# EMERGENCY I-77 Business Transportation Summit

Hosted by Larry Johns, CFO of Michael Waltrip Racing

Organized by John "Mac" McAlpine, Owner MACSBOOST Incorporated and Director of Electronics at Michael Waltrip Racing

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# A Big Thank YOU! to all Attendees of the I-77 Business Transportation Summit

Can I get a round of applause! The call to action was heard!

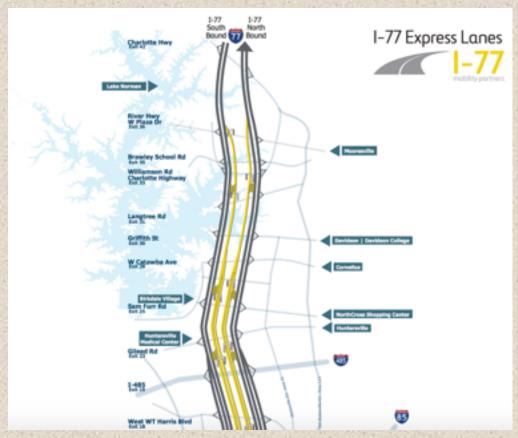
# I-77 Business Transportation Summit

- Welcome to the MWR theater
- Thanks to Rocky's Pizza for the free pizza!
- Please be sure to check in up front. We want to give you credit for showing your support!
- Overview of the I-77 Express lanes and what you need to know.
- Executive Summary of the Economic Impact of the I-77 Express Lanes
- Discussion of the economic Impact
- Discussion of a way forward
- The Business Plan

# I-77 Business Transportation Summit

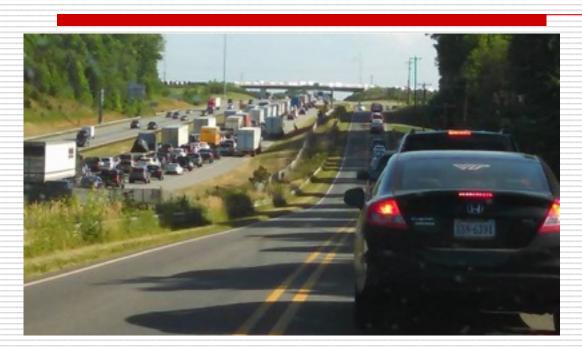
- Attendee Recognition:
- Larry Johns, CFO, Michael Waltrip Racing
- Local Representation, Legislators,
  Commissioners, Mayors
- Small Business
- Motorsports Community
- Banking Community
- Manufacturing Sector
- Real Estate Community
- Service Industry
- Everyone not included above!

## I-77 The Backbone of our local Economy



This is the Future

# I-77 Corridor is Heavily Congested





"I-77 suffers from severe traffic congestion or that increased lane capacity is needed to improve mobility in the Project Area."

--- I-77 Mobility Partners Brief in Favor of Motion to Strike and In Opposition to Preliminary Injunction, p3 (emphasis added)

# The Current HOT Lane Solution





# Privately Operated Toll Lanes

- •27.5 Miles
- •\$655 M Total Cost
- •\$190M Taxpayer input

Source: NCDOT Press Release, April 11, 2014

# How Toll Lanes Work

- Add 6% 20% extra capacity
- Built and operated under an exclusive 50 year contract
- Vehicles with 3+ occupants use lane for free\*
- Electronic Tolling- no toll booths
- Guaranteed minimum speed
  - No limit on tolls
- "Congestion pricing"
  - More congestion in "free" lanes = higher price to use toll lanes

# I-77 Express Lanes Purpose

#### 1-77 High Occupancy/Toll (HOT) Lanes

From I-277 (Bruokohire Freeway – Exit 11) to NC 150 (Exit 56) Mecklenburg and Iredell Counties

> Federal Aid Project No. NHS-077-1(250) WINS No. Nd181 1 1 \$TIP Project No. I-3311C

Federal Aid Project No. NHF-077-1(209)9 W85 No. 45454.1. 1 SZIP Project No. 1-5405

Federal Aid Project No. BMF-077-1(183)299 WBS No. 40099 J. 1 STIP Project No. I 4750AA

#### ADMINISTRATIVE ACTION Finding of No Significant Impact

#### October 2013

Submitted Pursuant to 42 USC 4932(2)(c) UNITED STATES DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION

NC DEPARTMENT OF TRANSPORTATION

Documentation Prepared by:

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For the North Carolina Department of Transportation



Eric Midkill, PE, Project Development Section Head - Central Region NCDOT - Project Development and Environmental Analysis Unit

#### "2.2 Summary of Project Purpose

The purpose of the proposed action is to **provide immediate travel time reliability** along I-77 from Uptown Charlotte to the Lake Norman area. Because the project is designed to address an immediate need, the opening and design years are both proposed for 2017." (emphasis added)

The I-77 Express lanes do not have intercity commerce in mind, nor provide a transportation solution for semi trucks.

# Can Express Lanes help me?

- Do not directly address inter city commerce. Traffic on the express lanes must re-merge through congested traffic to reach intermediate exits.
- Express lanes bypass exits 35,30,28,25,23
- No direct access interchanges at area hospitals at Exit 33,
  25
- New toll only Interchanges at Hambright, Westmoreland and another southern access point.
- Add 6-20% more gross throughput, but only when the GP lanes are congested. Toll lanes are last resort for 80-94%
- Vehicles with 3 or more axles not allowed on managed lanes

#### Business Model Ensures Congestion

### Express Lanes - Not an efficient use of roadway

"A result of increasing tolls with the objective of maximizing revenue is that the HOT lanes would operate under a condition where their utilization would be well below capacity thus by definition, not providing the maximum congestion relief in the corridor."

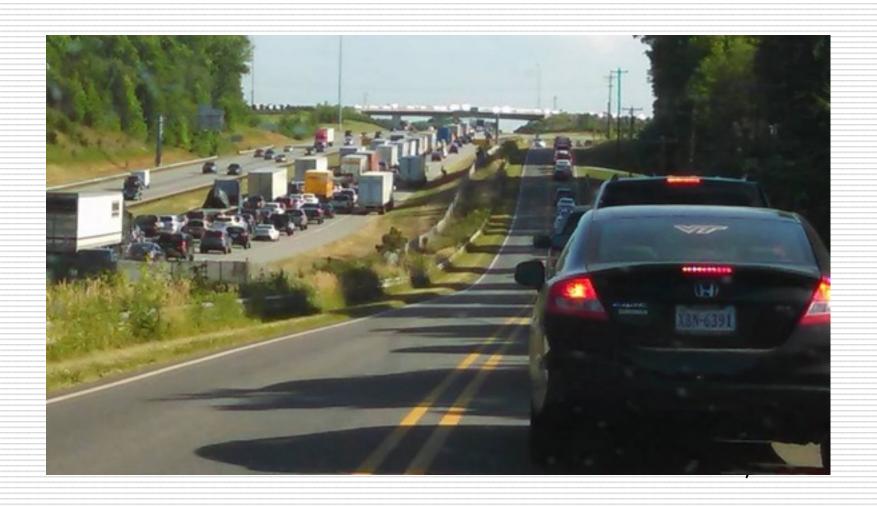
Source: I-77 HOT Lanes Technical Memorandum #4, p 12, Stantec, May 21, 2012 (emphasis added)

#### Even if free, Express Lanes are a transportation issue

- The barricades and limited access nature of the HOT lanes do not offer the flexibility of a traditional lane.
- Navigating simple single lane wrecks is not improved and likely further impeded with less "get around" area
- Express lanes consume all right of way
- 115 and 21 will continue to worsen
- Town centers of Mooresville, Huntersville, Davidson, Cornelius will have little relief and will worsen
- Semi trucks are not given a choice for congestion relief

#### **Business Model Ensures Congestion**

# Executive Summary: Economic Impact of Express Lanes on I-77



### Express Lanes = Competitive Disadvantage

- Your Choice:
- A. If the express lanes fit your transportation needs, Incur a direct financial loss and pay the toll
- B. Suffer through congestion = decreased productivity. Majority of the time this is the option taken by businesses and commuters
- C. If the express lanes fit your needs, Carpool 3+ and use the lanes for free\*
- Choices result in a competitive disadvantage for businesses
- For most inter city commerce the express lanes are not a choice.
- The express lanes represent a real time "productivity auction" Only businesses with a high time value will be able to afford usage.

