

The City Council of the City of Charlotte, North Carolina convened for a Workshop on Monday, October 6, 2014 at 5:09 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Dan Clodfelter presiding. Councilmembers present were Al Austin, John Autry, Michael Barnes, Ed Driggs, Claire Fallon, David Howard, Patsy Kinsey, Vi Lyles, LaWana Mayfield, Greg Phipps and Kenny Smith.

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TRANSPORTATION ISSUES UPDATE

Final Strategic Transportation Investment (STI) Scores

Transportation Director Danny Pleasant said I want to introduce you to the next series of topics, transportation funding issues and topics we want to cover with you. This is in the spirit of having some discussion about funding strategies at the State levels, some project development strategies and part of the dialogue this evening will be to help inform our CRTPO delegate, Councilmember Lyles, as she goes into meetings to discuss some of the topics we are going to talk about today. Also I would like to recognize Ned Curran, Chair of the Department of Transportation Board of the State of North Carolina and has been engaged in our local MPO process and some of these discussions as well. Warren Cooksey is now with NCDOT and he will be speaking to you as well.

The purpose here is to update Council on some emerging transportation funding issues and topics and give you a bit of insight on the work that the Charlotte Regional Transportation Planning Organization (CRTPO) is doing along with NCDOT on carrying out these new funding approaches. The first topic is going to be covered by Norm Steinman who will talk about the State's New Strategic Transportation Investment Law which replaces, as you may recall, discussions about the old equity formula. This replaces that formula. Talk about how the Strategic Transportation Investment (STI) program has scored local projects that we've submitted for scoring and explains some next steps toward moving those projects from the scoring phase, which we are in now, to the project development and funding stage later on down the road. Then Warren Cooksey is going to talk about the I-77 Managed Lanes Project and you will recall it is a public/ private partnership that is pursuing tolled lanes, managed lanes, on I-77 South and he is going to talk about how tolling is going to be used both as a financing mechanism and as a congestion management tool that will yield reliable travel times for motorists and transit riders using I-77. Then Norm will come back and talk about a feature of the STI called a bonus allocation funding component of STI law for counties that are hosting these toll projects. Bonus allocation, just for context, is off the top allocation that comes with these toll projects, not linked to toll revenues at all. The MPO takes a role of allocating those funds in the counties which the toll project will be residing and there are of course caveats anytime you give the ability to spend someone else's money, they are going to tell you how they want it spent.

The CRTPO is in the process of developing project selection criteria for those bonus allocation dollars and those decisions need to be locked down probably in the December to March timeframe, so you've got a little time to work on it. We are going to present you a lot of material this evening. We have given you a fairly aggressive amount of information that you will be seeing; the decision making around these items that you will be hearing about, largely are at the NCDOT and MPO level, the CRTPO level. As I mentioned before, this will serve as an opportunity for your delegate, Councilmember Lyles, to hear your thoughts on that as she goes into those discussions in the future weeks ahead. We do have some time to work on this so this will give you some vocabulary by which you can help shape that discussion.

Norm Steinman, Transportation said what I'd like to do here is to present a lot of information, or I need to present a lot of information and I'd like to make this as informal as possible. Please stop me at any time with any questions that you might have as we go through the content here. There are three parts of this presentation and let me start by explaining the Strategic Transportation Investment (STI) which is the new law in North Carolina for transportation funding in North Carolina. For almost 25 years you've heard references to something called the equity formula which was based on proportionately allocating money to the different areas of the State. That stopped being the law in 2013 and there is a very comprehensive change that came

about with the STI law which was passed by the General Assembly and signed by the Governor last year. We've shown you parts of this presentation before; what the STI does is it completely reorganizes the way that funding is to be allocated for different types of modes, for any mode or all modes in North Carolina. It establishes three categories of funding for what are called statewide type projects, regional type projects and division type projects and each mode is put into one of those categories of funding only. At the top you will find interstates and freeways, some two and three digit; US and NC routes, large commercial airports and freight railroads; then at the regional category come in other modes, including transit spanning two or more counties or cities; and then at the division level you see all the NC State routes such as our thoroughfares, other transit lines, multi-modal stations and bicycle and pedestrian projects in the division category.

The law sets up the way that the decisions can be made about funding for each of those categories or projects. At the statewide level the decision is made entirely by NCDOT. They do all the scoring of the projects that are eligible for receiving statewide funds. At the regional category NCDOT in Raleigh, what is called the Strategic Planning Office of Transportation or SPOT, makes up 70% of the points for each of the projects. The Division Engineers can weigh in on about 15% of the points and the MPO where the project is located gets the remaining 15%. Finally, at the division level it is 50% of the points allocated out of Raleigh by NCDOT, 25% by the Division Engineers, 25% by the MPO.

What are the regions that I'm talking about? Well, there happen to be seven funding regions in North Carolina and these have been around for about 25 years. We are located in Region E and I will show you a map that actually gives you more of a sense of where that is, but it is a large region that extends from Mecklenburg County in the west to Chatham County in the northeast. There are 14 divisions; these are NC-DOT's operating divisions within North Carolina. We are in Division 10. A lot of work has been going on over the past year and a half as the 20/40 Metropolitan Transportation Plan was being produced and endorsed by the Charlotte Regional Transportation Planning Organization. There are so many acronyms on this slide that I need to make it clear. The 20/40 MTP is what used to be called the Long-Range Transportation Plan. It used to be called LRTP; now the name is Metropolitan Transportation Plan. CRTPO used to be called Mecklenburg-Union MPO but the name and the geographic area changed as a result of the 20/10 census and again STI is the new law for transportation funding in North Carolina.

In May of this year NCDOT in Raleigh released their initial scores for about 3,300 projects that had been submitted for them to review and analyze and these are projects in the statewide regional and division categories. I made a presentation, and Lewis Mitchell was here as well, on June 9th about the results of that initial evaluation by the NCDOT. During the summer, culminating on the vote on August 20th, the CRTPO here reviewed the regional and division projects and made decisions as to which ones of those to give the CRTPO's priorities in order to possibly receive funding from the STI. Now that that decision was made, as well as decisions by other MPO's in other parts of North Carolina, the Strategic Planning Office of Transportation took all that information, the original scores by the NCDOT, added the allocations of priorities by the Division Engineers, by the MPO's and on September 24th produced a revised list of scores for regional and division projects throughout the state.

What we knew back in May really hasn't changed very much or at all for the statewide projects. The ones shown on this map in green are the ones that are called out by NCDOT as funded; funded in this case means that the construction of the project will be underway before 2025. In some cases the construction of the project will be completed before 2025. Partially funded means that design may be underway, there might be some real estate acquisition but the construction of the project will not be completed before 2025. In the case of I-77 South, which will be a costly and complicated project, construction of that project will happen well after 2025. There is some more detail in here as to which projects are fully funded in our area here in Mecklenburg County and the ones that I want you to concentrate on are the ones here in Charlotte. The US-74 conversion of the lanes currently used by buses only is likely to be the first high occupancy toll lanes project in North Carolina, actually ahead of the I-77 project. This is a project that is likely to be completed in two years in conjunction with the current construction project on US-74. The extension of construction on US-74 will take about four or five years longer and that construction, as you can see here, is currently scheduled for fiscal year
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2021. I-485 is another project that is likely to be completed in the next three to four years. That is the addition of a high occupancy toll lane that would extend from I-77 to US-74 along I-485 in South Charlotte. As I said earlier, because of the complexity of the project and the cost of the project, the widening of I-77 is not going to be completed by 2025 based on the steps in the environmental design, real estate acquisition and construction process.

Again, what does Region E include? It includes the counties from Mecklenburg in the west all the way to Chatham and Lee in the northeast. The crosshatched area in red represents the southern boundary of the Charlotte Regional Transportation Planning Organization or the CRTPO. CRTPO also includes Iredell County, but Iredell County is not in Region E; Mecklenburg County and Union County are in Region E. This might get a little confusing so let me try to explain what is on this slide. What the STI does is it sets up geographies for competitions. That is what is totally different from the way the equity formula used to be. In this case there are projects that can compete against each other within Region E. Eligible projects of the modes that were deemed to be components of regional type projects. What I'm trying to show here is that based on the scoring, based on the points that were allocated to projects derived from criteria established by the NCDOT the first possible project that might be funded might be, and I want to emphasize this because we don't know which projects are going to get funded in the regional or division categories, but the first one that might be funded in Charlotte is the intersection project at Steele Creek Road and Hamilton Road. That is not the first one in the region; you see there are five other projects ahead of that one that would probably be funded outside the CRTPO or even inside the CRTPO. Then there would be other projects either inside the CRTPO area or outside the CRTPO area; then finally, we have a project in Charlotte that might get funded. We don't know where the magic line is going to be as to which projects can get funding in the next ten years or not, but it is possible that the project of widening NC-160 in southwest Charlotte between Shopton Road and South Tryon Street might get funded. Then there is another project in Charlotte that we are very interested in and we consider this project for a potential bonus allocation, and I'll come back to the bonus allocations, in order to make sure the widening of NC-49 from John Kirk Drive to I-485 takes place in conjunction with the eastern circumferential project and the construction of a new intersection at NC-49 and the eastern circumferential, which is where a new bridge is being built by NCDOT as part of the railroad project.

