



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

JAMES H. TROGDON, III  
SECRETARY

October 15, 2019

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: Ron Hancock, PE  
Deputy Chief Engineer

SUBJECT: September 19, 2019 Minutes

The Joint Cooperative Committee of the AGC – DOT met at 10:00 a.m. on September 19, 2019 in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.

*AGENDA AND DISCUSSION ITEMS*

**Cash Outlook**

**Bobby Lewis**

Mr. Lewis (COO) reviewed Cash Balance Outlook document. He also provided history of cash impacts related to storms and Map Act.

Industry asked what will happen if the cash balance dips below the statutory minimum. Mr. Lewis stated that the department would not be able to execute any new contracts or approve any agreements. Work on active projects would not be suspended.

Industry asked how long will payments for Map Act last and Mr. Lewis answered that they will phase out over time. The total payout to date is approximately \$350 million and the total could be as high as \$1 billion.

**Revenue Projections**

**Burt Tasaico**

Mr. Tasaico explained that part of his role with the department is to look at future revenues and try to pick up on any trends. The department forecasted to collect \$3.7 billion in 2019 which was only 3.5% below what was actual at \$3.9 billion.

The department also collected a little higher in the other revenues. Mr. Tasaico noted that the Motor Fuels Tax is 54% of the entire revenue of the department. Most of the forecasting to actuals was within plus or minus 5%. If this was not the case (within this allowable envelope), then the department must look at trends and go back to the model. This happened a few years ago with the introduction of hybrid vehicles.

## **Impact of PE Suspension on Lettings Outside 12 MLL**

**Victor Barbour**

Mr. Hancock stated that the department has \$375 million for PE in this SFY spend plan. Last year it was closer to \$500 million, the year before \$400 million and prior to that \$250 million. The department is moving forward with projects funded by GARVEE, Build NC, and other federal grants, as well as projects on the 12 MLL and some exceptions. Projects that have been shelved will be introduced back as the cash balance stabilizes. Mr. Werner mentioned that the department is trying to move forward with projects that have a short window of review such as land surveying, habitat surveys, etc.

## **Cash Flow Situation Impacts on ROW Acquisition**

**Chris Peoples**

Mr. Peoples stated that a list was sent from the Right of Way Unit to all the Division Right of Way Agents that outlined what projects they can make offers on. These include grant, bond, 12 MLL, design build and active projects. Mr. Peoples stated that if there were any questions on right of way to please let him know.

Industry asked if there was a hold on condemnations or if it was a manpower issue. Mr. Peoples stated that it is mainly a workflow issue. We are working with Right of Way staff to make as efficient as possible. Please contact Chris with any specific issues related to Right of Way.

## **Letting Projections (*handout*)**

**Ron Davenport**

Mr. Hancock provided the attached handout of historical lettings which did not include resurfacing. The orange is to give the team a vision of the Infra and Build grant projects for SFY 2020.

Mr. Lewis stated that he is anticipating a second year of bond sales and the department should have the list of these projects coming in the next few weeks due to having to notify the Treasurer's Office six months before sale. Year 2 projects are not reflected on the handout from Mr. Hancock.

Mr. Davenport provided a handout outlining the proposed Letting Projection Chart and the Let Summary Projections for the next 12 months (October 2019 through September 2020). In the next 12 months, \$1.8 billion in projects are currently scheduled. This number did not include the Division let projects. Industry asked about the June stacking on the Letting Projections. Mr. Hancock stated that they will look at the 19 projects in June and see if they can spread them out to May and August to help balance out the lettings.

## **Update on Division Lettings (*handout*)**

**Ron Hancock**

Mr. Hancock stated that not much has been let in the divisions since July. They are looking at revising the 12 MLL for the divisions to include mainly build grant bridge projects shown on the handout. The 12 MLL that is online is not useful right now. Mr. Hancock passed around a handout. The green projects have already let and the yellow are planned. Other than those on the handout there will be limited Division let bridge projects until July 2020 except for some special requests. Resurfacing packages will resume this month with a June 1 or later start date.

