

Tollbooths for I-77?

Road widening, highway funding subject of Raleigh panels

BY FRED TANNENBAUM

RALEIGH — Making Interstate 77 a toll road between Statesville and the South Carolina border is one idea a state committee has come up with to raise tens of millions of dollars for a badly-needed road widening.

Whether toll booths ever sprout along the highway — as recommended by the 21st Century Study Committee — remains to be seen. But they're already getting heat.

A pressing need to upgrade the state's web of highways and options for paying for it were discussed at two panels titled "Transforming Transportation for the Future" on Monday. They were a prelude to the 7th Annual Economic Forecast Forum sponsored by the North Carolina Chamber and the North Carolina Bankers Association.

One panelist, Steve Palmer, Lowe's Cos. vice president of transportation, said he would like to see the highway expanded but funded another way. Lowe's, headquartered in Iredell County along I-77, also has a regional distribution center in Statesville in addition to dozens of Charlotte-area stores.

"We need to do it," Palmer said of expanding I-77. "It's almost too late now. Frankly, I would like to see us consider other options to the tolls that could give us the revenue we needed and keep the flow of traffic."

In addition to slowing down traffic, Palmer argued that toll booths would increase air pollution and fuel consumption by requiring drivers to idle while paying.

Widening I-77 is just one of several important Charlotte-area transportation projects. There's finishing the last 6-mile stretch of Interstate 485 and enlarging portions already built; toll roads to relieve congestion through Gaston County and around Monroe; expanding Charlotte's public transit; and a much-needed replacement for the Interstate 85 bridge over the Yadkin River.

There's a bright side to the committee's work — it recognizes that finishing I-485 and widening I-77 are issues of importance statewide, not just to Charlotte. Finally, some good news for the Queen City.

Patrick Mumford, head of environmental affairs for Wachovia Corp. and a panel member, said it's a nod that North Carolina's economic character is shifting to urban from rural, where cities are its economic engines.

The problem of trucks mixing it up with commuters on local highways has been aggravated by Charlotte's rapid growth but otherwise is no different than any other urban center, he said.

"It feels good that we see in the General Assembly the acknowledgement of that change from a rural state to an urban state," Mumford said.

Business impact

The North Carolina road system — including projects of great importance to metro Charlotte — is in a seemingly endless traffic jam of its own. The state accepts there are major projects that must be completed, including finishing and widening I-485, widening I-77 and replacing the decrepit I-85 bridge over the Yadkin River, some 50 miles northeast of Charlotte.

For example, if that bridge suffers a catastrophic collapse similar to that in Minneapolis in 2007, "you have no idea what you're going to be in," said David Hauser, director of logistics and distribution for the Greensboro-based Piedmont Triad Partnership.

But no one has figured out a popular way to pay for these improvements. Regardless of the need, North Carolina voters and lawmakers remain tight-fisted.

Palmer wasn't the only executive from a major North Carolina company calling for something to get done and fast. Jerry Cook, a vice president of government and trade relations from Winston-Salem apparel-manufacturer Hanesbrands Inc., said, "We hold our broadband infrastructure to a higher standard than our roads."

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The consequences would be disastrous for a community that attracts a major industry but doesn't have the roads to handle the growth, Cook said.

"If your phone doesn't work, you change phone companies," Cook said. "If your interstate doesn't work, you move to where it does."

Mumford, a former Charlotte city council member, said highways are an issue for his bank in getting its 20,000 Charlotte-area employees to its Uptown offices and University-area call center.

New highway trust fund laws needed

The state's highway trust fund, a major source of road money, was established in 1989. One of its goals was funding highway loops around major cities, including Charlotte, Raleigh and Greensboro.

But the fund has been bedeviled by two problems: One is the equity formula distributing an equal amount of money to counties instead of basing it on need.

The trust fund also has been hurt by money transfers from it and the state's Highway Fund into the General Fund. These shifts have included money for the state's highway patrol, driver's education programs and reimbursement of sales tax exemptions.

It's time to restructure the trust fund, according to State Sen. David Hoyle (D-Gaston County), who has co-chaired the Senate Finance Committee and served on the Appropriations/Transportation Committee. Three-quarters of the fund should be distributed according to need, he suggested. The remainder can be shared evenly among regions.

"What we have to do is designate a heavy percentage of any new revenues or redirected revenues to urban congestion," said Hoyle, who served on the second of

Monday's panels. "We're not changing the equity formula; we'll say 75 percent would be spent for (solving) congestion and 25 percent would go into the pot for the equity formula. It gives us a chance to address more concerns of more people."

Hoyle, anticipating these and other decisions in the 2009-10 legislative session, said he doesn't know how many proposals will become reality. He said he believes that a Vehicle Miles Tax, which would base fees on drivers' actual mileage, will be dead on arrival. Between where these bills start and where these bills finish, "you probably won't recognize

it," he said.

North Carolina has done a superb job of funding its colleges and universities, Hoyle said, molding them into some of the best in the nation. But the state has done so at the expense of funding highways, he said.

"We've let transportation go. We've just pushed it aside."

