

North Carolina
DEPARTMENT OF TRANSPORTATION

**North Carolina Turnpike Authority
Board of Directors Meeting**

June 4, 2015



North Carolina Turnpike Authority Board of Directors Meeting

June 4, 2015

Presentation Agenda

- 3rd Quarter Operations Update: Andy Lelewski, P.E. & David Roy
- Collections Program Update – David Roy
- Project Update – Nick Tennyson
- Marketing Program Update – Amanda Perry
- Preconstruction Staffing Discussion – Rodger Rochelle, P.E.
- Legislative Update – Mary Jernigan

FY15 Third Quarter Update TriEx Operations

Andy Lelewski, P.E.

Director of Toll Road Operations

FY15 Third Quarter Update

Agenda

- Mainline Traffic Statistics
- Roadside Maintenance Statistics
- Toll Transaction Statistics

FY15 Third Quarter Update

Triangle Expressway Mainline Traffic Statistics

Q3 2014 AWT = 10,300

Q3 2015 AWT = 13,510

31 % Increase in Traffic

Q3 2014 AWT = 17,770

Q3 2015 AWT = 23,650

33% Increase in Traffic

Q3 2014 AWT = 27,370

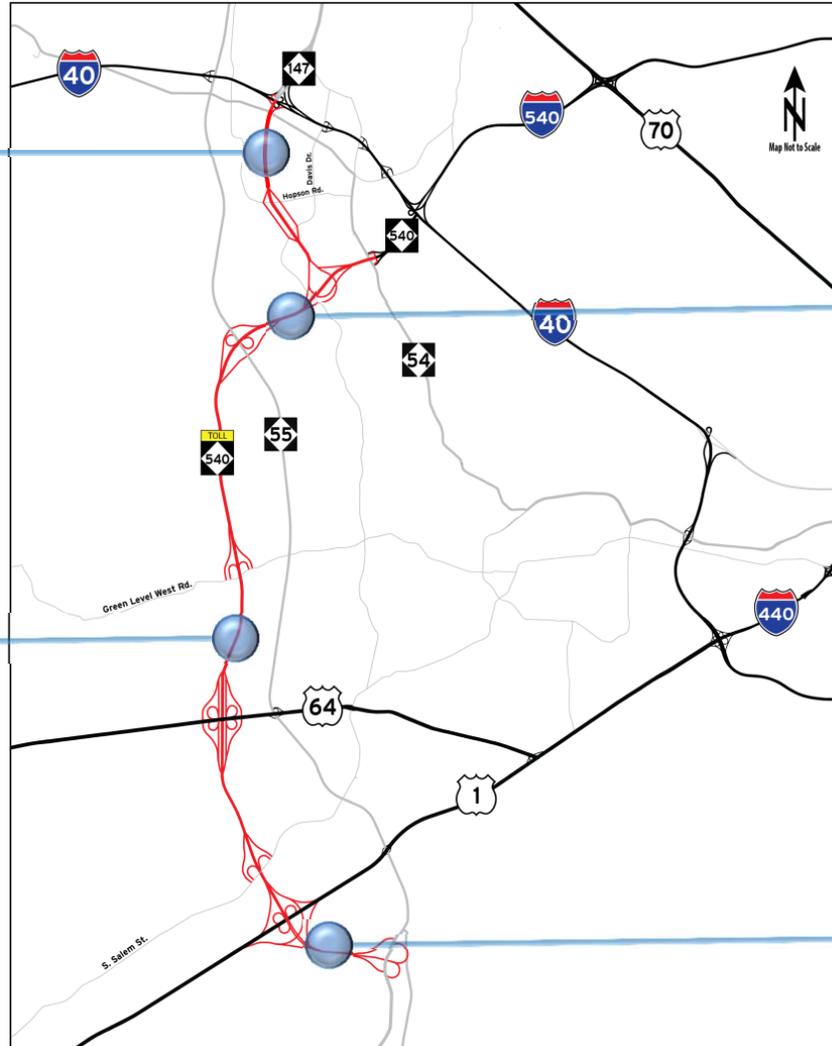
Q3 2015 AWT = 35,790

31% Increase in Traffic

Q3 2014 AWT = 10,130

Q3 2015 AWT = 13,850

37% Increase in Traffic



AWT: Average Weekday Traffic

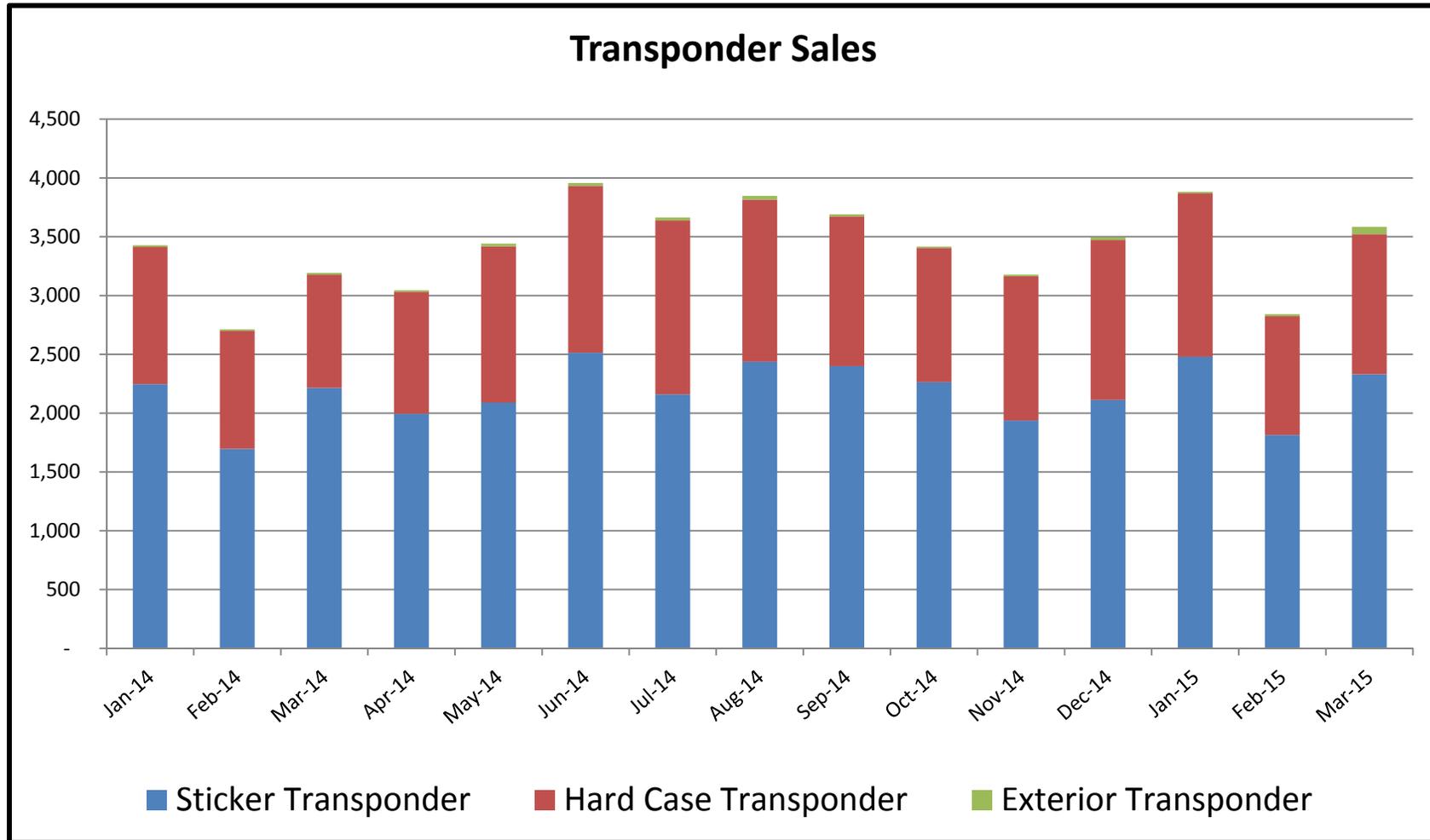
FY15 Third Quarter Update

Triangle Expressway Roadside Maintenance Statistics

| | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Road Surface | 87.6 | 96.8 | 89.9 | 93.3 | 98.8 |
| Unpaved Shoulders and Ditches | 91.5 | 87.6 | 92.9 | 94.6 | 100.0 |
| Drainage Structures | 91.2 | 93.3 | 91.3 | 82.5 | 93.0 |
| Roadside | 94.6 | 84.7 | 87.6 | 83.2 | 88.1 |
| Traffic Control Devices | 94.4 | 86.1 | 85.0 | 82.1 | 84.4 |
| Overall | 91.9 | 89.8 | 88.6 | 86.8 | 92.0 |

