

Situation Analysis and Recommendations
Regarding Implementation of Tolling in North Carolina

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1. Executive Summary

This scoping report provides an overview of the environment in which the North Carolina Turnpike Authority (NCTA) is currently operating as it seeks to determine if and where toll roads may be developed to provide alternatives to heavily congested roadways in North Carolina. The report provides a snapshot about what is important to local elected officials, community leaders and citizens concerning NCTA's program, the key issues facing the implementation of tolling in the state of North Carolina and recommendations for moving forward.

The basis of the report is an initial assessment of public attitudes, a summary of stakeholder interviews and focus groups that were conducted in April and May of this year. The interviews and focus groups provide a glimpse at public opinion and potential stakeholder and public concerns, but the views of stakeholders and focus group participants do not necessarily represent the opinions and attitudes of the general population. They are helpful, but they cannot be projected across a larger group and should be tested in a survey.

Frank Wilson & Associates conducted sixteen interviews with community leaders and interest group representatives from areas of the state with candidate toll projects. Interviews took place between April 10 and May 19, 2006. Twelve focus groups were designed by Frank Wilson & Associates and facilitated by Karen Simon between April 4 and May 3, 2006.

The areas covered in this report are:

- Raleigh-Durham for Western/Southern Wake Parkway and Triangle Parkway
- Charlotte for the Monroe Connector and the Gaston East-West Connector
- Wilmington for the Cape Fear Skyway

The purpose of interviews and focus groups was to assess:

- Perceptions, interests and issues regarding transportation funding challenges statewide and within each area.
- Perception of the NCTA
- Support and opposition to tolling as a financing mechanism, the nature of any opposition to tolling and recommendations for overcoming such opposition
- Knowledge of specific projects and key community issues associated with them
- Other parties to involve in scoping or future public education efforts

What was most important to interviewees and focus group participants?

Congestion relief is needed, but views about the cause of the problem differ. Traffic congestion has worsened considerably in recent years delaying travelers in the urban areas on a regular basis. Many stakeholders viewed the congestion as an unfortunate byproduct of economic growth. Many of them represented business groups and recognize the importance of a sound transportation system to the economy. Focus group participants were more likely to look for someone or something to blame for the congestion, and that “something” was often “unplanned growth.” This difference in attitude about the “cause” of the congestion that is requiring the state to look at tolling as a source of funding for new roads could become an issue as local support is sought for NCTA’s first projects. The enthusiastic support of business interests for toll roads should not minimize the concerns of local residents. Rather, NCTA should remain on the public’s side and develop a message that is consistent with the public’s beliefs and acknowledges their concerns.

Tolling is the way of the future. It is inevitable—there is no other way to build what is needed. Stakeholder interviewees understood this reality. Focus group participants may have disagreed that the tolls are really needed, but after they learned more about the issue, they ultimately agreed that using tolls was the fairest way to pay for new roads. User pay was even viewed as fairer than gas tax because participants believe many users of North Carolina’s roads (tourists and truckers) don’t pay their fair share of gas tax.

Tolling is the way for someone else to pay; the people who benefit most pay for the solution. Many people viewed tolling positively because they believed they would not be among the users of the tolled facility. These beliefs include: truckers will pay (as in Monroe Connector); tourists will pay (as in Cape Fear Skyway and Mid-Currituck Bridge); and, people who move into the area being developed will pay (as in Gaston East-West Connector). Many did not see themselves as the person for whom the project would be built. The Western Wake project was the exception to this view. Interviewees and focus group participants from the areas that would be served by the Western Wake Parkway recognized the need for the road. For them, the congestion warrants the toll that users would pay because the need for relief is urgent. Interviewees from other areas of the state were also familiar with the congestion in the Triangle area and thought the Western Wake project was clearly needed.

Raise awareness about the need for transportation improvements. Communicating the need for transportation improvements and funding is essential not only to manage growing congestion, but also to emphasize the importance of transportation improvements to the state’s economy. The

transportation system moves goods from producers and farms to market and supports the creation of family wage jobs in the state. Many interviewees understood that the gas tax cannot keep pace and recognized the value of tolling as a way to accelerate needed projects. They also believed that the general public is not yet ready for this message. The interviewees mentioned the importance of educating and informing the public about the need to initiate tolling in North Carolina. They believed that raising awareness about the importance of the economy and goods movement to the state of North Carolina is an important rationale for explaining why tolling is needed. The argument goes, if we don't pay to improve the transportation system, North Carolina will simply lose business to competing states and countries. This rationale was suggested in the areas where the potential projects are, themselves, economic development tools, as in Gaston East-West Connector and Cape Fear Skyway.

There is a credibility gap about transportation funding. Despite the understanding on the part of stakeholders that the gas tax cannot fund the transportation system needed for the future prosperity of North Carolina, the view among focus group participants was quite the opposite. They cited the highest gas tax in the country, the perceived inability of government to spend their tax money wisely, and the high gas prices (which mean proportionately more gas tax funds) as reasons why the funding need is not credible. Indeed, even those who believed that the funding need is real believed it was the case precisely because of the government's inability to plan for and manage transportation improvements effectively.

Project selection criteria pose potential issues. A dilemma exists: NCTA's enabling legislation requires that any toll projects have a free parallel route. This requirement was important to most people's sense of fairness: that an alternative is needed for those who don't want to use a toll facility. On the other hand, there was an understanding of the need to capture enough traffic to provide the toll revenue to support the project. For example, it was pointed out that planned and current improvements on NC 55 and Davis Drive might reduce the revenue potential for the Western Wake Parkway. Participants in the Western Wake focus groups raised another issue related to fairness. In their view, if the Western Wake Parkway is built as a toll road, then a toll should also be placed on the northern part of the I-540 Loop. There is no way of knowing how broadly such a belief is held among residents of the Western Wake corridor. However, the legislation prohibiting tolling existing highways in North Carolina may raise its head in other areas where discussions of fairness arise.