Industry asked if the central let 12 MLL is fairly realistic and Mr. Hancock stated that he is comfortable with the list as it has gone through many iterations.

Industry asked if there is a way to uncluster projects that are on the 12 MLL if possible, especially the bridge projects that are currently clustered. Mr. Hancock stated that he will look into it and see what is feasible.

## **Next Meeting Date**

The next meeting is scheduled for November 21, 2019 at 10:00 a.m. in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.



## NCDOT/CAGC Joint Cooperative Committee Agenda

Chief Engineer's Conference Room  
September 19, 2019 at 10:00 a.m.

### Agenda Items:

- |   |                |
|---|----------------|
| 1) Revenue Projections                                | Burt Tasaico   |
| 2) Cash Flow Situation Impacts on ROW Acquisition     | Chris Peoples  |
| 3) Impact of PE Suspension on Lettings Outside 12 MLL | Victor Barbour |
| 4) Letting Projections                                | Ron Davenport  |
| 5) Update on Division Lettings                        | Ron Hancock    |
| 6) Payment Slowdown on Active Projects                | Ron Hancock    |

**MAJOR PROJECTS > \$20 MILLION SCHEDULED FOR OCTOBER 2019 TO SEPTEMBER 2020**

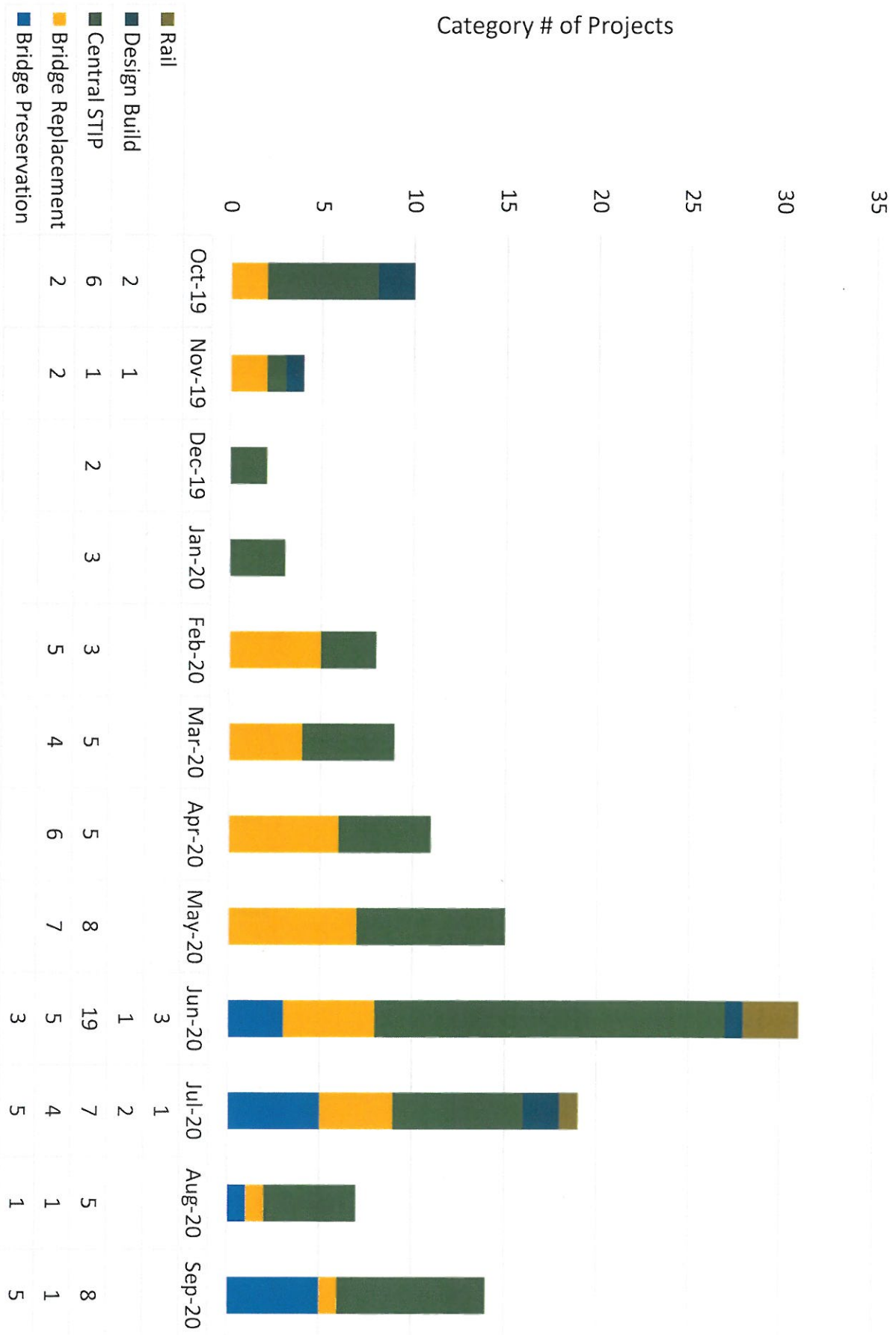
Let Date	Contract ID	TIP#	County	Div	Description	Latest Estimate	DB Flag
10/15/2019	C204360	A-0011C	CLAY	14	NC 69 - US 64 FROM GEORGIA STATE LINE TO US 64 (HAYESVILLE BYPASS).	\$38,800,000	
10/15/2019	C204181	Build NC R-2530B	STANLY	10	NC 24 - 27 FROM BIRD ROAD IN ALBEMARLE TO WEST OF THE PEE DEE RIVER.	\$60,100,000	
