

North Carolina

DEPARTMENT OF TRANSPORTATION

North Carolina Turnpike Authority Board of Directors Meeting

December 4, 2014

North Carolina Turnpike Authority Board of Directors Meeting

December 4, 2014

Presentation Agenda

- Fiscal Year 2014 Annual Report Overview – Clayton Somers
- 3rd Quarter Operations Update – Andy Lelewski, P.E.
- Financial Update – David Roy
- Collections Program Update – Michelle Muir
- A View Around the Triangle Expressway – Clayton Somers

FY 2014 Annual Report Overview

Clayton Somers

Executive Director

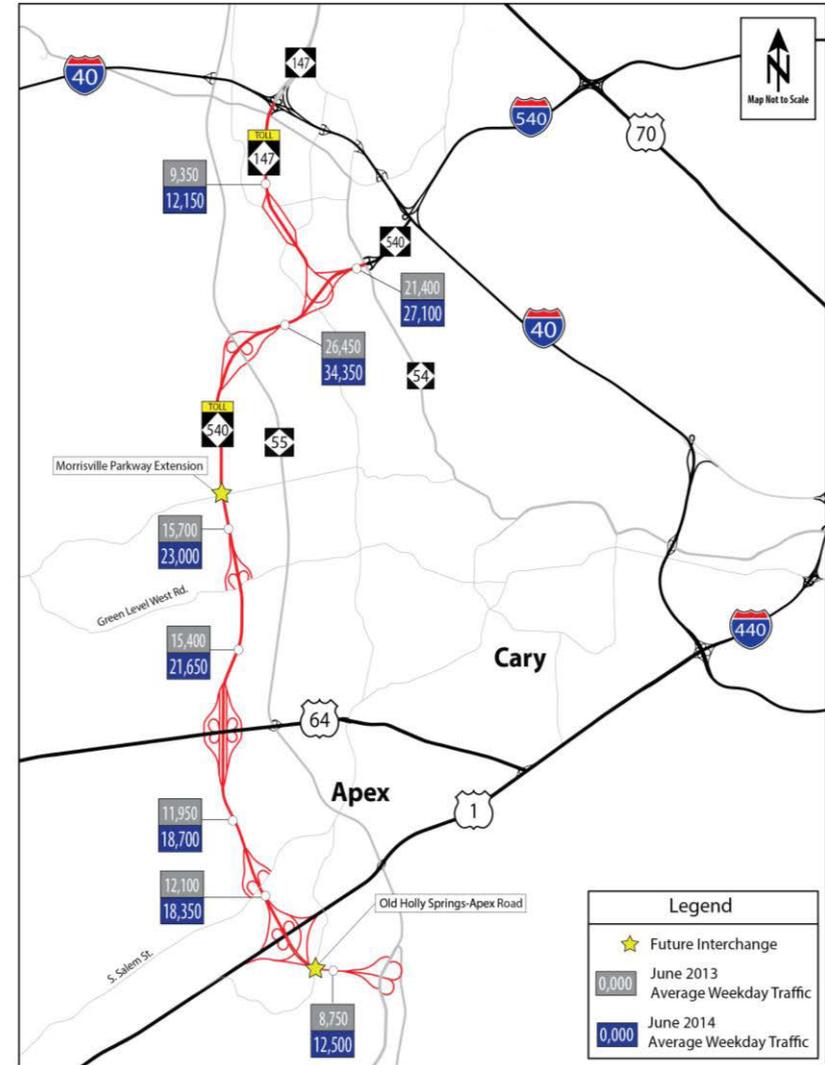
FY 2014 Annual Report Overview

- Turnpike Projects
 - Triangle Expressway
 - Monroe Connector/Bypass
 - I-77 Managed Lanes
 - I-485 Managed Lanes
- Complete 540
- Strategic Transportation Investments

FY 2014 Annual Report Overview

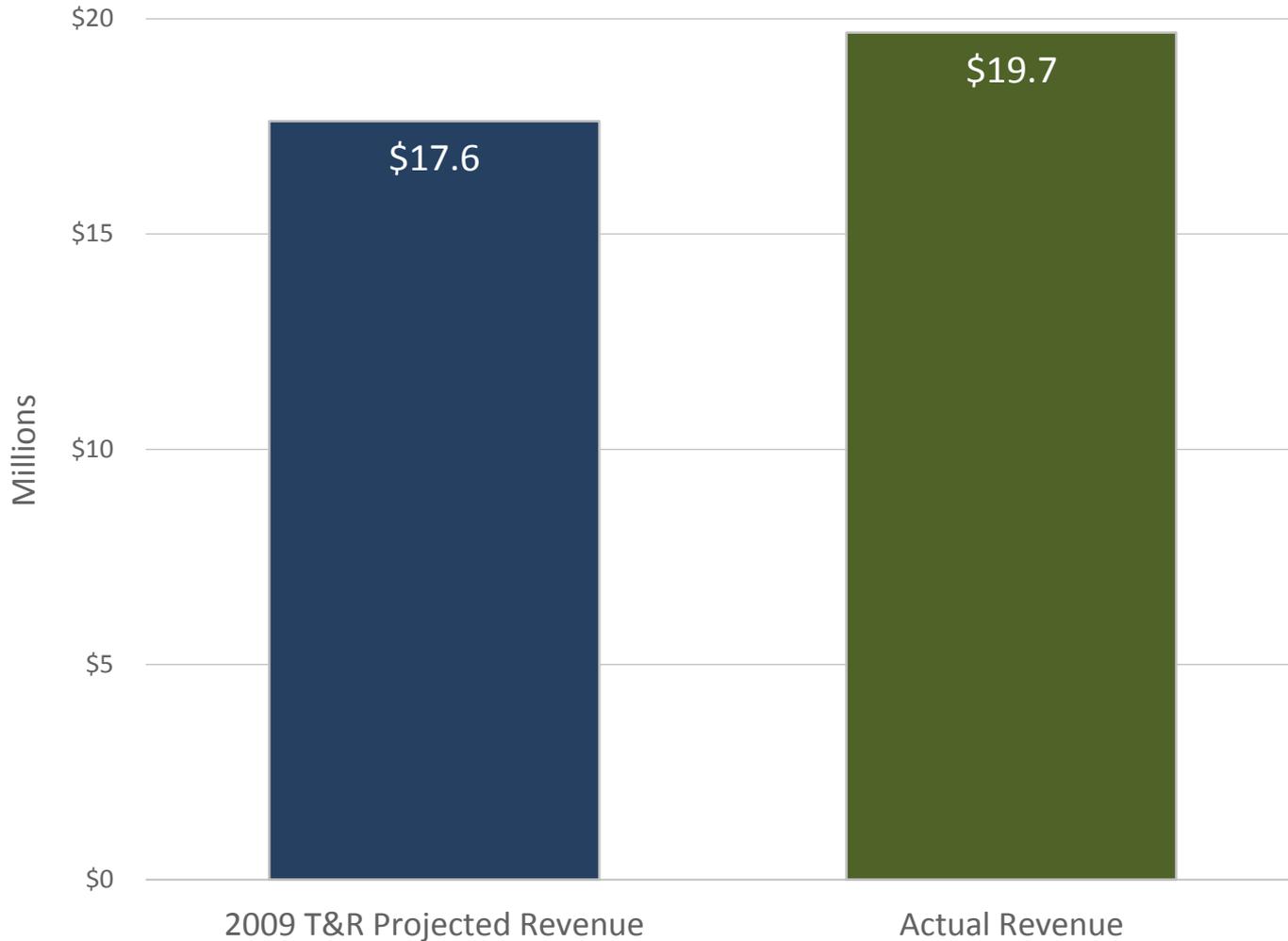
Triangle Expressway

- Capital Expenditures ~ 5% under budget
- \$61.3M unexpended bond proceeds
 - NCDOT Reimbursement
 - Interest Payment Reimbursement to NCTA Reserve Accounts
 - Capital Contribution for Interchanges:
 - *Old Holly Springs-Apex Road*
 - *Morrisville Parkway*
- Weekday Traffic Growth ~ 40% (YOY)



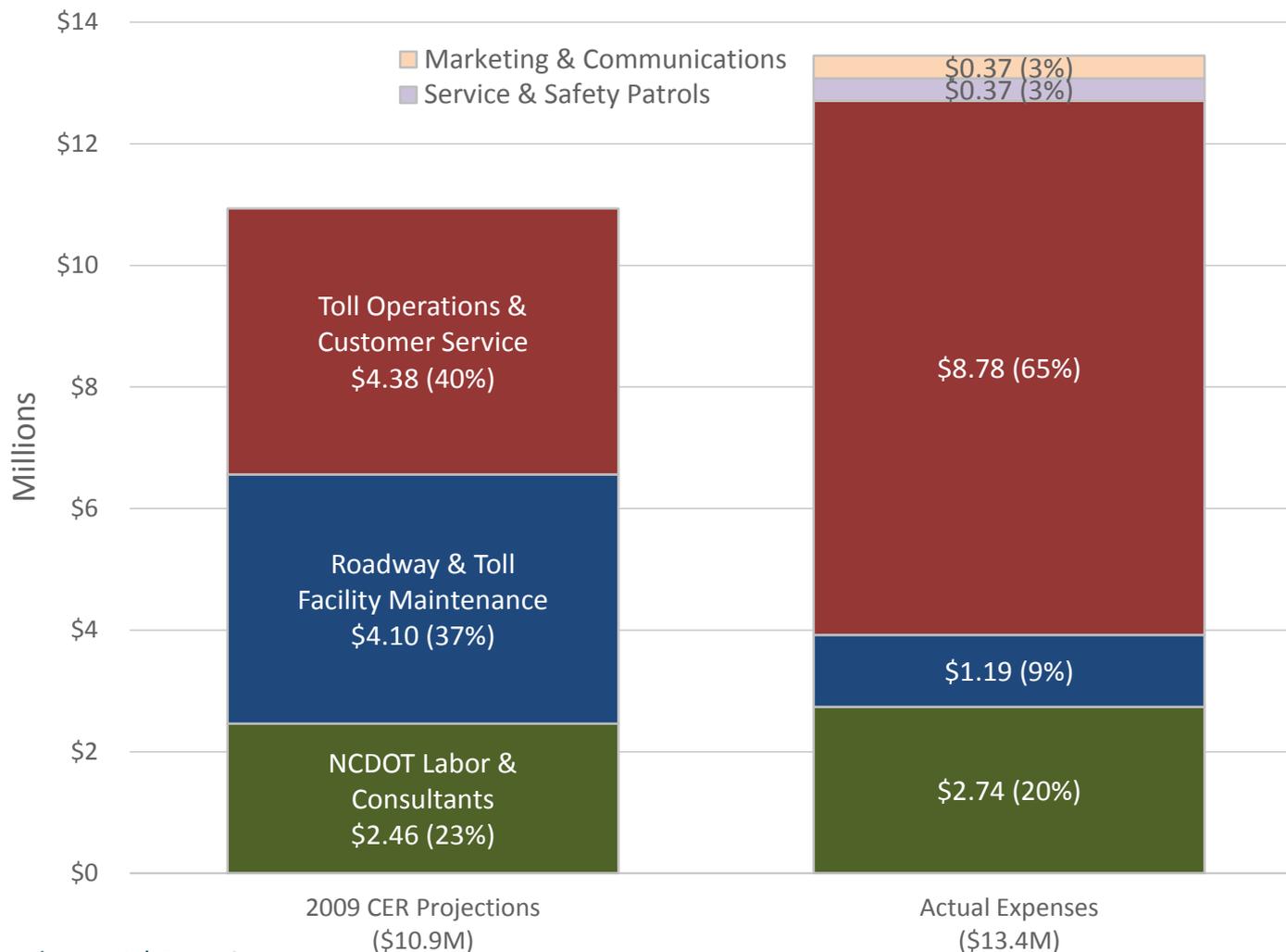
FY 2014 Annual Report Overview

Triangle Expressway Revenue in FY 2014



FY 2014 Annual Report Overview

Triangle Expressway Expenses in FY 2014



FY 2014 Annual Report Overview

Interoperability

- 6.4% of all transactions are from E-ZPass® and SunPass® Customers
- Interoperability with Georgia’s Peach Pass® in November 2014

