



NORTH CAROLINA

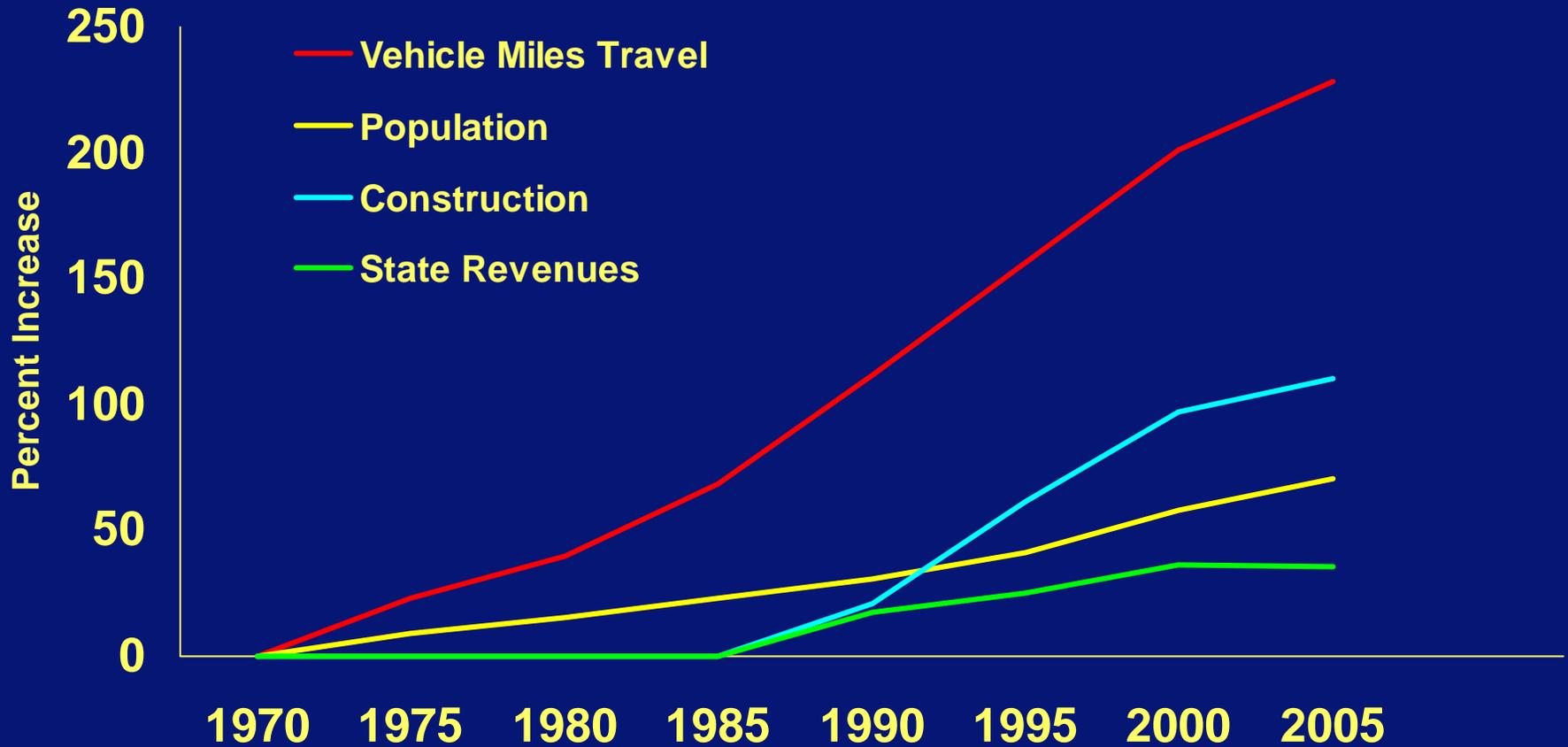
Turnpike Authority

North Carolina Citizens for Business & Industry
February 10, 2006

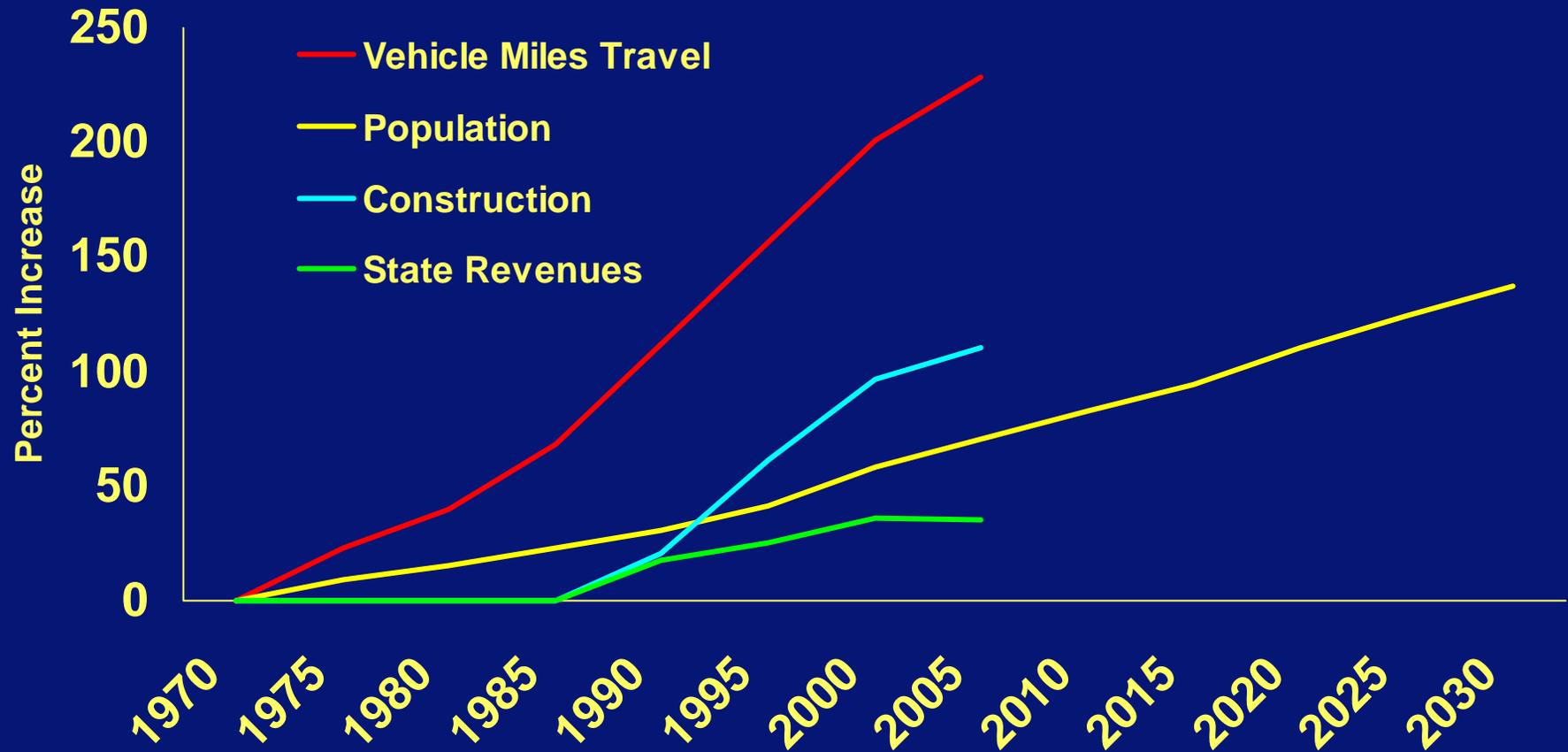
Agenda

- The Case for Tolling
- Nationwide Trend
- Tolling in North Carolina
- The Business of Tolling

