

FAQ: I-77 South Express Lanes Project

1. What is the I-77 South Express Lanes project?

It's a plan to add two toll lanes in each direction along about 11 miles of I-77, from Uptown Charlotte to the South Carolina line. The goal is to improve safety, make travel times more predictable, and ease congestion. About 160,000 vehicles use this stretch of highway every day, and it sees five to six crashes daily, nearly three times the statewide average for similar highways. The plan also includes rebuilding interchanges, replacing 17 of the corridor's 22 bridges, adding new on/off ramps, and linking up with the region's other toll lanes. In October 2024, the Charlotte Regional Transportation Planning Organization (CRTPO), the region's transportation planning board, voted to support project funding through a public-private partnership, meaning a private company would help pay for, build, and operate it.

2. What's happened since Council voted to pull support in May?

- **May 11:** City Council voted to withdraw its support for the project.
- **May 18:** The North Carolina Department of Transportation (NCDOT) released design concepts for reconnecting neighborhoods split by the highway.
- **May 20:** CRTPO voted to withdraw support, which paused all work on the project.
- **July 7:** The state passed a new law creating financial penalties for local governments that vote to cancel projects like this one.
- **July 28:** NCDOT's Secretary sent a letter to the community promising up to \$300 million in extra investment in the surrounding area.
- **August 3:** City staff updated a Council committee on the new law and the letter; Council took no action.
- **August through September:** Other cities and towns in the region debated their own positions, and residents kept weighing in.
- **September 4:** NCDOT shared a breakdown of what it's spent on the project since 2018.
- **September 23:** CRTPO is scheduled to vote on whether to restore its support.
- **October 5:** The 90-day window the new law gives cities to change course, without penalty, closes.

3. Why is there a penalty for Charlotte and other municipalities?

A new state law (Session Law 2026-41) was written specifically in response to the I-77 South project being paused. It sets up financial consequences for local governments that remove support for a state highway project after it's already underway.

4. What does the new state law actually do?

The law says that if CRTPO votes to cancel the project, and the state's transportation board agrees to that cancellation, the local governments that voted for it have to pay NCDOT back for money it's already spent on the project. It also lets the state hold back other funding from those cities until they pay. Cities can avoid this entirely by voting to restore their support before October 5.

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5. How much could this cost Charlotte, and when would the bill come due?

NCDOT says it has spent about \$69.6 million on the project since 2018. If the project is permanently cancelled, Charlotte's share of that repayment is estimated between \$59 million and \$69 million, based on how the region's votes are weighted. Until that bill is paid, the state could also withhold two other things from Charlotte: **Powell Bill funds** (state money cities use to maintain local streets) and any **new state-funded transportation projects** in Charlotte, including early planning work on them.

6. Where would the City get the money to pay this?

There's no requirement related to which city funds can be used. However, some road-related state funding Charlotte receives (through the PAVE Act) can only be spent on road construction and maintenance, not on paying a penalty, so it's likely off the table. The most realistic source is a city fund used to pay down long-term debt. As of last year, that fund had about \$173 million in it, but only about \$58.6 million was uncommitted, and even that money is already earmarked for debt payments in future years, so using it isn't cost-free. Pulling a large amount out of this fund could also worry bond rating agencies (who help set the City's borrowing costs) and leave the City with less cushion to respond to a future emergency, similar to how reserve funds helped during COVID.

7. To pay for this, would the City need to raise taxes or cut anything?

Possibly. Covering a payment of \$59 to \$69 million would likely mean some mix of: raising the property tax rate, shifting money away from other City priorities, or reducing how much the City can borrow in future years for things like affordable housing bonds. There's also a wrinkle: once this payment obligation is confirmed, the City may have to formally record it as a debt on its books under standard accounting rules, which could affect the City's finances even before any money actually changes hands.

8. Could Charlotte reduce or avoid this cost?

City staff see two possible arguments, though neither is guaranteed to work: first, that only spending since 2024 (when CRTPO first approved this funding approach) should count, not spending back to 2018; and second, there may be other legal options.

