



North Carolina Turnpike Authority

Board of Directors Meeting

May 5, 2016



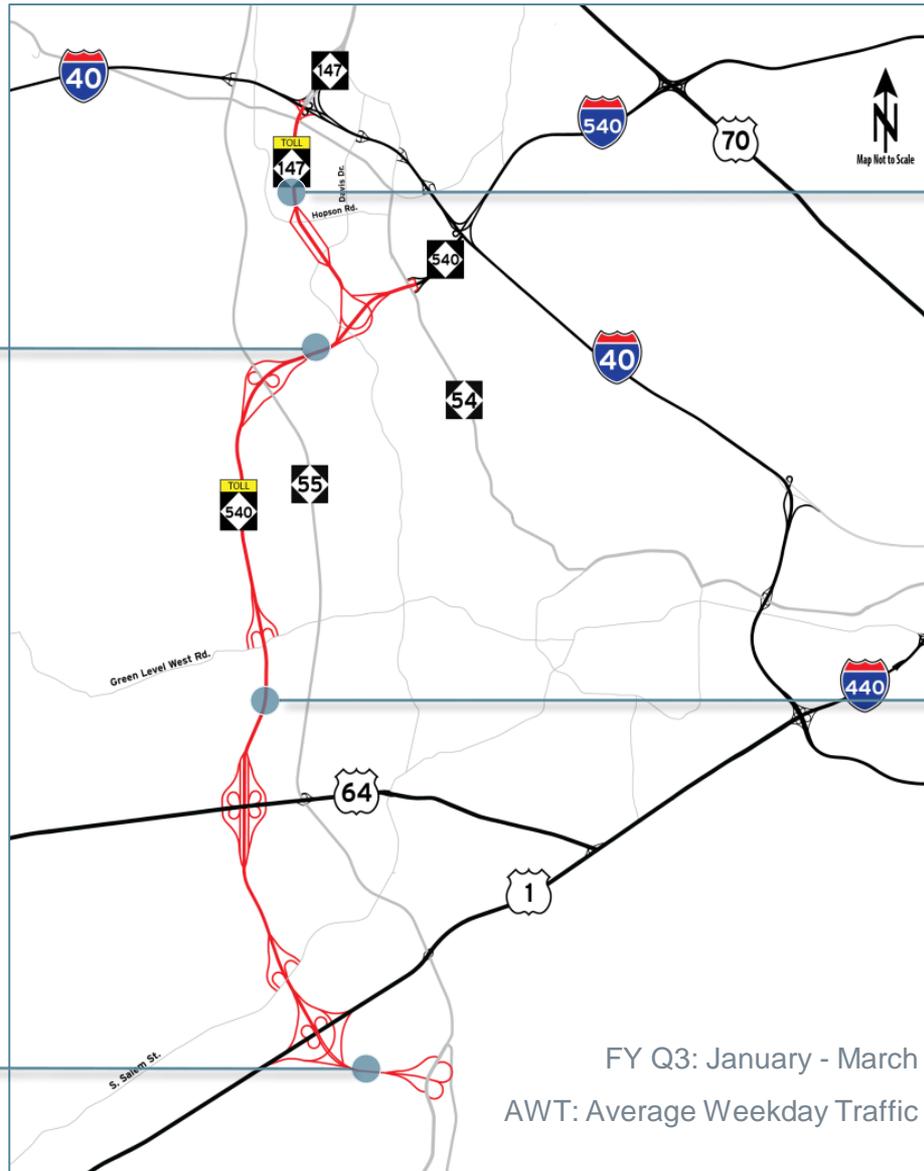
Triangle Expressway Operations

Andy Lelewski, PE

Director of Toll Road Operations



Mainline Traffic Statistics



FY15 Q3 AWT = 35,790
 FY16 Q3 AWT = 42,460
 19% Increase

FY15 Q3 AWT = 13,510
 FY16 Q3 AWT = 16,160
 20% Increase

FY15 Q3 AWT = 23,650
 FY16 Q3 AWT = 28,240
 19% Increase

FY15 Q3 AWT = 13,850
 FY16 Q3 AWT = 16,760
 21% Increase

FY Q3: January - March
 AWT: Average Weekday Traffic

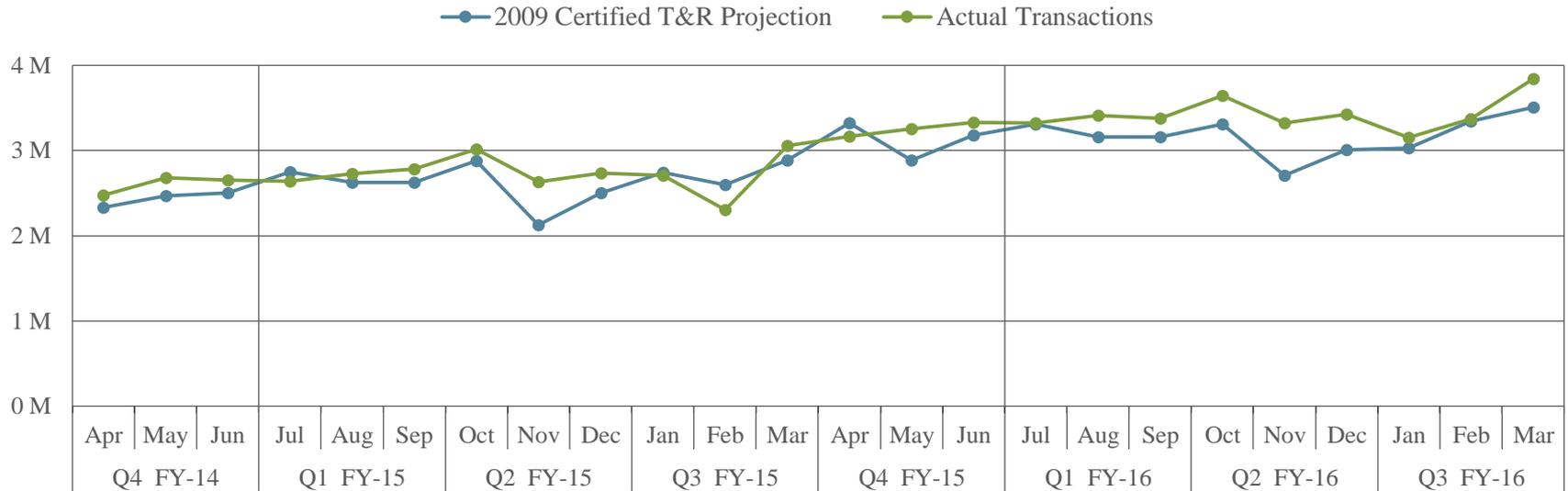


Roadway Maintenance Statistics

	Q3 FY 2015	Q4 FY 2015	Q1 FY 2016	Q2 FY 2016	Q3 FY 2016
Road Surface	98.8	97.6	98.9	97.9	98.3
Unpaved Shoulders and Ditches	100.0	96.6	100.0	97.8	97.7
Drainage Structures	93.0	93.4	93.5	83.8	92.6
Roadside	88.1	86.6	86.3	90.5	92.1
Traffic Control Devices	84.4	96.8	89.0	92.2	93.5
Overall	92.0	94.7	93.1	92.8	94.9



Transaction Statistics

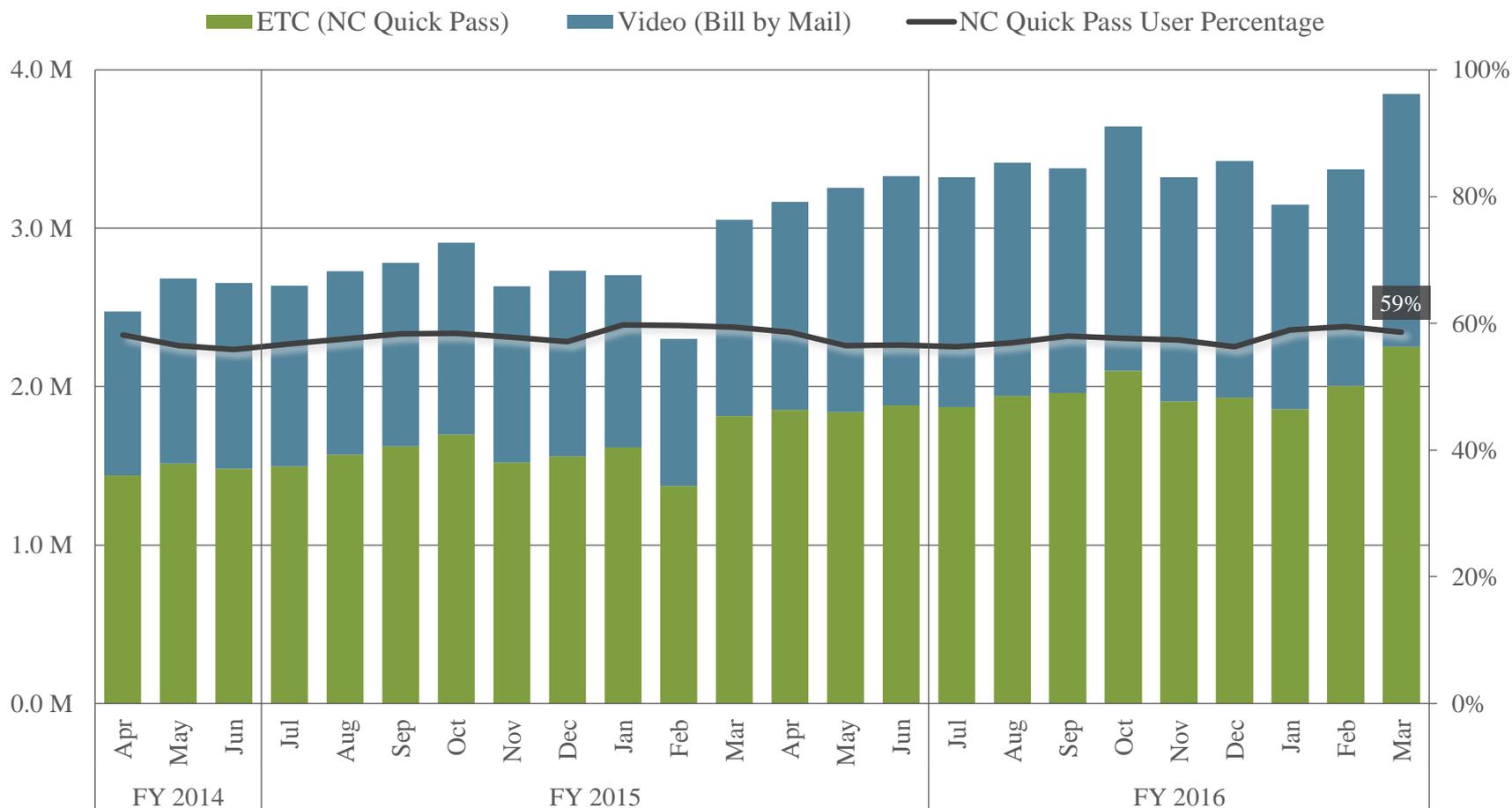


	Q4 FY-14	Q1 FY-15	Q2 FY-15	Q3 FY-15	Q4 FY-15	Q1 FY-16	Q2 FY-16	Q3 FY-16
Actual Transactions	7,809,224	8,150,134	8,384,818	8,063,472	9,747,177	10,114,193	10,393,787	10,370,030
2009 Certified Traffic and Revenue¹	7,306,969	8,003,596	7,503,370	8,234,180	9,389,855	9,623,134	9,021,687	9,882,200
Delta	502,255	146,538	881,448	(170,708)	357,322	491,059	1,372,100	487,830
Percent of Actual vs. 2009 Base Case	107%	102%	112%	98%	104%	105%	115%	105%