What are the areas of Division 10? Again we are showing you Mecklenburg and Union Counties, the crosshatched area in red is the CRTPO area. The first project in this entire division is one in Charlotte; it is an intersection at Eastway Drive and Shamrock Drive that is very likely to get funding. Then the third project consists of restriping Matheson Avenue which can't happen immediately until all of the construction projects are done in northeast Charlotte because it is a detour route, but in any case it would restripe Matheson Avenue to make it more comfortable for bicyclist and pedestrians. Then we have a project that is also likely to be funded which would be the intersection enhancement at the intersection of Monroe Road and Rama and Idlewild. The project that would be the one to build the second bridge, the north bridge; there are two bridges that are proposed to be built over I-85 in northeast Charlotte. The one that is shown here much further down the list is probably not going to be funded out of STI funds, but I'm showing here as the last one that might be in the running for STI funds in the division category.

I-77 Managed Lanes

Warren Cooksey, NCDOT said my delight to be with you this evening and give you an update on the I-77 Managed Lanes Project. It is City of Charlotte's turn; we've been dealing with the Lake Norman area on this a good bit. The CRTPO got an update at their meeting last month and so it is great to be a part of this presentation to let you all know about this significant project that of course is significantly in Charlotte as well as the Lake Norman area.

We begin, first of all, with a little level setting for everybody on why indeed we are talking about managed lanes. A quick lesson in congestion and general purpose lanes; what decades of history and studies have shown us is that when you get a two lane interstate that starts getting congested and you build more general purpose lanes you wind up getting more traffic in those general purpose lanes and they get congested too. Where does this end? Well it could end there, this is just for fun, but this is a photo from China, a 19 lane highway that suffered through a ten day
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traffic jam about four years ago. History is showing that the more you add general purpose lanes, especially in a growing metropolitan area, the traffic arrives and the congestion returns. This is the origin of the phrase 'you can't build your way out of congestion' that you hear from time to time. But there is a way to address it and still deal with folks' interest of driving their cars and that is managed lanes. We will talk a bit more about that, but the origin of this in the Charlotte area was actually a local response to the congestion. The fast lane study began in 2007 and looked at the major corridors in and out of Charlotte; starting in 2007 with Phase I when pretty much all of the major corridors were looked at. By Phase II, the next year, the scope kind of narrowed itself down and by Phase III in 2009 of this study the study had kind of landed on I-77 North and South, Highway 74 and I-485 as candidates for managed lanes. You will notice that ties in nicely with what Norm presented about the statewide funding from STI.

In order to get a sense of how these things work I could try to describe it to you, but we have found that folks watching a little video that was produced for Texas gain a better sense because there is audio, there is video and there is a better explanation than me just standing here pointing to a few pictures. Mr. Cooksey introduced the video "Driving the TEXpress Lanes" with some details that are different from our project, but the general gist is the same. The video can be found [here](#).

"Dallas/Fort Worth is home to 25% of the most congested freeways in Texas. If you drive them you probably wish for a faster and easier way to get to and from places like work, appointments and the airport, especially when you had rather be at home enjoying life with your family and friends. The TEXpress Lanes are a series of new express roadways built adjacent to existing freeways; they consist of two or more lanes that drivers can consistently travel at speeds of 50 miles per hour or faster, even at rush hour. To control traffic flow and eliminate congestion drivers will pay a toll for using the new lanes. The price will fluctuate based on the level of congestion and the amount of traffic and can change from time to time and day to day. Prices will also vary based on vehicle size and whether or not a vehicle has a valid toll tag. In addition carpool or HOV users are eligible for discounts. Sensors in the roadway will measure traffic speed and volume. When congestion starts to build up toll prices will rise to prevent congestion and eliminate traffic jams. When traffic decreases the toll prices will automatically drop back down to encourage more use.

Using the new lanes is easy; you just need to follow the signs. A TEXpress Lane sign is posted about one mile ahead of each entry indicating the side of the road where the entry is located so drivers will have plenty of time to decide whether or not to use the lanes. Dynamic message signs will alert drivers about road conditions, weather alerts or emergency situations up ahead to help them make travel decisions. One sign will notify drivers that the TEXpress Lanes can be used with or without a toll tag and that a few will apply for non-tag vehicles. Another sign will inform drivers about the 50% discount offered to carpoolers who have a toll tag and have pre-registered on line at TEXpressLanes.com or by using the drive-on TEXpress Lanes mobile app. A pricing sign located ahead of the decision point will display the regular vehicle price and the discounted carpool price that vehicles will pay to travel to the destination shown. It will also indicate that prices are higher for large vehicles and remind drivers that additional fees apply for vehicles without a valid tag. The price displayed at your point of entry is the amount you will be billed. When you enter the system will lock in your price and you will only be billed the amount shown even if the price changes as you travel. As you near the entry ramp confirmation signs will prompt you to make a decision based on the price you saw and guide you onto the TEXpress Lanes. The system is all electronic and cashless so there is no need to stop at toll booths. As you drive through the lanes scanners read your toll tag or photograph your license plate, then your trip information is transmitted to the North Texas Toll Way Authority where your toll will either be deducted from your account, if you have a valid toll tag, or an invoice will be sent to you by mail. Well in advance of each subsequent toll segment a sign will display the price for further travel. You can choose to continue or exit the TEXpress Lanes at no extra costs. Exits will be clearly marked and positioned to allow ample decision time. Upon exit no further charges will apply. Route maps are available online. Take some time to familiarize yourself with them so you can take full advantage of the lanes. The TEXpress Lanes offer a faster and more pleasant way to travel and a better quality of life with more time for family and friends. The choice is yours. To learn more visit TEXpressLanes.com and buckle up and drive safely."

Mr. Cooksey said that is the Texas project, now back to ours.

Mayor Clodfelter said what is the total length of the roadway segment covered by the TEXpress?

Mr. Cooksey said Mayor unfortunately I don't have that committed to memory so I'm not going to try to guess on it. I know it is a stretch in Dallas but they didn't mention it in the video so I'm not going to try to guess that one. But, as far as our project goes, ours is 26 miles long going from uptown to Mooresville, two lanes in each direction from uptown to Cornelius, including converting the existing HOV lanes and then one lane in each direction to Mooresville. Each of those blue dots represents an entry and exit point, for a total of eight currently; there is a possibility for a ninth. The contract notes that there can be a little tweaking to this and there are some conversations about adding one perhaps in the Davidson/ Cornelius area, but that is not required by the contract so we are not really showing that at this point, but those discussions are underway. This is down here times two because there will be two ways to get onto the lanes in uptown and we'll get into that shortly. The segments in our case range from 2.3 to 6.5 miles long and the segments are tolled individually so each new segment is a new toll amount as you go from one to the other or go in or go out. Some key differences between this project and the video you saw, again the video is good for the general way that they work, but in our case HOV three plus will be free. It is not a discount, you don't have to register in advance, you register by transponder and the transponder will have a little switch that says HOV so if you've got three or more in the vehicle then it is traveling for free in the lanes. Large trucks are not allowed in the I-77 express lanes; large is defined as more than two axles or greater than 20-feet long and these are adjacent to the general purpose lanes, unlike you saw in the TEXpress video where they are at kind of different levels. These are going to be right alongside and I've got some diagrams of that a little later.

I would also like to point out that the minimum speed is slightly different too. That is regulated by the federal government; in a 55 mile an hour zone on I-77 the minimum speed the managed lanes are supposed to go with is no less than 45 mph unlike the 50 that the TEXpress Lanes showed. Turning a bit to what these are going to look like; let's start north to south. In the Lake Norman area where there will be one lane added in each direction, this is kind of what you see now on the causeway between Mooresville and Davidson over Lake Norman. Once this project is done you will have one lane in each direction and I've put a CATS bus on there to point out that transit rides in the lane for free as well, so all the CATS buses will have access to these lanes without any additional charge to them. In the central section where you've got more lanes, you see currently what we have are three general purpose lanes in each direction and the HOV lanes. When the project is done you will have three general purpose lanes, nothing is changing there, but the HOV lanes will be converted to the express lanes and there will be an additional express lane added; so you've got two in each direction and note, here is our separation. You've got this four foot boundary and these little plastic candlestick devices that you see. The contract requires the developer to build this buffer separation such that emergency vehicles can get in and out quickly, so a jersey barrier is not going to allow that, so you won't see a concrete barrier between the two, you will see this four foot painted buffer with the little plastic sticks in between.

