



Project Spotlight Mid-Currituck Project Status & P3 Procurement

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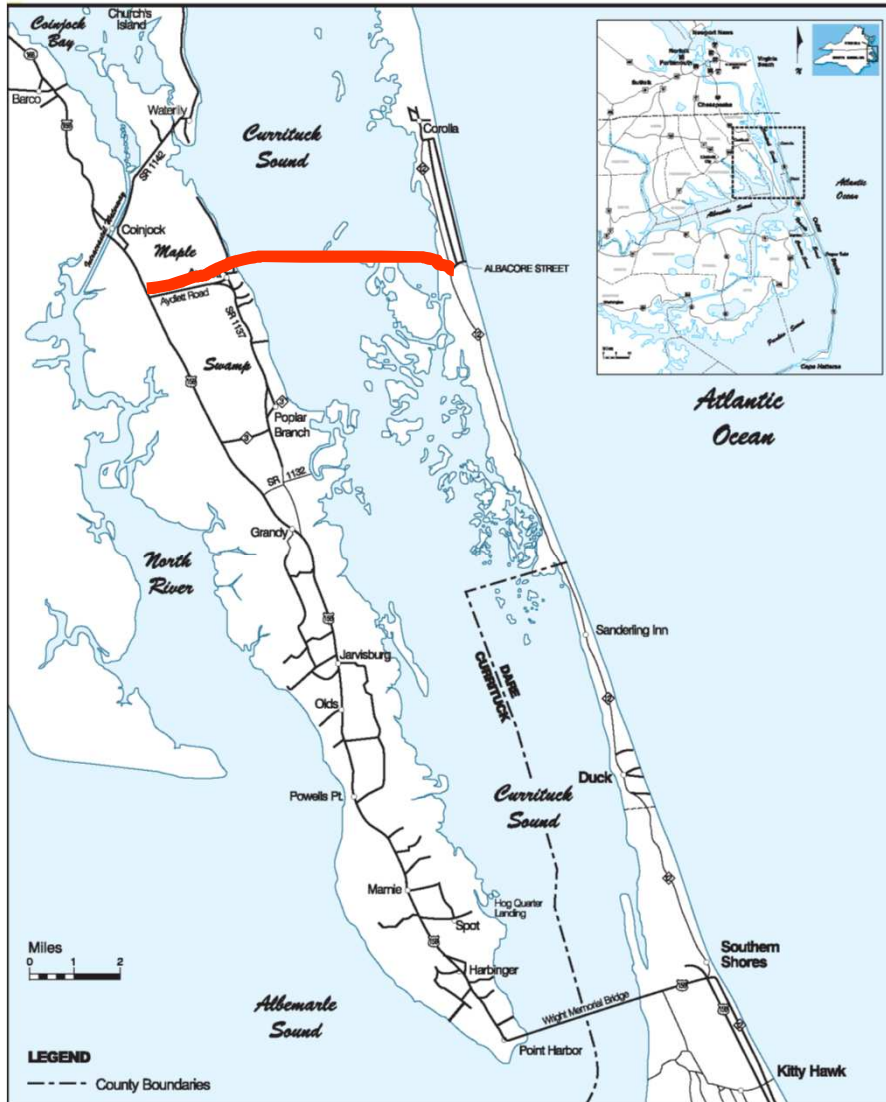
North Carolina Turnpike Authority Board Meeting - March 20, 2008

