



STATE OF NORTH CAROLINA
TURNPIKE AUTHORITY

BEVERLY E. PERDUE
GOVERNOR

1578 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1578

DAVID W. JOYNER
EXECUTIVE DIRECTOR

Board of Directors
Meeting Minutes
January 5, 2012

Members present: Gene Conti (left at 1:15pm)
Perry Safran
Robb Teer
Al Swanstrom
John Collett

Members present via phone: Bob Clay
Anthony Fox

Members absent: Jimmy Ferebee
Thomas Stith

Also present: David Joyner

Secretary Gene Conti called the meeting to order at 1:02pm. He read the state ethics act and declared a quorum present.

Robb Teer presented the minutes from November 14, 2011. Al Swanstrom moved approval. The motion was seconded by Perry Safran and was approved unanimously.

Mark Foster gave an update on the Monroe financing. He stated that GARVEE bonds were issued in December 2011 as the final piece of the Monroe financing package. Mr. Foster presented an article from the Bond Buyer which highlighted the unique use of GARVEEs in financing the Monroe Connector/Bypass. The average interest rate for the total of bonds sold for Monroe was 3.46%. This favorable interest rate enabled the Turnpike Authority to borrow \$95 million less than the original financing plan and will save \$600 million over the term of financing. This is the first use of GARVEE Bonds for interim financing which means in 6 years they will be replaced with toll revenue bonds. Our underwriters think that our bond rating will improve from BBB to A over this 6-year period. Al Swanstrom asked about the risk that our cost to borrow is higher in the next 6 years. Mr. Foster answered that the Turnpike Authority has the flexibility to keep the GARVEEs if this is the case.

Reid Simons gave an update on the marketing plan and outreach initiatives. Ms. Simons discussed the marketing products that are being used to promote the Triangle Expressway and NC Quick Pass. Reid discussed marketing objectives, the power of earned media, and efforts to build lasting relationships with the Triangle Expressway Trot and various events with area businesses. Mike Gentry discussed the media plan moving forward. Mr. Gentry

discussed the target audience of the marketing plan. He discussed the marketing blitz and the different areas of advertisements through radio spots, web banners, door hangers, and mobile ads. He discussed the overall performance of direct marketing and digital advertisements. Mr. Gentry also outlined the marketing plan in place through the Phase 2 and Phase 3 openings of TriEx. (See attached presentation.)

Barry Mickle gave a brief update on the tolling data for the opening of the Triangle Expressway. There are about 4500 vehicles per day driving on the Triangle Expressway. About 40% of the users have transponders. Approximately 75% of transponder sales are on-line. He reported that hard case transponders make up 26% of sales sticker tags account for 72% of sales.

Shannon Sweitzer gave an update on the Triangle Expressway. The Triangle Parkway project opened on December 8, 2011, and tolling began on January 3, 2012. He stated that the Western Wake portion from NC55 to US64 will open in August 2012. He discussed that the toll plazas are being installed and this section looks and rides like a highway. He stated that the Western Wake portion of US64 to the NC55 Bypass is on schedule to open in December 2012. Work will begin shortly on the structures at the NC55 Bypass in Holly Springs.

Mr. Sweitzer gave a brief update on the Monroe Connector/Bypass. He discussed the Monroe Connector/Bypass Open House in December 2011. He said that the Monroe project's right-of-way office is located in a house that was purchased as an advanced acquisition. Mr. Sweitzer said that there is a new website, www.monroconnector-bypass.com, to keep the public informed on the project. He reported that there will be a kick-off meeting for the regulatory agencies on January 11, 2012.

Steve DeWitt gave an update on the Garden Parkway. He stated the FHWA is reviewing the draft design-build contract and the ROD is expected soon.

David Joyner gave an update on the Mid-Currituck Bridge project. The finance team has initiated a "value for money" analysis that compares a municipal financing option versus the P3 option which has risk mitigation features. The purpose of the analysis process is to determine the best method for the State of NC to use to finance the project. Mr. Joyner stated that the "value for money" process then involves in-depth discussion with the Currituck Development Group to determine the cost of risk mitigation. At this point, the Turnpike Authority feels the project is viable. The Record of Decision is expected by April 2012.

There were no individuals who wished to speak to the Board in the public input session.

John Collett commented that there has been much discussion by the NCDOT Board about tolling existing interstates in the Charlotte area, and he asked about the feasibility of this happening. John Sullivan with the FHWA explained that North Carolina legislation prohibits tolling existing highways while Federal law prohibits tolling existing interstates. However, the FHWA has several pilot programs in place that do allow tolling existing interstates.

They are: 1) Converting HOV lanes to HOT lanes in certain situations, 2) Value pricing to price a highway to operating standards or to improve operating standards, 3) Express lanes, and 4) Rehabilitation and reconstruction of existing interstates which allows up to 5 states to toll for rehabilitation.

The meeting was adjourned at 2:17pm.

Minutes prepared by Jillian Brodeur.