State Auditor
Dave Boliek

RAPID RESPONSE SPECIAL REPORT

North Carolina
Office of the State Auditor
Rapid Response Division
1-800-730-TIPS

June 22, 2026

Mid-Currituck Bridge Report

WHY WE CONDUCTED THIS REPORT

The Outer Banks of North Carolina are currently connected to the mainland by one ferry line and two bridges: the Wright Memorial Bridge to Kitty Hawk and the Virginia Dare Memorial Bridge to Roanoke Island. Given the heavy traffic on the four-lane Wright Memorial Bridge during the summer tourist season, a potential third crossing, the Mid-Currituck Bridge, has been studied for more than 30 years.

According to proponents of this project, the new bridge would reduce travel time to the Outer Banks and facilitate more efficient evacuation during a major hurricane. The projected cost of the bridge at the time of this report is $1.118 billion.

Information about the cost, schedule, and financial viability of the Mid-Currituck Bridge is spread across decades of technical documents, making it difficult for the public to understand the project's current status.

This report was prompted by two developments in early 2026. In February, the North Carolina Department of Transportation (NCDOT) released a financial analysis concluding that the project will likely not be feasible without significant additional funding. In March, the agency disclosed that $61 million has been spent to date, despite no construction contract, no approved budget, and no project schedule. Construction is now expected to begin no earlier than June 2028.

The entity overseeing the project, the Albemarle Rural Planning Organization (ARPO), faced an April 17, 2026 deadline on whether to retain or release $173 million in committed State funding. On April 15, ARPO decided to retain this funding. OSA therefore prepared this report to consolidate all key financial and timeline information pertaining to the Mid-Currituck Bridge project in a single publicly accessible document.

OBJECTIVE

To compile and summarize available information on the Mid-Currituck Bridge project, including its cost history, financial outlook and key considerations, with a limited analysis of potential travel impacts and funding gaps.

WHAT WE FOUND

The projected cost of the Mid-Currituck Bridge has more than doubled since federal approval of the project in 2019. The cost estimate that served as the basis for that approval was $490.59 million; NCDOT's latest verified figure (as of March 2026) is $1,117,700,000. Adding delivery-related costs, the total amount is roughly $1.2 billion.

$61 million has been spent on the bridge, even with no construction contract or schedule. NCDOT confirms that, because no construction contract has been awarded, it cannot provide a baseline budget, cost breakdown, or project schedule.

The funding gap for construction of the bridge is $702-$832 million. Even accounting for $173 million in committed State funds and projected toll revenue to back debt, **a shortfall of $702 million remains.**

The official traffic study for the bridge, conducted by Stantec Consulting Services, Inc., projects $731 million in total gross toll income over 50 years of operation. That is **less than the bridge's construction cost.**

Between an environmental study of the bridge, conducted by Parsons Brinckerhoff under NCDOT's direction and approved by the Federal Highway Administration in 2012, and a 2019 update, projected usage was **reduced from 12,600 to 7,700 vehicles per day** because regional growth was slower than expected.

The 2019 Plan of Finance combined five funding sources. One of these was $147 million in Grant Anticipated Revenue Vehicle (GARVEE) bonds. NCDOT states these bonds are programmed within the current State Transportation Improvement Program (STIP) allocation and will be repaid with future Surface Transportation Block Grant Program – Any Area (BGANY) funds.

Since 2019, the project's toll-backed borrowing capacity has fallen by approximately 42%. Construction of the bridge has been delayed until June 2028 at the earliest. NCDOT's March 2026 communication to OSA states that the start date has been pushed back one year from June 2027, and **there may be further delays.**

In a March 2026 communication, NCDOT stated that the Mid-Currituck Bridge project is not "likely currently financially feasible **without additional project funding."**

BACKGROUND

The Mid-Currituck Bridge (State Transportation Improvement Program [STIP] Project R-2576) is a proposed seven-mile, two-lane toll bridge that would connect the North Carolina mainland at U.S. Route 158 near Aydlett with NC Route 12 south of Corolla on the Outer Banks, in Currituck County. The project includes a 4.7-mile-long bridge over the sound, a 1.5-mile-long elevated bridge over Maple Swamp, a six-lane toll plaza, a flyover interchange at Route 158, a roundabout at Route 12, and various improvements to support hurricane evacuation. The stated goals are to cut travel times to the northern Outer Banks, reduce summer traffic congestion on the Wright Memorial Bridge, and provide Outer Banks residents and visitors an alternative route to the mainland in advance of major hurricanes.

Timeline of the Mid-Currituck Bridge Project[1]

1995
The Federal Highway Administration (FHWA) publishes first Notice of Intent to prepare an Environmental Impact Statement (EIS). A Draft EIS was issued in January 1998 but later paused.

2002
NC General Assembly creates the North Carolina Turnpike Authority (NCTA). The Mid-Currituck Bridge is designated as a toll project.

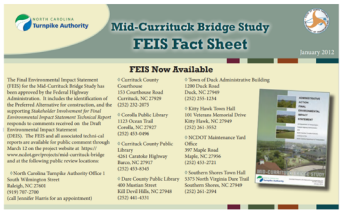
2006
NCTA officially takes over the project. Estimated cost at this point: roughly $600 million.

