NORTH CAROLINA
Department of Transportation

Mid-Currituck Bridge

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Connecting people, products and places safely and efficiently with customer focus, accountability and environmental sensitivity to enhance the economy and vitality of North Carolina

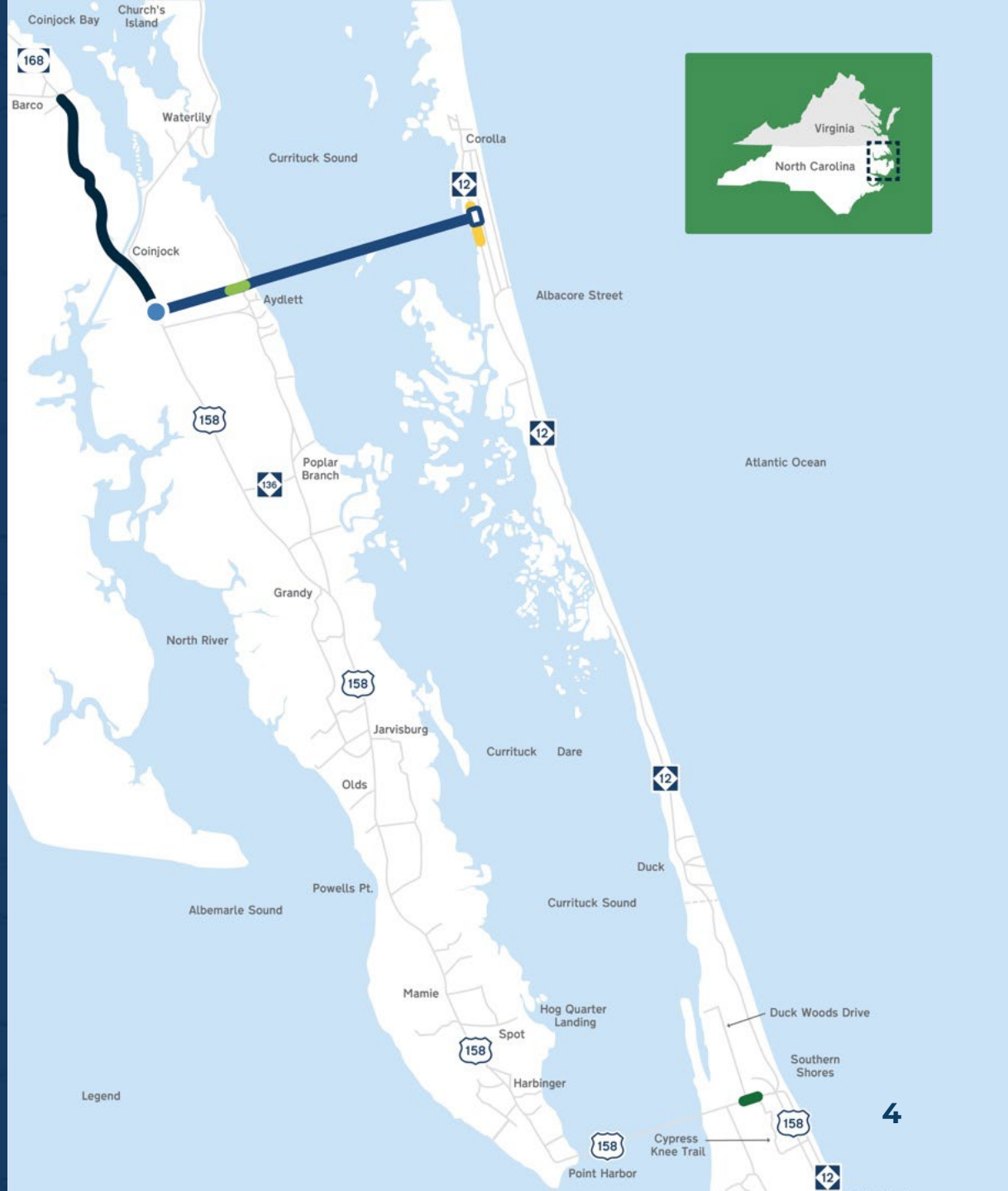
Agenda

1. Project Background
2. Comparative Analysis Overview & Findings
3. Summary & Potential Next Steps

Project Background

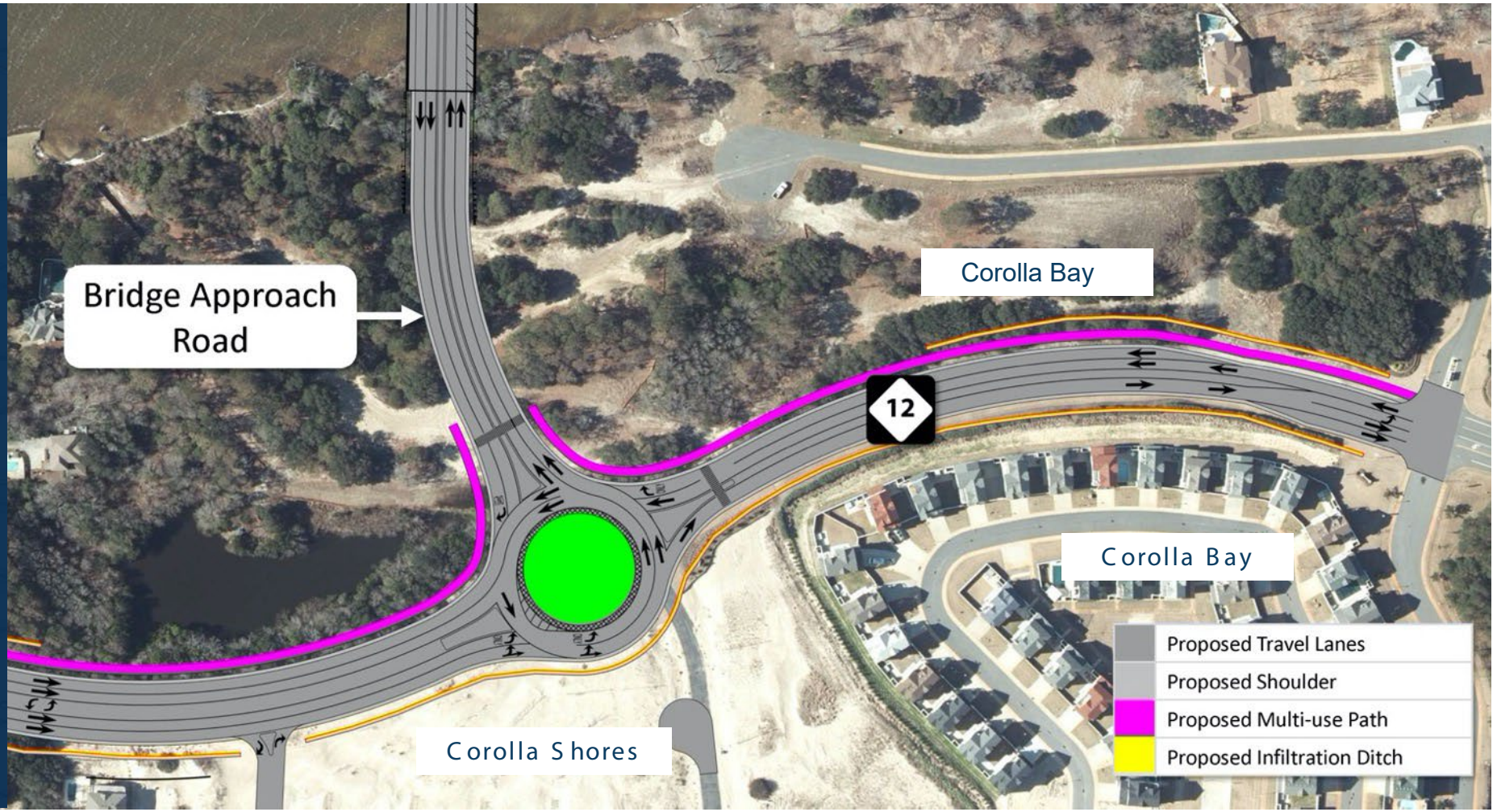
Mid-Currituck Bridge

- 4.7 mile bridge over Currituck Sound
- 1.5 mile bridge over Maple Swamp
- New interchange at U.S. 158 western terminus
- Roundabout at NC 12 eastern terminus
- 0.7 mile widening along NC 12
- Hurricane evacuation clearance time reduction features
- Improvements to U.S. 158 near Southern Shores
- Left turn lane on Albacore Street
- Single toll location charging tolls for each direction (ETC/Cash)



NC 12 Improvements

- Approach road between Mid-Currituck Bridge and NC 12
- Roundabout at bridge terminus and NC 12
- Widen NC 12 to four lanes for 0.7 mile between Devils Bay and North Harbor View Drive
- Marked pedestrian crossings at NC 12 bridge terminus and North Harbor View Drive
- Proposed multi-use path between Ocean Forest Court and Start of Corolla Light Path
- 35 MPH design speed



Key Benefits

Traffic Flow

Substantially improve traffic flow

- Reduces congestion