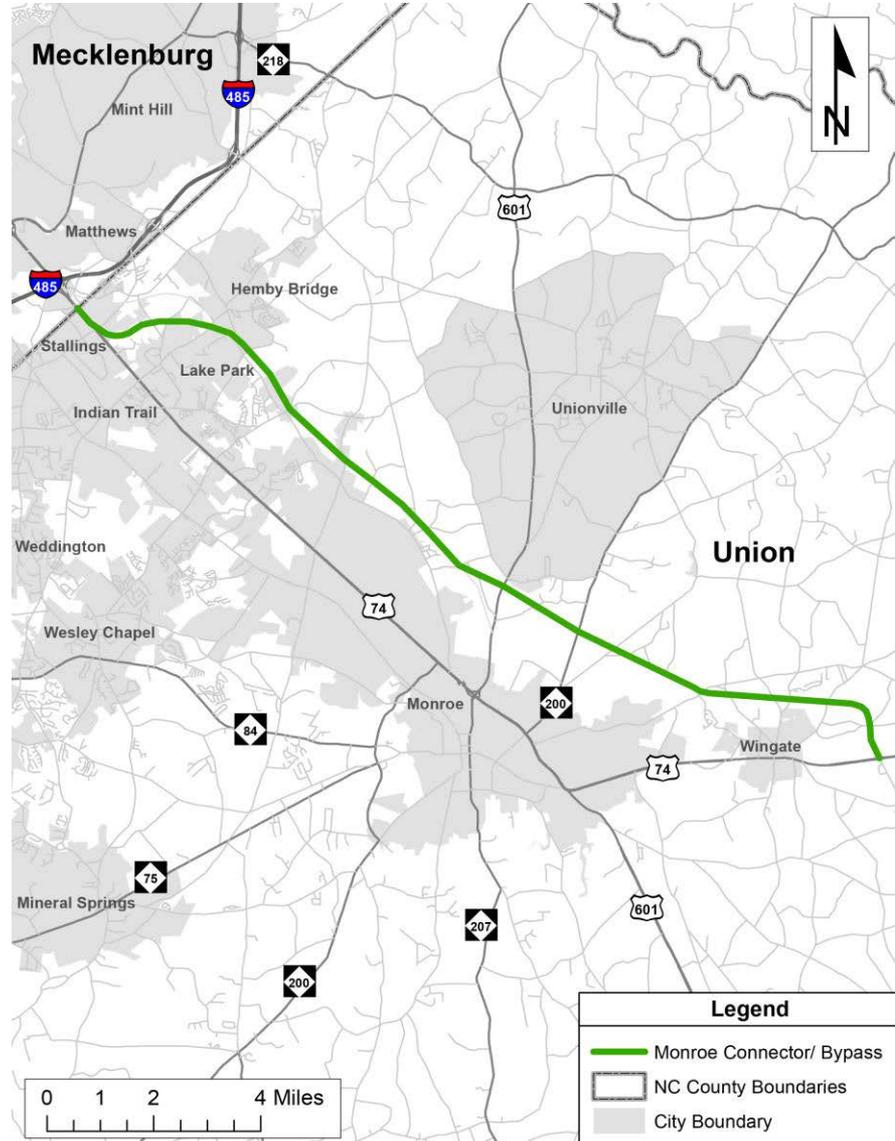
| User Status | Transactions |
|--|--------------|
| E-ZPass® Customers Using Turnpike Authority Facilities | 1,426,344 |
| SunPass® Customers Using Turnpike Authority Facilities | 87,049 |
| NC Quick Pass® Customers Using E-ZPass® Facilities | 127,577 |
| NC Quick Pass® Customers Using SunPass® Facilities | 29,405 |

FY 2014 Annual Report Overview

Monroe Connector/Bypass

Upcoming Milestones

- Environmental Permitting (2015)
- Begin Construction (2015)

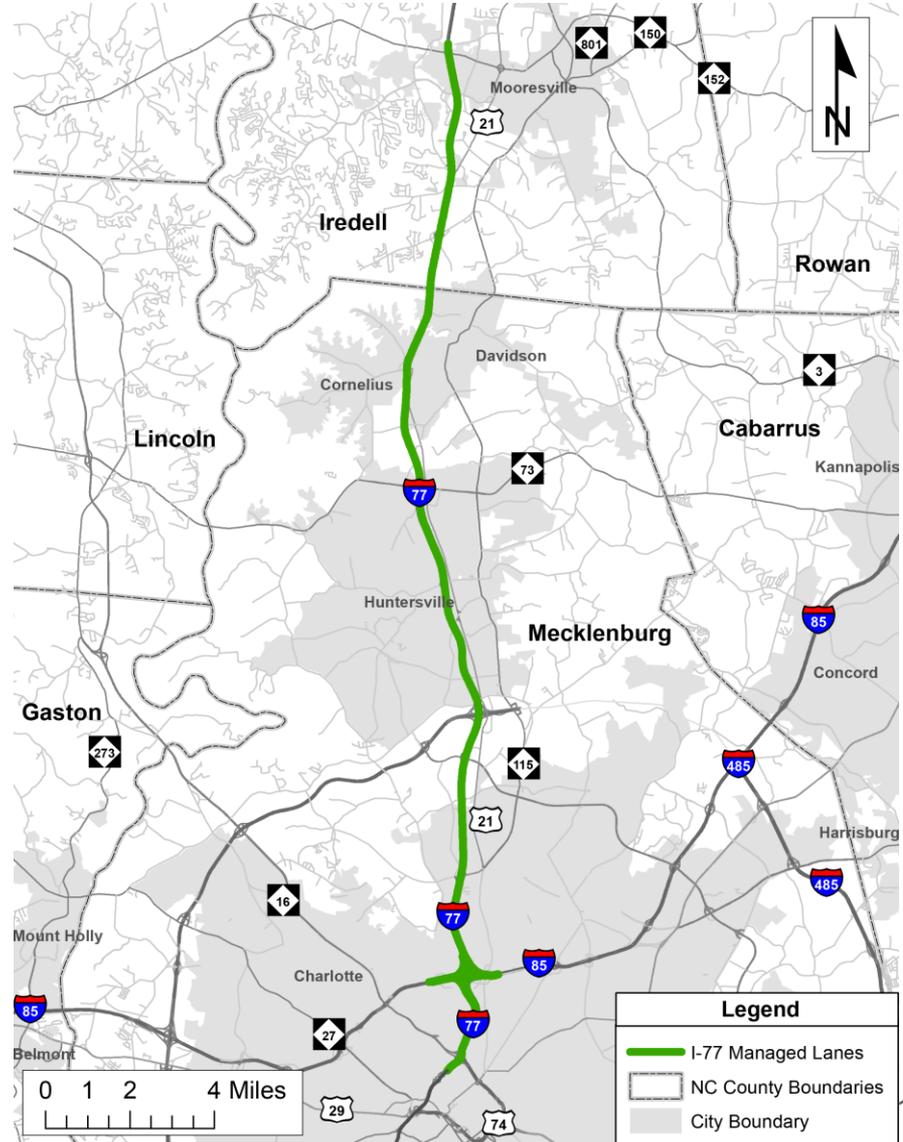


FY 2014 Annual Report Overview

I-77 Managed Lanes

Upcoming Milestones

- Financial Close
- Begin Construction (2015)

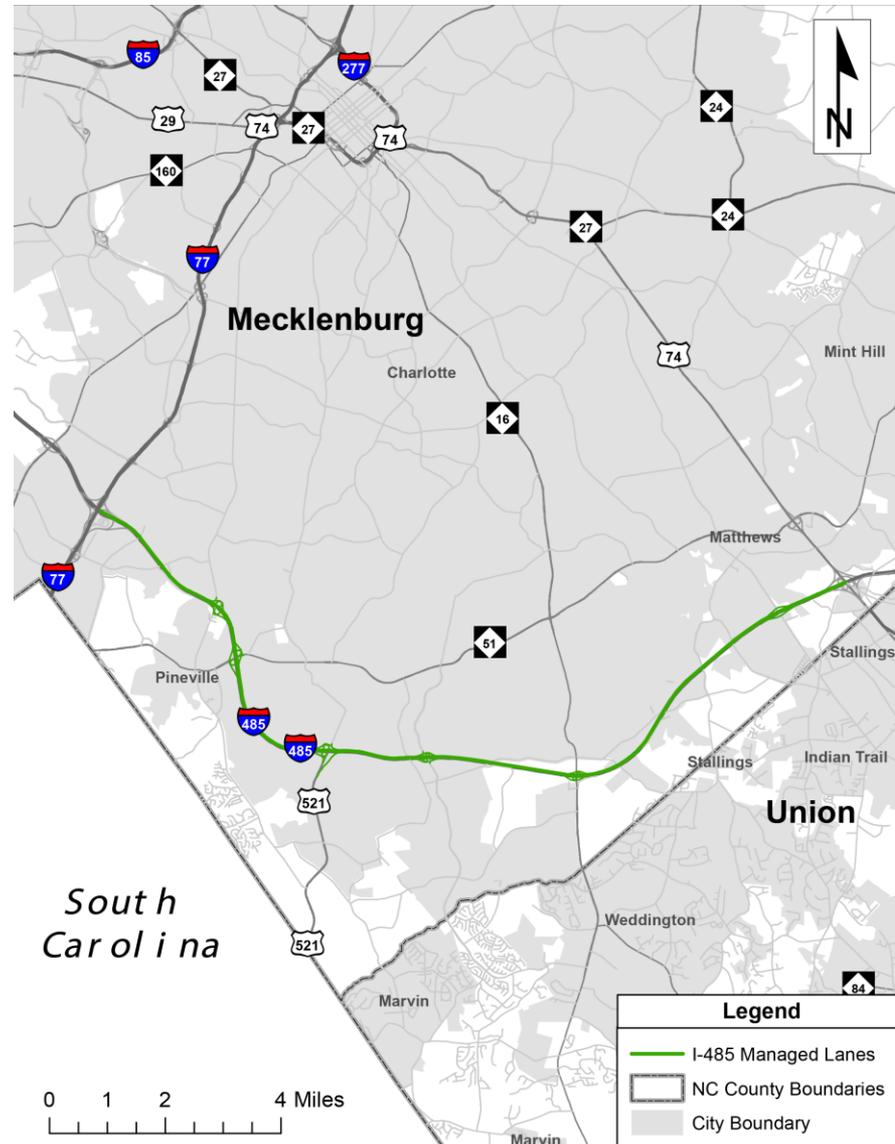


FY 2014 Annual Report Overview

I-485 Managed Lanes

Upcoming Milestones

- Categorical Exclusion (2015)
- Begin ROW Acquisition (2016)
- Begin Construction (2017)



