NORTH CAROLINA
Turnpike Authority

Mid-Currituck Bridge Project Finance

May 7, 2008

Finance Objectives

Key elements…

- ***Ensure adequate project financing and overall best value***
- ***Delivery schedule***
- ***Appropriate sharing of risk***
- ***Serve public interest***

PPP not the only option…

… but may be the best option.

- **Pre-construction financial support strong**
- **21st Century Commission GAP funding recommendations strong**
- **Expect legislative support**

PDA vs. PPP “Hard Bid”

- Which process delivers the project with the best value?
- Which process best meets the needs of NCTA?
- Seeking industry view

Finance Considerations

- Risk Sharing
- Return to private participants
- Fair deal for the public

Risk Sharing

Which risks is each party best suited to bear?

- ***Environmental & Permitting***
- ***Construction & Schedule***
- ***Operations & Maintenance***
- ***Revenue***

Fair Return

How does deal ensure a fair return?
… for both parties

- ***Equity investment by PDA/PPP Partner***
- ***Toll Rate Caps***
- ***Revenue Sharing***
- ***Term***

Financing Weight

- Modest in PDA selection
- Significant in PPP hard bid