

Review of the Comprehensive Agreement for the I-77 Express Lanes Project



REPORT ADDENDUM

Prepared by



September 2017

DISCLAIMER

Mercator Advisors LLC was retained to provide an independent review of the Comprehensive Agreement between the North Carolina Department of Transportation (NCDOT) and I-77 Mobility Partners LLC. This report identifies potential policy options for consideration. The information presented is not legal advice and the report is not a market valuation or an appraisal review.

The views and opinions provided in this document are strictly those of the authors. This report does not represent the opinions or policies of NCDOT, its agents, officers, or employees.

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1. Purpose of the Report Addendum

Mercator Advisors LLC (Mercator) was retained by the North Carolina Turnpike Authority to review the Comprehensive Agreement between the North Carolina Department of Transportation (NCDOT) and I-77 Mobility Partners LLC, the private consortium awarded the contract to finance, develop, design, construct, operate and maintain the I-77 Express Lanes Project (Project or Express Lanes Project).

On August 10, 2017, a draft of the Mercator report was posted on the NCDOT website for public review. Members of the public were encouraged to send comments to NCDOT via e-mail to i77feedback@ncdot.gov and/or to use the comment form created on the Express Lanes Project website (www.ncdot.gov/projects/I-77ExpressLanes/).

Between August 10 and September 15, 1,664 comments were submitted via e-mail and the comment form on the Express Lanes Project website. There was no restriction on the number of times any individual could submit comments so there are many duplicates in the total.

The majority of the comments are brief statements of opposition to tolls and/or the P3 agreement and expressions of support for an option proposed by the Widen I-77 organization that involves completing the widening of I-77 without installing the electronic toll collection system. Mercator has prepared this report addendum to highlight the “complete and delete” option as well as two other topics raised in the public comments.

Copies of all comments submitted are provided as appendices to our report. None of the comments received as of September 15, cites material inaccuracies in the information provided in the Mercator report but some express differences of opinion regarding some of the conclusions drawn by Mercator. Those comments and others that directly address topics in the report or describe additional options are also provided in the last section of the addendum.

2. Proposed “Complete and Delete” Policy Option

On August 24, 2017, the Widen I-77 organization held a public information session in Mooresville to respond to the draft Mercator report. The presentation included the description of an option for NCDOT to consider called “complete and delete.”¹ The basic concept is that NCDOT would have I-77 Mobility Partners complete the construction of additional lanes in the I-77 corridor but it would modify the contract to “delete” the electronic toll collection system (effectively converting the express lanes to general purpose lanes). Under that scenario, the Comprehensive Agreement would be terminated after construction is complete and NCDOT would operate and maintain the new lanes which would be open to all traffic except heavy trucks.

To the extent that NCDOT conducts any technical analyses of the options identified in the Mercator report, we recommend that the “complete and delete” scenario be included. Factors to consider that

¹ A copy of the presentation (“Response_8-24-17.ppt”) is available at <http://wideni77.org/presentations/>

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might impact the implementation schedule and the potential costs to taxpayers under this approach include:

- ***Charlotte Regional Transportation Planning Organization (CRTPO) Approval Process***
NCDOT does not have the unilateral authority to build general purpose lanes on I-77 (or to modify the number or length of the express lanes that are under construction). Any material change to the scope of the Express Lanes Project would have to be reviewed and approved by the CRTPO. The revised scope may need to be evaluated under the Strategic Transportation Investments (STI) law and could trigger additional environmental review by relevant federal and state agencies. In addition, amendments to projects in the 2045 Metropolitan Transportation Plan and the Transportation Improvement Program are reviewed by CRTPO, FHWA and EPA to determine whether the change would impact the air quality conformity determination for the region.
- ***Availability of Funding to Construct General Purpose Lanes and Compensate the Private Partner***
As noted in the report, approximately \$217 million was expended on construction of the Express Lanes Project as of June 30, 2017, including approximately \$17 million of NCDOT funds. The primary source of funding to complete the Express Lanes Project is the \$248 million of committed private equity.

If the Comprehensive Agreement is modified to “delete” the electronic toll collection system, the Private Partner would not continue to invest private equity in the project because it would not be able to realize any return on its investment through toll collections. Under the Comprehensive Agreement, the Private Partner is entitled to compensation if NCDOT made any change to the project scope having a material adverse impact on the construction cost, the completion schedule and/or projected toll revenues. The amount of compensation in the “complete and delete” scenario would be determined through good faith negotiations or the dispute resolution procedures established in the Comprehensive Agreement.

Before pursuing this option, NCDOT would have to work with CRTPO through the STI project prioritization process to secure public funds to complete the widening and to pay the required compensation to the Private Partner.

- ***Availability of Bonus Allocation Funds***
The Widen-77 presentation suggests that \$144 million of bonus allocation funds the region received under STI would still be available even if the new lanes are not tolled and public funds are used to repay the outstanding toll revenue debt. The STI law specifies that bonus allocations (subject to certain caps) can be distributed to local jurisdictions that commit local funds or the proceeds from toll revenue bonds to eligible projects, but it does not specify what happens to the bonus allocation funds if the eligible project that was the basis for awarding the funds is not completed. In addition, it is important to note that bonus allocation funds associated with the Express Lanes Project are currently being spent on work within the Project limits.

3. Additional Topics of Concern

Several comments were received that mentioned the state’s project prioritization process and the estimated economic impact of the Express Lanes Project. Those topics are discussed below.

3.1 STI Project Prioritization Process

The Strategic Transportation Investments (STI) legislation enacted in June 2013 changed the way transportation projects are prioritized and funded in North Carolina. It established the Strategic Mobility Formula which allocates available revenue among three funding categories: statewide mobility, regional mobility and division needs.

Projects in the statewide category receive 40 percent of the total available funding and are evaluated solely on how well they score using NCDOT’s established prioritization criteria. STI scoring, weights and criteria were developed in 2013 and updated in 2014 and 2015 by a broad-based group of transportation professionals and stakeholders. The current criteria for statewide mobility projects include congestion (30 percent), benefit/cost estimates (25 percent), economic competitiveness (10 percent), safety (15 percent), multimodal and military (5 percent) and freight and military (15 percent). Other factors considered are the completion of environmental studies and engineering plans, corridor spending caps and federal and state funding restrictions.

The Express Lanes Project is one of 108 transition projects in North Carolina that are not subject to STI because they were scheduled for construction before July 1, 2015. After STI was enacted, questions were raised about whether the construction of additional general purpose lanes on I-77 North would score well enough to secure funding. In July 2014, NCDOT issued a press release that provided hypothetical scoring under STI for each section of the Express Lanes Project if constructed as general purpose lanes instead of express lanes. The table below shows how the sections were defined and the estimated cost in 2014.