2008
FHWA rescinds the original EIS and issues a new Notice of Intent, restarting the environmental review process.

2009
A Pre-Development Agreement is signed with a private consortium for what is intended to be North Carolina's first public-private partnership (P3) bridge.

Dec 2011
FHWA conducts a cost estimate workshop. Total estimated project cost: $496.53 million.[2]

Jan 2012
The Final Environmental Impact Statement (FEIS) is released.



2013
The Strategic Transportation Investments (STI) Act becomes law, eliminating the annual gap funding appropriation that had supported the project. The Department paid a total of $7.9 million to Currituck Development Group under the 2009 Pre-Development Agreement.

Jan 2018
FHWA and NCDOT conduct a second cost workshop. The new cost estimate: $490.59 million in current-year dollars, or $531.08 million in year-of-expenditure dollars (70% confidence level).[3]

Mar 2019
FHWA issues Record of Decision (ROD) granting federal approval. The Plan of Finance includes $568.8 million from five funding sources.

Apr 2019
The Southern Environmental Law Center (SELC) files a federal lawsuit challenging the environmental review, on behalf of the NC Wildlife Federation and the organization No Mid-Currituck Bridge.

Dec 2021
A federal district court rules in favor of NCDOT. The Fourth Circuit Court of Appeals affirms the decision in February 2023.

Sep 2025
The NC Department of Environmental Quality (DEQ) issues two environmental permits. Stantec Consulting completes the Level 2 Traffic and Revenue (T&R) study.

Oct/Nov 2025
The U.S. Army Corps of Engineers issues the Section 404/Section 10 permit, set to expire December 31, 2030. In October, SELC filed Third Party Hearing Request with Coastal Resources Commission. In November, SELC filed OAH challenge to CAMA permit (OAH case no. 25 EHR 04383).

Feb 2026
NCDOT's Comparative Analysis concludes that the project is likely not feasible without additional funding.

Mar 2026
NCDOT confirms $61 million spent, construction delayed to June 2028, no contract or baseline budget in place.

Apr 15, 2026
ARPO votes 6-1 to retain the Mid-Currituck Bridge as a regional priority, keeping $173 million in committed STIP funds with the project.

---

[1] NCDOT/North Carolina Turnpike Authority (NCTA) Response (March 27, 2026); Final Environmental Impact Statement (FEIS) Reevaluation (2019); Comparative Analysis (2026); Record of Decision (ROD) (2019)

[2] The December 2011 Cost Estimate Review also produced a 70% probability year-of-expenditure cost of $560.4 million (2011 CER, p. 16) and a probable cost range of $507.8 million to $588.1 million (FEIS, PDF p. 91). The $496.53 million figure represents the base workshop estimate used in the FEIS Reevaluation's side-by-side comparison with the 2018 workshop.

[3] The January 2018 Cost Estimate Review report itself stated a workshop cost of $485 million (2018 CER, p. 17). The $490.59 million figure was finalized in the March 2019 Record of Decision and Table 1-1 of the FEIS Reevaluation.

Year	Milestone
1995	The Federal Highway Administration (FHWA) publishes first Notice of Intent to prepare an Environmental Impact Statement (EIS). A Draft EIS was issued in January 1998 but later paused.
2002	NC General Assembly creates the North Carolina Turnpike Authority (NCTA). The Mid-Currituck Bridge is designated as a toll project.
2006	NCTA officially takes over the project. Estimated cost at this point: roughly $600 million.
2008	FHWA rescinds the original EIS and issues a new Notice of Intent, restarting the environmental review process.
2009	A Pre-Development Agreement is signed with a private consortium for what is intended to be North Carolina's first public-private partnership (P3) bridge.
Dec 2011	FHWA conducts a cost estimate workshop. Total estimated project cost: $496.53 million.
Jan 2012	The Final Environmental Impact Statement (FEIS) is released.
2013	The Strategic Transportation Investments (STI) Act becomes law, eliminating the annual funding that had been meant to support the project. The Department paid a total of $7.9 million to Currituck Development Group under the 2009 Pre-Development Agreement.
Jan 2018	FHWA and NCDOT conduct a second cost workshop. The new cost estimate: $490.59 million in current-year dollars, or $531.08 million in year-of-expenditure dollars (70% confidence level).
Mar 2019	FHWA issues Record of Decision (ROD) granting federal approval. The Plan of Finance includes $568.8 million from five funding sources.
Apr 2019	The Southern Environmental Law Center (SELC) files a federal lawsuit challenging the environmental review, on behalf of the NC Wildlife Federation and the organization No Mid-Currituck Bridge.
Dec 2021	A federal district court rules in favor of NCDOT. The Fourth Circuit Court of Appeals affirms the decision in February 2023.
Sep 2025	The NC Department of Environmental Quality (DEQ) issues two environmental permits. Stantec Consulting completes the Level 2 Traffic and Revenue (T&R) study.

