

## **Project Spotlight Mid-Currituck Project Status & P3 Procurement**

**Steven D. DeWitt – Chief Engineer, NCTA**

**Tim Heilmeier – HNTB Corporation**

**Grady Rankin – Chief Financial Officer, NCTA**

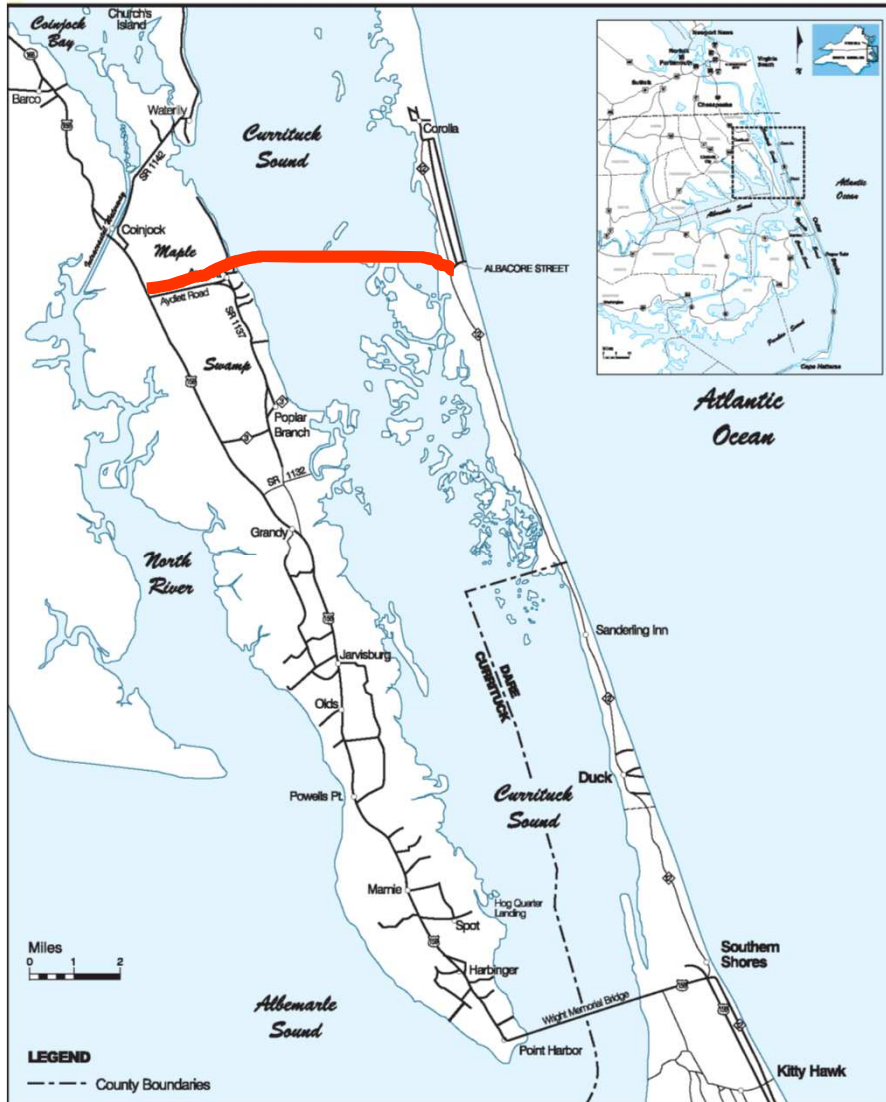
**North Carolina Turnpike Authority Board Meeting - March 20, 2008**

# Agenda



- Project Overview
- The Controversial Issues
- Project Progress & Design Elements
- Key Issues
- NEPA Schedule
- Predevelopment Agreement (PDA)
  - The Process
  - The Procurement Schedule
- Summary

# Project Overview



## “Purpose & Need”

- Improve Traffic Flow on NC 12 & US 158
- Reduce Travel Time Between the Mainland & the Outer Banks
- Reduce Hurricane Evacuation Time
- Improve System Efficiency with an Additional Linkage Between the Mainland & the Outer Banks

