

North Carolina Turnpike Authority

Board of Directors Meeting

February 10, 2022



Opening Comments

Secretary Boyette
Chair

Executive Director Comments

JJ Eden
Executive Director

Board Member & Staff Award Ceremony

Secretary Boyette
Chair

JJ Eden
Executive Director



Mr. Scott Aman
Mr. Rodger Rochelle

**Thank you for your support and dedication
to the North Carolina Turnpike Authority!**

Operations Committee Report

Montell Irvin, P.E.
Operations Committee Chair

Finance Committee Report

Robert Teer
Finance Committee Chair

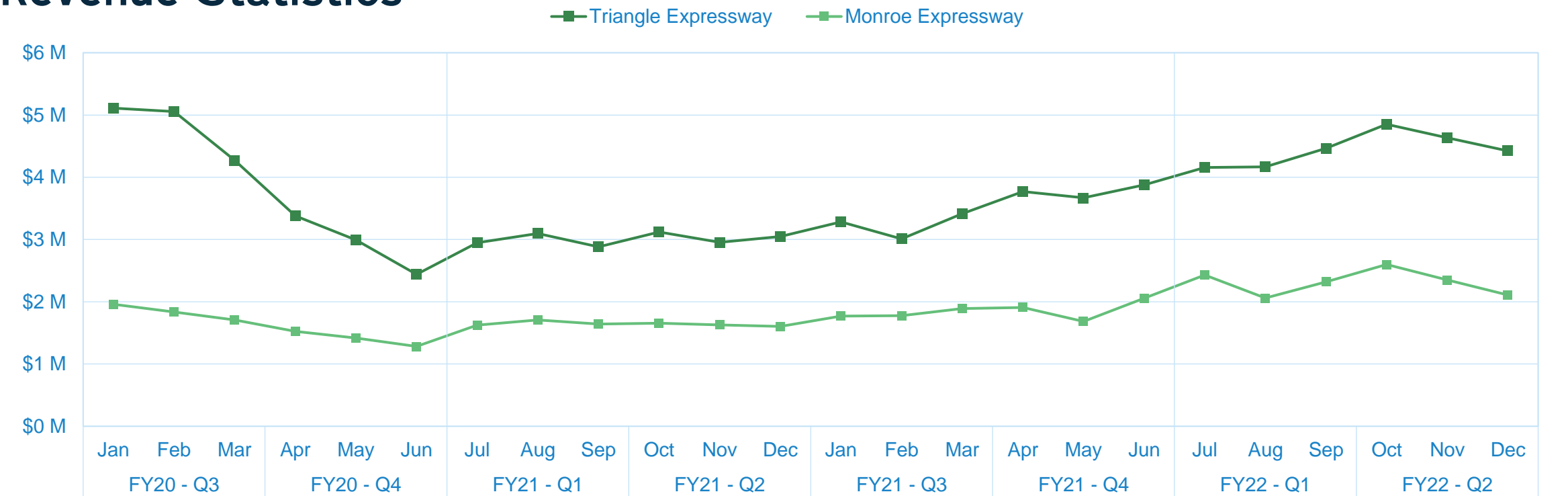
Finance & Budget Update

Kim Medlin
Controller

David Roy
Chief Financial Officer

Revenue Statistics & Operating Expenditures

Revenue Statistics



	FY20 – Q3	FY20 – Q4	FY21 – Q1	FY21 – Q2	FY21 – Q3	FY21 – Q4	FY22 – Q1	FY22 – Q2
Triangle Expressway Actual Revenue¹	\$ 14,438,863	\$ 8,810,451	\$8,926,222	\$9,125,206	\$9,710,112	\$11,317,045	\$12,789,168	\$13,912,848
YOY Percent Change	10.5%	-37.9%	-39.5%	-38.3%	-32.8%	28.5%	43.3%	52.5%

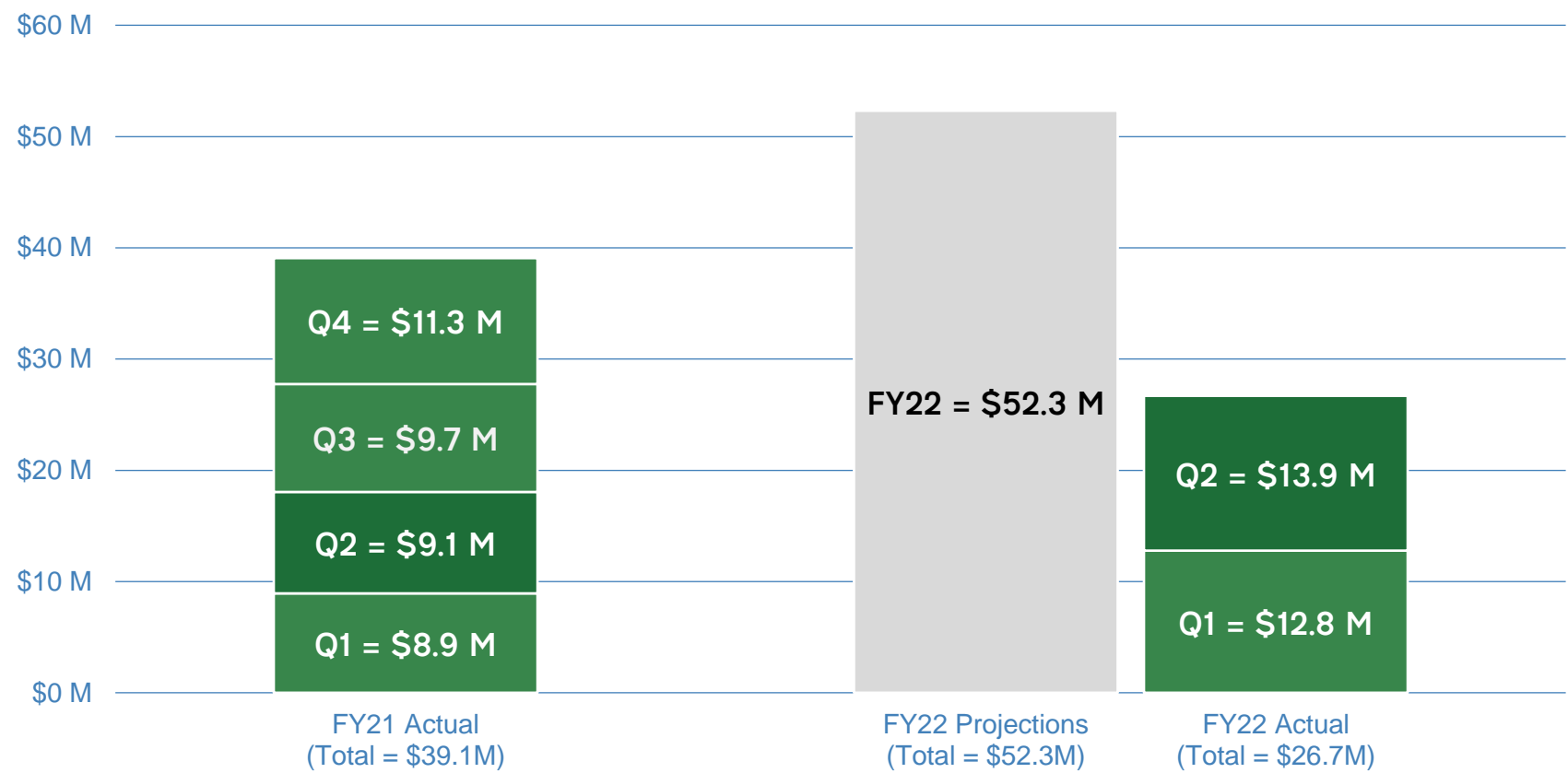
	FY20 – Q3	FY20 – Q4	FY21 – Q1	FY21 – Q2	FY21 – Q3	FY21 – Q4	FY22 – Q1	FY22 – Q2
Monroe Expressway Actual Revenue¹	\$ 5,505,598	\$ 4,222,890	\$4,974,067	\$4,890,642	\$5,438,045	\$5,647,673	\$6,806,332	\$7,053,956
YOY Percent Change	-	1.8%	-12.4%	-17.5%	-1.2%	33.7%	36.8%	44.2%

