Charlotte City Council

Transportation & Planning Committee

Meeting Summary for February 23, 2012

COMMITTEE AGENDA TOPICS

I. Subject: Midtown Morehead Cherry Area Plan
Action: Forward to Council

II. Subject: Red Line Update
Action: For information only

III. Subject: Draft FY2013 Focus Area Plan
Action: Forward to Council

IV. Subject: Bicycle Share Project Update
Action: For information only

COMMITTEE INFORMATION

Present:	David Howard, John Autry, Warren Cooksey, Patsy Kinsey
Time:	12:00 pm – 1:30 pm

ATTACHMENTS

Agenda Package

DISCUSSION HIGHLIGHTS

David Howard called the meeting to order at 12:05 and asked everyone in the room to introduce themselves.

I. Midtown Morehead Cherry Area Plan

Howard: The Midtown Morehead Cherry Area Plan is first today, and Kent Main will start.

Main: I do not have a presentation today, but have uploaded the January 9 presentation to this Committee in case there are questions. We received public comments at the February 13 Council

meeting. We are hoping you will recommend approval of the plan today so we can get this on the February 27 Council agenda.

Kinsey: The district representative would like to make a motion to approve and send it to Council.

Howard: Is there a second to support the district representative?

Mr. Cooksey seconded the motion, the motion carried unanimously.

II. Red Line Update

Howard: This conversation has been going on for a while. At our January 26 meeting, we heard from our friends from NCDOT who explained the proposed project to us. Red Line consultants, Katherine and Mark were also with us. This month, we want to get responses to questions that arose during our last meeting. We will likely have more questions that will require responses at next month's meeting because it is a complicated project. Ruffin, if you'll set this up, we'll go from there.

Hall: Thank you Mr. Howard. Today's purpose is to continue with the review the Red Line Proposal process. It is a robust and complicated plan. We are all working hard to vet through the proposal and work through the questions. We suggest continuing going through the questions at the March 22 meeting where we will want to discuss what elements you would like to put on the table as feedback to the consensus plan that is being requested. We won't be doing any of that today, but we are going to start compiling those comments or thoughts about the terms we want to have the Committee look for. You could update the Council at the March 26 dinner briefing in terms of an update. Along with that, I want to give a brief update of the Red Line Task Force meeting of yesterday. There has been quite a bit of discussion in the public domain recently as it relates to Norfolk Southern, and the Task Force heard about some of those conversations yesterday. There were two elements I took away from that conversation. The first is that Norfolk Southern is really interested in looking at revising their set of assumptions associated with the engineering and technical elements of the plan. There was certainly a set of assumptions that were operating at the beginning of the process, and now they would like to pull back and relook at those technical engineering assumptions. They are looking at a study in conjunction with NCDOT to be completed through the spring and summer. Also, CATS will be asked to provide information as part of that effort. To that end, the schedule will be impacted a bit, but it doesn't impact this group's work associated with looking at the financing and business plan. Our work is focused around the comprehensive business plan, and that's what we'll be talking about today and at the next Committee meeting.

Howard: Paul (Morris), please come join us at the table since you are a part of this conversation.

Hall: Peter Zeiler with Neighborhood and Business Services will walk through some of the questions attached to the agenda. One of the questions you may ask is "Why Peter Zeiler?"

Howard: I did.

Hall: This is a comprehensive financing and business plan, and it touches and involves a lot of different elements. Staff pulled together a work team that is made up of representatives from CATS, Budget, Economic Development, and Finance to look at it from all the different perspectives in a collaborative way. We picked Peter because an element of this is looking at it from a development proposal framework, and Economic Development is used to presenting those kinds of ideas. Peter is going to generally represent some of the questions. The handout at your table contains some of the comments that Mark and Katherine provided in response to our responses, as well as some things that we're still working through.

Peter: We are all familiar with this project, but I think it's always helpful to start a presentation like this looking at the map to identify the framework of what this project is, what the Unified Benefits District looks like, and where some of the different development potentials are. Staff presented a set of questions at the last meeting, and I am going to walk through those questions along with an additional 6 questions generated by the Committee. This will let you know what we have accomplished and what work we still have pending (see attachment 1).

Mr. Zeiler began with the responses to question 1.

Howard: What would increase passenger train travel other than just peak hour travel? I would like to know if an increase would be something other than that.

Autry: If the traffic of freight, determined by Norfolk Southern, would require a grade separation, would the improvements be paid for by Norfolk Southern or the Redline Project?

Peter Morris: That's a good question, and one that we don't have an answer to yet.

Howard: If there is not a quick response to a question, let's add it to the list of more complicated questions.

