

I-77 express lanes funding approved: Project will improve 26 miles of interstate

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Rudy Wright
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HICKORY – Orange barrels are set to make an appearance on Interstate 77 in the coming months. But the ubiquitous sign of construction will eventually lead to faster, more predictable travel times for drivers on I-77 between exit 11 in Mecklenburg County to N.C. 150 (Exit 36) in Iredell County.

Hickory Mayor Rudy Wright, a member of the N.C. Local Government Commission, said the NCLGC signed off on \$100 million in private activity bonds for the I-77 Express Lanes project on April 28. The project's main goal is to convert the high-occupancy vehicle (HOV) lane to an express lane and construct an additional express lane next to the existing lane.

A private activity bond is one issued by a local or state government to a private entity. The \$100 million in private activity bonds will be marketed to the I-77 Mobility Partners and the private entities making up those partners must pay them back. The original plan called for \$170 in North Carolina Department of Transportation funds. However, NCDOT now estimates a total state contribution of \$90 million.

Limiting the state's liability was one of many checks Wright said that the commission confirmed to make sure taxpayers had the lowest possible risk of having to pay for the \$655 million project.

Wright also said despite the lanes' presence outside the area, Catawba County residents should see significant benefits from the project.

"I think that anything we can do that will speed travel from Hickory to nearby locations will help our quality of life," he said.

The \$100 million in private activity bonds comes shortly after the April 17 authorization for the project to receive \$189 million in Transportation Infrastructure Finance and Innovation Act loans.

"The next step is to continue to work toward financial close," NCDOT Spokeswoman Jordan Ashley Baker said. "The financial close deadline is now set at May 27."

The majority of the funding for the project will come in the form of \$250 million from I-77 Mobility Partners' private equity.

The bonds are primarily backed by the expected revenue from the toll roads over the next 50 years.

"The private partner will be responsible for managing the design, construction, finance and operation of the project, as well as the maintenance of the express lanes and the existing general purpose lanes," an NCDOT fact sheet said. "According to the contract, the private partner is required to hand the roadway back to us in good condition at the end of the term."

To use the toll lanes, drivers will need to acquire a transponder – also known as QuickPass – which will automatically calculate the use of the express lanes and create an electronic account for drivers.

Free-riding on the toll lanes will be controlled by the use of cameras that read vehicles' license plates and send bills to that person's address. Failure to pay the bill places a hold on the person's vehicle registration.

Construction on the lanes is expected to begin this summer with a target completion date in 2018. According to the NCDOT, using the toll road method will shorten the project time by almost 20 years.

"The hope is that some people will use the toll lanes but that that will speed things along even for other people," Wright said.