

North Carolina Turnpike Authority

Special Board of Directors Meeting

September 30, 2022



Opening Comments

J.J. Eden
Executive Director

Complete 540 Phase 2 Project

Dennis Jernigan, P.E.

Deputy Chief Engineer for Highway Operations
Interim Chief Engineer

Complete 540



Open to traffic (42 miles)

I-540 & Triangle Expressway



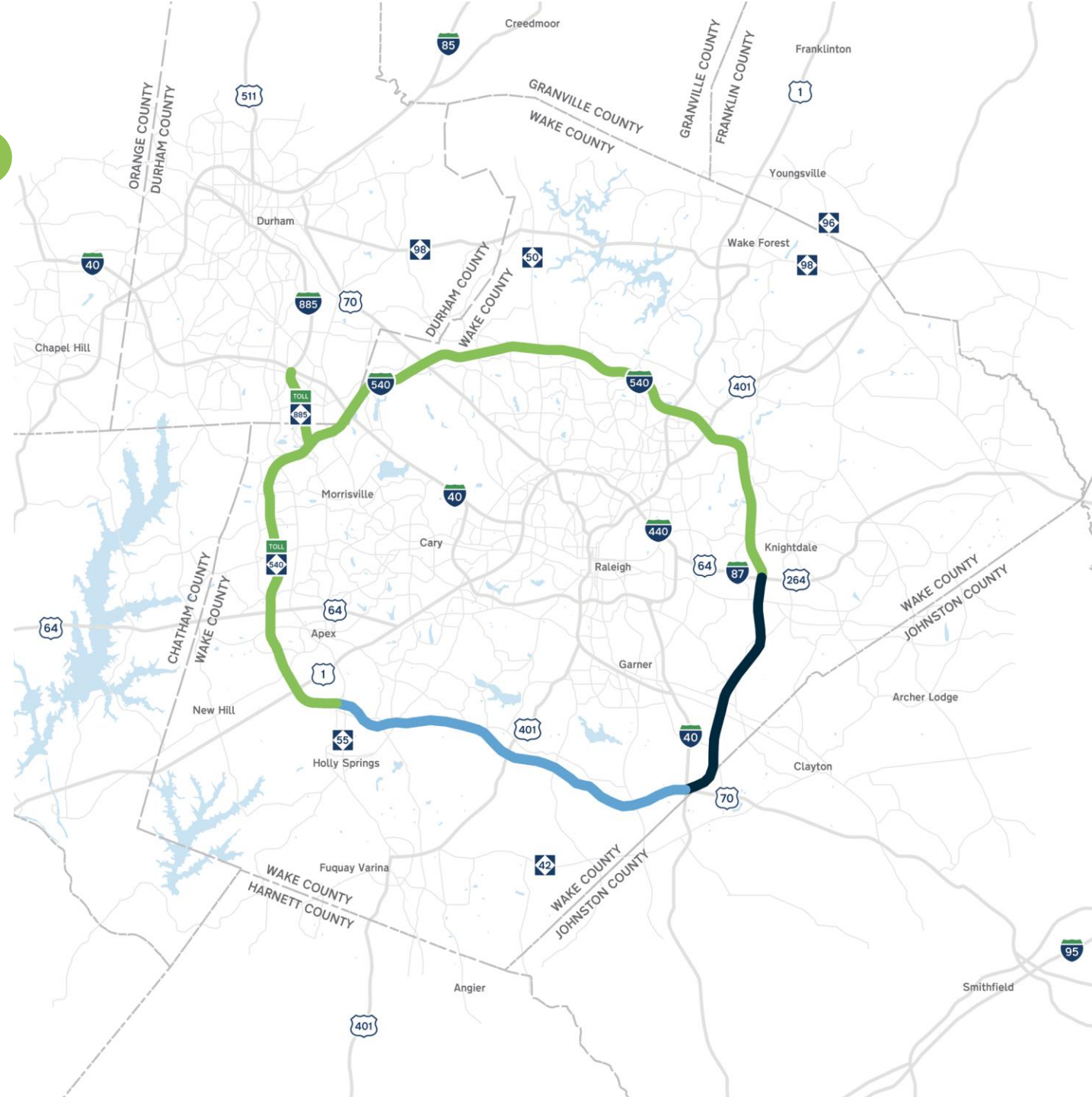
Under construction (18 miles)

Southern Wake Expressway
(Phase 1)



Missing link (11 miles)

Eastern Wake Expressway
(Phase 2)