Peter Morris: This is quick. Regarding your first question about commuter traffic, the current infrastructure, design, and operations plan accounts for between 16 and 28 passenger trains per day, and a limited number of local freight movements. The local freight movements are more than what is there today, but well within the allowances that the design of engineering can support without having to go to a grade separated situation. As Ruffin indicated, Norfolk Southern's realization that this needs to be revisited from their assumptions for the freight side could affect that question, and it would either lead to a conclusion that the capacity of the corridor will create a metering effect that would prohibit it from exceeding the volume that would trigger grade separation, or there would be suite of other major improvements that would be required that they would likely pay for outside of anything we would do. They are putting their assumptions on the table, but that doesn't necessarily mean those assumptions will be their final conclusion, and we don't know what their new inputs are yet.

Howard: My question about increased traffic is about operations.

Flowers: It will increase the operating costs. This is more trains than we had originally planned for, but we have not gone through the process of developing an operating budget for this project.

Howard: I would like some idea about the effects on maintenance and operations.

Flowers: More trains, more maintenance costs.

Mr. Zeiler moved forward to question 2 (see attachment 1).

Kinsey: The Charlotte Gateway station proposal directs 25% of the tax increment capture to the Red Line, and 75% goes to a reserve fund for future rail projects to Union and Gaston Counties (see question 3, attachment 1)? Where is the 50% discussed in this meeting on January 26?

Zeiler: I think we misstated that in the write up.

Morris: I would like to clarify that if I may. Like the other jurisdictions, 25% would be kept by the municipality and the remaining 75% would be split three ways. ⅓ would go north for this project, ⅓ would be put in reserve for Gaston, and ⅓ would be put in reserve for Union. And as we, the Rail Division, continue to refine our engineered plans for all of the train needs at the Gateway Station, allowances have been made for tracks to be routed in and station platform accommodations made for both the Union and a Gaston commuter rail. So, we have the capacity within our ownership and our track configuration to do that even though they are not in the current engineered designs. They are basically set aside spaces.

Kinsey: Thank you.

Mr. Zeiler moved forward to question 4 (see attachment 1).

Howard: Carolyn, how long is CATS looking out regarding financial projections?

Flowers: 30 years. We have the 2030 plan. We had Jeffrey A. Parker and Associates, Inc. go through the financial plan last year, and the only way we could do this project is through some innovative financing mechanism that doesn’t require sales taxes to fund it.

Howard: So, borrowing against sales tax is something we might be able to do in the future?

Flowers: You can’t borrow against sales tax because we don’t have the financial capacity. The debt capacity that we’re carrying doesn’t allow us to borrow.

Howard: You are talking about our current sales tax revenue, so you are making projections on what is going on right now.

Flowers: We are making our projection on the loss that we've had in the last five years. We've lost over $400 million worth of capacity in our long term plan. You can't go back and make that up, and that just pushes the plan out further. That $400 million is equivalent to building a project.

Hall: This is where we get into the conversation of the difference between the Transit Plan and Policy versus the funding problem. At one point in the past, the Red Line had elements of the funding within the funding model under the projections associated with the existing sales tax. As the sales tax constricted and went down, the Jeffrey A. Parker model that was revised last year wasn't able to include that within it. So, it's a question based on the conditions today with the existing revenue stream and the existing financial instruments that are at our fingertips, it's not in there. It doesn't mean that it couldn't be added later if things improved greater than the projection or if we identified another public private partnership. What Carolyn is talking about is the thirty year financial model today based on current assumptions and the sales tax.

Howard: I wanted to make sure that it's clear that when we leave today, we understand that it's not only in the 5 year plan, but it's not in the long term plan.

Flower: The traditional financing model will not work if you want to move this project forward in the near term.

Howard: I really want to push this issue out and understand what timeframe we are realistically looking at.

Flowers: When we put together our workshop for the public, we said we could move this project forward with CATS participation through the proposal of an RRIF loan, which wouldn't have to be paid back until 2 years after the actual project is built. We then we said it would initiate the Commuter Rail Floor, which is a federal formula to allow for additional funds to come from the federal government, of which CATS could pay its share. There has been some concern about whether or not this is consistent with the financial model that we have now in terms of sales tax contributing to the project capital costs. If we had another revenue source, this would allow us to swap using the Commuter Rail Floor funding with using sales tax to balance our budget.

Howard: I wanted to make it clear that we are still looking for ways to try to figure this out.

Mr. Zeiler moved to question 6 (see attachment 1).

Howard: Do we use the state to guarantee TIFs?

Zeiler: No, we do not.

Howard: Could a traditional TIF be backstopped by the state?

Hall: I think there is only one that is currently in existence in the state of NC, and that's the Roanoke Rapids Proposal. I'm not aware of any others yet.

Morris: There are. Kannapolis has one, and Woodfin has one.

Hall: This would be a good thing for Mr. Morris to comment on. The question here would be the risk to the City and what the state's backstop would be. The larger question is how the backstop interacts with the City's debt.

