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INFORMATION:

City Source Tells Stories of Citizen Service

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City Source is the City of Charlotte's unique 30-minute program for citizens to learn about the City's services as well as how its employees serve the community. The program airs the first and third Thursday of each month at 7 p.m. on Cable 16 (Time Warner Cable), AT&T U-verse and is streamed LIVE online [here](#).

In the May 2 - 15 episode Ron Carlee explains why knowing citizens is a crucial part of his leadership. The episode will also explore why Charlotte's transportation initiatives continue to be a showcases for other cities, how to deal with allergies and pollen, and how Charlotte keeps 700 acres of City property beautiful. It concludes with a Council Spotlight on the Environment with Beth Pickering.

This information is also promoted in CMail, the City's electronic newsletter emailed to more than 1,100 subscribers and distributed by City departments whose services, programs and employees are featured in an upcoming episode. [Click here to view the flier.](#)

April 24 Metropolitan Transit Commission Meeting Summary

Staff Resource: Carolyn Flowers, CATS, 704-336-3855, cflowers@charlottenc.gov

At its meeting on Wednesday, April 24, 2013, the MTC had one action item and heard one information item:

Red Line Task Force Update

Task Force members Mayor John Woods and Mr. Bill Thunberg visited with Secretary of Commerce Decker in Raleigh to discuss the economic opportunities of the Red Line. They also met with General Trogden at NCDOT. Negotiations continue for the rail capacity study.

FY2014-2015 Operating Budget and FY2014-2018 Capital Investment Plan (CIP)

Financial policy changes adopted at the March MTC meeting resulted in changes to the FY2014-2015 operating budget. The budget now includes implementing the new Transit Debt Service Fund (TDSRV) and a \$2.5 million reserve contribution to that fund from sales tax revenue in FY2014 and FY2015. The operating budget has been increased by 3.6% annually, as approved by MTC in March. The FY2014-2018 CIP includes some reserve for funding the corridors, with specific amounts to be determined at a later date. MTC members unanimously approved the proposed FY2014-2015 Transit Operating Program, the FY2014-2018 Transit Capital Investment Plan, established the TDSRV, directed \$2.5 million from sales tax revenue to the TDSRV and authorized CATS CEO to present the approved FY2014-2015 Transit Operating Budget and the FY2014-2018 Transit CIP to the Charlotte City Council. At his request, Mayor Foxx was recused from voting on the FY2013-2017 Transit Capital Investment Plan and the vote to authorize CATS CEO to present the budgets to the Charlotte City Council.

Gold Rush Agreement

The Gold Rush service is composed of two fare-free routes, the Red Line and the Orange Line, which together carry nearly a million riders yearly in the Uptown area. The line is funded through state transit funds, two federal grants, and a 50/50 split of the remaining cost between CATS and private contributors. The two federal grants end next year and state transit funds could be reduced. To operate some form of Gold Rush service within available funding levels, staff proposes to eliminate the Orange Line service and shorten the Red Line to terminate at Central Piedmont Community College rather than at Presbyterian Hospital. Presbyterian has ended its contribution for the line's extension. CATS will continue its financial contribution at the current level of \$380,000 for one year, while Center City Partners develops a strategy for sustainable funding for FY2015 and beyond. A public meeting will be held on May 9 to discuss the changes to the Gold Rush, including the potential Orange Line elimination.

CATS CEO Report

Under the CEO's report, Carolyn Flowers discussed:

a. Ridership Report:

Total ridership for March 2013 was slightly lower than for March 2012. The decrease may have been affected by this year's fare increase, which usually results in lower ridership for a time, and by the fact that there was one less weekday this year than last year. Rail ridership was up, but there were closures for the construction of the Poindexter crossing, which impacted system-wide ridership.

b. Financial Update:

Based on sales tax recovery, CATS expects revenue to exceed budget by about \$2.1 million. State and federal revenues continue to be unclear, but staff feels that CATS will make its budget. Certificates of Participation were sold for the LYNX Blue Line Extension (BLE) project in April. The certificates sold at an interest rate of 2.91%, better than the model projection of 3%, despite uncertainties in the market following the Boston bombings. For FY2014, the model projects \$75 million from the federal government; the FTA and the President have the BLE in their FY2014 budgets for the full contract amount of \$100 million.

c. Transit Finance Funding Working Group:

The Working Group anticipates finalizing funding options recommendations at its May 6 meeting. A white paper resulting from their work will be discussed at the May MTC meeting. An array of system-wide revenue and anchoring options has been discussed, as well as other innovative options. The Working Group has also discussed options such as Public Private Partnerships (P3). The Working Group has discussed scenarios for revenue streams including creating a system wide Tax Increment Financing (TIF) district set up in advance of construction to provide funding to be used for the project. Expansion and broadening of sales taxes, as well as property taxes, have also been discussed. Mayor Swain was on a panel for a recent P3 conference, which spurred interest from the private sector on CATS' projects.

d. Clinton Global Initiative (CGI):

The Conference of Mayors Infrastructure Committee met with the CGI last week. Ms. Flowers accompanied Mayor Foxx to Washington, D.C. and made a presentation to that group on CATS' transit initiatives. Staff hopes to get a commitment from the CGI for their support for Charlotte's transit initiatives.

e. Transportation Infrastructure Finance and Innovation Act (TIFIA):

One of the potential financing options discussed by the Working Group is TIFIA, an FTA loan program that allows borrowing at Treasury rates and provides financing during a project's construction. Repayment begins two years after the revenue service date. Staff is considering TIFIA as an option for BLE's permanent financing as well as for other future projects. It requires a letter of interest. There are no fees to be paid until after FTA has committed to move the project forward in the process. Staff will ask for a letter of support from MTC for a bill being drafted by Senator Clodfelter, which will allow agencies in North Carolina to use TIFIA. Staff will also ask MTC to submit a letter of interest to the FTA to put CATS in the queue for long-term financing for the BLE.

f. Insurance Update:

Staff met last week with the insurance underwriters for the bus and rail systems. Premiums were reduced last year, but increases are likely this year due to market conditions; in addition, medical insurance will increase. The lead underwriter seeks to reduce its risk exposure. Other underwriters are interested in doing business with CATS due to our good safety record, but this will create more layers and will potentially increase future costs for risk management.

g. Food:

MTC members agreed that full meals were no longer necessary at MTC meetings.

Other Business

Mayor Foxx reported that when the City Council moved to advance money to build Streetcar, it did not fully understand that would change operations in the City and that Streetcar would shift from CATS to the City. The City is advancing construction for the initial leg of Streetcar, but Streetcar is an integral connection for all lines and needs to be shifted back to CATS. MTC members indicated their conceptual agreement to shift Streetcar back to CATS and recognized that Streetcar is one piece of the regional system.

The next MTC meeting will be May 22, 2013 at 5:30 p.m.