

Frequently Asked Questions

NC Toll Project Development Policy Handbook

Q. Can NCDOT submit toll candidate(s)?

A. Only Project Sponsors - Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs) - may submit toll candidate(s) for consideration under the Pre-Submittal Assessment (PSA) process. However, under PSA NCDOT Division Engineers are expected to liaison with Project Sponsors in evaluating toll candidate(s) and coordinating with them prior to project submission to NCDOT's strategic prioritization process.

Q. Where can Project Sponsors find the latest version of PSA guidelines (i.e., the NC Toll Project Development Policy Handbook (hereafter referred to as "Handbook")) and access the PSA Process Form and Excel based tool to evaluate the potential financial performance of toll candidate(s)?

A. NCDOT will maintain the most up to date version of the Handbook and Excel based tool on its Planning Connect site - <https://connect.ncdot.gov/projects/planning/Pages/default.aspx>. The Handbook, Excel tool and accompanying User Guide will contain "as of" or "version X.0" labels.

Q. Can Project Sponsors evaluate toll candidate(s) through the PSA tool and submit candidate(s) directly to NCDOT's strategic prioritization process without submitting the PSA Process Form?

A. Project Sponsors may use the PSA tool to evaluate and narrow a list of toll candidate(s) to run through the PSA process. The official PSA process requires each toll candidate to be submitted through the PSA Process Form and undergo the six-step process outlined in the Handbook to be considered for submission through NCDOT's strategic prioritization process. Toll candidate(s) which are recommended for submission to strategic prioritization must be accompanied by an evaluation of PSA results, documented public involvement, and an MPO/RPO policy board resolution of support.

Q. At what step in the PSA process would a Project Sponsor inform their technical and policy board that they intend to evaluate one or more toll candidate(s) under PSA? And what action should be taken to communicate this decision?

A. Project Sponsors must communicate intent to evaluate toll candidate(s) with respective MPO/RPO technical and policy boards during Step 2 of the PSA process. The method of communication can simply be documented in meeting minutes.

Q. What happens after the primary technical steps of the PSA process (specifically steps 1-4) are complete? What can Project Sponsors do with the results?

A. The Project Sponsor will jointly review PSA results with NCDOT and determine the next course of action. This may include further study of the toll candidate(s), preparing the candidate(s) for submission to NCDOT strategic prioritization or suspending further study/analysis. At a minimum the Project Sponsor must document input (through locally adopted public involvement/participation plans) and share evaluation results with respective MPO/RPO technical/policy boards.

Q. After the Project Sponsor completes PSA technical steps and agrees to advance the toll candidate(s) for submission to NCDOT strategic prioritization what specific steps must they follow?

A. To be consistent with the NC Toll Policy the Project Sponsor must share PSA results with the public and their respective MPO/RPO technical and policy boards and document input and agency responses through locally adopted public involvement/participation plans. They must also pass an MPO/RPO policy board resolution to support the advancement of the toll candidate(s) through strategic prioritization for further study. The public comment period for PSA evaluated toll

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candidate(s) can overlap with the comment period to receive feedback on other local priority projects to be submitted for NCDOT strategic prioritization. The process used to solicit input on the latter is already approved by NCDOT. However, during an overlapping comment period, the Project Sponsor must clearly indicate which of their priority projects are toll candidate(s) evaluated through PSA and must distinguish and separately document the input received and responses provided for those candidate(s). The documented results of public participation, PSA evaluation results and resolutions for toll candidate(s) should accompany those projects when submitted to NCDOT for the next round of strategic prioritization.

Q. What must be in the resolution of support?

A. There is no prescribed language, but the resolution should reference the project's consistency and inclusion with local long-range plans and goals, documented public input, evaluation through other independent local studies and intent to submit the toll candidate(s) to NCDOT strategic prioritization. Resolutions can be adopted through an MPO/RPO policy board motion after public input and Project Sponsor responses have been documented. This step can coincide with the formal MPO/RPO policy board action to recommend and submit priority projects to NCDOT for strategic prioritization; however, toll candidate(s) developed under the NC Toll Policy are unique and therefore must be distinguished or highlighted to ensure adequate transparency of the process.

Q. Will there be special fields to denote PSA evaluated toll candidate(s) in NCDOT's SPOT Online system?

A. NCDOT will provide a field in its SPOT Online tool under P7.0 for Project Sponsors to acknowledge PSA evaluated toll candidate(s) and to capture their required documentation. Any toll candidate(s) eligible for and submitted through SPOT Online under P6.0 will require Project Sponsors to submit corresponding documentation directly to NCDOT.

Q. Do potential toll candidate projects need to be self-funding based on volumes? Will they be viable if they aren't self-funding?

A. Most toll projects do not pay for themselves. There are other considerations and benefits these projects provide such as managing congestion and providing improved travel time reliability and time savings. Therefore, toll candidate projects may still be considered viable if not self-funding at this early stage of evaluation. As needed the Project Sponsor can discuss arrangements which advance candidate project design and construction after the strategic prioritization and programming process.

Q. How does the Financial Feasibility Screening Tool (FFST) calculate toll revenues over a 20-year life cycle? How does it compare to Traffic and Revenue (T&R) studies which can be a long process?

A. The tool does calculate a revenue stream in the background which is then applied to the Operations & Maintenance (O&M) and capital costs to get an understanding of how these costs could be covered. The FFST is a high-level tool that would be used prior to specific T&R studies such as Level 1 or Level 2 T&R.