Year	Milestone
Oct 2025	The U.S. Army Corps of Engineers issues the Section 404/Section 10 permit, set to expire December 31, 2030. SELC files a challenge to the Coastal Area Management Act (CAMA) permit (Case No. 25 EHR 04383).
Feb 2026	NCDOT's Comparative Analysis concludes that the project is likely not feasible without additional funding.
Mar 2026	NCDOT confirms $61 million spent, construction delayed to June 2028, no contract or baseline budget in place.
Apr 15, 2026	APRO votes 6-1 to retain the Mid-Currituck Bridge as a regional priority, keeping $173 million in committed STIP funds with the project

ARPO's Role in the Mid-Currituck Bridge project

ARPO is the regional rural transportation planning body for northeastern North Carolina, with a formal role in the State's transportation funding system. ARPO assumed an important role in the Mid-Currituck Bridge project after the 2013 Strategic Transportation Investments (STI) Act transitioned North Carolina from a discretionary funding approach to a more data-driven prioritization process. Under this system, regional planning organizations help prioritize projects and have input about their inclusion in the State Transportation Improvement Program (STIP).

ARPO's role in the project is not only advisory. For toll projects, it must also decide whether a project remains in the STIP for tolling purposes or if it is reprioritized. ARPO faced an April 17, 2026 deadline to decide whether to continue supporting the current STIP commitment for the project or allow the committed funds to be released back to the State. If ARPO had shifted the project to later years of the STIP, the committed $173 million would have been released for other regional transportation needs, and the bridge would have had to compete for funding again in a future prioritization cycle. On April 15, two days before the deadline, ARPO decided to keep the $173 million in funding.

Potential Benefits of the Mid-Currituck Bridge Project

The Mid-Currituck Bridge would help residents and tourists traveling to the northern Outer Banks, by decreasing travel time and distance. Table 1 shows the distance and time that would be saved on a peak summer Saturday, measured from Barco (US 158/NC 168 intersection) to each destination.[4]

[4] Time saved figures are for peak Saturday midday travel. Distance from Stantec Table 5.12; time from Stantec Figures 5.2 through 5.5.

Table 1: Travel Time and Distance Saved on the Mid-Currituck Bridge, Compared to the Wright Memorial Bridge

Destination	Via WMB	Via MCB	Distance Saved	% Shorter	Time Saved
Kitty Hawk	30.1 mi	31.8 mi	+1.7 mi	Longer	n/a
S. Shores	31.5 mi	28.4 mi	3.1 mi	10%	~11 min
Duck	34.4 mi	25.5 mi	8.9 mi	26%	~30 min
Corolla	44.7 mi	15.2 mi	29.5 mi	66%	~88 min
Carova	51.5 mi	15.0 mi	36.5 mi	71%	~120 min

Mid-Currituck Bridge Project Expenditures

As of March 23, 2026, NCDOT reported total spending of **$61,084,382.84** on the Mid-Currituck Bridge, including $52,684,438.60 for engineering and environmental work and $8,399,944.24 to obtain five land parcels. The major engineering expenditures are listed in Table 2.

Table 2: Spending to Date on the Mid-Currituck Bridge

Purpose	Amount	Sources
ENGINEERING & ENVIRONMENTAL EXPENDITURES		
Environmental Studies, Legal Defense, NEPA Work, and ROW Plan Development Two full NEPA cycles (1995 NOI/1998 DEIS, rescinded 2008; second cycle producing 2012 FEIS, 2019 Reevaluation, and 2019 ROD). Legal defense of SELC federal lawsuit (2019–2023) through district court and Fourth Circuit. Biological assessments, wetland delineations, air quality and noise studies per FEIS appendices. ROW plan development for mainland and Outer Banks corridors. This bucket spans multiple eras, workstreams, and likely multiple firms and agency staff;	$26,331,486	*Federal Register NOI/DEIS rescission (2008)* *FEIS (Jan. 2012); FEIS Reevaluation (Mar. 2019)* *ROD (Mar. 2019)* *Coastal Review, Fourth Circuit ruling (Feb. 2023)* *NCDOT/NCTA Response (Mar. 27, 2026)*

Purpose	Amount	Sources
NCDOT does not provide a further sub-breakdown.		
Pre-Development Agreement (P3 Partnership, Later Terminated) Signed April 2009 with Currituck Development Group, LLC (led by ACS Infrastructure Development/Dragados USA, with Traylor Bros. and Weeks Marine). NC's first P3 bridge attempt. Covered preliminary design, financial modeling, and risk allocation for a $650–$700M project. The project's earlier P3 structure was terminated after the 2013 STI Act changed the funding environment and removed the State support structure that had underpinned prior financing assumptions. PDA procurement documents reference the annual appropriation as a project condition, though the specific contractual termination mechanism has not been independently reviewed.	$7,915,682	*NCTA PDA signing press release (Apr. 2009)* *ENR reporting (May 2009)* *PDA Addendum 1 Forms (termination clause)* *NCTA FY2013 audited financial statements* *NCDOT/NCTA Response (Mar. 27, 2026)*
Geotechnical Investigations (Soil and Subsurface Testing) Soil test borings along the Currituck Sound and Maple Swamp bridge alignments to characterize subsurface conditions for foundation and design work. As of March 2026, geotechnical investigations were still being completed.	$7,116,878	*FEIS (2012, bridge design sections)* *Coastal Review (Mar. 2026)* *NCDOT/NCTA Response (Mar. 27, 2026)*
Traffic and Revenue Studies Multiple generations: original forecasts for 2012 FEIS; revised forecasts for 2019 Reevaluation (cut projected usage from 12,600 to 7,700 vehicles/day). Stantec Consulting completed Level 2 T&R study (Sept. 2025) projecting $731M gross toll revenue over 50 years (Base Case). Included travel demand modeling, toll elasticity analysis, seasonal patterns, and sensitivity testing. These studies informed later project financing and comparative analysis work.	$3,764,994	*FEIS Reevaluation Tables 2-1, 2-2 (2019)* *Stantec T&R Report (Sept. 29, 2025)* *Comparative Analysis (Feb. 2026)* *NCDOT/NCTA Response (Mar. 27, 2026)*
Permit Applications Four major permits required: (1) Section 401 Water Quality	$2,436,628	*NC DEQ announcement (Sept. 19, 2025)*

