



NORTH CAROLINA

Department of Transportation



Board of Directors Meeting

North Carolina Turnpike Authority

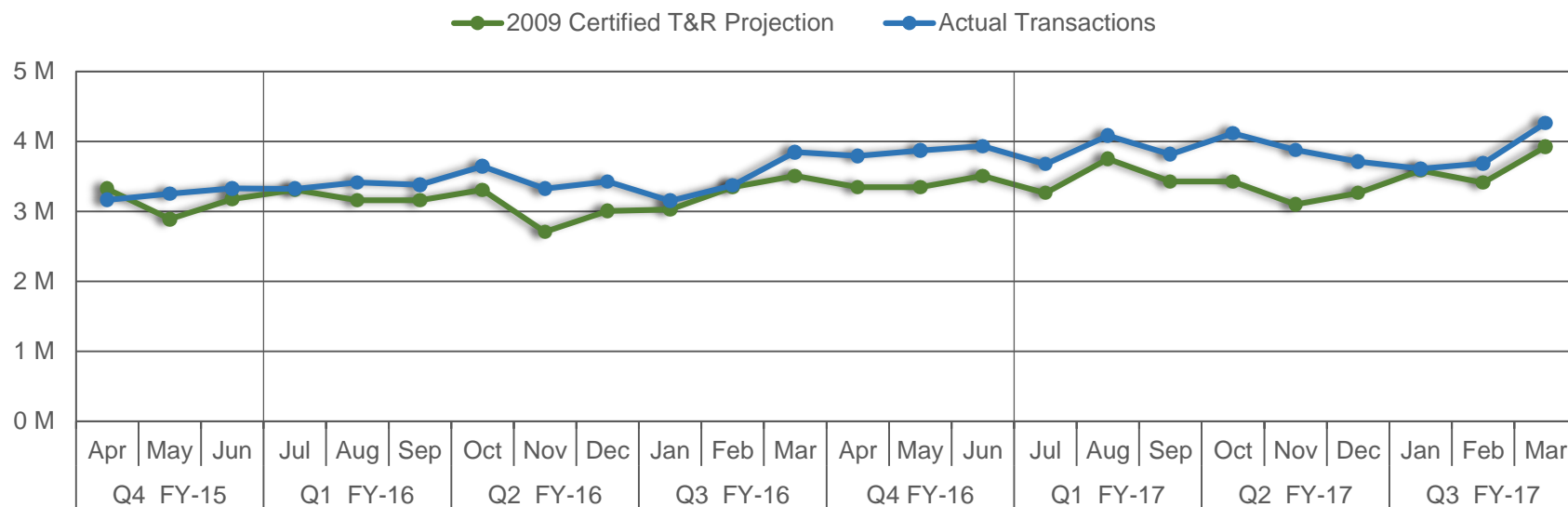
May 4, 2017

Triangle Expressway – 3rd Quarter Operations

Andy Lelewski, PE

Director of Toll Road Operations

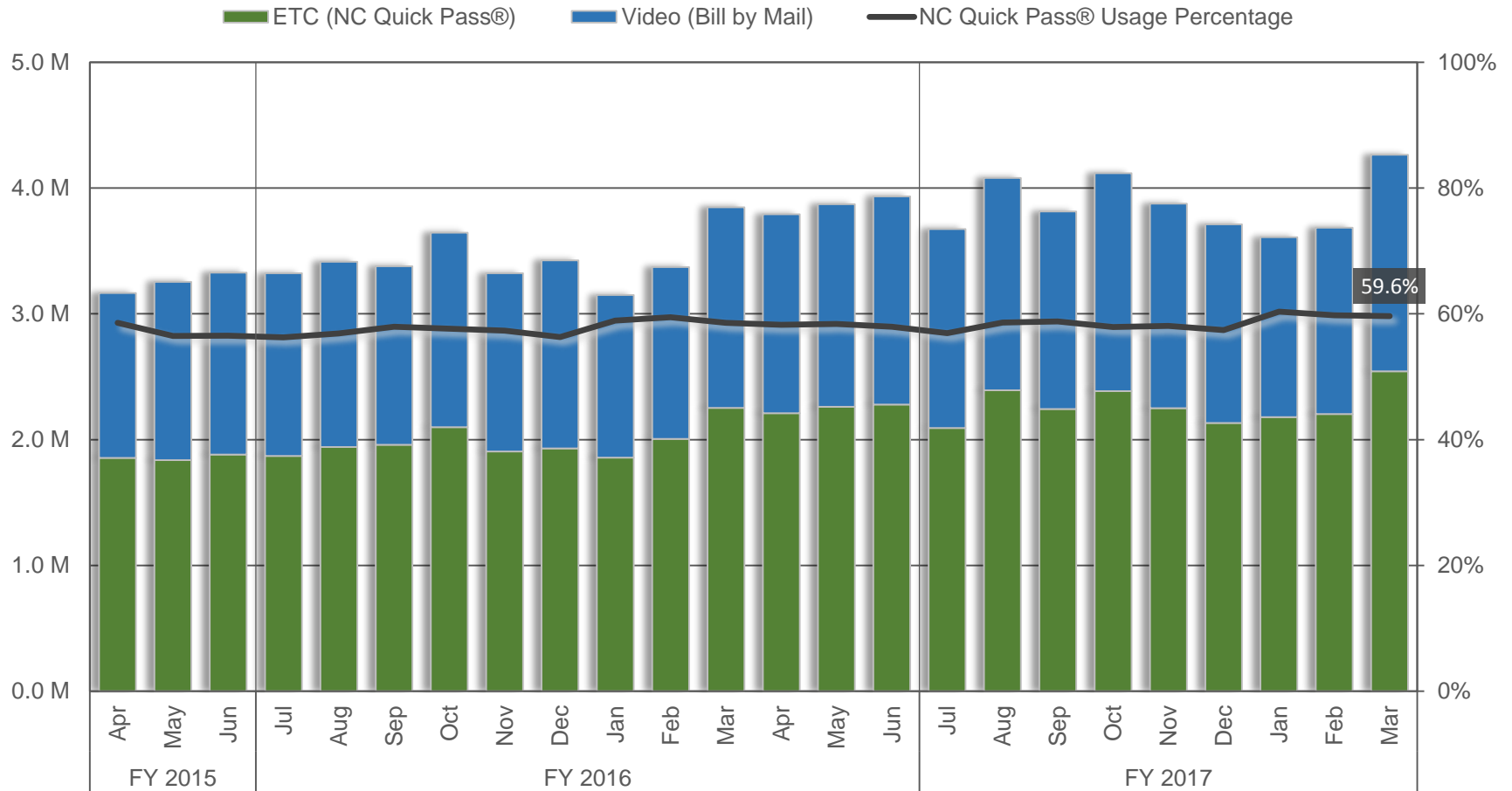
Transaction Statistics



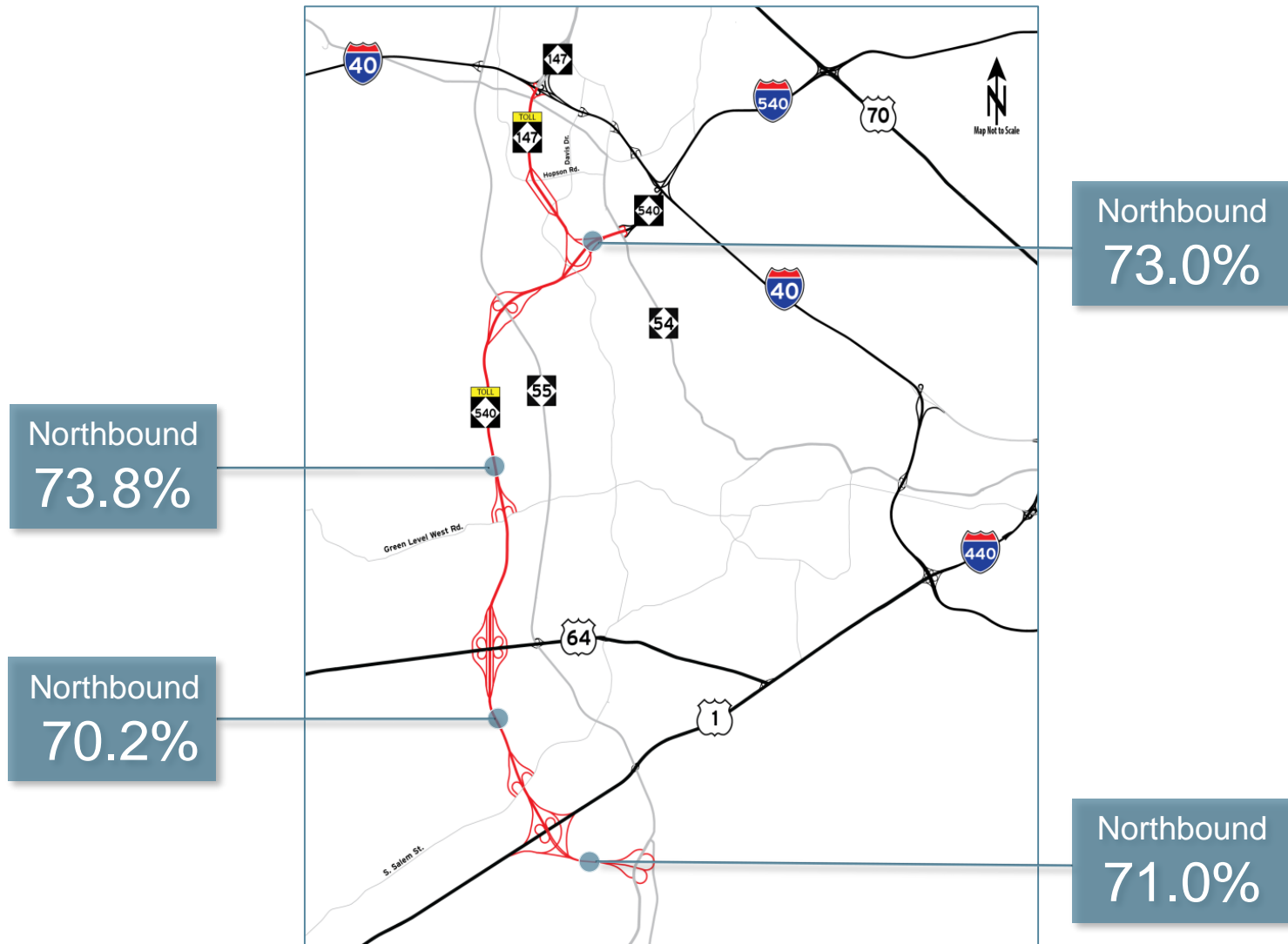
	Q4 FY-15	Q1 FY-16	Q2 FY-16	Q3 FY-16	Q4 FY-16	Q1 FY-17	Q2 FY-17	Q3 FY-17
Actual Transactions	9,747,177	10,114,193	10,393,787	10,370,030	11,596,894	11,570,102	11,706,855	11,561,253
2009 Certified Traffic and Revenue¹	9,389,855	9,623,134	9,021,687	9,882,200	10,200,979	10,440,591	9,788,054	10,918,982
Delta	357,322	491,059	1,372,100	487,830	1,395,915	1,129,511	1,918,801	642,271
Percent of Actual vs. 2009 Base Case	104%	105%	115%	105%	114%	111%	120%	106%

¹Target monthly transaction data based on annualized numbers contained in the 2009 Certified Traffic and Revenue Report developed by CDM Smith

