NORTH CAROLINA **DATE: __/__/26**
MECKLENBURG COUNTY

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION **MEMORANDUM OF AGREEMENT I-77 SOUTH EXPRESS LANES PROJECT**

AND

CITY OF CHARLOTTE, NORTH CAROLINA STIP Project #: I-5718

THIS MEMORANDUM OF AGREEMENT ("Agreement") is entered into as of the effective date listed above, by and between the North Carolina Department of Transportation (the "NCDOT"), an agency of the State of North Carolina and the City of Charlotte, a municipal corporation organized under the laws of the State of North Carolina (the "City" or "City of Charlotte"). Each of the City and the NCDOT is a "Party" to this Agreement, and collectively they are its "Parties. "

WITNESSETH

WHEREAS, the NCDOT is planning and advancing a proposed highway widening on Interstate 77 South within and adjacent to the boundaries of the City of Charlotte, through a project known as the I-77 South Express Lanes Project (the "Project");

WHEREAS, the NCDOT has identified a public-private-partnership as the appropriate and necessary funding and delivery model to accomplish the Project;

WHEREAS, the NCDOT will manage the real estate transactions, commercial agreements, asset management, and revenue sharing components of the Project with the private partner;

WHEREAS, current plans for the Project were developed by NCDOT to encourage competition during the procurement process with the understanding that revenue potential and utility for commercial users will maximize competition during Project procurement;

WHEREAS, the Parties believe existing plans for the Project can be enhanced through mutual cooperation and binding commitment to shared goals and recognize that documentation of these commitments is necessary for timely delivery of the Project;

WHEREAS, the Project will have general impacts on the City's residents, businesses, neighborhoods, utility systems, and infrastructure, and specific impacts on congestion, road safety, air quality, noise, land use, development patterns, economic development, and access;

WHEREAS, the Region possesses established planning documents that are integral to informing and guiding the planning, coordination, and development of the Project. These include, without limitation, the City's 2026 Reconnecting the West End Final Plan, the Charlotte Regional Transportation Planning Organization's ('CRTPO') 2022 Beyond 77 Study, and the City's 2014–2015 I-277/I-77 Loop Strategic Plan (the 'Uptown Loop Study');

WHEREAS, the NCDOT has expressed its desire to meaningfully engage the City of Charlotte and its residents throughout the remaining phases of the Project to ensure that the Project delivers meaningful benefits to impacted individuals, communities, and entities;

WHEREAS, the Secretary of the NCDOT wrote a letter to the City of Charlotte on July 28, 2026, identifying $300 million available as a result of the Project's funding and delivery model in additional community investment, and setting out opportunities to advance the priorities identified by the City and community, being: Economic Mobility; Neighborhood Stability and Housing; Reconnecting the Corridor; Environment, Health and Green Space; Quality of Life; and Accountability, collectively the community benefit commitments (a copy of this letter is attached to this Agreement as Exhibit B);

WHEREAS, the City of Charlotte is prepared to cooperate with the NCDOT to ensure that the NCDOT's Project will be informed by ongoing and meaningful community engagement and established local priorities;

WHEREAS, through this Agreement the Parties desire to memorialize and give binding effect to their mutual agreement regarding the matters specified herein;

WHEREAS, in order to ensure the resulting commitments and Project modifications are put into action the Parties have agreed that the NCDOT will incorporate the community benefit commitments resulting from this Agreement into the final agreement for the design, acquisition, construction, financing, operation, and maintenance ("Comprehensive Agreement") for the Project which will make the same community benefit commitments and terms binding upon the Project's P3 developer ("Developer") and enforceable on an ongoing basis; and

NOW THEREFORE, in consideration of the mutual covenants, commitments, and promises contained herein, the sufficiency of which the Parties acknowledge, the Parties agree as follows:

AGREEMENT

(1) PURPOSE, SCOPE, & EFFECT

a) Purpose. The purpose of this Agreement is to establish a shared framework and set of mutual commitments governing the NCDOT's and the City's respective roles and responsibilities in advancing the Project informed by ongoing and meaningful community engagement and established local priorities.

