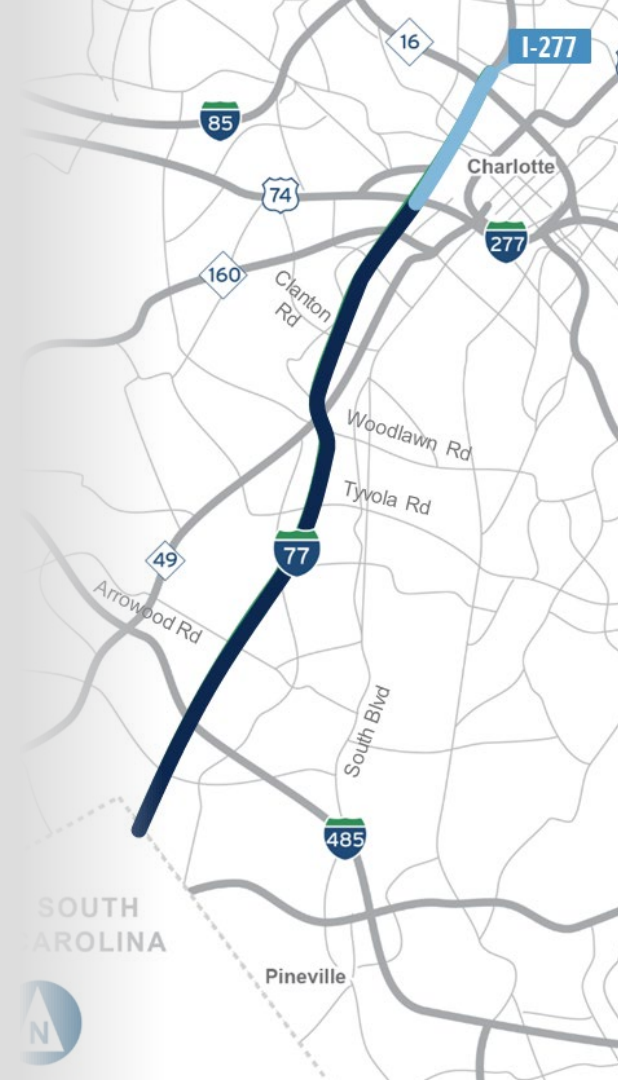




South Express Lanes

Working Group Meeting #1

November 19, 2024

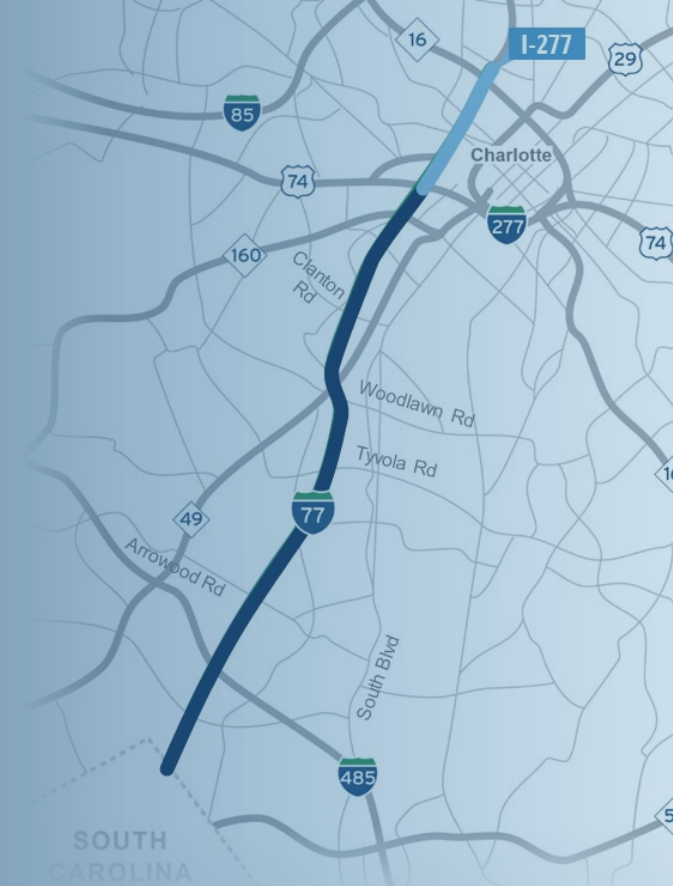


- Welcome & Introductions
- Working Group Approach
- Project & Procurement Overview
- Project Objectives & Priorities
- Identification of Key Terms
- Closing & Next Steps