Toll Transactions by Type

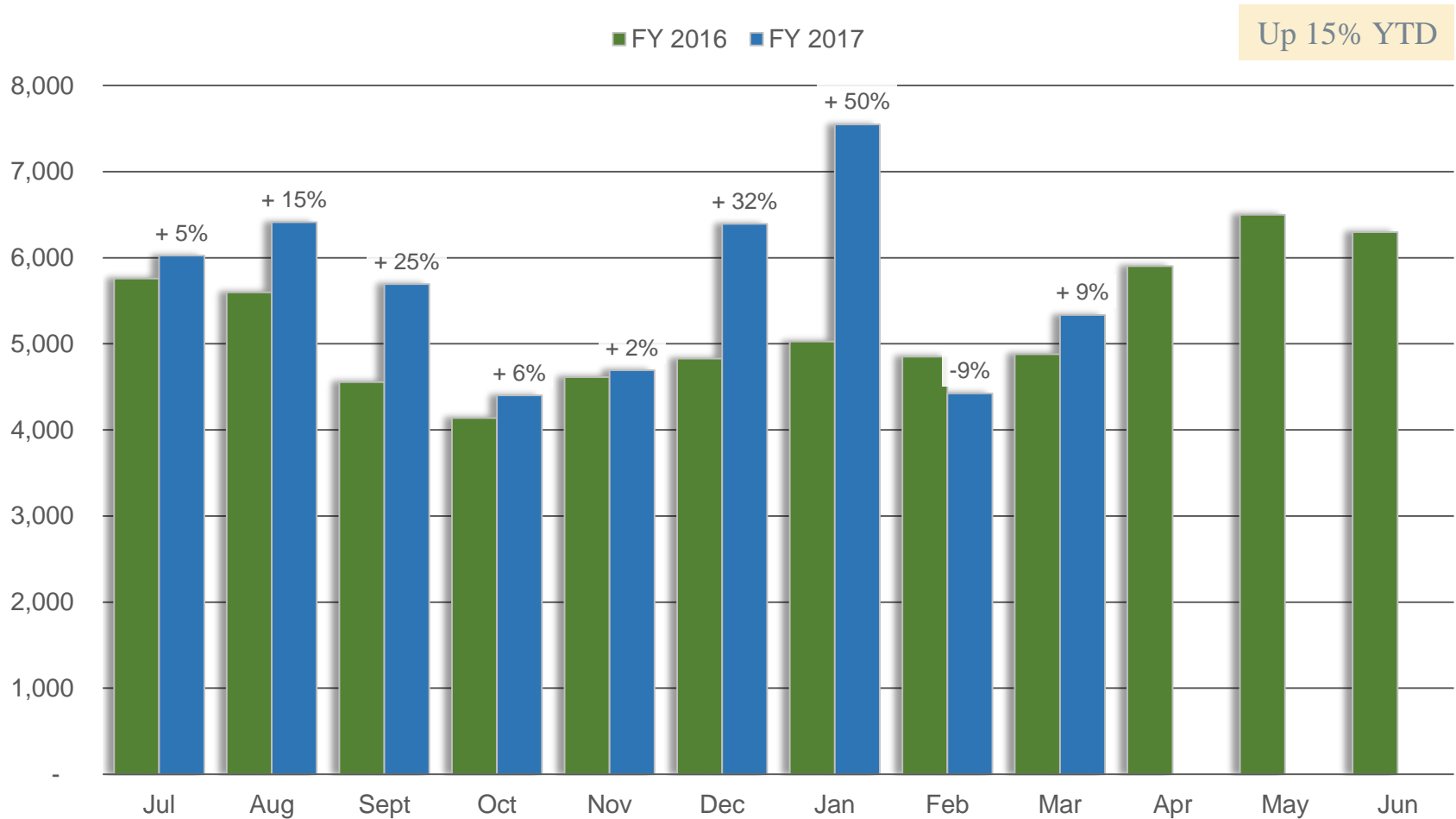


AM Peak Hour NC Quick Pass[®] Usage



Triangle Expressway Mainline Toll Zones
7:00 AM – 8:00 AM, April 5, 2017

NC Quick Pass[®] Transponders Sold



NC Quick Pass[®] Programs & Events

- New Storefront Greeter
- Continued Outreach Events
 - Durham Bulls
 - Holly Springs Salamanders
 - Information tables at June 11th, July 23rd, and August 6th games
 - Cary Spring Daze (April 29th)
 - Cary Lazy Daze (August 26th & 27th)