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



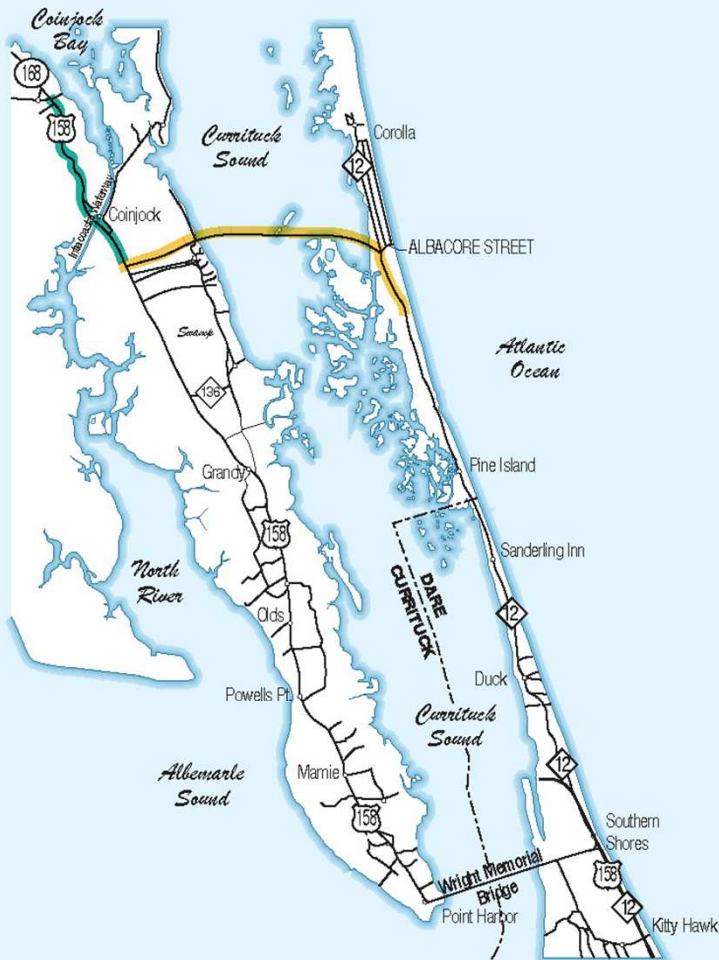
- The Widening of Existing NC 12 and US 158 as an Alternative
- Hurricane Evacuation
- Environmental Concerns
- Development Concern (Mainland Side)

Project Progress

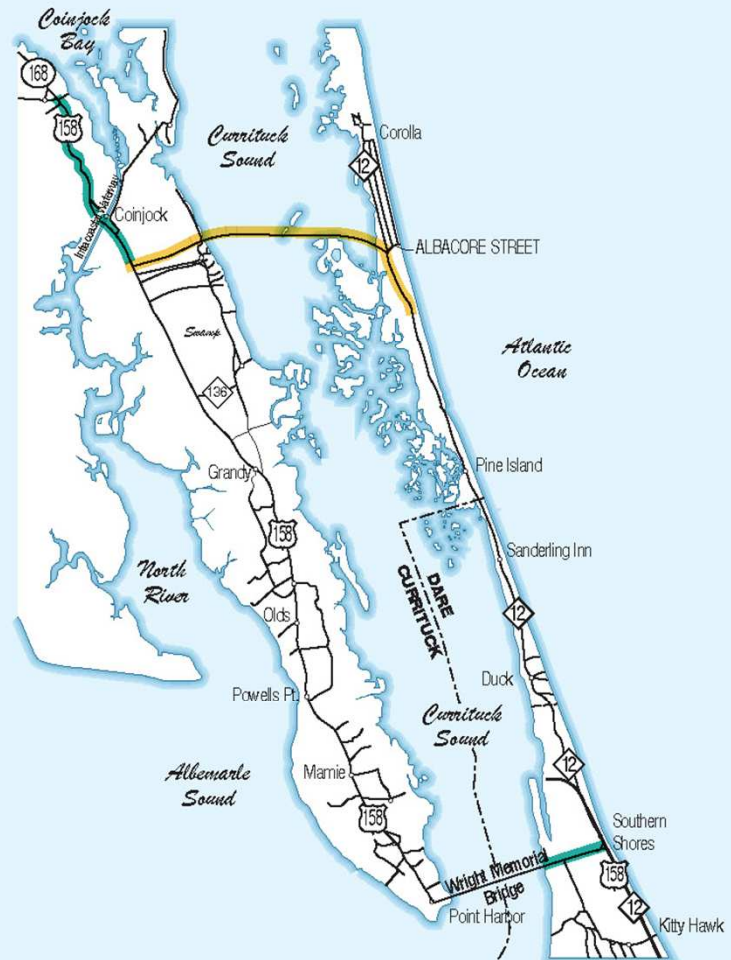


- Narrowed Bridge Alignment Options From 6 to 2
- Recommended Elimination of Widening NC 12 as Alternative
- Great Public Participation in the Citizens Informational Workshops
- Decision to Build 2 Lane Bridge

