**METROPOLITAN TRANSIT COMMISSION**

**MEETING SUMMARY**

**August 24, 2011**

Presiding: Mayor Anthony Foxx (Charlotte)

Present: Curt Walton (Charlotte City Manager)

Terry Lansdell (TSAC Vice Chair)

Harry Jones (Mecklenburg County Manager)

Bobbie Shields (Mecklenburg Assistant County Manager)

John Collett (NCDOT Representative)

Sarah Nuckles (SCDOT Representative)

Mayor Jeff Tarte (Cornelius)

Anthony Roberts (Cornelius Town Manager)

Mayor John Woods (Davidson)

Mayor Jill Swain (Huntersville)

Greg Ferguson (Huntersville Town Manager)

Bill Coxe (Huntersville Town Planner)

Mayor Jim Taylor (Matthews)

Ralph Messera (Matthews)

Brian Welch (Mint Hill Town Manager)

Mike Rose (Pineville Town Administrator)

Wayne Herron (Monroe City Manager)

Bill Thunberg (Mooresville Representative)

Erskine Smith (Mooresville Assistant Town Manager)

Chief Executive Officer: Carolyn Flowers

**I. Call to Order**

The regular meeting of the Metropolitan Transit Commission was called to order at 5:30 pm by MTC’s Chairperson, Mayor Anthony Foxx. Mayor Foxx informed members that Paul Morris has been appointed as Deputy Secretary for Transit for NC Department of Transportation (NCDOT).

**II. Review of Meeting Summary**

The meeting summary of June 22, 2011 was approved as written.

**III. Transit Services Advisory Committee (TSAC) Chair’s Report Terry Lansdell**

Mr. Lansdell reported that TSAC met on August 11 and received information on the Center City Access study as well as service change information and a year-end wrap-up. TSAC also welcomed a new member, Michael Warner, who was appointed by the Charlotte City Council.

**IV. Citizens Transit Advisory Group (CTAG) Chair’s Report**

CTAG did not meet in August.

**V. Red Line Task Force Update John Woods**

Mayor Woods reported that the Red Line Task Force (RLTF) met prior to this meeting and received an update on the Red Line Rail project. RLTF members will update MTC members regularly coming months. Mayor Woods said he hopes Paul Morris can be at these meetings.

This project continues to be important to the state and the region. The pace of Red Line work activities has picked up greatly, with some tasks accelerating from five months to two months. The Red Line is a key corridor for economic development in the region. The project is no longer about just commuter transit from Charlotte to Mooresville, but as a result of policy directives the Task Force has endorsed, it is now a project important for targeting and capturing the full value around the corridor, not just transit oriented development (TOD), but untapped freight-oriented development (FOD). The importance of FOD reflects a transition in the freight industry, in which this corridor could be a meaningful player.

Value capture mechanisms help identify the unique value created along the corridor. TOD and FOD will finance the gap through local tools such as bonds and other funding options. Mr. Morris said he would return to MTC with results and recommendations in the first and second quarter of 2012 for adoption. The vision of the region is driving the project now. This may result in a different structure for the project, perhaps some form of Joint Power Authority. The state remains a vital player in the project, as the project may become a model for transferability throughout the state. The Task Force has requested that the state take a leadership role in the project’s development. Mayor Woods hopes to bring recommendations to MTC next month to approve policy-level questions discussed today, and then plan a summit-type meeting in October, perhaps hosted by MTC, involving all the jurisdictions to hear the message.

**Discussion**: Mr. Messera asked whether Norfolk Southern has been involved in the process. Mr. Morris said that they have not. The group is now close to being ready to meet with Norfolk Southern, which is high on the list of next outreach efforts. Mayor Foxx asked how expansive Mr. Morris viewed the jurisdiction. Mr. Morris replied that the benefit district will cross county lines, up to and including Mooresville, with nodes of activity for freight and transit linking up through the corridor. Ms. Nuckles asked if it would be a dual rail. Mr. Morris replied that it will be a single rail. Mayor Foxx thanked the task force for their work. Mayor Swain said that Mayor Foxx deserved thanks also for Charlotte’s embrace of the project. Mayor Woods noted that the RLTF planned to return to MTC with updates at each meeting.

**VI. Public Comments**

Edna Chirico stated that she is the current chair of University City Partners (UCP), a municipal service district encompassing the University City area, created to enhance the economic vitality of the University area. UCP and its members have long advocated for the Blue Line Extension (BLE) and continue to advocate for transit development. Ms. Chirico said that UCP supports both the BLE and the Red Line. Tough choices have had to be made in this economy. Ms. Chirico concluded saying that UCP looks forward to continuing their partnership.

