BUILD NC – CAPA Pinehurst

Secretary Jim Trogdon

4/5/2018
Expected Population Growth by 2035

- **2** Texas: 40.6 million
- **3** Florida: 28.2 million
- **6** Georgia: 12.8 million
- **8** North Carolina: 12.5 million
- **9** Ohio: 11.7 million
- **10** Virginia: 10.2 million

32% increase from NC’s 2010 population

8th Most Populous State
NC Demographics

Two-thirds of NC growth projected to occur in Triangle or Charlotte
Projected share of 2010-2035 state population growth for select North Carolina metropolitan areas

- Triangle: 34%
- Charlotte: 34%
- Triad: 10%
- Wilmington: 7%
- Asheville: 5%
- All Other Metros: 10%
- No Metro Area: 1%

Data Source: NC OSBM
Investment ($B) Among Peer States 2015

- Texas: $16
- North Carolina: $4.3
- Florida: $6.9
- Virginia: $3.8
- Georgia: $2.4
- Ohio: $3.5
Why Cash Buildup?
Addressing Balance – Accelerating Delivery

Cash Balance
- Closing
- Target
- Floor
- Cash Management Plan of Action
Changes Between the 2018-2027 Draft STIP & Final STIP

- **Accelerated Project**
- **New Project**
Grant Anticipation Revenue Vehicle (GARVEE Program)

- Debt payable solely from future federal revenues
- Finances improvements to federal highway system (65% of NC projects NOT eligible for these funds)

<table>
<thead>
<tr>
<th>NCDOT GARVEE Program (established in 2007)</th>
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<tbody>
<tr>
<td>Bonds Issued</td>
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<tr>
<td>Project Financing</td>
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<tr>
<td>STIP Projects Financed</td>
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<tr>
<td>Counties</td>
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</tbody>
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Build NC

- Modeled after GARVEE
- Will maintain integrity of STI
- Have appropriate oversight
- Be utilized at the Regional and Division project tiers (projects NOT eligible for GARVEE)
- Affordability will be determined by the State Treasurer
# BUILD NC Framework

## Key Considerations

<table>
<thead>
<tr>
<th><strong>State Transportation Investment (STI) Law</strong></th>
<th>Program development supports STI law</th>
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</thead>
<tbody>
<tr>
<td><strong>Evergreen</strong></td>
<td>Issuances over time subject to certain conditions, similar with the state GARVEE program per Session Law 2005-403</td>
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<td><strong>Equitable distribution</strong></td>
<td>Targets equal distribution between regional and division tier projects</td>
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<td><strong>Debt affordability</strong></td>
<td>Consistent with state debt affordability parameters of 6%</td>
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<tr>
<td><strong>Cash balance trigger</strong></td>
<td>Issuances consistent with cash balance target per Session Law G.S. 143C-6-11 (≤ $750M)</td>
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<td><strong>Oversight</strong></td>
<td>Oversight consistent with GARVEE program per Session Law 2005-403</td>
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<tr>
<td><strong>Annual and Total Issuance Cap</strong></td>
<td>Annual cap: Establish debt affordability – Determined by State Treasurer</td>
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<td>Total cap: $3 billion</td>
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Build NC

- Impacts roughly 150 projects with an estimated value of almost $4 Billion
- Projects accelerate an average of 2 years
  - New projects are brought forward an average of 5 years
- A tool that supports urban AND rural projects
- Maintains program delivery expectations
- Works with industry partners
- Replicates a proven tool
Summary

• NC is growing and changing
• Multiple funding tools are necessary to meet immediate as well as future needs
• Accelerated project delivery has strong economic impact and enhances NC’s economic competitiveness
• BUILD NC will support highest priority projects in rural AND urban locations