Morris: If the state's rating drops, and we have tax increments flowing into that project, there is the potential that the City's credit rating could also suffer with the TIF money already going into the Unified Benefit District, and that may limit our ability to put money on other projects, whether that's through tax increment financing or general obligation bonds. The state treasurer says she has no intention of anything being done that would impact the state's rating. The way we would approach this is we would be providing our finds in a way that would not expose the state's bond rating to any risk. Also, the way we backstop is through a special reserve fund that we currently hold for this very purpose. A net present value of that risk of us actually having to deploy some portion of that fund will be done by our CFO and our physical team, and they will determine how best to calculate that. If at any point it's determined that fund is at risk of being depleted beyond what would be acceptable, that would be a constraint to our involvement. As Ruffin alluded to, there are a suite of safety measures already built into the business plan to preclude the inevitability of that happening. The way this is underwritten, whether it's a P3 or other revenue bond process, it would essentially hold harmless the local governments. So, you would have zero exposure to the consequences of repayment of the bond.

Cooksey: This is something I would like to see this reconciled, because the staff write up in our packets said, "If the state lost its AAA rating in future years for any reason, this could have a negative impact the City's rating." The Red Line Regional Rail Project team statement says, "A downgrading of the State's credit rating would have no impact on the credit rating for the City." Clearly contradictory and in matters of Charlotte's bond rating, I trust our staff more than anybody else.

Morris: I'm not commenting one way or the other on those two points. That's an issue for the bond and rating agencies to decide.

Hall: Part of the process that we are undertaking is to identify where there might be issues of conversation that are different. We need to go back to the statements that are based on a set of assumptions.

Morris: I think it's a fair to say that we haven't found all the answers, but we have found a lot more questions.

Mr. Zeiler moved to question 7 (see attachment 1).

Howard: It is understood that MSD 1 and MSD 2 overlap each other.

Mark Briggs: When we met with City staff and they identified and provided maps of the MSD, what we did in the model that shows the projection on the assessment is we added to the existing

MSDs the amount that brought it to the .75, which is basically the standard amount that is being discussed 25 miles out. The amount that gets added for MSD 1 is .49, and MSD 2 is .23, because you've already got those assessments against you. All we did in the model is show the difference between what exists up to .75. Discussions with City staff told me now much we needed to add and still stay within the .75.

Hall: This is one of those cases where we are not on the same page yet. I think this is one of the things we need to take back. Our assumption is that MSD 1 overlaps the MSD 2, and added together is about 4 cents. The remainder to get to .75 is about .70. You could allocate the .70 between the two districts, but you still have to get to that total number. I think the point is the SAD is the key element to the overall financing of the plan, and the tax rate for those particular property owners is significant. Mark has put forward an excellent argument as part of their presentation that there is great value in that particular rate for those property owners. If you look at it from a per rental square footage element, there's a justification for it.

Howard: It would help me to understand how other cities have dealt with sticker shock and how they explained it to the public.

Mr. Zeiler moved to question 8 (see attachment 1).

Howard: Since Federal funding is designated for a bus facility and cannot be used for the Commuter Rail portion of the planned station, could the funds help pay for the rail part of the building if it was all in one facility?

Flowers: It can be part of the entire facility, but it is a designated earmark for bus purposes only. The portion of the facility that it could support is the bus bays.

Howard: That's what I'm talking about.

Zeiler: If there is left over money, we could not move it into the train facility. The City's current TIF policy is that no more than 3% of the total tax base can be subject to the TIF. This land is not subject to that 3% cap because it is not currently part of the tax base. Having that property come into being taxable property, and then being subject to a TIF, would likely not have a large impact on our 3% cap, because we are enlarging the amount of taxable land that is coming in that would increase the amount of property that is subject to the TIF cap. We increase the amount of subject property that is TIF eligible, and we are increasing the amount, so they work in tandem and we won't net a large impact on the current TIF cap for the Gateway property only. The other properties would have an impact on the TIF cap.

Hall: One of the elements discussed in development review is what is the impact on your TIF policy? What Peter is talking about is projecting what the potential impacts would be to stay under the 3% cap. Since the Gateway Station could potentially be a very large investment, that's a significant number to look at.

Mr. Zeiler moved to question 9 (see attachment 1).

Howard: My reason for wanting to invite Council members was to get them comfortable with what this Public-Private Partnership (P3) would look like.

Mr. Zeiler completed covering the Question Assignments with a review of remaining questions that will return for discussion.

Howard: Let's come back with more conversation next month. Thank you all. The next item on the agenda is the Focus Area Plan.

