February 7, 2025

MEMO TO: TCC/TAC Members

FROM: Phil Conrad, MPO Director

SUBJECT: DRAFT STIP Programming Adjustments and 2055 MTP Financial Plan

The purpose of this memo is to provide additional information on the recent STIP Programming and its impact on project schedules and financial forecasts for the 2055 MTP Update and Projects List. Due to the lagging impact of COVID-19 and ongoing reduced gas tax revenue to the state, NCDOT continues to struggle with project schedules. In addition, the NCDOT released the 10 year estimates for each of the tiers which is broken out by Division and Region. The Cabarrus-Rowan MPO is included in Divisions 9 and 10 and Regions D and E. According to these estimates, Division 9 and 10 will each receive about $702 million over the 10 year period for division tier projects. Because the regional tier is indexed for population, Region D will receive about $1.6 billion over the 10 year period and Regional E will receive about $2.1 billion over the 10 year period for regional tier projects. The 2 regions total 10 counties or 10 percent of the geography of the state of North Carolina, but almost 28 percent of the population.

NCDOT made several schedule adjustments to projects in the 2050 MTP, which will redefine the core of the 2055 MTP, particularly some project schedules thru the year 2045. It's safe to assume that lingering impacts of the year 2020 will continue to be felt for some time. In addition, the NCDOT has completed a statewide 2050 Moves Plan. This Plan included revenue assumptions based on a number of scenarios generated without the full benefit of knowing the fiscal impacts of the year 2020. However, it may be prudent to retain these forecasts over the duration of the 2055 MTP for a number of reasons. At some point, the impacts of 2020 will reverse course unless there are a series of global pandemics or changes in driving culture. Second, the life of the 2055 MTP is only 4 years, so additional information will be forthcoming by the time the next update is due in 2030, first one in the next decade. Third, the statewide 2050 Plan includes a trend scenario that conservatively forecasts the future based on past results, which is an acceptable practice. Without a crystal ball, it is difficult to predict variables such as pandemics, natural disasters, fuel efficiency, driverless cars, etc. and their impact on such a small geography as the MPO much less a nation's transportation system. These factors will be evaluated and debated for many iterations before the end of calendar 2055, with multiple chances for adjustment by the state and MPO. Incidentally, the MPO will assume that Strategic Transportation Investments (STI) will remain intact for the life of the 2055 MTP, which may be optimistic. The system has proven to be predictable and valuable to the transportation planning and project development profession.

Using the NCDOT 2050 Moves Plan and updated STIP revenue forecasts for the years 2035 thru 2055 would translate into about $458 million in Division Tier revenue for the MPO area and about $678 million in Regional Tier revenue for the MPO area. While applying this revenue to the final two horizon years (2045 and 2055). The following noteworthy projects should be completed by 2045: the **widening of the western section of NC 73**, **the George Liles extension**, and **widening a section of Poplar Tent Road** in Cabarrus County, as well as the **Airport Pkwy extension, widening of NC 150, and the McCanless Road interchange** in Rowan County. All of these projects have been part of the MPO planning process and previous MTP's for a few years. Due to limited revenue in the last 10 years of the MTP, a couple of projects would be open for traffic by 2055: the **US 52 bypass** and **widening the final sections of Poplar Tent Road and NC 73**. It does not mean that these projects could not slip into the next MTP or open sooner due to many, many factors over the next 30 years. In addition, many non-highway projects will be planned and completed over this horizon. The MPO receives CMAQ, CRP, TAP, and STBGP funds that can be directly applied to these needs. There are currently 17 active discretionary projects in the MPO area ranging from $492,000 to $15 million. The NCDOT currently has a minimum floor for highway expenditures in the 90 percent range, with the remainder pledged for non-highway projects. Non-highway projects also compete for state match funds thru STI such as transit and aviation projects. Additional discussion of non-highway projects and revenue assumptions particularly for public transit will be covered under a separate memo.