North Carolina's Challenge



North Carolina's Challenge



North Carolina's Challenge

**\$30 Billion shortfall
over next 25 years**

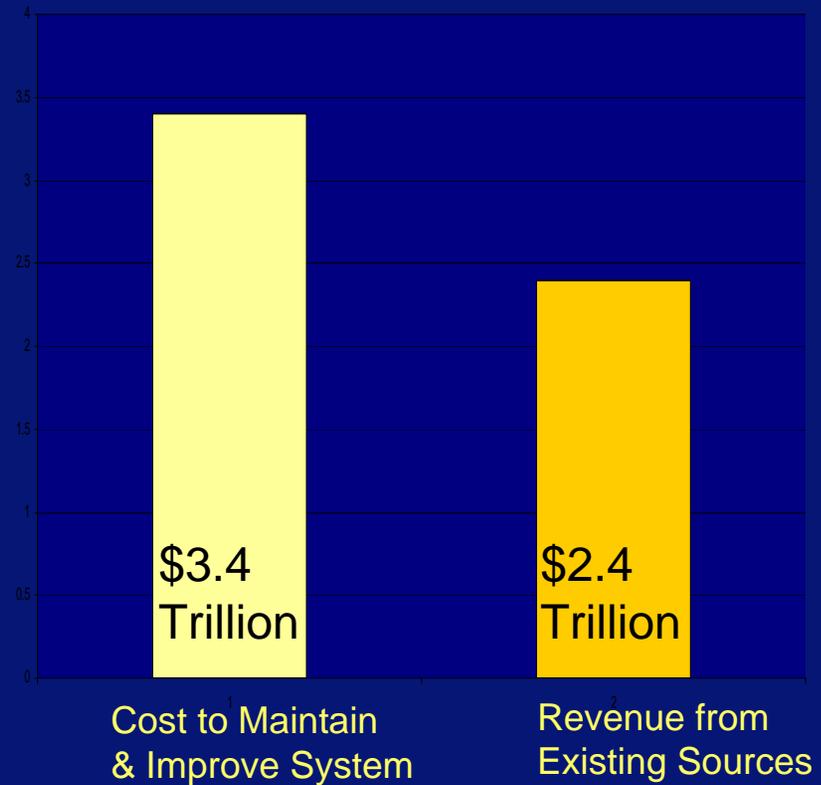
*Source: NCDOT Long Range Statewide Plan
September 2004*



North Carolina is Not Alone

National Shortfall

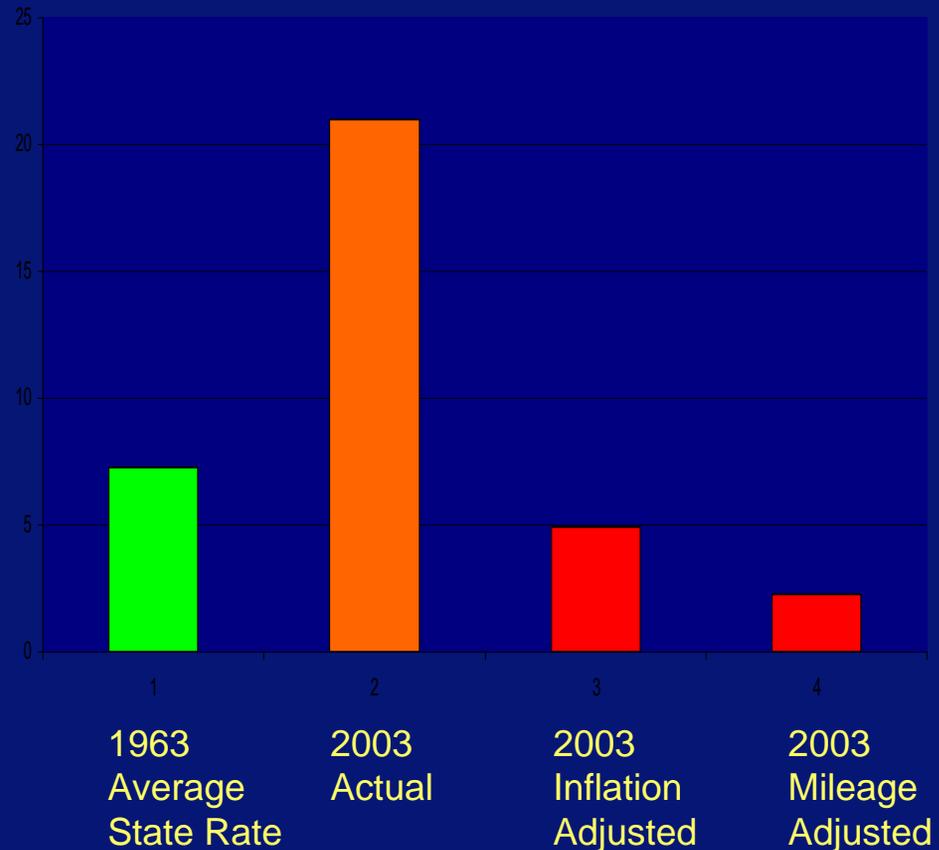
- 10 year gap = \$1 Trillion
- Annual Shortfall = About \$100 Billion



North Carolina is Not Alone

National Average State Tax Per Gallon

Source: Wilbur Smith Associates



North Carolina's Challenge

Political reluctance to raise taxes



North Carolina's Challenge

Decreased purchasing power

- Construction costs up 30%

More fuel-efficient vehicles

- Hybrid & fuel cell cars more popular



North Carolina's Challenge

- North Carolina's population expected to increase more than 40% in next 25 years
- Charlotte is now the second-most congested mid-sized city in the U.S.

(Texas Transportation Institute)