Route	From	To	Cost to NCDOT	Statewide Mobility Quantitative Score (Out of 100)
I-77 North - Southern Section	I-277	I-85	\$215,360,000	59.66
I-77 North - Central Section	I-85	SR 5544 (West Catawba Avenue)	\$143,710,000	52.26
I-77 North - Northern Section	SR 5544 (West Catawba Avenue)	NC 150	\$91,460,000	54.86
I-77 North - All Sections	I-277	NC 150	\$450,530,000	56.24

NCDOT concluded that no section of I-77 North “would score high enough, or fall within corridor cap limits, to be funded for construction for at least the next ten years under the law.” The NCDOT analysis indicated that projects located on I-77 South would be prioritized because they scored higher under the criteria established for statewide mobility projects.

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The 2014 analysis has been criticized by opponents to the Express Lanes Project because the portion of I-77 North between Exit 23 and Exit 28 was not evaluated independently.

In April 2016, a \$166 million project to construct one general purpose lane on I-77 in each direction between Catawba Avenue and NC 150 (I-4750AB) received a Statewide Mobility Score of 75.04 out of 100 and was ranked 38th out of 354 Statewide Mobility projects throughout North Carolina.² The project was eligible for local input points but the cost exceeded the corridor cap.

3.2 Potential Economic Impact of the Express Lanes Project

In November 2015, an affidavit regarding the economic impacts of the Express Lanes Project was filed in support of litigation initiated by the Widen I-77 organization. The affidavit is often referred to as an “economic impact study” in the public comments because it states that the net economic costs incurred by users of the express lanes and other drivers in the I-77 corridor will exceed \$33 billion over 50 years. Mercator has reviewed the calculations in the affidavit and believes that it is important to note the following:

- Over \$8 billion of the estimated cost is based on the assumption that widening I-77 would eliminate delays in the general purpose lanes for 50 years and allow free flow speeds of 70 miles per hour during the peak period versus assumed speeds of 25 to 30 miles per hour in peak hours on the general purpose lanes if express lanes are built. The additional travel time associated with the lower assumed speeds with express lanes is treated as a cost to the users of the I-77 general purpose lanes and that amount is doubled, based on the author’s experience, to account for assumed travel time delays on side streets and parallel routes.
- Approximately \$12 billion of the estimated cost is attributed to an estimate of the potential gross toll revenue that could be generated by the express lanes over 50 years before payment of any expenses for operations and maintenance. The affidavit notes that it is often assumed that users of toll facilities only pay tolls when they receive comparable value in terms of travel time reductions or travel time reliability, but for purposes of the affidavit “we treat the tolls paid as a loss to the regional economy, even though some, but not all, of their value is indirectly recouped to toll road users.”
- Another \$13 billion of costs is based on the assumption that traffic volumes in the I-77 corridor will be significantly higher if express lanes are built because of the additional capacity. That assumption is consistent with the environmental analysis conducted by NCDOT, but the affidavit assumes vehicle miles traveled (VMT) in 2017 (the assumed first year of operation) would nearly double versus the 8.9% to 11.3% increase in VMT in peak hours shown in the environmental analysis.³ The \$13 billion cost estimate reflects an increase in vehicle operating costs and potential accident costs based solely on the assumed increase in VMT.

² http://www.crtpo.org/PDFs/Prioritization/P4_0/Submittal_StatewideMobility.pdf

³ Table 3-3 in the Environmental Assessment for the I-77 High Occupancy/Toll lanes:
<https://www.ncdot.gov/projects/I-77ExpressLanes/download/I-77-hot-final-ea-070113.pdf>

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- Many of the estimates in the affidavit are based on data from technical memos prepared by various consultants retained by NCDOT during the environmental review process in 2012 and 2013. The estimated economic impact is not based on the final scope of the Express Lanes Project or the traffic and revenue projections developed to support the project financing in 2015.
- None of the estimated costs in the affidavit are expressed in current dollars. Cash flows that occur over a long period of time, such as 50 years, are typically discounted to a specific year at a discount rate that reflects the time value of money (the concept that a dollar today is worth more than a dollar in the future).⁴

The purpose of highlighting some of the key assumptions in the affidavit is not to dismiss concerns about the potential economic impact of tolls but to encourage the public and other stakeholders to review the source material for various claims, when possible.⁵

⁴ An example of this discounted cash flow concept is provided in Appendix A to the Mercator report. On page A-8 there is a table that shows the value of \$12.8 billion generated over 50 years would be approximately \$488 million on 12/31/2016 if the cash flow is discounted at 13 percent.

⁵ A copy of the affidavit reviewed by Mercator is available online at: http://www.hartgroup.net/Projects/2015-07-28_FINAL_Hartgen_Affidavit_I-77_HOT_Lanes_Economic_Impacts.pdf

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4. Selected Public Comments

All of the public comments submitted via e-mail and the NCDOT website have been reviewed by Mercator. This section highlights some of the more detailed comments that directly address the content of the draft report and/or describe options to address public concerns. The comments have not been edited.

As I have previously expressed my concerns regarding the I-77 express lanes contract in general, I wish to specifically address the Mercator Advisors draft report which has been made available for public comment. I have read the report and have attended both CRPTO presentations on it.

First, I would encourage Mercator to specifically include among its options what is being referred to as "Complete and Delete" allowing Cintra to finish most of the project, but for the state to buy out the contract upon completion and operate the facility as general purpose lanes. While this option may be inferred from the other options listed, I believe it warrants separate consideration. This is a sound and viable approach for the following reasons:

1. Based on casual observations, it seems apparent construction on the facility has progressed beyond the point at which it can be reasonably stopped. As a general contractor, I understand the cost of halting the project, stabilizing the site and then remobilizing at a later time. The prudent and responsible approach is to – for the most part – allow Cintra to complete the project.

However, it is imperative that the report recommends and NCDOT begins an immediate engineering analysis and negotiations with Cintra to mitigate the cost of the project. For example, the installation of tolling equipment obviously can be deleted. It is possible the fly bridges which are to feed directly into the toll lanes can be reconfigured as conventional interchanges (and the safety of these center-feed bridges need to be evaluated). In the areas where the two managed lanes separate from the general purpose lanes, additional grading and paving may be necessary to reconnect the lanes as a conventional four-wide highway.

2. While I understand the limitations of the current report as related to the detailed financial impact of the changes to the project, I believe it is both possible and vital to look at the financial implications of these options in general terms. Analysis by the Widen I-77 group has shown the "Complete and Delete" option could cost the state as little as \$204 million in additional funding (net of the current value of the project less state and federal funds already committed to the project.) This is in comparison to NCDOT's the ludicrous, ever-changing and politically motivated estimate of \$800 million

3. In my opinion, it is equally important to look at the cost of doing nothing. By NCDOT's estimation, the total cost of this \$655 million project will be \$13 billion in tolls over the life of the contract. (Oh, by the way, that works out to an interest rate of about 40 percent.) More significantly, a private economic impact study conducted by Widen I-77 shows this project will strip \$32 billion out of the local economy over the course of the contract. (As noted in the report, NCDOT never saw fit to do an economic impact study.) How much would the NC Department of Commerce spend to recruit a billion-dollar industry to the state? Buying out this contract is the best economic investment the State of North Carolina will ever make.