Detailed Study Alternatives

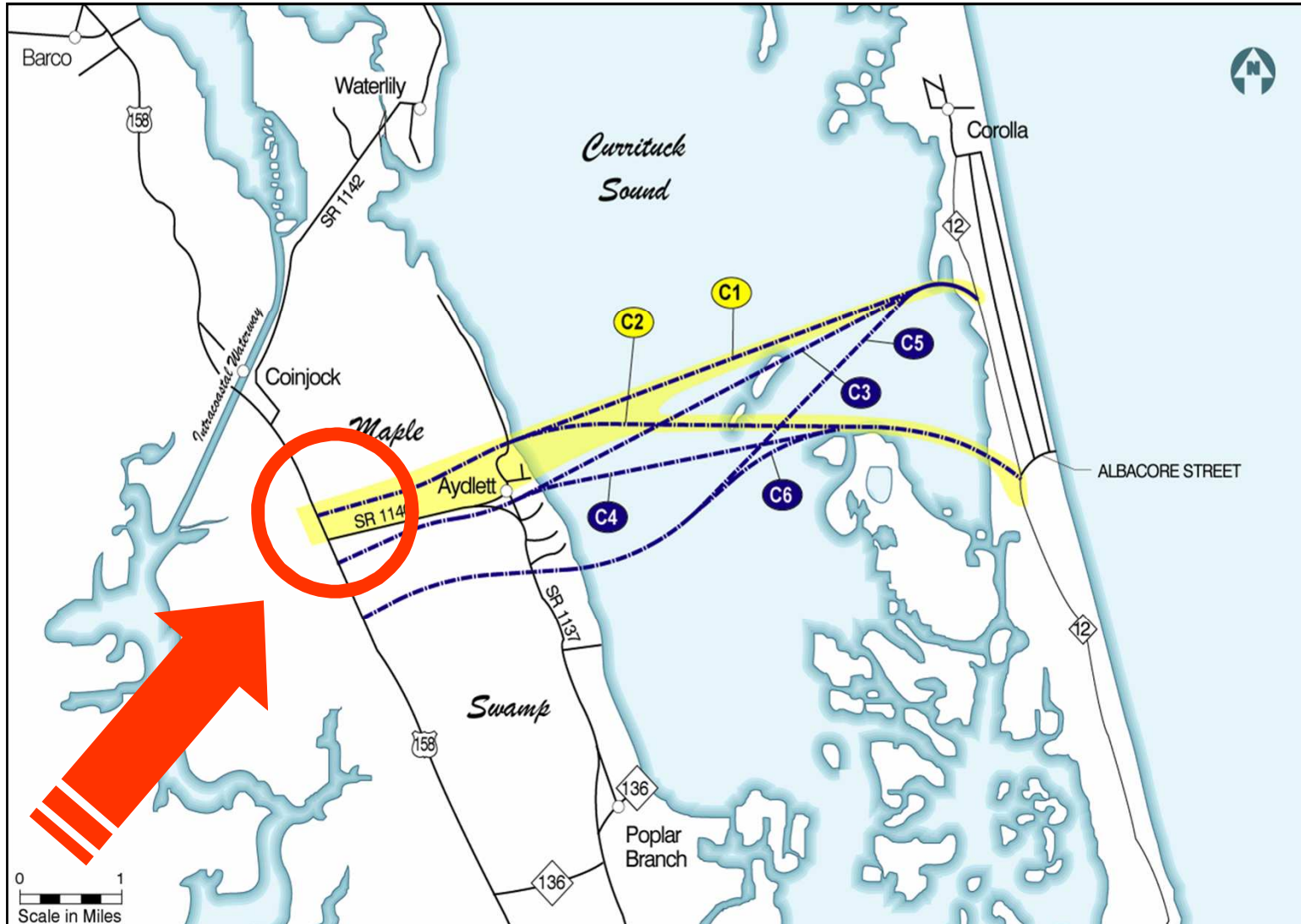


MCB3



MCB4

Mainland “Touchdown Point”