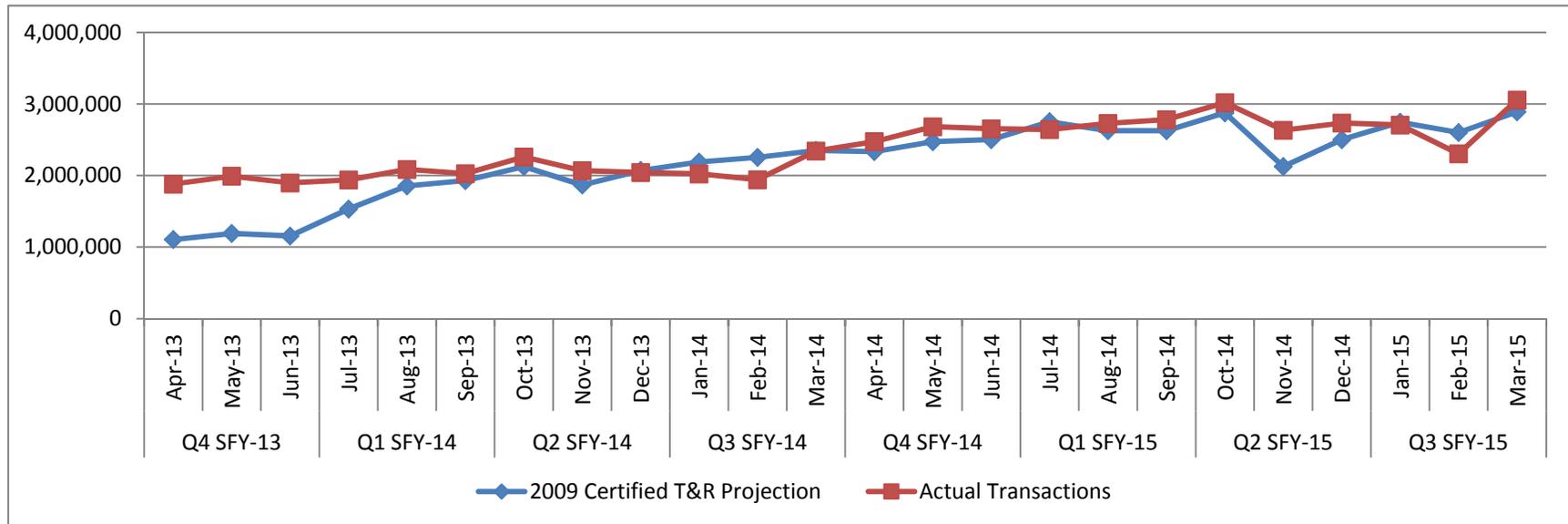
FY15 Third Quarter Update

Triangle Expressway Transponder Sales by Type



FY15 Third Quarter Update

Triangle Expressway Transaction Statistics



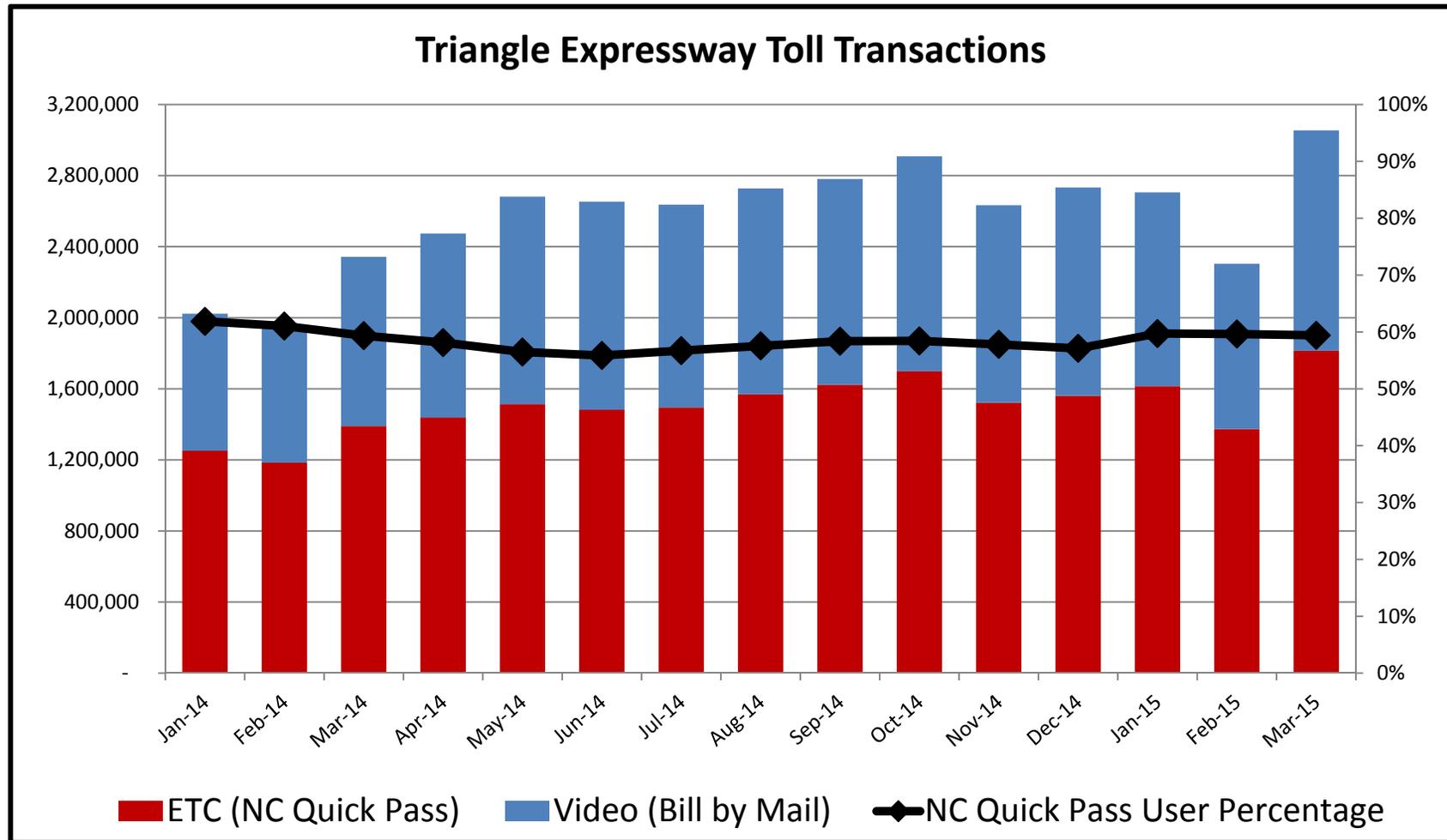
| | Q4 SFY-13 | Q1 SFY-14 | Q2 SFY-14 | Q3 SFY-14 | Q4 SFY-14 | Q1 SFY-15 | Q2 SFY-15 | Q3 SFY-15 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actual Transactions | 5,769,006 | 6,050,465 | 6,369,239 | 6,306,133 | 7,809,224 | 8,150,134 | 8,384,818 | 8,063,472 |
| 2009 Certified T&R Projection¹ | 3,449,640 | 5,316,445 | 6,061,929 | 6,792,657 | 7,306,969 | 8,003,596 | 7,503,370 | 8,234,180 |
| Delta (\$) | 2,319,366 | 734,020 | 307,310 | (486,524) | 502,255 | 146,538 | 881,448 | (170,708) |
| Percent of Actual vs. Projection | 167% | 114% | 105% | 93% | 107% | 102% | 112% | 98% |

¹Target monthly revenue data based on annualized numbers contained in the 2009 Certified Traffic and Revenue Report developed by CDM Smith

Note: The data provided in this Summary is unaudited and intended for use as general information only.

