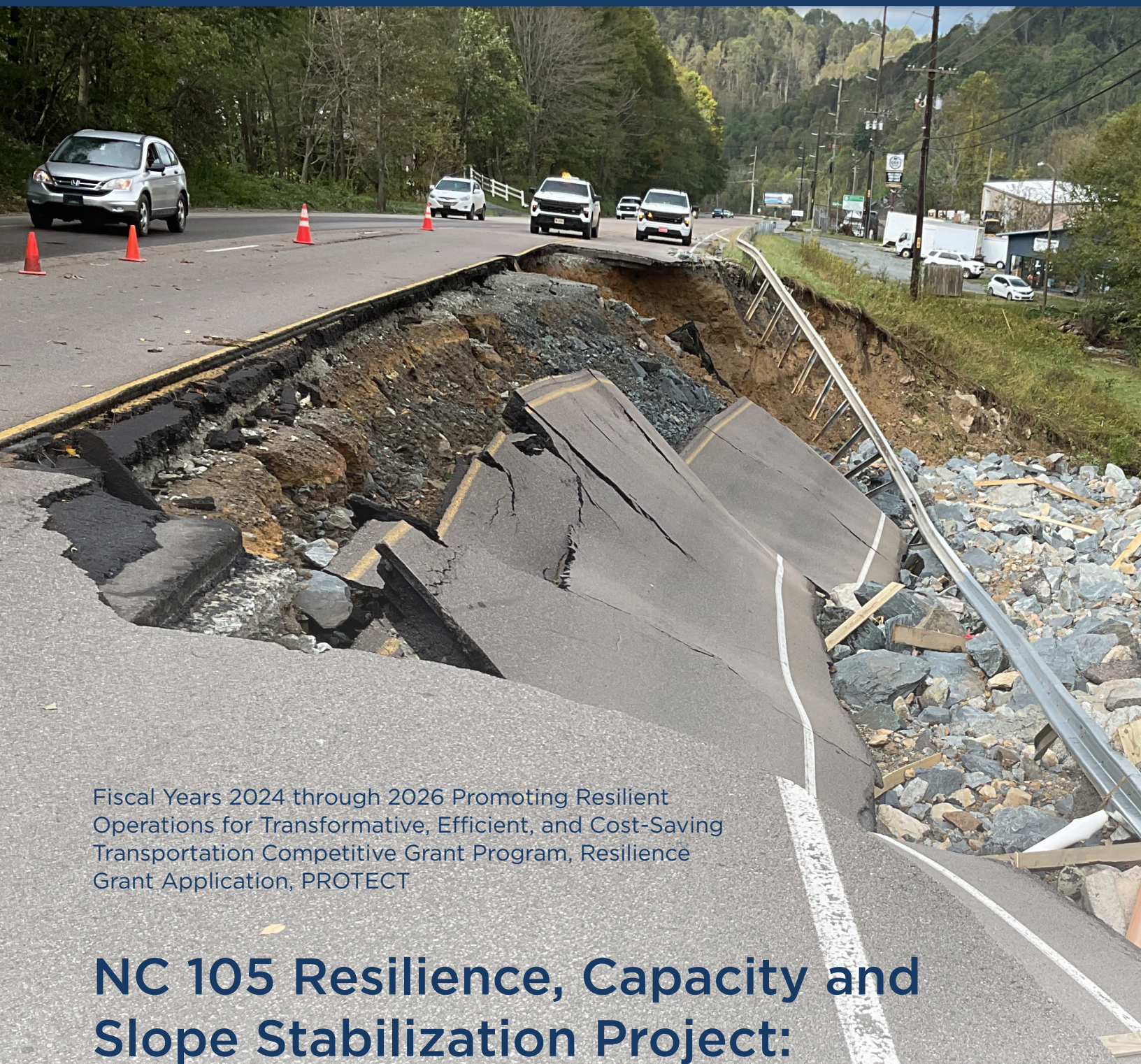


Fiscal Years 2024 through 2026 Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Competitive Grant Program, Resilience Grant Application, PROTECT

NC 105 Resilience, Capacity and Slope Stabilization Project: Securing a Critical Mountain Corridor

Applicant:
North Carolina Department of Transportation

Budget Narrative

October 9, 2026

Budget Narrative

The North Carolina Department of Transportation (NCDOT), requests Resilience Improvement funding under the federal PROTECT program for the NC 105 Resilience, Capacity and Slope Stabilization Project ("the Project"). The Project will widen the roadway to accommodate safer traffic flow, installing high-capacity modern drainage systems, optimizing intersection safety, and implementing critical geotechnical slope-stabilization techniques to prevent structural washouts and rockslides. Taken together, these improvements will reduce congestion on NC 105, reduce rear-end and run-off road crashes, and improve bicycle facilities.