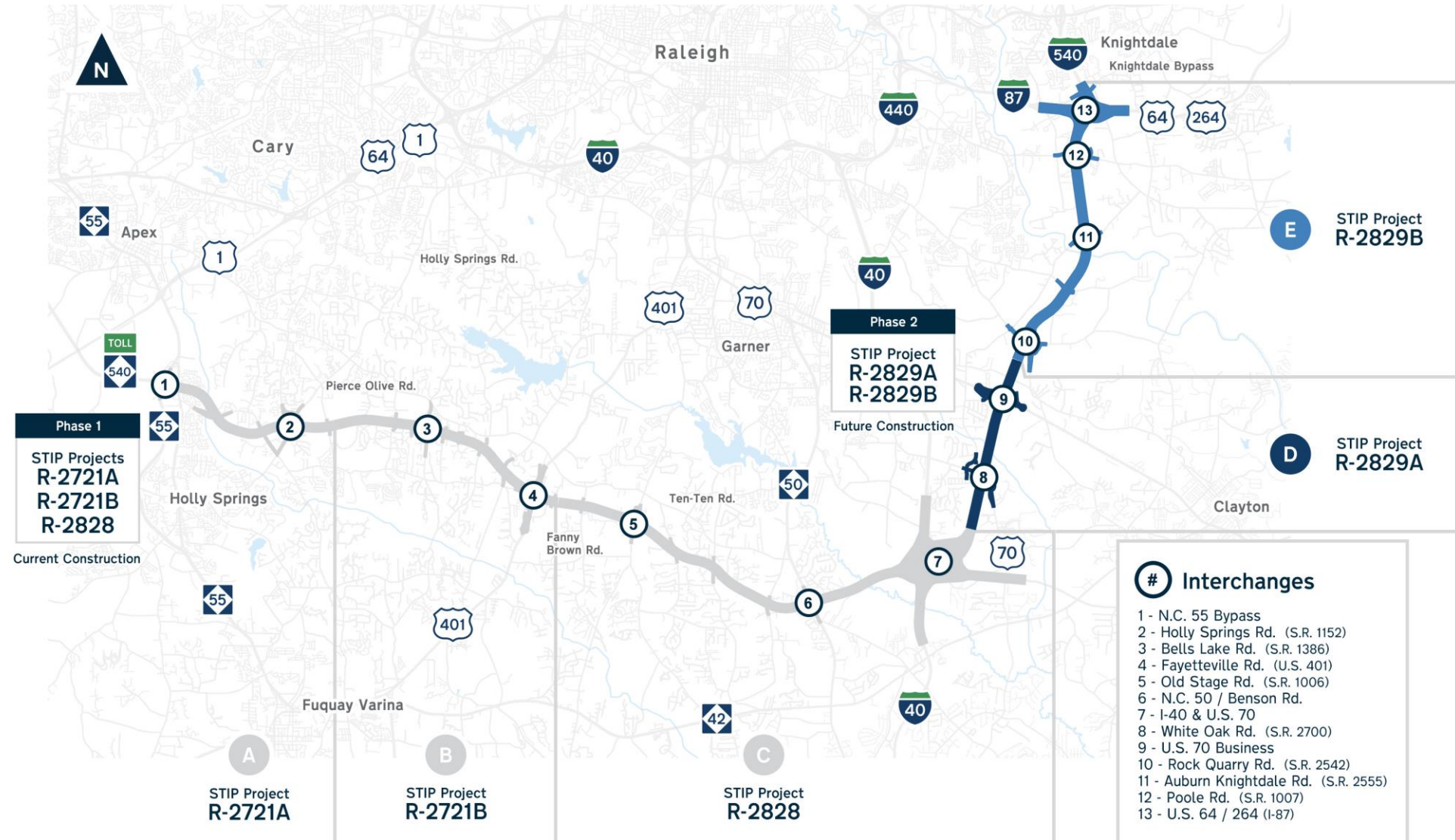
Complete 540 Phase 2

R-2829A

- 4.4 miles
- 2 full interchanges + 1 partial

R-2829B

- 6.6 miles
- 3 full interchanges + 1 partial



Complete 540 Phase 2 - Preconstruction Activities

Completed Activities

- Environmental Document
- Section 404/401 Corridor Permits
- Biological Opinion
- Air Quality Conformity
- Final Surveys
- Traffic Forecasts and Analysis
- Service Road Study
- Confirmation of Environmental Mitigation Availability
- Roadway and Structure Geotechnical Investigations

