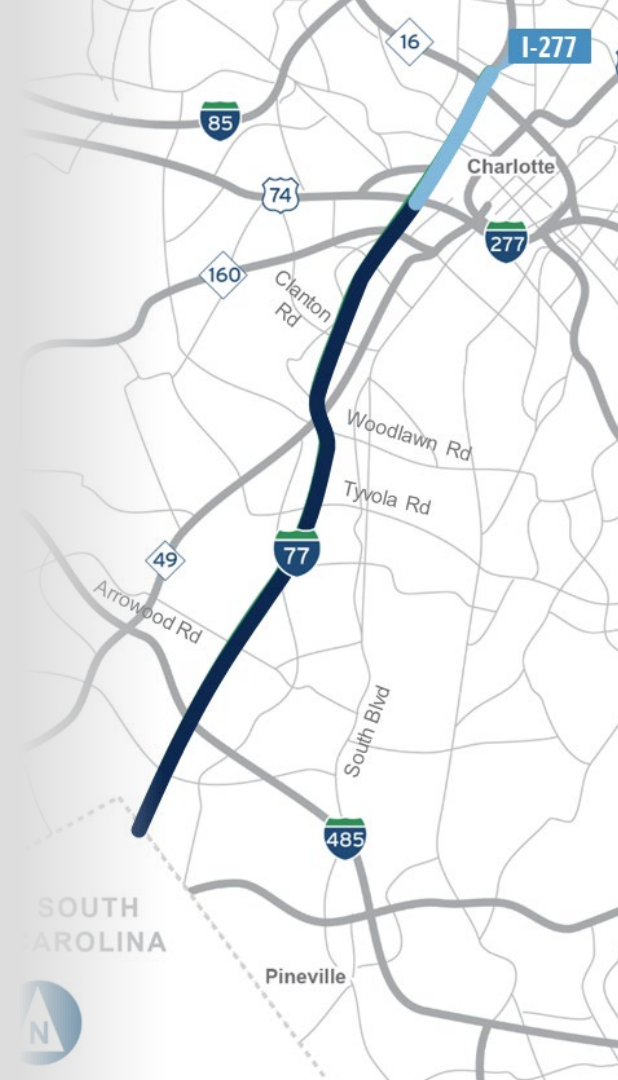




# South Express Lanes

## Working Group Meeting #4

May 21, 2025

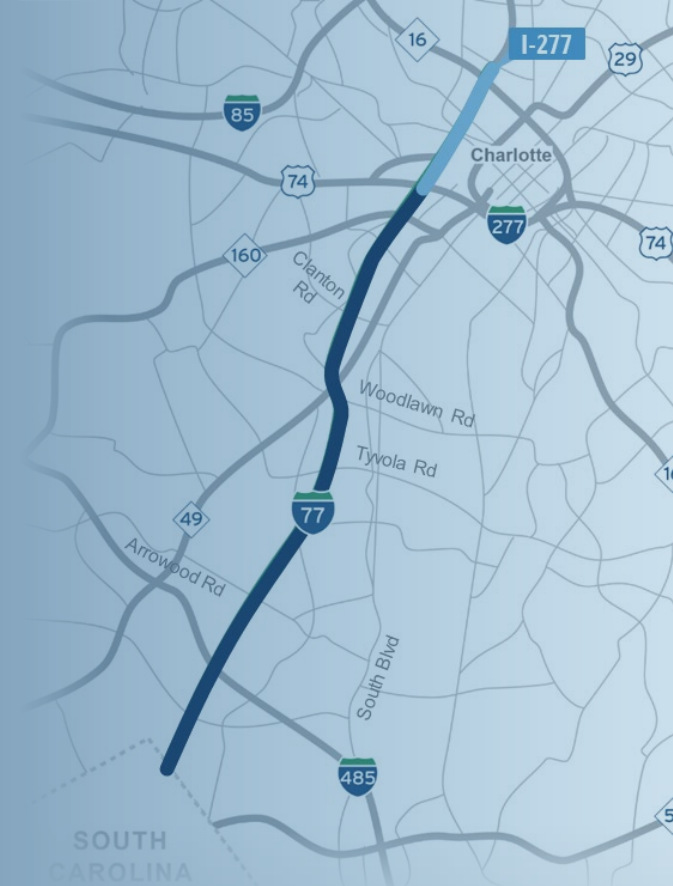


- Schedule & Recap
- Project Updates
- High Financial Impact Priorities
- Closing & Next Steps

