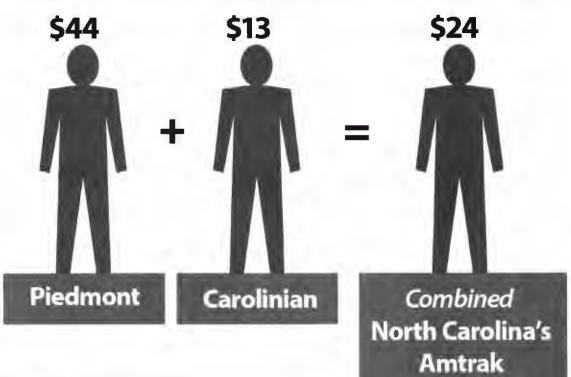
Cost recovery data based on FFY Revenues and Expenses as reported by Amtrak September 2014 for 29 State-Supported Routes.



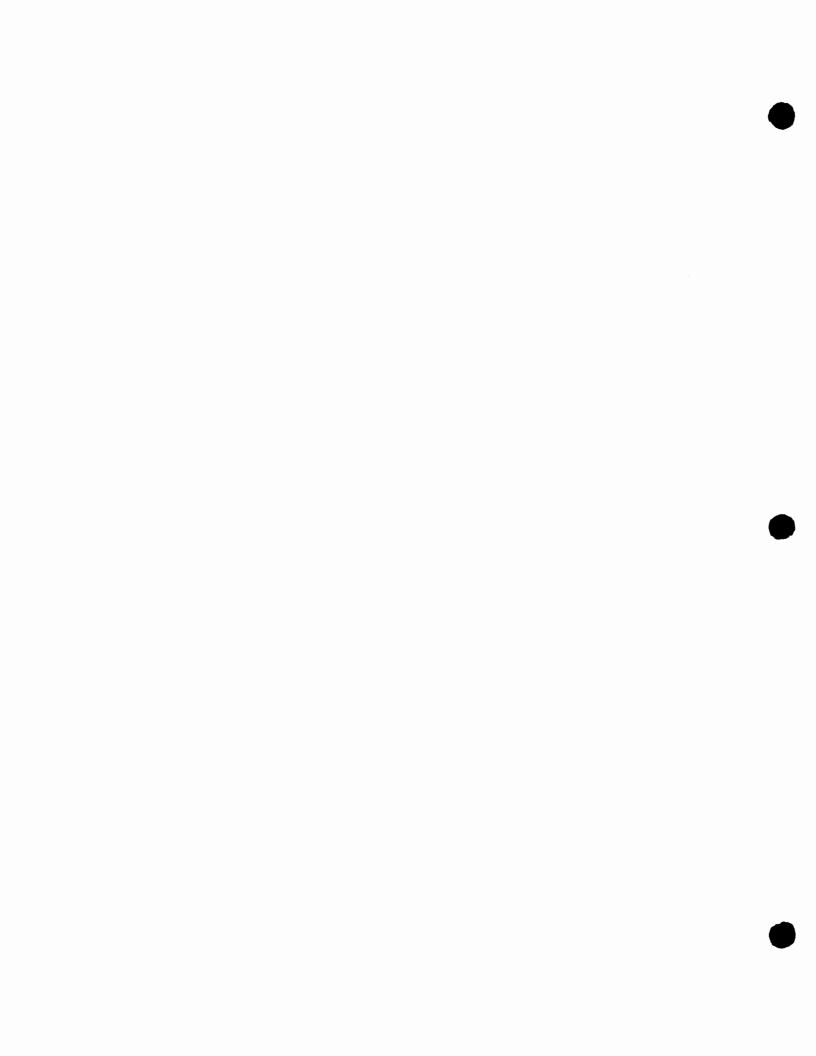


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State Subsidy per Passenger – 3 year average*

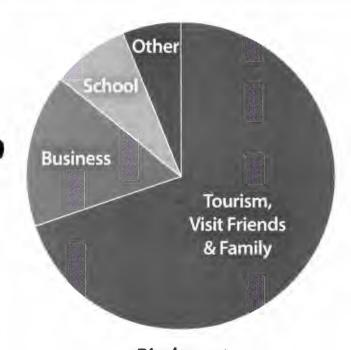


*Combined SFY 2014, 2015 actual costs and projected 2016 cost

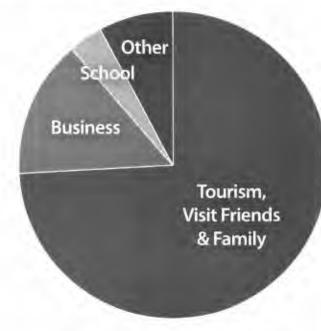


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Passenger Trip Purposes

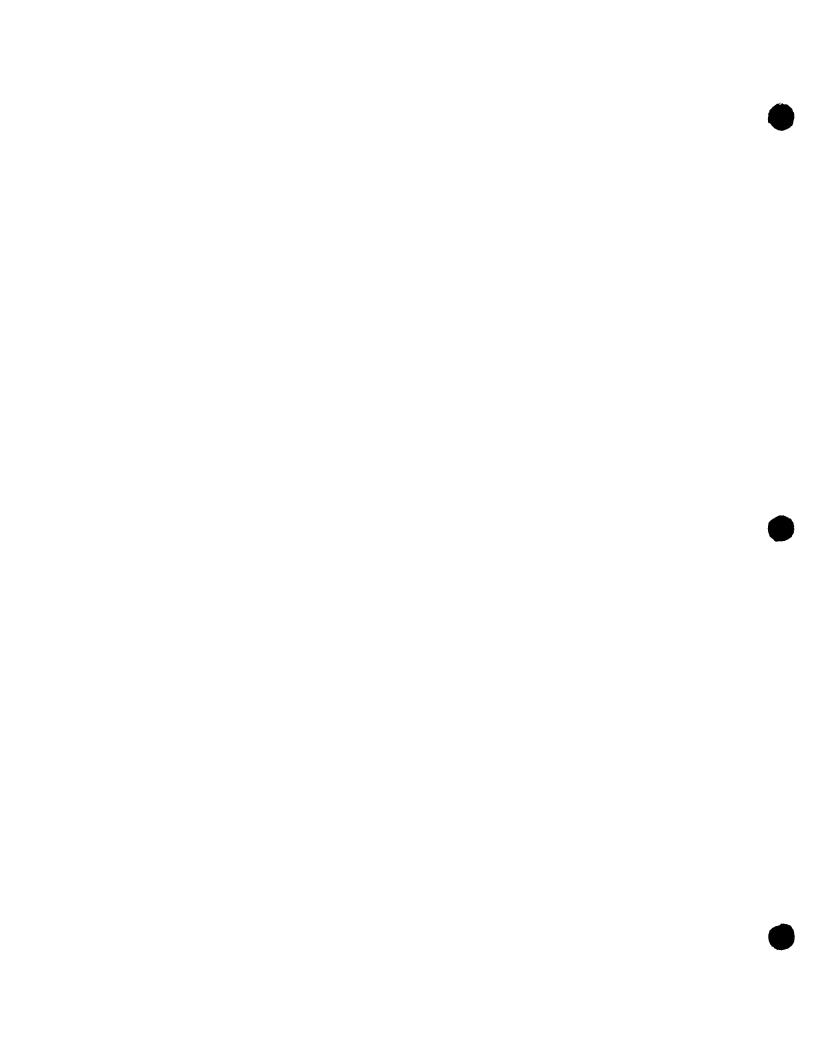


Piedmont Trains 73, 74, 75, 76



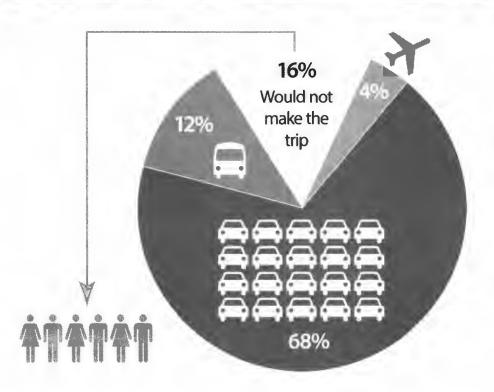
Carolinian Trains 79 & 80

*Based on 2014 Spring & Fall Surveys (3,812 Carolinian & 4,264 Piedmont Responses)

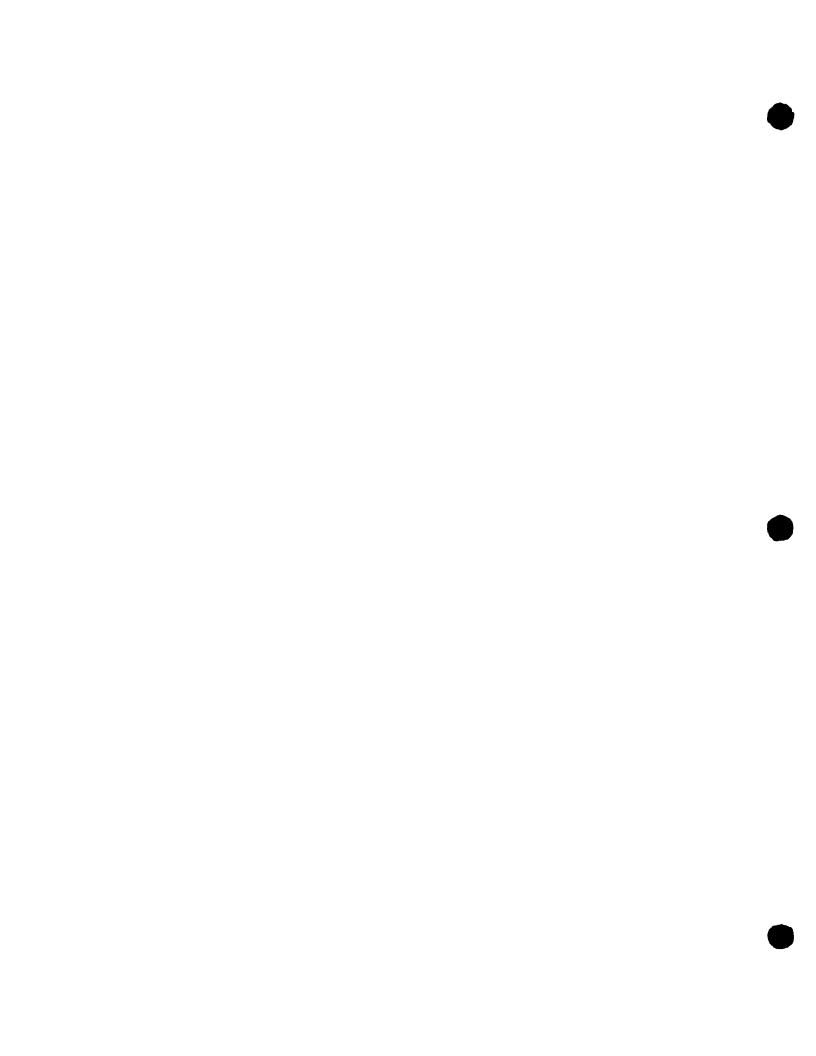


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In-State Travel Alternatives Preferences



*Based on 5,518 responses from 2014 Spring and Fall Onboard Passenger Surveys



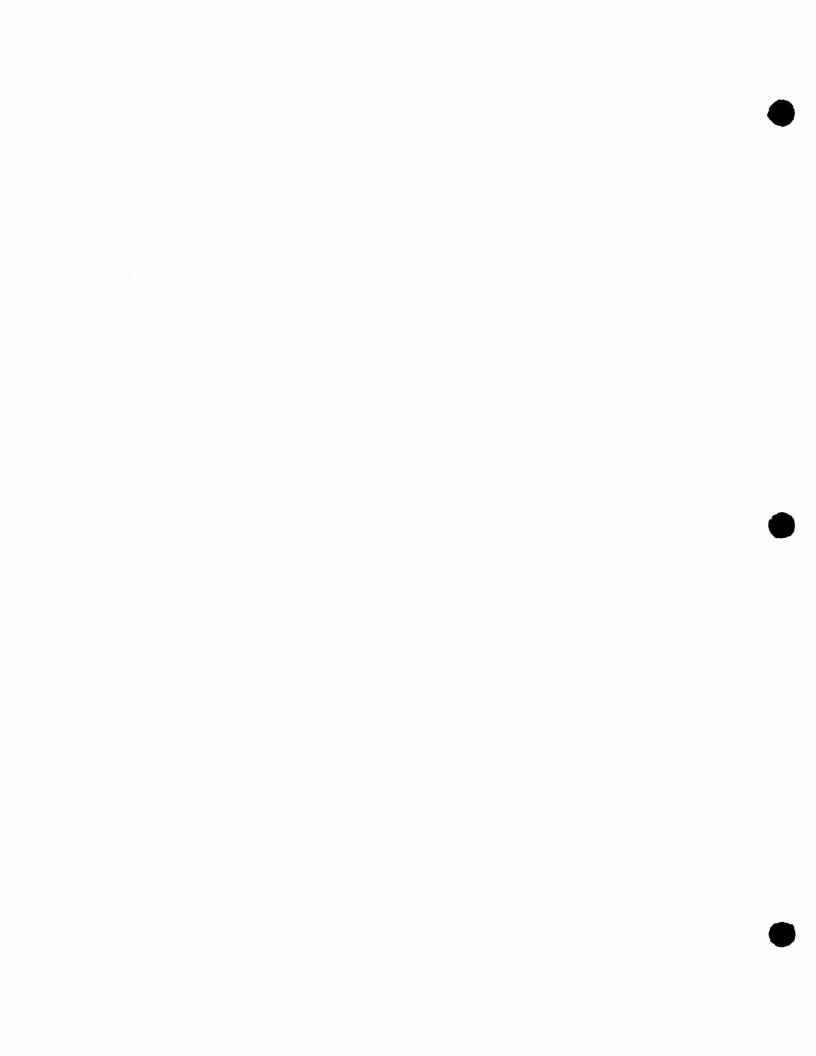
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Marketing North Carolina's Amtrak

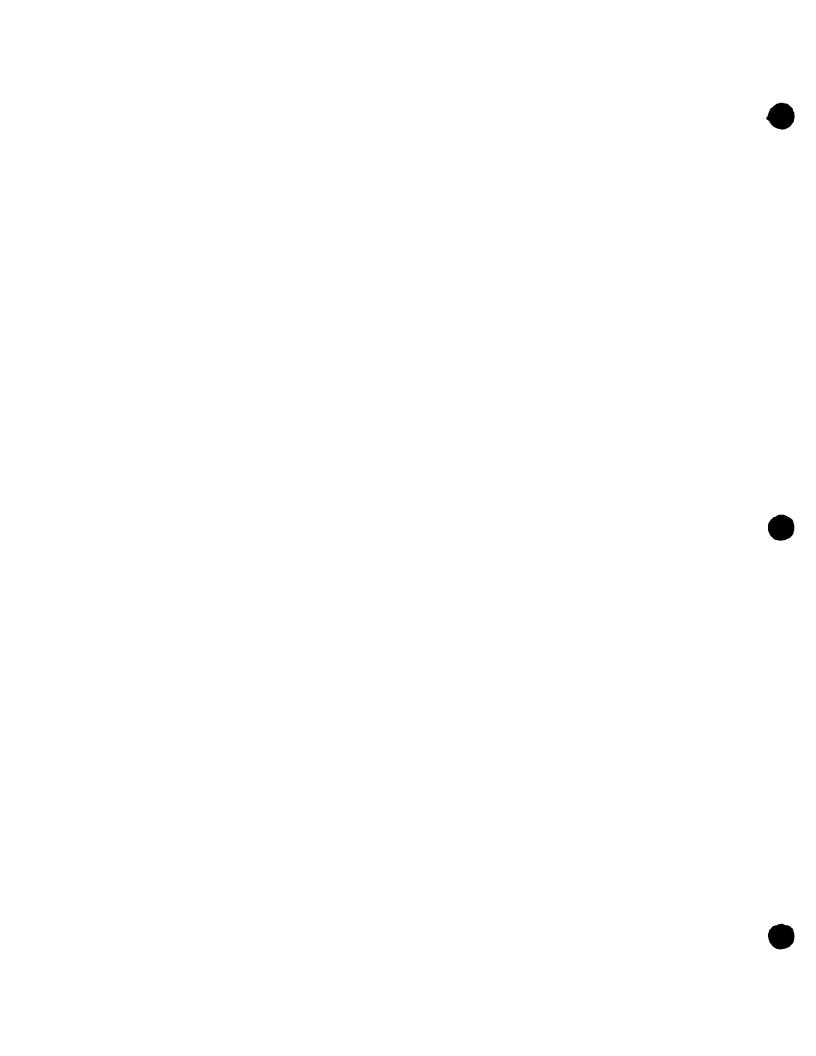
- Promotions target key groups, increase ridership in lowerperforming time slots: mid-week + Saturday, attract 1st time riders
- NCDOT Communications new ad agency on contract, analyzing data and developing media plan











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North Carolina's Amtrak at Sporting Events and College Campuses









WINSTON-SALEM STATE UNIVERSITY









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Tables at Community Festivals and Events Staff, Volunteer Train Hosts, Station Attendants

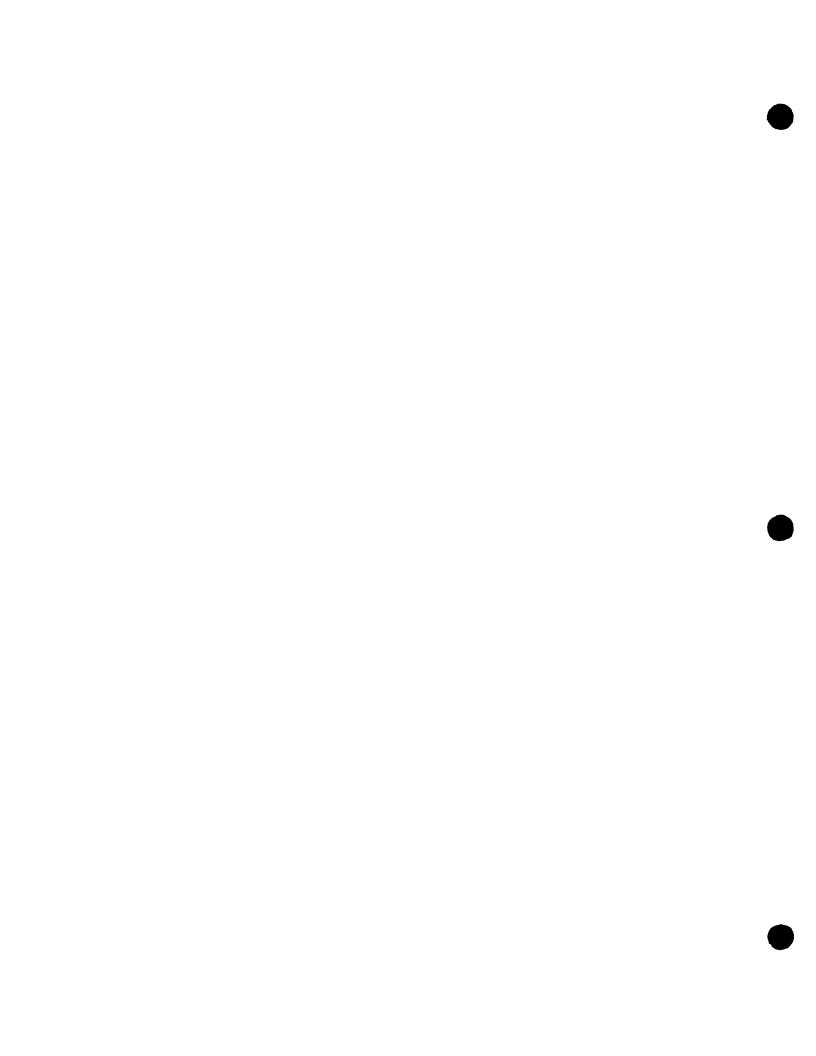






- Southeast Alternative Fuels Conference (Raleigh)
- · Historic Salisbury Tour of Homes
- Thomasville Rail Fan Appreciation Day
- Heart of Cary Downtown Harvest Festival
- Eastern Carolina Barbecue Throw Down (Rocky Mount)

- Lexington Barbecue Festival
- · Hamlet Seaboard Festival
- Lionel Drop-In Event
- Whirligig Festival (Wilson)
- · Go Triangle Golden Modes
- Neuse River Model Railroad Show (Raleigh)



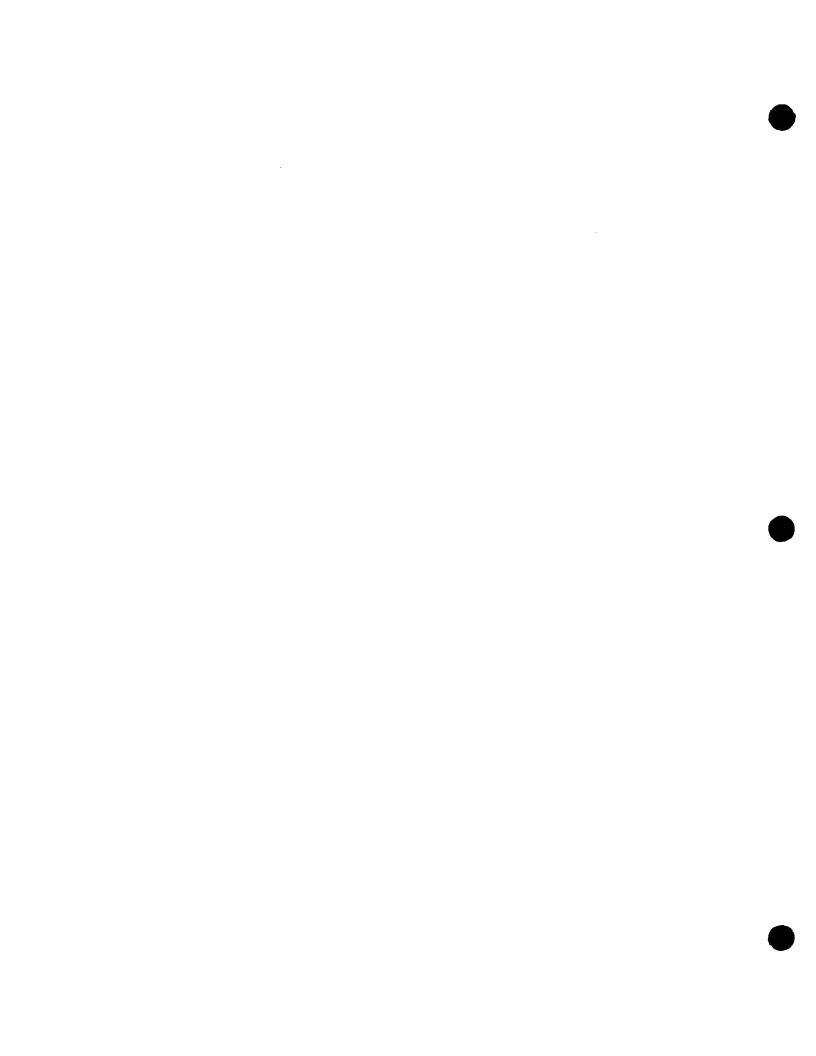
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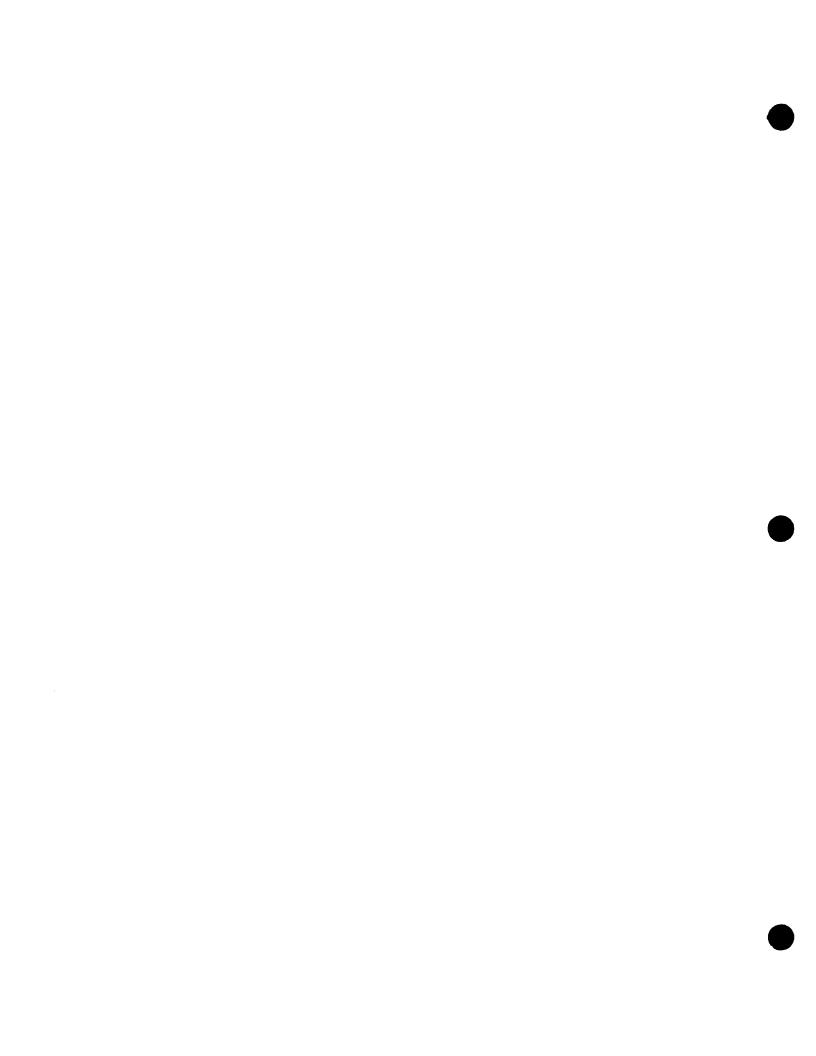
World of Bluegrass – 154,000 attended Youth Stage Sponsor, Booth in Convention Center





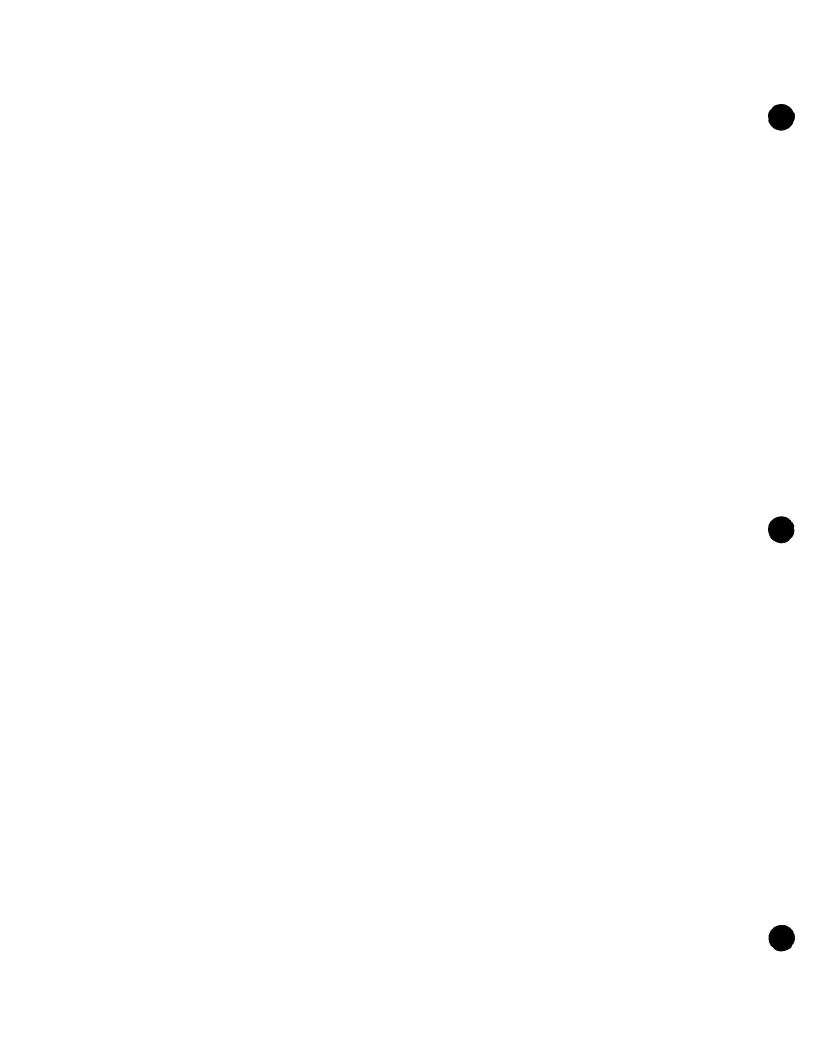








Safety Outreach and Education at State Fair-35,000 Visitors



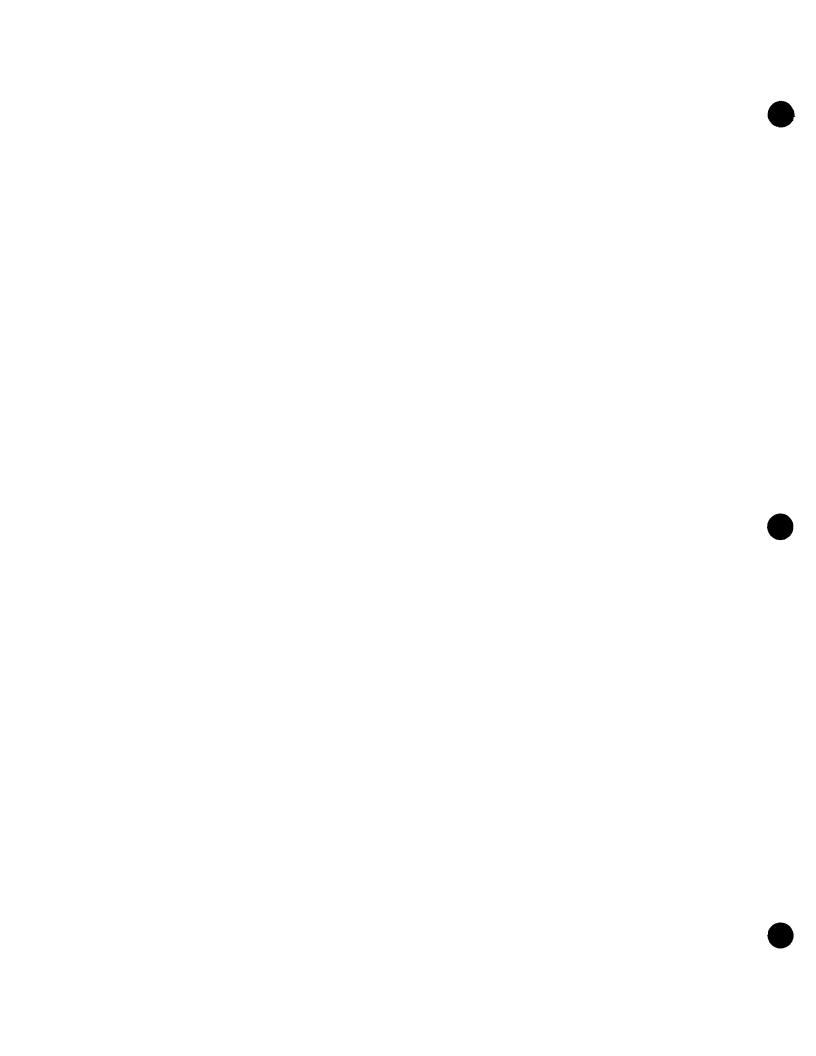
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NC Train Host Association