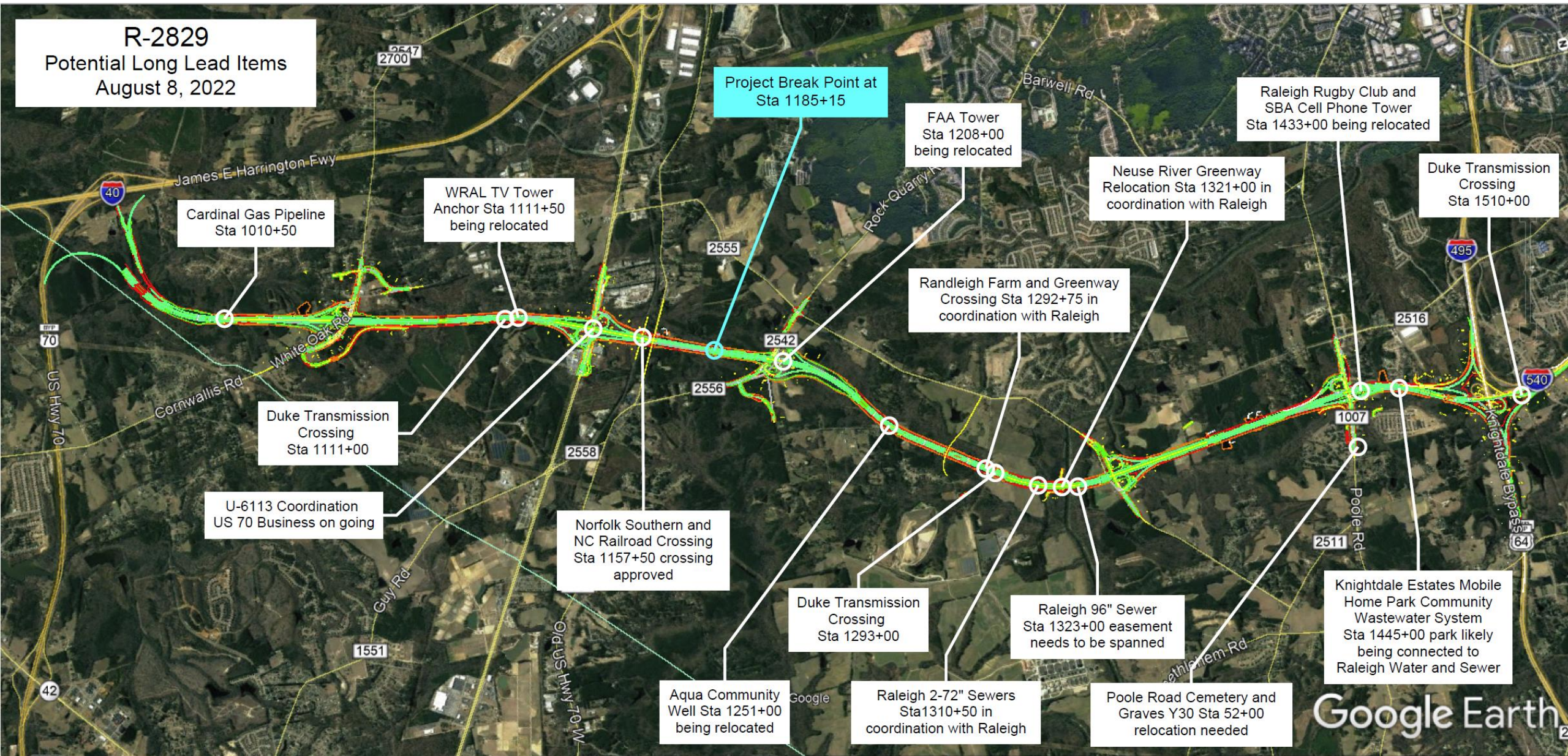
Activities Underway

- Refining Preliminary Design
- Developing Pavement Design and Life Cycle Analyses
- Advanced Acquisition of Certain Right-of-Way Parcels
- Coordination with Owners of Towers Regarding Needed Relocations
- Planning for Community Water and Sewer Conflict Resolutions
- Railroad Coordination
- Planning for Other Long Lead-Time Items

Future Preconstruction Activities

- Update Project Cost Estimate
- Complete Pavement Design and Life Cycle Cost Analyses
- Refine Plans for Right-of-Way Acquisition
- Utility Coordination
- Developer Coordination
- Industry Coordination
- Design-Build Procurement

