

METROPOLITAN TRANSIT COMMISSION

MEETING SUMMARY

August 26, 2015

Presiding: Mayor John Woods (Davidson)

Present:

Ron Carlee (Charlotte City Manager)

Scott Jernigan (TSAC Chair)

Dena Diorio (Mecklenburg County Manager)

Mayor Chuck Travis (Cornelius)

Mayor Jill Swain (Huntersville)

Greg Ferguson (Huntersville Town Manager)

Brian Welch (Mint Hill Town Manager)

Bill Thunberg (Mooresville Representative)

Mayor Jack Edwards (Pineville)

John Lewis (CATS CEO effective 9/8/15)

Interim Chief Executive Officer: John Muth

I. Call to Order

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

II. MTC Introductions

John Woods

MTC members introduced themselves.

III. Introduction of CATS CEO John Lewis

Ron Carlee

Mr. Carlee introduced CATS' new CEO John M. Lewis, Jr. and said Mr. Lewis was selected from a strong slate of well-qualified candidates. MTC members welcomed Mr. Lewis. Mr. Lewis acknowledged Mr. Carlee's leadership and said that the recruitment was one of the most professional he has experienced. He looks forward to beginning with CATS on September 8, and thanked Mr. Muth for his interim leadership. There is a lot going on, and Mr. Lewis said he looks forward to joining CATS to move the community and department forward. He has been in public transit for fourteen years, including bus and rail operations. Mr. Lewis said he has always had his eye on CATS, as many agencies use CATS as a reference point when embarking on new ventures.

IV. Review of Meeting Summary

The meeting summary of June 24, 2015 was approved as written.

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

Scott Jernigan

Mr. Jernigan reported that TSAC met on August 13 and approved the October service changes. After the meeting, they rode on the new Streetcar service.

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

No report; CTAG did not meet in July.

VII. Transit Funding Working Group (TFWG) Update

No report; TFWG did not meet in July.

VIII. Public Comments

Mr. Muth said that Charles Strickland sent an email to Mayor Clodfelter with suggestions and concerns about late evening operations. Staff will follow up with Mr. Strickland; Mr. Kopf will comment tonight on some of his concerns.

Mr. Kopf said that Mr. Strickland's e-mail mentions MTC Rule 2.12, a reference to the MTC adopted policy, Transit Services Guidelines. A provision in the Transit Services Guidelines states that CATS will run no service on a frequency longer than 60 minutes. Mr. Strickland's email advocates for two-hour frequency for late-night service, which would be in conflict with the Transit Services Guidelines. The CATS strategy has been to construct service in such a way to attract and grow ridership. Mr. Kopf stated that poorly designed service always works for someone, but it is not good strategy to develop such service to sustain ridership. From a practical standpoint, two-hour frequency does not always work. A bus that runs a route at 10:00 p.m. would then sit idle until the next run at midnight. The services that Mr. Strickland requests have a budget impact. The weekday service he requests would cost \$480,000; the Saturday service would be an additional \$150,000; the Sunday service would cost about \$800,000 since he asks for new routes. Implementing all of these services would use resources that are better used in other areas. Staff will look at his request to determine if it makes sense to add some single trips to the schedule, which would lessen the budget impact.

IX. Action Items

a. CATS Fare Policy

Olaf Kinard

Mr. Kinard, CATS Director of Marketing, Communications & Technology, said that staff brought this as an action item, although MTC has not received information on it, because CATS seeks no changes to the Fare Policy. MTC policies are reviewed every three years, so the Fare Policy is up for action as part of the regular review. The policy states that there will be modest increases in the fare structure every two years to keep up with inflation and to ensure that customers pay a fair share of the service's cost, based on a \$0.25 increase or two-year average of inflation, whichever is higher. Over the next 12-18 months, staff will perform a fare structure analysis to see if there is potential for a new fare structure. There may be changes in fare structure or payment methods after that analysis is complete.

Discussion: Mayor Swain asked why the fare policy needed to be voted on now rather than waiting until after the survey. Mr. Kinard said that it is part of MTC policy to vote on policies every three years. Mr. Muth said that if MTC took no action, then it would be five years between votes on the fare policy. Staff will come back with information on the fare structure analysis as it is performed and will keep MTC members informed. If the analysis indicates changes in the fare policy are needed, MTC members will vote then.

Resolution: Mayor Swain motioned to approve the CATS Fare Policy; Mayor Edwards seconded the motion, which passed unanimously.

X. Information Items

a. LYNX Silver Line Public Meeting Update

Jason Lawrence

Mr. Lawrence, CATS Transportation Planner, updated MTC members on the results of the public meetings for the LYNX Silver Line. He reminded MTC members of the current status of projects in the 2030 Transit Plan and reviewed the Southeast Corridor's planning history. The Urban Land Institute (ULI) recommended that CATS focus rail away from US 74 and focus transit instead on Monroe Road. The LYNX Silver Line transit study began in February 2015. The goals are to define a fixed rail guideway alignment, provide a transit strategy that uses the future express lanes proposed for Independence Boulevard and coordinate with land development strategies to protect and preserve the fixed guideway alignment. Three public workshops were held in August with 189 attendees: in Matthews, Uptown Charlotte and at the Midwood International and Cultural Center. The workshops were promoted

through a variety of print and digital media, including outreach to the Hispanic community. The purpose of the workshops was to obtain public input on how rail could fit into the corridor, how buses could use the future express lanes on Independence Boulevard and what key issues should be considered. There was an exercise so people could see the trade-offs between issues such as peak-focused vs. all-day service and other issues. Rail design possibilities were discussed as well as trade-offs for the rail options. There was an interactive map activity as well. Most people at the Matthews and Uptown workshops agreed that rail should have an efficient and reliable travel time even if it means significant property must be acquired for a dedicated right-of-way; only a slight majority at the Midwood International and Cultural Center agreed with that same trade-off. Public outreach will continue throughout the study. CATS staff will present at neighborhood meetings. In October, staff will participate in the Latin American Festival. Additionally, an alignment workshop is being scheduled with CATS, City of Charlotte, Town of Matthews and NCDOT staff. The study will conclude with a rail alignment recommendation to MTC in June 2016.