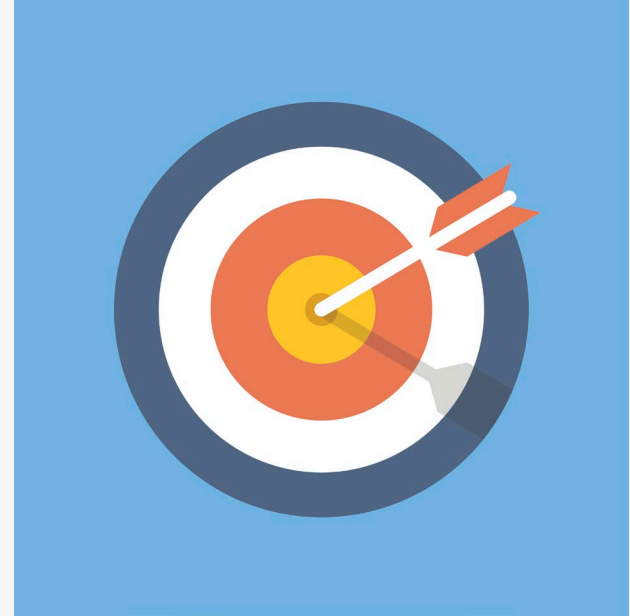


## South Express Lanes

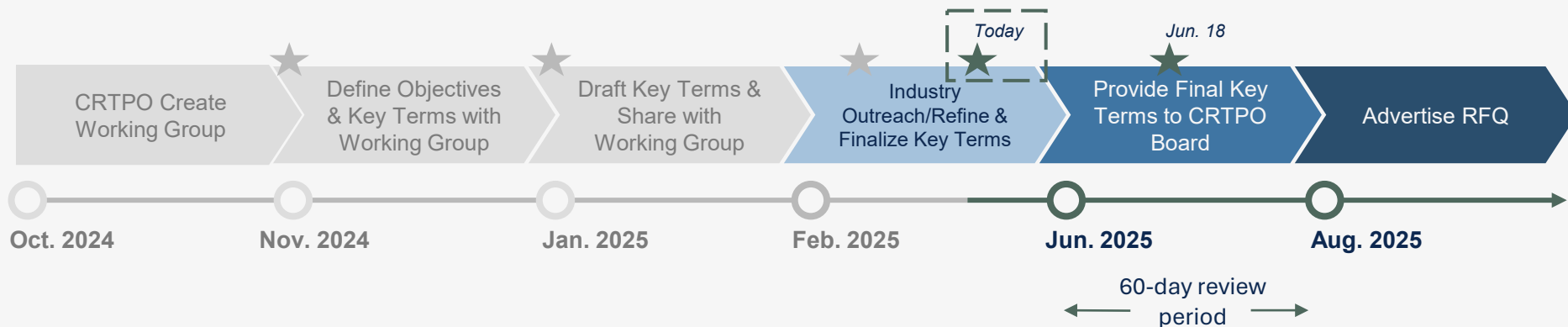
# Schedule & Recap



The working group brings NCDOT and CRTPO together in a collaborative effort to establish clear project objectives and priorities that will shape certain key commercial and competitive terms for the I-77 South Express Lanes project