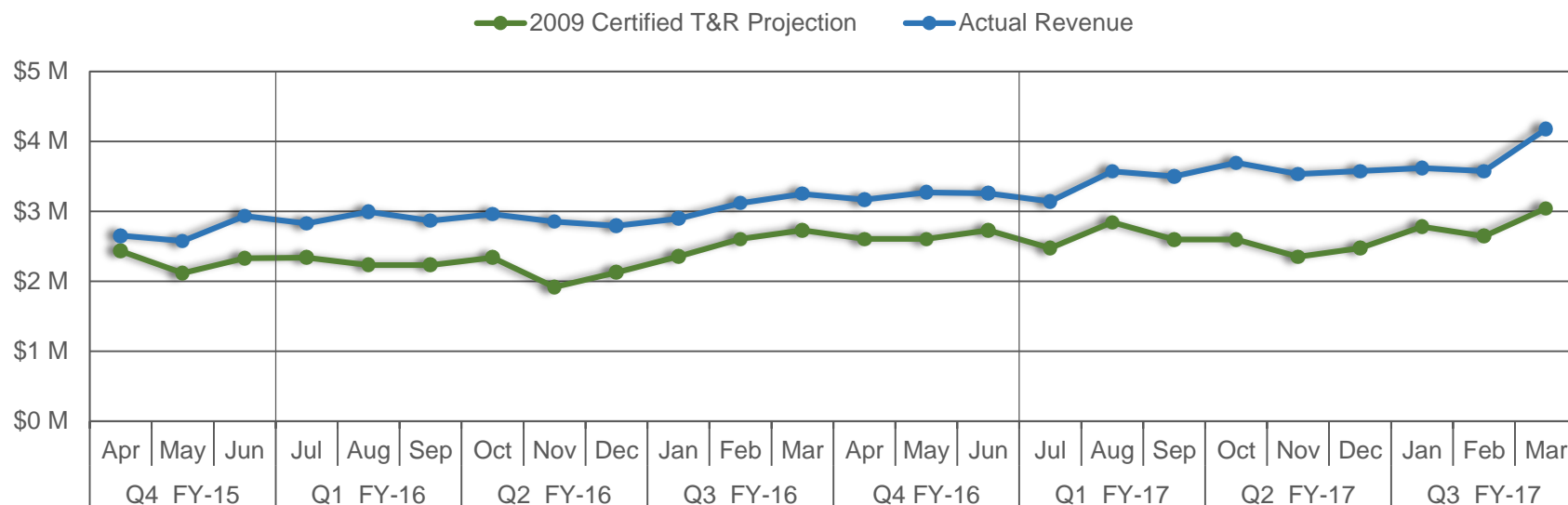


Triangle Expressway – 3rd Quarter Financials

David Roy

Director of Finance and Budget

Revenue Statistics

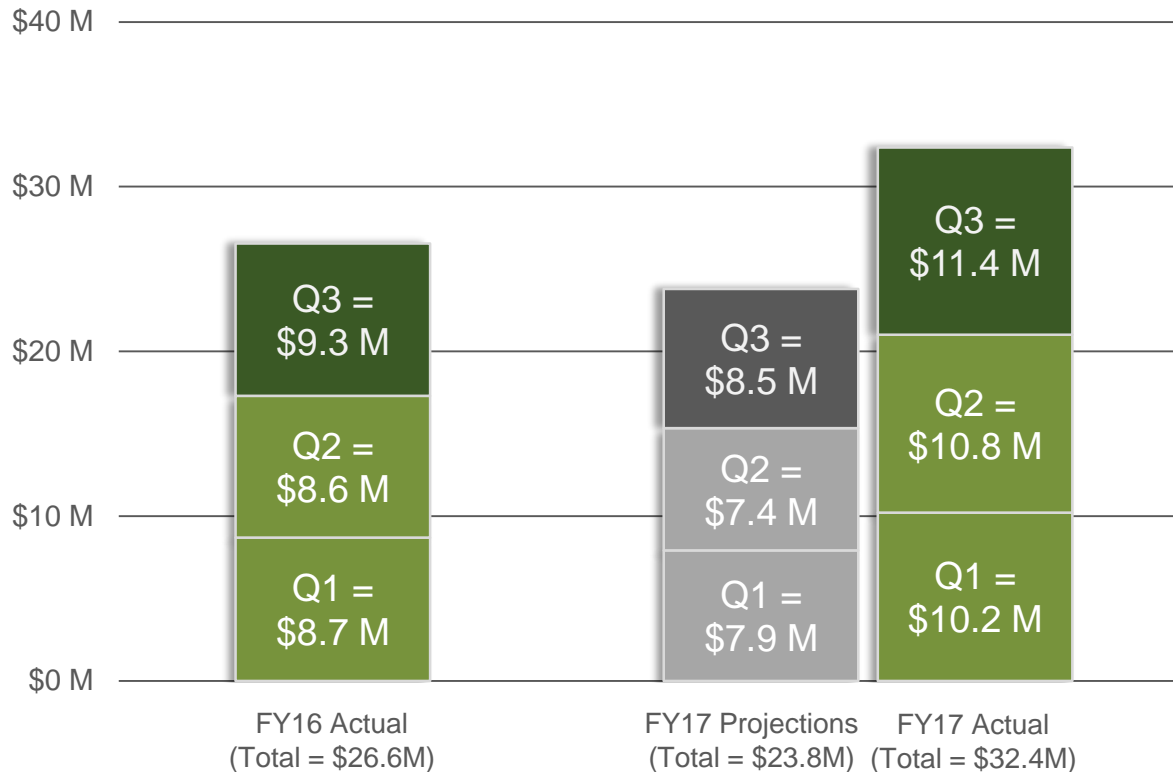


	Q4 FY-15	Q1 FY-16	Q2 FY-16	Q3 FY-16	Q4 FY-16	Q1 FY-17	Q2 FY-17	Q3 FY-17
Actual Revenue¹	\$ 8,162,630	\$ 8,689,600	\$ 8,607,686	\$ 9,262,129	\$ 9,695,119	\$10,210,606	\$10,802,362	\$11,371,706
2009 Certified Traffic and Revenue²	\$ 6,877,599	\$ 6,807,444	\$ 6,381,979	\$ 7,690,252	\$ 7,938,325	\$ 7,913,993	\$ 7,419,368	\$ 8,468,479
Delta (\$)	\$ 1,285,031	\$ 1,882,156	\$ 2,225,707	\$ 1,571,877	\$ 1,756,794	\$ 2,296,613	\$ 3,382,994	\$ 2,903,227
Percent of Actual vs. 2009 Base Case	119%	128%	135%	120%	122%	129%	146%	134%

¹Actual revenue is reported on a cash basis

²Target monthly revenue data based on annualized numbers contained in the 2009 Certified Traffic and Revenue Report developed by CDM Smith

Revenue Statistics

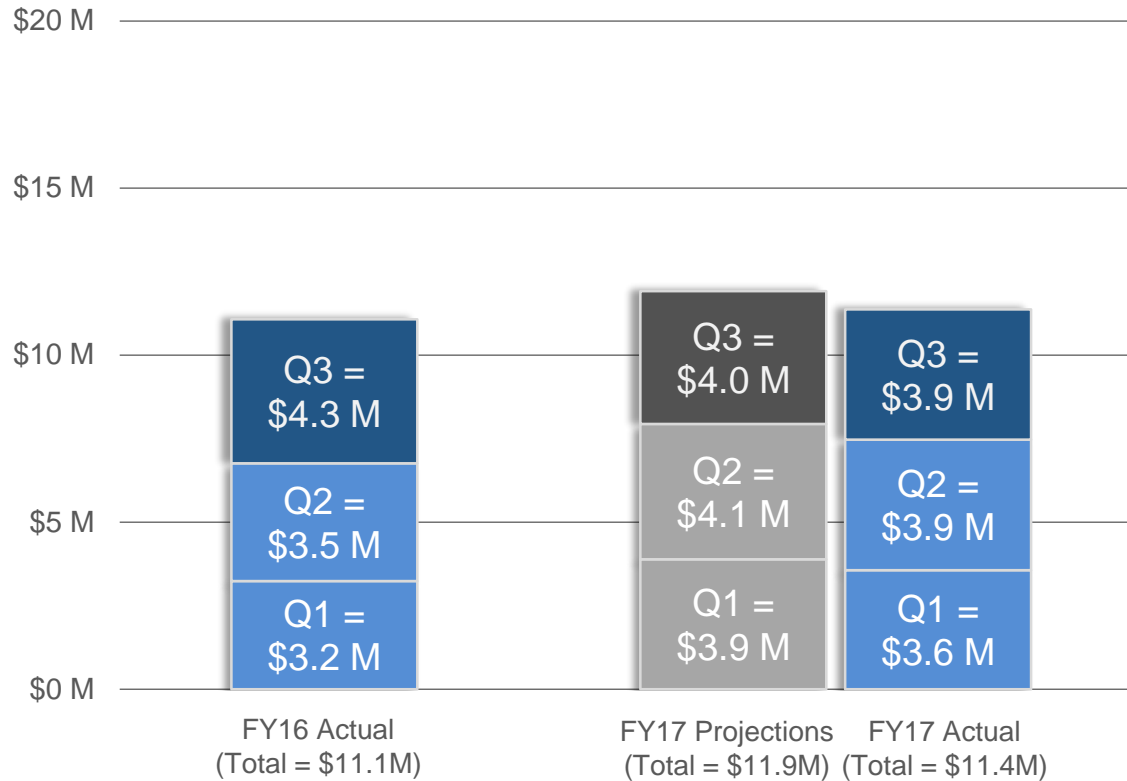


FY17 Quarter 3

- YTD revenues 36.1% higher than financing base case projections
- YTD revenues up 21.9% year-over-year

- Revenue figures are inclusive of all toll revenue and fees, but exclude transponder revenues (YTD = \$470,929.15)
- Actual revenues reported on a cash basis

Operating Expenditures



FY17 Quarter 3

YTD expenditures 4.6%
lower than projected
budget

- Actual operating expenditures reported on a cash basis

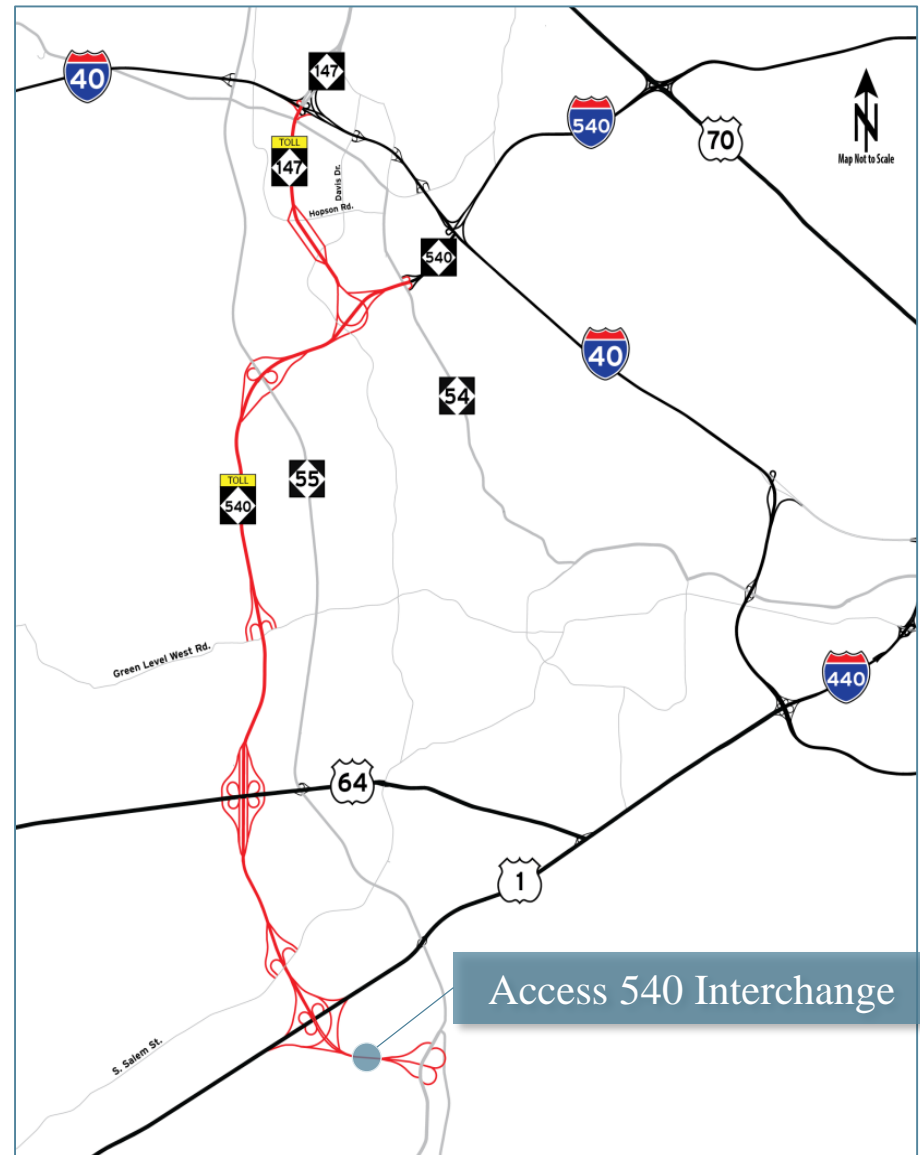
Veridea Parkway– Project Update

Dennis Jernigan, PE

Project Controls Engineer

Overview

- New interchange
- Widen bridge and Veridea Parkway
- 2 new All-Electronic Tolling (AET) sites on ramps
- Revised AET toll sites on mainline
- Design-Build contract awarded June 26, 2015
- Design-Build construction cost: \$18.4M