Selection of the first toll project may not be good news to areas not selected. Currently, projects in North Carolina face two challenges. First and foremost is funding. Closely related is the project schedule. There may eventually be enough money to build the projects—but not in the foreseeable future. Tolling



could mean projects are built sooner rather than later, offering relief faster. The selection of the most viable project(s), and possible elimination of others from consideration, leaves those left behind with few options for implementation of their projects.

Recommendations

NCTA is a new, different player on the transportation scene. As a newly created agency, the North Carolina Turnpike Authority has an opportunity to position itself as different from the typical government agency. Based on comments from interviewees and stakeholders, NCTA should cultivate a culture of lean, mean, road-building machine – efficient, productive and responsive – in touch with citizen and customer needs. This opportunity includes risk because the NCTA must, in fact, “be the brand” and keep the promises it makes. Communicating its mission in terms that are meaningful and relevant to citizens and expressing the benefits with credible, straightforward messages will help to build support for its products and services: toll roads that bring traffic relief and more reliable travel for North Carolinians.

Expectations of the North Carolina Turnpike Authority. NCTA should announce and build a project as soon as possible so that the concept and benefits of modern tolling can be demonstrated to the public. The first toll road would serve as the model from which citizens throughout the state could learn how tolling works and the benefits it offers.

Design for success, get a project built and publicize it. Time is of the essence and stakeholders and the public know it. The NCTA should implement the candidate project(s) with the greatest potential for success at the earliest possible date. The agency should develop an aggressive construction schedule, with a parallel, equally aggressive communication plan that calls positive attention to every milestone in the process. The release of the Traffic and Revenue Study is the first milestone—a highly anticipated one that needs to be carefully planned. Beginning with this milestone, develop a series of events that form a platform from which to communicate about NCTA, its projects and tolling in general. Interviewees and focus group participants alike acknowledged that bringing the public along was essential to ensuring the successful implementation of tolling. Reaching out to the public effectively will help to win over detractors, involve citizens in their local projects, and enable NCTA to respond and inoculate on issues that may arise (such as growth), and also remain vigilant for signs of discontent so that issues don’t become crises.

Develop pro-active community outreach and participation for statewide tolling. Devise a plan for citizen and stakeholder involvement, including public



information, outreach and participation. Identify local champions and involve them in outreach efforts. Consider creating a framework for citizen involvement that includes local groups as well as statewide organizations. These groups could be a formal or informal part of the process. Local citizen committees can help broaden support for tolling and keep NCTA and NCDOT apprised of local issues and concerns as projects move forward.

Consider creating a citizens tolling advisory or oversight committee composed of non-elected citizen representatives. Establish specific roles and responsibilities for the committee, including periodic reporting on their activities to the public.

Give people a picture of the new electronic toll collection technology. While many claim to be aware of electronic toll collection, the image of old, low-grade technology (booths and baskets) and backed-up traffic still persists. This mental image will hobble people's acceptance of toll roads. NCTA should prepare a video illustration, an infographic, and/or a series of still graphics showing how traffic flows smoothly on modern toll facilities. Until the old pictures have been driven from the public's collective mind, toll roads will be seen as a hindrance to traffic flow.

Work to restore funding to transportation that rightfully belongs there. The state must stop balancing the budget with transportation funds. The tolling "tool" cannot work alone to accelerate needed projects.

2. Situation Analysis

Introduction

How does the future look for tolling in North Carolina?

Among the clear messages from interviewees and focus group participants was a desire for NCTA to “get product on the ground”, “work harder and longer” and “quit studying this to death.” The sense of urgency cannot be overstated—and provides a context in which all other comments should be viewed. This sense of urgency stems from the long planning process for projects like the Monroe Connector (and the non-tolled bypass), the desire for immediate congestion relief (Western Wake Parkway) and, in part, from the advocacy of many of the stakeholder interviewees in the effort to bring about the Authority when it was originally formed. While the general public is not yet aware of the Authority or its mission, for these stakeholders the clock began ticking when the General Assembly brought the Authority to life. Here are some steps NCTA could take, based on comments and advice to NCTA from interviewees and focus group participants.

According to the collective view of interviewees and focus group participants, the vision of success for the North Carolina Turnpike Authority could be something like this:

- 1. The North Carolina Turnpike Authority is a lean, mean road-building machine—efficient, productive, and responsive—in touch with citizen and customer needs—bringing more reliable travel to North Carolinians. Its entrepreneurial approach cuts through red tape like a hot knife through butter. Having identified the candidate projects most likely to succeed, NCTA has clearly defined its goal of project delivery in three years. . All parts of this smooth-running high-performance engine are perfectly fit for their respective tasks.*
- 2. In differentiating itself from the past, and creating a new, 21st-century reality for project implementation, NCTA has established a transparent, open-book operating philosophy. An independently appointed citizen oversight committee meets periodically to track the authority’s progress.*
- 3. In an ongoing effort to raise public awareness about transportation issues and the benefits of tolling, NCTA has developed an information-rich, user-friendly and interactive web site that allows the public to stay in touch with the Authority. Public information and outreach activities point interested parties to the site, where they can sign up for regular e-briefings and other communications that they may choose to receive on a regular basis. Links to toll projects and success stories in other states help fill the information gap about electronic toll collection and other technology advances in the field.*



