

BLUEPRINT FOR
CHARLOTTE
MOBILITY INVESTMENT

CHARLOTTE
STRATEGIC
MOBILITY PLAN

Charlotte City Council

Action Review

August 26, 2024

Advancing Council's Mobility Priorities

1. Transportation Funding

Support: A resolution to support a Sales Tax for Transportation

2. The Red Line

Approve: Purchase of the Red Line (O-Line)

Schedule

July/August

- Council Small Group briefings

August

- **August 13** – Transportation, Planning & Design Committee
- **August 19** – Council Closed Session Briefing (Red Line Purchase)

Today

- **August 26** – Council Action Review presentation

September

Council Actions

- **September 3** – Council Meeting
 - Authorize purchase of Red Line property
 - Adopt resolution supporting sales tax legislation
- **September 9** – Close/purchase Red Line

As Early as November

- General Assembly could consider legislation to authorize sales tax

Council Priorities

Jobs – Housing - Mobility

Mobility

More... Ways to Move
Less ... time, distance, Cost

Narrow the gap



Housing

More affordable places to live



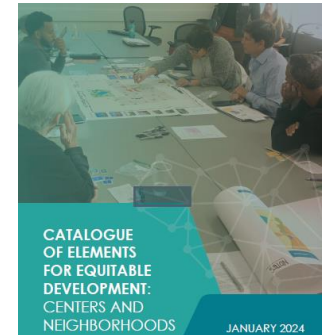
Jobs

More attainable opportunities to work

The Pieces Are Coming Together



Charlotte proposes record-breaking \$100 million housing bond in FY 2025 budget



Transportation investment key to improving upward mobility in Charlotte, UNC Charlotte professor says

The Time is Now

Without additional funding for:

Roads

We cannot address our infrastructure priorities or advance our plan for Strategic Mobility Investment

Rail

None of the planned rail projects are possible

Bus

We cannot enhance bus service, increase frequency, or implement our Better Bus Plan

City Council has positioned Charlotte to seize this opportunity...

Annual Council Strategy Meeting (2024)

- Reaffirmed Council Priorities – Mobility – Housing - Jobs
- Establishing the Council Working Group on Transportation (February)

Red Line Negotiations (2023 – 2024)

Strategic Mobility Plan (2022)

Charlotte 2040 Plan (2021)

Strategic Energy Action Plan (SEAP)

Charlotte Moves (2020 - 2021)

- A Transit AND Roads Plan
- Directed City Manager develop a funding, financing and legislative strategy to move forward a one cent sales tax

