



PAT McCrory
Governor

NICHOLAS J. TENNYSON
Secretary

November 30, 2015

The Honorable Tim Moore, Co-Chairman
The Honorable Phil Berger, Co-Chairman
Joint Legislative Commission on Governmental Operations
North Carolina General Assembly
16 W. Jones Street
Raleigh, NC 27601-1030

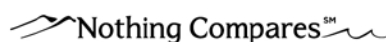
The Honorable Kathy Harrington, Chairman
The Honorable Frank Iler, Co-Chairman
The Honorable John A. Torbett, Co-Chairman
Joint Legislative Transportation Oversight Committee
North Carolina General Assembly
16 W. Jones Street
Raleigh, NC 27601-1030

Chairman Edward L. Curran
Vice Chairman Ferrell Blount, III
North Carolina Board of Transportation
1 South Wilmington Street (Delivery)
Raleigh, NC 27601

Dear Honorable Commission Members, Honorable Committee Members, and Board Members:

As directed by North Carolina General Statute § 136-89.183, and by way of this correspondence, the North Carolina Turnpike Authority and the North Carolina Department of Transportation are submitting, for your review, the 2016 revised toll rate schedule for the Triangle Expressway project.

On September 17, 2008, the Authority adopted a policy for toll schedules and any adjustments thereto (the "Toll Rate Policy", Attachment A). The Toll Rate Policy provides that under the direction of the Authority, a Traffic Consultant shall prepare a Traffic and Revenue Study that forecasts projected traffic for each turnpike project and the toll revenues to be generated. After receipt of such Traffic and Revenue Study, the Authority will adopt a toll rate schedule for the use of the turnpike project based upon factors it determines appropriate, including but not limited to, the location of the turnpike project for which the toll is collected, the type of vehicles anticipated to use the turnpike project, the method of collection of the toll (electronic, video, cash or other method) and other factors, including the rate increase assumption in the Traffic and Revenue Study. Such a study was done for the Triangle Expressway System (the *Comprehensive Traffic and Revenue Study Final Report for the Triangle Expressway System* dated April 6, 2009), which contains a proposed toll rate schedule with the assumption that the



tolls are to be increased each year. Accordingly, upon the issuance of the Triangle Expressway Bonds in July 2009, the Authority determined to follow the assumptions in this report pursuant to the Toll Rate Policy.

However, for various reasons relating to a desire not to have rates be increased precipitately, the Authority twice (in December 2012, Attachment B, and in June 2013, Attachment C) deferred rate increases (or actually inception of rates for certain road segments). In each case there was a formal revision to the Study, with a determination by the Authority's financial advisor that the new forecasted revenues would be sufficient under the bond document covenants and an opinion of bond counsel to the Authority that such action would have no adverse effect on the income tax status of interest on the bonds. Under the Study, as revised, the average scheduled toll rate increases over time, occurring each year on January 1, are:

- 2014 – 2016 5.0 percent;
- 2017 – 2021 3.5 percent;
- 2022 – 2036 3.0 percent;
- after 2036 2.0 percent or less.

Figures detailing the current Triangle Expressway toll rates (Attachment D) and the scheduled January 1, 2016 toll rates (Attachment E) are attached for your review.

The Toll Rate Policy was in effect when the General Assembly adopted and approved the annual appropriation for the Triangle Expressway System which secures a large portion of the debt for the Project. The assumptions in the Study were presented to the public in the bond offering documents in June 2009 and the Toll Rate Policy was an essential aspect of the bond marketing. The Authority is confirming the toll rate schedule, including the January 1, 2016 increase for the Triangle Expressway System by this submission to the Board of Transportation, the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations.

Please feel free to contact me at (919) 707-2718 with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Beau Memory". The signature is fluid and cursive, with the first name "Beau" written in a larger, more prominent script than the last name "Memory".