¹Actual revenue is reported on a cash basis

Revenue Statistics

Triangle Expressway

YTD revenues up **47.9%**
year-over-year

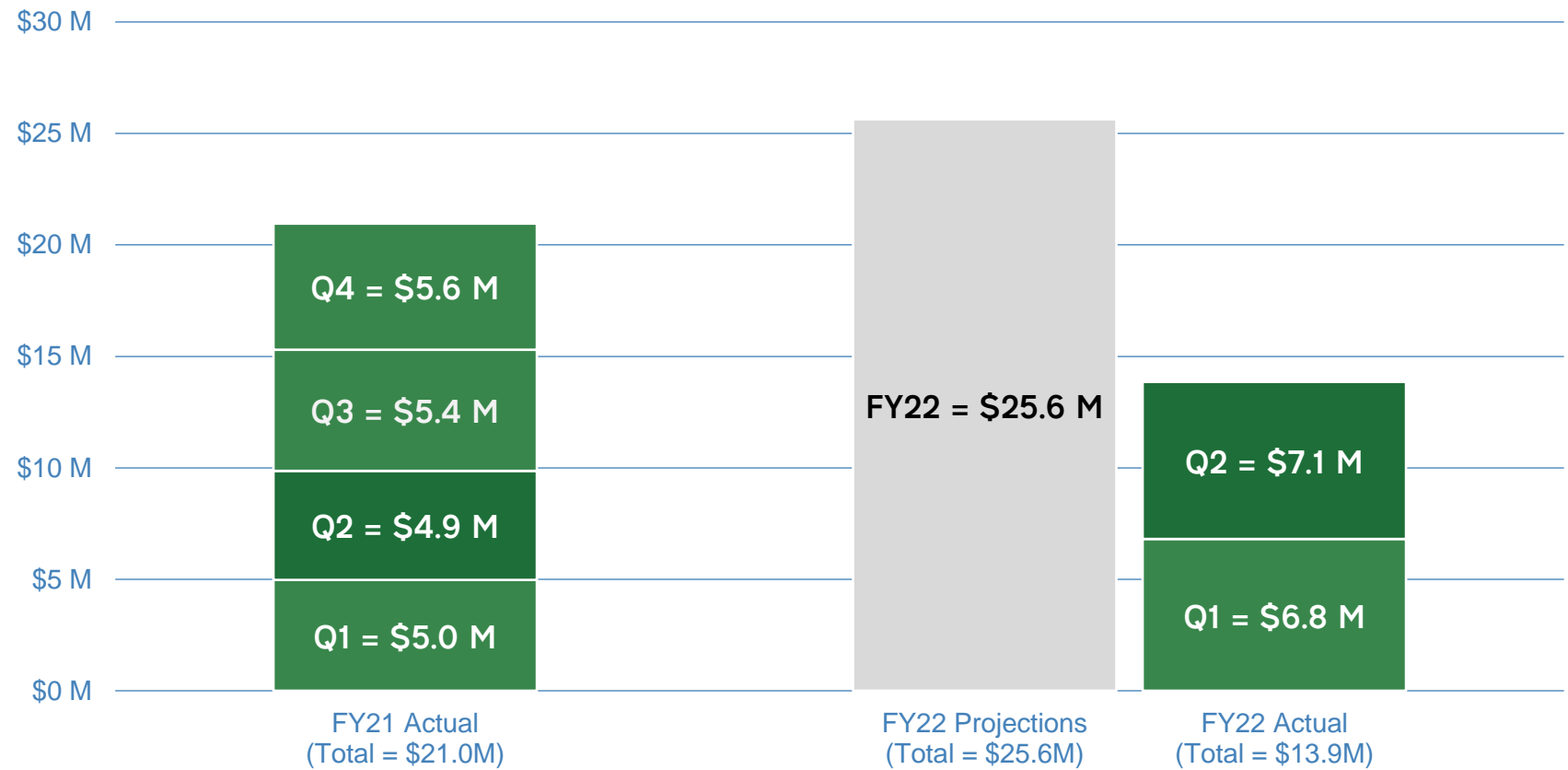


- Revenue figures are inclusive of all toll revenue and fees
- Actual revenues reported on a cash basis

Revenue Statistics

Monroe Expressway

YTD revenues up **40.5%**
year-over-year

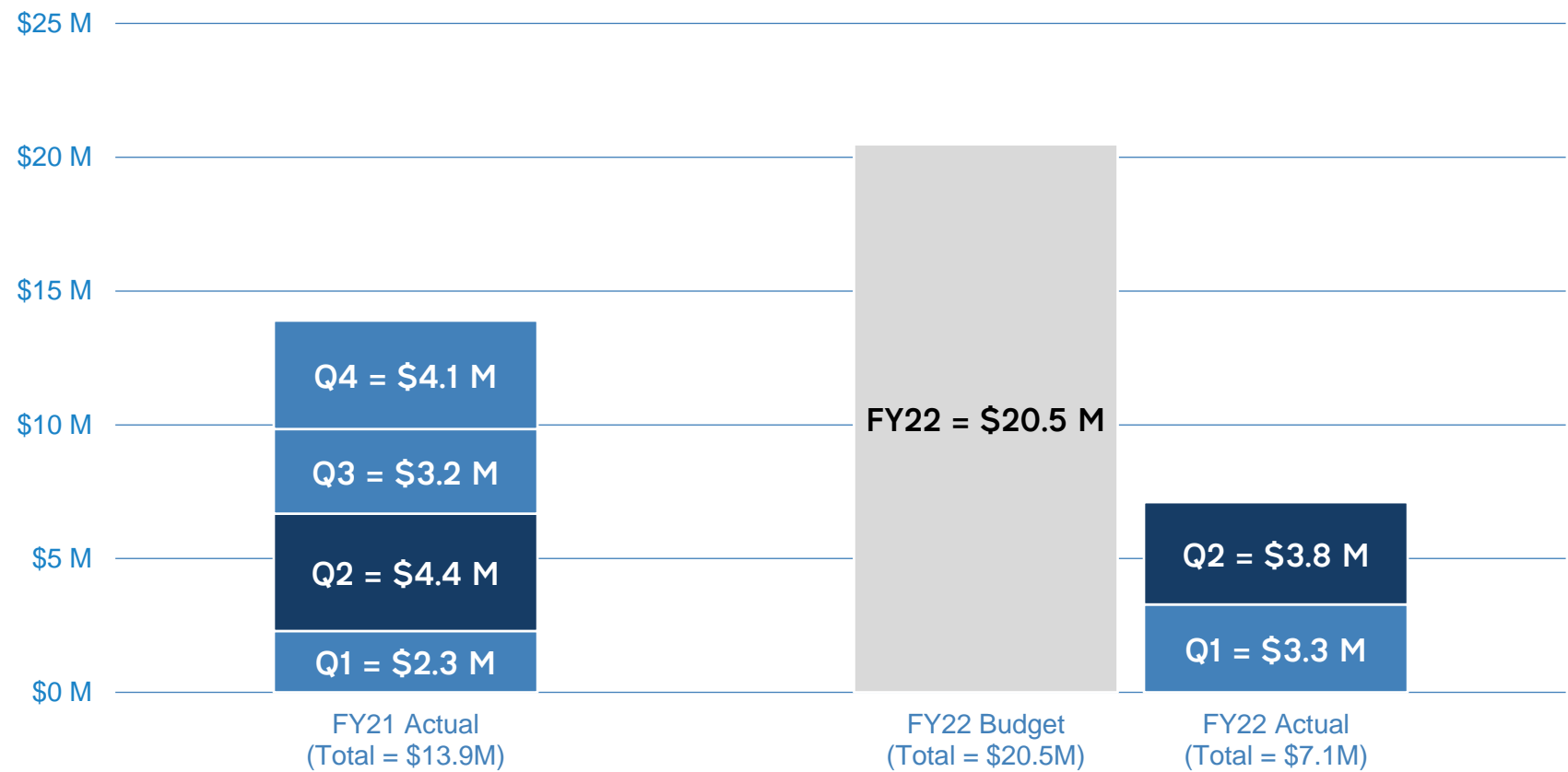


- Revenue figures are inclusive of all toll revenue and fees
- Actual revenues reported on a cash basis

Operating Expenditures

Triangle Expressway

YTD expenditures **30.7%**
lower than projected budget

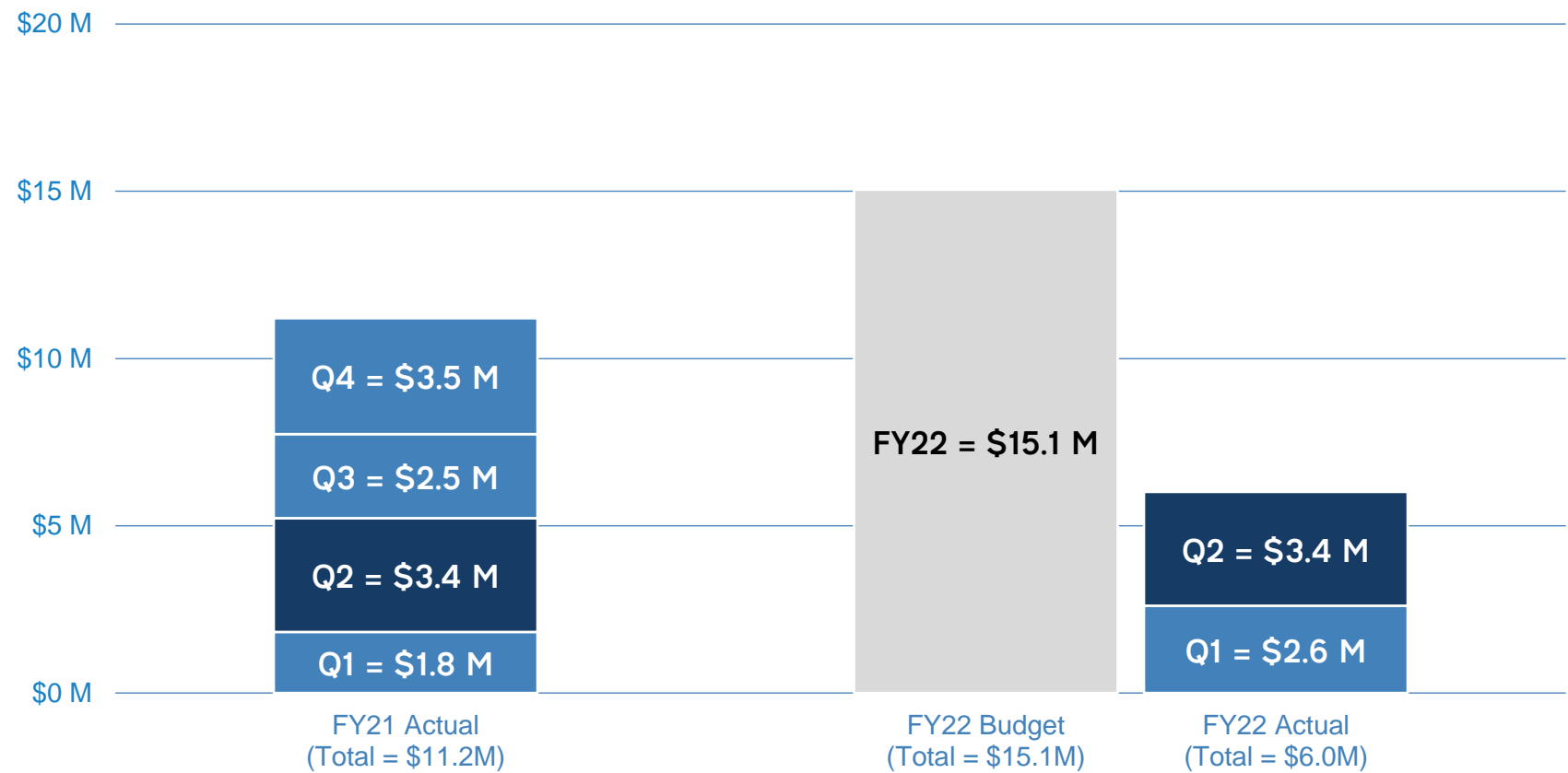


- Actual operating expenditures reported on a cash basis

Operating Expenditures

Monroe Expressway

YTD expenditures **23.1%**
lower than projected budget



- Actual operating expenditures reported on a cash basis

Monroe Expressway TIFIA Refunding

Kate Trimble
Financial Analyst

Refunding Opportunity – Monroe TIFIA Loan

- Similar to the prior refunding of the Triangle Expressway TIFIA Loan, a refunding of the Monroe TIFIA Loan has been identified as an advantageous refunding opportunity
- The Monroe TIFIA Loan is callable at any time and therefore, may be refunded with tax-exempt bonds
- In addition to debt service savings, refunding benefits may include:
 - Release of the Senior Lien Toll Revenue Bonds Debt Service Reserve Fund via a surety policy, which could then be used to further reduce debt service and/or pay capital costs
 - Release of the TIFIA Loan Debt Service Reserve Fund which becomes unrestricted cash
 - Elimination of onerous covenants, including TIFIA reporting requirements
 - Elimination of TIFIA loan prepayment provisions
 - Opportunity to prepare for future system expansion