A question that comes up a lot is 'how do I get in and out; what is the exact way to do that?' The little diagram here shows it; I'll walk you through this one. What we are looking at from your left to right, you've got three general purpose lanes and then you've got two express lanes, we are calling them express lanes currently, just to be clear. At an entry or exit point what you would see on I-77 is this third kind of weave lane, about 2,000 feet long. For reference a mid-size car is about 16 feet long; that is about 125 car lengths for this 2,000 foot weave lane to get in and out so if you are in the general purpose lane and you want to get into the managed lane you've got 2,000 feet to merge into it. If you are in the managed lane or express lane and you want to get out you've got 2,000 feet to work with to get out of it. This is where the gantry would be, so if you've gotten in on the general purpose lane, once you get out of the weave lane and you are into the managed lane the gantry will trigger your transponder or take a photo of your license plate for billing. That's the in and the out of it. The engineers know the safety rules about how to make sure there is enough space to get from say an on ramp over to the weave lane or from the weave lane to an off ramp, but this is the basic technique you will see at these mid-point entry and exit points that I showed on the earlier map.

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Now, we've seen the northern; we've seen the central, here is the southern connection point. Let me orient you to this one because this is a difficult way of looking at uptown. North you will notice is to your right so this is I-77 heading south that way and heading north that way towards the Lake Norman area, here is I-277, the Brookshire Freeway and in the afternoon this infamous ramp that backs up a lot getting from uptown towards I-77 North. The proposal for one of the connector points to uptown is a fly-over connection, basically a median to median connection is proposed from the managed lanes if you are heading south, you would have the option of getting on this fly-over ramp that feeds directly into I-277. When you are leaving in the afternoon, if you go to the right you will get on the general purpose ramp; if you go to the left you get into the express lane ramp to get into the express lanes heading towards Lake Norman. Another diagram, because there is never a shortage of diagrams in these sorts of things, to give you a sense of how this can work, yeah, spaghetti junction, but I can show you; south bound one option will be to get out of the lanes directly into I-77 South, so you've got this little connection point here out of the lane into I-77 south, let's say you are looking to get to Gateway Village, that is the exit you would use. If you are looking to get to I-277, again there is this fly-over that would come down and feed you into I-277/ Brookshire Freeway; likewise, if you are heading north getting out of uptown you can take standard I-77 North and once you get past the Brookshire there is an entry point into the lanes there or if you are on I-277 heading north bound you can get into the fly-over ramp and head up that way. I know there is great concern about how these connections work; the details are still being worked out and there will be a lot of conversations between the developer, between NCDOT, between the Charlotte Department of Transportation, but that is the basic concept for getting on and off in the uptown area for these lanes.

Councilmember Lyles said can you talk a little bit about the Church Street, North Tryon, College exits there as you see whatever that lane is called coming in there. Is that an off?

Mr. Cooksey said yes, on this side that would be coming out of the express lanes into I-277 on the southbound traffic.

Ms. Lyles said so you couldn't come off and get on Church the way it is diagramed there so North Tryon and College would be almost impossible to get over and off in congestion time.

Mr. Cooksey said it depends on where the actually touchdown point is and that is where the design conversations are going to continue to go, is where exactly does the touchdown point hit so that folks who are traveling south using the fly-over on the southbound express lanes can get to I-277 and then to an exit point safely. Obviously the Graham Street turn is not going to be obtainable probably but you've got some other points here and then if you keep going around eventually you get to the Third Street/ Fourth Street provision as well, but again those conversations, those design elements are still under consideration and there is still time to provide feedback on them on how they actually work and provide study for the safety of the exit points.

Mayor Clodfelter said that is pretty darn critical because you've also got the general purpose lane coming in from I-77 southbound at exactly the same location; so when we do get to see the options on that and what the options are they are going to study?

Mr. Cooksey said candidly Mayor our developer partner, I-77 Ability Partners is focused right now on their financial close; that is kind of a preview of later in the presentation. They are lining up their bond money to make sure they've got the funding for the project. This is a fairly new drawing in itself; I think you are the first to see it publicly. It is going to be part of our Wednesday and Thursday presentations in the Lake Norman area, but while those are underway the first priority for them right now candidly is getting their bonds lined up. Aiming to do that by the end of the year and there is some time yet to work on those designs so I know Danny is very concerned about it and he has got his attention paid to it; NCDOT is paying attention to it and of course the developers are as well.

Ned Curran, NCDOT Board said they are motivated to try to get as much traffic that want to be in the toll lanes; they are trying to design back-up for as many options as possible.

Mayor Clodfelter said I'm just looking at where it comes in and I'm glad everybody is motivated; I just want to encourage the motivation because it is already a nightmare if you are trying to come off of I-77 South onto I-277 and then exit into downtown, you've got to merge from the left all the way across three lanes of traffic to get to any of those exits. You are now going to add another left entering line of traffic that is also merging across three lanes of traffic at the same time. That roadway is – Mr. Pleasant I'm worried about it and I know you are too. It is a nightmare now.

Mr. Cooksey said to reinforce Chairman Curran's point, I know it is a bit Pollyannaish perhaps at this stage to say, but if it doesn't work people won't use it and thus it become a superfluous part of the whole project, so it's got to work in order for it to be part of the project. If it doesn't work I don't know where it goes.

Mayor Clodfelter said I don't want to find out it doesn't work after the fact when we've got a lot accidents on it. I don't want to find it doesn't work after the fact.

Councilmember Smith said the weave lane; how does that 2,000 feet relate to your typical exit off the highway, you know when you are coming onto the highway. It sounds like a lot but when you are trying to merge into traffic coming off some of these ramps and then possibly get over one or two lanes, for example getting onto I-277 and scooting over so you don't get stuck on Independence. Do you know what the distance is there?

Mr. Cooksey said it is longer than a typical ramp; I'm going to look to my experts to provide me a foot length if I could please.

Mr. Steinman said the standard in the design of the freeways and interstates is to provide at least 1,000 feet for every lane that a motorists has to weave across; so that is where the 2,000 comes from. For every lane, there should be 1,000 feet to allow that motorists to be able to continue to make the weave over. Now what does really affect this is, of course, the amount of congestion because if the lane is full of vehicles it gets harder to make them move over.

Ms. Smith said regarding the fly-over how far out will you go out on that proposed toll because I've tried to get on I-77 and part of me would be nervous that people would pay a buck, if that is what it is, cross over just to avoid the exit ramp and then you are just going to hit a congestion point if they all try to get out of paying additional funds down the road.

Mr. Cooksey said the next entry/ exit point from those start/ finish points is between south of Sunset Road, but north of I-85.

Mr. Smith said almost the exit 16?

Mr. Cooksey said not quite that, the phraseology in the comprehensive agreement says between Cindy Lane and Sunset, but of course Cindy Lane doesn't have an interchange so if you are looking at interchange references it will be between 13 and 16 is your first entry/ exit point on the northbound segment.

Mr. Smith said my fear is if you are reading some of the costs that may be associated with these tolls and you are hearing conflicting conversation on that, my possible fear is that you are going to price people out of using it and we are going to have lanes that set empty and then you are going to still have the congestion for the general traffic pattern.

Mr. Cooksey said the point of dynamic pricing, congestion pricing, and I appreciate that concern, is to get cars into the lane and so the pricing varies depending on what the demand is. If the price is so high that cars aren't getting into the lanes the price has to drop because the goal is to get cars into the lane.

Mr. Smith said this is the old connector 2003 enterprise.

Mr. Cooksey said yes, you've got supply and you've got demand; the missing element is price. Managed lanes brings that price element in so folks can see what the cost is and measure it versus what the value to them of getting out of a congested lane is.

Councilmember Driggs said the economists would say it is a revenue maximizing exercise and you basically need to find the point of unit elasticity. Who sets the price and who has control over the pricing? Is it the private sector partner; is it a public thing? Because they may have choices in terms of where they see the maximum revenue and we may have preferences in terms of what we consider to be the best utilization of the road. How does that get resolved?

Mr. Cooksey said the comprehensive agreement allows the developer to set the tolls based on the premise of providing free flow of traffic. Per federal regulations, when you are talking about a managed lane, you can't let the speed get lower than 45 mph in a 55 mph or 80% of a 65 mph speed limit; so the goal is always to offer that free flow of traffic. That is basically it for the comprehensive agreement; the developer sets the toll based on achieving that goal.

Mayor Clodfelter said back to the weave area; you said there is about 2,000 feet, so that is not quite a ½ mile, but given the way I watch people drive on the interstates I guess I could use that as an additional passing lane.

Mr. Cooksey said oh please don't.

Mayor Clodfelter said look at that, that is almost a ½ mile so if you are in that congested left lane you pull in there, use it as a temporary passing lane, you pull back in and don't pay the toll, does that work?

Mr. Cooksey said I candidly don't know. I don't know about that.

Mayor Clodfelter said all you have to do is observe driving behavior on the interstate and that is exactly what people will do with it. If it is ½ mile long it will become an extra passing lane, it absolutely will.