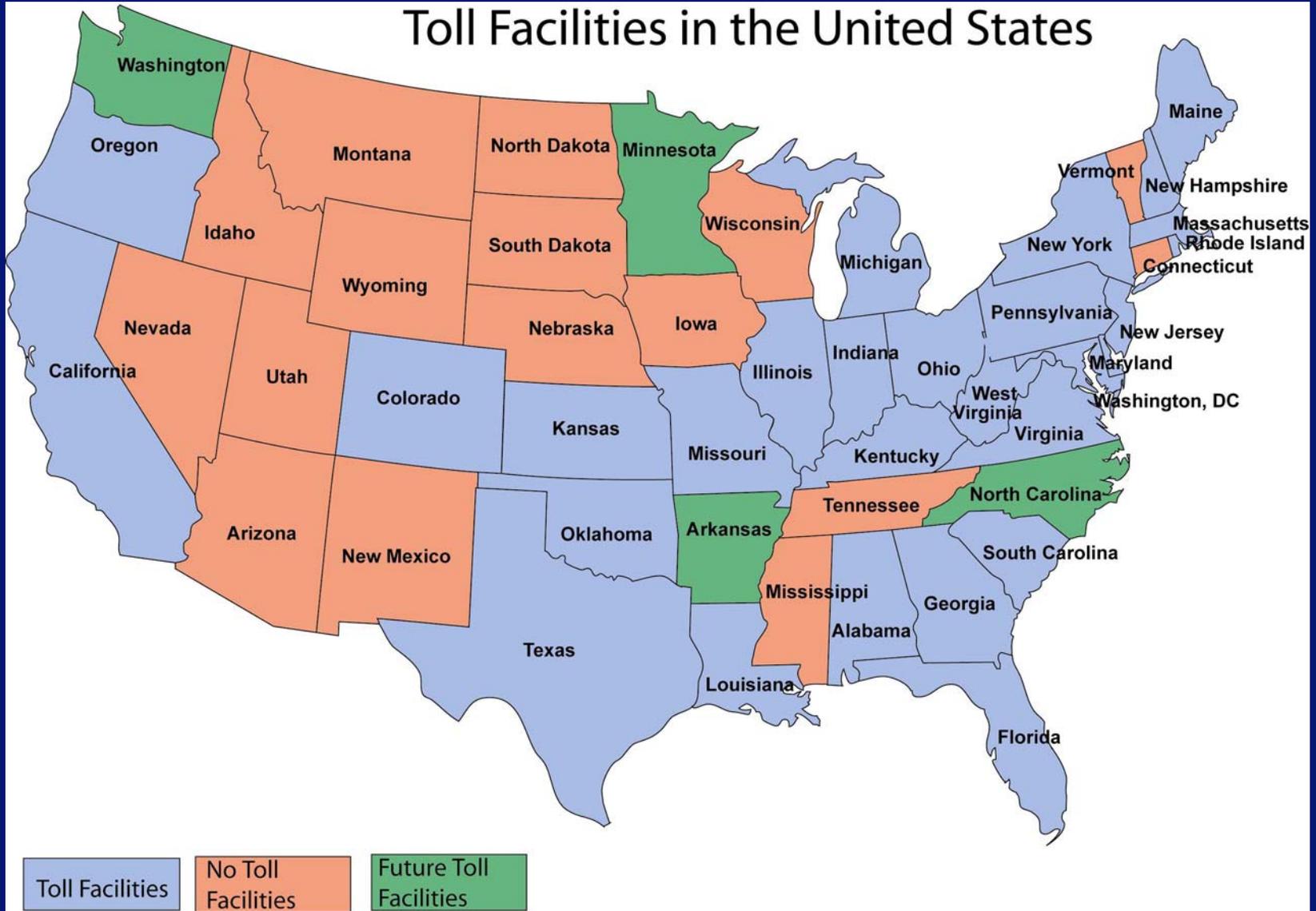
- The Triangle had the nation's second largest increase in commuter times over the past decade.

(US Census Data)

What Other States Are Doing

Tolling – Partial Solution

Toll Facilities in the United States



Other State Examples

- Texas Revenues meet 38% of needs
Must consider all projects for toll option
- Virginia Leading public private partnership legislation
Proposals received for toll roads, toll truckway
& HOT lane network
- Georgia Passed public private partnership legislation
Revised SRTA to Statewide Toll Authority
- South Carolina Signed bill authorizing tolls on I-73

North Carolina Turnpike Authority

Our Vision ~

To help meet the state's critical highway needs by providing a state-of-the-art turnpike system that will improve mobility, reduce congestion, enhance economic prosperity, save motorists time, deliver key projects sooner, protect investors and enrich our citizen's quality of life.

North Carolina Turnpike Authority

Created by General Assembly in 2002

Authorized to develop, construct, operate and maintain nine toll projects

North Carolina Turnpike Authority

- Condemn property
- Collect tolls and fees
- Issue bonds
- Contract for construction, maintenance & operation
- Enter into partnership with private entities

North Carolina Turnpike Authority

Nine-member NCTA Board of Directors

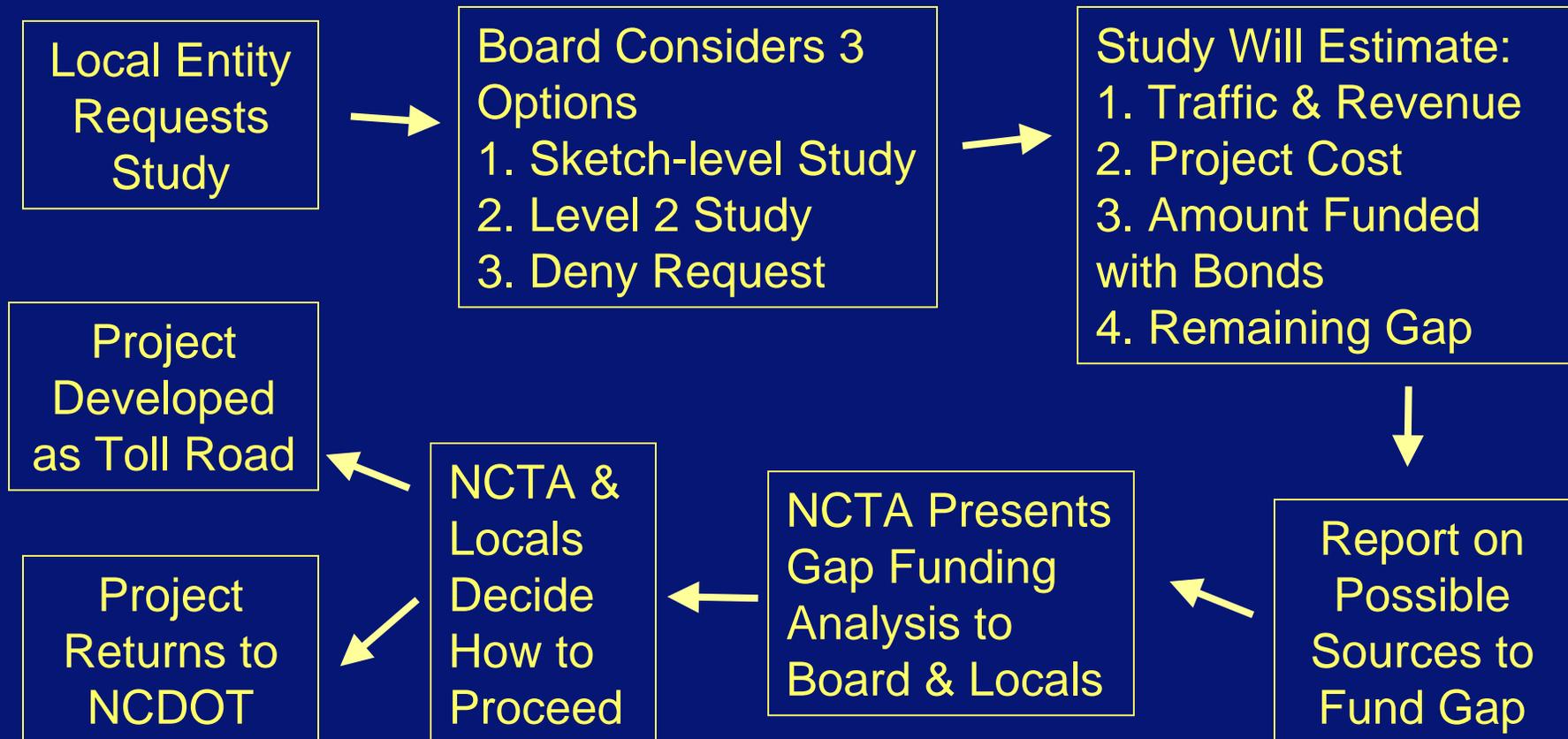
- NCDOT Secretary is chair
- 2 members by Senate President Pro-Tem
Robert Spencer & Lanny Wilson
- 2 members by House Speaker
John Culbertson & Allan Dameron
- 4 members by Governor
Anthony Fox, Sang Hamilton, Perry Safran & Robert Teer

North Carolina Turnpike Authority

Important limitations:

- No tolls on existing roads
- Every toll road must have a free alternate route
- Projects must be requested by locals
- Tolls must be removed when bonds are paid