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

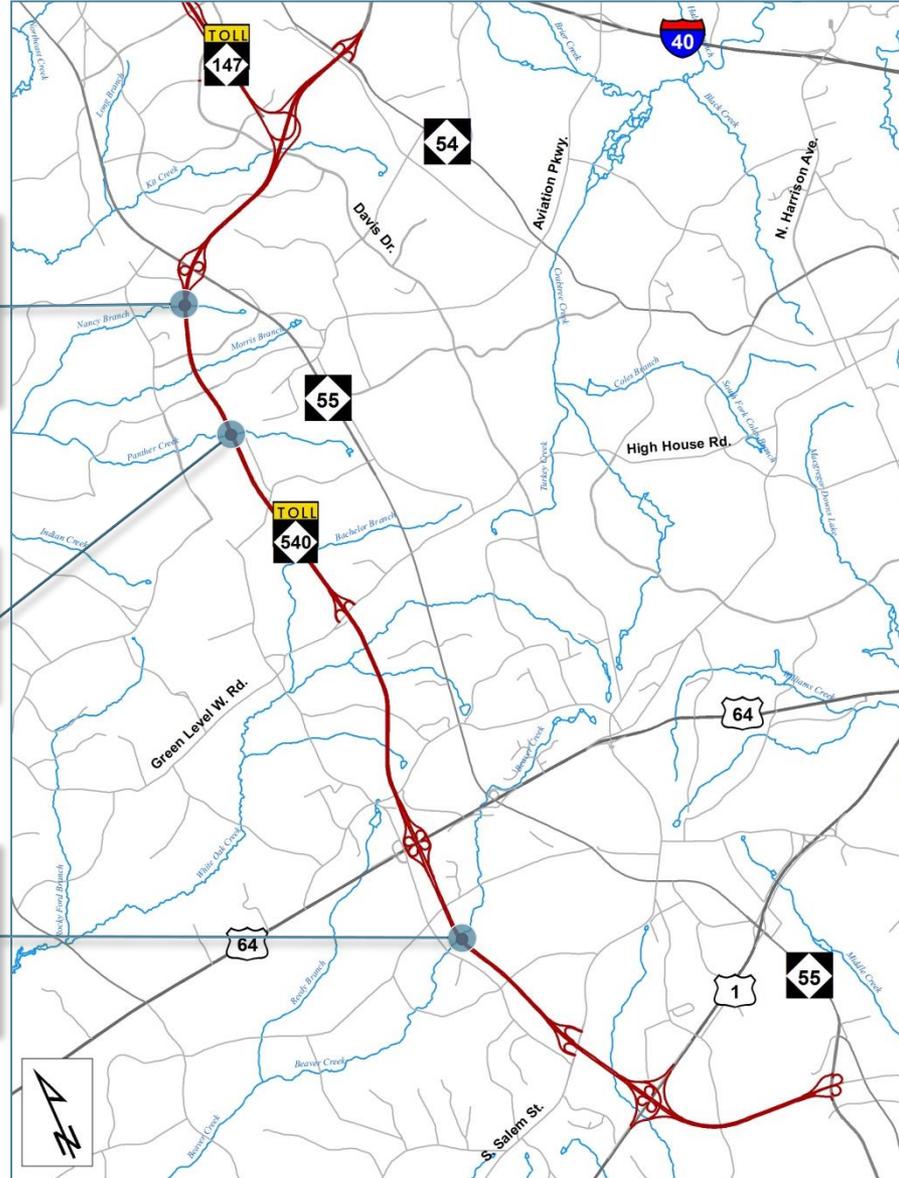


Roadway Warranty Work – Approach Slab Leveling

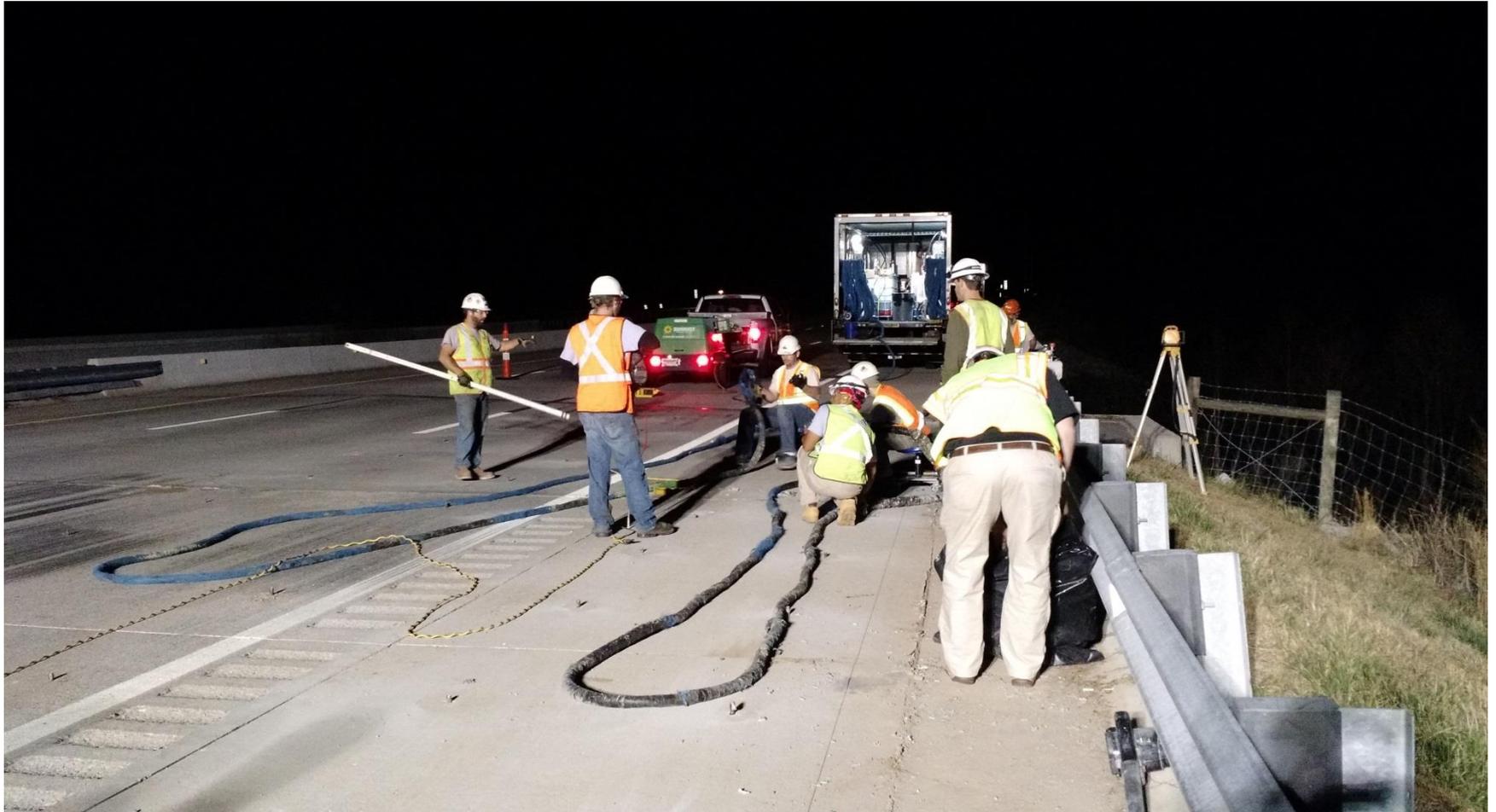
Toll NC 540 over
Nancy Branch
Southbound and Northbound
Bridge Approach

Toll NC 540 over
Panther Creek
Southbound Bridge Approach

Toll NC 540 over
Beaver Creek
Southbound and Northbound
Bridge Approach



Roadway Warranty Work – Approach Slab Leveling



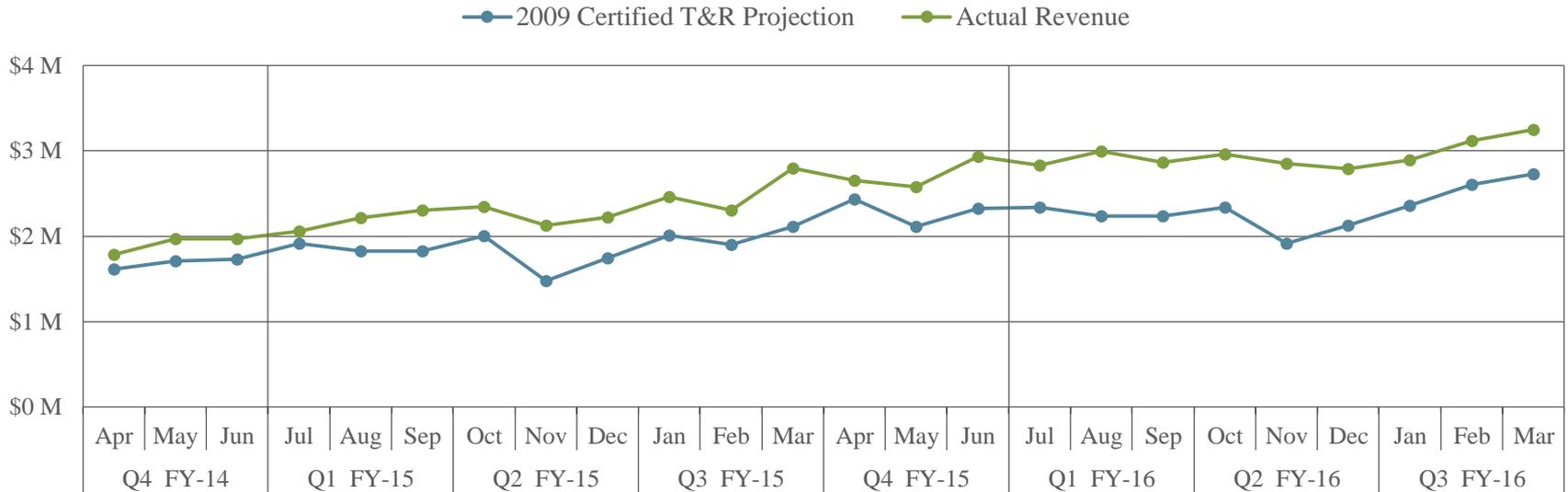
Triangle Expressway Financials

David Roy

Director of Finance and Budget



Revenue Statistics



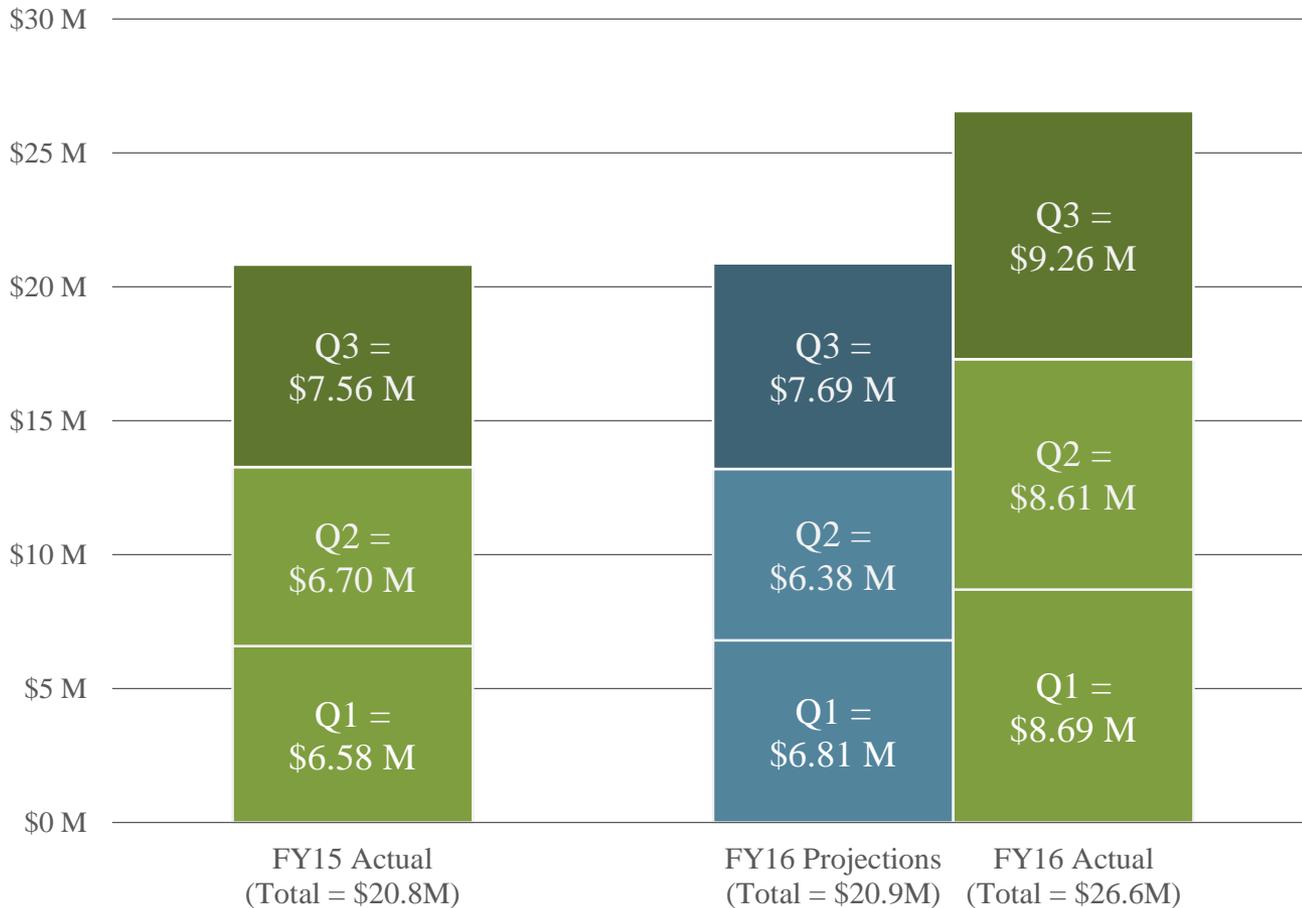
	Q4 FY-14	Q1 FY-15	Q2 FY-15	Q3 FY-15	Q4 FY-15	Q1 FY-16	Q2 FY-16	Q3 FY-16
Actual Revenue¹	\$ 5,725,177	\$ 6,575,724	\$ 6,696,239	\$ 7,563,900	\$ 8,162,630	\$ 8,689,600	\$ 8,607,686	\$ 9,262,129
2009 Certified Traffic and Revenue²	\$ 5,052,759	\$ 5,571,755	\$ 5,223,522	\$ 6,031,125	\$ 6,877,599	\$ 6,807,444	\$ 6,381,979	\$ 7,690,252
Delta (\$)	\$ 672,418	\$ 1,003,969	\$ 1,472,717	\$ 1,532,775	\$ 1,285,031	\$ 1,882,156	\$ 2,225,707	\$ 1,571,877
Percent of Actual vs. 2009 Base Case	113%	118%	128%	125%	119%	128%	135%	120%