NEW INTERCHANGE



Veridea Parkway

OPENED April 2017







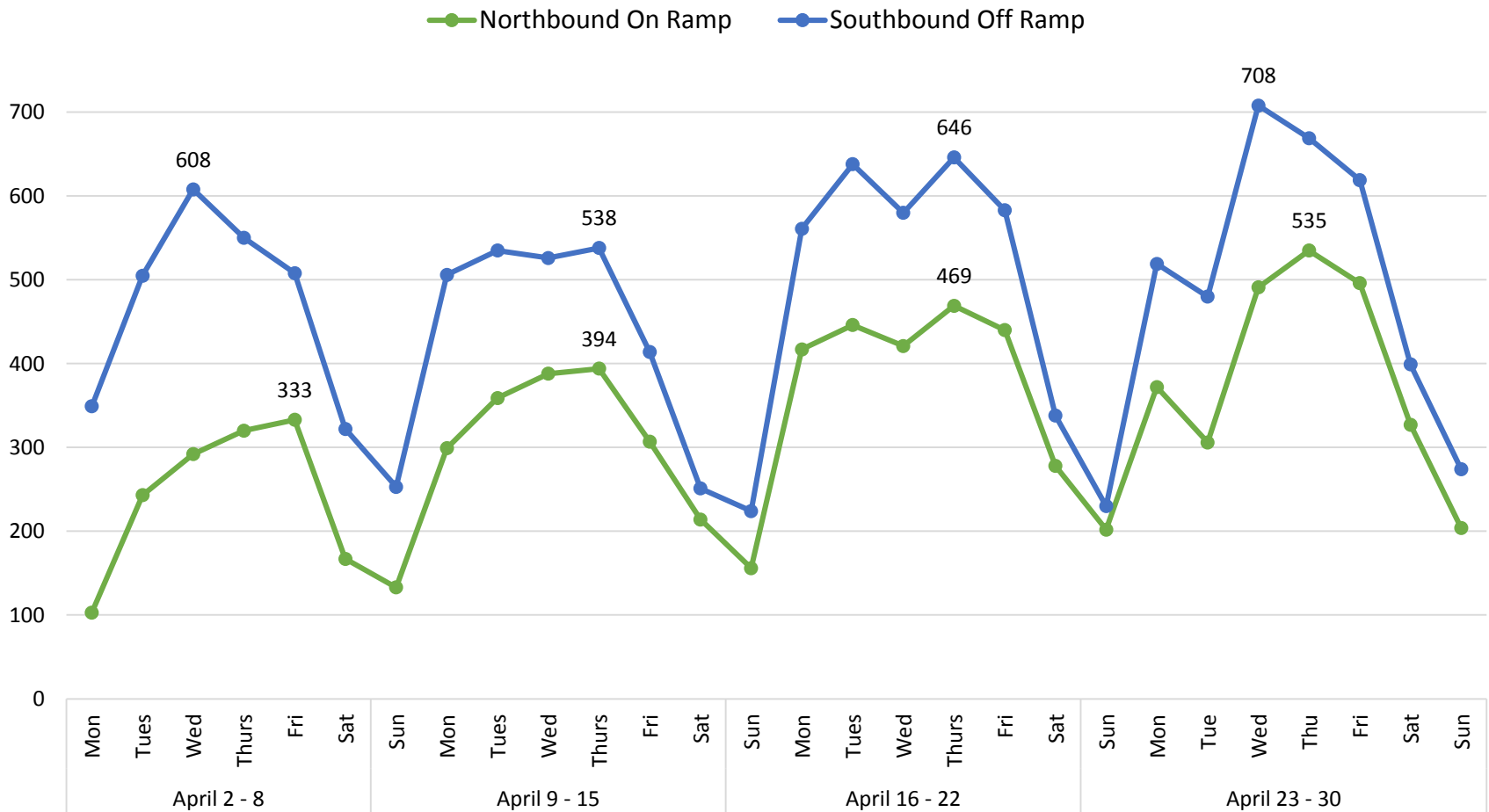
Schedule Update

- Site turned over to NCTA for toll integration and testing:
February 6, 2017 (complete)
- Open to Traffic: April 2017 (complete)
 - Transactions are being processed
 - Equipment is being closely monitored
- Structural Completion: Early June
- Final Completion: Early July



Site Acceptance Testing, April 2017

Transactions Processed

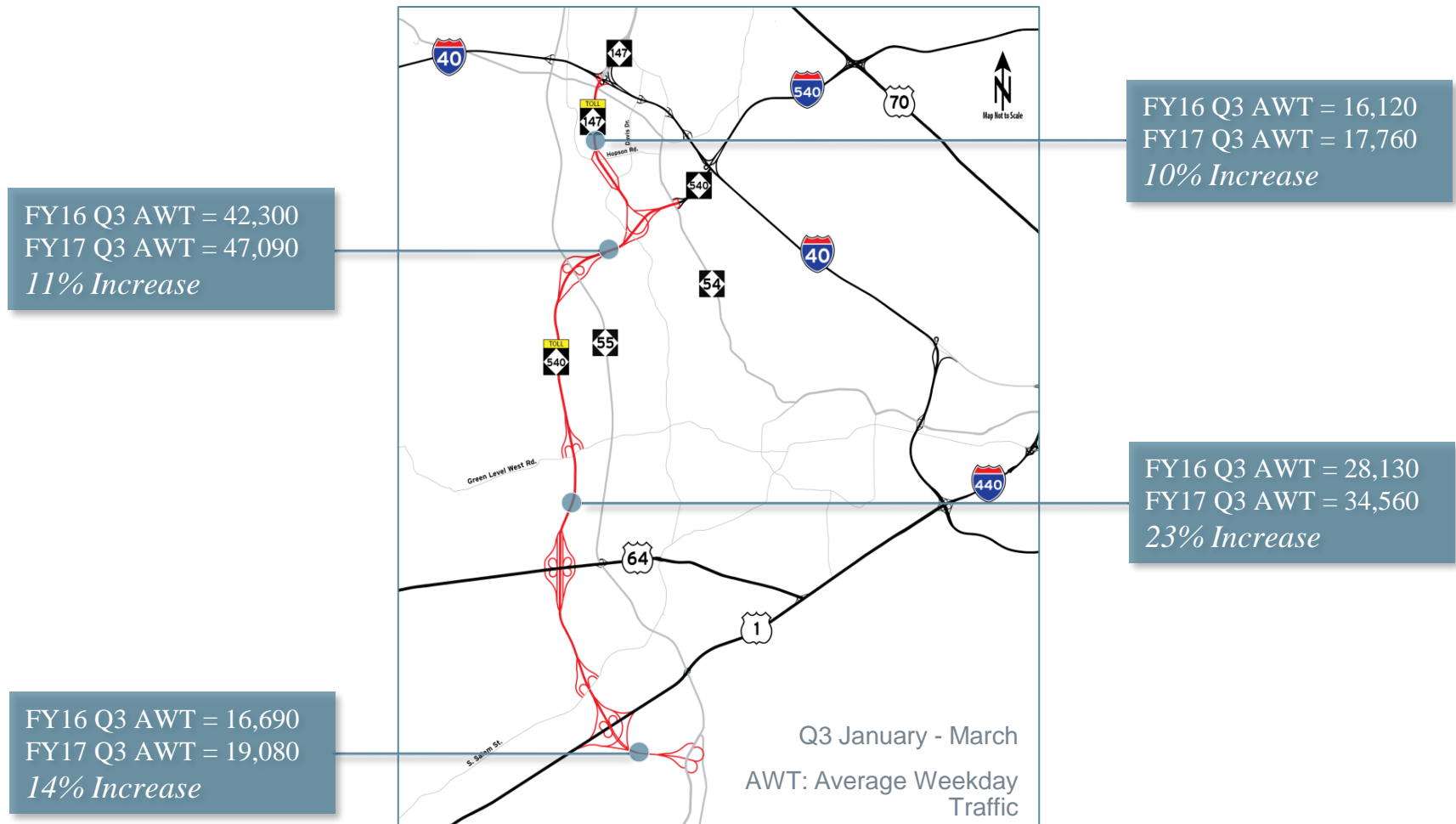


Triangle Expressway – Maintenance Report

Dennis Jernigan, PE

Project Controls Engineer

Mainline Traffic Statistics



Roadway Maintenance Statistics

	Q3 FY 2016	Q4 FY 2016	Q1 FY 2017	Q2 FY 2017	Q3 FY 2017
Road Surface	98.3	100.0	99.1	97.7	97.8
Unpaved Shoulders and Ditches	97.7	100.0	100.0	100.0	95.6
Drainage Structures	92.6	91.0	87.9	93.8	86.7
Roadside	92.1	83.4	90.0	93.7	90.3
Traffic Control Devices	93.5	96.1	90.5	88.3	91.4
Overall	94.9	94.7	93.4	93.9	92.7





Monroe Expressway – Project Update

Richard Baucom, PE

Construction Project Manager

Monroe Expressway Overview

- 20-mile long expressway
- 4 to 6 lanes wide (expandable to median)
- 37 bridges
- 21 box culverts
- 8 interchanges
- All-Electronic Tolling

Important Dates

- Phased Toll Site Turnover
May 2018 thru September 2018
- Substantial Completion
November 27, 2018
- Final Completion
May 28, 2019

Monroe Bypass Constructors, LLC



Monroe Bypass Constructors is a Joint Venture
comprised of three companies:



Anderson Columbia
Company, Inc.