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21st Century Transportation Committee

The mission of the committee, comprised of lawmakers, local officials and business executives appointed by the General Assembly, was finding new funding for transportation needs. The General Assembly will consider its recommendations during the upcoming legislative session. Recommendations include:

- Installing tollbooths along I-77 and 180 miles of Interstate 95 between the South Carolina and Virginia borders.
- Stopping all remaining fund transfers.
- Increasing the Highway Use Tax, levied on title transfers, to 4% from 3% over two years. Doing so would generate an additional \$200 million a year.
- Creating a "Vehicle Miles Traveled" fee, a tax based on how much we drive, instead of how much fuel we consume.
- Raising vehicle registration fees — currently \$28 — by \$30 over three years. This would produce \$195 million annually in new revenue.
- Charging vehicle registration fees based on weight.
- Holding a bond referendum for roads.
- Seeking special federal funding for the Yadkin River bridge.

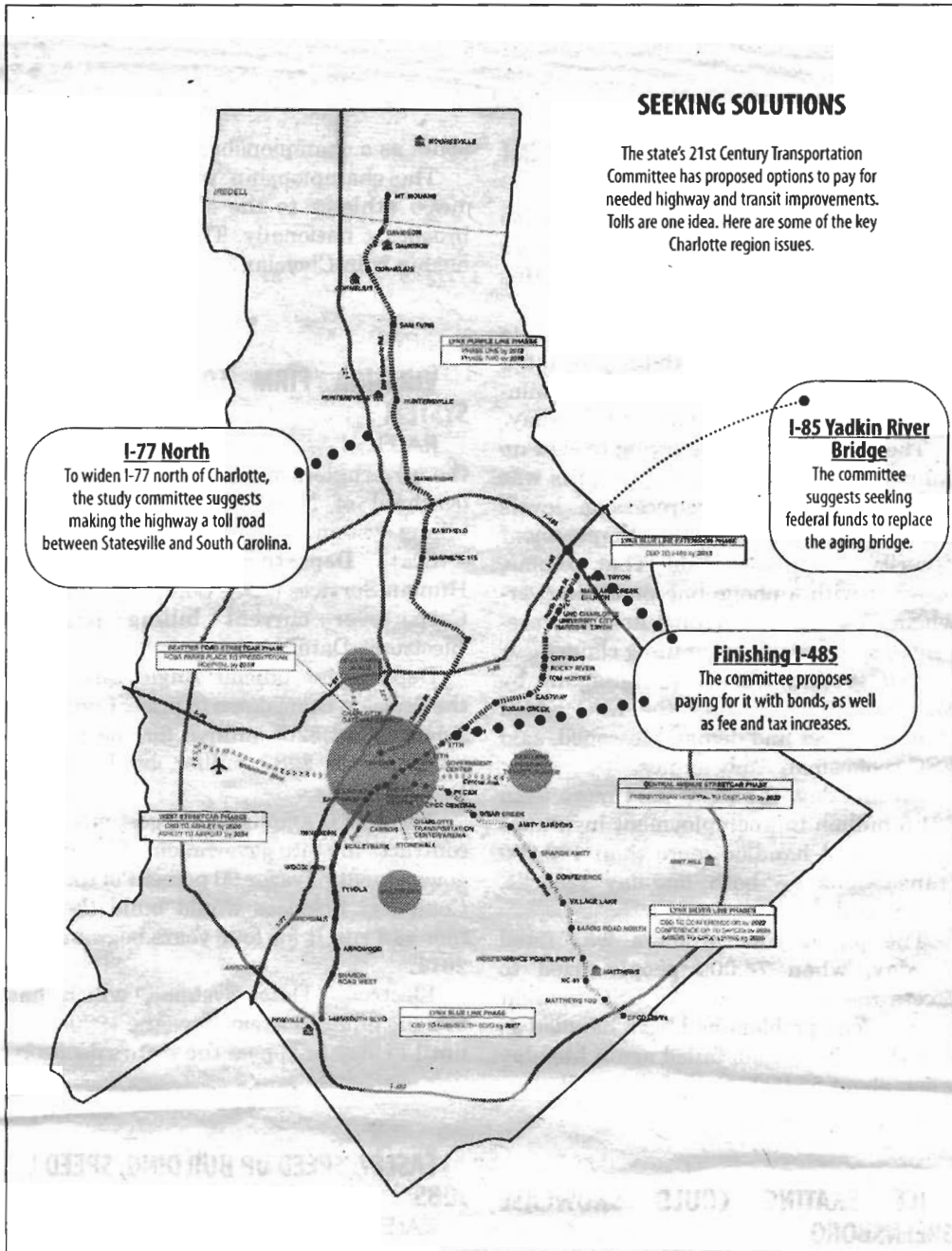
SEEKING SOLUTIONS

The state's 21st Century Transportation Committee has proposed options to pay for needed highway and transit improvements. Tolls are one idea. Here are some of the key Charlotte region issues.

I-77 North
To widen I-77 north of Charlotte, the study committee suggests making the highway a toll road between Statesville and South Carolina.

I-85 Yadkin River Bridge
The committee suggests seeking federal funds to replace the aging bridge.

Finishing I-485
The committee proposes paying for it with bonds, as well as fee and tax increases.



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