Finally, I would also encourage you to amend the historical perspective section of your report to include the manipulation of when and how the contract was completed in relation to the state's

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transition from “equity funding” for roads to the current “Strategic Transportation Initiative” (STI) formula. As you know, equity funding allocated transportation dollars by geographic region regardless of need or valued of the projects under consideration. This resulted in “beltways” around small towns, highways where the state wanted to generate traffic rather than addressing current congestion and generally starving the economic engines of the state. Equity funding was the basis on which state officials claimed “there is no money for I-77.” STI changed that by basing project approvals on proven engineering data, need and value of the project.

Very cynically – and I would say deceitfully – NCDOT force through the closing of the Cintra contract only days ahead of the effective date of STI. The process was so rushed there were numerous problems with the contract which had to be corrected after closing. (A real estate agent in North Carolina would lose their license for such conduct.) As a result, widening I-77 was never officially scored under STI. In a later public relations ploy, NCDOT hypothetically scored the project under STI, but they only scored the total, 26 mile project and the southern portion from I-277 to I-485. This was intentionally done to skew the results as, 1) the portion of the project from 277 to just north of I-85 is very expensive and, 2) the portion between 85 and 485 already includes eight lanes and relatively little congestion. Under the STI criteria, high cost and low need results in a low score.

Significantly, the northern portion of the project – 485 to Hwy. 150 in Mooresville – was never scored as a stand-alone project. This segment, the original focus of the efforts to widen the road, is heavily congested. It was declared obsolete by the NCDOT in 1990 and is the only remaining four-lane interstate highway through an urban county in the state. Compared to the southern segment, it is a relatively cheap fix with few bridges being widened or replaced and ample right-of-way. While it was never scored by NCDOT, its approximate score was estimated privately (without access to NCDOT’s actual formulas) and ranked as the second highest scoring project in the state!

This intentional and deceitful manipulation irreparably damaged the relationship between NCDOT and the communities impacted by this project and is exemplary of how this project was rammed through. It is important for leaders in state government – especially those in the legislature – to understand how the process was manipulated so they can both correct the gross, multi-billion-dollar mistake this contract represents AND ensure it never occurs again.

I am sure you have received several comments on the detrimental nature of this project; I will limit my comments to specific items in the report.

Project Options

First, option 7.5 currently assumes the project could be purchased and run as an express lanes project. This option should also include a scenario where the project is purchased after completion and reverted to general purpose lanes net of tolling equipment.

In discussing this option, the report should clarify that a substantial portion of the expense is for the southern section, and that this section is of no value for reducing congestion through the Lake Norman bottleneck but is included in the overall buyout cost for pragmatic purposes (ie site stabilization and demobilization costs).

Project Risk

The report devotes considerable discussion to the benefits of risk transfer under the P3 model (section 4), including traffic and revenue risk, financing risk, design and construction risk and O&M risk. This fails to resonate with the public because the risk of building a road via normal tax

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receipts is zero.

Contract is Reasonable

Section 6.1 posits the contract is “reasonable” when in fact the contract contains several extraordinary provisions not seen in normal government contracts. For instance:

- Favorable tax treatment, including ownership of the Assets for federal tax purposes and the classification of the Assets as intangible contract rights
- Inclusion of public credit support if the debt coverage ratio does not meet scheduled debt service instead of required debt service. This is a significant difference. In the case of the TIFIA loans, required payments for several years are only ~\$600K, while scheduled payments are ~\$12M. Thus, the taxpayer subsidy begins at a much lower level.
- Contemplation of charges by Affiliates “in excess of reasonable compensation,” thus allowing cost manipulation for the holding company such that operating income will never be positive. This enables “maximum use” of the DRAM, per the DBRS credit rating analysis.
- Inclusion of a specific project- widening I77 from exit 28 to 36- in the non-compete
- The unfettered right to charge tolls of any amount
- Setting of the revenue sharing threshold so high that it will never be achieved. For instance, in 2025 revenue sharing will not begin until toll revenues exceed \$250M per Attachment 1 of Exhibit 5.

While the contract may be “typical” for projects of this type, it is far from “reasonable”.

Public Opinion Uncertainty

Section 6.3 says public opinion reflects uncertainty. In fact, public opposition has been nearly unanimous in opposition. For example:

- Every town and county (with the exception of Charlotte) has passed numerous resolutions opposing the project.
- Ten thousand petition signatures were gathered in a matter of weeks and presented to Charlotte prior to their vote of support
- State legislators reported receiving approximately a thousand emails prior to voting on HB 954, the toll cancellation bill
- A recent meeting by Widen I77 drew over 300 attendees, an extraordinary turnout for a town of 35,000
- For three consecutive years hundreds have attended an annual anti-toll bridge rally

As evidence of the “uncertainty” claim the report cites the Fast Lanes survey. Like every survey, the answer depends on the question. In this case, the survey question was: “given a choice between managed lanes now or some other improvement sometime in the future, which would you prefer?” This question is so contrived- the use of the term “managed lanes”, the false promise of building them “now”, the indefinite and vague nature of the alternative- that it should not belong in any objective report. It should be deleted entirely.

Sustained Resistance by Public Officials

Page 44 of the report cites “sustained resistance by public officials” and “concerns that continue to be expressed by elected officials” as justification for terminating the contract. While this is a welcome admission, it reflects an incomplete understanding of the nature of the opposition.

In May 2013 every town board in the Lake Norman region voted in favor of the project. The local state delegation was unanimous in their support, as was the Lake Norman Chamber of Commerce. The first town resolution opposing the project was not passed until April 2015, nearly a year after the contract was signed. The public- not elected representatives- have always led the opposition. This characterization of public officials leading the charge needlessly diminishes the efforts of thousands of residents who have engaged on this issue in a manner never before seen

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in the region.

My hope in writing the above is that the report will accurately reflect public sentiment, project issues and realistic termination options so that the appropriate government agencies can earnestly begin fixing this colossal mistake.

Thank you for the invitation to provide feedback. I am encouraged that alternatives to the current I-77 toll plan are being explored. The Mercator Report offers several options...

I strongly recommend that your next step be to narrow your focus and obtain final pricing for termination of the contract with Cintra. This is the only viable option as any efforts to reduce or modify tolling will only result in additional revenue shortfalls and financial failure for the partnership. As the report states, it may take significant time to organize the legal/financial aspects of the cancellation. Time to get this work started.

In the meantime, a priority should be to complete the road work as quickly and safely as possible while eliminating the tolling infrastructure expenses.

I have no confidence in the "ingress/egress" design of the plan as it relates to the North Mecklenburg/ South Iredell segment. Gridlock will continue in an area that is critical to inter/intra state commerce. The Mercator Report does not factor in the loss of business revenue that will undoubtedly occur as transportation companies look to alternative routes.

Our state is in a much stronger financial position than when the Cintra deal was negotiated. Please do not stand behind process as the reason for not prioritizing I-77 and changing course on a bad deal. The most recent election results and continued negative feedback should no longer be ignored.

Thank you for your consideration.

