

METROPOLITAN TRANSIT COMMISSION

MEETING SUMMARY

September 28, 2011

Presiding: Mayor Anthony Foxx (Charlotte)

Present: Jim Schumacher (Charlotte Assistant City Manager)
Mary Barker (CTAG Co-chair)
Rick Sanderson (TSAC Chair)
Bobbie Shields (Mecklenburg Assistant County Manager)
Jennifer Roberts (Chairman, Mecklenburg County Commission)
John Collett (NCDOT Representative)
Sarah Nuckles (SCDOT Representative)
Mayor Jeff Tarte (Cornelius)
Mayor John Woods (Davidson)
Leamon Brice (Davidson Town Manager)
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)
Bill Thunberg (Mooresville Representative)
Erskine Smith (Mooresville Assistant Town Manager)
Mike Rose (Pineville Town Administrator)

Chief Executive Officer: Carolyn Flowers

I. Call to Order

The regular meeting of the Metropolitan Transit Commission was called to order at 5:35 p.m. by MTC's Chairperson, Mayor Anthony Foxx.

II. Review of Meeting Summary

The meeting summary of August 24, 2011 was approved as written.

III. Transit Services Advisory Committee (TSAC) Chair's Report

Rick Sanderson

Mr. Sanderson reported that TSAC met on September 8 for a tour of the new North Davidson Street Bus Facility and parking deck, an impressive new facility with an employee parking deck that was integrated with the nearby school and greenway. TSAC's next meeting is October 13.

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

Mary Barker

Ms. Barker said that CTAG met on September 20 and welcomed five new members. CTAG members reviewed the same topics to be covered tonight.

V. **Red Line Task Force Update**

John Woods

Mayor Woods informed members of a briefing of the Red Line Task Force status scheduled for October 27. The meeting will be held at the CPCC North campus in Huntersville at 10:00 a.m. Ms. Flowers noted that since elected officials and members of the public are invited, each town and city should provide their own meeting notice. CATS will also post a notice about the meeting on its website. The rest of the Task Force update will be covered in the Information Item.

VI. **Public Comments**

Chris Bakis said that he would change all the questions asked about the Red Line to be about Independence Boulevard, and the answers would be the same – yes. We should not ignore the east side. He stated that east Charlotte has not been represented on this board and has been ignored. Mike McKeever, the ULI expert from California, said BRT does not foster economic development. Mr. McKeever spoke of rapid streetcar as the neighborhood builder.

VII. **Action Items**

There were no action items on the agenda.

VIII. **Information Items**

a. **Federal Legislative Update**

Rich Gold / Shawna Watley

Mr. Gold and Ms. Watley with Holland & Knight gave an overview of the current federal legislative climate. Legislators are studying ways to reduce deficits. The President has proposed \$50 billion for transportation spending to promote job creation. The focus of these funds is on projects that can be completed soon to create jobs quickly. Although support for New Starts funding continues to be strong, there is no funding for New Starts money in this bill. The Blue Line Extension (BLE) is included in the President's budget and North Carolina's congressional delegation has stated their continued support for the project. Due to economic constraints, federal FY2012 funding levels for most transportation-related programs are slated to be frozen at or lower than federal FY2011 funding.

Discussion: Mayor Foxx asked whether Congress will work together again. Mr. Gold replied that some defrosting has begun to appear. The recent patent law change received strong bipartisan participation. Public support for current legislators is at historic lows, so bipartisanship may begin to be attractive. Commissioner Roberts noted that the President's budget has many hoops to go through, and Mr. Gold agreed. CATS expects an executed federal Full Funding Grant Agreement (FFGA) for the BLE in 2012, and hopes to move forward with the Red Line as well. Commissioner Roberts asked how changing criteria will help the Red Line. Mr. Gold said the line is challenged in entering into New Starts and obtaining funding under current criteria. There are efforts underway to broaden the current narrow scoring criteria. There is support for transit by both parties, as evidenced by appropriations bills where transit funding is protected in a greater way than that of other programs, but no changes are finalized. Ms. Nuckles noted that transportation funding seemed low in the jobs bill. Mr. Gold replied that the challenge is the spend-out timeline. The bill focuses secondarily on improving infrastructure and more on creating jobs, so the emphasis is to award funding where the system can absorb the spending to create jobs quickly. Mr. Messera asked about the discrepancy between the Senate and the House on proposed federal match limits. Mr. Gold noted that while the House limits FTA from entering into FFGAs with more than 50 percent New Starts funding, the Senate limit proposes a 60 percent limit. It is still under discussion, but there is not much leeway. MTC

has built projects in a way that is respected by FTA and throughout the country. At a time when every dollar is cherished, that respect will help.