4. *Recognizing that toll projects alone cannot provide all of the necessary funding, NCTA is working closely with local state officials to reinvent transportation funding and restore funding to roads that was used to balance the state budget for several years. In regions where toll projects are being implemented, NCTA is working to build support for local funding initiatives.*
5. *Project milestones are highly publicized reinforcing that the projects are on time and on budget. This reinforces the awareness of progress and builds excitement about the coming project in advance of a marketing campaign to distribute tags/transponders.*
6. *The common electronic toll collection technology will allow drivers to travel an array of roads and bridges without having to stop and pay tolls. Accommodations are made for visitors to the area, such as, visitors are able to request a transponder for their rental car so they can take advantage of the congestion-free new toll roads.*

Situation Analysis: Strengths, Weaknesses, Opportunities, and Threats

Identifying strengths, weaknesses, opportunities and threats is an effective format for building a thorough inventory of issues facing NCTA as it seeks to identify and build its first projects. It takes the perceptions provided by interviewees and synthesizes them so that they become useful and actionable.

Strengths

The time for tolling roads in North Carolina has come. The legislature has recognized that and realizes North Carolina is one of many states seeking to implement toll facilities. Some strengths that will support the study's goals include the following:

Candidate projects have well-organized local support. Most local leaders in the candidate projects' regions understand the urgency of the funding crisis and have organized themselves to advocate for projects in their regions. There has been no organized opposition to the tolling projects, although some projects have generated development-related issues unrelated to the tolling aspect. Their support for their respective projects will help when more difficult steps must be taken during the project development process.

Stakeholders will be champions for the toll projects. The stakeholders interviewed are one step ahead of the general public in understanding the funding crisis and the potential consequences of not identifying new revenue sources. They realize that the rest of the community must still be convinced/

educated, and are eager to provide assistance in getting the word out. As one interviewee put it, “We will do anything we can to educate the community.”

Tolling is seen as a fair way to raise funds for needed projects. Even focus group participants who would not use the toll facility viewed the “user pay” method of paying for improvements was seen as the fairest way to go.

Technology will attract support. Once electronic toll collection is understood, it is expected that more people would accept toll roads. This is related to old notions of toll roads, or experiences with barrier tolling that is prevalent on the east coast. Florida’s toll roads were most cited as a positive example of toll roads.

NCTA’s project selection criteria represent well-accepted notions of fairness that will help to position the authority as an organization with integrity as it goes about the implementation of tolling in North Carolina.

Candidate projects are viewed as needed. While stakeholders had their regional preferences, both they and the focus group participants in all areas saw the greatest need for the Western Wake Parkway because of its ability to relieve congestion. They were equally doubtful, however, about the viability of the Triangle Parkway, primarily because of its short distance. Projects on the coast were seen as helping to improve safety for hurricane evacuations. The Monroe Connector was viewed in a similar light because the congestion through Monroe was so familiar to interviewees and participants. The Gaston East-West Connector would help alleviate current traffic congestion and was viewed as good planning since planned development in the southern part of the county was considered a positive economic activity generator.

Weaknesses

The discussions so far have taken place among public officials, stakeholders and project promoters. This seeming lack of opposition to tolling may be deceptive. Once more information is made available, and the public becomes fully aware of the project, the response is likely to include at least some objection to the concept of tolling.

Lack of opposition may mask underlying low awareness about the funding problem and the fact that tolling (along with the potential need for additional local contributions) is indeed on the table. According to interviewees in every region, traffic is so bad that there has been no opposition to the candidate projects. Interviewees pointed to the lack of opposition at public meetings and the strong local support for the projects. While this may well be the case, it is also very early in the development process future public involvement may identify issues that are not currently apparent.

In direct contrast to this optimism is concern that tolls would not cover the entire project cost. Some interviewees had only heard hints at the possibility that other funding sources would still be needed to build the projects. According to one interviewee, “People will go ballistic when local authorities come with their hands out for more money.” Another said, “A lot of questions will be asked when the tolls don’t cover the cost of the facility. The realities of tolling need to be reinforced.” With most of the public believing that state government is wasteful and inefficient, any announcements related to project funding must consider underlying skepticism and resentment that will likely greet such news.

One last comment on the subject brings yet another dimension to the potential issue of project funding. An interviewee recalled that “When the gas tax was established it was to avoid tolling. People who remember this intent may see tolling as renegeing on that promise.”

Project selection criteria pose potential issues. A dilemma exists: Nita’s enabling legislation requires that any toll projects have a free parallel route. This requirement is important to most people’s sense of fairness. An alternative, the thinking goes, is needed for those who don’t want to use a toll facility. Likewise, there is an understanding of the need to capture enough traffic to provide the toll revenue to support the project. It was pointed out that planned and current improvements on NC 55 and Davis Drive may reduce the revenue potential for the Western Wake toll road. Participants in the Western Wake focus groups raised another issue related to fairness. In their view, if the Western Wake Parkway is built as a toll road, then a toll should also be placed on the northern part of the I-540 Loop. There is no way of knowing how broadly such a belief is held among residents of the Western Wake corridor, nor whether it reflects public opinion in general. However the statutory prohibition on tolling of existing highways in North Carolina may raise its head in other areas where discussions of fairness arise.

Possible new local taxes could face opposition. Interviewees mentioned local option sales taxes to supplement the bond revenue that would jump-start the projects. The view that government is inefficient and wasteful is an impediment to this possibility.