The estimated total cost of the Project is $182.1 million; the estimated eligible future costs of the Project total $143.5 million in year of expenditure dollars (YOE$). The North Carolina Department of Transportation (NCDOT) is requesting $60 million in PROTECT grant funding to complete the Resilience Improvement Project. If awarded, NCDOT commits to providing the required non-federal funding match, which calculates to $23.9 million (17% of total eligible costs); the balance of funding, $74.5 million, is anticipated to come from Other Federal sources: National Highway Performance Program. The source of funds for the NCDOT match will come from the State Highway Trust Fund. The match funds are secured, available and can be used for all components and completion of the Project. Contingency is included for each task, and any cost overruns will be covered by NCDOT.

The Project includes costs for mobilization and site prep, utilities, roadway construction, culverts, and walls, and miscellaneous expenses, engineering and contingency (E&C), grant administration, and escalation. Costs were estimated in 2024 by NCDOT's contractor, and escalated by 4% per year to the midpoint of the estimated spending year. NCDOT expects to begin mobilization in third quarter of 2028, and construction completion targets the third quarter of 2032.

Less than 40% of the future eligible project costs are for capacity improvements.

1.1 Future Eligible Costs: Construction Budget

1.1.1 Administrative and Legal Expenses

NCDOT includes a 6% fee for grant administration estimated at $6.9 million. Escalation of 4% per year for four years results in a total of $8.1 million ($YOE).

1.1.2 Site Work

Site work includes mobilization, construction surveying, clearing and grubbing, and earthwork. The majority of sitework is attributed to the over 553,000 cubic yards of rock excavation, estimated to cost over $16 million. Site work totals $37.2 million and escalation adds $4.6 million for a total of $41.9 million ($YOE).

1.1.3 Construction

Construction includes costs for roadway construction, drainage structures, and retaining walls. In 2024 dollars, the construction costs total $50.0 million. Escalation brings utilities to 2030, adding $8.5 million for a total of $58.5 million (YOE$).

1.1.4 Miscellaneous

Miscellaneous costs are added as a lump sum based on 5% of the costs of structures and utilities ($929,000) and 20% of the roadway total ($12.9 million) in 2024 dollars. Escalation adds another $2.3 million, for a total of $16.2 million (YOE$).

1.1.5 Contingencies

The Project estimate includes contingency of 16% on top of the estimated contract costs (all other costs above) of $16.2 million in 2024 dollars. Continency is apportioned according to each task's share of the total Project cost. Table 1 shows the Contingency by task, and totals $18.9 million ($2026).

Table 1. Contingency by Task

Task Description	2026 $
Mobilization and Site Prep	$6,356,309
Roadway Construction	$8,879,795
Miscellaneous	$2,455,374
Engineering & Contingency	$0
Grant Administration	$1,232,154
Total	**$18,923,632**