b. 2012 Federal Legislative Agenda

Dana Fenton

Mr. Fenton, Intergovernmental Relations Manager with the City of Charlotte, reviewed the current Legislative Agenda. State Maintenance Assistance Program (SMAP) funds have been reduced by 9.4 percent by the State. There needs to be a robust, sustainable and reliable source of Federal funding for 2012, as the gasoline tax has not provided sufficient revenues. In 2012, MTC should advocate greater encouragement of tolling and public-private partnerships, as well as substantial new funding for the New Starts/ Small Starts program. For the BLE, MTC will seek grant funds to procure right-of-way and start Final Design, FTA authorization to enter Final Design, and execution of the FFGA by the end of 2012. Mr. Fenton reviewed the calendar for the remainder of 2011 and for 2012. In January, MTC members will attend the US Congress of Mayors (USCM) meeting in Washington, DC; in May, MTC members are recommended to visit the General Assembly.

Discussion: Mayor Swain said that at USCM, mayors attend sessions on different topics. She asked whether there could be a presentation on the success of the Blue Line. Mr. Fenton said he did not know what would be involved, but it would be worthwhile to find out. Mayor Foxx said that we can figure out a way to have Charlotte's story told.

c. Red Line Task Force Policy Recommendations

Paul Morris

Mayor Woods commented that the Red Line Task Force was authorized about a year ago to further the Red Line Commuter Rail project. At that time, the Task Force was awarded the participation of Paul Morris as a consultant on behalf of NCDOT. He has since been named Deputy Secretary for Transit for NCDOT. He and his team have worked diligently on recommendations for the Task Force, which were approved last month by Task Force members. Next month, this will be an action item on MTC's agenda.

Mr. Morris stated that the project is being rebranded as the Red Line Rail project. His group developed policy recommendations for Task Force members to consider. As the project evolved, it became clear that the state's interest may be significant. The task force was asked to adopt recommendations provisionally subject to MTC's approval. The first of three key principles is that the Red Line should be viewed as an economic development strategy. The second key principle is that it serves as a dual-benefit corridor, moving goods and people. The line can be developed to serve not only transit riders, but to benefit current and future freight users. Anything that benefits one beneficiary should benefit the other. Joint development opportunities, common with transit and freight locations, will capture all value to create more jobs, strengthen the North Corridor's regional economic position, and leverage revenues to support Red Line operations. The third principle is to recognize the network benefit created, which is best suited to a unified approach. The Red Line project can provide a service to draw new businesses and residents to the North Corridor, serve as an attractive alternative to I-77 and provide long-term logistics opportunities via connections to the north. All of these can enhance its regional economic development leadership position. Mr. Morris discussed the concept of a dual benefit corridor, where Freight and Transit Oriented Development (FOD and TOD) move people and goods. The dual benefit creates unique economic outcomes, strengthens the North Corridor's economic position, and creates not only longevity but sustainability.

FOD and TOD are not historically viewed as compatible and do not have to be; they can take place at different points along the route. Mr. Morris discussed ways to leverage revenues from TOD and FOD. The current proposal is to create one unified revenue district along the corridor rather than the traditional segmented approach. The unified approach allows the full value of the networked benefit to be captured and provides the best chance of competitive proposals by the private sector in a public private partnership. North Carolina has not often used a Joint Powers Authority (JPA), but that is the best option for this project. Tax authority will be maintained at the local level, but a JPA will ensure that the unified benefit captures the most value. A JPA suggests regionalism, with all parties reaching consent. This will tie in to NCDOT long-term transportation plans to create an integrated network of multimodal transportation system and thus will be important state-wide.

Red Line Task Force members have provisionally approved four policy questions:

1. Should the Red Line Rail project be treated as a regional economic development initiative;
2. Should the Red Line Rail project pursue a dual-benefit strategy;
3. Should a unified district be established to provide regional benefit and allocation, administered via a JPA; and
4. Should the State take a leadership role in the Red Line Rail project.