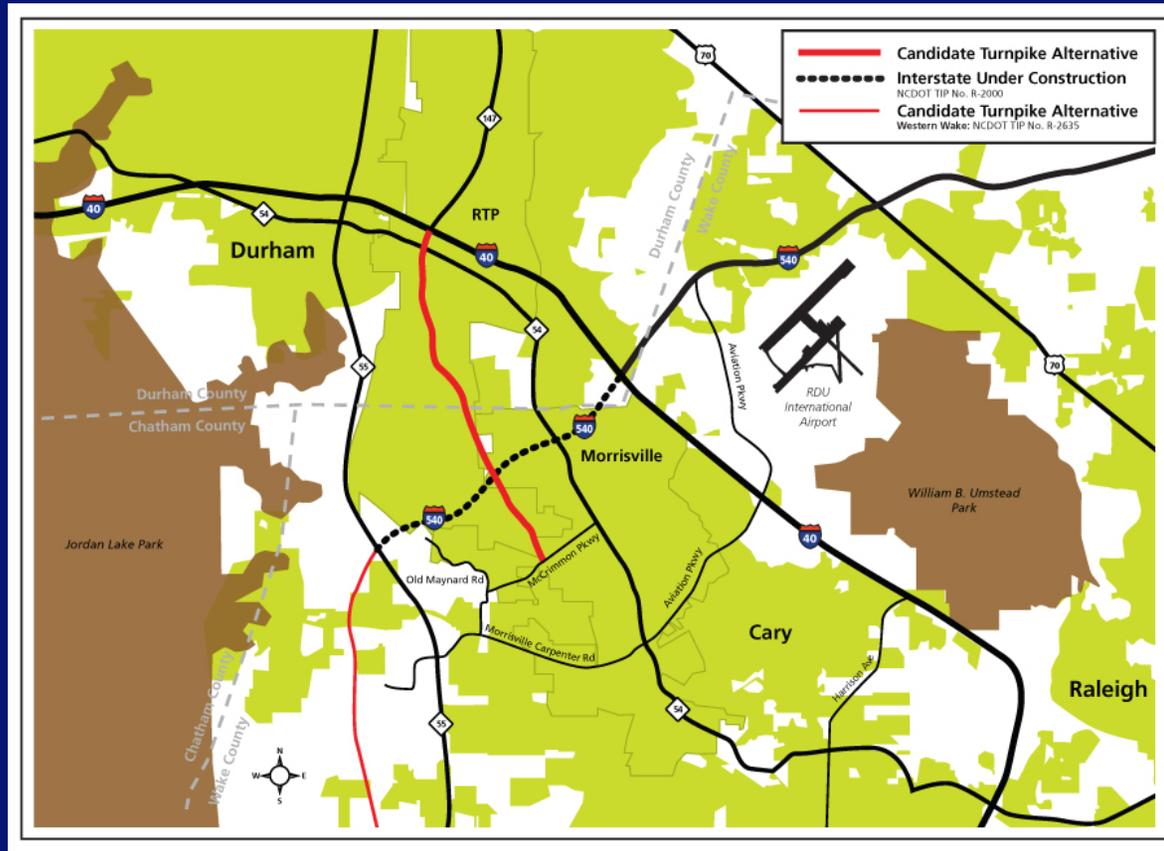
NCTA Project Approval Process



Projects Under Consideration



Triangle Parkway



Length: 3.5 miles Cost: \$124-147 M FONSI: Spring 2007

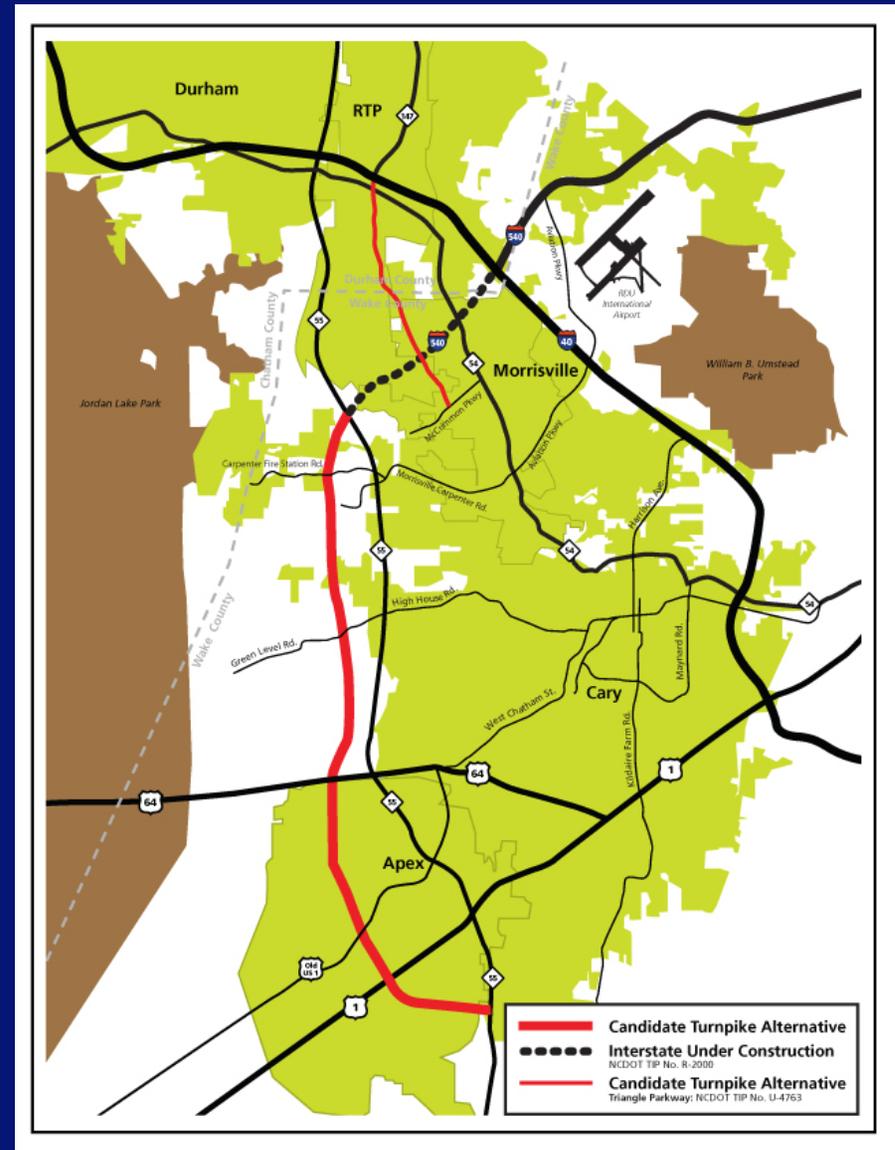
Western Wake

Length: 11 miles

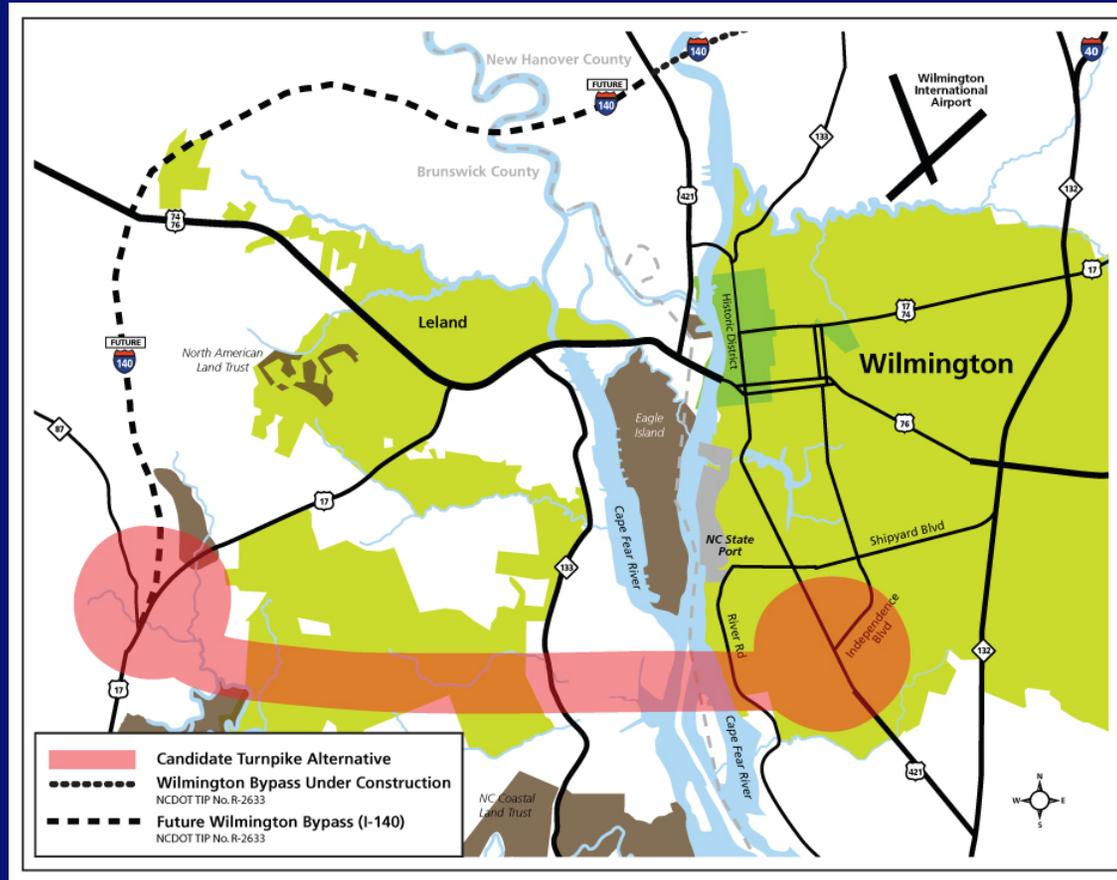
Cost: \$278 M

ROD: Complete

Studying Feasibility
(study only)



