

North Carolina Turnpike Authority

NCTA Finance Committee Meeting

April 19, 2023



Opening Comments

David Roy
Chief Financial Officer

Chief Engineer Update

Dennis Jernigan, P.E.

Interim Chief Engineer

RTA Complete 540 Tour

March 23, 2023

- RTA toured two sites along Complete 540
 - U.S. 401
 - I-40/U.S. 70 turbine-style interchange
- Attendees included
 - NCTA Board Members
 - RTA members
 - Local elected officials
 - Press



RTA Complete 540 Tour

March 23, 2023

- Started the day with presentation at Wake Tech Campus
- Covered by [ABC 11 News story](#)
- Strengthened NCTA's relationship with RTA and business community



1403/U.S. 70/Toll N.C. 540 Turbine-Style Interchange

Walking Directions From Wake Tech Parking Lot to U.S. 401

1. Walk north from the parking lot onto Advantage Way.
2. Turn left onto Old McCollers Road.
3. Follow Old McCollers Road until you reach the field site on U.S. 401.

Driving Directions From Wake Tech Parking Lot to I-40/U.S. 70 Turbine-Style Interchange

1. Drive north from the parking lot onto Advantage Way.
2. Drive straight onto Old McCollers Road.
3. Turn right onto Ten Ten Road.
4. Follow Ten Ten Road until you turn left onto N.C. 50.
5. From N.C. 50, turn right onto New Bethel Church Road.
6. Follow New Bethel Church Road until you reach the monument signs at the I-40/U.S. 70 Turbine-Style Interchange.

About Complete 540

The Complete 540 Project, also known as the Southeast Extension, will extend the Triangle Expressway from the N.C. 55 Bypass in Ashe to U.S. 64/U.S. 264 (I-87) in Knightdale, completing the outer 540 loop around the greater Raleigh area. The Complete 540 Project is being constructed in two phases. Phase 1 will connect the N.C. 55 Bypass to I-40 and is planned to open to traffic in spring 2024. With the support of RTA, Capital Area Metropolitan Planning Organization and other industry partners, the N.C. Department of Transportation (NCDOT) and NCTA have begun the procurement process for Phase 2 of Complete 540. Phase 2 will connect I-40 in Garner to I-87 (U.S. 64/264) in Knightdale, and will complete the I-540/768 N.C. 540 Outer Loop around Raleigh.

About NCTA

To help keep pace with the transportation needs of the state, NCTA plays a critical role in NCDOT's operations by studying, planning, developing and building toll roads as well as operating and maintaining them. With innovation and customer-centered service at its core, the Triangle Expressway was the first toll road in the country to be designed with all-electronic tolling technology from its inception.

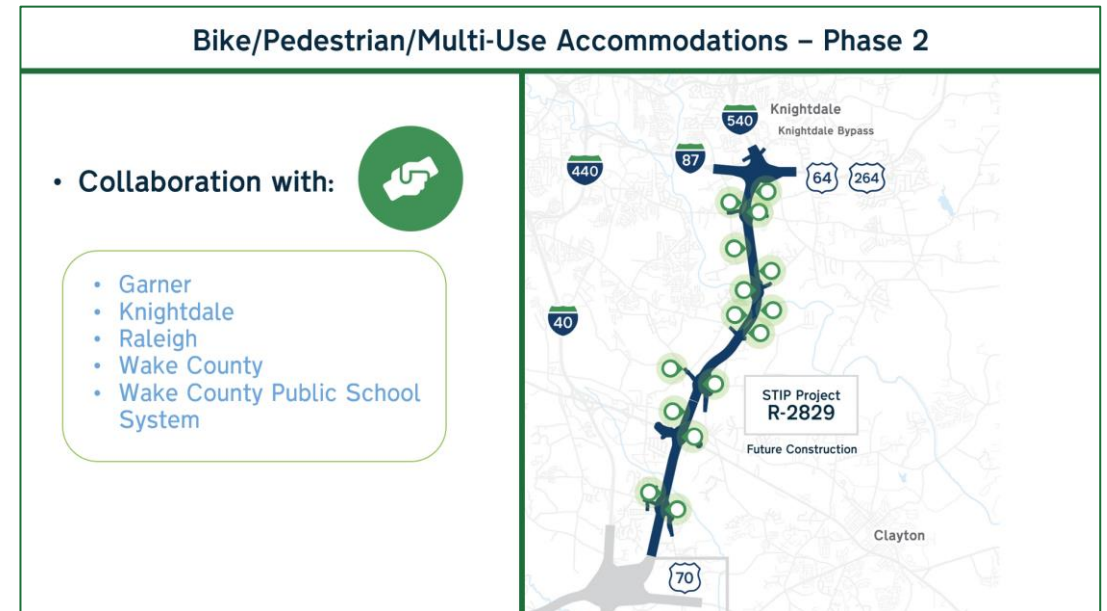
Scan the QR code to access an online version of this handout.



CAMPO Executive Board Presentation

April 19, 2023

- Presenting about
 - Phase 1 construction update
 - Phase 2 information and update
 - Bike and pedestrian accommodations along the project



The background features a dark blue field with a subtle, light blue hexagonal grid pattern. Overlaid on this are several dynamic, glowing trails of small particles. These trails originate from the left and right edges and curve inward towards the center, creating a sense of motion and depth. The particles themselves vary in brightness, with some appearing as sharp points of light and others as soft, blurred halos.

