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”

Trumpet Interchange Design

Compressed Y Interchange Design

Partial Interchange/Intersection Design
South Outer Banks Alternate

TIMBUCKII

PROPOSED TRAFFIC SIGNAL

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

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
<table>
<thead>
<tr>
<th>Predevelopment Agreement</th>
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<tbody>
<tr>
<td>Defines Developer Role Until Financial Close</td>
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<tr>
<td>Defines NCTA &amp; Developer Project Contributions</td>
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<tr>
<td>Assigns Both Parties Rights</td>
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<tr>
<td>Affords Developer First Right of Refusal to Negotiate a Concession Agreement with NCTA</td>
</tr>
<tr>
<td>Contains Contractual Off Ramps</td>
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# 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>1</td>
<td>1. INDUSTRY FORUM MEETING</td>
<td>37 days</td>
<td>Mon 3/24/08</td>
<td>Tue 5/13/08</td>
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<td>5</td>
<td>2. ONE ON ONE MEETINGS</td>
<td>39 days</td>
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<td>Thu 5/15/08</td>
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<td>Conduct One on One Meetings</td>
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<td>3. REQUEST FOR QUALIFICATIONS</td>
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<td>Tue 7/22/08</td>
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<td>Proposers Prepare SOQ</td>
<td>20 days</td>
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<td>14</td>
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<td>15</td>
<td>NCTA Review of SOQ's</td>
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<td>4. REQUEST FOR PROPOSALS</td>
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<td>Tue 11/4/08</td>
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<td>Tue 11/4/08</td>
<td>Tue 11/4/08</td>
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<td>24</td>
<td>NCTA Review of Proposals</td>
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<td>Wed 11/5/08</td>
<td>Wed 12/3/08</td>
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<td>Prepare FEIS - May 2009</td>
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<td>Mon 3/3/08</td>
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<td>ROD - October 2009</td>
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<td>30</td>
<td>NEPA Finality - April 2010</td>
<td>1 day</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
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
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