10/15/2019	C204412	Build NC U-5026, R-5720	NASH	4	ROCKY MOUNT - I-95 AT SR 1770 (SUNSET AVENUE). SR 1770 (EASTERN AVENUE) FROM SR 1003 (RED OAK ROAD) TO SR 1603 (OLD CARRIAGE ROAD) WIDEN TO MULTILANES.	\$63,386,000	DB
10/15/2019	C204368	Build NC R-3421A, R-3421B	RICHMOND	8	US 220 BYPASS FROM US 74 BYPASS WEST OF ROCKINGHAM AT SR 1109 (ZION CHURCH ROAD) INTERCHANGE TO SOUTH OF SR 1140 (OLD CHARLOTTE HIGHWAY). US 220 BYPASS FROM SOUTH OF SR 1140 (OLD CHARLOTTE HIGHWAY) TO SOUTHWEST OF SR 1304 (HARRINGTON ROAD).	\$188,800,000	
11/19/2019	C204351	GARVEE I-5700	WAKE	5	I-40 SR 3015 (AIRPORT BOULEVARD) REVISE INTERCHANGE AND CONSTRUCT AUXILIARY LANE ON I-40 WESTBOUND FROM SR 3015 (AIRPORT BOULEVARD) TO I-540.	\$32,500,000	
12/17/2019	C204378	Build NC R-2303E	SAMPSON	3	NC 24 FROM US 421/US 701/SR 1296 (SUNSET AVENUE) TO SR 1935 (CECIL ODIE ROAD).	\$30,900,000	
2/18/2020	#	GARVEE I-5905	MECKLENBURG	10	I-85 - MECKLENBURG COUNTY, FROM 0.2 MILE WEST OF NC 16 (BROOKSHIRE BOULEVARD) TO I77. PAVEMENT REHABILITATION.	\$20,700,000	
6/16/2020	C204404	U-4405A	CUMBERLAND	6	US 401 (RAEFORD ROAD) FROM US 401 (RAEFORD ROAD) FROM OLD RAEFORD ROAD TO EAST OF BUNCE ROAD.	\$29,315,000	
6/16/2020	C204500	R-5726	MOORE	8	NC 211 FROM NC 73 IN WEST END TO WEST OF SR 1241 (HOLLY GROVE SCHOOL ROAD) WIDEN TO MULTILANES.	\$31,900,000	
6/16/2020	C204499	Build NC R-4707	GUILFORD	7	US 29 AND SR 4771 (REEDY FORK PARKWAY) INTERCHANGE IMPROVEMENTS IN GREENSBORO. IMPROVE ROADWAY, MODIFY INTERCHANGE AND REPLACE BRIDGE 400360.	\$44,800,000	
6/16/2020	#	INFRA R-5777C	CRAVEN	2	US 70 FROM THURMAN ROAD TO HAVELOCK BYPASS. UPGRADE ROADWAY TO FREEWAY AND CONSTRUCT SERVICE ROADS.	\$123,499,000	DB
7/21/2020	C204423	R-5020B	COLUMBUS	6	US 701 BYPASS (MADISON STREET - J K POWELL BOULEVARD) FROM SR 1437 (VIRGIL AVENUE) TO US 74/76.	\$23,800,000	