South Express Lanes

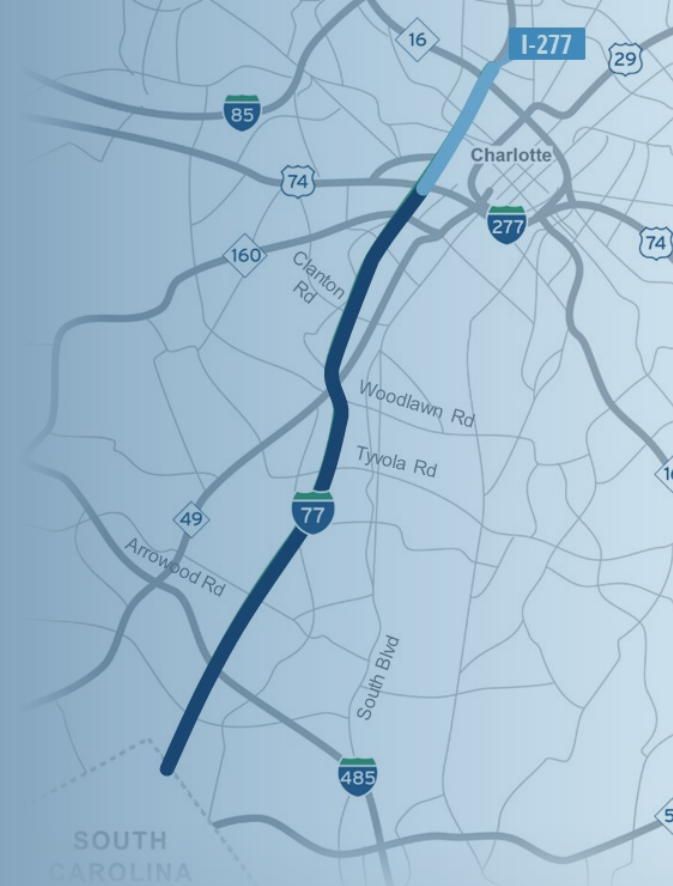
Welcome & Introductions





South Express Lanes

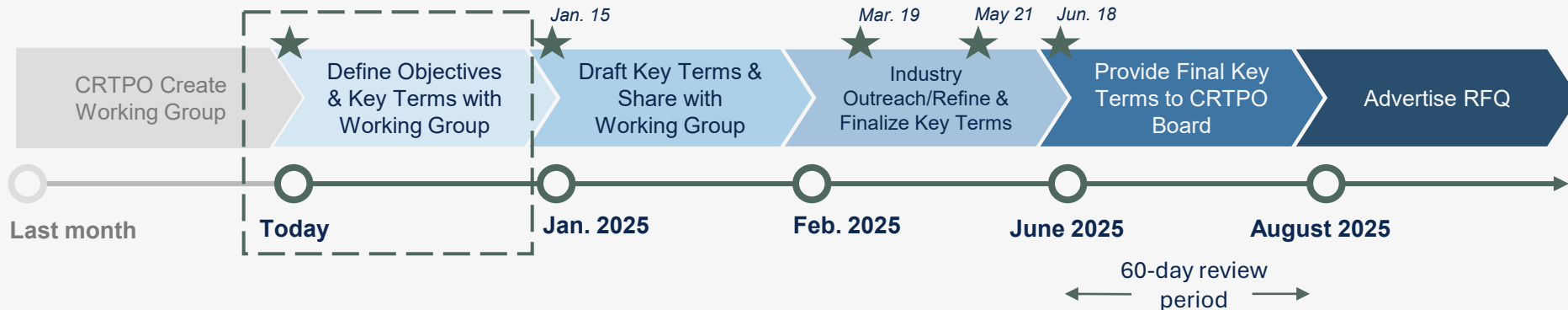
Working Group Approach



The working group will bring 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*