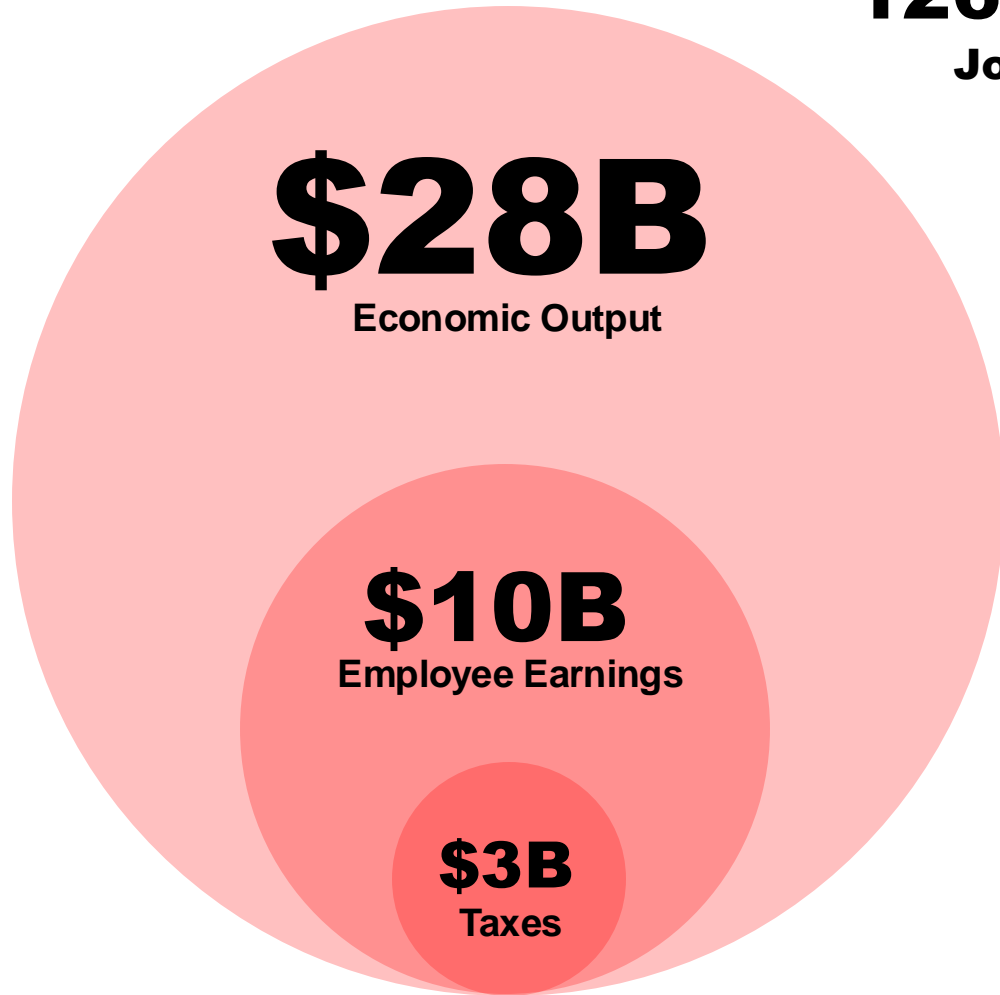
TRANSPORTATION FUNDING:

What the sales tax for
transportation means for Charlotte

We Lose

If congestion goes unaddressed by 2050

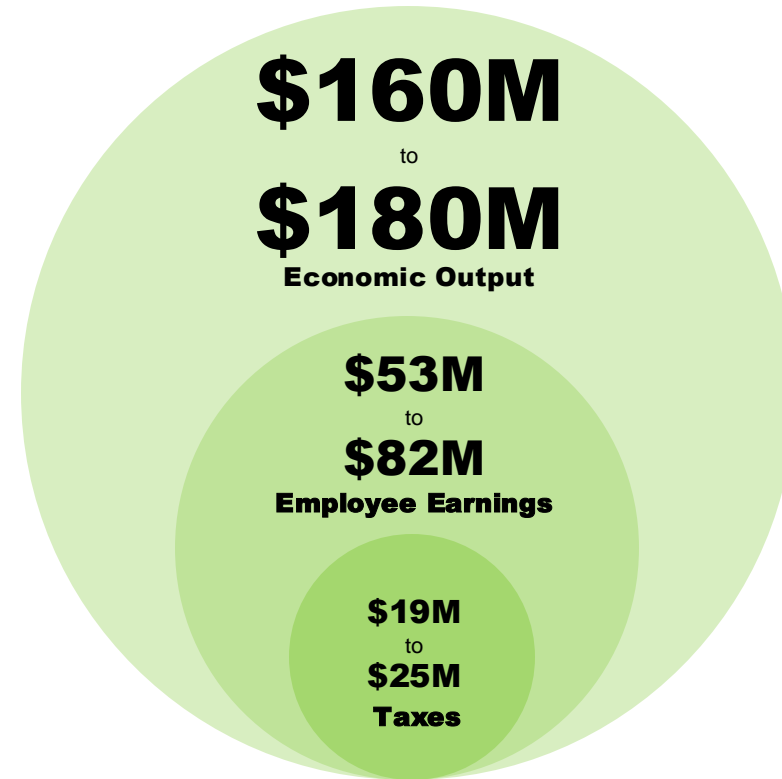
126K
Jobs



We Gain:

For Every \$100M Invested

740 - 1,780
Jobs



Charlotte Regional Business Alliance
2021 study on mobility investments

What this means for Charlotte:

Opportunity for a generational investment in our community

Road Allocation

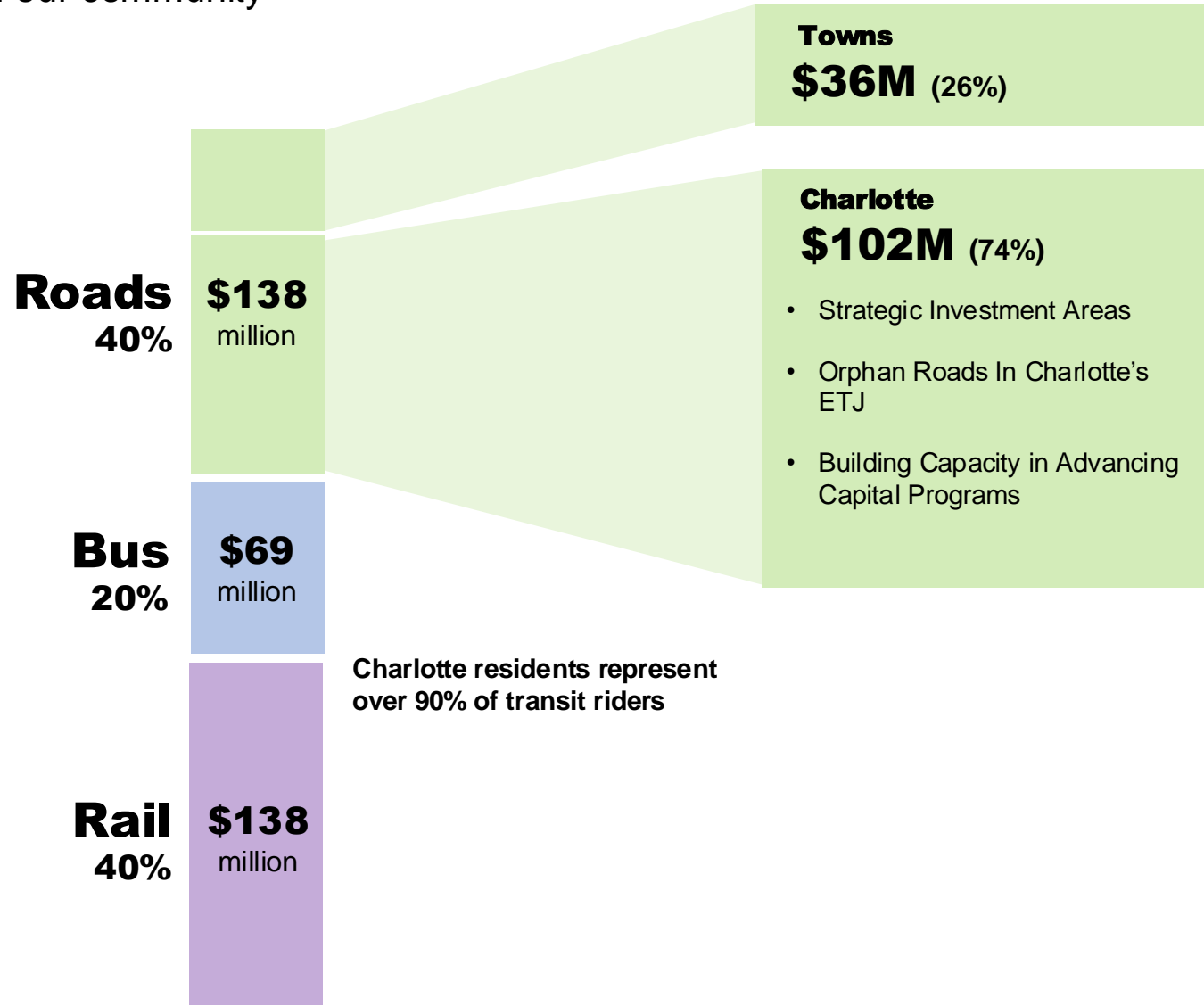
\$19.4B

Over 30 Years