Beau Memory
Executive Director
North Carolina Turnpike Authority

cc: Secretary Nicholas J. Tennyson

**POLICY FOR ADOPTING TOLL SCHEDULES AND ADJUSTMENTS TO
TOLL SCHEDULES**

WHEREAS, the North Carolina Turnpike Authority is authorized to fix, revise, charge and collect tolls and fees for the use of turnpike projects pursuant to G.S. § 136-89.183(5);

NOW THEREFORE, the Authority hereby adopts the following policy to guide the Authority in adopting toll schedules and adjustment to toll schedules as follows:

(a) Prior to the time the Authority issues bonds to finance a turnpike project, the Authority will retain the services of a Traffic and Revenue Consultant (a "Traffic Consultant") to forecast the projected traffic for the turnpike project and the toll revenues to be generated from such traffic (a "Final Traffic and Revenue Study"). Such Final Traffic and Revenue Study shall be prepared based upon, among other things, assumptions the Traffic Consultant determines to be reasonable regarding the toll schedule to be used in collecting tolls for use of the turnpike project, together with anticipated increases in such tolls.

(b) On or prior to the date a turnpike project open for service, the Authority will adopt the toll rate schedule for the use of the turnpike project. Such toll schedule may provide for toll rates based upon the factors the Authority determines appropriate, including, but not limited to, the location of the turnpike project for which the toll is collected, the type of vehicles anticipated to use the turnpike project, the method of collection of the toll (electronic, video, cash or other method) and other factors. At the time the initial toll rate schedule for a turnpike project is adopted, the Authority shall file with the Trustee a report of a Traffic Consultant to the effect that, based upon the tolls forecasted to be collected using the toll schedule adopted, the forecasted revenues of such turnpike project are forecasted to be at least at the same levels as those set forth in the Final Traffic and Revenue Study, or if such levels cannot be achieved, that the tolls are established at rates that maximize forecasted revenues..

(c) After a toll rate schedule is adopted, the tolls set forth in the toll rate schedule adopted shall be increased on each January 1 by the same percentage amounts for each year as the toll increases in the assumptions of the Traffic Consultant used in preparing the Final Traffic and Revenue Study.


(d) Notwithstanding the preceding subsection, the Authority may determine that a toll increase otherwise required to go into effect pursuant to (c) shall not go into effect as scheduled if the Authority delivers to the Trustee, prior to the January 1 when the toll increase otherwise would go into effect:

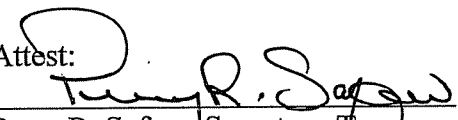
(i) a resolution of the Board, directing that the tolls shall not be increased at all or shall be increased by a lesser amount than assumed in the Final Traffic and Revenue Study;

(ii) an Officer's Certificate certifying that the Authority was in compliance with all the applicable rate covenants set forth in the bond documents for the bonds that financed the turnpike project for the most recent fiscal year; and

(iii) a report of a Traffic Consultant showing that for each succeeding fiscal year through the final maturity date of all debt incurred for the turnpike project, the forecasted revenues in each such fiscal year would be such that \$1 of additional senior lien indebtedness could be issued by the Authority in compliance with the requirements of the additional debt limitations set forth in the bond documents for such bonds issued to finance the turnpike project.

Adopted this the 17th day of September, 2008.

Signed: 
Lyndo Tippet, Chairman
North Carolina Turnpike Authority

Attest: 
Perry R. Safran, Secretary-Treasurer
North Carolina Turnpike Authority Board

**RESOLUTION ON 2013 TOLL RATES FOR TRIANGLE EXPRESSWAY AND CHANGE OF
ANNUAL TOLL RATE REVISION DATE TO JULY 1**

WHEREAS, the North Carolina Turnpike Authority (the “*Authority*”) is duly organized and existing under the laws of the State of North Carolina (the “*State*”) within the State Department of Transportation, and is authorized under Article 6H (Turnpike Authority and Toll Projects) of Chapter 136, as amended (the “*Act*”), of the North Carolina General Statutes (the “*NCGS*”), to acquire, construct and operate “turnpike projects,” as defined in the Act;