7/21/2020	#	Build NC U-5996	NASH	4	SR 1603 (OLD CARRIAGE ROAD) FROM GREEN HILLS ROAD TO SR 1770 (EASTERN AVENUE). ADD CENTER TURN LANE AND WIDEN US 64 BRIDGE OVER SR 1603.	\$23,940,000	
7/21/2020	#	INFRA R-5777D, I-5986C	CRAVEN, CUMBERLAND	2	US 70 (FUTURE I-42) INSTALL BROADBAND FIBER FROM I-40 TO MOREHEAD CITY PORT. I-95 INSTALL BROADBAND FIBER FROM SOUTH CAROLINA STATE LINE TO VIRGINIA STATE LINE.	\$35,810,000	DB
7/21/2020	C204335	U-2519BA, U-2519BB	CUMBERLAND	6	FAYETTEVILLE - OUTER LOOP FROM SOUTH OF SR 1003 (CAMDEN ROAD) TO SOUTH OF SR 1104 (STRICKLAND BRIDGE ROAD). FAYETTEVILLE - OUTER LOOP FROM SOUTH OF SR 1104 (STRICKLAND BRIDGE ROAD) TO SOUTH OF US 401.	\$122,300,000	
7/21/2020	#	INFRA I-5878, I-5883, I-5986B	HARNETT	6	I-95 AT US 421 (EXIT 73), SR 1793 (POPE ROAD) (EXIT 72), SR 1808 (JONESBORO ROAD) (EXIT 75), AND SR 1709 (HODGES CHAPEL ROAD) (EXIT 77). IMPROVE INTERCHANGES. I-95 SR 1001 (LONG BRANCH ROAD - EXIT 71) TO I-40 (EXIT 81). WIDEN TO EIGHT LANES HARNETT/JOHNSTON COUNTIES.	\$203,700,000	
9/15/2020	C204359	W-5600	JOHNSTON	4	US 70 BUSINESS TO NEUSE RIVER BRIDGE, CONVERT TO FREEWAY WITH INTERCHANGES AT SR 1501 (SWIFT CREEK ROAD) AND SR 1919 (WILSON'S MILLS ROAD).	\$77,000,000	
9/15/2020		Build NC R-3300B	NEW HANOVER	3	US 17 FROM NC 210 TO US 17 NORTH OF HAMPSTEAD.	\$81,600,000	
9/15/2020	C204348	GARVEE R-2307B, I-5717	IREDELL, CATAWBA	12	I-77 AND THE NC 150 INTERCHANGE CONSTRUCT INTERCHANGE IMPROVEMENTS NC 150 FROM SR 1902 (HARVEL ROAD) IN CATAWBA COUNTY TO I-77 IN IREDELL COUNTY.	\$155,000,000	
9/15/2020		GARVEE U-2579AB	FORSYTH	9	WINSTON-SALEM - NORTHERN BELTWAY EASTERN SECTION (FUTURE I-74) FROM I-40 TO I-40 BUSINESS/US 421.	\$235,700,000	