30% of revenue comes from people outside of the county

\$345M

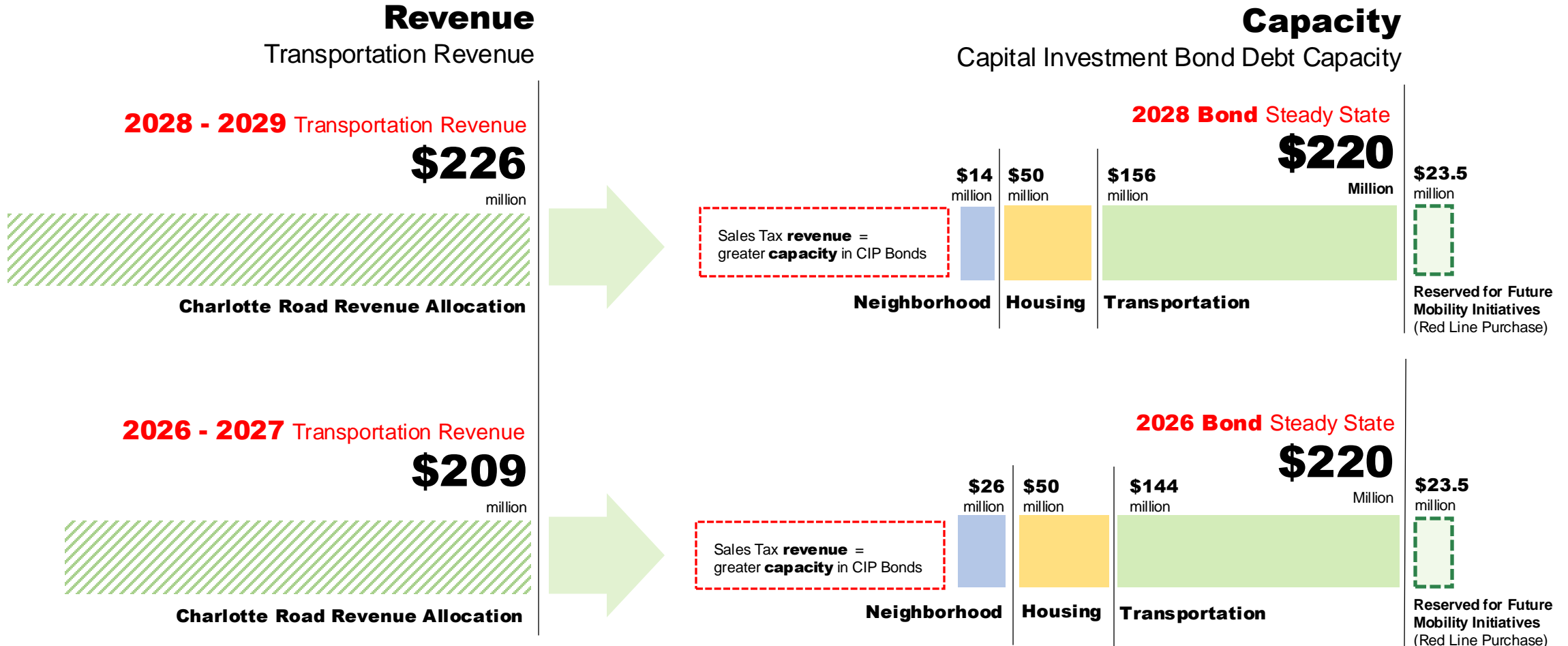
Year 1 Revenue



What this means for Charlotte:

Opportunity for a generational investment in our community

Revenue = Projects and Capacity

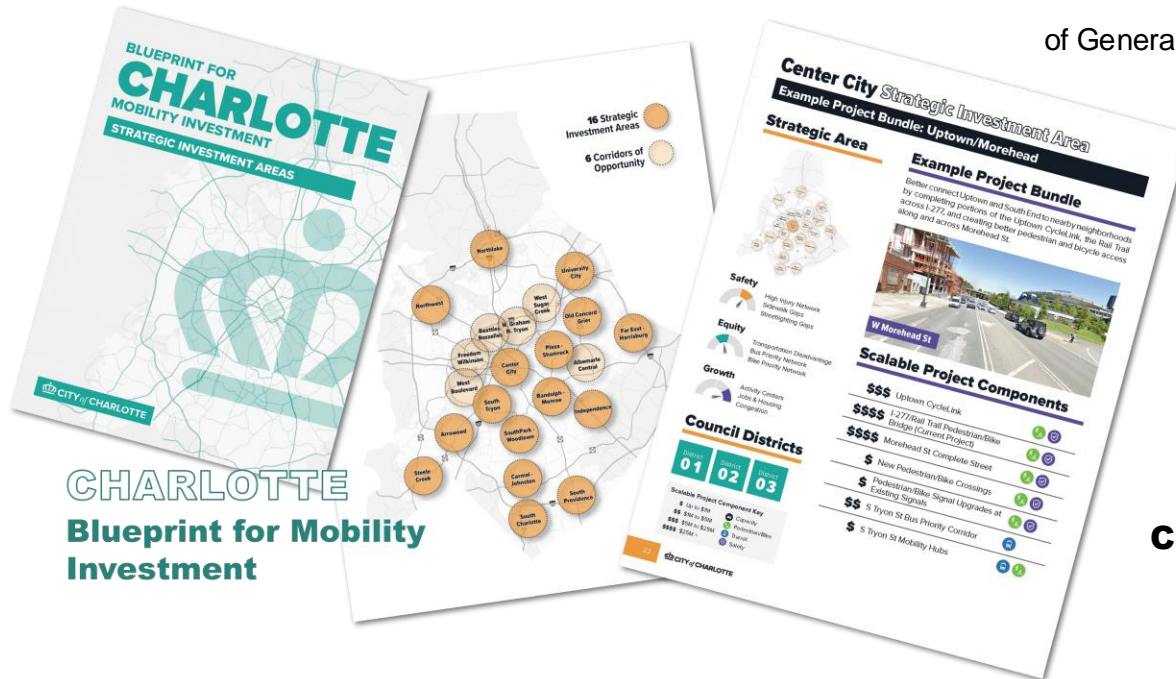


What this means for Charlotte:

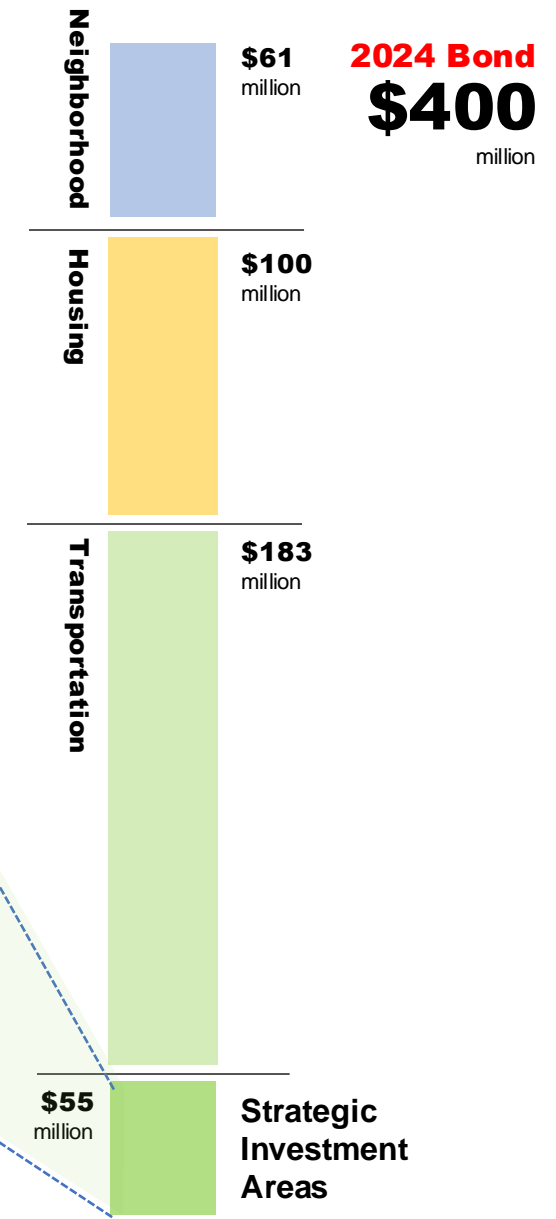
Opportunity for a generational investment in our community

Strategic Investment Areas

\$209 million
11%
of General Fund Budget



CHARLOTTE
Blueprint for Mobility
Investment



City Transportation Revenue
(over first 2 years)

