



July 10, 2015

Charlotte Regional Transportation Planning Organization  
Charlotte-Mecklenburg Government Center  
600 E. Fourth St., 8th Floor  
Charlotte, NC 28202

Dear CRTPO Members:

I hope this letter finds you well.

The purpose of my writing is to request respectfully—but enthusiastically—that you vote against any TIP that includes the current I-77 managed lanes project. We further request that a new general purpose lanes project—encompassing at least exits 23-36 on I-77, if not exits 19-36—be added to the current TIP; any such project should be crafted as to provide maximum congestion relief for the Northern Mecklenburg and Iredell County regions.

According to recent estimates, building general purpose lanes—including any cancellation penalty—can be accomplished using roughly the same taxpayer input as the current managed lanes project, but with no long term state liability or negative long term economic effects.

We urge you to consider strongly the ten resolutions passed by governmental bodies such as the Mecklenburg County Commission, as well as the resolution passed by the Lake Norman Chamber of Commerce. All of these resolutions request that the state terminate, delay or review the toll lanes project.

Simply put, the Lake Norman region and its business community—of which our motorsports industry is a large part—cannot withstand the negative long term economic effects of the toll lanes project. Published estimates show roughly \$13 billion potentially being extracted from the local economy due to the toll lanes plan. It is well known and published that toll lanes are not intended to relieve congestion. Rather, their financial success depends on the operational failure of general purpose lanes. The tolling industry itself admits this (Attachment A). The NCDOT's own estimates show that the toll lanes will actually slow general purpose traffic during the afternoon rush hour. (Attachment B).

Capacity estimates for the toll lanes are well below the additional 50%-100% capacity that new general purposes lanes could provide. Further, the toll lanes project will limit our trucking capacity for the next 50 years. Industries like ours rely on goods shipped and delivered via trucks. In an interview with WFAE, I-77 Mobility Partners CEO Javier Tamargo freely admits that the managed lanes are less than ideal for trucks and the commerce facilitated by trucking (Attachment C). To put it plainly, you can't move race cars, team transporters, parts or equipment via a light rail system. Additionally, neither the toll lanes nor a light rail system address the needs of our businesses for intra-city transportation along the I-77 corridor.

If the I-77 managed lanes project is being moved along in order to help facilitate the creation of a light rail system in Northern Mecklenburg and Iredell Counties—as is being rumored among the local business community—it is being done to the peril of our region's economic viability. That would be simply shameful. There is already much chatter about the exodus of existing and potential employers from our region that may ensue should the toll lanes be allowed to continue.

With that said, legendary Charlotte Motor Speedway promoter Humpy Wheeler has gone on record predicting that the toll lanes could cause the collapse of the motorsports industry along the I-77 corridor (Attachment D). Trust me, as previewed by recent statements from Fort Mill's planning director (Attachment E), South Carolina—with its open interstates and tax incentives—would be an ideal destination for motorsports businesses looking to leave the gridlock of Northern Mecklenburg and Iredell that CRTPO's support of the I-77 toll lanes project will have ensured.

Other states are widely known to have offered financial incentives to lure motorsports businesses. Considering South Carolina's deep experience in the automotive sector and its tax incentives for the automotive industry (Attachment F), it is not a far stretch to envision motorsports businesses making the jump across the border when the congestion of I-77 finally becomes unbearable.

The motorsports industry has deep roots in North Carolina and the Charlotte region, however motorsports businesses are businesses just like any other. They have to be financially viable. With sponsorship revenues constantly becoming harder and harder for teams to procure, these businesses will continue to look for a financial edge. The 50 years of traffic congestion that will be ensured if CRTPO continues supporting the I-77 toll lanes may just be the impetus that some of the businesses in NC's \$6 billion motorsports industry need to seek that edge in South Carolina or other regions.

One final point I would like to make about the I-77 toll lanes project involves the human element. The project is being advertised as providing choices. However, to the majority of employees of all businesses in the affected areas, the toll lanes provide no choice at all—the same as they provide our businesses. Telling employees that they have the “choice” of paying \$20 per day (estimated to rise to \$40 per day by 2035) or spending less time with their families, is more akin to demanding a ransom than it is promoting choices.