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



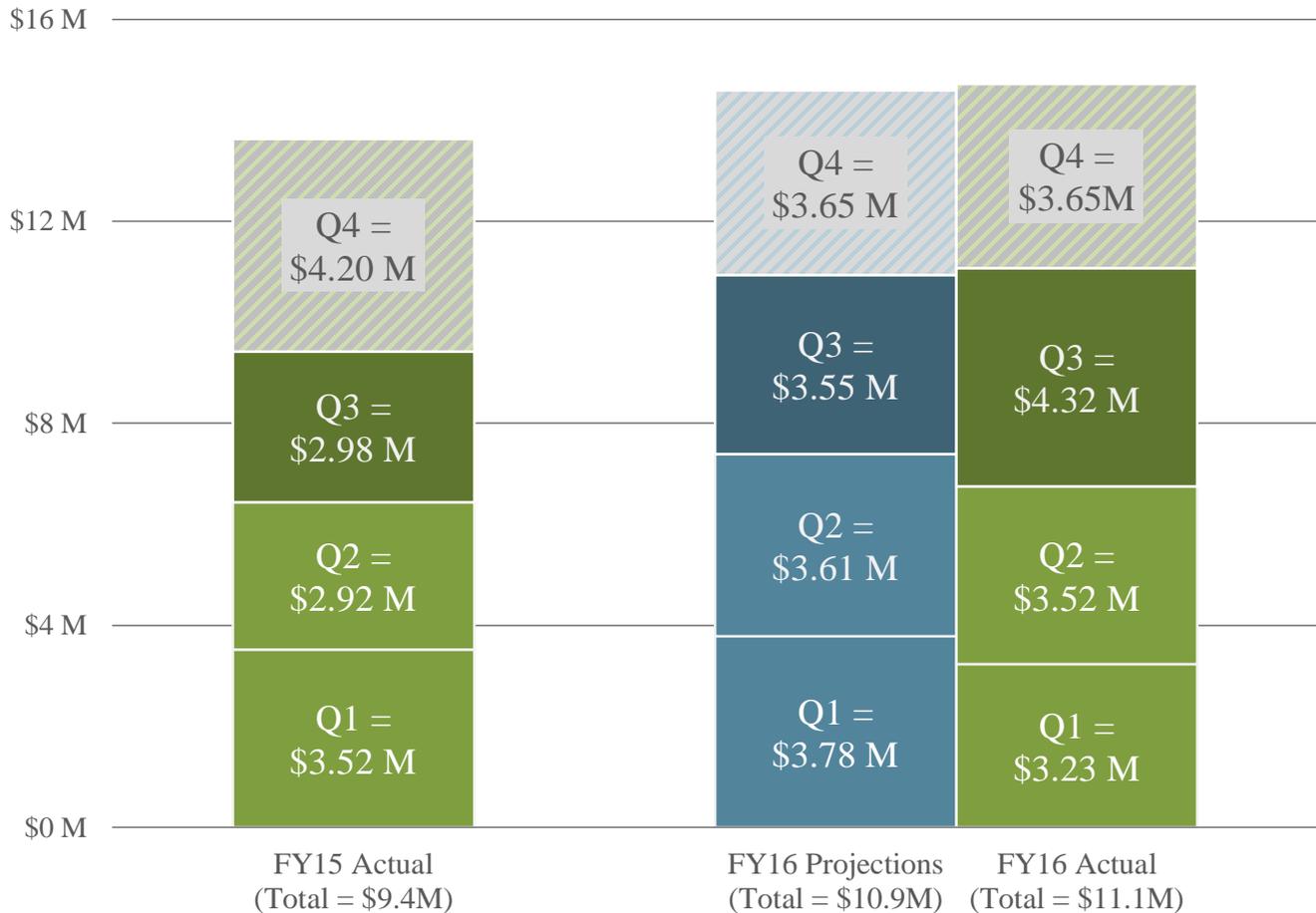
FY16 Revenues

- YTD revenues 27% higher than projections
- YTD revenues up 27% year-over-year

- Revenue figures are inclusive of all toll revenue and fees, but exclude transponder revenues (YTD = \$451,579.70)
 - Actual revenues reported on a cash basis



Operating Expenditures



FY16 Operations

- YTD expenditures 1% higher than projections
- YTD expenditures up 18% year-over-year

