

North Carolina Turnpike Authority

NCTA Finance Committee Meeting

April 17, 2024



Finance Committee



Robert D. Teer Jr.
Finance Committee
Chairman



John Adcock
Finance Committee Member



Julie Eiselt
Finance Committee Member



James 'Jim' Walker
Finance Committee Member

Other Board Members



Joey Hopkins
Chair



**Dr. Pamela Gibson
Senegal**
Board Member



Sam Hunt IV
Board Member



Montell W. Irvin
Board Member



**Charles 'Chuck'
Travis III**
Board Member

Opening Comments

J.J. Eden
Executive Director

Chief Engineer Update

Patrick Norman, P.E. & Dennis Jernigan, P.E.
Chief Engineer & Deputy Chief Engineer

New Addition to the Turnpike Team!

- O'Shay Haynes
 - TMC Manager for Turnpike
 - Starting in May
- Zack Chambers promoted to Roadway Manager for Monroe Expressway





Complete 540 Phase 1

Complete 540 Phase 1

Toll Integration Update

- Upcoming testing with Kapsch
- Power to 3 of 6 sites
- Fiber complete on R-2721B
- Generator commissioning



Holly Springs Road Earthwork Before



Holly Springs Road Earthwork After



Railroad Bridges Before



Railroad Bridges

After



Toll Site
Construction on R-
2828
Before



Toll Site
Construction on R-
2828
After





Complete 540 Phase 2

Complete 540 Phase 2

Groundbreaking Ceremony

- Construction set to begin the week of May 6
- May 16 groundbreaking ceremony
 - After Board meeting with lunch in between



Complete 540 Spend Update

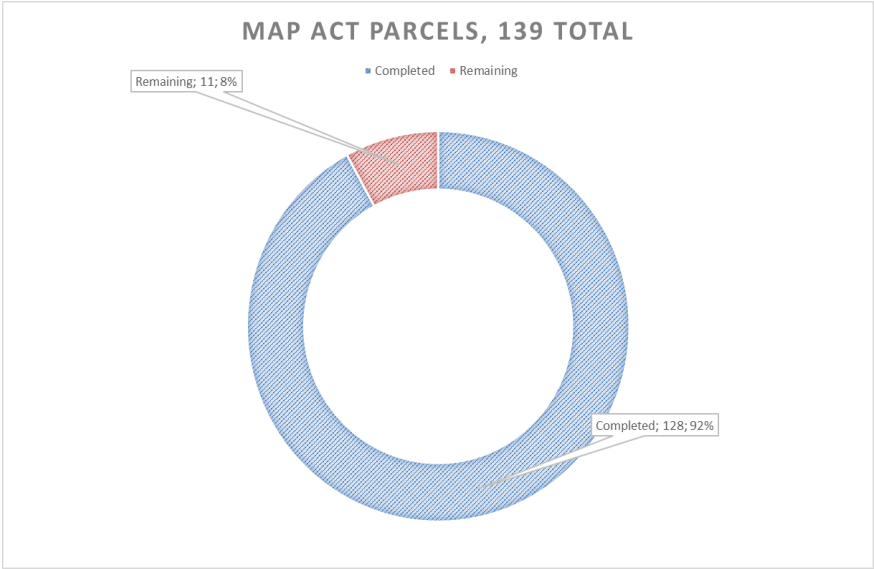
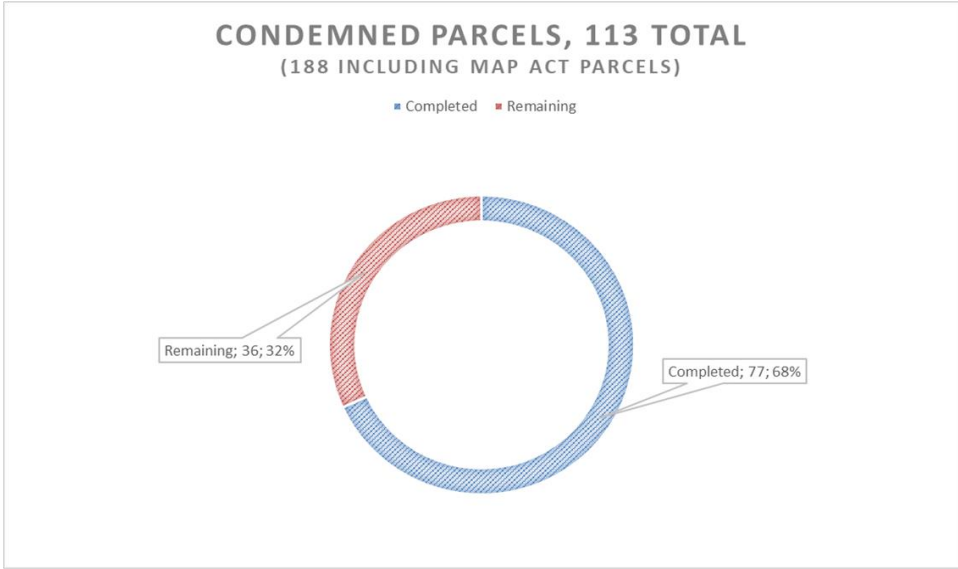
Travis Feltes, P.E.
Project Engineer