Thank you for your time. For your reference, I have attached a listing of select motorsports related entities and leaders that have supported petitions calling for the termination, delay or review of the I-77 toll lanes project (Attachment G).

While some CRTPO members may have an opposing view on the toll lanes issue, I would like to state that overall, we greatly appreciate your past support of racing in the Charlotte area and look forward to your continued support of our motorsports industry.

Best regards,

Greg Wallace  
Executive Vice President

## Attachment A:




TOLLING. MOVING SMARTER.

# 2014 IBTTA Global Summit

Innovations & Technologies for Sustainable Mobility, Environment and Road Safety  
Prague, Czech Republic | October 19-21, 2014

## Some Simple (but Challenging) Axioms About Managed Lanes

- The revenue potential and overall **financial success** of priced express lanes depends, in part, on the **operational failure** of the adjacent general purpose lanes
- Maximum revenue from the express lanes often comes at prices which yield traffic in the lanes that is well below “free-flow” capacity
- This creates a natural public policy “trade-off” on pricing strategies – between maximizing revenue to get a project financed vs. maximizing throughput (and minimizing pain) in the overall corridor



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TOLLING. MOVING SMARTER.

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<b>Organization Name</b>	<b>State/Province</b>	<b>Country</b>	<b>Keyword</b>
<input type="text" value="cintra"/>	<input type="text" value="- Any -"/>	<input type="text" value="- Any -"/>	<input type="text"/>

[All](#) | <#> | [A](#) | [B](#) | [C](#) | [D](#) | [E](#) | [F](#) | [G](#) | [H](#) | [I](#) | [J](#) | [K](#) | [L](#) | [M](#) | [N](#) | [O](#) | [P](#) | [Q](#) | [R](#) | [S](#) | [T](#) | [U](#) | [V](#) | [W](#) | [X](#) | [Y](#) | [Z](#)

**Organization** ▲ **Address**

<b>Cintra</b>	Plaza de Manuel Gomez Moreno, 2 28020 Madrid Spain
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International Bridge, Tunnel and Turnpike Association  
1146 19th St NW, Suite 600, Washington, DC 20036

## Attachment B:

**Table 3. 2015 No-Build and Build Alternatives AM and PM Peak Hour Comparison**

	2015 No-Build	2015 1-HOT 2+	2015 1-HOT 3+	2015 2-HOT 2+	2015 2-HOT 3+
<b>I-77 Southbound AM</b>					
Vehicle Miles Traveled (VMT) [mi]	93,392	108,749 (16.4)	109,581 (17.3)	116,681 (24.9)	115,915 (24.1)
Person Trips Processed [passengers]	14,682	15,537 (5.8)	15,739 (7.2)	15,976 (8.8)	15,902 (8.3)
Average Speed [all vehicles] (mph)	37.9	38.2 (1.0)	42.7 (12.7)	42.4 (12.1)	44.1 (16.4)
Average Speed [general purpose vehicles] (mph)	37.5	35.1 (-6.5)	39.9 (6.2)	37.8 (0.7)	39.9 (6.3)
Average Speed [HOV/HOT vehicles] (mph)	41.9	54.9 (31.3)	56.1 (33.9)	58.5 (39.7)	58.6 (40.0)
<b>I-77 Northbound PM</b>					
Vehicle Miles Traveled (VMT) [mi]	99,396	107,934 (8.6)	110,763 (11.4)	118,509 (19.2)	116,606 (17.3)
Person Trips Processed [passengers]	16,203	16,380 (1.1)	16,527 (2.0)	16,763 (3.5)	16,742 (3.3)
Average Speed [all vehicles] (mph)	27.6	30.8 (11.6)	28.1 (1.8)	29.4 (6.6)	29.5 (6.8)
Average Speed [general purpose vehicles] (mph)	27.1	29.6 (9.3)	26.1 (-3.8)	26.9 (-0.6)	26.8 (-1.3)
Average Speed [HOV/HOT vehicles] (mph)	35.7	41.2 (15.3)	40.6 (13.6)	38.0 (6.4)	39.9 (11.7)

Source: I-77 HOV/HOT Conversion Traffic Operations Technical Memorandum (Atkins, July 2012)

Note: (X) are percentage change compared with the 2015 No-Build scenario.