FY 2014 Annual Report Overview

Strategic Transportation Investments (STI)

- § 136-189.11 – Transportation Investment Strategy Formula
- Session Law 2013-183 (STI)
- 20 projects considered as Toll or Managed Lane Projects

Toll Rate Schedule

Triangle Expressway

- § 136-89.183 (Powers of the Authority)
- Toll Rate Policy adopted September 17, 2008
- First 5% increase on 1/1/2014
- Scheduled average toll rate increases (as approved by the Board at its June 20, 2013, meeting; aligning all three phases for future increases):

| | |
|-------------|----------------|
| 2014 – 2016 | 5.0% |
| 2017 – 2021 | 3.5% |
| 2022 – 2036 | 3.0% |
| After 2036 | 2.0% (or less) |

2014 Third Quarter Update TriEx Operations

Andy Lelewski, P.E.

Director of Toll Road Operations

2014 Third Quarter Update

Outline

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

2014 Third Quarter Update

Triangle Expressway Mainline Traffic Statistics

Q3 2013 AWT = 9,860

Q3 2014 AWT = 13,340

35 % Increase in Traffic

Q3 2013 AWT = 16,320

Q3 2014 AWT = 22,080

35% Increase in Traffic

Q3 2013 AWT = 26,720

Q3 2014 AWT = 34,060

27% Increase in Traffic

Q3 2013 AWT = 9,000

Q3 2014 AWT = 12,940

44% Increase in Traffic



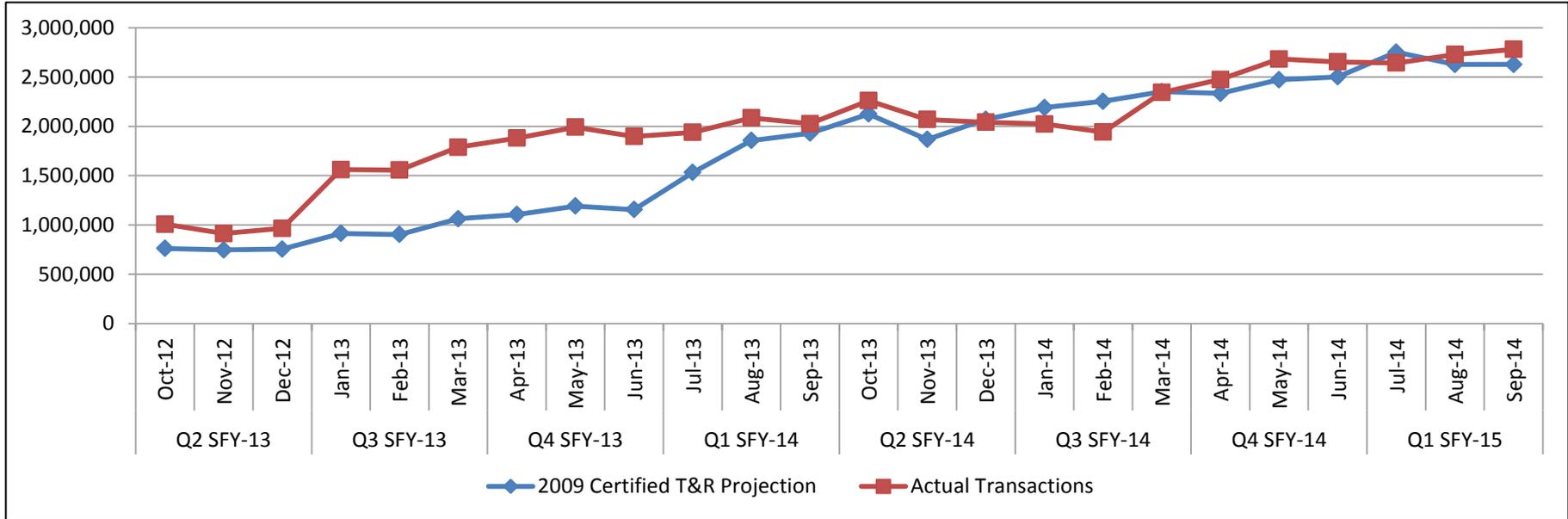
2014 Third Quarter Update

Triangle Expressway Roadside Maintenance Statistics

| | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Road Surface | 97.4 | 98.3 | 98.1 | 91.5 | 87.6 | 96.8 | 89.9 |
| Unpaved Shoulders | 98.8 | 96.4 | 97.9 | 96.3 | 91.5 | 87.6 | 92.9 |
| Drainage | 91.4 | 89.2 | 91.0 | 90.7 | 91.2 | 93.3 | 91.3 |
| Roadside | 99.3 | 96.2 | 83.9 | 92.8 | 94.6 | 84.7 | 87.6 |
| Traffic Control Devices | 93.0 | 88.4 | 94.7 | 92.9 | 94.4 | 86.1 | 85.0 |
| Overall | 95.7 | 93.4 | 93.6 | 92.6 | 91.9 | 89.8 | 88.6 |

2014 Third Quarter Update

Triangle Expressway Transaction Statistics



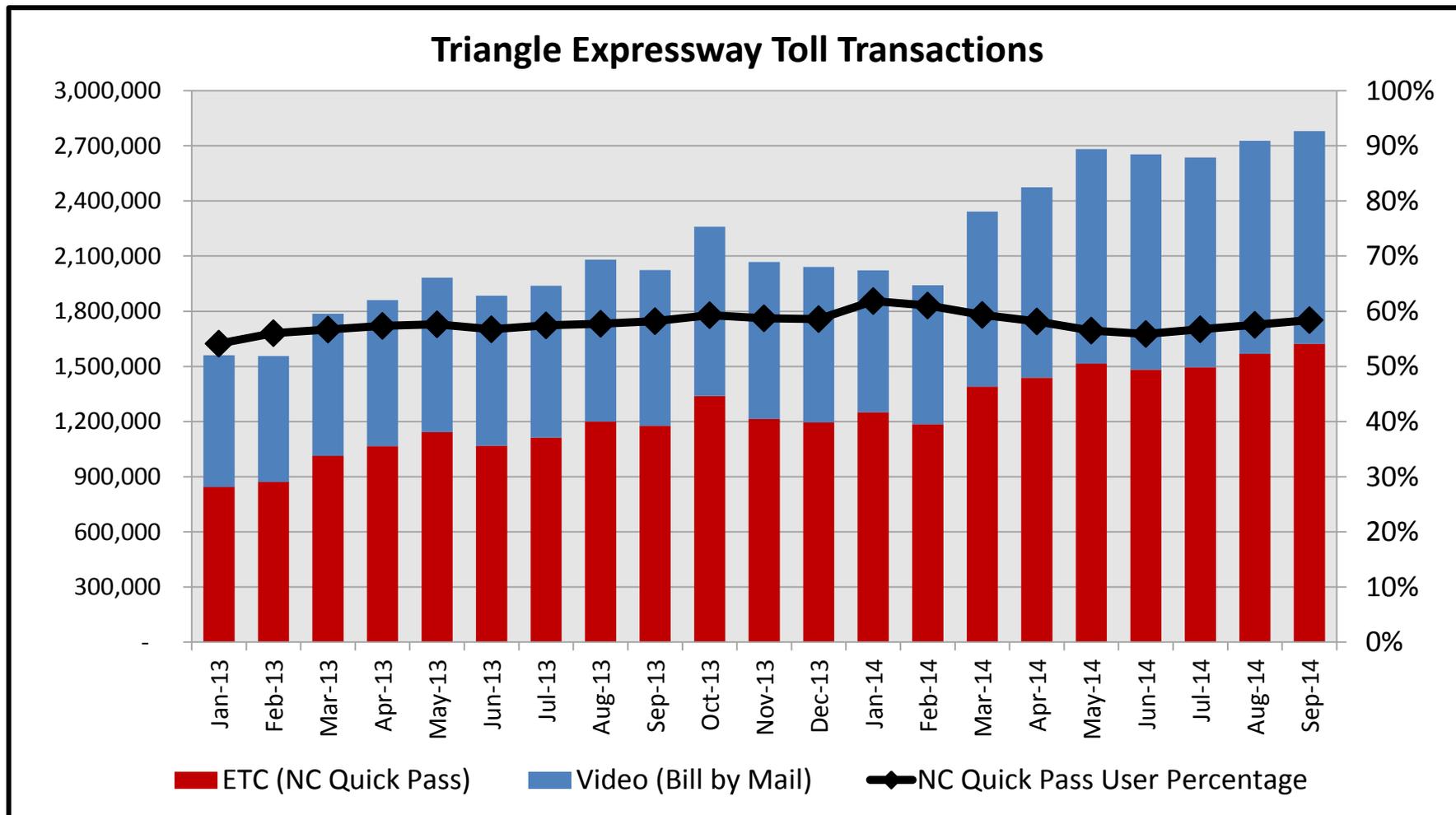
| | Q2 SFY-13 | Q3 SFY-13 | Q4 SFY-13 | Q1 SFY-14 | Q2 SFY-14 | Q3 SFY-14 | Q4 SFY-14 | Q1 SFY-15 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actual Transactions | 2,883,572 | 4,904,247 | 5,769,006 | 6,050,465 | 6,369,239 | 6,306,133 | 7,809,224 | 8,150,134 |
| 2009 Certified T&R Projection¹ | 2,261,808 | 2,878,431 | 3,449,640 | 5,316,445 | 6,061,929 | 6,792,657 | 7,306,969 | 8,003,596 |
| Delta (\$) | 621,764 | 2,025,816 | 2,319,366 | 734,020 | 307,310 | (486,524) | 502,255 | 146,538 |
| Percent of Actual vs. Projection | 127% | 170% | 167% | 114% | 105% | 93% | 107% | 102% |

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.