Complete 540 Phase 1

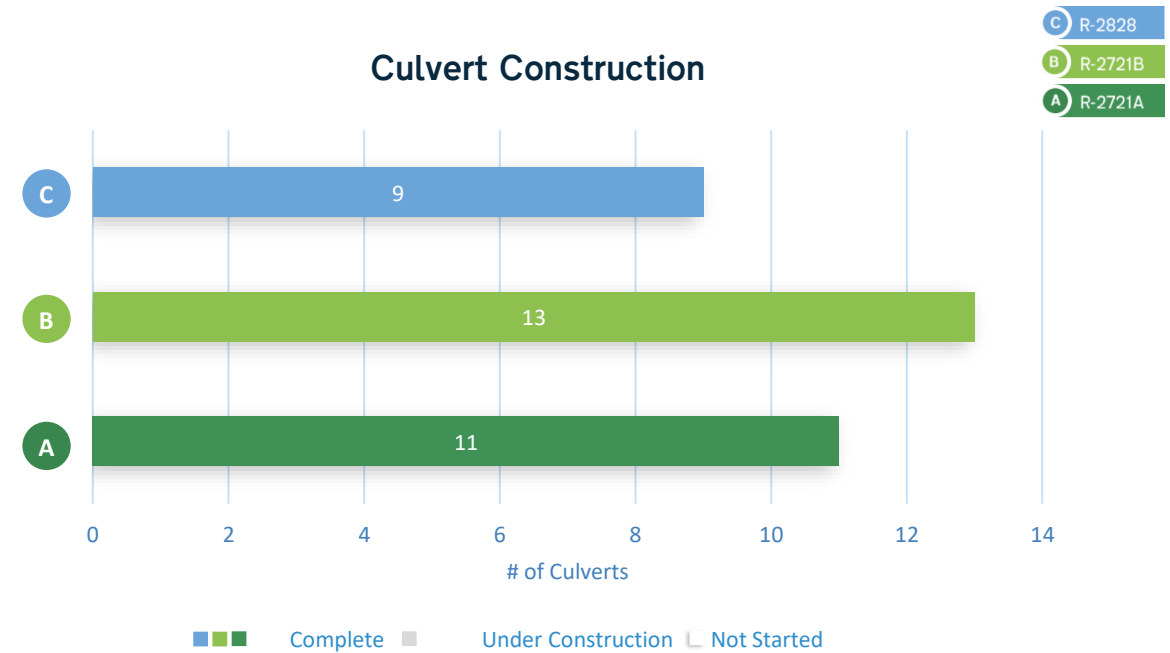
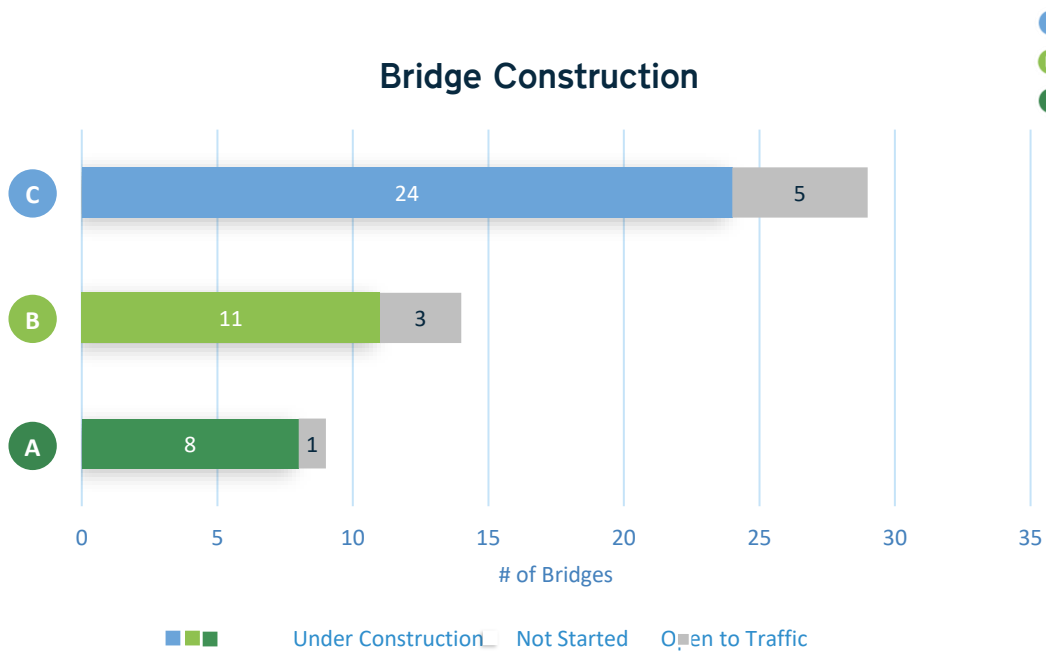
On Grade



