

Review of the Comprehensive Agreement between
the North Carolina Department of Transportation
and I-77 Mobility Partners LLC

Final Report

September 2017

Overview

Mercator Advisors LLC (Mercator) was retained to review the Comprehensive Agreement between the North Carolina Department of Transportation (NCDOT) and I-77 Mobility Partners LLC. The objective was to identify and evaluate potential policy options that might address concerns expressed by members of the public regarding the implementation of the managed toll lanes concept and various provisions in the agreement.

This presentation describes how public input on the draft report has been incorporated in the final report.

Presentation Outline

- Public Comment on the Draft Report
- Widen I-77 Proposal
- Additional Topics of Concern
- Next Steps

Public Comment on the Draft Report

The Draft Report released on August 10, 2017. Members of the public were encouraged to send comments to NCDOT via e-mail and/or to use the comment form created on the Express Lanes Project website.

1,664 comments were submitted between August 10 and September 15. There was no restriction on the number of times any individual could submit comments.

The majority of the comments are brief statements of opposition to tolls and/or the P3 agreement and expressions of support for an option proposed by the Widen I-77 organization that involves completing the widening of I-77 without installing the electronic toll collection system.

Mercator prepared an addendum to the report to highlight the “complete and delete” option and other topics raised in the public comments.

Widen I-77 Proposal

Basic concept: NCDOT has I-77 Mobility Partners complete the construction of additional lanes in the I-77 corridor but modifies the contract to “delete” the electronic toll collection system (effectively converting the express lanes to general purpose lanes).

Under this scenario, the Comprehensive Agreement would be terminated after construction is complete and NCDOT would operate and maintain the new lanes which would be open to all traffic except heavy trucks.

To the extent NCDOT conducts technical analyses of the options identified in the Mercator report, we recommend that the “complete and delete” scenario be included.

Widen I-77 Proposal, *continued*

Other considerations, in addition to the technical analysis, include:

- Charlotte Regional Transportation Planning Organization (CRTPO) Approval Process

NCDOT does not have unilateral authority to build general purpose lanes on I-77 (or to modify the number or length of the express lanes that are under construction).

- Availability of Funding to Complete Construction of General Purpose Lanes and to Compensate the Private Partner

Private equity will not be invested if unable to realize a return on investment through toll collections. NCDOT would have to work with CRTPO through the STI project prioritization process to secure public funds to complete the widening and to pay the required compensation to the Private Partner.

- Availability of Bonus Allocation Funds

The STI legislation does not specify what happens to bonus allocation funds if the eligible project that is the basis for awarding the funds is not completed.

Additional Topics in the Addendum

- STI Project Prioritization Process

In 2014, NCDOT concluded that no section of I-77 North “would score high enough, or fall within corridor cap limits, to be funded for construction for at least the next ten years under the law.”

The analysis has been criticized by opponents to the Express Lanes Project because the most congested portion of I-77 North between Exit 23 and Exit 28 was not evaluated independently.

- Potential Economic Impact of the Express Lanes Project

In November 2015, an affidavit filed in support of litigation initiated by the Widen I-77 organization stated that the net economic costs incurred by users of the express lanes and other drivers in the I-77 corridor will exceed \$33 billion over 50 years.

Mercator has reviewed the calculations in the affidavit and believes that some of the underlying assumptions may not bear scrutiny.

Next Steps

- NCDOT will host open houses in October in North Mecklenburg County and Uptown Charlotte
- Develop and refine cost and schedule analysis for all options
- Develop responses for questions and comments previously submitted by the local jurisdictions
- NCDOT is still open to receive public comments