Mainland “Touchdown Point”

DROP



Trumpet Interchange Design

SELECT



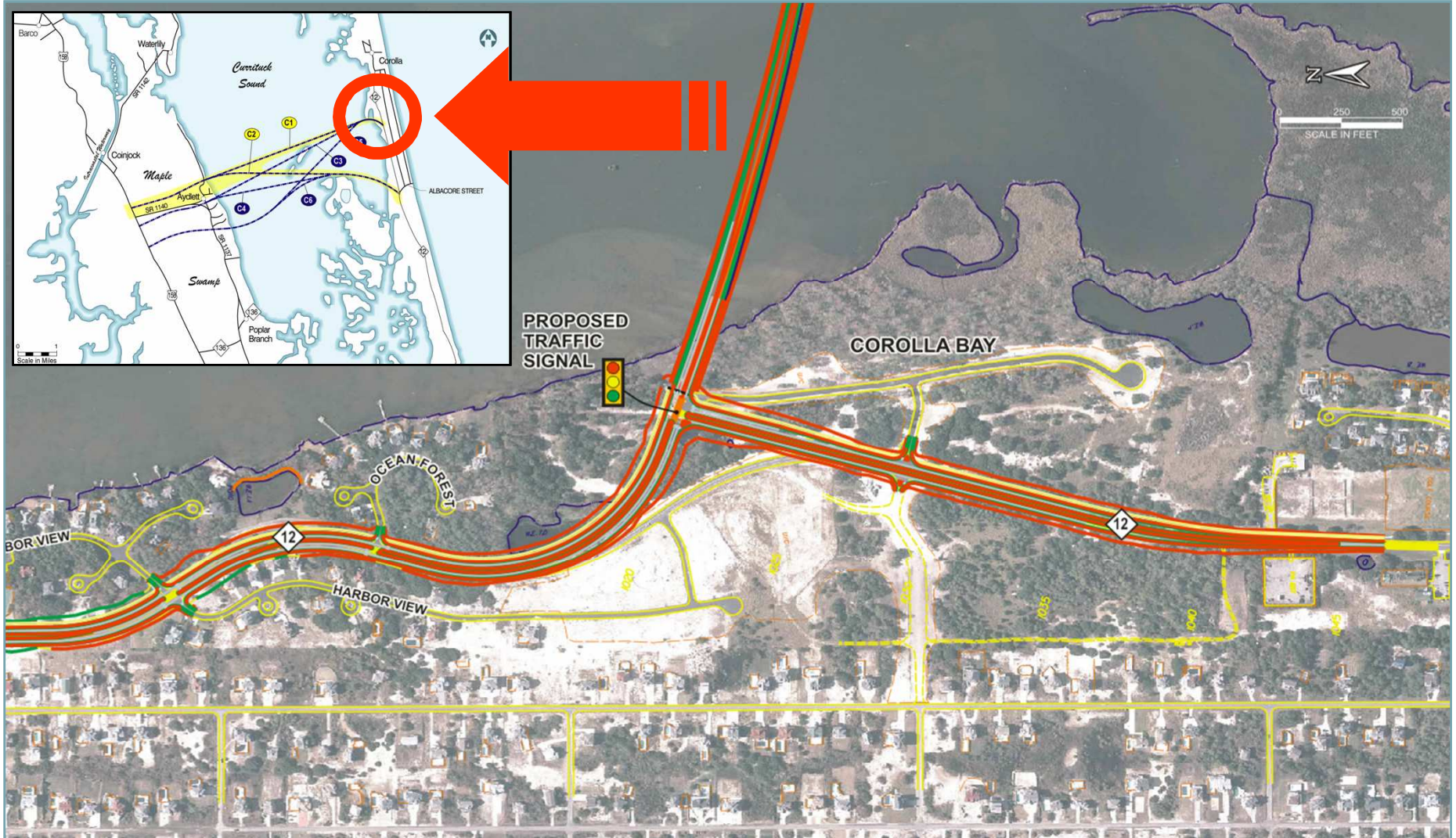