2014 Third Quarter Update

Triangle Expressway Toll Transactions by Type



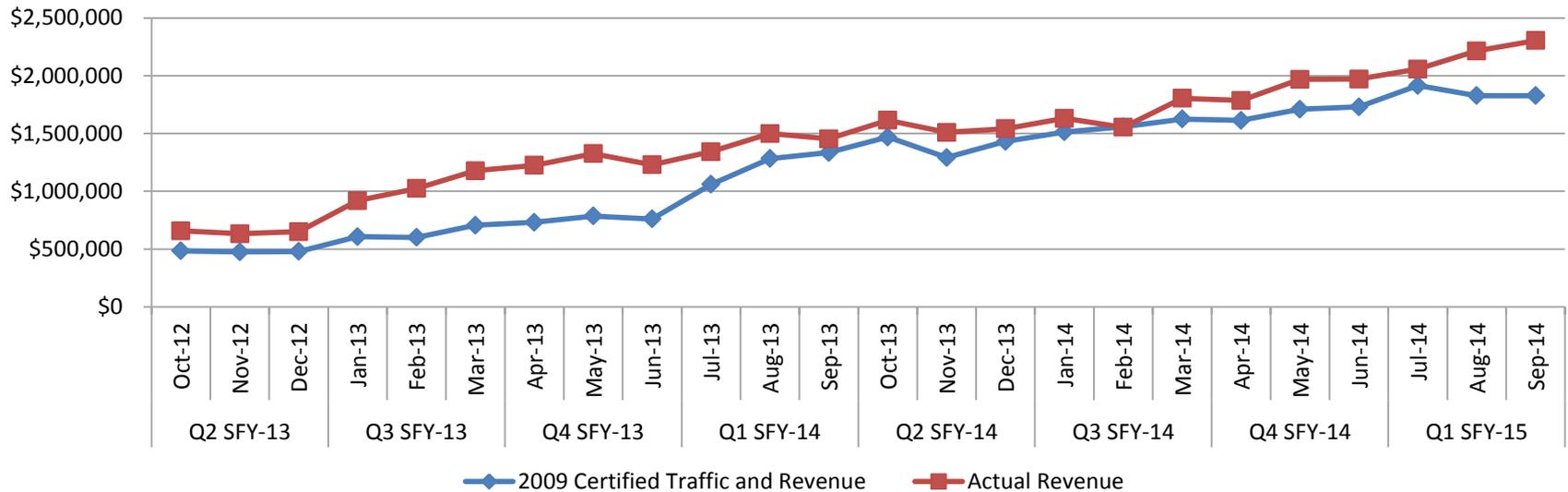
2014 Third Quarter Update TriEx Financials

David Roy

Director of Finance and Budget

TriEx Financial Update

Revenue Statistics



| | Q2 SFY-13 | Q3 SFY-13 | Q4 SFY-13 | Q1 SFY-14 | Q2 SFY-14 | Q3 SFY-14 | Q4 SFY-14 | Q1 SFY-15 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actual Revenue¹ | \$1,941,040 | \$3,121,768 | \$3,779,435 | \$4,295,730 | \$4,664,914 | \$4,989,599 | \$5,725,177 | \$6,575,724 |
| 2009 Certified Traffic and Revenue² | \$1,439,693 | \$1,913,904 | \$2,278,682 | \$3,676,314 | \$4,191,815 | \$4,697,112 | \$5,052,759 | \$5,571,755 |
| Delta (\$) | \$ 501,347 | \$1,207,864 | \$1,500,753 | \$ 619,416 | \$ 473,099 | \$ 292,487 | \$ 672,418 | \$1,003,969 |
| Percent of Actual vs. 2009 Base Case | 135% | 163% | 166% | 117% | 111% | 106% | 113% | 118% |

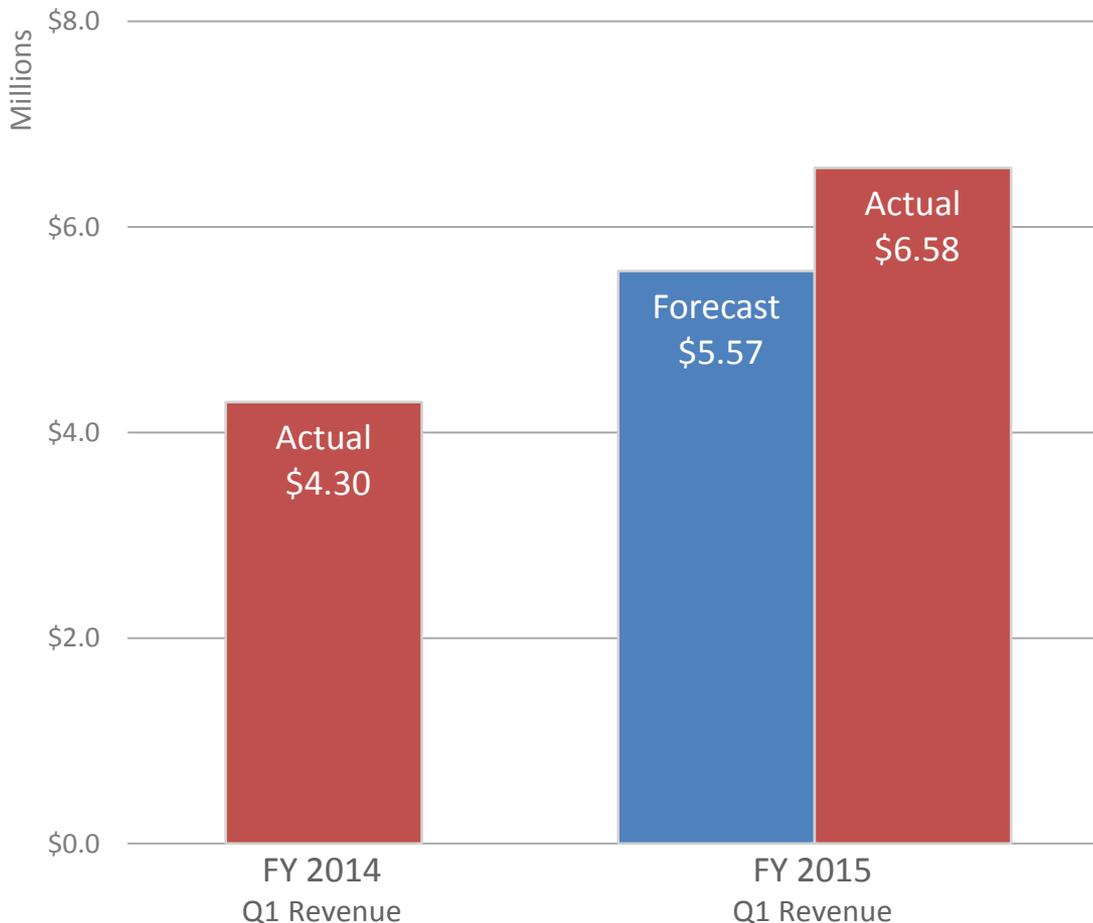
¹Actual revenue is reported on a cash basis

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

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TriEx Financial Update

Toll Revenue Forecast vs. Actual



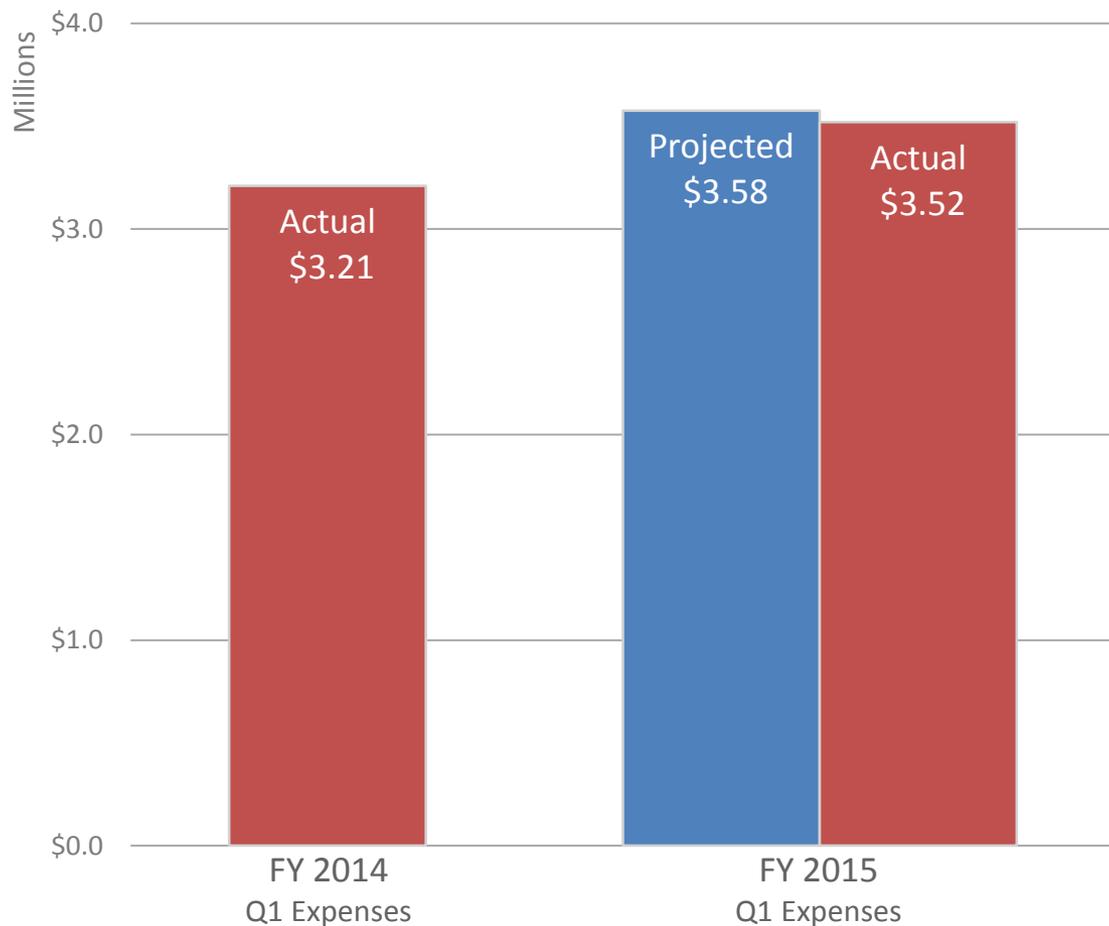
- FY15 Q1 revenues reported on a cash basis
- Q1 revenues exceeded projections by approximately 18%

• Q1 revenues up approximately 53% year-over-year

Note: Revenue figures are inclusive of all toll revenue and fees, but exclude transponder revenues

TriEx Financial Update

Projected Operating Expenditures vs. Actual



- FY15 Q1 operating expenditures 1.6% lower than projections
- FY 15 Q1 operating expenditures up approximately 10% year-over-year

Collections Program Update

Michelle Muir

Director of Customer Service

CUSTOMER SERVICE CENTER

Recent Highlights

- Completion of Interoperability with Georgia
- Implementation of DMV Hold and Collections Processing
- System improvement allowing us to speak with second owners about their account status
- Addition of a Quality Control Manager and enhanced quality control program development
- Implementation of system and operational protocols designed to reduce errors in billings related to license plate misreads
- Invoice improvements that clarify information for customers with overpaid balances, and for those who need to handle an incorrect billing
- Creation of Dashboard Index system based on service quality metrics
- Support of I-77 Public Involvement

Collections Efforts on Delinquent Accounts

Where we are today . . .