Plan of Finance Cost Tracking

	DESCRIPTION	Cost Estimate (\$M)	Spent as of March 31, 2024	% of Budget Spent
R-2721A	Construction	\$ 228.85	\$ 217.12	95%
	Landscaping	\$ 2.67	\$ -	0%
	Right of Way	\$ 74.93	\$ 80.54	107%
	Utilities	\$ 16.90	\$ 14.58	86%
	Agency Costs:	\$ 22.99	\$ 21.98	96%
	PROJECT SUB-TOTAL	\$ 346.34	\$ 334.23	97%
R-2721B	Construction	\$ 207.61	\$ 202.28	97%
	Landscaping	\$ 2.32	\$ -	0%
	Right of Way	\$ 81.67	\$ 90.84	111%
	Utilities	\$ 15.50	\$ 12.54	81%
	Agency Costs:	\$ 22.47	\$ 24.63	110%
	PROJECT SUB-TOTAL	\$ 329.57	\$ 330.29	100%
R-2828	Construction	\$ 424.05	\$ 377.24	89%
	Toll Integration	\$ 21.24	\$ 4.52	21%
	Landscaping	\$ 5.84	\$ -	0%
	Right of Way	\$ 48.99	\$ 75.33	154%
	Utilities	\$ 33.55	\$ 32.53	97%
	Agency Costs:	\$ 84.87	\$ 74.28	88%
	PROJECT SUB-TOTAL	\$ 618.54	\$ 563.90	91%
TOTAL	Construction	\$ 860.50	\$ 796.64	93%
	Toll Integration	\$ 21.24	\$ 4.52	21%
	Landscaping	\$ 10.83	\$ -	0%
	Right of Way	\$ 205.59	\$ 246.71	120%
	Utilities	\$ 65.95	\$ 59.65	90%
	Agency Costs:	\$ 130.33	\$ 120.89	93%
	PROJECT COST FOR FINANCING	\$ 1,294.44	\$ 1,228.41	95%

Right of Way Update

Project	Standard Parcels	Condemnation Parcels	MAP Act Parcels	Total
R-2721A	140	44	28	212
R-2721B	129	33	60	222
R-2828	128	37	51	216
Total	397	114	139	650



As of April 10, 2024

Contingencies

Contingency Item	Current Plan of Finance Budget	Previous Report (01/24/2024 Data)
Third Party Delay Contingency	\$0	\$0
Contingency & Reserves	\$0	\$0
Fuel & AC Reserves	\$2,940,000	\$3,630,000
Total	\$2,940,000	\$3,630,000

Project	Supplement Budget	Supplemental Agreement Total	% Spent	Amount Remaining	% Remaining
R-2721A	\$43,900,000	\$43,900,000	100%	\$0	0%
R-2721B	\$48,000,000	\$48,000,000	100%	\$0	0%
R-2828	\$41,900,000	\$41,900,000	100%	\$0	0%
Total	\$133,800,000	\$133,800,000	100%	\$0	0%

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	\$ (265,957.04)	\$ (334,061.14)	\$ (101,406.78)	\$ (701,424.96)	\$ 1,312,450.47
FY 2023	\$ (475,314.35)	\$ (752,026.47)	\$ (675,809.58)	\$ (1,903,150.40)	\$ 938,627.24
July-23	\$ (14,312.08)	\$ (64,027.29)	\$ (17,504.94)	\$ (95,844.30)	
August-23	\$ (87,116.90)	\$ (52,983.39)	\$ (31,493.88)	\$ (171,594.17)	
September-23	\$ (65,850.97)	\$ (156,924.77)	\$ (66,750.29)	\$ (289,526.03)	
October-23	\$ (228,996.95)	\$ (49,726.92)	\$ (85,713.15)	\$ (364,437.02)	
November-23	\$ (127,352.32)	\$ (141,957.07)	\$ (49,211.54)	\$ (318,520.92)	
December-23	\$ (27,200.01)	\$ (61,924.03)	\$ (21,331.69)	\$ (110,455.73)	
January-24	\$ (55,800.91)	\$ (3,784.83)	\$ (14,987.41)	\$ (74,573.15)	
February-24	\$ (45,733.60)	\$ (35,437.97)	\$ (23,339.79)	\$ (104,511.36)	
March-24	\$ (76,734.85)	\$ (87,794.89)	\$ (19,764.89)	\$ (184,294.64)	
	\$ (1,470,369.97)	\$ (1,740,648.78)	\$ (1,107,313.94)	\$ (4,318,332.69)	\$ 2,251,077.71

