



North Carolina Turnpike Authority

*Board of Directors
Finance Committee Meeting*

September 8, 2016



Today's Agenda

- Executive Director Comments
- Monroe Expressway
 - Plan of Finance Update
 - Draft Toll Revenue Bonds Trust Agreement
- Triangle Expressway
 - 2017 Toll Rate Schedule



Beau Memory

Executive Director



Monroe Expressway – Security Structure & Plan of Finance

David Miller

Public Financial Management



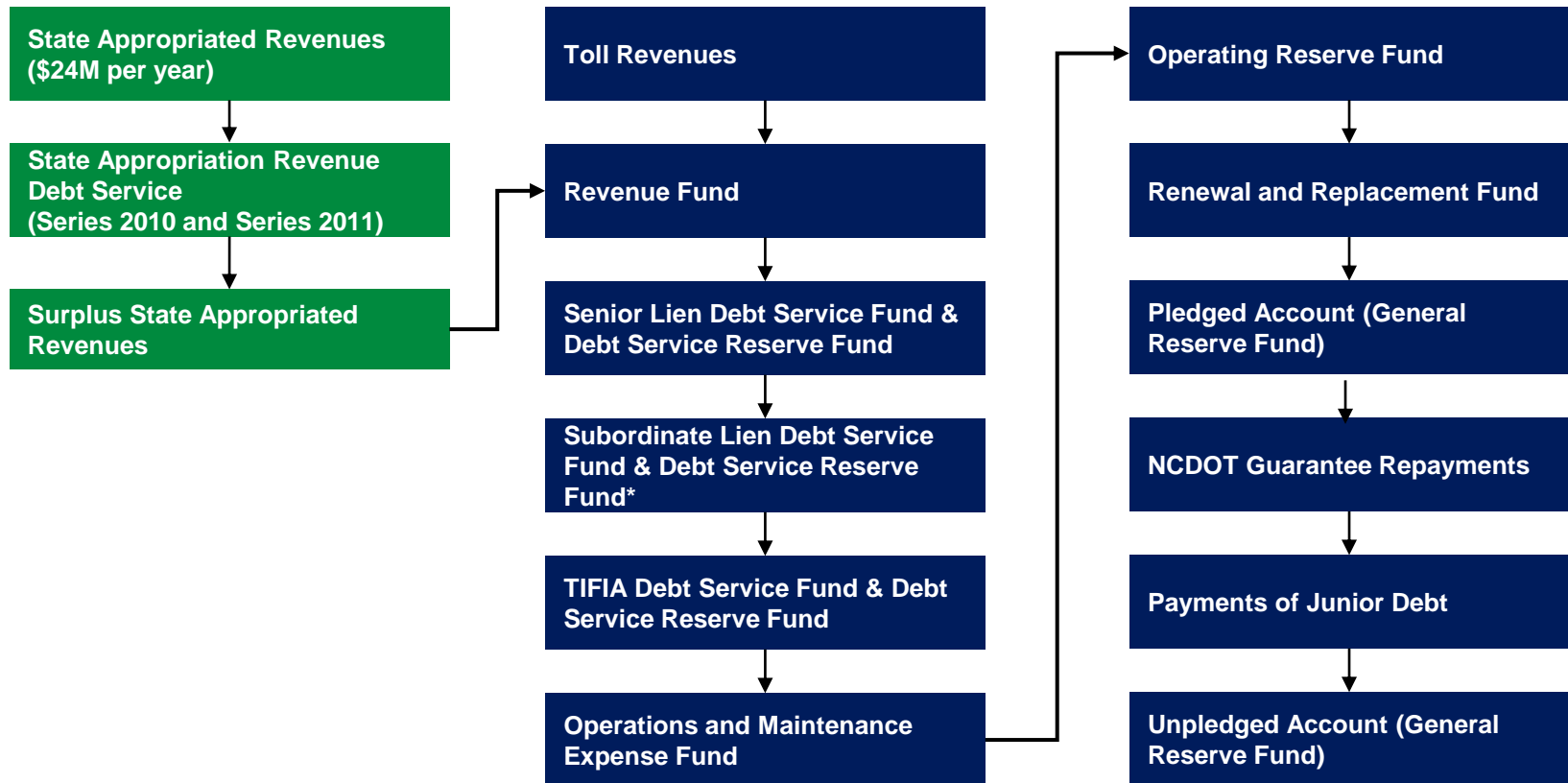
2016 Plan of Financing

- The project cost estimate is \$731M
 - \$440M funding available from State Appropriation Revenue Bonds, Series 2010A and Series 2011 and Senior Lien Turnpike Revenue Bonds, Series 2011
 - Proceeds from the GARVEE Bonds, Series 2011 directed to other Federal aid eligible projects
 - \$291M additional funding needed
- NCTA intends to issue approximately \$145 million senior lien toll revenue bonds in November 2016
 - \$113 million of proceeds for construction plus funds capitalized interest and a DSRF
 - Refunds Toll Revenue Bonds, Series 2011 (Bank of America \$10 million loan)
- Approximately \$22 million of NCDOT STIP funding (subject to TIFIA)
- \$166 million TIFIA direct loan will complete the funding package for the Project



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

TIFIA Update

- Weekly calls among the TIFIA and NCTA project teams continue
- NCTA has provided all requested due diligence items; TIFIA is completing their internal sensitivity testing and creditworthiness assessment
- Negotiation and drafting of the TIFIA loan agreement should take place during Sept-October
- TIFIA is now holding two Credit Council Working Groups and one full Credit Council meeting per month
- Target two required TIFIA Credit Council work group meeting in October and final TIFIA approval in mid-November
- Bond sale can take place after TIFIA's full Credit Council approval

*Proposed Schedule**

Month	Event	Status
September	<ul style="list-style-type: none"> • NCTA Finance Committee Meeting (Sept 8) • Draft Financing Documents 	
October	<ul style="list-style-type: none"> • Brief LGC (Oct 4) • NCTA Finance Committee Meeting (Oct 6) • TIFIA Credit Council Work Group Meetings • Submit TIFIA Application • Solicit Final Credit Ratings & Credit Enhancement 	
November	<ul style="list-style-type: none"> • LGC Approves Financing and Bond Documents (Nov 1) • NCTA Board Meeting to Approve Financing and Bond Documents (Nov 3) • TIFIA Credit Council Approval (Nov 9 or 16) • Receive Final Credit Ratings & Credit Enhancement • POS Proof and Posting • Investor Roadshow and Site Visit 	
December	<ul style="list-style-type: none"> • Pre-pricing activities • Bond Pricing • TIFIA Loan Closing • Bond Closing 	

*Preliminary and subject to change



Preliminary Funding 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	109,010,000	166,500,000		733,935,000
CCAB				26,449,683			26,449,683
+Premium/-Discount		18,693,018		11,501,011			30,194,029
Total Bond Proceeds	233,920,000	233,198,018	10,000,000	146,960,695	166,500,000		790,578,713
State Highway Trust Fund ¹						22,000,000	22,000,000
Total Sources	233,920,000	233,198,018	10,000,000	146,960,695	166,500,000	22,000,000	812,578,713

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	198,793,929	231,735,079	9,819,500	113,216,780	166,500,000	10,805,214	730,870,501
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				14,610,861			14,610,861
DSRF - Series 2016 TR Bonds				11,631,197			11,631,197
DSRF - TIFIA Loan ¹						10,872,348	10,872,348
Fuel Hedge Cap Premium ¹						322,439	322,439
2011 Redemption/Prepayment Penalty ²				6,415,800			6,415,800
Underwriter's Discount				745,028			745,028
Cost of Issuance	1,741,036	1,462,939	180,500	338,649			3,723,125
Additional Proceeds/(Funding Gap)				2,379			2,379
Total Uses	233,920,000	233,198,018	10,000,000	146,960,695	166,500,000	22,000,000	812,578,713

