



Finance Committee – Minutes

Meeting Details

Date: April 19, 2023

Time: 9:30 AM

Location: Webinar &
NCDOT Board Room - 150
1 S. Wilmington St.
Raleigh, NC 27601

Attendance

Members Present In-Person & Virtually

John Adcock, Robert Teer, Jim Walker

Members Absent

Welcome/Introductions, Call to Order & Declaration of Quorum

Robert Teer, Chair

Discussion Summary

Chairman Robert Teer called the April 19, 2023, North Carolina Turnpike Authority Finance Committee meeting to order and welcomed those in attendance. Mr. Teer invited everyone attending the meeting in person and remotely to introduce themselves. Mr. Teer called roll and declared a quorum present.

Actions Taken

Information only/no action required.

Approval of January 25, 2023, Meeting Minutes

Robert Teer, Chair

Discussion Summary

Mr. Robert Teer noted everyone received a copy of the meeting minutes prior to the meeting and announced he would accept a motion to approve the January 25, 2023, meeting minutes as written.

Actions Taken

The January 25, 2023, Finance Committee meeting minutes were unanimously approved upon a motion by Mr. John Adcock and seconded by Mr. Jim Walker.

Opening Comments

David Roy, Chief Financial Officer

Discussion Summary

Mr. David Roy started his opening comments by welcoming everyone to the meeting. He told the Board Members and attendees that Mr. J.J. Eden was absent because he was taking vacation time with his family.

Continuing, Mr. Roy shared updates to the Turnpike Authority Board membership. Mr. Robert Teer and Mr. Jim Walker were recently reappointed to the Finance Committee. Dr. Pamela Senegal was reappointed, but she will now be on the Operations Committee. The Board will welcome a new member, Ms. Julie Eiselt, to the Finance Committee at the Board of Directors meeting in May.

Mr. Roy expressed the thanks of the NC Turnpike Authority to Ms. Mary Clayton for her service to the Turnpike Authority. He added that everyone at NCTA wished her the best in the future.

The Back Office 2 (BOS2) Transition continues to go well, as Mr. Roy shared. The transition team continues to work through minor issues, but at this point the staff is caught up after any backlog caused by the shutdown. He added that everyone was pleased with how things are going and stressed that the team would work hard to assure smooth operations.

Mr. Roy next shared that regarding Mid Currituck Bridge project plans the Fourth Circuit Court of Appeals had ruled in the department's favor and that this was a significant milestone.

Mr. Roy mentioned that the Turnpike Authority was supportive of and conducting analysis of several MPO's (Metropolitan Planning Organizations). Specifically, the Charlotte CRTPO and the Wilmington MPO for their consideration of potential projects, such as P3 Projects.

On the facilities front, Mr. Roy shared the news that the elevators were now operational, and renovations of the restrooms and ceilings have begun for the NCDOT Building 6th Floor offices. Because of these disruptions, some of the NCTA Staff will be working at the Highway Building, with others working out of the CSC in Morrisville, and the Engineering Team will be in the Century Center building.

He ended by reminding the Committee Members that the May 18th Board of Directors Meeting had been moved to May 24th to accommodate the Secretary's schedule.

Mr. Walker stated that he would not be able to attend because of a schedule conflict. He said he would try to join remotely. Mr. Walker then welcomed Ms. Eiselt to the NCTA Board.

Actions Taken

Information only/no action required.

Complete 540 Phase 1 Construction Update

Dennis Jernigan, P.E., Interim Chief Engineer

Discussion Summary

Mr. Dennis Jernigan reported on a recent RTA Complete 540 Tour, the upcoming CAMPO Executive Board Presentation, and Complete 540 Phase 1 Construction Update. He showed photos and videos of key portions of the project work and gave the Committee Members detailed descriptions of the progress shown and finished this section by speaking about recent Community Outreach for Complete 540 Phase 1.

Before the Phase 1 update, Mr. John Adcock asked Mr. Jernigan how the bike & pedestrian facilities were integrated into the highways. He stated that he assumed that these were part of the 'Right of Way' but wanted to know what these features specifically incorporated. Were they behind walls, he asked. Mr. Jernigan answered by noting that it was at intersecting roads where one would see these facilities. He added that typically between Phase 1 and Phase 2 multiple forms of the pedestrian and cycling feature were being utilized including pedestrian culverts, shared berms, widening of lanes for future

accommodations, shared bike lanes, dedicated bike lanes, multi-use paths in use at Bells Lake (remnant parcels) in conjunction with the town of Cary, on the bridges separated by concrete rail, sidewalks in many locations, as well as greenways connecting underneath bridges.

Mr. Robert Teer asked Mr. Jernigan to talk about the schedule for Phase 1. Mr. Jernigan stated that it looked as though the opening for Phase 1 would take place in the late Spring of 2024. In a contractor meeting, Mr. Jernigan was assured that the contractor was going to 'bend light' to meet the stated period for completion. Mr. Teer thanked Mr. Jernigan for that news.

Actions Taken

Information only/no action required.

Complete 540 Phase 1 Spend Update

Travis Feltes, P.E., Project Engineer

Discussion Summary

Mr. Travis Feltes gave an update on Complete 540 Phase 1. He included updates for the Plan of Finance Cost Tracking (as of the end of March 2023), Right of Way, Contingencies information, and the Fuel Cost/Hedge status. Mr. Feltes presented the Asphalt Cost Adjustment data as well.

Mr. Robert Teer commented that Turnpike had been lucky and blessed with the past decisions regarding reserves and hedge actions for the ability to deal with fuel costs increases. Mr. Feltes agreed with Mr. Teer.

Mr. John Adcock asked if the reserves totaled about \$4 million. Mr. Feltes said yes. There was an agreement by all present that it would be a welcome change for asphalt and fuel prices to decrease. Mr. Teer asked Mr. Jernigan the amount of asphalt required for the job. Mr. Jernigan shared that including both the A and B jobs that there were 600,000 tons. On the 2828 portion there is only partial usage of asphalt, making the amount used for that section to be between 30,000-to-50,000-ton range.

Mr. Teer then asked about the asphalt plant being utilized on site by C.T. Darnell Construction. He wanted to know if any other contractors would be setting up asphalt plants specifically for the project. Mr. Jernigan said that the intent was for all needed asphalt to be manufactured in that specific plant. In association with that topic Mr. Jernigan shared that the Bells Lake Road portion of the project would open late, as it was infringed on by the asphalt plant. There is ongoing coordination between Turnpike and Darnell. If all asphalt comes out of that plant, Bells Road East Bound direction 540 access would open late.

Mr. Jim Walker then asked about the MAP Act section of Mr. Feltes' presentation. Mr. Walker asked for more information regarding the dollar amount related to the exposure of the MAP Act Parcels. Mr. Feltes shared that all along the MAP Act parcels had been calculated with a four-times multiplier based on the appraised value of each. He noted that 'ask' amounts by attorneys could be excessive sometimes reaching 10 to 15 times the appraised values for specific properties. Mr. Feltes asked not to be quoted for exact numbers but estimated that the total value of the twenty-two remaining parcels was between \$30 and \$100 million. He clarified that this was dependent on the multiplier used, and that everyone hoped that the final numbers would be closer to the \$30 million range.