Cape Fear Skyway



Length: 9.5 miles

Cost: \$330 M

ROD: Fall 2009

Mid Currituck Bridge

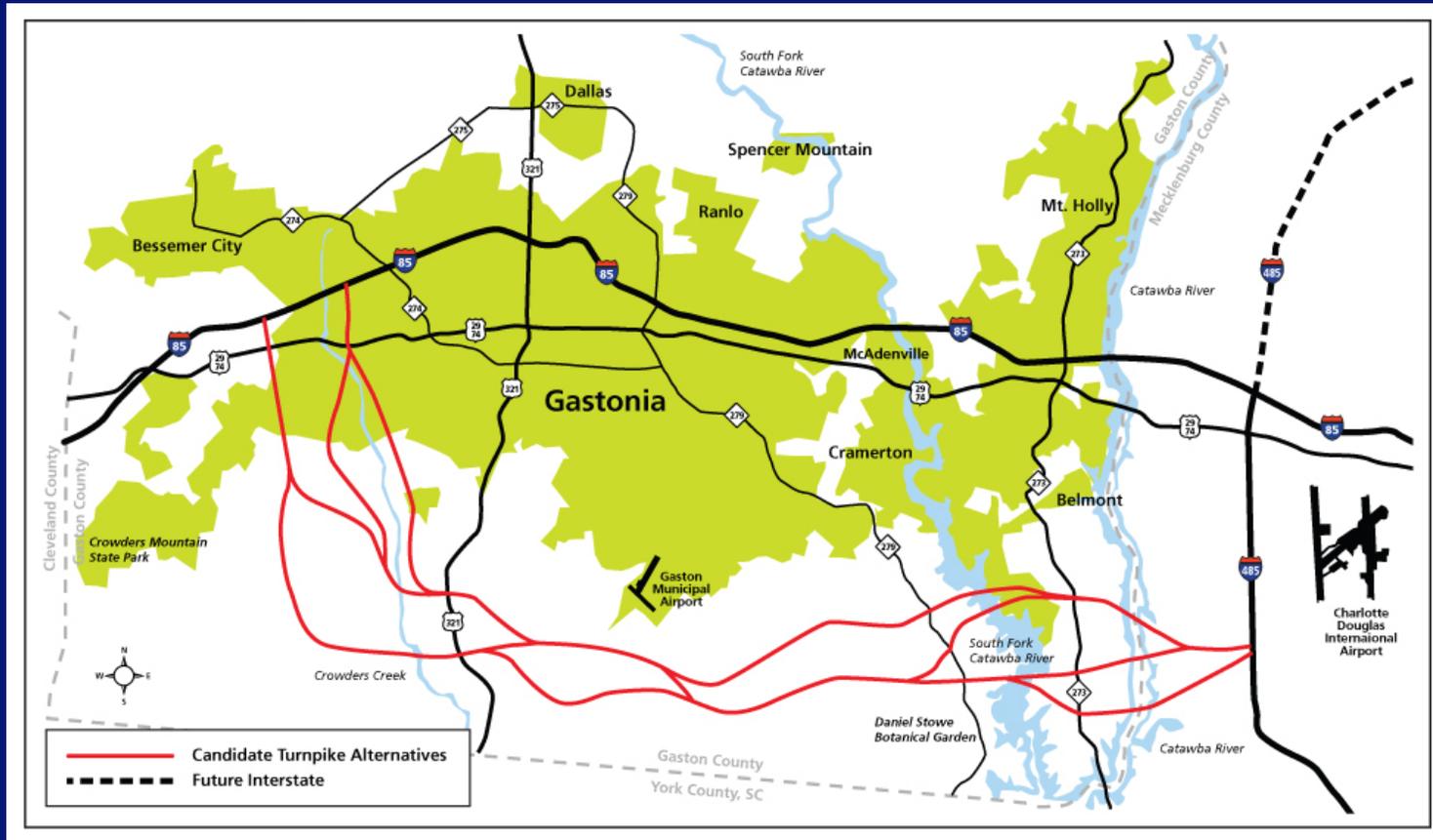
Length: 6.8 - 7.1 miles

Cost: \$132.5 M

ROD: Fall 2008



Gaston East-West Connector



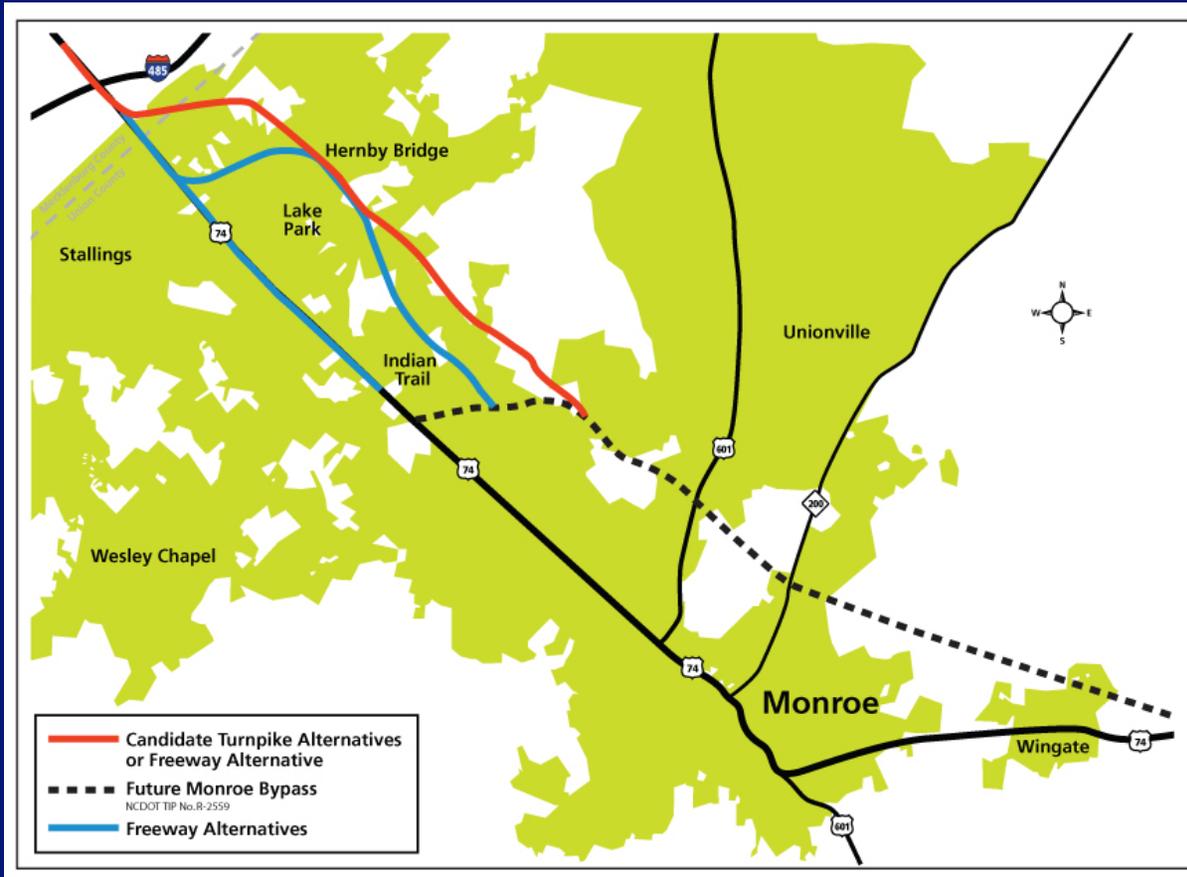
Length: 21-23 miles

Cost: \$600 M*

ROD: Winter 2010

* Based on estimates from functional roadway design

Monroe Connector



Length: 11 miles Cost: \$179 M ROD: Fall 2008

Summary

<u>Project</u>	<u>Est. Cost</u>	<u>Target EIS</u>
Gaston E-W Connector	\$600 M	Summer 2009
Monroe Connector	\$179 M	Summer 2008
Cape Fear Skyway	\$330 M	Spring 2009
Triangle Parkway	\$147 M	Spring 2007*
Mid Currituck Bridge	\$132 M	Spring 2008
Western Wake	\$278 M	Complete
<i>Totals</i>	<i>\$1,666 M</i>	

* Indicates Finding of No Significant Impact; construction could begin in Winter 2008

How Do We Pay for These Projects?

Tolling → *Bonding*

Bonding is Not New for NC

- State history of selling bonds to finance highway building and maintenance
- Highway Act of 1921 – sold \$50 million in bonds to pay for 5,500 mile road system.
- Bonds allowed roads to be built faster.

“...instead of following the “pay as you go” plan, we have found it much more satisfactory to “pay as you ride.”