DMV Hold

- 39,459 accounts have been placed on hold program to date
 - 9026 accounts have paid to remove the hold
 - 30,433 accounts are currently on hold with a current value of \$5,318,720
- New accounts delinquent 60 days past due >\$500 go on hold
- New accounts delinquent 90 days past due <\$500 go on hold

Collections Efforts on Delinquent Accounts

Where we are today . . .

Collections Agencies

- Testing completed 11/5/2014
- 68 accounts outstanding with ACT as of 11/24/2014
 - Total: \$81,759
 - 4 accounts paid in full - \$4,485.35
 - All accounts paid at the time of registration renewal
- 4 accounts outstanding with EOS as of 11/14/2014
 - Total: \$7,961.92
 - 1 account paid in full totaling \$2,199.36
- Delinquent accounts \$500+ and/or out-of-State in process of being sent to collections; highest values to lowest values

Customer Service Center Next Steps

UNDELIVERABLE/“NIXIE” ACCOUNTS

- 47,978 accounts are 60 days or more past due with an outstanding balance of \$4,873,642
 - Toll Revenue: \$508,436
 - Fee/Penalty: \$4,365,205
- Address Management Solution
 - Discontinue assessing fees
 - Batch-remove improperly assessed fees
 - Eliminate creation of excess accounts
 - Research addresses through skip tracing and NCOA cleansing and develop address maintenance activities

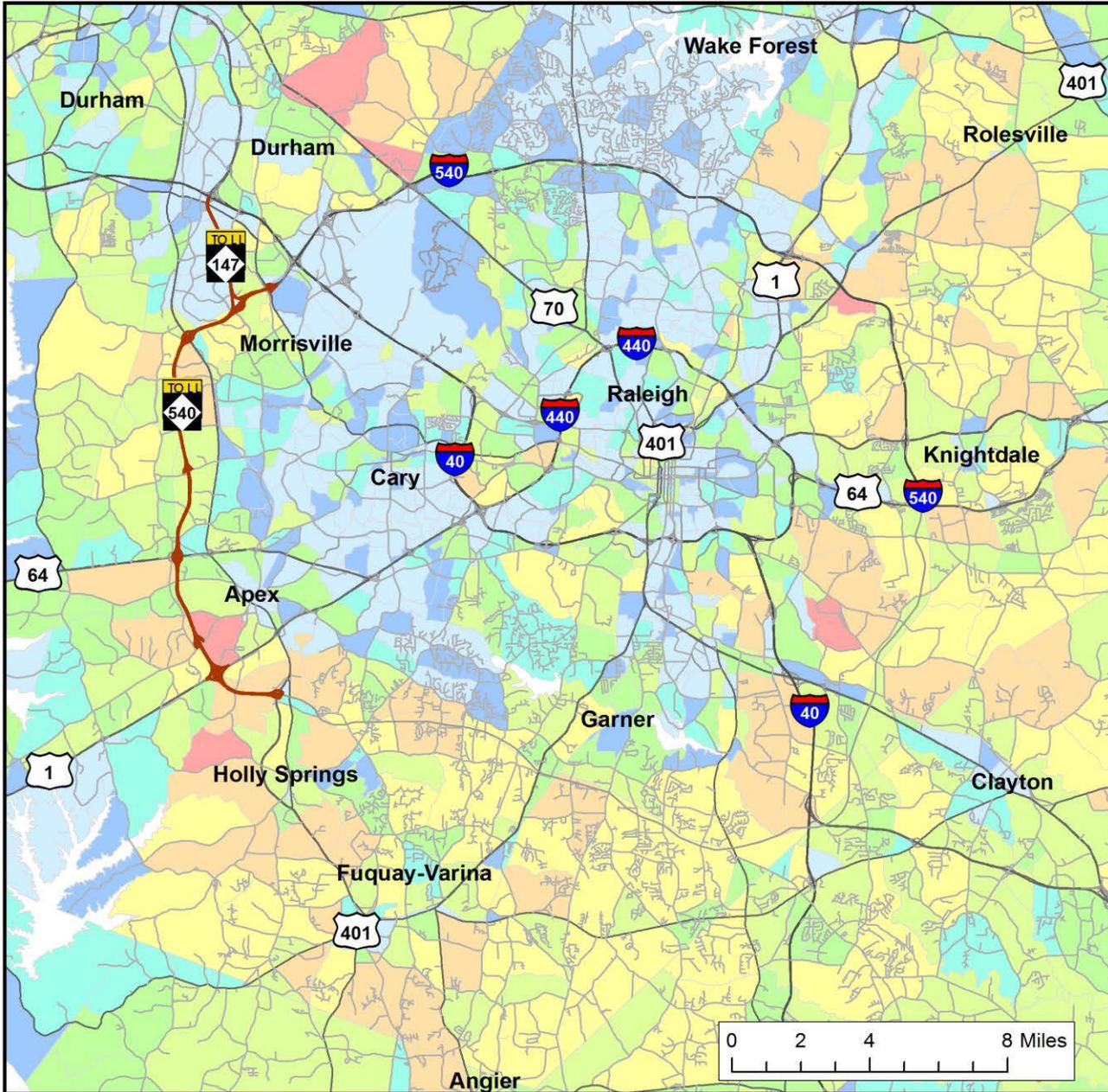
BUSINESS POLICY UPDATES

MARKETING & TRANSPONDER SALES

Development Activities near Triangle Expressway

Clayton Somers

Executive Director



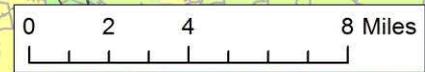
Forecasted Households Growth 2010 - 2040

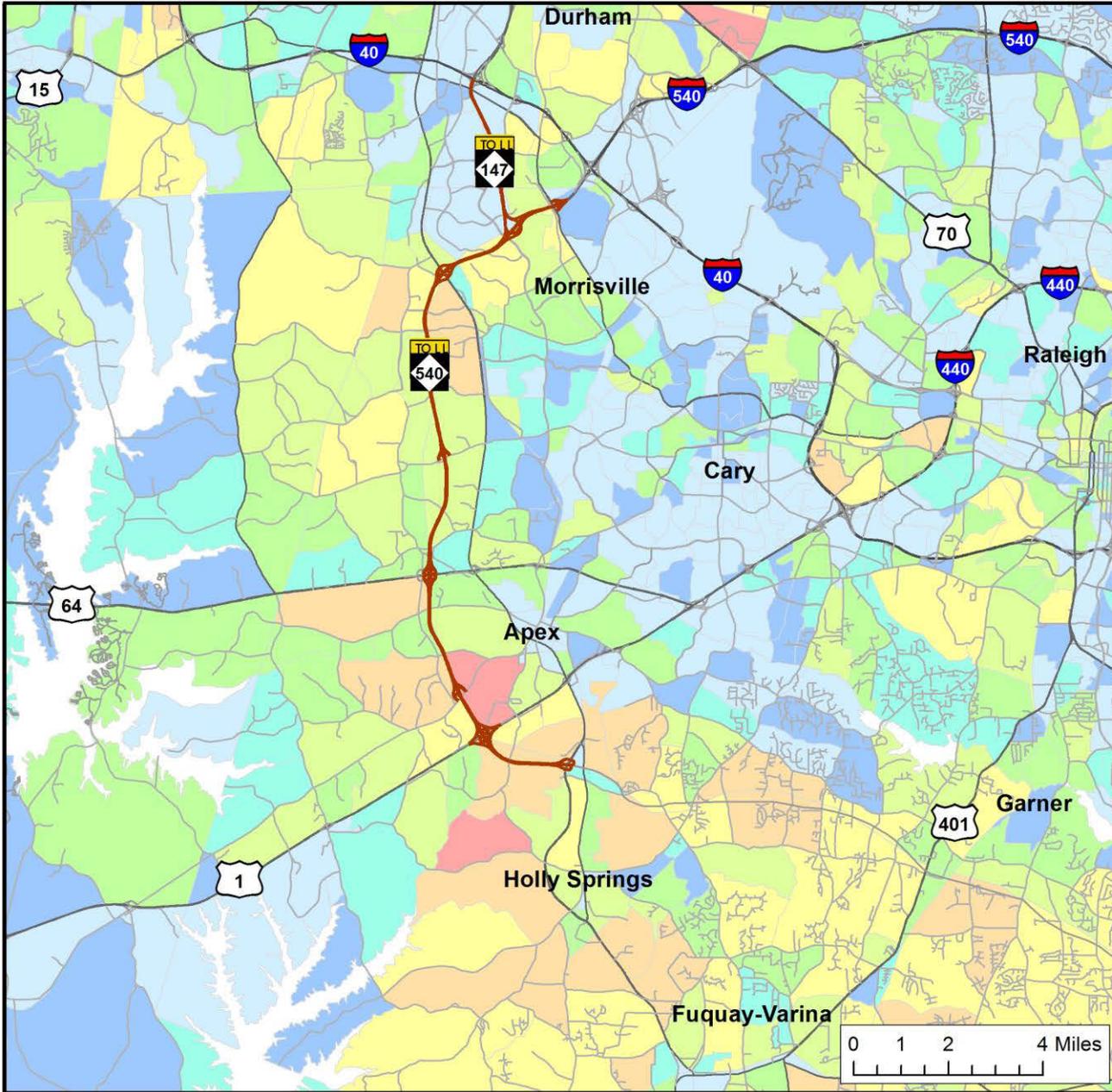
Legend

-  Triangle Expressway
- New Households**
-  0 - 25
-  26 - 50
-  51 - 100
-  101 - 200
-  201 - 500
-  501 - 1000
-  1001 - 2000
-  2001 - 5000