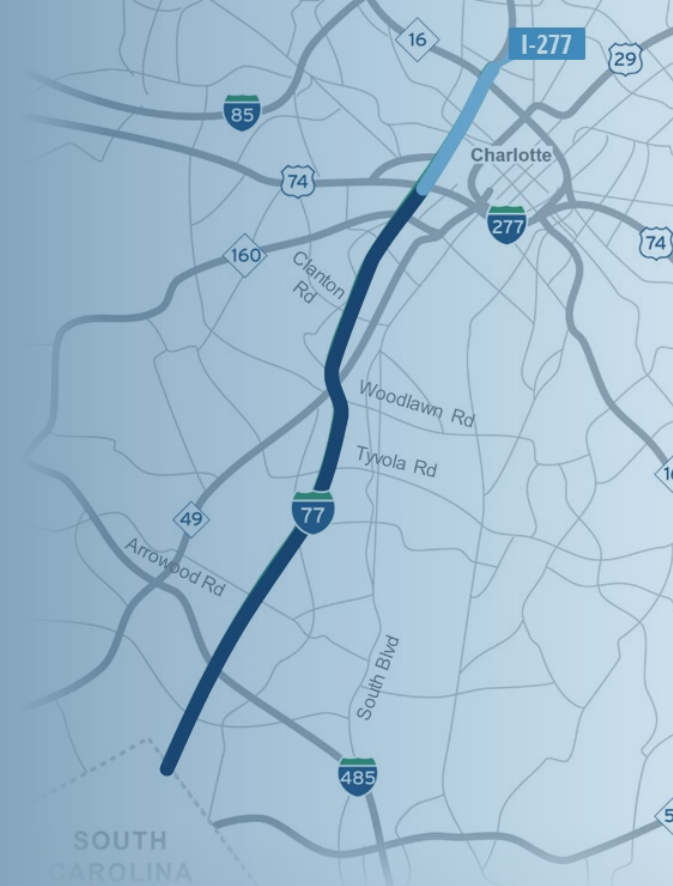
★ = Working Group Meeting

* = Preliminary schedule; subject to change



South Express Lanes

Project & Procurement Overview



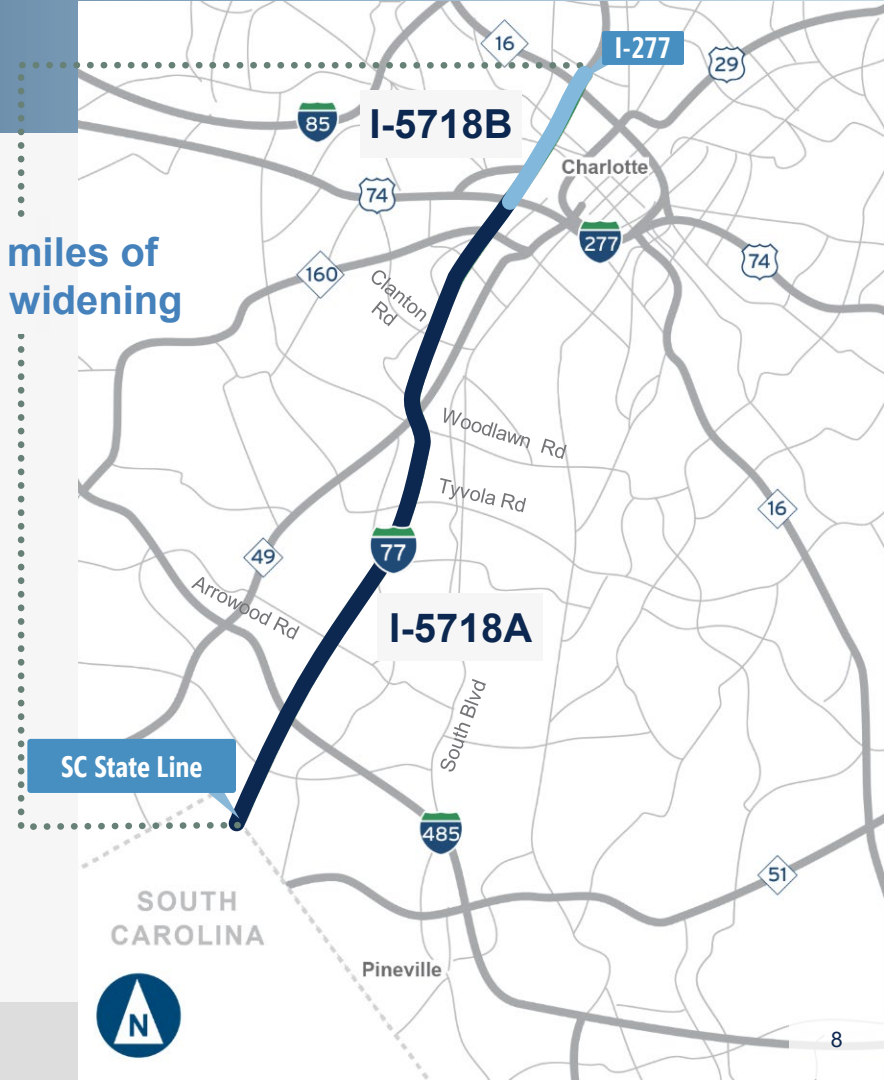
Project Overview

- Last widened in 1990s, from four-lanes to six-lanes
- STIP Project I-5718¹:
 - The addition of express lanes or general purpose and express lanes
 - Reconstruction of interchanges and non-interchange bridges
 - Addition of access points and direct connectors to the express lanes
- Total Project Cost (YOE): \$3.7 billion²
- Crash rates for this segment of I-77 are 2.5x higher than the statewide average for urban interstates
 - Crash rates are directly related to congestion
 - Congestion will continue to increase

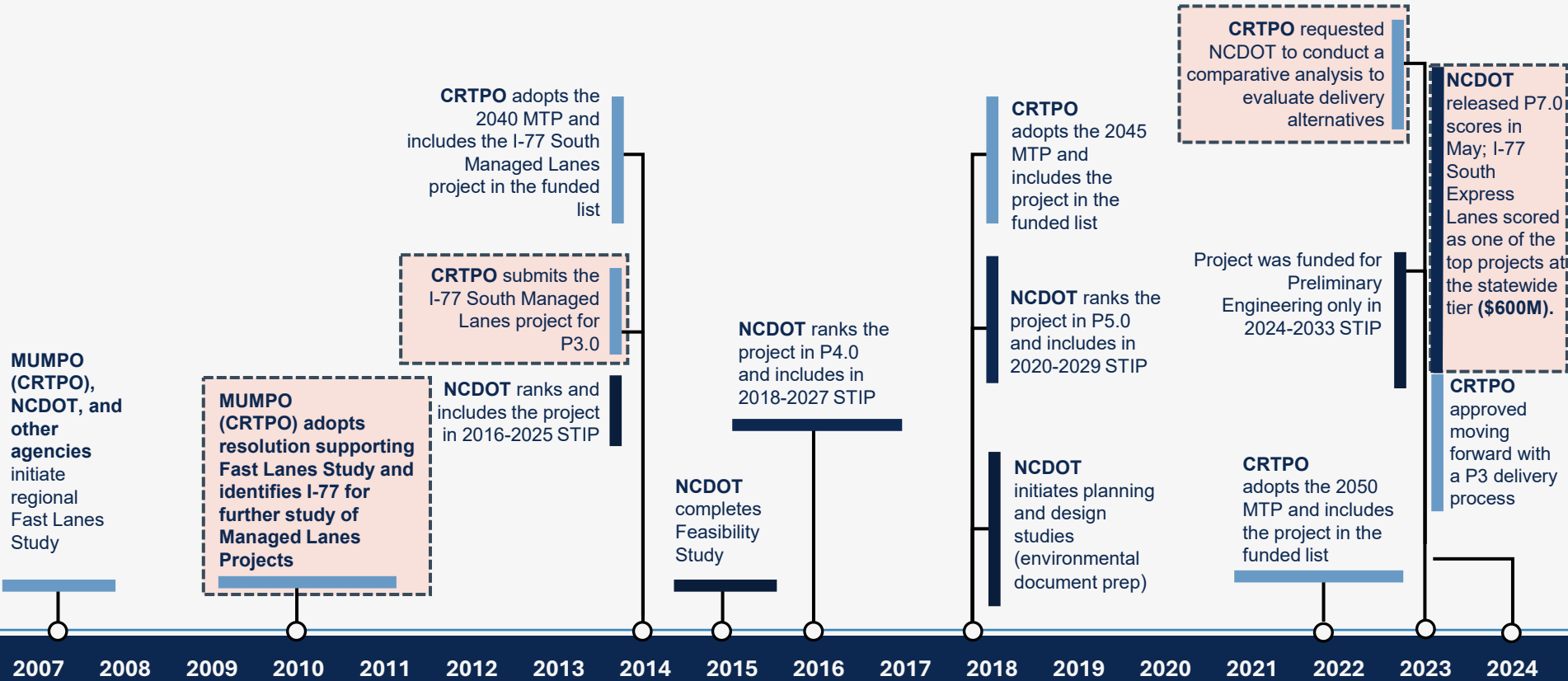
(1) Per state law, NCGS §136-89.183(a)(2), toll projects in North Carolina must be requested/approved by the local planning organization

(2) Year-of-expenditure, as of Aug. 2024

11 miles of
I-77 widening



Project History



2014

Express Lanes Market Maturity

2024

2014

**I-77 North Express Lanes
Commercial Close**

Only one peer P3 project
(I-495 Express Lanes) was
open to traffic
in the U.S. and was
struggling financially