9. Could Charlotte pay another city's share of the penalty instead?

Likely not. State law requires that money a city spends must mainly benefit its own residents, so Charlotte likely couldn't legally offer to cover another city's share of the penalty even if it wanted to.

10. What is CRTPO voting on, and how does that connect to Charlotte's vote?

CRTPO is scheduled to vote September 23 on whether to restore its support for the project. Under the new law, any repayment amount is split based on a weighted vote among the local governments that vote to cancel the project, not a simple headcount. The nine members that voted to pull support in May (Charlotte, Cornelius, Davidson, Huntersville, Matthews, Mecklenburg County, Mint Hill, Monroe, and the Metropolitan Transit Commission) together hold 47 of those weighted votes. Some of them have already signaled they may switch back to supporting the project. Charlotte's Council vote on September 21 will decide how Charlotte's own representative votes at CRTPO two days later.

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11. Were other options besides toll lanes considered?

Yes. NCDOT studied six options, including doing nothing, building transit only, an elevated highway, a tunnel, widening the road at ground level, and a version focused on reconnecting neighborhoods. The "do nothing" and "transit only" options were ruled out for not meeting the project's goals, though the study noted that city buses would be able to ride the toll lanes for free with more reliable travel times, similar to a bus rapid transit line. Most of the remaining options still involved toll lanes, since that's how the project is defined in the state's official transportation plan; the differences between them were mostly about design, not concept.

12. What concerns have been raised by the neighborhoods directly adjacent to the highway about the impacts of additional lanes?

Community concerns have been focused on toll affordability, private toll operations, neighborhood harm, displacement risk, state financial pressure, and a perceived lack of transparent public process.

13. How would this project affect neighborhoods that the highway currently divides?

Beyond the highway lanes themselves, the project could rebuild 17 of the corridor's 22 bridges, many of which sit on streets identified as high-crash locations or priority routes for pedestrians, cyclists, or buses, and add things like better lighting and bike/pedestrian access. On top of that, NCDOT has proposed six additional projects specifically aimed at reconnecting neighborhoods split by the highway: things like small parks built over the highway, walking and biking paths, and landscaped crossings. Proposed locations include Oaklawn Avenue, West Fifth Street, West Trade Street, Revolution Park, and Remount Road, all shaped by earlier community feedback.

14. How much money is on the table for the project and the surrounding community?

NCDOT has proposed up to \$1 billion total, broken into three parts: up to \$600 million in state funding toward the project itself (which is estimated to cost \$3.2 billion overall); up to \$100 million in bonus funding that could go toward other road projects in Mecklenburg County; and up to \$300 million in additional community investment, covering things like housing, economic opportunity, health and green space, and quality of life. No specific projects have been chosen yet for that community investment money; NCDOT says it would work with the community to decide, if the project moves forward.

15. What rules would apply to the toll lanes themselves?

Regional and state officials have agreed on 15 ground rules that would apply if the project moves forward, meant to protect drivers and residents. These include: caps on how high tolls can go; free use of the lanes for buses, emergency vehicles, and carpools of three or more people; discounted or free trips for low-income residents; extra charges for large trucks; public reporting on toll rates and lane performance; suspending tolls during emergencies; real-time traffic and transit updates; and outreach to small businesses.

16. What would happen next if CRTPO votes to move forward with the project?

NCDOT would pick the project back up where it left off. That includes finishing required federal environmental reviews, restarting community engagement (including reopening a community center and holding neighborhood meetings), and continuing a competitive bidding process to select a construction

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team, including more opportunities for public input along the way. NCDOT has committed that promises around toll rules, community investment, and accountability would carry forward into that process.

17. How would the City make sure NCDOT follows through on its promises?

At Council's direction, the City Attorney's Office and city staff drafted a formal agreement with NCDOT, called a Memorandum of Agreement (MOA), to put NCDOT's promises about the I-77 South project into a legally binding document. Rather than relying on informal assurances, the goal is to give the city, and the public, a written, enforceable record of exactly what NCDOT has committed to if the project moves forward.