Project Spotlight
Mid-Currituck Project Status & P3 Procurement

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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
Mainland “Touchdown Point”
Mainland “Touchdown Point”

- Trumpet Interchange Design
- Compressed Y Interchange Design
- Partial Interchange/Intersection Design
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

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
Begin Development of Draft RFQ Immediately
Finalize RFQ After Industry Forum & 1-on-1’s
1st 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
- 2nd 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

<table>
<thead>
<tr>
<th>ID</th>
<th>Task Name</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
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<td>Thu 5/15/08</td>
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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
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
**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
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 Heilmeier (HNTB)
- P3 Advisor (Jeff Parker)
- Nossaman Law Firm (Karen Hedlund)
- PDA Project Manager (Engineering)
- Director Project Finance (Finance)
- Steve DeWitt & Grady Rankin
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