R-2829
Potential Long Lead Items
August 8, 2022



<i>Draft Complete 540 Phase 2 Procurement Schedule</i>	Date
Design Public Hearing	February 22, 2018
Record of Decision & Date of Public Knowledge	June 6, 2018
Corridor Permit Obtained	October 24, 2019 (amended)
Industry Forum/DBE Outreach Event	November 2022
Design-Build Request for Qualifications Advertisement	
• R-2829B	November 2022
• R-2829A	February 2023
Design-Build Contract Letting	
• R-2829B	July 2023
• R-2829A	September 2023

Complete 540 Phase 2 Plan of Finance

David Roy
Chief Financial Officer

Complete 540 Phase 2

Funding Sources

- \$370 million TIFIA Loan
 - TIFIA Loan secured by gross toll revenue pledge subordinate to senior lien Triangle Expressway System toll revenue bonds
 - TIFIA DSRF of 100% of the lesser-of-three test, is anticipated to be funded with a surety paid for by available Phase 1 funds
- \$279 million Senior Lien Toll Revenue Bonds, Series 2023*
 - Gross toll revenue pledge on parity with Series 2009, Series 2017, Series 2018, Series 2019 Toll Revenue Bonds, and Series 2020 Bond Anticipation Notes
 - Surety policy covers deposit required to Common DSRF (funded to 50% of the lesser-of-three test)**
- \$400 million NCDOT GARVEE Bonds & State Match

*Consists of approximately \$166 million in par of CIBs, \$110.6 million in par of CABs at issuance and issue premium of \$2 million

**Series 2020 Bond Anticipation Notes not secured by the Common DSRF

Complete 540 Phase 2

Advance of Funds

- \$100 million advance of funds from NCDOT to begin long-lead time items including advanced right-of-way acquisition, tower relocation (FAA and Cell Tower), etc.
 - Repayment on financial close from bond proceeds
 - Once reimbursed, available to pay share of NCDOT share of committed STIP funds
- Advance of funds allow for a more efficient Plan of Finance
 - Reduces overall project costs
 - Improves coverage ratios
 - Reduces amount of capitalized interest required

Complete 540 Phase 2

Estimated Sources and Uses

- The anticipated Sources and Uses for the Complete 540 Phase 2 financing is shown below
- Currently Toll Revenue Bonds fund 23% of capital costs and NCDOT funding is 40% of capital costs
- The TIFIA Loan is sized to 33% of eligible costs, which include project capital costs, prior eligible costs, costs of issuance, and capitalized interest during the construction period