Purpose	Amount	Sources
Certification, NC DEQ/DWR (issued Sept. 19, 2025); (2) CAMA Dredge and Fill permit, NC DEQ/DCM (issued Sept. 19, 2025); (3) Section 404/Section 10 permit, U.S. Army Corps of Engineers (issued Oct. 28, 2025; expires Dec. 31, 2030); (4) U.S. Coast Guard Bridge Permit (pending). CAMA permit under legal challenge (Case No. 25 EHR 04383).		*Coastal Review, permits coverage (Sept./Oct. 2025)* *SAV Mitigation Plan (NCDOT)* *NCDOT project highlights page* *NCDOT/NCTA Response (Mar. 27, 2026)*
ECU (East Carolina University) Studies Funded the SAVE Currituck Study (Submerged Aquatic Vegetation Evaluation), conducted by ECU's Coastal Studies Institute. Collected and synthesized bathymetry, wind, wave energy, sediment, and SAV field data across Currituck Sound. Findings informed the SAV mitigation plan required for environmental permits. Published as NCDOT Research Project 2018-05.	$1,729,922	*NCDOT Research Project 2018-05 Final Report* *Final Revised SAV Mitigation Plan (NCDOT)* *ECU Coastal Studies Institute* *NCDOT/NCTA Response (Mar. 27, 2026)*
Financial Advisors Advisory services across multiple financing attempts: P3 financial structure (2009–2013); 2019 Plan of Finance ($568.8M from five sources); federal MPDG application (per NCDOT project materials, submitted in 2024 and later reported as unsuccessful); updated plan of finance (ongoing). Financial modeling for the 2026 Comparative Analysis (Traditional Toll vs. P3 delivery, debt capacity, developer equity, funding gap calculations).	$1,320,461	*ROD Plan of Finance (2019)* *NCDOT project highlights page* *Comparative Analysis (Feb. 2026)* *NCDOT MCB presentation (Aug. 2024)* *NCDOT/NCTA Response (Mar. 27, 2026)*
USGS Monitoring of Currituck Sound Cooperative USGS/NCTA study establishing baseline water quality and bed-sediment chemistry prior to construction. Aug. 2011 through Jan. 2018: samples from five stations along the bridge alignment analyzing dissolved oxygen, pH, turbidity, metals, nutrients, organic compounds, bacteria, chlorophyll a, cyanotoxins, and phytoplankton. Published as USGS Open-File Report 2020-1031.	$1,019,925	*USGS OFR 2020-1031 (Harden et al., 2020)* *USGS South Atlantic Water Science Center* *USGS ScienceBase data releases (2019-2020)* *NCDOT/NCTA Response (Mar. 27, 2026)*

Purpose	Amount	Sources
Legal Services Related to the P3 Agreement Legal counsel for negotiation, execution, and termination of the 2009 PDA with Currituck Development Group. Separate from SELC litigation defense (line 1). The PDA involved an international consortium, and the procurement record indicates that continued State funding support was an important project assumption.	$547,800	*PDA Addendum 1 Forms (procurement docs)* *NCTA PDA signing release (Apr. 2009)* *NCDOT/NCTA Response (Mar. 27, 2026)*
Location Surveys Field surveys establishing alignment coordinates for the bridge corridor, approach roads, interchange areas, toll infrastructure, and related roadway improvements at the mainland and Outer Banks termini.	$500,662	*FEIS (2012, project description/alignment)* *LEDPA identification document (NCDOT)* *NCDOT/NCTA Response (Mar. 27, 2026)*
Subtotal: Engineering & Environmental	**$52,684,438.60**	
RIGHT-OF-WAY ACQUISITION		
Right-of-Way Acquisition (5 Land Parcels) Purchase of five parcels for bridge approaches and related infrastructure. Not all required parcels have been purchased as of March 2026.	$8,399,944.24	*Coastal Review (Apr. 2025)* *NCDOT/NCTA Response (Mar. 27, 2026)*
Subtotal: Right-of-Way	**$8,399,944.24**	
TOTAL SPENT TO DATE (as of March 23, 2026)	**$61,084,382.84**	*NCDOT/NCTA Response (Mar. 27, 2026)*

Note: The $26.3 million environmental/legal/NEPA category is the largest single expense bucket. NCDOT does not provide a further sub-breakdown of this amount. The activities described above are documented in the public record and represent work that plausibly falls within this category, but individual dollar allocations within it cannot be determined without the underlying contract ledger.