- Reduces travel demand above road capacity on summer weekend day
- Shortens duration of summer weekend congestion on NC 12
- Improved traffic flow on NC 12 is likely to result in reduction of through traffic on local streets

Travel Time

Substantially reduce travel time

Using Mid-Currituck Bridge

- 10 plus-minute trip from mainland to the Outer Banks

Using Existing Roads

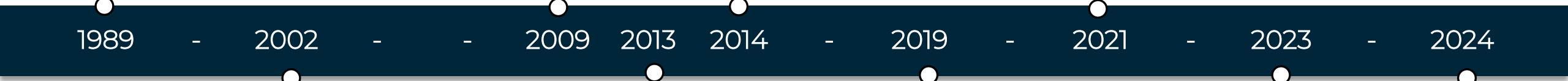
- A reduction of more than 45 minutes for same trip during typical summer **weekday**
- A reduction of over an hour and a half for same trip during typical summer **weekend** day

Hurricane Evacuation

Substantially reduce hurricane evacuation times from the Outer Banks

- Hurricane Evacuation Model indicates savings of ~5 hours:
  - ~32 hour clearance time with bridge
  - ~37 hour clearance time without the bridge

Historical Timeline



1989 – Adopted in STIP as *New Bridge over Currituck Sound per Trust Fund Act*

2002 – Establishment of North Carolina Turnpike Authority identified three toll projects including Mid-Currituck Bridge

2009 – Public-Private Partnership (P3) consideration established through a Pre-Development Agreement (PDA) with The Currituck Development Group, LLC and ACS Infrastructure Development, Inc.

2013 – Strategic Transportation Investment (STI) Act becomes law and removes annual appropriations for Mid-Currituck Bridge

2014 – PDA was canceled after STI law removed annual appropriation for Gap funding