III. Draft FY 2013 Focus Area Plan

Hall: The Focus Area Plan is an annual review the Council adopts of your five strategic focus areas. This particular year is a tweaking year as opposed other years when it is a full blown reanalysis and reconsideration. Last time, we took the 6 page Focus Area Plan and narrowed it to 1.5 pages, reformatting and consolidating to tighten it up. We are happy to put the recommended draft on the table for your consideration before you vote to recommend to the full Council. You are welcome to do that today if you are ready. I want to ask you to direct your attention to the part about increasing "the % of City population within ¼ mile of parks, schools, shopping, and transit greater than the 2004 baseline" (see attachment 2 under **Measure**). This particular measure got a lot of discussion in the Transportation and Planning Cabinet. We had some interesting conversation that I thought the Committee might like to hear. We don't have a recommended change or difference, but the conversation around that measure is a good indicator of the strategic planning process that we use. I'm going to ask Danny and Debra to talk about that particular measure and some of the conversation that we had.

Pleasant: When we talk about this, one of the things we are always in tune to is the mission statement at the top of the Focus Area Plan. We understand that you can't do transportation without paying attention to land development patterns and visa versa. The only place where we saw a connection between integrating land use and transportation choices was in setting up a metric to see how we are doing in creating accessibility to parks, schools, shopping, and transit. When we set the benchmark for that in 2004, we were meeting the adjacency numbers. These are citywide numbers, and we are holding steady at the parks level, we have gained some ground on schools, we have increased shopping by a significant margin, but transit has fallen off. We are exceeding the benchmarks on Centers and Corridors, but there are larger gaps in the higher populated Wedges. There are some definite differences as these line up with the Centers, Corridors, and Wedges Growth Frame.

Howard: In which Focus Area Plan did we track Centers, Corridors and Wedges?

Campbell: I thought we reported it as part of the Transportation Action Plan in terms of the percent of development that is occurring in population.

Howard: So, it's in the Transportation Action Plan?

Campbell: Danny set it up well in identifying what we feel the challenges are in making the link between transportation planning and land use planning and development. The challenge is when we look at the measurement of ¼ mile, which is not much geography, and we say that we want an increase in population within ¼ mile to parks, schools, shopping, and transit. This would have an intrinsic influence on how we do land use planning.

Howard: It sounds like the GDP.

Campbell: We want all of our communities to be in proximity to ¼ mile of these uses. From a livability perspective, it would be good have all of these uses. Are we saying that because these uses are in close proximity, there are transportation benefits by reducing vehicle miles traveled with alternative modes of transit and access? It is an accessibility as well as a livability metric.

Howard: Don't we get more points for higher density?

Campbell: Yes.

Hall: We always talk about stretch targets and stretch goals. We are comfortable when we have a goal in mind, but we can't always pick targets we can fully control.

Campbell: We have rated the ¼ mile population increase as needing a lot more discussion from the Transportation Cabinet perspective. We are not recommending a change during this cycle. We think there is a much broader impact in terms of planning, growth strategy, and the goal.

Howard: That's why I wondered if center, corridors & wedges should be in there? Centers, Corridors and Wedges is what we are supposed to be using for growth, not proximity to parks, schools, shopping, and transit only.

Kinsey: We have to be very careful what we site near schools and parks; the proper kind of development and the proper kind of housing.

Howard: This in another thing we need to talk about. So, staff is going to look at this over the next year?

Campbell: Absolutely.

Hall: We want to share the discussion about the strategic planning framework. Also, if you wanted to vote to recommend this plan, we will take that one back and look at it more comprehensively, so when we bring back next year's plan we'll have something on the table for you.

Kinsey: So, are you pulling this out?

Hall: No, we are going to leave it in. We will report on it.

Kinsey: I don't want projects forced around schools and parks that are inappropriate just to say we are doing it.

Autry: Could we get feedback on how we performed over the last year?

Pleasant: We track that every year, and that comes out in your Transportation Action Plan annual update.

Hall: Mr. Autry, are you asking for an update on all of them, or just that one?

Autry: That one in particular.

Hall: We can provide that.

Cooksey: We have a prior year column that is blank, and that doesn't help. Typically, when you get a comparison column you have data from the most recent year available.

Hall: Many of these measures are called lag measures, which are on an annual basis. Right now, the prior year for this plan is 2012, which we are in the middle of.

Cooksey: Understood. In which case, if we could get 2011 data, we would at least have some sense of where the movement is.

Autry: It would be helpful to find ways to distinguish what we are doing, how things are moving, as well as the results of what we decided to do last time.

Howard: I think last year's goal was to shorten it, so now the next focus should be to tweak it.
Hall: Two more points. Because it was a tweaking year, we chose to focus the retreat away from the Focus Area Plans, which in the past they took a lot of time at the retreats. I think these are really good comments to carry forward next year. One other thing for Mr. Autry's benefit, there is a yearend corporate performance report that is issued every year that takes a look at all of the targets, results, and acknowledgements.

Autry: I think that's the problem with communication to the public. Information is buried in some other document. It's not right here in the column about prior year actions.