Data Source:
Triangle Regional Model V5,
September 2013

By: Triangle Regional Model
Service Bureau





Forecasted Households Growth 2010 - 2040

Legend

 Triangle Expressway

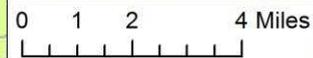
New Households

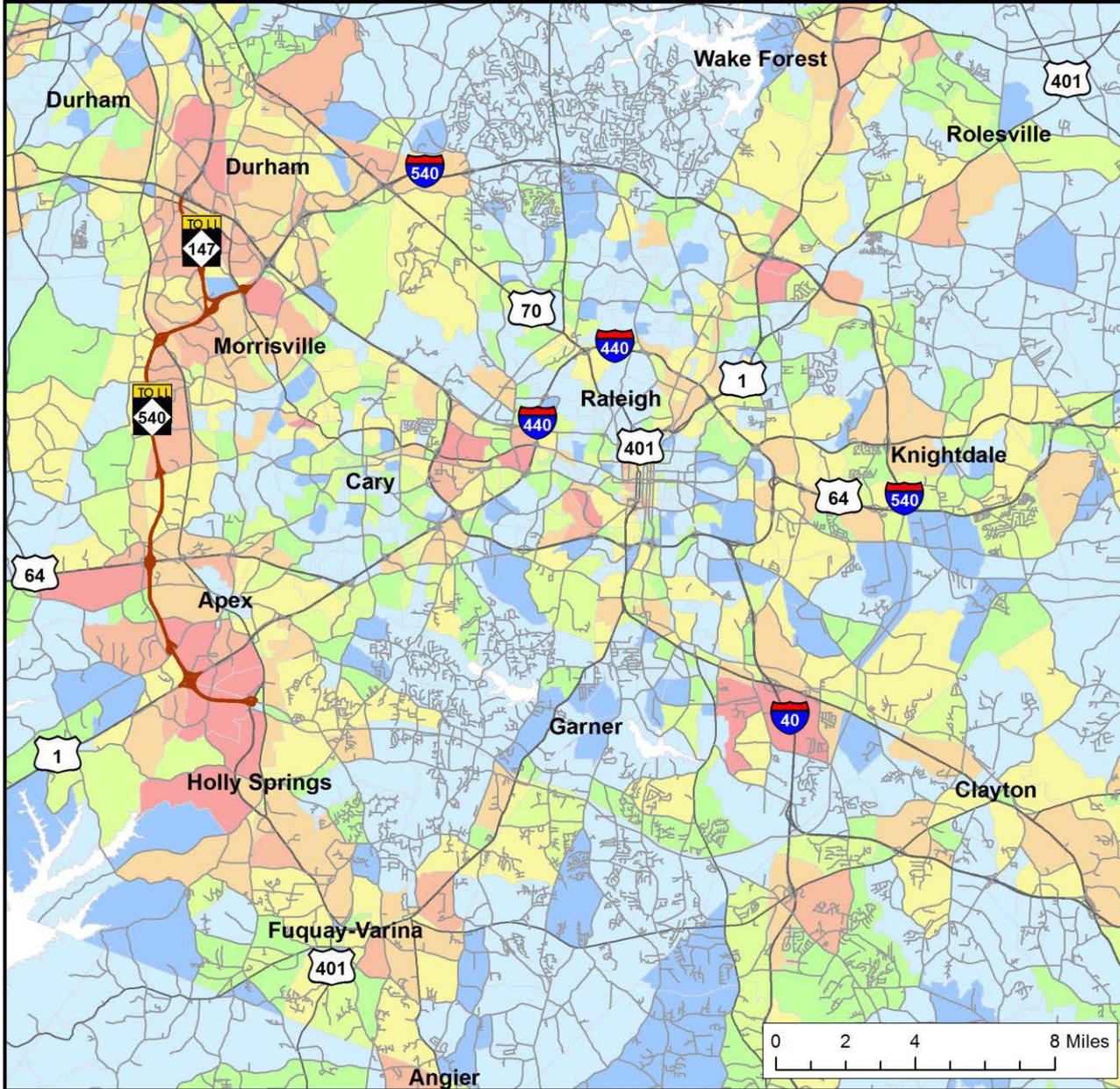
-  0 - 25
-  26 - 50
-  51 - 100
-  101 - 200
-  201 - 500
-  501 - 1000
-  1001 - 2000
-  2001 - 5000

Data Source:

Triangle Regional Model V5,
September 2013

By: Triangle Regional Model
Service Bureau





Forecasted Employment Growth 2010 - 2040

Legend

— Triangle Expressway

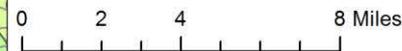
New Employment

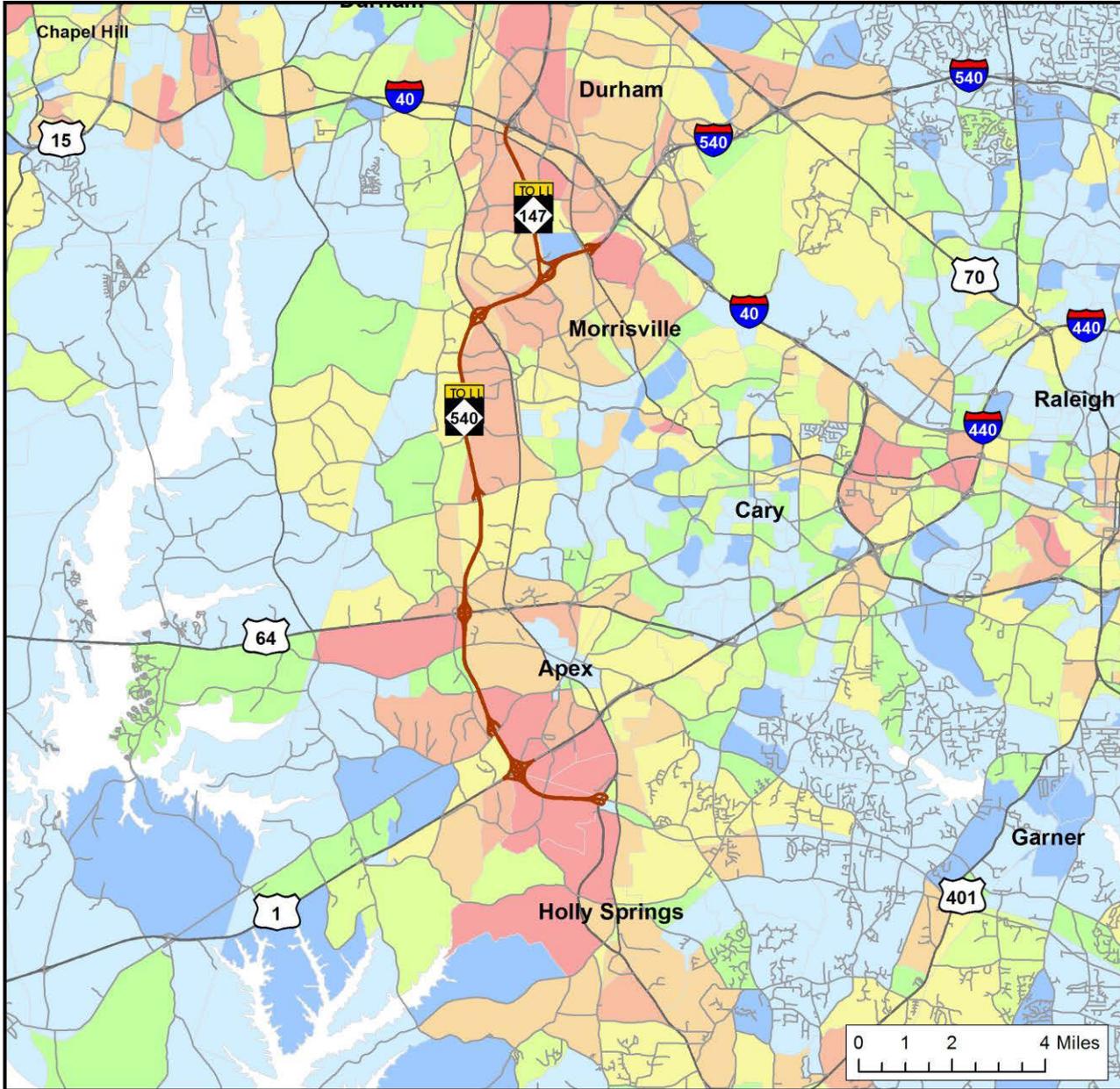
- 0 - 25
- 26 - 50
- 51 - 100
- 101 - 200
- 201 - 500
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- 1001 - 2000
- 2001 - 5000

Data Source:

Triangle Regional Model V5,
September 2013

By: Triangle Regional Model
Service Bureau





Forecasted Employment Growth 2010 - 2040

Legend

— Triangle Expressway

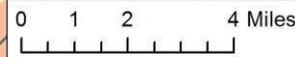
New Employment

- 0 - 25
- 26 - 50
- 51 - 100
- 101 - 200
- 201 - 500
- 501 - 1000
- 1001 - 2000
- 2001 - 5000

Data Source:

Triangle Regional Model V5,
September 2013

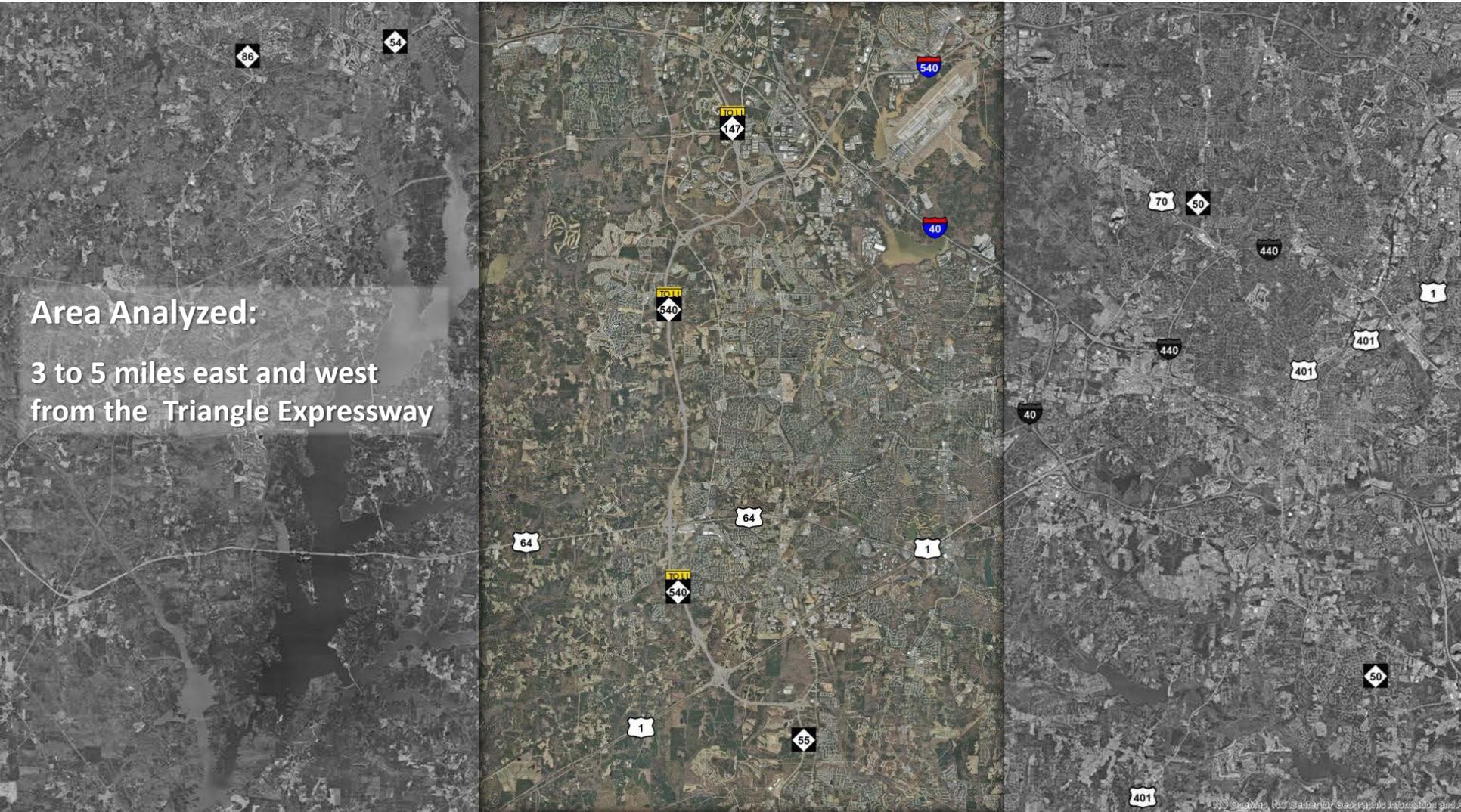
By: Triangle Regional Model
Service Bureau



