Problem

- Population to increase by over 20 percent
- Decreased mobility
- Long-term funding uncertainty

Infrastructure needs gap

Innovative Financing
At first glance Revenue ($B) is competitive
However, large system Dilutes Competitiveness with peer states

System Responsibility and Spending per Mile

System mileage

Texas: $199
North Carolina: $53
Virginia: $65
Ohio: $179
Georgia: $136
Florida: $573

$700
$600
$500
$400
$300
$200
$100
$ -

$ per mile
17% of project requests are funded

Unfunded Requests
$47.0B

Funded Requests
$9.7B
We are overly dependent on Motor Fuels Revenue

State Funding

- Motor Fuel Tax 50%
- Highway Use Tax 20%
- Fees 30%

Federal Funding (since 2008)

- Motor Fuel Tax 70%
- Fees 10%
- General Fund* 20%

75% State Funds
25% Federal Funds

*No Political Appetite for National Solutions
*Up to States to Fix

Must reduce our dependence on motor fuel taxes and federal funding to Guarantee Certainty

* $143.6 billion since 2008 (through 1/2016)
Additional Tools – Why?

Need to leverage debt affordability to accelerate projects and find long term funding solutions simultaneously.
Additional Tool – How?

Innovative Financing – State Bonds
• Between $2B and $3B for additional projects
• Could add up to:
  • Regional and Division = 70 to 106 projects; 18,830 to 38,778 jobs
## Economic Impact from Innovative Financing

<table>
<thead>
<tr>
<th></th>
<th>$2 Billion</th>
<th>$3 Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects*</td>
<td>70</td>
<td>106</td>
</tr>
<tr>
<td>Jobs</td>
<td>18,140</td>
<td>37,230</td>
</tr>
</tbody>
</table>

*In addition to 513 in the STIP for highways*
Total dollars Invested over 10 years

- Current: $0, $200, $400, $600, $800, $1,000, $1,200, $1,400
- Additional $2B
- Additional $1B

Divisions: Div. 1 to Div. 14
Summary

• NC is growing and changing
• NC transportation needs far exceed resources and not competitive with growing peer states
• Multiple funding tools are necessary to meet immediate needs as we seek long-term solutions
• This proposal allows NC to invest more in transportation using current debt capacity as identified by State Treasurer while we find long-term phased in replacements for Motor Fuels and Federal Revenues
QUESTIONS?