RPO submits the toll project and it is subsequently programmed in 2016-2025 STIP

2019 – Record of Decision

Lawsuit filed challenging the environmental analysis and decision

2021 – **Congress passes Infrastructure Investment and Jobs Act (IIJA) that requires a Value for Money Analysis (Comparative Analysis)**

2023 – US Fourth Circuit Court of Appeals concurred with the US District Court's ruling the NCDOT/FHWA complied with federal laws and regulations

2024 – NCDOT begins Comparative Analysis & presents initial results to ARPO

Environmental Permitting

N.C. Department of Environmental Quality – Division of Water Resources

- Permit received September 19, 2025

N.C. Department of Environmental Quality – Division of Coastal Management

- Permit received September 19, 2025

U.S. Army Corps of Engineers

- Permit received October 28, 2025

U.S. Coast Guard

- Application submitted December 12, 2025

Comparative Analysis Overview & Findings

Comparative Analysis Overview

Define Project Goals & Delivery Objectives

Analyze & Weigh Priorities Associated with Each Goal

Establish Project Constraints

Define Key Project Risks

- Qualitative Analysis: Compares the financial and non-financial impacts of using a traditional toll delivery and P3 toll delivery for the project.
- Quantitative Analysis[1]: Compares the present value of forecast cashflows to and from the state under a traditional toll delivery and P3 toll delivery for the project.