Two key challenges for implementation include negotiating and partnering with railroads and the impact of potential future extensions of the Red Line on freight traffic traveling through the corridor and other regions in the State. The Task Force's Finance Working Group and Economic Development Group will work on next steps.

Discussion: Mayor Woods said that it has been interesting to see how the project has developed to create a dual-purpose line that will create economic development. Commissioner Roberts asked who will administer the Dual Powers Agreement. Mr. Morris replied that it will be the JPA, either an arm of an existing entity or a new entity. The project delivery and overall operation is still to be worked out, whether through CATS or a private entity if a public private partnership is pursued. Mayor Foxx asked whether there would be debt and how that would be guaranteed. Mr. Morris said that is still to be determined, based on how the debt is structured and on availability payments through the revenue streams created. There are four value capture mechanisms being pursued: tax increment financing, special assessments, some form of partnering agreements for financial contributions through private developments and joint development where some entities may have land for development and seek a development partner.

Mr. Shields noted that there were two questions last month, one on contacting Norfolk Southern (NS) and the other on dual track, and asked for more detail. If NS expands their usage of the line, how does that impact commuter rail usage? Mr. Morris replied that for the most part, the plan is for a single track; severe right of way limitations preclude dual track for most of the line. However, there are portions that would allow sidings for passage that would allow FOD. Mr. Morris said that previous discussions with NS were for a different plan. The recent focus has been on determining how the project could be ultimately funded. Mr. Morris had lunch with NS's Senior Vice President on Monday to initiate a conversation on the line's new usage. NS indicated that they are interested in the project and all terms are back on the table. They have expressed early interest in a dual-benefit purpose. As a

single rail corridor, it will have limits in its ability to serve freight and will be unable to serve as a nationwide Class 1 corridor, but will probably serve the intermodal center in Charlotte and link to trains covering the main east-west line to the south. Mr. Messera asked the relationship between MTC and the JPA. Would the Red Line be stripped from MTC and taken over by the JPA? Mr. Morris replied that nothing has been proposed yet, and that will be a discussion topic in defining the JPA. He noted that it is a vehicle to build the region. It does not seem to make sense to pull the line from MTC under an independent authority that is on its own, since one of the principle purposes is to support MTC's objectives. Mayor Woods noted that a JPA provides a practical method to cross the county line, and a method must be found to accommodate that.

Mr. Thunberg said that Mr. Morris was asking MTC to accept the recommendation of the Red Line Task Force and adopt the Task Force's four principles. The financial plan cannot be built until MTC adopts the four principles. Mayor Foxx noted that the Charlotte City Council will hear a presentation on the project in November. He said that this is not easy work and applauded the Task Force and Mr. Morris for laying the groundwork. Mayor Taylor asked how the line would tie in with the intermodal facility at the airport, and whether it would make the line longer. Mr. Morris said it does not have to, as the line would tie in with an existing Class 1 line. However, the development of the airport expansion enhances the value of developing a FOD corridor. Ms. Nuckles asked if the JPA would have the authority to issue bonds; Mr. Morris replied he did not think it will, but it will depend on how the debt is structured. Mayor Woods reiterated that MTC members are invited to an October 27 briefing where elected officials and candidates are invited to learn about the process. Commissioner Roberts said that this is part of a conversation on how we tie transit and roads together for a regional benefit. Mayor Tarte noted that with both Carroll Gray and Mr. Thunberg at this meeting, there are multiple communities working together on a project that has state support. Mr. Thunberg noted that the Lake Norman Transportation Commission gathered planners from all the municipalities and made a unified map of their land use and transportation plans so the communities are aware of what is going on around them. Mr. Shields noted that on October 12, Mecklenburg County's Economic Development committee is scheduled to receive a presentation on the Red Line as well.

d. North Carolina DOT Prioritization Process

David McDonald

Mr. McDonald, CATS Transit Planning Manager, provided background on NCDOT's Strategic Prioritization Process and presented the Transit Prioritization 2.0 list to MTC. The list comes from documents previously approved by MTC. The ranking of the projects is based first on system operation/preservation and then on expansion. Projects already funded are not included on the list; therefore, the list includes funding requests for items such as revenue vehicle replacement and North Corridor development, but includes no requests for BLE funding. The same list will appear before MTC next month for approval.