As requested, feedback is provided below from the draft Mercator Report on I-77 Express lanes:

This project will not solve congestion, but instead is dependent on it for express lane use to hit revenue projections necessary for foreign investors whose interests are not aligned with North Carolina citizens. The additional financial burden on local tax payers was never adequately considered, nor was this effective use tax approved by elected officials representing predominately impacted constituents. Leveraging congestion as a revenue generating model should not be used as funding source unless other there are insurmountable barriers limiting a reasonable level of adequacy. For example, a lack of available ROW without massive imminent domain or diminishing return of additional expansion due to volume of existing general purpose (GP) lanes commiserate with other major metropolitan areas. None of these apply to this corridor of I-77 and GP lanes should be brought to a minimum level of adequacy prior to any express lane implementation. Having sections of the corridor that would be 50% tolled without the proper baseline for a metropolitan area of this size is the biggest single project flaw that could be easily addressed.

Since prior transportation bodies involved project programing may not have been aware of ramifications or liberties they granted to other agencies involved, I will call out specific excerpts to call attention to from this document. The public has been loud and clear in opposition and this

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report helps clarify facts objectively with next steps available for termination and project modification.

Example of why this project will continue to be a financial burden as tax payers are on the hook to cover any shortfalls in operating revenue:

“The Private Partner can request up to \$12 million per year from NCDOT if the projected annual net revenue after payment of operating expenses is not sufficient to pay scheduled debt service on the PABs and the TIFIA loan.” Pg. 16

Example of why this P3 structure is a fleecing of NC tax payers with primary beneficiary being private investors and backstop for USDOT TIFIA loan.

“The primary beneficiaries of the DRAM are the investors who purchased \$100 million of tax-exempt private activity bonds (PABs) and USDOT, the lender for the \$189 million TIFIA loan.” Pg. 16

Example of why this project is not in the best interest of NC citizens, local and state governing bodies limiting improvement over an expansive 50 year horizon without financial compensation:

“Under the CA, the Private Partner is permitted to seek compensation from NCDOT for lost toll revenue and/or increased costs attributable to certain transportation improvements (defined as Unplanned Revenue Impacting Facilities) that are built and opened to traffic during the term of the agreement.” Pg. 17

This project has not considered a forward looking view of changing transportation trends that could be at risk during a 50 year horizon. Charlotte is becoming an intermodal regional hub with massive intermodal projects providing connectivity with a major airport along with rail and freight providing distribution regionally. Given changing consumer purchasing dynamics, “last mile” service with shortened distribution delivery projections will continue to increase freight volume. The current scope of this project limits just two general purpose lanes in sections of this project that are already beyond capacity. This hampers mobility for both local, regional and truck traffic including those traveling in “Express Lanes” as they ingress / egress and encounter newly created bottlenecks specifically at interchanges that are the gateways to local communities. Additional risks not considered include the environmental impact of idling diesel trucks due to congestion or impacts of emerging technology such as intelligent assisted vehicle travel.

“Many individuals and jurisdictions expressed concerns about trucks causing accidents and traffic backups in the general purposes lanes, particularly in those sections of I-77 with only two general purpose lanes in each direction.” Pg. 30

The following statement provides some backdrop to frustration but goes much beyond this, as the public took it upon itself to create own grass roots movements as public input was all but ignored during as the project took shape. Further compounding this was that impacted citizens did not have adequate representation in any voting body given the weighting of votes on CRTPO.

“Much of the public frustration with the Express Lanes Project can be attributed to the limited opportunity for public input during the project development period.” Pg. 39

Public opposition intensified providing clear warnings and requests to be addressed before financial close. These requests by all local bodies in the project corridor were not detailed in this report and should be added for full context of the opposition at a time when there was no financial

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obligation. Instead close was accelerated and entered a period of silence and no transparency even as similar projects nationwide gave reason for pause.

The following bodies adopted resolutions against the project prior to financial close due to significant concerns: Cornelius (May 4, 2015), Huntersville (May 11, 2015), Mooresville (May 18, 2015), Mecklenburg County (May 19, 2015), Iredell County (May 19, 2015).

On May 20, 2015 Financial close occurred amidst the largest crescendo of unanimous opposition throughout the project corridor and by all officials that were the only true elected representation of impacted constituents both at local and state legislative level.

Note: Davidson passed similar resolution after financial close on June 16, 2015. Other grass roots movements continued to intensify locally including business, LKN chamber of commerce and other citizen initiated town halls as projects across the country experienced issues such as bankruptcy or reevaluation of project merits and financial considerations.

“When questions and concerns were raised about the P3 approach, the response from NCDOT was often inadequate. Members of the public frequently cite the fact that NCDOT did not provide any formal response to suggestions and questions submitted by local jurisdictions in early 2016 and it did not disclose any findings from a meeting with the Texas Department of Transportation held after the SH 130 Concession Company filed for bankruptcy protection.” Pg. 39

The amount of drain public opposition has caused on agencies involved, local government agencies, private citizens and elected officials from town halls to the governor’s office are beyond measure. Without significant changes, continuing down the same path will continue to be a major distraction for the NCDOT, CRTPO, local and state agencies and politicians for the next 50 years. Citizens took public input into their own hands when it was all but ignored, and it has been loud and clear opposition to the current approach.

“A potential justification for terminating the CA and completing the Express Lanes Project with public funding or financing is the need to be responsive to concerns that continue to be expressed by elected officials at the local, county and state level about the P3 arrangement. It would be difficult to find a major construction project that does not have some opposition, but sustained resistance by public officials to a project under construction is somewhat unusual.” Pg. 43

“a. Terminate the Comprehensive Agreement and complete the Express Lanes Project using public funding or financing as it becomes available.

b. Terminate the Comprehensive Agreement and allow CRTPO to determine whether express lanes should remain in the transportation plan or be replaced or supplemented with other improvements based on available resources.

c. Negotiate modifications to the project scope and/or the terms of the CA, such as:

- Deferring or eliminating tolling of certain lanes,*
- Reducing the financial impact on frequent users,*
- Revising the truck restrictions to allow larger vehicles that can use the express lanes safely,*
- Encouraging greater use of the express lanes by allowing HOV-2 for some period of time, or*
- Modifying the compensation provisions for unplanned revenue impacting facilities.*

d. Work with CRTPO to identify and advance additional improvements to address mobility issues in the corridor.

e. Develop preliminary plans to negotiate and finance the purchase of the Express Lanes Project after completion.” Pg. 43

In summary, this report lays out a clear framework to adopt a new strategy with input by local

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stakeholders citing examples other states have used to wisely change course given reason for concern. I would strongly encourage NCDOT to deploy **Option A** listed above immediately. The state should assume project completion or negotiate with the concessionaire to complete with major modifications including **Elimination of tolling of certain lanes**. Specifically the project scope should be reduced to a single express lane throughout the corridor, accompanied with an additional purpose lane. This would retain a reasonable accommodation for encouraging HOV (2+) and transit vehicles in addition to certainty of travel for those willing to pay. The state should assume oversight of the tolling component of the express lanes through the NC Turnpike Authority with strict guiding framework and policy on pricing and implementation that is consistent statewide. The project should be funded through normal programming taking advantage of possible expansion of transportation infrastructure funding occurring with new administration and DOT secretary. Toll revenue could be used to supplement as a local match to federal and state dollars or as debt service on issued bonds covering any remaining shortfall after buyout and project completion. Any incremental revenue should remain solely in the project corridor for future improvement needs (ie: future Lake Norman causeway expansion and interchange / exit improvements) without any limitation on additional expansion or changes in transportation trends during the long term horizon.