b) Scope. This Agreement applies to the segment(s) of the Project located within or directly affecting the City of Charlotte, and to streets, walkways, pedestrian pathways, public transportation infrastructure, and other municipal property or public rights of way intersecting with, crossing over, or crossing under the same segments, including as this area may be subsequently modified (the "Project Area"). References to "commitments" herein refer to all responsibilities imposed by this Agreement, whether imposed on a Party individually or on the Parties collectively. References to "community benefits, " and/or "Comprehensive Agreement" terms refer to specific subsets of the commitments.

c) Limitations. This Agreement is intended to guide the conduct of the Parties and does not, except as specifically described herein, obligate the expenditure of public funds, does not alter statutory authority, and does not substitute the conduct herein for any environmental review, procurement, or other legal process required or authorized by applicable law.

d) Commitments are Supplementary. The Parties acknowledge that many mitigation measures, design features, and/or benefits to the local community are required by law (e.g. the National Environmental Policy Act or "NEPA"), existing NCDOT policy, and/or pursuant to NCDOT's existing agreements and legal settlements. The Parties agree that mitigation measures, design features, and/or benefits to the local community that are required based on these existing laws, policies, and agreements ("standard commitments") will occur with or without this Agreement. The community benefit commitments in this Agreement exceed the standard commitments because the NCDOT's proposal is not a standard one, NCDOT's proposed P3 delivery method creates additional opportunities to deliver community benefits by encouraging innovation by prospective Developers and providing access to funds that would not otherwise have been available to the NCDOT or the City.

e) Reliance. The Parties acknowledge that their respective decisions to enter into the binding commitments set forth in this Agreement are made in reliance on the commitments of the other Party under this Agreement. Each Party's willingness to perform the commitments and other obligations described in this Agreement is made in reliance on the other Party's commitments under this Agreement.

(2) CITY OF CHARLOTTE COMMITMENTS

a) General Commitment. In consideration of, and in reliance upon, NCDOT's commitments set forth in Sections 3 through 6 of this Agreement, the City agrees to undertake the actions described in this Section. In entering into this Agreement, the City is undertaking obligations, making commitments, and foregoing other courses of action in reliance upon NCDOT's commitments and obligations set forth herein. The Parties acknowledge and agree that the mutual commitments, obligations, and undertakings set forth in this Section and Sections 3 through 6, together with the City's reliance thereon and the actions and commitments undertaken by the City in reliance thereon, constitute good and sufficient consideration for this Agreement. The City's obligations under Section 2 are expressly conditioned upon NCDOT's material and timely performance of its obligations under Sections 3 through 6. The City's performance of any obligation under Section 2 before NCDOT's performance of its obligations under Sections 3 through 6 shall not constitute a waiver of, or otherwise diminish, NCDOT's obligations under this Agreement.

b) Cooperation and Support. The City of Charlotte shall, in a timely manner and consistent with its legal authority and applicable public process requirements:

   i. Support the P3 Project funding and delivery method, expressly conditioned upon the implementation and fulfillment of the commitments set forth in Sections 3 through 6;

ii. Designate a City liaison and participate in good faith in the community engagement and governance processes established pursuant to Sections 4 and 7 of this Agreement; and

iii. Provide reasonable access to municipal facilities for public meetings related to the Project, subject to availability and standard municipal facility-use policies.

(3) NCDOT COMMUNITY BENEFITS COMMITMENTS

a) General Commitment. NCDOT commits to negotiating, assuming responsibility for, and assuring delivery of the provision of community benefits associated with the Project, to be captured in the Final Community Benefits Plan, that are proportionate to the Project's impacts on the City of Charlotte and its residents. NCDOT will incorporate language into the Comprehensive Agreement requiring the Developer to deliver the community benefits described in the Final Community Benefits Plan.