Q. Should MPOs/RPOs use the same Value of Time (VOT) assumptions for cars and trucks as NCDOT's Strategic Prioritization process?

A. The VOT assumptions are statewide averages that match those used in NCDOT strategic prioritization. VOT assumptions are monetized productivity calculations - \$12.50 / hour for cars and \$50 / hour for trucks. Project Sponsors can adjust these default values to reflect local conditions as needed.

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- Q. How sensitive are values on the FFST indicator dial and is there a way to see the calculations?**
- A. All dollar values are moved to a net present value based on the opening year minus the duration of construction. The FFST dial calculates operating margins, if revenue remains it then calculates bonding capacity against the capital costs. Project Sponsors can see the calculations which support FFST and produce indicator dial results.
- Q. Are existing volumes part of the calculations?**
- A. No, projected volumes for the opening year and the design year are part of the calculations. The existing volumes only provide a reference.
- Q. When is the most appropriate time to evaluate one or more toll candidate projects through PSA relative to the update to a local long-range plan (such as Metropolitan Transportation Plan (MTP) or Comprehensive Transportation Plan (CTP))?**
- A. Project Sponsors must decide the best time to evaluate toll candidate projects based on the timing, update cycle and available resources. The PSA process can work in parallel with an MTP or CTP update and is ideally designed to provide candidate viability results prior to submission to NCDOT strategic prioritization.
- Q. How are future traffic volumes and characteristics projected in the FFST?**
- A. Future volumes require output from a local or regional Travel Demand Model (TDM) or a forecasting tool. If these tools are not available traffic projections can be derived with opening year Annual Average Daily Traffic (AADT) and an applied growth rate. Another resource could be using a similar express lane study to obtain a future traffic estimate; however, this process would not work for greenfield toll projects.
- Q. Will there be any checks to evaluate traffic volumes which are not derived from accepted Travel Demand Models (TDM) or forecasting tools?**
- A. This will be determined by the Intra Departmental Project Evaluation Team (IDPET) during the PSA process.
- Q. Is there a requirement to use an annual growth rate that is based on the NCDOT statewide model?**
- A. No, the default calculation is based on the opening year, but it can be adjusted if anything seems unreasonable.
- Q. What is the relationship and timetable between PSA and submitting toll candidate project(s) through NCDOT strategic prioritization?**
- A. PSA is a screening process which occurs prior to the toll candidate project submittal to NCDOT strategic prioritization. There are project characteristics and input needed in PSA which can streamline project input fields in strategic prioritization. PSA evaluation may also help to refine project costs prior to submittal.
- Q. If an MPO and/or RPO identifies a potential toll project, does it have to go through the express design process?**
- A. PSA is a screening process designed to occur early in long-range plan development and provide early information about the potential toll candidate project performance and financial viability. It is not intended to replace or rely on the express design process which precedes project design related steps.

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- Q. What PSA steps apply if the project has already been through a feasibility study?**
- A. Input from the feasibility study can be useful in completing the PSA form. A prior project which underwent a feasibility study but is now “committed” in the State Transportation Improvement Program (STIP) is considered grandfathered from the PSA process.
- Q. If an MPO is updating their MTP, will they need to build in extra time to accommodate PSA?**
- A. The PSA process is designed to operate in parallel to an MTP update and minimize resources devoted to the plan update.
- Q. For an express lane project, how is the starting point for dynamic tolling derived?**
- A. AADT and daily volume peaking characteristics are used to evaluate peak congestion and determine what price points would be feasible. The FFST will adjust the rate as needed; the initial toll is a starting point that could represent a region’s minimum acceptable toll rate.
- Q. Are truck percentages needed for existing or design year?**
- A. This will ultimately be determined by the IDPET but could serve as important information to support the PSA process.
- Q. The PSA form asks for the speed limit along the corridor – does this play any role in project viability?**
- A. Speed does not affect the capacity on an interstate but provides a useful data point for the PSA form.
- Q. How should an accurate estimate for travel time savings be determined?**
- A. Existing travel times can be estimated using tools such as Google Maps, particularly if the project is in an RPO without a TDM. Ballpark travel time estimates for a proposed toll candidate project can also be calculated using paths on a TDM.
- Q. Will traffic volume data needed to populate the PSA form necessitate that MTPs/CTPs include interim years?**
- A. Interim year forecasts are dependent upon M/RPO practice and/or the availability of networks within local/regional TDMs. Other approaches, including interim year values from NCDOT’s statewide model or through interpolation may be used to calculate traffic data.
- Q. What is the minimum cost per mile for a toll facility to be considered?**
- A. There is not a universal answer - this depends on the roadway and traffic characteristics of an individual project.
- Q. For a potential express lane candidate project, how would adding an express lane over an additional general purpose lane be justified to the public?**
- A. The PSA process puts the power into the hands of local officials to explore tolling options. Adding an express lane can provide benefits such as congestion management and travel time reliability which can be communicated through PSA results.
- Q. Does Operating and Maintenance costs include the cost of toll collection?**
- A. Yes.

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- Q. Does potential travel time savings change the AADT on the proposed toll facility?**
- A. The travel times savings changes the diversion rate from the base ADT.
- Q. How would output from local/regional TDMs inform toll candidate evaluations in NCDOT's Statewide Model?**
- A. The PSA process is designed to use local/regional TDMs or other studies to help populate roadway and traffic characteristics needed in the PSA form and support NCDOT statewide model runs. Local data can be an important part of this interaction as NCDOT's statewide model is a coarse network.