Volunteer Train Hosts worked **7,800 hours in 2014** ...on board trains, at stations and events



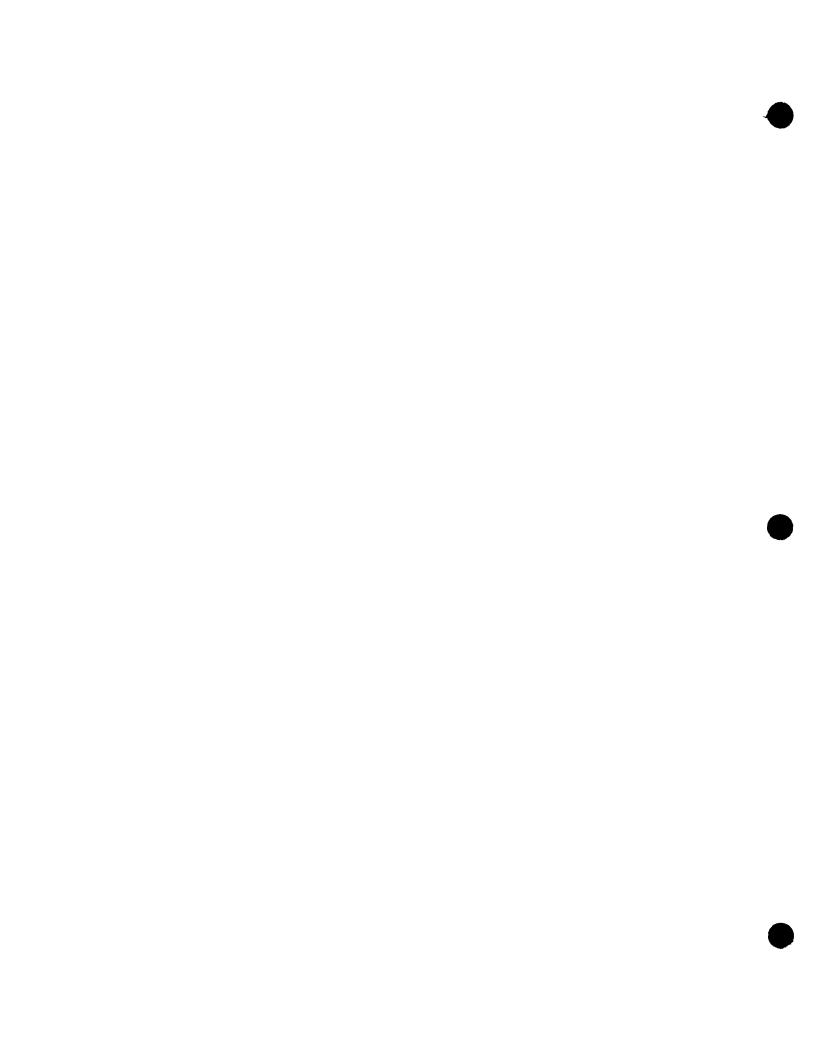
Governor McCrory declared March 6 North Carolina "Train Host Day."



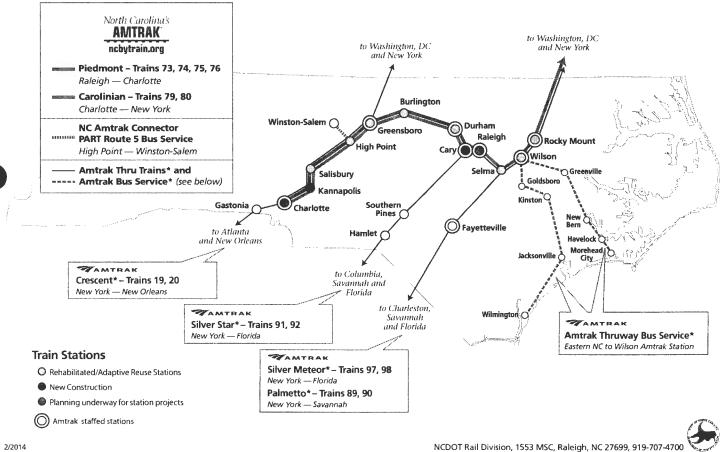


Thank You.

Paul Worley, CPM NCDOT Rail Director pworley@ncdot.gov (919) 707-4700 ncbytrain.org



North Carolina Passenger Train Service



2/2014

NC Passenger Train Operating and Track Maintenance Obligations - Forecast

| millions of \$s | Actual | Projected | | | | | | | | | | | |
|--|-------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| PERCENTER PLANTING VICTOR AND AND ADDRESS OF THE PERCENTER ADDRESS OF THE PERCENTER AND ADDRESS OF THE PERCENTER AND ADDRESS OF THE PERCENTER ADDRESS OF THE | BFY2014 | SFY2014 | 8FY2018 | 8FY2018 | SFY2017 | 8FY2018 | 8FY2019 | 8FY2020 | 3FY2321 | 8FY2028 | 0/72025 | BFY2024 | 8FY202 |
| Rail Operations Cost and Funding: | | | | | | | | | | | | | |
| Operations Cost: | | | | | | | | | | | | | |
| 1 Current Operations Cost through 3rd Frequency (RGH - CLT) 1 | 31.848 | 33.077 | 33 769 | 34 332 | 35 362 | 36 422 | 37 515 | 38.640 | 39,799 | 40.993 | 42 222 | 43.488 | 44.79 |
| Cost for ARRA Service Additions: | 01.010 | 00.077 | 00.100 | 0.7.002 | 00 002 | 00 422 | D. 010 | 00.010 | 00.100 | 40.000 | 76.222 | 40.400 | 44.76 |
| - 4 th Frequency (RGH - CLT) | | | | | | 6.201 | 6.387 | 8.579 | 6.776 | 6.980 | 7.189 | 7.405 | 7.62 |
| Total Operations C | Cost 31 848 | 33.077 | 33.769 | 34.332 | 35 362 | 42 624 | 43 902 | 45 219 | 46 575 | 47.972 | 49 411 | 50.893 | 52.41 |
| Operations Contingency ² | 0.549 | 0.919 | 0.960 | 0.980 | 1.009 | 1.376 | 1.417 | 1.459 | 1.503 | 1.548 | 1 595 | 1.643 | 1.69 |
| Total Operations Cost with Continge | ncy 32.397 | 33.997 | 34.729 | 35.312 | 36.371 | 43.999 | 45.319 | 46.678 | 45.078 | 49.520 | 51.006 | 52.535 | 54.11 |
| Farebox Revenues: | | | | | | | | | | | | | |
| Carolinian | 16.345 | 16.433 | 16.502 | 16.667 | 17.167 | 17.682 | 18.212 | 18.759 | 19.322 | 19.901 | 20 498 | 21.113 | 21.74 |
| Piedmont - Existing Service | 3.413 | 3.512 | 3.559 | 3.668 | 3.776 | 3 889 | 4.006 | 4.126 | 4.250 | 4.377 | 4.508 | 4.644 | 4.78 |
| Estimated Piedmont 3rd RT ³ (4th RT RGH to CLT) | | | | | | 1 400 | 1.442 | 1.465 | 1.530 | 1.576 | 1 623 | 1.672 | 1.72 |
| Total Farebox Revenu | ies* 19.758 | 19.945 | 20.061 | 20.333 | 20.943 | 22.971 | 23.660 | 24.370 | 25.101 | 25.854 | 26.830 | 27.428 | 28.25 |
| Total Operations Obligation: | 12.638 | 14 052 | 14 668 | 14 980 | 15.429 | 21 029 | 21 659 | 22.309 | 22.977 | 23.666 | 24.376 | 25.107 | 25.86 |
| Operations Funding: | | | | | | | | | | | | | |
| - CMAQ and State Match - 3rd Frequency RGH - CLT ⁵ | | | 7 500 | 3.750 | 3.750 | 3.750 | 3.750 | 3.750 | 3.750 | 3.750 | 3.750 | 3.750 | 3.75 |
| - CMAQ and State Match - Public Outreach & Education ⁶ | | | 0.819 | 0.818 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.75 |
| - CMAQ and State Match - 4th Frequency RGH - CLT ⁷ | | | 0.000 | 0.000 | 0.000 | 4.801 | 4.801 | 4.801 | 0.000 | 0.000 | 0.000 | 0.000 | 0.00 |
| Total CMAQ Fund | ing: 0.000 | 0.000 | 8.319 | 4.568 | 4.500 | 9.301 | 9.301 | 9.301 | 4.500 | 4.500 | 4.500 | 4,500 | 4.50 |
| Total Fairbox Revenue and Operations Fund | ing. 12,638 | 14.052 | 22.987 | 19.548 | 19.929 | 30.330 | 30.960 | 31.610 | 27.477 | 28.166 | 28.876 | 29.607 | 30.36 |
| Operations Funding Required from NCDOT O&M: | 12,638 | 14.052 | 6.349 | 10.412 | 10.929 | 11.727 | 12.358 | 13,007 | 18.477 | 19.166 | 19.676 | 20.607 | 21.30 |
| Rail Maintenance Cost and Funding: | | | | | | | | | | | | | |
| Rail Maintenance Cost: 10 | | | | | | | | | | | | | |
| - Current Track Maintenance | 1.353 | 1.498 | 1.546 | 1.601 | 1.653 | 1.706 | 1 780 | 1.817 | 1.875 | 1.935 | 1.997 | 2.061 | 2.12 |
| - Cost for ARRA Track Maintenance | 0.000 | -0.002 | 0.007 | 0 075 | 0.312 | 0 428 | 0.442 | 0.456 | 0.471 | 0.486 | 0.502 | 0.518 | 0.53 |
| Total Maintenance Obligate | on: 1.353 | 1.496 | 1.553 | 1.676 | 1.965 | 2 134 | 2.202 | 2.273 | 2.346 | 2.421 | 2.499 | 2.579 | 2.66 |
| Rail Maintenance Funding: | | | | | | | | | | | | | |
| - NCDOT Rail Funding - Highway Fund | 0.000 | 2.400 | 2.400 | | | | | | | | | | |
| Total Maintenance Fundi | ng: 0.000 | 2 400 | 2.400 | 0.000 | 0 000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.00 |
| | | | | | | | | | | | | | |

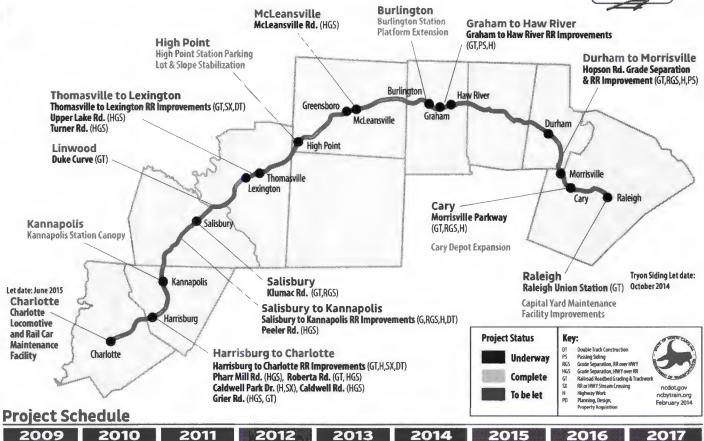
Notes:

- Nobes:

 | Includes direct expenses * station and facility rent and NCDOT station attendants. Excludes non-direct administrative expenses and capital maintenance.
 | Contingency necessary due to fluctuations in their prices, revenue and host railroad payments that are credited/charged on an actual performance basis
 | Predmont RT Detween Releigh and Charlotte 4 RT total with Carolinian.
 | Revenue growth a projected of 3% pay pays a refer SFY2015.
 | Eligibility for use of CMAC funding to support the midday Predmont service is no longer subject to the three year limit. CMAQ is authorized through MAP2.
 | Pending fine lapproved of application to use CMAQ funds to support the 4th RGH CLT delty round trip. CMAQ funding at 80%. Subject to 3 year time limitation, with option to extend third year payment to years 4 and 5 (no net increase).
 | Por comparison purposes only. 2011 Forecast did not include O&M contingency.
 | 2011 Forecast. Net of CMAQ and Passenger Revenues.
 | Payment to year and meintenance payment made through Amtrals (included in Operations Costs) to Norfolk Southern and CSX.

Piedmont Improvement Program - February 2015 Status Report





2013

Kannapolis •

Station

ARRA Funds Spent to Date (effective 2/18/2014)

2011

Cary Depot

Capital Yard

Maintenance Facility

Burlington Station

2012

High Point

Station

2010

ARRA Signed into Law

Project Completion Date

| Component | Expenditure |
|---------------------------------|---|
| PD&A/ROW | \$44,729,161 |
| Equipment Procurement & Rebuild | \$26,257,230 |
| Stations & Facilities | \$10,941,117 |
| Track & Structures | \$149,895,328 |
| CRISP | \$2,180,376.32 |
| Program Totals | \$234,003,214.01 of \$520M awarded FRA Grant Funds |

PIP Milestones

Duke Curve Realigment

Hopson Road, Nelson to Clegg

Graham to Haw River

Harrisburg - A critical permanent track realignment (below) at the location of the new Roberta Road overpass was completed and put in service the weekend of February 14-16. The half-mile track realignment allowed the removal of the existing track which was necessary for the completion of the overpass structure and the progression of track construction to the west.

2015

2016

Thomasville to

Morrisville Parkway

Salisbury to Kannapolis Projects

McLeansville Road

Lexington Projects

Raleigh Union Station and Track Project

2017

Harrisburg

to Charlotte

Projects

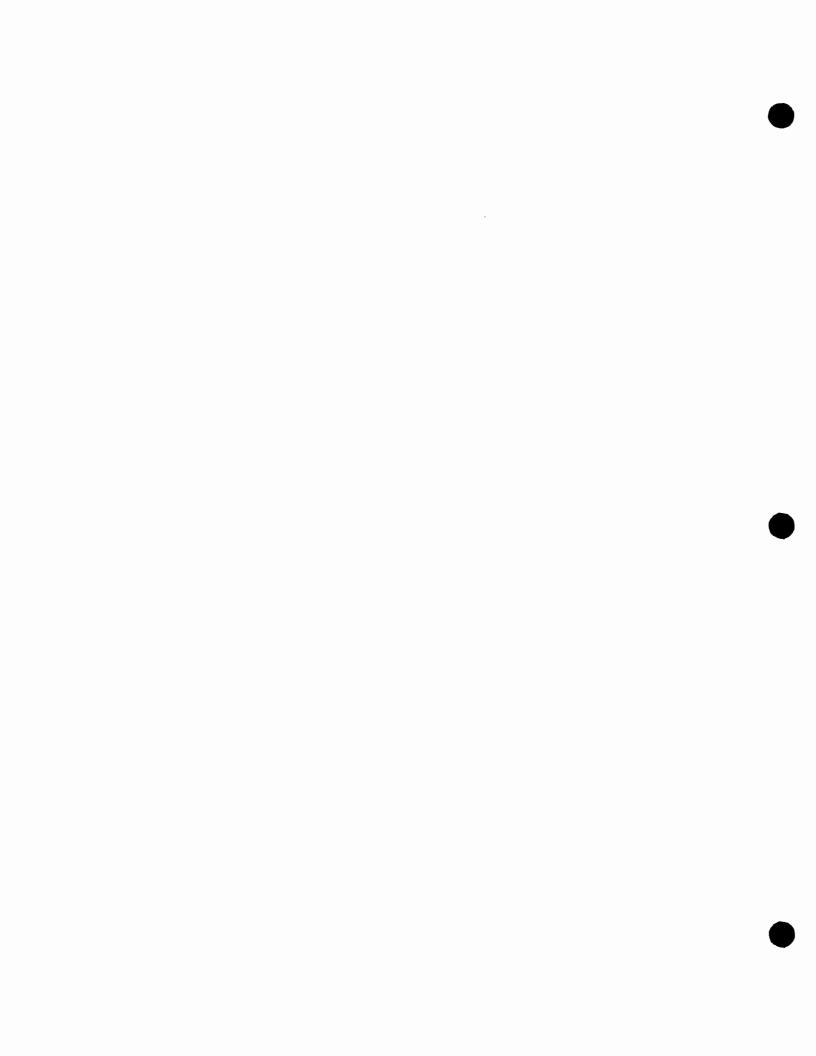
Charlotte

Facility

Maintenance



Bowers to Lake - Track construction has progressed over two miles from the now removed Lower Lake Road at-grade road crossing to the south end of the project.



Piedmont Improvement Program Project Photos – February 2015



P-5201 Morrisville Parkway



U-4716 Hopson Road bridge construction



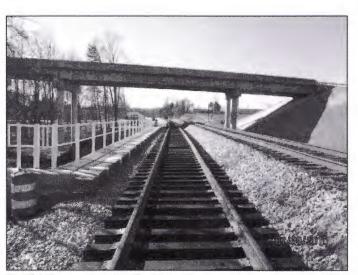
U-4716 Nelson to Clegg passing siding construction



P-5205 Graham to Haw River Passing Siding - Grading



P-5204 McLeansville Road, clearing



C-4901 Bowers to Lake, Rich Fork Creek bridge track construction



Piedmont Improvement Program Project Photos – January 2015



C-4901 Bowers to Lake, track construction



P-5206 Reid to North Kannapolis, signal installation



P-5206 Reid to North Kannapolis, utility relocation



P-5206 Peeler Road Bridge construction



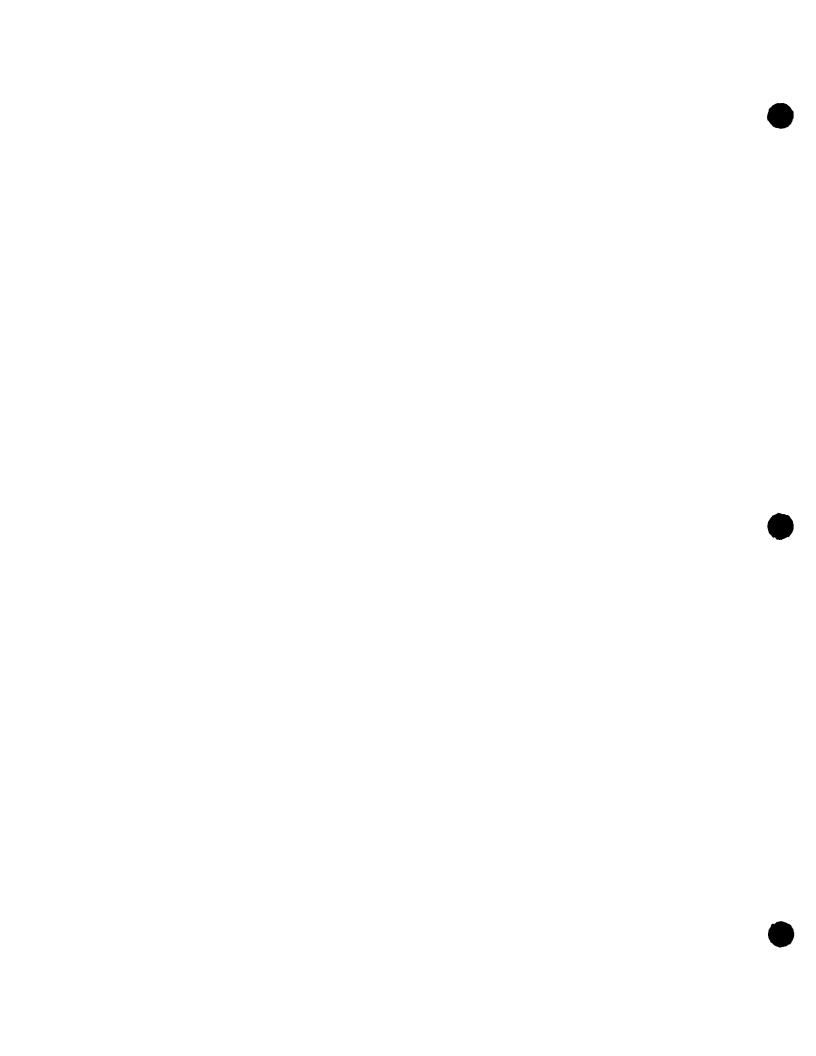
P-5208 Haydock to Junker - Roberta Road Bridge construction



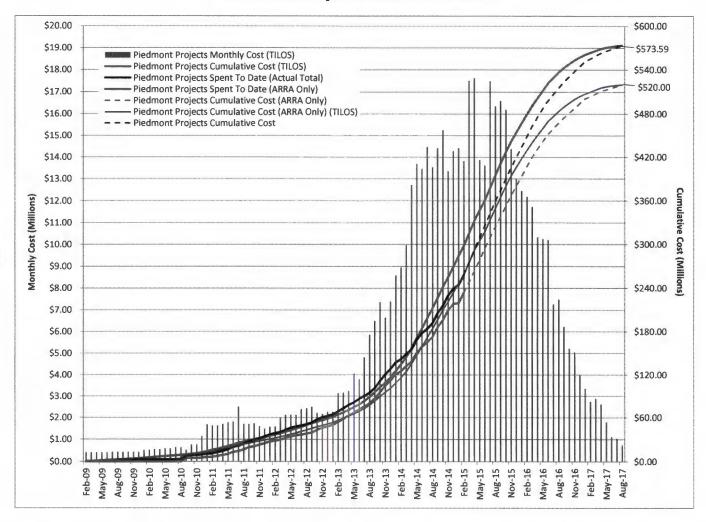
P-5208 Haydock to Junker - retaining wall

Piedmont Improvement Program Projects Piedmont Improvement Program Burlington McLeansville **Burlington Station Graham to Haw River** McLeansville Rd. (HGS) **Platform Extension Graham to Haw River RR Improvements High Point** (GT,PS,H) **High Point Station Parking Durham to Morrisville** Lot & Slope Stabilization Hopson Rd. Grade Separation & RR Improvement (GT,RGS,H,PS) Burlington Thomasville to Lexington Haw River Thomasville to Lexington RR Improvements (GT,SX,DT) Greensboro Graham Upper Lake Rd. (HGS) McLeansville Durham Turner Rd. (HGS) High Point Linwood Duke Curve (GT) Morrisville Thomasville Lexington Cary Raleigh Cary Morrisville Parkway Salisbury Kannapolis (GT,RGS,H) Kannapolis Station Canopy **Cary Depot Expansion** Raleigh Salisbury Kannapolis Raleigh Union Station (GT) Klumac Rd. (GT,RGS) Charlotte **Capital Yard Maintenance** Salisbury to Kannapolis Charlotte **Facility Improvements** Harrisburg Salisbury to Kannapolis RR Improvements (G,RGS,H,DT) Locomotive Peeler Rd. (HGS) and Rail Car **Project Status** Key: Maintenance Double Track Construction Passing Siding Grade Separation, IRR over HWY Grade Separation, HWY over RR Raitroad Roadbed Grading & Tracks RR or HWY Stream Crossing History Work **Harrisburg to Charlotte** Facility Charlotte Underway Harrisburg to Charlotte RR Improvements (GT,H,SX,DT) Pharr Mill Rd. (HGS), Roberta Rd. (GT, HGS) Caldwell Park Dr. (H,SX), Caldwell Rd. (HGS) Complete ncdot.gov Highway Work Planning, Design, Property Acquisition To be let Grier Rd. (HGS, GT) March 2015 **Piedmont Equipment Rebuild 7 Locomotives** North Carolin **Refurbish 12 Railcars Build 5 Cab Control Units**

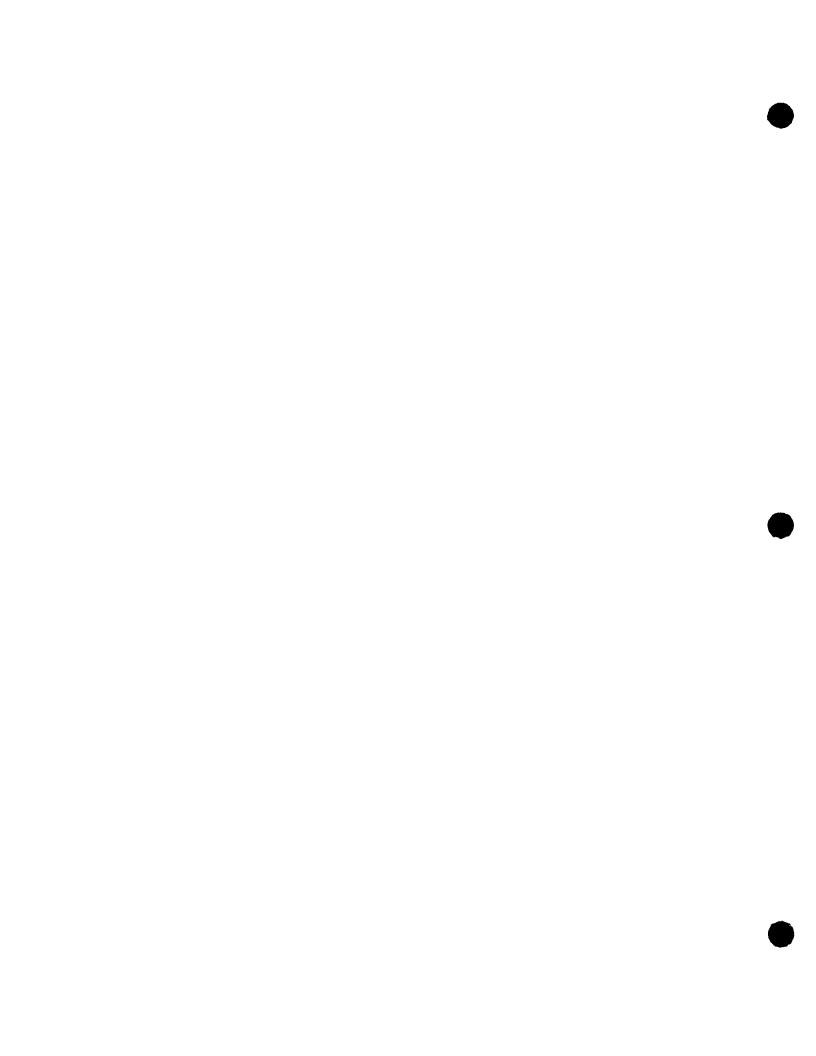
Private Crossing Safety Initiative Projects totaling \$1.3M will be constructed in Alamance, Cabarrus, Guilford, Orange, Rowan & Wake Counties.



