

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
I-77 SOUTH EXPRESS LANES

HIGH FINANCIAL IMPACT PRIORITIES – KEY TERMS

#	Working Group Priority	Objective	Key Term
1.	Toll Rates [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><u>Utilization Toll Rate ("UTR"):</u> 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><u>Operational Toll Rate ("OTR"):</u> 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><u>Toll Increases Beyond the OTR:</u></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"> • Incremental toll rate caps based on traffic volumes (if speed Remains above the OTR threshold). • For tolls charged above a specified toll rate ("Rate Share Threshold" or "RST"), a requirement to share with NCDOT a

#	Working Group Priority	Objective	Key Term
			<p>percentage of the difference between the RST and the toll charged. [Note: <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>]</p> <p>UTR, OTR and RST will all be subject to annual escalation. [Note: <i>indices to be determined</i>].</p> <p>Toll Multipliers: Toll rates will be subject to toll multipliers based on vehicle class/size.</p>
2.	<p>Capacity Expansions</p> <p>[Expansion Based Facility Triggers]</p>	<p>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>	<p><u>Capacity Expansions</u></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 ("Capacity Expansion").</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 Expansion. 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 Expansion) at its own cost.</p>

#	Working Group Priority	Objective	Key Term
			<p><u>Competing Facilities</u></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 ("Competing Facility") without compensating the Developer for any negative impact to the project financials.</p>
3.	<p>Operations Review and Amendment</p> <p>[Requirements for Technology Enhancements]</p>	<p>Promote continuous integration of technology improvements and industry best practice over the term of the project.</p>	<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>
4.	<p>HOV 3+</p> <p>[HOV 3+ Free Policy (Consistent with I-77 North)]</p>	<p>Ensure a consistent HOV3+ user experience from I-77 North and encourage user carpooling.</p>	<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>
5.	<p>Large Commercial Vehicles</p>	<p>Allow large commercial vehicles to use the Express Lanes at a premium to generate additional revenue to keep passenger vehicle</p>	<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>

#	Working Group Priority	Objective	Key Term
	[Large Commercial Vehicle Express Lane Eligibility]	tolls and project costs low, enhance freight mobility, and reduce congestion on the general-purpose lanes.	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.
6.	Toll Discount for Low-Income Residents	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>