New Construction Near the Triangle Expressway (2010 -2014)

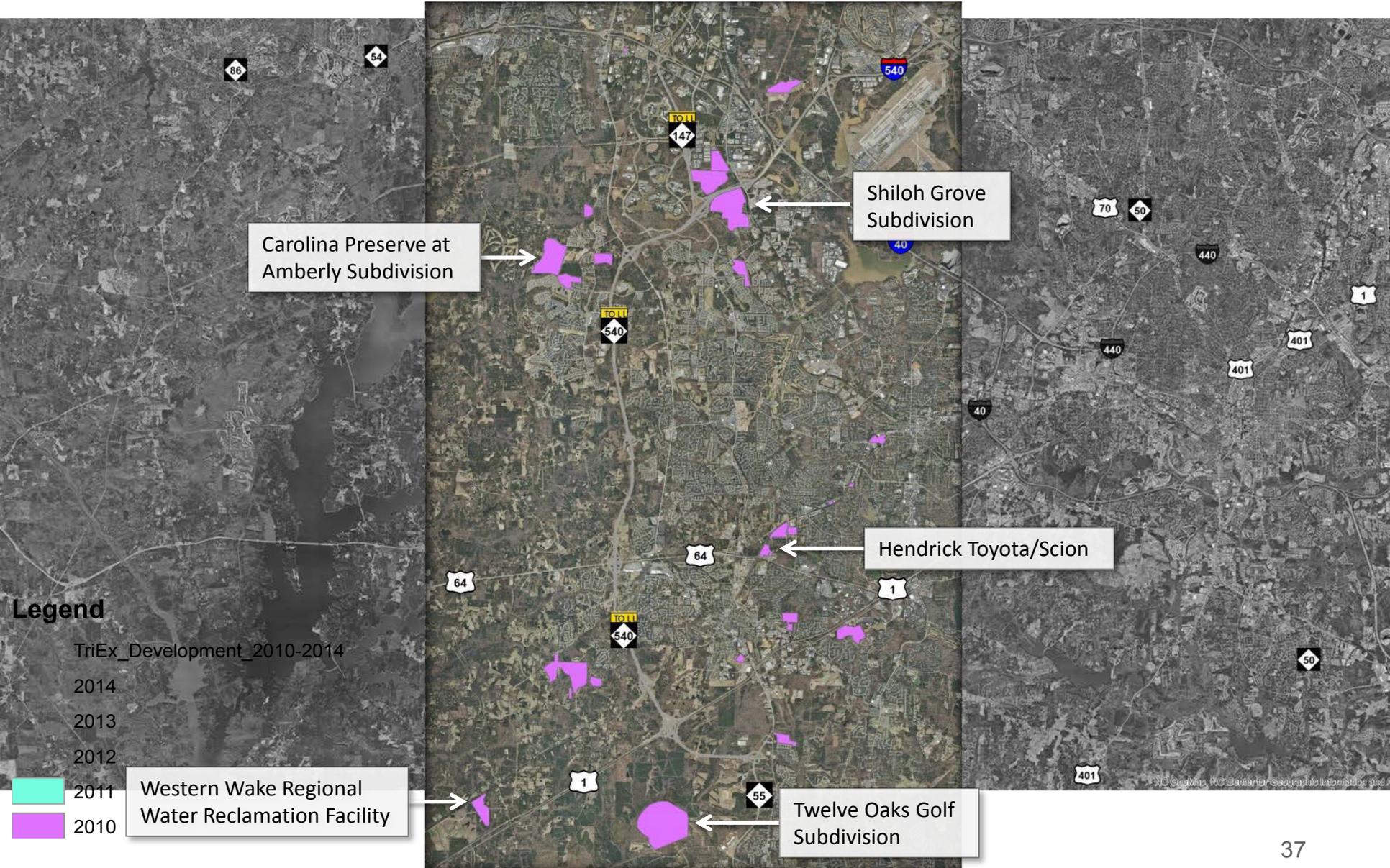
Area Analyzed:

3 to 5 miles east and west
from the Triangle Expressway

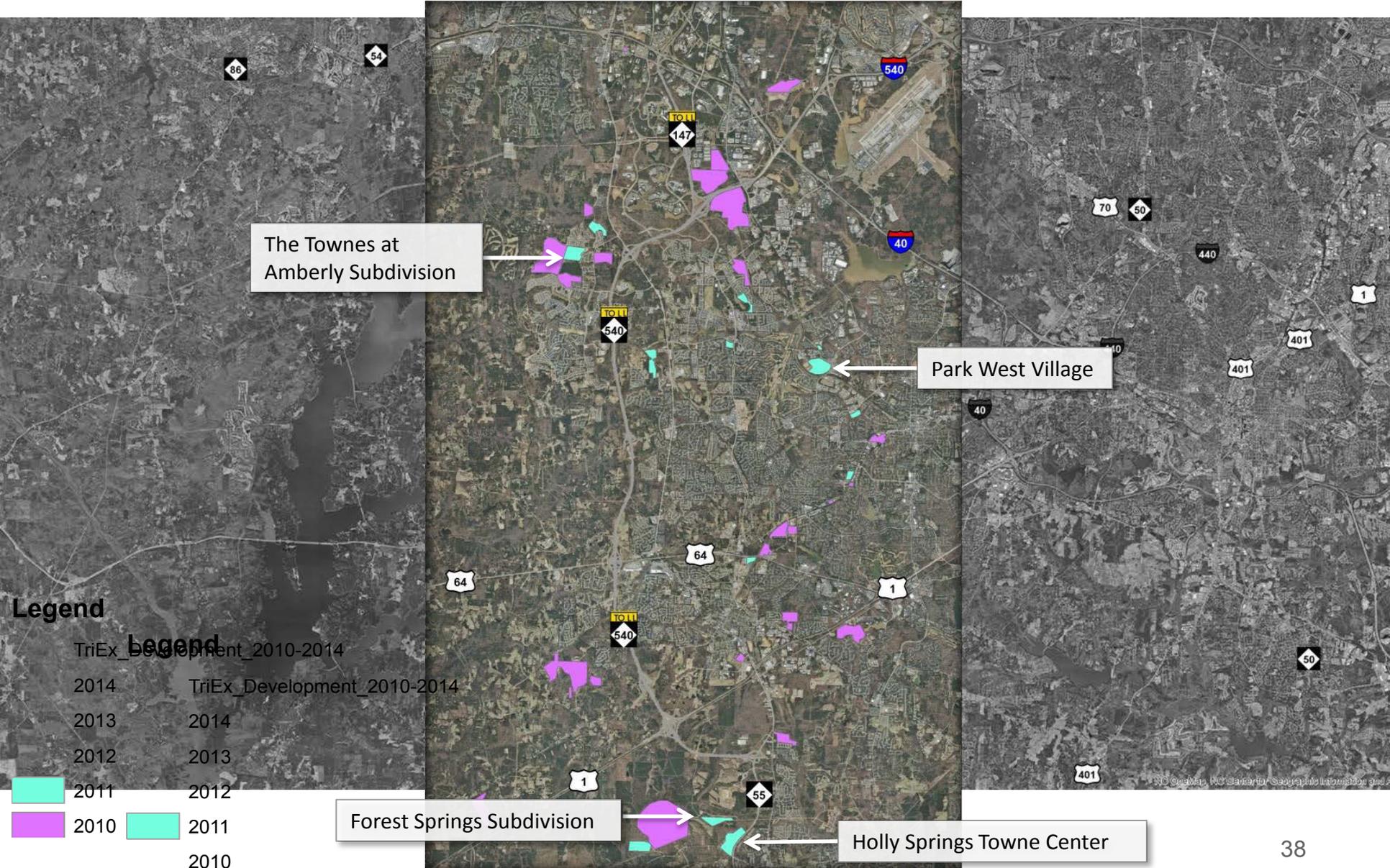


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New Construction Near the Triangle Expressway (2010)



New Construction Near the Triangle Expressway (2010-2011)