Hall: There is a struggle with how to frame the measures because of the way the measures are set up and the timeframe about when they get adopted.

Cooksey: There is a development process for these, and content wise it starts at the retreat. Before we begin developing the plans this time next year, we need to have a structure agreed upon.

Hall: Mr. Howard, do you want me to take forward the idea of discussing the Focus Area Plans on the March 26 dinner so you can talk about this with Council?

Howard: I would be nice to discuss this before we go to the dais.

Hall: I will see what the schedule looks like.

Howard: Do we have a motion or do we want to wait?

Cooksey: I want to see something from a prior year in that blank column. Mr. Chairman, I move we recommend adoption of this Focus Area Plan to Council provided that the prior year actual column gets filled with FY11 data.

Hall: We'll put that information into the version that gets presented for adoption.

Mrs. Kinsey seconded Mr. Cooksey's motion.

The motioned carried unanimously to present the Focus Area Plan to full Council.

IV. Bicycle Share Project Update

Pleasant: We spoke about the feasibility study last time we presented to this Committee. We have had quite a few new developments take place since that time. I will pass this to Dan to fill you in on what has been going on.

Gallagher: City Council referred the Bike Share Project to the Transportation and Planning Committee last year. We visited with you in November, and at that time you asked us to pursue a bike share feasibility study, and also to coordinate with Center City Partners, and the DNC Host Committee on a possible bike share demonstration. There are about 24 systems in the US that are up and running or are about to open. We have learned a lot about private sponsorship roles. Since November, we have explored what types of private funding that might be available to help us move in the direction of a demonstration project. Center City Partners has been the lead organizers on that effort, reaching out to bike share vendors, and to private sponsors to judge the level of interest in Charlotte. Together we have been developing a 20 station, 200 bike system for the City of Charlotte. Chattanooga is getting ready to open their 30 station, 300 bike system. We have focused on the central core area with some extension outside the 277 loop. We expect lots of interest to expand once open, and if the program grows beyond the Center City, it would need to be turned over to the City for management. We suggested a feasibility study back in November. We have learned a lot since then, and found that partners in other cities programs are helping to develop these systems, so we decided to bypass the feasibility study. Since we have learned so much from other cities, we have been participating in professional peer groups to learn how those systems are operating. There are still many details to be worked out, but the options we will be able to offer will depend on private sector funding, and we'll learn more about that over the next month. Our intent is to develop as low a risk and cost system as possible to get a demonstration project up and running. We will continue to update you as we progress.

Autry: Where would bikes be permitted to operate in Charlotte?

Gallagher: We don't have the perfect infrastructure yet, but we are bicycle friendly in parts of our city right now. We are approaching this for bicyclists to ride where they are most comfortable. We will try not to locate stations in places that wouldn't be comfortable. One of the main corridors for this system would be Tryon Street. We would also like to take advantage of the Little Sugar Creek Greenway. Our good street connectivity offers lots of route choices. We compete very well with cities that have already established these programs.

Howard: What do we do to make this feasible going forward? Also, what about the helmet law for cyclists?

Danny: You have to act as a motor vehicle driver when on a bike in the City. North Carolina law does allow you to ride on the sidewalks except in the Center City. Bicycle helmets are mandatory for those 16 and under, but not mandatory for adults.

The meeting adjourned at 1:42.

Transportation & Planning Committee
Thursday, February 23, 2012
12:00 – 1:30 p.m.
Charlotte-Mecklenburg Government Center
Room 280

Committee Members: David Howard, Chair
Michael Barnes, Vice Chair
John Autry
Warren Cooksey
Patsy Kinsey

Staff Resource: Ruffin Hall, Assistant City Manager

AGENDA

I. Midtown Morehead Cherry Area Plan - 15 minutes
Resource: Kent Main
The Committee received a presentation of the draft plan on January 9, 2012. City Council received public comments at its meeting on February 13, 2012 and is now ready for Committee recommendation.
Action: Recommend Council adopt the draft Midtown Morehead Cherry Area Plan with the proposed revisions at their February 27, 2012 meeting.
Link to the Plan and Proposed Revisions:
http://charmeck.org/city/charlotte/planning/AreaPlanning/Plans/Pages/MidtownMoreheadCherry.aspx

II. Red Line Update – 30 minutes
Resources: Ruffin Hall & others
Receive response to policy questions outlined from the January 26, 2012 Committee meeting and continue the Red Line proposal review process.
Attachment: 1. Red Line Q&A.doc

III. Draft FY2013 Focus Area Plan – 30 minutes
Resource: Ruffin Hall
The Committee will discuss, review and consider changes to the draft FY2013 Transportation Focus Area Plan.
Action: Discussion with possible recommendation.
Attachment: 2. Draft FY2013 Focus Area Plan

IV. Bicycle Share Project Update - 15 minutes
Resource: Dan Gallagher
Staff will provide an update on the status of the Bicycle Share efforts.
Action: For information only.