#### \*transponder fee and other restrictions apply

# Toll Rates 2015

#### Table 20: Tolls and Toll / Mile (2011\$'s)

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#### Toll Charged (2011\$'s)

#### Toll / Mile (2011\$'s)

Nort	thbound Segment	Dist (mi)	AM	MD	PM	NT	Total	AM	MD	PM	NT	Total
Α	277 to I-85	3.90	\$0.51	\$0.51	\$2.12	\$0.51	\$1.23	\$0.13	\$0.13	\$0.54	\$0.13	\$0.32
В	I-85 to WT Harris	3.00	\$0.39	\$0.39	\$1.63	\$0.39	\$1.32	\$0.13	\$0.13	\$0.54	\$0.13	\$0.44
С	WT Harris to Hambright Rd	4.00	\$0.52	\$1.04	\$1.56	\$0.52	\$1.31	\$0.13	\$0.26	\$0.39	\$0.13	\$0.33
D	Hambright Rd to Catawba	5.10	\$1.94	\$1.66	\$3.33	\$0.67	\$2.69	\$0.38	\$0.33	\$0.65	\$0.13	\$0.53
Е	Catawba to Langtree	4.65	\$1.51	\$1.20	\$1.81	\$0.60	\$1.76	\$0.32	\$0.26	\$0.39	\$0.13	\$0.38
F	Langtree to SR 150	3.45	\$0.85	\$0.65	\$1.31	\$0.45	\$1.07	\$0.25	\$0.19	\$0.38	\$0.13	\$0.31
	Total	24.10	\$5.72	\$5.46	\$11.75	3.14	\$9.38	\$0.24	\$0.23	\$0.49	\$0.13	\$0.39

Sout	thbound Segment	Dist (mi)	AM	MD	PM	NT	Total	AM	MD	PM	NT	Total
Α	I-85 to I-277	3.90	\$1.26	\$0.49	\$0.49	\$0.49	\$0.87	\$0.32	\$0.12	\$0.12	\$0.12	\$0.22
В	WT Harris to I-85	3.00	\$1.21	\$0.39	\$1.11	\$0.39	\$1.11	\$0.40	\$0.13	\$0.37	\$0.13	\$0.37
С	Hambright Rd to WT Harris	4.10	\$1.66	\$0.80	\$1.13	\$0.53	\$1.54	\$0.41	\$0.19	\$0.28	\$0.13	\$0.38
D	Catawba to Hambright Rd	5.15	\$2.09	\$1.66	\$2.05	\$0.67	\$2.30	\$0.41	\$0.32	\$0.40	\$0.13	\$0.45
Ε	Langtree to Catawba	4.75	\$1.86	\$1.24	\$1.56	\$0.62	\$1.78	\$0.39	\$0.26	\$0.33	\$0.13	\$0.38
F	SR 150 to Langtree	3.40	\$n.96	\$0.84	\$0.89	\$0.44	\$1.03	\$0.28	\$0.25	\$0.26	\$0.13	\$0.30
	Total	24.30	\$9.05	5.41	\$7.22	\$3.13	\$8.64	\$0.37	\$0.22	\$0.30	\$0.13	\$0.36