Mr. Cooksey said we will take that concern. That is a new one on me Mayor. You top what I've heard.

Councilmember Austin said we talked a little bit about the private developer; just clarify for me a little bit because I keep hearing conflicting things about other projects they've done in other areas. Can you shed a little light on that? I believe it was in Austin and in Indiana.

Mr. Cooksey said the concessionaire that won the bidding process is basically a holding company, is one way to look at it. It is Cintra US, they are based in Austin; but the Cintra Company as a whole is a subsidiary of a company out of Spain that has a total of 26 projects worldwide. Each one is a separate company entity; each one performs on its own, so the performance of one doesn't affect the performance of the other. It is a portfolio much like a collection of stocks in a mutual fund; so what they are dealing with now in Indiana, in particular that has been in the news, is one of their 26 legal entities has been restructuring debt with the agreement of their creditors, but that is isolated to their one company there and each of the other 25 are still independently financed, independently run, as elements of their overall portfolio, again much like several stocks in a mutual fund.

Mr. Austin said are all 25 of those in the United States?

Mr. Cooksey said no, they are worldwide.

Mr. Austin said how many are in the United States?

Mr. Cooksey said you've got the two that you hear about; there is us and in Canada they've been running the 407 for 15 years, which admittedly is not the United States, but it is North America. They've got a 99-year lease on the 407 there.

Mr. Steinman said the Indiana toll road is a very different kind of project from this one. In this one the competition is taking place directly between the general purpose lanes and the toll lanes. The Indiana toll road has only toll lanes; and so there are 24 of these high occupancy toll lanes, express toll lanes, toll lanes, managed lanes projects in the United States. Not a single one has failed and there are more and more of them that are being added to the network.

Mr. Cooksey said they are run by a variety; some are run by states, some are run by other companies. Another element I would note about the Indiana situation that is worth noting is that the Indiana toll road entity of which Cintra is a parent company bought into that on a 75 year lease in 2006 based on modeling that they were using from 2006 on and we all know what started happening in 2007 and 2008. That is what led to that situation going where it is going at this point, but again restructuring has occurred with the approval of 98% of their creditors. The road continues to function and from a service delivery perspective that is the critical point that NCDOT looks at, is the road going to still be able to function. The asphalt doesn't go anywhere if there is any kind of difficulty with toll collections. It is still there.

Mr. Austin said the other question I have is that it seems like this is going to be lanes for people who are wealthy and for other folks they will use the other ones. I've heard prices of almost 20 bucks from Mooresville to Charlotte. Can you shed any light; I know we talked a little bit about pricing and maybe you don't have that, but shed a little light on that for me.

Mr. Cooksey said each segment will have a toll and each segment can be entered and exited at the choice of the driver. The importance here is to provide the option of travel time reliability that we find in most of these most people don't use them every day; they use them when they need to. To give you an example of what time is worth in these cases, I like to cite the fact that the Texas Transportation Institute in studying traffic in Charlotte urban area says that the average Charlotte commuter spends about 40 hours in congested traffic at a cost of \$898 per year in gasoline and other car related costs. \$898 divided by 40 is \$22.45. That is the per hour costs of being congestion for the average Charlotte commuter. Now if I can give you a managed lane, an express lane for \$3, \$5 for a 26 mile stretch, even if it is \$10, to save you that \$22.45 per hour, that is when you make an economic decision, is it worth it and what we find with these across the county is that people do from time to time say yes, I need to get from point A to point B in a specific amount of time and the congestion is getting in my way so this gives them a choice to use it.

Councilmember Howard said that is pretty good Warren.

Mr. Cooksey said I have been doing this for a while now. How many opportunities to you have to buy time? That is what this sells you, is time.

Mr. Austin said in terms of your community engagement, I've heard about community meetings in Mooresville and Huntersville, what are we doing in Mecklenburg County and the communities that live right along I-77 and I-85 and that stretch?

Mr. Cooksey said candidly, there were a lot of meetings prior to the contract signing on June 26th, particularly the folks in District 2.

Mr. Austin said I'm talking specifically about what we are presenting today and the construction and all of that; what are we doing because I've noticed NCDOT has not been very good doing much community engagement. I'm trying to push that; that we need to be better at it.

Mr. Cooksey said thank you, we will take that into consideration. We are trying to juggle how many that we do. Because we perceive that the majority of the customer base for the lanes is the Lake Norman area that is why they are getting a lot more of the focus on what this is going to be at this time, but we did work very strongly with the neighborhoods in the area during the development of the project. If there is a need for follow-up, if you could send us some names and contact information I would be happy to follow-up with that. I have spoken on the topic for the Tuesday Morning Breakfast Forum for example to give them an update about it. If there are other neighborhood groups who would like to know what is going on with now, we haven't heard from you in a year or so, I'd be happy to do so.

Mr. Austin said I'll share with staff that we need to do something in the communities that are right along that corridor.

Mr. Cooksey said I'd be happy to do so.

Mr. Howard said when I was on the MPO when this first came up I made sure they went and talked to, especially on the west side, all the homes that are going to be affected in the neighborhood, like Oaklawn Heights. They've actually had quite a few meetings with that neighborhood specifically because of the homes that are going to be bought and sold as well as Genesis Park.

Mr. Austin said how long ago was that?

Mr. Howard said back when they were first starting the conversations about this project, probably three years ago. There were a lot of conversations because, not the noise wall, but the properties that were going to be affected because of the widening. I don't know if they've been back since then but I worked with Councilmember Mitchell at the time and attended quite a few meetings.

Mr. Austin said I just think it is very important to keep them abreast of what is going on because they've heard about it.

Mr. Cooksey said one frame of reference I would suggest to look at is that the stage we are in now in terms of outreach in community affairs is how does this work and the population that is most concerned with how do these lanes work is the Lake Norman commuter population. What will the impact of construction be, is a dollar question.

Mr. Austin said there are other communities that are concerned about how it would work.

Mr. Cooksey said we can certainly cover that too. I was also thinking in terms of the construction impact as Councilmember Howard referred to, there were lots of conversation early on, updates about construction impact are certainly relevant as well; and yes indeed how they do work to see if folks who are, perhaps they have a northbound commute and are interested in that because when we get down past Sunset there are other ways than I-77 to get into uptown so that's one of the ways we were looking at. Absolutely we will get back with you and find some of these neighborhoods that we've talked with in the past and give them the update.

Mr. Austin said thank you.

Mr. Cooksey said turning to the business side of the project; you've seen now how the lanes work and where they will be. Just a review of the actual public/ private partnership here, this is North Carolina's first comprehensive public/ private partnership to deliver infrastructure particularly of this magnitude. The contract was signed June 26th for I-77 Mobility Partners of Cintra US to design, build, operate and maintain these lanes in exchange for 50 years of toll revenue. It is important to note that NCDOT owns the lanes that are being built and owns the tolling infrastructure. All that the private partner gets out of this is the toll revenue for the 50 year period. We are getting all the infrastructure. And the user accounts themselves are managed by the North Carolina Turnpike Authority, not the private developer. So when you get a transponder, when you set up the account, through which you are billed for the use of the lanes, you are operating with the North Carolina Turnpike Authority, not with the developer. The developer will take the transponder signal or the photos of the license plate, give them to the Turnpike Authority that will then make the connection between the transponder signal or the license plate and who the person is.

Mr. Austin said 50 years, is that normal in other projects similar to this, other than private, around the country?

Mr. Cooksey said actually some of the ones I've looked at, it is a little on the short end of normal. 50 years is typical and as I said the Indiana toll road concession, again, a different type
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of project, but still a public/ private partnership was for 75 years. The 407 in Canada is a 99 year lease that is about 15 years into it and it is a managed lane type project. The way these things work from a business perspective, as I've come to appreciate it, it is for folks who were into investing in it for the long term. You do a long term in it to allow for the cost of the project and the return on investor's equity to have the chance to come back to them, so 50 years is a fairly typical term for these. Some like I said do even run longer.

Mr. Driggs said this in effect a financing exercise by the State. Do we have some idea of what the cost of that capital is? Do we know what their economics look like and what their projected rate of return is on that equity investment they are making; because that is conversely the cost to us of using this structure.

Mr. Cooksey said I may not have been quite equipped to answer that level of detail. Let me look over to the side and see that I may not be able to be bailed out on this one. I will follow up with you on the comprehensive agreement. This much I can share with you and this may be relevant to your question; there is an internal rate of return with reference to the comprehensive agreement. It is worth noting the comprehensive agreement notes that if over time there are years where the revenue from the lanes is higher than the expected rate of return in a comprehensive agreement, NCDOT shares in that revenue. There is a five band process where if it goes over a certain ceiling then NCDOT gets 12.5% of the additional revenue. The next band is about 25% on up to 75%; so one of the concerns, to get back to the pricing issue that Councilmember Smith brought up, is that if it turns out that these things are wildly popular and the toll revenues bust everyone's projections, then a portion of that extra toll revenue comes back to the State. That is part of how it is structured. I know that doesn't directly address your questions Councilman, but I hope it shows some of how this is built in.