The Townes at Amberly Subdivision

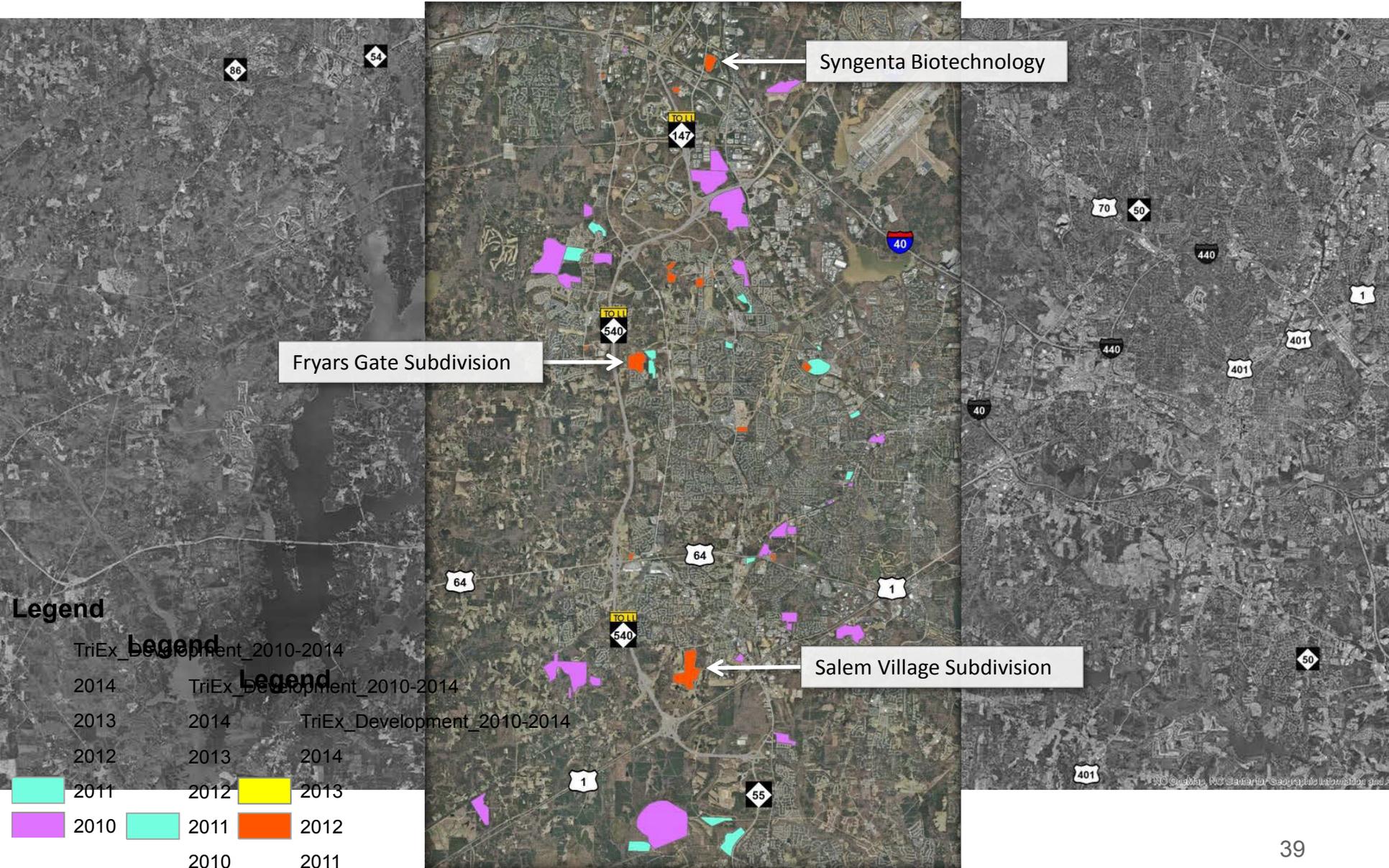
Park West Village

Forest Springs Subdivision

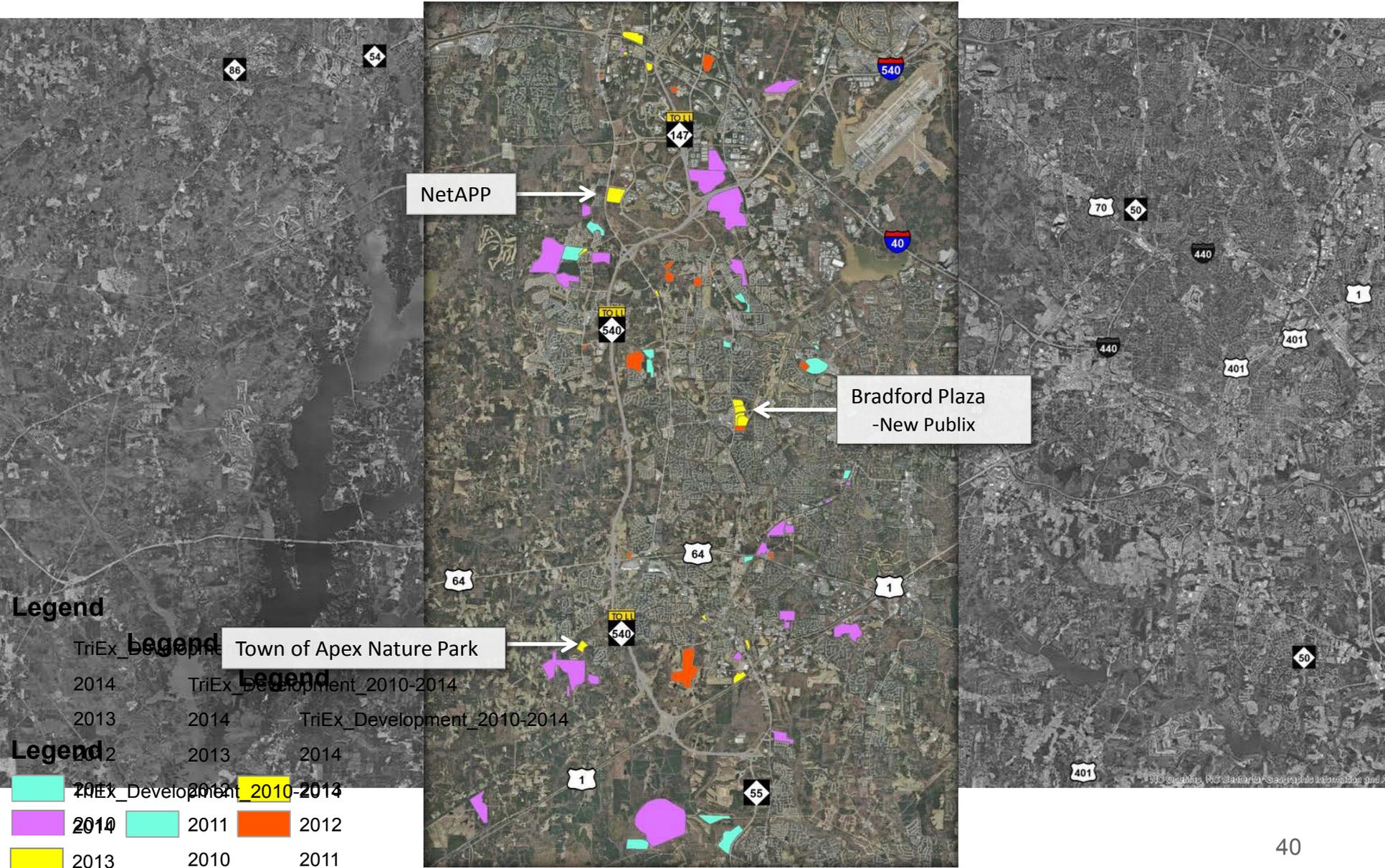
Holly Springs Towne Center

- Legend**
- 2014 TriEx_Development_2010-2014
 - 2013 TriEx_Development_2010-2014
 - 2012 TriEx_Development_2010-2014
 - 2011 TriEx_Development_2010-2014
 - 2010 TriEx_Development_2010-2014

New Construction Near the Triangle Expressway (2010-2012)



New Construction Near the Triangle Expressway (2010-2013)



Legend

| | | |
|------|------|------|
| 2014 | 2014 | 2014 |
| 2013 | 2014 | 2014 |
| 2012 | 2013 | 2014 |
| 2011 | 2010 | 2011 |
| 2010 | 2010 | 2010 |

TriEx_Development_2010-2014

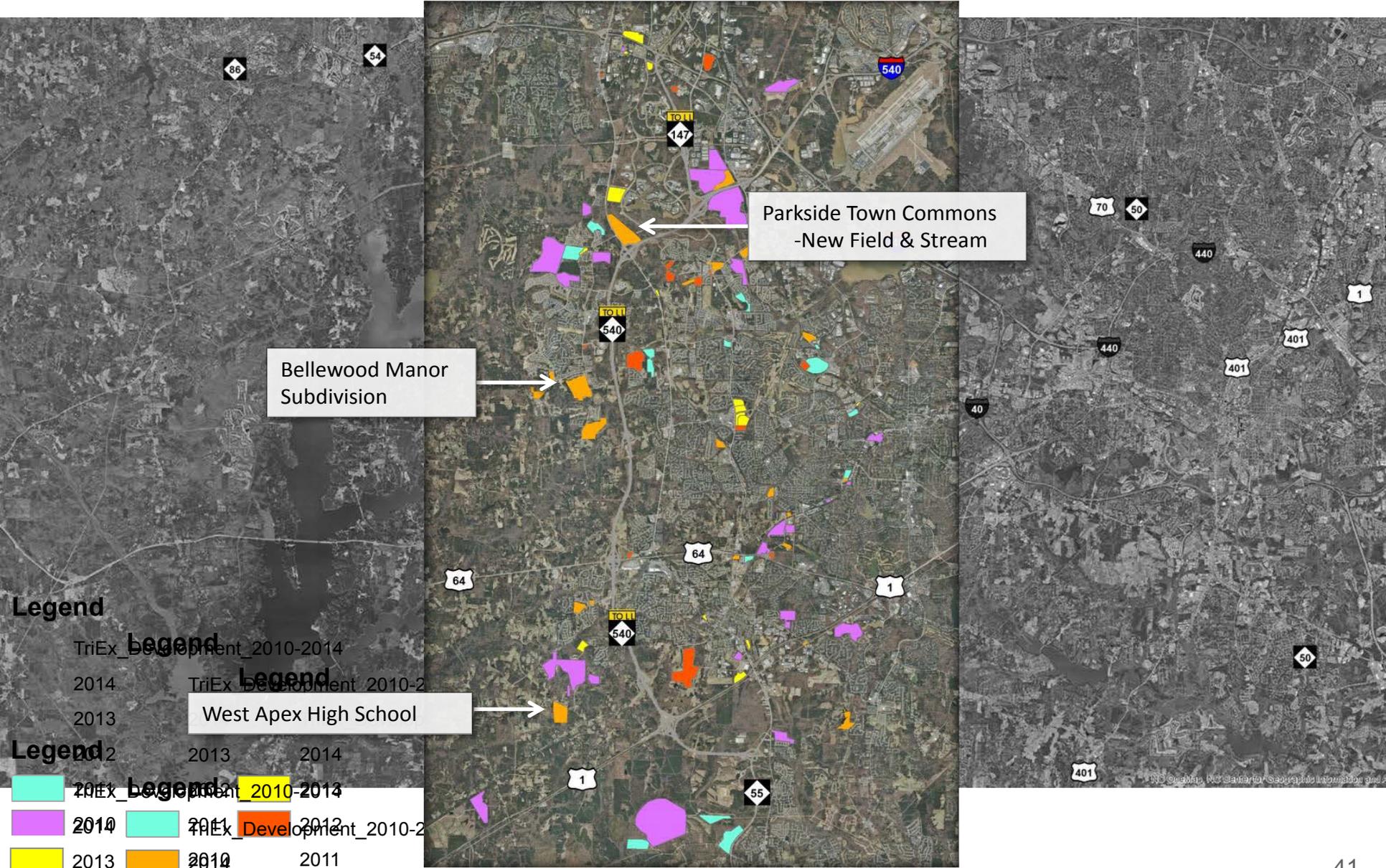
TriEx_Development_2010-2014

TriEx_Development_2010-2014

TriEx_Development_2010-2014

TriEx_Development_2010-2014

New Construction Near the Triangle Expressway (2010-2014)



Legend

| | | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 |
| | | | | |
| TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 |

Legend

| | | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 |
| | | | | |
| TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 |

Legend

| | | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 |
| | | | | |
| TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 | TriEx_Development_2010-2014 |