2014 to 2022

**'First Generation'
P3 Express Lanes Projects**

Eight peer P3 express lanes projects
opened to traffic

All of the projects opened during this
period were a financial success

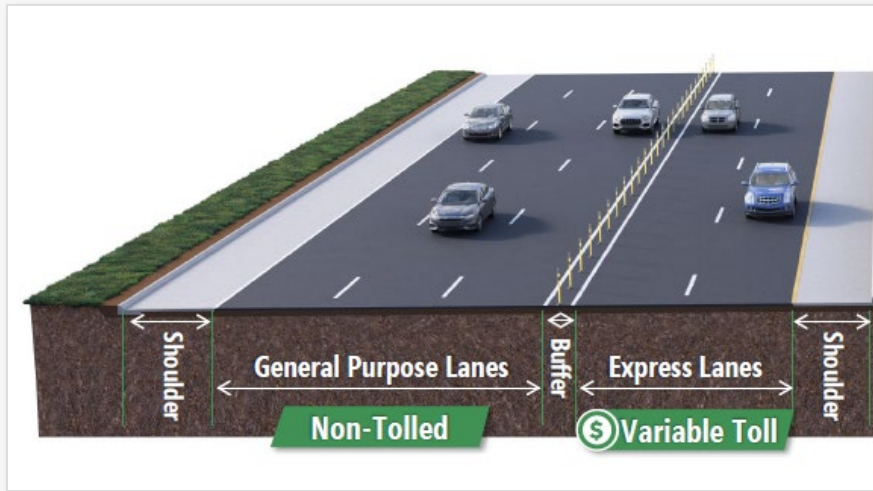
Today

**'Second Generation'
P3 Express Lanes Projects**

Currently under development

**The market is evolving using
lessons learned from the
'First Generation' projects**

Express Lanes add much-needed capacity, managing congestion today and supporting the region's growth in the future



Tolls charged for using the Express Lanes:

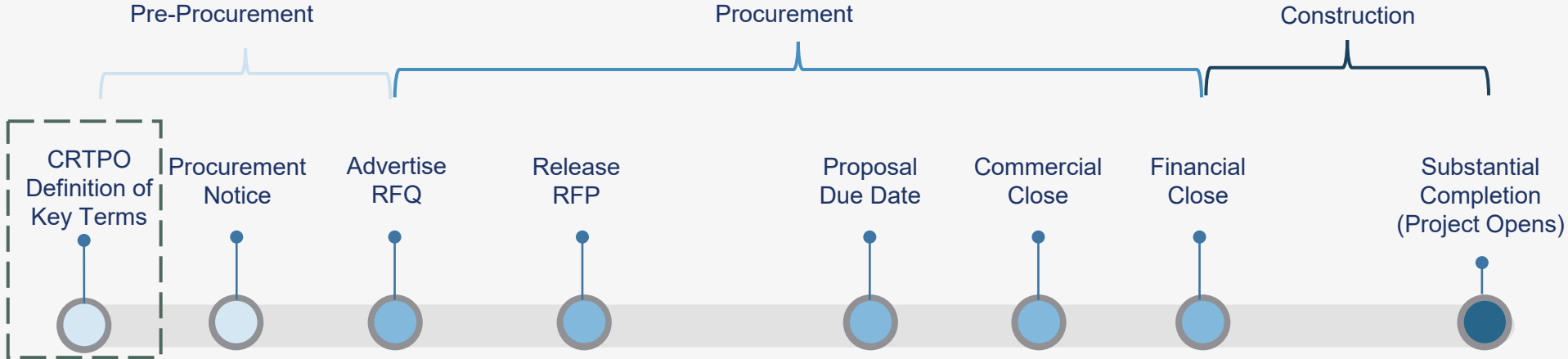
- manage overall congestion and improve flow for everyone on the road
- provide a reliable travel option for those on the express lanes
- help fund the project construction, operations and maintenance costs

Tolls ensure a reliable trip for express lane drivers



- Tolls will vary throughout the day to **ensure the express lanes do not become overcrowded** and congested
- **Real-time dynamic pricing** can keep traffic flowing, even on the most congested times of the year (high prices are sometimes necessary)
- Toll policies can **ensure transparency, fairness, and operational integrity** of the Express Lanes for the life of the project

