



***Mid-Currituck
Bridge
Project Finance***

May 7, 2008

Finance Objectives

Key elements...

- ***Ensure adequate project financing and overall best value***
- ***Delivery schedule***
- ***Appropriate sharing of risk***
- ***Serve public interest***

PPP not the only option...

... but may be the best option.

- **Pre-construction financial support strong**
- **21st Century Commission GAP funding recommendations strong**
- **Expect legislative support**

PDA vs. PPP “Hard Bid”

- **Which process delivers the project with the best value?**
- **Which process best meets the needs of NCTA?**
- **Seeking industry view**

Finance Considerations

- Risk Sharing
- Return to private participants
- Fair deal for the public

Risk Sharing

Which risks is each party best suited to bear?

- ***Environmental & Permitting***
- ***Construction & Schedule***
- ***Operations & Maintenance***
- ***Revenue***

Fair Return

*How does deal ensure a fair return?
... for both parties*

- ***Equity investment by PDA/PPP Partner***
- ***Toll Rate Caps***
- ***Revenue Sharing***
- ***Term***

Financing Weight

- **Modest in PDA selection**
- **Significant in PPP hard bid**