Transaction Overview

Monroe Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2022A (“Series 2022A Bonds”)	
Issuer:	North Carolina Turnpike Authority (the “Authority” or “NCTA”)
Series:	Monroe Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2022A
Par Amount*:	Not to exceed \$185,000,000 (Current Estimate: \$154,665,000)
Maturity Date*:	July 1, 2053
Interest Payments:	Payable January 1 and July 1 of each year commencing July 1, 2022, and upon maturity
Purpose*:	<p>The Series 2022A Bonds are being issued to:</p> <ul style="list-style-type: none"> (a) refund in advance of its maturity the Authority’s Monroe Expressway Revenue Bond, TIFIA Series 2016 (b) pay certain costs incurred in connection with the issuance of the Series 2022A Bonds (c) pay the premium on a bond insurance policy for certain Series 2022A Bonds (d) pay the premium for a debt service reserve insurance policy with respect to the 2022A Bonds
Security:	The Series 2022A Bonds will be special obligations of the Authority, secured by and payable from the Revenues of the Monroe Expressway System and, under certain circumstances, the proceeds of the Series 2022A Bonds, investment earnings and certain other proceeds.
Expected Pricing*:	March 10, 2022
Expected Closing*:	March 24, 2022

*Preliminary, subject to change; when, as, and if issued.

Debt Service Savings

- Estimated cash flow savings of \$32.1 million; average annual debt service reduction of \$940k

Date	Prior Debt Service	Refunding Debt Service	Partial TIFIA DSRF Release Savings Adjustment*	Refunding Net Cash Flow	Savings	Present Value to 03/24/2022 @ 2.77%
7/1/2022	1,076,831	1,503,729	(2,984,631)	(1,480,902)	2,557,733	2,538,858
7/1/2023	3,915,748	5,580,850	(2,984,631)	2,596,219	1,319,529	1,303,039
7/1/2024	6,079,469	5,580,850	-	5,580,850	498,619	471,704
7/1/2025	6,607,592	5,760,850	-	5,760,850	846,742	780,454
7/1/2026	6,809,396	5,961,850	-	5,961,850	847,546	761,303
7/1/2027	7,029,935	6,182,350	-	6,182,350	847,585	742,131
7/1/2028	7,029,935	6,185,850	-	6,185,850	844,085	719,245
7/1/2029	9,146,887	8,302,600	-	8,302,600	844,287	712,253
7/1/2030	9,366,729	8,521,850	-	8,521,850	844,879	695,519
7/1/2031	9,635,026	8,788,100	-	8,788,100	846,926	680,641
7/1/2032	9,910,891	9,063,100	-	9,063,100	847,791	665,298
7/1/2033	10,201,437	9,245,350	-	9,245,350	956,087	729,264
7/1/2034	10,509,257	9,243,350	-	9,243,350	1,265,907	933,250
7/1/2035	10,817,037	9,245,350	-	9,245,350	1,571,687	1,122,845
7/1/2036	11,134,056	9,244,550	-	9,244,550	1,889,506	1,309,426
7/1/2037	10,961,103	9,225,950	-	9,225,950	1,735,153	1,176,359
7/1/2038	10,053,700	9,204,950	-	9,204,950	848,750	570,611
7/1/2039	10,053,700	9,206,350	-	9,206,350	847,350	555,209
7/1/2040	10,053,480	9,208,950	-	9,208,950	844,530	539,400
7/1/2041	10,053,700	9,207,350	-	9,207,350	846,350	526,809
7/1/2042	10,053,700	9,206,350	-	9,206,350	847,350	514,072
7/1/2043	10,053,700	9,205,550	-	9,205,550	848,150	501,565
7/1/2044	10,053,477	9,206,050	-	9,206,050	847,427	488,321
7/1/2045	10,053,701	9,205,550	-	9,205,550	848,151	476,212
7/1/2046	10,053,702	9,208,900	-	9,208,900	844,802	462,332
7/1/2047	10,053,702	9,205,800	-	9,205,800	847,902	452,097
7/1/2048	10,053,472	9,206,250	-	9,206,250	847,222	440,262
7/1/2049	10,053,707	9,204,950	-	9,204,950	848,757	429,807
7/1/2050	10,053,710	9,206,750	-	9,206,750	846,960	418,083
7/1/2051	10,053,716	9,206,350	-	9,206,350	847,366	407,688
7/1/2052	10,053,454	9,208,600	-	9,208,600	844,854	396,301
7/1/2053	10,053,386	9,208,200	-	9,208,200	845,186	386,460
Total	291,089,335	264,943,429	(5,969,263)	258,974,167	32,115,169	22,906,817

*Assumptions;

- Yields based on market conditions as of 2/3/2022

Debt Service Savings

- Net Present Value Savings Estimate*: \$8.7 million or 4.90% of refunded par
- Market movement may change the economics quickly
 - Parameters, including a minimum savings threshold, are provided within the resolution

Refunding Sensitivity Analysis				
Description	Current Market	+ 50 bps	+ 100 bps	-50 bps
All-in TIC	3.43%	3.88%	4.37%	3.13%
Total Debt Service	\$264.9 MM	\$282.0 MM	\$300.7 MM	\$254.0 MM
NPV Savings (%)	4.90%	-0.78%	-6.28%	8.84%
NPV Savings (\$)	\$8.7 MM	-\$1.4 MM	-\$11.2 MM	\$15.7 MM

*Assumptions:

- Yields based on market conditions as of 2/3/2022
- Savings analysis incorporates the net impact of DSRF releases by comparing the plan uses to prior debt service adjusted for DSRF earnings at 1.0% and the release at final maturity.

Estimated Sources and Uses

Sources: <i>\$ millions</i>	
Bond Proceeds	
Par Amount	\$154.7
Premium	14.3
Other Sources of Funds:	
2016 DSRF Contribution	11.8
TIFIA DSF Release	0.5
TIFIA DSRF Release	11.8
Total Sources	\$193.2
Uses:	
Refunding Escrow Deposits	\$179.0
Cost of Issuance	0.6
Underwriter's Discount	0.5
Insurance & Surety Expense	1.3
Deposit to 2016A DSF	6.0
General Reserve Deposit	5.9
	\$193.2

Cost of Issuance	
Counsel and Advisor Fees	\$337,330
Rating Agency Fees	\$181,400
Printing/Mailing/Shipping	\$5,000
LGC Fee	\$12,500
DAC Fee	\$2,500
Trustee Fees	\$15,000
Miscellaneous/Contingency	\$15,000
Total	\$568,730

Underwriters' Discount	
Takedown	\$386,663
Expenses & Contingency	\$77,333
	\$463,995

Intermission

Roadway Operations Update

Dennis Jernigan, P.E.
Interim Chief Engineer

Mainline Traffic Statistics

Triangle Expressway

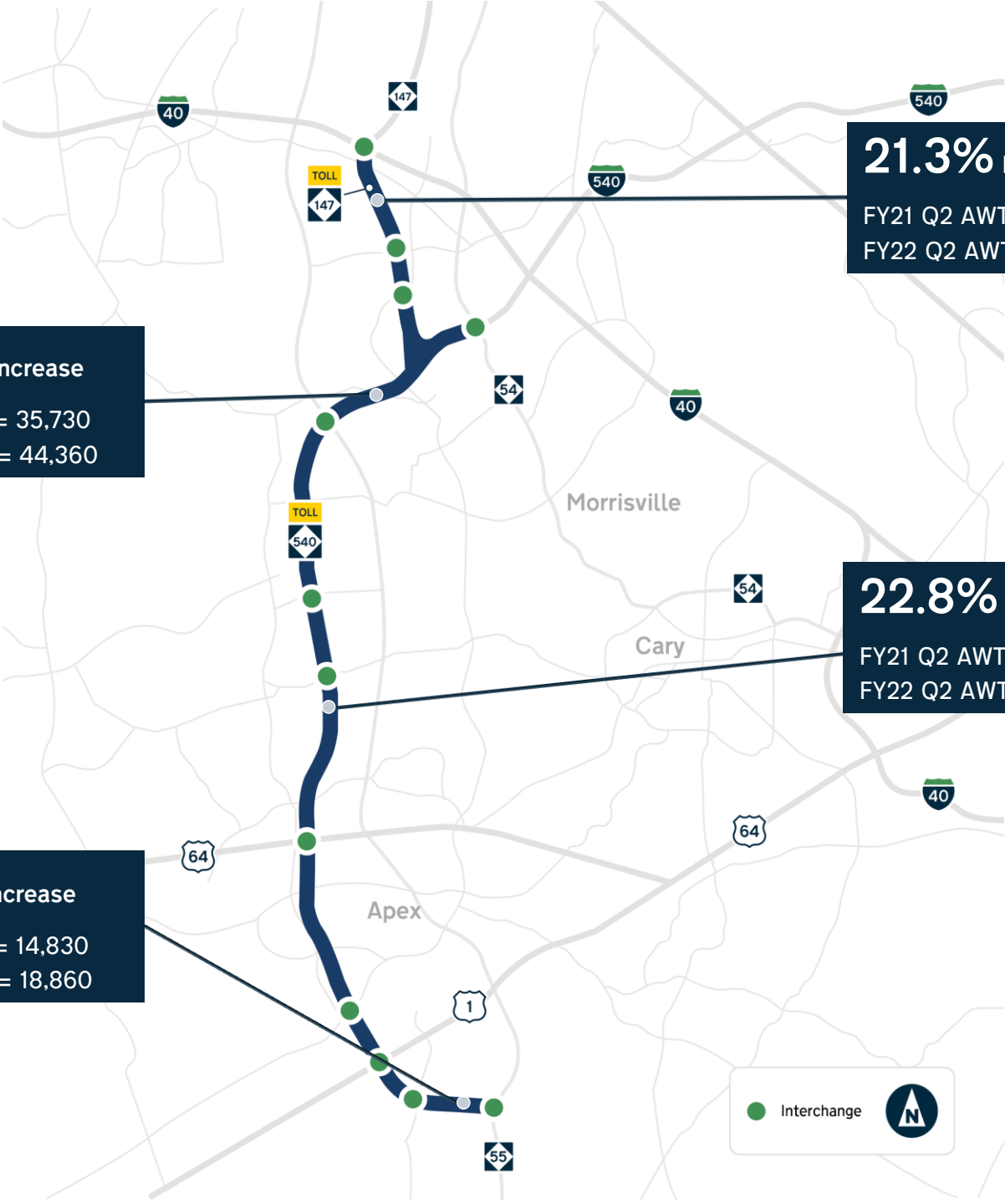
24.2% Increase
FY21 Q2 AWT = 35,730
FY22 Q2 AWT = 44,360