Thank you for the opportunity to comment on the draft report. Here are a few points I would like to make: The public anger about the toll lane project is understated in the report. The idea that earlier and better communications would have prevented this problem is unlikely. The list of alternatives to the current plan does not include the most sought after and only practical solution: Turn the toll lanes into general purpose lanes and dump the tolls. There is a systemic break down of the relationship between NCDOT and the public it serves. At this point continuation of the I-77 Project is a barrier to rebuilding mutual trust.

Town of Cornelius Comments to the draft August 2017 NC Turnpike Authority/Mercator review of the Comprehensive Agreement for the I-77 Express Lanes Project September 6, 2017

- The Mercator report did not address every comment received, but did provide general responses to a sampling of comments. Cornelius submitted two letters to NCDOT: one to Secretary Tennyson (March 9, 2016) and another to Secretary Trogon (April 4, 2017). These letters have very specific & detailed questions/suggested revisions, of which most have not been responded to. Detailed responses are requested.
- There are four regionally significant transportation projects located in Cornelius that not only provide localized benefits, but also provide improvements to the I-77 network. These projects support the facilities that are north-south parallel routes to I-77 (US 21, NC 115, and Northcross Dr. Ext.) and adjacent to I-77 (West Catawba Ave.), all providing traffic volume relief to I-77. These projects are receiving bonus allocation funds (TIP projects: C-5621, U-5873, U-5108, and U-5906). Without these funds, these projects will likely not be constructed. For years, these projects have been a priority for the Town and are critical to the health of the regional network. This priority existed before the conception of the I-77 Managed Lanes Project, and that priority also exists with or without the I-77 Managed Lanes Project. Construction of these projects is estimated to commence in 2019/2020, as design is actively underway for all of them. The Town has committed its own funds to some of these projects, and has obtained other state/federal funds for some of these projects, as well. The Town requests that regardless of future actions taken by NCDOT relative to the Comprehensive Agreement, that NCDOT remain committed to retaining these projects' current funding levels and current construction schedule.

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- The Town requests existing examples of toll lanes being added to just 2 general purpose lanes and information on their performance. The Town requests traffic modeling of the I-77 Managed Lanes project for the entire corridor that analyzes the weave/merge conditions in addition to build/no-build analysis for not only the opening year, but for future years, including intermittent periods (such as, 20 and 40 years into the future) and for the length of the contract (that is, 50 years into the future). Analysis should include operational analysis of the managed lanes and the general purpose lanes to determine levels of service, delay, and overall congestion relief. For further detail, see item #7 of the Town's April 4, 2017 letter. • There are multiple bottlenecks along I-77. One such area is the bottleneck created at the Lake Norman I-77 causeways. Upon the construction of I-77, US 21 was routed along I-77 from Exit 28 to Exit 33. This US 21 traffic creates additional strain on the already under-capacity I-77. Additional I-77 general purpose lanes are needed to accommodate the general I-77 capacity issues in addition to providing legitimate travel lane capacity for US 21 between Exit 28 and Exit 33.
- The Town suggests that there should be a minimal infrastructure requirement of at least three general purpose lanes in the north Mecklenburg/south Iredell area (i.e., north of I-485) in each direction along I-77 (i.e., three heading northbound, three heading southbound, for a minimum total of six I-77 general purpose lanes).
- The Town submits the following as an option for consideration: Managed lanes only operating in the sections of I-77 that either currently have or will have a minimum of three general purpose lanes in each direction (minimum total of six I-77 general purpose lanes). Thus, the planned two managed lanes between Exit 28 and Exit 36 would be operated as general purpose lanes, and that at least two of the four planned managed lanes between Exit 19 and Exit 28 would be operated as general purpose lanes.
- The Town reiterates its position stated in both of its previous letters to the Secretaries that the Comprehensive Agreement for the I-77 Express Lanes Project should be cancelled and the project completed with general purpose lanes. In light of this position, the Town recommends the following:
 - o The option for completing the project assumes it will be completed as a toll project and tolling operations run for a period of time in order to gauge the fair market value. The report should include an option where the project can be completed without tolling equipment and reverted to a general purpose lane project.
 - o The southern section of the project is being undertaken solely to accommodate the private tolling business model. It is the Town's position that this part of the project does not address congestion where it is needed: the bottleneck through Lake Norman. The Town also recognizes that the southern section comprises a material portion of project expense. However, cancelling this part of the project would incur significant site stabilization and project demobilization expense. Therefore, despite the southern section's significant expense and limited utility, the Town recommends it be completed as-is, in the interest of pragmatism. That said, we should all recognize the reality of this southern section.
- Appendix C (Input from Local Jurisdictions) contains the Town's March 9, 2016 letter to Secretary Tennyson, but does not include our April 4, 2017 letter to Secretary Trogdon, although it is included in Appendix B (Public Comments). Appendix C should include both Town letters.

The express lanes should be offered at a discounted price to working professionals that live in the I-77 corridor. Maybe starting with those that work in the public sector. You could also offer

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discounted bulk rates to corporations located around the i-77 corridor. For example, Bank of America, Wells Fargo, Duke Energy and Lowes can use this as an incentive to retain good people that would otherwise move from the area due to outrageous commute times. I also think it is imperative that one additional general purpose lane is required between exits 23 and 28. The project will never get public support otherwise. On I-77N, 5 lanes go down to 2 lanes just prior to exit 23 in the busiest part of the highway and additional toll lanes will not alleviate this specific choke point. The build up of traffic between exits 23 and 28 is due to the large residential population that enters and exits the highway at these locations. There are highway on-ramps in Washington DC that use a stoplight to reduce traffic due to merging. A similar method would reduce traffic in the morning heading into uptown Charlotte. In summary, the toll lanes should be built by the existing contractor with an additional general purpose lane added between exits 23 and 28. The contract should be amended to allow the provisions discussed above. Also, the 50-year contract with the foreign operator should be canceled after the lanes are built to allow the city to continue to update the infrastructure according to the growth that is expected. Self-driving cars are coming, and a 50-year highway contract will prevent Northern Charlotte and Huntersville from incorporating this technology into the roadways.