Actions Taken

Information only/no action required.

Complete 540 Phase 2 Update

Dennis Jernigan, P.E., Interim Chief Engineer

Discussion Summary

Mr. Dennis Jernigan shared the schedule checklists for RFP (Request for Proposal) timelines for R-2829A and R-2829B, Complete 540 Project Phase 2 Preconstruction Activities and the status of the relocation of the FAA Communications and SBA Cell Towers. He finished by sharing a map of planned I-540 and NC-540 road-signing clarification measures and the stripe-and refresh update for Triangle Expressway.

Actions Taken

Information only/no action required.

Complete 540 Phase 2 Plan of Finance

Kate Trimble, Financial Analyst

Discussion Summary

Ms. Kate Trimble presented information regarding the Proposed Bond Documentation Upon Issuance of Senior Lien Revenue Bonds and TIFIA Loan details for the Complete 540 Phase 2 Project. She also shared the Security Structure, Flow of Funds, Funding Sources, Estimated Sources and Uses, Project Debt Service Coverage, and the Financing Schedule.

Mr. David Roy added that in sharing the official schedule that Turnpike was hoping to be in position to move forward the end of this year regarding Plan of Finance.

Mr. Jim Walker asked to revisit the waiver. Mr. Roy showed a slide titled *Complete 540 Phase 2 Project Debt Service Coverage*. He stated that there were several coverage tests that were utilized in both the Loan Agreement and the Trust Indentures analysis. He continued by noting that it was normal for there to be a higher coverage requirement if additional bond issuance was being considered. Mr. Roy gave an example of this application. He stated that the coverage requirement for Senior Lien Bonds is 1.30x. He said that NCTA Finance always anticipated meeting or exceeding this level. He continued to say that if additional bonds were issued, a higher coverage requirement would be used. Mr. Roy stated that with TIFIA the coverage test was 1.75x. He pointed out that in 2023, 2024, and 2025 it was not anticipated that the 1.75x coverage test would be met. Therefore, this would indicate use of the waiver requirement. This was an assured guarantee to consent the additional bonds with the assured understanding that Turnpike would not be likely to meet that coverage test.

Mr. Walker then asked, "What is the risk that they are seeking to avoid by stating a coverage requirement?" Mr. Roy invited Mr. David Miller, with PFM, to answer the question. Mr. Miller said that the 1.75x requirement originated in 2009 (with the original Triangle Expressway Financing – with assured guarantee). He reminded the Committee that this was after the financial panic and shared that it was cost advantageous to take this step, at that time. Mr. Miller continued by stating that using bond insurance was cost advantageous but assured (with projecting) higher than the minimum requirement coverage ratios as insured. TIFIA also requested the addition of higher coverage ratios. Both TIFIA and Senior Lien Coverage required the higher coverage than is in the bond indenture.

Actions Taken

Information only/no action required.

2023 Intern Update

Travis Feltes, P.E., Project Engineer

Discussion Summary

Mr. Travis Feltes told the Committee Members that Turnpike planned to sponsor multiple summer interns throughout the department. This will be the third year for the NCTA Internship Program. Mr. Feltes stated that the plan was for NCTA to have two interns for the Complete 540 Project, two interns for Communications & Marketing, two for Technology, and one for the Finance Department. Five of the

seven positions have been filled. Mr. Feltes said that he would share more details about the Interns chosen for the Summer at the next Board Meeting.

Adjourn

Robert Teer, Chair

Discussion Summary

Mr. Robert Teer opened the floor for questions or comments.

Mr. Teer called for a motion to adjourn the April 19, 2023, North Carolina Turnpike Authority Finance Committee meeting.

Actions Taken

A motion to adjourn the April 19, 2023, Finance Committee meeting was approved upon a call for motion from Mr. Jim Walker and Mr. John Adcock seconded the motion.

North Carolina Turnpike Authority

NCTA Finance Committee Meeting

April 19, 2023



Opening Comments

David Roy
Chief Financial Officer

Chief Engineer Update

Dennis Jernigan, P.E.

Interim Chief Engineer

RTA Complete 540 Tour

March 23, 2023

- RTA toured two sites along Complete 540
 - U.S. 401
 - I-40/U.S. 70 turbine-style interchange
- Attendees included
 - NCTA Board Members
 - RTA members
 - Local elected officials
 - Press



RTA Complete 540 Tour

March 23, 2023

- Started the day with presentation at Wake Tech Campus
- Covered by [ABC 11 News story](#)
- Strengthened NCTA's relationship with RTA and business community




1403/U.S. 70/Toll N.C. 540 Turbine-Style Interchange

Walking Directions From Wake Tech Parking Lot to U.S. 401

1. Walk north from the parking lot onto Advantage Way
2. Turn left onto Old McCollers Road
3. Follow Old McCollers Road until you reach the field site on U.S. 401



Driving Directions From Wake Tech Parking Lot to I-40/U.S. 70 Turbine-Style Interchange

1. Drive north from the parking lot onto Advantage Way
2. Drive straight onto Old McCollers Road
3. Turn right onto Ten Ten Road
4. Follow Ten Ten Road until you turn left onto N.C. 50
5. From N.C. 50, turn right onto New Bethel Church Road
6. Follow New Bethel Church Road until you reach the toll sign at the I-40/U.S. 70 Turbine-Style Interchange

About Complete 540

The Complete 540 Project, also known as the Southeast Extension, will extend the Triangle Expressway from the N.C. 55 Bypass in Ashe to U.S. 64/U.S. 264 (I-87) in Knightdale, completing the outer 540 loop around the greater Raleigh area. The Complete 540 Project is being constructed in two phases. Phase 1 will connect the N.C. 55 Bypass to I-40 and is planned to open to traffic in spring 2024. With the support of RTA, Capital Area Metropolitan Planning Organization and other industry partners, the N.C. Department of Transportation (NCDOT) and NCTA have begun the procurement process for Phase 2 of Complete 540. Phase 2 will connect I-40 in Garner to I-87 (U.S. 64/264) in Knightdale, and will complete the I-540/768 N.C. 540 Outer Loop around Raleigh.

About NCTA

To help keep pace with the transportation needs of the state, NCTA plays a critical role in NCDOT's operations by studying, planning, developing and building toll roads as well as operating and maintaining them. With innovation and customer-centered service at its core, the Triangle Expressway was the first toll road in the country to be designed with all-electronic tolling technology from its inception.