Next Scheduled Meeting: Thursday, March 22, 2012 – 12:00 p.m.
Future Topics – Red Line Update, Focus Area Plan, Bicycle Share

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Distribution: Mayor & City Council, Transportation Cabinet, Dan Gallagher, Curt Walton, City Manager, Kent Main, Leadership Team, Katherine Henderson

Question ASSIGNMENTS
City of Charlotte - Transportation and Planning Committee
January 26, 2012

Additional information on the Red Line proposal and Questions and Answers provided by the consultants to the general public may be found at http://redlineregionalrail.org/draft-business-finance-plan/

Several questions and answers will be considered at the March 22nd Transportation and Planning (TAP) Committee Meeting. Staff is still working on a response given the amount and complexity of the financial data.

Policy / Planning impacts

1. Are there any impacts to adopted Council policy?

   i. Land use planning?

   The proposed Unified Benefit Districts (UBD's) are unlikely to have significant land use planning impacts based on the following factors:

   - Charlotte UBD boundaries around the transit station areas are to be drawn in accordance with the Council adopted Transit Station Area Principles.
   - Several developers have approved plans in proximity to stations and expect to proceed with their TODs under the dual-benefit financing plan.
   - Boundaries of the Freight-Oriented Development (FOD) UBD's have been drawn in the context of existing City land use policies and adopted district plans.
   - City policy currently does not contemplate allowing TOD in the areas identified for FOD.

   ii. Current economic development initiatives?

   - The proposed TOD and FOD development areas do not conflict with any existing economic development initiatives.
   - The identified FOD sites support redevelopment of underutilized industrial zoned land and potential job creation in Charlotte's Business Corridor Geography

iii. Other?

The proposed financing model assumes more frequent passenger and freight traffic than past plans. A preliminary review of the street network adjacent to the alignment was conducted to assess the impacts of the proposed increased traffic. The following potential impacts were noted and called out for more exploration:

- Current Quiet Zone mitigations may need to be expanded for several residential neighborhoods.
- Double tracking may be required in certain locations, adding to the capital costs
- Potential upgrades to safety measure at NC Music factory Boulevard
- Bus and automobile safety and access to Druid Hills Elementary may be negatively impacted
- Increased safety risk and compromised access to I-77 at Atando.
- Increased freight traffic may trigger grade separation at current at grade Y crossings at Graham and Atando
- Increased freight traffic may trigger grade separation at current O-Line and N. Tryon at grade crossing
- Potential left turn lane impacts at
  Graham & I-85 Service Drive
  Graham & Oneida
- Nevin St. and Gibbon St. at grade crossings to potentially closed simultaneously with longer freight trains.

2. What is the process for establishing station area development standards?

The City of Charlotte has established land use standards for its transit station areas are based on a principle of compact and vibrant land development patterns in proximity to the transit stations.

This transit oriented land use vision is based on Council adopted policies of the *2025 Integrated Transit/Land Use Plan* and *Transit Station Area Principles*. The *Principles* guide development around rapid transit stations in and focus on land uses, mobility and community design within walking distance of transit stations. These policies include:

Mixture of Complimentary Transit-Supportive Uses

- Establish a mix of complementary transit-supportive land uses to increase transit options while decreasing auto use.
- Encourage highest density closest to station transitioning to lower densities further from stations.

Mobility

- Establish bicycle and pedestrian connections between station areas and surrounding neighborhoods
- Multi-modal streets with an emphasis on pedestrian and bicycle circulation.
- Reduce parking requirements and encourage shared parking in the rear of buildings.

Community Design

- Design buildings, sites, and streetscapes to be attractive, convenient, and safe.
- Include and integrate civic features as focal points and catalysts for development.
- Design the streetscape to encourage pedestrian activity.

A station area plan has been completed for the Eastfield Station and is included in the Northlake Area Plan. The remaining three City of Charlotte stations do not currently have station area plans. The Gateway Station is subject to several adopted plans, with the most recent one being the Charlotte Center City 2020 Vision Plan. It is staff's intent to complete station area plans for the remaining stations along the Red Line.

A review of the station area standards in other Red Line communities will need to be conducted and a process established to provide a common basis for reconciling what expenditures, if any, can be included in the project capital costs to meet various development standards.

3. What is the impact of the proposal on the Charlotte Gateway Station?

The proposal contains a tax increment mechanism to capture of 75% of new incremental taxes for the Red Line. The other 25% of incremental taxes will go to the local municipality.

All the proceeds from the 75% tax increment capture are to be directed to the Joint Powers Authority for the North Corridor Unified Benefit District, with the exception of the proceeds from Charlotte Gateway Station.