Piedmont Projects Cash Flow Chart

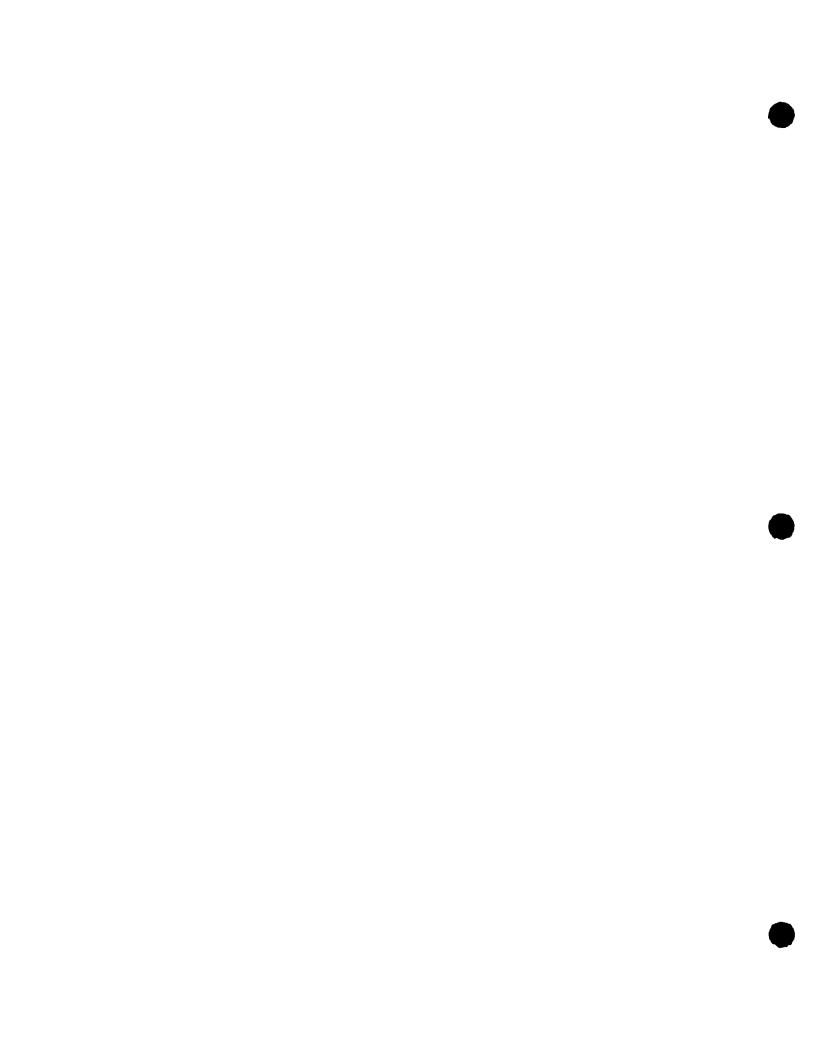


Status Date: 12/31/14 Printed: 3/10/2015



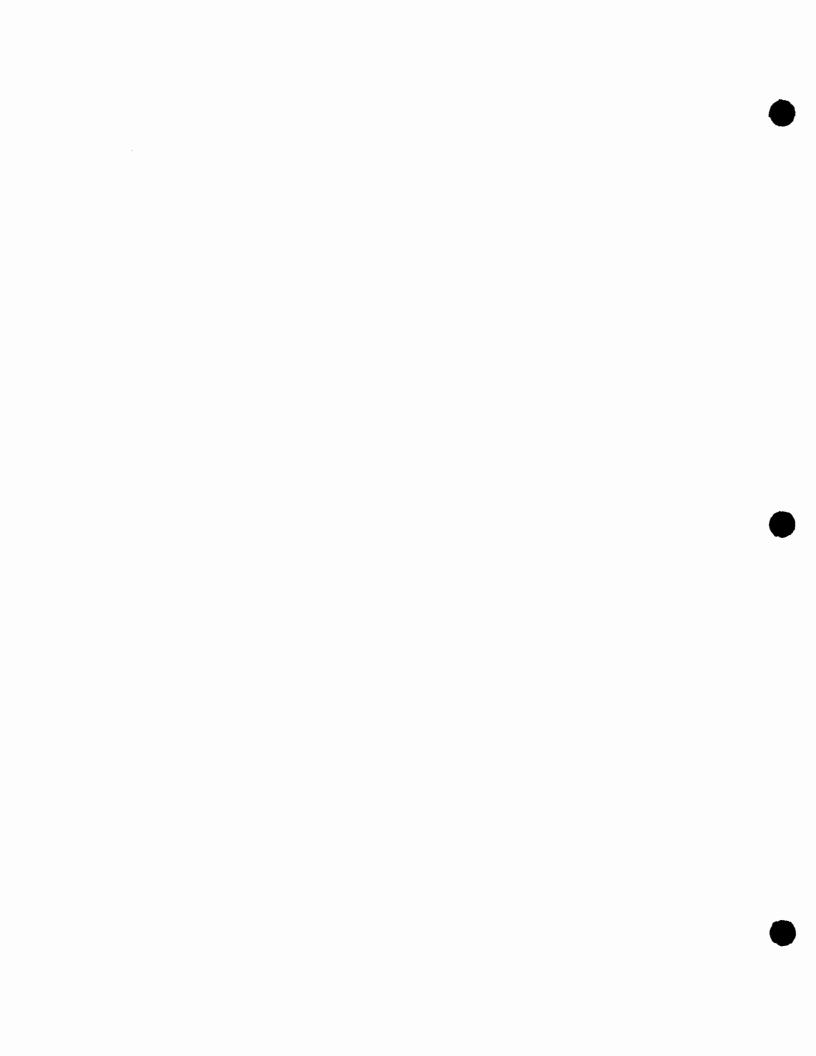
Piedmont Projects Program Progress High Speed Intercity Passenger Rail Program 2010 ARRA Projects

| | NCDOT Component Program | PRO. | CT | CONST | UCTION | | CY 201 | 10 | | C | Y 2011 | | | CY 201 | 2 | | | CY 2 | 013 | | | _ | CY 2014 | | | 4 | CY 2015 | 5 | | | CA 50 | 016 | | | CY 2017 |
|--|---|----------------------|---------------------------------|--|--|----|--------|-------|--------|-----------------|----------|--|------|----------|------|------------|------------|------------|---------|-------|--------|----------------------------|--------------------------|---------------------------|----------------------------|----------------|---|--------------------------|---------|--------|---------|---------|--------|---|----------|
| | and Project Number | FUNC | ING | LET | FINISH | Q1 | Q2 | Q3 C | 4 0 | 21 02 | Q3 | Q4 | Q1 (| 22 | Q3 | Q4 | 01 | Q2 | Q3 | Q4 | Q1 | Q | 2 (| 13 | Q4 | q | Q2 (| Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | QI | Q2 |
| 100 | GRAM DEVELOPMENT & ADMINISTRATION (| PD&A) | | | | | | | | | | | | | | | | | | | | | | | | Т | | | | | | | | | |
| S A | Program Development & Administration | s | 8 19 | TBD | TBD | | | | | PE | | - | | | | | ~ | 10 | 26. | | | | | | | CON | STRUCTION | N | | | | | | MIT | liaseout |
| | | | | | | | | | | | | | | | | | | | | | | | | | | 1 | | | | | | | | | |
| QUI | PMENT PROCUREMENT & REHABILITATION | | | | | | | | | | | | | | | | | 4 | RAI | LCA | REHA | всо | NTINL | ES AT | DELA | WAR | E CAR CC | MPA | ANY (1 | 0 of 1 | 2 CARS | DELIV | ERED . | IN: | ERVICE) |
| 64 | Rebuild two FPS0PHI locomotives | S | 2.77 | Oct 2011 | Aug 2012 | PE | CE | | | CONS | TRUCTION | ļ. | | | PINE | | | | | | | | | | | _ | | | | | | | | | |
| 96 | Rebuild three lesemetives | \$ | 3.15 | Pro-Amond | Sep 2012 | PE | CE | CQR | STRUCT | TION | FIN | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Refurbish three-coashes | 5 | 1 99 | Pre Award | Aug 2010 | PE | CE | CON H | 16 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Purchase four used coaches and parts and | | | | | PE | CE | | | | | | | | Ć1 | MSTRE. | CTION | | | | | | 4 | > | | Т | | 700 | | | | | | | |
| P22 | refurbish nine coaches | | 21 50 | Jul 2011 | Jun 2015 | - | | | | | | | | | | | | | | | | | | | | - | | | | | | | | | |
| P74 | Rebuild five used locomotives as CCUs | \$ | | Jun 2015 | Jul 2016 | | | | | | | | | | | | | | | CE | | | | | 3.5 | | BID | ***** | OHSTR | KTIO | ų. | PIN | 1 | | |
| 75 | Rebuild two locomotives | 5 | 1.77 | Jan 2015 | Oct 2015 | | | | | | | | | | | | | | | CE | | 00.0 | | ** | 9 | Bill | CON | ******* | FIN | _ | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | Next R | tailca | r due i | n Apr | . 2015 | | | | |
| ίΑΤ | IONS & FACILITIES | | | | | | | | | | | | | | | | | | | | | | | | | \perp | | | | | | | | | |
| 23 | Cary-Depot-Supancion | 5 | 2.01 | Oct 2010 | Oct 2012 | PE | 100 | EA | | CI | ONSTRUCT | ***** | | | FRN | | | | | | | | | | | | | | | | | | | | |
| 93a | Station Security | \$ | 0 99 | Nov 2013 | Oct 2012 | | | p | ŧ | CE | 10 | | CON | | FRE | | | | | | | | _ | | | -1 | | | | | | | | | |
| 7b | Backup Generators | 5 | 0.36 | Jun 2013 | Apr 2014 | 1 | | | | CÉ | P | E | | | | | | BID | CON | 4STRK | CTION | P | N | | | | | | | | | | | | |
| P8 | Charlotte Maintenance Facility | \$ | 1.48 | Jul 2015 | Nov 2015 | | | | | | | \$1 | | | | EA | | | FONSI | | | WOR | | | ₽E | | | | BID | CONST | BUCTION | i | FIN | | |
| 44 | Kannapelis Station Platform Canepy | 5 | 0.54 | Dec 2012 | Sep 2013 | | | | | PE | CE | | 90 | | | BID | | CON | | FIR | | | | | | T | | | | | | | | | |
| 144 | High Point Station Parking Expansion | s | 1.86 | Dec 2010 | Jul 2012 | PE | .60 | EA | | C | ONSTRUCT | TION | | | FWI | | | | | | | | | | | | | | | | | | | | |
| 116 | Burlington Station Platform Extension | 5 | 0.28 | Nov 2010 | Nov 2011 | PE | 100 | CE | CON | USTRUCTI | ON | PIN | | | | | | | | | | | | | | | | | | | | | | | |
| 24. | Capital Yard Phase improvements | 5 | 3.25 | Nov 2010 | Sep 2012 | PE | | CE | | Ć | ONSTRUCT | TION | | | FIN | | | | | | | | | | | 1 | | | | | | | | | |
| 724 | Passenger Information Display Systems (PIDS) | 15 | - 1 | Apr 2015 | Feb 2016 | | - | | E | CE | T | | PE | | | De | lay due | to reso | (ving A | DA w | FRA | 363 | **** | **** | Fig. | | | HD | ¢q | N | PIN | | | | |
| | Raleigh Union Station - Track and Signals | s | | Jun 2016 | May 2017 | | | | | | - | | | | | | | | | | PE | | | | | | | ND | | | CONSTRI | UCTIO | N . | | FIN |
| | | | | | | | | | | | | | | | | | | | | EA | | POI | | | OW. | | | | | | | | | | |
| P42C | Raleigh Union Station - Tryon Road Siding | \$ | 1.40 | Jun 2014 | Nov 2015 | | | | | | | | | | | | | | | PE | | 1888 | | ND | | QDN | STRUCTIO | N | | FIN | | _ | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | - 1 | | | | | | | | | |
| RAC | K & STRUCTURES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - | K & STRUCTURES e Projects: Raleigh - Greensboro | | | | | | | | | | | | | | | | | | | _ | Al | L NS | /NCRR | H-LIN | E PRO | DIECY | S HAVE E | BEEN | LET A | ND AV | VARDED |) | _ | | |
| l-Lin | e Projects: Raleigh - Greensboro Graham (CP Merrill) to CP Haw River passing siding | | _ | | | | | | ne | | | | | | | nerview. | | *** | BID. | | Al | L NS | | | | | SHAVEE | BEEN | | VA DI | VARDED |) | _ | | |
| l-Lin | e Projects: Raleigh - Greensboro | 5 | 00.00 | Aug 2013 | Nov 2015 | | | | PE | | | | EA 1 | | | ROW | | 'n | вю | | | | | | E PRO | | | | FIN | ND AV | | | _ | _ | |
| P1 | e Projects: Raleigh - Greensboro Graham (CP Merrill) to CP Haw River passing siding | 5 | 20.00 | Aug 2013 Sep 2014 | Nov 2015 Sep 2016 | | - | | T | PE | EA | | EA 1 | | | NOW | | FONSI | вю | ROY | | L NS | CO | | | | S HAVE E | | FIN | ND AV | | FIN |] | | |
| P1 P15 | e Projects: Raleigh - Greensboro Graham (CP Merrill) to CP Haw River passing siding and curve realignment | \$ | 4.24 | | Sep 2016 Aug 2015 | | | | P | PE PE | ΕA | | | 2 | - | | | | вю | ROY | y | 10 | c= | NBTAL ID | | | CONST | RUCTI | FIN | VA DIV | | |] | | |
| P1 P15 P17 | e Projects: Raleigh - Greensboro Graham (CP Merrill) to CP Haw River passing siding and curve realignment McLeansville/Carmon Rd crossing closure | 5 | _ | Sep 2014 | Sep 2016 | | | | T | | EA | | | *** | 10 | | | | вю | ROY | y | 10 | CO | NBTAL ID | | | CONST | | FIN | ND AV | | |] | | |
| P1 P15 P17 P18 | e Projects: Raleigh - Greensboro Graham (EP Merrill) to CP Haw River passing siding and curve realignment McLeansville/Carmon Rd crossing closure CP Nelson to CP Clegg passing siding | \$ \$ \$ | 28.64 | Sep 2014 Nov 2012 | Sep 2016 Aug 2015 | | | | P | | | e e | | CE PE | EA. | | | PONSI | | ROY | v c | ONSTR | c= | NBTAL ID | | | CONST | RUCTI | FIN | ND AV | | | | | |
| P1 P15 P17 P18 | e Projects: Raleigh - Greensboro Graham (IP Merrill) to CP Haw River passing siding and curve realignment McLeansville/Carmon Rd crossing closure CP Nelson to CP Clegg passing siding Hopson Road grade separation | \$ \$ \$ | 28.64 | Sep 2014 Nov 2012 Nov 2012 | Sep 2016 Aug 2015 Aug 2015 | | | | P | | | PE . | | CE PE | in. | BAD | | PONSI | | | ν | ONSTR | co Lucrio | NETALI ID | CYON | QDN | CONST | RUCTI | FIN | ND AV | | FIN | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | |
| P1 P15 P17 P18 | e Projects: Raleigh - Greensboro Graham (IP Merrill) to CP Haw River passing siding and curve realignment McLeansville/Carmon Rd crossing closure CP Nelson to CP Clegg passing siding Hopson Road grade separation | \$ \$ | 28.64 | Sep 2014 Nov 2012 Nov 2012 | Sep 2016 Aug 2015 Aug 2015 | | | _ | P | | | PE | | CE PE | in. | BAD | | PONSI | | | ν | ONSTR | c= | NETALI ID | CYON | QDN | CONST | RUCTI | FIN | ND AW | | FIN | | Jan 100 | |
| P1 P15 P17 P18 P19 | e Projects: Raleigh - Greenaboro Graham (EV Mexil) to CP Haw River passing siding and curve realignment McLeanalise/Carmon Rid crossing closure CO Petion to CP Clegg passing siding Hopson Road grade separation Morrisville Parkway grade separation | \$ \$ | 28.64 | Sep 2014 Nov 2012 Nov 2012 | Sep 2016 Aug 2015 Aug 2015 | | | _ | P | | | PE . | | CE PE | in. | BAD | | PONSI | | | CC *** | DNSTR | do | NBTAL ID | CYON | QDN ty of F | CONST | RUCTI | FIR | | | FIN | | , mw. | |
| -Lim P1 P15 P17 P18 P19 | e Projects: Raleigh - Greensboro Graham (IP Merrill) to CP Haw River passing siding and curve realignment McLeansville/Carmon Rd crossing closure CP Nelson to CP Clegg passing siding Hopson Road grade separation | \$ \$ | 28.64 | Sep 2014 Nov 2012 Nov 2012 | Sep 2016 Aug 2015 Aug 2015 | | | | P | | | PE . | | CE PE | in. | BAD | o o | PONSI | w | | CC *** | DNSTR | do | NBTAL ID | CYON | QDN ty of F | CONST STRUCTIO roject | RUCTI N N | FIR | | | FIN | | | |
| -Lim P1 P15 P17 P18 P19 | e Projects: Raleigh - Greenaboro Graham (EV Mexil) to CP Haw River passing siding and curve realignment McLeanalise/Carmon Rid crossing closure CO Petion to CP Clegg passing siding Hopson Road grade separation Morrisville Parkway grade separation | \$ \$ | 28.64 27.12 | Sep 2014 Nov 2012 Nov 2012 | Sep 2016 Aug 2015 Aug 2015 | | | | P | | | PE | | CE PE | in. | BAD | | FONSI 9 | | | CC *** | DNSTR | do | NBTAL ID | CYON | QDN ty of F | CONST | RUCTI N N | FIR | | | FIN | | | FIN |
| -Lim P1 P15 P17 P18 P19 | e Projects: Raleigh - Greenaboro Graham (CW Mart) to CP Haw River passing siding and curve realignment McLainstille/Currino Rel crossing closure CP Netion to CP Cega passing siding Hoppion Road grade separation Morrisville Parkway grade separation line Projects: Greenaboro - Charlotte | \$ \$ \$ | 28.64 27.12 | Sep 2014 Nov 2012 Nov 2012 Dec 2013 | Sep 2016 Aug 2015 Aug 2015 Sep 2016 | | | | P | | | PE | | CE PE | in. | RON | (5) | ROW ROW | w | | CC +++ | Indicate NS | co lucrion tes Del | NBTAL ID | CYON | QDN ty of F | CONST STRUCTIO roject | RUCTI N N VE BE | FIR I | | | FIN | | | FIN |
| -Lim P1 P15 P17 P18 P19 | e Projects: Raleigh - Greenaboro Graham (CW Mart) to CP Haw River passing siding and curve realignment McLainstille/Currino Rel crossing closure CP Netion to CP Cega passing siding Hoppion Road grade separation Morrisville Parkway grade separation line Projects: Greenaboro - Charlotte | \$ \$ \$ | 28.64 27.12 | Sep 2014 Nov 2012 Nov 2012 Dec 2013 | Sep 2016 Aug 2015 Aug 2015 Sep 2016 | | | | P | | | PE . | | CE PE | in. | RON | 9 0 (5) | ROW BID | w | | CC *** | Indicate NS | co lucrion tes Del | NBTAL ID | CYON | QDN ty of F | CONST STRUCTIO roject | RUCTI N N VE BE | FIR | | | FIN | | | FIN |
| P1 P15 P17 P18 P19 | e Projects: Releigh - Greensboro Graham (EV Meril) to CP Haw River passing siding and curve realignment Miclamsviller/Carmon Rd crossing closure CP Nelson to CP Clegg passing siding Hopson Road grade separation Mocrisville Parkway grade separation Mine Projects: Greensboro - Charlotte Double Track CP Haydock to CP Junker Caldwell Road grade separation | \$ \$ \$ \$ | 28.64 27.12 90.63 | Sep 2014 Nov 2012 Nov 2012 Dec 2013 Jul 2013 May 2013 | Sep 2016 Aug 2015 Aug 2015 Sep 2016 May 2017 Nov 2015 | | | | PE | PE | | PE. | | DE DE | EA. | RON FON | (5) (5) | ROW BID | w | 840 | CC +++ | Indicate NS | tes Del | MAH | crion gilabili vLINE | QDN ty of F | CONST STRUCTIO roject | RUCTI N N VE BE | FIR I | | | FIN DED | | | FIN |
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Piedmont Projects Program Progress
High Speed Intercity Passenger Rail Program 2010 ARRA Projects

| end Project Number Double Track CP Reid to CP North Kann Double Track CP Reid to CP North Kann Double Track CP Bowers to CP Lake Upper Lake Road grade separation Turner Road grade separation Page Surver readigment at CP Dube PRIVATE CROSSING SAFETY INITIATIVE 3.1. Thornas and Howard 3.1. Thornas and H | | NCDOT Component Program | PR | OJECT | CONST | RUCTION | $\overline{}$ | CA SO | 10 | \neg | | CY: | 2011 | | | CY | 2012 | | | CY 2 | 2013 | | CY | 2014 | | - | CY 2015 | | | CA 5 | 016 | | | CY 2017 |
|--|------|---|-------|--------|----------|----------|---------------|---|----------|------------|--------------------|-----------|---------|----------|---------|----------|------------|----------|-----------|---|--------------|------------|---------|-------|----------|--------|----------|--------|--------|---------|-------------|-----|----|--|
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| PIDE Upper Lake Road grade separation Turner Road grade separation Turner Road grade separation PID Road Road Road Road Road Road Road Road | - 1 | eeler Road grade separation | 5 | 15.40 | Mar 2013 | May 2015 | | | | | P | TE . | | | | | EA | 17.2 | BID RO | w | | CONS | TRUCTH | ON . | | T | FIN | | | | | | | |
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| P9 NS/CSXT Maintine Grade Separation PIP SUMMARY PIP TOTAL (S20.0M ARRA) CONGESTION MITIGATION PDA Project Development & Administration P42A Boylan Wye Crossovers (RUS CSX S Lir | | Track & Structures Total | \$ | 415.54 | | | | | | | _ | | _ | | | | _ | | | | | | | _ | | + | | | | | | | | |
| PIP SUMMARY PIP TOTAL (\$520.0M ARRA) CONGESTION MITIGATION PDA Project Development & Administration P42A Boylan Wye Crossovers (RUS CSXS Lin | _ | NS/CSXT MAINLINE GRADE SEPARATION | 1. | - 100 | | | _ | | | | | | | | | | | | | | | | | | _ | + | | | | | | | | |
| PIP SUMMARY PIP TOTAL (\$520.0M ARRA) CONGESTION MITIGATION PDA Project Development & Administration PAZA Baylan Wye Crossovers (RUS CSX S Lin PAGA South Weldon | 1 | IS/CSXT Mainline Grade Separation | \$ | 6.01 | N/A | N/A | | | | | | Pξ | | | | | | EA/ | FONSI | P | ÞΕ | | _ | PEN | | + | | | | | | | _ | |
| PDA Project Development & Administration P42A Boylan Wye Crossovers (RUS CSX S Lin | | | \$ | 561.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P42A Boylan Wye Crossovers (RUS CSX S Lin | _ | | _ | | | | _ | | | | | | | | | | | | | | | | THE | HREE. | A-LINE C | M RO | ECTS WE | RE BID | IN OCT | . 2014 | | | | |
| | | | \$ | 1 99 | TBD | TBD | ╙ | _ | | | | | | | | | | | _ | | | | | - | | | | | | - | | | | |
| BEAS Courth Maliforn | - | | \$ | 10 05 | May 2015 | Mar 2016 | _ | | CE | | | *Coord | dinated | with Ral | eigh Un | ion Stat | tion Pro | ject | | | b£ | | EA | | | ****** | | CON | FIN | 1 | | | | |
| | | | 5 | 4 54 | Jul 2014 | Nov 2015 | _ | | CE | | | | | | | | | | | | Æ | 10 | ******* | _ | BID | | RUCTION | | | | | | | |
| PEOB Enfield | | | 5 | 4.88 | Jul 2014 | May 2015 | - | | CE | | | | | | | | | | | *************************************** | ×ξ | 40 | | | SID | COI | | - | | | | | | |
| PSOC Armstrong | 38 | irmstrong | 15 | 5.10 | Jul 2014 | Aug 2015 | | - 1 | CE | | | | | | | | | | | p | ×E | 60 | | 4 | BID | #CO! | 100 | | | | | | | |





2015 Freight Rail & Rail Crossing Safety Improvement Fund Projects

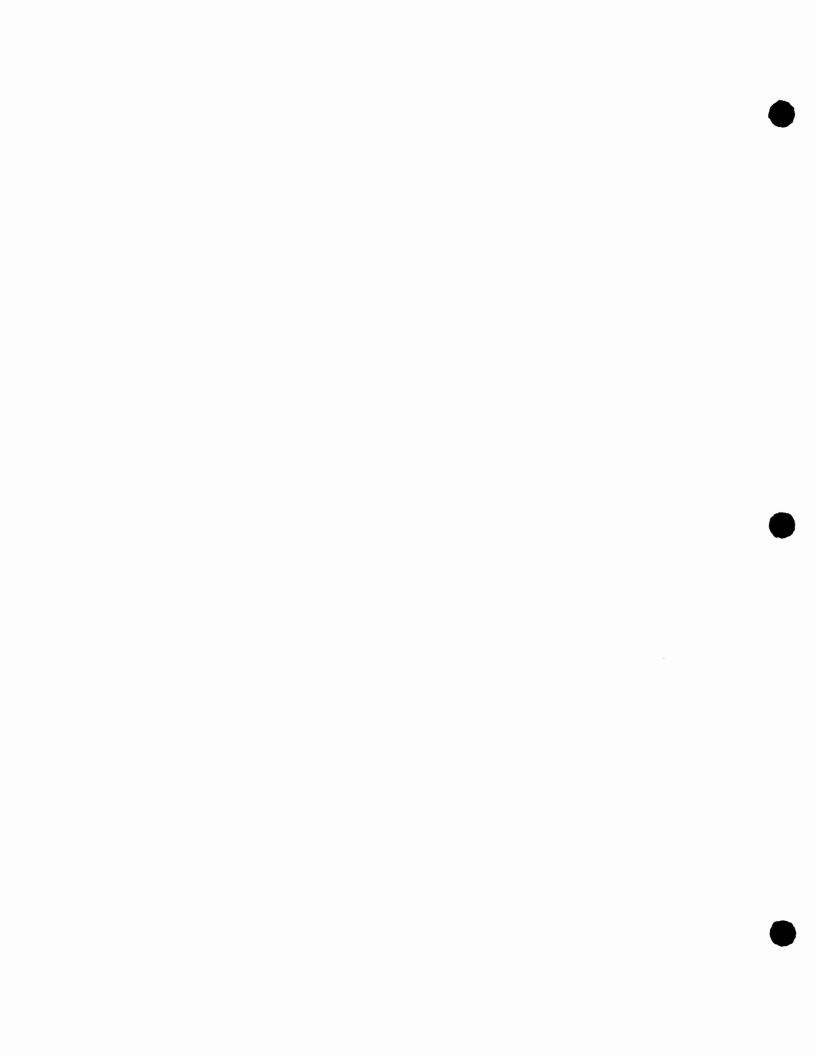
Projects by Category

| Purpose | Funds | Projects |
|--------------------------|-------------|----------|
| Short Line Improvements | \$2,838,532 | 11 |
| Rail Access Improvements | \$411,000 | 2 |
| Crossing Improvements | \$500,000 | 2 |

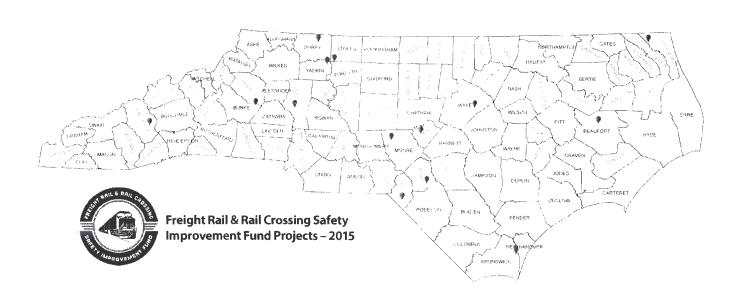
Fifteen projects totaling \$3,749,532 were approved by the NCDOT Board of Transportation, December 2014 and January 2015. The total includes project administration, engineering and inspection for track and rail access improvements.