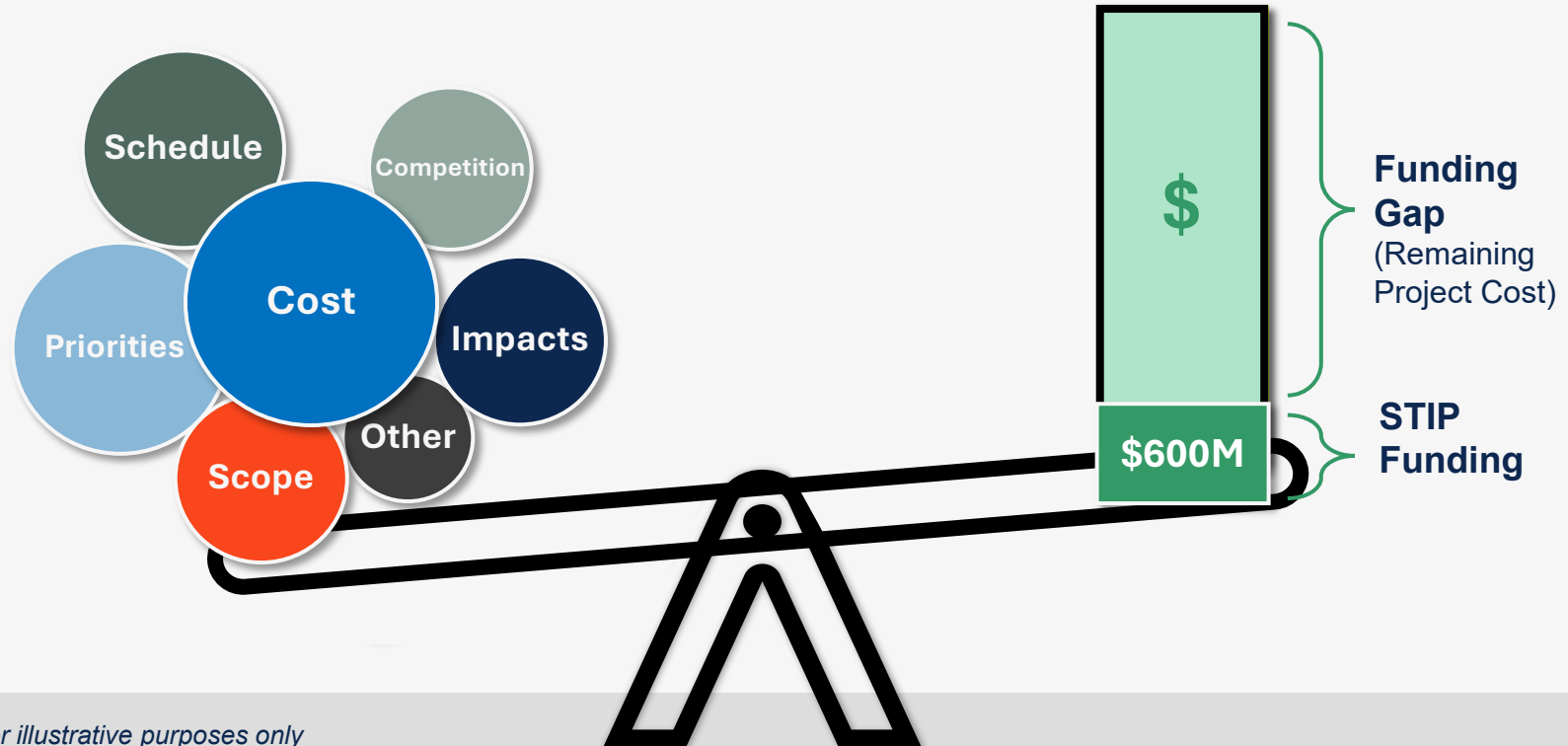
# Working Group Schedule\*



★ = Working Group Meeting

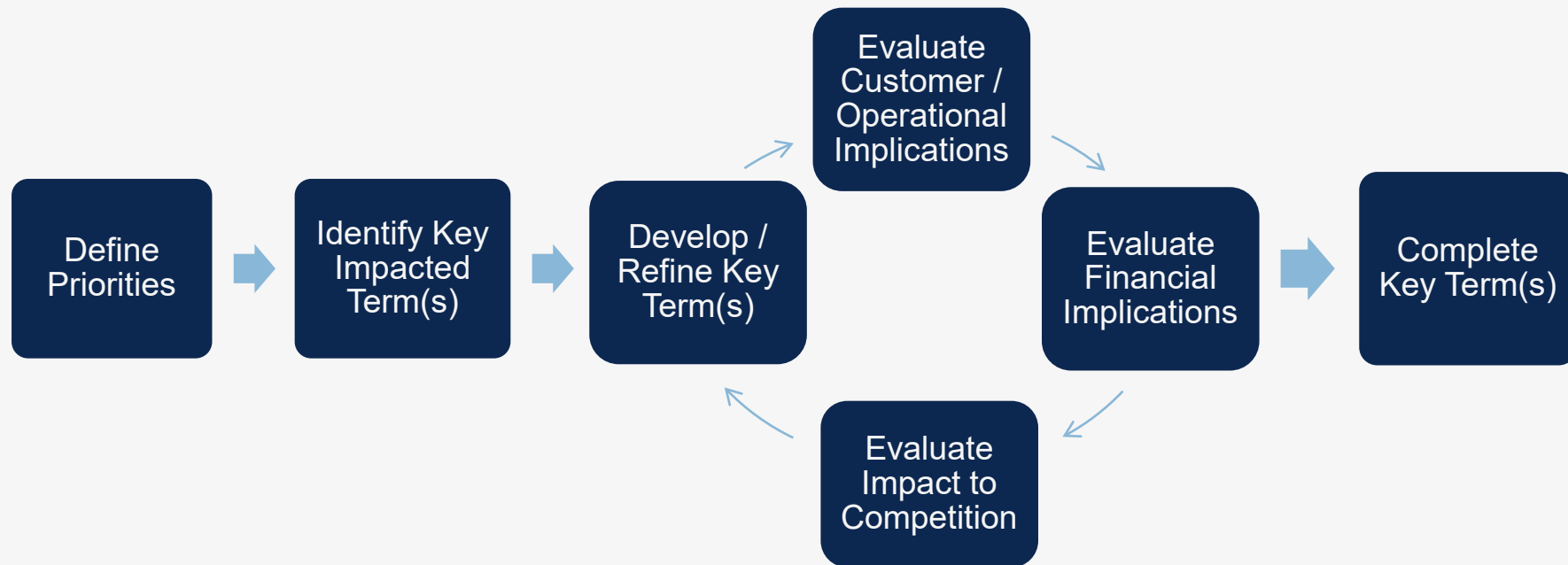
\* = Preliminary schedule; subject to change

Key objectives & priorities must be identified while also ensuring the project's financial viability pencils out



**Iterative process requiring coordination between NCDOT, CRTPO and the market**

- Process designed to ensure effective solution that leads to a viable project



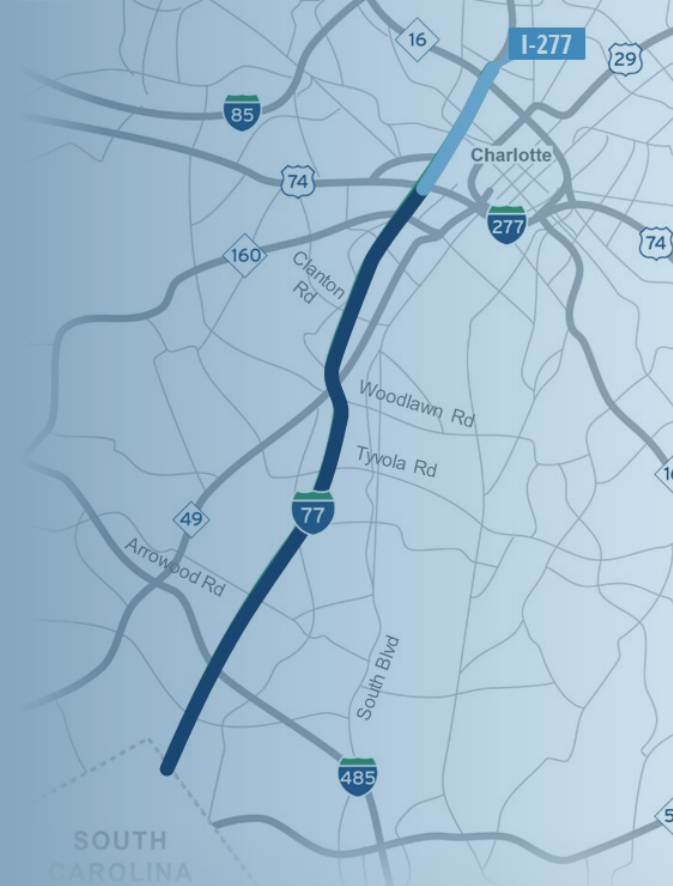
Low Financial Impact	High Financial Impact
<ul style="list-style-type: none"><li>• Toll Rates during Emergency Declarations</li><li>• Corridor Access for Emergency Vehicles</li><li>• Markings / Lighting on the Express Lanes Facility</li><li>• Transparent Toll Rates</li><li>• Real-Time Road Condition Updates for the Express Lanes</li><li>• Performance Reporting</li><li>• Transit Usage of Express Lanes for Free</li><li>• Real-Time Transit Information Systems</li><li>• Disadvantaged Business Enterprises (DBE) Outreach</li></ul>	<ul style="list-style-type: none"><li>• Toll Rate Caps / Regime to increase Express Lane Utilization</li><li>• Expansion Based Facility Triggers</li><li>• Requirements for Technology Enhancements</li><li>• HOV3+ Free Policy</li><li>• Large Commercial Vehicle Express Lane Eligibility</li><li>• Discounts for Eligible Groups</li></ul>