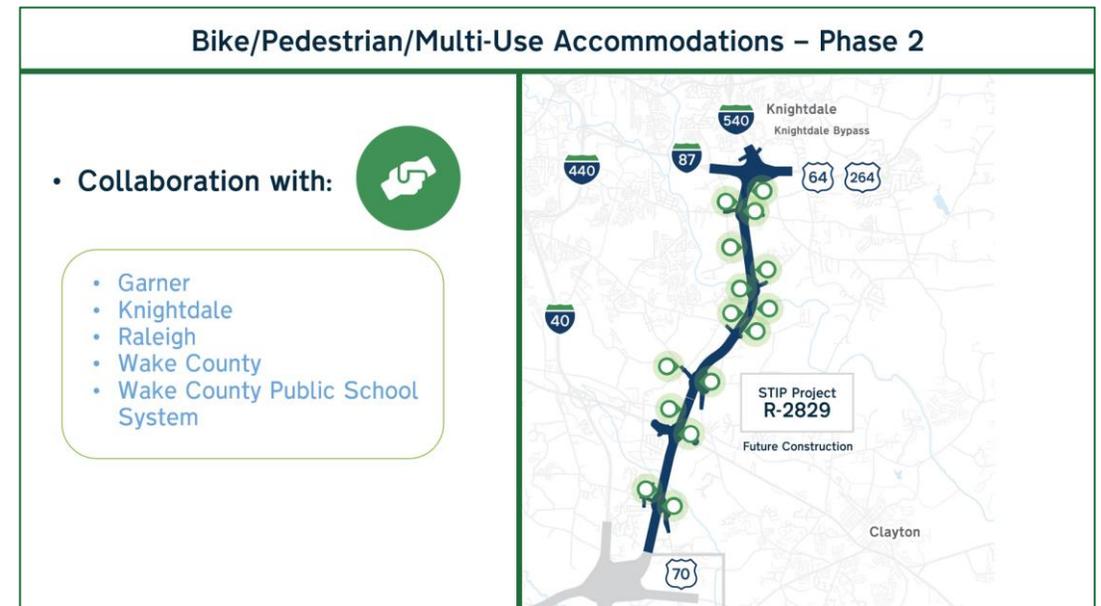
Scan the QR code to access an online version of this handout.



CAMPO Executive Board Presentation

April 19, 2023

- Presenting about
 - Phase 1 construction update
 - Phase 2 information and update
 - Bike and pedestrian accommodations along the project



The background features a dark blue field with a subtle, light blue hexagonal grid pattern. Overlaid on this are several dynamic, glowing trails of small particles. These trails originate from the left and right edges and curve inward, creating a sense of motion and depth. The particles themselves vary in brightness, with some appearing as sharp points of light and others as soft, diffuse clouds.

Complete 540 Phase 1

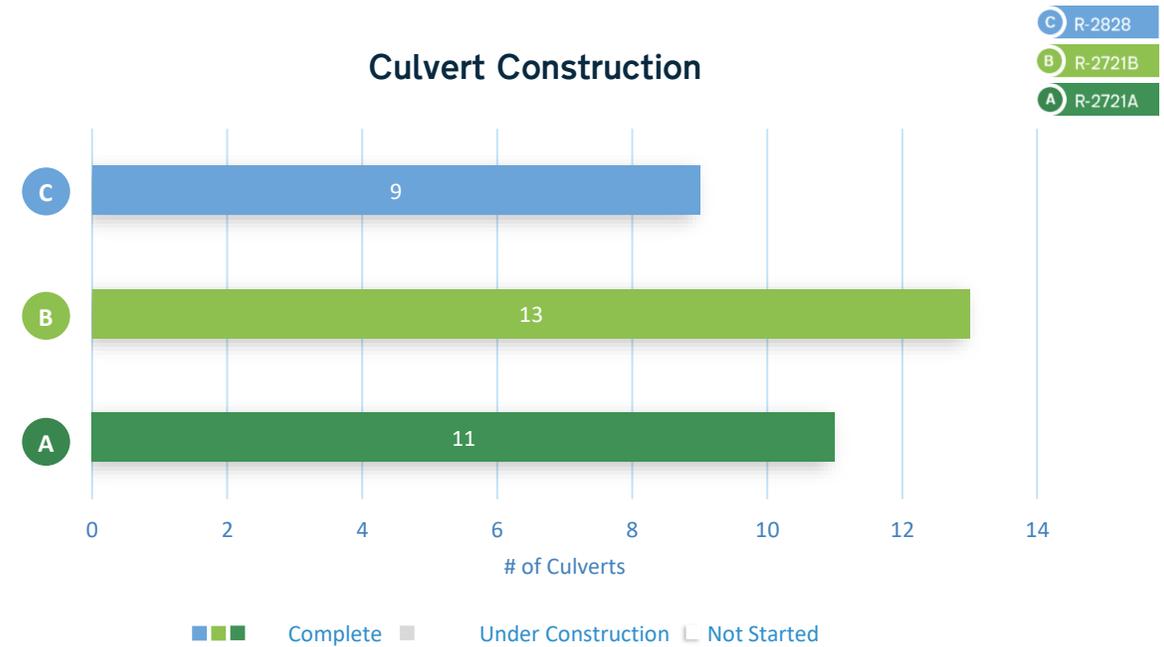
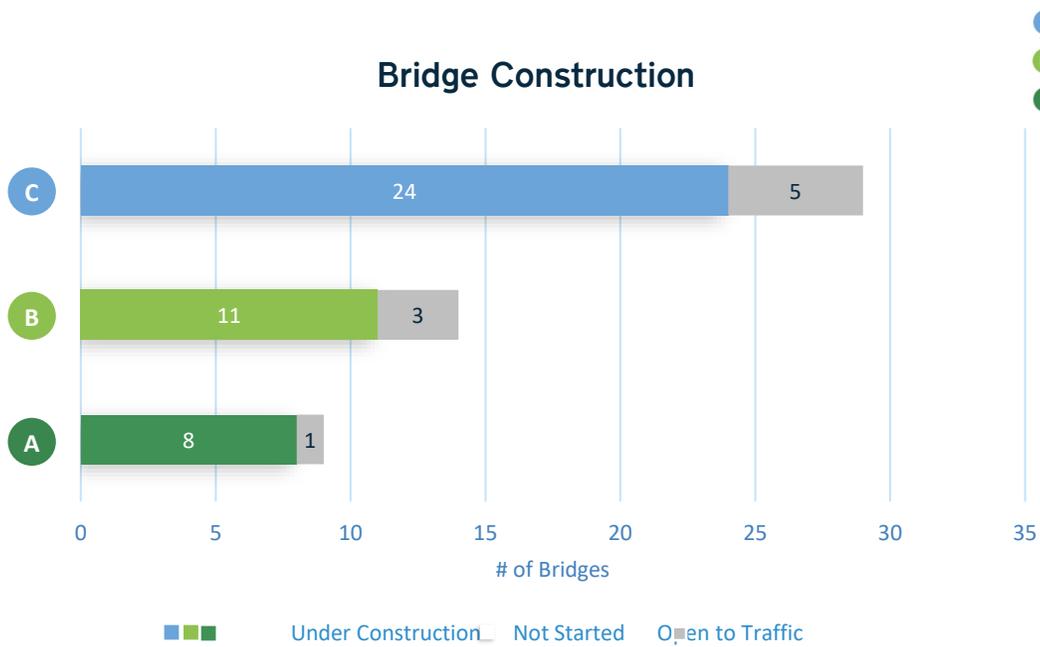
On Grade