FY15 Third Quarter Update

Triangle Expressway Toll Transactions by Type



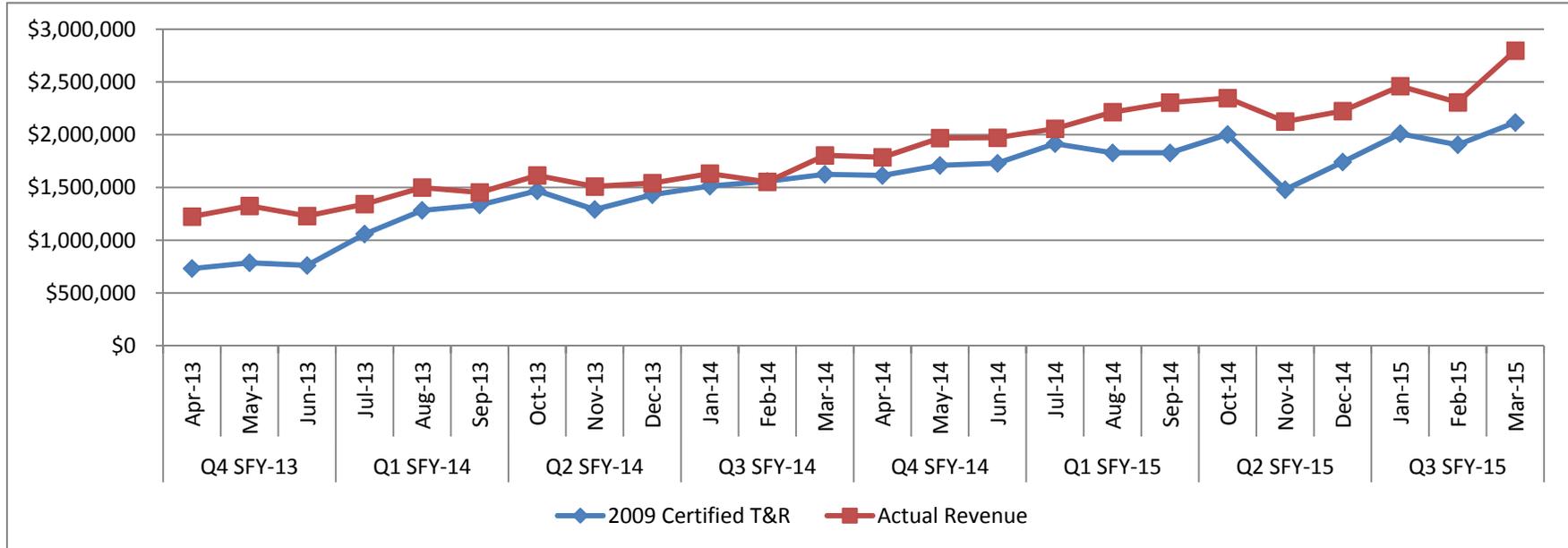
FY15 Third Quarter Update TriEx Financials

David Roy

Director of Finance and Budget

TriEx Financial Update

Revenue Statistics



| | Q4 SFY-13 | Q1 SFY-14 | Q2 SFY-14 | Q3 SFY-14 | Q4 SFY-14 | Q1 SFY-15 | Q2 SFY-15 | Q3 SFY-15 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actual Revenue¹ | \$3,779,435 | \$4,295,730 | \$4,664,914 | \$4,989,599 | \$5,725,177 | \$6,575,724 | \$6,696,239 | \$7,563,900 |
| 2009 Certified Traffic and Revenue² | \$2,278,682 | \$3,676,314 | \$4,191,815 | \$4,697,112 | \$5,052,759 | \$5,571,755 | \$5,223,522 | \$6,031,125 |
| Delta (\$) | \$1,500,753 | \$ 619,416 | \$ 473,099 | \$ 292,487 | \$ 672,418 | \$1,003,969 | \$1,472,717 | \$1,532,775 |
| Percent of Actual vs. 2009 Base Case | 166% | 117% | 111% | 106% | 113% | 118% | 128% | 125% |