Background: I am an engineer whose responsibilities have included the economic analysis of alternative plans involving billion dollar facilities. I have also negotiated multi-million dollar contracts. The project will fail since trucks will be in GP lanes. The toll lanes cannot support trucks. However, trucks are the most likely vehicles to be willing to pay a toll. The crossovers will be an incentive for road rage. What should be the response? 1. Terminate the contract as quickly as possible to allow changes to take place before funds are wasted on structures that will either not be needed or insufficient such as barriers and the current under-built express lanes that cannot support trucks. 2. Eliminate managed lanes. 3. Rebuild the new lanes to Interstate standards. 4. Eliminate plans for direct connections and new bridges. They will only serve to add to and slow traffic, 5. Revise the funding plan using the new prioritization process. In the meantime, borrow money to complete the project without P3 complications. 6. Address the problems that cause traffic to slow. For example, extend the entrance and exit ramps beyond current standards to reduce the impact on traffic flow caused by each interchange. Traffic slows at every interchange during heavy traffic. Extending ramps is a low cost solution. If there is less than 1.5 miles between interchanges, join the two ramps as a complete lane. Add signs to entrance ramps to educate: "Accelerate to traffic speed to merge".

What can be done? Please consider: 1) Renegotiate the contract term from 50 years to 15 or 20 years. 2) Institute state control of the schedule of toll fees AND the rate at which the tolls may be increased. Furthermore, fees across the country should be analyzed to determine fair pricing of the toll.

The NC Legislature got us into this situation. Now, it's time to get us out. Some suggest reverting to a general purpose lane. Yes, that would be great. So would be quality health care for all....

Meanwhile, many states have toll roads. And, it seems a trend that public infrastructure projects across the country are coming under private ownership. Chicago sold it's street parking to a private company in a move very unpopular with its citizens. And now--surprise--the street parking fees are going up....

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I am disappointed that Mercator's main thrust to halt the I-77 contract with Cintra was along political lines. There are so many economic and public safety reasons to end this contract.

Attached is a copy of an analysis done by former Professor of Transportation at UNCC, Dr. David Hartgen. Dr. Hartgen has come under personal attack by many in the NCDOT and Raleigh that want to press forward with this contract, but I have yet heard anyone attack the content of his analysis. With a potential loss of \$33 billion out of the regional economy and 7-8 additional lives lost each year, the content of this analysis deserves to be examined.

I am writing to add to the voices you have already heard from asking that you make some serious changes to the HOT lanes project on I77 between Charlotte and Mooresville.

I have been involved in trying to stop / cancel this project for almost five years now. The facts that have now been reported by Mercator, are not news to myself and the other citizens who saw the multitude of problems with this contract. When we presented the facts and the downsides of the project to our local and state representatives we were dismissed as ignorant, self serving (we just did not want to pay tolls), and crazy. Had any of them read any or all of the contract, maybe they would have just thanked us instead of ridiculing our efforts.

I have always been a "cancel the HOT lanes and put in GP lanes" advocate. I feel strongly that if it had been cancelled and the GP lane project would have been scored in the STIP, it would have scored high enough to be in the list of funded projects in our RPO. I now find myself torn as the project continues to be built. At this point, cancelling would be expensive, involve uncertainty in how to move forward, and may delay the project indefinitely.

With that said, I feel the best way to move forward now is to allow I77 Mobility Partners to finish the project and then cancel the contract and pay them for the cost of construction. As the Mercator report points out, there is no "penalty" to pay, just the fair market value of the project. The state could operate the "managed" lane portion of the project (south of 485) and allow bus rapid transit, while providing a GP lane(s) up to Exit 36. The cost to the NC taxpayer will be much less than allowing the contractor to operate HOT lanes until the facility fails (not unprecedented). The long term economic impact (which was not studied) will not only affect the local Lake Norman region, but the whole state as we strangle interstate commerce on the interstate highway that serves Virginia, West Virginia, Kentucky, and Ohio.

I ask that the "Complete and Delete" option will be given serious consideration as we move forward. The citizens of this region and the state deserve a public facility that serves them and supports the safe and efficient transportation of people and freight. The fact that this type of project does not relieve congestion, but relies on it to succeed is not a long term solution.

Please, complete this project and cancel the contract as soon as possible. Thank you for your time and consideration in this serious matter.

I'm a resident of Mooresville. My main issue with the project is the signing of a fifty year contract with a third party. I can live with a toll lane. I would restrict trucks to the non-toll lanes and or the right two lanes if there are more than two non-toll lanes. I would buy out the contract. If you want someone else to operate the toll operation, that is fine, but that should be bid out on no more than a 5 year contract and be based purely on operational efficiency and not have anything to do with

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toll rates. I have been directly involved in a variety of contracting deals exceeding a lifetime value of \$1 Billion -- the longest every was 10 years, and the trend is now to 3-5 years max.

I'll separately say that I find the process NC uses to decide funding for road construction is absurd. At least in the public explanation there is a continual confusion between "funding" and "financing". NC can certainly borrow funds more cheaply than a private third party, even if the state is backstopping the loan. Why NC incurred this cost and the incremental profits on the third party operation only to avoid the political discussion of taxes and affordability escapes me.

I live in North Charlotte, a stones through from the Huntsville Town line. I use I77 EVERY DAY. Fortunately, I get off and on, at exit 19, so I avoid the traffic nightmare going north past exit 19. However, the traffic issues, going north, that occur even on the weekends, keep me from going north of exit 19 unless I have absolutely no choice. This means I don;t use those businesses because driving farther, to other parts of the city is faster.

You may think this would make me pro toll lanes. IT DOES NOT. I don't think a couple toll lanes will change the traffic problem at all. Many people like myself will either refuse to pay the toll or will take other roads to go north, or just won;t go north. Furthermore, I have a big problem enriching a foreign company with American tax payer money. Building lanes is one thing. But 50 years of tolls is ridiculous.

Had I77 from the SC line up to, say Statesville, been made a complete a toll road, I would have been OK as long as the tolling entity is NC, not a private company. Plus, we wouldn't be separating drivers by financial ability to pay the toll.

This project needs to be stopped or changed. All lanes are tolled or none.

With all that said, why I77? I85 has received numerous upgrades over the last 10 years. None of it involved tolls. I guess if a road leads to Raleigh, thus affects the NC legislature, tolls aren't used. But, if the project only affects tax payers, tolls are OK?

All lanes are tolled or NONE. And, if tolling is to be used, the tolling authority MUST be NC, not a private company and tolling needs to be done equitably across the state.

To be honest, with all due respect, I feel every opportunity for public feedback regarding I-77 capacity improvements has been met by deaf ears over the last several years. But, I am going to ask once again with contunued hope that at this time we may now be sailing... with many options as to how to proceed. In the past it seems rails were put down, and there was just one way to go. It was P3 HOT Lanes or nothing.

It would be so refreshing to have someone from NC DOT say something like; "We have heard the community outcry. We are going to modify constructiin plans for I-77 to convert planned HOT lanes to general purpose lanes. At the same time we would like to call upon all citizens and businesses in the area to work on ways we can make the expanded roadway work for decades to come. From this day forward we will act as a partner not a spoiled dictator."

Again, that comment is not meant to be nasty, or confrontational. This is a public comment period, I am being truthful about how I feel the local community has been treated during this process. I feel it is important to be straight forward. No sugar coating.