# The Controversial Issues



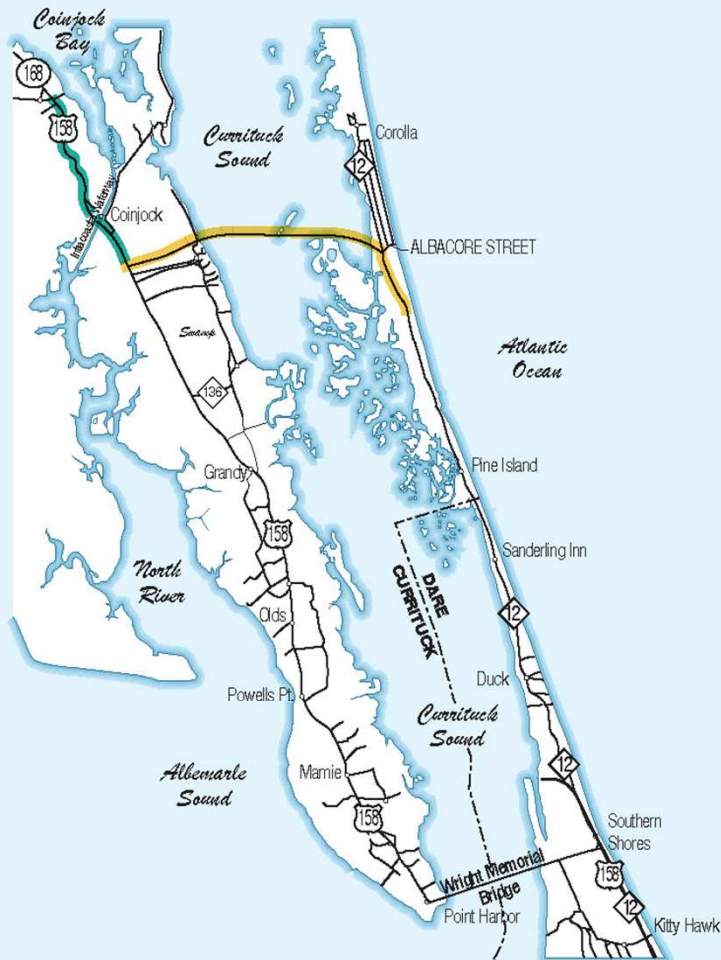
- The Widening of Existing NC 12 and US 158 as an Alternative
- Hurricane Evacuation
- Environmental Concerns
- Development Concern (Mainland Side)

# Project Progress

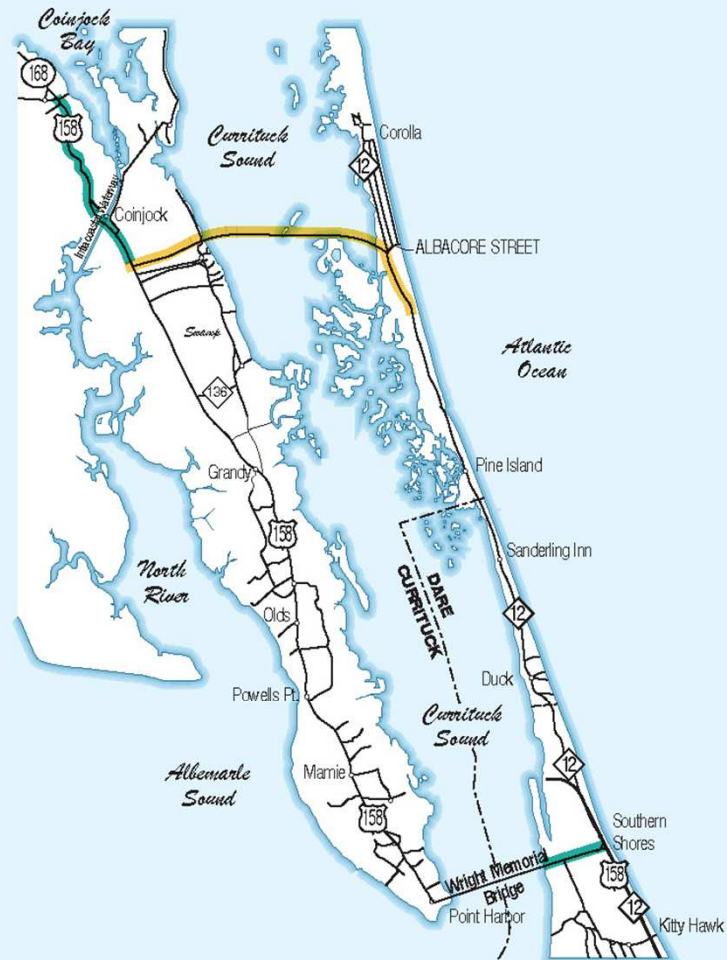


- Narrowed Bridge Alignment Options From 6 to 2
- Recommended Elimination of Widening NC 12 as Alternative
- Great Public Participation in the Citizens Informational Workshops
- Decision to Build 2 Lane Bridge