WHEREAS, the Authority has financed the construction of its Triangle Expressway System as a turnpike project under the Act through the issuance of its revenue bonds and entry into a loan agreement with the U. S. Department of Transportation, among other agreements and contracts;

WHEREAS, the Secretary of Transportation, pursuant to Section 143B-10 and 143B-349 of the NCGS, has delegated to the Board of the Authority certain powers including the power to fix, revise, charge, and collect tolls and fees for the use of turnpike projects;

WHEREAS, the Authority on September 17, 2008, adopted a policy for adopting toll schedules and any adjustments to toll schedules (the “*Toll Rate Policy*”) and the Toll Rate Policy provides that under the direction of the Authority a Traffic Consultant shall prepare a Traffic and Revenue Study forecasting projected traffic for each turnpike project and the toll revenues to be generated and after receipt of such Traffic and Revenue Study the Authority will adopt a toll rate schedule for the use of the turnpike project based upon factors it determines appropriate, including but not limited to, the location of the turnpike project for which the toll is collected, the type of vehicles anticipated to use the turnpike project, the method of collection of the toll (electronic, video, cash or other method) and other factors;

WHEREAS, the Traffic and Revenue Study for the Triangle Expressway System dated April 2009, as supplemented, including by a CDM Smith report dated December 13, 2012, contains a proposed toll schedule, and pursuant to the Toll Rate Policy, the tolls set forth in the original toll rate schedule for a project are to be increased each year by the same percentage amounts as the toll increases in the assumptions uses for the forecasts in the Traffic and Revenue Study; and

WHEREAS, for various reasons including the timing of the opening of Phase III of the Triangle Expressway and the desire to match the timing of annual rate increases to the beginning of fiscal years rather than calendar years, it is proposed:

(a) the first rate increase for the open segments of the Triangle Expressway (Phases I and II) will begin on July 1, 2013, instead of January 1, 2013; and

(b) after the opening of the final segment (Phase III) in January 2013, with the currently planned toll rates, it would have its first rate adjustment on July 1, 2014; and

(c) all rate adjustment increases will be moved to July 1 of each year; and

(d) taking such facts into account, all rate adjustments for the Triangle Expressway will be in the percentages shown in CDM Smith report dated December 13, 2012; and

WHEREAS, such report supplementing the Traffic and Revenue Study provides a basis on which the Authority’s financial advisor, in a letter dated December 13, 2012, has stated that the taking of

such actions will not prevent the Authority from being in compliance with its covenant obligations under the Triangle Expressway System financing documents, and the Authority's Bond Counsel has delivered an opinion dated December 14, 2012, that the taking of such actions will have no adverse effect on income tax treatment of outstanding debt related to the Triangle Expressway or cause the Authority to be in violation of any covenants under its Triangle Expressway related documents;

**NOW THEREFORE, THE BOARD OF THE NORTH CAROLINA TURNPIKE
AUTHORITY HEREBY RESOLVES:**

1. The Board hereby approves and authorizes the above-described delay and changes in the toll increases.
2. The Chairman and other officers and employees of the Authority are authorized and directed to take such action and to execute and deliver any documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the purposes of this resolution.
3. The Chief Financial Officer of the Authority is hereby authorized and directed to file this resolution and the materials presented to the Authority in connection herewith with the Trustee for the revenue bonds relating to the Triangle Expressway System.
4. This resolution shall take effect immediately upon its passage.

Adopted December 20, 2012.