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My hope is that the past can be put aside, so we can start to partner for solutions that will eliminate the burden of tolls on the local economy, reduce congestion, and in turn improve quality of life.

*** I am asking that the interstate widening project be completed, but that the project's contract is bought out, and toll lanes are reverted to general purpose lanes before opening the new lanes.

Other changes which I have advocated for include:

1) Work with large central Charlotte employers to open more satellite offices outside of the central city, where many of these employees choose to live and raise their families.

2) Allow for up to one "controlled access HOV/emergency/HOT highbred lane" on any roadway in the state which has a minimum of three general purpose lanes.

So a highway with three lanes in each direction would not be allowed to have one of these highbred express lanes. A highway with 4 or more lanes in each direction could designate one lane in each direction as highbred lanes.

Those lanes would be used for emergency vehicles, high occupancy vehicles like buses, and anyone else that feels their own personal emergency is worth the going toll rate. The goal would be for the general purpose lanes to operate smoothly at all times, and the system must be designed so as not to promote use of the highbred lane at the expense of congestion on the general purpose lanes.

The only personal use of the highbred lane would in theory take place only if there was an accident, or some other unusual congestion event. An exception, not a daily event or major revenue stream. Also, all revenue collected from a specific transportation corridor should go back to maintaining that specific transportation corridor.

3) Implement "Exit to Exit" shoulder lanes as extensions between on and off ramps. Only allow use as on ramp, off ramp, or for travel between two immediate exits. Could also be used by emergency vehicles, and high occupancy vehicles like buses. Between the ramps the only way traffic would be allowed to cross would be by moving from the general lanes to the Exit to Exit lane. No movement out of Exit to Exit lane except to exit the highway.

4) Update and improve express commuter bus service to attract riders, and locate bus stops in areas that do not create areas of congestion. For instance, bus stops could be located between exits instead of at already congested exits. Obviously this would take extensive planning and design, but would pay off in the long run. Buses and bus stops should have high quality WIFI, coffee, and other amenities to make mass transit an option for more commuters.

5) Dynamic speed zones. Use computer models to change speed limits posted on digital signs to maximize throughput. Based on some volume X speed limit should be max Y. As volumes increase, the theory is that reduced speed limits would help maximize throughput as well as reduce accidents. Slow and steady better than stop and go.

6) Embrace technology which have the potential to improve the efficiency of our roadways. For example, use big data collection to publish commute times in both live and historical formats so that commuters can make educated choices about when to travel. Signs such as "Now: 45 min to CLT, 6AM: 22 min avg, 9AM: 27 min avg."

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7) Work as a state, and/or in conjunction with the federal government to repeal all gas taxes, and move to a system that charges per mile driven regardless of the fuel that is used. The rate should be different based on vehicle mileage rating and environmental impact created by vehicle classification. The income from this road use tax would be structured to keep up with infrastructure needs. What is the annual budget for construction and maintenance divide by the number of miles driven. Add what is required to make up for fraud, and implement penalties for fraud.

8) Consider rail options when they make financial sense in the corridor. When doing so - create stops and parking areas in places where in town congestion is minimized. Put stops in high density areas where a substantial number of riders can walk to a terminal. Further develop additional high density areas within walking distance of the terminals.

9) Embrace smart car technologies which have the potential to increase lane capacity while also improving safety.

10) Encourage drivers to move vehicles from the roadway to the next exit when possible - when serious injuries have not been sustained. Locate accident stations periodically between exits that are several miles apart.

11) No individual in the state should bear any greater burden of cost to travel per mile than any other individual in the state solely based on where they live. The current toll plan does not pass that test, because a certain percentage of drivers will be forced to the tolls as it is obvious that the general purpose capacity is not adequate in the corridor, and it is also obvious that many people in the area do not have any other reasonable alternative to get to and from their place of work.

12) Listen, innovate, change.

I am sure there are many other good ideas from the people that live and work in and around the project corridor.

If the NC DOT's plan has always been to use this toll scheme deal to finance the improvements, then to pay it out early, and convert all HOT lanes to general purpose lanes before the new lanes are even open - good move. Just hate the public had to endure the suffering it has during the process. Countless hours have been consumed by so many people that are in strong opposition to what is currently contracted.

Thank you for the chance to comment.

Reportedly, the great State of North Carolina has never conducted an economic impact study on the effects of the HOT lanes operated by Cintra and I77 Mobility Partners. I understand a study was conducted on proposed tolling of the I-95 corridor and it was determined to have serious adverse effects on the local economy. Yet no similar study was ever conducted for the HOT lanes in North Mecklenburg/South Iredell counties. That is inconceivable.

For the project to be sustainable, it requires revenue that is exceeded only by highest grossing toll road projects in the United States, located in the super-metropolis of Los Angeles, California and Miami, Florida. I cannot imagine this project can even approach these unrealistic revenue projections.

A professor from UNCC estimates that seven additional fatalities are expected as a result of the

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dangerous merging design and ever increasing traffic congestion. Apparently his study was dismissed because he has since retired and is not currently registered with the NC Board of Engineers. Has the NCDOT performed any such safety study? If so, I would very much like to read it.

This project is destined to collapse into default. You know it, I know it. Even with a low usage it will have a drain on the local and state economy. With moderate usage the drain will be even greater. There is NO revenue predicted to be returned to the state, much less the local municipalities which are saddled with this terrible "solution" to our ever-increasing traffic congestion.

Perhaps this is an intentional scheme to stop suburban sprawl and force people into the city. Perhaps it's an ill-conceived plan to encourage mass transit. Perhaps it intended to slow the development of a booming local economy with hopes of it relocating within the state. It certainly is bound to fail as intended and will have adverse impacts on our local and state economy. It is fundamentally flawed and will result in increased injury and tragic loss of life. How can the NCDOT ever endorse such a plan? In my opinion, it is a gross dereliction of duty.

Please, stop this madness. Complete and Delete!

I spoke with the NCDOT web designer in Raleigh for I-77 Project in late June of 2015, Bill Cox - Transportation Director in Huntersville and Warren Cooksey from the NCDOT. We all agreed the map used on page 5 of your report was misleading and NCDOT removed it from its website around the 1st of July, 2015 - why is it still being used? The map was up for a very long time and the title Central Section is very misleading showing 3 GP lanes from I-85 to Catawba Ave/Exit 28 as "TYPICAL", you have to read the fine print on the bottom of the map to know that from Exit 23-28 I-77 is only 2 lanes - not typical. Clearly it needed another section - very misleading to anyone wondering what the folks in northern mecklenburg might be complaining about. Even the NCDOT personnel at the Huntersville Resolution meeting confessed "they had not traveled the 23-28 section but use "I-85". This section of roadway was recommended for widening in 2001 and residents have been avoiding 77 in the section during peak hour for a decade and a half, our secondary roads have been destroyed due to lack of ability to travel the highway.

- I take issue using the graph in your report on page 6 - please see my graph taken from the SAME survey where respondents surveyed that would consider tolls only if "FUNDS MUST REMAIN IN AREA" again this information is significant but in small print and completely omitted from your report?