1. For tax purposes, cash is being used to fund the TIFIA reserve and the cost of the Fuel Price Hedge.

2. Redemption of outstanding par plus 2.0% prepayment penalty.



Projected Debt Service Coverage Ratios

Fiscal Year (6/30)	Series 2016 (Senior Lien)				TIFIA Loan			Pledged Revenues	Series 2016 Bonds Coverage	TIFIA Coverage	All-in Coverage
	Total Gross DS	Capitalized Interest	DSRF Earnings	Net DS	Gross Repayment	DSRF Earnings ¹	Net Repayment				
2015											
2016								696,777			
2017	4,087,875	(4,000,641)	(87,234)			(81,543)	(81,543)	696,223			
2018	5,450,500	(5,334,188)	(116,312)			(108,724)	(108,724)	697,223			
2019	5,450,500	(5,276,032)	(174,468)			(163,085)	(163,085)	8,212,473			
2020	5,450,500		(232,624)	5,217,876		(217,446)	(217,446)	18,747,123	3.59x	3.75x	1.09x
2021	5,450,500		(232,624)	5,217,876	2,536,337	(217,446)	2,318,891	24,355,123	4.67x	3.23x	1.13x
2022	5,450,500		(232,624)	5,217,876	2,731,122	(217,446)	2,513,676	28,347,350	5.43x	3.67x	1.08x
2023	5,450,500		(232,624)	5,217,876	2,871,041	(217,446)	2,653,595	30,474,001	5.84x	3.87x	1.13x
2024	5,450,500		(232,624)	5,217,876	3,004,813	(217,446)	2,787,367	31,292,000	6.00x	3.91x	1.14x
2025	5,450,500		(232,624)	5,217,876	3,106,288	(217,446)	2,888,842	32,750,000	6.28x	4.04x	1.18x
2026	5,450,500		(232,624)	5,217,876	6,402,315	(217,446)	6,184,869	33,856,000	6.49x	2.97x	1.09x
2027	5,450,500		(232,624)	5,217,876	6,609,670	(217,446)	6,392,224	34,890,000	6.69x	3.01x	1.12x
2028	7,473,750		(232,624)	7,241,126	6,814,640	(217,446)	6,597,194	36,020,000	4.97x	2.60x	1.07x
2029	7,710,500		(232,624)	7,477,876	6,976,670	(217,446)	6,759,224	37,137,000	4.97x	2.61x	1.09x
2030	7,900,250		(232,624)	7,667,626	7,137,783	(217,446)	6,920,337	38,020,000	4.96x	2.61x	1.10x
2031	8,084,750		(232,624)	7,852,126	7,342,386	(217,446)	7,124,940	38,898,000	4.95x	2.60x	1.10x
2032	8,318,750		(232,624)	8,086,126	7,552,310	(217,446)	7,334,864	40,013,000	4.95x	2.59x	1.10x
2033	8,564,250		(232,624)	8,331,626	7,773,978	(217,446)	7,556,532	41,157,000	4.94x	2.59x	1.11x
2034	8,825,000		(232,624)	8,592,376	8,008,858	(217,446)	7,791,412	42,365,000	4.93x	2.59x	1.13x