# Detailed Study Alternatives

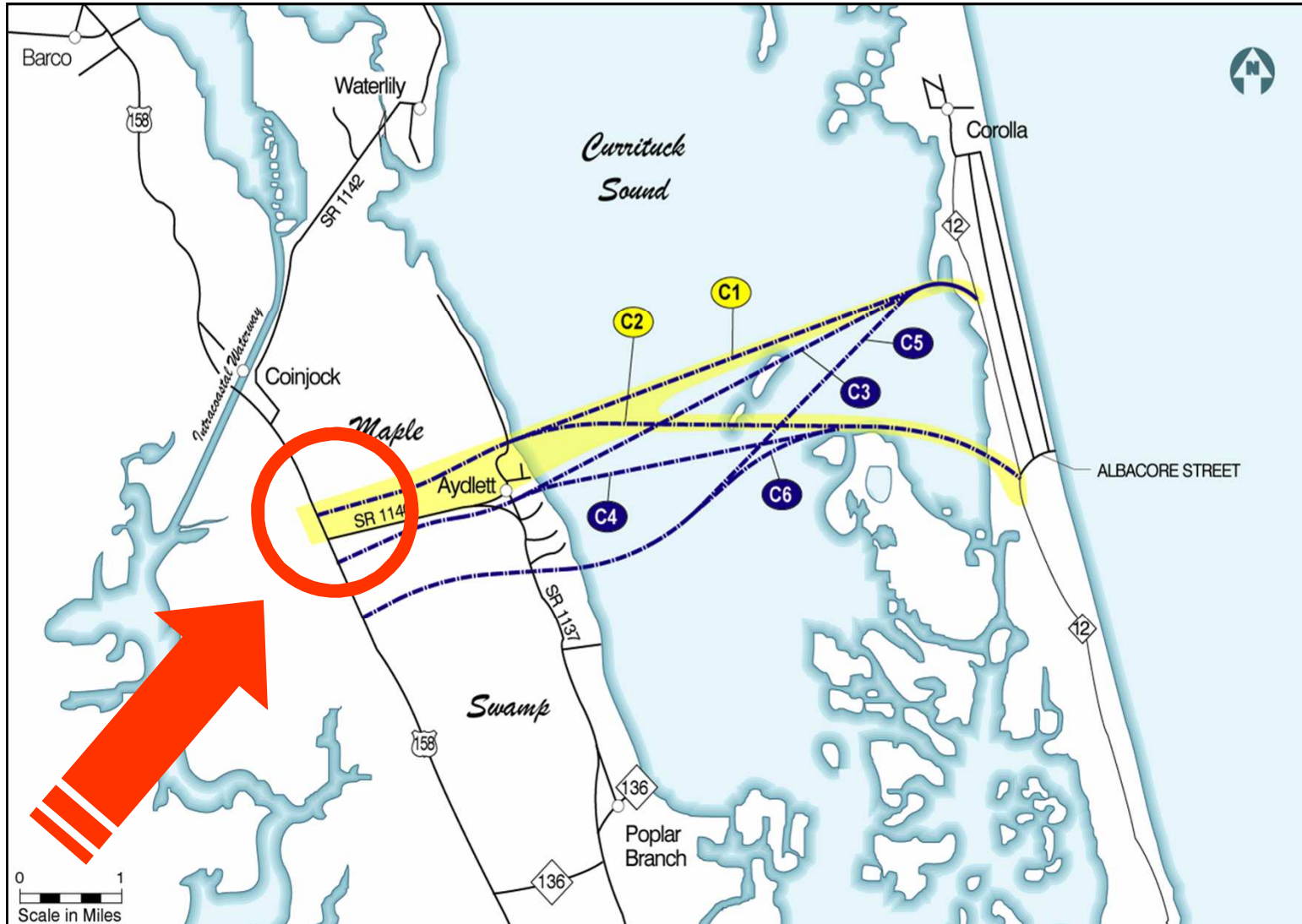


**MCB3**



**MCB4**

# Mainland "Touchdown Point"



# Mainland "Touchdown Point"

**DROP**



**Trumpet Interchange Design**

**SELECT**



**Compressed Y Interchange Design**

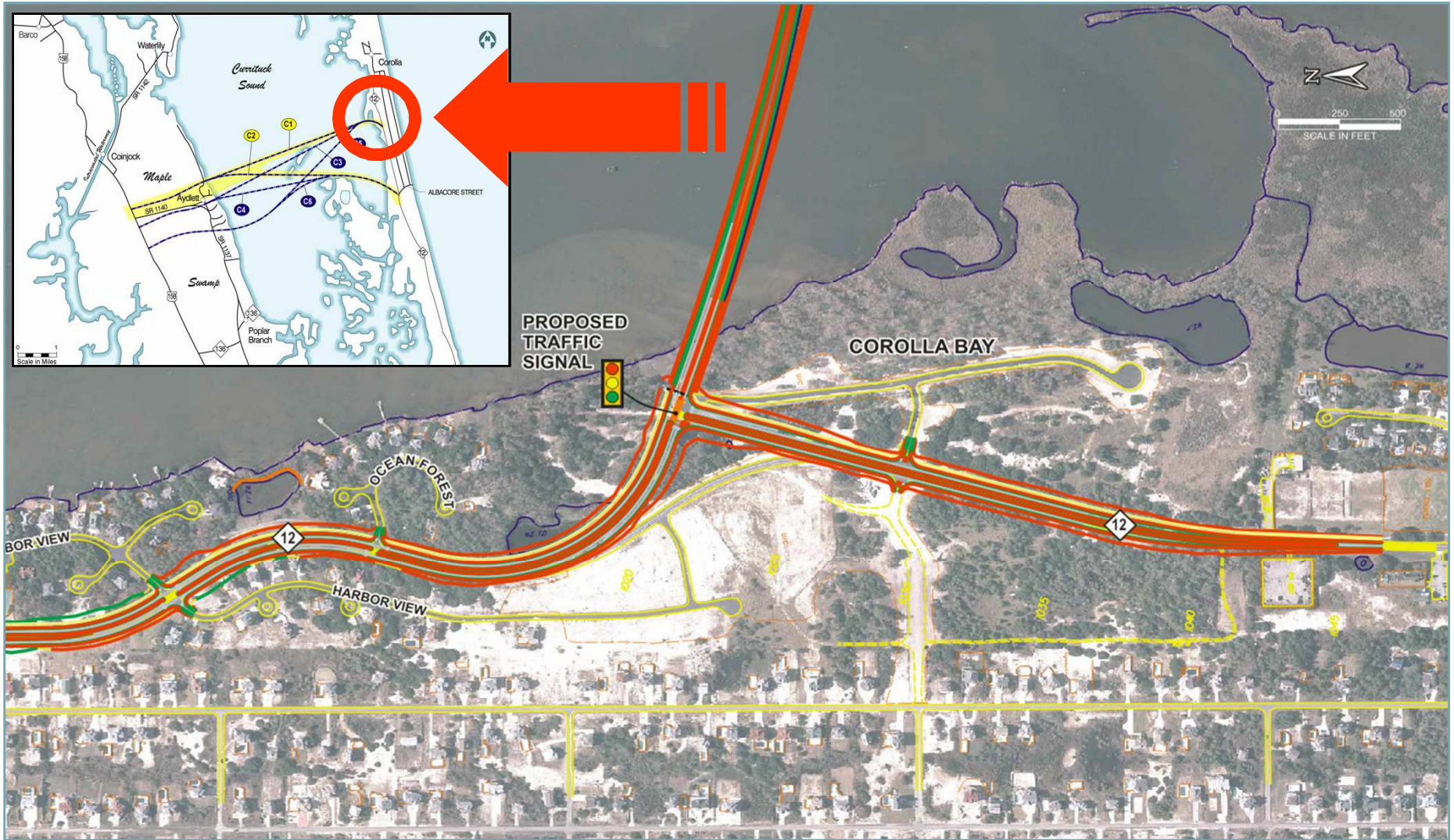