Competition for road projects within and among regions could create what one interviewee called the “toll road backlash.” Every region believes it has been overlooked for funding in favor of every other region. In some cases, people in one part of a city felt cheated since toll roads were not considered for other parts of the city (as in Raleigh’s North Wake Expressway). In other areas, entire regions resented that other areas of the state got their roads ‘for free’. Now that “they have theirs, we have to pay the toll.” There is a fear that NIMBYs could oppose projects. One interviewee

even mentioned the number of wealthy retirees who are being attracted to the region. “They have money. They have time. They have computers. And those who are the most recent arrivals are the ones who don’t want the area to change.” There is a fear that these citizens would be formidable grass-roots organizers on any issue they’re passionate about. The introduction of any additional local contribution will need to be properly framed and handled gingerly.

One additional aspect of possible backlash is the fear that identification by NCTA as a toll project would realign projects in the funding queue within the regions, pushing the toll project to the top of the list in order to get funding to make the project financially viable in the near term. There is a fear that this could change the well- established planning and funding priorities within the planning regions and “defund” some projects, or at least push them further down on the list than they had been.

Opportunities

Toll roads bring an opportunity for a fresh start in State transportation funding. Many interviewees mentioned the outdated system for allocating funding for statewide road projects. What was a fair and equitable formula when it was initiated in the 1980s is now a dinosaur, providing funding for rural areas while the sprawling urban areas suffer with more and more traffic. One interviewee even mentioned the supplemental funding needed for toll projects as becoming a de facto new part of the funding equation—raising toll projects to the top of the local funding heap. Whether this happens or not, it certainly indicates the potential for rethinking the funding formula in a new context that includes tolling.

Information void about tolling provides opportunity to take control of the message. The Authority has the opportunity to brand and position tolling firmly on the side of the public good—as a practical, fair way to bring projects to life that would not otherwise be built for lack of sufficient resources.

Threats

There are currently no interest groups formed specifically to oppose toll roads in North Carolina. (At least interviewees were unable to identify any.) The threat to tolling comes in the possibility of overlooking potential issues and misreading or underestimating community concerns. Because tolling is a public issue, it has the potential for being demagogued.

High hopes and high expectations for NCTA. Among the possible threats to the successful implementation of the Authority’s first projects is the expectation that NCTA can overcome obstacles (NEPA, potential lawsuits) and streamline processes that other agencies could not. While there are very real possibilities here, the desire for faster implementation may be rooted in

nothing more than the dire state of traffic congestion and a very real impatience for a solution. No interviewees were able to identify an efficiency that could yield timesavings in the process. They only expressed their hope that NCTA would find some.

Information void could be filled by detractors. The flip side of the coin regarding the information void about tolling is the opportunity it offers to for potential demagogues. It could become a threat in the form of detractors to specific projects or opponents of tolling in general. Either could gain an upper hand in the presence of such a void, and could fill it with rhetoric to suit their cause.

Unprecedented growth is feeding the need for infrastructure. Growth was mentioned frequently as a cause of the traffic congestion, but rarely was it mentioned negatively. A handful of comments hinted at a negative view of growth and potential issue for NCTA. One interviewee said, “Some developers are doing as little as possible to compensate for impacts of their developments. It damages attitudes about growth.” Another commented, “We’ve got to associate the cost of impact with the development process—beyond the immediate location.” Although not directly related to NCTA’s mission, a change in public attitudes about growth could also affect attitudes about any toll projects that are planned as economic development engines.

Recommendations

The strengths, weaknesses, opportunities and threats, when viewed together, reveal a potential strategic path that will help establish a communication framework for developing greater understanding of the current transportation funding crisis and the role that toll facilities could play in offering alternative financing for some projects. The preliminary recommendations that follow reflect ways in which the opportunities and strengths can be put to work to overcome the weaknesses and threats. Do it right, and even credible detractors can be won over or positioned appropriately. Do it wrong, and the detractors will end up with their message in the lead and toll projects potentially DOA.

Research public attitudes in North Carolina regarding tolling using projectable sample sizes. The views of stakeholders and focus groups reported here should not be assumed to represent the opinions and attitudes of the general population. They are helpful but they cannot be projected across a larger group and should be tested in a survey. At the very least, research should be done to reveal attitudes region by region on candidate projects that must garner broad public support move forward.



Work to restore funding to transportation that rightfully belongs there.

Interviewees and focus group participants repeatedly expressed that the state must stop balancing the budget with transportation funds. The tolling “tool” cannot work alone to accelerate the projects. It is very likely that the cost of the tolled facilities will always exceed the ability of tolls to be the exclusive source of funding. Therefore, it is in NCTA’s interest to advocate dedicated road-construction funding sources. Also, the shift in demographics in the state calls for a new allocation formula for state projects. With fewer people living in the rural areas, it is time to update the funding formula so that more people can be served per dollar spent on transportation improvements.

NCTA is a new, different player on the transportation scene. As a newly created agency, the North Carolina Turnpike Authority has an opportunity to position itself as different from “government.” Based on the comments from interviewees and stakeholders, NCTA should cultivate a culture of lean, mean, road-building machine. The opportunity this presents includes some risk because the NCTA must, in fact, “be the brand” and keep the promises it makes. Communicating its mission in terms that are meaningful and relevant to citizens, expressing the benefits with credible, straightforward messages will help to build support for its products: toll roads that bring traffic relief.

Ensure success and publicize it. The NCTA should identify and implement the candidate project(s) with the greatest potential for success at the earliest possible date. Time is of the essence. Develop an aggressive implementation schedule with a parallel, equally aggressive communication plan that calls positive attention to every milestone in the process. The release of the Traffic and Revenue Study is the first milestone—a highly anticipated one that needs to be carefully planned. Beginning with this milestone, develop a series of events that form a platform from which to communicate about NCTA, its projects, and tolling in general. Interviewees and focus group participants alike acknowledged that bringing the public along was essential to ensure the successful implementation of tolling. Reaching out to the public effectively will help to win over detractors, and involving citizens in their local projects will enable NCTA to respond and inoculate on issues that may arise, and to remain vigilant for signs of discontent so that issues don’t become crises.