2035	9,099,500		(232,624)	8,866,876	8,240,985	(217,446)	8,023,539	43,645,000	4.92x	2.58x	1.15x
2036	9,371,250		(232,624)	9,138,626	8,482,838	(217,446)	8,265,392	44,910,000	4.91x	2.58x	1.16x
2037	9,654,500		(232,624)	9,421,876	8,754,051	(217,446)	8,536,605	46,228,000	4.91x	2.57x	1.18x
2038	9,972,750		(232,624)	9,740,126	9,001,409	(217,446)	8,783,963	47,706,000	4.90x	2.58x	1.19x
2039	10,263,250		(232,624)	10,030,626	9,266,934	(217,446)	9,049,488	49,054,000	4.89x	2.57x	1.21x
2040	10,581,250		(232,624)	10,348,626	9,543,652	(217,446)	9,326,206	50,501,000	4.88x	2.57x	1.22x
2041	10,909,250		(232,624)	10,676,626	9,793,946	(217,446)	9,576,500	52,009,000	4.87x	2.57x	1.24x
2042	11,205,500		(232,624)	10,972,876	10,064,792	(217,446)	9,847,346	53,373,000	4.86x	2.56x	1.25x
2043	11,535,250		(232,624)	11,302,626	10,350,318	(217,446)	10,132,872	54,849,000	4.85x	2.56x	1.25x
2044	11,860,500		(232,624)	11,627,876	10,648,322	(217,446)	10,430,876	56,405,000	4.85x	2.56x	1.33x
2045	12,200,000		(232,624)	11,967,376	10,940,270	(217,446)	10,722,824	58,029,000	4.85x	2.56x	1.34x
2046	12,536,500		(232,624)	12,303,876	11,219,190	(217,446)	11,001,744	59,620,000	4.85x	2.56x	1.36x
2047	12,853,500		(232,624)	12,620,876	11,508,019	(217,446)	11,290,573	61,140,000	4.84x	2.56x	1.37x
2048	13,185,250		(232,624)	12,952,626	11,809,693	(217,446)	11,592,247	62,714,000	4.84x	2.56x	1.38x
2049	13,534,250		(232,624)	13,301,626	12,104,945	(217,446)	11,887,499	64,358,000	4.84x	2.55x	1.40x
2050	13,872,750		(232,624)	13,640,126	12,403,683	(217,446)	12,186,237	65,967,000	4.84x	2.55x	1.26x
2051	13,869,250		(232,624)	13,636,626	12,729,028	(217,446)	12,511,582	67,595,000	4.96x	2.59x	1.28x
2052	13,873,750		(232,624)	13,641,126	13,056,025	(217,446)	12,838,579	69,368,000	5.09x	2.62x	1.30x
2053	13,869,500		(232,624)	13,636,876	13,394,583	(217,446)	13,177,137	71,150,000	5.22x	2.65x	1.33x
2054	13,870,500		(232,624)	13,637,876	13,546,969	(217,446)	13,329,523	72,995,000	5.35x	2.71x	1.36x
Total	353,588,375	(14,610,861)	(8,519,852)	330,457,662	295,727,856	(7,963,962)	287,763,894	1,641,190,474			