- Actual operating expenditures reported on a cash basis



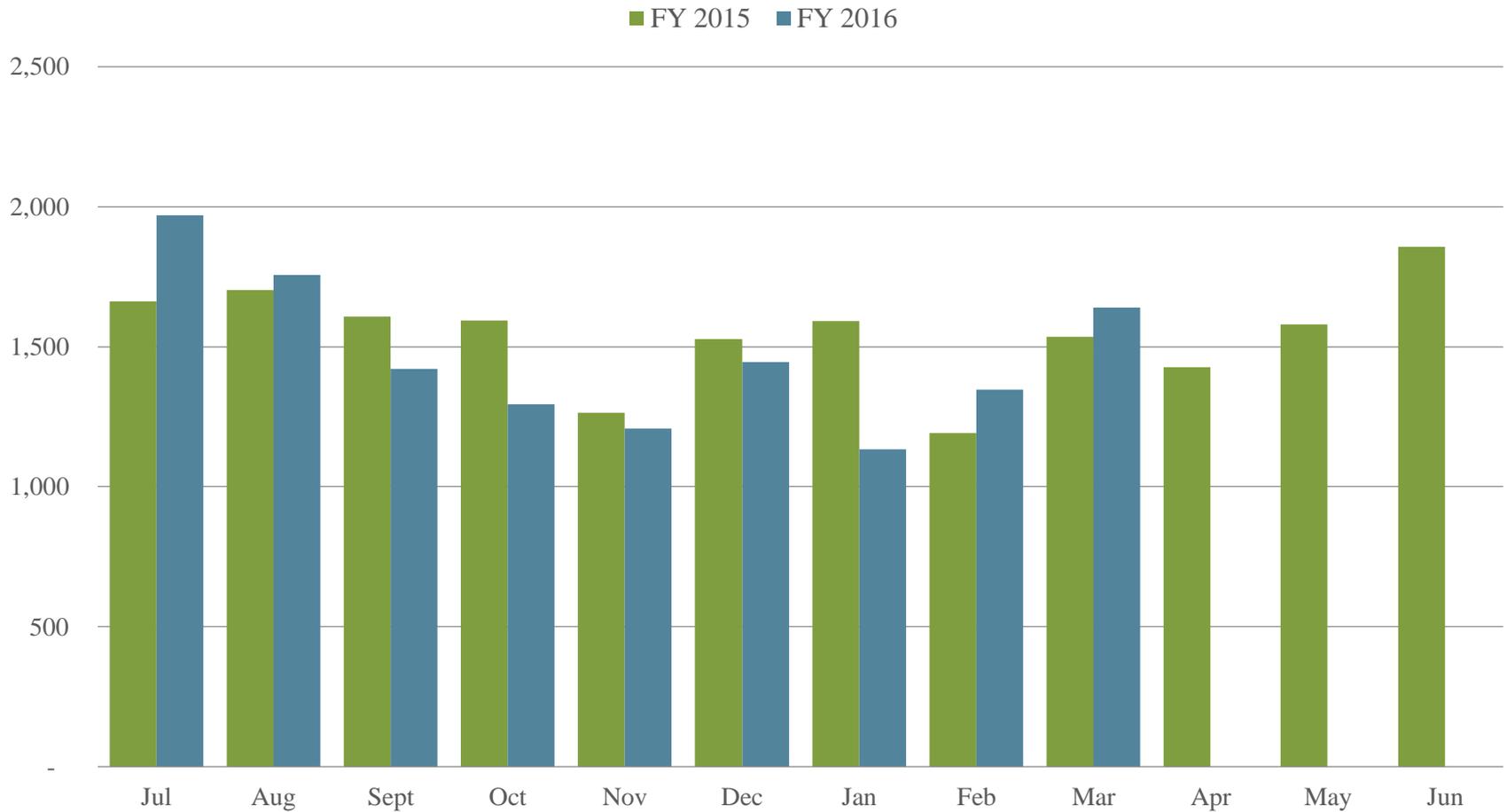
Triangle Expressway Customer Service

Susan Pullium

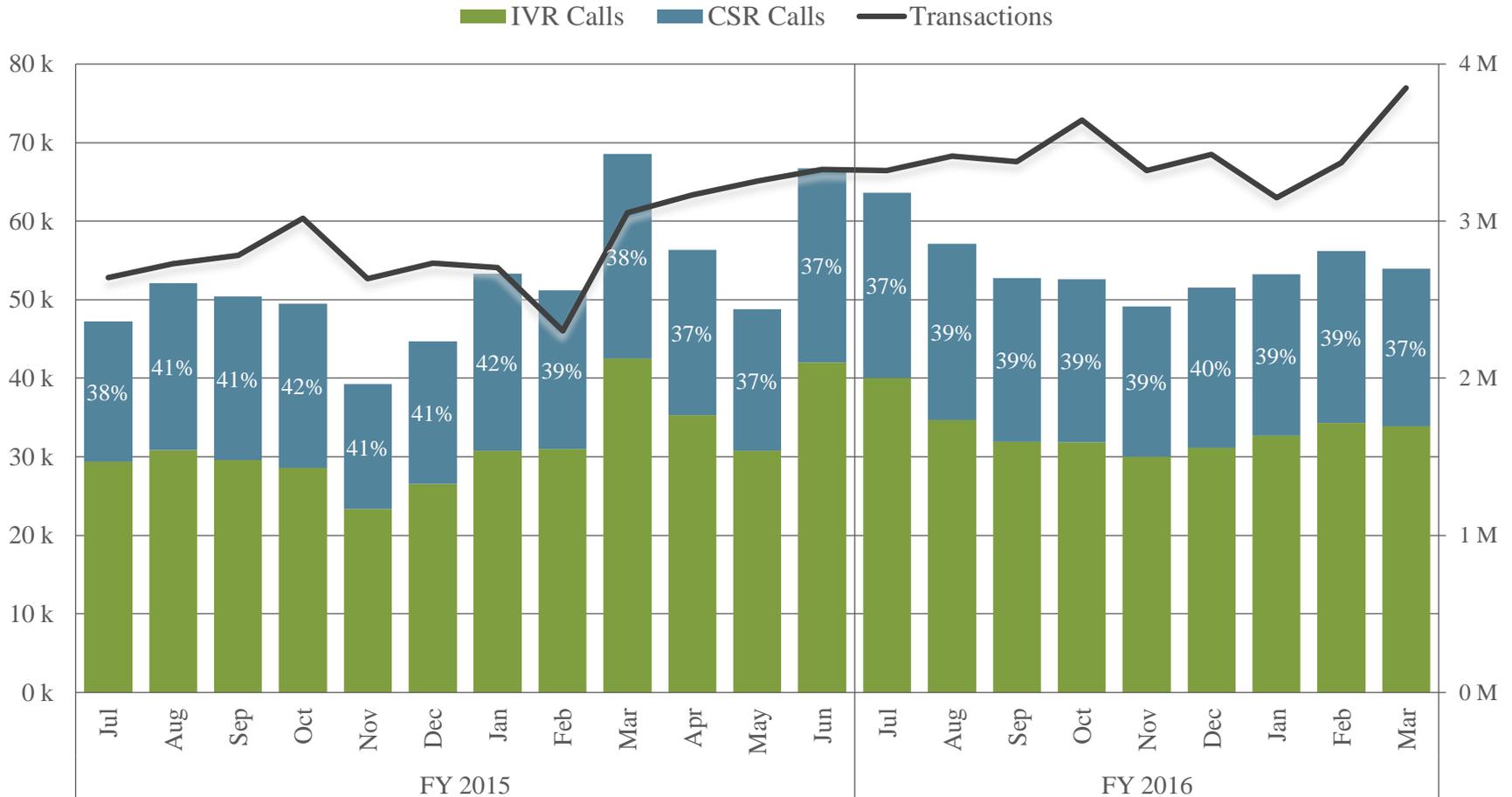
Director of Customer Service



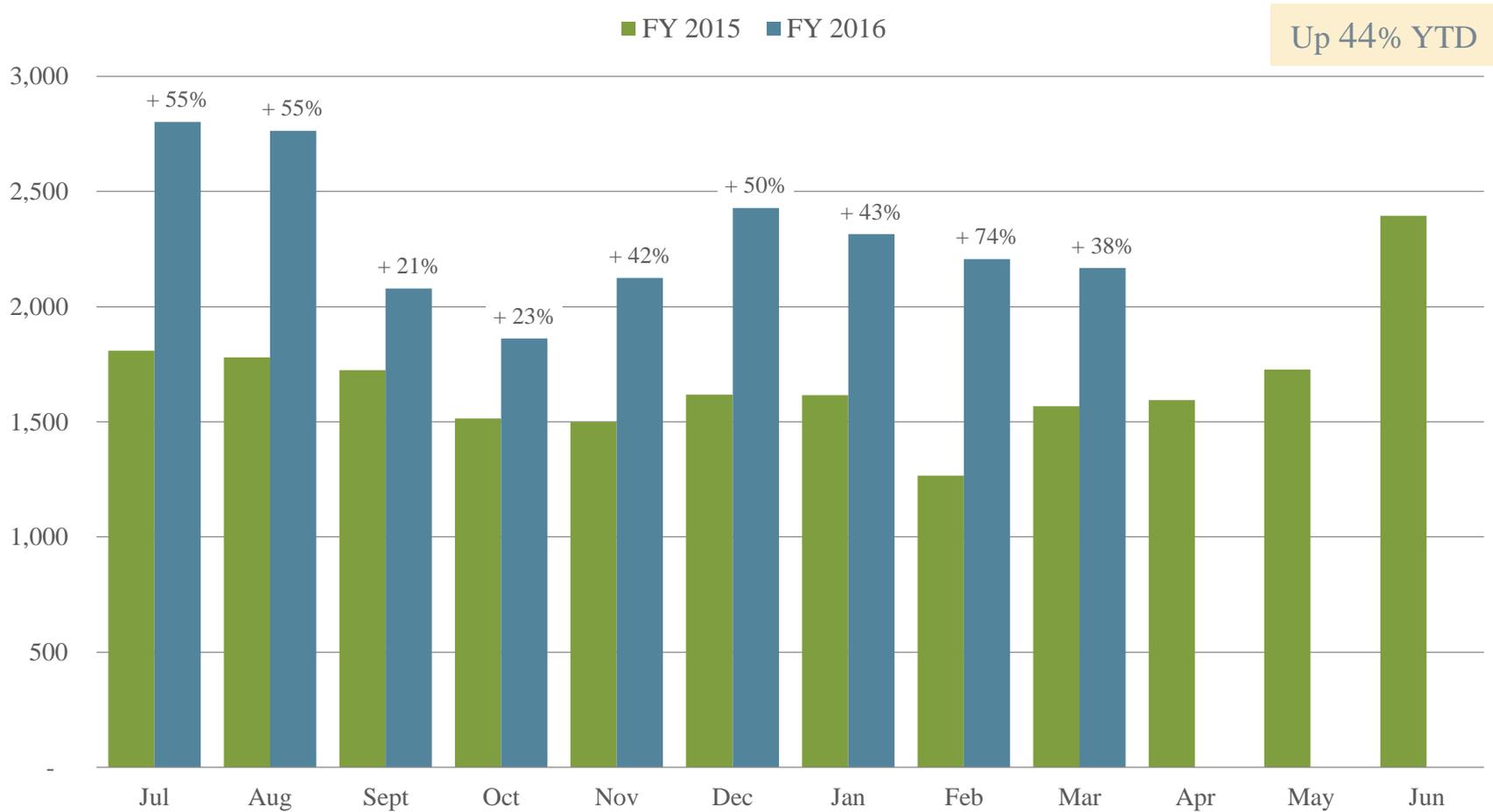
Storefront Visitors



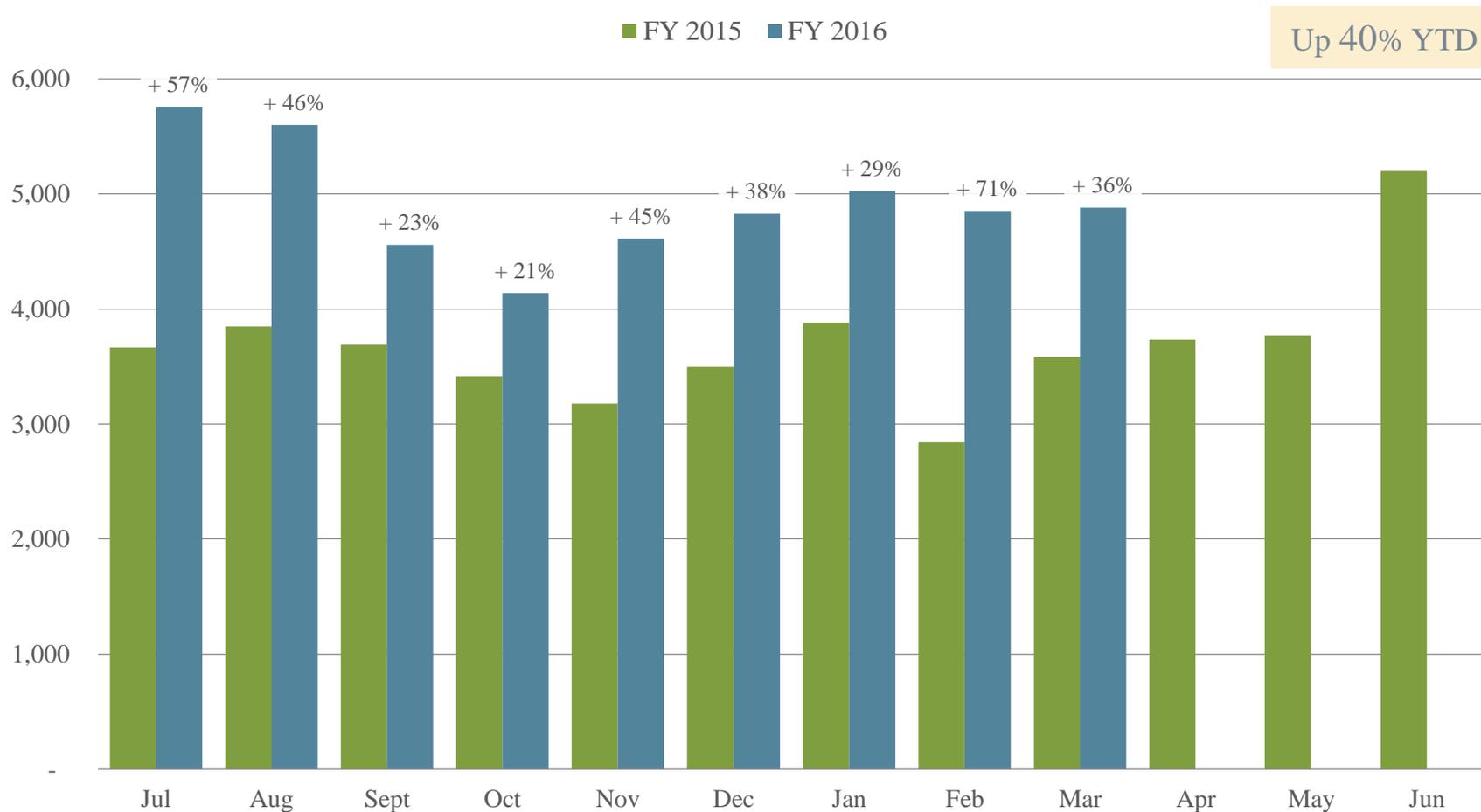
Calls to Customer Service Center



New NC Quick Pass Accounts



NC Quick Pass Transponders Sold



Marketing Activities

SPECIAL Limited Time Offer*

SAVE 50% on your NC Quick Pass hard case purchase!

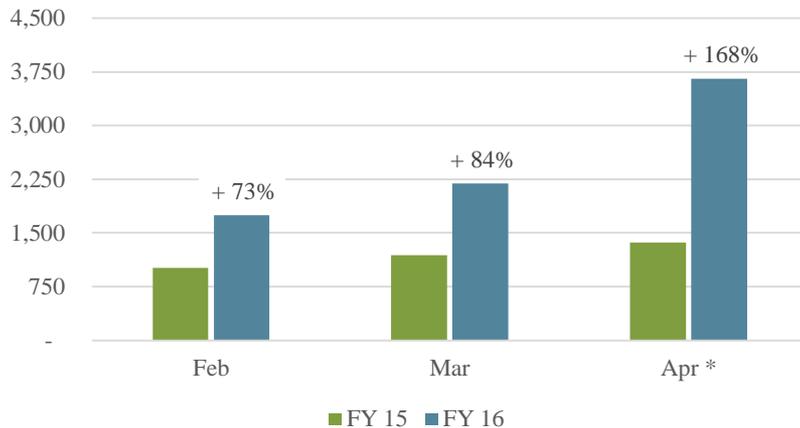
With an NC Quick Pass Transponder, you'll save up to 35% and pay for tolls effortlessly! Your NC Quick Pass hard case transponder can be used in Georgia, Florida, and all E-ZPass® states.

Converting your Bill By Mail account to an NC Quick Pass Account is as EASY AS 1-2-3

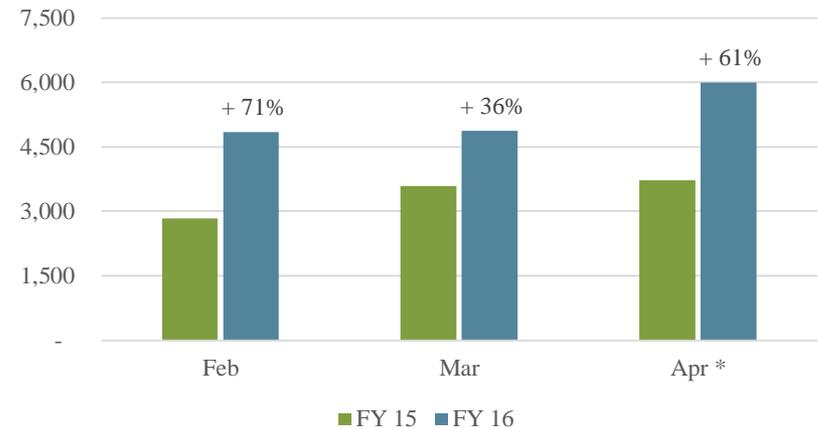
- 1) Go to ncquickpass.com and select the PAY YOUR BILL tab.
- 2) Enter your invoice number and license plate to access your current Bill by Mail account.
- 3) Make this month's payment, and on the payment confirmation page, select "CLICK HERE" CONVERT YOUR ACCOUNT. No balance due? No problem! Select "Get NC Quick Pass Transponder Account" from the menu bar on the left to start the process once you are in your account.

*Promotion is valid through June 20, 2016 and is not valid on sticker and exterior transponders. Questions? Call (877) 769-7277.

Hardcase Transponder Sales



Transponder Sales



*April 2016 raw sales data

- Data based on sales information only – changes due to returns/lost/stolen/etc. not factored

Upcoming Marketing Events

Community Events and Festivals



- Apex Peak Fest
- Morrisville Spring Fest
- Peak City Pig Fest
- Cary Lazy Daze
- Holly Fest



Upcoming Marketing Events

Durham Bulls Baseball Games



Upcoming Marketing Events

Holly Springs Salamanders Baseball Games



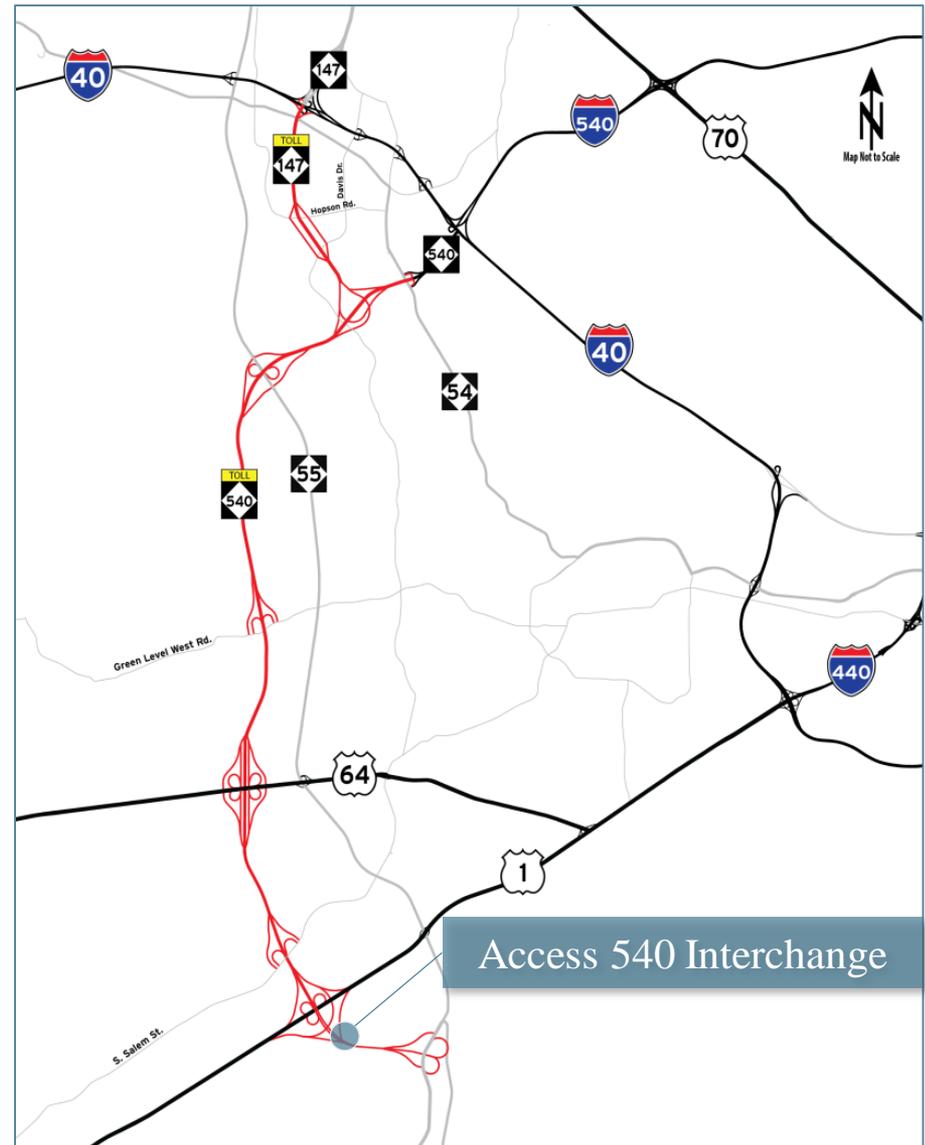
Access 540 – Project Update

Andy Lelewski, PE
Director of Toll Road Operations



Access 540 Overview

- New interchange
- Widen bridge and Old Holly Springs-Apex Rd.
- 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



Construction Activities

- Phase I Maintenance of Traffic plan initiated
- Clearing & grubbing/erosion control
- Utility & NCTA fiber trunkline relocations
- Shoulder grading



Shoulder Grading on Toll 540



Construction on Toll 540



Toll Collection System Activities

- Mainline Toll Site:
 - Relocation of equipment out of construction zone
 - Recut of loops in traffic lanes
 - Complete April 5
- Design for new toll zones at interchange and additional mainline toll lanes
- Planning for changes to back office to accommodate new toll zones



Loop Cutting at Mainline Toll Zone



Schedule Update

- Board to adopt toll schedule for interchange : August Meeting
- Site turned over to NCTA for toll testing : Fall 2016
- Substantial Completion / Open to Traffic : Late 2016
- Final Completion : Spring 2017



Access 540 – Toll Schedule Recommendation

Leslie Johnson

CDM Smith



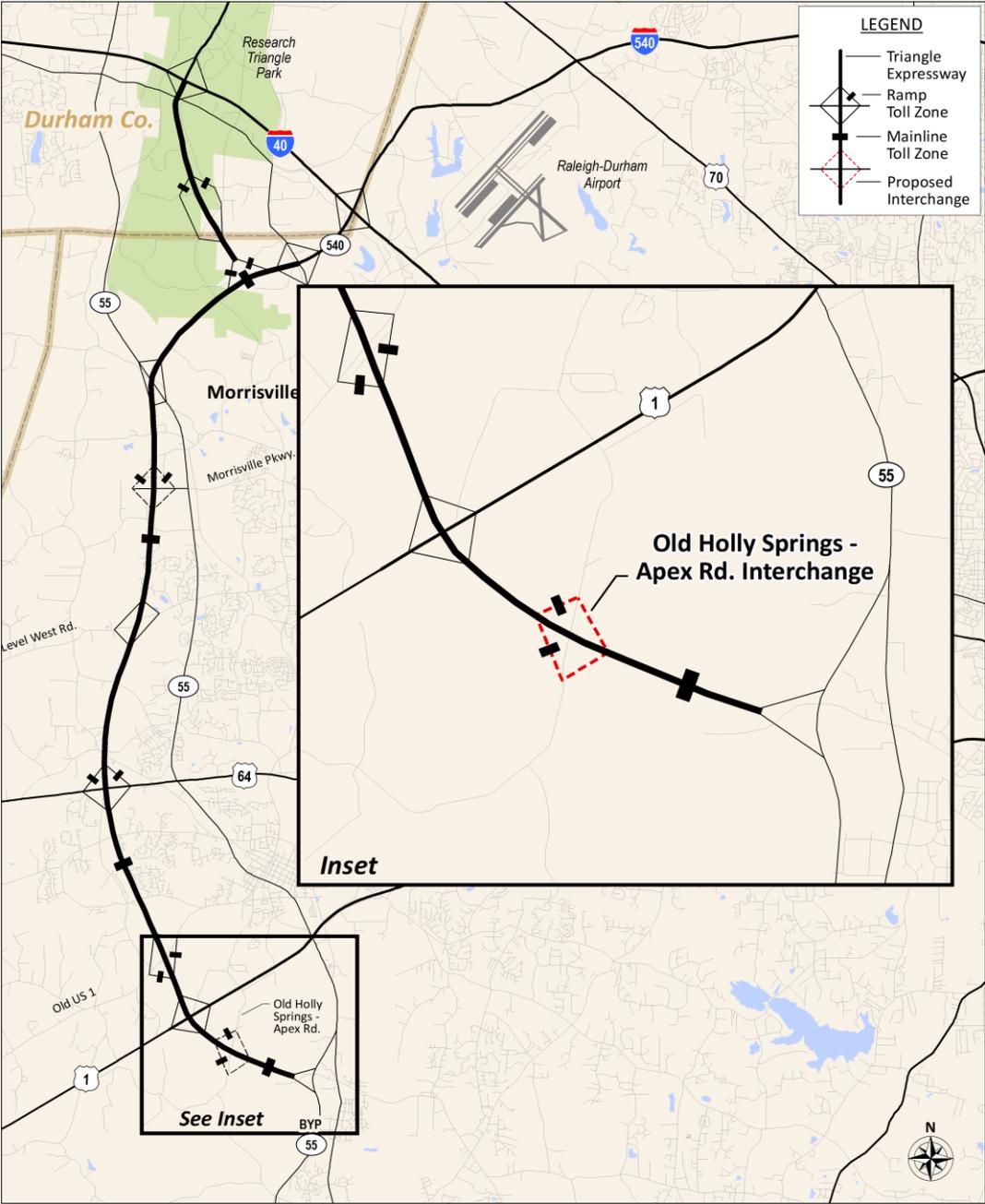
Old Holly Springs-Apex Road Interchange Toll Schedule Recommendation