Discussion: None.

e. Urban Land Institute (ULI) – Daniel Rose Fellowship Program

Jim Schumacher / Debra Campbell / Brian Horton

Ms. Campbell is Key Business Executive (KBE) and Director of Planning. She thanked MTC members for the opportunity to give an update. Mr. Pleasant was unable to be here as scheduled, so Brian Horton will speak for the Charlotte Department of Transportation

(CDOT). Ms. Campbell said that Charlotte, Sacramento, Detroit and Houston were chosen for the program's study this year. The Independence Corridor has been declining for years. Charlotte asked the Fellowship Program's assistance in defining how to implement the Independence Area Plan. Charlotte took NCDOT's recommendations for Independence Boulevard and planned around them. The goal was to move the plan forward. The Fellowship Program's panel felt that the challenge for the corridor has been the project's uncertainty. Key ULI recommendations included being clear about the difference between solutions for regional challenges vs. local challenges and to build on what has worked. Their three main refinements included considering BRT/ Express bus on Independence in High Occupancy Travel (HOT) lanes; add streetcar on Central Ave. and on Monroe Road; and promote auto-oriented retail on Independence Boulevard and neighborhood-serving, mixed-use development on the streetcar lines. The ULI recommendation of a combined busway and HOT lane slightly reduces roadway right of way needs. The Charlotte team established a Task Force made of Fellowship Program participants, as well as neighborhood, business and public sector representatives.

Brian Horton of CDOT said that this is the most challenging corridor. How do we convert Independence to the regional corridor and Monroe to the local economic development corridor? Aligning the transit corridor within the highway creates a hostile environment for pedestrians, which may limit development potential. Secretary of Transportation Conti is a Fellow on the ULI Panel. There is renewed interest by the State to complete the six miles remaining in the US 74 highway project to I-485. There is increasing interest in financial resources such as the Mobility Fund. NCDOT prioritized the US 74/Independence Boulevard project as second in the state, following only I-85's Yadkin River Bridge replacement. However, sales tax revenues have declined and there is no transit funding for the Southeast Corridor for the next 25 years. Highway construction at a mile a decade has left Independence improvement six miles from the Outer belt. There is increased interest in managed lanes. Congestion pricing in HOT lanes keeps lanes moving as Express buses also continue to use the lanes. A recent study concluded that US 74 ranked higher than I-77 for high occupancy vehicle demand, and that HOT lane revenues may exceed operations and maintenance cost estimates. Mr. Horton showed a rendering of the Independence Boulevard and Conference Drive intersection under the proposed new road project with HOT lanes rather than bus lanes, and how HOT lanes would work with bus-lane access to a BRT station on Conference Drive.

Mr. Schumacher summarized the panel's conclusions. Independence Boulevard alone cannot meet all the various needs for regional travel, local trips, access to commercial properties, and also provide stimulus for new TOD. Therefore, the Task Force recommended that MTC rescind the provision in the 2006 Transit System Plan that calls for preserving the ability to construct light rail or bus rapid transit in the center of Independence Boulevard. This will allow NCDOT to use the center portion of the highway for HOT lanes and continue to improve the highway. Rail transit in the Southeast Corridor should be developed in the corridor on an alternate alignment to support new residential and commercial development on a neighborhood scale in a long-term plan. More study is needed to determine the optimum alignment for the corridor's new rail plan. The City should fund implementation of the Area Plan recommendations. Civic involvement should continue through regular meetings hosted by the East Chapter of the Charlotte Chamber.

Discussion: Mayor Foxx noted that improved mobility would benefit Independence Boulevard, while revitalizing the East Side and stimulating neighborhood development made sense on Monroe Road. He asked if HOT lane revenues could be used to develop streetcar on Monroe Road. Mr. Schumacher said that had been discussed with CATS' financial consultant Jeff Parker with regard to federal regulations. His conclusion was that if buses were routed on HOT lanes, they are established as a fixed guideway. Those funds can then be used for other guideways on that corridor. Mayor Foxx asked what would be the process to look at other rail options on the Southeast Corridor. Ms. Flowers said CATS would have to perform another Major Investment Study (MIS), which would take well over a year once funded. MIS studies cost upwards of \$200,000. Mayor Woods asked Mayor Taylor's opinion. Mayor Taylor replied that he had no objections to switching to a mindset to Monroe Road over Independence Boulevard, as long as the rail line would not stop at the Charlotte city limits but would continue to Matthews. The last bullet point of the conclusions was that the meetings would continue to be hosted by the East Chapter of the Charlotte Chamber. Mayor Taylor wanted to make sure that all municipalities and towns involved would also be invited to those meetings. Mr. Messera said that his concern with funding an MIS with the rail option was that once Independence Boulevard was constructed with HOT lanes, the rail plan should not be put on the back burner. Mr. Collette said he agreed with the recommendations of the Task Force. The area needs to move quickly to adopt them to obtain funding from the state and attract capital. The six-mile gap badly needs to be filled in; it would be great to get Independence Boulevard improvements completed in the next two-three years. Without adopting the recommendations, it will be impossible to accomplish anything quickly. Adopting the recommendations will bring this section to the top of the priority list and not in another 20 years. Mayor Foxx said the recommendation was to get back on it in November. Mr. Collett said that not everyone will be happy, but a direction has to be set. Mr. Messera asked if the discussion could be included on the October MTC agenda and not the November meeting. Ms. Flowers noted that not all members of the Task Force would be able to be here in October.