#### \$20 Round Trip When Toll Lanes Open (2011 dollars)

Source: I-77 HOT Lanes Technical Memorandum #6, Stantec, Sept 4, 2012

# Toll Rates 2035

Year 2035			Toll Charg	ed (2011\$'	s)	Toll / Mile (2011\$'s)						
Nor	thbound Segment	Dist (mi)	AM	MD	PM	NT	Total	AM	MD	PM	NT	Total
Α	277 to I-85	3.90	\$0.69	\$0.69	\$3.62	\$0.51	\$1.64	\$0.18	\$0.18	\$0.93	\$0.13	\$0.42
В	I-85 to WT Harris	3.00	\$0.69	\$0.98	\$3.13	\$0.39	\$2.08	\$0.23	\$0.33	\$1.04	\$0.13	\$0.69
С	WT Harris to Hambright Rd	4.00	\$1.64	\$2.11	\$2.88	\$0.52	\$2.27	\$0.41	\$0.53	\$0.72	\$0.13	\$0.57
D	Hambright Rd to Catawba	5.10	\$3.66	\$3.99	\$5.63	\$0.66	\$4.49	\$0.72	\$0.78	\$1.10	\$0.13	\$0.88
Е	Catawba to Langtree	4.65	\$1.96	\$1.52	\$4.05	\$0.61	\$2.36	\$0.42	\$0.33	\$0.87	\$0.13	\$0.51
F	Langtree to SR 150	3.45	\$0.88	\$1.08	¢2.22	\$0.45	\$1.37	\$0.25	\$0.31	\$0.67	\$0.13	\$0.40
	Total	24.10	\$9.50	\$10.3	\$21.63	\$3.14	\$14.20	\$0.39	\$0.43	\$0.90	\$0.13	\$0.59
Sout	thbound Segment	Dist (mi)	AM	MD	PM	NT	Total	AM	MD	PM	NT	Total
Α	I-85 to I-277	3.90	\$2.19	\$0.57	\$0.65	\$0.48	\$1.14	\$0.56	\$0.15	\$0.17	\$0.12	\$0.29
В	WT Harris to I-85	3.00	\$4.69	\$1.17	\$1.95	\$0.39	\$3.12	\$1.56	\$0.39	\$0.65	\$0.13	\$1.04
С	Hambright Rd to WT Harris	4.10	\$2.93	\$1.65	\$1.81	\$0.53	\$2.29	\$0.72	\$0.40	\$0.44	\$0.13	\$0.56
D	Catawba to Hambright Rd	5.15	\$4.61	\$4.02	\$4.42	\$0.67	\$4.22	\$0.89	\$0.78	\$0.86	\$0.13	\$0.82
E	Langtree to Catawba	4.75	\$4.19	\$1.55	\$2.93	\$0.62	\$2.67	\$0.88	\$0.33	\$0.62	\$0.13	\$0.56
F	SR 150 to Langtree	3.40	¢1.00	\$1.02	\$1.46	\$0.44	\$1.40	\$0.59	\$0.30	\$0.43	\$0.13	\$0.41
	Total	24.30	\$20.60	69.98	\$13.23	\$3.13	\$14.84	\$0.85	\$0.41	\$0.54	\$0.13	\$0.61

#### \$40 Round Trip In Twenty Years (2011 dollars)

Source: I-77 HOT Lanes Technical Memorandum #6, Stantec, Sept 4, 2012

## Express Lanes = Money off your bottom line

#### **Choice A, Pay the toll:**

- By year 5, \$34M in annual gross toll receipts
- Est \$400M infrastructure loan will cost users \$12B over 50 years



## Express Lanes = Competitive Disadvantage

#### **Choice B, Endure Congestion:**

- Congestion = productivity loss
- Steadily worsening situation for 80-94% of users
- Productivity loss estimates are \$10B-\$20B

	2015	2035	Difference
AM Commute (Minutes)	39.4	71.6	32.3
PM Commute (Minutes)	41.5	69.3	27.8
Total (Minutes)	80.9	140.9	60.0



#### Express Lanes = Competitive Disadvantage

#### **Choice C, Carpool:**

- Hire more people to do the same to job or alter their commuting requirements
- Potentially hire part time ride alongs? Cheaper to pay place holders than to pay the toll?

#### Minimal Improvement of General Purpose Lanes

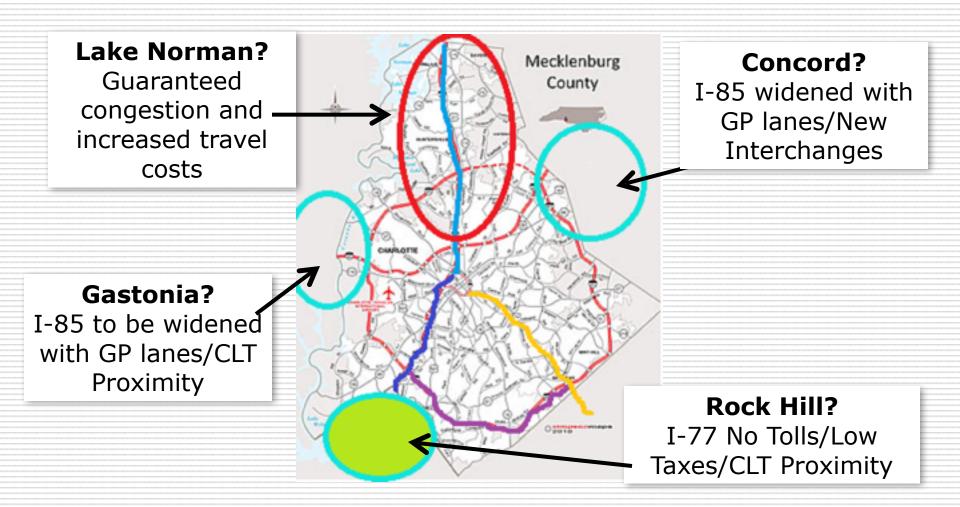
- "The analysis included in the (toll project) indicated modest improvements to average travel speed (all vehicles) and person trips processed with minimal impact to the travel speed in the existing general purpose lanes."
  - -- MUMPO TCC I-77 Task Force Meeting August 8, 2012 RFP Issues memo, August 13, 2012
    - Bill Coxe, Chair, Technical Coordinating Committee, Mecklenburg-Union Metropolitan Planning Organization