George Maloomian was a founding partner of UCP, and is also a developer and landowner in the area. CATS has a great partner in UCP, which established a corridor plan in University City that took rail into account. The district now has over 55,000 employees. The BLE will be a key component for employees. The region adopted the plan and then amended the text for zoning the research park to allow the line to be implemented. The region now waits for the urban corridor that will happen when the Red Line Commuter Rail is built and the BLE goes into the UNC Charlotte campus. The vision for the region is highly transit oriented. The players are in place and will continue to do what they can to develop the project.

Charles Strickland spoke on having bus stops re-evaluated. He has spoken with Mr. Kopf. Many bus stop signs now are difficult to see, behind utility poles or trees. Another issue arises when stops are not right across the street from one another and the stop on the other side of the street can be difficult to find. One example of difficult-to-see stops is at Park Rd near the Bloom store area. The stop is behind a tree and a utility pole, so a bus driver cannot see a person standing at the bus stop. He gave two other examples of difficult-to-see stops or stops not directly across the street from each other. Mr. Strickland concluded by saying that with the Democratic National Convention (DNC) coming, stops should be evaluated.

**VII. Action Items**

MTC had no action items on the agenda for August.

**VIII. Information Items**

**a. BLE New Starts Update Danny Rogers**

John Muth, CATS Deputy Director, gave an overview of the presentation. Mr. Rogers, CATS Senior Project Manager for Transit Corridors, reviewed anticipated project milestones. CATS anticipates FTA’s signing the Record of Decision (ROD) on December 15, after which right of way acquisition can begin. CATS hopes to move into Final Design in May 2012. FTA commits federal funding at the Final Design stage and invests increased effort in project evaluation. CATS will perform an Internal Risk Assessment prior to Final Design to identify uncertain aspects of the project and quantify their potential effects on the project’s cost and schedule. This will help control risks and costs and will accelerate FTA’s Risk Assessment process.

CATS anticipates the state’s execution of the State Full Funding Grant Agreement (FFGA) in December 2011, and FTA execution of the Federal FFGA in December 2012. Project costs will be finalized when FTA approves entry into Final Design. Project costs will be based on estimates at the 65 percent design level, a higher level of design and more certain estimate than was used for the Blue Line.

Staff will hold two public meetings in the next two months. The Real Estate Acquisition meeting is scheduled for September 27; the Final Environmental Impact Statement public meeting will be held on October 11. Both meetings will begin at 6:00 pm at Sugaw Creek Presbyterian Church.

CATS will submit an update to the New Starts rating on September 12, where costs, financial plans, and land use plans are updated. FTA will use the data submitted to create a rating. In 2009, the BLE received a Medium rating. FTA requires a Medium rating to fund a project. CATS anticipates that the Cost Effectiveness index for this submission will be a Medium or Medium-High, based on new cost and ridership data. The Cost Estimate will be based on an updated 30 percent cost estimate. Later this fall, we will receive a 65 percent cost estimate. That will be the cost estimate used to set the budget for the project.

FTA requires a risk assessment (RA) to enter into Final Design. CATS has chosen to perform an internal RA, which will help CATS create mitigation strategies before sending the information to FTA. It also allows for better risk control and will accelerate FTA’s RA schedule. Mr. Rogers reviewed risk factors ranging from inflation to NCDOT’s Sugar Creek Road grade separation schedule to railroad coordination.

FTA has allowed the value of locally-owned property to be counted toward the local match. There is about $14 million worth of City-owned land that can be counted as value toward the local match, which is a big benefit to the project.

Dymphna Pereira, CATS Chief Financial Officer and Assistant Director of Public Transit, stated that CATS has received $39.6 million so far from the federal government. The BLE was one of four new projects in the President’s FFY2012 budget. CATS has received a Letter of Commitment from NCDOT for 25 percent financial partnership in the project, subject to appropriation. NCDOT has awarded about $12.5 million for the project so far. CATS has also received support from the Mecklenburg Congressional delegation, the local business community, UNC Charlotte (which has not only supported the projected but also donated right of way), and other groups.