[1] The overall evaluation approach also considers the Value for Money (VFM) guidance that was included in the 2021 Infrastructure Investment and Jobs Act (IIJA).

Considerations for the Comparative Analysis

Traditional Toll Delivery vs. P3 Toll Delivery

Funding and Cost

- Ability to leverage available public funds
- Procurement schedule acceleration / risk
- Total real construction and operations cost

Construction and Project Risk

- Upfront value engineering
- Project delivery schedule acceleration / risk
- Scope change flexibility
- Performance enforceability
- Latent defect risk
- Lifecycle cost optimization
- Ability to transfer full lifecycle project risk

Tolling Policy and Risks

- Department control and flexibility
- Ability to transfer toll integration risk
- Ability to transfer transaction processing / collection risk
- Control of toll policy / toll rates
- Public acceptance

Other Factors

- Competitive contractor environment

Overview of Delivery Approaches

	Traditional Toll Delivery	P3 Toll Delivery
Description	• State Owned, Operated and Tolled Bridge • NCDOT/NCTA would be responsible for design, construction, financing, operations, and maintenance of the Bridge	• State Owned, Developer Operated and Tolled Bridge • A private entity (a Developer) designs, builds, finances, operates, and maintains (DBFOM) the Project under an Agreement with the State
Project Funding	• Public Toll Revenue Backed Debt • State Funds	• Private Toll Revenue Backed Debt • Private Equity • State Funds
Procurement	• Design-Build *(Non-tolled Marc Basnight & Rodanthe Bridges)*	• DBFOM
Other NC Toll Projects with Similar Delivery	• Triangle Expressway • Monroe Expressway	• I-77 Express Lanes

Qualitative Analysis – Non-Financial Factors

Program Impact	Traditional Toll	P3 Toll
Innovation	✓	✓
Program Flexibility	✓	
Public Sentiment	✓	✓

✓ *Indicates possible positive impact vis-a-vis the other approach*

Definitions

- **Innovation:** Incentivizes and allows innovations to improve operations and maintenance, traffic flows and revenue.
- **Program Flexibility:** Ability to address changing market needs (i.e., regulation, consumer behavior, etc.)
- **Public Sentiment:** Degree of approval/willingness of the community to accept the project.

Qualitative Analysis – Financial Factors

Program Impact	Traditional Toll	P3 Toll
Construction Risk	✓	✓
Contractual Issues (Disputes, Compensation, etc.)	✓	
Operations & Maintenance and Lifecycle Risk		✓
Project Delivery	✓	✓
Project Funding & Public Financing Capacity		✓
Revenue Risk*		✓

✓ *Indicates possible positive impact vis-a-vis the other approach*

*The difference in revenue cases is not likely to be as significant. Any revenue upside would be transferred to a Developer

Definitions

- **Construction Risk:** Transfer of risk associated with construction delays, overruns, quality, and unforeseen events.
- **Contractual Issues (Disputes, Compensation, etc.):** Lower probability of disputes and lower financial impact associated with them.
- **Operations & Maintenance and Lifecycle Risks:** Transfers long-term risk and provides more incentive to optimize condition.
- **Project Delivery:** Ability to achieve value through competition, accelerated project delivery, and design/construction risk transfer.
- **Project Funding & Public Financing Capacity:** Ability to attract new funding and financing sources for the project and leverage existing public funding sources.
- **Revenue Risk:** Transfer of risk associated with traffic and revenue underperformance / outperformance.

Quantitative Analysis – Overview

NCDOT has progressed an initial quantitative analysis with key drivers and inputs

Construction Costs & Schedule

- Construction cost estimate is ~$1.2 billion in year-of-expenditure dollars.
- 5+ year design and construction timeline.