# Express Lanes = No Choice for Trucking

- Business that rely on trucking do not get immediate relief.
- Due to contractual limitations congestion will only worsen on I-77 115 and 21

- Recruiting new business is a challenge as trucking transportation capacity is guaranteed to decline
- Existing businesses that require truck transport will gradually move away

# Where Would You Locate Your Business or Manufacturing Facility?



LKN: A Uniquely Poor Position

# Trickle Down effects

- Most employees will suffer lower quality of life through congestion
- All employees suffer through higher living expenses
- Less expendable cash
- With fewer businesses, fewer jobs will be available
- Other areas become more attractive as there is no financial or time burden to get to work
- All local businesses and real estate suffer

# Conclusions



- Siphons Billions from the local economy
- Ensures an increasing productivity burden on 80-94% of users
- Even if free, the limited access nature of the Express lanes render them impractical in many use cases
- Has minimal impact on truck transport and ensures negative trend for 50 years
- Becomes a deterrent to future business development
- Could cause businesses with trucking needs to relocate

# Choices:



- Endure the ever increasing business transportation and financial challenges for 50 years!
- Go Another direction, The NCDOT estimates to stop the project will cost \$20M-\$100M



# **Discussion** - This is your turn to speak!

- Jim Puckett, Mecklenburg County Commissioner
- Jeff Tarte, NC State Senate District 41
- David Hartgen, President The Hartgen Group. "A consulting firm specializing in transportation planning and policy, economic development and strategic visioning."

# Business Plan - How did we get here?

- We are at this summit looking for workable business solutions!
- Last week business leaders met with Commissioner Jim Puckett and Jeff Tarte. We knew we needed a better solution for continued economic growth and prosperity for Businesses in the LKN region
- From this meeting we were able to arrive at a workable solution. This business plan provides a positive economic outlook for generations to come.

# Business Plan - What we need

 Adding General purpose lanes on I-77 from Exits 20-36 provide the economic backbone required to ensure continued prosperity and growth



# Business Plan - Call to Action

# The way Forward

- Defund the express lanes, Exits 20-36 where our businesses need the proper infrastructure to survive and prosper
- Add GP lanes to McCrory's \$1.45B bond package of infrastructure improvements

# Bond Package Details

- GP lanes cost \$.2B, \$100M lane cost plus 100M contract cancelation expenses
- \$1.45B plus \$.2B is only \$1.65B A small increase in debt for a big economic impact
- Defunding the I-77 toll lanes could pay for the bond package alone
- Supporting the Governor's bond package ensures economic growth for all North Carolina Businesses and Citizens

## HOW?

- Convince Jeff Tarte to submit a bill to defund the toll lanes and add the GP lanes to the Governor's Bond package.
- Convince all municipalities to pass resolutions supporting Jeff's Bill to signal "we mean business" to the General Assembly

# **Action Items**

- Area businesses and citizens need to pressure their local government to pass such resolutions supporting Senator Tarte's bill
- Once passed at the local level, the NC General Assembly and Governor need to be convinced of the economic benefits of this plan and that it is the "Best Way" forward.
- Supporting the infrastructure bond package becomes a win-win for local businesses and ensures long term growth potential

# Impossible?

# No



 If it works for I-85 and Concord it will work for us. Collectively, we the business community have the power to determine our future

# Are you onboard with the Business Plan?

- Collect signatures after the summit
- Signatures to be presented to government
- Follow through on action items