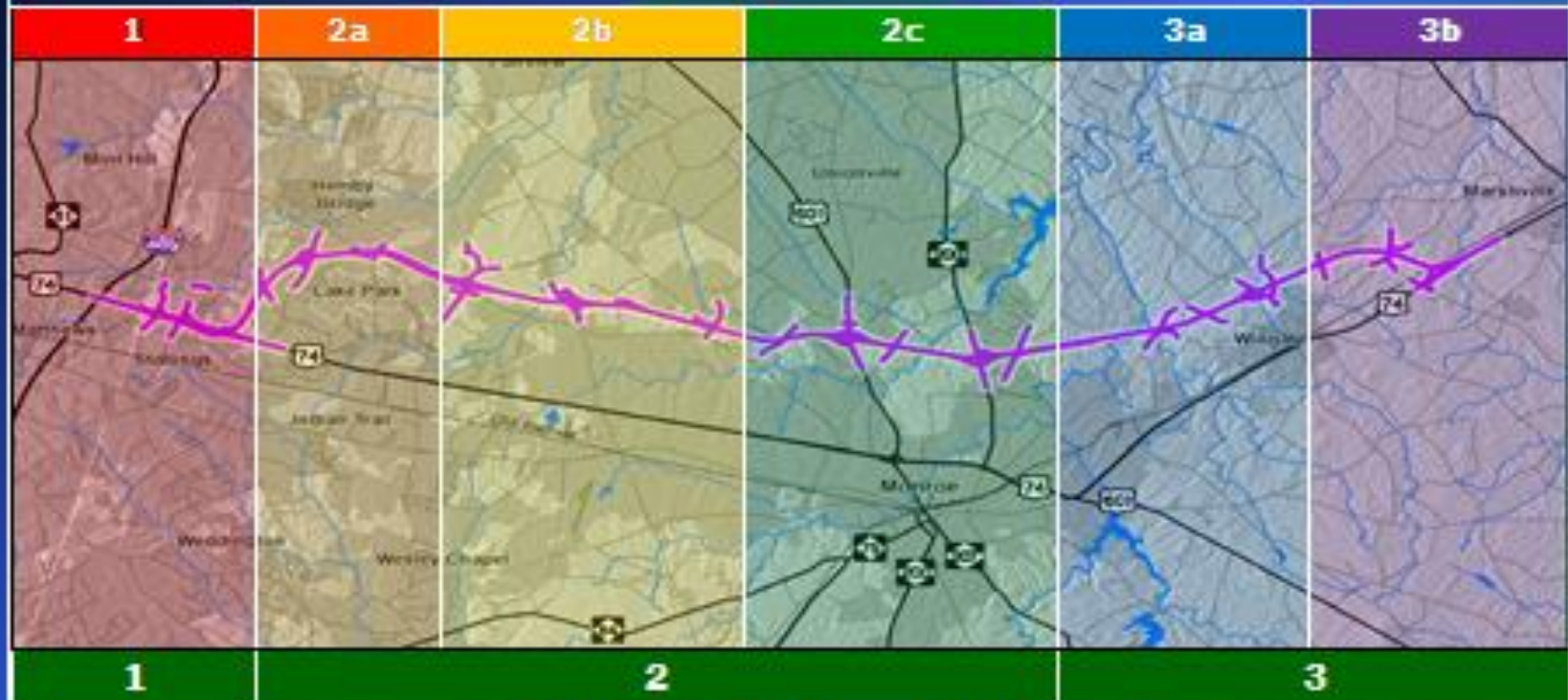
Boggs Paving, Inc.



United Infrastructure Group, Inc.

Project Segments & Sections

DESIGN SECTIONS



CONSTRUCTION SEGMENTS

MONROE
BYPASS CONSTRUCTORS

Expressway Bridge over CSX Railroad & US 74 Westbound (3B)



Forest Hills School Road Overpass & Phifer Road (3B)



Austin Chaney Road Interchange (3A)



Old Williams Road (3A)



Olive Branch Road & NC 200 (2C)



Toll Site between NC 200 & US 601 (2C)



Sound Wall near Fowler Road (2C)



Rocky River Road Interchange (2B)



Unionville-Indian Trail Road Interchange (2B)



Faith Church Road & Secrest Shortcut Road (2A)



Indian Trail-Fairview Road & Stinson Hartis Road (2A)



US 74 Interchange (1)



Elevated Section (1)



Triangle Expressway – Refunding Update

David Roy

Director of Finance and Budget

\$200,515,000 Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2017

- The Series 2017 Bonds were issued to advance refund the Series 2009A Bonds
 - \$234,310,000 of the 2009A Bonds were eligible for an advance refunding with a call date of January 1, 2019
 - The refunding generated Net Present Value savings in excess of \$32.2 million
- Financing Approval & Pricing Process
 - February 16 – Refunding opportunity presented to the Finance Committee
 - March 1 – Finance Committee recommends Board approval
 - March 3 – NCTA Board unanimously approved the Resolution and Bond Order
 - March 13 – LGC approval of the transaction
 - March 22 – Bond Pricing
 - March 30 – Closing of the Series 2017 Bonds

Plan of Finance

- Method of Sale
 - The 2017 Bonds were sold via negotiated sale on March 22, 2017
- Ratings
 - S&P upgraded the rating to 'BBB' with a Stable outlook
 - Fitch assigned a rating of 'BBB-' with a Stable outlook
- Structure
 - NCTA opted to structure the refunding to achieve savings on the long end to give the NCTA Board maximum flexibility in the future
 - A Surety Bond was used for the Debt Service Reserve Fund (DSRF) allowing NCTA to liquidate the existing cash DSRF to be used as a contribution into the escrow, reducing the bond size
 - Bond insurance was used for bonds maturing 2024, 2026-2029, 2031, and 2039

Plan of Finance

- Amortization & Optional Redemption
 - Interest is paid semiannually on January 1 and July 1 and principal is paid annually on July 1 in the years 2018 through 2032 and 2039.
 - Bonds are subject to optional redemption on or after January 1, 2027
- Underwriting Syndicate
 - Senior Underwriter: Bank of America Merrill Lynch
 - Co-Managers: Citigroup, J.P. Morgan, and Wells Fargo Securities
- Pricing/Execution
 - At pricing, municipal market yields remained low and investor demand was significant leading to a successful pricing and significant oversubscription on all maturities
- Purpose of Issue
 - Advance refund the Authority's callable 2009A Bonds, pay the premium for the Bond Insurance Policy, paying the premium for Debt Service Reserve Policy and pay costs of issuance