Develop pro-active community outreach and participation for statewide tolling. Get to know local jurisdictions well and maintain a presence there. Do not presume that local concerns are the same, even among cities in a single corridor. Their unique issues and politics must become a part of the overall outreach strategy.

Consider creating a citizens tolling oversight committee composed of non-elected citizen representatives. Establish specific roles and responsibilities of the committee, including periodic reporting on their activities to the public.

As communication strategies about tolling are implemented, a framework for citizen involvement should be devised that includes local groups as well as a statewide citizens group. These groups could be a formal part of the tolling framework. Local citizen committees can help broaden support for tolling and keep NCDOT apprised of local issues and concerns as projects move forward.



Initial Assessment of Public Attitudes

Methodology

Frank Wilson & Associates was commissioned by Wilbur Smith Associates to conduct an initial assessment of public attitudes about the use of tolling for the projects that the North Carolina Turnpike Authority has designated as candidate projects. In addition to conducting 16 stakeholder interviews with community leaders in the candidate project areas, FW&A collaborated with Simon Research to conduct a series of focus groups to uncover the attitudes of drivers regarding paying for new roads and bridges through a tolling mechanism.

Twelve focus groups were conducted between April 4 and May 3, 2006 in the following locations:

April 4 & 5	4 groups	Raleigh	Western & Southern Wake Parkway/ Triangle Parkway
April 25	2 groups	Charlotte	Monroe Connector
April 26	1 group	Charlotte	Gaston East-West Connector
	1 group	Charlotte	Commercial users of both Monroe Connector and Gaston East-West Connector
April 27	1 group	Charlotte	Gaston East-West Connector
May 2	1 group	Wilmington	Brunswick County residents
	1 group	Wilmington	Commercial Users
May 3	1 group	Wilmington	Wilmington area residents

These qualitative findings have no counterpart measure from a statistically projectable survey, so they should be considered on the merits and analysis of what people said. In almost all cases, however, the same theme had to be mentioned in at least two groups or by at least two interviewees before we reported it as a theme in this report.



Focus Group Findings

***“Do it. Complete it. And move on to the next project.”
—Western/Southern Wake Focus Group Participant***

This section summarizes the key findings from 12 focus groups. The focus group participants were recruited from each of the project study areas and included frequent drivers as well as commercial users in each of the corridors. Where the views of the frequent drivers differ from the commercial users, it is so noted below.

The groups' general understanding of transportation issues is a very important lens through which to view their responses in discussion of the real issue: tolling to pay for transportation solutions. In general, as participants' understanding of the issues grew during the discussion, their willingness to accept the tolling solution also increased.

Context

- The mental picture people had of transportation is predominantly one of cars, traffic and congestion—people thought first about what is not working and had to be prompted to think of the positives. This was tempered by the frequent comparison to other places, “It’s not as bad as ... Michigan ... California ... New York ... other places.” And participants clearly didn’t want traffic in North Carolina to get as “bad” as these places.
- There are not enough roads for all the people—residential development is moving faster than infrastructure development. This leads to the belief that there has not been good planning for transportation to accommodate growth: “The new roads are obsolete before they’re completed.” It also prompted comments at several focus groups that developers should be paying for some of the infrastructure that their developments require. Whether or not this is already the case, the participants believed developers should be contributing more.
- “What’s working” drew a common response in all regions: “back roads,” meaning the way around any congestion. Responses acknowledged recent improvements within participants’ own regions such as Martin Luther King Parkway in Wilmington and the expansion of US 74 from Charlotte to Arrowood.

Funding

- People have a fairly good understanding of how their transportation infrastructure is paid for. Commercial users cited the “highest gas tax in the country” as a reason for truckers to buy their gas elsewhere. Although the understanding is quite general in nature, people make a direct association between gas tax they pay and the roadway system they use. To that picture they add federal funds as a source.
- There is a prevalent view that gas tax would be adequate if government would use the money efficiently. Most participants did not believe the statement, “The gas tax revenues are not keeping up with road construction.”
- Those who believed that the statement was possible said the reason was because the tax money was not being spent properly. “The money is there, they just don’t allocate it right.” Others said the state was using the gas tax to balance the budget. Yet others cited the recent rise in gas prices as a reason for the state to have even more money since the tax is a percentage of the cost of gas. There were occasional suggestions to use toll roads as was done in other states.
- Referenda have become so widely used in the state as to be thought of as a given and needed step in the project development process—the step of gaining public approval for a project. At least one person in every group suggested voting on a project or tolling in general to see if local voters would want to have tolls. The question was asked more than once, “When will we get to vote on this?”
- There is a belief that tolling a project means it’s paid for: “What will happen to the gas taxes that are supposed to be allocated for roads?” At the same time, some people expressed an understanding that the tolls might not pay the entire freight, “Will the entire cost be paid for by bonds, and is there absolutely no state funds to pay for this? In any case, the need to put an entire package of funding sources together to build new projects is something that is not well understood and will be an important component of the project development strategy as well as any communication strategy.
- Although tolls were viewed as the fairest way to raise funds for transportation, several groups also thought a local sales tax was a good option, often because participants saw the gas tax as being already too high.