Mr. Driggs said but those terms I assume are actually intended to steer the return on their equity towards a certain outcome and it would just be interesting to know, and I would mention to other members of Council what we are talking about here is a funding structure where we give away a revenue stream that could have come to us and we receive equity investment from the private party; so you have to look upon this as a financing exercise. And the question is, is this an expensive way for the State to raise money. It has the qualities of an off balance sheet financing and it means that it is a kind of debt incurrence that doesn't show up to us, at least as to the equity portion of this. We could pay for the whole thing and then we would have borrowings in that entire amount. We are not doing that, instead we are taking some revenue we could have had, pledging it out and doing it as it were a balance sheet. I think that is fine; the only question I have for our understanding of the whole deal, and it is a State concern really, but what is the cost of that capital. What is the cost of that funding from the private party?

Mr. Cooksey I've got a little later slide that may start to address that as well because I've got the summary of finances. The sources and uses statement that came from the April report to the Joint Legislative Transportation Oversight Committee.

Councilmember Mayfield said going back to the slide that we just left; I understand the explanation of if it is highly successful it can produce additional revenue. What if it is not highly successful and what if we see some of the same challenges that Dallas and others are having where people were not seeing the usage in the toll lanes just like at one point we anticipated more people getting out of vehicles and using public transportation, which is why we are making such investments in public transportation across the State. What happens if this is not financially beneficial and you are not getting the numbers that you need in order to justify the cost of this?

Mr. Cooksey said I do have a slide that addresses that. May I wait until I get to it to speak to your question? I just want to point out, because this goes also to Councilmember Driggs' point about what the State is putting into it. You will notice in this \$655 million project, \$88.2 million is public funds. We are getting a 26 mile widening, in some cases two lanes and in some cases one for as grand total of \$88.2 million in public financing. The debt provisions, you've got two categories of debt, private activity bonds for about \$100 million, is estimated, and TIFIA debt (Transportation Infrastructure Finance and Innovation Act) is \$215 million. Both of those types of debt, specifically secured by toll revenue, so we are getting closer to Ms. Mayfield's question as we build to this. Those types of debt, they are not tax backed, they are backed by toll revenue.

Then there is the capitalized interest portion on both sides, interest income, and then the equity that our private developer is bringing to it is \$234.2 million. That is the infusion of private capital into this project that helps make it be the comprehensive project that it is for \$655 million. To Councilmember Driggs' point earlier there is no way this thing would be constructed by the state alone for \$655 million. We just can't manage that at this point. The uses show how the \$655 million is used, balances out and again this was from the report in April to the Joint Legislative Transportation Oversight Committee on how this project was coming along.

This is where I can address Ms. Mayfield's question because this is the typical cash flow or cash waterfall as it says in these transactions. So from the project revenues, the first thing they have got to cover is the cost of the operations and maintenance, absolutely the first thing. Then they've got to pay their debt service; then they've got to maintain some debt service reserves just like the City maintains debt service reserves to get a better bond rating. Then there are other project reserves, operations and maintenance reserves, there is a hand-back reserve because when the 50 years is up we don't want a project that is falling into disrepair so the developer is required to hand it back at a certain condition of quality. Then and only then do you have the return to equity investors. So now to track this back up addressing Councilmember Mayfield's question, if the toll revenues don't come in at the rate anticipated, the first hit goes to the equity investors, not to the State of North Carolina and that is one of the aspects of why a P3 was used for this, is that it transfers the risks if the tolls don't come in at the rate expected from the State of North Carolina to the private developer. If the revenue don't come in the first hit is to the equity investors, then there is a concern with the debt service reserves; there is a provision in the comprehensive agreement for a fund that the developer can tap into up to \$75 million to help balance out those reserves, but it is not about providing return to the investors, it is about maintaining the reserves so that you don't have a foreclosure or bankruptcy event just because of a bad year. If the challenges of the revenue persist then what the comprehensive agreement lays out is that the bond holders basically have the opportunity to look for a new operator that can either renegotiate the debt with the private partner, find a new concessionaire to run the lanes which could be the Turnpike Authority, but it is on them to figure that out. In the meantime the State still owns the infrastructure, still owns the highway.

Ms. Mayfield said the worst case scenario the return to equity investors, they are not seeing their return in a five year period, is there anywhere in our agreements that will give them the ability to then sue, just to insure that not only local municipalities but also the State is protected on this. Because as investors they are investing with the anticipation of seeing a profit and we have seen multiple times when working with the private sector that at the end of the day the investors want to see a return and that return comes in the form of a lawsuit that is just as acceptable for some. I want to make sure we are covered every which possible way since we really don't have a whole lot of options in this for making sure that we have the language in place that ultimately protects not only our roads but also our citizens.

Mr. Cooksey said that is there; neither the State nor any other local government entity can be sued about either the return on equity or even the debt portion. In fact there is a portion of the comprehensive agreement that is very explicit that neither the State of North Carolina nor any of its agencies nor any of its political subdivisions nor any of its officers or anyone else associated with the government of the State of North Carolina or any local governments is on the hook for the debt. It is explicitly in there. This is the value of the public/ private partnership in sharing the risks where it best belongs. The private sector is handling the risk because the private sector understands the risks better than we do.

Councilmember Phipps said this proposal is supposed to run 50 years. What happens at the end of 50 years?

Mr. Cooksey said at the end of 50 years the State of North Carolina takes over management of the lanes.

Mr. Phipps said so the State takes it over?

Mr. Cooksey said yes, because remember the State continues to own it throughout this entire 50 year period, ownership of the lanes and the tolling infrastructure, belongs to the State of North
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Carolina. All the developer is getting is the toll revenue for 50 years. After the 50 year period the contract is up and it up to the State of North Carolina to decide what to do with that infrastructure.

Mr. Phipps said it conceivable that this could be a toll lane through perpetuity?

Mr. Cooksey said if the lane continues to serve as a managed lane or an express lane does, which is to help provide reliable travel time, and if there continues to be a demand for that, then certainly, but that is a decision to be made 50 years from now; or 54 years from now, because it starts when the lanes open up. Again I want to stress back to the beginning that the value of these lanes is reliable travel time and that is provided by the tolling mechanism. If people continue to fine a value in that there is a reason to continue to operate them that way.

Mr. Driggs said so what happens in 50 years is the State starts getting the revenue from the tolls?

Mr. Cooksey said conceivably yes.

Mr. Driggs said if it remains a toll lane.

Mr. Cooksey said I'm not going to be around for that.

Mr. Driggs said is there any provision to pay for the costs of State troopers and State provided services like that?

Mr. Cooksey said there are provisions in the comprehensive agreement about law enforcement and the like and another aspect of it that isn't unfortunately directly related to your question, but gets a sense of how this project was done, is that the developer will also have a separate contract with NCDOT for maintenance of the general purpose lanes so that we have only one entity worried about maintenance from fence to fence in the right-of-way. Right now NCDOT is paying a private contractor to maintain I-77, with the exception of snow and ice removal, and that exception will remain, but those kinds of things are in the comprehensive agreement about law enforcement; you can speed in the express lanes either. If there is a posted speed limit, you've got to abide by the posted speed limit. Those provisions are in the agreement.

Mr. Smith said regarding the \$88 million of public funds, if this doesn't work as expected or if they run into issues where it doesn't serve as the managed lanes anticipated, or some sort of unforeseen calamity happens, does the State have recourse on the \$88 million that they have put into the project?

Mr. Cooksey said not necessarily, but the way I would suggest thinking about that is that remember, neither the asphalt nor the tolling infrastructure is going anywhere. The State of North Carolina and the drivers in Iredell and Mecklenburg Counties are getting a 26 mile widening project for \$88 million of public funds. You can't buy that much asphalt for that much money. So, if worst case scenario happens, the absolute worst case scenario, everything falls to pieces, we don't like talking about that, but I want to serious in addressing your question; the State of North Carolina has a 26 mile improvement on I-77, two lanes, Uptown to Cornelius, one lane, Cornelius to Mooresville, for a grand total of \$163 million. The \$88 million you see here and the \$75 million in-kind, debt reserve, make up mechanism. We could not build this infrastructure for \$163 million. That is the bottom line of it; we couldn't do it, it is a \$655 million project. I hope that answers your question.

Mr. Driggs said yes, thank you.