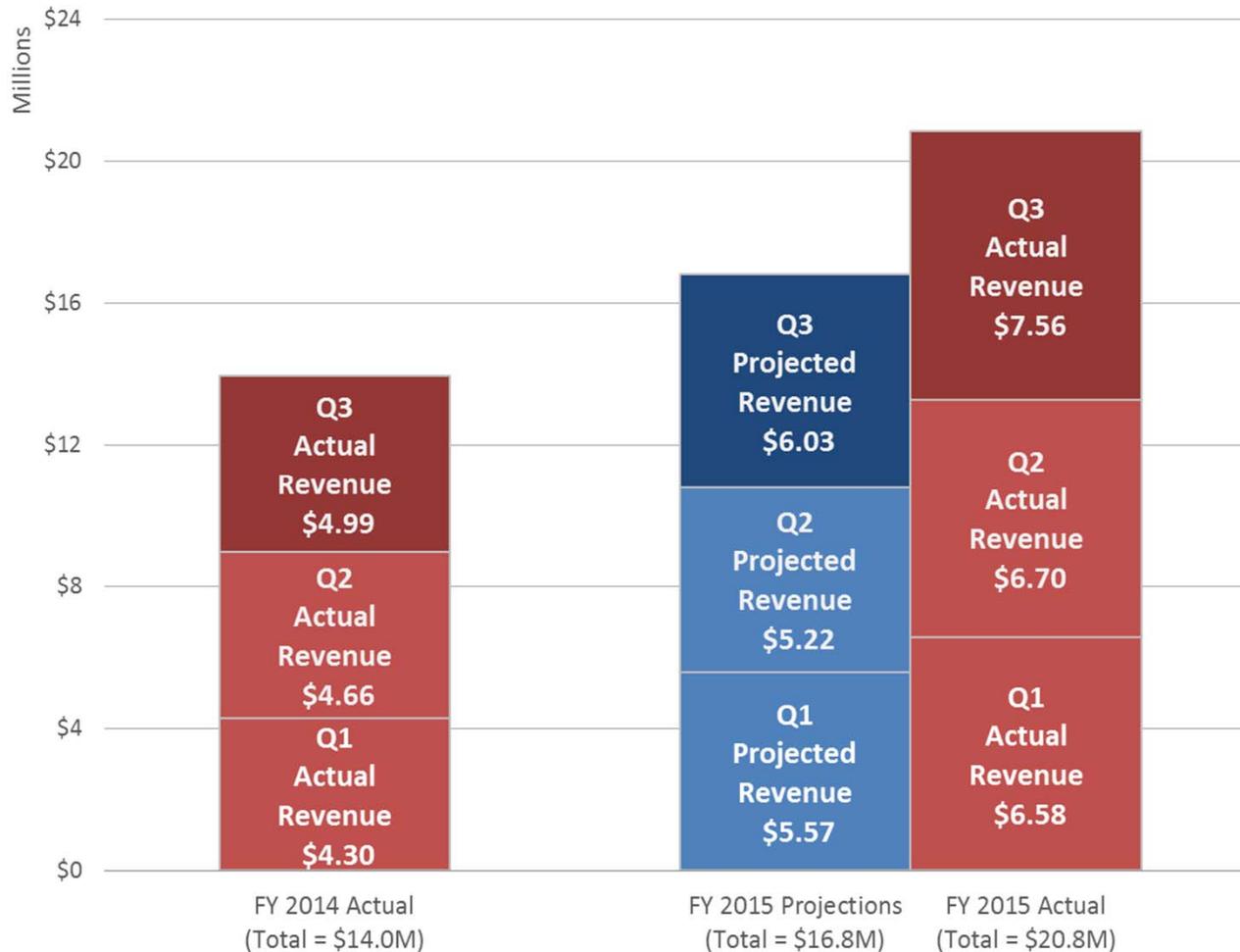
¹Actual revenue is reported on a cash basis

²Target monthly revenue data based on annualized numbers contained in the 2009 Certified Traffic and Revenue Report developed by CDM Smith

Note: The data provided in this Summary is unaudited and intended for use as general information only.

TriEx Financial Update

Revenue Forecast vs. Actual



- FY 2015 Q3 revenues exceeded projections by approximately 25%
- FY 2015 revenue year-to-date up approximately 49%

- Revenue figures are inclusive of all toll revenue and fees, but exclude transponder revenues
 - Actual Revenues reported on a cash basis

TriEx Financial Update

Projected Operating Expenditures vs. Actual



- FY15 Q3 operating expenditures 10% lower than projections
- FY 15 operating expenditures year-to-date down approximately 4%

- Actual operating expenses reported on a cash basis

TriEx Financial Update

Collections Efforts on Delinquent Accounts

DMV Hold

- 57,297 accounts have been placed on hold program to date
 - 25,495 accounts have paid to remove the hold
 - 31,802 accounts are currently on hold with a value of \$4,241,435

Collections

- 1,429 accounts currently in collections
 - Total: \$506,266
- 254 accounts have paid in full
 - Total: \$157,798
- Delinquent accounts \$500+ and/or out-of-state continue to be placed with collections

Note: Information dated as of 4/30/2015



Project Update

NCDOT Chief Deputy Secretary Nick Tennyson

June 4, 2015

I-77 Express Lanes Project

- Construct Express Lanes along 26 miles of I-77 from Charlotte to Mooresville
- Provide **immediate and long-term** traffic management solutions along the entire 26-mile segment within 3 years
- Expand the number of **choices available to drivers** for a more reliable travel time:
 - Choose** to remain in free general-purpose lanes
 - Choose** to use Express Lanes for free with at least 3 people
 - Choose** to pay to use Express Lanes for a trip or portion of a trip



How Much is Being Invested in the I-77 Region Through This Project?