Image of Government

- There was significant mistrust of government. Not only, the argument goes, does the “government” have all the money it needs, people also believe it should not be given more to squander. Whether or not people believed that there was enough money to pay for needed transportation improvements, the reasons for believing or disbelieving the statement were all rooted in the perceived inadequacies of government to plan for and manage the transportation system.
- NCTA was not identified as the prospective developer of the toll roads in the focus groups. Advice given to the “client” during focus group discussions indicated that NCTA should identify and differentiate itself from the characteristics of other government agencies *as they are viewed by participants*. Some of the quotes that supported this direction include:
 - ✓ “Be bold and proceed with integrity.”
 - ✓ “Be realistic and straightforward.”
 - ✓ “Privatize the road, and then let them figure out how to make money on it.”
 - ✓ “Plan for the future. Think outside the box.”

This advice contrasts with the implied criticism of “government” for being poor planners at best, and downright dishonest at worst. They saw accountability and credibility lacking, and wanted to know how and where money is being spent. Projects taking more time than “promised” is one source of the lack of credibility. Some of the statements about government included:

- ✓ “We react, rather than planning for what we need.”
- ✓ “We’re unprepared for growth.”
- ✓ “Allocation of funds is too political. We need fiscal responsibility.”

Tolling and Electronic Toll Collection (ETC)

- In the focus groups, there was strong sentiment both for and against toll roads. Those with experience using modern toll roads (Florida was the most common example.) were more likely to favor toll roads as a quick and easy way to avoid congestion. Those whose experience was on E-ZPassSM were more likely to cite the congestion at toll plazas despite the E-ZPass lanes as a reason to oppose toll roads.
- While many people had used or heard about toll roads and electronic toll collection, their view of toll roads is one of barriers and congestion. This outdated mental picture of tolling systems will continue to impede understanding of modern toll systems until a different picture replaces it.

- People need a picture of the new technology before the tolling idea will make progress.
- Participants did not anticipate paying more than a couple of dollars for a toll. Participants thought the proposed toll amounts in the hypothetical news articles (*give range from \$x- \$x to provide frame of reference*) were too high. The outdated mental picture of dropping coins may contribute to this.
- Tolling “outsiders” is a popular concept. Whether on the Monroe Connector, the Cape Fear Skyway or the Western Wake project, many users who favored the toll road did so because outsiders would have to pay. In the case of the Gaston East-West Connector and the Southern Wake, those “outsiders” included those who are not yet here, but are expected to move to the state in the future. The discussion also raised the difference between “through trips” and “local trips,” with the hope that local trips would be discounted. This echoes the concern about the roads not keeping up with population growth, and tolls could be seen as a way to catch up.
- By far the top question about implementation of tolling on the respective candidate projects was “After bonds are paid off, would the road be free?” This questions was followed by “How much would the toll be?” and “Would there be a discount for locals and/or frequent users?”
- Modern, non-stop Electronic Toll Collection (ETC) is a powerful tool in winning acceptance of tolling. Several focus group participants who said they would not pay a toll changed their minds after hearing more about how electronic toll collection would work.
- Commercial drivers had mixed attitudes about tolls. They noted that “time is money” and welcomed the availability of a new choice. They support the toll facility because it would be there for them when they need to save time, but few believed that they would use it regularly. They would pass the cost along to their customers if they used the toll road.
- The philosophy of “user pays” was viewed as the fairest way of raising money to pay for roads.

Public Support for Tolling

- For the most part participants supported tolling as a way to pay for the candidate projects with the condition that the tolls be removed after the



bonds are paid. Reasons for their support included: that a toll road could accelerate completion of the project, offers choices, provides convenience and congestion relief, offers better hurricane evacuation route, and could remove truck traffic from local roads.

- The idea that toll roads are economic development generators was viewed positively. In Gaston County, where many participants did not anticipate using the East-West Connector regularly, they believed that funding and developing the road through tolling was a good idea. “It will accelerate growth of Gaston County, which is one of the only counties in the area that is not growing. It will also help to increase the tax base.” This view was echoed by participants in the Wilmington area and in Brunswick County, where, it was believed, that the Cape Fear Skyway would enable additional port development and provide an important link to planned residential development as well as planned new roadway projects.
- The promise to stop collecting a toll once a toll project is paid for is a key condition to win public support.
- Also, creating an independent citizens group to oversee the project and related expenditures would help to build trust. This was a frequently mentioned possible source of credible information, even though such groups also had some credibility problems if they were viewed as controlled by government.

Raleigh Area Projects: Western/Southern Wake Parkway and Triangle Parkway

- Concerns about continued growth in the Western Wake corridor make the road very desirable to many road users, whose questions went directly to specifics, such as transponder distribution, toll amount and potential discounts for commuters. How will transponders be distributed and how would we pay?” and “What is the specific toll amount?”
- Triangle Parkway is too short to benefit anyone. Most participants understood the need for Western and Southern Wake Parkways but thought Triangle Parkway would not be long enough to be worth charging a toll.
- The belief that the entire I-540 loop should be tolled lingered throughout the focus group discussion. It stayed on people’s minds and was raised again in different contexts. Any perceived sense of unfairness will have to be addressed in order to develop support. “Will north Raleigh have to pay for use of I-540?” is a question that could

arise in other project contexts where one area is seen to be unfairly burdened with the tolled project.

- Advice for the project sponsor reflected participants' desire for quick action, using other states' experience to help make the project successful, using electronic toll collection so cars don't have to stop to pay tolls, and being believable and honest in communicating with the public, which was seen as a high priority. Last, but not least, of course, was "Toll the entire I-540," and "Make the decision and do it!"