FINDINGS & RECOMMENDATIONS

Observation 1: The projected cost of the Mid-Currituck Bridge has more than doubled since federal approval in 2019.[5]

In January 2018, the Federal Highway Administration (FHWA) and NCDOT conducted a joint cost workshop, using a Monte Carlo probability simulation to arrive at a projected project cost of $490.59 million in current-year dollars.[6] This figure was used as the basis for the March 2019 Record of Decision. In March 2026, NCDOT provided an updated, verified cost estimate of $1,117,700,000, broken down into construction ($1,062,200,000), right-of-way ($42,500,000), and utilities ($13,000,000). Adding administrative allowances and agency costs for traditional toll delivery, brings the total to approximately $1.2 billion.

This represents an increase of $672 million, or 128%, from the 2018 workshop figure. The projected cost remained remarkably stable from the December 2011 FHWA workshop ($496.53 million) through the January 2018 workshop ($490.59 million); the estimate even decreased slightly over that span. The growth occurred entirely after federal approval of the bridge in March 2019, during a period spent on litigation and permitting rather than construction.

NCDOT's documentation does not itemize the specific reasons for this cost increase. Based on the available documents and independently published federal data, OSA identified three contributing factors:

1) Highway construction costs nationwide rose sharply during and after the COVID-19 pandemic. The Federal Highway Administration's National Highway Construction Cost Index (NHCCI), which tracks winning bid prices on state highway projects across the country, shows that costs have risen approximately 70% since 2020, the steepest increase in decades. The main drivers of this increase were higher prices for construction materials (particularly asphalt, concrete, and fabricated structural steel), pandemic-related supply chain disruptions that caused temporary and permanent business closures and increased demand for durable goods, and persistent labor shortages across the construction sector that reduced the number of competitive bidders on highway projects.

[5] FEIS Reevaluation Table 1-1 (2019); Record of Decision (2019); NCDOT Response Question 1 (March 2026); Comparative Analysis Table 5 (February 2026)

[6] The December 2011 Cost Estimate Review also produced a 70% probability year-of-expenditure cost of $560.4 million (2011 CER, p. 16) and a probable cost range of $507.8 million to $588.1 million (FEIS, PDF p. 91). The $496.53 million figure represents the base workshop estimate used in the FEIS Reevaluation's side-by-side comparison with the 2018 workshop.

2) The 2026 Comparative Analysis includes cost categories that were not part of the 2018 workshop estimate, most notably approximately $181 million in administrative allowances and agency costs under the Traditional Toll delivery model.

3) The method for calculating total delivery cost changed between the 2018 single-point estimate and the 2026 analysis, which models full delivery costs under two different procurement structures. Without an itemized cost reconciliation from NCDOT, the relative weight of each factor cannot be determined.[7]

The 2019 Final Environmental Impact Statement (FEIS) reevaluation, prepared for NCDOT and FHWA with support from Parsons Brinckerhoff, states that project delays add inflation costs of approximately $12 million per year, or $1 million per month. The actual increase since 2018 has been far higher than that rate, reflecting the broader construction cost environment.

Observation 2: To date, $61 million has been spent on the Mid-Currituck Bridge project, without a construction contract.[8]

As of March 23, 2026, NCDOT reported total expenditures of $61,084,382.84 for the project, including $7.9 million for the 2009 Pre-Development Agreement with the private P3 consortium (which was later terminated) and $547,800 in related legal costs. Because no construction contract has been executed, the project lacks a current approved baseline budget or updated cost estimate that reflects present conditions. Without a defined baseline and ongoing tracking of cost changes and contingency fund usage, decision-makers do not have sufficient information to evaluate whether additional funding is justified based on current costs and expected benefits.

Observation 3: The funding gap for the bridge exceeds $700 million, under either delivery model.

The February 2026 Comparative Analysis evaluated two delivery approaches: a Traditional Toll model (in which NCDOT retains primary responsibility) and a P3 model (in which a private developer assumes more financial and construction risk in exchange for toll revenue rights and a required return on equity), as shown in Table 3.

---

[7] FHWA National Highway Construction Cost Index, Q3 2024; Bureau of Transportation Statistics, "Increases in Highway Construction Costs Could Reduce IIJA Funding," April 2024; The Pew Charitable Trusts, "5 Factors Inflate Costs of Maintaining Roads and Bridges," April 2026; MCB Comparative Analysis Supplemental Report, February 2026.

