

North Carolina Turnpike Authority

NCTA Finance Committee Meeting

April 20, 2022



Opening Comments

J.J. Eden
Executive Director

February Statistics

Triangle Expressway



Transactions: 4.61 million



Revenue: \$4.14 million

Monroe Expressway



Transactions: 2.93 million



Revenue: \$1.85 million

Transponders



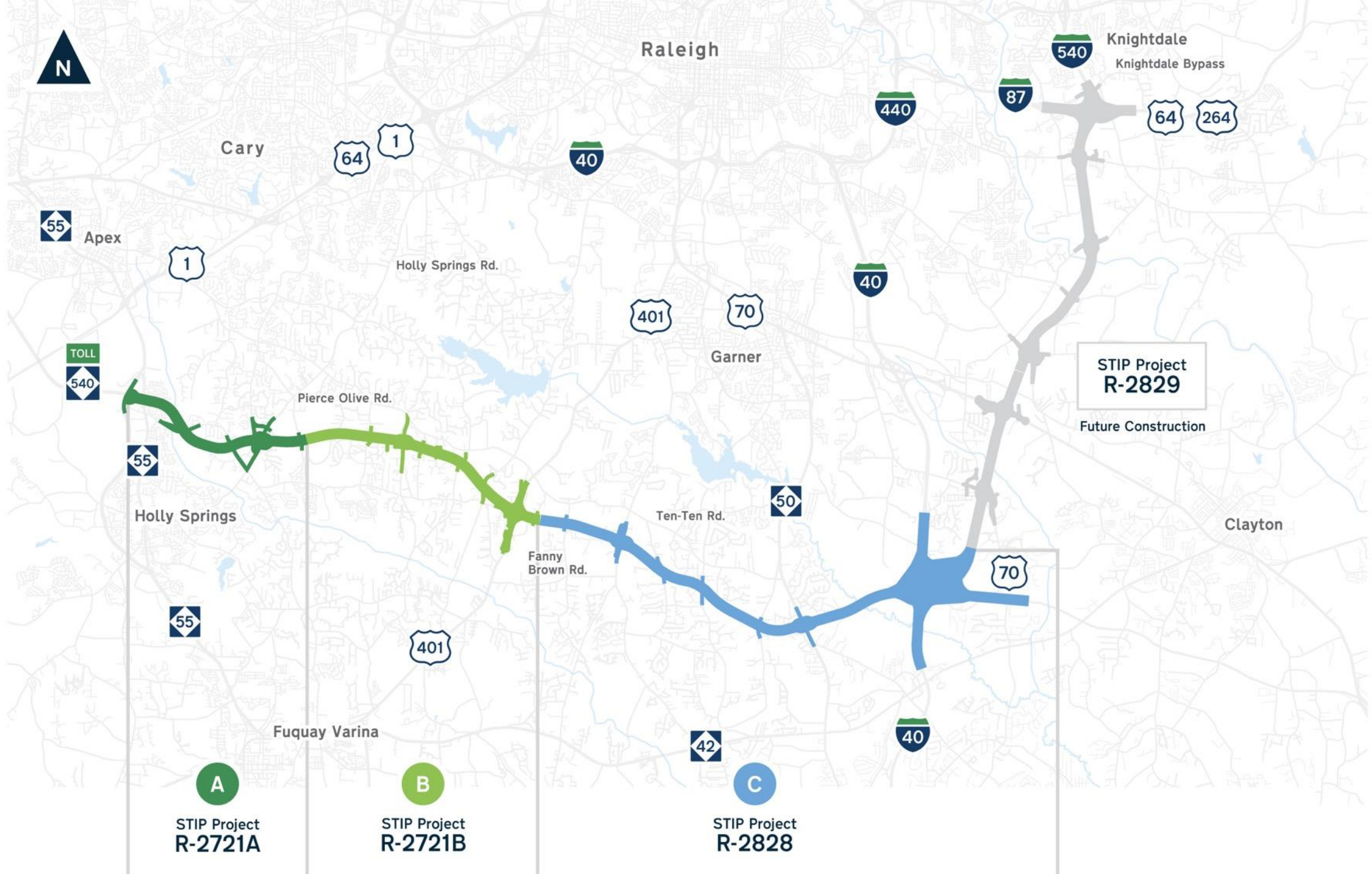
Over 15,000 distributed



Nearly 1,156,000 distributed program-to-date

Complete 540 Construction Update

Alan Shapiro, P.E.
Triangle Expressway Roadway Manager



A
STIP Project
R-2721A

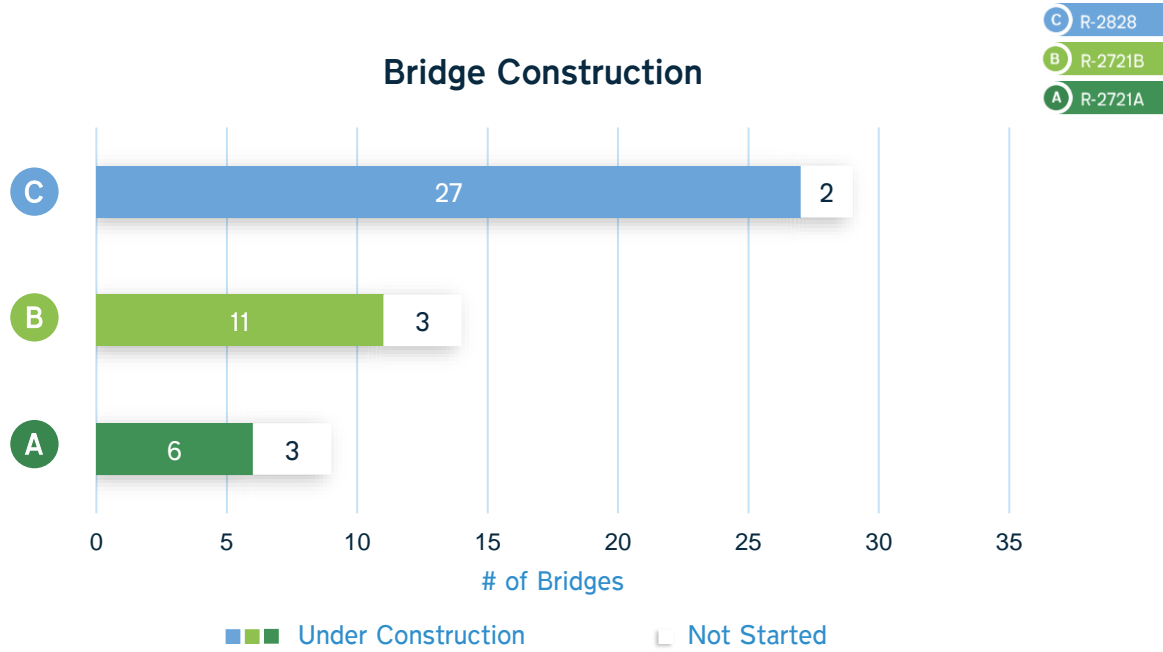
B
STIP Project
R-2721B

C
STIP Project
R-2828

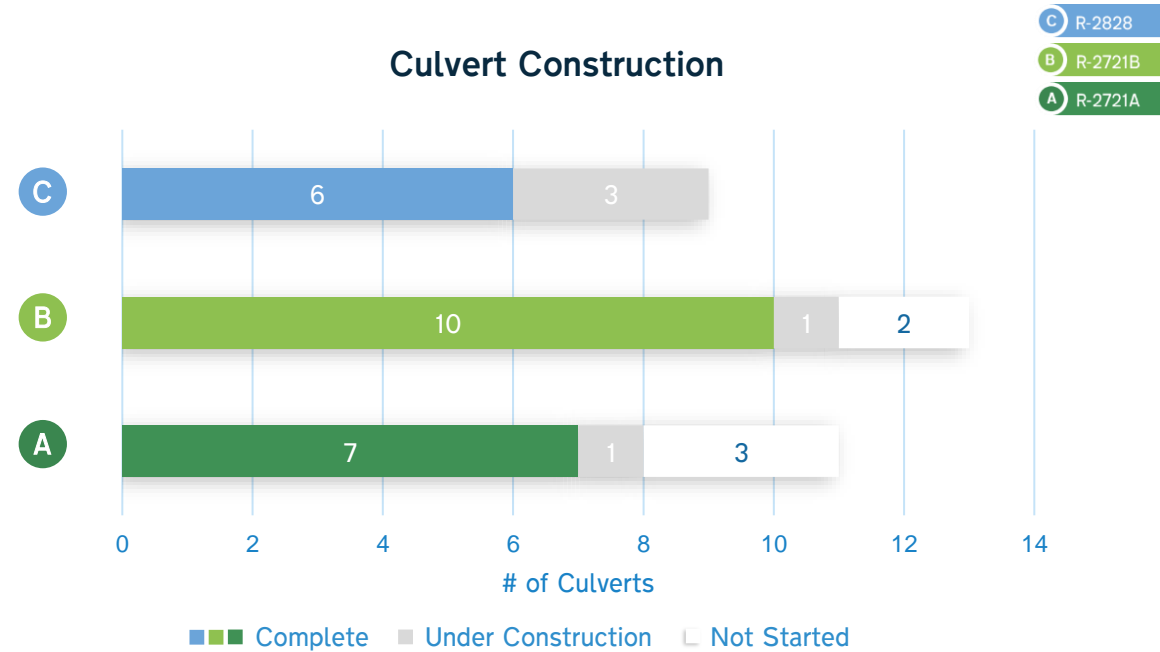
STIP Project
R-2829
Future Construction

Construction Update

Bridge Construction



Culvert Construction



























Community Outreach

The background features a dark blue field with a subtle, light blue hexagonal grid pattern. Overlaid on this grid are several dynamic, glowing trails of small particles. These trails originate from the left and right edges and curve inward toward the center, creating a sense of movement and connectivity. The particles themselves vary in brightness, with some appearing as bright white or light blue dots and others as softer, more diffuse glows.



2022 Complete 540 Outreach



Presentations

Nearly 500 participants
over 11 meetings



Informing Residents

Over 2,600 postcards
& 5 Nextdoor posts



Resident Inquiries

95 emails & 72 calls to
the Complete 540 Hotline

Upcoming Presentations: Joint Holly Springs Open House, Home Builders Association of Raleigh-Wake County, Cary Chamber of Commerce

Complete 540 Spend Update

Travis Feltes, P.E.
Project Engineer

Plan of Finance Cost Tracking

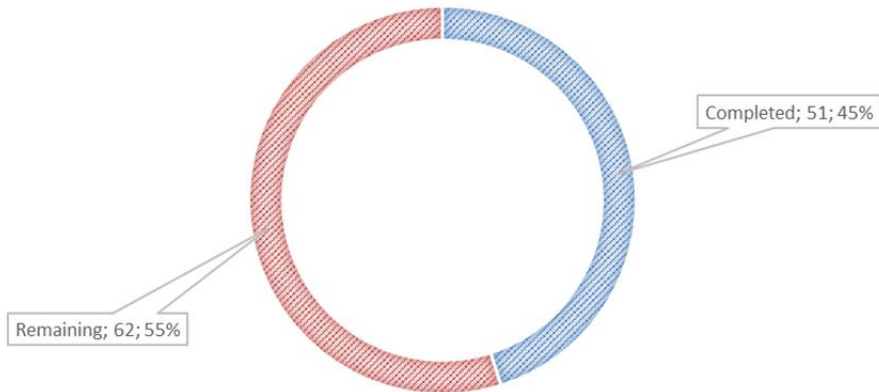
	DESCRIPTION	Cost Estimate (\$M)	Spent as of March 31, 2022	% of Budget Spent
R-2721A	Construction	\$ 220.75	\$ 121.75	55%
	Landscaping	\$ 2.67	\$ -	0%
	Right of Way	\$ 74.93	\$ 75.64	101%
	Utilities	\$ 20.67	\$ 13.80	67%
	Agency Costs:	\$ 29.59	\$ 13.36	45%
	PROJECT SUB-TOTAL	\$ 348.61	\$ 224.55	64%
	R-2721B	Construction	\$ 204.80	\$ 111.60
Landscaping		\$ 2.32	\$ -	0%
Right of Way		\$ 81.67	\$ 83.38	102%
Utilities		\$ 18.76	\$ 12.35	66%
Agency Costs:		\$ 26.62	\$ 13.26	50%
PROJECT SUB-TOTAL		\$ 334.17	\$ 220.59	66%
R-2828		Construction	\$ 410.20	\$ 212.36
	Toll Integration	\$ 21.24	\$ 0.11	1%
	Landscaping	\$ 5.84	\$ -	0%
	Right of Way	\$ 48.99	\$ 50.36	103%
	Utilities	\$ 36.57	\$ 30.35	83%
	Agency Costs:	\$ 89.82	\$ 47.01	52%
	PROJECT SUB-TOTAL	\$ 612.66	\$ 340.19	56%
TOTAL	Construction	\$ 835.75	\$ 445.71	53%
	Toll Integration	\$ 21.24	\$ 0.11	0%
	Landscaping	\$ 10.83	\$ -	0%
	Right of Way	\$ 205.59	\$ 209.38	102%
	Utilities	\$ 76.00	\$ 56.50	74%
	Agency Costs:	\$ 146.03	\$ 73.63	50%
	PROJECT COST FOR FINANCING	\$ 1,295.44	\$ 785.33	61%

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

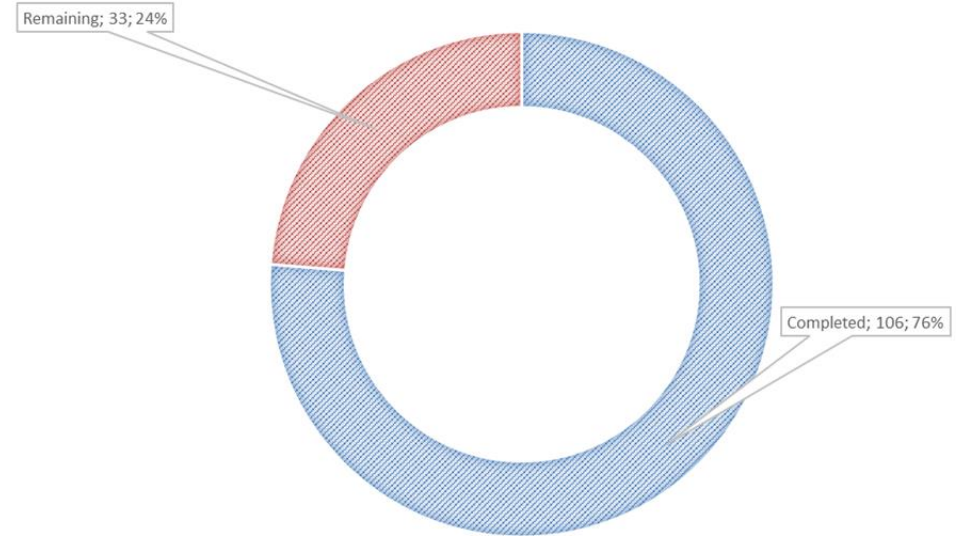
CONDEMNED PARCELS, 113 TOTAL
(190 INCLUDING MAP ACT PARCELS)

■ Completed ■ Remaining



MAP ACT PARCELS, 139 TOTAL

■ Completed ■ Remaining



Contingencies

Contingency Item	Plan of Finance Budget
Third Party Delay Contingency	\$2,570,000
Contingency & Reserves	\$3,180,000
Fuel & AC Reserves	\$4,990,000
Total	\$10,740,000

Project	Supplement Budget	Supplemental Agreement Total	% Spent	Amount Remaining	% Remaining
R-2721 A	\$37,034,081	\$36,966,081	100%	\$68,000	0%
R-2721 B	\$48,447,152	\$47,027,152	97%	\$1,420,000	3%
R-2828	\$40,195,891	\$29,695,891	74%	\$10,500,000	26%
Total	\$125,677,124	\$113,689,124	90%	\$11,988,000	10%

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	\$ 28,519.21	\$ 12,411.64	\$ 297,379.21	\$ 338,310.06	\$ -
July-21	\$ (8,370.45)	\$ (7,473.57)	\$ 10,987.53	\$ (4,856.49)	\$ -
August-21	\$ (9,471.19)	\$ (8,865.94)	\$ 20,128.27	\$ 1,791.14	\$ -
September-21	\$ (8,217.97)	\$ (14,792.33)	\$ 14,886.91	\$ (8,123.39)	\$ -
October-21	\$ (5,593.66)	\$ (16,434.65)	\$ 3,738.51	\$ (18,289.80)	\$ 16,311.27
November-21	\$ (3,131.71)	\$ (22,684.91)	\$ (18,783.96)	\$ (44,600.58)	\$ -
December-21	\$ (8,474.37)	\$ (11,382.53)	\$ (9,654.21)	\$ (29,511.11)	\$ -
January-22	\$ (3,086.89)	\$ (2,641.35)	\$ (1,171.27)	\$ (6,899.51)	\$ 6,463.71
February-22	\$ (4,762.05)	\$ (12,392.96)	\$ (34,036.97)	\$ (51,191.98)	\$ 14,878.44
March-22	\$ (16,313.44)	\$ (23,386.39)	\$ (41,134.92)	\$ (80,834.75)	\$ 171,461.24
	\$ (38,902.52)	\$ (107,642.99)	\$ 242,339.10	\$ 95,793.59	\$ 209,114.66

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

Paid out to the contractor	\$ (328,462.79)
Received from the contractor	\$ 424,256.38
Received from the hedge	\$ 209,114.66
Net Total	\$ 304,908.25

Monroe Expressway TIFIA Refunding Update

David Roy
Chief Financial Officer

Transaction Overview

- Refunding of the Monroe TIFIA Loan was previously been identified as an advantageous refunding opportunity.
- The Monroe TIFIA Loan is callable at any time and therefore, may be refunded with tax-exempt bonds
- In addition to debt service savings, refunding benefits may include:
 - Release of certain reserves
 - Elimination of onerous covenants, including TIFIA reporting requirements
 - Elimination of TIFIA loan prepayment provisions
 - Opportunity to prepare for future system expansion

Monroe Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2022A (“Series 2022A Bonds”)	
Par Amount*:	Not to exceed \$185,000,000 (Current Estimate: \$161,810,000)
Principal Amortization*:	July 1, 2025 – July 1, 2053
Interest Payments:	Payable January 1 and July 1 of each year and upon maturity
Purpose*:	The Series 2022A Bonds are being issued to: <ul style="list-style-type: none"> (a) refund in advance of its maturity the Authority’s Monroe Expressway Revenue Bond, TIFIA Series 2016 (b) pay certain costs incurred in connection with the issuance of the Series 2022A Bonds (c) pay the premium on a bond insurance policy for certain Series 2022A Bonds (d) pay the premium for a debt service reserve insurance policy with respect to the 2022A Bonds
Security:	The Series 2022A Bonds will be special obligations of the Authority, secured by and payable from the Revenues of the Monroe Expressway System and, under certain circumstances, the proceeds of the Series 2022A Bonds, investment earnings and certain other proceeds.
Expected Pricing / Closing*:	TBD

*Preliminary, subject to change; when, as, and if issued.

Municipal Market Update

- Transaction approved by Board during February 10th, 2022, board meeting on condition that transaction meets at least 3% NPV savings.
- Due to the rising interest rate environment, the transaction has not reached the savings threshold and has been placed on hold.

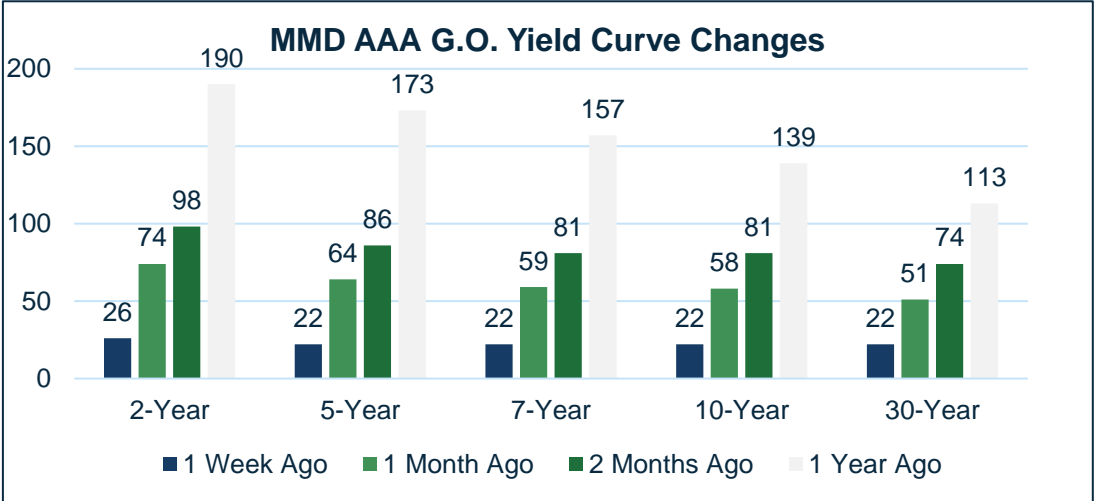
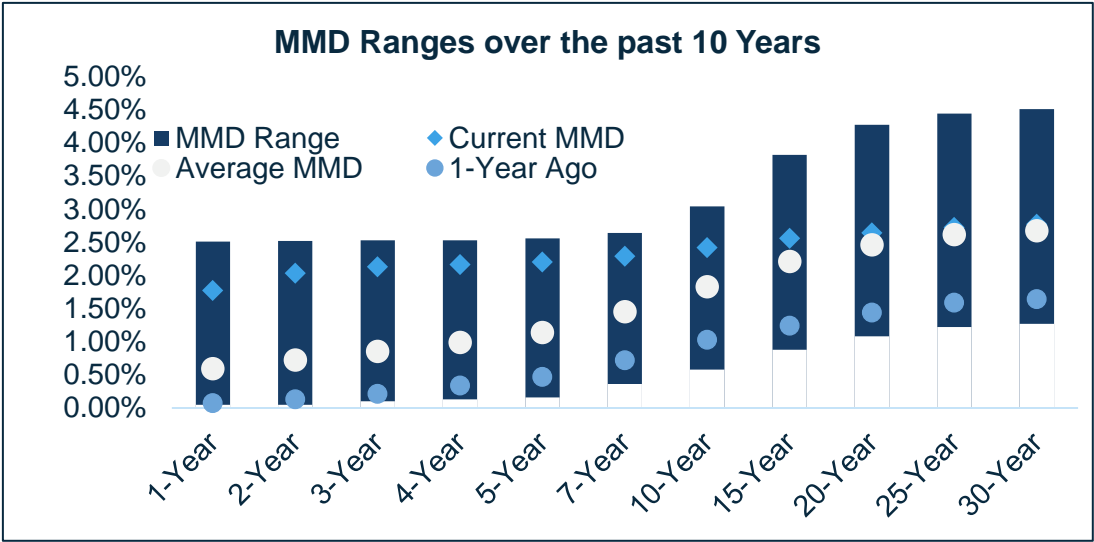
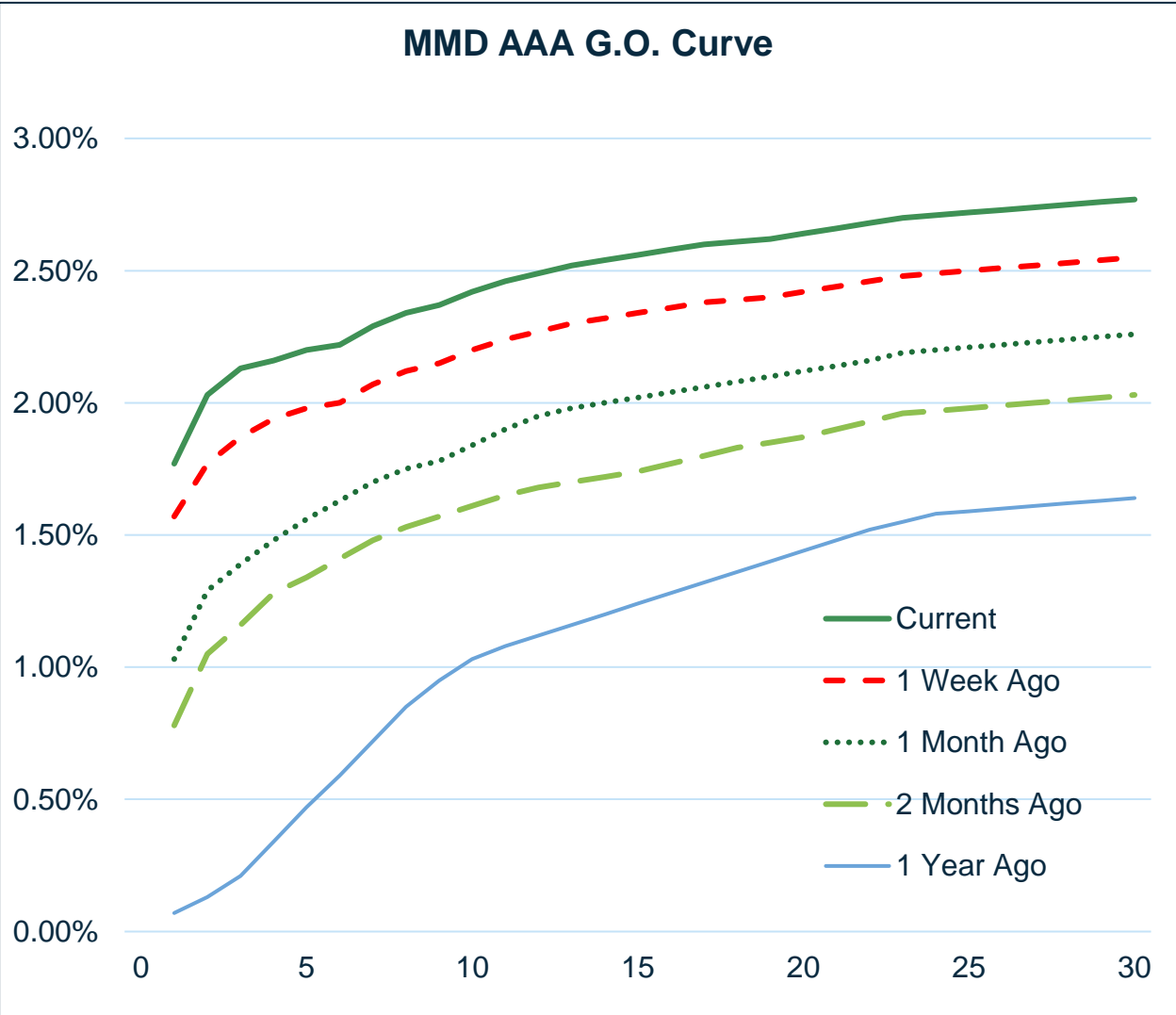
Board Approval of Transaction occurred on February 10

AAA Rate Movement for the Past 3 Months

AAA Tenor	Date & Weekday																			Total Δ	4/8 Rate		
	1/10	1/14	1/24	1/31	2/7	2/14	2/18	2/28	3/7	3/14	3/21	3/28	3/29	3/30	3/31	4/1	4/4	4/5	4/6			4/7	4/8
	Mon	Fri	Mon	Mon	Mon	Mon	Fri	Mon	Mon	Mon	Mon	M	T	W	T	F	M	T	W			T	F
1	0.32	2	11	21	0	16	3	-3	2	26	5	37	2	0	-2	1	0	3	10	0	2	136	1.68
2	0.44	3	14	27	-1	18	3	-4	3	28	5	36	2	1	-3	1	0	3	10	0	2	148	1.92
3	0.53	4	15	29	-1	19	3	-4	2	28	4	36	2	0	-3	1	0	3	10	1	2	151	2.04
4	0.64	3	15	31	-2	19	2	-4	2	27	3	35	2	0	-3	1	0	3	10	1	2	147	2.11
5	0.77	3	14	28	-1	18	2	-5	2	26	4	33	2	0	-3	0	0	4	10	0	2	139	2.16
6	0.90	4	12	26	-6	19	1	-5	3	27	3	30	2	0	-3	0	0	4	10	0	2	129	2.19
7	1.01	2	12	25	-8	19	1	-5	4	27	2	30	1	0	-3	1	0	3	10	1	2	124	2.25
8	1.11	1	11	25	-10	19	0	-5	5	27	2	28	2	0	-3	0	0	4	10	0	2	118	2.29
9	1.17	1	11	24	-10	20	0	-5	4	27	1	29	1	0	-3	0	0	4	10	0	3	117	2.34
10	1.20	1	11	24	-10	19	0	-6	7	27	3	27	2	0	-3	0	0	3	11	0	2	118	2.38
11	1.24	1	10	24	-10	19	-1	-5	8	28	2	27	1	0	-3	1	-1	4	10	1	2	118	2.42
12	1.25	1	10	24	-9	19	-1	-5	9	27	3	26	1	0	-3	0	0	4	10	0	3	119	2.44
13	1.28	1	9	25	-10	19	-1	-5	9	28	2	26	1	0	-3	0	0	3	10	1	2	117	2.45
14	1.31	0	9	25	-10	19	-1	-5	9	29	1	25	1	0	-3	1	-1	4	10	1	2	116	2.47
15	1.33	0	8	25	-10	19	-1	-5	10	28	2	24	1	0	-3	1	-1	4	10	1	2	115	2.48
16	1.36	1	8	25	-10	19	-1	-6	10	29	0	25	1	0	-3	0	0	4	10	0	3	115	2.51
17	1.40	0	9	23	-9	19	-1	-5	9	29	0	25	1	0	-3	0	0	3	11	0	3	114	2.54
18	1.42	1	9	23	-9	19	-1	-5	9	29	-1	24	1	0	-3	1	-1	4	10	0	3	113	2.55
19	1.46	1	9	23	-10	20	-2	-5	10	29	-1	24	1	0	-3	0	0	3	10	1	2	112	2.58
20	1.47	1	9	23	-10	20	-1	-5	9	29	-1	24	1	0	-3	0	0	3	10	1	2	112	2.59
21	1.51	0	9	23	-10	20	-1	-5	9	29	-2	24	1	0	-3	0	0	3	10	1	2	110	2.61
22	1.54	1	9	22	-9	19	-1	-5	9	29	-2	24	1	0	-3	0	0	3	10	1	2	110	2.64
23	1.57	1	8	23	-10	19	-1	-5	9	29	-2	24	1	0	-3	0	0	3	10	1	2	109	2.66
24	1.59	0	9	22	-10	19	-1	-5	9	29	-2	24	0	0	-2	0	-1	4	10	0	3	108	2.67
25	1.61	0	8	22	-9	18	-1	-5	9	28	-1	24	1	-1	-2	0	-1	4	10	1	2	107	2.68
26	1.62	0	8	22	-9	19	-2	-5	9	29	-2	24	0	0	-2	0	-1	4	10	0	3	107	2.69
27	1.63	0	8	22	-9	19	-2	-5	9	29	-2	24	1	-1	-2	0	-1	4	10	1	2	107	2.70
28	1.64	0	8	22	-10	19	-2	-5	10	28	-2	25	0	0	-3	0	-1	4	10	1	2	106	2.70
29	1.64	0	8	22	-10	19	-2	-5	9	29	-2	24	0	0	-2	0	-1	4	10	0	3	106	2.70
30	1.65	0	8	22	-10	19	-2	-5	9	29	-2	24	0	0	-3	1	-1	4	10	0	3	106	2.71

Source: Bloomberg (as of 4/8/2022)

Municipal Market Update



Source: Bloomberg; Refinitiv (as of 4/12/2022)

Refunding Opportunity – Monroe TIFIA Loan

- The financing team will continue to monitor the market and is prepared to move quickly if the savings threshold can be met
- *As of April 8, 2022, rates were approximately 80bps higher than needed to meet savings threshold.

*Approximation provided by Citi based on a 3% coupon scale, results are approximations and subject to change.

NCTA Debt Policy Overview

David Roy
Chief Financial Officer

Debt Management Policy Overview

- The purpose of this Debt Policy is to establish guidelines and a framework for the issuance and management of NCTA's debt
- NCTA is committed to consistent best practices financial management, including maintaining financial strength and flexibility of NCTA
- The policy will be reviewed by NCTA no less than once every two years
- The policy will be presented to and approved by the NCTA Board of Directors

Debt Management Policy Overview

- The policy establishes guidelines and a framework for the following topics:
 - Financial Planning and Debt Issuance
 - New Policy guideline for Variable Rate Debt* limitations established per System:
 - Unhedged: 10%
 - Total Hedged and Unhedged: 25%
 - Debt Service Coverage Targets and Limits
 - Method of Sale Evaluation
 - Debt Structure
 - Call Provisions
 - Debt Refunding
 - Credit Enhancement and Liquidity
 - Continuing Disclosure
 - Credit Objectives

* Currently NCTA does not have any variable rate debt and does not have any plans to issue variable rate debt

On-Going Reporting Requirements

- Once a year, the Finance Committee and NCTA Board of Directors will receive a report on the status of NCTA's debt including the following information
 - Amount and percentage of total debt by security type broken down by NCTA System
 - Any changes in ratings, including ratings of credit enhancers and swap counterparties
 - Current mark-to-marketed value of all interest rate exchange agreements, if applicable*
 - Historical rate performance for all variable rate bonds, if applicable*

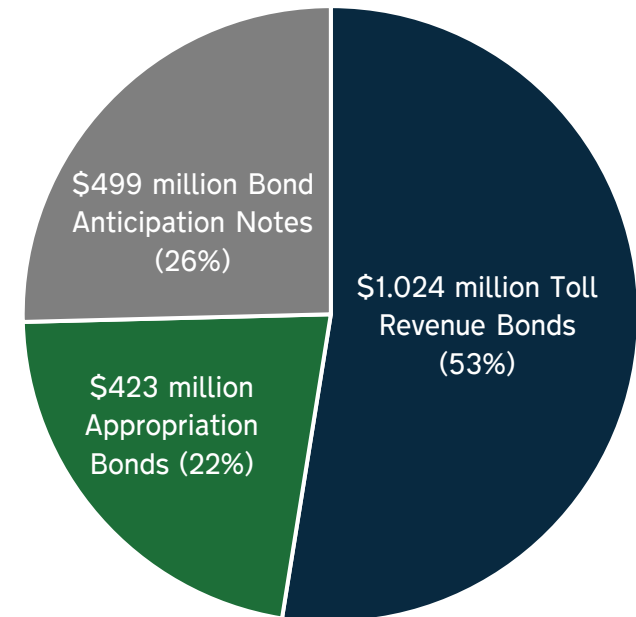
*Currently not applicable as NCTA does not have any variable rate debt

Debt Status Report

Triangle Expressway

- All credit ratings associated with outstanding debt, including ratings of credit enhancers and swap counterparties, were unchanged over the prior year.
- Within the past year the following bonds were issued and assigned the following ratings:
 - *\$499,461,980 Triangle Expressway System TIFIA Loan, 2021
 - S&P Ratings: BBB (Underlying)
 - Fitch Ratings: BBB (Underlying)

Triangle Expressway
Debt by Security Type



*Loan agreement dated August 5, 2021

Debt Status Report

Triangle Expressway

Transaction	Outstanding Par ¹	Final Maturity	Underlying Ratings			Insured Ratings		
			Moody's	S&P	Fitch	Moody's	S&P	Fitch
\$150,125,000 Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018A	150,125,000	1/1/2039	Aa1	AA+	-	-	-	-
\$161,759,000 Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018B	147,592,000	1/1/2032	-	-	-	-	-	-
\$115,979,250 Triangle Expressway System Appropriation Revenue Bonds, Series 2019 (CAB)	125,596,750	1/1/2049	Aa1	AA+	AA+	-	-	-
\$35,173,108.85 Triangle Expressway System Revenue Bonds, Series 2009B (CAB)	85,943,637	1/1/2038	Baa2	BBB	BBB	A2	AA	-
\$200,515,000 Triangle Expressway System Turnpike Revenue Refunding Bonds, Series 2017	171,510,000	1/1/2039	-	BBB	BBB	A1	AA	-
\$401,155,000 Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2018	396,420,000	1/1/2041	-	BBB	BBB	-	AA	-
\$370,975,000 Triangle Expressway System Toll Revenue Bonds, Series 2019	370,975,000	1/1/2055	-	BBB	BBB	-	AA	-
\$499,460,000 Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes, Series 2020	499,460,000	2/1/2024	-	BBB	BBB	-	-	-
\$499,461,980 Triangle Expressway System TIFIA Loan, 2021	- ²	1/1/2058	-	BBB	BBB	-	-	-
Total	\$1,947,622,387							

1. Accreted value as of July 1, 2022 for Capital Appreciation Bonds.

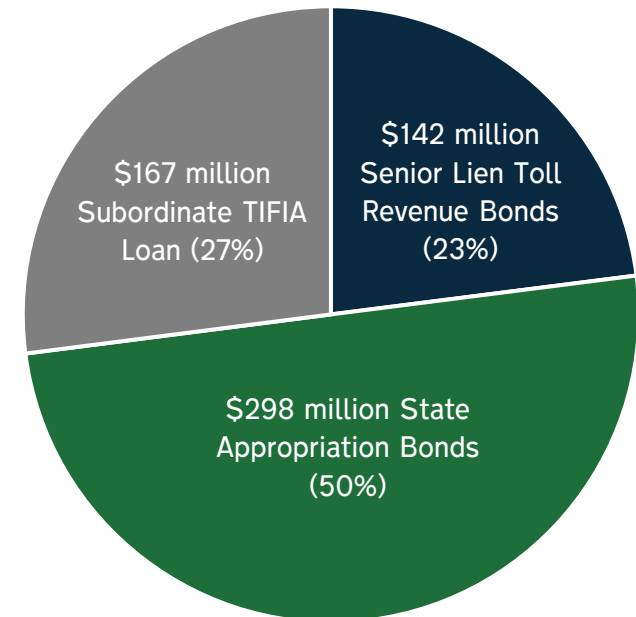
2. The 2021 TIFIA Loan has not been drawn upon. NCTA intends to fully draw the \$499.46 million TIFIA Loan to pay off the 2020 Toll Revenue BANs at maturity in 2024.

Debt Status Report

Monroe Expressway

- All credit ratings associated with outstanding debt, including ratings of credit enhancers and swap counterparties, were unchanged over the prior year.
- Within the past year the following bonds were issued and assigned the following ratings:
 - *\$73,985,000 Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2021
 - Moody's Ratings: Aa1 (Underlying)
 - S&P Ratings: AA+ (Underlying)
 - Fitch Ratings: AA+ (Underlying)

Monroe Expressway
Debt by Security Type



*Final close was on April 6, 2021

Debt Status Report

Monroe Expressway

Transaction	Outstanding Par ¹	Final Maturity	Underlying Ratings		
			Moody's	S&P	Fitch
\$233,920,000 Monroe Connector System State Appropriation Revenue Bonds, Series 2010A	225,545,000	1/1/2041	Aa1	AA+	-
\$73,985,000 Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2021 (Forward Delivery)	72,595,000	7/1/2041	Aa1	AA+	AA+
\$119,455,000 Monroe Expressway Toll Revenue Bonds, Series 2016A	119,455,000	7/1/2054	Baa3	BBB	-
\$17,596,904 Monroe Expressway Toll Revenue Bonds, Series 2016C (CAB)	22,647,081	7/1/2041	Baa3	BBB	-
\$166,500,000 Monroe Expressway System TIFIA Loan, 2016	166,500,000	7/1/2053	Baa3	BBB	-
Total	\$606,742,081				

1. Accreted value as of July 1, 2022 for Capital Appreciation Bonds.

Contact Us



ncdot.gov/turnpike

ncquickpass.com



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Thank you!