Monroe Connector

- Existing congestion on U.S. 74 make the Monroe Bypass and Connector very desirable to Monroe residents. Most participants were aware of the planned Monroe Bypass (NCDOT project) and were very supportive of it. They were less aware of the proposed tolled Connector but favored it when presented with the details.
- The support for the Monroe Connector had some reasonable conditions: that the tolls be reasonable, that they include electronic toll collection, and that they be done now!
- Commercial users indicated that they support a solution to the congestion through Monroe, but admitted that they may not use it all the time. They would use the Connector if they need it based on a delivery location, or if other roads were congested, or if it meant they could meet a promised delivery time. Package delivery services would use the road to avoid losing money for late deliveries. All commercial drivers liked having the road available, even if they didn't plan to use it for all trips.

Gaston East-West Connector

- Some focus group participants felt that the Gaston East-West Connector might be ahead of its time. Since the road would meet future needs, there is no need to build it now. "There's not enough traffic right now."
- When participants were asked if there were any other possible locations for toll road alternatives, they suggested a road closer to US 29/74 and I-85. "I'd pay \$4 a trip for a toll road at US 29." Another route suggested was a toll road along the I-77 corridor (north to Lake Norman).
- There is potential support for building a toll road to spur economic development and to serve future residents. "It will accelerate growth of

Gaston County, which is one of the only counties in the area that is not growing. It will also help to increase the tax base.”

Cape Fear Skyway

- At first, some Wilmington participants were hard pressed to understand why people would use the Cape Fear Skyway. As discussion ensued, they began to think of circumstances that would make using the Skyway convenient. This differed significantly from the Brunswick County participants, who more easily identified destinations that would make use of the Skyway convenient. Some Brunswick County residents wondered what the benefit would be to those who live so close to Wilmington that they would have to go out of their way to use it. Some specific movements were mentioned:
 - “If you are in southern New Hanover County and traveling south on US 17 to Brunswick County, you would take the Skyway.”
 - “The problem is that you still run into US 421 and US 17, which are congested.”
 - “With the homes being developed in Brunswick County, the Skyway would be a good choice for them coming to Wilmington.”
- Participants valued the economic development benefits of the Skyway. They wanted the toll removed once it is paid for. They want to be sure it has electronic toll collection (preferably with a discount for locals), and they want environmental impacts minimized.

Stakeholder Interview Findings

“We have a great deal of confidence in the Authority and the Director. We would tell them, Work harder and work longer.”—Stakeholder advice to NCTA

The stakeholder interviewees included local elected officials, community leaders and transportation planning professionals. Their views focused more on transportation issues and indicated they were much better informed than the focus groups participants. Additionally, many of the stakeholder interviewees were advocates for “their” projects, reflecting their understanding that but for a toll facility, there may be no solution.

Interviews gauged the perceptions of stakeholders on a number of topics related to the North Carolina Turnpike Authority’s mission to plan, implement and operate up to nine toll facilities in the state. NCTA staff provided possible names and/or categories of interviewees in the regions where candidate toll projects are located. Questions probed these areas:

- Perception of the most pressing transportation-related problems in North Carolina, as well as in interviewees’ own areas.
- Level of awareness about the North Carolina Turnpike Authority, the candidate projects and the criteria for project selection.
- Strengths and weaknesses of using tolls to accelerate construction of new roads.
- Possible support or opposition to tolling in their community.
- Advice for the Authority—anything the NCTA should keep in mind as they explore and evaluate the various toll road projects.

Additionally, every interviewee was asked if there was anyone else that we should talk to whose perspective they thought would be important to the study. The views and perceptions of stakeholders are summarized below.

What are the most pressing transportation-related problems in North Carolina?

The problem mentioned by **every** interviewee was lack of money to build the infrastructure needed to meet the needs of the current and future growth in the state. Specific issues related to the cause of the well-known funding shortfall were also brought up. Some interviewees mentioned the need for the state to use transportation funds to meet other statewide budget needs. Others believe that other regions in the state are getting more money than they are for transportation projects. These beliefs contribute to a kind of toll road backlash that sounds something like: “They got theirs paid for, now we have to pay a toll

for ours.” Some of the specific comments are shown below, first regarding the state in general, then with regard to specific candidate projects:

“Several studies show a statewide transportation funding need of \$30 billion over the next twenty years.”

“Funding issues are everywhere.”

“There are no silver bullets.”

“One method has us borrowing against future grants. It’s not new money; it just makes it available now instead of later.

“Without the money you’re dead in the water.”

“Most pressing? The lack of funding and the time it takes to build.”

“The General Assembly keeps raiding the gas tax fund.”

“From the federal perspective, we’re a donor state. We send more gas tax money than we get in return from the feds for transportation. The feds won’t be a solution.”

“The formula used for allocating transportation funds is out of date. It needs to be updated.”

Awareness about the North Carolina Turnpike Authority and Candidate Projects

All interviewees were aware of the Authority and some represented organizations that had actively advocated for its creation. None were opposed to the use of tolling in North Carolina. They expressed enthusiasm for the solutions that the Authority can bring about—specifically a new funding source and potential for project acceleration. However, they were equally pragmatic about the limited role that toll facilities will play in solving the state’s overall transportation problems.

When asked about the specific projects, interviewees representing organizations in a region with a candidate project were very well informed about that project, and less so about others. Nevertheless, their enthusiasm for “their” candidate project sometimes included a description of the relative benefits of all the candidate projects, emphasizing the value of implementing their project first.

Please note: This tendency raises the possibility that the release of the preliminary Traffic and Revenue Study could cause some disappointment in areas where projects are not found feasible (at least based on the preliminary analysis), or where projects do not lend themselves to immediate implementation as toll facilities.

Several interviewees noted a difference between projects that seem to address existing congestion (e.g., Triangle Parkway, Western Wake and Monroe) and

projects that would generate needed economic development (Gaston East-West Connector, Cape Fear Skyway and Mid-Currituck Bridge).