Stabilized Soil and Bridge Construction



Bridge & Culvert Construction



Updated 4-12-2023

Noise Wall Construction

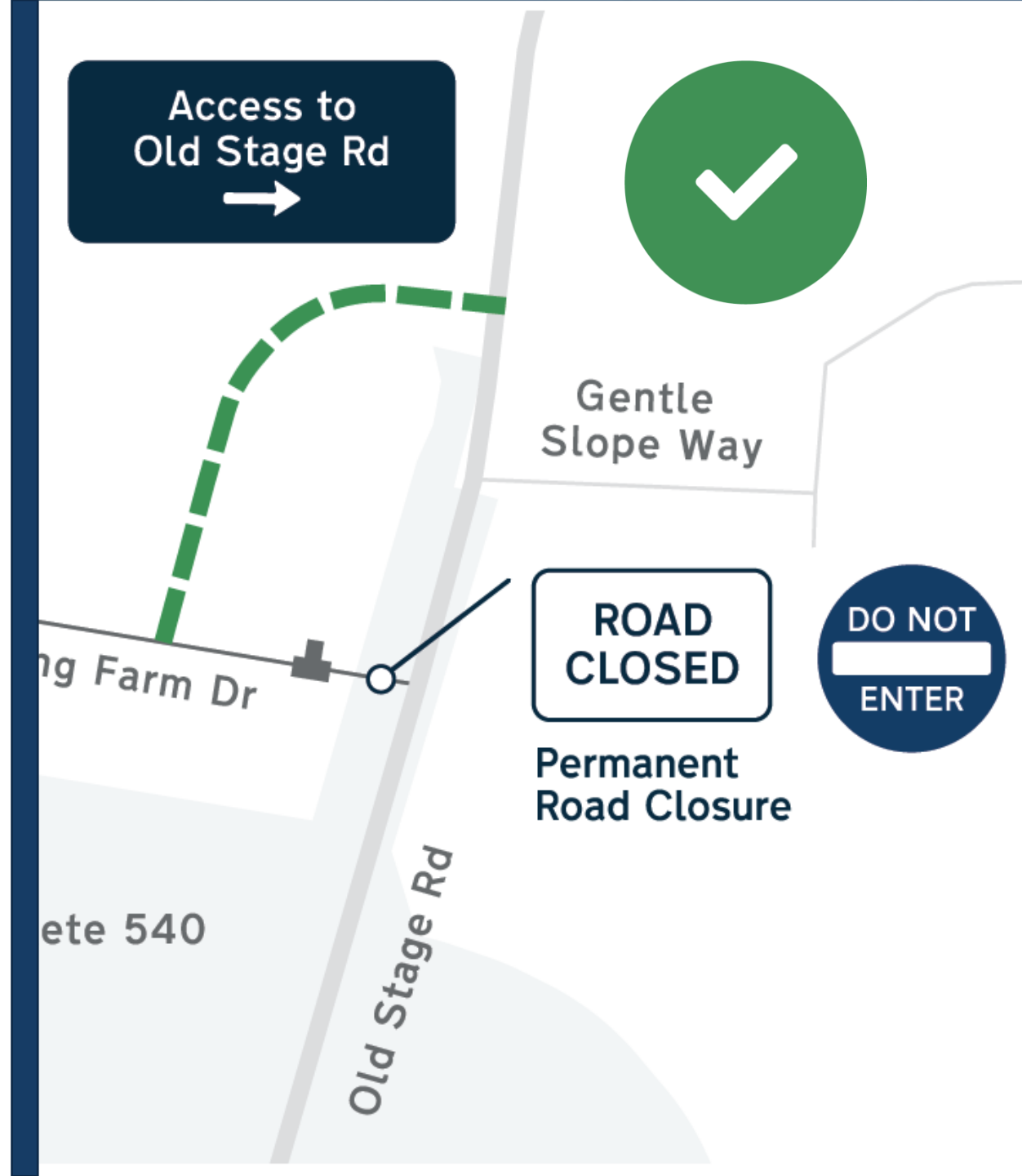


Paving



Complete 540 Openings

- **Old Stage Road**
 - April 2023
- **West Lake Road**
 - March 2023
- **Relocated Rolling Farm Drive**
 - January 2023
- **River Falls Pedestrian Trail and Culvert**
 - November 2022
- **Sunset Lake Road (1 of 2)**
 - November 2022
- **US-401**
 - November 2022
- **Holland Church Road**
 - September 2022
- **Lassiter Road and Wooded Acres Street**
 - August 2022
- **NC-50**
 - August 2022
- **Deerborn Drive Extension**
 - July 2022
- **New Bethel Church Road**
 - July 2022
- **Kildaire Farm Road**
 - May 2022
- **Johnson Pond**
 - April 2022
- **Fanny Brown Road**
 - November 2021



Complete 540 Phase 1 Spend Update

Travis Feltes, P.E.