Compressed Y Interchange Design

DROP

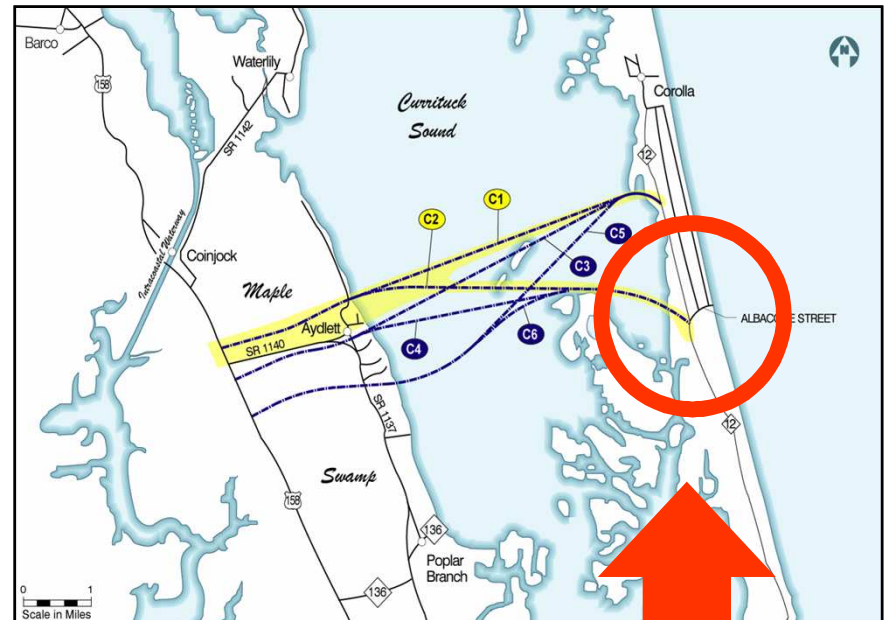
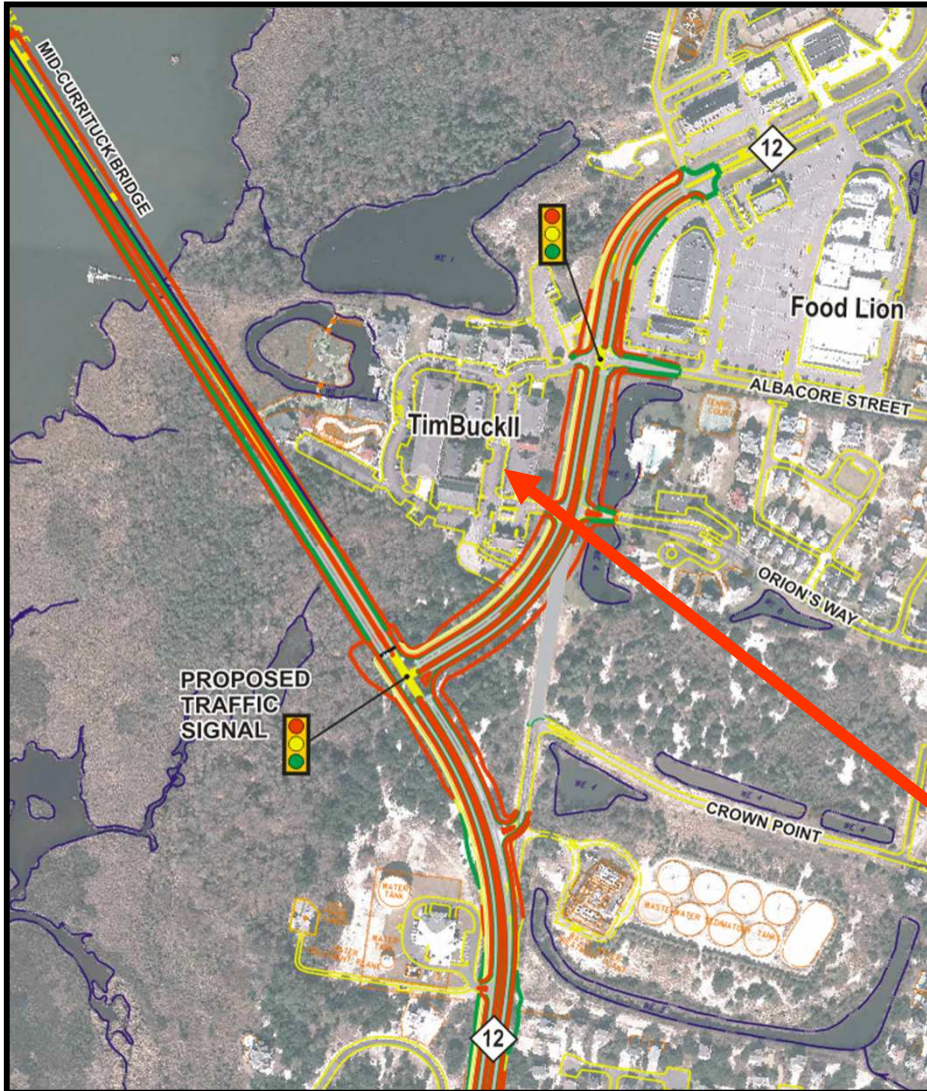