Traffic & Revenue (T&R)

- T&R forecasts over the operating term.

Operations & Maintenance (O&M) and Lifecycle Costs

- Operating and major maintenance cost estimates over the operating term.

Financing Structure and Costs

- Financing structures are being evaluated and considers debt and equity (in the case of the P3 Toll Delivery).
- Assumes the use of low cost and flexible TIFIA financing.

Quantitative Analysis – Project Cost*

NCDOT has prepared an initial quantitative analysis to compare the delivery approaches assuming a 50-year operating term and calculates the estimated public subsidy to deliver the project.

- Traditional Toll Delivery: Financial, operational, and construction-related risks are borne by the State (via NCDOT/NCTA).
- P3 Toll Delivery: Revenue, financial, operational and construction-related risks are borne by the private sector/single Developer.

Project Funding Update	Description		Traditional Toll	P3 Toll
Design-Build Cost	Includes design and construction.	+	$955 M	$940 M
Right of Way, Landscaping, Utility Relocation, and Toll Integration	Includes right of way, utility relocation work, ITS/tolling equipment, and landscaping.	+	$64 M	$ 64 M
Contingencies, quality, and other Agency and Developer Costs	Includes cost contingency funding, quality costs, and other agency and developer costs (for P3) during the design and construction period.	+	$181 M	$86 M
Total Project Cost (YOE $)	Total costs associated with delivering the Project	=	$1,200 M	$1,090 M

*Subject to change

Quantitative Analysis – Findings

Project Funding Update	Description		Traditional Toll	P3 Toll
Total Project Cost (YOE $)		=	$1,200 M	$1,090 M
Net Cash Flow from Operations[1][2]	Net present value of cash flow generated from toll revenues, which includes revenues, minus lifecycle costs (O&M, tolling, renewal and replacement) and financing costs (debt service).	-	$195 M	$215 M
Total Project Funding Gap *(without STIP/Grant Funding)*		=	$1,005 M	$875 M
STIP Funding	Funding allocated from P7.0 at the division level.	-	$173 M	$173 M
Federal Discretionary Grant	Funding from federal discretionary grant(s).	-	$0 M	$0 M
Funding Gap		=	$832 M	$702 M

(1) Net Cash Flow from Operations is roughly equivalent to project funding sources. For the traditional toll approach, 100% of the project is debt funded. For the P3 toll approach, ~70% is debt funded and the remaining ~30% is equity.

(2) The primary difference between the net cash flows from the traditional toll and P3 toll approach relates to the discount rate applied to the cash flows (traditional toll has a lower discount rate since the project is debt funded).

Summary & Potential Next Steps

Summary

- Due to the cost of the project, a comparative analysis (Value for Money) is required under federal law.
- Analysis shows both the Traditional Toll Delivery and P3 Toll Delivery are not currently financially feasible without additional funding.
- Project costs have continued to increase above inflation and any schedule delays would likely increase costs further.
- NCDOT and NCTA are not advocating for a particular path forward.
- NCDOT and NCTA will continue to provide support as the ARPO continues to consider all possible funding options for the Project.

Potential Next Steps

- Given the project's current legal and funding challenges, adjust the STIP schedule and allow it to recompete in P8.0 for Statewide Mobility and/or Regional Impact funding.
  - Decision needed by ARPO Board meeting in April 2026.
  - The project would no longer be scheduled for delivery (committed) and the $173 million would be available for other division needs projects.
  - Initial analysis shows the project could potentially score high enough to remain funded for PE, construction funding is less certain.
- Continue applying for Federal Discretionary Grant(s)
- Identify alternative funding source(s)
  - *Potential alternative funding sources that NCDOT does not have the authority to pursue independently*:*
    - Annual State Appropriation
    - Toll existing capacity in the region
    - Local Option Sales Tax
    - Local Room Occupancy Tax

NCDOT and NCTA are not advocating for a particular path forward.

**Options presented for information only and would likely require legislative action to advance.*

Contact Us

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ncdot.gov/projects/mid-currituck-bridge