1.1.6 Total Costs

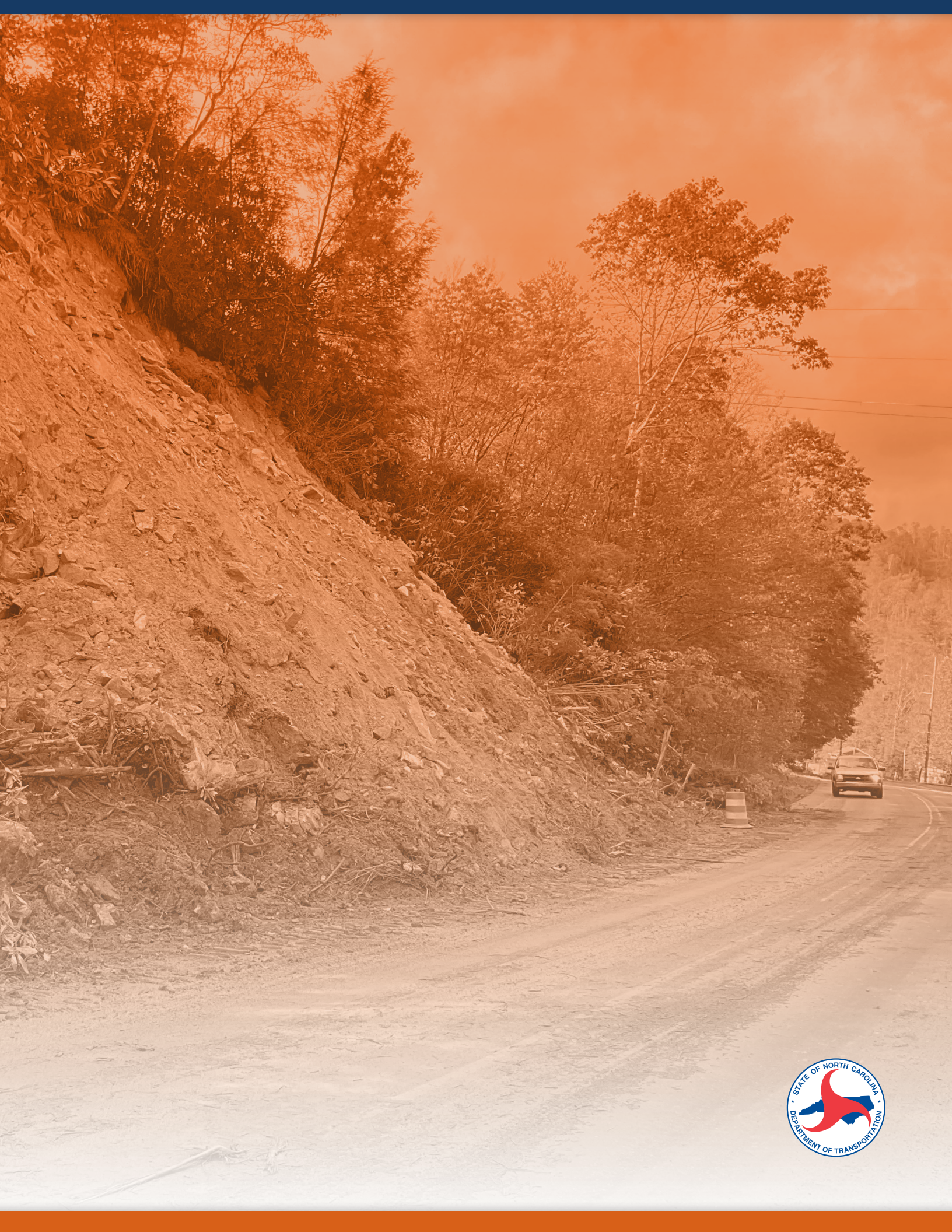
The future eligible Project budget by task is shown in Table 2 and includes the 4% per year escalation cost included in each line item to bring its 2024 cost estimate into year of expenditure (YOE) dollars. The Project budget also includes contingency for each task. Table 3 displays the total Project cost (inclusive of prior expenditures and costs of underway tasks) and the eligible future expenditures. Note that PE, ROW, and Utilities are not included as future eligible costs because those stages of construction are prior expenditures (totaling $9 million to date) and/or underway and will be completed before mobilization begins for the PROTECT-funded Project elements.

Table 2. Future Eligible Project Budget by Task

Task Description	YOE $	2024 $	Years of Escalation	Cost of Escalation
Mobilization and Site Prep	$41,860,245	$37,213,606	3	$4,646,640
Roadway Construction	$58,478,972	$49,988,071	4	$8,490,902
Miscellaneous	$16,170,164	$13,822,324	4	$2,347,840
Engineering & Contingency	$18,923,632	$16,176,000	4	$2,747,632
Grant Administration	$8,114,498	$6,936,307	4	$1,178,191
Total	**$143,547,512**	**$124,136,307**		**$19,411,205**

Table 3. Budget by Funding Source and Share

Task	$YOE Project Total	Future Eligible Costs ($YOE)
PE costs	$ 9,000,000	
Right of Way	$ 14,223,040	
Utilities	$ 15,337,521	
Mobilization and Site Prep	$ 41,860,245	$ 41,860,245
Roadway Construction	$ 58,478,972	$ 58,478,972
Miscellaneous	$ 16,170,164	$ 16,170,164
Engineering & Contingency	$ 18,923,632	$ 18,923,632
Grant Administration	$ 8,114,498	$ 8,114,498
Total	**$ 182,108,072**	**$ 143,547,512**
Federal PROTECT (87%)		$ 60,000,000
Non-Federal PROTECT Match (13%): NCDOT		$ 8,965,517
Remaining Project Costs		$ 74,581,994
Other Federal (80%): NHP		$ 59,665,595
Non-Federal Other Match (20%): NCDOT		$ 14,916,399


STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION