



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**  
May 3, 2012

Members present: Perry Safran, Acting Chair  
Robb Teer  
Al Swanstrom

Members present via phone: Anthony Fox  
Bob Clay

Members absent: Gene Conti  
John Collett  
Thomas Stith  
Jimmy Ferebee

Also present: David Joyner

The meeting was called to order at 1:15 pm by Acting Chairman Perry Safran. He read the State ethics act and declared that there was a quorum present.

Robb Teer moved approval of the January minutes. Al Swanstrom seconded the motion and the minutes were approved unanimously.

Jason Peterson presented an update on the Triangle Expressway construction including the updated Cost-to-Complete report which indicates the project cost is tracking approximately \$48M under the CER estimate. He also highlighted the fact that the contractor is using a diamond-ground process which will significantly reduce road noise for the surrounding businesses and residents. Al Swanstrom suggested that this information be used for positive media coverage. Bob Clay suggested that the Cost-to-Complete data would be helpful in his region to combat misinformation being used during the election campaign regarding the cost estimates on Garden Parkway. Jason also discussed, and included a copy for board members, his recent international webinar presentation sponsored by *Roads & Bridges* regarding a number of innovations that have been used in construction of the Triangle Expressway. Participants signed in from as far away as Afghanistan (U.S. Army Corps of Engineers) and were very enthusiastic about the presentation.

Jason Peterson next presented updates on Monroe Bypass and Garden Parkway, including updated schedules for both projects. Anthony Fox stated that his firm has been approached to represent a property owner in the ROW for Monroe but that he did not anticipate any actions coming before the Board that would create a conflict. Chairman Safran thanked him

for informing the Board and encouraged him to keep the Board apprised if the situation should change.

Reid Simons presented a brief update on public input on Garden Parkway. Bob Clay stated that the Garden Parkway has become an issue in the upcoming elections, with three of the local General Assembly candidates supporting the Parkway, and one opposing. He anticipates that due to splitting the votes in support of the Parkway, the opposition candidate will likely move forward in the primary on Tuesday, May 8; however, he does not anticipate that any candidate will have 40% of the votes in order to avoid a run-off. That run-off is expected to take place in July. The election outcomes will likely have an impact on the project. Board members were provided with all current media coverage of the Parkway, including articles highlighting various studies of the economic impact of the project which produced differing results. David Joyner pointed out that the study by Connaughton researched the impact on jobs in the vicinity of the project, which would include increased development at interchanges, increased residential development and the accompanying businesses, whereas the other studies looked only at the impact along the corridor itself.

David Joyner presented an executive summary on the Mid-Currituck Bridge project. The Turnpike Authority, at the Board's recommendation, looked at the cost of completing the project as a Public Private Partnership (P3) compared to traditional municipal financing. They determined that, including the benefits of significant risk transfer, a P3 offers many benefits to the State in terms of risk mitigation. The Authority expects to present information on the project and the P3 benefits to the Governor this week. Al Swanstrom asked if the Turnpike Authority would have any discretion over toll rates. David Joyner replied that the P3 developer would have control of toll rates which is standard in a concession agreement where revenue risk is transferred to the developer. Al Swanstrom then asked what provisions were in the agreement in the event of a total default. David Joyner replied that in the event of a total default, the property would revert to the Turnpike Authority and the developer would lose their entire equity investment. Perry Safran asked if there was a floor or ceiling to the rates that could be charged, and Mr. Joyner responded that it is not feasible to impose such restrictions or limitations; however, he noted that it is in the developer's best interest to keep rates reasonable. The current alternative route, the Wright Memorial Bridge, is a familiar and viable alternative and excessive rates would only reduce ridership. In addition, exhaustive studies have been done of the demographics regarding peak season usage and compared to the average cost of a vacation rental, the proposed toll would equate to less than one hour of the cost of vacation rental at peak season. Al Swanstrom asked if there was a possibility that the developer would provide a discount for local traffic. Mr. Joyner replied that the current plan was to offer a 25-40% discount. Spencer Franklin clarified that this is not a discount particularly for local traffic, which is not legal, but is a volume discount that would be available to anyone using the facility on a frequent basis.

Brian Purvis provided an update on Traffic Management including statistics on citations written, traffic accidents and debris removal. Al Swanstrom asked if riders were more likely to be stopped for speeding on the Triangle Expressway than on, for example, I-40. Brian responded that due to the lower volume of traffic, the probability of being stopped on Triangle Expressway is increased somewhat, but the main objective is safety on the road.

Korey Barrette explained that our traffic management equipment captures data regarding average speeds, but the Authority does not use that data to target drivers for the Highway Patrol. The increase in probability of receiving a ticket is only based on the lower level of traffic on the road at this time.

Korey Barrette presented an update on the "Technology Shootout," an opportunity for a variety of vendors of tolling technology to demonstrate the accuracy and efficiency of their equipment in a controlled environment. Plans are being made for a future site for on-going testing which may be made available to other agencies as well. This shootout is another example of the Turnpike Authority's leading the industry and the nation in recognizing and addressing needs, in this case the need for standardized testing of equipment, setting performance standards, and developing interoperable technologies.

Andy Lelewski presented a report on Triangle Expressway maintenance report, a quarterly report that evaluates the condition of the road. He stressed that the Turnpike Authority's responsibility to its bondholders is to maintain the roadway in a manner that supports on-going revenue. The target rating for the report is a 90 out of 100, and in this initial report the road received a score of 92, having lost points primarily due to lane markings on the existing section of NC-540 between Hwy 54 and Hwy 55. Mr. Lelewski stated that they are aware that this section needs maintenance and this will be addressed prior to the opening of Phase II.

Dane Berglund presented a report on Customer Service Center activities. The CSC continues to see an increase in calls but a decrease in wait times. Transponder sales have leveled off. He anticipates an increase in sales as the opening of Phase II approaches.

Andy Lelewski presented a report on TriEx traffic volumes. David Joyner explained that the Turnpike Authority is required to report to Fitch on actual revenue to projected revenue. The fact that the Authority decided to delay tolling NC-540 for seven months has created difficulty in comparing actual revenues with revenues forecast in the original traffic and revenue study. However, data regarding ridership on the section of NC-540 currently open to traffic is significantly higher than originally projected which indicates that even with some divergence when tolls go into effect, revenue should exceed original revenue projections.

Beau Memory was not available to provide a legislative update. David Joyner stated that we are currently pursuing two pieces of legislation. The first would support enforcement reciprocity with other agencies which is a precursor to interoperability. The second would allow us to retain confidential information that is collected during the tolling process in a manner consistent with other states and is essential to securing the cooperation of EZPass in regard to interoperability.

David Joyner spoke briefly regarding the Federal Highway Reauthorization. It has been extended for the ninth time since 2006, and a commission has been appointed to study it. A decision, likely to extend again, is expected within 30-60 days.

Chairman Safran noted that this was a public input meeting and inquired if any requests had been made. Beth Wise stated that no one had requested to speak.

Al Swanstrom suggested it would be beneficial to the board members to travel to Charlotte to see the actual locations for the Monroe Bypass and Garden Parkway as well as to travel to see the Mid-Currituck project location. Chairman Safran recommended that Sec. Conti be approached about the possibility. Bob Clay stated that he would be attending an event with Sec. Conti on Monday, May 7, and would speak to him about it at that time.

The meeting was adjourned at 2:20 pm.

*Minutes prepared by Jillian Brodeur.*