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

Paid out to the contractor	\$ (4,736,137.74)
Received from the contractor	\$ 417,805.06
Received from the hedge	\$ 2,251,077.71
Net Total	\$ (2,067,254.97)

Asphalt Cost Adjustment

	R-2721A	R-2721B	R-2828	Total
Prior FY's	\$ (54,577.00)	\$ (8,762.49)	\$ 20,507.86	\$ (42,831.63)
FY 2023	\$ (67,514.97)	\$ (447,998.37)	\$ (164,893.64)	\$ (680,406.98)
July-23	\$ -	\$ (74,122.06)	\$ (26,177.69)	\$ (100,299.75)
August-23	\$ (67,560.15)	\$ (31,215.22)	\$ (853.26)	\$ (99,628.63)
September-23	\$ (22,551.11)	\$ (91,925.50)	\$ (10,518.40)	\$ (124,995.01)
October-23	\$ (145,540.67)	\$ (12,542.68)	\$ -	\$ (158,083.36)
November-23	\$ (102,422.12)	\$ (92,503.50)	\$ -	\$ (194,925.62)
December-23	\$ (7,863.31)	\$ (51,608.41)	\$ (1,092.90)	\$ (60,564.62)
January-24	\$ (57,661.24)	\$ (2,660.42)	\$ (1,891.56)	\$ (62,213.22)
February-24	\$ (9,661.16)	\$ (44,336.25)	\$ (4,952.62)	\$ (58,950.02)
March-24	\$ (57,286.77)	\$ (124,166.60)	\$ (4,110.48)	\$ (185,563.85)
	\$ (592,638.50)	\$ (981,841.51)	\$ (193,982.68)	\$ (1,768,462.69)

Proposed Toll Rate Schedules

David Roy
Director of Innovative Finance

Proposed Change to Pre-paid Discount

- NCTA is proposing to increase the pre-paid toll discount to ~50% on all NCTA operated roadways
 - Currently, pre-paid customers receive a discount of ~35% on tolls
 - Post-paid Bill by Mail (BBM), or Video, transactions cost approximately 3x more to process than pre-paid, transponder based, transactions
- This proposed change would more appropriately allocate costs to a customer's chosen payment method and encourage greater pre-paid account adoption rates
 - Proposed change would increase the BBM rate by 30% and keep ETC rates unchanged
 - The anticipated gross revenue impact is less than +5% and the transaction impact is no more than -5%
- CDM Smith, as Traffic and Revenue Consultant, has provided revised forecasts and letters of no negative impact for both the Triangle Expressway System and Monroe Expressway, consistent with the Policy for Adopting Toll Schedules and Adjustments to Toll Schedules
- The proposed change would be effective January 1, 2025

Encouraging NC Quick Pass Adoption

REMOVING HURDLES

- NCTA is looking to lower prepaid account minimum from \$20 to \$10 in 2024



WIDER AVAILABILITY

- NCTA is pushing to get transponders in retailers to make getting a transponder easier

EASIER PAYMENTS

- NCTA currently is accepting payments at select License Plate Agency (LPA) locations and is looking to offer at more locations
- NCTA has expanded payment options to include platforms like MoneyGram

EASE OF ACCESS

- Deployed new NC Quick Pass website and app (IOS & Google Play) to allow customers quick, easy access to sign-up and manage their account

Proposed Triangle Expressway System Toll Schedule

- As part of the Complete 540 Phase 2 financing, CDM Smith provided a Traffic & Revenue Study in September 2023 which includes a toll rate schedule for the entire Triangle Expressway System
- Toll rate schedules have not yet been formally adopted for the Complete 540 Phase 1 or Phase 2 sections of the Triangle Expressway System
- The proposed rate schedule for the existing Triangle Expressway includes relatively small changes in incremental annual increases beginning in 2035 to align with the proposed rate schedule for Complete 540 Phase 1 and Phase 2
- Toll rates increase annually on January 1st
 - Class 2 (3 axle vehicles) are two times Class 1 toll rates
 - Class 3 (4+ axle vehicles) are four times Class 1 toll rates