21.3% Increase
FY21 Q2 AWT = 14,250
FY22 Q2 AWT = 17,280

22.8% Increase
FY21 Q2 AWT = 28,820
FY22 Q2 AWT = 35,400

27.2% Increase
FY21 Q2 AWT = 14,830
FY22 Q2 AWT = 18,860

Q2: October – December
AWT: Average Weekday Traffic



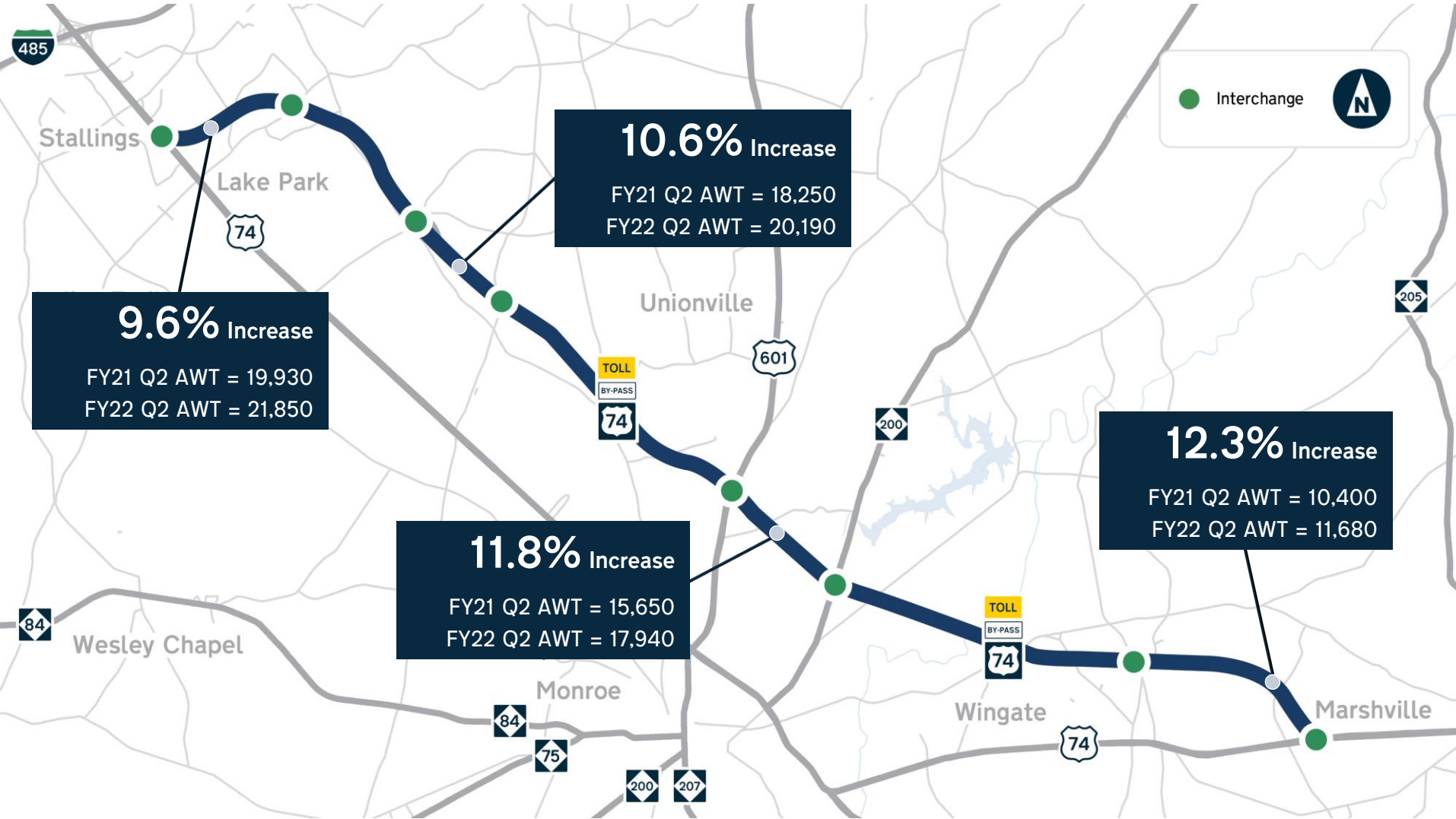
Roadway Maintenance Statistics

Triangle Expressway

	FY 2021 Q3	FY 2021 Q4	FY 2022 Q1	FY 2022 Q2	Rolling Rate
Road Surface	90.5	96.8	100.0	98.4	96.8
Unpaved Shoulders and Ditches	99.3	99.3	96.8	98.9	98.6
Drainage Structures	88.6	94.0	92.5	91.7	91.7
Roadside	90.6	95.5	91.6	92.4	92.5
Traffic Control Devices	82.2	92.5	86.5	87.8	87.5
Overall	88.9	95.2	93.0	93.3	92.7

Mainline Traffic Statistics

Monroe Expressway



Q2: October – December
AWT: Average Weekday Traffic

Roadway Maintenance Statistics

Monroe Expressway

	Baseline 2020	FY 2021 Q4	FY 2022 Q1	FY 2022 Q2	Rolling Rate
Road Surface	96.9	98.8	100.0	97.5	98.8
Unpaved Shoulders and Ditches	91.4	98.0	96.4	99.1	97.7
Drainage Structures	93.4	94.1	94.7	94.7	94.1
Roadside	95.7	91.4	96.8	96.0	92.0
Traffic Control Devices	98.0	91.6	94.9	93.7	92.0
Overall	95.8	90.7	96.7	95.9	94.8

Chief Engineer's Update

Dennis Jernigan, P.E.
Interim Chief Engineer



Settlement & Release Agreement

R-2721A & R-2721B

- Resolves all extended overhead through revised final completion
- Resolves some material cost escalations through the revised final completion*
- Resolves idle equipment/labor and inefficiency claims through execution
- Eliminates substantial completion bonus
- Substantial Completion: March 15, 2024
- Final Completion: May 31, 2024

Description	R-2721A	R-2721B
Delay/Overhead/Idle Equipment	\$26.2M	\$22.8M
Noise Walls	\$3.7M	\$14.4M
Material Escalation	\$1.1M	\$1.1M

*Excludes NCDOT-initiated COVID relief

R-2828

Upcoming Noise Walls Settlement

- Verbally agreed to \$7.5M
- Settlement and Release Agreement Terms finalized
- Resolving some Covid-related escalation claims in the agreement
 - Currently reviewing those submissions