A Different Approach to Capital Investment

Focused

Program investment "bundled" to maximize impact

Scalable

Big and small projects delivered based on funding and feasibility

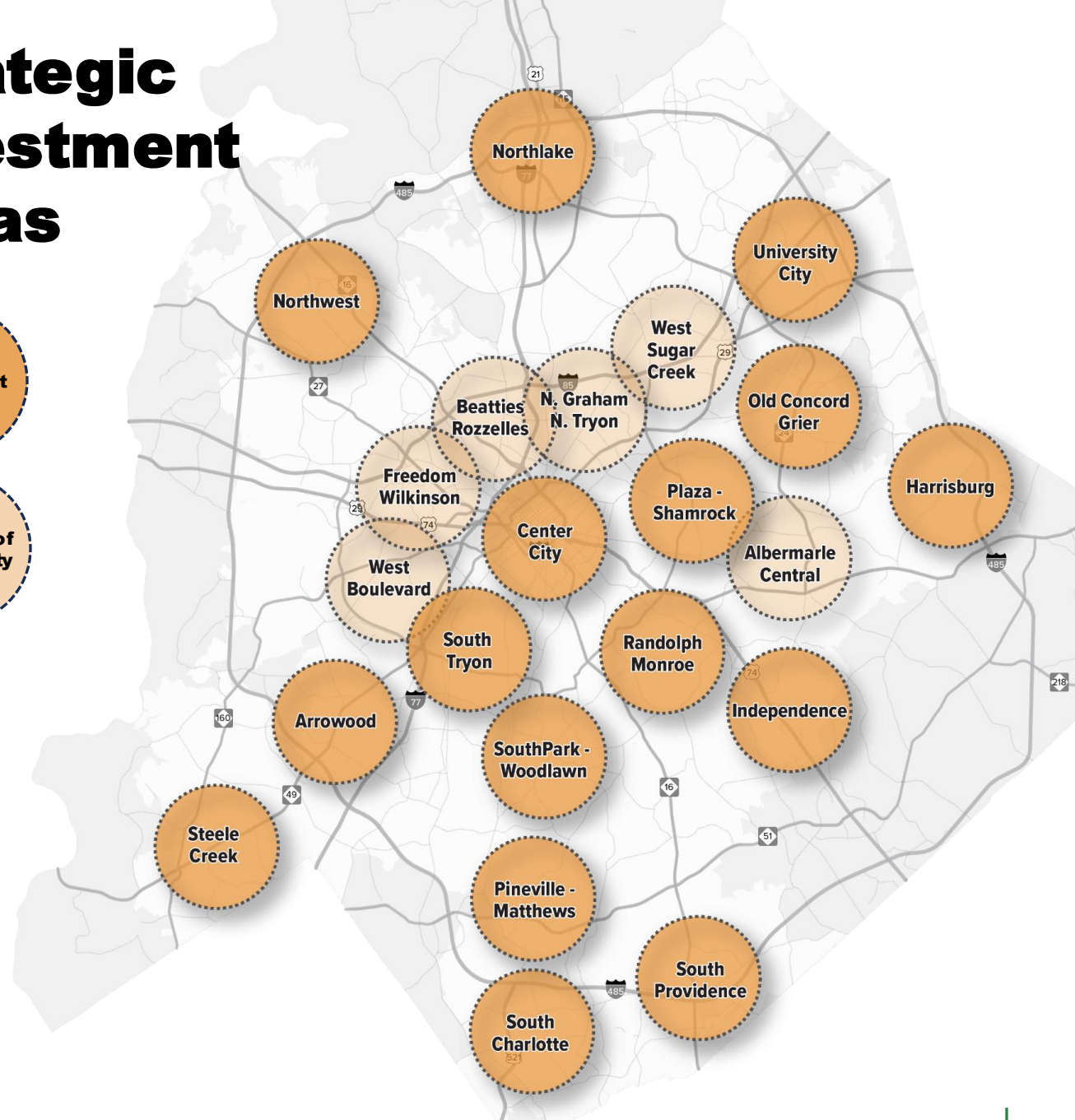
Measurable

Tracking performance towards our policy goals

Adaptable

Pivoting to better solutions, new technology, and innovation

Strategic Investment Areas



District 5

STRATEGIC INVESTMENT AREAS



Randolph - Monroe



A Randolph/Sharon Amity

Create a more accessible “park once” environment by using ITS and capacity/safety improvements at or between intersections, providing more and safer crossings of Randolph and Sharon Amity Rds, and providing new multimodal connections from the neighborhoods to the Center.