At Charlotte Gateway Station, the proposal would:

- Direct 25% of the tax increment capture proceeds to the Red Line.
- Direct 75% of the tax increment capture to a reserve fund for future commuter rail projects to Union and Gaston Counties

The proposal presumes the future commuter rail projects to Union and Gaston Counties would terminate at Charlotte Gateway Station. The *2025 Integrated Transit/Land Use Plan* does not identify these proposed alignments and the current land use vision and station planning for Charlotte Gateway Station does not include them. The alignments have not been integrated into the NCDOT Request for Expressions of Interest (REFI) / Request for Proposals (RFP) process

planned for spring / summer 2012. It is unclear how the alignments would impact Charlotte Gateway Station in terms of land use, train volume and passenger volume.

Financial Feasibility

4. Are the assumptions on operating and capital costs consistent with CATS projections?

   The operating and capital costs for the Red Line project need to be updated in order to reflect current situations. Project needs to advance through additional engineering and design to achieve realistic costs.

5. What is the impact of the proposed Red Line financing plan on CATS financial projections?

   The economic recession has severely impacted CATS ability to fund any projects beyond the Blue Line Extension project. No funding for the Red Line is included in CATS 5-Year CIP or long term financial plan.

6. How does the financing plan interact and/or depend on City of Charlotte debt?

   Under the proposed financing plan, the City would make annual appropriation payments to the JPA based on the expected tax receipts related to the TIF and SAD for the upcoming fiscal year. These payments would be aggregated with the rest of the participating jurisdictions for debt service payments by the JPA. If the tax revenue was not realized the City would not be liable for the difference. The difference would be made up through "backstop" provided by the State. The key to how the financing plan impacts the City's debt is the nature and form of the "backstop". The backstop must also included operating shortfalls, not just debt service, in order to protect the City. It also could not be subject to annual appropriation risk from the State Legislature. Further, if the State lost its AAA rating in future years, this would mean the "backstop" would be a weaker credit than Charlotte's AAA rating. This could have a negative impact on the City's rating. Rating agencies may call into question the dedication of tax revenue from some of the most desirable parts of the City from a development standpoint (Gateway) away from the City's general fund. The following questions should also be addressed:

   - Whether the proposed financing plan can be issued as tax exempt.
   - Whether the debt would be considered revenue bonds or not.
   - Could a public private partnership be utilized in lieu of debt financing?
   - An alternative not discussed in the draft business plan is the use of a Railroad Rehabilitation and Improvement Financing (RRIF) loan. This may be a viable option as well.

7. How is the Special Assessment District (SAD) tax related to the existing Municipal Service District (MSD) tax for the Gateway Station? Please illustrate the impacted parcels.

The draft Business-Finance Plan as proposed on November 30th includes a set assessment value of 0.75/$100 property value. The SAD would apply to both existing and new development "beneficiaries".

Within the City of Charlotte, there are currently 5 Municipal Service Tax Districts (MSDs). The highest tax rate on any current MSD is .067/$100 property value. The Charlotte Gateway Station Property is currently within the boundaries of MSD District 1 and MSD District 2 for a combined MSD tax rate of .041/$100 property value. The SAD tax rate in the proposed Finance/Business plan is 18.7 times the current Charlotte Gateway Station MSR tax rate.

For example: A property with an assessed value of $500,000 would be billed for an MSD tax of approximately $201 in the current Charlotte Gateway Station MSD area. The same property would be billed for approximately $3,750 in the proposed Special Assessment District.

CGS Tax Rate	City	County	MSD 1	MSD 2	SAD	Total
Tax Rate (Current)	43.70¢	81.66¢	1.68¢	2.33¢		129.37¢
Tax Rate (With SAD)	43.70¢	81.66¢	1.68¢	2.33¢	70.99¢	200.36¢

8. What is the proposed Tax Increment Financing (TIF) district funding impact for Gateway Station? How does the TIF proposal for Gateway Station impact other projects?

The city current has a Federal Grant in the amount of approximately $18 million to develop a multimodal Facility at the Charlotte Gateway Station Property. The Federal funding is designated as bus facility money, which the Federal Transit Administration has indicated cannot be utilized for the Commuter Rail portion of the planned station. The State is the primary property owner and leading the Master Plan Development of the larger CGS project which includes bringing Amtrak into Center City, a rebuilt Greyhound Station, a CATS transit station, the Red Line Commuter Rail Terminus Station and several adjacent acres for development.

The proposed TIF district for the Charlotte Gateway Station is predominantly made up of State, City and County owned land this is currently tax exempt. Transferring all or a portion of this land to private ownership would be necessary to generate revenue under a TIF. Development of this area will generate new municipal service needs; but, it may also generate some new tax revenue to the City and County to offset these costs. Given that the majority of the land in the proposed Charlotte Gateway District does not currently generate any tax revenue, it is not anticipated that the proposed TIF will impact any other City projects.