Western/Southern Wake

- “This is the area of greatest need.”
- “Pay attention to the urban areas that are growing: Triangle, Triad, and Charlotte.”
- “Build more roads in the Raleigh/Charlotte corridor. That’s where we have significant transportation needs.”
- “Western Wake is the most viable candidate. It has the need today, not like southern end.”
- “Communities in western and southern Wake County have different priorities. Benefits and secondary effects of a toll road have to be well understood.”
- “The urban sprawl will be fed by the new road (Southern Wake).”

Triangle Parkway

- “Triangle Parkway is an important connection for access to RTP.”
- “I know it’s needed, but it’s such a short section. How can a 3.5-mile toll road make a difference for anyone?”

Monroe Connector

- “I know they need that project. It takes me as long to get through Monroe to Charlotte as it does to drive from Wilmington to Monroe.”
- “Monroe is the only city with no Interstate. Fixing 74 is needed for better east-west connections and connection to the port.”
- “Everybody is on board. Our project meets the NCTA criteria better than the others: parallel road, local support, regionally significant. It’s not developer-driven.”
- “The Monroe Bypass and Connector are the single most important economic events in Union County history.”
- “74 is so crowded people avoid North Carolina entirely and go through South Carolina to Charleston instead.”
- “U.S. Fish & Wildlife is holding up the project. NEPA takes much longer in North Carolina than in other states.”

Gaston East-West Connector

- “There will be environmental issues with the Catawba River and wetlands.”
- “Southwest Mecklenburg County has lots of jobs—in the airport area.
- Both projects (Gaston East-West Connector and Monroe Connector) will help move people and products.”
- “The Gaston East-West Connector is an important maker of economic opportunities in Gaston County. They need it since manufacturing jobs left the area.”

- “Business Committee for Regional Transportation Solutions represents thirteen counties in the Charlotte region. One of the subcommittees is the Toll Road Solutions Committee—to keep things moving in the right direction.”

Cape Fear Skyway

- “Building in southeastern North Carolina is unprecedented, disproportionate to the rest of the state.”
- “I don’t see the bridge having enough usage for the investment.”
- “Infrastructure is behind because we didn’t work together to have a strong voice for what we need. We have that now. There were no negatives brought up in the public meetings. Chamber has an Infrastructure Committee. There will be a lot of champions.”

Mid-Currituck Bridge

- “They need the bridge for tourists and for safety—hurricane route.”

What are the strengths and weaknesses of using tolls to accelerate construction?

Interviewees were asked to identify the strengths and weaknesses of using tolls to accelerate construction of new roads. Everyone realized the need to find alternative funding mechanisms for transportation projects. Some typical comments included:

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Brings new revenue into the picture. ▪ Accelerate projects and cut through the environmental process. Avoid escalating costs. ▪ Process could include private ventures—be more flexible than big bureaucracy. ▪ An alternate route is required, so no one has to use the toll road. ▪ It’s a user fee vs. a tax; a voluntary tax. ▪ It’s fair and reasonable. ▪ Let’s let the New York to Florida travelers pay for passing through. ▪ Not all users are local citizens. Every guy that’s riding is paying. ▪ Do you want it in 5 or 6 years, or 25 years from now? ▪ Toll roads are quicker and more convenient. ▪ The toll road is an option ▪ Something has got to fill the funding gap. 	<ul style="list-style-type: none"> ▪ Tolls alone won’t pay for the project. ▪ Tolls won’t pay all. ▪ Can tolling really reduce the time to build? Is streamlining really possible? ▪ Equity--fairness depends where you live. Northern Wake County won’t have to pay a toll, but southern will. ▪ Toll collection is something new that people will have to deal with. ▪ Some will see it as an additional tax—after the state raised the gas tax recently. ▪ Roads have always been “free.” ▪ Poor and unemployed will pay a greater cost. ▪ Toll projects that aren’t necessarily a high priority to fund in a region will attract matching money, pulling them to the top of the heap by virtue of their selection as a toll project. This could change funding priorities, pulling money away from higher regional priorities.

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Let's speed up the building of new roads. ▪ The new roads provide an opportunity to address mass transit—incorporate features for future transit into the design. ▪ Toll roads help reduce congestion on the parallel roads, too. ▪ Are you willing to pay to get yours sooner? 	<ul style="list-style-type: none"> ▪ Nobody likes to pay a toll, but everyone likes to save time. ▪ Tolls have to be reasonable or people won't pay. ▪ May not be good to have pockets of pay-as-you-go facilities around the state. ▪ Toll collection technology is unfamiliar and not trusted. Tossing coins in a basket won't work.

Advice for NCTA

The themes reflected in the advice from interviewees for the Authority were *speed, credibility and accomplishment*. One interviewee said, "People think it takes NCDOT too long to build projects. It's true; it takes time to build projects. It will take time for the Authority, too." The point was a subtle suggestion to begin to manage expectations about NCTA's ability to accelerate complex planning and environmental processes.

A secondary theme revealed the sense of competition among the candidate projects. Every interviewee did not overtly mention, "Build our bridge first!" but the idea of a contest was present in each area. Interviewees described the project in their own region in terms that might make the project more worthy of selection as a toll project. Here is a summary list of advice from interviewees:

- "They have got to get product on the ground."
- "Get a road started."
- "Get something accomplished."
- "Build our bridge first!"
- "Two things: Get a demonstration project started, and make sure technology works well enough that it's not a hassle."
- "We have a great deal of confidence in the Authority and the Director. We would tell them, "Work harder and work longer."
- "Don't be too many things to too many people. Don't bog down in bureaucracy."
- "Don't bite off more than you can chew. Be sensible."
- "Think like a private enterprise. Stay lean and mean like we're forced to do in the private sector."