South Express Lanes

# Project Updates

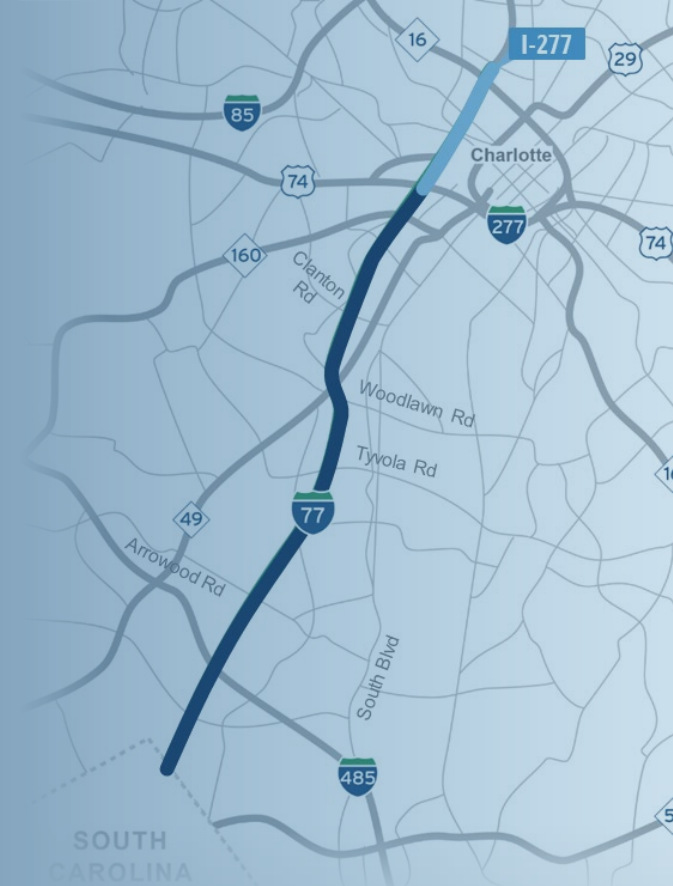


- NEPA/Public Engagement
  - Since January, NCDOT has led 15 regional stakeholder meetings (~350 people)
- Market Feedback Meetings
- Information shared since the March Meeting
  - Additional Information on Discounts
  - Talking Points on Toll Rate Caps
  - Overview of Key Risks in P3 Express Lanes Projects
  - Low Financial Impact Priorities – Draft Final Terms
  - High Financial Impact Priorities – Draft Final Terms



South Express Lanes

# High Financial Impact Priorities



**CRTP**



# High Financial Impact Priorities – Draft Final Key Terms

## High Financial Impact

- Toll Rate Caps / Regime to increase Express Lane Utilization
- Expansion Based Facility Triggers
- Requirements for Technology Enhancements
- HOV 3+ Free Policy
- Large Commercial Vehicle Express Lane Eligibility
- Discounts for Eligible Groups

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DRAFT

### NORTH CAROLINA DEPARTMENT OF TRANSPORTATION I-77 SOUTH EXPRESS LANES HIGH FINANCIAL IMPACT PRIORITIES – DRAFT KEY TERMS

#	Topic	Objective	Draft Key Term
1.	<b>Toll Rates</b> (Toll Rate Caps / Regime to Increase Express Lane Utilization)	Author align and cap toll rates with actual project utilization and corridor conditions, establishing a fair, responsive, and flexible pricing system that adapts dynamically to traffic volumes, corridor performance, and evolving community needs.	<p>The Developer will be permitted to adjust the toll rate to manage congestion on the Express Lanes to maintain traffic at or above a set traffic speed.</p> <p>The Developer shall be subject to the following limitations on the toll rate that will be determined based on current traffic volume/speed:</p> <p><b>Utilization Toll Rate ("UTR"):</b> The UTR is a maximum toll rate that will apply at times when traffic on the Express Lanes is low (i.e. below an identified number of vehicles per hour).</p> <p><b>Operational Toll Rate ("OTR"):</b> After traffic reaches the UTR upper threshold, the maximum toll rate shall be capped by the OTR until either a specified traffic volume threshold or a minimum traffic speed threshold is reached.</p> <p><b>Toll Increases Beyond the OTR:</b> After the specified OTR traffic volume / minimum traffic speed threshold is reached, the Developer will be permitted to raise tolls above the OTR, but only in accordance with parameters set out in the Agreement.</p> <p>Parameters could include factors such as:</p> <ul style="list-style-type: none"> <li>• Incremental toll rate caps based on traffic volumes (if speed remains above the OTR threshold).</li> <li>• For tolls charged above a specified toll rate ("Rate Share Threshold" or "RST"), a requirement to share with NCDOT a percentage of the difference between the RST and the toll.</li> </ul>

#### Term

targeted. [Note: this mechanism reduces the financial incentive if the Developer discharges above the RST. Similar to a hard cap, the RST will be set in excess of the OTR.]

and RST will all be subject to annual escalation. [Note: to be determined.]

**Rate:** Toll rates will be subject to toll multipliers based on RSTs.

#### Conditions

keep pace with travel demand and ensure long-term mobility, in its absolute discretion, deliver a capacity expansion to I-77 under certain conditions are met ("Capacity Expansion").

Conditions to be determined e.g., time elapsed, traffic, speed, volume, average toll rates.]

Wishes to use this mechanism, NCDOT must first offer the opportunity to submit a proposal to deliver the Capacity Expansion as an additional express lane or other Capacity Improvement. The Agreement will include requirements for submission, discussion and conditions for rejection of the Developer's

#### Proposal

If NCDOT rejects the Developer's change proposal, or the Developer fails to submit a change proposal, NCDOT may deliver a Capacity Expansion (which may be a general purpose lane or other Capacity Improvement) at its own cost.

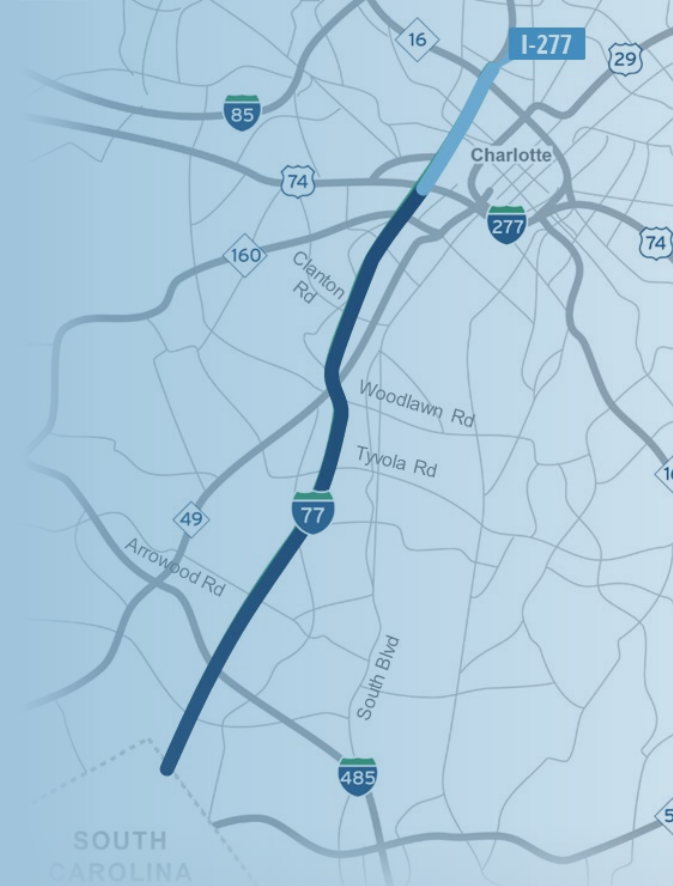
#### Competing Facilities

Subject to the above caveat, the agreement will have market standard provisions limiting NCDOT's right to deliver an expansion of the corridor that would compete with the project Express Lanes for traffic.



South Express Lanes

# Toll Rate Caps



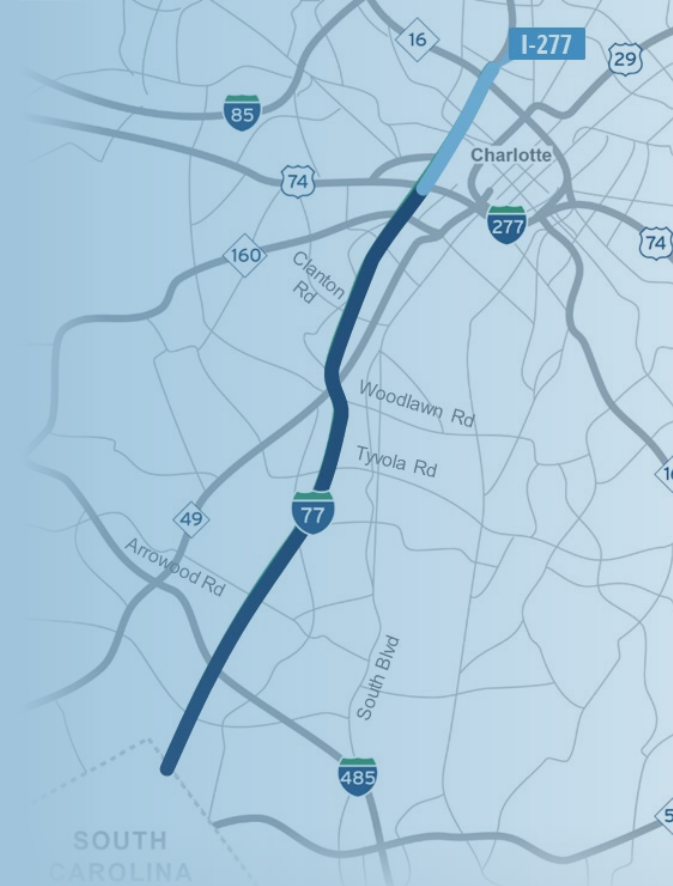
#	Topic	Objective	Draft Key Term
1.	<b>Toll Rates</b> [Toll Rate Caps / Regime to Increase Express Lane Utilization]	Better align and cap toll rates with actual project utilization and corridor conditions, establishing a fair, responsive, and flexible pricing system that adapts dynamically to traffic volumes, corridor performance, and evolving community needs.	<p>The Developer will be permitted to adjust the toll rate to manage congestion on the Express Lanes to maintain traffic at or above a set traffic speed.</p> <p>The Developer shall be subject to the following limitations on the toll rate that will be determined based on current traffic volume/speed:</p> <p><b>Utilization Toll Rate ("UTR"):</b> The UTR is a maximum toll rate that will apply at times when traffic on the Express Lanes is low (i.e. below an identified number of vehicles per hour).</p> <p><b>Operational Toll Rate ("OTR"):</b> After traffic reaches the UTR upper threshold, the maximum toll rate shall be capped by the OTR until either a specified traffic volume threshold or a minimum traffic speed threshold is reached.</p> <p><b>Toll Increases Beyond the OTR:</b></p> <p>After the specified OTR traffic volume / minimum traffic speed threshold is reached, the Developer will be permitted to raise tolls above the OTR, but only in accordance with parameters set out in the Agreement.</p> <p>Parameters could include factors such as:</p> <ul style="list-style-type: none"> <li>• Incremental toll rate caps based on traffic volumes (if speed Remains above the OTR threshold).</li> <li>• For tolls charged above a specified toll rate ("<b>Rate Share Threshold</b>" or "<b>RST</b>"), a requirement to share with NCDOT a percentage of the difference between the RST and the toll charged. [<b>Note:</b> <i>this mechanism reduces the financial incentive for the Developer to charge above the RST. Similar to a hard cap, the RST will be set in excess of the OTR.</i>]</li> </ul> <p>UTR, OTR and RST will all be subject to annual escalation. [<b>Note:</b> <i>indices to be determined</i>].</p> <p><b>Toll Multipliers:</b> Toll rates will be subject to toll multipliers based on vehicle class/size.</p>

*\*The I-77 North Express Lanes currently operate without any toll rate caps. The developer is allowed to charge whatever toll rates they desire at any time of day to keep traffic flowing in the express lanes.*



South Express Lanes

# Expansion Based Facility Triggers



**CRTP**



#	Topic	Objective	Draft Key Term
2.	<b>Capacity Expansions</b> [Expansion Based Facility Triggers]	Retain the state's right to deliver future capacity expansions based upon performance metrics to address long-term mobility needs in the event travel demand increases beyond the capacity of the corridor.	<p><b><u>Capacity Expansions</u></b></p> <p>In order to keep pace with travel demand and ensure long-term mobility, NCDOT may, in its absolute discretion, deliver a capacity expansion to I-77 South if certain conditions are met ("<b>Capacity Expansion</b>").</p> <p><i>[Note: such conditions to be determined e.g., time elapsed, traffic, speed, volume, revenue, average toll rates.]</i></p> <p>If NCDOT wishes to use this mechanism, NCDOT must first offer the Developer the opportunity to submit a proposal to deliver the Capacity Expansion itself as an additional express lane or other Capacity Improvement. The Agreement will include requirements for submission, review and discussion and conditions for rejection of the Developer's Proposal.</p> <p>If NCDOT rejects the Developer's change proposal, or the Developer fails to submit a change proposal, NCDOT may deliver a Capacity Expansion (which may be a general purpose lane or other Capacity Improvement) at its own cost.</p> <p><b><u>Competing Facilities</u></b></p> <p>Subject to the above carveout, the agreement will have market standard provisions limiting NCDOT's right to deliver an expansion of the corridor that would compete with the project Express Lanes for traffic ("<b>Competing Facility</b>") without compensating the Developer for any negative impact to the project financials.</p>

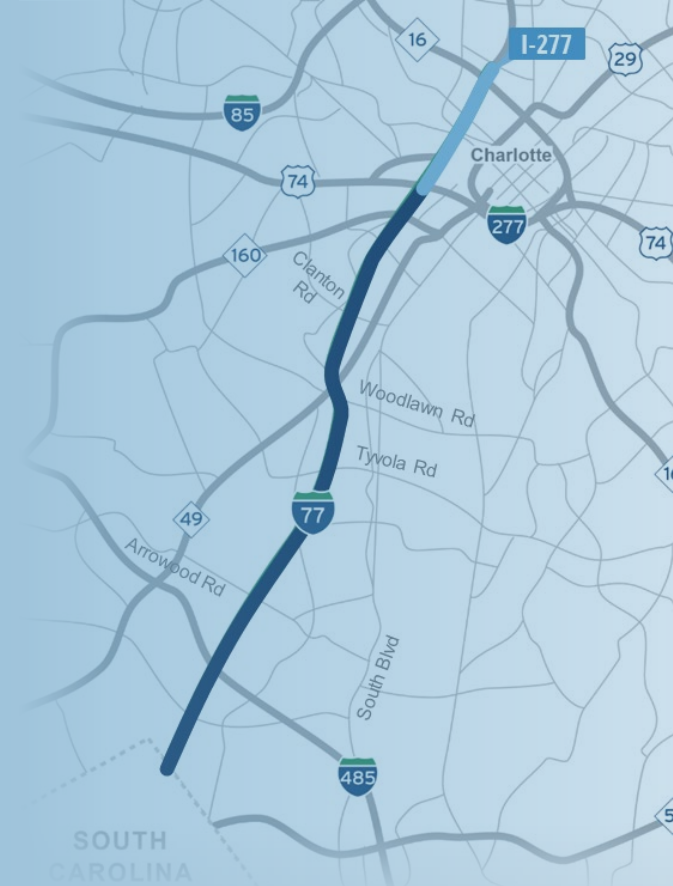
*\*The I-77 North Express Lanes does not include a structure to allow NCDOT to delivery future capacity expansions on the corridor without compensating the developer for project impacts.*





## South Express Lanes

# Requirements for Technology Enhancements

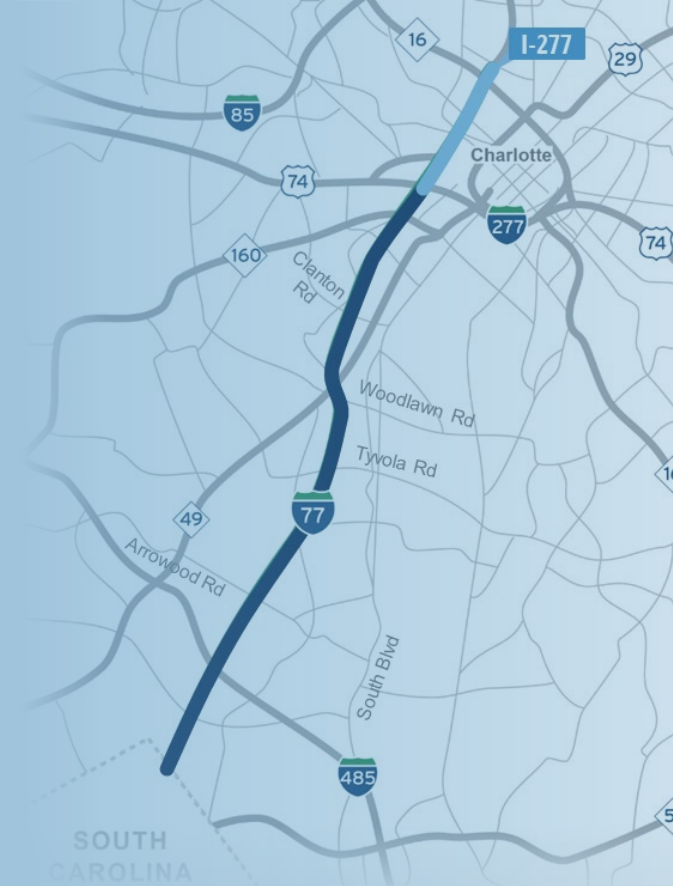


#	Topic	Objective	Draft Key Term
3.	<b>Operations Review and Amendment</b> [Requirements for Technology Enhancements]	Promote continuous integration of technology improvements and industry best practice over the term of the project.	<p>The Agreement will include a mechanism for a periodic (e.g. every [X] years) review of operating requirements / KPIs, against then prevailing industry standards accepted across similar contracts (including to determine any improvement in technology or in accepted industry best practice).</p> <p>The mechanism will include a process for consultation between NCDOT and Developer as to how to adjust the Agreement to implement improved prevailing industry standards (including adopting new technology, if applicable) and the timeframe for implementation (with major technology improvements implemented in the next renewal cycle).</p>



South Express Lanes

# HOV 3+ Free Policy

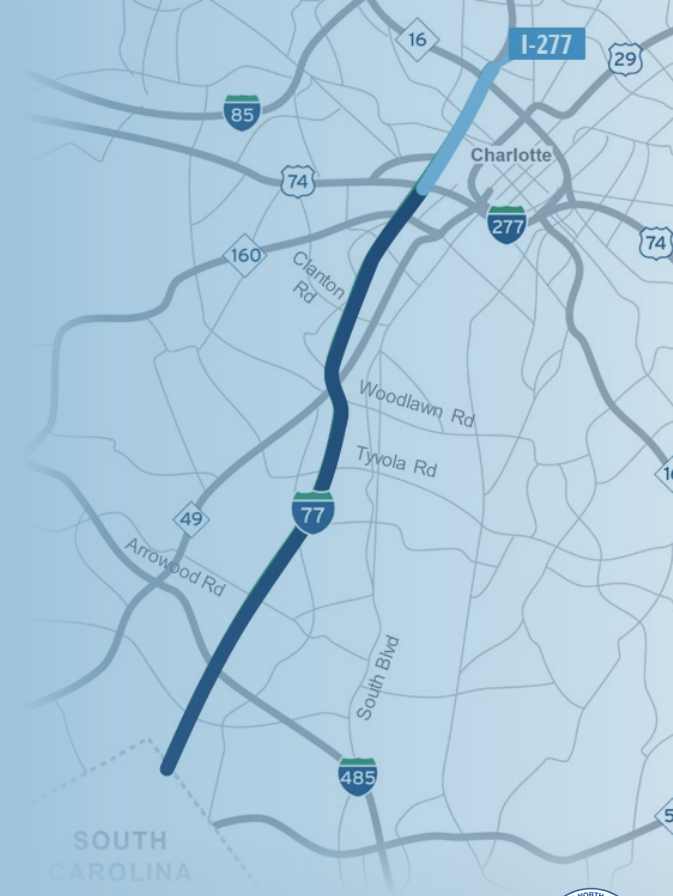


#	Topic	Objective	Draft Key Term
4.	<b>HOV 3+</b> [HOV 3+ Free Policy (Consistent with I-77 North)]	Ensure a consistent HOV3+ user experience from I-77 North and encourage user carpooling.	<p>High Occupancy Vehicles (HOVs) will be permitted to use the Express Lanes without paying a toll.</p> <p>The HOV requirement will be a minimum of three occupants while using the Express Lanes and a User must declare or otherwise indicate HOV status.</p>



## South Express Lanes

# Large Commercial Vehicle Express Lane Eligibility

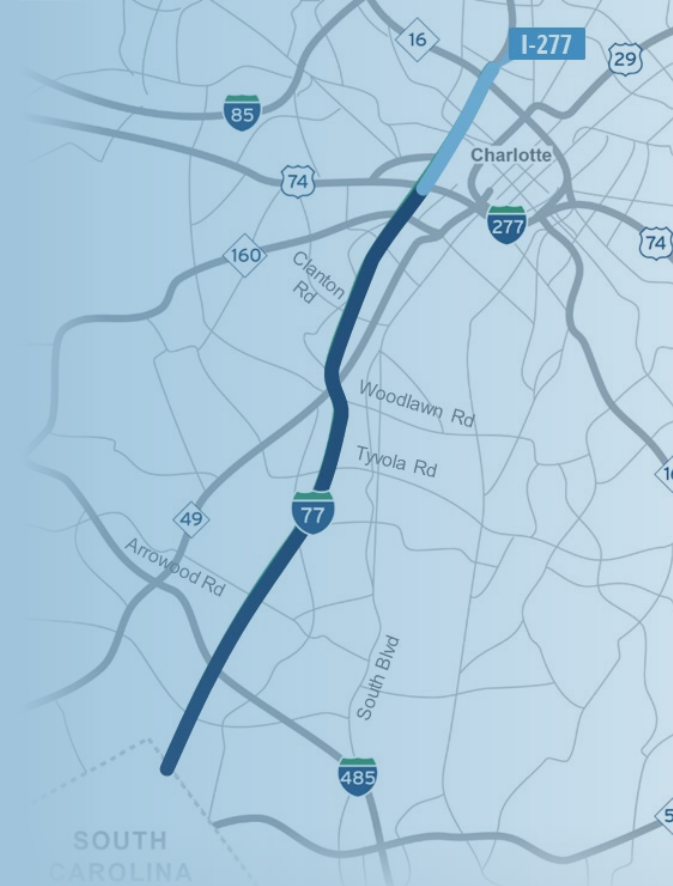


#	Topic	Objective	Draft Key Term
5.	<b>Large Commercial Vehicles</b> [Large Commercial Vehicle Express Lane Eligibility]	Allow large commercial vehicles to use the Express Lanes at a premium to generate additional revenue to keep passenger vehicle tolls and project costs low, enhance freight mobility, and reduce congestion on the general-purpose lanes.	<p>Large commercial vehicles up to and including FHWA Class 10 will be permitted to use the Express Lanes.</p> <p>Large commercial vehicles will be subject to toll rate multipliers that will be stipulated in the Agreement.</p> <p>The Developer will be required to publish a schedule of the applicable toll rate multipliers, and the Agreement will limit how often toll rate multipliers can be changed.</p>



South Express Lanes

# Discounts for Eligible Groups



#	Topic	Objective	Draft Key Term
6.	<b>Toll Discount for Low-Income Residents</b>	Promote affordability and equitable access to the Express Lanes.	<p>The Developer will be required to implement and administer a discount program to provide eligible Users with a number of free or discounted trips on the Express Lanes per month/year. Eligible Users will be registered vehicle owners who are low income, e.g. those who receive assistance from USDA's Food and Nutrition Service.</p> <p>To allow the Developer to model and commit to the program, the program will target a financial impact of \$1,000,000 per year, escalated. The Developer will not be entitled to a NCDOT Compensation Event if that amount is exceeded; however, if that amount is exceeded, the Developer will be permitted to adjust the program to ameliorate the financial impact.</p> <p>Developers will be required to include in their Proposal a description of their proposed program and details of how they would implement and administer the program, including how they would ameliorate the financial impact if the \$1,000,000 per year is exceeded. The Instructions to Proposers will allocate a specified number of technical points to the Proposers plan for implementation and administration of the program.</p>

