

## NCTA Draft Response to Issues in CAMPO Memorandum of Understanding

*Draft subject to legal review, drafting of the memorandum,  
and approval by the NCTA Board.*

### ***Draft Responses to Four Points:***

Members present at that meeting requested that the NCTA and MPO staff work together to formulate a Memorandum of Understanding to clearly define and clarify issues including, but not limited to:

1. Any funds raised as a result of tolls on this project be used on this project and not diverted to other projects or areas of the state;
  - It is the policy of NCTA “that toll revenues generated in one corridor are intended to be expended on financial obligations and improvements in the corridor from which those revenues were generated.”
  - The policy would permit the project to be refinanced or financially consolidated with a contiguous toll facility such as Southern Wake for reducing the gap on the contiguous toll facility or otherwise enabling or accelerating the completion of the contiguous toll facility.
  - Revenues generated from the sale or lease (concession) of all or a portion of a proposed toll road shall only be used for the funding or financing of the right-of-way acquisition, construction, expansion, operations, maintenance, and Authority administration costs associated with the toll segment or a contiguous toll facility.
2. A sunset of tolls when improvement costs are satisfied;
  - NCTA fully intends to comply with the law which requires that the tolls be removed when the bonds are repaid as stated below:

“The Authority shall, upon fulfillment of and subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds, remove tolls from a Turnpike Project.”
  - The project may be refinanced or financially consolidated with a contiguous toll facility such as Southern Wake, thereby extending the original length of the original financing.

## North Carolina Turnpike Authority

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3. NCDOT be included in the discussions relating to any funding shortfall; and
  - NCTA agrees with this point.
  - NCDOT has been and will continue to be included “in the discussions relating to any funding shortfall” – i.e. filling the financial gap.
  - While NCTA intends to seek project gap funding from the NC General Assembly during the upcoming legislative session, it is not certain that adequate funding will be provided to provide for construction of the project. If this occurs, NCTA will consider all other options for building the project including entry into a Public Private Partnership, as referenced above in Question 1.
4. The road must be designed and constructed to meet or exceed NCDOT standards.
  - NCTA agrees with this point.
  - The Master Agreement between NCTA and NCDOT requires that NCDOT approve important elements of the project at key points.