The above data was taken from the “Administrative Action Categorical Exclusion” environmental document signed by the NCDOT on 7/31/12. This data applies only to the area from I-277 to Exit 28. That’s even before the roadway narrows from two toll lanes to one!



**Attachment C:**

From WFAE's Website:

**Local News**

**5:31 PM MON JUNE 8, 2015**

## **I-77 Mobility Partners CEO Javier Tamargo Speaks With WFAE**



*On concern that large trucks will congest other lanes because they will not be able to use the toll lanes...*

**"With managed lanes, everybody will need to find a way to accommodate...and trucks may need to see that conditions in the road are not congested...They will travel more at night. They will need to find a way on that."**

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# Business 13 Today

YEARS

Business Intelligence for the Golden Crescent: Lake Norman • Cabarrus • University City

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Hair styling and cosmetology is a growth industry

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Dave Phillips' neighbor will run for Concord City Council

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Devan Kline's franchise is hot

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## Humpty Wheeler: Toll plan won't work

BY DAVE VOCHUM

After nearly three dozen Lake Norman business leaders called on North Carolina legislators in the State Capitol, there's solid business momentum behind a legislative effort to defund the 50-year, \$650 million contract with a company whose roots are in Spain.

From the motorsports community to community bankers, companies with hundreds of employees, not to mention brick and mortar, are speaking out.

A Business-Today/Corneilus Today online readers poll showed 707 people who par-



WHEELER



Raleigh bound and determined: Mac McAlpine (center right) organized the anti-toll trip

ticipated wanted a "time-out" on the Cintra toll plan, and 63 wanted the plan to go forward. Another online poll asking if readers had faith in the NCDOT resulted in 398 readers saying they did not, while seven said they did have faith.

Humpty Wheeler, the dean of the motorsports community in the Golden Crescent business community, said "with the tremendous concentration of motorsports in the I-77 corridor we must do something, or some other area is going

to slowly steal it away."

Wheeler is the chairman of The Wheeler Co., a management consulting firm focused on professional sports, particularly motorsports investors. He serves on the board of Belmont Abbey College, the National Motorsports Council and the Governor's Sports Commission. He is the former president and general manager of Charlotte Motor Speedway.

Lincoln County missed the mo-

## Loan failures keep falling

BY JOHN REHKOP

After several years of stagnant growth, the commercial mortgage backed security (CMBS) market continues to pick up steam as a rise in new loan issuance is causing delinquency rates for commercial loans to fall, both locally and nationally, according to commercial real estate research firm Trepp, LLC.

In the Charlotte metropolitan area, balance of CMBS loans at least 30 days delinquent dropped to 3.6 percent of total loans outstanding, falling from \$215 million in May 2014 to \$162 million this past May. Nationally, the 30-day delinquency

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## Good sports: COA's are another cost for schools

BY DAVE FRIEDMAN

The most successful college basketball coach of all time, UCLA's John Wooden, liked to say "failing to prepare is preparing to fail." If Wooden were alive today, he'd recog-

ment every year. If they are exempt from scholarships, we lose out."

For decades colleges have exchanged an education and experience for young athletes' service on sports teams.



issue, or the time has simply come to pay athletes, local schools now face questions



14 July 2015

Business Today

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torsports boom completely but it is now in a position with new four-lane highways—321 and 16—to “take tremendous advantage in getting teams to move.”

“Unless something is done to relieve this horrible congestion we stand to eventually lose the motorsports industry,” Wheeler explained. But he is no fan of the Cintra deal.