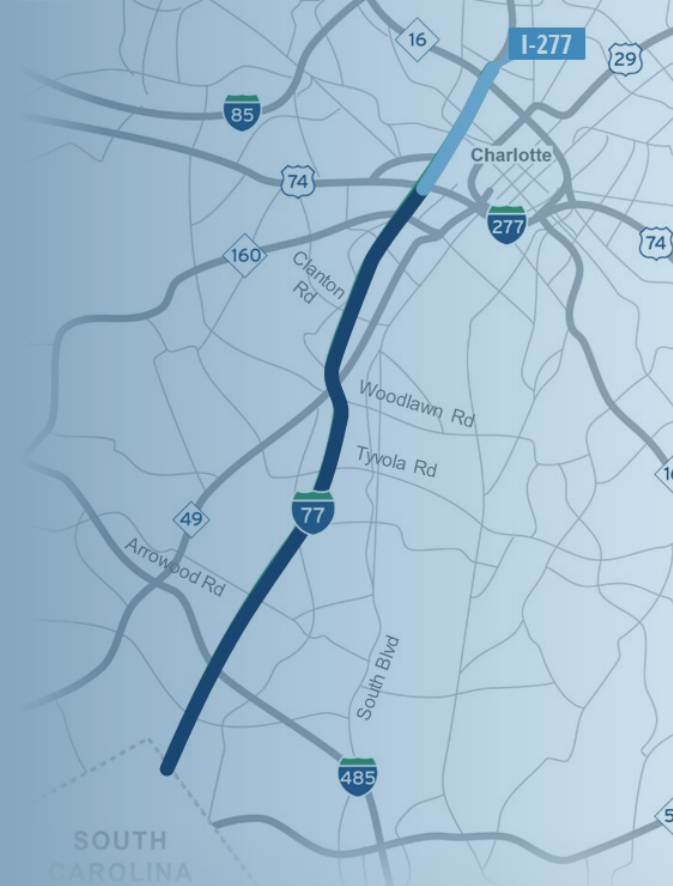
*\*I-77 Mobility Partners, at their discretion, currently offers 10 free trips on the I-77 North Express Lanes for registered users that receive assistance from USDA's Food and Nutrition Service.*





South Express Lanes

# Closing & Next Steps



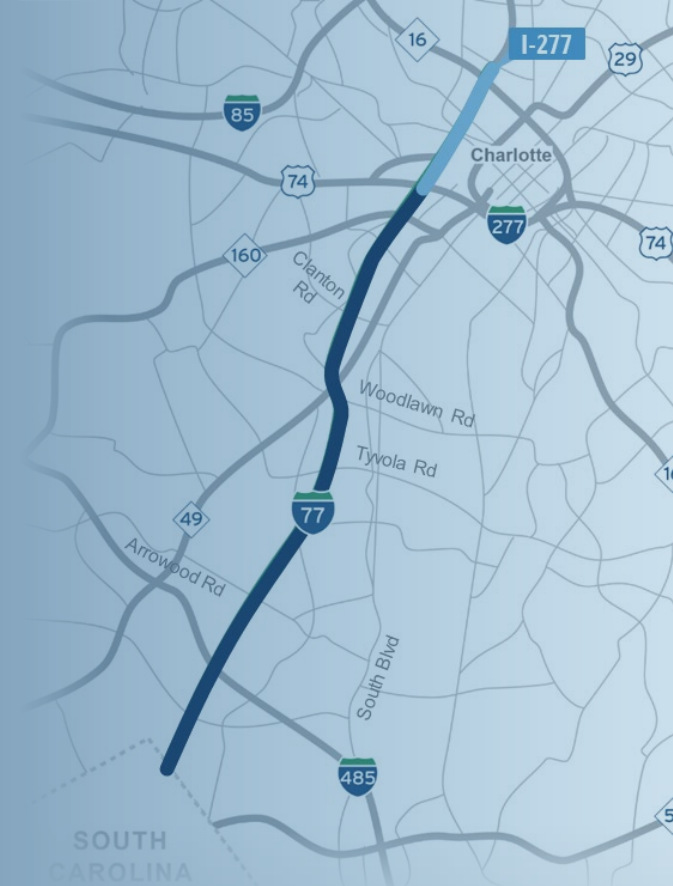
Low Financial Impact	High Financial Impact
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- Next steps:
  - Finalize key terms
  - Send final key terms to CRTPO board
  - CRTPO board 60-day review period
  - Advertise RFQ



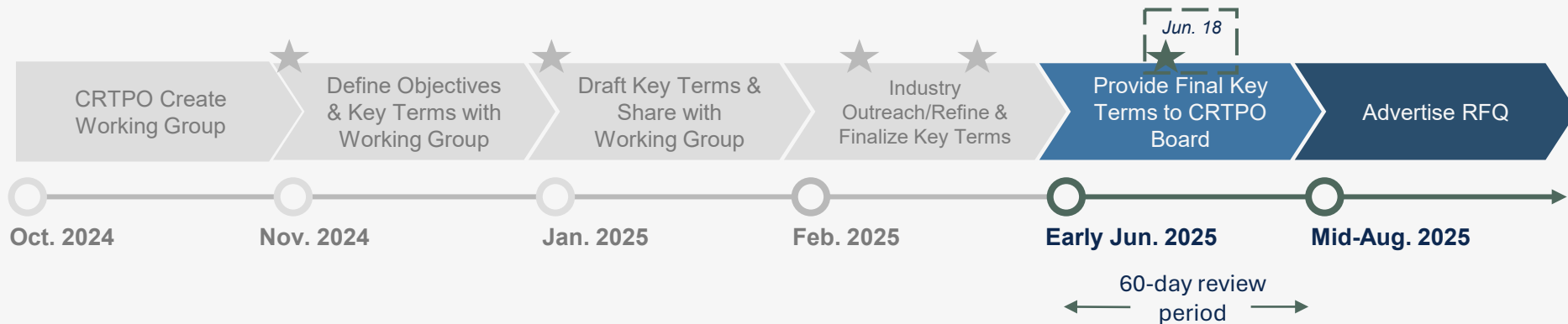
## South Express Lanes

# Appendix



# Working Group Meeting Schedule\*

- Meeting Date Hold: June 18, 2025, 3:30pm



★ = Working Group Meeting  
\*preliminary schedule; subject to change