**DROP**



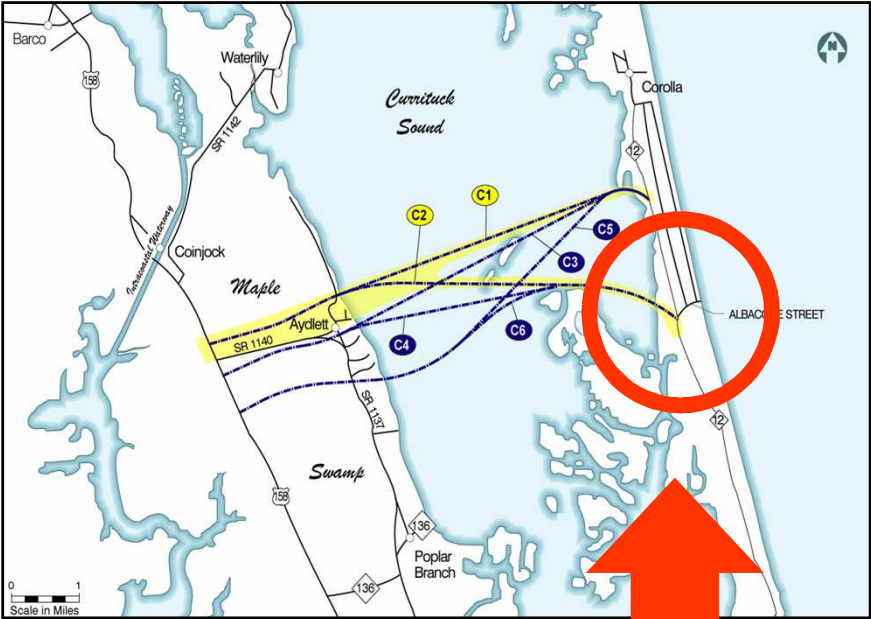
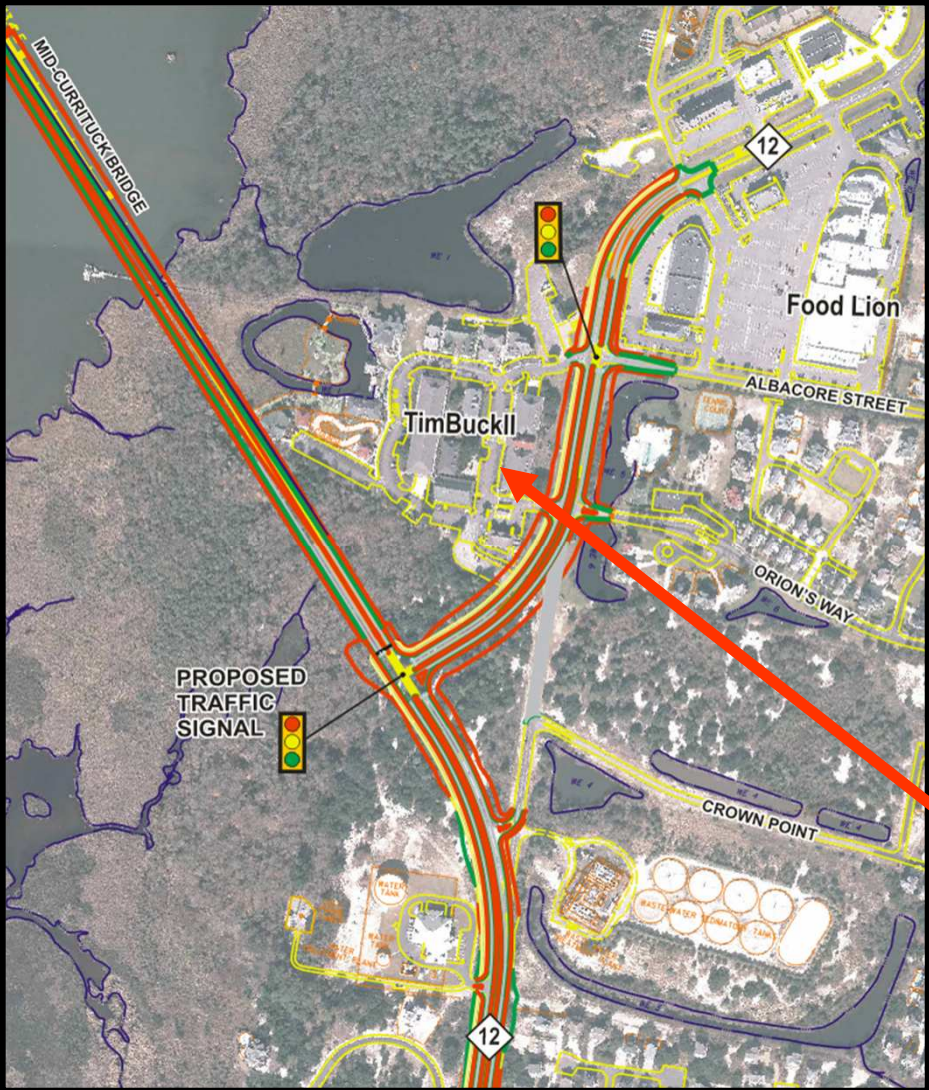
**Partial Interchange/Intersection Design**



# North Outer Banks Alternate



# South Outer Banks Alternate



**TIMBUCKLI**

# Two-Lane Bridge Decision



- Substantially Less Expensive Than a 4-lane Bridge (\$130 - \$200 million less)
  - Provide Acceptable Summer Weekend Travel Times
    - 2-Lane: 38 mph and 12.6 minutes
    - 4-Lane: 54 mph and 8.9 minutes
- } **3 - 4 Minutes**