Program Development Update

Andy Lelewski, P.E.
Director of Program Development

I-485 Express Lanes Update

Andy Lelewski, P.E.
Director of Program Development

I-485 Express Lanes



Westinghouse Blvd. Direct Connector



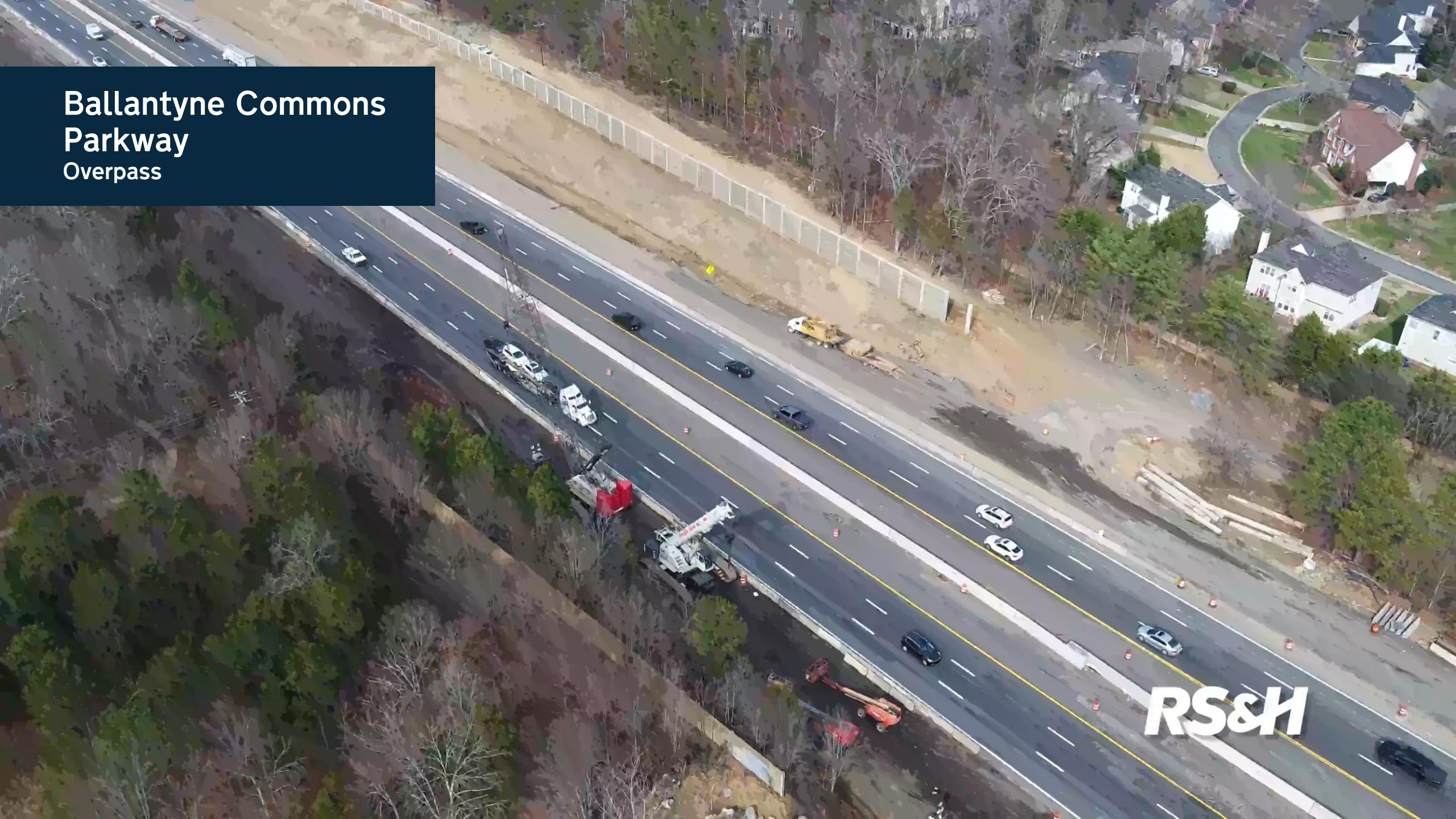
RS&H

Johnston Rd. Direct Connector



RS&H

Ballantyne Commons Parkway Overpass



RS&H

**Between Rea Rd. &
Providence Rd.**
Third General Purpose Lane



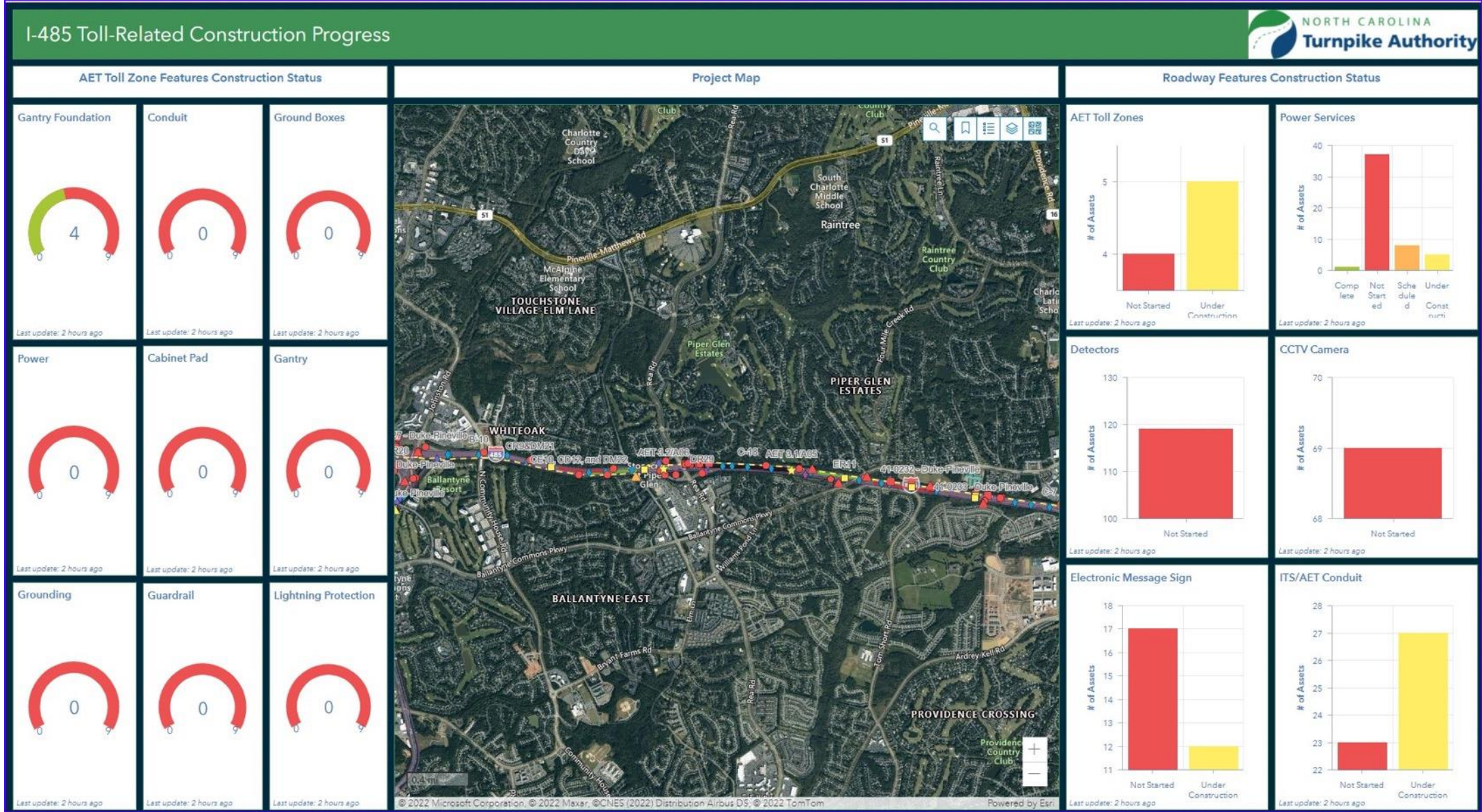
RS&H

Weddington Rd. Interchange



RS&H

Toll and ITS Progress Dashboard



ITS America Conference Update

Andy Lelewski, P.E.
Director of Program Development

From Vision to Implementation

NCDOT, NC Turnpike Authority, and I-77 Mobility Partners
Address the Future of Transportation

Panelists:

Eric Boyette, NCDOT Secretary

JJ Eden, NCTA Executive Director

Jose Espinosa, I-77 Mobility Partners CEO

Moderator:

Kevin Lacy, P.E., NCDOT State Traffic Engineer







Toll Technology & Customer Service Center Update

Manish Chourey
Chief Technology Officer

Technology Project Timeline Projections

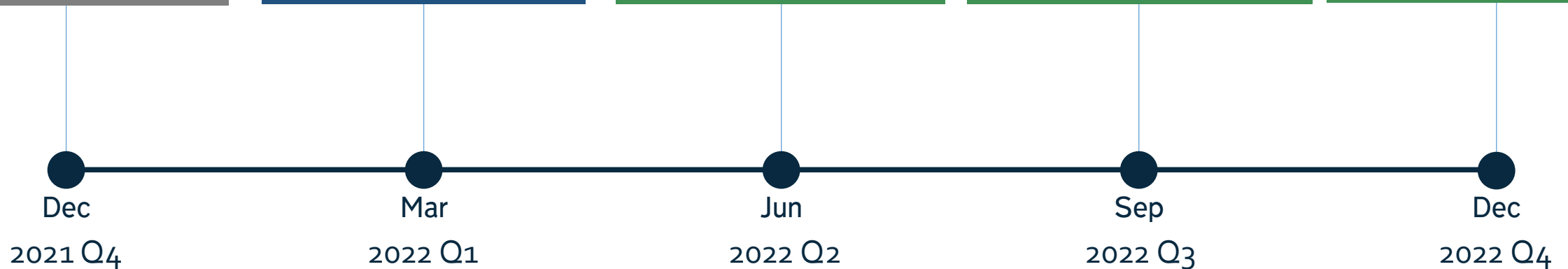
- Roadside System
 - I485 Proposal Rankings
- Backoffice System
 - Performance Test
 - Development completed
- CSC Updates
 - Lease signed for Overflow call center

- Roadside System
 - I485 Toll vendor contract award
- Backoffice System
 - Conduent Formal CVT
 - Incremental DM – Cycle-2
- CSC Updates
 - Transition Phone systems

- Roadside System
 - I485 Toll system design
- Backoffice System
 - Conduct Formal SAT
 - Incremental DM – Cycle-2
 - Complete CSR Training
 - System Transition & Cutover

- Roadside System
 - C540 Toll system design
 - I485 Toll system develop
- Backoffice System
 - System stabilization phase
 - Rollout Mobile App
- Technology Initiatives
 - Phase 1 of Data Platform

- Roadside System
 - C540 Toll system design
 - I485 Toll system develop
- Backoffice System
 - IAG 1.60 specification
 - Retail Payments
- Technology Initiatives
 - Phase 2 of Data Platform



Timeline provides Plan dates – subject to changes based on actual activities

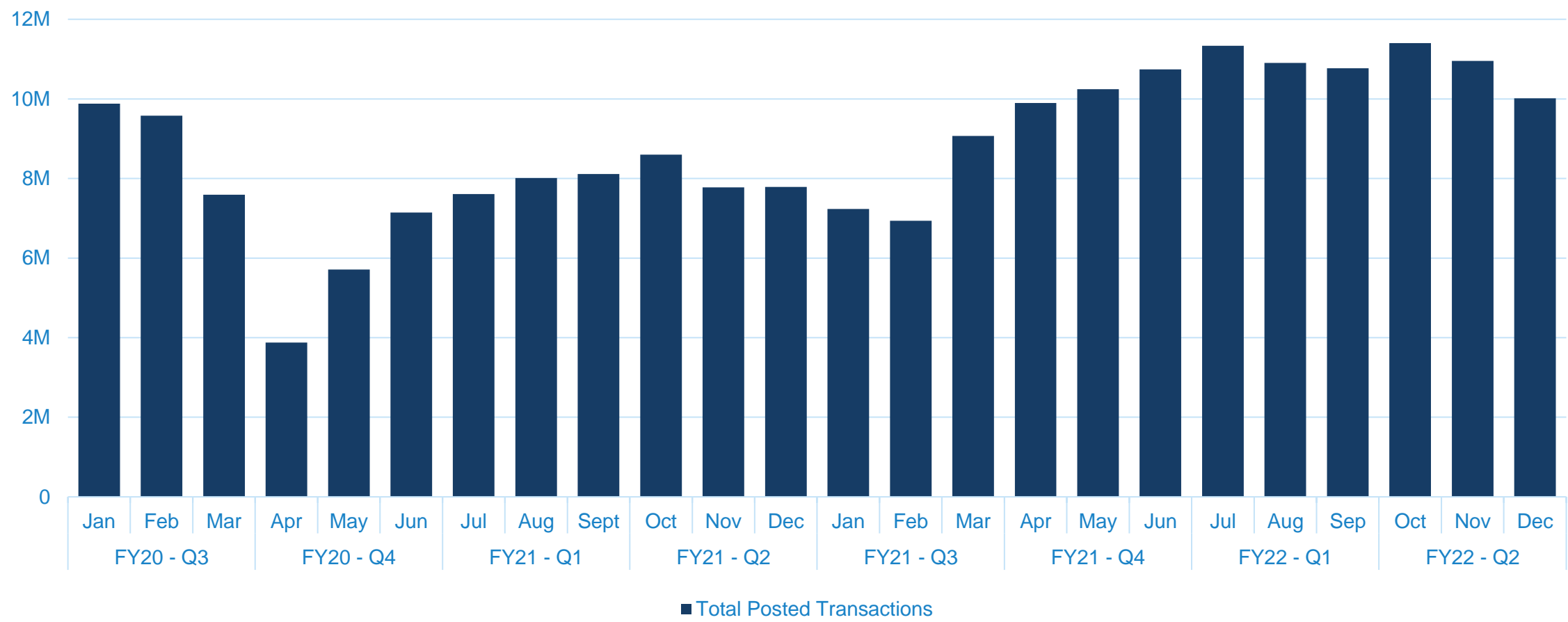
I-485 Express Lanes Toll Collection System Contract Award