May 5, 2016

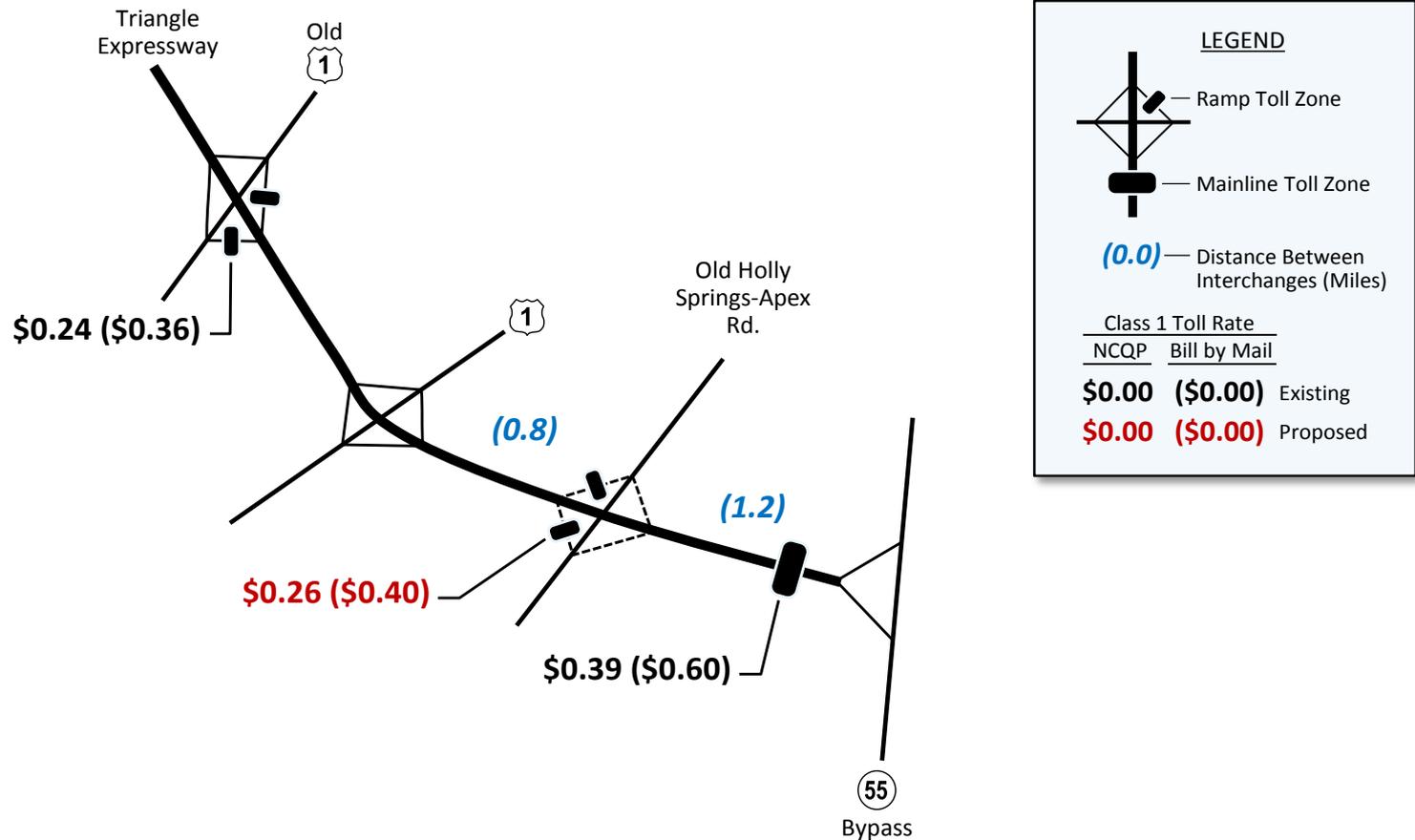


**CDM
Smith**

Triangle Expressway Old Holly Springs Apex Road Interchange Location Map



2016 Toll Rate Recommendations for OHSARI Toll Zones and Existing 2016 Toll Rates for Adjacent Toll Zones



Old Holly Springs-Apex Road Interchange Toll Schedule Recommendation

- *Proposed OHSARI toll rates are consistent with current Triangle Expressway tolling conventions*
- *New Interchange and new toll zones will not affect current rate schedule for existing toll zones*
- *Proposed future OHSARI toll rate increases align with annual increases planned for existing Triangle Expressway toll zones*
- *Proposed rates will not negatively affect projected toll revenue impacts contained in prior CDM Smith OHSARI study*

Calendar Year	Class 1 (2-axes)		Class 2 (3-axes)		Class 3 (4 or more axes)	
	ETC	Bill by Mail	ETC	Bill by Mail	ETC	Bill by Mail
2016	\$ 0.26	\$ 0.40	\$ 0.52	\$ 0.80	\$ 1.04	\$ 1.60
2017	0.27	0.41	0.54	0.82	1.08	1.64
2018	0.28	0.43	0.56	0.86	1.12	1.72
2019	0.29	0.44	0.58	0.88	1.16	1.76
2020	0.30	0.46	0.60	0.92	1.20	1.84
2021	0.31	0.47	0.62	0.94	1.24	1.88
2022	0.32	0.49	0.64	0.98	1.28	1.96
2023	0.33	0.50	0.66	1.00	1.32	2.00
2024	0.34	0.52	0.68	1.04	1.36	2.08
2025	0.35	0.53	0.70	1.06	1.40	2.12
2026	0.36	0.55	0.72	1.10	1.44	2.20
2027	0.37	0.57	0.74	1.14	1.48	2.28
2028	0.38	0.58	0.76	1.16	1.52	2.32
2029	0.39	0.60	0.78	1.20	1.56	2.40
2030	0.40	0.62	0.80	1.24	1.60	2.48
2031	0.42	0.64	0.84	1.28	1.68	2.56
2032	0.43	0.66	0.86	1.32	1.72	2.64
2033	0.44	0.68	0.88	1.36	1.76	2.72
2034	0.45	0.70	0.90	1.40	1.80	2.80
2035	0.47	0.72	0.94	1.44	1.88	2.88
2036	0.48	0.73	0.96	1.46	1.92	2.92
2037	0.49	0.75	0.98	1.50	1.96	3.00
2038	0.49	0.76	0.98	1.52	1.96	3.04
2039	0.50	0.77	1.00	1.54	2.00	3.08
2040	0.51	0.79	1.02	1.58	2.04	3.16
2041	0.52	0.80	1.04	1.60	2.08	3.20
2042	0.52	0.81	1.04	1.62	2.08	3.24
2043	0.53	0.81	1.06	1.62	2.12	3.24
2044	0.53	0.82	1.06	1.64	2.12	3.28
2045	0.54	0.83	1.08	1.66	2.16	3.32
2046	0.54	0.83	1.08	1.66	2.16	3.32
2047	0.55	0.84	1.10	1.68	2.20	3.36
2048	0.55	0.85	1.10	1.70	2.20	3.40
2049	0.55	0.85	1.10	1.70	2.20	3.40
2050	0.56	0.86	1.12	1.72	2.24	3.44
2051	0.56	0.87	1.12	1.74	2.24	3.48

Monroe Expressway – Project Update

Rick Baucom, PE
Construction Project Manager

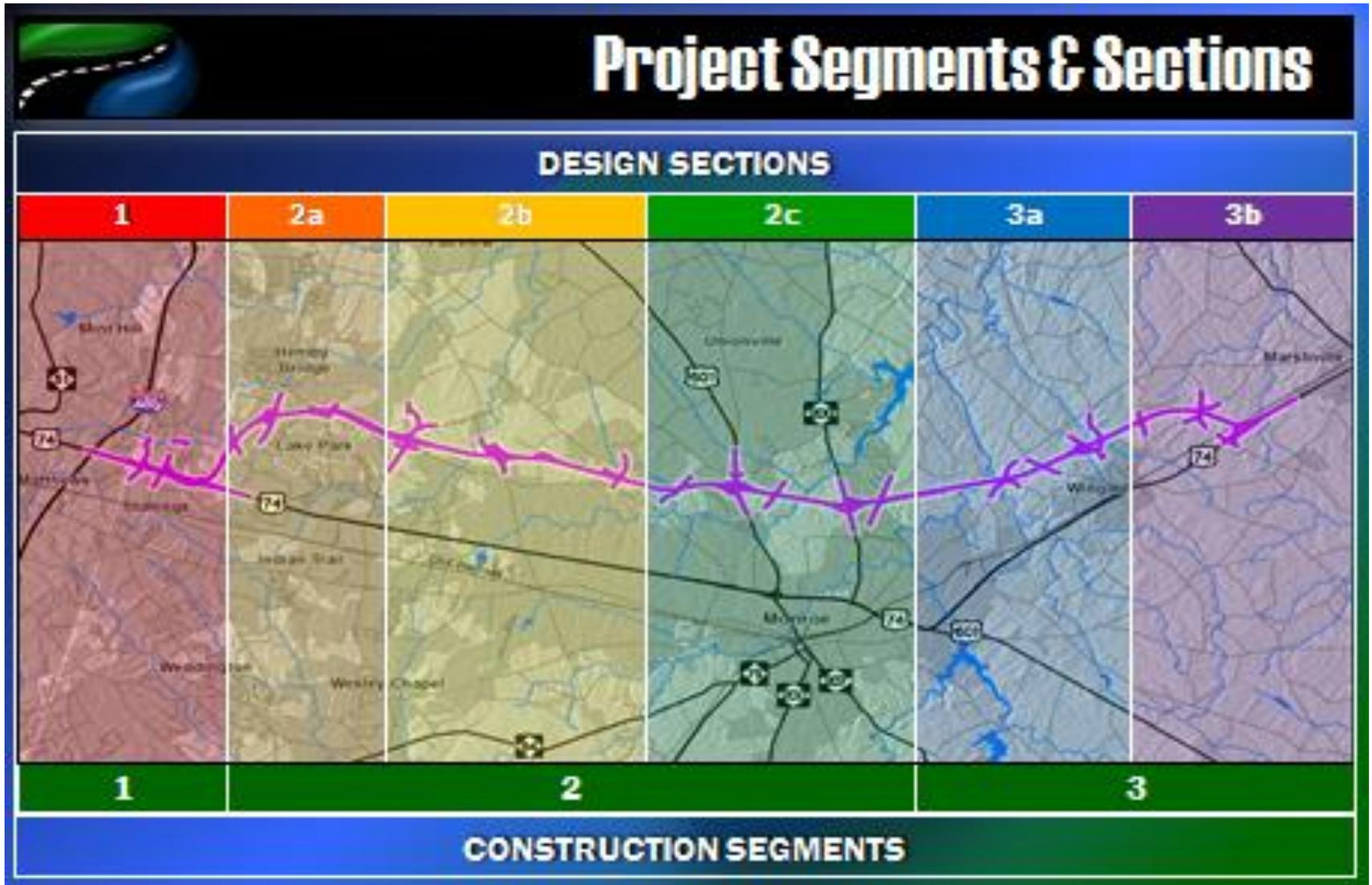


Monroe Expressway Overview

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



Monroe Expressway Overview



Construction Activities

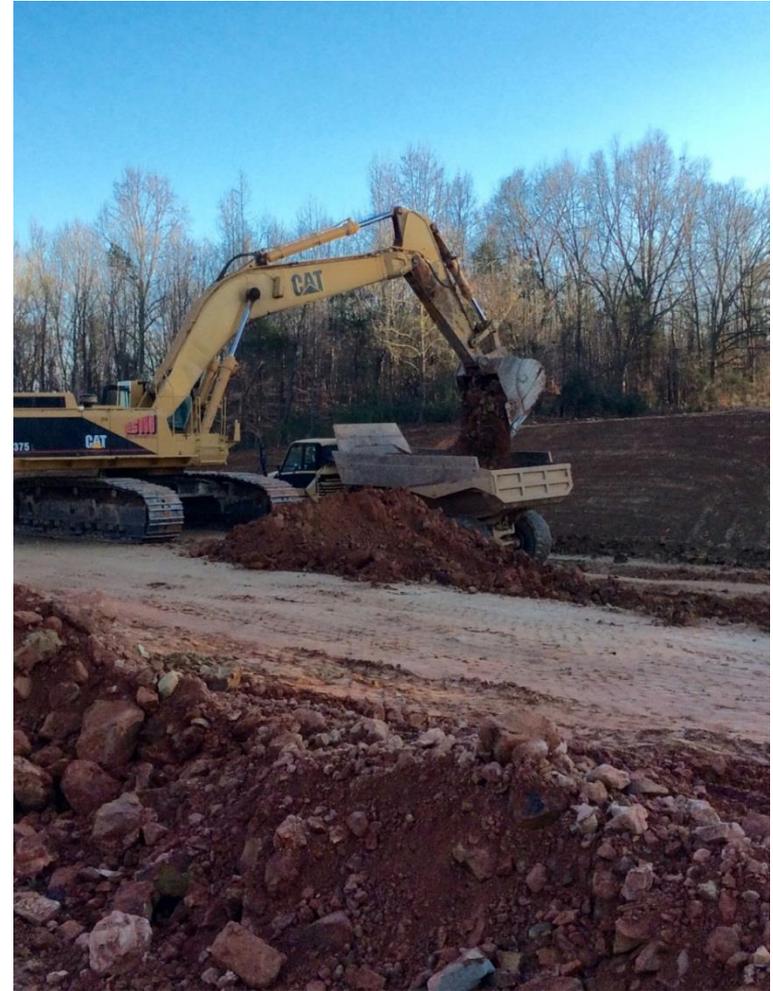
- Clearing & Grubbing and Erosion Control – 1, 2 & 3
- Box Culverts and Pipe – 1, 2 & 3
- Bridges and MSE Walls – 2B, 2C & 3
- Grading and Utilities – 2B, 2C & 3