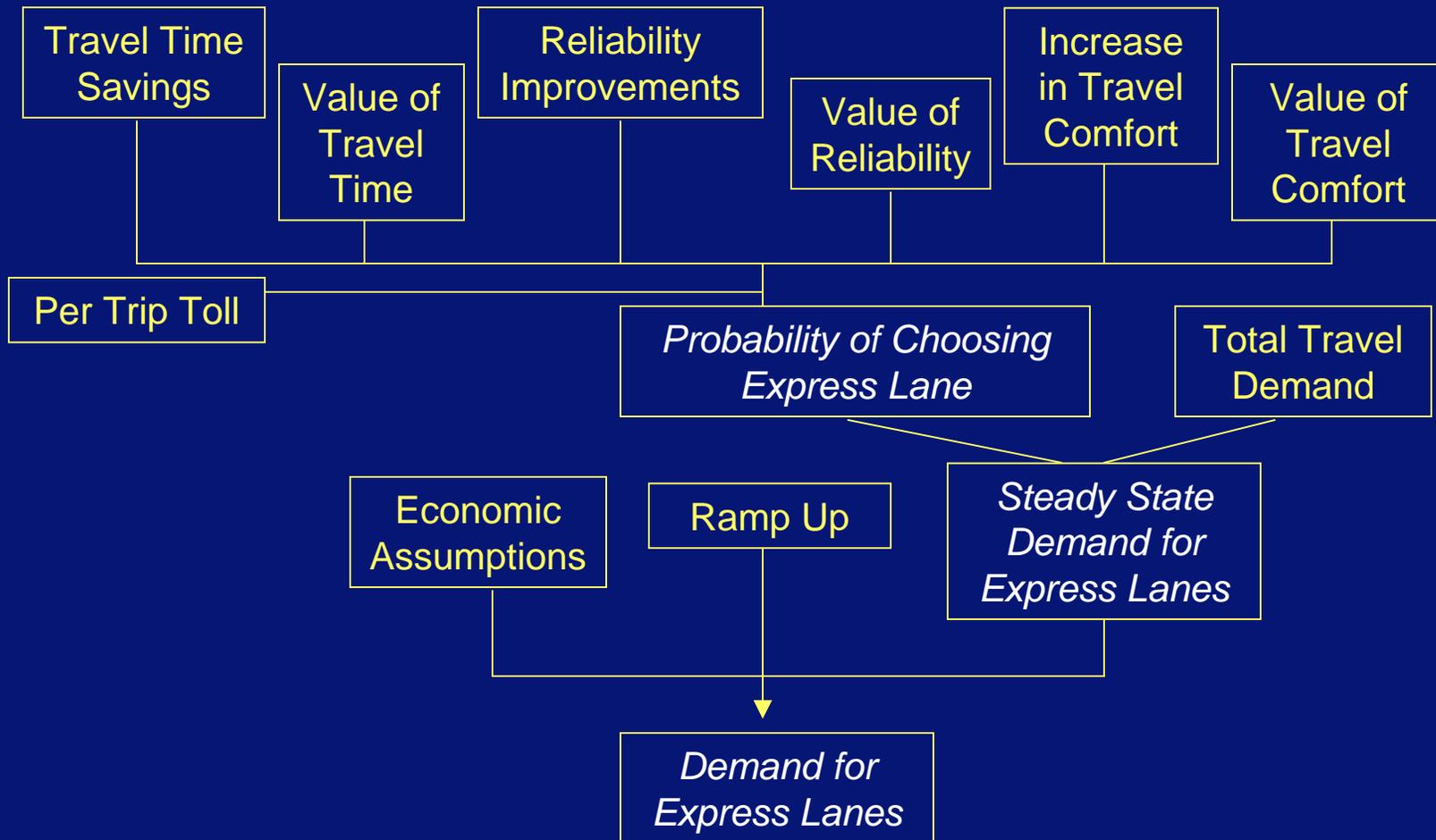
Gov. Angus W. McLean, 1925-1939

But Paying for Bonds With Tolls IS New

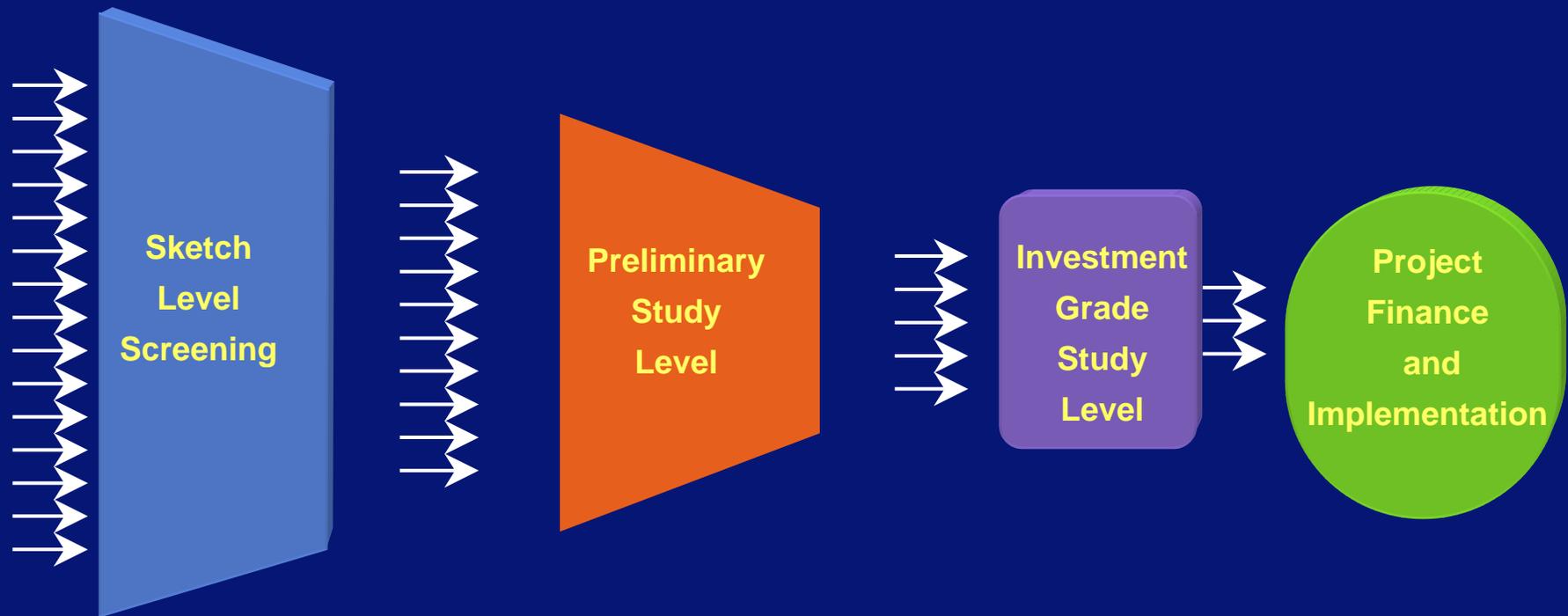
The Business of Tolling

- Bonds rarely cover project cost
- Capital markets generally require revenues of 1.5-2.0x coverage of debt and maintenance cost
- Tolls are set using traffic and revenue model