Category	Date
✓ RFP Issued	April 14, 2021
✓ Mandatory Pre-Proposal Scope of Services Meeting	April 30, 2021 (1:00 p.m. to 3:00 p.m. ET)
✓ Proposer Questions Due	May 14, 2021 (4:00 p.m. ET)
✓ Proposals (Technical and Price) Due	July 12, 2021 (4:00 p.m. ET)
✓ Notification of Proposers Shortlisted for Oral Presentations	August 31, 2021
✓ Oral Presentations and Interviews	Week of September 20, 2021
✓ Ranking of Proposers for Negotiations	October 29, 2021
✓ Award of Contract	January 24, 2022

NCTA reserves the right to modify the schedule at any time and for any reason.

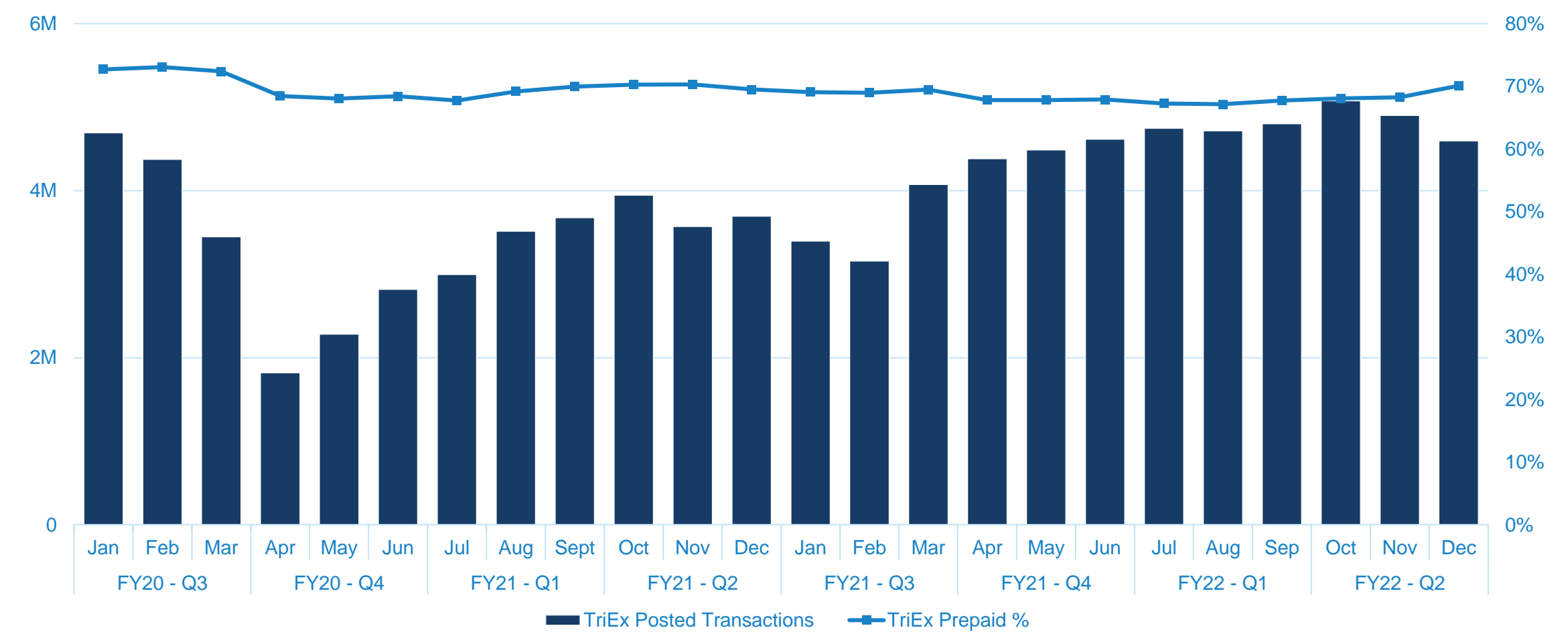
Total Posted Transactions