Mr. Cooksey said here are some significant events, past and present; in particular, highlighting May 22, 2013 was when the then Mecklenburg/ Union MPO formerly adopted the P3 mechanism for this project into, I guess that was the LRPT at that point, now it is the MTP, you see the others. I want to highlight again June 26th was the commercial close, that is when the deal was done as far as the State is concerned. NCDOT's responsibility from that point forward was to make sure the private developer performs according to the contract. Their first major milestone should happen in the fourth quarter of this year, financial close, that is when they get
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all their debt lined up, the \$180 million in private activity bonds I mentioned, the \$215 million or so in TIFIA loans, they are working on that as we speak continually, looking perhaps in November, but definitely by the end of the year, is when that is estimated. The contract requires it to be done by mid-January so that gives you a sense of the timing involved. Construction schedule to begin in the summer of 2015 if they get their financing lined up and 2019 would be the first full year the express lanes would be open for business. The goal is to have them done by 2018; I gave a little cushion there just in case, but by 2019 they are definitely up and running for business, but the goal being 2018 for them to be there. Again 26 miles of improvements for \$88 million in State money up front, ready in four years. We are shifting from managed lanes to express lanes so I gave both links; my contact information, my division engineers contact information; any other questions?

Mayor Pro Tem Barnes said I have followed to some degree some of the controversy about this project and this is the first time that the full Council and the Mayor have had an opportunity to develop a deeper understanding of the project. The Mayor talked about people going in and out of that half mile gap to use it as a passing lane. Do you suppose that the reason the TEXpress project is grade separated is to avoid that type of activity; one perhaps, and two, this is \$655 million, do we know what the cost would have been if you had grade separated it or created some grade of separation between the lanes?

Mr. Cooksey said I candidly don't know the answer to the first question why the Texas lanes would; it could have been for that, it could have been a matter of topology. I would have to look into that. Secondly, my suspicion is, based on things I picked up from watching a variety of construction projects, is to try to make them grade separated would add costs.

Mayor Pro Tem Barnes said it kind of gets to the point Mr. Driggs was making, the \$655 million, is \$200 million of that profit? I don't know what the profit looks like that is built into that. I've heard a lot of concerns expressed by people in the Lake Norman area about this project. Have you all made any adjustments to it in light of the concerns expressed by people from that part of the county? There were concerns about transparency, interchanges being built to benefit certain land owners and those types of things.

Mr. Cooksey said the vast majority of these details were worked out before I came on board so I wasn't a part of those. I do know that prior to commercial close there had been at least 12 public workshops, hearings, meetings and the like over the past four years or so, about 40 meetings with local governments, chambers, other public groups including neighborhoods along the way; so there had been a lot of conversation before then. Part of the challenge that existed, particularly earlier this year, that has kind of roiled things, is that once everything was lined up for the Department to get to commercial close, negotiate the final details of this contract, the details of the contract and getting to commercial close, candidly, trumped public communication. There was this period where there was just kind of nothing while the contract was being finalized and we are still dealing with the consequences of that unfortunately. Prior to that documents have been put online going back to 2012, you had public meetings all over the place, it is just in those last moments some questions started rising and people were working on the contract to deal with it. That was part of it. In terms of addressing some other issues that have come up, as I mentioned, there is some interest by the Boards of Davidson and Cornelius and the Lake Norman Transportation Commission, in particular, to add an entry/ exit point closer to exits 30 and 28, closer to Davidson and Cornelius. That hasn't been finalized but those conversations are underway and I think that would be a significant change from the proposal that would address their concerns if it can be engineered properly.

Mr. Curran said it is intellectual property when you talk about private partnership submitting their proposals, so we are not able to disclose those. Once we enter a certain period, about the time Mr. Cooksey joined us at NCDOT, at that point we were able to disclose. Since that time we have taken the information we've gathered in public dialogue and are working with Cintra as we speak, trying to incorporate some of the things that we've heard.

Mayor Pro-Tem Barnes said that is helpful.

Ms. Lyles said I also want to follow up, the next part of our presentation is on the bonus allocation that comes with the toll road and so in some regards when you talk about what is the impact in addressing some of these issues, a lot of that, I think, is a part of the State to come back with this program as well; if we can go through that at some point tonight.

Mr. Cooksey said I think that is next, but in closing, thank you for the opportunity; any other questions?

Mr. Howard said Mayor Pro Tem, your question about the divider, this started back in 2009 and there were a lot of questions about the candle sticks, for instance, because they can become really unattractive after being hit and being black and a bunch of other things. What I was told was that four feet, the more asphalt and right-of-way you have to add, the most costly it gets. In order to do a barrier, for instance, down the middle, now you are not talking about four feet you are talking about enough to put the barrier and space on either side; it made the project costs grow when you start trying to put some type of permanent divider because you don't have to go sub-grade; you can just put a divider and do what they are going to do on Independence Boulevard, but it is the cost of it and that much right-of-way all the way up every time you add a square foot to it. I think they found out in other places like Atlanta where they didn't put a divider; they are not losing of revenue because of not having to put a divider. The science has gotten better on it, but that is what I heard originally.

Mr. Driggs said the TIFIA debt that is subject to application approval, is that right?

Mr. Cooksey said correct.

Mr. Driggs said what happens if we don't get that?

Mr. Cooksey said then we are back to the drawing board on how this project goes forward.

Mr. Driggs said we will find that out in time not to already be down the road on this?

Mr. Cooksey said let me conclude by noting that I-77 Mobility Partners is ramping up; again their number one goal is getting the financial closing, getting all of the debt money available and lined up so they can actually build it. They have hired a community affairs person; a name may be familiar to some in the room; Jean Lear is with us and you will be seeing her a lot more. Once all the financing is lined up and I-77 Mobility Partners gets the notice to proceed from NCDOT you will be seeing Jean a lot of community affairs issues around this. Councilmember Austin will probably be working as a tag team in your neck of the woods further on down the road, but that is the gist of it. If they don't get the financing; the deal that they have, that is their first major performance requirement under the contract, get the financing.

Bonus Allocations

Mr. Steinman said I'm going to talk about bonus allocations for toll projects. What is bonus allocation? As part of the strategic transportation investments it is a special incentive to have tolls be applied, not just for a financing purpose, which is what you've been talking about mostly, but also as a long-term management strategy. You will remember what Mr. Cooksey told you, just by adding general purpose lanes doesn't mean that is how we reduce congestion. It usually just means that we are adding more cement. This is an incentive to apply tolls as one of the tools in our long-range planning for the future of the region. The bonus allocation funds are made available in addition to the Strategic Transportation Investment funds that I described earlier for statewide, regional, or division projects. These are special funds; they must be spent in the counties where the toll lanes or toll road project is built. The funds will come to the Metropolitan Planning Organization, in this case, the CRTPO, and it will be up to the CRTPO to allocate the funds to projects that are deemed eligible for these funds. The law also defines the timing; the funds must be spent within five years of the time that the announcement is made that these funds are being made available for the CRTPO to allocate.

What are the modes that are eligible for these kinds of funds; in one word, roadways. The roadways can be of the statewide category, they can be of the regional category or the division
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category, but that is the mode that is specified by the law. The amount that we know at this time is available for the bonus allocation, based on the I-77 toll lanes project, is \$158 million approximately. Of that amount, a maximum of \$22 million could be spent on division type projects that are identified in the laws to the kind of cap or constraint that there is on division funds. A maximum of \$48 million for regional type projects and at least \$88 million for statewide type projects, because more than this could be spent on statewide projects if the CRTPO decides to do that.

Now, staff from Charlotte, and other local governments that are members of the CRTPO, have been meeting for at least the last three months trying to develop rules or criteria or definitions of priority for the purpose of giving recommendations to the CRTPO Board as to how to allocate the bonus allocations. First I want to bring your attention to the fact that I said plural, bonus allocations. These will apply, not to just I-77 but also to US-74, to I-485 South and subsequently to I-77 South, so based on the STI law, these would be expected to apply to all toll corridors that will exist in Mecklenburg and Iredell Counties. Union County is excluded from this because the Monroe toll road or the Monroe Parkway project, which has had several names, was actually programmed before the new strategic investments law; so this money will not be available in Union County. Our principles are relatively straight forward, one and six are very similar to each other, six is a little bit redundant, but the ones I want to draw your attention to are that at this time we are thinking of giving priority consideration to projects that are eligible within the toll corridor and then to other projects that are eligible outside the toll corridor. Also important is that we want to allocated the funds, make sure that we spend funds as much as we can on division and regional type projects.

You may not be able to see this from the map clearly, but what we are trying to show here is that there are two areas of priority that would apply to I-77, subsequently they would apply to US-74, I-485 in the south Charlotte area and to I-77, and those are one mile away from the toll project or five miles away from the toll project. Some of you have discussed some of the concerns that you have about access in and out of the managed lanes. The types of projects that we are considering as priorities, based on the discussions that staff have had to date on the use of the bonus allocations, would result in the construction of direct connecting ramps to and from the managed lanes and bridges or direct connections between Park and Ride lots and the managed lanes or possibly direct connection between I-85 and the I-77 managed lanes. As one of those, Mr. Cooksey was indicating different ways of connecting to and from the Brookshire Freeway in the southern end of the project. One other type of project that we are very interested in is making sure that the design of the I-77 lanes accommodates future greenway extensions so that is not precluded later.