Savings

- Including the DSRF Release:
 - \$93.6 million in gross debt service savings
 - \$32.2 million in Net Present Value savings (13.7% of the Refunded Bonds par amount)
- All-in True Interest Cost
 - 2.5% reduction due to refunding
- Series 2017 Bonds: 3.58%
- Refunded Bonds: 6.08%

Date	Prior Net Cash Flow	Refunding Debt Service	Savings	PV Savings
07/01/2017	2,932,212	2,500,754	431,458	399,471
07/01/2018	13,011,206	12,974,094	37,113	11,067
07/01/2019	13,011,206	12,972,094	39,113	11,378
07/01/2020	15,154,075	15,116,844	37,231	7,999
07/01/2021	16,748,444	16,709,219	39,225	8,236
07/01/2022	17,931,069	17,893,344	37,725	5,381
07/01/2023	19,682,025	19,645,594	36,431	2,928
07/01/2024	21,659,194	21,615,844	43,350	7,153
07/01/2025	23,854,731	20,847,469	3,007,263	2,324,362
07/01/2026	25,718,222	20,847,719	4,870,503	3,663,757
07/01/2027	27,121,163	20,846,094	6,275,069	4,581,241
07/01/2028	28,563,400	20,850,594	7,712,806	5,461,976
07/01/2029	30,132,088	20,847,297	9,284,791	6,377,036
07/01/2030	27,448,381	16,428,000	11,020,381	7,338,936
07/01/2031	31,754,038	19,153,500	12,600,538	8,134,848
07/01/2032	33,119,569	19,174,875	13,944,694	8,726,737
07/01/2033	4,184,138	1,017,000	3,167,138	1,916,168
07/01/2034	4,069,138	1,017,000	3,052,138	1,789,275
07/01/2035	3,954,138	1,017,000	2,937,138	1,668,438
07/01/2036	3,839,138	1,017,000	2,822,138	1,553,404
07/01/2037	3,724,138	1,017,000	2,707,138	1,443,926
07/01/2038	3,609,138	1,017,000	2,592,138	1,339,771
07/01/2039	27,760,819	20,848,500	6,912,319	3,466,763
Total	398,981,665	305,373,832	93,607,833	60,240,251

PV of savings from cash flow	60,240,251
Less: Prior funds on hand	(28,092,053)
Plus: Refunding funds on hand	4,871
Net PV Savings	32,153,069

Review of the Comprehensive Agreement between
the North Carolina Department of Transportation
and I-77 Mobility Partners LLC

Preliminary Report on Public Input

May 2017

Overview

NCDOT has initiated a review of the Comprehensive Agreement with I-77 Mobility Partners LLC. The objective is to identify and evaluate potential policy options that might address concerns expressed by members of the public regarding the implementation of the managed toll lanes concept and various provisions in the agreement.

This presentation highlights various concerns and questions raised in the comments and suggestions submitted by project stakeholders and members of the public.

Presentation Outline

- Purpose of the Public Input Review
- Overarching Concerns Expressed by Members of the Public
- Additional Areas of Concern
- Frequent Contract Questions
- Public Suggestions that can be Evaluated
- Factors to be Considered
- Next Steps

Purpose of the Public Input Review

- Not a referendum on the Project.
- Objective is to ensure that issues of concern to members of the public are evaluated.
- Extensive public debate generated in prior years has been supplemented with recent submissions to the NCDOT website.

This presentation highlights the key concerns and questions identified to date. The recent website submissions from the public will be posted verbatim.

Overarching Concerns Expressed by Members of the Public

- Will the toll lanes relieve congestion in the existing general purpose lanes or make it worse?
- How much will I have to pay to use the toll lanes?
- What prevents price gouging during accidents and bad weather?
- Will drivers know the toll rates and travel times in the general purpose lanes before making a decision?



Additional Areas of Public Concern



- Number and location of the points of access to and egress from the toll lanes
- Safe merging and lane changes
- Traffic impacts on NC 115 and U.S. Route 21
- Right-of-way for future improvements
- Impact of tractor trailer prohibition on safety, local mobility and freight logistics
- Construction standards for P3 constructed lanes
- Landscaping and sound walls
- Administrative fees for account maintenance and toll violations

Frequent Contract Questions

- How much will it cost to terminate the Comprehensive Agreement?
- Can the length of agreement be shortened?
- What capacity expansions can be implemented without paying a penalty to the Private Partner?
- Are taxpayers backstopping the toll revenue projections and guaranteeing a profit for the private investors?
- What are the ramifications and remedies if the Private Partner goes bankrupt?
- What resources have been committed to oversight of the Private Partner's performance and payments to affiliates?
- What is the source of funding for payments to the Private Partner for unplanned revenue impacting facilities?



Sample of Public Suggestions that may be Evaluated

Can we:

- Suspend work on toll lanes and pursue funding for design, permitting and construction of alternative improvements without tolls?
- Defer or eliminate tolling of certain segments?
- Consider options available to add auxiliary lanes or other capacity improvements to facilitate local travel?
- Reduce uncertainty by delaying transition to dynamic pricing after six months and extending use of defined toll schedules?
- Reduce financial impact on local residents by establishing frequent user discounts or toll credits for use above certain dollar threshold?

Examples are for discussion purposes only; list of options may be refined/expanded during the review process

Sample of Public Suggestions that may be Evaluated

Can we:

- Encourage greater use of new capacity by allowing HOV-2 for some period of time?
- Develop options to facilitate the movement of trucks?
- Modify agreement to reduce uncertainty regarding compensation for unplanned revenue impacting facilities?
- Examine feasibility of NCTA financing the purchase of the completed toll lanes?

Examples are for discussion purposes only; list of options may be refined/expanded during the review process

Factors to be Considered

- Potential safety and environmental impacts
- Technical feasibility and impact on project cost and schedule
- Allocation of risk between public and private partners
- Legislative and regulatory authority to implement option
- Compatibility with state, regional and local transportation plans
- Constraints on use of funds currently committed to the project
- Rights and protections established for the tax-exempt bondholders
- Consents and approvals required by U.S. Department of Transportation under the TIFIA Loan Agreement



Next Steps

Tentative Date		Focus of presentation
May 17, 2017	Charlotte Regional Transportation Planning Organization	<i>Preliminary report on public input</i>
July 19, 2017	Charlotte Regional Transportation Planning Organization	<i>Draft Findings and Options</i>
August 3, 2017	North Carolina Board of Transportation	<i>Draft Findings and Options</i>
August 3, 2017	North Carolina Turnpike Authority Board	<i>Draft Findings and Options</i>