NC Quick Pass Program



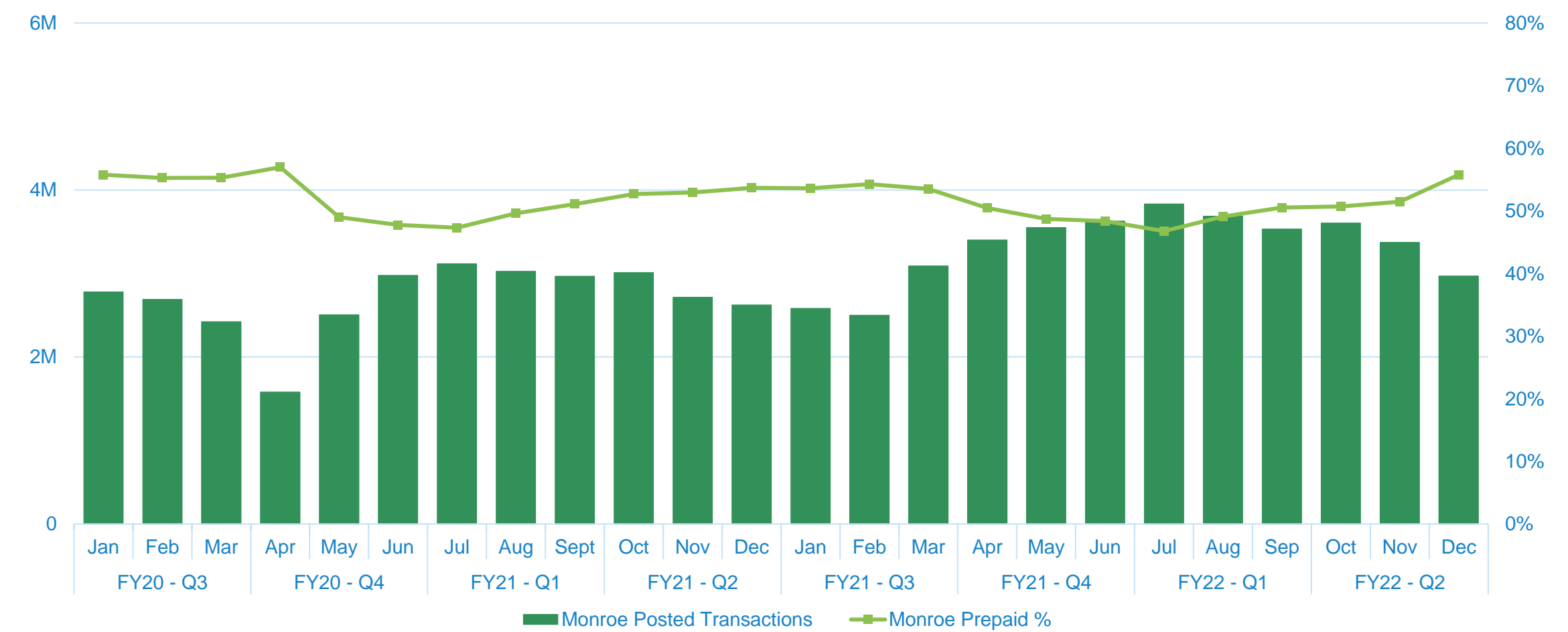
Total Posted Transactions

Triangle Expressway

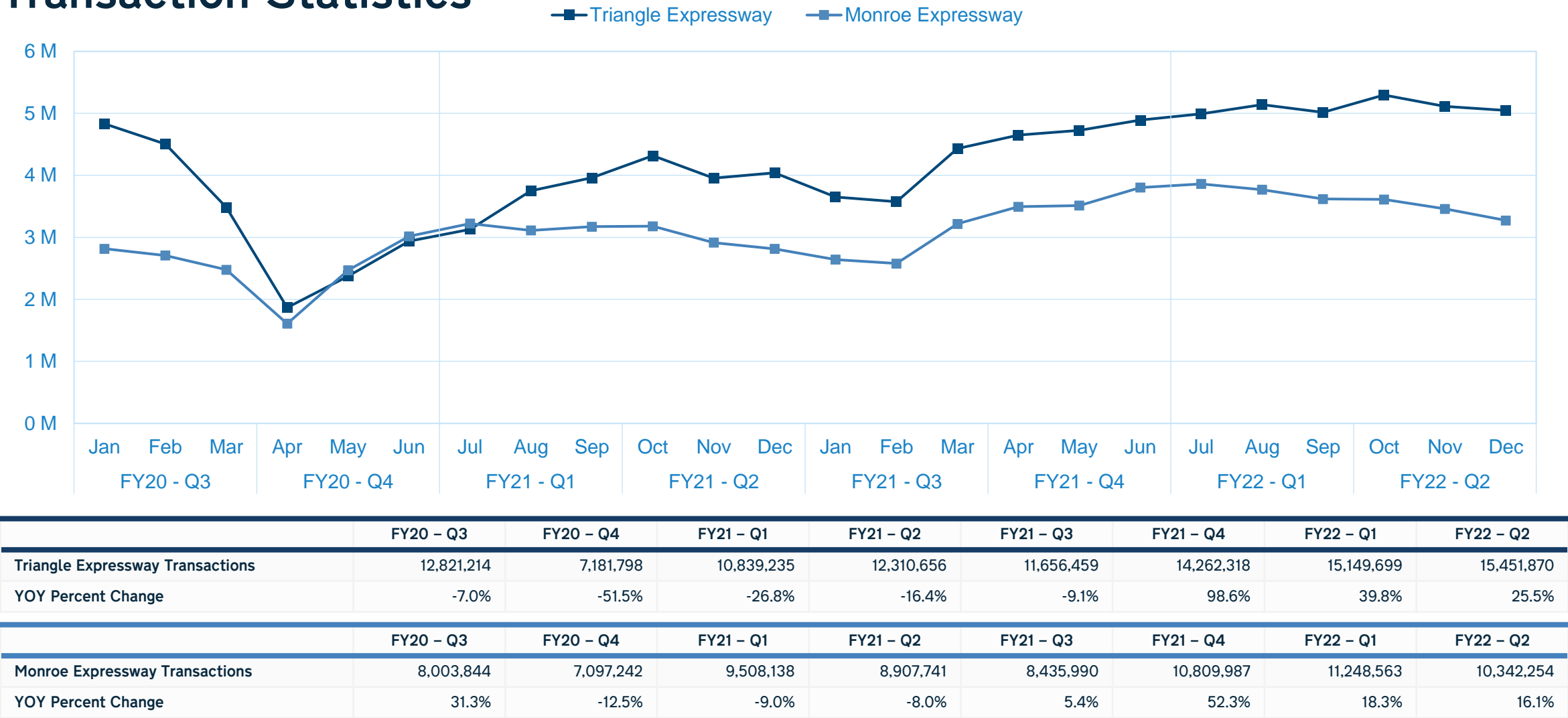


Total Posted Transactions

Monroe Expressway



Transaction Statistics

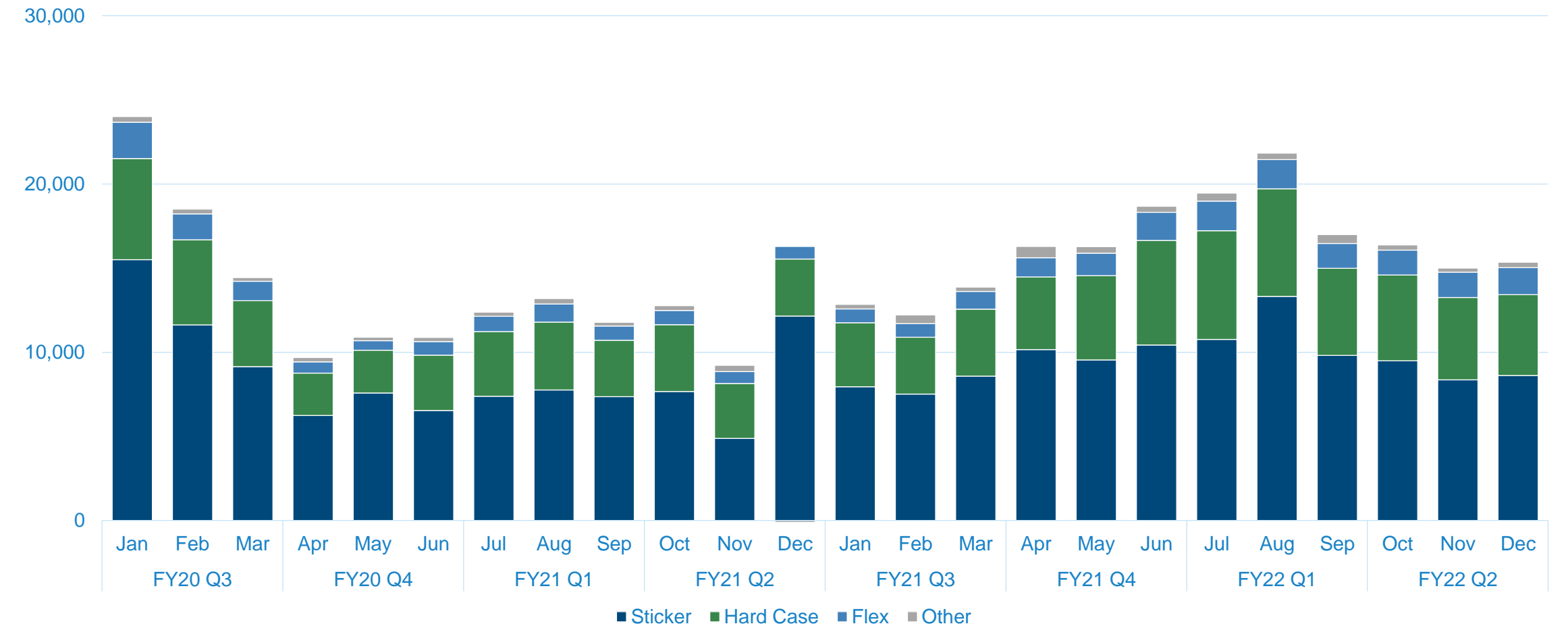


Monthly Transponders Distributed

NC Quick Pass Program

1,122,706

Transponders Distributed as of December 31, 2021



Customer Service Update

CSC Operations

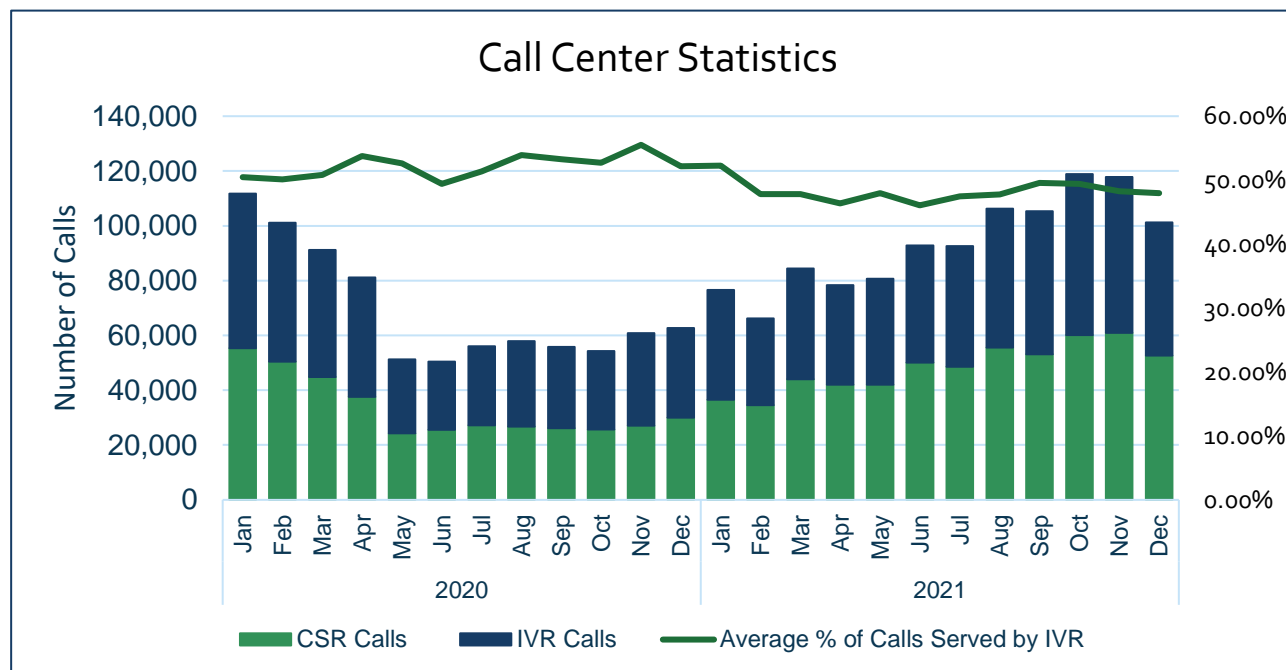
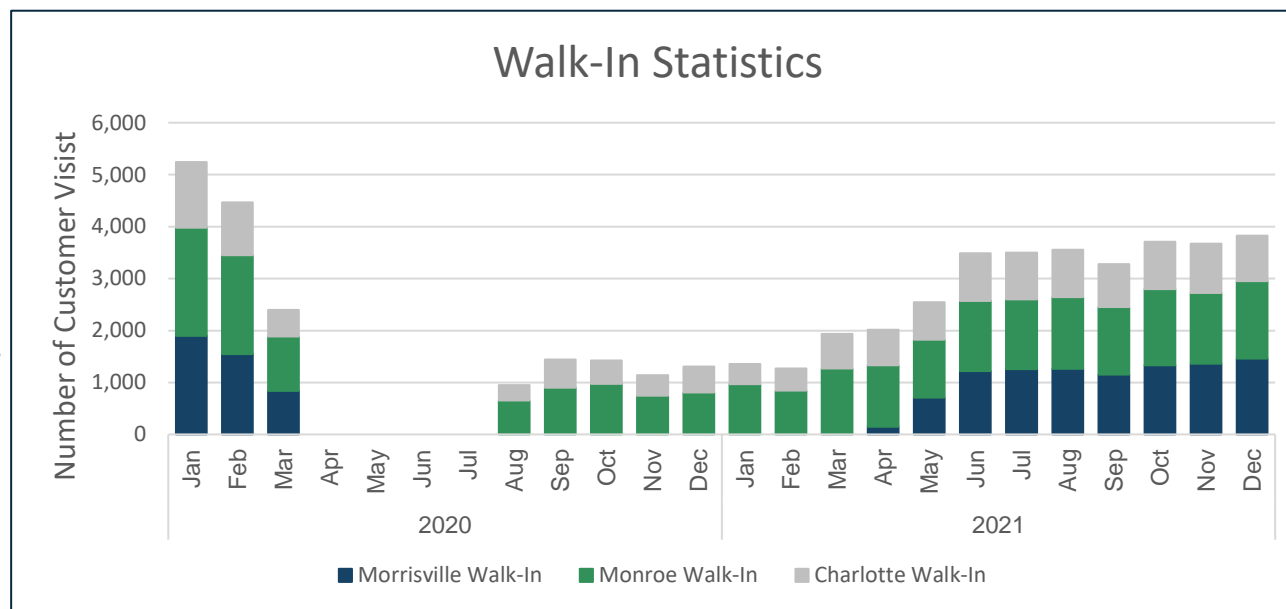
- All Three walk-In locations are serving customers.
- CSRs continue to maintain social distancing.
- Few CSRs continue to Work From Home (WFH).