Traffic and Revenue Model

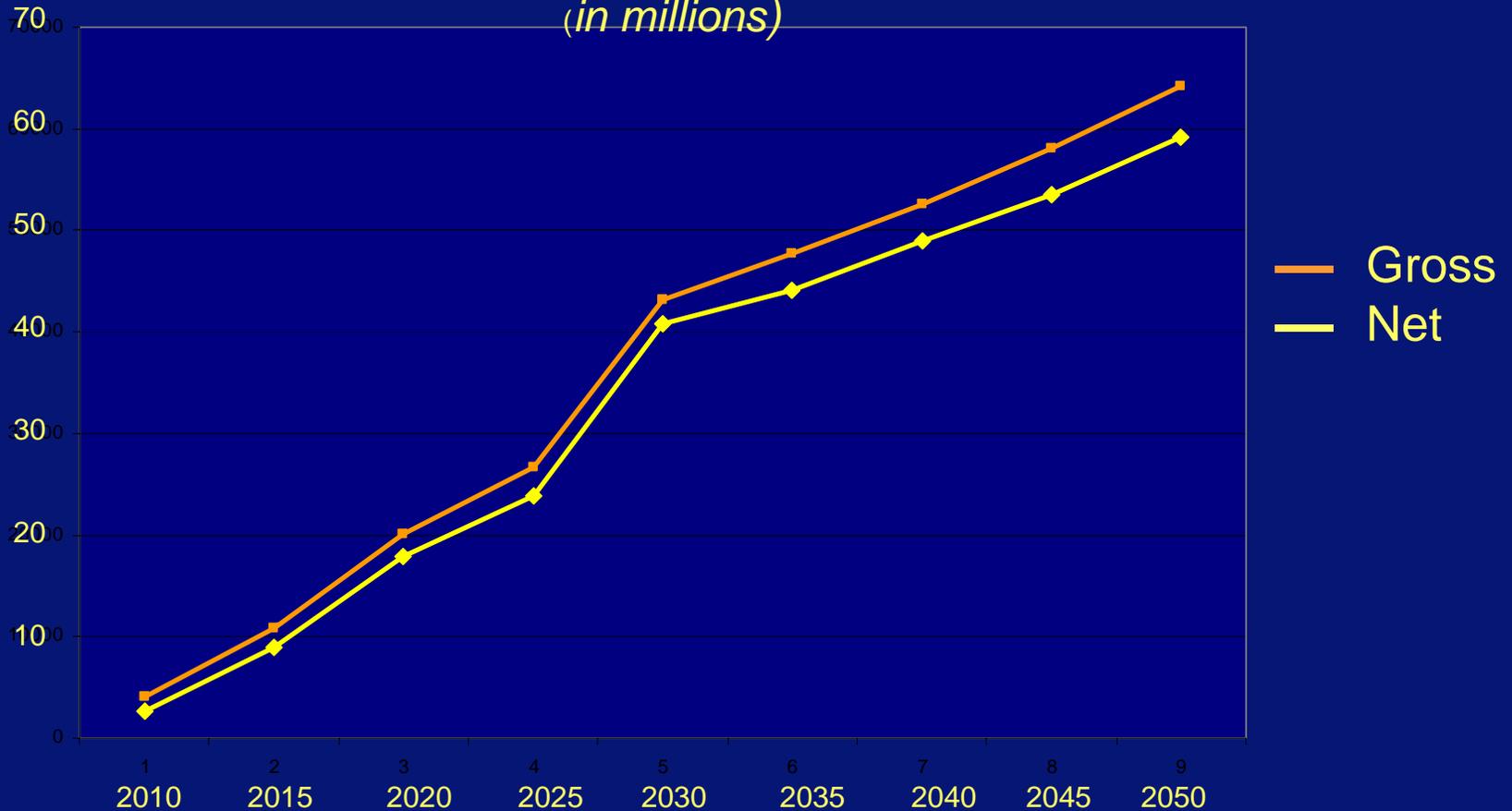


Toll Road Screening & Study Process



Triangle Parkway Projected Toll Revenue

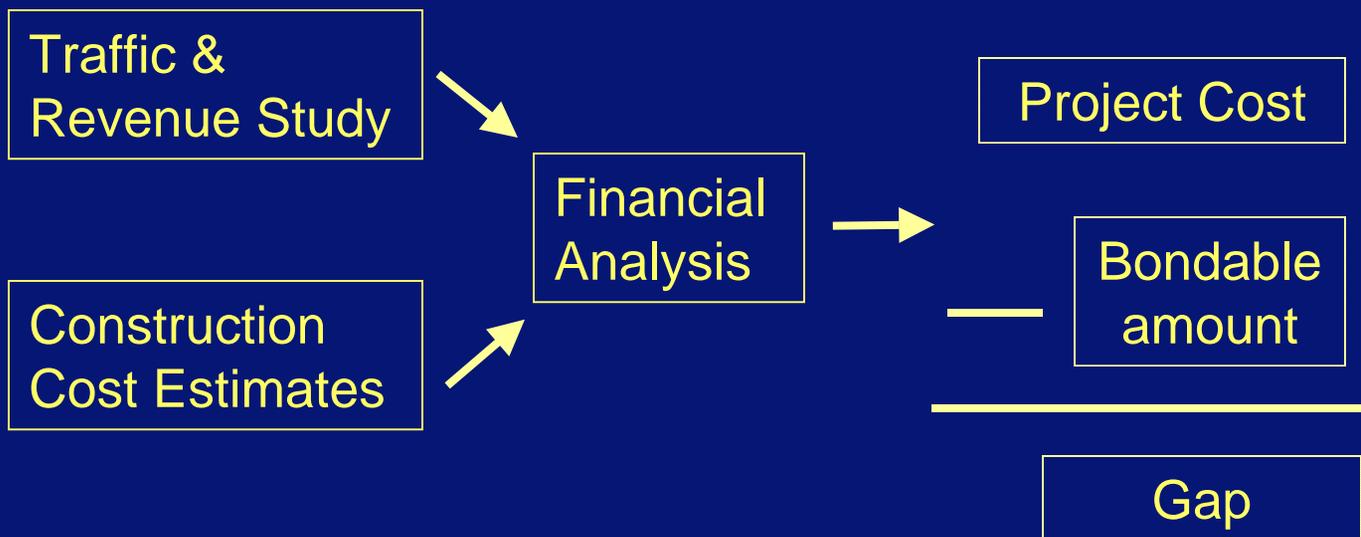
(in millions)



Toll Rate Sensitivity Triangle Parkway



The Business of Tolling

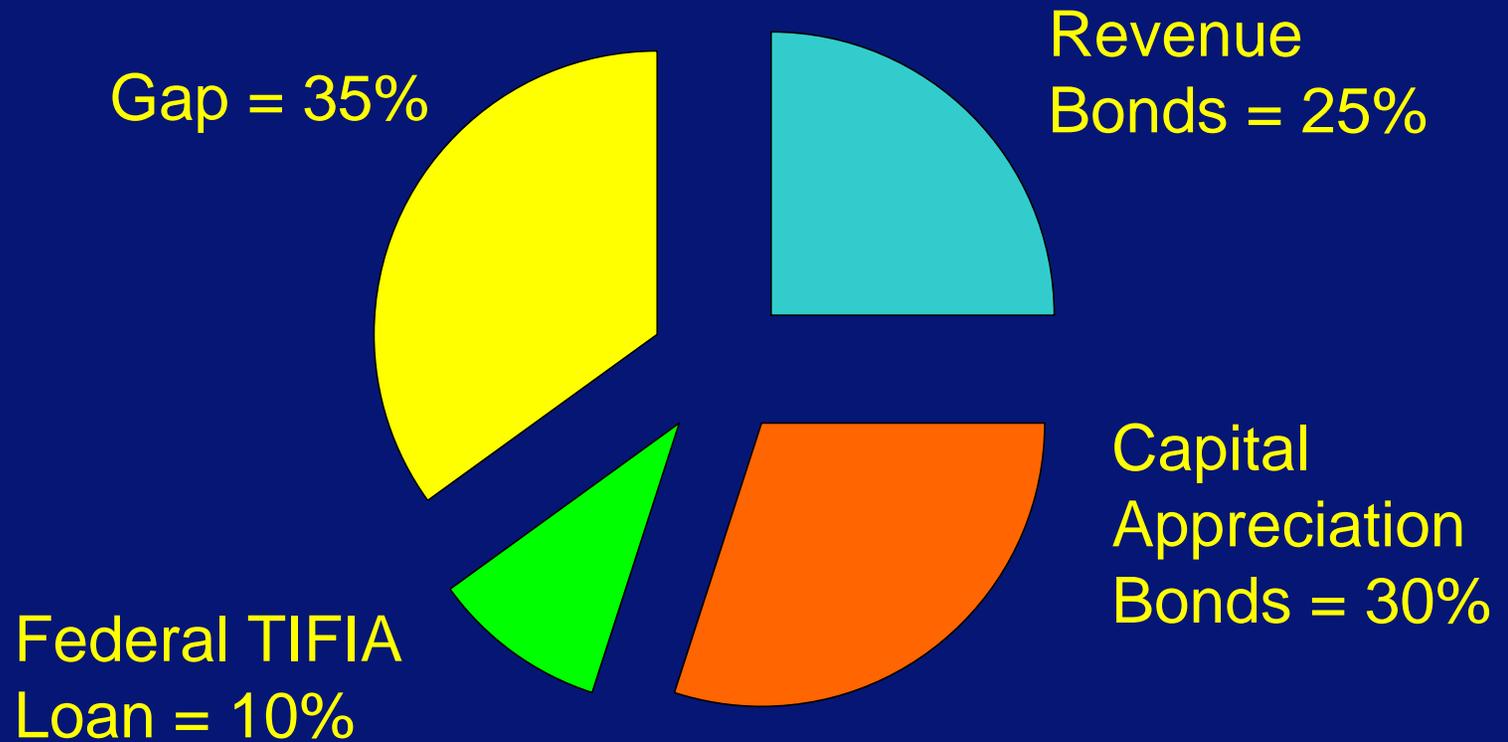


The Business of Tolling

Filling the Gap

- NCDOT Highway Trust Fund (TIP)
- NCDOT Loop funds
- Federal TIFIA loan
(Transportation Infrastructure Finance and Innovation)
- Public private partnerships
- Local right-of-way contribution
- Other local contributions

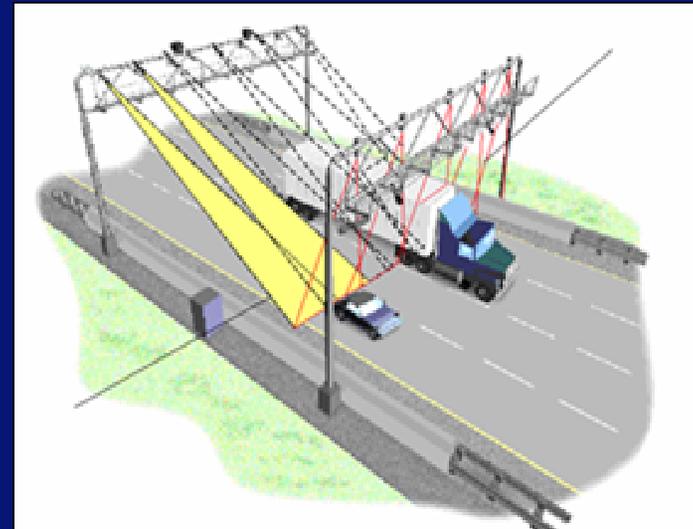
Example



Latest Technology

Open Road Tolling

- Cameras
- Transponders
- On-line registration
- *No stopping*



*The 'old' concept of toll roads
is in conflict with 'new' reality*

Advantages of Tolling

- Congestion relief
- Time savings
- Early project delivery
- Equity creation
- Economic development

Tolls can help bridge the gap between transportation needs & critical lack of resources

Where We Are Today

1. All projects demonstrated purpose & need for NEPA
2. Traffic & Revenue Studies underway for all projects
3. Initial public response has been positive
4. Financial Advisor on board
5. NEPA consultants engaged for all projects
6. Key staff positions being filled
7. Moving into new office March 2006



NORTH CAROLINA

Turnpike Authority

Questions?

www.ncturnpike.org