FR&RCSI funds are authorized by the 2013 session of the General Assembly through Senate Bill 402 and utilize dividends received from the North Carolina Railroad Company.

| Town/County Division | Project Description | Estimated Cost |
|---|--|----------------|
| Division 1 Chowan, Perquimans, Pasquotank, Camden & Currituck Counties | Improve the Chesapeake & Albemarle Railroad corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$228,438. Work includes the installation of crossties and improvement of bridge condition. | \$228,438 |
| Divisions 2 & 4 Beaufort, Nash, Pitt, Greene & Wilson Counties | Improve the Carolina Coastal Railway corridors to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$377,385. Work includes rail replacement and crosstie installation. | \$377,385 |
| Division 3 New Hanover County | Improve the Wilmington Terminal Railroad yard to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$401,125. Work includes replacement of a yard track and upgrades to a bridge. | \$401,125 |
| Division 3 New Hanover County | Partially finance the cost of constructing rail industrial access track to serve Project Loco in New Hanover County. The company proposes to hire more than 1,300 new employees and make a capital investment of at least \$50 million. They anticipate shipping approximately 1,300 carloads of rail freight per year. Work includes upgrade of a crossing at River Road and significant new industry tracks for outbound finished goods. | \$200,000 |
| Division 5 Wake County | Close at-grade crossing (465 681P, NS 220.9) at Fayetteville Road (SR 2513) in Knightdale. As mitigation for the closure, the project will include improvements at the intersection of Smithfield Road (SR 2233) and First Avenue. The Department will be responsible for the design and construction of the project. The Department shall not be responsible for right-of-way. The total cost is estimated to be \$200,000. | \$200,000 |
| Divisions 6 & 8 Hoke & Cumberland Counties | Improve the Aberdeen & Rockfish Railroad corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$380,452. Work includes replacement of rail. | \$380,452 |
| Divisions 8 & 10 Chatham, Montgomery, Moore, & Stanly Counties | Improve the Aberdeen Carolina & Western Railway corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$342,201. Work includes upgrades to several bridges. | \$342,201 |
| Division 8 Lee County | Improve the Atlantic & Western Railway corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$88,000. Work includes replacement of a bridge and crosstie replacement. | \$88,000 |



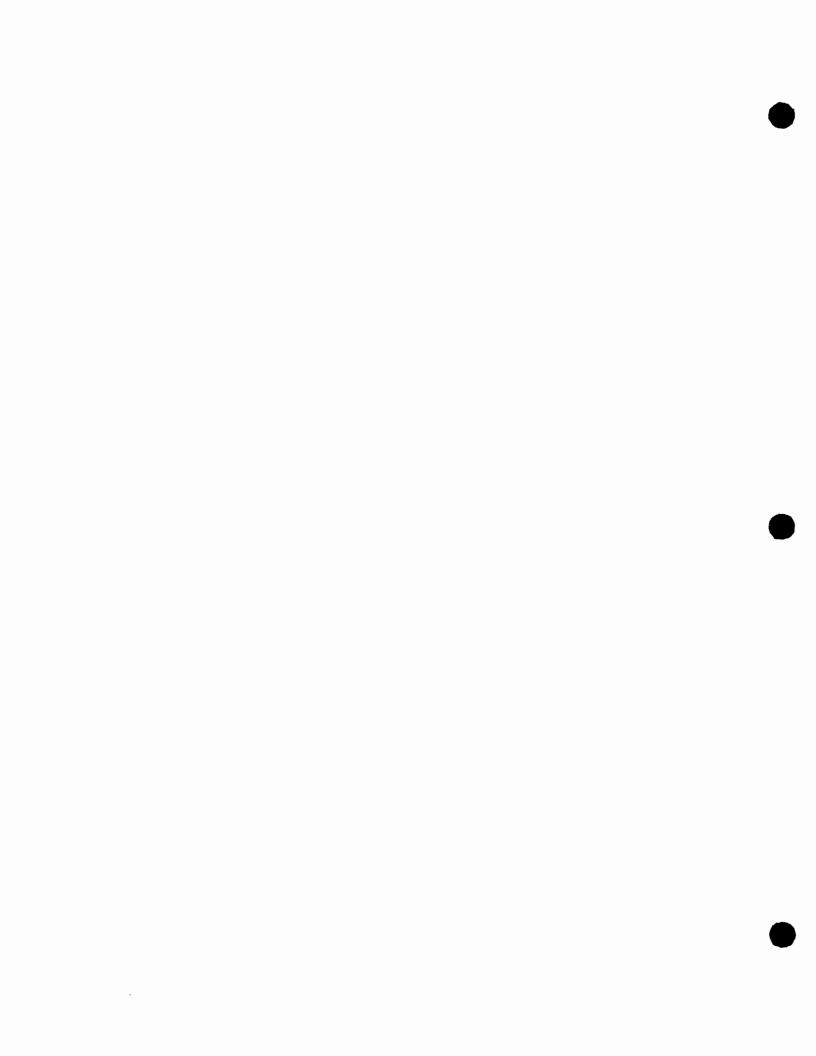
| Town/County Division | Project Description | Estimated Cost |
|--|---|----------------|
| Division 8 Scotland & Hoke Counties | Improve the Laurinburg & Southern Railroad corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$100,055. Work includes replacement of rail. | \$100,055 |
| Division 9 Stokes County | Close two at-grade crossings (Goff Road (721 952Y) and a second crossing to be determined). To improve traffic flow at the Old US 52 and Goff Road (SR 1138) intersection, a new crossing on the Yadkin Valley Railroad CF line will be constructed. This project has been requested by the Stokes County Board of Education due to the high number of accidents involving inexperienced drivers traveling to and from West Stokes High School. | \$300,000 |
| Division 11 Surry County | Add a siding to the Yadkin Valley Railroad mainline to provide loading and unloading capacity for the North Carolina Granite Corporation near Mount Airy. The new track is needed to provide access for a customer who is switching to rail. FR&RCSI funds 50% of actual project costs not to exceed \$250,000. | \$250,000 |
| Divisions 9 & 11 Surry, Stokes, Wilkes & Forsyth Counties | Improve the Yadkin Valley Railroad corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$375,004. Work includes crosstie replacement and track surfacing. | \$375,004 |
| Divisions 11, 12, & 13 Caldwell, Burke & Catawba Counties | Improve the Caldwell County Railroad corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$40,013.Work includes crosstie replacement. | \$40,013 |
| Division 12 Iredell & Alexander Counties | Improve the Alexander Railroad Company corridor to enhance infrastructure condition, safety, and operating efficiency. FR&RCSI funds 50% of actual project costs not to exceed \$136,325. Work includes crosstie replacement. | \$136,325 |
| Divisions 13 & 14 Buncombe, Haywood, Henderson, Jackson & Transylvania Counties | Improve the Blue Ridge Southern Railroad corridor to enhance infrastructure condition, safety, and operating efficiency. The Department shall participate in 50% of actual project costs not to exceed \$369,534. Work includes crosstie replacement, surfacing, and crossing improvements. | \$369,534 |



Freight Rail and Rail Crossing Safety Improvements Progress

| Management F14199 Th Program Management | CDOT FREIGHT RAIL & RAILROAD CROSSING SAFETY IMPROVEMENTS PROGRAM PROGRESS PROJECT BUDGET (INC | | | | | | As of March 1, 2015 | | | | | | | | | | |
|--|--|--------------------------|--|----------------------|------------------|------------------|---------------------|----------------|------------------------|---|--|--|--|--|--|--|--|
| ### Committee Committee | | FRE | OFFICE BUDGET | | | RUCTION | CLOSE OUT | | CY 2814 | T | CY 2013 | CY2654 | | | | | |
| Total | ect Category & Project Type | FUNDING | MATCHING FUNDING | FUNDING | | crosses eve | | Any Think he | | er ten tek | | c Jan Eeb Mar Apr May Jun Jul Aug Sup Oct | | | | | |
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| Table Tabl | | - | | | | | - | | | | | | | | | | |
| F1412 An | Rail Line Improvments Economic Development Sub-You | \$ 0.522 tel \$ 0.522 | | \$ 0.522 \$ 0.522 | | | | | | | | | | | | | |
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| F1413 Cut | | 5 0.133 | | | lan 16 | Mar 16 | May 16 | 1-2 | 0 | | | COST CONTRACTOR CONTRA | | | | | |
| F15126 Curve F15127 Curve F151 | | 5 0.126 | | | Jan 15 | Mer 15 | May 15 | 1-2 | 0 | DOM | | | | | | | |
| Paid Core | | \$ 0.300 | | | Nov 14 | Apr 15 | aun 15 | 1-2 | 0 400 | CON | SUM FIN | | | | | | |
| F14129 CITE CIT | | S 0.574 | | \$ 1.148 | Sep 14 Nov 14 | Jan 15 Jul 16 | Mar 15 Sep 16 | 1-2 | O (Marrie) C/2004 | 15091 | TON: | | | | | | |
| F14122 IFTO F14125 IFTO IFTO F14125 IFTO IFTO F14125 IFTO I | | 5 0.090 | | | Dec 14 | Jun 15 | Aug 15 | 1-2 | 0 | | I I I I I I I I I I I I I I I I I I I | | | | | | |
| F14130 NCVA F14131 NCVA F14130 NCVA NCVA F14130 NCVA N | | \$ 0.250 | | | Feb 16 | May 16 | Ad 16 | 1-2 | 0 6 | | | CON DIAM NA | | | | | |
| F1433 Tear | RS | \$ 0.105 | | | Sep 14 | Jan 15 | Mer 15 | 1-2 | 0 800 000 | COM | De la companya della companya della companya de la companya della | | | | | | |
| F14132 VPRR VP | | 5 0.250 | | | Mer15 | May 15 | Jul 15 | 1-2 | | 0 2000 | COH SSA PM | **** | | | | | |
| F1412 YVRR F1410 F14 | | \$ 0.058 | | | Nov 14 | Apr 15 | Jun 15 | 1-2 | 0 | CON | (0)4 | | | | | | |
| F33500 ACWIT F33500 ACWIT F33500 ACRIT F335 | | \$ 0.060 | \$ 0.060 | 5 0.120 | Mar 15 Nov 14 | Am 15 | Aug 15 May 15 | 1-2 | 0 | MCO. | COM COM PRE | | | | | | |
| F3300 An | | \$ 0.342 | 5 0.342 | \$ 0.684 | 2016 | Apr 15 2016 | 2016 | 114 | | 2 0 | The state of the s | 2016 Schedule TBD | | | | | |
| F15100 JACC | AR . | \$ 0.380 | \$ 0.380 | 5 0 761 | 2016 | 2024 | 2016 | | | 2 0 | | 2016 Schedule TBD | | | | | |
| F15500 ELU | | 5 0.136 | \$ 0.136 | 5 0273 | Jun 15 | Sep 15 | Nov 15 | | | 2 0 | SON BOM FIN | | | | | | |
| F15500 CAA | | \$ 0.088 | \$ 0.088 | \$ 0176 | Nov 15 | inn 16 | Mar 16 | | | 2 | 0 (09) | | | | | | |
| E13505 CLUAR | | \$ 0.370 \$ 0.228 | \$ 0.370 | | Sep 15 | Dec 15 Jan 16 | Feb 16 Mar 16 | - | | 2 0 | CON BOX | | | | | | |
| F1550 Vector F1550 Vector F1550 Vector F1550 Vector F1550 Vector Vector F1550 Vector Vector | | \$ 0.228 | 5 0.228 | 5 0 457 | Sep 15 Nov 15 | Apr 16 | Mar 16 Jun 16 | | | 2 0 | 808 | CDM CDM FM | | | | | |
| F15500 INS | | 5 0.040 | \$ 0.040 | 5 0.080 | 2016 | 2016 | 2016 | | | 2 0 | | 2016 Schedule TBD | | | | | |
| F1550 WTR/PCPA | | \$ 0.100 | 5 0.100 | | 2016 | 2016 | 2016 | 1 | | 2 D | | 2016 Schedule TBD | | | | | |
| Second March Funds and Other Projects Page Second March Funds and Other Projects Page Second March Page Second March Page Second March Page Second March Second | | \$ 0.401 | \$ 0.401 | \$ 0.802 | Jun 15 | Sep 15 | Nov 15 | | | 2 0 | STORE STORE FOR | | | | | | |
| The control of the | | \$ 0.375 | | | Jul 15 | Oct 15 | Dec 15 | | | 2 0 | CON STREET NO. | | | | | | |
| Potential Management | Short Line Sub-Teb | tal 5 6.109 | \$ 6.186 | \$ 12.295 | | 1 | 1 | | , | | | | | | | | |
| Auto-sperment | ACMAN . | £ | - | Siremine. | 300-56 | Her-LA | 740-26 | 146 | Probled by TYSER Grant | G Aus | CON | and . | | | | | |
| 1-100 1-10 | Potential March Funds and Other Projects Sub-Tot | | \$ - | s . | | | | | | | | | | | | | |
| Construct | III-Program Management | \$ 0.150 tall 5 0.150 | | \$ 0.150 \$ 0.150 | - | | | 12 | | | | The state of the s | | | | | |
| Description | Management Sub-Tos | 686 5 0.150 | | \$ 0.150 | | | | | | | | | | | | | |
| F1400 Bearling Meet Cross Read (Cross F1400 Bearling F1400 | | | Accessed to the control of the contr | | | | | | | | | | | | | | |
| F1400 Boat Robert Clouds | | \$ 0.040 | - | \$ 0.040 | Merch 15 | aul 15 | Sept 15 | 1-2 | | | CON CON CON | | | | | | |
| F1920 Studenthen Read (Color | | \$ 0.025 | | \$ 0.025 | Aug 14 | Sept 14 | Dar 14 | 1-2 | CDN Willet FIN | 7 | 300 000 | | | | | | |
| F1420 Naco Rd. Extension F1420 Naco R | | 5 0100 | | \$ 0.100 | Sept 14 | Nov 14 | Mar 15 | 1-2 | MICE MCD 0 | Pile | | | | | | | |
| 14305 Pays S. Loudermonic | | \$ 0.600 | | \$ 0.600 | | | | 1-2 | | | | | | | | | |
| Corelido | Winslow/Renkin St. (Closure & Improvements) | \$ 1.275 | | \$ 1.275 | Sept 14 | 24/15 | Nov 15 | 1-2 | 0 | DON | CH F-C-N | | | | | | |
| 1940 Mountain Rt and Gold | Pine & Lowdermilk Closure Sub-Tet | 5 1100 | | \$ 1.100 | June 15 | Mar 16 | Jul 16 | 1-2 | | | COM | (28) FN | | | | | |
| 1940 Mountain Rt and Gold | | ta8 \$ 3.140 5 1150 | 3 . | \$ 3.140 \$ 1.150 | Sept 14 | Det 15 | 3616 | 1-2 | 0 | | CON | | | | | | |
| 13400 Annie Oriffici Provy (U. | | 5 0 400 | | 5 0.400 | | Nov 15 | Mar 16 | 1-2 | 0 | *************************************** | COM | | | | | | |
| 1942 Manager dispage and property of the page of t | Corridor Sub-Tot | ent \$ 1.550 | 5 . | \$ 1.550 | | | | | | | | | | | | | |
| Fiscal Inc. Lighting Instatute Fiscal Inc. Lighting Instatute Fiscal Inc. Light Instanton Fiscal Instanton | Andy Griffith Pkwy (US 52) & Rockford St. (SR 2426) | \$ 0.240 | | \$ 0.240 | | Nov 1.4 | Mar 15 | 1-2 | O CON COM | file | | | | | | | |
| 1943 Jehnick Detection 1944 Jehnick De | Municipal Signage and Pavement Markings | \$ 0.750 | | \$ 0.750 | Apr 15 | Jun 15 Dec 15 | Aug 15 feb 16 | 1-2 | 0 | | O CON COM RM | el ru | | | | | |
| 19423 McCramon Parkway 19433 McCramon Parkway 19433 Moure Gap 19500 Eyerterisel Sc. 6-mily 19500 Eyerterisel Sc. 6-mily 19440 Carre No. 5-Merchan 19440 Sales And. 20der No. 5-Merchan 19440 Sales And. 20der No. 19480 19440 Marchan No. 19480 19440 Marchan No. 20der No. 19440 Marchan No. 19440 19440 Marchan No. 19440 Marchan | ALL Lighting middlife | \$ 0.900 | | \$ 0.900 | May 15 | Dec 15 | Feb 16 | 1/2 | O Plantil | | CON | M NR | | | | | |
| F1423 PowerS Gap F1500 F194410 S English F1500 F194410 S English F1500 F194410 S English F1500 F194410 Service S English F1424 Service S English F1424 Service F1424 Service F1424 Service F1424 Service F1424 Service F1424 Service F1224 Serv | | 5 0.350 | \$ - | \$ 0.350 | 2016 | 2016 | 2016 | | | 1-2 | | | | | | | |
| 13300 Germ R N - Sing | Howard Gap | \$ 0.050 | \$. | \$ 0.050 | 2016 | 9076 | 2016 | 1 | | 1-2 | | | | | | | |
| F1436 Carrier Rd - Seatonists F1436 Carrier Rd - Seatonists F1446 Each Rd - Zeatonist F1446 Each Rd - Medisses F1446 Old Arront Rd - F466 F1446 Old Arront Rd - F466 F1446 Old Arront Rd - F466 F1446 Old Arront Rd - Zeaton F1446 Each Rd - Zeaton F144 | | \$ 0.200 | | \$ 0.200 | 2016 | 2016 | 1016 | | | -2 | | | | | | | |
| F1343 Berber Rd. Zebulon F1442 Stote Rd. Zebulon F1442 Stote Rd. Medisses F1444 Stote Rd. Medisses F1444 Stote Rd. Medisses F1444 Medison Rd. Feder Rd. F1444 Medison Rd. Stote Rd. F1444 Medison Rd. Zebulon F1446 F1444 Rd. F1446 Medison Rd. Zebulon F1446 Rd. F1446 | Goff Rd - King Crossing Assistance Sub-Tot | \$ 0300 tel \$ 3.902 | | \$ 0.300 | 2016 | 2016 | 2016 | | | 2 | | | | | | | |
| F1343 Berber Rd. Zebulon F1442 Stote Rd. Zebulon F1442 Stote Rd. Medisses F1444 Stote Rd. Medisses F1444 Stote Rd. Medisses F1444 Medison Rd. Feder Rd. F1444 Medison Rd. Stote Rd. F1444 Medison Rd. Zebulon F1446 F1444 Rd. F1446 Medison Rd. Zebulon F1446 Rd. F1446 | Carne Rd Stantonsburg | \$ 0.015 | | \$ 3.902 | 2015 | 2015 | 2015 | | | -2 | | | | | | | |
| F1442 Scokes Rd. Middlese F1443 04 Argent Ms. Filed F1445 Ut 21 Governors tillen F1446 12 Governors tillen Crossing Serface F1440 Planer Mill Ms. Middle F1440 Planer Mill Ms. Jims F1440 Neverson Rd. Jims F1450 Neverson Rd. Jims F1450 Neverson Rd. Jims F1450 Neverson Rd. Jims F1450 Neverson Rd. Jims | | \$ 0.015 | 5 | 5 0.015 | 2015 | 2015 | 2015 | | | 2 | | | | | | | |
| F 14424 Man 95 L 9 23 Brs. V F 1425 U 5 29 Governor Hiller F 14466 Horino Rd. Zabulon F 1440 Planer Mill Rd. Hedd F 1440 Brezeron Rd. Sims F 1430 Beverson Rd. Sims F 1450 Bobertson Rd. Knight | Stokes Rd. Middlesex | \$ 0.015 | | 5 0.015 | 2015 | 2015 | 2015 | | | 2 | | | | | | | |
| F14245 US 19 Governors Islan F14246 US 19 Governors Islan F14240 F14247 Planer Mill fill M. Middl F14246 NC 73 Shannon F14240 Necesson Rd. Sims F1459 Roberton Rd. Knight | | \$ 0.020 | | | 2015 | 2015 | 1015 | | | 12 | | | | | | | |
| F14246 Norton Rd Zebulon F14247 Planer Mill Rd Meddl F14247 Planer Mill Rd Meddl F14248 NC 73 Shannion F14249 Neversion Rd. Sims F14550 Robertson Rd. Knight | | 5 0.040 | \$ 0.040 | \$ 0.080 | 2015 | 2015 | 2015 | | | 1.2 | 2 2015 Construction Schedule TBD | | | | | | |
| F14247 Planer Mill Md. Middl F14248 NC 73 Shannon F14260 Neverson Rd. Sims F14250 Robertson Rd. Knight | | \$ 0.020 | - | 5 0.032 | 2015 | 2015 | 2015 | | | | 2 2015 Construction Schedule TBD 2 2015 Construction Schedule TBD | | | | | | |
| F14248 NC 71 Shannon F14249 Neverson Nd. Sims F14250 Robertson Rd. Knight | | 5 0.032 | 5 | 5 0.020 | 2015 | 2015 | 2015 | | | | 2 2015 Construction Schedule TBD 2 2015 Construction Schedule TBD | | | | | | |
| F14ZSO Robertson Rd. Knight | | \$ 0.075 | 5 | \$ 0.075 | 2015 | 2015 | 2015 | | | | 2 2015 Construction Schedule TBD | | | | | | |
| | | \$ 0.040 | | 5 0.040 | 2015 | 2015 | 2015 | | | | 2 2015 Construction Schedule TBD | | | | | | |
| | | \$ 0.032 | | 5 0.032 | | 2015 | 2015 | | | | 1 2 2015 Construction Schedule 18D | | | | | | |
| | | \$ 0.150 | 5 | 5 0.150 | 2015 | 2013 | 2015 | - | | | 1 2 2015 Construction Schedule TBD | | | | | | |
| F14252 Depot St Whittier F14253 Highland Rd Laurinbu | | \$ 0.072 | 16 . | \$ 0.072 | 2015 | 2015 | 2015 | | | | I-2 2015 Construction Schedule TBD I-2 2015 Construction Schedule TBD | | | | | | |
| F14254 S. Front St Witmingto | | \$ 0,200 | | 5 0.002 | 2015 | 2016 | 2015 | | | | 1-2 2015 Construction Schedule TBD | | | | | | |
| | | tal \$ 0.790 | \$ 0.080 | \$ 0.850 | | | | | | | | | | | | | |
| Management F14299 Program Management | Crossing Surface Sub-Tot | | | \$ 0.045 | | 1 | 1 | 2000 | | | Commence of the commence of th | | | | | | |
| Market Street - Street Market Street | | S 0.045 | | \$ 0.045 | _ | | | rogram Progres | | | | | | | | | |

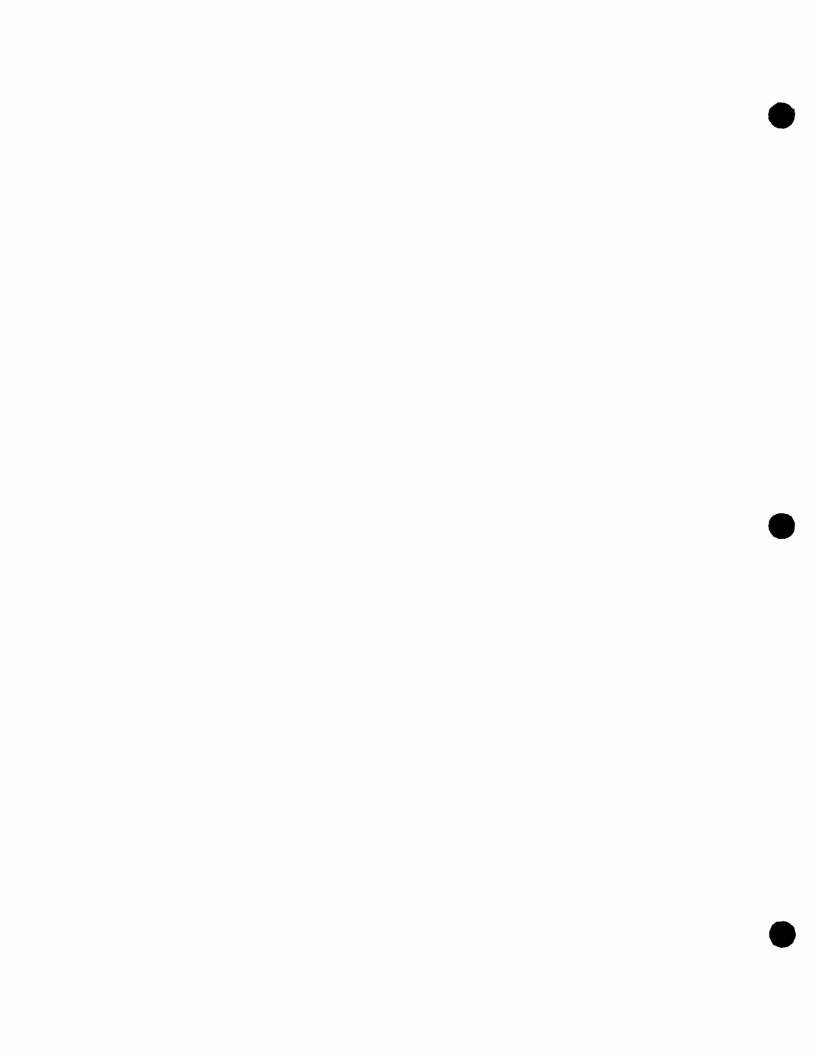
3/11/2015

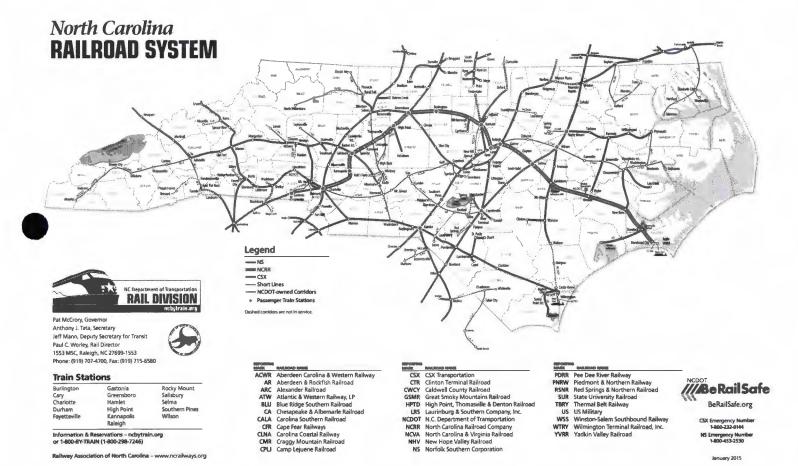


Freight Rail and Rail Crossing Safety Improvements Progress

| ICDOT FREIGHT RAIL | & RAILROAD CROSSING SAFETY IMPROVEMENT | TS PROG | RAM PRO | GRESS | | | | As of March | , 2015 | | |
|------------------------|---|-----------|----------|---------------|-----------|-----------------|-----------|--|----------------|--|---|
| Project Nur | mber, Project Category & Project Type | FR&RCSI | MATCHING | TOTAL | Ta | RUCTION sk 4 | CLOSE OUT | CY 2004 | | CY 2015 | CY 2016 |
| | | FUNDING | FUNDING | FUNDING | CONSTRUCT | COMPLETE | PROSE | Apr May Jun Jul Aug Sep Oct Nov | Dec Jan Fe | els Mer Agr Mey Jun Jul Aug Sep Oct Nov Dec | fen Feb Mar Apr Mey Jun Jul Aug Sep Oct F |
| ACCES IMPROVEMENT | • List | | | | | | | | | 4.7 | |
| | F14310 Rail Industrial Access Program | \$ 0.800 | | \$ 1.600 | | | T | | | | |
| | F14311 Project C | \$ 0.200 | | | Feb 15 | May 15 | Aug 15 | 1-2 0 | | CON CONTRACTOR OF THE CONTRACT | |
| Industrial Access | F14312 Reliance Packaging | \$ 0.033 | | \$ 0.066 | Oct 14 | Feb 15 | Jun 15 | 12 0 4000 000 | | 78 | |
| | F15310 Project Loco | 5 0 200 | | \$ 2 000 | Jun 15 | Sep 15 | Nov 15 | | 1-2 0 | | |
| | F15311 Project Graphite | \$ 0.250 | | \$ 0.750 | Aug 15 | Feb 16 | Apr 16 | | | 12 O CONSTRUCTION | |
| | Industrial Access Sub-Yotal | \$ 1.483 | | \$ 5768 | | | | | | | |
| | F14921 MS-Agrium | 5 0 175 | | | Jun 15 | 2016 | 2016 | 1-2 | 0 | CONSTRUCTION | |
| | F14323 MS-Hammaker Emulsions | 5 0 250 | | | Jun 15 | 2016 | 2016 | | 0 | COMSTRUCTION | |
| | F14324 NS-Henson CL2 0 | 5 0.250 | | | Jun 15 | 2016 | 2016 | | 0 | CONSTRUCTION | - 1 |
| | F34326 NS-Lehigh Cement | 5 0.200 | | 5 0 400 | Am 15 | 2016 | 5016 | | 0 | CONSTRUCTION | |
| | F14327 NS-Luckey Logatics | \$ 0.250 | | \$ 0.700 | An 15 | 2016 | 2016 | 1-2 | 0 | CONSTRUCTION | |
| | F14329 NS-Transmontaigne - Greensboro | 5 0.250 | | \$ 3,000 | Am 15 | 2016 | 2016 | | O Reeds | CONSTRUCTION | |
| | F14330 NS-Transmontaigne - Selma | 5 0250 | 5 2 750 | 5 3 000 | Jun 15 | 2016 | 2016 | 1-2 | 0 | CORSTRUCTION | |
| | F14331 Port of Wilmington - Improved Interchange Tracks | \$ 0.833 | 5 0.833 | \$ 1666 | Oct 14 | Airt 15 | Aug 15 | I-2 O A | CON | | |
| | F14340 CLNA-Rocky Mount Transload | \$ 0.150 | 5 0.150 | \$ 0.300 | Jan 15 | Mar 15 | May 15 | | MD3 Des | COOME FEN | |
| | F14341 CLNA-Tenn Valley, Greenville Phase I | \$ 0100 | 5 0.180 | \$ 0.280 | Oct 14 | len 15 | Mar 15 | I-2 O Aught CON | COM | The state of the s | |
| Military/Port/Industry | F14342 CLNA-Ham Produce | \$ 0.175 | 5 0 175 | \$ 0350 | Mar 15 | Jun 15 | Aug 15 | 1-2 | D MINNE | CON COME RIN | |
| | F14343 CLNA Braswell Milling | 5 0 150 | \$ 0150 | \$ 0300 | Mar 15 | Jun 15 | Aug 15 | 12 | O America | CON TOTAL PIN | |
| | F14344 ACWR Shops | 5 0 500 | \$ 0.500 | \$ 1000 | Oct 14 | Aug 14 | Oct 15 | 1-2 O (Manufic) | | CON COME FIN | |
| | F14345 Siemens | \$ 0.250 | 5 0356 | \$ 0.606 | Aug 14 | Oct 14 | Nov 14 | 12 O ANNE CON COMPAN | | | |
| | F14347 CLNA Pinetown | 5 0 100 | \$ 0100 | \$ 0,200 | Aug 15 | Dec 15 | an 16 | | | O COM EXPRESE | N I |
| | F14348 NCSPA Morehead City | 5 0 250 | \$ 0.250 | 5 0 500 | May 15 | Nov 15 | Dec 15 | | | O COM DOM THE | |
| | F14349 NS Sanderson Farms | \$ 0.250 | \$ 0.250 | \$ 0.500 | Jun 15 | Dac 15 | ma 16 | | | O CON MAN | PME T |
| | F14350 CLNA Greenville, Phase II | 5 0.050 | | | Aug 15 | Dec 15 | Be 16 | | | 0 2000 6006 | |
| | F14351 CLNA Mashwile | 5 0 175 | | | See 15 | an 16 | Feb 16 | | | | THE RESERVE OF THE PERSON NAMED IN COLUMN 1 |
| | F14305 YVRR NC Grante | 5 0 039 | | 5 0.039 | An 15 | Dec 15 | len 16 | | | O CON BONE | **** |
| | F15305 YVRR NC Grante | 5 0 211 | | | Jun 15 | Dec 15 | Jan 16 | | | D COM | POLE T |
| | Milliony/Port/Industry Sub-Yotali | | | | | | | | | | |
| Management | F14399 RAI- Grant Management | 5 0.400 | 15 . | 5 0 400 | | | I | | | | |
| | Menagement Sub-Total | \$ 0.400 | \$. | \$ 0.400 | | | • | | | 1 | |
| | | | W. 1101 | - W. C. C. C. | | | | NOTES: 1, 1-2 refers to the Board of Transportal | ion Agenda Rei | to: for the Allocation of Funds. | |
| | | | | | | | | | | en für ster Angestreit af Angestelltande mille Andreads ter Schreichenfelter. | |
| | A CONTRACT OF THE STATE OF THE | 1 | mar 1 | H.A. | | | | S. Adapting bands or a Non-HCDOF Fam | | A 8 5 0 10 C | |
| | . M. | ********* | * | ~~_~~~ | | | | | | | |
| A 100 PM | | - | | | | | | | | | |