There is a lot that is going on right now that will be going on through December and that is because NCDOT staff in Raleigh are taking all the information that I referred earlier to you about the scores for the statewide, the regional and the division projects. But the key thing is that by December they will release what is called the State Transportation Improvement Program, the proposed program of projects to be accomplished over the next seven years. That will be released for public review in December. As a result of having that information then staff can take that into account in developing recommendations for the CRTPO to adopt their definition of projects to be accomplished over the next seven years which is called the Metropolitan Transportation Improvement Program or MTIP sometime in the spring of next year. I'm not going to read every single line here, but the point is that after December we can confirm the funding and the programming for statewide, regional and division projects. We can confirm that Cintra, the I-77 Mobility Partners, will agree to make certain types of changes or not, to design elements of the I-77 managed lanes; therefore, we will know by January as to what the options are for the allocations of these bonus funds and to how to select the potential projects eligible for bonus allocations. Also, as part of that, to make the recommendations to the CRTPO Board for all of the types of projects that would be part of the next Metropolitan Transportation Improvement Program.

Ms. Lyles said the reason that we spent so much time on this today is to really get down to the \$158 million question and the opportunity for a toll road has generated an opportunity for the State to say here is something that will connect to this project that gives the two counties, Mecklenburg and Iredell, the opportunity to have some discretionary funds. That vote on how to

use the money is going to be made by CRTPO. One of the things we wanted to do tonight, or especially I wanted to do, is, as you can imagine \$158 million unallocated for road projects, is a very valuable asset and how we make that determination of using that asset, with the guidelines presented by the State legislation and by NCDOT, it is going to be a very important decision for us. I think what in this conclusion is, what we are asking is, we wait to find out what the State projects are going to be in the STI and then have the opportunity to say what is next and what is most important. You saw the draft policies and principles that people might use to make that decision, well, it is a decision that CRTPO will make and I think it is very important for us to begin to think about what do we want to see happen with the use of that money. It is Mecklenburg and Iredell. The first MPO meeting that I went to there were probably 60 people in the room; there were not enough chairs around the table, but as you know Charlotte has not a majority of votes, it takes our votes plus four to make this decision, so it is basically a decision driven by Charlotte along with two other municipalities, towns, board members that have the vote to make this decision, so it is an important one for us. We wanted to brief you on it and make sure that you saw the ramifications of what this decision will be that we will be making sometime in January.

Mr. Barnes said in light of time, I don't want to ask you to answer this question, but I want to put the question out there and we can talk about it. Why would we not take what we use to call the Long Range Transportation Plan and just pick off the high priority projects and get them done?

Ms. Lyles said there is some thinking around that; Norm do you want to answer that?

Mr. Steinman said part of that is because we believe that some additions, enhancements or modifications to the I-77 project itself need to be done in conjunction with the construction that will take place on the I-77 managed lanes project.

Ms. Lyles said I think the design of the toll road was done before a lot of the things that we are dealing with, as a municipality, as a city, the things, that we care about. I'm going to use the noise walls as an example; we knew that we were going to have to do something on noise walls, it was a decision that we had to make and now we are going to be looking at a design and we are going to be working with the State, well, we are not going to be; the State is going to be working with the contractor to say what is the very best design. We care about what happens on College, Church, and that interchange where it comes by; if we have to spend some money to make it better, should we? That is the kind of question you have; it is unallocated or cobbled together money, that we are being presented with and how do we really want to spend it. What I'm saying here is we have this unallocated money, should the project be right? Or do we use it on the next; that is another option; how do we use it?

Mr. Phipps said I just want to be clear; we use terms like toll corridors; is it safe to say then with this I-77 project, these managed lanes, that we are moving towards, for lack of a better word, "tollifying" all the major roadways in Mecklenburg and Iredell County?

Mr. Steinman said as a friendly substitute, would you accept the word network of tolled lanes?

Ms. Lyles said congestion-managing roadways in Mecklenburg County. I always look at our transportation as a fully loaded system; so you are going to have different types of roads, you are going to have different ways to travel, you are going to have modes that are going to be all the way from our transit system to our road network, hopefully at some point we will actually do something that connects our bikeways. If we are going to be a fully built out community in the next 10 to 20 years we can't just continue doing what we've got to do. So yes, I think we are looking at different modes, different methods and trying to manage it so that it works together.

Mr. Barnes said there was a final question about whether the Council will direct your vote at CRTPO on this. Would that be happening?

Ms. Lyles said if I can take a point of privilege here, this is likely going to be a negotiation and it is going to be at a meeting where we are going to be voting. I think of course I want to reflect the values that this Council has around the allocation of money so that is going to be very important after we get this information, but a directed vote could leave me out in the cold if the

vote doesn't pass or doesn't go well so I would like to not have a directed vote as much as I'd like to have a clear understanding of the intent that you have for the use of the money.

Mr. Smith said will we have an opportunity at a future Dinner Briefing where we can add our input?

Ms. Lyles said that would be likely in December.

Mr. Barnes said I think there might be some desire to have your vote as fully informed as possible based upon the interest of the full Council.

Ms. Lyles said I would agree with that.

Mr. Austin said that doesn't happen until January?

Ms. Lyles said December more than likely.

Mr. Steinman said January would probably be better. In December there would be a lot of information available from the NCDOT and the discussions with the concessionaire.

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CITIZENS FORUM

Sewage Sludge

Dr. Lance Riley, 6508 Reafield Drive, Apt. 4 said the transportation logistics I'm here to speak about are the logistics of sewage sludge and bringing this sewage sludge to neighboring communities and neighboring counties outside of Charlotte-Mecklenburg Utilities District. Currently Charlotte-Mecklenburg is treating their sewage sludge to Class B and land applying in counties within Mecklenburg County as well as surrounding counties on farm land, pasture land and things like that; so, general agricultural and kind of doing this as an agricultural soil amendment. I'm just a country boy from Cabarrus County. I got my PhD from the University of Florida in Aquatic Sciences and I've got a Master's Degree in Environmental Engineering. I've worked with wastewater, I worked hands on with wastewater and I know it is dangerous and I know the things that can happen. Charlotte-Mecklenburg is looking to expand their permit into Cabarrus, Rowan, Iredell and Stanley Counties. I'm here to represent specifically Cabarrus County, it is where I'm from; it is where my family lives. My mother and father retired there. My mother grew up there. My father was a submarine captain for the Navy during the Cold War. One of the proposed sites is directly adjacent to their property and I just don't see how Charlotte-Mecklenburg can treat their veterans of North Carolina, distinguished veterans, elderly, church-going people, taxpayers, citizens, farmers, all together community contributors, all in a different county, I just don't understand it. As everyone knows Charlotte-Mecklenburg has a wastewater treatment plant problem. You've had PCB spills, had trichlorobenzene, all these dangerous chemicals. Just to note that PCB's are highly toxic, one of the top ten most toxic chemicals known to man and in 2014, Barry Gullet, the Director of CMUD admitted to not my knowledge if PCB's were being spread on farm fields in communities in North and South Carolina. That is not an acceptable answer. These farms are where much of the City of Charlotte gets their food; so I don't understand why you want to go spread this stuff all around so we can eat it. This is pretty unfounded since in October 2013 Charlotte-Mecklenburg Utilities had a meeting where one of the scientist said historically PCB concentrations in the sludge averaged around three parts per million.

Mayor Pro Tem Barnes said that is your time. We appreciate it. We have heard from Mr. Gullet in the past on this issue and we would be happy to get a further update from Mr. Gullet and the City Manager and provide you with that information, as well as providing it to the Mayor and Council. We appreciate you coming.

Mr. Riley said thank you and please do the right thing; turn it into Class A and keep it in your county. We don't want it in our community.

City Trash Pick-Up

Cynthia Smith, 1726 Glenlea Vista Court said tonight I'm addressing a homeowners association issue regarding solid waste pickup. By a show of hands, how many of you Councilmembers are in an association or have ever been in one, or served on a board or currently serving? My research shows that some of you are already currently serving as a Board President. I am the current President of my HOA, Glenlea Park and I come before you tonight because we are being, as a community, abused; we are being treated unequally, we are being misused, you are taking our tax dollars and you are not giving us anything for it. We are being assaulted because you are slapping me in the face every day, every week when I see a City trash company come to the community right beside me and pick up their trash and not ours. We are being fined, and I hate to say that word fined, but you can say we are being billed, we are being taxed or whatever by the City of Charlotte.