[8] NCDOT/NCTA Response, Questions 3, 4, and 11 (March 27, 2026)

Table 3: Traditional vs. P3 Toll Models

($ millions)	Traditional Toll	P3 Toll	What This Means
Total Delivered Cost	$1,200,000,000	$1,090,000,000	Full cost including construction, administration, and delivery
Debt Backed by Toll Revenue	$195,000,000	$150,000,000	Maximum borrowing supportable by projected tolls
Less Developer Equity (P3 only)	$0	$65,000,000	Private capital contribution under P3 model
Equals Gap Before State Funds	$1,005,000,000	$875,000,000	Unfunded amount before applying STIP commitment
Add Committed STIP Funds	$173,000,000	$173,000,000	Currently programmed state funds
FUNDING GAP	$832,000,000	$702,000,000	Unidentified funding needed

This table shows that toll revenue can only support enough borrowing to cover 16% to 20% of the projected $1.118 billion project cost, depending on the delivery model. The other 80% or more would need to come from sources that have not yet been identified or authorized.

The P3 model is $110 million less than the traditional model because the private developer carries more construction risk, which reduces contingency costs. However, that savings is partially offset by a required 13.5% pre-tax return on the developer's $65 million equity contribution, a standard feature of P3 financing structures that compensates the private partner for taking on project risk. The net effect, as the table shows, is that the P3 model narrows the funding gap from $832 million to $702 million, but still leaves the project more than $700 million short of what

it would need to proceed. Neither delivery model resolves the fundamental financing problem.[9]

Observation 4: Toll revenues over 50 years cannot support project costs.

In September 2025, Stantec Consulting Services, Inc. completed a Level 2 Traffic and Revenue study for the Mid-Currituck Bridge, to determine how much toll revenue the bridge could generate and how much debt that revenue could support. The study uses conservative assumptions suitable for bond-rating purposes ("Best Case") as well as a more aggressive set of assumptions ("High Case"). Under the Base Case, the study projects $731 million in total gross toll revenue over the bridge's full 50-year operating period (2032 through 2081). The High Case, with more aggressive growth and pricing assumptions similar to those a private developer might use, projects $1.01 billion.

To put those numbers in context, the Base Case total of $731 million is less than the verified construction cost of $1,062,200,000, for the following reasons:[10]

- **Projected revenue growth is minimal.** Beginning in 2035, Base Case revenue grows at less than 1% per year, slowing to just 0.20% per year after 2050. Revenue grows from about $13 million per year in 2035 to only $16 million per year by 2081.
- **The bridge's finances depend on about 140 summer days.** Peak season for the Outer Banks (mid-June through mid-August) is only 56 days, but is projected to produce 31% of annual revenue. The off-season, October through April (225 days), accounts for 41% of traffic but generates only 33% of revenue, because toll rates will be lower.
- **Higher tolls bring in more money but fewer vehicles.** The High Case anticipates tolls of $20 to $40 per crossing (compared to $14 to $30 in the Base Case). This results in 38% more revenue, but 20% fewer vehicles using the bridge. Stantec's analysis shows that pushing tolls beyond about $30 to $40 will start to reduce total revenue, as drivers seek alternate routes.
- **First-year revenue is lower than the long-term average.** The model assumes only 75% of normal traffic in Year 1, rising to 85% in Year 2, 95% in Year 3, and full traffic in Year 4, as more travelers become aware of and adjust to the new route.
- **65% of anticipated toll transactions are from out-of-state vehicles.** This means that most of the bridge's expected income is tied directly to Outer Banks tourism. Any decline in tourism, due to economic downturns, storms or changing vacation habits, would directly reduce revenues.

[9] Comparative Analysis Table 9 (February 2026)

[10] Stantec Traffic and Revenue Report, Executive Summary and Section 5.6 (September 29, 2025)

- **Operating costs average $7.0 to $7.1 million per year,** including toll collection ($3.2 million), routine maintenance ($1.2 million), and major repairs and replacement ($2.7 million). This further reduces the amount available for debt payments.

Observation 5: NCDOT overestimated its traffic forecasts.[11]

Between the original 2012 FEIS and the 2019 reevaluation, NCDOT discovered that traffic volume, population growth, and tourism growth in the Outer Banks region had all been significantly less than originally projected. As a result, projected daily vehicle counts were reduced across all measured locations. Table 4 is compiled from NCDOT data published in the FEIS reevaluation (Tables 2-1 and 2-2); the percentage changes were calculated for this report.

Table 4: Traffic estimates for the Mid-Currituck Bridge under the Preferred Alternative (projected average daily vehicle count)

Location	Original (2035)	Revised (2040)	Change
US 158 at Barco	45,400	26,100	-42%
Wright Memorial Bridge	37,400	23,100	-38%
Mid-Currituck Bridge	12,600	7,700	-39%
MCB (summer weekday)	14,500	8,600	-41%

All figures reflect the Preferred Alternative (build) scenario from the FEIS Reevaluation; under the No-Build scenario the bridge does not exist and is reported as NA in the source. The original figures are 2035 projections, while the revised figures are 2040 projections, making the projected decline even more significant. The reasons for the decline are documented in the reevaluation: actual traffic volumes in 2015 were lower than 2006 levels; Currituck County's rate of population growth decreased from 2.9% to 1.6% per year and Dare County's from 1.8% to 1.0%; and tourism growth (measured by Gross Occupancy Tax receipts) slowed from 7-9% per year to 3.7%.[12]

The current Stantec revenue report builds on the revised projections. However, per the 2019 FEIS reevaluation, the growth assumptions for the Mid-Currituck Bridge

[11] FEIS Reevaluation Study Report, Tables 2-1 and 2-2 (March 2019)

[12] FEIS Reevaluation Study Report, Section 2 (Socioecenomics and Land Use Data), March 6, 2019, prepared for NCDOT and FHWA with support from Parsons Brinckerhoff

project have been overstated. The current model assumes stable, slow growth over a 50-year period without economic disruption. This is an optimistic outlook for a long-term forecast, particularly one so dependent on barrier island tourism.