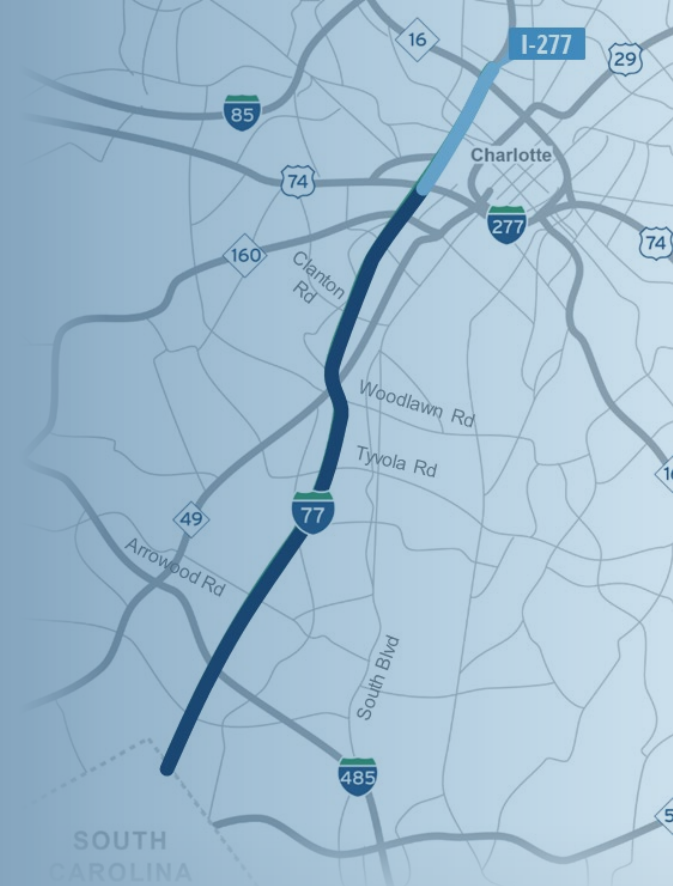
Example P3 Project Timeline



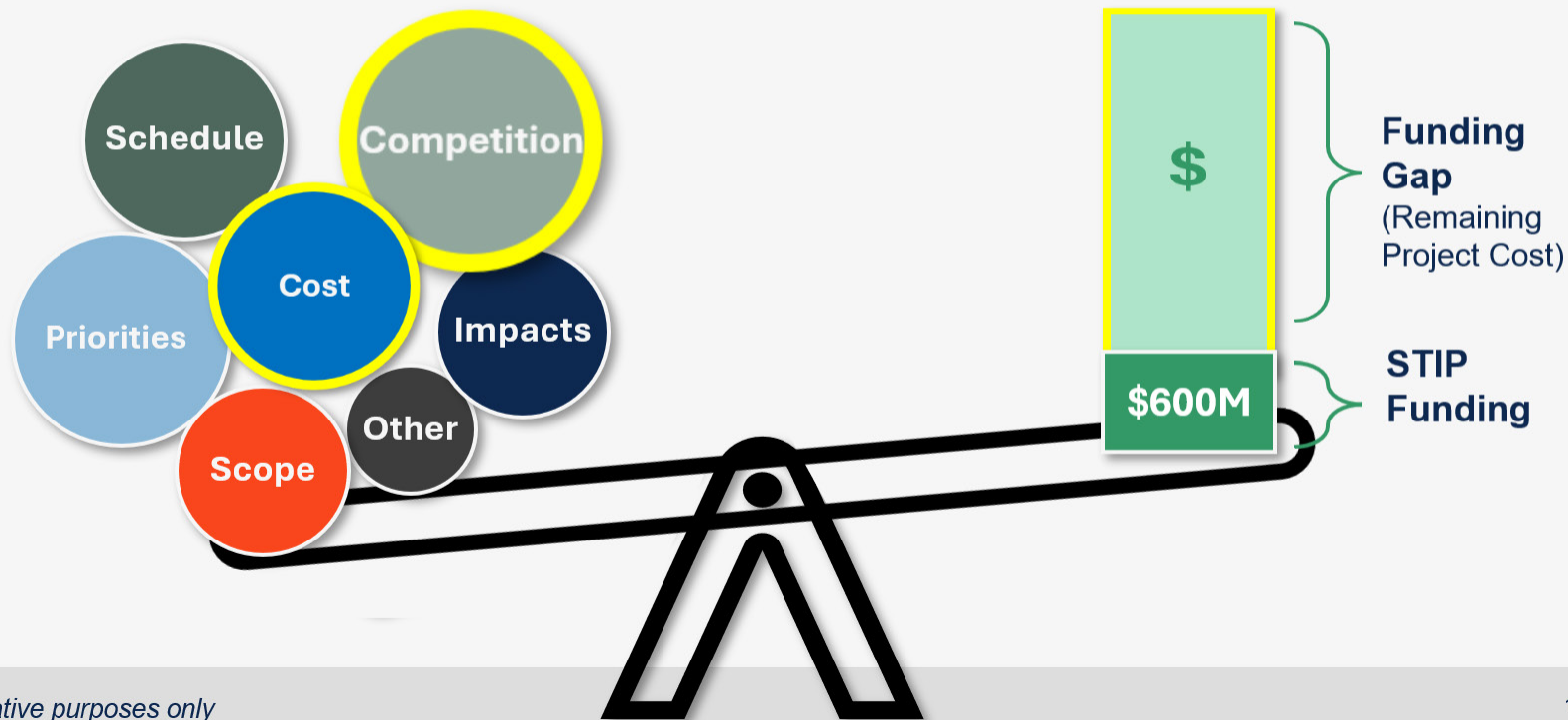


South Express Lanes

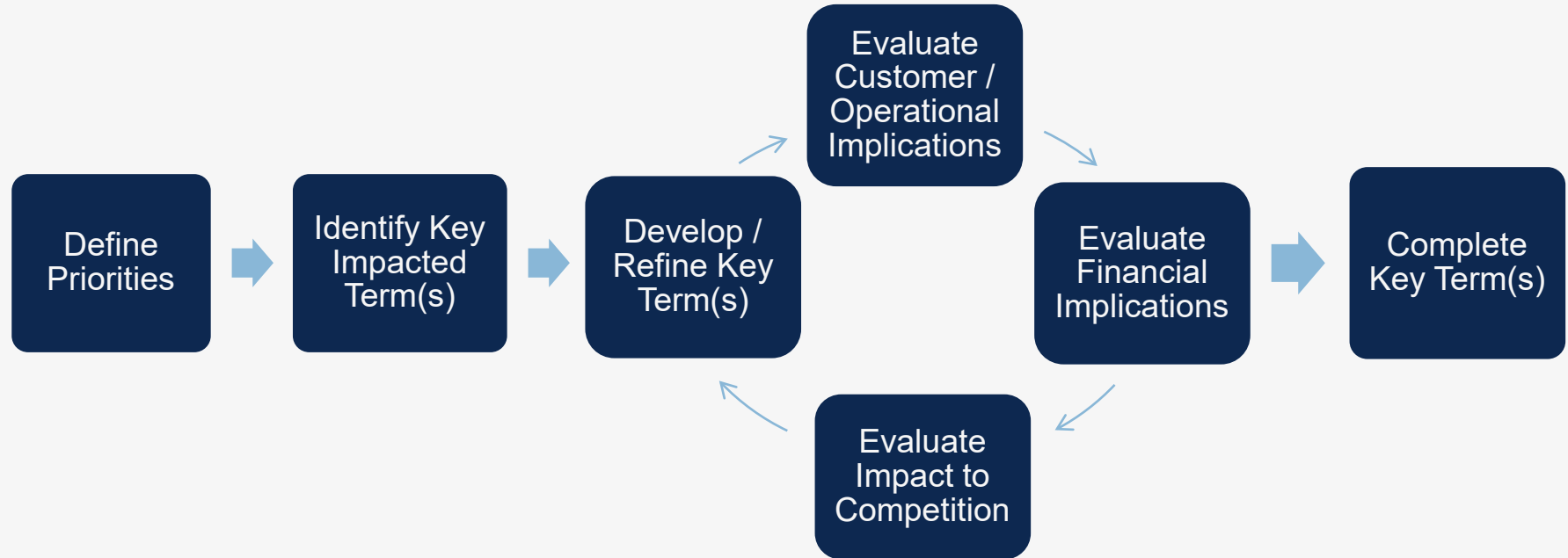
Project Objectives & Priorities



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



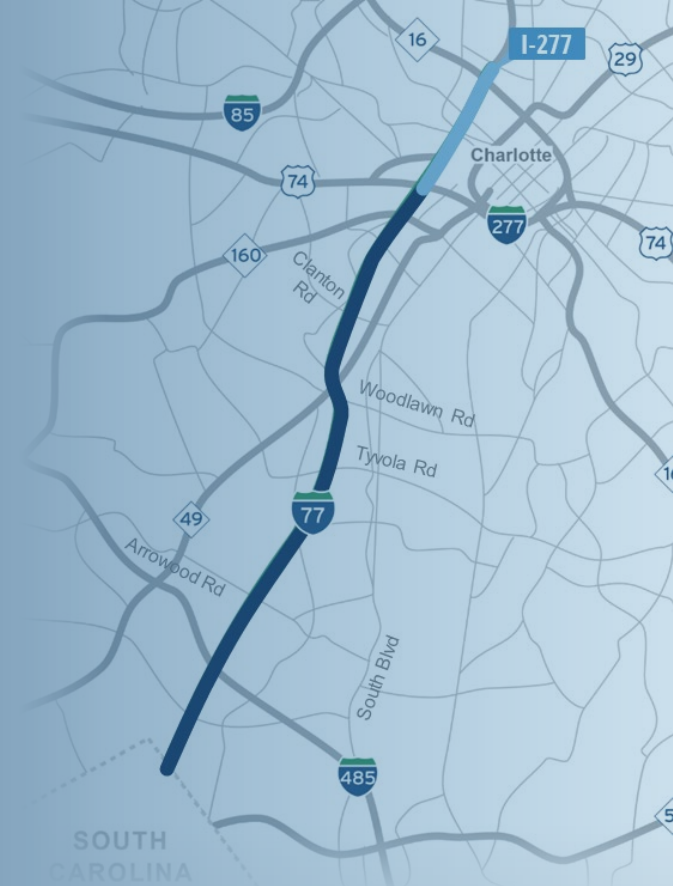
- Corridor Safety
- Fair Toll Rates
 - *Trip Time Reliability*
 - *Increase Express Lane Utilization*
- Meet Future Corridor Demand
- Transit Benefits
- Competitive Procurement
- Transparency
- Innovation



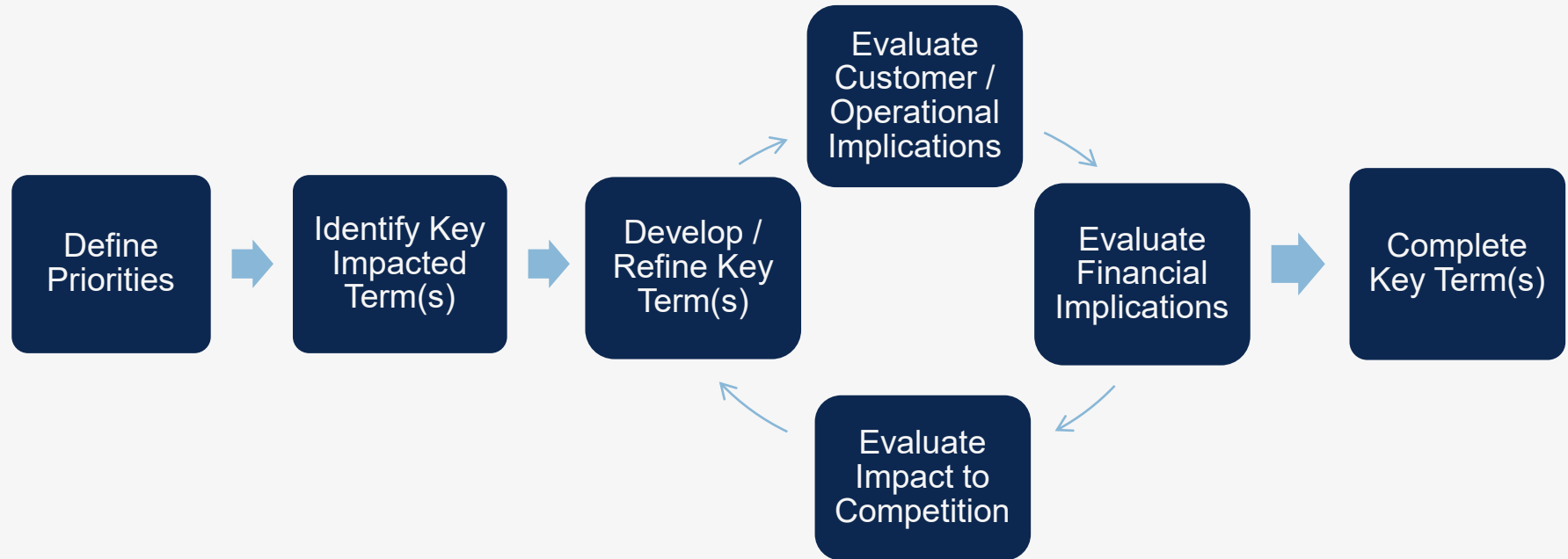


South Express Lanes

Identification of Key Terms



- Iterative process requiring coordination between NCDOT, CRTPO and the market
 - Process designed to ensure effective solution that leads to a viable project



Key Contractual Term = Objective + Requirement(s)

Objective	Contractual Requirement(s) <i>could include one or multiple requirements</i>
<ul style="list-style-type: none">• Encourage transit use to reduce congestion and provide the public with access to affordable and reliable trips.	<ul style="list-style-type: none">• Transit Usage of Express Lanes for Free: Allows transit vehicles to use the Express Lanes without paying tolls.• Transit Funding Payments: Mandates dedicated funding payments for transit, which can include one-time (upfront) contributions and/or recurring payments throughout the project's life.• Transit Related Corridor Infrastructure Improvements: Requires investments in infrastructure enhancements within the corridor that support transit, such as park-and-ride facilities, dedicated access to new or existing lots, and other transit-focused upgrades.• Real-Time Transit information Systems: Calls for the implementation of smart technology to deliver real-time updates to transit users.