- I don't see any mention of how the survey was presented to respondents as the only option for our traffic for 20 years. 96 miles of tolled roads seems excessive compared to other similar projects that have had issues - see your own comparison on page 15.

- I'd like more details about the private equity stakeholders companies, how they may get a payout for failure and more information on Augusta Lee and its role.

- Lastly and more importantly I would like to know how the price went from 56.9 million to widen I-77 in 2010 to 636 million today to install hot lanes?

I believe that some of the ideas put forth in the various options in the Mercator Advisory report are a step in the right direction, but they do not accomplish what is needed in the Lake Norman area.

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First of all, I am not in favor of any remedy to the current situation that involves a decision by the Charlotte Regional Transportation Planning Organization (CRTPO). With the representative of the City of Charlotte having 47 of 100 votes, it virtually means that the City of Charlotte will have its way with a single voting member. The CRTPO has become very politicized and does not represent the citizens of the metropolitan area. I have been to several of the meetings of CRTPO and have had the pleasure of speaking at one of the meetings about the I-77 managed lanes project. I have also been at a meeting where I had signed up to speak and was denied my 3-minutes, because there were many other people who also wanted to speak out about the project. Although I was not a member of Widen I-77.org, I was denied my 3 minutes simply because I agreed with the Widen I-77.org viewpoint. CRTPO does not, in my opinion, value the input of concerned citizens.

The concept "Managed Lanes" is not a solution to traffic congestion. In fact, it promotes congestion, with its dynamic pricing concept - in that only people who can afford the highest rates will be able to use these "managed lanes" and the rest of us will be doomed to even more congestion as the area continues to grow. Congestion provides high profit, and high profit is what I-77 Mobility Partners want. The "managed lanes" concept is not what the Lake Norman area needs to promote economic growth.

The economic impact of I-77 is crucial to the Charlotte region. I-77 is a major North/South artery with major trucking routes. Charlotte City Council has built an intermodal transportation center by the airport, uniting the freight transport of goods by air, rail, and truck. How can this center be fully functional if the trucks using I-77 are so bogged down in traffic congestion that they cannot participate due to the cost of time and fuel to get there? Beyond the intermodal center, is the potential impact of access to the expanded harbor facility at Charleston, SC - using the I77, I26 corridors. It is essential to the economic growth of the Charlotte area, that a transportation hub be successful in every way.

Regarding trucking, The John Locke Foundation did a study and found that I-77 had the highest "Truck Lane Density" in all of NC. This IS a major transportation artery. The foundation also found that the I-77 corridor has the highest growth in truck traffic, and therefore is a vital artery to the economic growth of the entire Charlotte area.

I would also ask you to reconsider the study done by Dr. David T. Hartgen, The Economic Impact of I-77 HOT Lane Project, dated 7/28/15 that estimates the economic impact of users and non-users of the managed lanes to be \$33 Billion for the Lake Norman area alone -- and this is only the direct cost of time and money to Lake Norman residents in getting from one place to another -- not the impact on trucking goods into and out of the area. That is a steep price to pay.

There have been reports that over 100 businesses will not be locating in the Lake Norman Area due to the high economic cost of shipping goods into and out of the area. How stupid could we be to put an economic stranglehold on this entire business community!!!

While I don't enjoy sharing the road with trucks, I also realize that trucks are necessary to bring goods and services to the businesses (grocery stores, clothing stores, gas stations, etc.) that I patronize every day. The trucking industry is essential - even more so in the internet age where goods are delivered to my home. So, it is essential that trucks not be bogged down in the I-77 congestions, that would remain under your various options.

If we could get the cars out of the way of trucks, then the trucks would be able to move more freely. The main problem is trucks passing trucks on a highway that is just 2 lanes in each

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direction -- the current situation in the Lake Norman Area from Exit 23 to Exit 33. Fortunately Mooresville added additional lanes from Exit 33 to Exit 36, and the traffic there is reasonably free of congestion, until it backs up from squeeze points, such as at Exit 31 southbound, for example.

Your option of converting one of the toll lanes to a general purpose lane and requiring trucks to only use the 2 right lanes is a partial solution - but only for today. For future growth, all toll lanes need to be converted to general purpose lanes, allowing passenger vehicles exclusive use of one or two lanes. It was a mistake not to have the additional lanes strong enough to support truck traffic, but hopefully that could be corrected in the near future.

So, none of the options you have listed in your report provide enough long-term relief for the Lake Norman area. I support the option of "Complete and Delete" proposed by the grass-root organization of Widen I-77.org, in which the lanes are completed, the contract with I-77 Mobility Partners is bought out, and the lanes are designated as General Purpose lanes (i.e., the tolling is deleted).

In addition, I would propose that the NC Department of Transportation also examine the potential bottleneck at Exit 28, due to the causeway just north of Davidson (Exit 30). I would ask that you consider a double decker concept with 2 lanes on the lower deck going in one direction, and two lanes on an upper deck going in the opposite direction. This would enable the addition of another lane in each direction from Exit 28 to Exit 36.

Thank you for giving me the opportunity to comment.

Feedback: "Review of the Comprehensive Agreement for the I-77 Express Lanes Project"

Perhaps NCDOT deserves some of Mercator's criticism regarding the way it communicated about the I-77 toll lane project, but it is not solely responsible. The media's coverage both before and after release of the draft report demonstrates how what they have said about the project is equally to blame, if not more so. If the media had reported the facts about the project instead of creating or passing on false statements, then I'm absolutely certain there would not be such significant public opposition. Consider some recent examples.

An article headlined "Towns seek answers on I-77 toll lane letters" on Cornelius Today's web page (dated August 11) had to be rewritten because, as the editors at least admitted, the first version was based on an error. The URL for the page, however, maintains the original false information: "<http://corneliustoday.com/wp/ncdot-example-p3-successfiled-bankruptcy>." How many people read and believed the false story without ever seeing the correction?

On the Herald Weekly's website, the article titled "Report: NCDOT should leave I-77 partnership" (dated August 17) is based on a false statement from the headline. Reporter Jim McNally wrote, "A Philadelphia-based consulting group is recommending that the state pull the plug on the public-private partnership (P3) related to the Interstate 77 managed lane project underway from Mooresville to Charlotte." Of course, anyone who has read the Mercator report knows this is false, but if the reporter hasn't read it, should we presume his readers have?

In the article headlined "Complete and Delete" on the Mooresville Tribune's web page (dated August 26), reporter Megan Sprague wrote, "The 26-mile project also boasts a non-compete clause against future road improvements on major arteries in the area." Not only has NCDOT explained many times that this is false, but the Mercator report did so as well. How is the public supposed to realize that a news reporter either did not read the report or did not understand what

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she wrote about?

Again, these are only a few recent examples of years of utterly false statements made by journalists regarding the I-77 project. While hindsight indicates that NCDOT should have been more aggressive in countering such bad reporting, the reporters themselves are not blameless. To take any action on the contract because the public is riled up over things that just aren't true would be utterly ridiculous.