1. Earnings on the DSRF shown as negative cash flows prior to TIFIA repayment

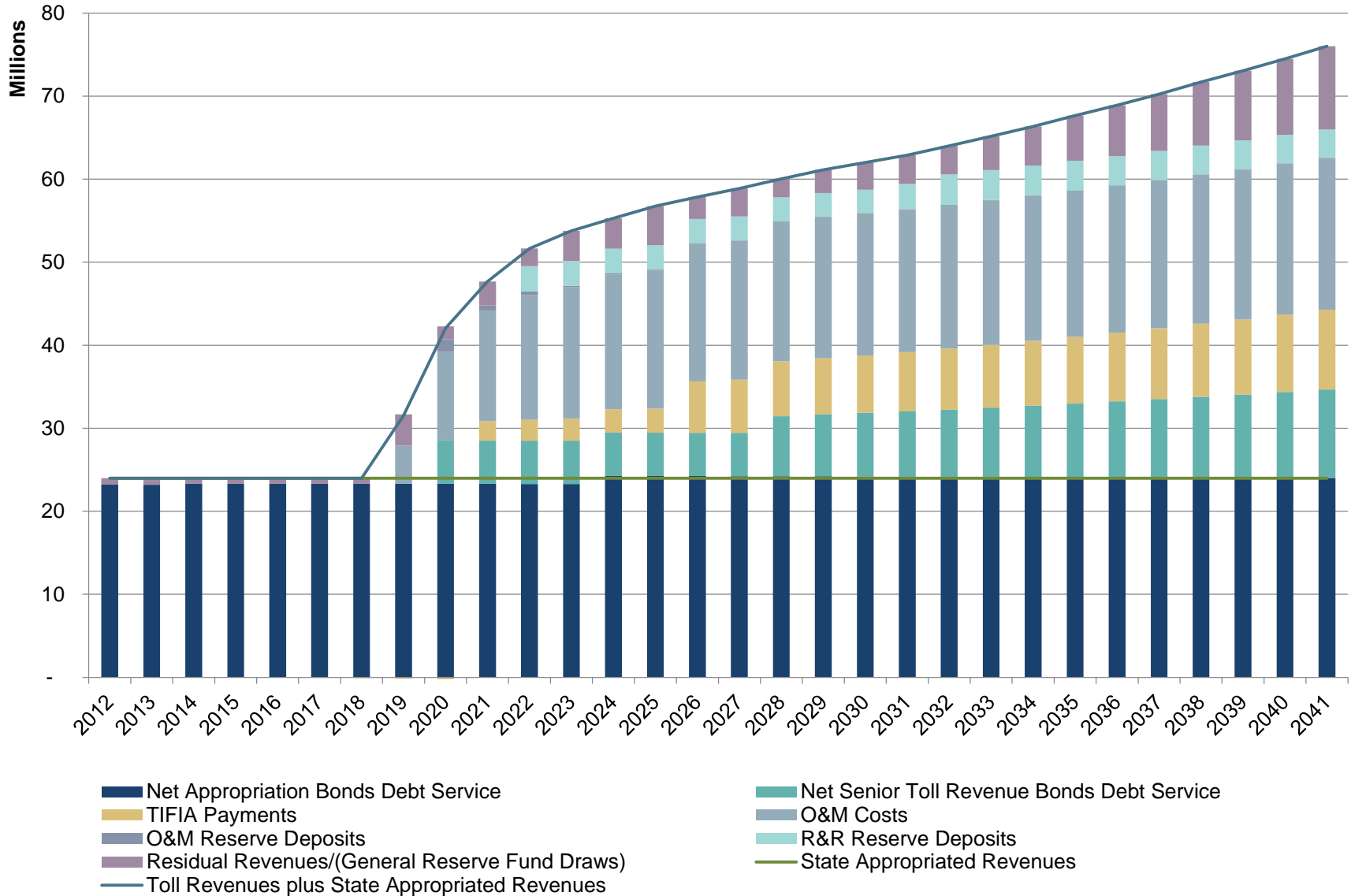
Minimum Coverage: 2.55x
Average Coverage: 2.81x