9. Can we have a P3 workshop and invite Council members for a location closer to Charlotte?

   Staff is working with the Red Line consultants to examine the feasibility of hosting a P3 workshop in Charlotte. Staff and the consultants are going to try to gauge interest before hosting an event since there involves consulting time with the various industry representatives. Additionally, Charlotte City staff are fairly well informed on Public-Private Partnerships given the City's Economic Development experiences, so the primary beneficiaries would be the public and the elected officials. The next P3 workshop is scheduled on February 23rd from 3:00 – 6:00pm at Huntersville Town Hall.

10. Please invite the Council members to attend the Feb. 23rd TAP committee meeting.

    Staff forwarded the Transportation and Planning Committee agenda to the full Council indicating the focus on the Red Line on Feb. 23rd and extended a special invitation on behalf the Chair of the TAP Committee for the Mayor and Council to attend.

Note: The answers to the remaining questions will be provided at the March 22nd TAP committee meeting.

11. Are the growth and development assumptions reasonable in the current economic climate?
12. How is the Tax Increment Financing and Special Assessment revenue proposal structured? Are the revenue growth assumptions reasonable?
13. How is the "backstop" for risk handled by the Joint Powers Authority and/or the State of N.C.?
14. Are there any impacts to adopted Council policy on Tax Increment Financing Cap?
15. How do the various proposed partnerships interact with the Red Line proposal and the City of Charlotte?
16. How does the proposed Joint Powers Authority interact with the Metropolitan Transit Commission (MTC) from governance, legal and policy perspectives? And why could the MTC not double as the JPA?

FY2013 Strategic Focus Area Plan - *DRAFT*

"Charlotte will be the premier city in the country for integrating land use and transportation choices."

Safe, convenient, efficient, and sustainable transportation choices are critical to a viable community. The City of Charlotte takes a proactive approach to land use and transportation planning. This can be seen in the *Centers, Corridors and Wedges Growth Framework*, the *Transportation Action Plan* and the *2030 Transit Corridor System Plan* that provide the context for the Transportation Focus Area Plan.

The City's strategy focuses on integrating land use and transportation choices for motorists, transit users, bicyclists and pedestrians. A combination of sound land use planning and continued transportation investment will be necessary to accommodate Charlotte's growth, enhance quality of life and support the City's efforts to attract and retain businesses and jobs.

Focus Area Initiative	Measure	Prior Year Actual	Current Year Target
Enhance multi-modal mobility, environmental quality and long-term sustainability	Reduce annual hours of congestion per traveler, as measured by Texas Transportation Institute, for the Charlotte Urban Area compared to top 25 cities		Any increase will be less than 5-year average of top 25 cities
	Vehicle Miles Travelled (VMT) per capita (New measure for 2013)		Reduce VMT from prior year
	Accelerate implementation of 2030 Transit Corridor System Plan as conditions allow: 1. LYNX BLE 2. Street Car 3. Transit Ridership		1. Full Funding Grant Agreement by 12/31/12 2. Begin construction on Starter Streetcar Project by 3/15/13 3. Maintain ridership at prior year level
Promote transportation choices, land use objectives, and transportation investments that improve safety, promote sustainability and livability	Increase the % of City population within ¼ mile of parks, schools, shopping, and transit greater than the 2004 baseline		Parks: >16.9% Schools: >13.0% Shopping: >45.6% Transit: >63.5%
	Review and strengthen relationship between transportation infrastructure and economic development in the City's Capital Investment Plan		Include targeted investments in the 5-Year CIP
	Pavement Condition Survey Rating		Achieve Survey Rating of 90
	Miles of new sidewalks and new bikeways constructed annually		10 miles of new sidewalk 10 miles of new bikeways

Focus Area Initiative	Measure	Prior Year Actual	Current Year Target
Promote transportation choices, land use objectives, and transportation investments that improve safety, promote sustainability and livability (Continued)	% of transportation bond road projects completed or forecast to be completed on schedule		90% or better
	Decrease vehicle accidents per mile traveled by monitoring crashes annually and identifying, analyzing and investigating hazardous locations and concentrating on patterns of correctable crashes		Decrease below prior year
Communicate land use and transportation objectives as outlined in the Transportation Action Plan (TAP)	Complete and present TAP Annual Report to the City Council		By January 2013
	The City will work with MUMPO to initiate the 2040 Long Range Transportation Plan		By September 2012
Seek financial resources, external grants, and funding partnerships necessary to implement transportation programs and services	City Council, in partnership with the County and the Charlotte Chamber of Commerce, will continue to consider the Transportation Task Force Committee of 21's funding and process recommendations to the legislature as needed for implementation		By December 2012
	Leverage increased transportation partnership opportunities in support of the Democratic National Convention, including a possible bike-share program		Seek new partnerships in FY2013