In addition, and in furtherance of the agreement to ensure community benefits are delivered NCDOT commits to: 1) take all actions that are necessary to deliver the specific benefits as set out in the finalized and approved community benefits plan; 2) commit a minimum of three hundred million dollars ($300,000,000) generated through the P3 procurement process to delivery of community benefits.

b) Categories of Community Benefits. The Parties agree that community benefits that may be addressed by the Final Community Benefits Plan shall include, but are not limited to:

i. Local hiring, workforce development, and apprenticeship programs, including targeted opportunities for City residents and disadvantaged and small business enterprises;

ii. Pedestrian, bicycle, and multimodal infrastructure improvements within the Project Area;

iii. Noise, air quality, and environmental mitigation measures exceeding minimum regulatory requirements where feasible;

iv. Streetscape, green infrastructure, and public realm improvements;

v. Direct or in-kind investment in affected neighborhoods, such as capital contributions to municipal infrastructure, parks, or community facilities;

vi. Measures to preserve or enhance local access, connectivity, and property access disrupted by construction or the final Project configuration; and

vii. Anti-displacement measures where the Project may contribute to housing or economic displacement pressures.

c) Community Benefits Plan. NCDOT, in consultation with the City, shall develop a written community benefits plan, which identifies specific and measurable commitments, implementation timelines, and responsible parties. The plan shall prioritize investments that: provide direct and measurable benefits to communities most affected by the Project; repair or reduce divisions created by past transportation infrastructure; avoid displacement and support existing residents and businesses; improve access to healthy food, recreation, parks, transportation and economic opportunity; and produce lasting community assets

that remain publicly accessible. A preliminary community benefits plan is attached as Exhibit A to this document for reference ("Preliminary Community Benefit Plan"). The proposed Preliminary Community Benefits Plan, developed under this Agreement will be provided to the City at least 45 days prior to the release of the final Request for Proposals. If, following the City's review, the plan is approved by the Parties, it will replace the preliminary plan in Exhibit A and will constitute a referenced and an incorporated part of this Agreement (such approved plan is to be the "Final Community Benefits Plan"). The Final Community Benefits plan shall not be materially amended without the City's written consent. In the absence of an agreed upon Final Community Benefits Plan the preliminary plan in Exhibit A will automatically be converted into the Final Community Benefits Plan on the same day that final Request for Proposals is released.

d) Regional Transportation Funding. In addition to the Community Benefits Program's minimum investment of $300 million, NCDOT shall provide no less than $100 million in supplemental transportation funding for the Mecklenburg County region (the "Bonus Allocation"), in accordance with applicable State law. In consultation with CRTPO, the Bonus Allocation shall be programmed exclusively for projects within Mecklenburg County.

e) Monitoring and Reporting. NCDOT shall provide the City with periodic written reports, no less than quarterly, on the implementation status of community benefit commitments throughout the design & construction period of any managed lane facility.

(4) NCDOT COMMUNITY ENGAGEMENT COMMITMENTS

a) General Commitment. NCDOT commits to a community engagement process that provides the City of Charlotte and its residents with meaningful, timely, and accessible opportunities to inform Project decisions at key stages of development.

b) Community Engagement Center. NCDOT will re-open the Community Engagement Center, to provide an avenue for community engagement in respect of the Project.

c) Key Touch Points. In particular, NCDOT shall:

i. Notify the City of Charlotte prior to the close of any public comment period required under NEPA in respect of the Project;

ii. Provide opportunities for community input into development of the Final Community Benefits Plan, including hosting additional developer listening sessions;

iii. Establish a Working Group for ongoing engagement with the City of Charlotte and the community, as contemplated in Section 7(a);

iv. Continue engagement with the City of Charlotte and the public through design and project delivery, not only during the planning phase; and

v. Notify the Working Group before and during construction phases with material impacts to local traffic, business, and residents for dissemination to the public.

d) Agreement Liaisons. Each Party shall designate a primary point of contact responsible for coordinating engagement activities and facilitating communication between the Parties under this Agreement. Liaisons may be replaced by written notice. The initial Liaisons are:

For the NCDOT:	For the City:
_____ Primary Contact Name	_____ Primary Contact Name
_____ Department and Organization Name	_____ Department and Organization Name
Phone:	Phone:
Email:	Email:

(5) CONSIDERATION OF PROJECT RIGHT-OF-WAY REDUCTION OPTIONS

a) Commitment. NCDOT will continue to prioritize refinement of the Project to reduce right-of-way impacts wherever feasible and will include mechanisms in the RFP and the Comprehensive Agreement to incentivize the potential Developers to implement designs that reduce right-of-way impacts.