Observation 6: The original financing plan is no longer viable under current conditions.[13]

When the Record of Decision was issued in 2019, the project's Plan of Finance—the formal document identifying how the project would funded—included $568.8 million from five sources to cover the $531 million projected cost. Due to substantial increases in construction costs, from $490.59 million at the time of the January 2018 FHWA/NCDOT cost workshop to $1,062,200,000 as verified by NCDOT in March 2026, that plan is no longer viable, as shown in Table 5.

Table 5: Projected Funding for the Mid-Currituck Bridge[14]

Funding Source	2019 Plan	2026 Status	Explanation
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan + toll revenue bonds	$336.6M	$195M	Toll-backed borrowing capacity fell by approximately 42% as lower traffic forecasts reduced projected toll revenue
Committed STIP funding (inclusive of GARVEE bonds and State Matching Funds) currently programmed)	$191.7M ($147.0M GARVEE + $44.7M State)	$173M	The $173M currently programmed in the STIP represents combined GARVEE and State Matching Funds. Net change: a reduction of approximately $18.7M from the 2019 combined figure.
Prior spending	$40.5M	$61M	Preconstruction expenditures increased by $20.5 million (+51%)

[13] FEIS Reevaluation Section 1.2.5 (2019); Comparative Analysis (2026); NCDOT Response (March 2026)
[14] FEIS Reevaluation Section 1.2.5 (2019); Comparative Analysis (2026), Table 9; NCDOT/NCTA Response to Information Request (March 27, 2026)

Funding Source	2019 Plan	2026 Status	Explanation
TOTAL vs. PROJECT COST	$568.8M vs $531M	$368M available vs $1,200M (Traditional) or $1,090M (P3)	as permitting, litigation, and renewed analysis work continued after 2019 Funding gap of $832M under Traditional Toll delivery; $702M under P3 Toll delivery per Comparative Analysis Table 9. Prior expenditures of $61M are sunk costs and not available to fund remaining work.

In 2019, the bridge's financing plan covered the full projected cost, with a small cushion. Today, the identified funding covers roughly one-third of the project's $1.2 billion delivered cost, while the combined 2019 plan included $191.7 million from GARVEE bonds and State Matching Funds. As of 2026, the $173 million currently programmed in the STIP represents these same combined sources, a net reduction of approximately $18.7 million. Toll-backed borrowing capacity fell by approximately 42%, as lower traffic forecasts reduced projected revenue. The cost growth from $531 million to $1.2 billion, combined with the reduction in toll-backed borrowing capacity, has resulted in a funding gap of $702 million to $832 million depending on delivery model, per the Comparative Analysis.

The project sought a $425 million Federal Multimodal Project Discretionary Grant in May 2024. The application was denied in October 2024.

The Mid-Currituck Bridge project has gone through three distinct funding phases, each presenting different obstacles. In the 1990's, the project entered a federal environmental review track under FHWA, but no documented federal construction appropriation was secured from that early effort. The 2009 P3 structure depended on recurring State gap funding to make up the difference between toll revenue and total project costs; that annual appropriation was eliminated when the 2013 Strategic Transportation Investments Act fundamentally changed the State's transportation funding structure. The 2019 Plan of Finance assembled a combination of TIFIA-related borrowing, toll-backed debt, GARVEE bonds, State funds and prior spending, but that structure is no longer viable as project costs have escalated.

Observation 7: The window to advance the Mid-Currituck Bridge project is narrowing.[15]

Multiple time constraints are working against the Mid-Currituck Bridge:

- **Construction timing remains uncertain.** The anticipated start date has already been delayed until June 2028, and may continue to shift.
- **Key permits may soon expire.** If construction does not begin by December 31, 2030, the project will need to go through the permitting process again, which could cause further delays unless an extension is granted.
- **The project ranks below current funding thresholds.** NCDOT's scoring analysis indicates that, if the Mid-Currituck Bridge project had to reapply for funding, it would have ranked 206th out of 590 projects in Statewide Mobility (not high enough for funding; only the top 22 projects were selected) and 15th out of 156 in Region A.[16] The $173 million in funding remains committed, but the financial gaps identified in this report remain unchanged by ARPO's decision to proceed.
- **Legal matters remain unresolved.** Future legal challenges could create additional uncertainty around project timing.
- **The delivery model has not yet been finalized.** NCDOT confirms that no decision has been made on how the Mid-Currituck Bridge would be structured or financed.