FRRCS Program Progress Chart 3/11/2015





///BeRailSafe

NS Emergency Number 1-800-453-2530

BeRailSafe.org CSX Emergency Number 1-800-232-0144

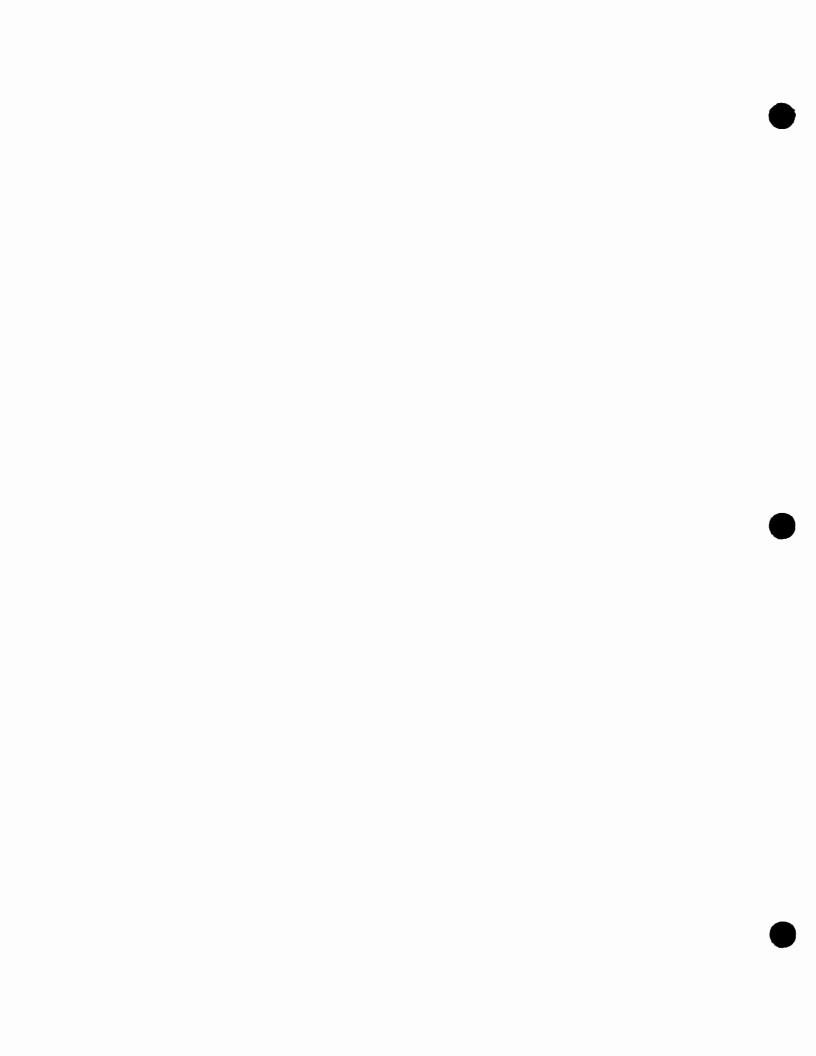
Rocky Mount Salisbury Selma Southern Pines Wilson

Gastonia Greensboro Hamlet High Point Kannapolis Raleigh

Railway Association of North Carolina - www.ncrailways.org

Information & Reservations – nobytrain.org or 1-800-BY-TRAIN (1-800-298-7246)

Burlington Cary Charlotte Durham Fayettaville



NORTH CAROLINA RAILROAD DIRECTORY

| leporting Aark | Reilroad/Address | Contact |
|-------------------|--|---|
| CBX | CSX Transportation Corporate Headquarters 500 Water St., Jacksonville, FL 32202 | Michael J. Ward, President and CEO (904) 359-3100; www.cax.com |
| | CSX Regional Development 1610 Forest Ave., Ste. 120, Richmond, VA 23229 | Jim Van Derzee, Manager (804) 226-7504; (804) 226-7759 FAX; Jim_Vanderzee@cex.com |
| | CSX Public Affairs 1201 Main St., Ste. 1980, Columbia, SC 29201 | John Dillard (803) 748-1280; (803) 748-1338 FAX; John_Dillard@csx.com |
| | CSX Florence Division 100 Oakland Ave., Florence, SC 29506 | Jermaine Swafford, Division Manager (843) 629-2275; (804) 245-2735 FAX; Jermaine_Swafford@csx.com |
| NS | Norfolk Southern Corporation Corporate Headquarters Three Commercial Place, Norfolk, VA 23510 | Charles W. Moorman, President and CEO (757) 629-2600; www.necorp.com |
| | NS Piedmont Division 1120 W. Washington St., Greenville, SC 29601 | Neville Wilson, Superintendent (864) 255-4210; (864) 255-4279 FAX |
| | NS State Office 1500 Carson St., Raleigh, NC 27608 | Durwood Laughinghouse, Resident Vice President (919) 831-3002; (919) 831-3041 FAX; dslaughi@nscorp.com |
| | NS Industrial Development 1500 Carson St., Raleigh, NC 27608 | Troy Akers, Industrial Development Manager (919) 831-3092; (919) 831-3041 FAX; jirn.bowman@nscorp.com |
| | NS East Carolina Business Unit (ECBU) 1500 Carson St., Raleigh, NC 27608 | Joshua Booker, General Manager (919) 831-3029; (919) 831-3041 FAX; Joshua.booker@nacorp.com |
| | NS Virginia Division 110 Franklin Rd. SE, Box 53, Roanoka, VA 24042 | Heekel Stanbeck, Superintendent (540) 981-4476; (540) 981-4880 FAX |

| *filla | ited with a Class I | | |
|-------------|--|---|--------------------------|
| orting k | Railroad/Address | Contact | Ownership |
| CPLJ | Camp Lejeune Railroad | Norfolk Southern Corporation | USMC (Right of Way) |
| HPTD | High Point, Thomasville & Denton RR | Winston-Salem Southbound Railway | CSX & NS (Corporate) |
| SUR | State University Railroad | Norfolk Southern Corporation | NC & NCRR (Right of Way) |
| US | US Army Railroad | Steve Kerr, Director of Operations (910) 457-8336 | US Army (Right of Way) |
| WSS | Winston-Salem Southbound Railway 4550 Overdale Rd., Winston-Salem, NC 27107 | Melvin Cohoon, Operations Manager Eddy Mills, Assistant Operations Manager (336) 788-9407; (336) 788-9085 FAX | CSX & NS (Corporate) |

| Reporting Mark | Railroad/Address | Contact | Ownership |
|-------------------|--|--|--|
| ACWR | Aberdeen Carolina & Western Railway Company 967 NC Hwy 211 East, Candor, NC 27229 | Robert M. Menzies, President Carl Hollowell, VP & General Manager (910) 974–4219; (910) 974–4307 FAX www.acwr.com | ACWR (Corporate) NS (Charlotte-Gulf) (Right of Way) |
| AR | Aberdeen & Rockfish Railroad PO Box 917 101 East Main St., Aberdeen, NC 28315 | Garland Horton, President (910) 944-2341; (910) 944-9738 FAX www.aberdeen-rockfish.com | AR (Corporate & Right of Way) |
| ARC | Alexander Railroad PO Box 277 51 Second Ave. N, Taylonsville, NC 28681 | Benjamin Zachery, General Manager (828) 632-2103; (828) 632-3179 FAX www.alexanderraliroad.com | ARC (Corporate & Right of Way) |
| ATW | Atlantic & Western Railway, L.P. 138 South Streets St. Room L, Sanford, NC 27330 1200 C. Scottsville Rd., Ste. 200, Rochester, NY 14624 | Billy Tucker, General Menager (910) 343-0461; www.gwrr.com Charles Jeffries (919) 776-7521; (919) 774-4821 FAX | Genesee & Wyoming (Corp. & Right of Way) Rochester, NY |
| BLU | Blue Ridge Southern Railroad 2364 Hendersonville Rd., Arden, NC 28704 | Durf Farris, General Manager 828-782-0092 www.watcocompanies.com | Watoo Companies, LLC (Corporate) Pittaburg, KS |
| CA | Chesapeake & Albemarte Railroad 214 N. Railroad St., Ahoskie, NC 27910 | Jason Woods, General Manager (843) 749-0687; (252) 332-3325 FAX www.gwir.com | Genesee & Wyoming, Inc. (Corporate Rochester, NY NS (Right of Way) |

| | endently Owned (contin | uea) | |
|-------------------|--|--|--|
| Reporting Mark | Railroad/Address | Contact | Ownership |
| CALA | Carolina Southern Railroad 171 Hwy. 905, Conway, SC 29528 | Ken Pippin, President Jason Pippin, VP & General Manager (843) 248–8008; (843) 248–8003 FAX www.carolinasouthemraliroad.com | CALA (Corporate & Right of Way) |
| CFR | Cape Fear Railways PO Box 70090 Bidg, 5-5519 Honeyoutt Marehalling Yd. Fort Bragg, NC 28310 | Jim Torpey, Superintendent (910) 396-7683; (910) 396-7688 FAX www.bragg.army.mi/fto/railhead.htm | Seaboard Corp. (Corporate) Shawnee Mission, KS US Army (Right of Way) |
| CLNA | Carolina Coastal Railway (including the former Morehead & South Fork RR Co. & the former Nash County RR) PO Box 8158, Wilson, NC 27893 | Doug Golden, President (215) 741-8007; (215) 741-8009 FAX dag@volcenet.com; www.mirail.com Virgil Holman, General Manager (252) 945-0983; clnarailroad@yahoo.com | CLNA (Right of Way: Rocky Mt-Nashville lin NS (Right of Way: Ral-Plym/Pinetown line) NCSPA (Right of Way: Morehead line) Alcoa (Right of Way: Stanly County line) |
| CMR | Craggy Mountain Railroad 436 Cedar Lane, Arden, NC 28704 | Rocky Holifield, President (828) 808-4877; (828) 648-7309 FAX www.craggymountainline.com | Craggy Mountain Line Inc. (Corporate & Right of Way) |
| CTR | Clinton Terminal Railroad Co. PO Box 11, Elizabeth & Railroad Sts. Clinton, NC 28329 | Robert Lowe, President (717) 877-6087 | CTR (Corporate & Right of Way) |
| CWCY | Caldwell County Railroad 5725 Giles Farm Rd., Morganton, NC 28655 | Don J. McGrady, President (828) 433-7409; (828) 437-9852 FAX | Southeast Shortlines (Corporate) Morganton, NC Caldwell RR Commission (Right of Way) Lenoir, NC |
| G8MR | Great Smoky Mountains Railroad, Inc. PO Box 1490 225 Everett St. G&H Bryson City, NC 28713 | Kim Albritton, VP & General Manager (828) 586-8811; (800) 872-4681 (828) 488-0427 FAX; www.gsmr.com | American Heritage Railways (Corporate & Right of Way) Coral Gables, FL |
| LRS | Laurinburg & Southern Company, Inc. PO Box 623, 915 S. Main St. Laurinburg, NC 28353 | Terry Haywood, General Manager (910) 276-2811; (910) 276-2853 FAX www.gulfandohio.com | Gulf & Ohio Reilweys (Corporate & Right of Way) Knorville, TN |
| NCDOT | North Carolina Dept. of Transportation Rail Division MSC 1553, Raleigh, NC 27699-1553 | W. Stephen Heed, Corridor Manager (919) 707-4708 www.ncbytrain.org | Owner of RR Right of Way |
| NCRR | North Carolina Railroad Company 2809 Highwoods Blvd, Ste. 100 Raleigh, NC 27604 | Scott Saylor, President (919) 954-7601; (919) 954-7099 FAX www.ncrr.com | Owner of RR Right of Way |
| NCSPA | North Carolina State Ports Authority 2202 Burnett St. Wilmington, NC 28401 | Stephanie Ayers, Director Port Planning & Development (910) 251-7073; www.ncports.com | Owner of RR Right of Way |
| NCVA | North Carolina & Virginia Rallroad 214 N. Railroad St., Ahoakle, NC 27910 | Jason Woods, General Manager (843) 749-0687; (252) 332-3325 FAX www.gwtr.com | Genesee & Wyoming, Inc. (Corporate) Rochester, NY |
| PNRW | Piedmont & Northern Railway 1548 Union Road, Ste. B Gastonia, NC 28504 | 1,000 | NCDOT (Right of Wey) |
| RSNR | Red Springs & Northern Railroad PO Box 700, Parkton, NC 28371 | Tom Stallings, Board Secretary (252) 363-4232 tomstallings@coastainet.com | Red Springs & Northern Foundation (Corporate & Right of Way) |
| TBRY | Thermal Belt Rallway 5725 Giles Farm Rd. Morganton, NC 28655 | Don J. McGrady, President (828) 433-7409; (828) 437-9652 FAX | Southeast Shortlines (Corporate) Morganton, NC Rutherford RR Development Corp. (Right of Way) Forest City, NC |
| WTRY | Wilmington Terminal Railway, Inc. 1717 Woodbine St. Wilmington, NC 28401 | Billy Tucker, General Manager (910) 343-0461; (910) 251-8159 FAX www.gwrr.com | Genesee & Wyoming, Inc. (Corporate) Rochester, NY NC State Ports Authority (Right of Way) Wilmington, NC |
| YVRR | Yadkin Valley Railroad PO Box 1218, 8301 Depot St. Rural Hall, NC 27045 | Todd Burchette, Regional Vice President (336) 989-8055; (336) 969-9168 FAX www.gulfandohio.com | Gulf & Ohio Reliways (Corporate) Knoxville, TN NS (Right of Way) |

Hep inquires/nevisions should be submitted to Net Perry, NCDOT Rail Division, 1553 MSC, Raleigh, NC 27699-1553 (819) 707-4711; email: hiperry@nczlot gov-lanuary 1, 2015.

Senate Committee on Appropriations on Department of Transportation Monday, June 15, 2015 at 4:00 PM Room 1027/1128 of the Legislative Building

MINUTES

The Senate Committee on Appropriations on Department of Transportation met at 4:00 PM on June 15, 2015 in Room 1027/1128 of the Legislative Building. Seven members were present.

Senator Wesley Meredith, Chair, presided.

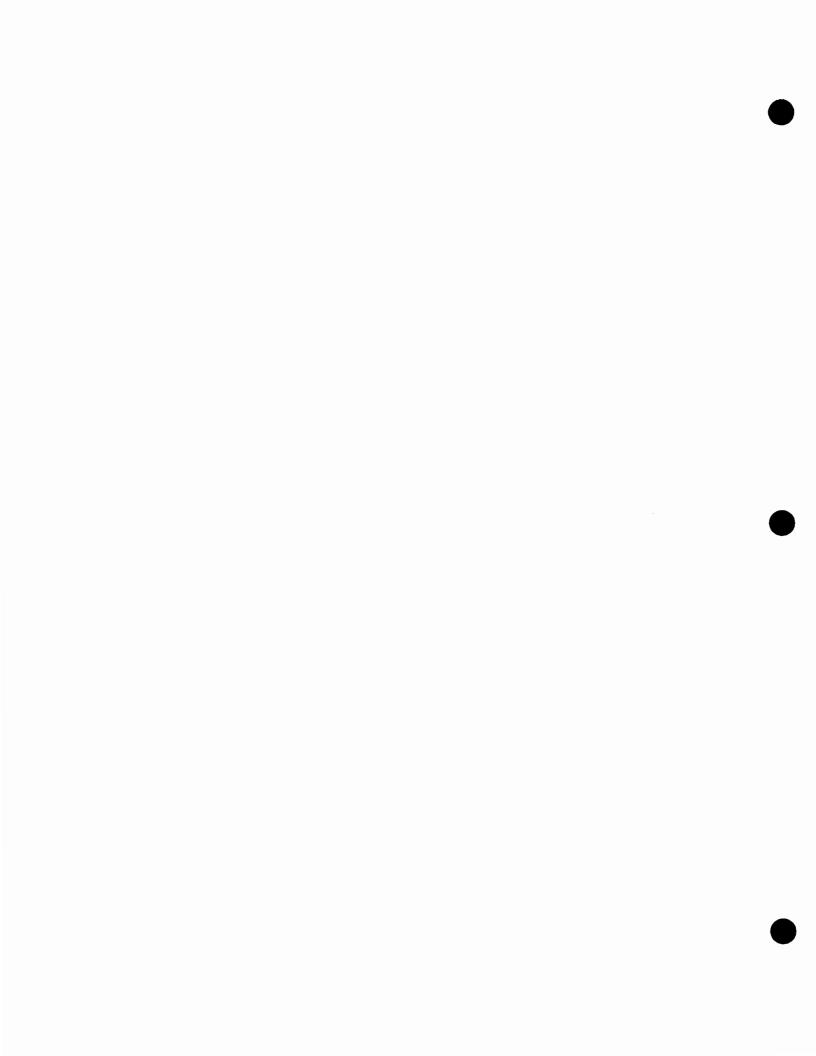
Senator Meredith introduced Bryce Ball a Fiscal Analyst from the Research Division to review the Rules for Amendments in Full Appropriations. Sen. Meredith then asked Bryce Ball, Amna Cameron a Fiscal Analyst from the Research Division and Luke Gillenwater an attorney from the Bill Drafting Division to present the Senate Transportation Budget. Questions from the members were responded to by the previously mentioned staff, Sen. Rabon and Sen. Meredith.

The meeting adjourned at 4:44 PM.

Senator Wesley Meredith, Chair

Presiding

Deboie Lown, Committee Clerk



Senate Appropriations Committee on Department of Transportation

June 15, 2015 4:00 p.m. Room 1027/1128 LB

Agenda

Chairs:

Senator Bill Rabon

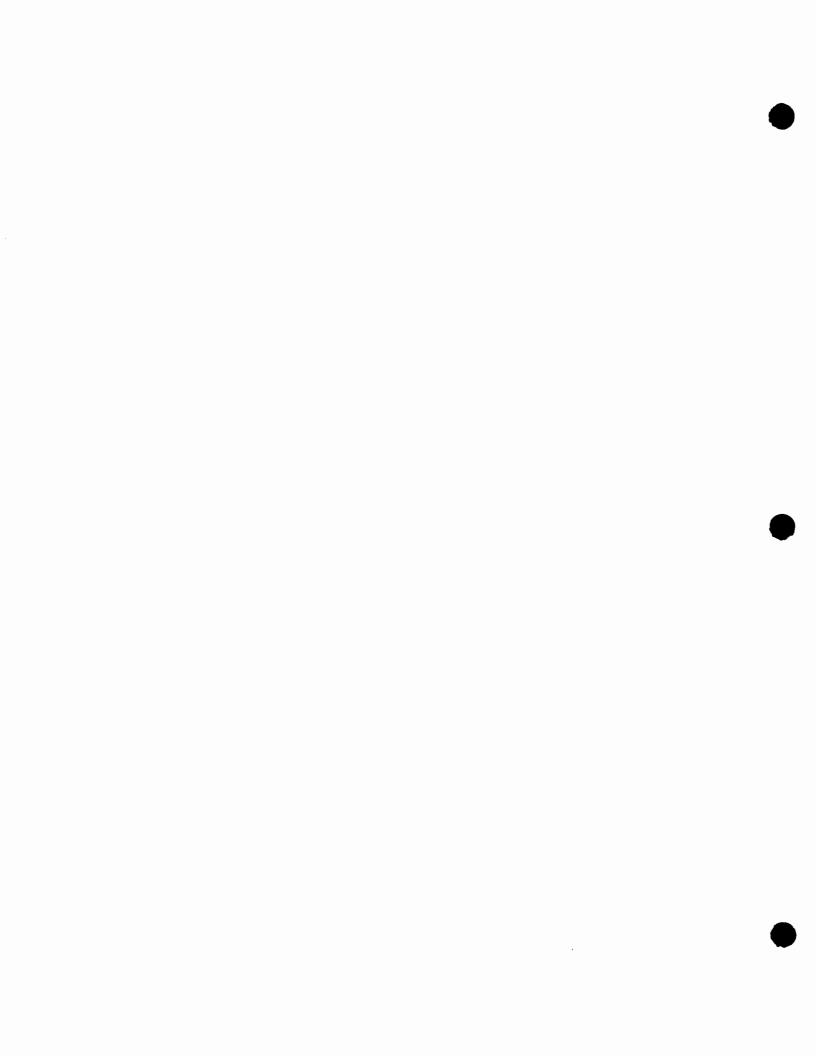
Senator Wesley Meredith, Chairing

- Review of Rules for Amendments in Full Appropriations
 - Bryce Ball
 Fiscal Analyst, Fiscal Research Division
- Presentation of Senate Transportation Budget
 - Amna Cameron
 Fiscal Analyst, Fiscal Research Division
 - Bryce Ball
 Fiscal Analyst, Fiscal Research Division
 - Luke Gillenwater
 Staff Attorney, Bill Drafting Division
- Committee Discussion

Senate Appropriations/Base Budget Committee Rules for Considering Amendments

If amendments are offered, then the following rules must be met in order to make the amendment eligible for consideration:

- 1. Money can only be transferred among items within the same subcommittee section.
- 2. Amendments where money is being transferred among items within a subcommittee must clearly identify the items/programs that are being increased and decreased.
- 3. Nonrecurring reductions cannot be made to fund recurring additions.
- 4. Amendments that spend reversions are not allowed.
- 5. Amendments that increase or create new management flexibility reserves are not allowed.
- 6. Amendments that increase spending in the subcommittee budgets are not allowed.
- 7. Amendments are not allowed where funding for an item comes from statewide reserves.
- 8. Amendments that adjust funds from compensation increase reserves or other reserves related to salaries and benefits are not allowed.
- 9. Amendments that adjust funds for workers' compensation are not allowed.
- 10. Amendments that adjust funds related to vacant positions are not allowed.
- 11. Since this is a meeting of Full Appropriations, amendments that address finance portions of the bill will not be heard.
- 12. Amendments must be in writing, the original signed, with 100 copies available for distribution.
- 13. To be considered, a proposed amendment <u>must have been logged in by the committee clerk in room 643 by 10:00 a.m. on Tuesday, June 16, 2015.</u>



SENATE APPROPRIATIONS COMMITTEE

$\underline{\mathbf{ON}}$

DEPARTMENT OF TRANSPORTATION

REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS

House Bill 97

Highway Fund

HIGHWAY FUND

| Recommended Base Budget | FY 15-16 \$1,918,676,424 | - Marie C | FY 16-17 \$1,912,223,925 | , |
|---|-----------------------------|-----------|-----------------------------|----|
| Legislative Changes | | | | |
| Administration | | | | |
| 1 Modernization of Driver Services and Vehicle Services Provides funding for the continued modernization of Division of Motor Vehicles information technology systems, including Phase III of the State Automated Driver License System (SADLS) replacement effort. | \$2,500,000 \$23,956,000 | R NR | \$4,076,000 | R |
| Aid to Municipalities | | | | |
| 2 State Aid to Municipalities Increases funding for State Aid to Municipalities/Powell Bill to \$147.5 million in FY 2015-16 and \$150.0 million in FY 2016-17 in accordance with the repeal of the statutory formula in G.S. 136-41.1(a), effective July 1, 2015. | \$1,172,000 | R | \$3,672,000 | R |
| Construction | | | | |
| 3 Planning Funds Provides planning funding for multi-state highway projects that significantly enhance the region's economic development. | \$695,000 | NR | \$695,000 | NR |
| 4 Small Urban Construction Provides funding for the Small Urban Construction Fund. | \$2,500,000 | NR | \$2,500,000 | NR |
| Division of Motor Vehicles | | | | |
| 5 Tag and Tax Together Continues funding for 44 time-limited positions to support the Tag and Tax Together program through June 30, 2017. Receipts totaling \$2,001,011 nonrecurring are budgeted from the administrative fee authorized in G.S. 105-330.5(b). | | | | |
| 6 Commission Contractor Compensation Funds a 2.3% increase to statutory compensation rates for commission contractors and provides additional funding for performance incentives associated with revised standard operating procedures. | \$181,803 | R | \$181,803 | R |
| 7 Operating Efficiencies Reduces operating funding division-wide by \$250,000 recurring. | (\$250,000) | R | (\$250,000) | R |

| Senate Appropriations Committee on Department of Transportation | FY 15-16 | o• | FY 16-17 | |
|---|------------------------------|---------|---------------|----|
| 8 Hearings Fees Adjusts funding based on the delayed implementation of the Division of Motor Vehicles hearings fee schedule to July 1, 2017. Budgeted funds for the Division of Motor Vehicles total \$120,334,217 recurring. | | | \$6,452,499 | NR |
| Federal Aid | | | | |
| 9 Adjustment for Federal Revenue Adjusts budgeted receipts to match anticipated federal revenue for the upcoming biennium. | (\$4,055,402) | R | (\$4,055,402) | R |
| Intermodal | | | | |
| 10 (Ferry) Hatteras Alternate Route and Spill Response Provides funding for operating costs associated with the newly designated Hatteras Inlet route and training for new federal requirements concerning oil spill responses for vessels 400 gross tons and above. Budgeted funds for the Ferry Division total \$39,750,395 recurring. | \$850,000 | R | \$850,000 | R |
| 11 (Public Transportation) Statewide and Rural Capital Grant Programs Increases funding for the Statewide grant program by \$1 million and for the Rural Capital grant program by \$2 million. Budgeted funds for the Public Transportation Division total \$88,173,419 recurring. | \$3,000,000 | R | \$3,000,000 | R |
| 12 (Aviation) State Aid to Airports Increases funding for grants-in-aid for public airport development. Budgeted funds for the Division of Aviation total \$25,760,952 recurring. | \$4,500,000 | R | \$4,500,000 | R |
| Maintenance | | | | |
| 13 Bridge Program Increases recurring funding for the Bridge Program. Budgeted funds total \$202,915,288 in FY 2015-16 and \$242,910,279 in FY 2016-17. | \$50,000,000 | R | \$90,000,000 | R |
| 14 (Bridge Program) Statutory Adjustment Adjusts funding for the Bridge Program based on the revised revenue forecast. The program receives the balance of funds generated from the Gasoline Inspection Fee, after deducting expenses for the Department of Revenue for collecting the tax and expenses for the Department of Agriculture for fuel inspection. | (\$495,270) | R | (\$500,279) | R |
| 15 Pavement Preservation Increases recurring funding for the Pavement Preservation Program to \$100,000,000. | \$34,954,976 | R | \$34,954,976 | R |
| 16 Secondary Road Maintenance and Improvement Program Increases funding for the Secondary Road Maintenance and Improvement Program. Budgeted funds total \$305,984,586 in FY 2015- 16 and \$295,753,956 in FY 2016-17. | \$28,642,082 \$10,230,630 | R NR | \$28,642,082 | R |

| Senate Appropriations Committee on Department of Transportation | FY 15-16 | | FY 16-17 | |
|--|-----------------------|----|-----------------------|----|
| Reserves | | | | |
| 17 Workers' Compensation Adjustment Reserve Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net Highway Fund appropriations. The Department is directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all sources. | \$6,830,000 | R | \$6,830,000 | R |
| 18 Capital, Repairs and Renovations Funds capital improvements, repair, and renovation projects included in the Department of Transportation's 2015-21 Capital Improvements Plan. | \$7,817,900 | NR | \$15,444,300 | NR |
| 19 Reserve for Administrative Reduction - Position Reductions Eliminates funding for 10 filled administrative positions and 46 filled receipt-supported positions to consolidate department functions and outsource functions. The administrative positions total \$894,599 and the receipt-supported positions total \$3,766,231, including salary and benefits. | (\$745,500) -10.00 | R | (\$894,599) -10.00 | R |
| 20 Reserve for Vacant Position Reductions Eliminates funding for all vacant positions which, as of June 30, 2015, have been vacant for longer than 150 days. \$31.9 million in budgeted savings from the elimination of 807 receipt-supported positions in field | (\$2,691,180) | R | (\$2,691,180) | R |

Revenue Availability

21 Motor Fuel Excise Tax Distribution

and equipment units revert to the respective programs.

Adjusts the distribution of motor fuel tax proceeds to the Highway Fund from 75% to 70%, reducing funding in FY 2015-16 by \$94.51 million and in FY 2016-17 by \$91.40 million.

22 Division of Motor Vehicles (DMV) Fees

Increases forecast revenue by \$29.18 million for FY 2015-16 and \$76.99 million for FY 2016-17 based on across-the-board adjustments to fees collected by the Division of Motor Vehicles.

23 Temporary Plate Fee

Budgets estimated revenue from a \$5 increase to the fee for a 10-day temporary tag and the elimination of the 10-day trip permit. Projected revenue is \$792,710 for FY 2015-16 and \$804,740 for FY 2016-17.

24 License Restoration Fee

Budgets \$575,000 in additional Highway Fund revenue based on the elimination of the license restoration fee transfer to the General Fund.

25 Special Registration Plate Account

Directs \$1.47 million of special registration plate proceeds from the Special Registration Plate Account to the Highway Fund based on the elimination of formulaic transfers to the Department of Commerce and Department of Health and Human Services.

FY 15-16

FY 16-17

26 License to Give Trust Fund

Eliminates the transfer to the License to Give Trust Fund within the Department of Administration and increases budgeted Highway Fund revenue by \$275,000 recurring.

27 Wildlife Resources

Reduces transfers to the Wildlife Resources Fund by \$157,517 in FY 2015-16 and \$152,333 in FY 2016-17 based on motor fuel tax distributional changes between the Highway Fund and Highway Trust Fund.

28 Shallow Draft Navigation Channel Dredging & Lake Maintenance Fund

Reduces transfers to the Shallow Draft Navigation Channel Dredging & Lake Maintenance Fund by \$157,517 in FY 2015-16 and \$152,333 in FY 2016-17 based on motor fuel tax distributional changes between the Highway Fund and Highway Trust Fund.

29 Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund

Eliminates the transfer of motor fuel tax revenue to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund effective July 1, 2016 and increases budgeted Highway Fund revenue by \$1.54 million in FY 2016-17.

Transfers

| 30 North Carolina State Ports Authority Provides \$35.0 million recurring for modernization initiatives. | \$35,000,000 | R | \$35,000,000 | R |
|--|--------------------------------|---------|-----------------|---|
| 31 General Fund Eliminates the Highway Fund transfer for General Fund, non-tax revenue. | (\$215,871,719) | R | (\$215,871,719) | R |
| 32 Transfers to Other State Agencies Converts FY 2015-16 funding to nonrecurring and eliminates the following transfers from the Highway Fund to other State agencies in FY 2016-17, pending the results of Continuation Reviews: Department of Insurance: \$158,000 Department of Agriculture and Consumer Services: \$5,218,407 Office of State Controller: \$496,578 Department of Public Safety (MCSAP): \$2,094,281 (including \$7,219,081 of federal receipts) Department of Public Safety (litter removal): \$9,040,000 Department of Health & Human Services: \$589,255 | (\$17,596,521) \$17,596,521 | R NR | (\$17,596,521) | R |
| 33 Continuation Review Reserve (Appropriated Transfers) Establishes a reserve for programs funded via Highway Fund transfers | | | \$17,596,521 | R |

which are subject to Continuation Review.

FY 15-16

FY 16-17

34 Continuation Review Reserve (Revenues)

Establishes a \$32.3 million (M) reserve for potential revenue in FY 2016-17 to reflect the elimination of the following revenue diversions to other State agencies, pending the results of Continuation Reviews:

DENR - Commercial Leaking Underground Storage Tank Cleanup Fund (\$12.7M)

DENR - Water and Air Quality Account (\$7.3M)

DENR - Shallow Draft Navigation Channel Dredging & Lake

Maintenance Fund (\$2.3M)

DENR - Division of Air Quality, Inspection and Maintenance Fees (\$3.6M)

DENR - Mercury Pollution Prevention Account (\$0.7M)

DHHS - Forensic Alcohol Testing (\$0.6M)

DOI - Rescue Squad Workers Relief Fund (\$1.5M)

DOI - Volunteer Rescue/EMS Fund (\$1.3M)

Wildlife Resources Commission (\$2.3M)

| Total Legislative Changes | (41 1,01 1,101) | R | (\$12,556,318) | R |
|---------------------------|----------------------------|----|-------------------------------|----|
| Total Position Changes | \$62,796,051 -46.00 | NR | \$25,091,799 -46.00 | NR |
| Revised Budget | \$1,907,397,744 | | \$1,924,759,406 | |

Highway Trust Fund

HIGHWAY TRUST FUND

\$1,397,412

(\$10,995,116)

| Recommended Base Budget | FY 15-16 \$1,162,046,663 | | FY 16-17 \$1,162,046,663 | | |
|---|-----------------------------|---|-----------------------------|---|--|
| Legislative Changes | | | | | |
| Construction | | | | | |
| 35 Strategic Transportation Investments Modifies funding to Strategic Transportation Investments to \$1,185,145,486 in FY 2015-16 and \$1,189,802,958 in FY 2016-17. | \$167,178,453 | R | \$171,835,925 | R | |

Debt

36 Adjustment for Debt Service Obligation

Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.

Revenue Availability

37 Motor Fuel Excise Tax Distribution

Adjusts the distribution of Motor Fuels tax proceeds to the Highway Trust Fund from 25% to 30%, increasing funding in FY 2015-16 by \$94.51 million and in FY 2016-17 by \$91.40 million.

38 Division of Motor Vehicles (DMV) Fees

Increases forecast revenue by \$3.65 million for FY 2015-16 and \$12.02 million for FY 2016-17 based on across-the-board adjustments to fees collected by the Division of Motor Vehicles.

39 Highway Use Tax Caps

Increases projected revenue by \$4.17 million in FY 2015-16 and \$10.0 million in FY 2016-17 based on the following adjustments to maximum highway use tax assessments:

- Commercial vehicles (\$1,000 to \$2,000);
- Recreational vehicles (\$1,500 to \$2,000); and,
- Out-of-state vehicles (\$150 to \$250).

40 Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund

Eliminates the transfer of motor fuel tax revenue to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund effective July 1, 2016 and increases budgeted Highway Trust Fund revenue by \$0.66 million in FY 2016-17.

| Senate Appropriations Committee on Department of Transportation | FY 15-16 | FY 16-17 |
|---|-----------------|-----------------|
| Total Legislative Changes | \$156,183,337 R | \$173,233,337 R |
| Total Position Changes | | |
| Revised Budget | \$1,318,230,000 | \$1,335,280,000 |

Turnpike Authority

| | FY 2015-16 | | FY 2016-17 | |
|---|--------------|----|--------------|----|
| Beginning Unreserved Fund Balance | \$0 | | \$0 | |
| Recommended Budget | | | | |
| Requirements | \$86,299,540 | | \$86,299,540 | |
| Receipts | \$86,299,540 | | \$86,299,540 | |
| Positions | 13.00 | | 13.00 | |
| Legislative Changes | | | | |
| Requirements: | | | | |
| Adjustment to Debt Service | \$18,046,000 | R | \$21,435,000 | R |
| Adjusts the amount budgeted for debt service payments to accurately reflect the principal and | \$0 | NR | \$0 | NR |
| interest due based on the current repayment schedule, as recommended by the Governor's Recommended Budget for FY 2015-17. | 0.00 | | 0.00 | |
| Subtotal Legislative Changes | \$18,046,000 | R | \$21,435,000 | R |
| | \$0 | NR | \$0 | NR |
| | 0.00 | | 0.00 | |
| Receipts: | | | | |
| Adjustment for Debt Service | \$18,046,000 | R | \$21,435,000 | R |
| Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule, as recommended by the Governor's Recommended Budget for FY 2015-17. | \$0 | NR | \$0 | NR |
| Subtotal Legislative Changes | \$18,046,000 | R | \$21,435,000 | R |
| | \$0 | NR | \$0 | NR |

Budget Code: 64208

Turnpike Authority

Senate Appropriations Committee on Transportation

| | FY 2015-16 | FY 2016-17 |
|----------------------------------|---------------|---------------|
| Revised Total Requirements | \$104,345,540 | \$107,734,540 |
| Revised Total Receipts | \$104,345,540 | \$107,734,540 |
| Change in Fund Balance | \$0 | \$0 |
| Total Positions | 13.00 | 13.00 |
| Unappropriated Balance Remaining | \$0 | \$0 |

Turnpike Authority

Senate Appropriations Committee on Department of Transportation

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



June 15, 2015

PART XXIX. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION

SECTION 29.1.(a) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2017-2018 \$1,960.9 million
For Fiscal Year 2018-2019 \$1,995.5 million
For Fiscal Year 2019-2020 \$2,031.0 million
For Fiscal Year 2020-2021 \$2,059.3 million

SECTION 29.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2017-2018 \$1,365.7 million
For Fiscal Year 2018-2019 \$1,389.0 million
For Fiscal Year 2019-2020 \$1,417.6 million
For Fiscal Year 2020-2021 \$1,445.9 million

SECTION 29.1.(c) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year forecast shall be the 2021-2022 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

SMALL CONSTRUCTION, CONTINGENCY, AND ECONOMIC DEVELOPMENT FUNDS

SECTION 29.2.(a) Of the funds appropriated in this act to the Department of Transportation:

(1) Two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds shall be allocated in each fiscal year of the biennium for small construction projects recommended by the Chief Engineer in consultation

 with the Chief Operating Officer and approved by the Secretary of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars (\$12,000,000) shall be allocated statewide in each fiscal year of the biennium for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

SECTION 29.2.(b) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to construction. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

SECTION 29.2.(c) The funds appropriated in this act to the Economic Development fund shall be used for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention. Projects funded under this subsection shall be jointly approved by the Secretary of Transportation and the Secretary of Commerce in accordance with the guidelines and procedures developed under subsection (c) of Section 34.7 of S.L. 2013-360, as amended by Section 34.29 of S.L. 2014-100.

REPAIRS AND RENOVATIONS

SECTION 29.2A. There is appropriated from the Highway Fund to the Department of Transportation for the 2015-2017 fiscal biennium the following amounts for repairs and renovations:

| Repairs and Renovations – Highway Fund | 2015-2016 | 2016-2017 |
|---|-----------|-----------|
| High-Rise Code Compliance Renovations | \$957,000 | \$957,000 |
| Roof Repairs & Replacements - Statewide | 3,450,000 | 3,450,000 |
| Chilled Water Piping and Insulation Replacement | 612,700 | 612,700 |
| TBC: Annex Building Window Replacement | 0 | 724,000 |
| DOT Elevator Modernization | 0 | 251,000 |
| DMV Field Facilities – Window Replacement Statewide | 0 | 341,000 |
| Rowan County Renovation and Addition | 0 | 630,000 |
| TOTAL REPAIRS AND RENOVATIONS – | | |

REQUIRE COUNTY OR MUNICIPALITY TO PAY COSTS ASSOCIATED WITH REQUESTED PROJECT IMPROVEMENTS

SECTION 29.5.(a) G.S. 136-66.3(e) reads as rewritten:

HIGHWAY FUND

\$6,965,700

\$5,019,700

"(e) Authorization to Participate in Project Additions. – Pursuant to an agreement with the Department of Transportation, a county or municipality may shall reimburse the Department of Transportation for the cost of all improvements, improvements requested by the county or municipality, including additional right-of-way, for a street, highway improvement projects, or other transportation system improvements approved by the Board of Transportation under G.S. 143B-350(f)(4), that are in addition to those improvements that the Department of Transportation would normally include in the project. Requests for safety enhancements or increases to mobility shall not be considered improvements subject to the requirement of this subsection unless the increase or enhancement is in excess of the standard required by law."

SECTION 29.5.(b) This section is effective when it becomes law and applies to agreements entered into on or after that date.

BOARD OF TRANSPORTATION/OUT-OF-STATE TRAVEL

SECTION 29.5A. Expenditures for out-of-State travel by the Board of Transportation for the 2015-2016 fiscal year and each subsequent fiscal year shall not exceed twenty-five thousand dollars (\$25,000).

DEPARTMENT OF TRANSPORTATION OUT-OF-STATE TRAVEL

SECTION 29.7. Section 34.5 of S.L. 2014-100 reads as rewritten:

"SECTION 34.5. Expenditures for out-of-state travel by the Department of Transportation for the 2014-2015 fiscal year and alleach subsequent fiscal yearsyear shall not exceed the amount expended during the 2009-2010 fiscal year. For purposes of this section, "expenditures for out-of-state travel" includes transportation, conference, registration, and education expenses, lodging, and meals for Department of Transportation employees traveling outside of the State-State, but does not include expenditures charged to federal projects."

DOT/OUTSIDE COUNSEL

SECTION 29.8.(a) Section 34.27 of S.L. 2013-360, as amended by Section 34.24(a) of S.L. 2014-100, is repealed.

SECTION 29.8.(b) Subsections (b), (c), and (e) of Section 34.24 of S.L. 2014-100 are repealed.

SECTION 29.8.(c) G.S. 136-103.1 is repealed.

SECTION 29.8.(d) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 136-18.03. Outside counsel.

- (a) Intent. It is the intent of the General Assembly that the Department of Transportation exercise the authority granted by this section to maximize operational and project delivery benefits attributed to the avoidance or successful defense of litigation.
- (b) Authorization. The Department of Transportation may engage the services of private counsel with the pertinent expertise to provide legal services related to any project undertaken by the Department. The Department shall supervise and manage the private counsel engaged under this section and, excluding legal services related to workers' compensation claims brought by Department employees, shall not be required to obtain written permission or approval from the Attorney General under G.S. 114-2.3.
- (c) <u>Performance Metrics. The Department shall develop performance metrics to</u> evaluate its utilization of in-house counsel and private counsel, to include the following:
 - (1) A summary of new matters opened by legal area.
 - (2) Case cycle times.
 - (3) Resolution of cases.
 - (4) A comparison of in-house costs to billable rates for private counsel.
 - (5) The process for procurement for legal services.

(d) Report. – The Department shall provide a semiannual report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Justice and Public Safety Oversight Committee on the performance metrics set forth in subsection (c) of this section."

RIGHT-OF-WAY ACQUISITIONS/REDUCE REMNANT PROPERTY

SECTION 29.9.(a) Plan. – The Department of Administration, in collaboration with the Department of Transportation, shall develop a plan to reduce the amount of remnant property resulting from the acquisition of rights-of-way. The plan shall include a method or methods for disseminating information to contiguous or adjoining landowners and other members of the general public about (i) remnant property eligible for sale or other disposition and (ii) the process for placing a bid or offer on the remnant property, including posting the information required under this subdivision on the Web sites for both Departments.

SECTION 29.9.(b) Report. – The Departments shall jointly report to the Joint Legislative Transportation Oversight Committee by February 1, 2016, on the development of the plan required under this section. The report shall include all of the following:

- (1) An identification of all remnant property eligible for sale or other disposition.
- (2) An identification of the amount and types of costs incurred by the State from retaining remnant property.
- (3) An identification of the estimated fair market value, as determined by the Department of Administration, for each remnant property eligible for sale or other disposition.
- (4) An identification of any legal issues that may prohibit, or arise from, the sale or other disposition of other remnant property, if any.
- (5) Any other matters or information the Departments jointly deem relevant to the development of the plan.

SECTION 29.9.(c) Implementation. – The Department of Administration shall implement the plan required under this section by July 1, 2016.

SECTION 29.9.(d) This section is effective when this act becomes law.

ROADSIDE ENVIRONMENTAL UNIT/LITTER PROGRAM

SECTION 29.9A. The Department of Transportation shall reclassify two vacant positions within the Division of Highways as Office Assistant IV positions within the Roadside Environmental Unit, and the duties of the positions shall include managing the litter program. The Department shall transfer from the highway maintenance units to the Roadside Environmental Unit all functions and funding related to the litter program and lawn mowing.

VARIOUS REPORTING CHANGES

SECTION 29.12.(a) G.S. 136-89.183(a)(5) reads as rewritten:

"(5) To fix, revise, charge, retain, enforce, and collect tolls and fees for the use of the Turnpike Projects. Prior Thirty days prior to the effective date of any toll or fee for use of a Turnpike Facility, the Authority shall submit a description of the proposed toll or fee to the Board of Transportation, the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations for review."

SECTION 29.12.(b) G.S. 143B-350(f)(4) reads as rewritten:

"(4) To approve a schedule of all major transportation improvement projects and their anticipated cost. This schedule is designated the Transportation Improvement Program. The Board shall publish the schedule in a format that is easily reproducible for distribution and make copies available for distribution. distribution in accordance with the process established for

5

6

7 8 9

16 17 18

40 41 42

read:

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Reports. - Notwithstanding any other provision of law, any report required to be submitted by the Board to the General Assembly or a committee thereof is due by the 15th day

H97-PCS40471-MDxfr-12

of the month that the report is due."

OUTSOURCING OF PRECONSTRUCTION ACTIVITY

SECTION 29.13.(a) Section 34.13(a) of S.L. 2014-100 reads as rewritten:

"SECTION 34.13.(a) The Department of Transportation shall seek to increase the use of contracts to further privatize preconstruction work where practical, economical, and likely to

public records in Chapter 132 of the General Statutes. The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, shall include the anticipated funding sources for the improvement projects included in the Program, Program and a list of any changes made from the previous year's Program, and the reasons for the changes."

SECTION 29.12.(c) G.S. 136-44.8(a1) reads as rewritten:

"(a1) In each county having unpaved roads programmed for paving, representatives of the Department of Transportation shall annually provide to the board of county commissioners in those counties a list of roads proposed for the annual paving program approved by the Board of Transportation. The paving priority list shall include the priority rating of each secondary road paving project included in the proposed paving program according to the criteria and standards adopted by the Board of Transportation. In addition to the list required under this subsection, the Department of Transportation shall annually provide to the board of county commissioners a summary of unpaved secondary road projects completed in the particular county for the prior calendar year, including an indication as to which projects were not completed on schedule and a detailed explanation as to why the projects were not completed on schedule."

SECTION 29.12.(d) G.S. 136-44.9 is repealed.

SECTION 29.12.(e) G.S. 136-28.6(h) reads as rewritten:

The Secretary shall report in writing, on a quarterly an annual basis, to the Joint "(h) Legislative Commission on Governmental Operations-Transportation Oversight Committee on all agreements entered into between a private developer and the Department of Transportation for participation in private engineering and construction contracts under this section, as well as (i) agreements by counties and municipalities to participate in private engineering and construction contracts under subsection (i) of this section and (ii) pass-through funding from private developers to counties or municipalities for State transportation projects. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(f) G.S. 136-66.3(f) reads as rewritten:

Report to General Assembly. - The Department shall report in writing, on a "(f) monthly an annual basis, to the Joint Legislative Commission on Governmental Operations Transportation Oversight Committee on all agreements entered into between counties, municipalities and the Department of Transportation. The report shall state in summary form the contents of such the agreements. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(g) G.S. 136-28.10(c) reads as rewritten:

The Secretary of Transportation shall report quarterly annually to the Joint Legislative Transportation Oversight Committee on the implementation of this section. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(h) G.S. 143B-350 is amended by adding a new subsection to

lead to increased efficiency. In doing so, the Department of Transportation shall meet each of the following privatization requirements:

- (1) Increase the outsourcing of all activities performed by the Department's Preconstruction and Technical Services units to seventy percent (70%) of the total cost of activities performed by those units in fiscal year 2014-2015,2015-2016, excluding the cost of activities performed by the Turnpike Authority, the Structures Design and Management unit, and the Bridge Program.
- (2) Increase the outsourcing of all activities performed by the Department's Roadway Design unit to fifty percent (50%) of the total cost of activities performed by that unit in fiscal year 2014-2015-2016.
- (3) Increase the outsourcing of all activities performed by the Department's Project Development and Environmental Analysis unit to sixty-five percent (65%) of the total cost of activities performed by that unit in fiscal year 2014-2015-2015-2016.
- (4) The Based on the total expenditures for outsourced activity in fiscal year 2013-2014, the Department's Right-of-Way unit shall increase the total expenditures for outsourced activity by five percent (5%) in fiscal year 2014-2015-2015-2016."

SECTION 29.13.(b) Section 34.13(d) of S.L. 2014-100 reads as rewritten:

"SECTION 34.13.(d) The Department shall report no later than October 1, 2014,2015, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division regarding its implementation of this section, including any reductions in force used to meet privatization requirements."

RECLASSIFY FUNDING SOURCE FOR CERTAIN POSITIONS

SECTION 29.14. No later than May 1, 2016, the Department of Transportation, in consultation with the Fiscal Research Division and the Office of State Budget and Management, shall reclassify to appropriation the funding source for all full-time positions that are budgeted as receipt-supported on the basis of charging to projects and shall adjust budgeted funds accordingly. Employees in the Division of Highways shall be attributed to the respective Highway Division fund codes within the Highway Fund. Notwithstanding any other provision of law, the Department of Transportation is authorized to reallocate sufficient funds from the Primary Maintenance, Secondary Maintenance, and General Maintenance Reserve fund codes to each Highway Division to pay for salary and related costs associated with the reclassified positions. Receipt-supported positions in other organizational units within the Department of Transportation shall be funded through existing fund codes and funding sources for their assigned organizational units.

DOT/STREAMLINING AND REORGANIZATION

SECTION 29.14A.(a) Intent. – It is the intent of the General Assembly to reduce costs and increase efficiencies within the Department of Transportation. To achieve this intent, the General Assembly finds that the elimination and reorganization of certain positions, units, and programs is necessary.

SECTION 29.14A.(b) Position Eliminations. – In accordance with G.S. 126-7.1, but by no later than 60 days after the effective date of this section, the Department of Transportation shall eliminate the following positions:

| Position number | <u>Title</u> |
|-----------------|---------------------------|
| 60026819 | Processing Assistant III |
| 60026963 | Technical Support Analyst |
| 60026961 | Technical Support Analyst |

| | General Assembly Of North Carolina | Session 2015 |
|----|------------------------------------|-----------------------------------|
| 1 | 60026964 | Engineering Technician |
| 2 | 60026962 | Technology Support Analyst |
| 3 | 60015475 | Engineering Technician |
| 4 | 60027682 | Processing Assistant V |
| 5 | 60024002 | Management Engineer III |
| 6 | 60029011 | Engineer |
| 7 | 60029012 | Architect Supervisor |
| 8 | 60029019 | Engineering Technician |
| 9 | 60015784 | Engineer |
| 10 | 60015785 | Environmental Specialist |
| 11 | 60018852 | Marine Welder |
| 12 | 60024003 | Technology Support Analyst |
| 13 | 60024034 | Administrative Officer II |
| 14 | 60024046 | Radio Communications Engineer |
| 15 | 60024055 | Technical Trainer II |
| 16 | 60024057 | Technical Trainer II |
| 17 | 60024058 | Technical Trainer II |
| 18 | 60024072 | Radio Engineer I |
| 19 | 60024011 | Information Processing Technician |
| 20 | 60024012 | Information Processing Technician |
| 21 | 60024041 | Information Processing Technician |
| 22 | 60024068 | Administrative Assistant III |
| 23 | 60027194 | Engineer |
| 24 | 60026559 | Engineer |
| 25 | 60026603 | Engineer |
| 26 | 60026472 | Engineer |
| 27 | 60026509 | Engineer |
| 28 | 60026843 | Engineering Supervisor |
| 29 | 60027171 | Engineering Manager |
| 30 | 60029468 | Engineer |
| 31 | 60029009 | Engineering Technician |
| 32 | 60029014 | Engineering Technician |
| 33 | 60029015 | Engineering Supervisor |
| 34 | 60029018 | Engineering Technician |
| 35 | 60025908 | Engineering Supervisor |
| 36 | 60025855 | Engineer |
| 37 | 60025937 | Engineering Supervisor |
| 38 | 60025980 | Engineer |
| 39 | 60025919 | Engineering Technician |
| 40 | 60026010 | Engineer |
| 41 | 60025859 | Engineer |
| 42 | 60025846 | Engineer |
| 43 | 60026005 | Engineering Supervisor |
| 44 | 60026015 | Engineer |
| 45 | 60025862 | Engineer |
| 46 | 60025999 | Engineer |
| 47 | 60025877 | Engineer |
| 48 | 60025945 | Engineering Supervisor |
| 49 | 60026805 | Engineering Technician |
| 50 | 60026944 | Engineering Technician |
| 51 | 60025069 | Engineering Manager |
| | | |

Engineering Director Engineer

SECTION 29.14A.(c) Vacant Positions. – The Office of State Budget and Management shall eliminate all vacant positions within units or programs of the Department of Transportation in which all filled positions have been eliminated.

SECTION 29.14A.(d) Reorganization and Consolidation. – Notwithstanding any other provision of law, the Department of Transportation may, when it deems necessary for purposes of eliminating redundancies and achieving efficiencies, reorganize or consolidate any unit or program within the Department of Transportation in which a filled position has been eliminated under this section.

SECTION 29.14A.(e) Plan for Future Position Elimination and Reorganization. – It is the intent of the General Assembly for the 2016-2017 fiscal year to reduce the number of administrative, managerial, supervisory, and oversight functions centrally or regionally based in offices of the Department of Transportation and shift decision making on project development to the highway divisions. To achieve this intent, the Department of Transportation shall submit a plan to eliminate at least ten percent (10%) of the total amount of filled positions that are centrally or regionally based as of June 30, 2015, and that perform administrative, managerial, supervisory, or oversight functions. In addition, the plan shall describe the functions performed at the centrally and regionally based offices, including justification as to why each function cannot be outsourced, consolidated, or shifted to the highway divisions. The Department of Transportation shall submit the plan required under this subsection to the chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations and the Joint Legislative Transportation Oversight Committee by January 1, 2016.

SECTION 29.14A.(f) Effective Date. – This section is effective when it becomes law.

STUDY/TURNPIKE AUTHORITY PROCESSING FEE

SECTION 29.15.(a) Study. – The Department of Transportation shall study whether the amount of the processing fee set forth in G.S. 136-89.215 is in excess of the actual cost to collect and process unpaid open road tolls. The following information, set forth separately for each calendar year since the fee's enactment, shall be included within the study:

- (1) The amount of the processing fee.
- (2) The total amount of proceeds generated by the imposition of the processing fee
- (3) The total amount of costs incurred by the Turnpike Authority to collect and process unpaid open road tolls and a description of how the Department determined the total amount of costs incurred.
- (4) An identification of whether the processing fees collected exceeded, equaled, or fell short of the costs incurred by the Turnpike Authority for collecting and processing unpaid open road tolls.

SECTION 29.15.(b) Report. – The Department shall report its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2016.

ADJUST CAP ON TURNPIKE PROJECTS

SECTION 29.15A. G.S. 136-89.183(a)(2) reads as rewritten:

"§ 136-89.183. Powers of the Authority.

(a) The Authority shall have all of the powers necessary to execute the provisions of this Article, including the following:

- (2) To study, plan, develop, and undertake preliminary design work on up to nine—Turnpike Projects. At the conclusion of these activities, the Turnpike Authority is authorized to design, establish, purchase, construct, operate, and maintain no more than eleven projects, which shall include the following projects: following:
 - a. Triangle Expressway, including segments also known as N.C. 540, Triangle Parkway, and the Western Wake Freeway in Wake and Durham Counties. The described segments constitute three projects.one project.
 - b. Repealed by Session Laws 2013-183, s. 5.1, effective July 1, 2013.
 - c. Monroe Connector/Bypass.
 - d., e. Repealed by Session Laws 2013-183, s. 5.1, effective July 1, 2013.
 - f. Repealed by Session Laws 2008-225, s. 4, effective August 17, 2008.

Any other project proposed by the Authority in addition to the projects listed in this subdivision requires prior consultation with the Joint Legislative Commission on Governmental Operations pursuant to G.S. 120-76.1 no less than 180 days prior to initiating the process required by Article 7 of Chapter 159 of the General Statutes.

With the exception of the <u>fourtwo</u> projects set forth in sub-subdivisions a and c. of this subdivision, the Turnpike projects selected for construction by the Turnpike Authority, prior to the letting of a contract for the project, shall meet the following conditions: (i) two of the projects must be ranked in the top 35 based on total score on the Department-produced list entitled "Mobility Fund Project Scores" dated June 6, 2012, and, in addition, may be subject to G.S. 136-18(39a); (ii) of the projects not ranked as provided in (i), one may be subject to G.S. 136-18(39a); (iii) the projects shall be included in any applicable locally adopted comprehensive transportation plans; (iv) the projects shall be shown in the current State Transportation Improvement Program; and (v) toll projects must be approved by all affected Metropolitan Planning Organizations and Rural Transportation Planning Organizations for tolling."

USE OF FUNDS FOR PAVEMENT PRESERVATION PROGRAM

SECTION 29.17.(a) G.S. 136-44.17 reads as rewritten:

"§ 136-44.17. Pavement preservation program.

- (b) Eligible Activities or Treatments. Applications eligible for funding under the pavement preservation program include the following preservation activities or treatments for asphalt pavement structures:
 - (1) Chip seals, slurry seals, fog seals, sand seals, scrub seals, and cape seals.
 - (2) Microsurfacing.
 - (3) Profile milling not covered by resurfacing.
 - (4) Asphalt rejuvenators.
 - (5) Open graded asphalt friction course.
 - (6) Overlays less than 1,000 feet in length.
 - (7) Diamond grinding.
 - (8) Joint sealing.
 - (9) Dowel bar retrofit.
 - (10) Partial-depth or full-depth repairs and reclamations.
- 50 (11) Ultra-thin whitetopping.
 - (12) Thin lift and sand asphalt overlays.

(13) Asphalt crack sealing.

- (c) Ineligible Activities or Treatments. The pavement preservation program shall not include the following preservation activities or treatments:
 - (1) Contract resurfacing activities or major pavement rehabilitation treatments and pretreatments that are used in combination with a resurfacing treatment, such as profile milling or chip seals.
 - (2) Routine maintenance activities used to maintain and preserve the condition of roads. Treatments include, but are not limited to, asphalt crack sealing, pothole patching, rut filling, cleaning of roadside ditches and structures, shoulder maintenance, and retracing of pavement markings.
 - (3) Maintenance and preservation activities performed on bridges or culverts.
 - (4) Activities related to positive guidance or signal maintenance program functions.
- (d) Encumbrance Schedule. Beginning in the 2015-2016 fiscal year, the Department of Transportation shall spend or encumber all funds appropriated by the General Assembly to the Department for the pavement preservation program by June 30 of the fiscal year for which the funds were appropriated."

SECTION 29.17.(b) Subsection (k) of Section 34.11 of S.L. 2014-100 is repealed. SECTION 29.17.(c) Subdivision (3) of subsection (l) of Section 34.11 of S.L. 2014-100 reads as rewritten:

"(3) The statewide cost per lane mile (hereafter "unit cost") along with unit cost for each division and for each type of treatment. The Department shall provide an explanation for unit costs that vary by more than twenty percent (20%)ten percent (10%) from the statewide unit cost."

SECTION 29.17.(d) Subsection (c) of this section is effective when this act becomes law and applies to reports submitted on or after that date.

FUNDS FOR CONTRACT RESURFACING

SECTION 29.17C.(a) Subsection (e) of Section 34.11 of S.L. 2014-100 is repealed.

SECTION 29.17C.(b) G.S. 136-44.3A reads as rewritten:

"§ 136-44.3A. Highway Maintenance Improvement Program.

- (d) Contract Maintenance Resurfacing Program Letting Schedule. Beginning in the 2015-2016 fiscal year, and based on the amount of funds appropriated in the prior fiscal year by the General Assembly to the Department for the contract maintenance resurfacing program, the Department shall let contracts that total at least seventy percent (70%) of contract resurfacing program funds included in the certified budget annually by September 1.
- (d1) Encumbrance Schedule. Beginning in the 2015-2016 fiscal year, the Department of Transportation shall spend or encumber all funds appropriated by the General Assembly to the Department for the contract maintenance resurfacing program by June 30 of the fiscal year for which the funds were appropriated.
 "

STABILIZATION OF FUNDING FOR STATE AID TO MUNICIPALITIES

SECTION 29.17D. G.S. 136-41.1(a) reads as rewritten:

"(a) There is annually appropriated out of the State Highway Fund a sum equal to ten and four tenths percent (10.4%) of the net amount after refunds that was produced during the fiscal year by the tax imposed under Article 36C of Chapter 105 of the General Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that Chapter. One half Upon appropriation of funds by the General Assembly to the Department of

<u>Transportation for State aid to municipalities, one-half</u> of the amount appropriated shall be allocated in cash on or before October 1 of each year to the cities and towns of the State in accordance with this section. The second one-half of the amount appropriated shall be allocated in cash on or before January 1 of each year to the cities and towns of the State in accordance with this section. The appropriation from the Highway Fund shall be based on revenue collected during the fiscal year preceding the date the distribution is made.

Seventy-five percent (75%) of the funds appropriated for cities and towns shall be distributed among the several eligible municipalities of the State in the percentage proportion that the population of each eligible municipality bears to the total population of all eligible municipalities according to the most recent annual estimates of population as certified to the Secretary of Revenue by the State Budget Officer. This annual estimation of population shall include increases in the population within the municipalities caused by annexations accomplished through July 1 of the calendar year in which these funds are distributed. Twenty-five percent (25%) of said fund shall be distributed among the several eligible municipalities of the State in the percentage proportion that the mileage of public streets in each eligible municipality which does not form a part of the State highway system bears to the total mileage of the public streets in all eligible municipalities which do not constitute a part of the State highway system.

It shall be the duty of the mayor of each municipality to report to the Department of Transportation such information as it may request for its guidance in determining the eligibility of each municipality to receive funds under this section and in determining the amount of allocation to which each is entitled. Upon failure of any municipality to make such report within the time prescribed by the Department of Transportation, the Department of Transportation may disregard such defaulting unit in making said allotment.

The funds to be allocated under this section shall be paid in cash to the various eligible municipalities on or before October 1 and January 1 of each year as provided in this section. Provided that eligible municipalities are authorized within the discretion of their governing bodies to enter into contracts for the purpose of maintenance, repair, construction, reconstruction, widening, or improving streets of such municipalities at any time after January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of the amount received by such municipality during the preceding fiscal year, in anticipation of the receipt of funds under this section during the next fiscal year, to be paid for out of such funds when received.

The Department of Transportation may withhold each year an amount not to exceed one percent (1%) of the total amount appropriated for distribution under this section for the purpose of correcting errors in allocations: Provided, that the amount so withheld and not used for correcting errors will be carried over and added to the amount to be allocated for the following year.

The word "street" as used in this section is hereby defined as any public road maintained by a municipality and open to use by the general public, and having an average width of not less than 16 feet. In order to obtain the necessary information to distribute the funds herein allocated, the Department of Transportation may require that each municipality eligible to receive funds under this section submit to it a statement, certified by a registered engineer or surveyor of the total number of miles of streets in such municipality. The Department of Transportation may in its discretion require the certification of mileage on a biennial basis."

STUDY/IMPROVING SAFETY ON SECONDARY ROADS

SECTION 29.17E.(a) Study. – The Department of Transportation shall study ways to improve safety and decrease the number of traffic accidents and fatalities occurring on secondary roads. The study shall include all of the following:

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- (1) An identification of the secondary roads with the highest number of traffic accidents and fatalities.
- (2) An identification of the most common causes listed for traffic accidents and fatalities occurring on secondary roads.
- (3) Any other matters or information the Department deems relevant to the completion of the study.

SECTION 29.17E.(b) Report. – The Department shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee by February 1, 2016.

RELOCATION COSTS/SALE OF VISITOR CENTER IN BOONE, NC

SECTION 29.17F. If the visitor center located in the Town of Boone is sold or otherwise disposed of during the 2015-2017 fiscal biennium, there is appropriated from the Special Registration Plate Account the sum of fifty thousand dollars (\$50,000) in nonrecurring funds to the North Carolina High Country Host, Inc., for the purpose of covering costs incurred from renovating or upfitting the relocated visitor center. These funds shall be in addition to any other funds the North Carolina High Country Host, Inc., may receive under G.S. 20-79.7 for the operation of a visitor center.

REPORT/USE OF COAL COMBUSTION RESIDUALS

SECTION 29.18. Report. – By January 15, 2016, the Utilities Commission shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, and the Environmental Review Commission on the incremental cost incentives related to coal combustion residuals surface impoundments for investor-owned public utilities. The report shall include all of the following:

- (1) The Utilities Commission policy on allowed incremental cost recoupment.
- (2) The impact on utility customers' rates under the current policy on allowed incremental cost recoupment.
- (3) Possible revisions to the current policy on allowed incremental cost recoupment that would promote reprocessing and other technologies that allow the reuse of coal combustion residuals stored in surface impoundments for concrete and other beneficial end uses.

RAIL DIVISION/STUDY ESTABLISHING COMMERCIAL FREIGHT RAIL SERVICE IN JACKSONVILLE

SECTION 29.21.(a) Study. – The Rail Division of the Department of Transportation, in collaboration with the Camp Lejeune Marine Corps Air Base, the Jacksonville Urban Area Metropolitan Planning Organization, the City of Jacksonville, Onslow County, and the Norfolk Southern Railway Company, shall study the feasibility and advisability of establishing a commercial freight rail service along the Camp Lejeune rail line located in Onslow County, North Carolina. The study shall include all of the following:

- (1) An evaluation of the maintenance needs of the existing rail line and any enhancements needed to support commercial freight access.
- (2) An evaluation of the use of partnership opportunities to complete long-term maintenance and enhancements in order to minimize the cost burden for all parties involved.
- (3) Any other matters that the Rail Division deems relevant to the study.

SECTION 29.21.(b) Report. – The Rail Division shall report its findings to the Chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations by July 1, 2016.

PASSENGER RAIL RECEIPT-GENERATING ACTIVITIES

SECTION 29.22.(a) G.S. 136-18 is amended by adding a new subdivision to read:

- "(44a) Where the Department owns or leases the passenger rail facility, owns or leases the rail equipment, or holds leasehold or license rights for the purpose of operating passenger stations, the Department may operate or contract for the following receipt-generating activities and use the proceeds to fund passenger rail operations:
 - a. Where the Department owns the passenger rail facility or owns or leases the rail equipment, operation of concessions on State-funded passenger trains and at passenger rail facilities to provide to passengers food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the passenger rail system.
 - b. Where the Department holds leasehold or license rights for the purpose of operating passenger stations, operation of concessions at rail passenger facilities to provide food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the passenger rail system, in accordance with the terms of the leasehold or license.
 - c. Advertising on or within the Department's passenger rail equipment or facility, including display advertising and advertising delivered to passengers through the use of video monitors, public address systems installed in passenger areas, and other electronic media.
 - d. The sale of naming rights to Department-owned passenger rail equipment or facilities."

SECTION 29.22.(b) G.S. 66-58(c)(21) reads as rewritten:

"(21) Any activity conducted <u>or contracted for</u> by the Department of Transportation that is authorized by <u>G.S. 136-18(44a) or G.S. 136-82(f)."</u>

FREIGHT RAIL & RAIL CROSSING SAFETY IMPROVEMENT FUND USES

SECTION 29.23. G.S. 124-5.1 reads as rewritten:

"§ 124-5.1. North Carolina Railroad Company dividends deposited to Highway Fund.

Any dividends of the North Carolina Railroad Company received by the State shall be deposited into the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund and administered by the Rail Division of the Department of Transportation. The Fund shall be used for the enhancement of freight rail service and railroad-roadway crossing safety, which may include the following project types:

- (1) Track and associated infrastructure improvements for freight service.
- (2) Grade crossing protection, elimination, and hazard removal.
- (3) Signalization improvements.
- (4) Assistance for projects to improve rail access to industrial, port, and military facilities and for freight intermodal facility improvements, provided that funding assistance under this subdivision shall be subject to the same limits as that for short-line railroads under G.S. 136-44.39.
- (5) Corridor protection and reactivation.

The Fund may also be used to supplement funds allocated for freight rail or railroad-roadway crossing safety projects approved as part of the Transportation Improvement Program."

USE OF PROCEEDS GENERATED FROM SHIPYARD

SECTION 29.23A. G.S. 136-82 reads as rewritten:

"§ 136-82. Department of Transportation to establish and maintain ferries.

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 (d) Use of Toll Proceeds. – The Department of Transportation shall credit the proceeds from tolls collected on North Carolina Ferry System routes and certain receipts generated under subsection (f) of this section to reserve accounts within the Highway Fund for each of the Highway Divisions in which system terminals are located and fares are earned. For the purposes of this subsection, fares are earned based on the terminals from which a passenger trip originates and terminates. Commuter pass receipts shall be credited proportionately to each reserve account based on the distribution of trips originating and terminating in each Highway Division. The proceeds credited to each reserve account shall be used exclusively for prioritized North Carolina Ferry System ferry passenger vessel replacement projects in the Division in which the proceeds are earned. Proceeds may be used to fund ferry passenger vessel replacement projects or supplement funds allocated for ferry passenger vessel replacement projects approved in the Transportation Improvement Program.

(f) Authority to Generate Certain Receipts. – The Department of Transportation, notwithstanding any other provision of law, may operate or contract for the following receipt-generating activities and and, except as otherwise provided in subsection (f1) of this section, use the proceeds for ferry passenger vessel replacement projects in the manner set forth in subsection (d) of this section:

(f1) Use of Receipts Generated From Shipyard. — The Department of Transportation shall credit the proceeds from receipts generated under subsection (f) of this section from activities performed by the North Carolina State Shipyard to a reserve account within the Highway Fund to be used exclusively for improvements to the Shipyard, including equipment and associated infrastructure. Notwithstanding the restrictions on the use of proceeds set forth in subsections (d) and (f) of this section, the Department may use a proportional amount of the proceeds credited to each reserve account described in subsection (d) of this section to replace or repair equipment in accordance with this subsection if there is an insufficient amount of funds in the reserve account within the Highway Fund for the Shipyard.

SET FEE FOR PRIORITY BOARDING ON FERRY

read:

SECTION 29.23B.(a) G.S. 136-82(f) is amended by adding a new subdivision to "(3a) Issuance of annual passes to individual passengers that entitle the passengers

to priority when boarding a ferry passenger vessel. The Department of Transportation shall charge an annual fee of one hundred fifty dollars (\$150.00) for each pass issued under this subdivision. The fee shall be in addition to any applicable ferry toll. In addition to the purposes set forth in this subsection, proceeds from fees collected under this subdivision may be used for operating expenses of the route in which the fee was collected. Notwithstanding any other provision of law, the Department of Transportation shall not provide free of charge annual passes to individual passengers that entitle the passengers to priority when boarding a ferry passenger vessel."

SECTION 29.23B.(b) This section becomes effective July 1, 2015, and applies to passes issued on or after that date.

RFI AND STUDY/PRIVATIZATION OF FERRY SYSTEM

SECTION 29.23C.(a) Intent. – The General Assembly finds that the privatization of the North Carolina Ferry System would provide a more cost-effective service model for the citizens of the State. Therefore, it is the intent of the General Assembly to ascertain market interest for the private operation of the North Carolina Ferry System or its component parts.

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SECTION 29.23C.(b) Request for Information. – The Board of Transportation shall issue a request for information (RFI) for the privatization of the North Carolina Ferry System.

SECTION 29.23C.(c) Report. – The Board of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than February 1, 2016, on the results of the RFI and whether it is more cost-effective to privatize the North Carolina Ferry System. SECTION 29.23C.(d) Study. - The Joint Legislative Transportation Oversight

Committee shall study the feasibility and desirability of privatizing the North Carolina Ferry System. The study shall include ownership, governance, and regulatory issues related to (i) potential privatization of the North Carolina Ferry System and (ii) privately owned ferries currently operating in North Carolina. The Joint Legislative Transportation Oversight Committee shall report its findings and any legislative proposals to the 2016 Regular Session of the 2015 General Assembly.

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USE OF FUNDS APPROPRIATED TO DIVISION OF AVIATION

SECTION 29.27. Of the funds appropriated in this act to the Division of Aviation of the Department of Transportation, the Division shall allocate (i) the sum of three million five hundred thousand dollars (\$3,500,000) in nonrecurring funds for the 2015-2016 fiscal year to the Cape Fear Regional Jetport to be used for improvements to the Jetport and (ii) the sum of one million dollars (\$1,000,000) in nonrecurring funds for the 2015-2016 fiscal year to the Albert J. Ellis Airport to be used for the establishment of an air traffic control tower. The remaining funds appropriated in this act to the Division may be used for time-sensitive, aviation-related economic development projects.

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ADJUST MUNICIPAL VEHICLE TAX

SECTION 29.27A.(a) G.S. 20-97 reads as rewritten:

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"§ 20-97. Taxes credited to Highway Fund; municipal vehicle taxes. State Taxes to Highway Fund. - All taxes levied under this Article are

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compensatory taxes for the use and privileges of the public highways of this State. The taxes collected shall be credited to the State Highway Fund. Except as provided in this section, no county or municipality shall levy any license or privilege tax upon any motor vehicle licensed by the State.

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General Municipal Vehicle Tax. Cities and towns may levy a tax of not more than (b) five dollars (\$5.00) per year upon any vehicle resident in the city or town. The proceeds of the tax may be used for any lawful purpose.

Municipal Vehicle Tax. – A city or town may levy an annual municipal vehicle tax upon any vehicle resident in the city or town. The aggregate annual municipal vehicle tax levied, including any annual municipal venicle tax authorized by local legislation, may not exceed thirty dollars (\$30.00) per vehicle. A city or town may use the net proceeds from the municipal vehicle tax as follows:

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General purpose. – Not more than five dollars (\$5.00) of the tax levied may (1) be used for any lawful purpose. (2)

48 49 50 Public transportation. - Not more than five dollars (\$5.00) of the tax levied may be used for financing, constructing, operating, and maintaining local public transportation systems. This subdivision only applies to a city or town that operates a public transportation system as defined in G.S. 105-550.

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- Public streets. The remainder of the tax levied may be used for (3) maintaining, repairing, constructing, reconstructing, widening, or improving public streets in the city or town that do not form a part of the State highway system.
- Municipal Vehicle Tax for Public Transportation. A city or town that operates a public transportation system as defined in G.S. 105-550 may levy a tax of not more than five dollars (\$5.00) per year upon any vehicle resident in the city or town. The tax authorized by this subsection is in addition to the tax authorized by subsection (b) of this section. A city or town may not levy a tax under this section, however, to the extent the rate of tax, when added to the general motor vehicle taxes levied by the city or town under subsection (b) of this section and under any local legislation, would exceed thirty dollars (\$30.00) per year. The proceeds of the tax may be used only for financing, constructing, operating, and maintaining local public transportation systems. Cities and towns shall use the proceeds of the tax to supplement and not to supplant or replace existing funds or other resources for public transportation systems. This subsection does not apply to the cities and towns in Gaston County.
- Municipal Taxi Tax. Cities and towns may levy a tax of not more than fifteen dollars (\$15.00) per year upon each vehicle operated in the city or town as a taxicab. The proceeds of the tax may be used for any lawful purpose.
- No Additional Local Tax. No county, city or town may impose a franchise tax, license tax, or other fee upon a motor carrier unless the tax is authorized by this section."

SECTION 29.27A.(b) This section is effective when it becomes law. This section does not change, repeal, or affect any local modifications to G.S. 20-97(b) enacted on or before the effective date.

ADJUST DISTRIBUTION OF REVENUE FROM MOTOR FUEL EXCISE TAX RATE **SECTION 29.27B.(a)** G.S. 105-449.125 reads as rewritten:

"§ 105-449.125. Distribution of tax revenue among various funds and accounts.

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent $(1/2\phi)$ a gallon to the following funds and accounts in the fraction indicated:

Fund or Account

Commercial Leaking Petroleum

Underground Storage Tank Cleanup Fund

Noncommercial Leaking Petroleum

Underground Storage Tank Cleanup Fund Water and Air Quality Account

Three thirty-seconds Five-sixteenths.

The Secretary shall allocate seventy five percent (75%) seventy percent (70%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate twenty-five percent (25%) thirty percent (30%) to the Highway Trust Fund.

The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

SECTION 29.27B.(b) G.S. 105-449.125, as amended by subsection (a) of this section, reads as rewritten:

"§ 105-449.125. Distribution of tax revenue among various funds and accounts.

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

Fund or Account

Amount

Amount

Nineteen thirty-seconds

Commercial Leaking Petroleum

Underground Storage Tank Cleanup Fund

Nineteen thirty-seconds

Noncommercial Leaking Petroleum

Underground Storage Tank Cleanup Fund

Three thirty-seconds

Water and Air Quality Account

Five-sixteenths.

The Secretary shall allocate seventy percent (70%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate thirty percent (30%) to the Highway Trust Fund.

The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

SECTION 29.27B.(c) Subsection (b) of this section becomes effective July 1, 2016, and applies to revenue collected on or after that date.

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INCREASE AND ADJUST DMV FEES

SECTION 29.30.(a) G.S. 20-7(i1) reads as rewritten:

Restoration Fee. - Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of fifty dollars (\$50.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of one hundred dollars (\$100.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The fifty-dollar (\$50.00) fee, and the first fifty dollars (\$50.00) seventy-five dollars (\$75.00) of the one-hundred-dollar (\$100.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars (\$25.00) of the one-hundred-dollar (\$100.00) fee shall be used to fund a statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. The remainder of the one hundred dollar (\$100.00) fee shall be deposited in the General Fund. The Office of State Budget and Management shall annually report to the General Assembly the amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

Effective with the 2011-2012 fiscal year, from the funds deposited in the General Fund under this subsection the sum of five hundred thirty-seven thousand four hundred fifty-five dollars (\$537,455) shall be transferred annually to the Board of Governors of The University of North Carolina to be used for the operating expenses of the Bowles Center for Alcohol Studies at The University of North Carolina at Chapel Hill."

SECTION 29.30.(a1) G.S. 20-7, as amended by subsection (a) of this section, reads as rewritten:

"§ 20-7. Issuance and renewal of drivers licenses.

42. 43

(i) Fees. – The fee for a regular drivers license is the amount set in the following table multiplied by the number of years in the period for which the license is issued:

 45
 Class of Regular License
 Fee for Each Year

 46
 Class A
 \$4.00\$5.00

 47
 Class B
 \$4.00\$5.00

 48
 Class C
 \$4.00\$5.00

The fee for a motorcycle endorsement is one dollar and seventy five cents (\$1.75)two dollars (\$2.00) for each year of the period for which the endorsement is issued. The appropriate fee shall be paid before a person receives a regular drivers license or an endorsement.

Restoration Fee. – Any person whose drivers license has been revoked pursuant to (i1)the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of fifty dollars (\$50.00).sixty dollars (\$60.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of one hundred dollars (\$100.00), one hundred twenty dollars (\$120.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The fifty-dollar (\$50.00)sixty-dollar (\$60.00) fee, and the first seventy-five dollars (\$75.00)ninety-five dollars (\$95.00) of the one-hundred-dollar (\$100.00)one-hundred-twenty-dollar (\$120.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars (\$25.00) of the one-hundred-dollar (\$100.00) one-hundred-twenty-dollar (\$120,00) fee shall be used to fund a statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. The Office of State Budget and Management shall annually report to the General Assembly the amount of fees transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

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(l) Learner's Permit. – A person who is at least 18 years old may obtain a learner's permit. A learner's permit authorizes the permit holder to drive a specified type or class of motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18 months after it is issued. The fee for a learner's permit is fifteen dollars (\$15.00).eighteen dollars (\$18.00). A learner's permit may be renewed, or a second learner's permit may be issued, for an additional period of 18 months. The permit holder must, while operating a motor vehicle over the highways, be accompanied by a person who is licensed to operate the motor vehicle being driven and is seated beside the permit holder.

....!

SECTION 29.30.(b) G.S. 20-11(j) reads as rewritten:

"(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is fifteen dollars (\$15.00).eighteen dollars (\$18.00). The fee for a full provisional license is the amount set under G.S. 20-7(i)."

SECTION 29.30.(c) G.S. 20-14 reads as rewritten:

"§ 20-14. Duplicate licenses.

A person may obtain a duplicate of a license issued by the Division by paying a fee of ten dollars (\$10.00)twelve dollars (\$12.00) and giving the Division satisfactory proof that any of the following has occurred:

- (1) The person's license has been lost or destroyed.
- (2) It is necessary to change the name or address on the license.
- (3) Because of age, the person is entitled to a license with a different color photographic background or a different color border.
- (4) The Division revoked the person's license, the revocation period has expired, and the period for which the license was issued has not expired."

SECTION 29.30.(d) G.S. 20-16(e) reads as rewritten:

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The Division may conduct driver improvement clinics for the benefit of those who "(e) have been convicted of one or more violations of this Chapter. Each driver attending a driver improvement clinic shall pay a fee of fifty dollars (\$50.00).sixty dollars (\$60.00)."

SECTION 29.30.(e) G.S. 20-26(c) reads as rewritten:

- The Division shall furnish copies of license records required to be kept by subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other than official upon prepayment of the following fees:
 - Limited extract copy of license record, (1)
 - Complete extract copy of license record8.0010.00 (2)

All fees received by the Division under this subsection shall be credited to the Highway Fund."

SECTION 29.30.(f) G.S. 20-37.15(a1) reads as rewritten:

- "(a1) The application must be accompanied by a nonrefundable application fee of thirty dollars (\$30.00).thirty-six dollars (\$36.00). This fee does not apply in any of the following circumstances:
 - When an individual surrenders a commercial driver learner's permit issued (1) by the Division when submitting the application.
 - When the application is to renew a commercial drivers license issued by the (2) Division.

This fee shall entitle the applicant to three attempts to pass the written knowledge test without payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver under G.S. 20-37.13(c)."

SECTION 29.30.(g) G.S. 20-37.16(d) reads as rewritten:

The fee for a Class A, B, or C commercial drivers license is fifteen dollars (\$15.00) eighteen dollars (\$18.00) for each year of the period for which the license is issued. The fee for each endorsement is three dollars (\$3.00) four dollars (\$4.00) for each year of the period for which the endorsement is issued. The fees required under this section do not apply to employees of the Driver License Section of the Division who are designated by the Commissioner."

SECTION 29.30.(h) G.S. 20-42(b) reads as rewritten:

The Commissioner and officers of the Division designated by the Commissioner may prepare under the seal of the Division and deliver upon request a certified copy of any document of the Division for a fee. The fee for a document, other than an accident report under G.S. 20-166.1, is ten dollars (\$10.00) twelve dollars (\$12.00). The fee for an accident report is five dollars (\$5.00).six dollars (\$6.00). A certified copy shall be admissible in any proceeding in any court in like manner as the original thereof, without further certification. The certification fee does not apply to a document furnished for official use to a judicial official or to an official of the federal government, a state government, or a local government."

SECTION 29.30.(i) G.S. 20-85(a) reads as rewritten:

- The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.
 - Each application for certificate of (1)
 - Each application for duplicate or corrected certificate of title 15.0018.00 (2)
 - (3) (4)
 - (5)
- 50 (6)51
 - (7)

| | General Asseml | bly Of North Car | rolina | Session 2015 |
|-------------|----------------|---|---------------------------------------|-------------------------------|
| 1 | (8) | Each application | n for removing a lien from a certif | icate of |
| 2 | | | | |
| 3 | (9) | | n for certificate of title for a mo | |
| 4 | | manufacturer, a | s defined in G.S. 20-286, or a me | otor vehicle retailer for the |
| 5 | | | e | |
| 6 | (10) | Each application | n for a salvage certificate of title | made by an insurer or by a |
| 7 | | used motor veh | icle dealer pursuant to subdivision | on (b)(2) or subsection (e1) |
| 8 | | of G.S. 20-109. | 1 | <u>15.00</u> 18.00 |
| 9 | (11) | Each set of re | placement Stock Car Racing T | heme plates issued under |
| 0 | | G.S. 20-79.4 | | 25.00." |
| 1 | SEC | ΓΙΟΝ 29.30.(j) G | 6.S. 20-85.1(b) reads as rewritten: | |
| 2 | "(b) The | Commissioner a | nd the employees of the Div | vision designated by the |
| 3 | Commissioner n | nay prepare and o | deliver upon request a certificate | of title, charging a fee of |
| 4 | | | y dollars (\$90.00) for one-day title | |
| 5 | | | ne fee for one-day title service n | |
| 6 | | | redited to the Highway Trust Fund | |
| 7 | | | G.S. 20-87 reads as rewritten: | |
| 8 | | nger vehicle régis | | |
| 9 | O . | 0 | the Division annually for the re | gistration and licensing of |
| 0 | | • | ne following classifications and sel | |
| 1 | (1) | | nger Vehicles. – The fee for a | |
| 2 | (-) | | ompensation and has a capacity of | . • |
| 3 | | | lollars (\$78.00).ninety-four dollar | |
| 4 | | | ele that is operated for compensa | |
| 5 | | | assengers is one dollar and forty | |
| 6 | | - | (S1.70) per hundred pounds of emp | |
| 7 | (2) | | icles. – U-drive-it vehicles shall pa | |
| 8 | (-/ | Motorcycles: | 1-passenger capacity | |
| 9 | | , | 2-passenger capacity | |
| 0 | | | 3-passenger capacity | |
| 1 | | Automobiles: | 15 or fewer passengers | \$ 51.00 \$61.00 |
| 2 | | Buses: | 16 or more passengers | |
| 3 | | | 1 2 | hundred |
| 4 | | | | pounds of |
| 5 | | | | empty weight |
| 6 | | Trucks under | | 1 7 |
| 7 | | 7,000 pounds | | |
| 8 | | that do not | | |
| 9 | | haul products | | |
| 0 | | for hire: | 4,000 pounds | \$41.50 \$50.00 |
| 1 | | 101 11110. | 5,000 pounds | |
| 2 | | | 6,000 pounds | |
| 3 | | | 0,000 pourus | |
| 4 | (5) | Private Passeno | ger Vehicles. – There shall be pai | d to the Division annually |
| | (2) | | day of January, for the registration | |
| | | as of the first of | | on and licensing of private |
| 5 | | | | |
| 5 6 | | passenger vehi | cles, fees according to the fol | |
| 5 6 7 | | passenger vehi schedules: | cles, fees according to the fol | |
| 5 6 | | passenger vehi schedules: Private passeng | | lowing classifications and |

Rates Per Hundred Pound Gross Weight

| 45 | | General Rate |
|----|-----------------------------------|--------------------------|
| 46 | Not over 4,000 pounds | \$0.59 \$0.71 |
| 47 | 4,001 to 9,000 pounds inclusive | .81 0.97 |
| 48 | 9,001 to 13,000 pounds inclusive | 1.00 1.20 |
| 49 | 13,001 to 17,000 pounds inclusive | 1.36 1.63 |
| 50 | Over 17,000 pounds | 1.54 1.85 |

(4)

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Application by an interstate motor carrier for an

emergency trip permit

18.00.22.00."

SECTION 29.30.(o) G.S. 44A-4(b)(1) reads as rewritten:

"(b) Notice and Hearings. –

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If the property upon which the lien is claimed is a motor vehicle that is required to be registered, the lienor following the expiration of the relevant time period provided by subsection (a) shall give notice to the Division of Motor Vehicles that a lien is asserted and sale is proposed and shall remit to the Division a fee of ten dollars (\$10.00).twelve dollars (\$12.00). The Division of Motor Vehicles shall issue notice by certified mail, return receipt requested, to the person having legal title to the property, if reasonably ascertainable, to the person with whom the lienor dealt if different, and to each secured party and other person claiming an interest in the property who is actually known to the Division or who can be reasonably ascertained. The notice shall state that a lien has been asserted against specific property and shall identify the lienor, the date that the lien arose, the general nature of the services performed and materials used or sold for which the lien is asserted, the amount of the lien, and that the lienor intends to sell the property in satisfaction of the lien. The notice shall inform the recipient that the recipient has the right to a judicial hearing at which time a determination will be made as to the validity of the lien prior to a sale taking place. The notice shall further state that the recipient has a period of 10 days from the date of receipt in which to notify the Division by certified mail, return receipt requested, that a hearing is desired and that if the recipient wishes to contest the sale of his property pursuant to such lien, the recipient should notify the Division that a hearing is desired. The notice shall state the required information in simplified terms and shall contain a form whereby the recipient may notify the Division that a hearing is desired by the return of such form to the Division. The Division shall notify the lienor whether such notice is timely received by the Division. In lieu of the notice by the lienor to the Division and the notices issued by the Division described above, the lienor may issue notice on a form approved by the Division pursuant to the notice requirements above. If notice is issued by the lienor, the recipient shall return the form requesting a hearing to the lienor, and not the Division, within 10 days from the date the recipient receives the notice if a judicial hearing is requested. If the certified mail notice has been returned as undeliverable and the notice of a right to a judicial hearing has been given to the owner of the motor vehicle in accordance with G.S. 20-28.4, no further notice is required. Failure of the recipient to notify the Division or lienor, as specified in the notice, within 10 days of the receipt of such notice that a hearing is desired shall be deemed a waiver of the right to a hearing prior to the sale of the property against which the lien is asserted, and the lienor may proceed to enforce the lien by public or private sale as provided in this section and the Division shall transfer title to the property pursuant to such sale. If the Division or lienor, as specified in the notice, is notified within the 10-day period provided above that a hearing is desired prior to sale, the lien may be enforced by sale as provided in this section and the Division will transfer title only pursuant to the order of a court of competent iurisdiction.

If the certified mail notice has been returned as undeliverable, or if the name of the person having legal title to the vehicle cannot reasonably be ascertained and the fair market value of the vehicle is less than eight hundred dollars (\$800.00), the lienor may institute a special proceeding in the county

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where the vehicle is being held, for authorization to sell that vehicle. Market value shall be determined by the schedule of values adopted by the Commissioner under G.S. 105-187.3.

In such a proceeding a lienor may include more than one vehicle, but the proceeds of the sale of each shall be subject only to valid claims against that vehicle, and any excess proceeds of the sale shall be paid immediately to the Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

The application to the clerk in such a special proceeding shall contain the notice of sale information set out in subsection (f) hereof. If the application is in proper form the clerk shall enter an order authorizing the sale on a date not less than 14 days therefrom, and the lienor shall cause the application and order to be sent immediately by first-class mail pursuant to G.S. 1A-1, Rule 5, to each person to whom notice was mailed pursuant to this subsection. Following the authorized sale the lienor shall file with the clerk a report in the form of an affidavit, stating that the lienor has complied with the public or private sale provisions of G.S. 44A-4, the name, address, and bid of the high bidder or person buying at a private sale, and a statement of the disposition of the sale proceeds. The clerk then shall enter an order directing the Division to transfer title accordingly.

If prior to the sale the owner or legal possessor contests the sale or lien in a writing filed with the clerk, the proceeding shall be handled in accordance with G.S. 1-301.2."

SECTION 29.30.(p) Article 1 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-4.02. Quadrennial adjustment of certain fees.

- Adjustment for Inflation. Beginning July 1, 2020, and every four years thereafter, the Division shall adjust the fees charged pursuant to the statutes listed in this subsection for inflation in accordance with the Consumer Price Index computed by the Bureau of Labor Statistics, rounded to the nearest twenty-five cents (25ϕ) :
 - G.S. 20-7. (1)
 - (2)G.S. 20-11.
 - (3) G.S. 20-14.
 - G.S. 20-16. (4)(5)G.S. 20-26.
 - (6)G.S. 20-37.15.
 - (7)G.S. 20-37.16.
 - (8)G.S. 20-42(b).
 - (9)G.S. 20-85(a)(1) through (10).
 - G.S. 20-85.1. (10)
 - G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private (11)motorcycles.
 - G.S. 20-88. (12)
 - G.S. 20-289. (13)
 - (14)G.S. 20-385.
 - G.S. 44A-4(b)(1). (15)
- Computation. In determining the rate of inflation to use when adjusting the fees pursuant to subsection (a) of this section, the Division shall base the rate on the percent change in the annual Consumer Price Index over the preceding four-year period.
- Rules. The provisions of Chapter 150B of the General Statutes shall not apply to the adjustment of fees required by this section.

 (d) Consultation and Publication. – At least 90 days prior to adjusting the fees pursuant to subsection (a) of this section, the Division shall (i) consult with the Joint Legislative Commission on Governmental Operations, (ii) provide a report to the chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations, and (iii) publish notice of the fees that will be in effect in the offices of the Division and on the Division's Web site."

SECTION 29.30.(q) G.S. 150B-1(d) is amended by adding a new subdivision to

"(27) The Division of Motor Vehicles with respect to fee adjustments under G.S. 20-4.02."

SECTION 29.30.(r) Subsections (a) and (r) of this section become effective July 1, 2015. Subsections (p) and (q) of this section become effective July 1, 2020. The remainder of this section becomes effective January 1, 2016, and applies to issuances, renewals, restorations, and requests on or after that date.

DMV HEARING FEE SCHEDULE IMPLEMENTATION DATE

SECTION 29.30A. Subsection (c) of Section 34.9 of S.L. 2014-100 reads as rewritten:

"SECTION 34.9.(c) From funds appropriated to the Department of Transportation, Information Technology Section for the 2014-2015 fiscal year, the Department shall implement modifications to supporting information technology systems necessary to timely implement the hearing fee schedule required by subsection (a) of this section. The Department shall implement the hearing fee schedule required by subsection (a) of this section by no later than January 1, 2016. July 1, 2017."

DISTRIBUTION OF FUNDS IN SPECIAL REGISTRATION PLATE ACCOUNT SECTION 29.30B. G.S. 20-79.7(c)(3) reads as rewritten:

- The Division shall transfer fifty percent (50%) of the remaining revenue in the Special Registration Plate Account quarterly, and funds are hereby appropriated, as follows: to the Department of Transportation to be used solely for the purpose of beautification of highways. These funds shall be administered by the Department of Transportation for beautification purposes not inconsistent with good landscaping and engineering principles. The Division shall transfer the remaining revenue in the Special Registration Plate Account quarterly to the Highway Fund.
 - a. Thirty three percent (33%) to the account of the Department of Commerce to aid in financing out of state print and other media advertising under the program for the promotion of travel and industrial development in this State.
 - b. Fifty percent (50%) to the Department of Transportation to be used solely for the purpose of beautification of highways. These funds shall be administered by the Department of Transportation for beautification purposes not inconsistent with good landscaping and engineering principles.
 - c. Seventeen percent (17%) to the account of the Department of Health and Human Services to promote travel accessibility for disabled persons in this State. These funds shall be used to collect and update site information on travel attractions designated by the Department of Commerce in its publications, to provide technical assistance to travel attractions concerning accommodation of disabled tourists, and to develop, print, and promote the publication ACCESS NORTH

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CAROLINA as provided in G.S. 168-2. Any funds allocated for these purposes that are neither spent nor obligated at the end of the fiscal year shall be transferred to the Department of Administration for removal of man-made barriers to disabled travelers at State-funded travel attractions. Guidelines for the removal of man made barriers shall be developed in consultation with the Department of Health and Human Services."

ENFORCING PENALTIES FOR LAPSE IN FINANCIAL RESPONSIBILITY

SECTION 29.31.(a) G.S. 20-311 reads as rewritten:

"§ 20-311. Action by the Division when notified of a lapse in financial responsibility.

- Action. When the Division receives evidence, by a notice of termination of a motor vehicle liability policy or otherwise, that the owner of a motor vehicle registered or required to be registered in this State does not have financial responsibility for the operation of the vehicle, the Division shall send the owner a letter. The letter shall notify the owner of the evidence and inform the owner that the owner shall respond to the letter within 10 days of the date on the letter and explain how the owner has met the duty to have continuous financial responsibility for the vehicle. Based on the owner's response, the Division shall take the appropriate action listed:
 - (1) Division correction. – If the owner responds within the required time and the response establishes that the owner has not had a lapse in financial responsibility, the Division shall correct its records.
 - Penalty only. If the owner responds within the required time and the (2) response establishes all of the following, the Division shall assess the owner a penalty in the amount set in subsection (b) of this section:
 - The owner had a lapse in financial responsibility, but the owner now has financial responsibility.
 - The vehicle was not involved in an accident during the lapse in b. financial responsibility.
 - The owner did not operate the vehicle or allow the vehicle to be c. operated during the lapse with knowledge that the owner had no financial responsibility for the vehicle.
 - Penalty and revocation. If the owner responds within the required time and (3) the response establishes anyeither of the following, the Division shall assess the owner a penalty in the amount set in subsection (b) of this section and revoke the registration of the owner's vehicle for the period set in subsection (c) of this section:
 - The owner had a lapse in financial responsibility and still does not have financial responsibility.
 - The owner now has financial responsibility even though the owner b. had a lapse, but the response also establishes any of the following:
 - The vehicle was involved in an accident during the lapse, 1. thelapse.
 - The owner operated the vehicle during the lapse with <u>2.</u> knowledge that the owner had no financial responsibility for the vehicle, or both vehicle.
 - The owner allowed the vehicle to be operated during the lapse <u>3.</u> with knowledge that the owner had no financial responsibility for the vehicle.
 - Revocation pending response. Penalty and revocation for failure to respond. (4) - HExcept as otherwise provided in this subdivision, if the owner does not

respond within the required time, the Division shall assess a penalty in the applicable amount set forth in subsection (b) of this section and shall revoke the registration of the owner's vehicle for the period set in subsection (c) of this section. When the owner responds, the Division shall take the appropriate action listed in subdivisions (1) through (3) of this subsection as if the response had been timely. If the owner does not respond within the required time, but later responds and establishes that the owner has not had a lapse in financial responsibility, the Division shall correct its records, rescind any revocation under this subdivision of the registration of the owner's vehicle, and the owner shall not be responsible for any fee or penalty arising under this section from the owner's failure to timely respond.

(b) Penalty Amount. – The following table determines the amount of a penalty payable under this section by an owner who has had a lapse in financial responsibility; the amount is based on the number of times the owner has been assessed a penalty under this section during the three-year period before the date the owner's current lapse began:

| Number of Lapses in Previous Three Years | Penalty Amount |
|--|----------------|
| None | \$50.00 |
| One | \$100.00 |
| Two or More | \$150.00 |

- (c) Revocation Period. The revocation period for a revocation based on a response that establishes that a vehicle owner does not have financial responsibility is indefinite and ends when the owner obtains financial responsibility or transfers the vehicle to an owner who has financial responsibility. The revocation period for a revocation based on a response that establishes the occurrence of an accident during a lapse in financial responsibility or the knowing operation of a vehicle without financial responsibility is 30 days. The revocation period for a revocation based on failure of a vehicle owner to respond is indefinite and ends when the owner responds.(i) establishes that the owner has not had a lapse in financial responsibility, (ii) obtains financial responsibility, or (iii) transfers the vehicle to an owner who has financial responsibility, whichever occurs first.
- (d) Revocation Notice. When the Division revokes the registration of an owner's vehicle, it shall notify the owner of the revocation. The notice shall inform the owner of the following:
 - (1) That the owner shall return the vehicle's registration plate and registration card to the Division, if the owner has not done so already, and that failure to do so is a Class 2 misdemeanor under G.S. 20-45.
 - (2) That the vehicle's registration plate and registration card are subject to seizure by a law enforcement officer.
 - (3) That the registration of the vehicle cannot be renewed while the registration is revoked.
 - (4) That the owner shall pay any penalties assessed, assessed within 30 days of the date of the notice, a restoration fee, and the fee for a registration plate when the owner applies to the Division to register a vehicle whose registration was revoked.
 - (5) That failure of an owner to pay any penalty or fee assessed pursuant to this section shall result in the Division withholding the registration renewal of any motor vehicle registered in that owner's name.
- (e) Registration After Revocation. A vehicle whose registration has been revoked may not be registered during the revocation period in the name of the owner, a child of the owner, the owner's spouse, or a child of the owner's spouse. This restriction does not apply to a spouse who is living separate and apart from the owner. At the end of a revocation period, a vehicle owner who has financial responsibility may apply to register a vehicle whose

registration was revoked. The owner shall provide proof of current financial responsibility and pay any penalty assessed, a restoration fee of fifty dollars (\$50.00), and the fee for a registration plate. Pursuant to G.S. 20-54, failure of an owner to pay any penalty or fee assessed pursuant to this section shall result in the Division withholding the registration renewal of any motor vehicle registered in that owner's name.

(g) <u>Military Waiver.</u> Notwithstanding the penalty and restoration fee provisions of this section, any monetary penalty or restoration fee shall be waived for any person who, at the time of notification of a lapse in <u>coverage,financial responsibility</u>, was deployed as a member of the Armed Forces of the United States outside of the continental United States for a total of 45 or more days. In addition, no insurance points under the Safe Driver Incentive Plan shall be assessed for any violation for which a monetary penalty or restoration fee is waived pursuant to this subsection. <u>AnyAll of the following apply to a person qualifying under this subsection shall:subsection:</u>

(1) Have The person shall have an affirmative defense to any criminal charge based upon the failure to return any registration card or registration plate to the Division; Division.

Upon reregistration, the person shall receive without cost from the Division all necessary registration cards or plates; and plates.

 (3) Upon notice of revocation, the person shall be permitted to transfer the vehicle's registration immediately to his or her spouse, child, or spouse's child, notwithstanding the provisions of subsection (e) of this section.

(h) Applicability. – The penalty and revocation imposed under this section do not apply when the sole owner of a vehicle dies and that owner had financial responsibility for the vehicle as of the date of the owner's death."

SECTION 29.31.(b) G.S. 20-54 is amended by adding a new subdivision to read:

"(12) The owner of the vehicle has failed to pay any penalty or fee imposed pursuant to G.S. 20-311."

SECTION 29.31.(c) G.S. 20-311(h), as enacted by subsection (a) of this section, is effective when this act becomes law. The remainder of this section becomes effective December 1, 2015, and applies to lapses in financial responsibility occurring on or after that date.

LPA CONTRACT STANDARDS

SECTION 29.32.(a) G.S. 20-63(h) reads as rewritten:

Commission Contracts for Issuance of Plates and Certificates. - All registration plates, registration certificates, and certificates of title issued by the Division, outside of those issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of the plates and certificates in localities throughout North Carolina, including military installations within this State, with persons, firms, corporations or governmental subdivisions of the State of North Carolina. The Division shall make a reasonable effort in every locality, except as noted above, to enter into a commission contract for the issuance of the plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts, it shall issue the plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates, and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of the distribution. Nothing contained in this subsection allows or permits the operation of fewer outlets in any county in this State than are now being operated.

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 Commission contracts entered into by the Division under this subsection shall provide for the payment of compensation. The terms of a commission contract entered under this subsection shall specify the duration of the contract and either include or incorporate by reference standards by which the Division may supervise and evaluate the performance of the commission contractor. The duration of an initial commission contract may not exceed eight years and the duration of a renewal commission contract may not exceed two years. The Division may award monetary performance bonuses, not to exceed an aggregate total of ninety thousand dollars (\$90,000) annually, to commission contractors based on their performance.

The amount of compensation payable to a commission contractor is determined on a per transaction basis. The collection of the highway use tax is considered a separate transaction for which one dollar and twenty-seven cents (\$1.27)-thirty cents (\$1.30) compensation shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax are each considered a separate transaction for which compensation at the rate of one dollar and twenty-seven cents (\$1.27)thirty cents (\$1.30) and one dollar and six cents (\$1.06)-eight cents (\$1.08) respectively, shall be paid by counties and municipalities as a cost of the combined motor vehicle registration renewal and property tax collection system. The performance at the same time of one or more of the transactions below is considered a single transaction for which one dollar and forty-three cents (\$1.43)-forty-six cents (\$1.46)-compensation shall be paid:

- (1) Issuance of a registration plate, a registration card, a registration sticker, or a certificate of title.
- (2) Issuance of a handicapped placard or handicapped identification card.
- (3) Acceptance of an application for a personalized registration plate.
- (4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
- (5) Cancellation of a title because the vehicle has been junked.
- (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
- (7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
- (8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
- (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- (8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
- (10) Acceptance of a temporary lien filing.
- (11) Conversion of an existing paper title to an electronic lien upon request of a primary lienholder."

SECTION 29.32.(b) All commission contracts entered into by the Division of Motor Vehicles under G.S. 20-63(h) after the effective date of this subsection shall specify the duration of the contract and include or incorporate by reference the standards required under subsection (a) of this section. No later than July 1, 2018, all other commission contracts entered into by the Division of Motor Vehicles shall specify the duration of the contract and include or incorporate by reference the standards required under subsection (a) of this section.

SECTION 29.32.(c) This section becomes effective July 1, 2015, and applies to transactions on or after that date.

DMV/UMSTEAD ACT CLARIFICATION

SECTION 29.33. G.S. 66-58(c) is amended by adding a new subdivision to read:

"(c) The provisions of subsection (a) shall not prohibit:

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The operation by the Division of Motor Vehicles of digital advertising and (22)automated teller machines in offices of the Division or contract license plate agencies."

HIGHWAY USE TAX CLARIFICATION

SECTION 29.34.(a) G.S. 105-187.6(c) reads as rewritten:

Out-of-state Vehicles. - A maximum tax of one hundred fifty dollars (\$150.00) applies when a certificate of title is issued for a motor vehicle that, at the time of applying for a certificate of title, is and has been titled in the name of the owner of the motor vehicle in another state for at least 90 days prior to the date of application for a certificate of title in this State."

SECTION 29.34.(b) This section is effective when this act becomes law.

ADJUST MAXIMUM HIGHWAY USE TAX IMPOSED FOR CERTAIN MOTOR **VEHICLES**

SECTION 29.34A.(a) G.S. 105-187.3(a1) reads as rewritten:

"(a1) Tax Rate. - The tax rate is three percent (3%). The maximum tax is one-two thousand dollars (\$1,000) (\$2,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01. The maximum tax is one thousand five hundred dollars (\$1,500) G.S. 20-4.01, and for each certificate of title issued for a recreational vehicle that is not subject to the one thousand dollar (\$1,000) maximum tax. vehicle. The tax is payable as provided in G.S. 105-187.4."

SECTION 29.34A.(b) G.S. 105-187.6(c), as amended by Section 29.34 of this act, reads as rewritten:

Out-of-state Vehicles. – A maximum tax of one-two hundred fifty dollars (\$150.00) (\$250.00) applies when a certificate of title is issued for a motor vehicle that, at the time of applying for a certificate of title, is and has been titled in the name of the owner of the motor vehicle in another state for at least 90 days prior to the date of application for a certificate of title in this State."

SECTION 29.34A.(c) This section becomes effective January 1, 2016, and applies to sales made on or after that date.

ELIMINATE 10-DAY TRIP PERMIT AND INCREASE TEMPORARY TAG FEE

SECTION 29.35.(a) G.S. 20-183.4C reads as rewritten:

"§ 20-183.4C. When a vehicle must be inspected; 10-day trip permit temporary license plate.

Permit. Temporary License Plate. - The Division may issue a 10-day trip permit temporary license plate under and in accordance with G.S. 20-50(b) that is valid for 10 days to a person that authorizes the person to drive a vehicle whose inspection authorization or registration has expired. The permit may only be issued when the person has furnished proof of financial responsibility. The permit must describe the vehicle whose inspection authorization or registration has expired. The permit authorizes the person to drive the described vehicle for a period not to exceed 10 days from the date of issuance.

SECTION 29.35.(b) G.S. 20-50(b) reads as rewritten:

The Division may issue a temporary license plate for a vehicle. A temporary license plate is valid for the period set by the Division. The period may not be less than 10 days nor more than 60 days.

....

A person may obtain a temporary license plate for a vehicle by filing an application with the Division and paying the required fee. An application must be filed on a form provided by the Division.

The fee for a temporary license plate that is valid for 10 days is <u>fiveten</u> dollars (\$5.00).(\$10.00). The fee for a temporary license plate that is valid for more than 10 days is the amount that would be required with an application for a license plate for the vehicle. If a person obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an application for a license plate for that vehicle before the temporary license plate expires, the person is not required to pay the fee that would otherwise be required for the license plate.

A temporary license plate is subject to the following limitations and conditions:

- (1) It may be issued only upon proper proof that the applicant has met the applicable financial responsibility requirements.
- (2) It expires on midnight of the day set for expiration.
- (3) It may be used only on the vehicle for which issued and may not be transferred, loaned, or assigned to another.
- (4) If it is lost or stolen, the person who applied for it must notify the Division.
- (5) It may not be issued by a dealer.
- (6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license plates apply to temporary license plates insofar as possible."

SECTION 29.35.(c) Ten-day trip permits issued under G.S. 20-183.4C(b) prior to the effective date of this section shall remain valid for the duration of the issuance.

SECTION 29.35.(d) This section becomes effective July 1, 2015, and applies to temporary license plates issued on or after that date.

TECHNICAL CORRECTION/REMOTE RENEWAL OF DRIVERS LICENSE

SECTION 29.36. G.S. 20-7(f)(6) reads as rewritten:

- "(6) Remote renewal. The Subject to the following requirements and limitations, the Division may offer remote renewal of a drivers license issued by the Division. For purposes of this subdivision, "remote renewal" means renewal of a drivers license by mail, telephone, electronic device, or other secure means approved by the Commissioner: Division:
 - a. Requirements. To be eligible for remote renewal under this subdivision, a person must meet all of the following requirements:
 - 1. The license holder possesses a valid, unexpired Class C drivers license that was issued when the person was at least 18 years old.
 - 2. The license holder's current license includes no restrictions other than a restriction for corrective lenses.
 - 3. The license holder attests, in a manner designated by the Division, that (i) the license holder is a resident of the State and currently resides at the address on the license to be renewed, (ii) the license holder's name as it appears on the license to be renewed has not changed, and (iii) all other information required by the Division for an in-person renewal under this Article has been provided completely and truthfully.
 - 4. The most recent renewal was an in-person renewal and not a remote renewal under this subdivision.
 - 5. The license holder is otherwise eligible for renewal under this subsection.

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48 49 **SECTION 29.36B.(a)** G.S. 20-129(g), as amended by Section 1 of S.L. 2015-31,

manufactured after December 31, 1955, and on or before December 31, 1970, unless it shall be equipped with a stop lamp on the rear of the vehicle. No person shall sell or operate on the highways of the State any motor vehicle, manufactured after December 31, 1970, unless it shall be equipped with stop lamps, one on each side of the rear of the vehicle. No person shall sell or operate on the highways of the State any motorcycle or motor-driven cycle, manufactured after December 31, 1970, 1955, unless it shall be equipped with a stop lamp on the rear of the motorcycle or motor-driven cycle. The stop lamps shall emit, reflect, or display a red or amber light visible from a distance of not less than 100 feet to the rear in normal sunlight, and shall be actuated upon application of the service (foot) brake. The stop lamps may be incorporated into a unit with one or more other rear lamps."

SECTION 29.36B.(b) This section becomes effective October 1, 2015, and applies to offenses committed on or after that date.

50 51 Session 2015

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POSITIONS IN SUPPORT OF THE COMBINED MOTOR VEHICLE REGISTRATION AND PROPERTY TAX COLLECTION SYSTEM

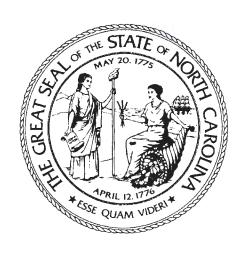
SECTION 29.37. Section 24.10(a) of S.L. 2012-142 reads as rewritten:

"SECTION 24.10.(a) Upon request from the Department of Transportation and notwithstanding any other provision of law to the contrary, the Office of State Budget and Management may authorize the creation of time-limited, full-time equivalent positions within the Department of Transportation and its Division of Motor Vehicles in excess of the positions authorized by this act for the sole purposes of implementing and administering the combined motor vehicle registration and property tax collection system, in accordance with the funding authorizations in G.S. 105-330.5 and G.S. 105-330.10. Positions created under this authorization shall terminate no later than June 30, 2014. June 30, 2017. Following the approval of a request, the Office of State Budget and Management shall direct the transfer of funds from the Combined Motor Vehicle and Registration Account, also known as the Division of Motor Vehicles Taxation Interest Fund for Integrated Computer System, to support personnel and related operating costs for the positions approved under this section."

DMV/TITLE AND LICENSE PERSONAL WATERCRAFT

SECTION 29.38. G.S. 20-39(e) reads as rewritten:

"(e) The Commissioner is authorized to cooperate with and provide assistance to the Environmental Management Commission, or appropriate local government officials, and to develop, adopt, and ensure enforcement of necessary rules and regulations, regarding programs of motor vehicle emissions inspection/maintenance required for areas in which ambient air pollutant concentrations exceed National Ambient Air Quality Standards. <u>The Commissioner is further authorized to allow offices of the Division that provide vehicle titting and registration services and commission contractors of the Division under G.S. 20-63 to serve, upon agreement with the Wildlife Resources Commission, as vessel agents under G.S. 75A-5.2."</u>

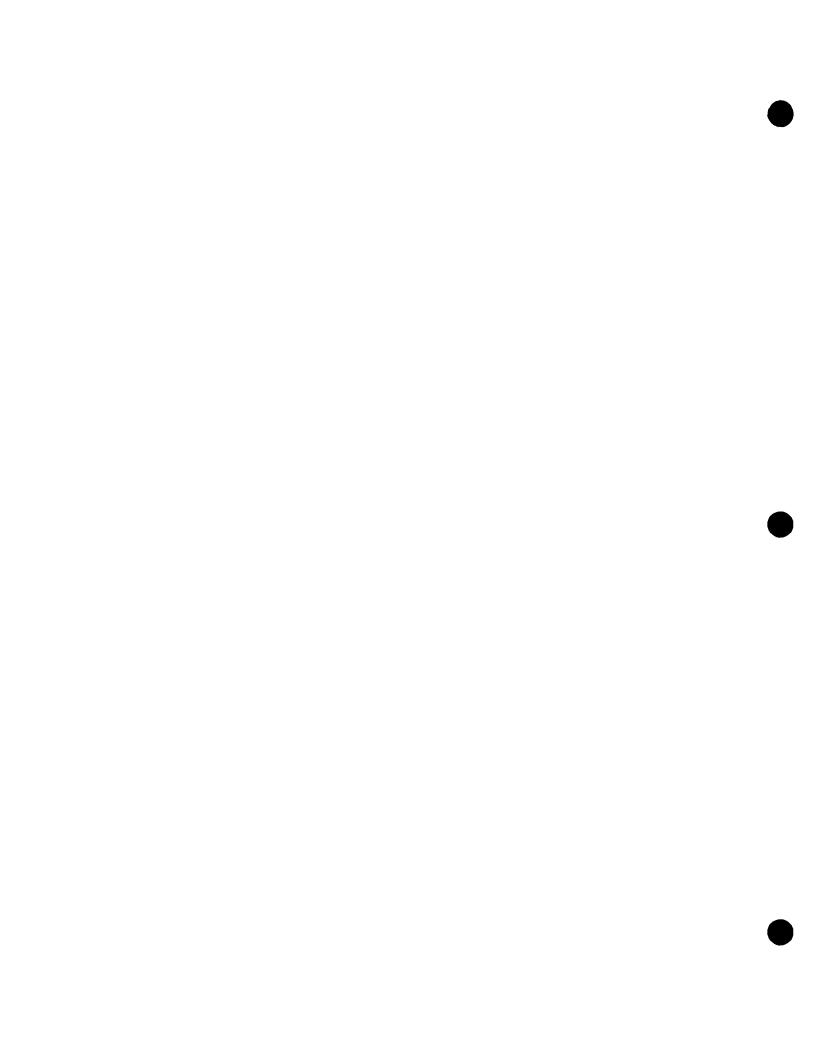


SENATE APPROPRIATIONS DEPARTMENT OF TRANSPORTATION JUNE 15, 2015

SENATE SERGEANT-AT-ARMS

GILES JEFFREYS

LARRY HANCOCK



SENATE COMMITTEE ON APPROPRIATIONS ON DOPT. OF TRANSPORTATIONS SENATESTATE AND LOCAL GOVERNMENT COMMITTEE

DATE 6-15-2015

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

| NAME | FIRM OR AGENCY AND ADDRESS |
|------------------|----------------------------|
| Tomas Ophing | NCGA |
| Lauva Blair | NCSPA |
| Jenry Jones | God Prie, de |
| Latire Orevic | Eacc |
| BERRY JANKINS | CAROLINAS AGC |
| Bety Barly | CAGC |
| Ellis Ponell | CANA |
| AndyChase | KMA |
| May Macle Ashill | SELC , |
| Lose Mozingo | NCOMV |
| A LAS RICO | N CHOT |
| Vulle Hunkins | NCDOT |
| Lysa Riegel | BIKEWORK NC |
| Khin | LPAS NCRA -NEMA |
| ml-Dusm | RAM |
| Butch Gunelle | NC Ber |
| BRUESILENGE | N+O |



VISITOR REGISTRATION SHEET

Sounte Committee on Appropriations ON Dept. Of Tennsportation

6-15-2015 Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

| NAME | FIRM OR AGENCY |
|----------------------|-----------------------------|
| Joe Fleming | NCACC |
| Emily Emanuels | Intern - Sen Lee |
| Thomas Chech | OSBM |
| Julienbre | Nemac |
| Jay Stem | NCAA |
| Joh Polento | NORTH |
| V Jole Handi | MFS |
| Delbert Redder Serry | NCDOT |
| MIKE HOLDER | NCPOT. |
| Leigh Wing | NCOOT |
| GREG PERFETTI | NCROT |
| Phoebe Landon | Brooks Pierce |
| Mary Jurnijan | NCPIT |
| Reston Jores | NC DOT |
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| Reggin Flythe | NCOPI |
| Tony Moore | North landers Diving School |
| Matt Burns | WPAL 09-22-2012 |

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James S. Walker Attorneyat Lune Charbtle

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Crystan Collins NCTENCKING AGSN.

David Fenton City of Charbtle

David H UL NCDOT