Stabilized Soil and Bridge Construction



Bridge & Culvert Construction



Updated 4-12-2023

Noise Wall Construction

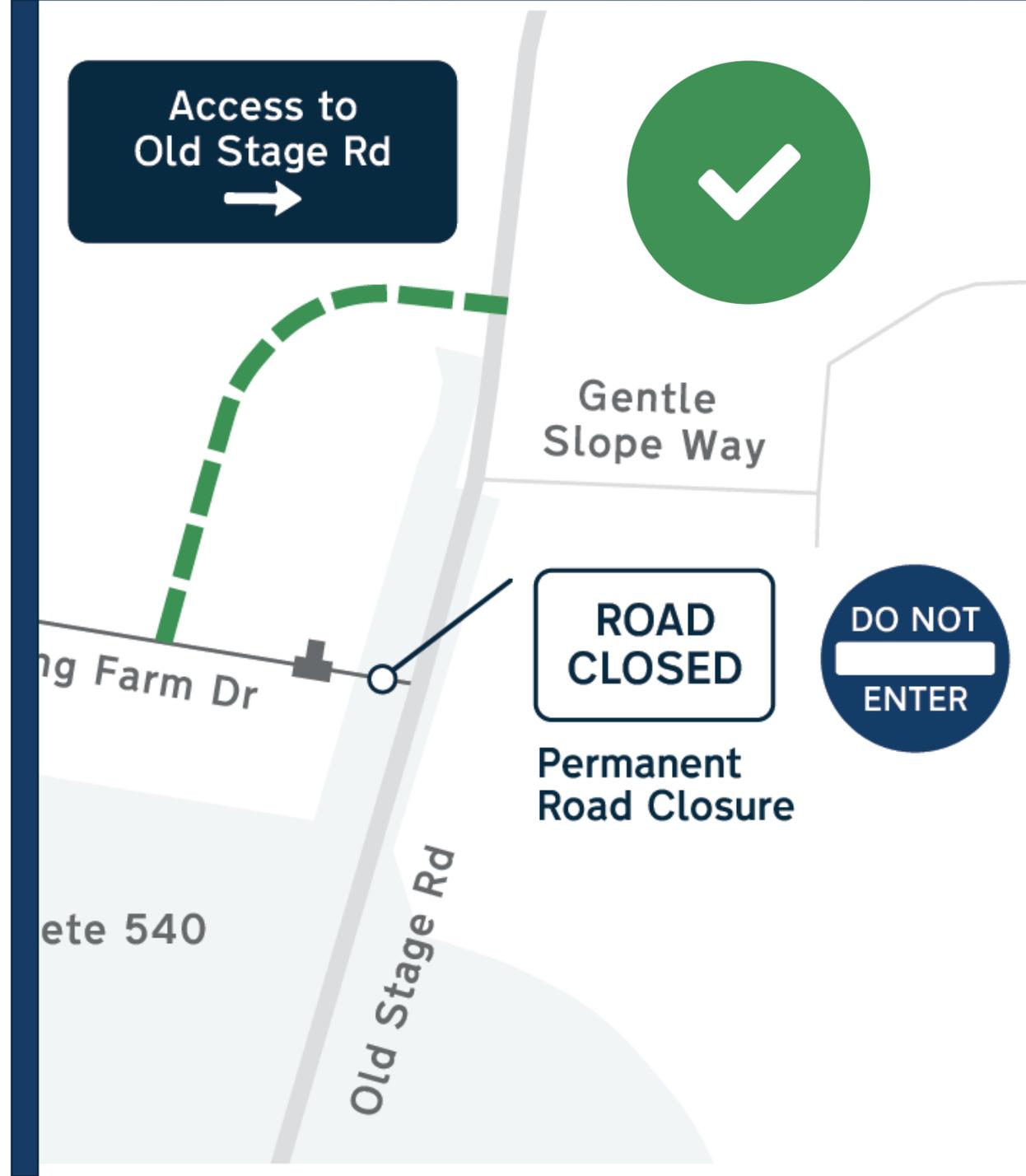


Paving



Complete 540 Openings

- **Old Stage Road**
 - April 2023
- **West Lake Road**
 - March 2023
- **Relocated Rolling Farm Drive**
 - January 2023
- **River Falls Pedestrian Trail and Culvert**
 - November 2022
- **Sunset Lake Road (1 of 2)**
 - November 2022
- **US-401**
 - November 2022
- **Holland Church Road**
 - September 2022
- **Lassiter Road and Wooded Acres Street**
 - August 2022
- **NC-50**
 - August 2022
- **Deerborn Drive Extension**
 - July 2022
- **New Bethel Church Road**
 - July 2022
- **Kildaire Farm Road**
 - May 2022
- **Johnson Pond**
 - April 2022
- **Fanny Brown Road**
 - November 2021



Complete 540 Phase 1 Spend Update

Travis Feltes, P.E.

