



I77 Express Lanes Economic Impact

Endorsed by the I77 Business Plan and the Lake Norman Chamber of Commerce

Prepared for the Charlotte City Council

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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*

- o Choices result in a competitive disadvantage for businesses
- o For most inter city commerce the express lanes are not a choice.
- o 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*

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 \$12.5B over 50 years



Express Lanes = Competitive Disadvantage

Choice B, Endure Congestion:

- Congestion = productivity loss
- Steadily worsening situation for 90% 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:

- HOV 3+ not practical and encourages commuters to NOT carpool
 - Is it cheaper to hire a warm body than pay the toll?
 - For many use cases, the tolls are inaccessible or impractical
 - Side road congestion and GP lane congestion still impede mobility
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Express Lanes = No Choice for Trucking

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



- Recruiting new business is a challenge as trucking transportation capacity is guaranteed to decline
 - Existing businesses that require truck transport will gradually move away
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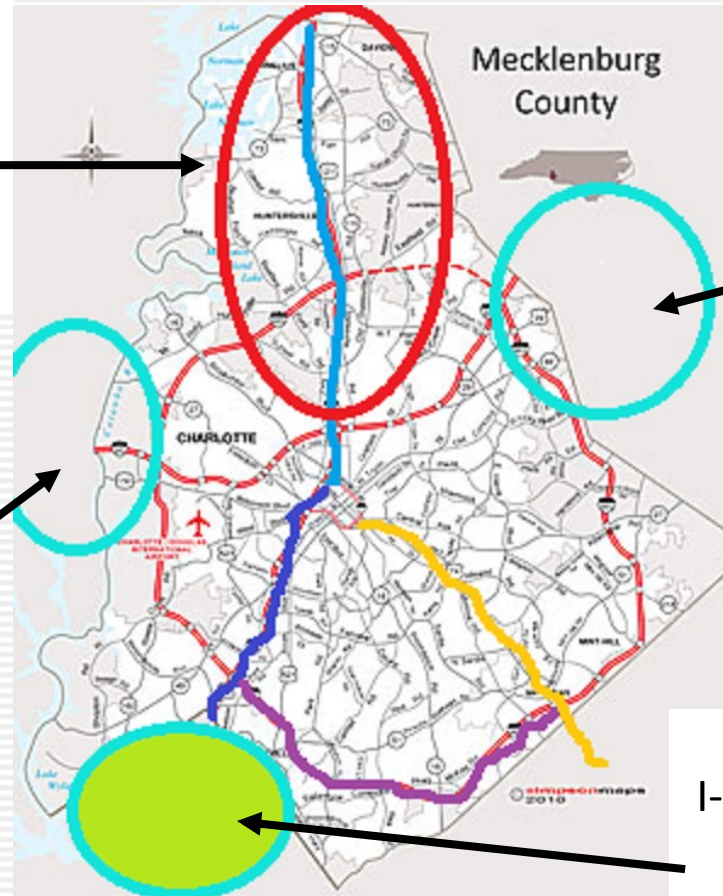
Express Lanes with Cintra = No HOPE

- Little to NO relief day 1
- The non-compete ensures no improvement.
- The worse the congestion, the higher the penalty, potentially Billions.

Where Would You Locate Your Business or Manufacturing Facility?

Lake Norman?

Guaranteed congestion
and increased travel
costs



Concord?

I-85 widened with GP
lanes/New Interchanges

Gastonia?

I-85 to be widened with
GP lanes/CLT Proximity

Rock Hill?

I-77 No Tolls/Low Taxes/CLT
Proximity

Trickle Down effects

- **Charlotte** suffers as LKN employees work elsewhere
 - **Charlotte** suffers as LKN residents shop elsewhere
 - Est **\$10B** cost in lost business and real estate losses. All corridor businesses and real estate suffer
 - 90+% of 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
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Conclusions



- Siphons **42.5+ Billion** from the local economy
 - Ensures an increasing productivity burden on 90+% of users
 - Even if free, the limited access nature of the Express lanes render them impractical in many use cases
 - Ensured negative trend for truck transport for 50 years
 - Becomes a deterrent to future business development
 - Encourages businesses to relocate to areas with better transportation infrastructure (Rock Hill)
 - White Collar Businesses can move away, as easily as they moved here (Chiquita)
 - Anti-Car agenda in the heart of NASCAR will result in team exodus
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Choices:

- No Hope: Endure the ever increasing business transportation and financial challenges for 50 years!
- Restore Hope: Cancel and Go Another direction.