**RESOLUTION ON TOLL RATES FOR TRIANGLE EXPRESSWAY AND CHANGE OF
ANNUAL TOLL RATE REVISION DATE TO JANUARY 1**

WHEREAS, the North Carolina Turnpike Authority (the “*Authority*”) is duly organized and existing under the laws of the State of North Carolina (the “*State*”) within the State Department of Transportation, and is authorized under Article 6H (Turnpike Authority and Toll Projects) of Chapter 136, as amended (the “*Act*”), of the North Carolina General Statutes (the “*NCGS*”), to acquire, construct and operate “turnpike projects,” as defined in the Act;

WHEREAS, the Authority has financed the construction of its Triangle Expressway System as a turnpike project under the Act through the issuance of its revenue bonds and entry into a loan agreement with the U. S. Department of Transportation, among other agreements and contracts;

WHEREAS, the Secretary of Transportation, pursuant to Section 143B-10 and 143B-349 of the NCGS, has delegated to the Board of the Authority certain powers including the power to fix, revise, charge, and collect tolls and fees for the use of turnpike projects;

WHEREAS, the Authority on September 17, 2008, adopted a policy for adopting toll schedules and any adjustments to toll schedules (the “*Toll Rate Policy*”) and the Toll Rate Policy provides that under the direction of the Authority a Traffic Consultant shall prepare a Traffic and Revenue Study forecasting projected traffic for each turnpike project and the toll revenues to be generated and after receipt of such Traffic and Revenue Study the Authority will adopt a toll rate schedule for the use of the turnpike project based upon factors it determines appropriate, including but not limited to, the location of the turnpike project for which the toll is collected, the type of vehicles anticipated to use the turnpike project, the method of collection of the toll (electronic, video, cash or other method) and other factors;

WHEREAS, the Comprehensive Traffic and Revenue Study Final Report for the Triangle Expressway System dated April 6, 2009, contains a proposed toll schedule and, pursuant to the Toll Rate Policy, the tolls set forth in the toll rate schedule in the Traffic and Revenue Study for a project are to be increased each year by the same percentage amounts as the toll increases in the assumptions used for the forecasts in the Traffic and Revenue Study; and

WHEREAS, the proposed toll schedule in the Traffic and Revenue Study for the Triangle Expressway System was revised to reflect changes in the programmed toll increases as described in a CDM Smith report dated December 13, 2012, and the Authority approved related toll rate changes by action on December 20, 2012; and

WHEREAS, for various reasons it is proposed the currently scheduled rate increases for Phases I and II be deferred from July 1, 2013, to January 1, 2014, the currently scheduled rate increases for Phase III on July 1, 2014, be advanced to occur on January 1, 2014, and all future scheduled rate increases occur on January 1 instead of the previously scheduled July 1; and CDM Smith has delivered a letter dated June 5, 2013, providing new annual gross toll revenue estimates and a schedule of toll rate increases, both in accord with such proposals; and

WHEREAS, such report revising the estimates and schedule of toll rate increases for the Traffic and Revenue Study provides a basis on which the Authority’s financial advisor, in a letter dated June 6, 2013, has stated that the taking of such actions will not prevent the Authority from being in compliance with its covenant obligations under the Triangle Expressway System financing documents, and the Authority’s Bond Counsel has delivered an opinion dated June 7, 2013, that the taking of such actions will have no adverse effect on income tax treatment of outstanding debt related to the Triangle

Expressway or cause the Authority to be in violation of any covenants under its Triangle Expressway related documents;

**NOW THEREFORE, THE BOARD OF THE NORTH CAROLINA TURNPIKE
AUTHORITY HEREBY RESOLVES:**

1. The Board hereby approves and authorizes the above-described changes in toll increases.
2. The Chairman and other officers and employees of the Authority are authorized and directed to take such action and to execute and deliver any documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the purposes of this resolution.
3. The Chief Financial Officer of the Authority is hereby authorized and directed to file this resolution and the materials presented to the Authority in connection herewith with the Trustee for the revenue bonds relating to the Triangle Expressway System.
4. This resolution shall take effect immediately upon its passage.

Adopted June 20, 2013.