Project Engineer

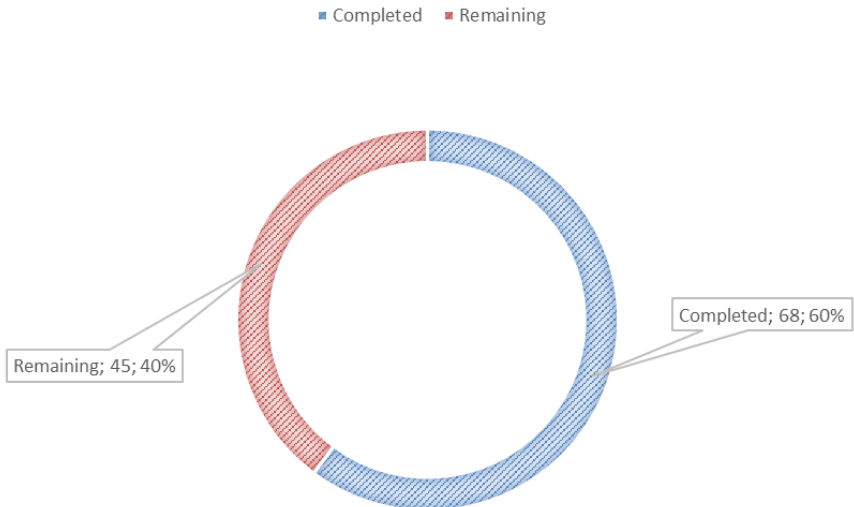
Plan of Finance Cost Tracking

	DESCRIPTION	Cost Estimate (\$M)	Spent as of March 31, 2023	% of Budget Spent
R-2721A	Construction	\$ 228.18	\$ 173.55	76%
	Landscaping	\$ 2.67	\$ -	0%
	Right of Way	\$ 74.93	\$ 76.12	102%
	Utilities	\$ 16.90	\$ 14.37	85%
	Agency Costs:	\$ 24.89	\$ 16.50	66%
	PROJECT SUB-TOTAL	\$ 347.57	\$ 280.54	81%
R-2721B	Construction	\$ 206.58	\$ 176.73	86%
	Landscaping	\$ 2.32	\$ -	0%
	Right of Way	\$ 81.67	\$ 83.59	102%
	Utilities	\$ 12.50	\$ 12.42	99%
	Agency Costs:	\$ 23.02	\$ 19.74	86%
	PROJECT SUB-TOTAL	\$ 326.09	\$ 292.48	90%
R-2828	Construction	\$ 422.83	\$ 305.09	72%
	Toll Integration	\$ 21.24	\$ 0.99	5%
	Landscaping	\$ 5.84	\$ -	0%
	Right of Way	\$ 48.99	\$ 65.43	134%
	Utilities	\$ 36.57	\$ 31.55	86%
	Agency Costs:	\$ 86.32	\$ 63.24	73%
	PROJECT SUB-TOTAL	\$ 621.79	\$ 466.29	75%
TOTAL	Construction	\$ 857.59	\$ 655.36	76%
	Toll Integration	\$ 21.24	\$ 0.99	5%
	Landscaping	\$ 10.83	\$ -	0%
	Right of Way	\$ 205.59	\$ 225.14	110%
	Utilities	\$ 65.97	\$ 58.34	88%
	Agency Costs:	\$ 134.23	\$ 99.48	74%
	PROJECT COST FOR FINANCING	\$ 1,295.45	\$ 1,039.30	80%

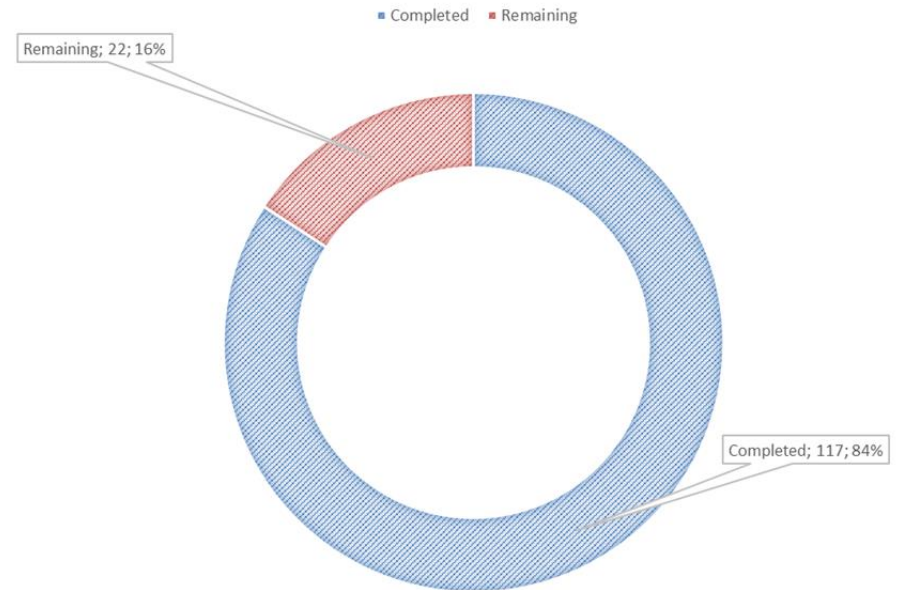
Right of Way Update

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
(189 INCLUDING MAP ACT PARCELS)



MAP ACT PARCELS, 139 TOTAL



Contingencies

Contingency Item	Current Plan of Finance Budget	Previous Report (12/31/2022 Data)
Third Party Delay Contingency	\$0	\$0
Contingency & Reserves	\$0	\$0
Fuel & AC Reserves	\$4,120,000	\$4,120,000
Total	\$4,120,000	\$4,120,000

Project	Supplement Budget	Supplemental Agreement Total	% Spent	Amount Remaining	% Remaining
R-2721 A	\$43,722,332	\$43,722,332	100%	\$0	0%
R-2721 B	\$47,634,463	\$47,634,463	100%	\$0	0%
R-2828	\$43,199,873	\$41,389,873	96%	\$1,810,000	4%
Total	\$134,556,668	\$132,746,668	99%	\$1,810,000	1%

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	\$ (256,478.05)	\$ (313,940.44)	\$ (101,406.78)	\$ (671,825.27)	\$ 1,312,450.47
July-22	\$ (81,427.65)	\$ (112,021.91)	\$ (132,743.05)	\$ (326,192.61)	\$ 305,560.48
August-22	\$ (50,778.25)	\$ (48,978.79)	\$ (121,760.71)	\$ (221,517.75)	\$ 232,119.70
September-22	\$ (104,268.33)	\$ (140,314.55)	\$ (77,297.84)	\$ (321,880.72)	\$ 142,160.65
October-22	\$ (42,366.85)	\$ (112,344.87)	\$ (82,718.33)	\$ (237,430.05)	\$ 192,924.39
November-22	\$ (61,040.13)	\$ (110,860.25)	\$ (83,686.32)	\$ (255,586.70)	\$ 6,372.21
December-22	\$ (33,454.53)	\$ -	\$ (36,682.21)	\$ (70,136.74)	\$ -
January-23	\$ (16,502.72)	\$ (47,790.82)	\$ (14,265.45)	\$ (78,558.99)	\$ -
February-23	\$ (10,530.51)	\$ (4,742.31)	\$ (43,800.36)	\$ (59,073.18)	\$ -
March-23	\$ (14,144.77)	\$ (11,044.04)	\$ (24,899.94)	\$ (50,088.75)	\$ 39,085.32
April-23	\$ -	\$ -	\$ -	\$ -	\$ -
May-23	\$ -	\$ -	\$ -	\$ -	\$ -
June-23	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ (670,991.79)	\$ (902,037.97)	\$ (719,261.00)	\$ (2,292,290.76)	\$ 2,230,673.22

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

Paid out to the contractor	\$ (2,787,743.23)
Received from the contractor	\$ 415,349.09
Received from the hedge	\$ 2,230,673.22
Net Total	\$ (141,720.92)

Asphalt Cost Adjustment

	R-2721A	R-2721B	R-2828	Total
Prior FY's	\$ (54,577.00)	\$ (17,212.63)	\$ 20,507.88	\$ (51,281.75)
July-22	\$ -	\$ (11,046.38)	\$ (9,945.12)	\$ (20,991.50)
August-22	\$ (4,196.14)	\$ -	\$ (16,564.25)	\$ (20,760.39)
September-22	\$ (16,691.98)	\$ (107,949.53)	\$ (11,148.50)	\$ (135,790.01)
October-22	\$ -	\$ (116,301.57)	\$ -	\$ (116,301.57)
November-22	\$ (10,152.84)	\$ (52,431.23)	\$ -	\$ (62,584.07)
December-22	\$ -	\$ (55,259.16)	\$ -	\$ (55,259.16)
January-23	\$ (5,619.58)	\$ (42,822.17)	\$ (1,090.34)	\$ (49,532.09)
February-23	\$ -	\$ -	\$ (18,129.83)	\$ (18,129.83)
March-23	\$ -	\$ (7,124.87)	\$ (25,648.09)	\$ (32,772.96)
April-23	\$ -	\$ -	\$ -	\$ -
May-23	\$ -	\$ -	\$ -	\$ -
June-23	\$ -	\$ -	\$ -	\$ -
	\$ (91,237.54)	\$ (410,147.53)	\$ (62,018.25)	\$ (563,403.32)

Complete 540 Phase 2 Update







Dennis Jernigan, P.E.
Interim Chief Engineer

R-2829B

RFQ Advertisement	November 15, 2022	✓
Statement of Qualifications due from Design-Build Teams	December 20, 2022	✓
Department Announces Short-listed Teams	January 18, 2023	✓
Department Issues Industry Draft RFP to Short-listed Teams	January 18, 2023	✓
First Meeting with Short-listed Teams	February 1, 2023	✓
Department Issues Second Industry Draft RFP to Short-listed Teams	February 15, 2023	✓
Department Holds Statement of Qualifications Debriefs	Week of February 20, 2023	✓
Second Meeting with Short-listed Teams	March 1, 2023	✓
Department Issues Final RFP to Short-listed Teams	March 22, 2023	✓
Technical Proposals and Fuel Usage Factor Chart / Estimate of Quantities Due	June 22, 2023	
Sealed Price Proposals Due	July 11, 2023	
Technical Presentations by Short-listed Teams	July 12, 2023	
Open Price Proposals	July 18, 2023	
Department Holds Technical Proposal Debriefs (Pending Contract Execution)	Week of August 21, 2023	

NOTE: All dates are approximate and subject to change.

R-2829A

RFQ Advertisement	February 1, 2023	
Statement of Qualifications due from Design-Build Teams	February 28, 2023	
Department Announces Short-listed Teams	March 16, 2023	
Department Issues Industry Draft RFP to Short-listed Teams	March 16, 2023	
First Meeting with Short-listed Teams	April 4, 2023	
Department Holds Statement of Qualifications Debriefs	Week of April 17, 2023	
Department Issues Second Industry Draft RFP to Short-listed Teams	April 18, 2023	
Second Meeting with Short-listed Teams	May 2, 2023	
Department Issues Final RFP to Short-listed Teams	May 16, 2023	
Technical Proposals and Fuel Usage Factor Chart / Estimate of Quantities Due	August 24, 2023	
Sealed Price Proposals Due	September 12, 2023	
Technical Presentations by Short-listed Teams	September 13, 2023	
Open Price Proposals	September 19, 2023	
Department Holds Technical Proposal Debriefs (Pending Contract Execution)	Week of October 23, 2023	

NOTE: All dates are approximate and subject to change.

Complete 540 Phase 2 - Preconstruction Activities

Completed Activities

- Environmental Document
- Section 404/401 Corridor Permits
- Biological Opinion
- Air Quality Conformity
- Final Surveys
- Traffic Forecasts and Analysis
- Service Road Study
- Confirmation of Environmental Mitigation Availability
- Roadway and Structure
- Geotechnical Investigations
- Update Project Cost Estimate
- Refining Preliminary Design
- Developing Pavement Design and Life Cycle Analyses
- Railroad Coordination
- Industry Coordination

Activities Underway

- Advanced Acquisition of Certain Right-of-Way Parcels
- Coordination with Owners of Towers Regarding Needed Relocations
- Planning for Community Water and Sewer Conflict Resolutions
- Planning for Other Long Lead-Time Items
- Utility Coordination
- Developer Coordination
- Refine Plans for Right-of-Way Acquisition
- Design-Build Procurement

FAA Communications Tower Relocation – R-2829B

- Was on private property at Rock Quarry Road – Parcel 30 ~ Sta 1208+00
- Tower removed from property
- All work for this relocation was completed by others
- Ongoing coordination is underway



SBA Cell Tower Relocation – R-2829B

- Currently on southeast corner of the Raleigh Rugby Club property – Parcel 53 ~ Sta 1433+00
- All work for this relocation is being completed by others
- Ongoing coordination is underway
- Town of Knightdale has issued a special use permit
- NEPA underway







Chapel Hill

West

East

East

West

Knightdale

Raleigh

West

West

East

Archer Lodge

East

Clayton

Chapel Hill

Morrisville

Cary

Apex

New Hill

Holly Springs

Fuquay Varina

CHATHAM COUNTY
WAKE COUNTY

DURHAM CO
WAKE COUNTY

WAKE COUNTY
JOHNSTON COUNTY

WAKE COUNTY
JOHNSTON COUNTY

Miscellaneous Updates

Complete 540 Phase 2 Plan of Finance

Kate Trimble
Financial Analyst

Proposed Bond Documentation Upon Issuance of Senior Lien Revenue Bonds and TIFIA Loan for Complete 540 Phase 2 Project

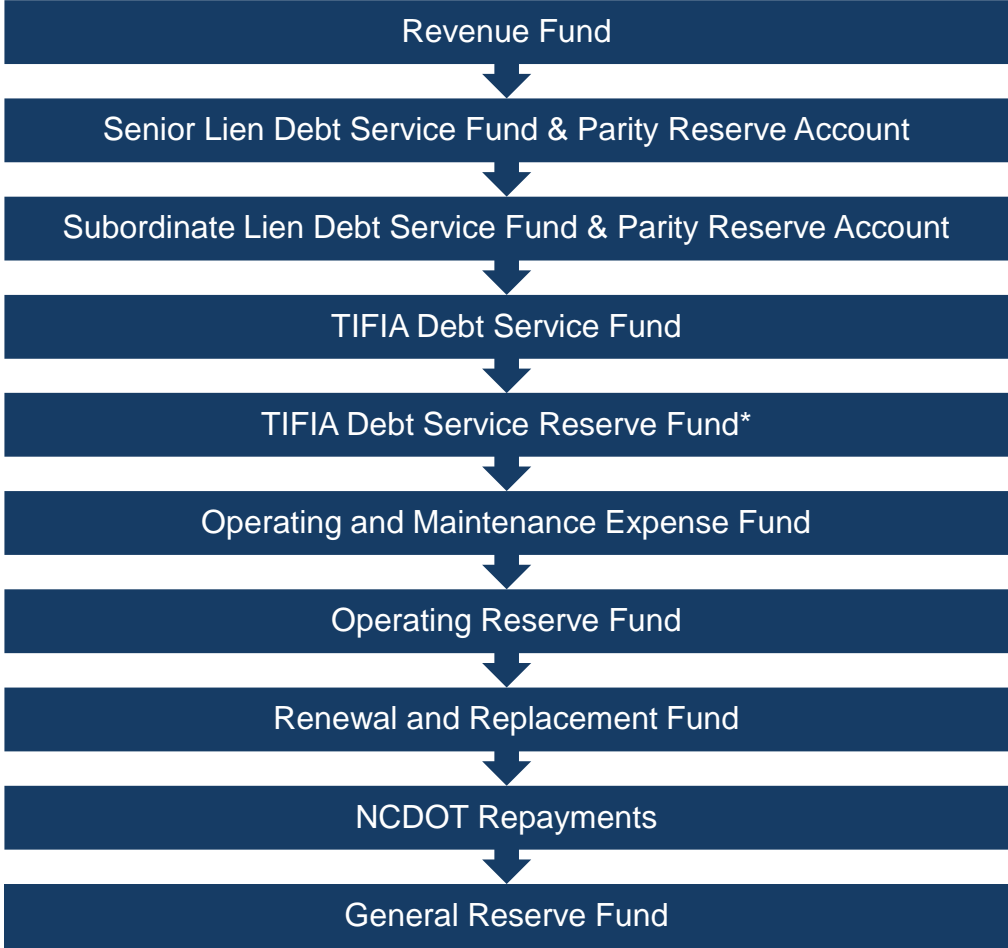
- Sixth Supplemental Trust Agreement providing for issuance of Senior Lien Revenue Bonds in estimated principal amount of \$273 million and TIFIA Bond in estimated maximum principal amount of \$382 million
 - No further amendments to Amended and Restated Trust Agreement or any Supplements are currently contemplated, but the Authority is continuing to review and consider whether any amendments may be necessary or appropriate in connection with the financing of the Complete 540 Phase 2 Project

Security Structure

All security and financial covenants proposed are consistent with the terms of the existing indentures and TIFIA Loan Agreement

- Senior Lien Bonds secured by all Receipts consisting of:
 - Gross Toll revenues (based on T&R Forecast)
 - Excess State Appropriated Revenues (appropriated from the Highway Trust Fund)
 - General Fund Interest earnings
- TIFIA loan secured by a subordinate pledge of Receipts
- NCDOT commitment to replenish the Operating Reserve Fund, pursuant to the Operations and Maintenance Guaranty Agreement, allows Senior and TIFIA debt service to be paid before Operations and Maintenance Expenses
- NCDOT construction completion guarantee

Flow of Funds



*TIFIA Debt Service Reserve Fund may be secured by a surety instead of cash reserves.