\$95 million *(directly in the I-77 Express Lanes project)*

+ **\$145 million** *(other transportation projects—bonus allocation funds)*

\$240 million *(total NCDOT investment)*

+ **\$539 million** *(Private Debt & Equity investment)*

\$779 million

Timeline

- **2007:** MUMPO (now CRTPO) initiated Fast Lanes Study to analyze the effectiveness of “HOT Lanes” as a **long-term** traffic management solution.
- **May 2010:** MUMPO unanimously endorsed the “HOT lanes” (Express Lanes) concept based on the findings of the Fast Lanes Study
- **March 16, 2011:** MUMPO voted unanimously to add the I-77 “HOT Lanes” project to the 10-year Transportation Improvement Program (STIP)
- **2011:** NCDOT began work with MPO staff to craft and refine the project

Timeline

- **May 22, 2013:** MUMPO Voted unanimously to amend the Long Range Transportation Plan to include the I-77 “HOT Lanes” project through a public-private partnership
- **2013:** Project opened bids on March 31, 2014
- **April 11, 2014:** Cintra announced as apparent best value proposer
- **June 26, 2014:** Commercial close agreement signed with Cintra
- **May 2015:** Project reached financial close

Due Diligence & Transparency

- Local Government Commission (*includes the State Treasurer, State Auditor, Secretary of State and Secretary of Revenue*) assessed risk and approved issuance of bonds based on limited risk to the state
- Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) Credit Council reviewed and approved funding
- NCDOT held more than a dozen public hearings, meetings and workshops for citizens, and met with key stakeholders more than 40 times
- Every public document including bid proposals, contracts and all amendments have been posted on NCDOT's website promptly

Question of General-Purpose Lane

- No general-purpose lane project between Exits 28 and 36 is included in the I-77 Express Lanes project and no such project is included in the next 10 year STIP
- This proposed general-purpose project submitted under STI did not score high enough through the Strategic Mobility Formula to move forward
- In October 2013, the MPO adopted an amendment to the Long Range Transportation Plan (LRTP) which included a possible future widening of I-77 that had not been on the list of potential projects before
- At that stage the state would either have had to allow bidders to modify their proposals to increase public funding to account for the revenue risk, or make it one of the potential compensating events as provided in the contract

Question of General-Purpose Clause

- With possible construction (2040) and potential environmental issues, paying additional public financing today for lanes not currently programmed would be a poor use of taxpayer dollars
- Any possible future general-purpose lane proposal would have to be scored again under STI.
- Should such a project ever score high enough for construction, certain terms in the I-77 Express Lanes contract would provide for a process
- Final terms for any possible future general- purpose lane project are outlined in the bid contract that was posted to the NCDOT website in January 2014 (5 months before comprehensive agreement was signed)

Can We Switch to a General-Purpose Lanes Project?

- To change course to a general-purpose lane option the I-77 Express Lanes project contract would first have to be cancelled and the state still could not immediately build general-purpose lanes for a variety of reasons including:
 1. As required by law, a new I-77 project would have to be scored under the strategic mobility formula
 2. Would be subject to the corridor spending limits during a five-year period
 3. Environmental reevaluation
- In July 2014, NCDOT ran a hypothetical scoring of the project. Using the same criteria to produce a hypothetical score there is no section of I-77 North that would score high enough, or fall within corridor cap limits, to be funded for construction ahead of the I-77 Express Lanes project south of Charlotte for at least the next ten years.

What Happens if We Cancel?

- Cancelling the I-77 contract anytime after June 26, 2014 would have cost the state \$22 million, today damages would potentially exceed \$100 million
- Under the STI Law, the region would also lose the additional \$145 million investment for other I-77 regional projects
- Risk damaging the potential for future P3 road, rail or transit projects

What Happens if We Delay?

- If delayed beyond July 1, 2015 the I-77 region would lose at least \$45 million for other transportation projects under state law (*bonus allocation*)
- We would owe any interest accrued and any damages for delay including but not limited to increased construction costs

What Are NC's Other Express Lanes/ Expressway Projects?

- Triangle Expressway
- Monroe Expressway
- I-40 Express Lanes
- I-77 Express Lanes
- Complete 540
- I-485 Express Lanes
- Mid-Currituck Bridge
- U.S. 74 Express Lanes
 - I-277 to Wallace Lane
 - Conference Drive to I-485
- I-77 Express Lanes (I-485 to I-277)

Questions?