**2 Lane Bridge – 10' Shoulders on Both Sides**

# Key Issues

## NEPA

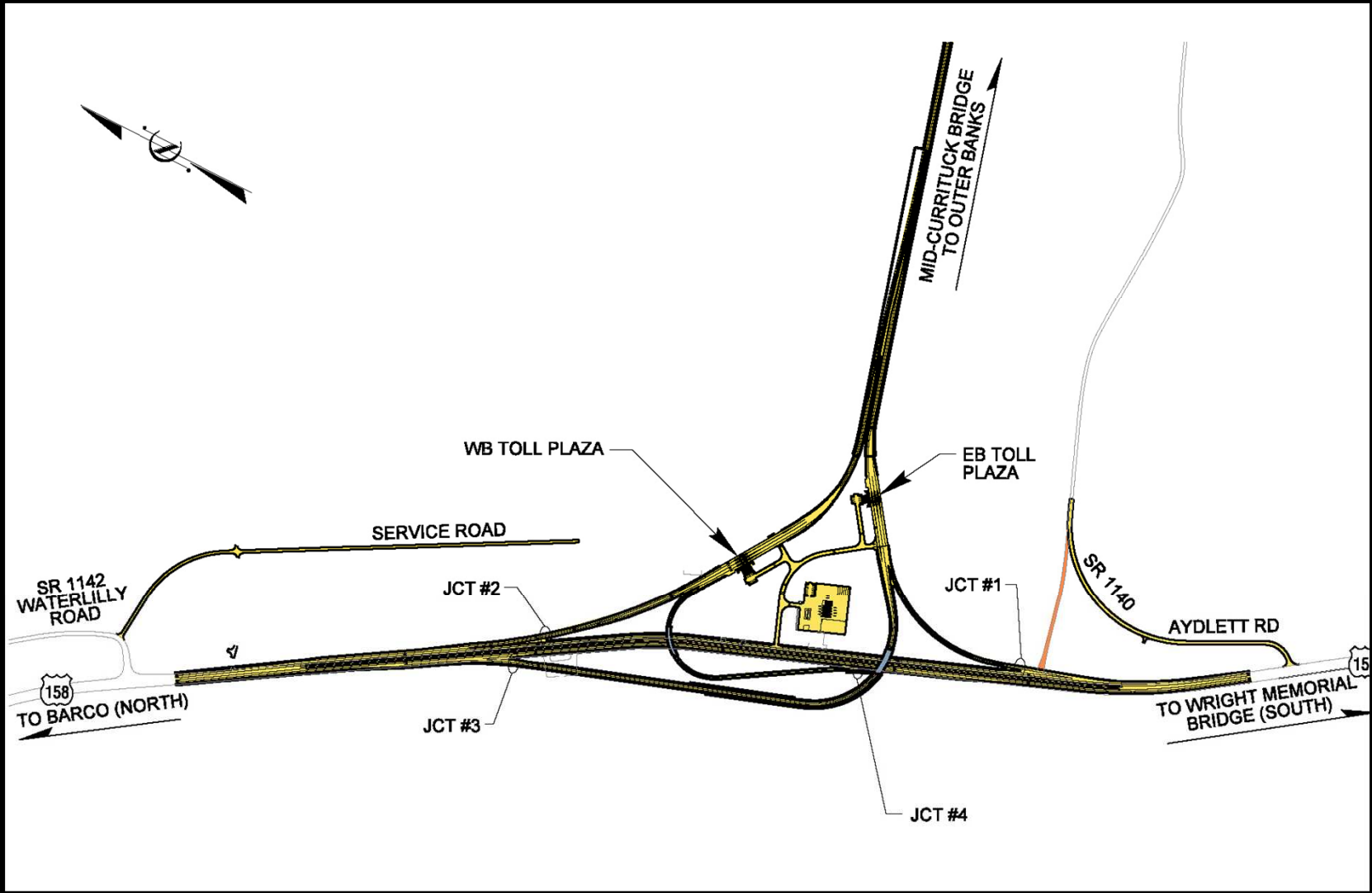
- Widening Limits vs. Contraflow US 158
- Potential Phasing of NC 12 Widening
- Agency Buy-in

## Other

- Bicycle Accommodations
- Stormwater Disposition From Bridge
- 404, 401, CAMA, Coast Guard Permits Needed
- Aesthetics



# Toll Collection



# Schedule

## NEPA

- Draft EIS - **July 2008**
- Final EIS - **May 2009**
- Record of Decision - **August 2009**

## Financing Dependent

- Begin Construction - **October 2009**
- Project Open to Traffic - **Fall 2013**