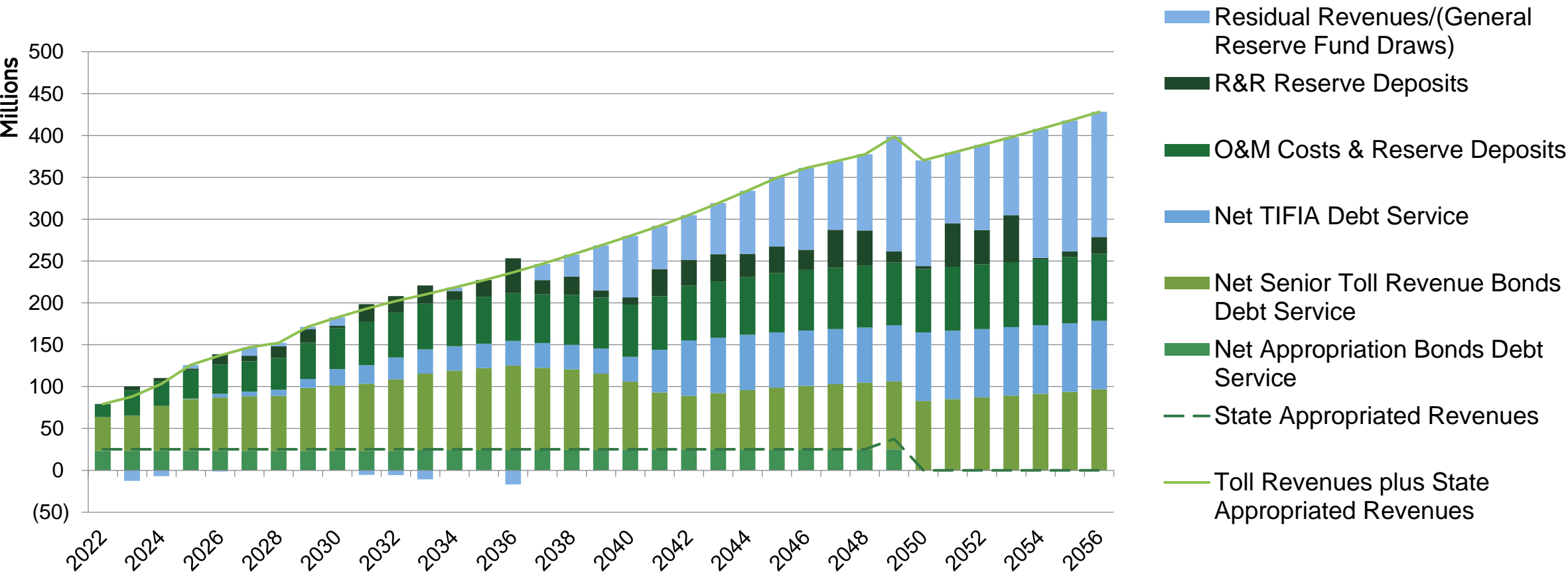
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Sources						
Complete 540 Phase 2 TIFIA	-	166,857,547	80,792,919	68,167,410	53,899,733	369,717,609
Series 2023 Toll Revenue Bonds - Senior Lien	199,421,510	79,225,397	-	-	-	278,646,907
NCDOT State Funding	-	-	150,000,000	135,000,000	115,000,000	400,000,000
Total Sources	199,421,510	246,082,944	230,792,919	203,167,410	168,899,733	1,048,364,515
Uses						
Construction Costs	156,646,044	246,082,944	230,792,919	203,167,410	168,899,733	1,005,589,050
Toll Revenue Bond Cap Int	31,754,463	-	-	-	-	31,754,463
Cost of Issuance	11,021,003	-	-	-	-	11,021,003
Total Uses	199,421,510	246,082,944	230,792,919	203,167,410	168,899,733	1,048,364,515

*Plan of finance based on interest rates as of September 7, 2022.

Complete 540 Phase 2

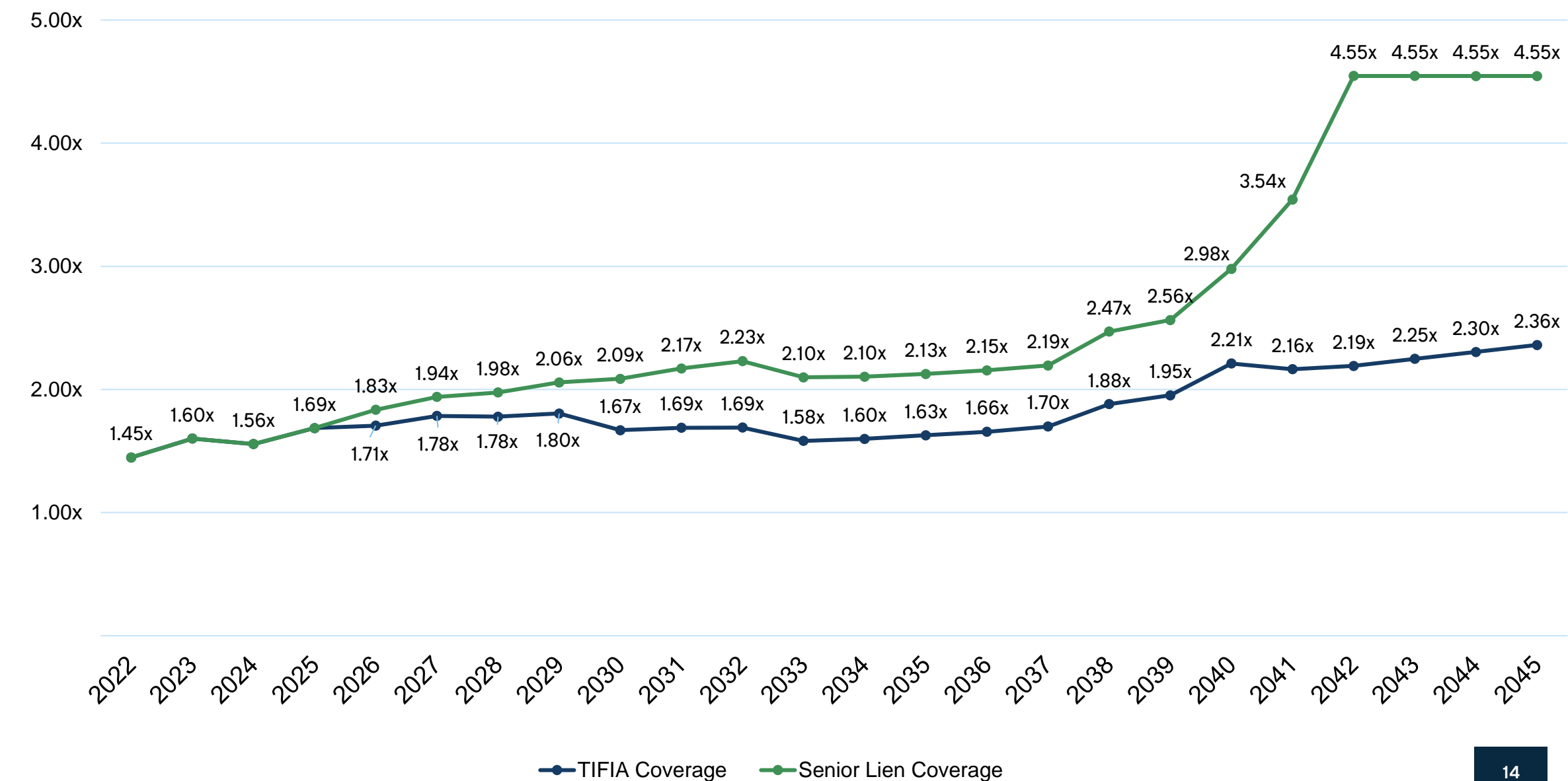
Projected Cash Flows

- General Reserve minimum balance of \$23.4 million in FY 2036



Complete 540 Phase 2

Project Debt Service Coverage



Complete 540 Phase 2

Financing Schedule

Sep 2022	<ul style="list-style-type: none"> • Finance Committee And NCTA Board Approval Of Advance Of Funds And Inducement Resolution • Submit Updated Plan Of Finance To TIFIA • Meeting With LGC Staff
Oct 2022	<ul style="list-style-type: none"> • NCDOT Board Approval Of Advance Funds Resolution
Nov/Dec 2022	<ul style="list-style-type: none"> • R-2829B RFQ Advertisement • TIFIA LOI Screening & Questions
Jan-Mar 2023	<ul style="list-style-type: none"> • R-2829A RFQ Advertisement • Underwriters RFP Distribution, Evaluation, And Selection • Indicative Credit Rating Presentation
Apr-Jun 2023	<ul style="list-style-type: none"> • Begin Drafting Loan Docs
Jul-Sep 2023	<ul style="list-style-type: none"> • Draft And Submit TIFIA Application • NCTA Finance Committee Meeting – Financing Overview Presented • LGC Document Session
Oct-Dec 2023	<ul style="list-style-type: none"> • Solicit Final Credit Ratings • Draft And Submit LGC Application • LGC Meeting – Financing Overview Presented • NCTA Finance Committee Meeting – Approval Of Financing And Documents • NCTA Board Meeting – Approval Of Financing And Documents
Jan-Mar 2024	<ul style="list-style-type: none"> • TIFIA Council On Credit And Finance • LGC Meeting – Approval Of Financing And Documents • Post / Release POS And Investor Presentation • Bond Pricing • USDOT Secretary Approval • Review And Finalize Closing Documents • Bond And TIFIA Loan Closing

Complete 540 Phase 2 - Inducement Resolution

Funding Sources

- Advance of funds of up to \$100,000,000 to pay for certain initial or early costs of the project
- Acknowledges guarantee of funding support for unanticipated construction costs, operating and maintenance costs and renewal and replacement costs of Complete 540 Phase 2 adopted by the North Carolina Board of Transportation on May 3, 2018
- The Department of Transportation will be reimbursed for costs incurred with respect to the Complete 540 Phase 2 project from proceeds of the bonds issued by the Turnpike Authority for the financing of Complete 540 Phase 2
- The reimbursement may be in an aggregate amount up to \$100,000,000
- Such funds, once reimbursed, will again be available to pay the NCDOT share of the project in the ordinary course

The background features a dark blue field with a subtle, repeating hexagonal grid pattern. Overlaid on this are several dynamic, glowing green particle trails. These trails consist of numerous small dots that form fluid, wavy lines, suggesting movement or data flow. One prominent trail curves from the top left towards the center, while others are visible in the bottom left and bottom right corners.

Thank you!