Partial Interchange/Intersection Design

North Outer Banks Alternate



South Outer Banks Alternate



TIMBUCKII

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

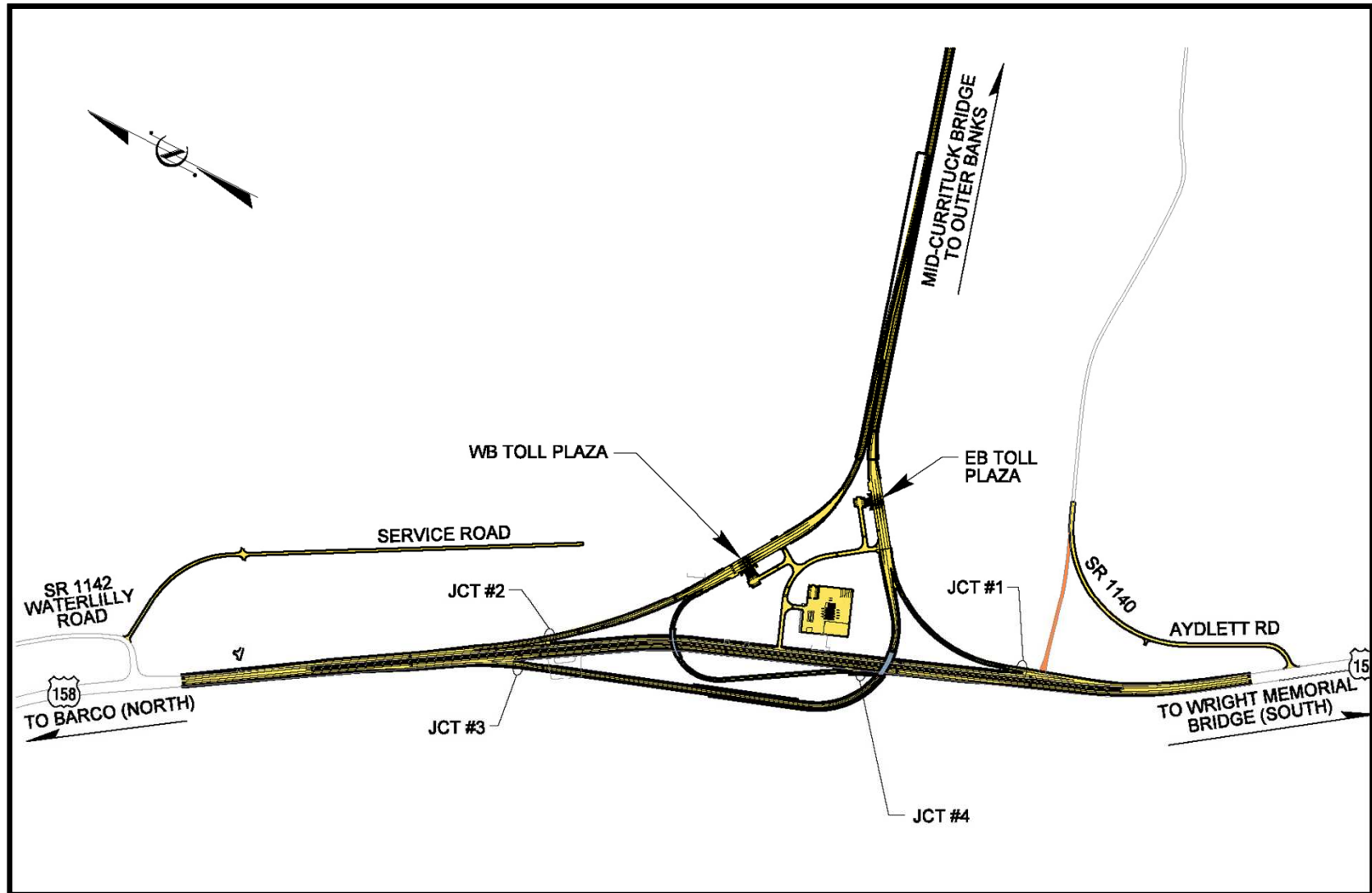
- Widening Limits vs. Contraflow US 158
- Potential Phasing of NC 12 Widening
- Agency Buy-in