(6) COMPREHENSIVE AGREEMENT EXECUTION & CONDITIONS PRECEDENT

a) Binding Commitment. The NCDOT agrees to incorporate the commitments set forth in the Final Community Benefits Plan under Section 3(c), into the terms of the Comprehensive Agreement with the chosen Developer for the design, construction, financing, operation, and maintenance of the Project. The same requirement will apply to any similar agreement by a different name which serves the same function as the Comprehensive Agreement (ex. concession agreement, design-build agreement, or similar final agreement between the NCDOT and a developer, contractor, or concessionaire for the Project).

b) Procurement Documents. The NCDOT shall include necessary terms to implement the community benefits commitments in this Agreement through development of the Final Community Benefits Plan under Section 3(c), in the applicable solicitation documents including subsequently released draft and final RFP documents, addenda thereto, or procurement documents by any other name so that proposers have official notice of these obligations. NCDOT will demonstrate its commitment to this requirement by incorporating changes necessitated by this Agreement into the next substantive procurement document released by NCDOT and by releasing the same document on or before January 1, 2027.

c) Developer Enforceability Provisions. The NCDOT shall ensure that the Comprehensive Agreement includes:

i. Binding obligations on the Developer to implement community benefit commitments as contemplated in the Final Community Benefits Plan; and

ii. Performance metrics, reporting requirements, and remedies for non-compliance consistent with those commitments.

d) Notice of Material Changes. If, during the procurement process or negotiation of the Comprehensive Agreement, NCDOT determines that any commitment under this Agreement cannot be incorporated as contemplated, NCDOT shall promptly notify the City in writing and explain the reason. NCDOT shall consult with the City regarding an alternative that preserves the commitment substance, purpose, value, and intended benefit. NCDOT shall not modify or eliminate the commitment without the City's prior written approval and mutual written agreement of the parties.

(7) GOVERNANCE AND IMPLEMENTATION

a) Working Group. The Parties shall establish a joint working group, comprised of designated representatives of the NCDOT, the City of Charlotte, and community leaders, to oversee the development and implementation of the Community Benefits Commitments as contemplated in Section 3 of this Agreement and the Final Community Benefits Plan, which addresses the priorities previously identified by the community, including:

i. Economic Mobility;

ii. Neighborhood Stability and Housing;

iii. Reconnecting the Corridor;

iv. Environment, Health and Green Space;

v. Quality of Life; and

vi. Accountability.

b) Unless otherwise agreed, the Working Group will meet no less than monthly until the Final Community Benefits Plan is developed, and thereafter no less than quarterly.

c) Dispute Resolution. In the event of a disagreement regarding this Agreement, the Parties shall first attempt to resolve the matter through good-faith discussions between their designated liaisons identified in Section 4(d) and, if necessary, their respective senior officials. Any and all disputes arising out of or relating to this Agreement that are not resolved through the foregoing discussions shall be brought solely and exclusively in the Superior Court Division of the General Court of Justice, Mecklenburg County, North Carolina, and the Parties waive any right to bring such dispute in any other court or venue.

d) Amendment. This Agreement may be amended only by written agreement signed by authorized representatives of both Parties.

e) Default and Termination. Both Parties to this Agreement shall have all remedies at law and equity, including but not limited to, the right to specific performance and the right of termination or suspension, in the event of a breach of this Agreement by either Party that is not timely cured if such breach is capable of cure. Termination shall not affect commitments already incorporated into a binding Comprehensive Agreement or Final Community Benefits Plan executed prior to termination.