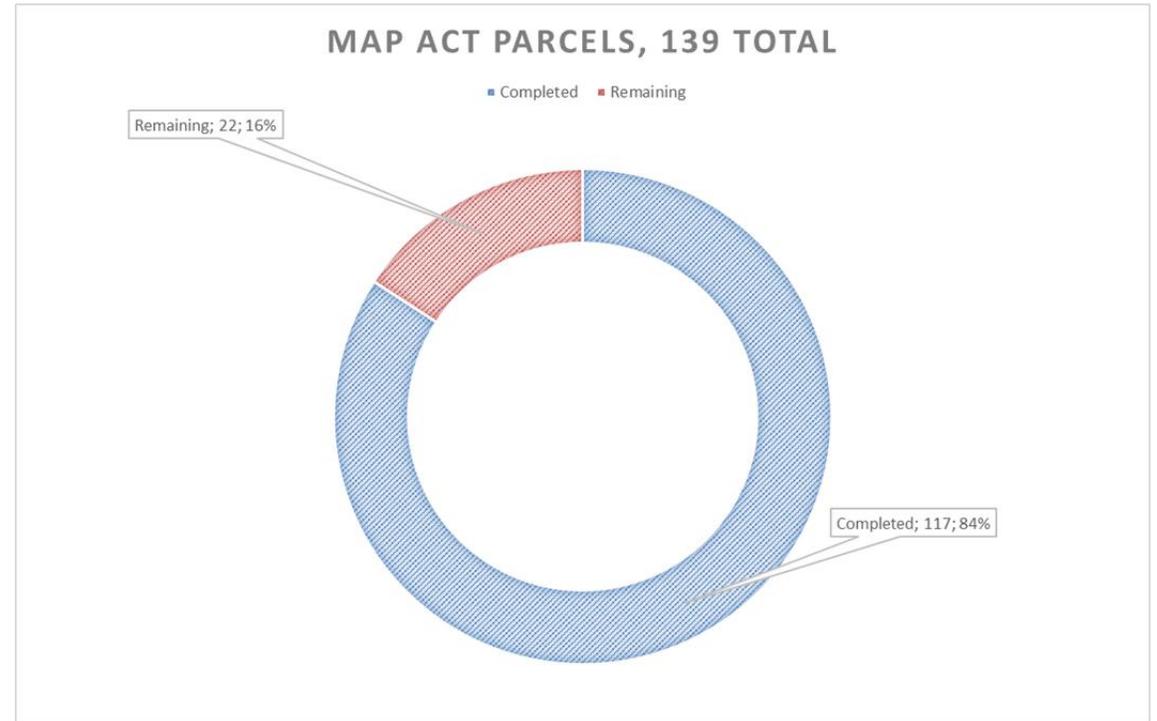
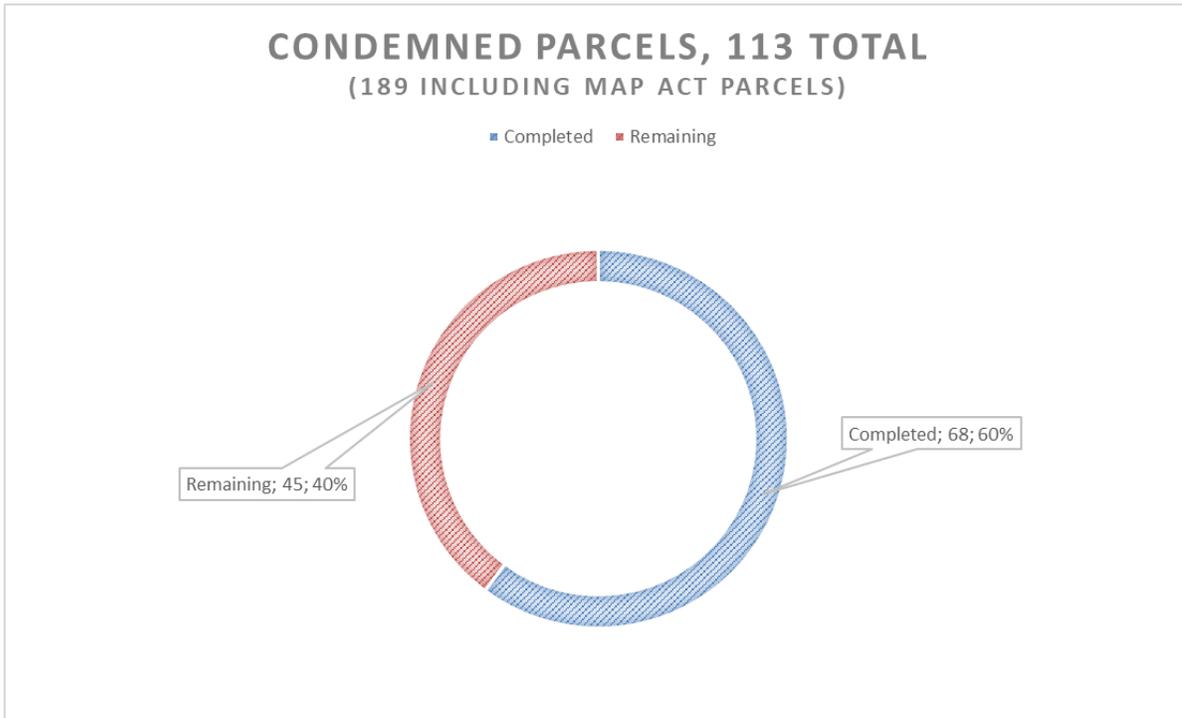
Project Engineer

Plan of Finance Cost Tracking

	DESCRIPTION	Cost Estimate (\$M)	Spent as of March 31, 2023	% of Budget Spent
R-2721A	Construction	\$ 228.18	\$ 173.55	76%
	Landscaping	\$ 2.67	\$ -	0%
	Right of Way	\$ 74.93	\$ 76.12	102%
	Utilities	\$ 16.90	\$ 14.37	85%
	Agency Costs:	\$ 24.89	\$ 16.50	66%
	PROJECT SUB-TOTAL	\$ 347.57	\$ 280.54	81%
R-2721B	Construction	\$ 206.58	\$ 176.73	86%
	Landscaping	\$ 2.32	\$ -	0%
	Right of Way	\$ 81.67	\$ 83.59	102%
	Utilities	\$ 12.50	\$ 12.42	99%
	Agency Costs:	\$ 23.02	\$ 19.74	86%
	PROJECT SUB-TOTAL	\$ 326.09	\$ 292.48	90%
R-2828	Construction	\$ 422.83	\$ 305.09	72%
	Toll Integration	\$ 21.24	\$ 0.99	5%
	Landscaping	\$ 5.84	\$ -	0%
	Right of Way	\$ 48.99	\$ 65.43	134%
	Utilities	\$ 36.57	\$ 31.55	86%
	Agency Costs:	\$ 86.32	\$ 63.24	73%
	PROJECT SUB-TOTAL	\$ 621.79	\$ 466.29	75%
TOTAL	Construction	\$ 857.59	\$ 655.36	76%
	Toll Integration	\$ 21.24	\$ 0.99	5%
	Landscaping	\$ 10.83	\$ -	0%
	Right of Way	\$ 205.59	\$ 225.14	110%
	Utilities	\$ 65.97	\$ 58.34	88%
	Agency Costs:	\$ 134.23	\$ 99.48	74%
	PROJECT COST FOR FINANCING	\$ 1,295.45	\$ 1,039.30	80%

Right of Way Update

Project	Standard Parcels	Condemnation Parcels	MAP Act Parcels	Total
R-2721 A	140	44	28	212
R-2721 B	129	33	60	222
R-2828	128	36	51	215
Total	397	113	139	649



Contingencies

Contingency Item	Current Plan of Finance Budget	Previous Report (12/31/2022 Data)
Third Party Delay Contingency	\$0	\$0
Contingency & Reserves	\$0	\$0
Fuel & AC Reserves	\$4,120,000	\$4,120,000
Total	\$4,120,000	\$4,120,000

Project	Supplement Budget	Supplemental Agreement Total	% Spent	Amount Remaining	% Remaining
R-2721 A	\$43,722,332	\$43,722,332	100%	\$0	0%
R-2721 B	\$47,634,463	\$47,634,463	100%	\$0	0%
R-2828	\$43,199,873	\$41,389,873	96%	\$1,810,000	4%
Total	\$134,556,668	\$132,746,668	99%	\$1,810,000	1%

Fuel Cost/Hedge

Early in the project, NCTA entered into a Fuel Hedge to de-risk the plan of finance. The premium for this plan was \$254,000 and the strike price for the hedge is \$2.40/gallon.

	Fuel Cost Adjustment				Fuel Hedge Payout
	R-2721A	R-2721B	R-2828	Total	Total
Prior FY's	\$ (256,478.05)	\$ (313,940.44)	\$ (101,406.78)	\$ (671,825.27)	\$ 1,312,450.47
July-22	\$ (81,427.65)	\$ (112,021.91)	\$ (132,743.05)	\$ (326,192.61)	\$ 305,560.48
August-22	\$ (50,778.25)	\$ (48,978.79)	\$ (121,760.71)	\$ (221,517.75)	\$ 232,119.70
September-22	\$ (104,268.33)	\$ (140,314.55)	\$ (77,297.84)	\$ (321,880.72)	\$ 142,160.65
October-22	\$ (42,366.85)	\$ (112,344.87)	\$ (82,718.33)	\$ (237,430.05)	\$ 192,924.39
November-22	\$ (61,040.13)	\$ (110,860.25)	\$ (83,686.32)	\$ (255,586.70)	\$ 6,372.21
December-22	\$ (33,454.53)	\$ -	\$ (36,682.21)	\$ (70,136.74)	\$ -
January-23	\$ (16,502.72)	\$ (47,790.82)	\$ (14,265.45)	\$ (78,558.99)	\$ -
February-23	\$ (10,530.51)	\$ (4,742.31)	\$ (43,800.36)	\$ (59,073.18)	\$ -
March-23	\$ (14,144.77)	\$ (11,044.04)	\$ (24,899.94)	\$ (50,088.75)	\$ 39,085.32
April-23	\$ -	\$ -	\$ -	\$ -	\$ -
May-23	\$ -	\$ -	\$ -	\$ -	\$ -
June-23	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ (670,991.79)	\$ (902,037.97)	\$ (719,261.00)	\$ (2,292,290.76)	\$ 2,230,673.22

Project	Price/Gallon
R-2721A	\$ 1.8075
R-2721B	\$ 1.8075
R-2828	\$ 2.3501

Paid out to the contractor	\$ (2,787,743.23)
Received from the contractor	\$ 415,349.09
Received from the hedge	\$ 2,230,673.22
Net Total	\$ (141,720.92)

Asphalt Cost Adjustment

	R-2721A	R-2721B	R-2828	Total
Prior FY's	\$ (54,577.00)	\$ (17,212.63)	\$ 20,507.88	\$ (51,281.75)
July-22	\$ -	\$ (11,046.38)	\$ (9,945.12)	\$ (20,991.50)
August-22	\$ (4,196.14)	\$ -	\$ (16,564.25)	\$ (20,760.39)
September-22	\$ (16,691.98)	\$ (107,949.53)	\$ (11,148.50)	\$ (135,790.01)
October-22	\$ -	\$ (116,301.57)	\$ -	\$ (116,301.57)
November-22	\$ (10,152.84)	\$ (52,431.23)	\$ -	\$ (62,584.07)
December-22	\$ -	\$ (55,259.16)	\$ -	\$ (55,259.16)
January-23	\$ (5,619.58)	\$ (42,822.17)	\$ (1,090.34)	\$ (49,532.09)
February-23	\$ -	\$ -	\$ (18,129.83)	\$ (18,129.83)
March-23	\$ -	\$ (7,124.87)	\$ (25,648.09)	\$ (32,772.96)
April-23	\$ -	\$ -	\$ -	\$ -
May-23	\$ -	\$ -	\$ -	\$ -
June-23	\$ -	\$ -	\$ -	\$ -
	\$ (91,237.54)	\$ (410,147.53)	\$ (62,018.25)	\$ (563,403.32)

Complete 540 Phase 2 Update

Dennis Jernigan, P.E.
Interim Chief Engineer

R-2829B

RFQ Advertisement	November 15, 2022	✓
Statement of Qualifications due from Design-Build Teams	December 20, 2022	✓
Department Announces Short-listed Teams	January 18, 2023	✓
Department Issues Industry Draft RFP to Short-listed Teams	January 18, 2023	✓
First Meeting with Short-listed Teams	February 1, 2023	✓
Department Issues Second Industry Draft RFP to Short-listed Teams	February 15, 2023	✓
Department Holds Statement of Qualifications Debriefs	Week of February 20, 2023	✓
Second Meeting with Short-listed Teams	March 1, 2023	✓
Department Issues Final RFP to Short-listed Teams	March 22, 2023	✓
Technical Proposals and Fuel Usage Factor Chart / Estimate of Quantities Due	June 22, 2023	
Sealed Price Proposals Due	July 11, 2023	
Technical Presentations by Short-listed Teams	July 12, 2023	
Open Price Proposals	July 18, 2023	
Department Holds Technical Proposal Debriefs (Pending Contract Execution)	Week of August 21, 2023	

NOTE: All dates are approximate and subject to change.

R-2829A

RFQ Advertisement	February 1, 2023	
Statement of Qualifications due from Design-Build Teams	February 28, 2023	
Department Announces Short-listed Teams	March 16, 2023	
Department Issues Industry Draft RFP to Short-listed Teams	March 16, 2023	
First Meeting with Short-listed Teams	April 4, 2023	
Department Holds Statement of Qualifications Debriefs	Week of April 17, 2023	
Department Issues Second Industry Draft RFP to Short-listed Teams	April 18, 2023	
Second Meeting with Short-listed Teams	May 2, 2023	
Department Issues Final RFP to Short-listed Teams	May 16, 2023	
Technical Proposals and Fuel Usage Factor Chart / Estimate of Quantities Due	August 24, 2023	
Sealed Price Proposals Due	September 12, 2023	
Technical Presentations by Short-listed Teams	September 13, 2023	
Open Price Proposals	September 19, 2023	
Department Holds Technical Proposal Debriefs (Pending Contract Execution)	Week of October 23, 2023	

NOTE: All dates are approximate and subject to change.

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
- Update Project Cost Estimate
- Refining Preliminary Design
- Developing Pavement Design and Life Cycle Analyses
- Railroad Coordination
- Industry Coordination

Activities Underway

- Advanced Acquisition of Certain Right-of-Way Parcels
- Coordination with Owners of Towers Regarding Needed Relocations
- Planning for Community Water and Sewer Conflict Resolutions
- Planning for Other Long Lead-Time Items
- Utility Coordination
- Developer Coordination
- Refine Plans for Right-of-Way Acquisition
- Design-Build Procurement

FAA Communications Tower Relocation – R-2829B

- Was on private property at Rock Quarry Road – Parcel 30 ~ Sta 1208+00
- Tower removed from property
- All work for this relocation was completed by others
- Ongoing coordination is underway



SBA Cell Tower Relocation – R-2829B

- Currently on southeast corner of the Raleigh Rugby Club property – Parcel 53 ~ Sta 1433+00
- All work for this relocation is being completed by others
- Ongoing coordination is underway
- Town of Knightdale has issued a special use permit
- NEPA underway







Chapel Hill

West

East

East

West

Knightdale

West

West

East

East

Archer Lodge

Clayton

Fuquay Varina

Chapel Hill

885

70

540

540

401

TOLL

885

TOLL

540

40

440

64

264

64

64

1

401

40

70

55

42

CHATHAM COUNTY
WAKE COUNTY

DURHAM CO
WAKE COUNTY

WAKE COUNTY
JOHNSTON COUNTY

WAKE COUNTY
COUNTY
COUNTY

Miscellaneous Updates

Complete 540 Phase 2 Plan of Finance

Kate Trimble
Financial Analyst

Proposed Bond Documentation Upon Issuance of Senior Lien Revenue Bonds and TIFIA Loan for Complete 540 Phase 2 Project

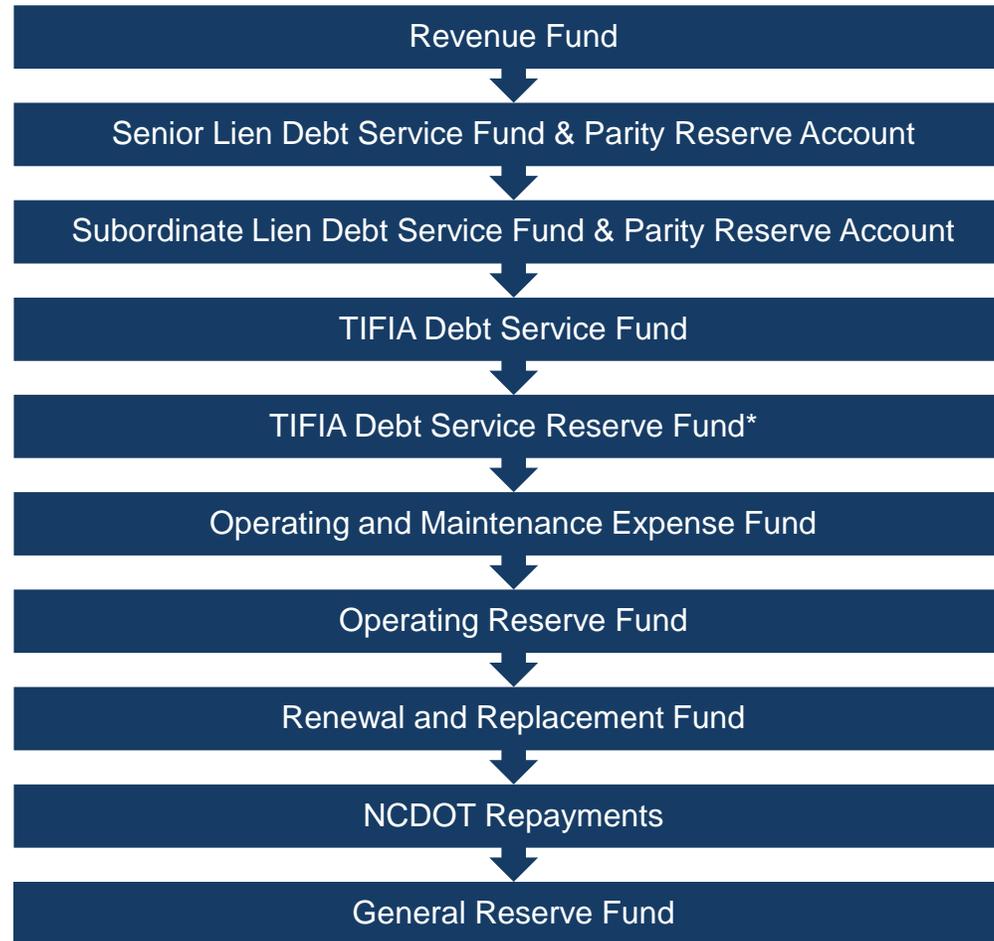
- Sixth Supplemental Trust Agreement providing for issuance of Senior Lien Revenue Bonds in estimated principal amount of \$273 million and TIFIA Bond in estimated maximum principal amount of \$382 million
 - No further amendments to Amended and Restated Trust Agreement or any Supplements are currently contemplated, but the Authority is continuing to review and consider whether any amendments may be necessary or appropriate in connection with the financing of the Complete 540 Phase 2 Project

Security Structure

All security and financial covenants proposed are consistent with the terms of the existing indentures and TIFIA Loan Agreement

- Senior Lien Bonds secured by all Receipts consisting of:
 - Gross Toll revenues (based on T&R Forecast)
 - Excess State Appropriated Revenues (appropriated from the Highway Trust Fund)
 - General Fund Interest earnings
- TIFIA loan secured by a subordinate pledge of Receipts
- NCDOT commitment to replenish the Operating Reserve Fund, pursuant to the Operations and Maintenance Guaranty Agreement, allows Senior and TIFIA debt service to be paid before Operations and Maintenance Expenses
- NCDOT construction completion guarantee

Flow of Funds



*TIFIA Debt Service Reserve Fund may be secured by a surety instead of cash reserves.

Complete 540 Phase 2

Funding Sources

\$382 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

\$273 million Senior Lien Toll Revenue Bonds, Series 2024*

- Gross toll revenue pledge on parity with Series 2009, Series 2017, Series 2018, Series 2019 Toll Revenue Bonds
- Surety policy covers deposit required to Common DSRF (funded to 50% of the lesser-of-three test)

\$400 million NCDOT GARVEE Bonds & State Match

\$29 million reallocation of Phase I NCDOT State Match dollars

- Funds were previously earmarked for the TIFIA DSRF deposit required upon substantial completion of Phase I

*Consists of approximately \$160 million in par of CIBs, \$111.7 million in par of CABs at issuance and issue premium of \$1 million

Complete 540 Phase 2

Estimated Sources and Uses

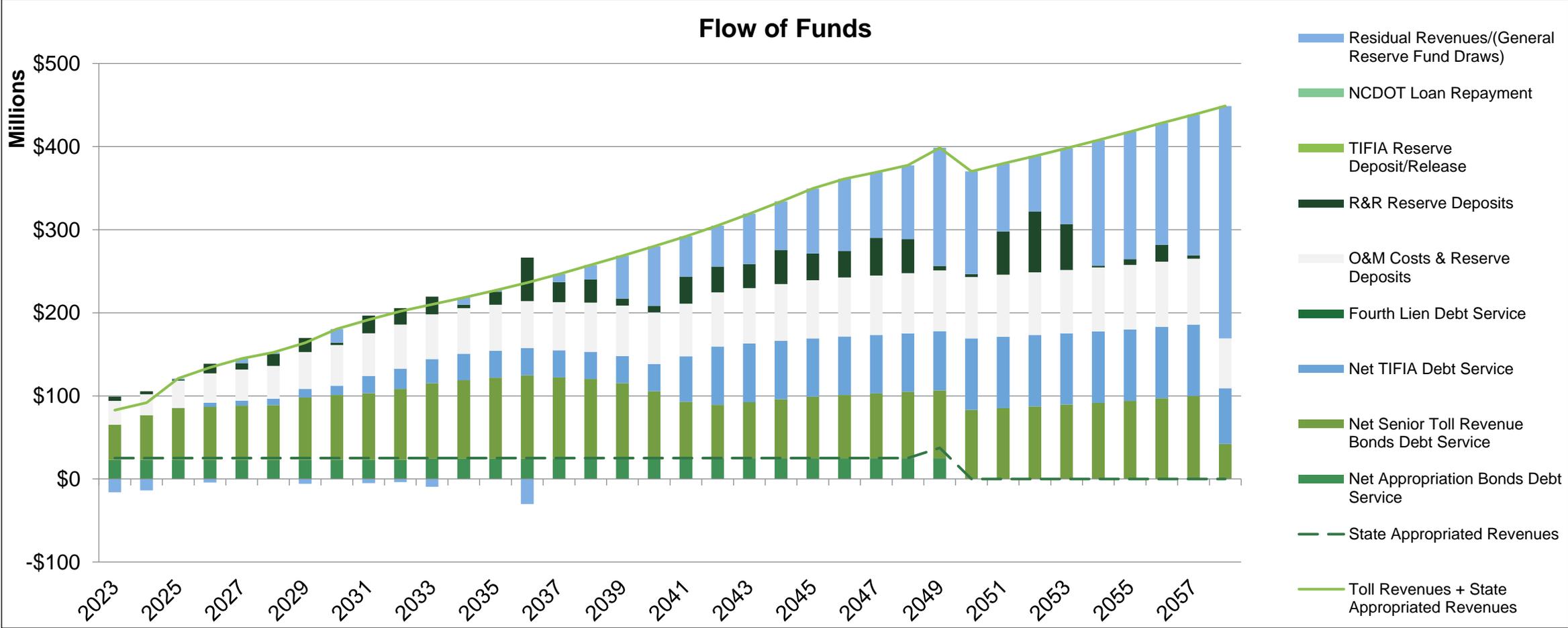
- The anticipated Sources and Uses for the Complete 540 Phase 2 financing is shown below
- The TIFIA Loan is sized to 33% of eligible costs, which includes project capital costs, prior eligible costs, costs of issuance, and capitalized interest during the construction period
- Toll Revenue Bonds and TIFIA combined pay for 60% of project costs and NCDOT pays for 40% of project costs