Other

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



Toll Collection



Schedule

NEPA

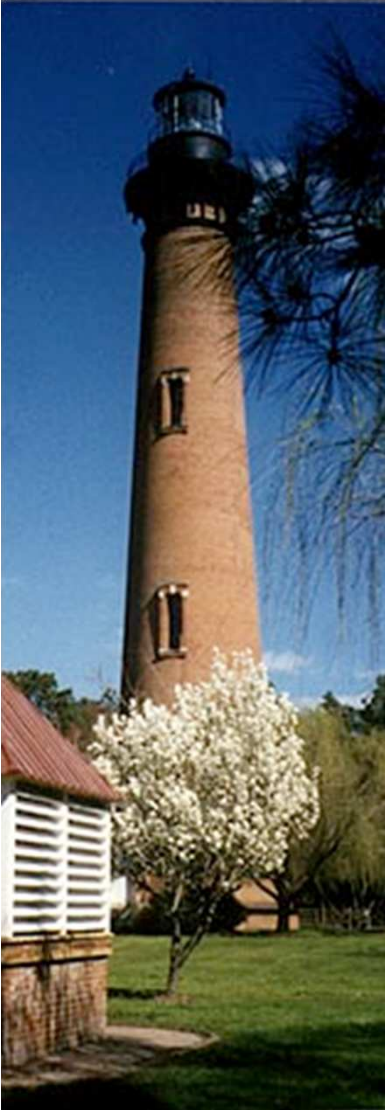
- Draft EIS - **July 2008**
- Final EIS - **May 2009**
- Record of Decision - **August 2009**

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
- 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