The Key Contractual Terms will be incorporated during the procurement process into the I-77 South Express Lanes Comprehensive Agreement.



Key Contractual Term
(few sentences)

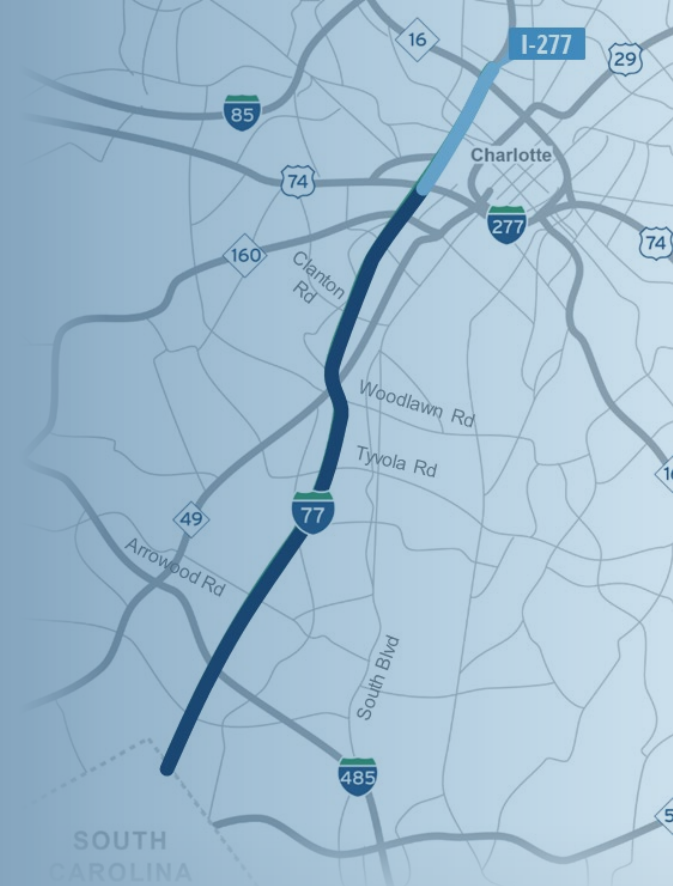


P3 Contract - Comprehensive Agreement
(several pages across multiple documents)



South Express Lanes

Closing & Next Steps

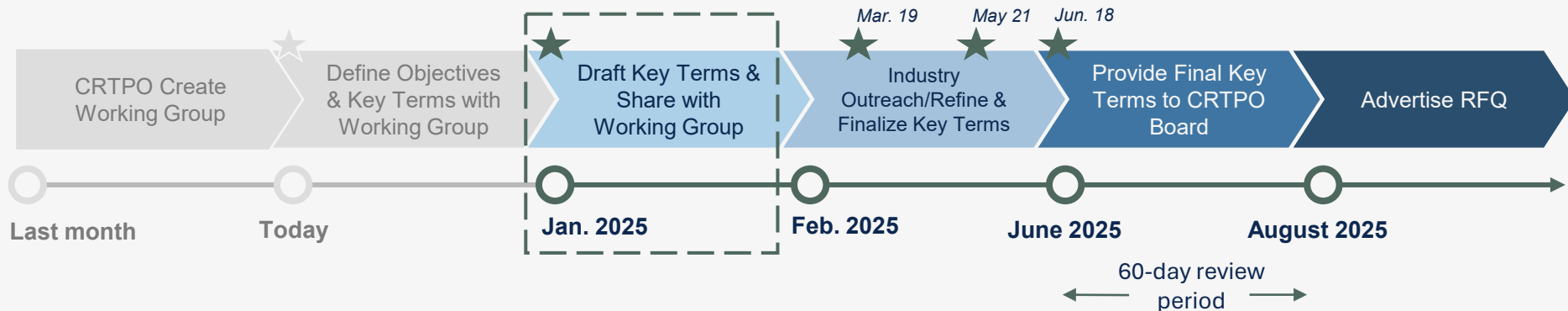


- Corridor Safety
- Fair Toll Rates
 - *Trip Time Reliability*
 - *Increase Express Lane Utilization*
- Meet Future Corridor Demand
- Transit Benefits
- Competitive Procurement
- Transparency
- Innovation



Working Group Meeting Schedule*

- Next Meeting: January 15, 2025, 3:30pm
 - Objective: Share initial draft key terms with the working group for feedback