Clearing and Grubbing and Box Culverts



Bridges and Grading and Utilities



Grading at US 74 near CSX RR - April



Deese Road Bridge over Expressway



Olive Branch On-site Detour



Bridge & MSE Walls at Fowler Road - April



www.AerialPhotosElite.com

Right-of-Way Acquisition and Landscaping Update

- As of December 31, 2015, 316 parcels (67%) have either been acquired or agreements reached with the property owners
- Another 155 parcels remain to be purchased
- NCDOT Roadside Environmental group developing Conceptual Plan for Landscaping should be ready in May 2016

Toll Collection System Update

- Roadside Toll Collection System – Request for Proposals (RFP) advertised April 14, 2016; award in Fall 2016
- Back Office System – Planning for changes to accommodate project and new toll zones
- Electronic Toll Collection System – Request for Proposals (RFP) to be advertised Summer 2016; award in Late 2016

Two-Month Look Ahead Schedule

- Section 1 – Utility Relocation, Culverts 100 & 200, McKee Rd. and SR 16
- Section 2A – Clearing & Grubbing, Culvert 800 and Utility Relocation
- Section 2B – Clearing & Grubbing, Erosion Control, Utility Relocation, Culvert 1000
- Section 2C – Detour and Bridge at US 601
- Section 3 – Phifer Rd. /Forest High School Rd. relocation
- Chemical Subgrade Soil Stabilization



Milestone Schedule

- ITS Integration – July 31, 2018
- Substantial Completion – November 27, 2018
- Final Completion – May 28, 2019