OCTOBER 2019 TO SEPTEMBER 2020 TOTAL COST ESTIMATE FOR PROJECTS > \$20 MIL \$1,623,550,000

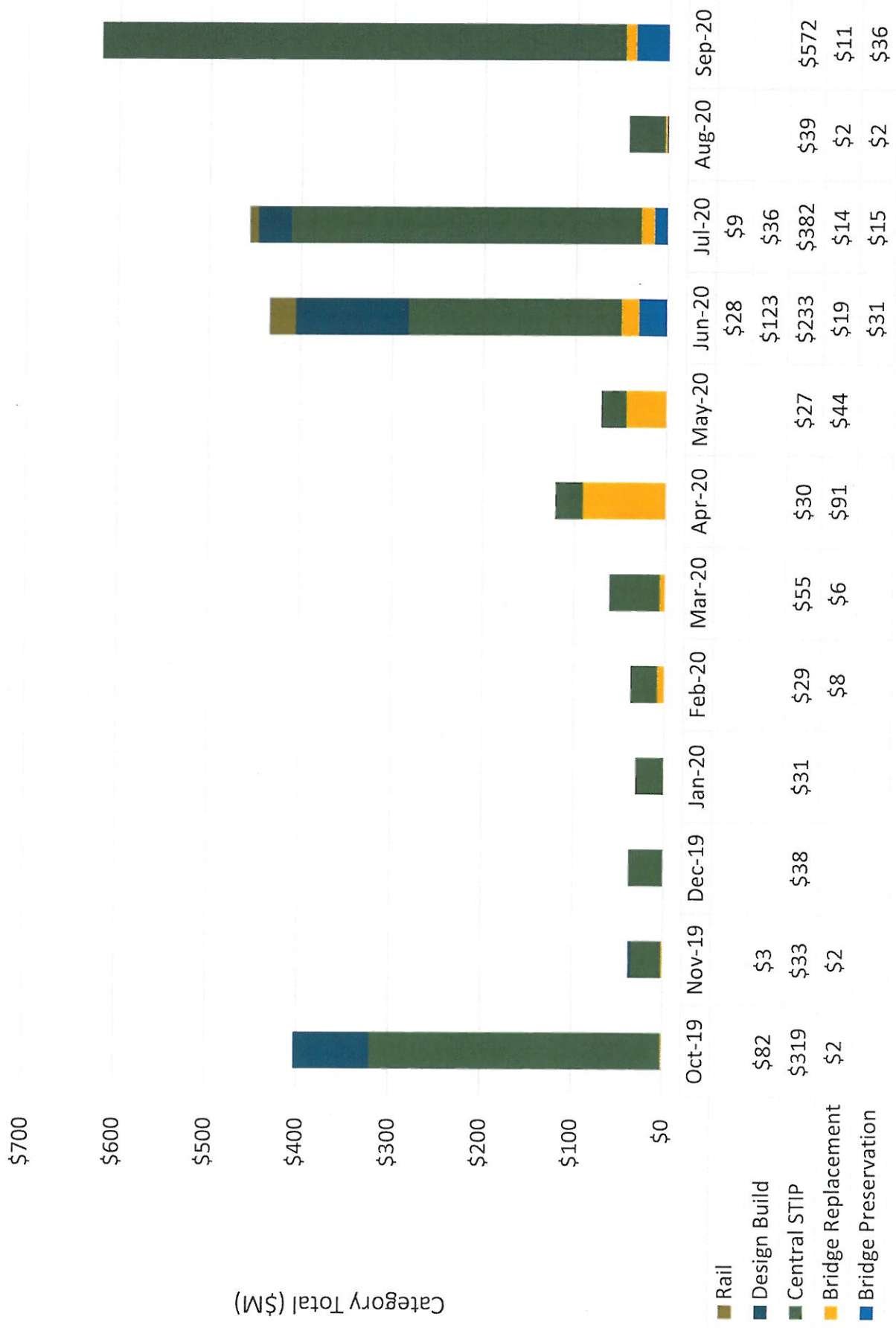
**BRIDGE PROJECTS > \$10 MILLION SCHEDULED FOR OCTOBER 2019 TO SEPTEMBER 2020**

Let Date	Contract ID	TIP#	County	Div	Description	Latest Estimate	DB Flag
4/21/2020	C204393	BR-0044	ROCKINGHAM	7	BRIDGE 780168 ON NC 14, NC 87 OVER SMITH RIVER.	\$14,675,000	
4/21/2020	C204434	B-4484	CRAVEN	2	BRIDGE 138 AND BRIDGE 139 OVER THE NEUSE RIVER ON SR 1470.	\$16,700,000	
4/21/2020	C204350	BUILD Grant B-5980, BR-0036, BR-0039	NASH	4	I-95 INTERCHANGE IMPROVEMENTS AT SR 1544 (HALIFAX ROAD). BRIDGE 630041 ON NC 33 AND BRIDGE 224 ON SR 1510 OVER I-95.	\$28,825,000	
4/21/2020	C204372	B-4863	CARTERET	2	REPLACE BRIDGE 73 AND 96 OVER THE STRAITS AT HARKERS ISLAND ON SR 1335 (ISLAND ROAD).	\$36,400,000	
5/19/2020	#	B-5671, BR-0111, (17BP.4.R.101)	EDGEcombe	4	BRIDGE 11 OVER TOWN CREEK ON NC 111/NC 122. BRIDGE No. 3, 4, & 5 OVER SWIFT CREEK ON SR 1404 (7 BRIDGES ROAD). REPLACE BRIDGE NO. 320054 ON SR 1243 OVER TAR RIVER.	\$10,350,000	
6/16/2020	C204219	B-5302	BEAUFORT	2	REPLACE BRIDGE 3 OVER THE NORFOLK SOUTHERN RAILROAD ON US 17B; PRESERVATION OF BRIDGE NO. 25 ON US 17 OVER PAMLICO RIVER; US 17B OVER PAMLICO RIVER. LMC OVERLAY, SUBSTRUCTURE REPAIRS BEAUFORT COUNTY, STR 60025.	\$11,300,000	
6/16/2020	C204490	B-5825	YADKIN	11	REPLACE BRIDGE 35 OVER THE YADKIN RIVER ON NC 67.	\$12,400,000	
6/16/2020	C204202	# (15BPR.20)	HENDERSON	14	I-26/US 74 WBL AND EBL OVER GREEN RIVER - STRUCTURE NOS. 440112 AND 440108	\$14,000,000	
6/16/2020	C204446	B-4626	ROWAN	9	REPLACE BRIDGE 3 OVER YADKIN RIVER AND WINSTON-SALEM SOUTHBOUND RAILROAD ON NC 49 (EASTBOUND LANE).	\$16,100,000	
8/18/2020	C204150	#	GUILFORD	7	BRIDGE 147 OVER US 311 ON US 29/70 AND I-85 BUSINESS. US 29 / US 70 / BUSINESS 85, SR 1009 (SOUTH MAIN STREET) IN HIGH POINT. RECONSTRUCT INTERCHANGE.	\$15,850,000	
09/15/2020	C204411	# (14SP.20441.1, 14SP.20441.2)	HAYWOOD	14	BRIDGE NO. 174 AND NO. 175 REPLACEMENT.	\$11,132,000	
<b>OCTOBER 2019 TO SEPTEMBER 2020 TOTAL COST ESTIMATE FOR BRIDGES &gt; \$10 MIL</b>						<b>\$187,732,000</b>	
<b>12-Month Totals for October 2019 to September 2020</b>						<b>\$1,811,282,000</b>	

# Twelve Month Project – Contract Volume by #



# Twelve Month Project – Contract Value by \$



# Cash Outlook

## Cash Model Assumptions Include:

- Reductions in hiring and use of temporaries
- Lettings delayed
- Maintenance and operations reduced
- Preliminary engineering expenditures reduced
- August redistribution of \$115m
- No unbudgeted disaster/storm expenditures
  - Hurricane Dorian not included
- \$45m in payments to Ports made in 2<sup>nd</sup> half of FY

Statutory Reporting Threshold

## Cash Balance Projections

Statutory Minimum

\*Cash Balance Projections are net of GARVEE Debt Service Reserve of \$132m, consistent with historical reporting on cash balances

\*\*Financial Statements for August have not closed – Actual Cash Balance Above for July only

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
—Cash Balance Projections	415	397	348	269	268	360	431	412	484	524	509	531	523	451	439	373	397	426
—Statutory Minimum	278	278	278	278	278	278	278	278	278	278	278	278	304	304	304	304	304	304
—Statutory Reporting Threshold	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

# Storm Impacts

- Since September of 2018, storm costs have averaged nearly \$29M per month

	FY 2004 - 2016	FY 2004 - 2016 Annual Spend	FY 2017 - 2019	FY 2017 - 2019 to Date Annual Spend	Increase Annually
Declared	\$ 300,861,306	\$ 23,143,177	\$ 398,272,125	\$ 132,757,375	\$ 109,614,198
Non-Declared	\$ 566,943,620	\$ 43,611,048	\$ 268,424,883	\$ 89,474,961	\$ 45,863,913
Total	\$ 867,804,926	\$ 66,754,225	\$ 666,697,008	\$ 222,232,336	\$ 155,478,111

FY 2019 = \$296,130,749 44 percent of past 3 years

Average over 13 years

Average over 3 years

# Map Act

Date	Parcels	Parcels Acquired	Map Costs (Acquisitions, Parcels with no Claims, and Parcels with Claims)	Map Act Claims	Map Act Settlements	Map Costs (Acquisitions and Parcels with Claims)	Outside Counsel
1-Jul-16	3,500	54	\$3,607,956	298	6	\$1,172,025	\$1,539,091
1-Sep-18	3,500	1,023	\$133,557,611	545	30	\$20,429,525	\$7,467,117
1-Nov-18	3,500	1,150	\$151,392,705	574	45	\$33,592,908	\$8,903,135
31-Dec-18	3,500	1,365	\$203,885,989	577	178	\$111,093,839	\$9,680,933
1-Mar-19	3,500	1,455	\$220,418,849	586	196	\$114,414,374	\$10,170,750
24-May-19	3,500	1,640	\$263,103,521	590	313	\$141,306,973	\$11,097,270
24-Jun-19	3,500	1,699	\$277,452,234	618	341	\$161,064,473	\$11,338,844
27-Aug-19	3,500	1,874	\$314,923,029	623	385	\$227,677,740	\$11,691,590
9-Sep-19	3,500	1,917	\$323,920,922	623	390	\$234,453,240	\$11,691,590

- There is a Map Act cost associated to most “normal” acquisitions to prevent future claims
- Anticipate approximately \$200M for Map Act parcel associated with Complete 540 Project
- The above does not represent Preliminary Engineering costs associated to Map Act

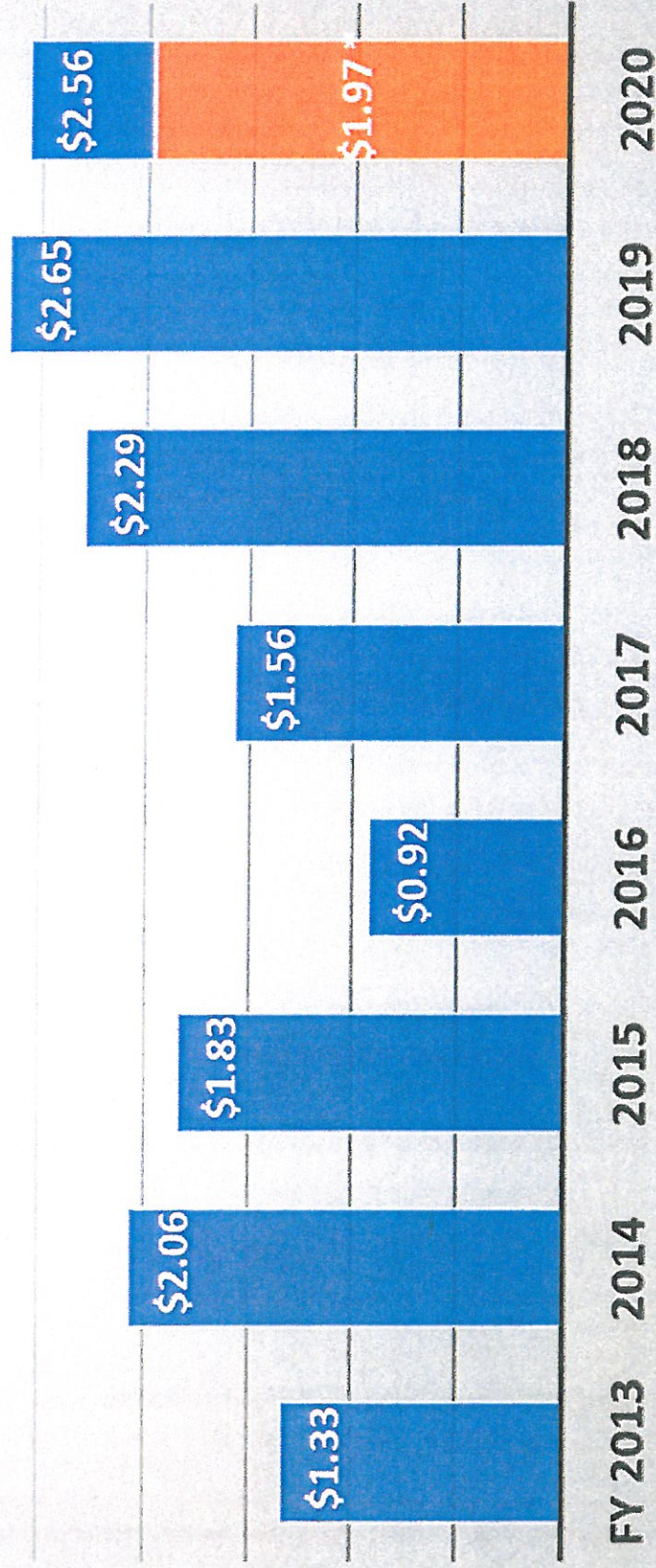
## Cash Balance without Map Act and Storms

End of Month	Cash Balance (M)	Map Act Damages	Storms (M, beginning July 2018)	Cash Balance without Map Act Damages and Storms	Comments
September	\$955	\$66.4	\$37.3	\$1,059	
October	\$736				
November	\$518	\$78.5	\$111.0	\$708	
December	\$343	\$121.2	\$152.3	\$617	
January	\$435				
February	\$437				
March	\$427	\$129.2	\$245.8	\$802	
April	\$370				
May	\$500	\$154.5	\$282.7	\$847	Deducts \$90M from SB605
June	\$434	\$165.8	\$301.2	\$811	Deducts \$90M from SB605
July	\$415				
August	\$388	\$199.1	\$326.1	\$823	Deducts \$90M from SB605
September 9, 2019	\$338	\$204.6	\$327.8	\$780	Deducts \$90M from SB605

- The above chart reflects:
  - An estimate of Map Act Damages, estimated acquisition at \$120M of the \$324M
  - Spend plan reductions beginning in January
  - With exception of September 9<sup>th</sup>, 2019, projected cash balance dates are synchronized with Map Act Reports

# Dollars (Billions) (Projected FY 2020)

\*Associated with Grant Projects in FY 2020



Let History Excluding CR and CPT

9/16/19