Discussion: Mayor Woods said that he recalled when the decision was made for Bus Rapid Transit in that corridor; some MTC members felt then that rail would have been the best decision. However, we are learning that bus service can also have an important role.

b. LYNX Blue Line Extension TIFIA Loan Update

Dee Pereira

Ms. Pereira, CATS Chief Financial Officer, Assistant Director of Public Transit, reminded MTC members that the LYNX Blue Line Extension (BLE) is a financial partnership between federal and state partners and the City. The federal and state grant distributions come over a period of time, subject to federal government appropriations. Some of the appropriations stretch over thirteen years. To ensure sufficient funds during the construction phase of the project, staff determined that short-term and long-term financing was needed for a portion of the local share. The TFWG suggested that CATS look at alternatives, particularly government credit assistance, to preserve the ability to use local dollars in other capital projects. The City Council approved a financing plan in March 2015. CATS and City Finance staff investigated the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program through the US Department of Transportation (USDOT). Some TIFIA benefits are low cost of capital, since TIFIA rates are tied directly to the Treasury rate; no repayment penalties and the terms of the loan are negotiated between the TIFIA office and the borrower. Typically, TIFIA loans have been generated for highway projects. TIFIA loans are usually backed through revenue bonds but CATS has negotiated appropriations-type credit, or certificates of participation using collateral. TIFIA rates are Treasury rates. The Treasury rate today is 2.87 percent; if CATS went to capital markets, the best rate CATS could get in capital markets would probably be between 3 and 3.5 percent. As authorized by MTC, CATS submitted its formal TIFIA application in June. TIFIA staff was in Charlotte this week reviewing the loan agreements. The goal is to close on the loan in mid-September. CATS originally budgeted to work with 5 percent interest rates for the BLE budget. This was reduced when staff began to consider TIFIA loans; even so, the total savings for the project in using this loan will probably be between \$10 and \$32 million in present-value dollars.

Discussion: Mr. Muth asked Ms. Pereira to share the good news about CATS' Triennial Review. Ms. Pereira said that every three years federal grantees go through this review for both financial and operations areas. The review examines adherence to policies, rules and regulations. Auditors do intensive site-based work for three days after reviewing documents sent in advance. CATS staff did amazing work; CATS received no deficiencies in any of the

seventeen areas of the review. In the review three years ago, only three agencies in the country received reports with no deficiencies.

XI. Chief Executive Officer's Report

John Muth

Under the CEO's report, Mr. Muth discussed the following:

a. Ridership:

Mr. Kopf said that the July 2015 ridership report still reflects the recent downward trend. Staff has talked with peers in the State, some of whom also have downward ridership trends. Fuel prices, which have been dropping, may be driving the downward trend. Paratransit is the only service area that is up, by ten percent. This is good, but it is also a concern from a resource standpoint. CityLYNX Gold Line is a bright point, with initial ridership exceeding expectations and averaging up to 2,000 per day since school has resumed. Ridership to CPCC is up.

LYNX Blue Line ridership is down, but we have had to curtail light rail service on a number of weekends for rail construction. Uptown construction has also impacted service.

b. Financial Update:

Sales tax revenue remains strong and exceeds budget projections. CATS has received its full allocation for the federal Full Funding Grant Agreement (FFGA) this year. The Core Capacity Grant application to FTA for additional design work to extend the other eleven current light rail stations is approved for the Project Development phase. Mr. Muth reminded MTC members of the three additional capacity items under consideration for the BLE: a larger maintenance facility at the North Yard, a pedestrian bridge at the Sugar Creek deck to extend over North Carolina Railroad's track and an additional pedestrian bridge from the middle of North Tryon Street toward UNC Charlotte and the hospital. The Charlotte City Council authorized CATS to amend the State FFGA to include those items. CATS is hopeful that the NC Board of Transportation (BOT) will take action at its meeting next Thursday and approve funding participation for those items. Mr. Curran, BOT Chairman, is hopeful that it will be approved. Timing is critical now as we intend to take contracts to the Charlotte City Council in September on the maintenance facility and Sugar Creek parking deck.

XII. Other Business

Mayor Woods said that the northern parts of the county were involved in protesting the proposed toll lanes for I-77. It is imperative that we expand our transit system to fight the congestion that everyone in the area faces, regardless of the political climate. Mayor Woods welcomed Mr. Lewis to the effort. There is a lot of work to do, we must talk with neighboring counties and build beyond Mecklenburg County, but we must build this system and we must do it sooner rather than later.

XIII. Adjourn

The meeting was adjourned at 6:20 p.m. by Mayor Woods.

NEXT MTC MEETING: WEDNESDAY, SEPTEMBER 23, 2015, 5:30 P.M.