“Stop the current agreement no matter what it takes,” Wheeler

said. Canceling the Cintra contract is estimated to be a \$100 million proposition, but the business community, according to people like Mike Russell, chairman of the Lake Norman Chamber, is starting to agree that it’s the right thing to do. Data suggests that \$13 billion will be extracted from the local economy from tolls over the course of the five-decade plan.

The correct course of action right now, Wheeler said, is to cancel the Cintra agreement, negotiate a settlement and find the money to improve I-77 through bonds or developer fees.

Wheeler said adding just one toll lane that doesn’t allow trucks is a mistake. Four lanes

in each direction are needed now, Wheeler said, not just three.

“However, whether it is a toll or not, one extra lane is simply not going to make it work. With the tremendous influx of new residents coming we actually need at least four lanes on each side. Three will not handle the traffic when the next boom hits,” Wheeler said. “So, in essence whether it is a toll or free lane it won’t get the job done so if any agreement states we can’t add an extra lane, then we are blowing in the wind.”

The region should not “get caught without the ability to add a fourth lane when this area explodes again and 20,000 new housing units are added,” he said.

He also recommended imposing a development that goes to highway improvements on a per house basis. In addition, he recommended pressing Huntersville, Davidson and Cornelius “to cooperate in sensible zoning that creates better traffic flow.”

“We must understand that without the ability to move traffic the quality of life goes way down and makes an area eventually hostile to economic development...we risk large property tax increases,” Wheeler said.

Mecklenburg County Commissioner Jim Puckett, who joined the business leaders’ trip to Raleigh, said the toll plan as currently



PUCKETT

Exit 28 at Catawba Avenue has been called the “Main Street” of Lake Norman by members of the Lake Norman Chamber,

which has come out against the toll plan. Huntersville Presbyterian Medical Center is located at Exit 23.

Champion Tire & Wheel is located in between the two exits. “It is critical that we can get to race shops in a timely, easy manner as well. Not seeing that with the toll-lane project. We have a sense that the toll lane hurdle is going to impede our ability to conduct business,” said Kevin Mahl, co-owner of Champion. It operates a fleet of more than 30 tractor-trailers.

## The legal battle

WidenI77 will hold a fund-raising event in July. The first is at Victory Lane (victorylane karting.com) in North Charlotte on July 10 from 11 a.m. until midnight. A portion of the proceeds will be donated to help WidenI77.

On July 16 at the Galway Hooker there will be a combination silent auction fundraiser and update on the Raleigh business trip and Business Plan initiative. The legal case to stop the toll lanes will also be discussed.

WidenI77 is also collecting statements on how the toll lanes will impact businesses. For more information, contact Vince Winegardner at [vwinegardner@bellsouth.net](mailto:vwinegardner@bellsouth.net).

The WidenI77 hearing date is being negotiated but is expected to occur in August.

## LOANS from page 1

rate stands at 5.4 percent, according to the Trepp report.

Back in 2011 the Charlotte delinquency rate was nearing 9.5 percent.

“There has been steady momentum and growth the last couple years,” says Aquesta Bank President and CEO Jim Engel, noting the 30 percent rise in Aquesta’s total loan portfolio last year. “And it has been across the board (in terms of property types).”

Trepp tracks and reports only on loans that are packaged and sold as commercial mortgage backed securities, a fixed-

According to the report, approximately \$1.8 billion in new CMBS loans were secured in the Charlotte metropolitan area in 2014 and 2015 combined. The Business Today market totaled \$267 million in new issuance over the same time period.

Trepp reported that of the five major property types, lodging had the steepest drop in delinquencies nationally in May, to a rate of only 3.8 percent. Multifamily remains the worst-performing property sector, with a delinquency rate of 8.6 percent.

# DID YOU KNOW?

There is a humane way to manage feral cats and reduce their population.

Trap Neuter Return





## Fort Mill weighs impact of I-77 toll lane proposal north of Charlotte

Posted June 30, 2015 6:16 pm | Filed under Featured, Local News

By Andrew Kiel

As the decision on whether to add new toll lanes along Interstate 77 north of Charlotte gets handed around the North Carolina legislature like a hot potato, local officials in York County are considering the effects the toll project might have on our community.