Ms. Pereira reiterated that in the spring of 2012, the project will request to enter Final Design, with a new cost estimate which will determine the cost of the project. Project cost at July 2011 is $1,069.7 billion in Year of Expenditure dollars after implementing scope reductions MTC approved in January, but the project’s cost estimate will be finalized in May 2012. Finance charges of $80.5 million have been added to the project’s cost. Federal appropriations stretch over 5-6 years. CATS will use short-term financing to cover the federal share, and will retire debt as we receive yearly funds from FTA. The cost of financing is an eligible cost, and so has been added to the project.

Local and State shares will each be 25 percent of the cost of the project. Project costs will be finalized in May next year. Financial risks associated with the project are the state and federal budget environments, sales tax revenues, and the credit market environment. CATS has not built in a high level of growth in the long-term plan, so services will stay stable with not much growth, but agency risks do have an impact on the project’s risk.

**Discussion**: Ms. Flowers asked Mr. Rogers to compare BLE costs with the Blue Line costs. Mr. Rogers replied that the Blue Line cost estimate was set at the 30-45 percent design level. The BLE’s cost estimate will be at the 65 percent design level, a higher design phase than was the case on the South Corridor, so the BLE’s estimate will be based on a higher level of design and a more certain estimate.

Mr. Roberts asked about the amount of short term financing. Ms. Pereira said that the financial plan anticipates about $126 million in short term financing, which will be retired the year after the project is built. CATS will get an allocation from the federal government every year. The allocated amount will be used to retire an equivalent portion of the debt each year, so the amount will go down rapidly. Mayor Foxx said that the President’s inclusion of design funds for this project sends a signal to FTA that he is serious about this project. Because of the budget situation, Washington will be more constrained in the future, so the sooner CATS is awarded the Federal FFGA, the better.

**IX. Chief Executive Officer’s Report Carolyn Flowers**

Under the CEO’s report, Ms. Flowers discussed the following:

1. **Transit Safety**:
Transit safety stories have been in the media recently. Studies show a 39 percent decrease in crimes on persons and property on the system year over year, with 42 percent decrease in crimes on buses and a 32 percent decrease in crimes on rail.
2. **New Service**:
CATS has extended the Gold Rush service to the Charlotte School of Law. The Orange Line will make two trips to the school in the morning and four in the afternoon.
3. **Legislative Updates**:
MTC members will receive an update in September on the proposed Legislative Agenda, which will be an Action Item on the October MTC agenda. CATS would like to propose an MTC visit to the State Assembly next May, a key time for transit advocacy on state and federal levels. CATS would like to see a federal visit as well as a state visit next year.
4. **Property Acquisition**:
CATS has acquired the transit hub property at Eastland Mall for about $771,000. A long-term lease for the property would have cost $2-2.5 million. CATS has a substantial investment in the Eastland Mall transit hub.
5. **Financial Updates**:
* On August 16, FTA published a notice to inform the public that there will be no significant updates to the New Starts or Small Starts programs.
* Sales tax receipts were slightly down for the year, $3.4 million below budget.
* Through the first quarter, Titan has secured contracts exceeding the first year’s revenue guarantee of $562,500.
* Ridership finished the year 2.1 percent over projections.
* CATS has submitted proposals for four federal grants through U.S. DOT.

**Discussion**: Mayor Foxx said he continued to be impressed with how public agencies are dealing with economic fluctuations and federal regulations. Mayor Taylor asked when the BOD labor contract expired and the duration of the extension. Ms. Flowers responded that the contract expired June 30. Employees voted to change representation which delayed voting; new officers were not chosen until August. Negotiations began this week on the contract, which has been extended in 30-day increments. Mayor Taylor asked if there was any information on the Person of Interest the FBI had been seeking. John Trunk, CATS Assistant Director of Transit Support Services, said that the FBI’s investigation is still active, and the person is still unknown. Ms. Flowers said there is a high level of surveillance on CATS services now. CATS is working closely with the FBI to resolve this, and also with the Secret Service in preparations for the DNC.

Mr. Messera asked for an update on the Independence Blvd Task Force, since they have discussed issues that would result in changes to the Southeast Corridor. Ms. Flowers said that Jim Schumacher will present an update to MTC in September or October, following a third report from ULI. Mr. Collett noted that DOT members will be in Charlotte for the DOT Board Meeting in February, which will be a good opportunity for MTC members to meet with them. The Board members have never been to Charlotte, where all modes of transit are represented.

**X. Other Business**

None.

**XI. Adjourn**

The meeting was adjourned at 6:35 pm by Mayor Foxx.

Next MTC Meeting: Wednesday, September 28, 2011, 5:30 pm