(8) GENERAL PROVISIONS

a) Binding Nature / Legal Effect. The Parties intend the commitments in this Agreement to be binding statements of the Parties' respective obligations, supported by the mutual consideration described herein, and enforceable in accordance with North Carolina law.

b) Third-Party Beneficiaries. Except as expressly stated herein, this Agreement does not create any rights or remedies enforceable by any person or entity, not a Party to this Agreement.

c) Funding Commitments Unchanged. Except as specifically identified herein, nothing in this Agreement constitutes an appropriation or commitment to appropriate additional funds by the City of Charlotte, its City Council or NCDOT beyond amounts previously appropriated or otherwise legally committed to the Project.

d) Compliance with Law. All actions taken under this Agreement shall comply with applicable federal, state, and local laws, including procurement, environmental, and public participation requirements.

e) Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions shall remain in full force and effect.

f) Term. Unless earlier terminated or extended by mutual written agreement, this Agreement shall remain in effect from the Effective Date until the later of construction completion and implementation of the community benefits plan.

g) Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding the subject matter herein and supersedes all prior discussions or understandings, whether written or oral, relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have executed this Agreement as of the date first written above.

NCDOT		**City**	
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION		**CITY OF CHARLOTTE**	
By:	_____	By:	_____
Name:	Daniel Johnson_____	Name:	_____
Title:	Transportation Secretary_____	Title:	_____

EXHIBIT A
PRELIMINARY COMMUNITY BENEFITS PLAN

NCDOT, through the P3 procurement process, shall provide a minimum of $300 million for a dedicated I-77 South Community Benefit Program to fund the following community benefits. These funds shall be reserved for projects that directly benefit communities and neighborhoods affected by the construction, operation, and historical impacts of highway infrastructure within the I-77 South corridor.

The table beginning on the following page provides more details on Potential Community Benefit investments, which could include:

Description	Estimated Investment
• Reconnecting Communities: Funding for Cap and Stitch Treatments	$150 Million minimum
• Reconnecting Communities by reconnecting the corridor: Funding for community facilities to address food insecurity on the West Trade St. / Beatties Ford Rd. Corridor	$10 Million minimum
• Reconnecting Communities by Neighborhood Stability and Housing: Funding for community facilities to address food insecurity on the West Blvd. Corridor	$10 Million minimum
• Reconnecting Communities by Neighborhood Stability and Economic Mobility: Funding for community facilities to address food insecurity and health and wellness on the Statesville Avenue Corridor	$10 Million minimum
• Reconnecting Communities by Economic Mobility: Funding for Regional Recreation Center in lacking areas (e.g. Steele Creek)	$50 Million minimum
• Reconnecting Communities by Reconnecting the Corridor: Community Stability and Quality of Life: Funding for community-serving investments that support neighborhood stability, affordability, and quality of life improvements, including a civic center or similar facilities located in the corridor impacted by construction of I-77	$20 Million minimum
• Funding for Environmental Improvements	$15 Million minimum
• Programmatic Investments in housing stability, small business, and economic mobility	$35 Million minimum

The Community Benefit Program shall be separate from and supplemental to:

- Existing NCDOT Transportation Improvement Program funding;
- Existing state, federal, regional or local transportation allocations;
- I-77 South property acquisition and relocation obligations;
- I-77 South Project design and construction costs, unless any of the specified items set out above is directly delivered by the Developer as additional work not required for the original Project (such as construction of cap and stitch structures);
- Offsetting investments in parks and green spaces as required through the National Environmental Policy Act;
- Municipal reimbursement obligations; and
- Previously committed transportation projects or grant awards.

The Working Group shall establish a written Final Community Benefits Plan outlining the funding commitment and funding sources, entities responsible for project development and delivery, procedures for community participation, and remedies if committed funds are delayed, reduced, redirected or not provided. Discrete projects and programmatic investments shall be provided as "cash at financial closing."

As currently drafted, the only item in the table above intended to be directly delivered by the Developer as additional work is the first item, the construction of a cap and stitch structure. The remaining items will be implemented through other means and funded as described in Section 3 of the Agreement.

EXHIBIT B
NCDOT LETTER – JULY 28, 2026