

Meanwhile, the demands on our transportation system, as well as the costs to build and maintain it, are increasing rapidly. Our society is driving more miles per person each year adding strain to the over-burdened highway system. While North Carolina has the second largest state-maintained road system in the country, it ranks near the bottom (47th) for expenditures per lane mile. In fact, the 'average' state collects and invests nearly three times more in its roads than North Carolina. And highway construction costs have risen an astounding 45 percent in the past three years alone. Asphalt, steel and concrete costs continue to escalate as China, India and other countries consume more of these resources.

You could say our nation's transportation system is in a kind of financial depression. Old funding systems are no longer sufficient to meet today's demand. To ensure that our state continues to prosper, we must search for alternative ways to build and maintain our transportation system.

◀ Tolls Offer a Partial Solution

Turnpikes may be a partial solution. Because toll roads are financed mostly with private money, funding is available much faster. The result is critical roads can often be built much sooner and at lower costs as an alternative to congested roads in many urban areas. Motorists can choose the toll road when they want a quicker commute, or can take the free route when they have more time available.

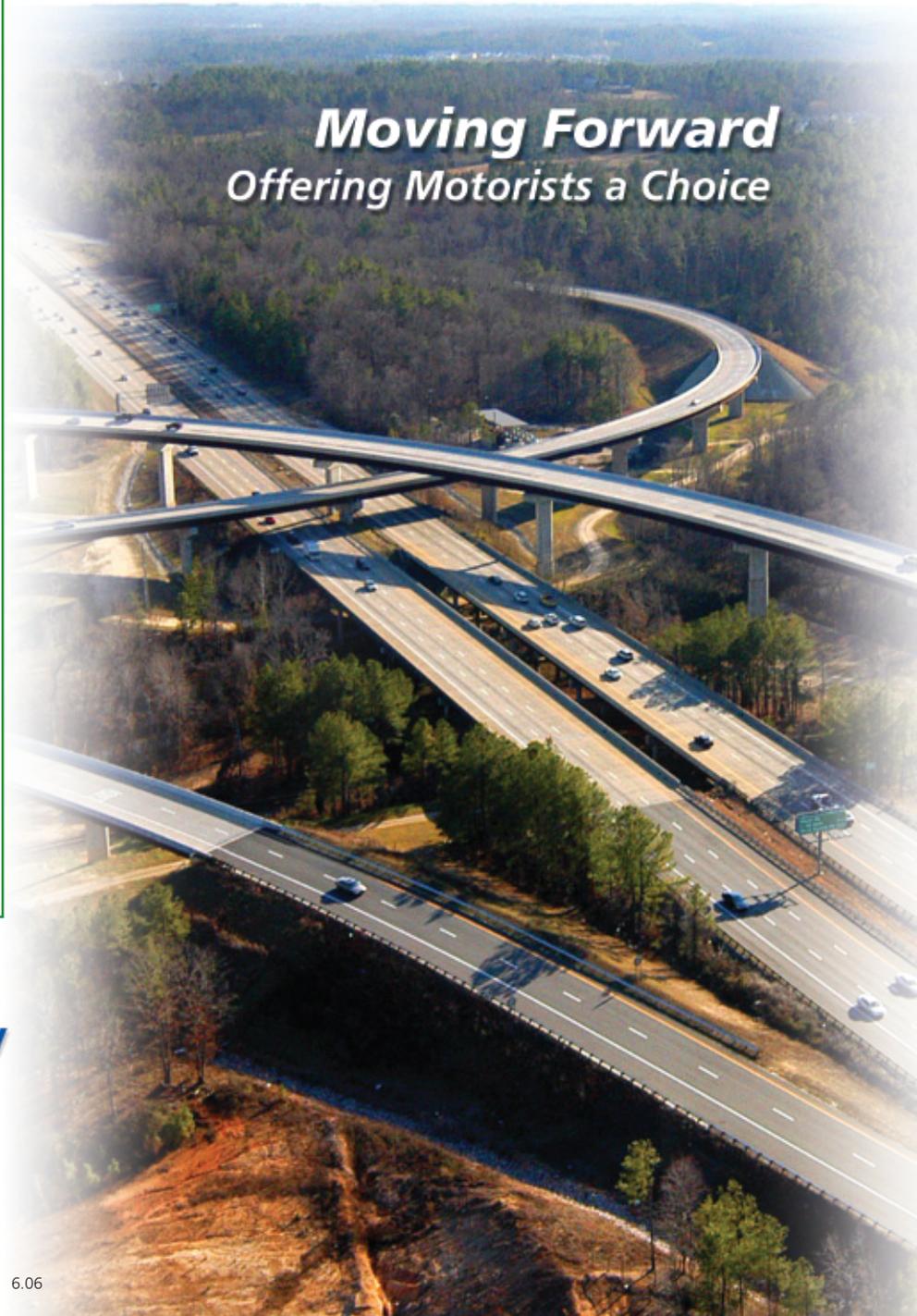


Toll Roads at a Glance

- The NCTA cannot toll existing roads and bridges.
- Every toll road must have a free alternate route in the same general area.
- By law, tolls will be eliminated once all debt on the roadway has been paid.
- While NCDOT projects must compete for limited state and federal transportation funds, NCTA projects will be financed in part through the sale of investment bonds.
- Funding from the sale of bonds, however, will pay for only part of the construction cost. Other local or state funds will still be needed to develop the project.
- Toll rates will be determined by the cost for construction and maintenance of the project. (NCTA does not determine the toll rate).
- Fewer than 1 percent of highway projects in the N.C. Transportation Improvement Program will ever be considered for toll road development.