Complete 540 Phase 2

Funding Sources

\$382 million TIFIA Loan

- TIFIA Loan secured by gross toll revenue pledge subordinate to senior lien Triangle Expressway System toll revenue bonds
- TIFIA DSRF of 100% of the lesser-of-three test, is anticipated to be funded with a surety paid for by available Phase 1 funds

\$273 million Senior Lien Toll Revenue Bonds, Series 2024*

- Gross toll revenue pledge on parity with Series 2009, Series 2017, Series 2018, Series 2019 Toll Revenue Bonds
- Surety policy covers deposit required to Common DSRF (funded to 50% of the lesser-of-three test)

\$400 million NCDOT GARVEE Bonds & State Match

\$29 million reallocation of Phase I NCDOT State Match dollars

- Funds were previously earmarked for the TIFIA DSRF deposit required upon substantial completion of Phase I

*Consists of approximately \$160 million in par of CIBs, \$111.7 million in par of CABs at issuance and issue premium of \$1 million

Complete 540 Phase 2

Estimated Sources and Uses

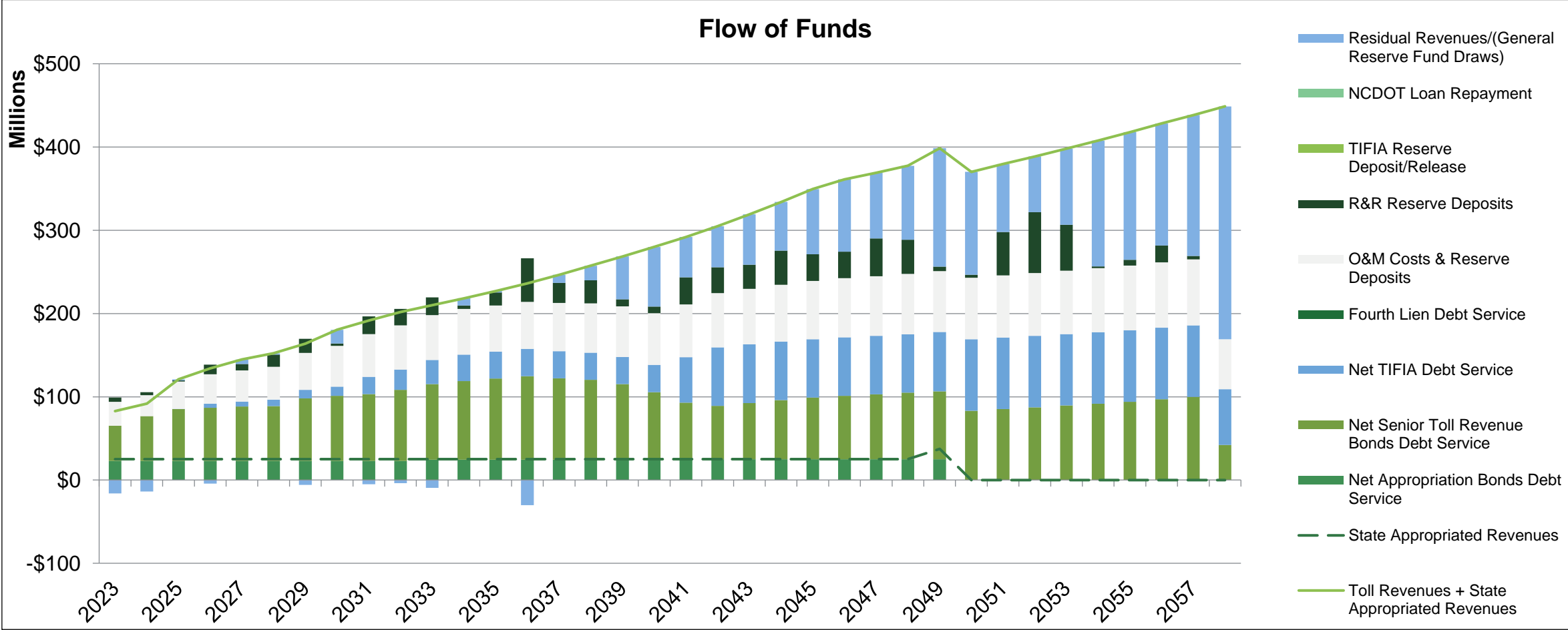
- The anticipated Sources and Uses for the Complete 540 Phase 2 financing is shown below
- The TIFIA Loan is sized to 33% of eligible costs, which includes project capital costs, prior eligible costs, costs of issuance, and capitalized interest during the construction period
- Toll Revenue Bonds and TIFIA combined pay for 60% of project costs and NCDOT pays for 40% of project costs

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Sources							
Complete 540 Phase 2 TIFIA BANs	-	139,086,118	101,454,796	59,182,798	58,065,186	24,565,169	382,354,066
Series 2024 Toll Revenue Bonds - Senior Lien	182,861,647	90,244,902	-	-	-	-	273,106,548
NCDOT State Funding	29,435,737	-	112,100,000	120,000,000	118,000,000	49,900,000	429,435,737
Total Sources	212,297,383	229,331,020	213,554,796	179,182,798	176,065,186	74,465,169	1,084,896,351
Uses							
Construction Costs	165,467,994	229,331,020	213,554,796	179,182,798	176,065,186	74,465,169	1,038,066,962
Toll Revenue Bond Cap Int	30,691,358	-	-	-	-	-	30,691,358
Cost of Issuance	16,138,032	-	-	-	-	-	16,138,032
Total Uses	212,297,383	229,331,020	213,554,796	179,182,798	176,065,186	74,465,169	1,084,896,351