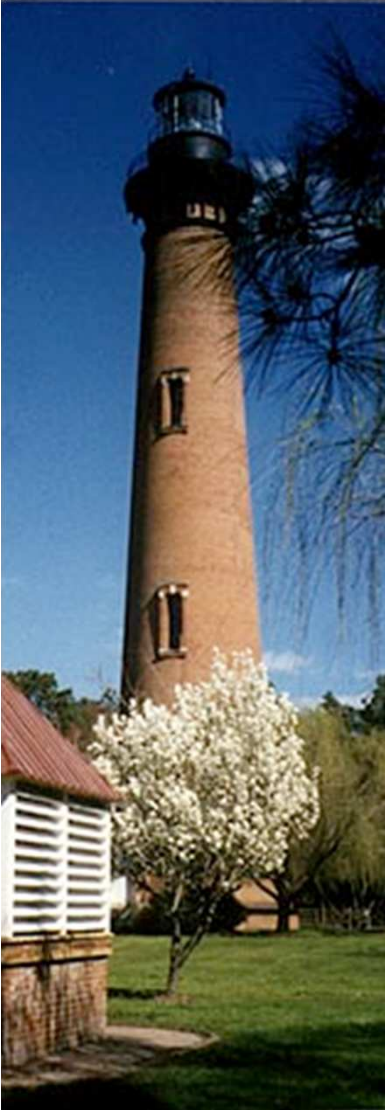


# P3 Predevelopment Agreement



**Tim Heilmeyer**

# PDA – Industry Forum



- Outline Current Project Scope & Status
- NCTA Expectations & Contributions
- NCTA P3 Procurement Process & Timeline
- NEPA Status of Section 6002 Process
- Understand & Generate Industry Interest
- Creates Forum for Local Firm Participation
- Target Mid-May 2008



# PDA – One On One Meetings



- Personal Introductions
- Forum for Specific Questions & Answers
- Understand Industry Concerns
- Gain Insight for Structuring RFQ & RFP
- Possible Last Exchanges Prior to Procurement
- Target Mid-May 2008

# PDA – Request For Qualifications



- Begin Development of Draft RFQ Immediately
- Finalize RFQ After Industry Forum & 1-on-1's
- 1<sup>st</sup> Step of 2 Step Procurement
- Intended to Shortlist 3-4 Qualified Proposers
- Largely Based on Experience & Qualifications
- Define Project as Design-Build-Finance-Operate-Maintain
- Proposer Teams Given 4 Weeks to Submit Statement of Qualifications (SOQ) – Target End of June 2008

# PDA – Request For Proposals

- RFP Development Begins Upon Issuance of the RFQ
- 2<sup>nd</sup> Step of 2 Step Procurement
- Shortlisted Developers to Submit Detailed Technical Proposals per NCTA Defined Criteria
- Selection Largely Based on Project Understanding and Approach (Technical, Financial, Construction, O&M) & Value Proposition
- Proposer Teams Given 10 Weeks to Submit Technical Proposals – Target Early Nov 2008