TRIANGLE EXPRESSWAY



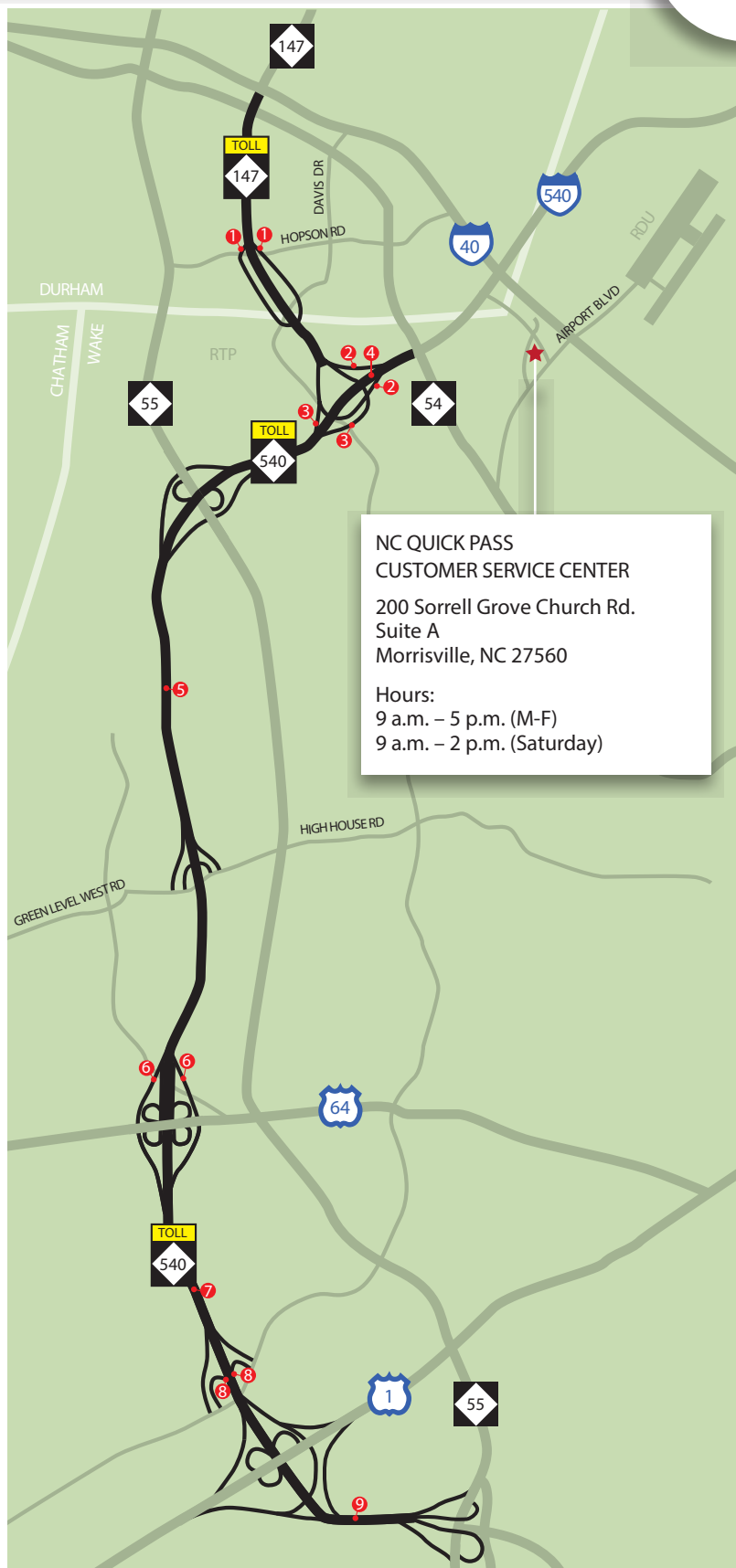
NORTH CAROLINA
Turnpike Authority

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BILL BY MAIL

Toll rates are effective January 1, 2015.