- Toll revenues cover 100% of all toll collection and roadway O&M and R&R costs

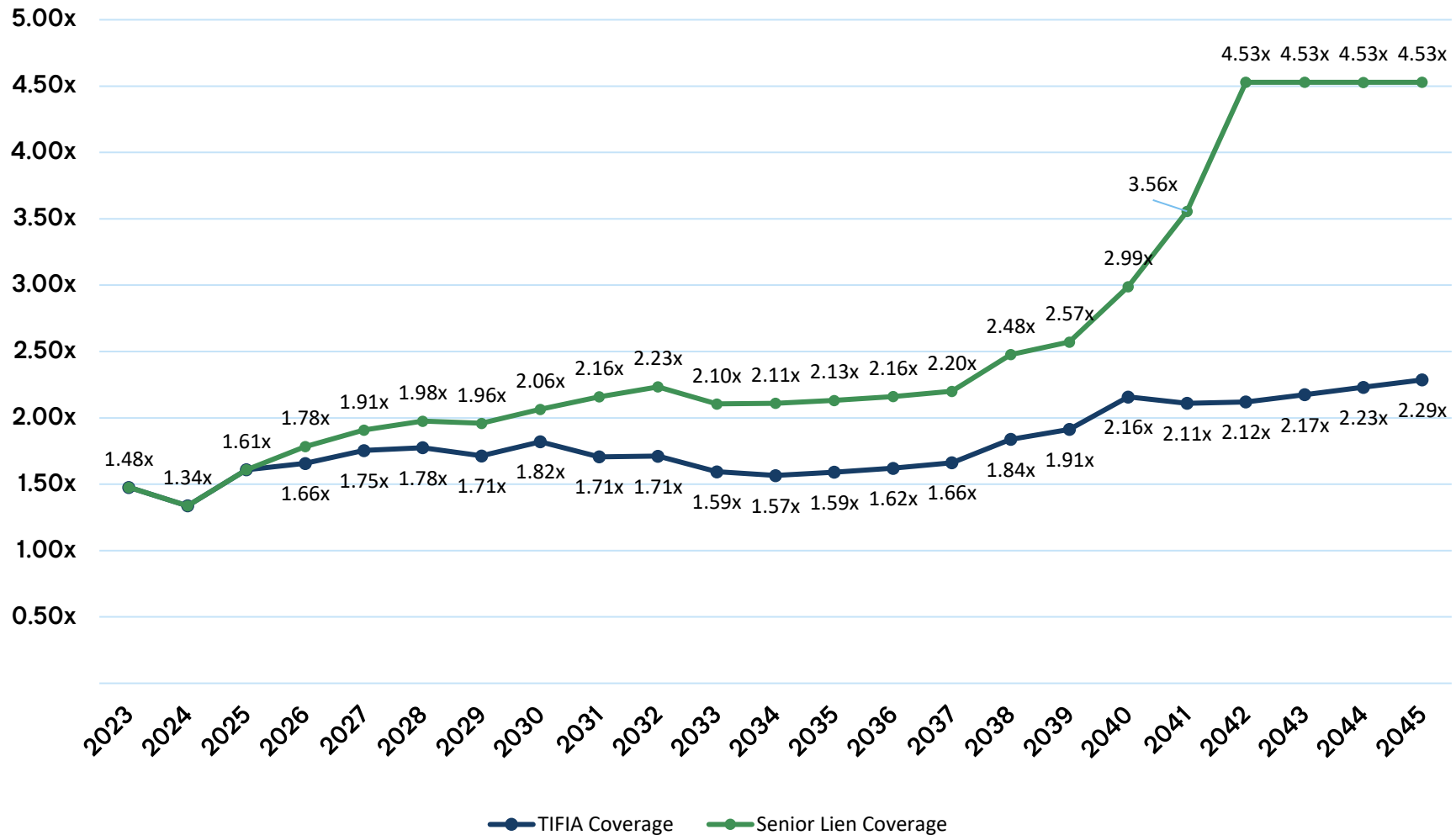
Complete 540 Phase 2

- General Reserve minimum balance of \$21.5 million in FY 2036



Complete 540 Phase 2

Project Debt Service Coverage



Complete 540 Phase 2

Financing Schedule

Date	Event
Apr-Jun 2023	<ul style="list-style-type: none">• R2829A RFQ Advertisement• UW RFP Distribution, Evaluation, and Selection• Indicative Credit Rating Presentation• Begin Drafting Loan Docs
Jul-Sep 2023	<ul style="list-style-type: none">• Draft and Submit TIFIA Application• NCTA Finance Committee Meeting – Financing Overview presented• LGC Document Session
Oct-Dec 2023	<ul style="list-style-type: none">• Solicit Final Credit Ratings• Draft and Submit LGC Application• LGC Meeting – Financing Overview presented• NCTA Finance Committee Meeting – Approval of Financing and Documents• NCTA Board Meeting – Approval of Financing and Documents
Jan-Mar 2024	<ul style="list-style-type: none">• TIFIA Council on Credit and Finance• LGC Meeting – Approval of Financing and Documents• Post / Release POS and Investor Presentation• Bond Pricing• USDOT Secretary Approval• Review and Finalize Closing Documents• Bond and TIFIA Loan Closing

2023 Intern Update

Travis Feltes, P.E.

Project Engineer

Contact Us



ncdot.gov/turnpike

ncquickpass.com



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Thank you!