Moving Forward Offering Motorists a Choice



An efficient transportation system is a primary determinant for an area's economic health, global competitiveness and ultimately, quality of life. Adequate roads and transit – like schools and jobs – are critical to the vibrancy of our communities. Recently though, resources to maintain and expand our transportation system have been struggling to keep pace with North Carolina's growing needs and population.

▼ Transportation's Financial Picture

Our major transportation funding source – revenues from the gas tax – is not keeping pace with inflation. Since the fuel tax is based on gallons consumed not miles driven, as fuel efficiency improves less funding is available for road maintenance and construction. The fuel tax is becoming weaker as the principle funding source for state transportation programs. Funds that were available even three to five years ago are simply no longer there.

Federal transportation funding levels are no better. North Carolina, like other states, has long relied on federal money to help pay for much of the state's road construction and maintenance. Despite inflation and rising construction costs, federal funding levels have remained flat the past several years. The transportation funding bill passed in August 2005 included no new money for highway construction. Furthermore, North Carolina will receive nearly \$1 billion less in federal funds during the next three years than previously anticipated.



Toll roads can provide an immediate solution to speed up construction of select highways and offer motorists quicker relief from traffic congestion.

What it Means for North Carolina

The North Carolina Turnpike Authority was created by the General Assembly and is authorized to study, build, operate and maintain up to nine toll roads or bridges. By law, the Authority can not toll an existing road or bridge and every toll road must have a free alternate route. Also, tolls must come off once the bond debt has been paid.

The NCTA receives project recommendations from local elected officials or planning groups, then studies and evaluates the financial feasibility of developing a specified highway or bridge as a toll facility. If independent analysis indicates significant levels of potential traffic and revenue, the N.C. Turnpike Authority, along with the local officials and the N.C. Department of Transportation, may decide to develop the project as a toll road.

Several projects are currently being considered for development as North Carolina's first toll facilities. *(All mileage numbers are approximate.)*

Raleigh

Triangle Parkway (4.7 miles)

Extension of NC 147 in Durham and Wake counties

Western Wake Thruway (12.7 miles)

The western and southern portions of I-540

Wilmington

Cape Fear Skyway (9.5 miles)

A new bridge connecting Brunswick and New Hanover counties

Gastonia

Gaston East-West Connector (21.5–23.7 miles)

A new road south of I-85 between Charlotte and Gastonia

Monroe

Monroe Connector (11.5 miles)

A new road north of US 74 in Union County

Outer Banks

Mid-Currituck Bridge (6.8–7.1 miles)

A new bridge connecting US 158 to NC 12 near Corolla

Toll roads are developed following the same planning and environmental processes as traditional highway construction projects. But building these projects as toll facilities means the road could open five, 10 or even 20 years sooner than if it were built with traditional funding. Still, less than 1 percent of the highway projects included in North Carolina's Transportation Improvement Program will be considered for development as a toll road.

Alternative Funding Method

Toll roads are merely an alternate way to fund selective, much-needed highway projects. Developing a toll facility is as much a business decision, as a transportation decision.

Financed primarily through investment bonds, toll projects preserve limited state and federal transportation funds for other critical highway needs. Revenue from tolls is used to repay the bond debt and cover the cost to operate and maintain the facility. Once all debt on the roadway has been paid, the tolls will be removed.

But toll roads are not a panacea solution for all transportation problems. Toll roads are only for heavy congestion relief, since roads that would not be heavily traveled would not produce sufficient revenue required to cover the construction cost.

Moreover, tolls also do not cover the entire project cost, so some state or local funding will still be needed to develop the toll road.

“This is about choices. There simply aren't enough state and federal funds to keep up with demands to build more highways.”

David Joyner
NCTA Executive Director

No Stopping ►

We know your time is valuable and the business of tolling is about saving time. That is why North Carolina toll roads will use the latest technology to ensure that traffic moves quickly and efficiently through the collection centers. By using electronic transponders, cameras or other similar devices, motorists will be able to drive without ever having to stop to pay a toll.

The toll rates, established by traffic and revenue engineers and bond investors, will be based on a per mile cost and set just high enough to repay the outstanding bond debt, while remaining low enough to attract the greatest number of motorists.



Using electronic toll collections will enable traffic to drive on toll roads without stopping.

Ideally, North Carolina would have enough money to pay for all needed new roads. But that is simply not the case anymore.

Toll roads can provide an immediate solution to speed up construction of select highway projects and offer motorists quicker relief from traffic congestion. Free alternate routes will always be available. Ultimately, it is your choice.

State Spending per Lane Mile
(and National Ranking)

