



MTC WORKSHOP

Presented To

METROPOLITAN TRANSIT COMMISSION

November 17, 2010

The Charlotte Chamber – The Belk Action Room

Solving the regional mobility challenge by keeping the 2030 plan moving under the new financial reality

NEW REALITY

- Recognizing the fact that there is insufficient funding to deliver the current 2030 plan
- Recognizing the limitations of sales tax revenue growth and the impacts to advancing multiple projects simultaneously without additional revenue
- Recognizing the fact that there will be an impact to current project schedules in 2030 plan
- Recognizing that in current political and economic climate that there are limited opportunities for expansion of federal or state transportation spending for transit
- Recognizing that the change in the political landscape will result in less support of earmarks and move towards more discretionary grants

KEY ACTIONS

- Maintaining a plan that encompasses transit equity and environmental justice for transit dependent population
- Addressing the need to find more sources of sustainable revenue
- Considering options and models for privatization and public/private partnerships for project financing and delivery
- Choosing options that will effectively compete for resources

STAFF RECOMMENDATIONS



APPROACH TO REVISITING 2030 PLAN

Step 1 (FY 2011-2013)

- Confirm which corridor(s) can be delivered by 2030 within existing sales tax framework
- Advance initial corridor(s)
- Advance Charlotte Gateway Station in partnership with NCDOT

Step 2 (Timing To Be Determined)

- Determine funding assumptions for programming other corridors
- Re-evaluate Southeast Corridor technology per 2006 MTC direction
- Does West Corridor Technology need to be re-examined?
- Determine role and needs of regional partners

Implementation plans only as good as the financial assumptions

Recommendation: Advance the “Affordable” project within the constraints of the financial plan

Pros for continuing to move ahead

- Already in federal process, could get record of decision next year
- Complete Preliminary Engineering late 2011/Enter Final design early 2012
- Could be delivered within existing sales tax base with changes to scope
- Reduce risk of construction cost escalation
- Financial impact if decision to pull out of federal process (Raleigh–Triangle Transit, Miami, New Jersey)
 - Repayment of federal and state funds
 - Loss of position and credibility in federal process

Cons against moving ahead

- Funding challenges at current project scope and cost estimates

Recommendation: Continue work plan, pursue PPP opportunities and finalize construction schedule

Find creative financing solutions for unfunded gap share of project

- Review opportunities for Value Capture
- Initiate TIFs with guarantees to funding entity
- Explore RRIF loans if guarantors can be identified
- Test interest in other project delivery methods
 - NCDOT building in conjunction with road PPP
 - Norfolk Southern or other railroad sponsor the project

Factors impacting the objective of 2013 operating date

- CRISP project: NS/CSX grade separation will not be completed until 2017
- The right of way lease and operating agreement with Norfolk Southern have not been finalized
- Lead time for FEIS and safety certification
- Rolling stock has not been funded or ordered
- Station design has not been completed
- Weighing the impacts to ridership projections if I-77 is expanded

Recommendation: Continue work on the current grant-funded project through charge-backs for services rendered to the City

- Defer corridor project in the 2030 plan until future funding can be identified
- Support the City of Charlotte Engineering and Property Management in design and construction of demonstration alignment
- Obtain funding from the City to operate the initial 1 ½ mile demonstration alignment
- Continue to support efforts to work with community on developing options for the future Eastland to Rosa Park alignment

Recommendation: Defer action on decision to identify technology option until funding levels stabilize

- Program funding in financial plan for a future study of Silver Line Technology
 - Assess whether the transit system should be multi-modal or all rail
 - Assess technology options to determine which modes could be delivered sooner and be most cost effective
- Continue to work with State to maintain adequate right of way in order to retain flexibility for modal options on alignment
- Work with State and other partners on creative funding options for the future alignment (roadway and transit)

Recommendation: Continue to run BRT mode (Sprinter) service to Airport

- Determine if there is a desire to revisit technology decision in future
- If so, identify funding sources for a future technology study for West Corridor
- Review how other cities are serving airports
- Determine if there are any future cost sharing options with Charlotte-Douglas Airport for other technologies

- Staff is seeking direction
 - To develop the option for delivering “Affordable” BLE
 - For action steps to be taken to fill Red Line funding gap – pursue options for public private partnerships
 - For authority to amend the period of performance for financial consultant to develop further alternative revenue streams to sustain operations in future