Monroe Expressway – Traffic and Toll Revenue Study Update

Leslie Johnson

CDM Smith



Update NCDOT Monroe Expressway Traffic and Toll Revenue Study

May 5, 2016

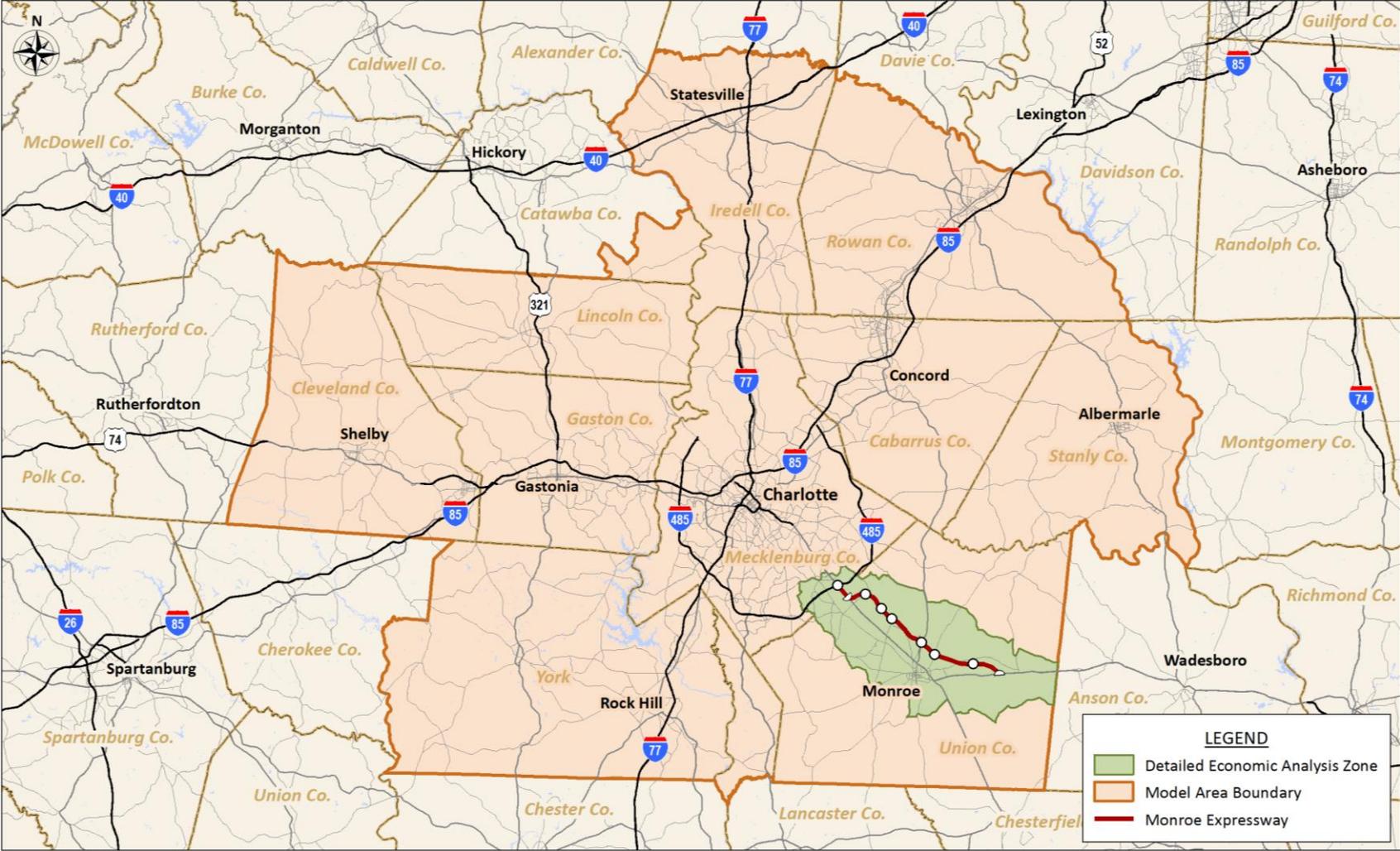
**CDM
Smith**

Prepared for

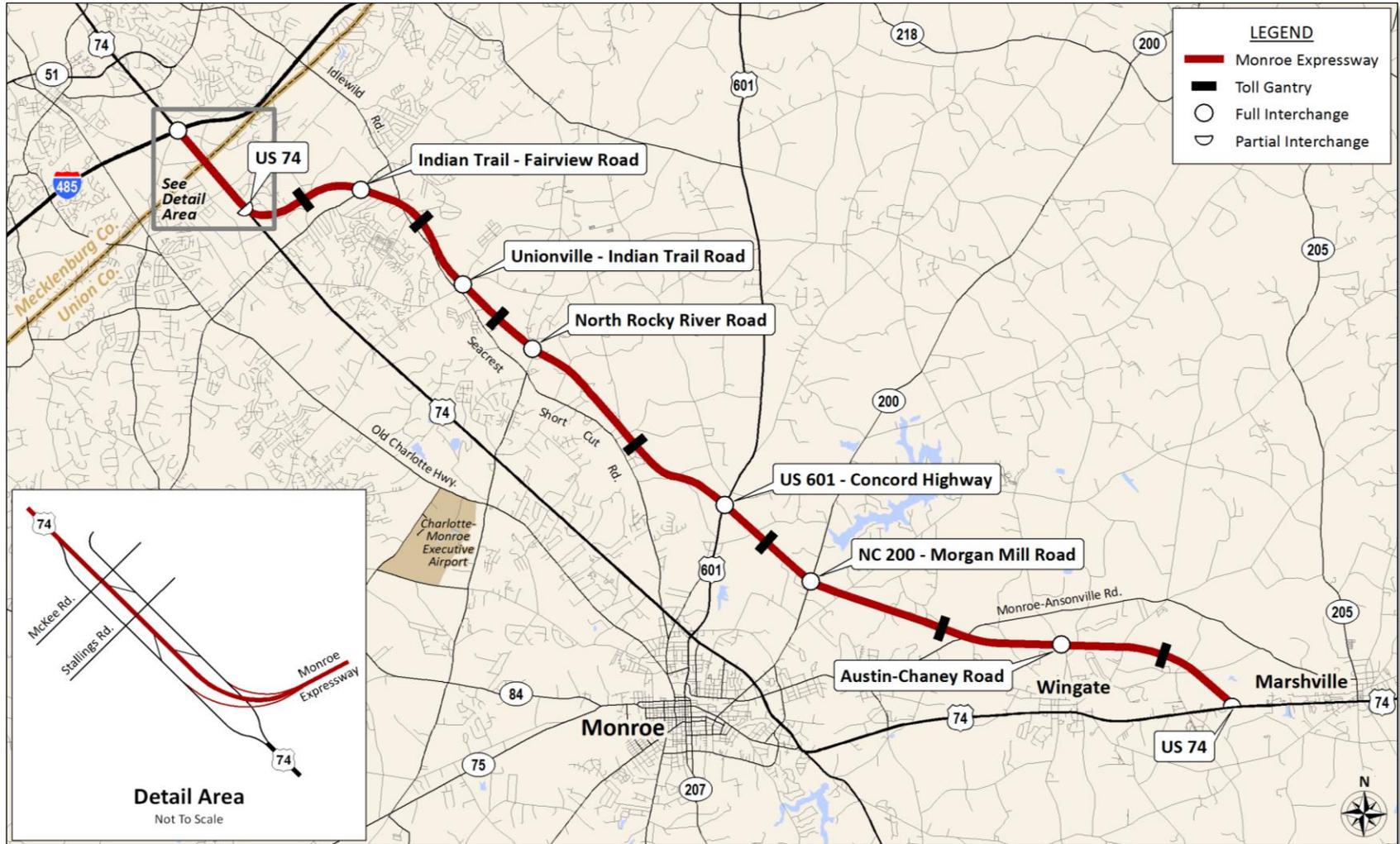


**North Carolina
Department of
Transportation**

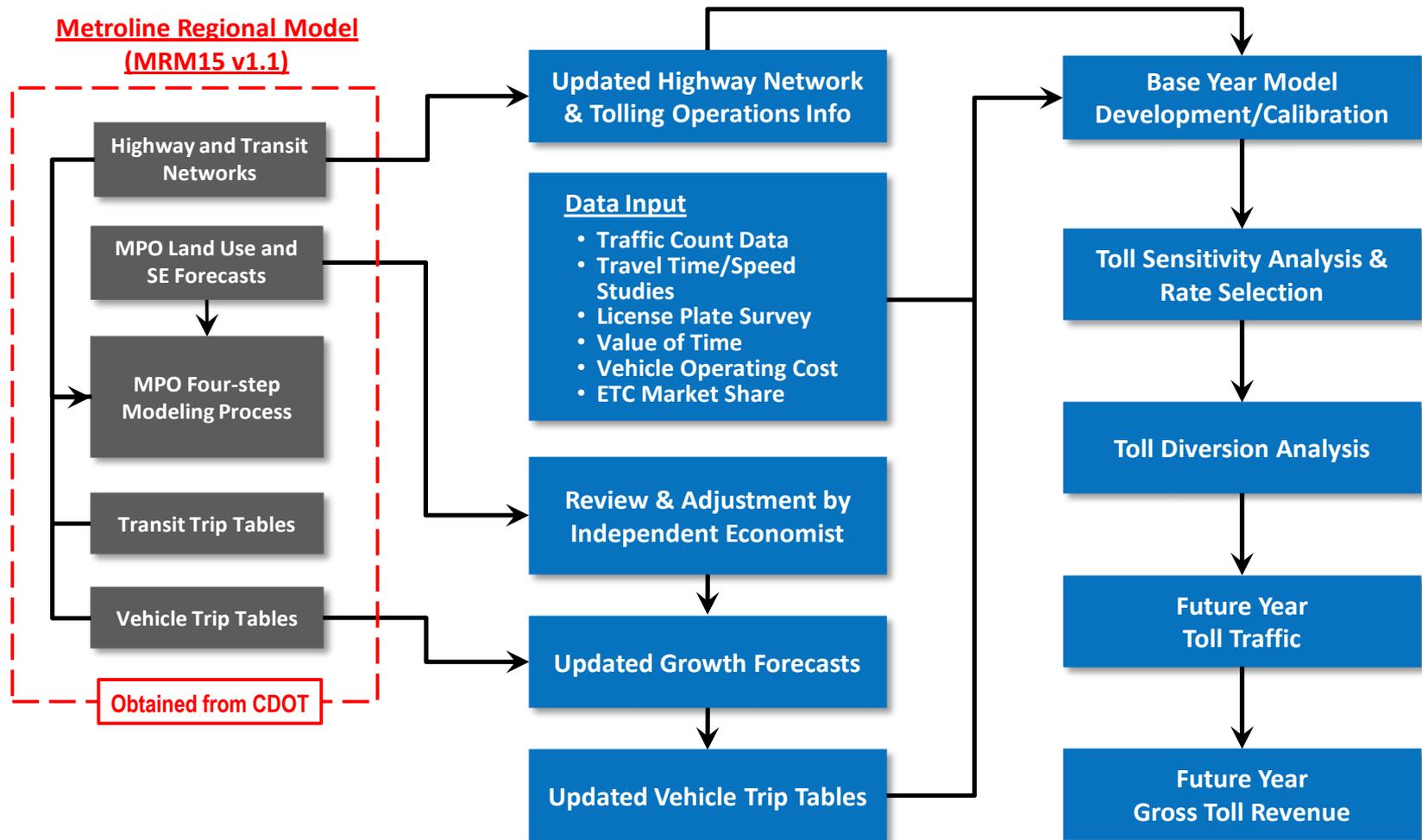
Regional Location Map



Assumed Project Alignment and Toll Concept

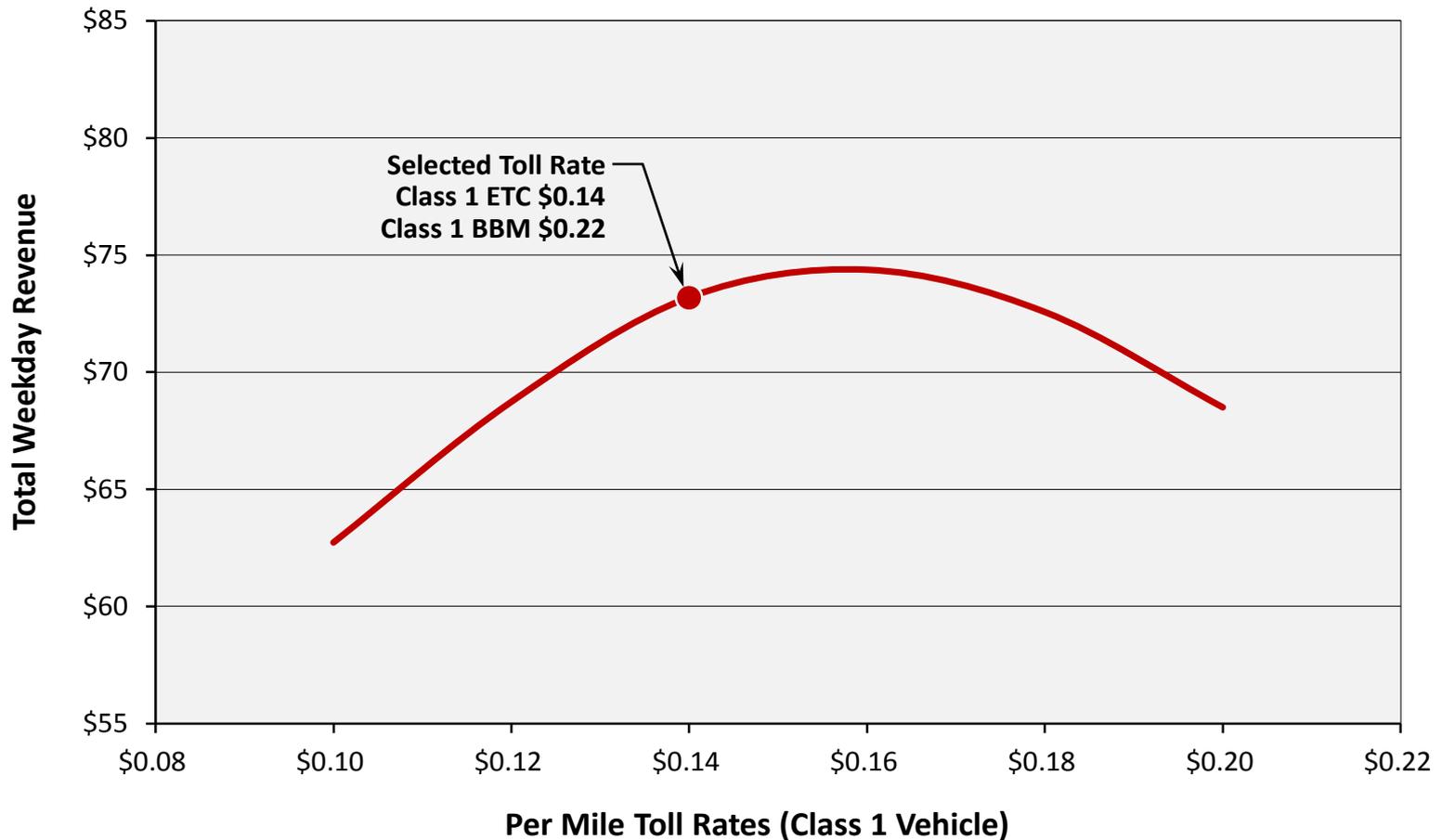


Components of an Investment Grade Traffic and Revenue Study

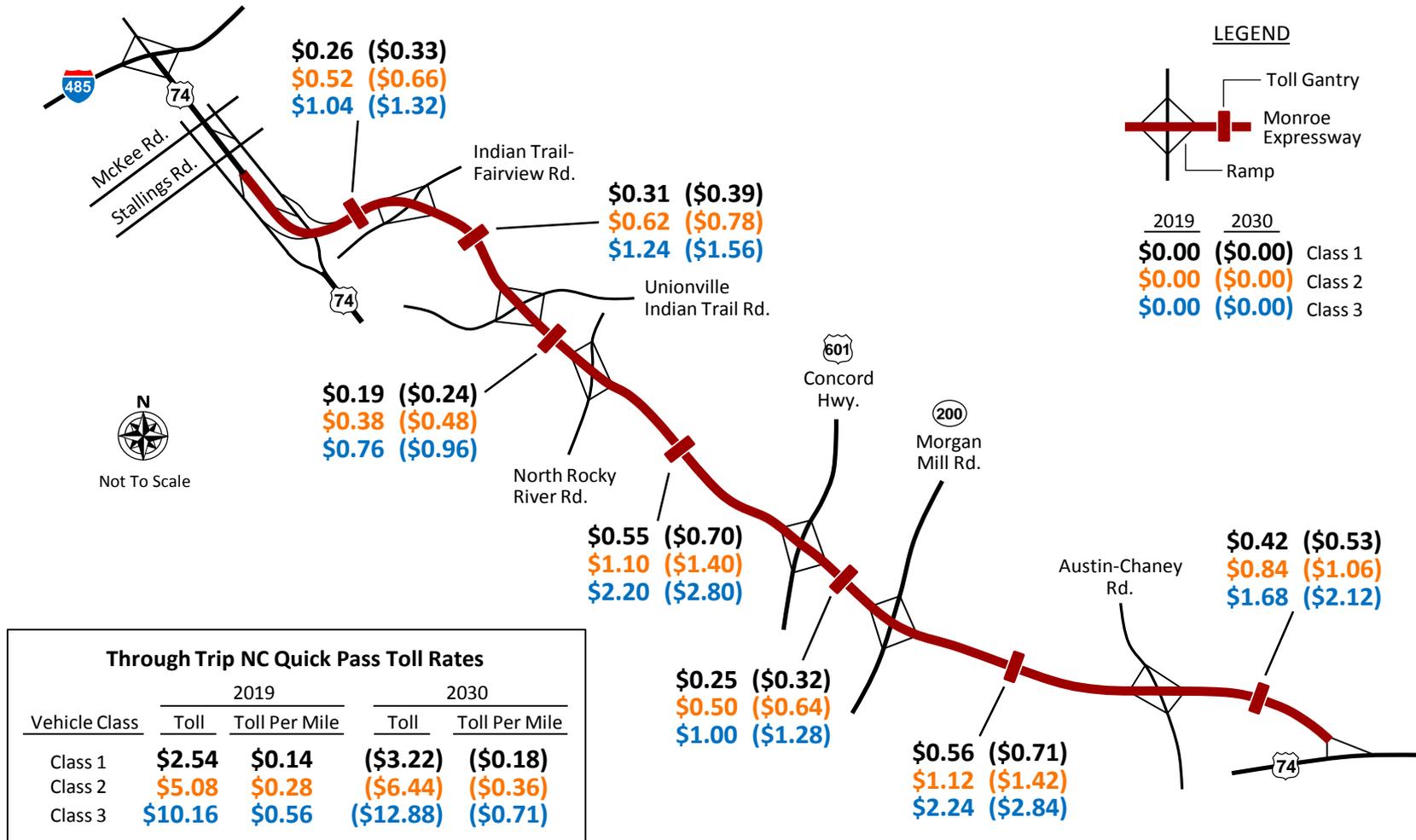


CDOT: Charlotte Department of Transportation.

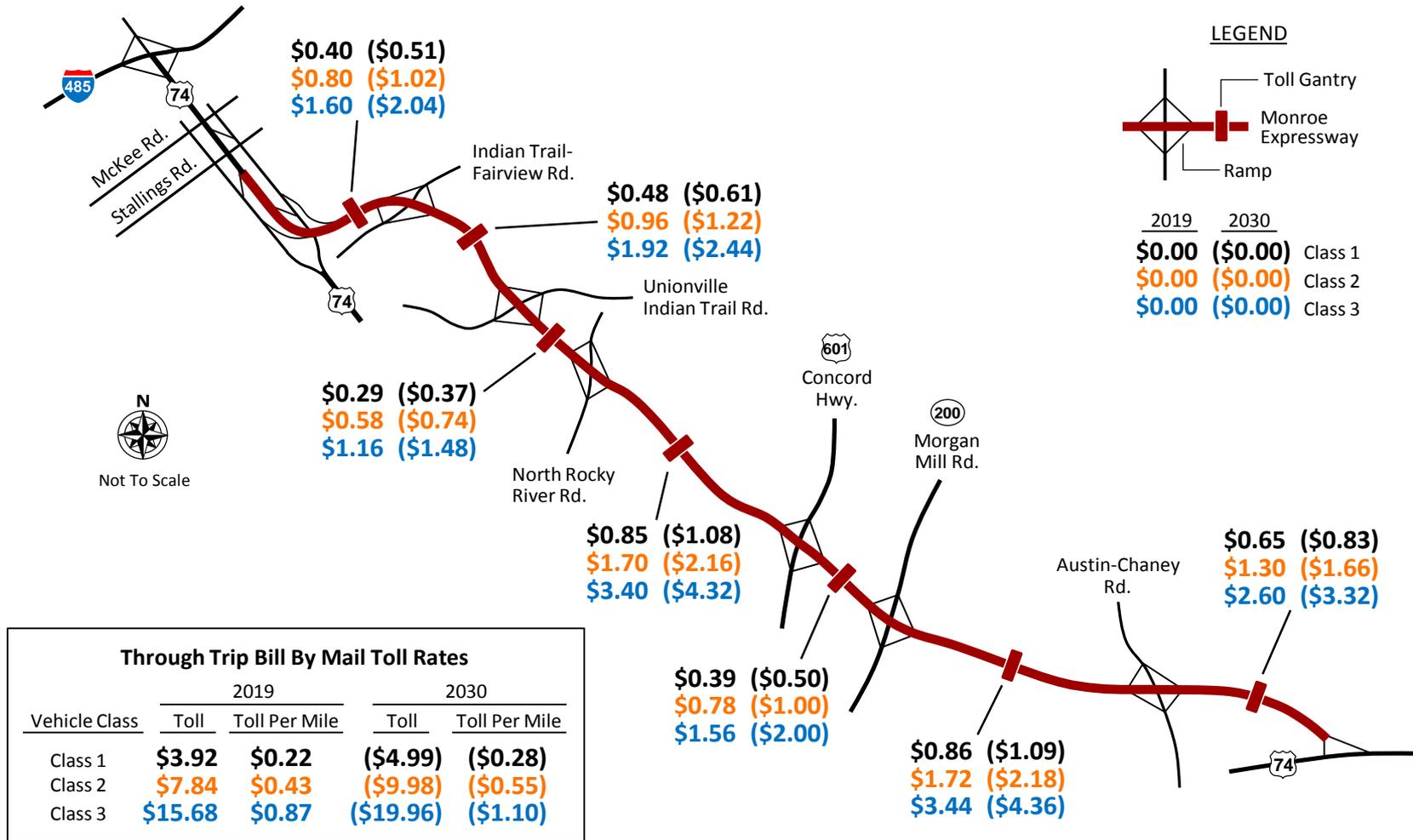
2019 Monroe Toll Sensitivity Analysis Results



Recommended NC Quick Pass Toll Rates (2019 and 2030)



Recommended Bill By Mail Toll Rates (2019 and 2030)



Preliminary Estimated Annual Gross Toll Revenue

(Thousands of Dollars)

Fiscal Year (2)	Class 1			Classes 2 and 3			All Vehicles		
	BBM	ETC	Total	BBM	ETC	Total	BBM	ETC	Total
2019 (3,4)	\$2,735	\$2,621	\$5,355	\$601	\$1,181	\$1,781	\$3,335	\$3,801	\$7,137
2020 (4)	6,543	6,366	12,909	1,419	2,832	4,250	7,961	9,198	17,159
2021 (4)	8,530	8,510	17,040	1,808	3,714	5,522	10,338	12,224	22,562
2022 (4)	9,920	10,135	20,056	2,056	4,343	6,399	11,976	14,478	26,454
2023	10,634	11,097	21,731	2,153	4,676	6,829	12,786	15,774	28,560
2024	11,100	11,897	22,998	2,199	4,913	7,113	13,300	16,810	30,110
2025	11,497	12,708	24,205	2,235	5,139	7,374	13,732	17,847	31,579
2026	11,812	13,297	25,110	2,264	5,341	7,605	14,076	18,638	32,714
2027	12,125	13,843	25,968	2,297	5,527	7,824	14,422	19,370	33,792
2028	12,426	14,450	26,877	2,330	5,718	8,048	14,756	20,169	34,924
Cumulative	\$97,323	\$104,924	\$202,247	\$19,361	\$43,385	\$62,746	\$116,684	\$148,308	\$264,992

1) Excludes adjustments for unbillable and uncollectable toll transactions and revenue.

2) Fiscal year extends from July 1 through June 30.

3) Monroe Expressway assumed to open on January 1, 2019. Only 6 months of operation are assumed in FY 2019.

4) Includes an assumed ramp-up to full traffic volumes.