TIFIA Loan Repayment Schedule

TIFIA Loan Repayment Calculation								
Period Ending (7/1)	Loan Draw Amt	Beginning Balance	Interest Due	Payment	Interest Payments	Principal Payments	Current Year	
							Unpaid Interest	Ending Balance
2017								
2018	80,566,490							80,566,490
2019	75,288,089	80,566,490	2,230,810				2,230,810	158,085,388
2020	10,645,421	158,085,388	4,377,235				4,377,235	173,108,045
2021		173,108,045	4,775,903	(2,536,337)	(2,536,337)		2,239,566	175,347,611
2022		175,347,611	4,836,587	(2,731,122)	(2,731,122)		2,105,464	177,453,075
2023		177,453,075	4,893,931	(2,871,041)	(2,871,041)		2,022,890	179,475,965
2024		179,475,965	4,948,975	(3,004,813)	(3,004,813)		1,944,163	181,420,128
2025		181,420,128	5,002,171	(3,106,288)	(3,106,288)		1,895,883	183,316,011
2026		183,316,011	5,032,192	(6,402,315)	(5,032,192)	(1,370,123)		181,945,888
2027		181,945,888	4,992,841	(6,609,670)	(4,992,841)	(1,616,829)		180,329,058
2028		180,329,058	4,946,547	(6,814,640)	(4,946,547)	(1,868,093)		178,460,966
2029		178,460,966	4,893,844	(6,976,670)	(4,893,844)	(2,082,826)		176,378,140
2030		176,378,140	4,835,074	(7,137,783)	(4,835,074)	(2,302,709)		174,075,431
2031		174,075,431	4,769,919	(7,342,386)	(4,769,919)	(2,572,466)		171,502,965
2032		171,502,965	4,697,117	(7,552,310)	(4,697,117)	(2,855,193)		168,647,772
2033		168,647,772	4,616,690	(7,773,978)	(4,616,690)	(3,157,288)		165,490,485
2034		165,490,485	4,527,666	(8,008,858)	(4,527,666)	(3,481,192)		162,009,293
2035		162,009,293	4,429,692	(8,240,985)	(4,429,692)	(3,811,293)		158,198,000
2036		158,198,000	4,322,353	(8,482,838)	(4,322,353)	(4,160,485)		154,037,515
2037		154,037,515	4,205,463	(8,754,051)	(4,205,463)	(4,548,588)		149,488,927
2038		149,488,927	4,077,830	(9,001,409)	(4,077,830)	(4,923,579)		144,565,348
2039		144,565,348	3,939,691	(9,266,934)	(3,939,691)	(5,327,243)		139,238,105
2040		139,238,105	3,790,118	(9,543,652)	(3,790,118)	(5,753,534)		133,484,571
2041		133,484,571	3,629,281	(9,793,946)	(3,629,281)	(6,164,665)		127,319,907
2042		127,319,907	3,456,741	(10,064,792)	(3,456,741)	(6,608,051)		120,711,856
2043		120,711,856	3,271,823	(10,350,318)	(3,271,823)	(7,078,494)		113,633,361
2044		113,633,361	3,073,593	(10,648,322)	(3,073,593)	(7,574,728)		106,058,633
2045		106,058,633	2,862,067	(10,940,270)	(2,862,067)	(8,078,203)		97,980,430
2046		97,980,430	2,636,487	(11,219,190)	(2,636,487)	(8,582,703)		89,397,727
2047		89,397,727	2,396,871	(11,508,019)	(2,396,871)	(9,111,148)		80,286,579
2048		80,286,579	2,142,312	(11,809,693)	(2,142,312)	(9,667,381)		70,619,197
2049		70,619,197	1,872,841	(12,104,945)	(1,872,841)	(10,232,104)		60,387,094
2050		60,387,094	1,587,487	(12,403,683)	(1,587,487)	(10,816,196)		49,570,898
2051		49,570,898	1,285,778	(12,729,028)	(1,285,778)	(11,443,250)		38,127,648
2052		38,127,648	966,449	(13,056,025)	(966,449)	(12,089,576)		26,038,072
2053		26,038,072	629,639	(13,394,583)	(629,639)	(12,764,944)		13,273,129
2054		13,273,129	273,841	(13,546,969)	(273,841)	(13,273,129)	0	(0)
Total	166,500,000		129,227,856	(295,727,856)	(112,411,846)	(183,316,011)	16,816,011	



Project Total Cash Flows



Monroe Expressway – Draft Toll Revenue Bonds Trust Agreement

Wally McBride

Hunton & Williams



Monroe Expressway – Revenue Bond Trust Agreement

Main Purposes and Concepts:

- Continuation of lien on toll and other revenues from 2011 as security for various debt
- Sets forth the terms for the 2016 Revenue Bonds
- Creates Project Fund to hold proceeds until requisitioned to pay costs
- Creates a Revenue Fund to collect all revenues and a “waterfall” of funds and priorities for the use of such revenues
- Includes covenants for NCTA as to operations, financial goals, etc
- Has provisions on what happens if there are less revenues than expected
- Contains miscellaneous provisions for supplements, defeasance, notices, etc
- Contains TIFIA loan references



Triangle Expressway – 2017 Toll Rate Schedule

David Roy

Director of Finance and Budget



Triangle Expressway – 2017 Toll Rate Schedule

- § 136-89.183 (Powers of the Authority)
- Toll Rate Policy adopted September 17, 2008
- Scheduled average toll rate increases:

2014 – 2016	5.0%
2017 – 2021	3.5%
2022 – 2036	3.0%
After 2036	2.0% (or less)

- 3.5% increase scheduled to take effect: January 1, 2017
- Old Holly Springs Apex Road interchange is included in the 2017 toll rate schedule



Triangle Expressway – 2017 Toll Rate Schedule