Scheduled Average Toll Rate Increases			
Years	Existing Triangle	Phase 1	Phase 2
2025-2035	3.0%	3.0%	3.0%*
2035-2045	2.1%	2.1%	2.1%
2045-2064	2.1%	2.1%	2.1%

*Phase 2 is not anticipated to open until 2029 so rates indicated are from 2029-2035

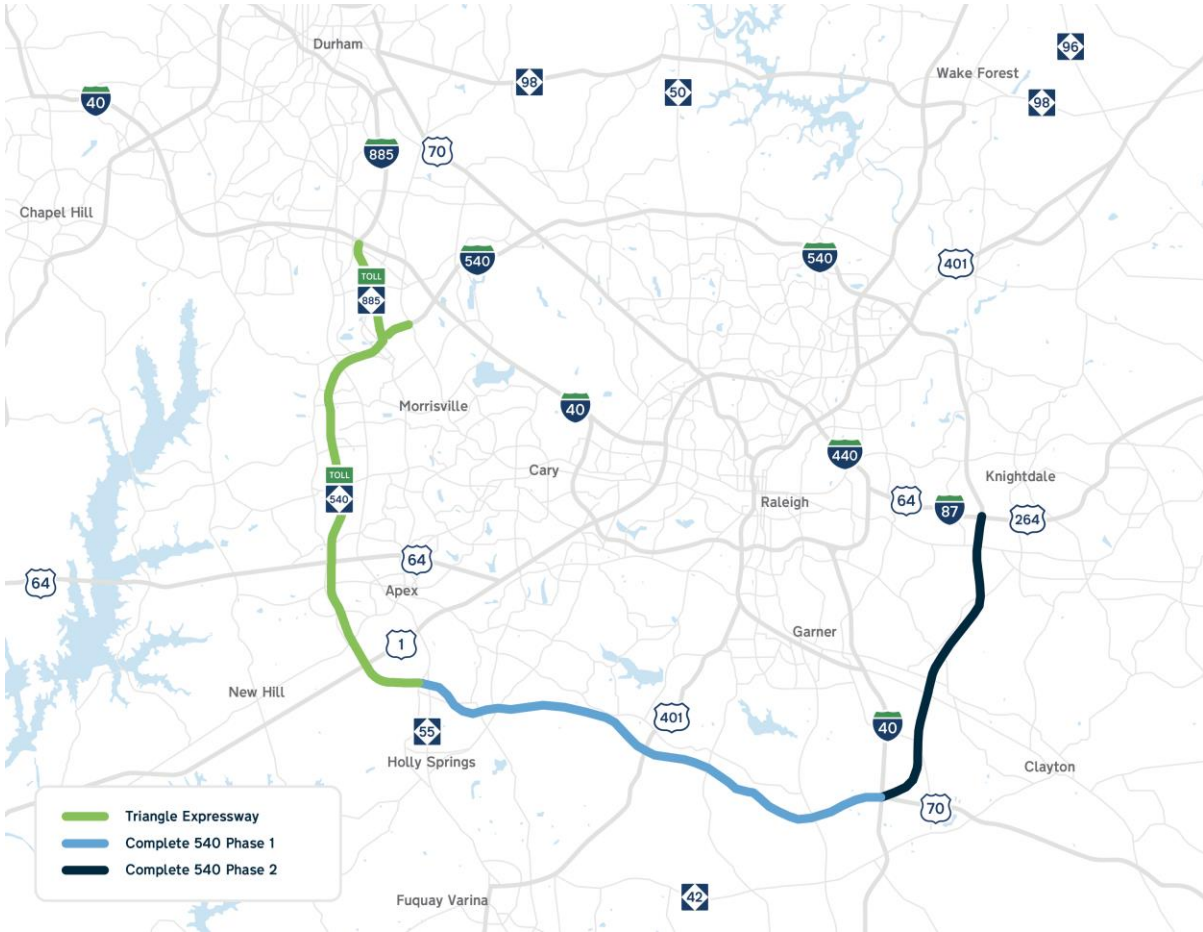
Proposed Triangle Expressway System Toll Rates

2025 Toll Rates			
Class 1 Full Trip:	Existing Triangle Expressway	Complete 540 Phase 1	Complete 540 Phase 2 1/1/2029
ETC	\$4.05 ¹	\$4.19 ²	\$2.84 ²
BBM	6.21 ¹	6.45 ²	4.37 ²
BBM (Proposed)	8.10 ³	8.38 ³	5.68 ³