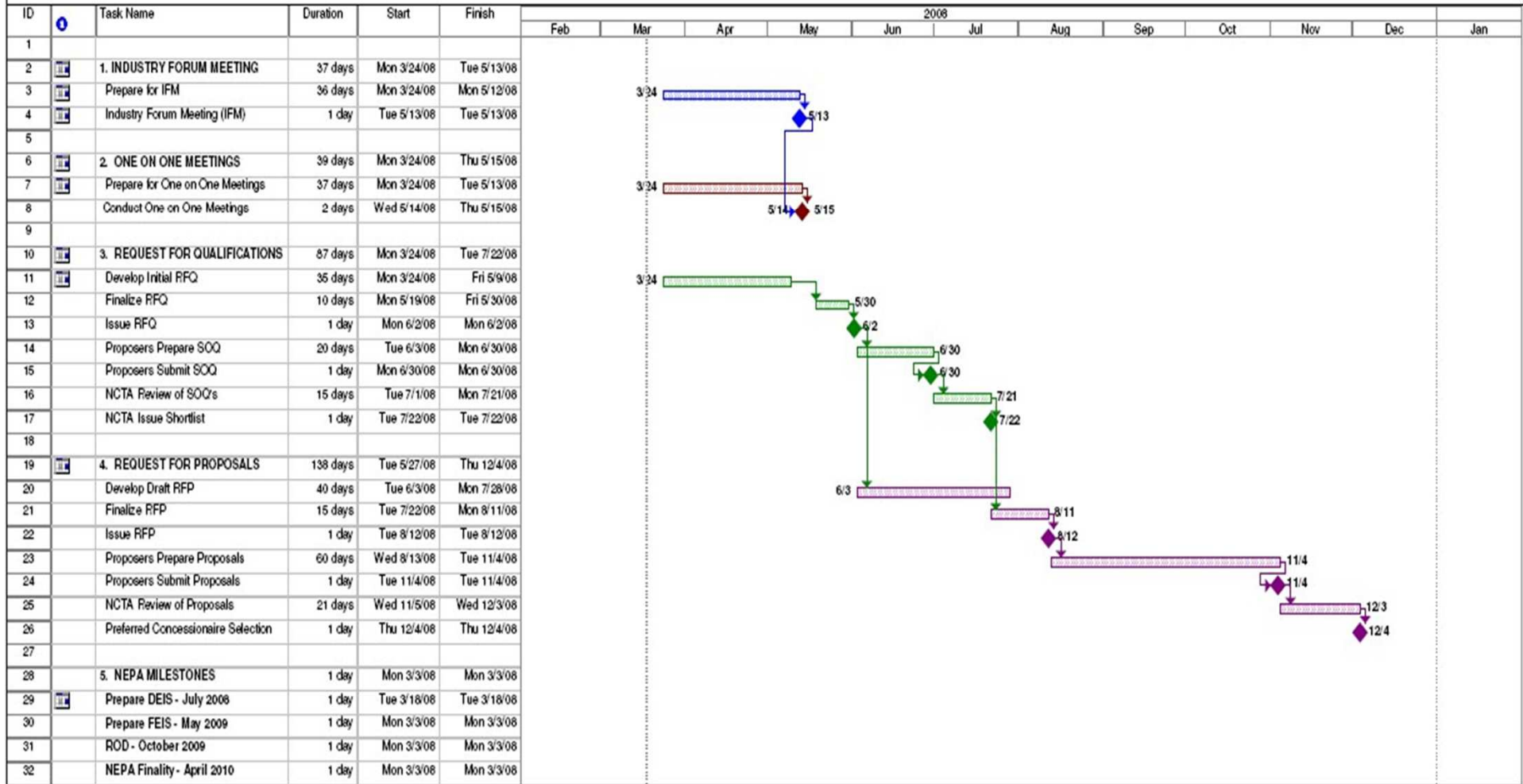
# Predevelopment Agreement



- Defines Developer Role Until Financial Close
- Defines NCTA & Developer Project Contributions
- Assigns Both Parties Rights
- Affords Developer First Right of Refusal to Negotiate a Concession Agreement with NCTA
- Contains Contractual Off Ramps

# PDA Procurement Schedule

## NORTH CAROLINA TURNPIKE AUTHORITY (NCTA) MID-CURRITUCK BRIDGE PROJECT P3 PDA PROCUREMENT WORK PLAN



# PDA Developer Activities



- Value Engineering
- Constructability Studies
- NEPA & Permitting Support
- Database Preparation
- Technical Studies
- Preparation of Costing Plans

# PDA Developer Activities



- Right-of-Way Negotiation Support
- Preparation of Draft Utility Agreements
- Refined Traffic & Revenue Studies
- Toll Technologies
- Financing Options Exploration
- Commercial Structuring

# Mid-Currituck Bridge PDA Summary



## PROS

- Project Scope is Coming into Focus
- Project is Excellent Candidate for Value Engineering
- Constructability Issues Make Project Excellent Design-Build Candidate
- Forecast Level 2 T/R Project Revenues Appear to Cover Majority of Project Costs
- Toll Backed Financing to be Non Recourse to North Carolina



# Mid-Currituck Bridge PDA Summary



## CONS

- NEPA & Permits Not Yet Secured
- Project Will Likely Require Gap Funding
- Long Construction Period Due to Long, Over Water Bridge
- Unstable Financial Markets
- Outer Banks Lack Long Term Traffic Growth Coveted By P3 Concessionaires

# Summary

**Grady Rankin**



# Summary

## What Do We Expect to Gain?

- Private Equity to Reduce Project Gap
- Learn From Working with PDA Partner & Experienced Consultant
- Build Internal NCTA Expertise
- Longer Learning Curve vs. Issuing RFP for PPP Bids
- Do Not Expect Faster Delivery



# Summary



## The Team

- Tim Heilmeyer (HNTB)
- P3 Advisor (Jeff Parker)
- Nossaman Law Firm (Karen Hedlund)
- PDA Project Manager (Engineering)
- Director Project Finance (Finance)
- Steve DeWitt & Grady Rankin



**Steven D. DeWitt, PE**

**North Carolina Turnpike Authority  
5400 Glenwood Avenue, Suite 400  
Raleigh, North Carolina  
(919) 571-3030  
steve.dewitt@ncturnpike.org  
www.ncturnpike.org**

**Grady Rankin**

**North Carolina Turnpike Authority  
5400 Glenwood Avenue, Suite 400  
Raleigh, North Carolina  
(919) 571-3030  
grady.rankin@ncturnpike.org  
www.ncturnpike.org**

**Tim Heilmeier, PE**

**HNTB Corporation  
3715 Northside Parkway  
400 Northcreek, Suite 600  
Atlanta, Georgia 30327  
(404) 946-5710  
theilmeier@hntb.com  
www.hntb.com**