Benefits of Overflow Call Center

- Increase pool of resources.
- Managing call spikes during peak periods.
- Ability to scale up and down.
- Business continuity.

Overflow Call Center at Rocky Mount

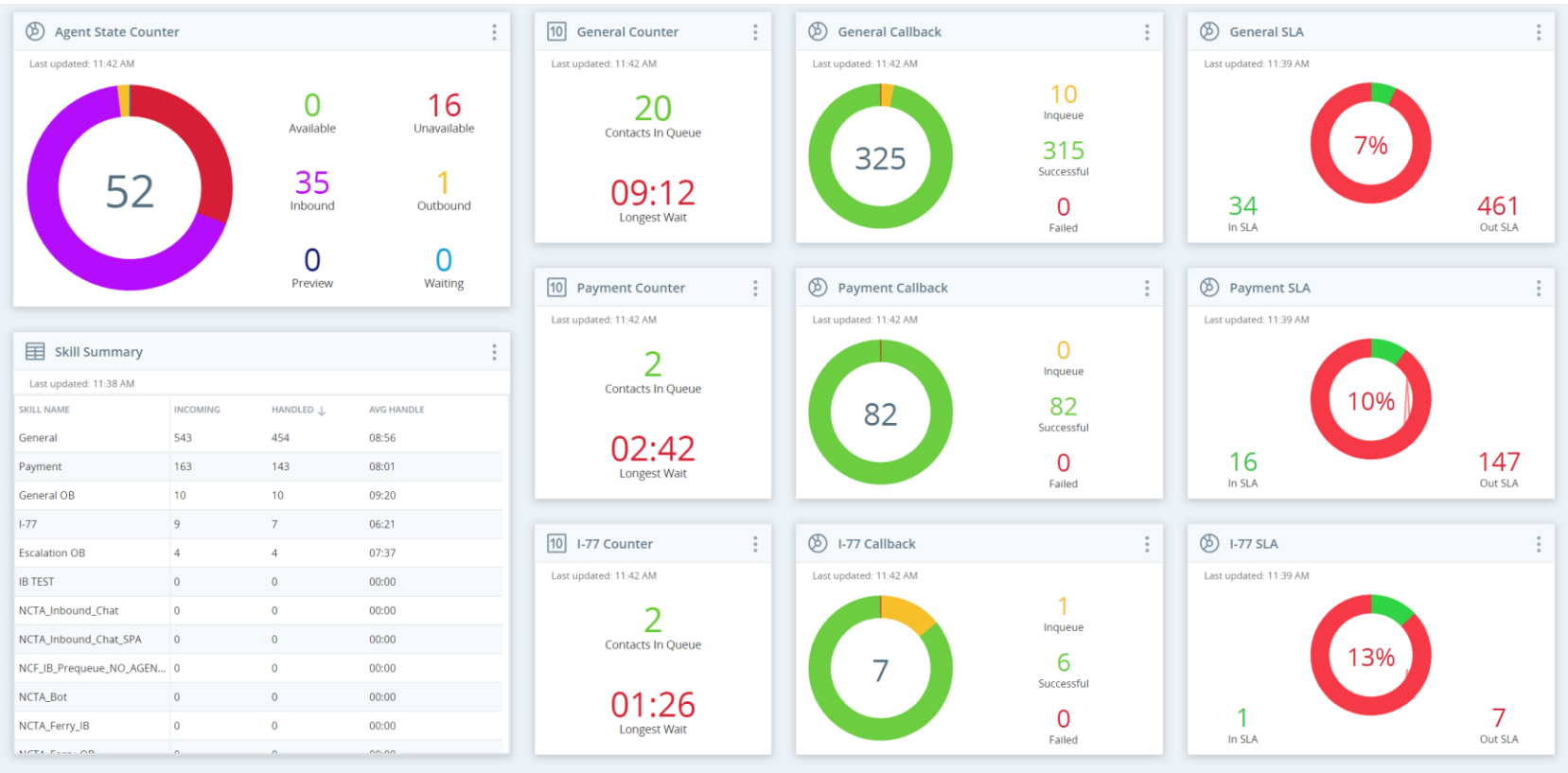
- Lease signed on 23rd-Dec-2021.
- Occupancy expected by summer of 2022.
- Capacity to handle up to 80 agents.



Phone System Transition

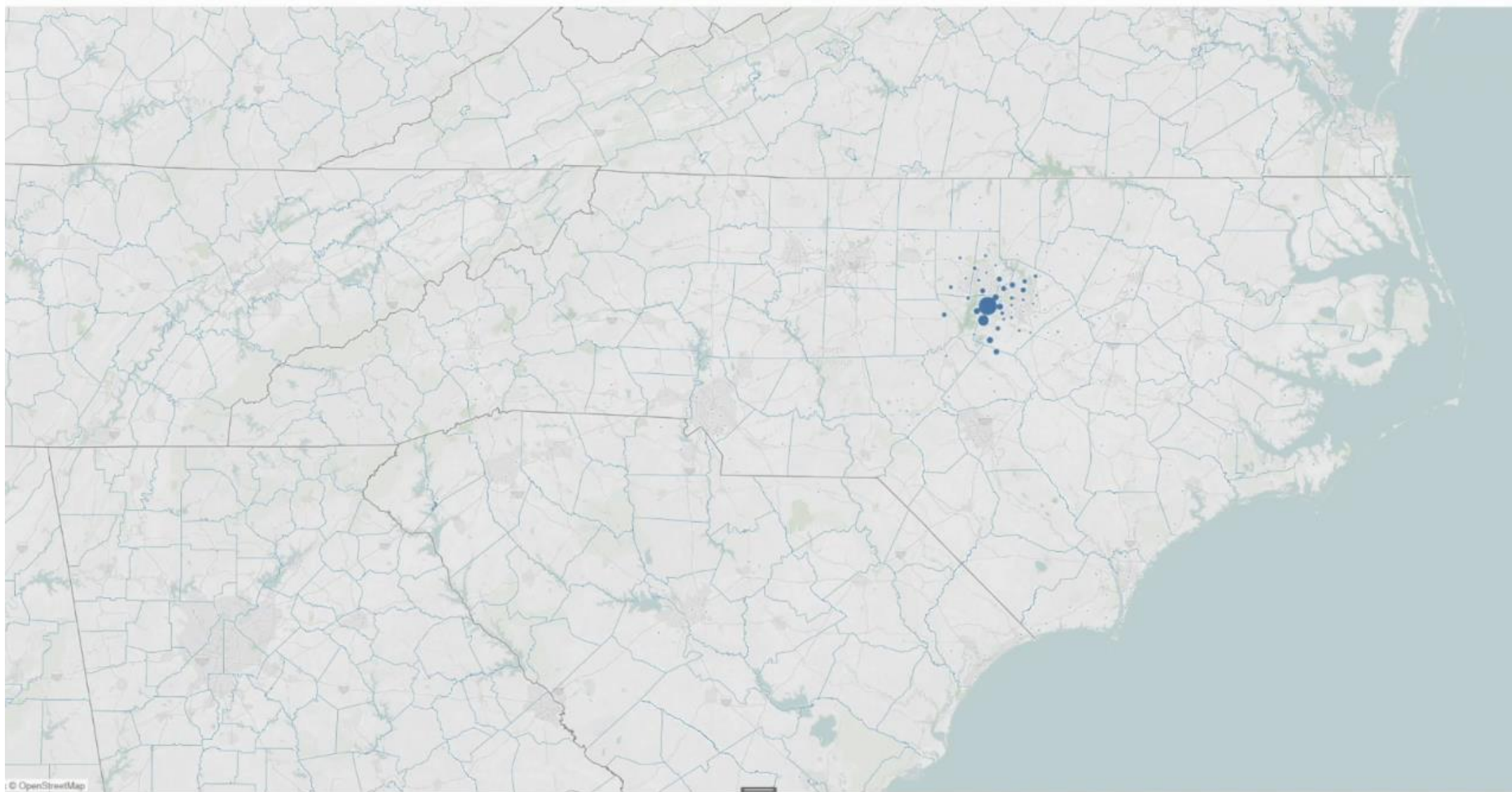
Cloud-Based Phone System

- Integrated Channels
- Mobility and Ease of Use.
- Flexibility to Scale Up (and Down)
- Business Continuity.
- Improved Customer Service.
- New service features can be added quickly.



Growth of NC Quick Pass Accounts in last decade

NC-Quick-Pass 2011



Growth of Bill By Mail Accounts in last decade



Communications & Marketing Update

Logen Hodges
Marketing & Communications Manager



10
YEARS
ON THE ROAD

The logo is centered on a white rectangular background. The number '10' is large and dark blue, with a stylized blue and white swoosh integrated into the zero. Below it, the words 'YEARS' and 'ON THE ROAD' are written in a bold, dark blue, sans-serif font. The entire logo is set against a dark blue background decorated with stylized fireworks in blue and green, and small stars in blue and green.

Complete 540 Outreach



Virtual/In-Person Meetings

Resident Communications

RTA, I-40 Regional Partnership, National Society of Engineers, Realtors, NCSITE, Rotary Clubs, Benson Area Chamber

154,039 Total Impressions

In the News.

The News & Observer



Work on Wake's Outer Loop growth engine speeds along - Business North Carolina

[businessnc.com](https://www.businessnc.com) • 7 min read



NORTH CAROLINA PUBLIC RADIO | 91.5

Marketing & Communications RFP

Three-year contract

Two one-year extensions

On-call services



2022 Marketing Goals



Increase transponder penetration **10-15%**

Increase public **recognition** of NC Quick Pass

Improve NC Quick Pass **customer experience**

Increase public **awareness** of NCTA projects

Industry Partnerships



TOLLING. MOVING SMARTER.





Thank you!

Contact Us



ncdot.gov/turnpike

ncquickpass.com



[@NCTurnpike](https://twitter.com/NCTurnpike)

[@NC_QuickPass](https://twitter.com/NC_QuickPass)