

I-77 South Express Lanes Project

Summary

The Charlotte Regional Transportation Planning Organization (CRTPO) Board plans to vote at their next meeting on October 16, 2024, on the I-77 Express Lanes Project. NCDOT is seeking direction from CRTPO and their vote will allow the NCDOT to pursue a Public-Private-Partnership (P3) delivery model to advance the I-77 Express Lanes Project. NCDOT is not endorsing a particular path forward and remains committed to partnering with CRTPO to identify solutions to support mobility throughout the region.

Council Member Driggs, as Charlotte's representative on CRTPO, is requesting direction from the Mayor and City Council on an upcoming vote at the October 16th meeting. Charlotte's vote on the CRTPO accounts for 31 (45%) of the 68 total votes and therefore will have a significant influence on this decision.

If CRTPO votes to support a P3 delivery option next steps would include:

- CRTPO creates a working group to partner with the NCDOT to develop project objectives and priorities to inform indicative terms to be included in the Request for Qualifications (RFQ).
- Once NCDOT drafts the key terms, CRTPO will have 60 days to review prior to any public advertisement.
- **CRTPO can rescind support at any point up until NCDOT issues an RFQ**

Below is short briefing document with additional detail and context.

Next Steps

October 7, 2024:

- Council Transportation, Planning and Development Committee (TP&D) discussion
- Council Action Review: NCDOT will present the findings of the I-77 South Express Lanes Comparative Analysis Study (September 2024) and toll delivery options for funding the I-77 project.

October 16, 2024: CRTPO Board Vote

- The CRTPO Board will direct NCDOT on the preferred delivery approach for the I-77 South Express Lanes Project

Current Status of I-77 South Express Lanes Project

The approach to increasing capacity on I-77 has been in process since 2007, when MUMPO (now CRTPO), NCDOT, SCDOT, and local jurisdictions initiated the Charlotte Region *Fast Lanes Study* to evaluate express lanes suitability for major arterials in the Charlotte area. Since that time, MUMPO adopted a resolution endorsing the *Fast Lanes Study* results and added I-77 Express Lanes into the 2035 Long Range Transportation Plan. I-77 has remained in every CRTPO Metropolitan Transportation Plan (MTP) since and has been included in every NCDOT State Transportation Improvement Program since 2014 (beginning with the 2016-2025 STIP). NCDOT began feasibility design work in 2015 and has continued developing and refining concepts along with input from CDOT staff.

I-77 South Express Lanes Comparative Analysis Study (NCDOT)

In 2023, the CRTPO Board requested NCDOT prepare a comparative analysis between a traditional toll delivery and a P3 delivery. The results were presented at the August 21, 2024, Board Meeting and at the September 18, 2024, meeting where the NCDOT presented in response to questions asked at the August meeting.

The comparative analysis, requested by CRTPO and completed by a team of advisors to the NCDOT, revealed that the current funding will likely cover the public contribution required for a P3 project. For a Traditional Toll Delivery project, there is a \$1.3 billion funding gap, which would result in the project being put on indefinite hold. Key findings included:

- A significant projected funding gap of \$1.9 billion, which exceeds the potential available STIP funds of \$600 million by \$1.3 billion.
- A Traditional Toll Delivery for the I-77 South Express Lanes is not financially feasible given the current funding constraints.
- A P3 Toll Delivery for the Project is likely financially feasible. When adjusting inputs to align with those of similar P3 projects across the United States, the analysis shows that the \$600 million in STIP funding would likely cover any necessary public contribution for the Project.

The Traditional Toll Delivery Option

- This delivery model involves NCDOT directly managing the design, construction, financing, operations, and maintenance of a project through a design-build model.
- If this option is selected, NCDOT would bring preliminary engineering work for the Project to a logical stopping point and pause work until a viable path forward is identified. Additionally, NCDOT would collaborate with CRTPO in future prioritization submittals to support updating cost and revenue projections.

The Public-Private (P3) Toll Delivery Option

- This delivery model is a long-term partnership in which NCDOT would select a private developer to design, build, finance, operate, and maintain a project under a Design, Build, Finance, Operate, and Maintain (DBFOM) agreement.
- If this option is selected, project development could continue as the comparative analysis indicates that the \$600 million in STIP funding is likely sufficient to fund any necessary public contribution for the Project. NCDOT would work with CRTPO to define key objectives and priorities that would help inform initial key contract terms.

Additional Policy Context

Connect Beyond (2021)

The I-77 South Corridor is identified as a Strategic Mobility Corridor, targeted for high-capacity transit service. This corridor could extend high-capacity transit service between Uptown Charlotte and Downtown Rock Hill, SC with connections to Fort Mill and other points in southwest Charlotte. The I-77 South Express Lane Project with new direct connections could be an opportunity to consider expanded regional bus service as part of a multimodal strategy for the corridor.

Charlotte Strategic Mobility Plan (SMP)

Charlotte's adopted SMP supports NCDOT investment in transportation corridors of regional importance such as I-77 as part of a holistic strategy for mobility that includes investment in regional transit and a multimodal local road network.

Transit and Transportation Funding (proposed new sales tax)

The proposed legislation for additional transit and transportation funding, created from the revenue of a Mecklenburg County-only sales tax, is intended to provide needed funding for regional transit and local road transportation investment. The I-77 corridor is a multi-county and multi-state facility and improvements would be funded with State resources and/or State-directed funding strategies.

What is CRTPO?

The Charlotte Regional Transportation Planning Organization (CRTPO) is the federally designated Metropolitan Planning Organization (MPO) for the Charlotte Urban Area whose primary function is to carry out the transportation planning process among the member jurisdictions within its established planning area boundary. The CRTPO planning area includes Iredell, Union and Mecklenburg Counties. The CRTPO Board includes representation from all member municipalities as well as Mecklenburg, Iredell and Union Counties, the NC Board of Transportation, and the Metropolitan Transit Commission.

What are express lanes/managed lanes?

Express lanes are managed travel lanes that run adjacent to general purpose lanes. During each trip, motorists can decide if they want to use the optional tolled express lanes, the free general purpose lanes or a combination of both to allow for a more efficient commute. In addition, the express lanes feature variable prices that fluctuate based on supply and demand to ensure a predictable, higher-speed commute and allow traffic to flow at minimum speeds during peak travel times. Transit vehicles, emergency vehicles and identifiable high occupancy vehicles with three or more people may use the lanes free of charge.