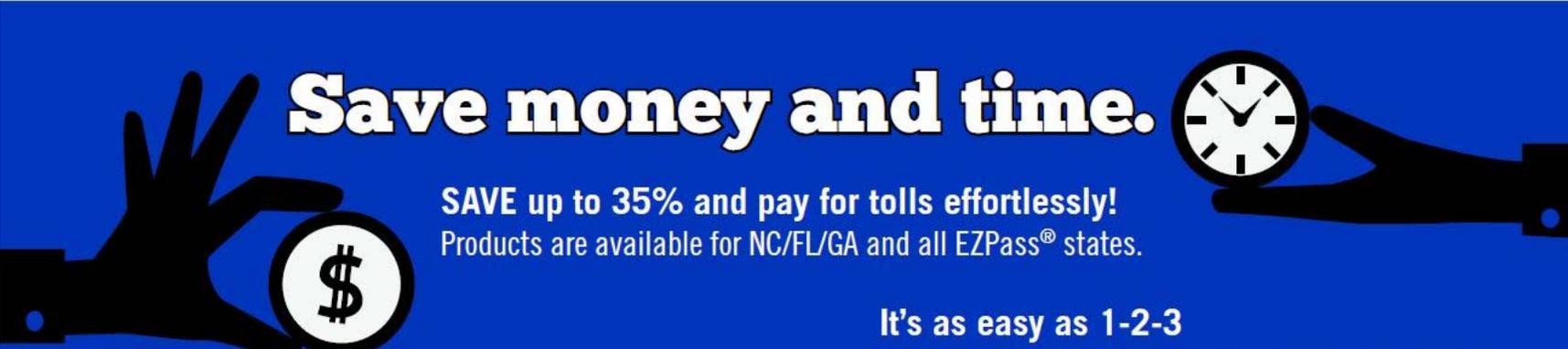
NC Turnpike Marketing Update

Amanda Perry, Marketing Manager
Heather Jeffreys, Marketing Specialist
Dan Spuller, Customer Service Liaison

June 4, 2015

Bill by Mail Inserts

- Targeted to NC invoices only
- June Invoices
- Approximately 190,000 – 200,000



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Quick Pass Applications & Rack Card

- Personal Applications condensed to 1-page front & back
- Business Applications condensed to 3-pages total
- Rack Card redesign

Get There Faster
Take the Triangle Expressway

Want to shorten your round trip commute? Frustrated with traffic? Use the Triangle Expressway and gain up to 40 minutes of your life back each day.

The Triangle Expressway offers nearly 20 miles of stress-free travel from the Research Triangle Park area through Apex and Holly Springs. This quick and convenient route will save you the time and the stress of sitting in traffic, allowing you to get back to the things that matter most.

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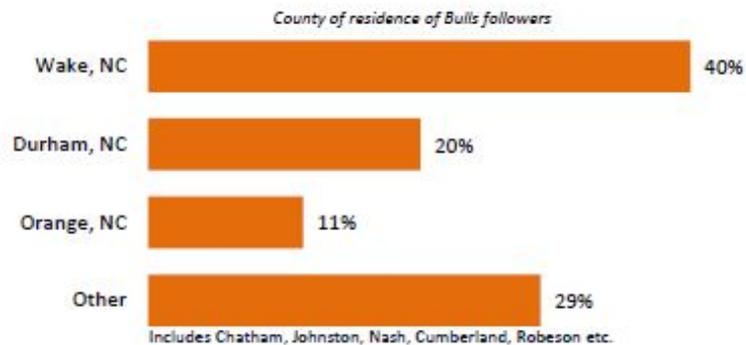
Durham Bulls



- Triangle's most popular sports venue
- Average attendance on Friday/Saturday games 9,200 (2014 season total 533,033)

Durham Bulls

- Majority of Bulls fans from Wake County reside in Raleigh but also from several areas along the Triangle Expressway including Cary and Apex.



**NC Quick Pass™ users
save up to 35%
every trip!**

Durham Bulls - Elements

Customer Service Table

- Sunday, April 26
- Sunday, May 17
- Saturday, May 30
- Friday, June 19
- Sunday, June 21
- Sunday, July 12
- Saturday, July 18
- Saturday, August 1
- Sunday, August 9
- Sunday, August 23
- Sunday, August 30



Durham Bulls – Elements

- ½ Page Program Ad
- Homestand emails distributed to Bulls email list to promote upcoming games, promotions and events. Quick Pass logo (hyperlinked) and descriptor



***Waiting for screen
shot of email blurb to
insert here***

Preconstruction Staffing Discussion

Rodger Rochelle

Administrator of the Technical Services Division

Legislative Update

Mary Jernigan

Government Affairs Director

Legislative Update

House Budget Items Specific to NCTA

- Clarifying language changes to NCTA toll rate reporting statute
- New reporting requirement for processing fee analysis

Bills Specific to NCTA

- SB 188- Adjust Cap on Turnpike Projects, House Transportation, not subject to crossover
- HB 685- Cap Amount Owed for Unpaid Open Toll Road, House Finance, not subject to crossover
- HB 268- DOT Agency Bill, Senate Transportation, made crossover
- Session Law 2015-37, Appointments Bill, Congratulations, Mayor Travis!

Questions?