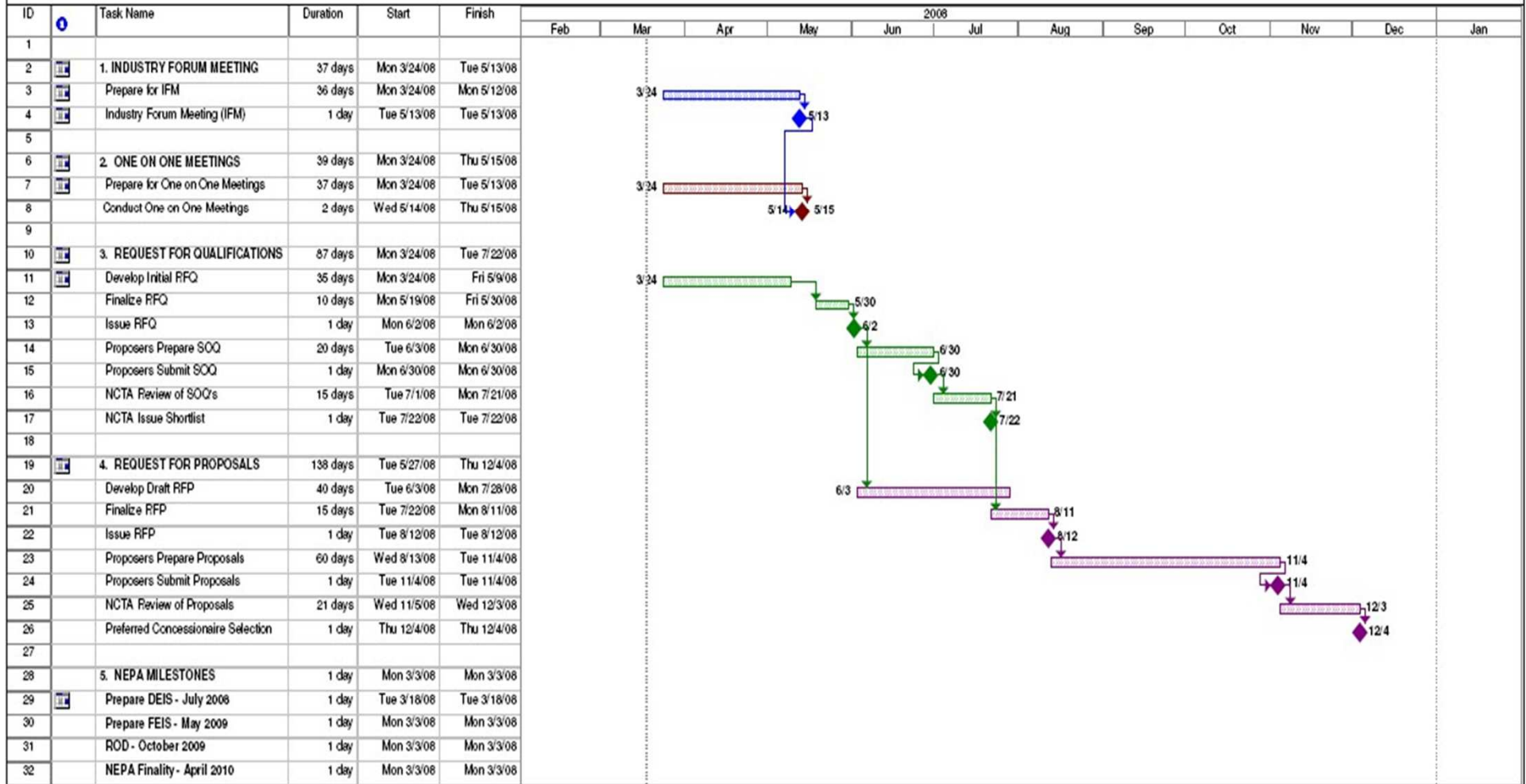
Predevelopment Agreement



- 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

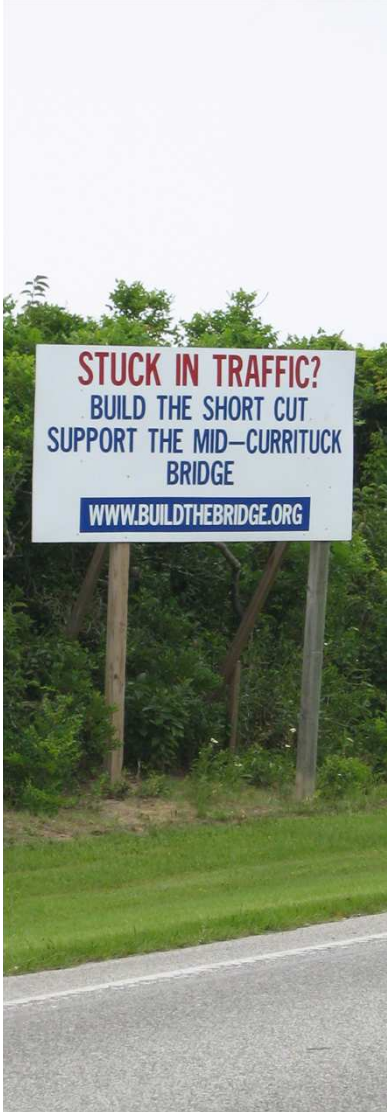


PDA Developer Activities



- 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 Heilmeier (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

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