Next Steps

- Submit Draft Final Report for Review and Comment
- Finalize Comprehensive Traffic and Revenue Report and Distribute to Stakeholders
- Conduct Sensitivity Tests to Estimate Potential Traffic and Revenue Impacts
- Coordinate with Rating Agencies to:
 - Conduct Any Additional Sensitivity Tests Requested
 - Conduct Rating Agency Presentations
 - Conduct Investor Presentations

Monroe Expressway – Financing Discussion

David Miller

PFM



Monroe Expressway Financing Discussion May 2016



Project Update & Financing Update

- The project cost estimate is \$731M
 - Reduced by \$40M to realize ROW savings
- Depending on interest rates, final projected T&R, and rating agency feedback, we will try to reduce the amount of NCDOT STIP funding needed
- NCTA intends to issue long-term toll revenue bonds in October/November 2016
- \$166 million TIFIA direct loan will complete the funding package for the Project
 - A TIFIA debt service reserve fund will be established

Rating Agency Update

- NCTA has engaged both Moody's and Standard & Poor's to provide indicative credit ratings on the TIFIA Loan
- Initial credit packages have been provided to the rating analysts for their review
- NCTA and PFM will continue to work directly with the analysts to answer their questions and provide additional information as it becomes available
- Rating Agency Site visits are tentatively scheduled for early June

TIFIA Update

- TIFIA has assembled their financial, technical, and legal advisors to begin reviewing the project and creditworthiness
- Initial documents have been provided to begin the creditworthiness review
- Weekly calls among the TIFIA and NCTA project teams to begin next month
- Target June for a TIFIA creditworthiness presentation at USDOT
- Target July and either August or September for the two required TIFIA Credit Council meetings
- Bond sale can take place after TIFIA's second Credit Council approval

Underwriter Selection Process

- A Request for Qualifications for Investment Banking Services has been advertised on NCTA's website and distributed to a comprehensive list of bankers
- Statements of Qualifications were due on April 27th and will be reviewed by the Selection Committee who will shortlist firms for interviews
- Interviews will be held on June 6th
- The Selection Committee will present the results to the NCTA Board for approval mid June
- The Selection Committee includes:
 - David Tyeryar, NCDOT CFO
 - David Roy, NCTA
 - David Miller, PFM
 - Wally McBride, Hunton & Williams

Preliminary Financing Sources and Uses

Sources							
	Series 2010 Approp Bonds	Series 2011 Approp Bonds	Series 2011 Toll Rev. Bonds	Series 2016 Toll Rev. Bonds	TIFIA Loan	State Highway Trust Fund	Total
Par Amounts							
CIB	233,920,000	214,505,000	10,000,000	98,255,000	166,500,000		723,180,000
CCAB				41,851,824			41,851,824
+Premium/-Discount		18,693,018		21,709,941			40,402,959
Total Bond Proceeds	233,920,000	233,198,018	10,000,000	161,816,765	166,500,000		805,434,783
State Highway Trust Fund ¹						12,600,768	12,600,768
Total Sources	233,920,000	233,198,018	10,000,000	161,816,765	166,500,000	12,600,768	818,035,551

Uses							
	Series 2010 Approp Bonds	Series 2011 Approp Bonds	Series 2011 Toll Rev. Bonds	Series 2016 Toll Rev. Bonds	TIFIA Loan	State Highway Trust Fund	Total
Construction Cost							
Construction Fund Deposit	198,843,386	231,735,079	9,819,500	123,929,640	166,500,000		730,827,605
Series 2011 TR Bonds Take Out				6,290,000			6,290,000
Capitalized Interest Fund - Series 2010 Approp Bonds	29,081,083						29,081,083
DSRF - Series 2010 Approp Bonds	4,303,953						4,303,953
Capitalized Interest Fund - Series 2016 TR Bonds				16,813,478			16,813,478
DSRF - Series 2016 TR Bonds				13,629,155			13,629,155
DSRF - TIFIA Loan						12,278,330	12,278,330
Fuel Hedge Cap Premium						322,439	322,439
Underwriter's Discount				770,588			770,588
Cost of Issuance	1,691,579	1,462,939	180,500	350,267			3,685,285
Additional Proceeds/(Funding Gap)				33,637			33,637
Total Uses	233,920,000	233,198,018	10,000,000	161,816,765	166,500,000	12,600,768	818,035,551

Annual Costs and Funding

in \$ thousands

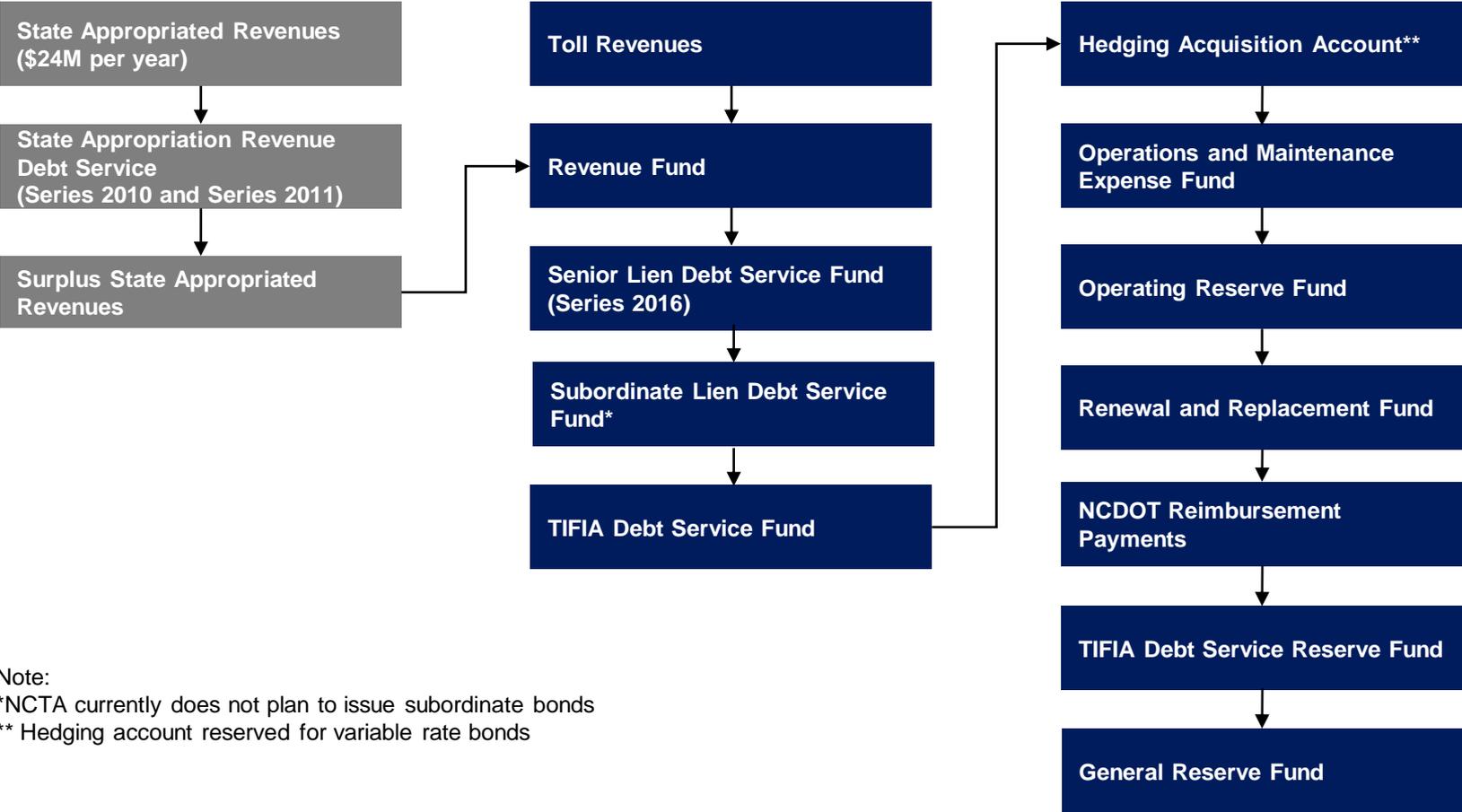
Sources:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Appropriation Debt											
Series 2010 Appropriation Bonds	35,077	43,941	7,037	10,870	43,066	93,930					233,920
Series 2011 Toll Revenue Bonds		181				9,820					10,000
Series 2011 Appropriation Bonds		1,463				99,188	132,547				233,198
Toll Revenue Debt											
Series 2016 Toll Revenue Bonds							100,030	61,787			161,817
TIFIA Loan							87,251	74,529	4,720		166,500
State Highway Trust Fund						12,601					12,601
Total	35,077	45,585	7,037	10,870	43,066	215,538	232,576	149,038	74,529	4,720	818,036

Uses:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Funded Construction Costs											
Series 2010 Appropriation Bonds		43,941	7,037	10,870	43,066	93,930					198,843
Series 2011 Toll Revenue Bonds						9,820					9,820
Series 2011 Appropriation Bonds						99,188	132,547				231,735
Series 2016 Toll Revenue Bonds							62,143	61,787			123,930
TIFIA Loan								87,251	74,529	4,720	166,500
State Highway Trust Fund											0
Sub-total		43,941	7,037	10,870	43,066	202,937	194,689	149,038	74,529	4,720	730,828
Financing Costs	35,077	1,643				12,601	37,887				87,208
Total	35,077	45,585	7,037	10,870	43,066	215,538	232,576	149,038	74,529	4,720	818,036

Monroe Construction Costs		43,941	7,037	10,870	43,066	202,937	194,689	149,038	74,529	4,720	730,828
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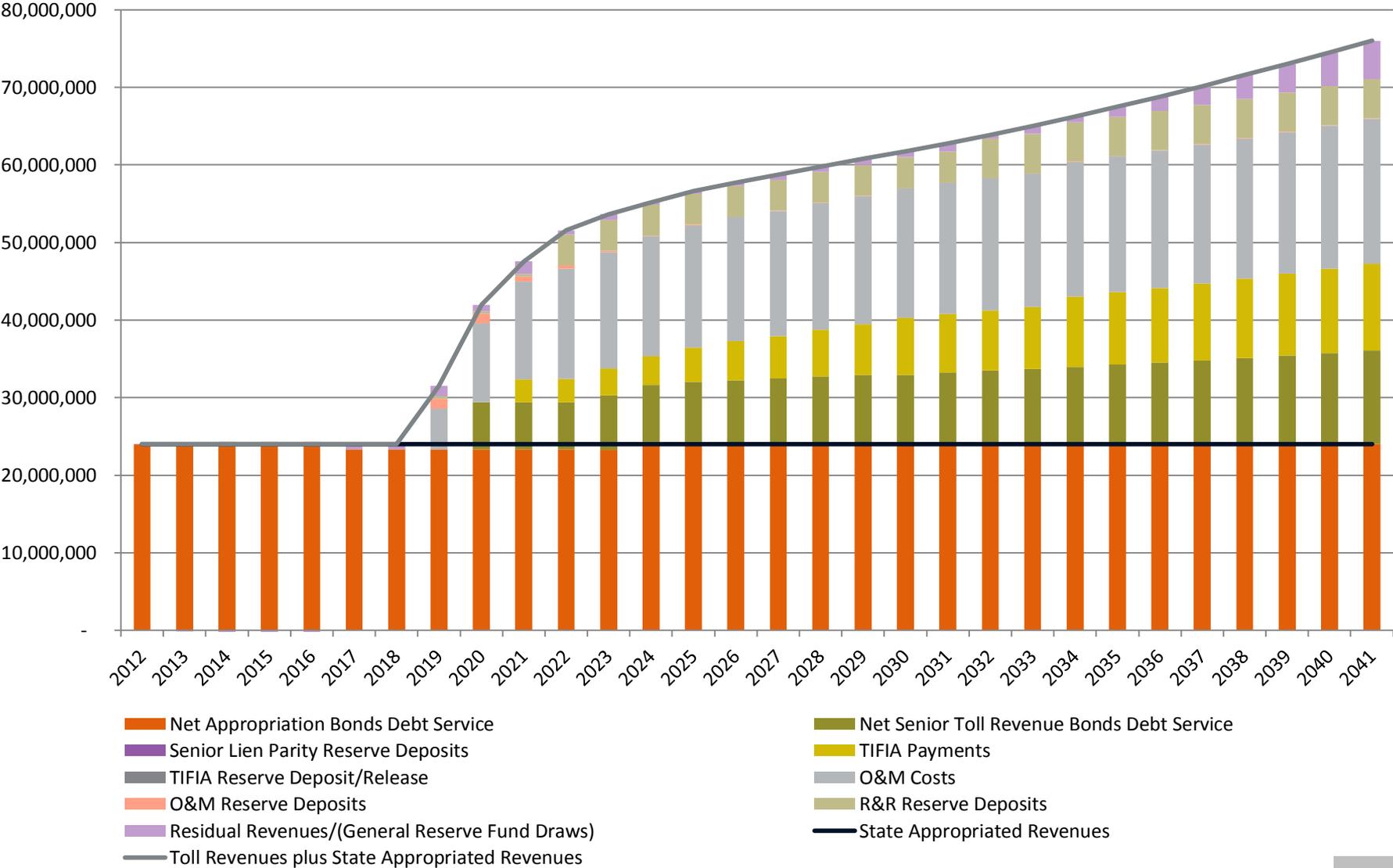
Flow of Funds

- NCTA will have a bifurcated flow of funds consisting of state appropriation revenue bonds and toll revenue bonds with TIFIA secured under the toll revenue bond lien



Note:
 *NCTA currently does not plan to issue subordinate bonds
 ** Hedging account reserved for variable rate bonds

Cash Flow



Fuel Cap Process and Results

- NCTA

- Solicited and received interest from two fuel cap providers: Barclays and Cargill
 - Both bidders are active and major players in commodities market
- Complied with Dodd-Frank Protocols
 - Current CFTC regulations require fuel cap purchasers to be Dodd-Frank compliant
- Completed lengthy Know-Your-Client steps with both bidders
- Negotiated and executed ISDA documents
- Obtained legal opinions from NCTA's counsel
 - Both Barclays and Cargill needed assurance that NCTA had authority to purchase fuel caps
- Established parameters for the fuel cap:
 - NCTA made monthly fuel usage projection taking into account seasonal fluctuations
 - Hedge 97% of usage or 4.673 million gallons from May 2016 until November 2018
 - Received indications for \$2.00/gal strike to \$2.75/gal strike and ultimately decided on \$2.00/gal strike
- Took live bids on pricing date, April 26, 2016 from both providers

- Results

- Barclays won the bid at 6.9 cents per gallon, or \$322,439 total premium for the cap
- NCTA and Barclays then signed final Confirmation
- NCTA estimates it can release up to \$5.5 million in reserves to be used on other elements of the project