I'll give you five or six facts here; it says based on my research and information from the City personnel approximately 6,000 or 7,000 homeowners that live in HOA's are being taxed and they aren't receiving anything for their money with rollout trash service. You all make us employ a private vendor to come and pick up our trash and right now we are spending over \$32,000 a year to have our trash picked up. Our roads are wide enough for the garbage trucks to come in and pick up our trash, we are using a private vendor now to pick up our trash and they are using rollout containers. We understand that the City waste costs a tax, or whatever you guys want to call it, charge us \$39 per month to pick up trash for other individuals. If you multiply that \$39 times 12 months, it comes out to \$468. Of that \$468 times our 200 units, you are taxing us \$93,600 per year in our community. For the ten years that we've been there, we've been taxed \$936,000 for all the people that live in my community, but no rollout trash. Your solution is to give us dumpsters, well we don't want dumpsters. Dumpsters don't add any type of property value to our community so we don't want that and if you gave it us we would have to have two. In my community we will have to have ten; that means a rollout and one for recyclables. It won't work in our community. Yours, ours and my fiduciary responsibility is to enhance our property values and that is not happening at Glenlea. What we ask is that you all revisit your resolution.

Mayor Pro Tem Barnes said we've heard this before but I want to make sure that the Manager's office will give you a response. There are some issues that we've heard before about why we can or cannot provide that service and I'm going to ask Manager Carlee to make sure you get that information and your community and see if there are some solutions that we can work on beyond what you have heard about so far.

Ms. Smith said when will that be?

Councilmember Austin said Cynthia you know I'm coming out on the 29th so part of what we are going to do is I'm getting with the City Manager to bring City staff out and we are going to talk to the community collectively about the issues that you brought up as well as the rock quarry.

Congestion on Roadways

Lynn Marie Easton, 10521 Starwood Avenue said I would like to thank the City Council for allowing me to speak tonight. I've heard what all these gentlemen have said about all the funding that is going to be coming to our area, what is going to be done on I-77, and I'm just one person trying to get to work in the morning. I live in the University area and it is basically impossible to get to work. I start my job at 8:00 a.m. on the other side of South Boulevard and I've tried many different ways to get to work. I was leaving my house about 6:30 a.m. and it was impossible for me to get there by 8:00 a.m. I was coming from I-485 and I-485 is backed up from 29, with all the university students, in fact they have made their own lane on the side road. There is no lane for them to get off on the ramp so that is backed up. It takes me 20 minutes to get from Rocky River Road to I-85 and then from I-85 to I-77, it's a parking lot and then Billy Graham is the same way. I decided I was going to cut through town and that worked for a little bit, so I'm taking Plaza Road to Parkwood and coming around that way. That was working okay except when there is traffic at the Eastway bridge, that construction has been ongoing for years

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and I don't know if it has stopped, still ongoing or what. Then what runs parallel to that is Central Avenue; well they've got one lane shut down on each side for paving at a certain point. I'm kind of running out of options and then when I got to Uptown, they've closed off part of Brevard. I'll use all kinds of social media ways and I've been on the Facebook page for the City of Charlotte, which they don't respond to their Facebook messages; but anyway, I tried all kinds of social media to get this information before I leave the house to no avail. I can't be late for work. There are 10 blocks now in Uptown that are closed. I really don't have time to be here as well as the co-workers I've spoken to and some of the other ladies in my yoga class. We don't have come time to come and talk to you all, but I really felt like it was my civic duty to come down here and say something because when I got to the point where Davidson and Trade Street, the cross streets now are not functioning but you are going down Davidson and the traffic lights are still functioning. That is the point it made no sense to me. Why are we are stopping at a red light and tying up traffic when the streets are closed?

Mayor Pro Tem Barnes said you are raising an issue that we have become increasingly sensitive to. There is construction taking place all over the City right now and it is actually going to get worse because there are some bond packages that will be coming out in the coming years, in fact in another month or so, one of them, and another in the future that will create even more construction. It is obviously our effort to try to create a livable city and create infrastructure in Charlotte. The problem is that it has the effect of making people late to work.

Ms. Easton said my solution is I'm leaving my house at 5:30 a.m. now.

Mayor Pro Tem Barnes said can I ask you a question; do you live off of Rocky River?

Ms. Easton said yes.

Mayor Pro Tem Barnes said you never thought about taking Tryon?

Ms. Easton said yes, that is backed up too, by the University?

Mayor Pro Tem Barnes said if you are leaving at 6:30 a.m. you should be at South Boulevard by 7:10 a.m. We actually have talked; Ms. Jennings and I have talked about providing some communications to the City about the projects that are going on and options that people will have to avoid some of the congestion. It is going to be difficult and we are not going to pretend like it won't be. That Eastway bridge is gone because we are building the Blue Line and there is going to be a new bridge built over Eastway at that rail crossing; so it is going to be a bit challenging. We feel your pain and we are trying to figure out how to get people ready for it because it is tough. We know it.

Councilmember Smith said I've had constituent complaints about the stop lights functioning where essentially the roads are blocked off and I've been told staff is going to look into that to see what we can do. Apparently the backups there, at that particular choke point, have been pretty bad and to the citizen's point the roads are blocked off. Doreen Szymanski is looking into that. Hopefully you will see some alleviation at least at that point.

Councilmember Phipps said all of us received an email that was forwarded by Ms. Easton or a phone that was forwarded by Ms. Easton and I guess Ms. Jennings is working on it; so we have a process that we are looking at and hopefully we will get some report on what is going to be done in terms of the overall process, but I invited Ms. Easton to come and speak before us inasmuch as she has brought this to our attention so I'm glad she was able to come down.

Mayor Pro Tem Barnes said Mr. Manager would you at least have someone connect with her on potential options?

City Manager Ron Carlee said absolutely.

Councilmember Howard said we are all trying to figure out another way for you to get there now. We are wondering if you went Wendover Road.

Councilmember Kinsey said I just wanted Ms. Easton to know that we did all get your message but what we try to do now is we know there is one person in charge so you may not hear back from all of us, but you will hear from someone.

Ms. Easton said thank you I appreciate that.

Mayor Pro Tem Barnes said thank you and you should be able to get home in about 15 minutes; I go that way too.

Councilmember Driggs said I just quickly wanted to say Ms. Easton thank you very much for coming, we appreciate your engagement. It is actually to me very helpful to get those kinds of perspective from out there in the community. I don't have anything else for you; we are working on it, but I think it just helps us to get away from the conceptual and down to the specific when someone like this come in so I appreciate it.

Mr. Carlee said staff also tells me that we are also making progress on developing some interactive maps so people can know what is going on. Hopefully they will be available around the beginning of the year so it is something that we are paying a lot of attention to because there is a lot of delay and congestion right now.

Housing Conditions

Debra Morey, 714 Woodlawn Lane said I've lived in Charlotte for about 30 years now and raised most of my family; I have seven children. The hardest thing in Charlotte is to obtain affordable housing. I am on a limited income, single parent raising five children and keeping a decent roof over their head was quite difficult. I moved back to Charlotte again about a year ago from Connecticut, well actually about eight months, and I moved into a house on the west side of Charlotte. This house does not meet minimum standards; I tried to get the landlord to fix it for about three months and then I applied to Code Enforcement and made some complaints about trash, living conditions, water bills running \$480 a month. The landlord kept saying they were coming to repair, coming to repair.

Well I ended up in court being evicted by the landlord because I called Code Enforcement. But, funny, Code Enforcement showed up in the afternoon after I went to court and was evicted. The judge asked me to find out why they hadn't showed up; I made my initial complaint July 2nd. I was evicted the 28th I believe, and they said there was already code violations on this address. There was already an open case. Then I went down there after court and that is when Code Enforcement came out. I guess they were at my house while I was over there at their office. The housing conditions have worsened so they closed one case and reopened another. Just to give you an example, running water in the bathroom and in the kitchen sink, running the water bill up \$400 and some per month. There has been a violation for a year on this house. I didn't know what to do and the judge evicted us because we withheld rent because we couldn't get the landlord to fix anything. Couldn't get Code Enforcement to come down and see the house.

It continues and it will keep continuing; I pay my rent to the court now. I appealed my eviction. Code Enforcement has been all over my house. I've worked with, all the way up to the top from the initial inspector. The landlord more or less ignored out complaints, finally replaced a washer to stop some running water. I'm not trying to say that Code Enforcement is not doing their job because they are; they are good people, they tried to help me once they came out to my house. I don't understand how these homes are bought up by people for \$11,000 and rented out for \$750 per month in such conditions. I'm learning and have been reading for the last three months, there are so many questions and so many other things that I can address, but I don't understand how they slip through the hoops and they are given 30 days to fix the house, but it takes months and months and months to get anything done.

Mayor Pro Tem Barnes said here is what I want to ask the City Manager to do and that is to connect the appropriate people with you to see what we can do to help you. You are right, we do have some good people in Code Enforcement; there may be some other issues at play that we don't know about, but I want to have, and I think the Manager will do it, connect people with

you who can try to figure out how to help you. Ms. Jennings is going to talk to you now so you go over to her and she will talk to you.

Motion was made by Councilmember Kinsey, seconded by Councilmember Howard, and carried unanimously to adjourn the meeting.

The meeting was adjourned at 7:55 p.m.



Emily Kunze, Deputy City Clerk

Length of Meeting: 2 Hours, 46 Minutes
Minutes Completed: October 13, 2014