Joe Cronin, planning director for the Town of Fort Mill, said Tuesday there are unintended consequences — both positive and negative — that can come from major projects elsewhere across the region.

For example, During the construction of Interstate 485 where drivers used S.C. 160 as a detour to access U.S. 521 and N.C. 75 to get to Waxhaw, Cronin said.

But other opportunities might present themselves, too, he said. Especially if drivers are considering moving to the Charlotte region and facing the possibility of toll charges up to \$20 per day.

"You're going to look at what it's going to cost to live in certain places," Cronin said. "If you have to factor in an extra \$5 - \$10 - \$20 a day just to drive to work...that may influence where people live."

But the project has not been without its detractors — mainly those in the business community between Charlotte and Mooresville.

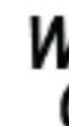
The state and I-77 Mobility Partners, a subsidiary of Cintra, completed the financing requirements necessary for the project to move forward.

The project will create toll lanes stretching 26 miles from Mooresville to uptown Charlotte.

"Cintra is committed to working with state and local leaders to ensure economic development opportunities and safe, reliable, efficient transportation solutions for residents of this fast growing region," said Nicolas Rubio, United States president of Cintra. "The I-77 project will help reduce roadway congestion and will provide more driver choice, ultimately resulting in travelers spending less time stuck in traffic."

If the state backs out now, it could lose up to \$100 million now that the final paperwork has been signed.

Cintra will have control over the toll lanes for 50 years including collecting the tolls and how much they'll cost.



Down  
Andre





## **Attachment F:**

From the South Carolina Department of Commerce:

### **Tax Incentives for Automotive Companies**

To promote automotive industry expansion, exports and innovation within the state, South Carolina offers low corporate taxes and generous tax credits. The result is a competitive business environment with lower operating costs for manufacturers, suppliers and other companies.

#### **Low Corporate Taxes**

In South Carolina, only local governments levy property taxes; there is no state tax on real or personal property. In addition, there is no tax—state or local—on inventories or intangibles.

- No state property tax
- No local income tax
- No inventory tax
- No wholesale tax
- One of the lowest corporate income tax rates in the Southeast
- Low state and local sales tax rates. There is no sales tax on manufacturing equipment and materials that will become an integral part of the finished product.

#### **Tax Credits**

##### **Jobs Tax Credit**

To encourage job creation, South Carolina issues corporate income tax credits ranging from \$1,500 to \$8,000 for each new job created.

##### **Corporate Headquarters Tax Credits**

Companies that dedicate their corporate headquarters within South Carolina receive a 20% income tax credit. In addition, South Carolina offers an income tax credit equal to 20% of the tangible property costs of establishing headquarters operations.

## **Attachment F, continued:**

### **Corporate Income Tax Moratorium**

Qualified companies in economically distressed South Carolina counties receive a corporate income tax moratorium for up to 15 years.

### **Port Volume Increase Tax Credit**

Manufacturers and distributors that use South Carolina port facilities and increase base port cargo volume by 5% (over base year totals) may qualify for income tax or withholding tax credits.

### **Investment Tax Credit**

Manufacturers that relocate to or expand in South Carolina qualify for a one-time corporate income tax credit equal to up to 2.5% of their investment in new production equipment.

### **R&D Tax Credit**

South Carolina offers companies a tax credit equal to 5% of qualified research and development expenses. Companies can use this credit to offset up to 50% of their state income tax.

### **Job Development Credit**

Instead of reducing tax liability, the Job Development Credit provides companies with funds to offset the cost of establishing or expanding business facilities in South Carolina. Qualified, approved companies are reimbursed for eligible capital expenditures (land, building, site development, pollution control equipment or infrastructure) associated with projects that create new full-time jobs with health care benefits for South Carolina citizens. The credits are funded by state personal income tax withholdings, with no financial impact on the company's employees.