Business Plan - What we need

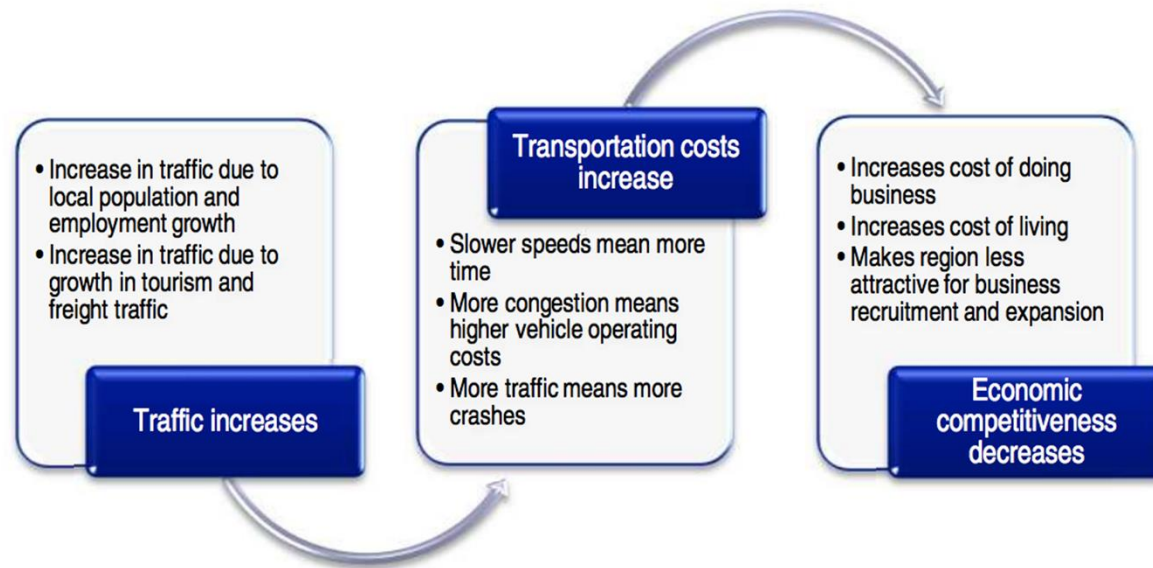
- Adding General purpose lanes on I-77 from Exits 20-36 provide the economic backbone required to ensure continued prosperity and growth.
- The 2001 MPO Study recommended 8 GP lanes, plus 2 hardened shoulder bus lanes, plus 2 managed lanes as a last resort.



FYI : I95 Tolls Economic Impact Study

Likewise, failure to maintain the transportation system's ability to provide safe, efficient mobility of goods and people can lead to lost economic activity and opportunities. As shown in Figure 2.7, lack of investment can lead to worsening conditions, including increased traffic levels and congestion and increases in crashes. In turn, this leads to increases in travel times and overall transportation costs for residents and business. As transportation costs increase, the region may become less attractive in terms of business expansion, retention and recruitment.

Figure 2.7 Impact of Deteriorating Transportation Infrastructure



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Statement to the Charlotte City Council, 1/11/2016

To date, there has been no NCDOT economic impact study for I-77. There was one for I-95 but not 77. They decided not to toll I-95 in part from that study.

In June I gave an economic impact analysis in front of 250 business professionals, including many LKN area CFOs, CEOs and business owners. At the end of the presentation not one person stood up to contest any point of my analysis. The Lake Norman Chamber of Commerce understands their community best and agrees with this analysis.

The state continues to talk to cancellation costs, but it would be wiser to look at the big financial picture.

The costs:

12.5B in tolls

10-20B in lost productivity (the 90+% of the workforce always stuck in the GP lanes)

10B in collateral lost business and real estate depreciation.

No choice for Trucking

A 42.5B hit on our economy.

Charlotte will suffer financially as North Meck/Iredell are their regional partner. Rather than improving mobility, this will serve to further divide the region.

North Carolina will suffer a competitive disadvantage while the economic climate in South Carolina grows with superior infrastructure.

Motorsports teams such as Michael Waltrip Racing were once poised in a ideal location, in the heart of Nascar. **Now Defunct their facilities by I-77 in Cornelius stand empty, inaccessible and unwanted.** The new anti car agenda in the heart of American Motorsports is going to be the beginning of the end. **Every municipality and every team in the corridor favors cancellation of the contract.**

Again, moving forward with this contract could cost the NC taxpayer 42.5Billion Dollars for a 400M loan, a 100X penalty. It also gives North Carolina a competitive disadvantage.

If not stopped, the neglect inflicted upon North Mecklenburg is going to fuel the fire against the light rail sales tax for services not rendered.