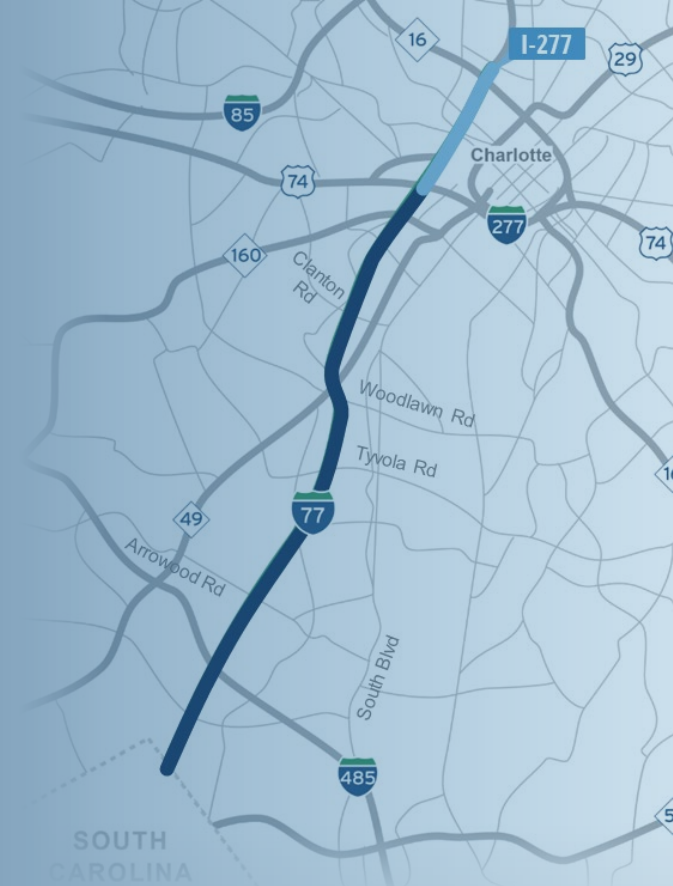


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South Express Lanes

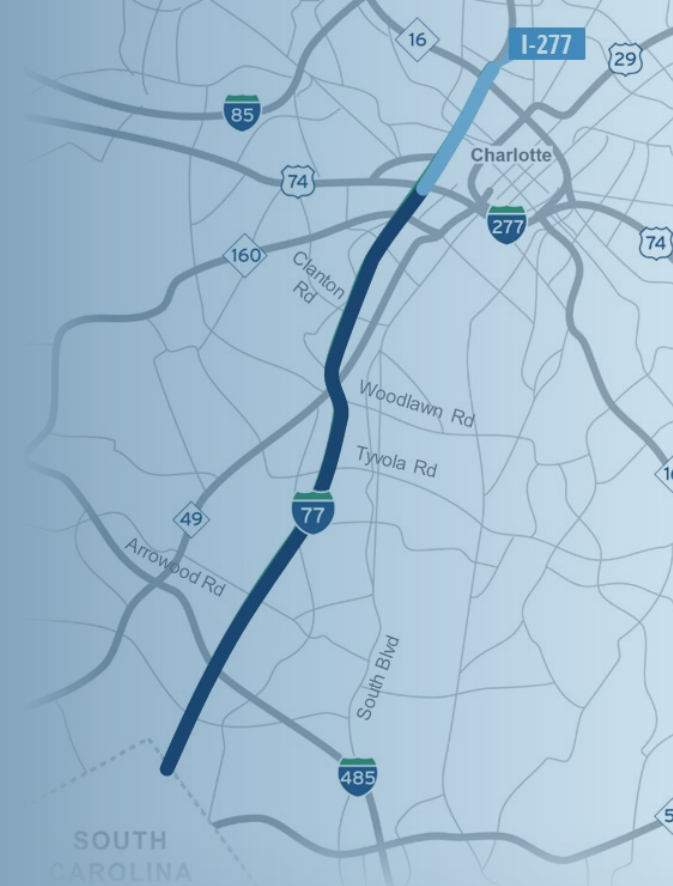
Adjourn



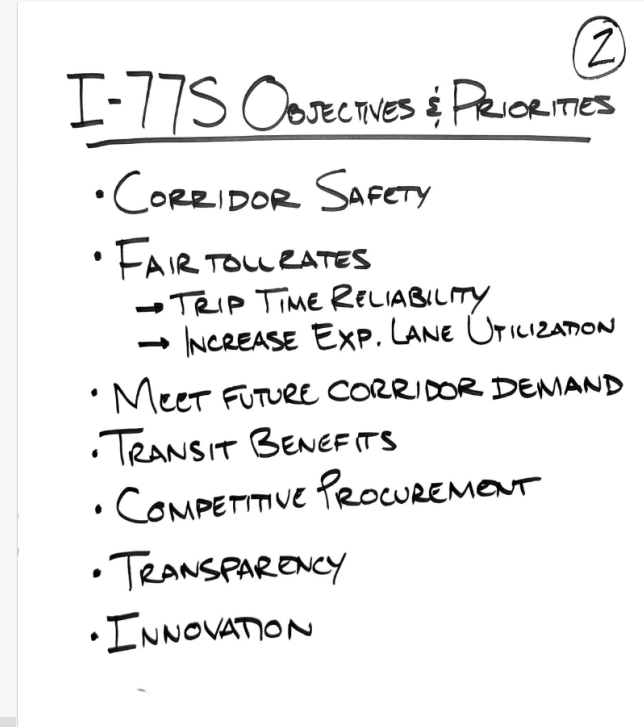


South Express Lanes

Appendix



- The following slides contain pictures of the flip charts used to document additional project objectives and priorities mentioned by working group members during the 11/19/2024 meeting.



ADDITIONAL PRIORITIES ③

- EMERGENCY CONSIDERATION
- CORRIDOR ACCESS FOR EMERGENCY VEHICLES
- MWSBE - ECONOMIC DEVELOPMENT/CHANGE COMMUNITY OUTCOMES
- PRICING FOR ELIGIBLE CLASSES OF INDIVIDUALS (E.G. MEDICAID)

④

- CONSISTENCY FOR HOV WITH I-77 N
- BONUS ALLOCATIONS FOR COMMUNITY IMPROVEMENTS
- RELIEF TO CONTRACTOR WHEN EVENTS IMPACT
- EARLY TERMINATION
- DESIGN FOR TRUCKS
- REVENUE SHARING

- ⑤
- FORMULA FOR MAXIMIZATION OF USE OF EXPRESS LANES
 - CLEARER TERMS OF BONUS & REV. SHARE EVENTS → TRANSPARENCY
 - COMPETITIVE
 - EXPLAIN HOW TOLL RATES IN MORE DETAIL (ON SIGNAGE / RANGE)
 - ↳ FULL DISTANCE

- ⑥
- DATA FROM CONCESSIONAIRE → REAL TIME / TRANSPARENT
 - ACCESSIBILITY TO EXPRESS LANES + LOCAL ROADS IMPACTED
 - PROCESS TO DETERMINE DIRECT CONNECT OPPORTUNITIES AT INTERCHANGES → CHALLENGES ON SOME NOW ADDRESS
 - COST OVERRUNS & SCHEDULE RISK TRANSFER

- FUTURE OF CORRIDOR DEMAND (7)
 - CONTRACT LENGTH
 - CONCESSION PAYMENT USE OR "BUYING DOWN" BILLS
- NEXT: PRIORITIZATION