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Sources							
Complete 540 Phase 2 TIFIA BANs	-	139,086,118	101,454,796	59,182,798	58,065,186	24,565,169	382,354,066
Series 2024 Toll Revenue Bonds - Senior Lien	182,861,647	90,244,902	-	-	-	-	273,106,548
NCDOT State Funding	29,435,737	-	112,100,000	120,000,000	118,000,000	49,900,000	429,435,737
Total Sources	212,297,383	229,331,020	213,554,796	179,182,798	176,065,186	74,465,169	1,084,896,351
Uses							
Construction Costs	165,467,994	229,331,020	213,554,796	179,182,798	176,065,186	74,465,169	1,038,066,962
Toll Revenue Bond Cap Int	30,691,358	-	-	-	-	-	30,691,358
Cost of Issuance	16,138,032	-	-	-	-	-	16,138,032
Total Uses	212,297,383	229,331,020	213,554,796	179,182,798	176,065,186	74,465,169	1,084,896,351

- Toll revenues cover 100% of all toll collection and roadway O&M and R&R costs

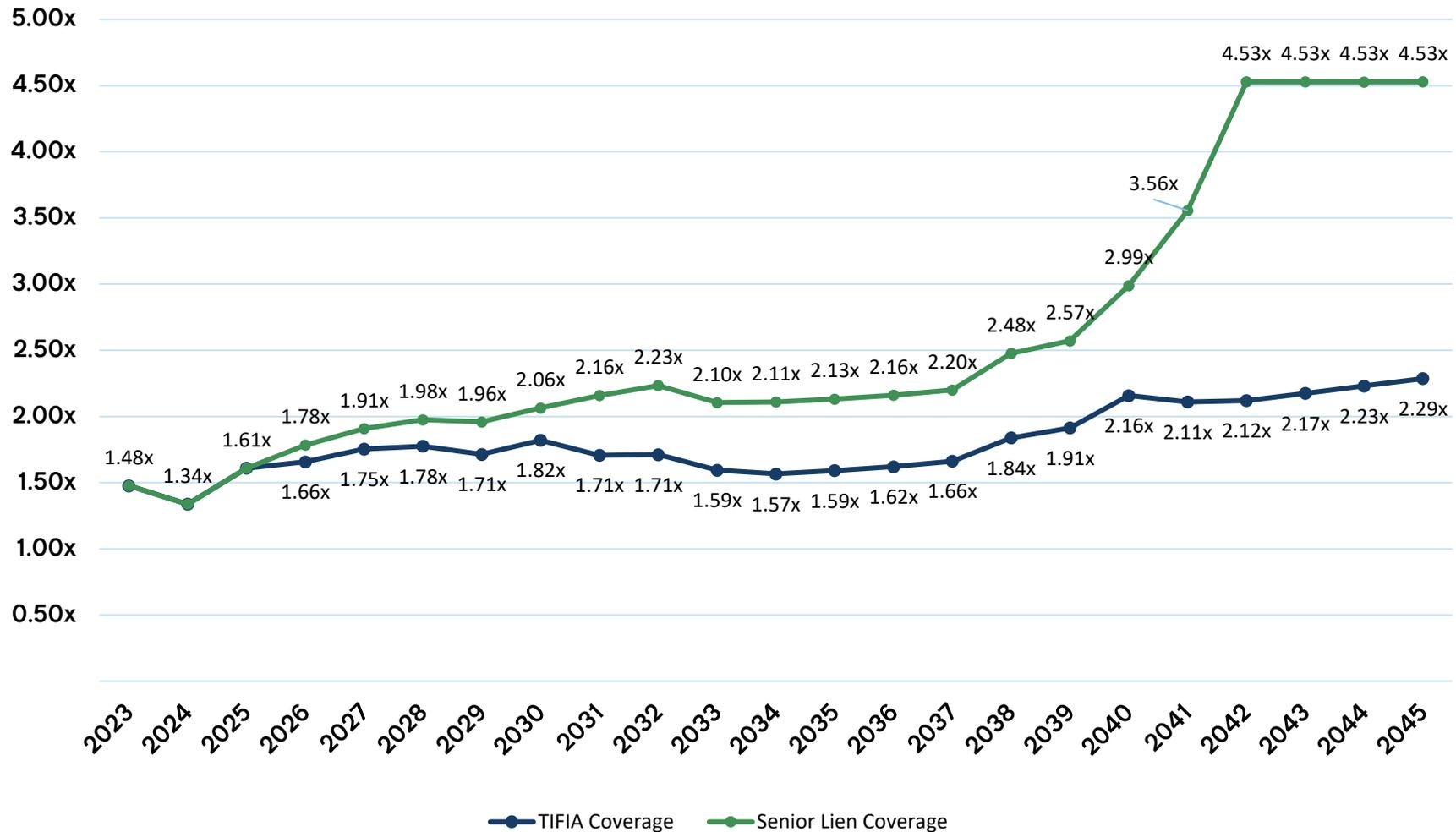
Complete 540 Phase 2

- General Reserve minimum balance of \$21.5 million in FY 2036



Complete 540 Phase 2

Project Debt Service Coverage



Complete 540 Phase 2

Financing Schedule

Date	Event
Apr-Jun 2023	<ul style="list-style-type: none">• R2829A RFQ Advertisement• UW RFP Distribution, Evaluation, and Selection• Indicative Credit Rating Presentation• 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

2023 Intern Update

Travis Feltes, P.E.

Project Engineer

Contact Us



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Thank you!