NC QUICK PASS
CUSTOMER SERVICE CENTER
200 Sorrell Grove Church Rd.
Suite A
Morrisville, NC 27560

Hours:
9 a.m. – 5 p.m. (M-F)
9 a.m. – 2 p.m. (Saturday)

1	RAMP AT HOPSON RD/DAVIS DRIVE		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.33	\$0.50
	3 Axles	\$0.66	\$1.00
	4+ Axles	\$1.32	\$2.00
2	NORTH RAMPS AT TOLL NC147 & TOLL NC540		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.72	\$1.10
	3 Axles	\$1.44	\$2.20
	4+ Axles	\$2.88	\$4.40
3	SOUTH RAMPS AT TOLL NC147 & TOLL NC540		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.90	\$1.38
	3 Axles	\$1.80	\$2.76
	4+ Axles	\$3.60	\$5.52
4	TOLL NC540 MAINLINE AT TOLL NC147		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.58	\$0.88
	3 Axles	\$1.16	\$1.76
	4+ Axles	\$2.32	\$3.52
5	TOLL NC540 MAINLINE NORTH OF GREEN LEVEL WEST RD.		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.72	\$1.10
	3 Axles	\$1.44	\$2.20
	4+ Axles	\$2.88	\$4.40
6	TOLL NC540 RAMP AT US64		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.40	\$0.61
	3 Axles	\$0.80	\$1.22
	4+ Axles	\$1.60	\$2.44
7	TOLL NC540 MAINLINE NORTH OF S. SALEM ST.		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.91	\$1.39
	3 Axles	\$1.82	\$2.78
	4+ Axles	\$3.64	\$5.56
8	TOLL NC540 RAMP AT S. SALEM ST.		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.23	\$0.35
	3 Axles	\$0.46	\$0.70
	4+ Axles	\$0.92	\$1.40
9	TOLL NC540 MAINLINE NORTH OF NC55		
	NC Quick Pass	Bill by Mail	
	2 Axles	\$0.38	\$0.58
	3 Axles	\$0.76	\$1.16
	4+ Axles	\$1.52	\$2.32