IX. Chief Executive Officer's Report

Carolyn Flowers

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

a. Service Changes:

Beginning Monday, October 3, Route 61X Arboretum Express will be extended to the Valerie C. Woodard Center. The extension will be funded through a Job Access Reverse Commute (JARC) grant. A few other routes will also have changes.

b. Financial Update:

Staff negotiated several procurements recently, including a Real Estate Acquisition Consultant and renewal of the federal legislative services agreement. July sales tax receipts were \$1 million higher than budgeted. Despite the July upturn, it will be necessary to do a mid-year budget adjustment as other sources of funding have been reduced. CATS will have to add additional services to STS to maintain federally-mandated services levels. Ridership increased slightly last month.

c. Labor Negotiations:

A tentative labor agreement with UTU was reached last week. Staff hopes the agreement will be ratified next week.

d. Light Rail Incident Update:

The pedestrian involved in last week's light rail incident has improved and was interviewed by media today. She does not remember details of the incident. In the interview, she said that she wears earphones regularly, but does not remember if she was wearing earphones that day. She had an umbrella which may have blocked her view of the oncoming train, and she did not hear people behind her warning her about the train.

e. Business Opportunity Symposium:

CATS will host an outreach on September 29 to inform businesses of upcoming procurement opportunities and provide information on how to work within federal requirements for CATS projects such as the BLE and for projects with other City departments.

f. Red Line Task Force Status:

As mentioned earlier, a briefing on the Red Line Task Force status will be presented at 10:00 a.m. on October 27, 2011. The meeting will be at the CPCC North Campus in Huntersville. Since Council, Legislative members and candidates are invited, each town and City should provide their own notice of the meeting. CATS will also post a meeting notice on its website. Ms. Flowers will be unable to attend the meeting as she will be in Washington, DC, participating in the Transit Cooperative Research Program's Oversight and Project Selection Committee. The trip will be funded by that program.

Discussion: Mr. Messera remarked that there was a fatality on Denver's light rail line last week; a woman was looking at her iPod and walked in front of a train. Ms. Flowers responded that Operation Lifesaver's most recent campaign is aimed at people wearing earphones. Most people use noise-cancelling headphones and cannot hear a train coming. In our recent incident, the woman may not have seen the train because of her umbrella. She was blessed that the coupler hit her and threw her out of the path of the train. The operator exercised all correct procedures and was at the appropriate speed.

X. Other Business

Olaf Kinard, CATS Director of Marketing & Communications, informed MTC members that CATS's advertising agency estimated today that advertising demand will soon exceed space available on rail vehicles and local and express buses. Staff sought MTC's approval to include all revenue vehicles in the advertising programs, including those originally excluded in the Advertising Policy such as Sprinter, vanpool and Gold Rush vehicles.

Discussion: MTC members agreed that pursuing additional revenue was worthwhile. Commissioner Roberts moved to add the action item to change the Advertising Policy to allow advertising on all revenue vehicles, including those originally excluded by the policy. The motion was seconded.

Resolution: Commissioner Roberts moved to approve the motion to allow advertising on all revenue vehicles, including those originally excluded by the policy. Mayor Taylor seconded the motion, which passed unanimously.

XI. Adjourn

The meeting was adjourned at 7:50 pm by Mayor Foxx.

NEXT MTC MEETING: WEDNESDAY, OCTOBER 26, 2011, 5:30 PM