



New Jersey Turnpike Authority

1 TURNPIKE PLAZA - P.O. BOX 5042 - WOODBRIDGE, NEW JERSEY 07095
TELEPHONE (732) 750-5300

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November 10, 2020

TO ALL PROPOSERS:

RE: Request for Proposals
Direct Purchase of Series 2020D Turnpike Revenue Bonds
RM-161210

Responses to Inquiries

Dear Sir/Madam:

Below are the New Jersey Turnpike Authority's ("Authority") responses to inquiries received with respect to the above-referenced Request for Proposals ("RFP").

Responses to Inquiries:

1. Given our office remains closed due to the COVID-19 pandemic, can proposals be submitted as a PDF file via email only, with no hard copy submission.

ANSWER: Hard copies are preferred, but proposals can be submitted as a PDF file via email to mcnally@njta.com and must be received by the due date and time.

2. Can you please provide MS Word Versions of Appendix 1 – Certificate of Determination and Appendix 2 – Draft Bondholder Agreement so we may provide any modifications as necessary, per the request in Section IV.C.7 of the RFP?

ANSWER: See attached Word documents "Appendix 1 – Certificate of Determination" and Appendix 2 – Bondholder Agreement".

3. What is the current mark-to-market of the swap on the \$150m Series 2017C-5 bonds? If a termination payment is necessary for NJTA, would it be done with cash or financed as part of the refunding?

ANSWER: See attached "2020-1031 NJTA Fair Market Value Report SWAP" document for current mark to market. The \$150 million swap as included in the total 2017C-5 mark to market. As of November 10, 2020, the mid-market value of the notional amounts for the two interest rate swaps with Wells Fargo related to the Series 2017C Bonds is \$31,915,992 (NJTA

pays). The Authority's preference is to finance any termination payment as part of the refunding.

4. Can the Authority provide any information on actual traffic and revenue data since the Authority enacted the toll increase? Any weekly date or other information (including projections) would be helpful.

ANSWER: For September and October 2020 actual traffic and revenue results by road, see attached Excel spreadsheet titled "Sept and Oct Actual Toll Revenue". The monthly projections are supplied in response to #5 below.

5. Does the Authority have available projections for monthly traffic and revenue over the next 12-24 months?

ANSWER: Please see attached Excel spreadsheet titled "Monthly Toll Revenue Forecast" for projections through December 31, 2021.

6. The instructions for RFP submission note both an email address as well as physical address for paper deliveries. Could the Authority accept electronic copies as sufficient for purposes of meeting the required deadline given the continued impact of COVID-19 in the State and resulting hardship on banks to create paper-based bid responses?

ANSWER: Please see answer #1.

7. The 2020 – 2029 Strategic Plan was published pre-COVID. Has NJTA made any adjustments to the CIP to reflect the impact of COVID-19? What projects are moving forward, and what are their associated dollar amounts and funding sources? We are particularly interested in the next two to three years.

ANSWER: The NJTA has not made any adjustments to the CIP and is moving forward as planned. See attached "NJTA 2021 Budget-In-Brief" document approved by the Board of Commissioners at the October 2020 board meeting. This document contains the rolling 5-year capital plan spending and funding.

8. Has the NJTA provided relief programs to concessionaires? Does the program offer deferrals, waivers, or other relief, such as converting maximum annual contract to a percent of sales? If yes, what are the financial impacts to NJTA of that relief?

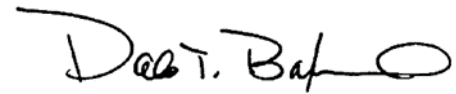
ANSWER: The NJTA has not provided relief programs to the concessionaires. Both HMS and Host are required and are making payments as per their respective contracts. Please see the September 30, 2020 financial summary for an analysis of actual 2020 concession revenue to budget at

<https://www.njta.com/media/5688/financial-summary-through-september-2020.pdf>. Under the existing contracts with HMS and Sunoco, the Authority receives the higher of a % of sales or a minimum annual guaranteed rent. In addition, for diesel fuel sales, the Authority receives 50% of the gross profit margin on diesel sales. There have been no changes to this compensation in 2020.

The Authority's Board of Commissioners approved a funding arrangement with HMS and Sunoco in March 2020 whereby the Authority agreed to make payments to complete the work as part of Phase 2 of the Service Area Renovation Program. The Authority will be repaid its advances (approximately \$26 million) over an 18-month period beginning on January 1, 2020. Please see Board Agenda minutes from March 2020 Board of Commissioners meeting for details. <https://www.njta.com/media/5255/minutes-bm-3-24-2020.pdf>

Proposals are due on Wednesday, November 18, 2020 at 4:00 PM EST.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dale Barnfield", with a stylized flourish at the end.

Dale Barnfield, Director
Procurement and Materials Management