¹ Based on current Board adopted toll rate schedule

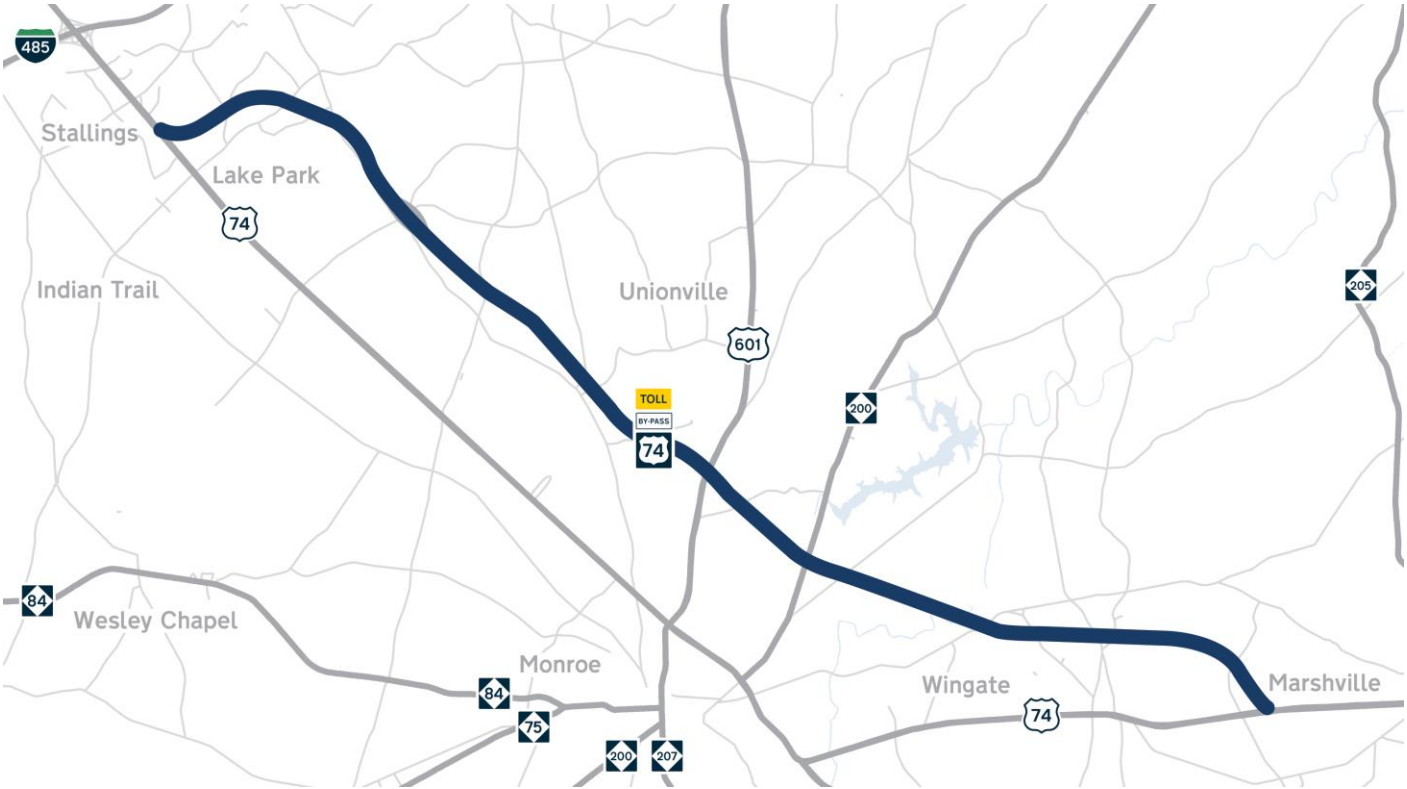
² Based on rate schedule included in September 2023 Triangle Expressway System Traffic and Revenue Study

³ Rate if proposed change in pre-paid discount rate is adopted



Proposed Monroe Expressway Toll Rates

2025 Toll Rate	
Class 1 Full Trip:	Monroe Expressway
ETC*	\$2.92 ¹
BBM*	4.49 ¹
BBM (Proposed)	5.84 ²



¹ Based on current Board adopted toll rate schedule

² Rate if proposed change in pre-paid discount rate is adopted

Contact Us



ncdot.gov/turnpike



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



[@NorthCarolinaTurnpikeAuthority](https://www.youtube.com/@NorthCarolinaTurnpikeAuthority)



ncquickpass.com



Thank you!