[15] NCDOT Response Questions 2 and 6 (March 2026); Comparative Analysis (February 2026))
[16] NCDOT Mid-Currituck Bridge Update presentation to ARPO, April 15, 2026

RESPONSE FROM THE DEPARTMENT OF TRANSPORTATION

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JOSH STEIN
GOVERNOR

DANIEL H. JOHNSON
SECRETARY

May 21, 2026

Via email to Dave.Boliek@ncauditor.gov

Mr. Dave Boliek
State Auditor
20601 Mail Service Center
Raleigh, North Carolina 27699

Dear State Auditor Boliek:

This is in response to your May 6, 2026 correspondence including a draft of the Rapid Response Report on the Mid-Currituck Bridge project.

Below is the Department's response to your Rapid Response Special Report contents.

Observation 1: The projected cost of the Mid-Currituck Bridge has more than doubled since federal approval in 2019.

We confirm this observation is consistent with the available project information and project cost estimates. In the seven years since the federal approval of the Record of Decision, the estimated cost for the project has more than doubled.

Several factors have contributed to this increase including the factors listed in your report. Our records reflect that the most notable reason for the increase in the construction cost estimate is due to updated unit prices for construction. Additionally, the anticipated cost for the proposed right-of-way needed to construct the project was reassessed based on current market conditions and resulted in an increased right-of-way cost estimate.

Additionally, the report notes the administrative allowances and agency costs which were not previously included as the itemized component in the project cost estimate. While these costs are not typically itemized in a cost estimate for a traditional project, the NC Turnpike Authority incorporates these costs because they are essential to maintaining a robust and dependable financing plan.

Mailing Address:
NC DEPARTMENT OF TRANSPORTATION
TURNPIKE AUTHORITY
1599 MAIL SERVICE CENTER
RALEIGH, NC 27699-1599

Telephone: (919) 707-2700
Fax: (919) 715-5511
Customer Service: 1-877-368-4968

Website: www.ncdot.gov

Location:
2501 AERIAL CENTER PARKWAY
SUITE 200
MORRISVILLE, NC 27560

Observation 2: To date, $61 million has been spent on the Mid-Currituck Bridge project, without a construction contract.

We confirm this observation is accurate based on project expenditure records. As noted, over the past 30+ years, this amount is inclusive of project development activities and acquisition of some right-of-way.

Observation 3: The funding gap for the bridge exceeds $700 million, under either delivery model.

We confirm this observation is accurate based on the latest project cost estimates and the most recent traffic and revenue projections.

Observation 4: Toll revenues over 50 years cannot support project costs.

We confirm this observation is accurate based on the latest project cost estimates and the most recent traffic and revenue projections.

Observation 5: NCDOT overestimated its traffic forecasts.

The traffic forecasts for the project have evolved over the past 30+ years of study.

Traffic forecasts are developed using current information available at the time including land use trends, socioeconomic projections from the NC State Data Center, tourism trends, etc. This information is continuously being updated.

The initial traffic forecasts used in the Draft EIS and Final EIS were completed in March 2009 and due to the passage of time, the Department developed updated traffic forecasts for use in the reevaluation report and Record of Decision in 2019. During the intervening time, information from data sources was updated and the new information was considered in the development of the updated traffic forecasts, which are lower than the initial traffic forecasts.

Observation 6: The original financing plan is no longer viable under current conditions.

The latest analysis shows a funding gap for the P3 Toll Delivery of $702 million after committed STIP funding compared to $832 million for the Traditional Toll Delivery for the Mid-Currituck Bridge project.

Observation 7: The window to advance the Mid-Currituck Bridge project is narrowing.

The latest analysis shows a funding gap for the P3 Toll Delivery of $702 million after committed STIP funding compared to $832 million for the Traditional Toll Delivery for the Mid-Currituck Bridge project.

The Department would appreciate the opportunity have a brief discussion with you before your report is finalized to clarify some of the values identified in the report, including the previous and current funding sources and mechanisms programmed in the State Transportation Improvement Program (i.e. GARVEE bonds are still programmed for the project).

In summary, the observations outlined in the report are consistent with the project studies and events that have taken place over the last 30+ years that the project has been under study. The NCDOT remains committed to delivering projects requested by local governments and programmed in the State Transportation Improvement Program.

Thank you for the opportunity to review the report, we appreciate your continued partnership as we work to deliver critical transportation projects across the state.

Please feel free to contact me at (919) 539-7373 with any questions or concerns.

Sincerely,

David Roy
Director of Innovative Finance
North Carolina Turnpike Authority

cc: Secretary Daniel H. Johnson

Ordering Information

Copies of this report may be obtained by contacting:

Office of the State Auditor
State of North Carolina
20601 Mail Service Center
Raleigh, North Carolina 27699

Telephone: 919-807-7500
Fax: 919-807-7647
Internet: www.auditor.nc.gov

To report alleged incidents of fraud, waste or abuse in state government contact the Office of the State Auditor's Tipline:

Telephone:1-800-730-8477

Internet: www.auditor.nc.gov/about-us/state-auditors-tipline

NOTE: OSA maintains strict confidentiality when handling personally identifiable and other sensitive information in accordance with State and federal law. OSA takes all necessary precautions to ensure that sensitive information is not compromised or improperly shared. This special report is based on the limited information available to OSA during our investigation and is not exhaustive. This report does not constitute an audit or attestation engagement conducted in accordance with generally accepted government auditing standards.