TRIANGLE EXPRESSWAY



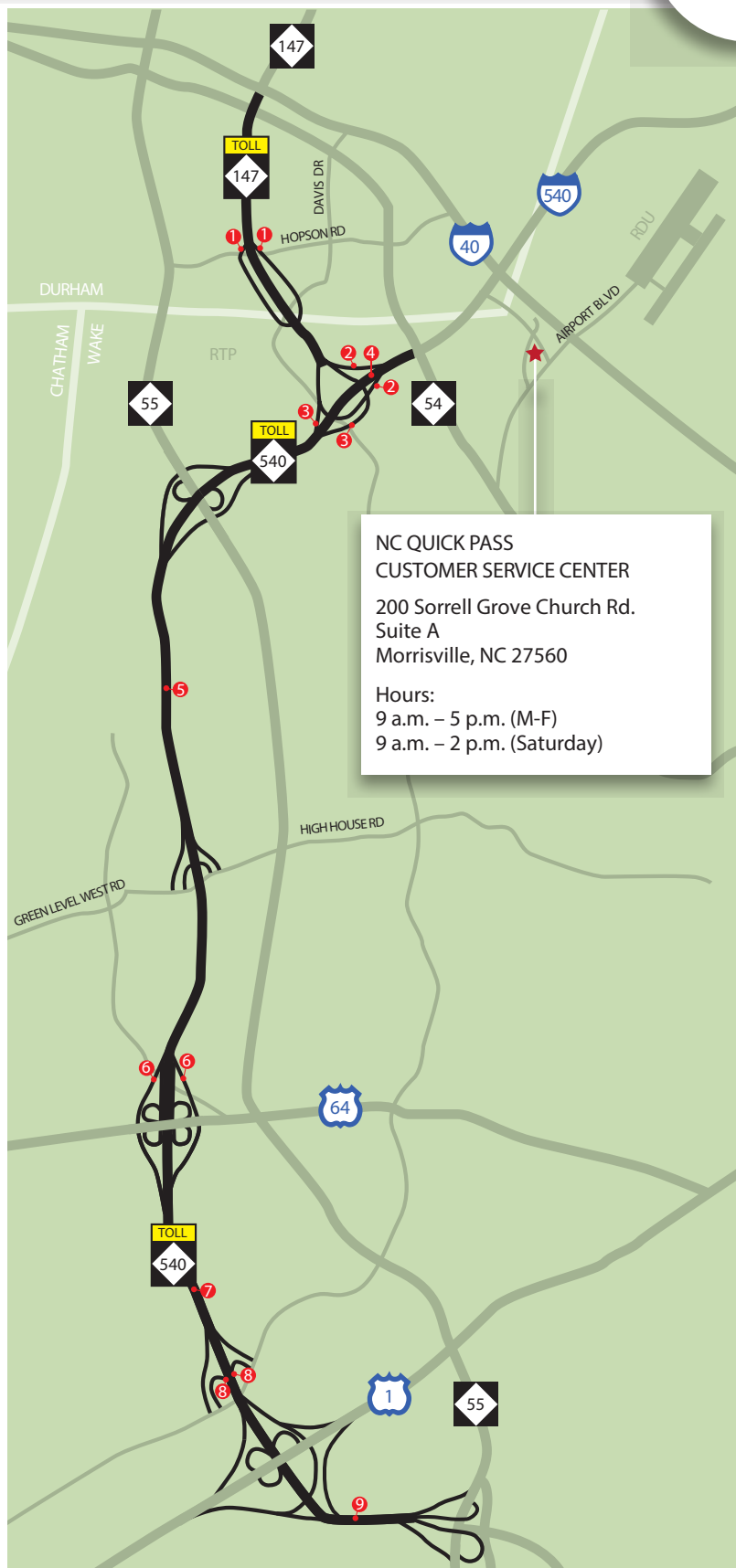
NORTH CAROLINA
Turnpike Authority

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BILL BY MAIL

Toll rates are effective January 1, 2016.



1	RAMP AT HOPSON RD/DAVIS DRIVE	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.34	\$0.52
3 Axles	\$0.68	\$1.04
4+ Axles	\$1.36	\$2.08
2	NORTH RAMPS AT TOLL NC147 & TOLL NC540	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.76	\$1.16
3 Axles	\$1.52	\$2.32
4+ Axles	\$3.04	\$4.64
3	SOUTH RAMPS AT TOLL NC147 & TOLL NC540	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.95	\$1.45
3 Axles	\$1.90	\$2.90
4+ Axles	\$3.80	\$5.80
4	TOLL NC540 MAINLINE AT TOLL NC147	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.61	\$0.93
3 Axles	\$1.22	\$1.86
4+ Axles	\$2.44	\$3.72
5	TOLL NC540 MAINLINE NORTH OF GREEN LEVEL WEST RD.	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.76	\$1.16
3 Axles	\$1.52	\$2.32
4+ Axles	\$3.04	\$4.64
6	TOLL NC540 RAMP AT US64	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.42	\$0.64
3 Axles	\$0.84	\$1.28
4+ Axles	\$1.68	\$2.56
7	TOLL NC540 MAINLINE NORTH OF S. SALEM ST.	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.94	\$1.44
3 Axles	\$1.88	\$2.88
4+ Axles	\$3.76	\$5.76
8	TOLL NC540 RAMP AT S. SALEM ST.	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.24	\$0.36
3 Axles	\$0.48	\$0.72
4+ Axles	\$0.96	\$1.44
9	TOLL NC540 MAINLINE NORTH OF NC55	
	NC Quick Pass	Bill by Mail
2 Axles	\$0.39	\$0.60
3 Axles	\$0.78	\$1.20
4+ Axles	\$1.56	\$2.40