Independence



D Monroe/Idlewild

Complement current projects by providing new signals and safer crossings, targeted capacity at intersections, new street and multimodal connections, and partnering for better multimodal crossings of US 74.

Old Concord - Grier



B Old Concord/Eastway

Provide better multimodal access between N Tryon St, the Blue Line, and areas south of the rail line by completing the street network, reconfiguring key rail crossings, connecting the XCLT, and providing better bicycle and pedestrian facilities on Old Concord Rd.

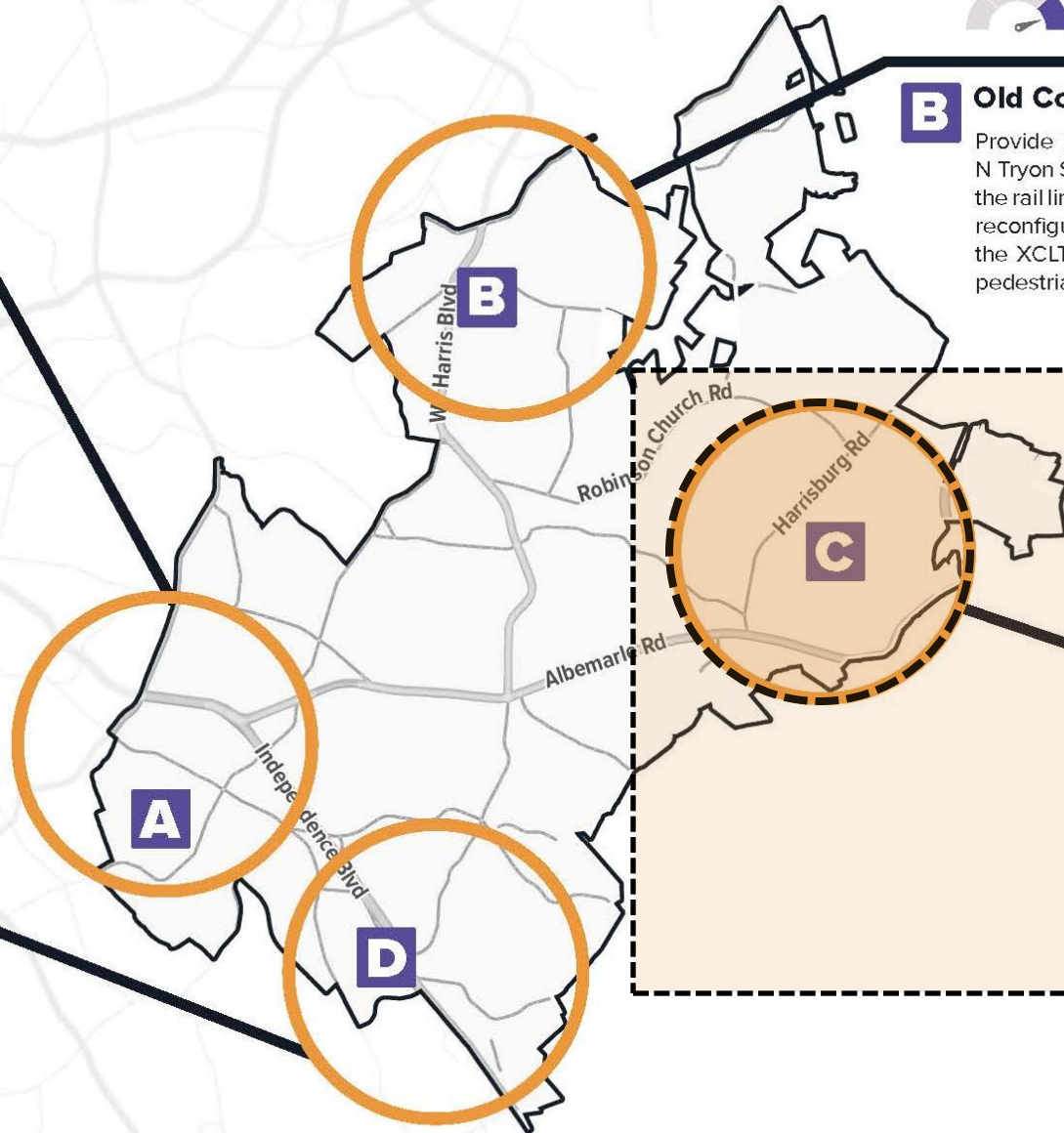
Example:

Far East - Harrisburg Rd



C Harrisburg Rd Corridor

Improve safety, capacity, and access between neighborhoods, greenspaces, and Cambridge Commons Activity Center using ITS, center turn lanes, streetlighting, and better multimodal facilities and crossings.



Strategic Area: Far East - Harrisburg Rd

Example Project Grouping: Harrisburg Rd Corridor

Strategic Area



Safety



High Injury Network
Sidewalk Gaps
Street Lighting Gaps

Equity



Transportation Disadvantage
Bus Priority Network
Bike Priority Network

Growth



Activity Centers
Jobs & Housing
Congestion

Council District

District
05

Scalable Project Component Key

\$ \$0M to \$1M	Capacity
\$ \$1M to \$5M	Pedestrian/Bicycle
\$ \$5M to \$25M	Transit
\$ \$25M +	Safety

Example Project Bundle

Improve safety, capacity, and access between neighborhoods, greenspaces, and Cambridge Commons Activity Center using ITS, center turn lanes, streetlighting, and better multimodal facilities and crossings.



Scalable Project Components

\$\$\$ Sidewalk Gaps/Shared Use Path	
\$\$\$ Targeted Center Turn Lane	
\$\$ Streetlighting	
\$\$ ITS Upgrades	
\$ New Pedestrian/Bike Crossings	
\$ Pedestrian/Bike Signal Upgrades at Existing Signals	
\$ Cambridge Commons Mobility Hub	
\$ Hickory Ridge - Becton Park Microtransit Zone	





Strategic Investment Team

We are already working...



How to best achieve:

Investment tailored to **COMMUNITY NEEDS**

Cost-effective yet impactful **TIME KILLS ALL PROJECTS**

Project Delivery that supports our CBI goals for **SMALL & MINORITY BUSINESS**

- CBI**
- Contracts**
- Procurement**
- Construction**
- Utilities**
- Real Estate**
- Budget**
- Finance**
- Storm Water**
- Charlotte Water**
- CATS**
- Solid Waste**
- Planning**
- Engineering**
- CDOT**

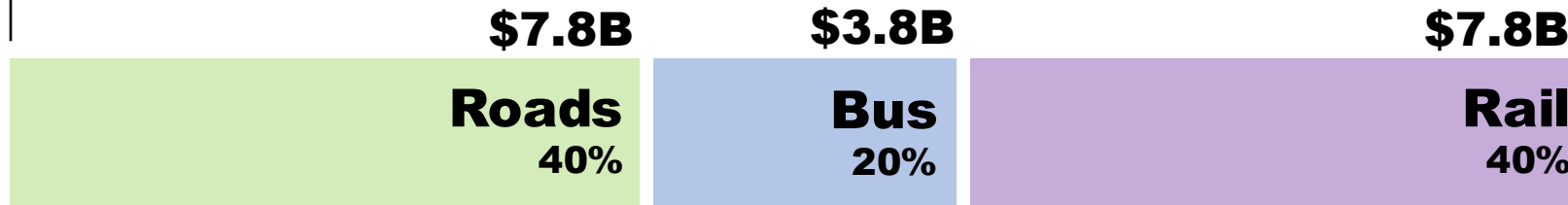


Transportation Funding:

Opportunity for a generational investment in our community

\$19.4B One Cent - Mecklenburg County Sales Tax
30-year Revenue
(based on current tax revenue projections)

Transportation Investment Program: 30-Year



Charlotte Transportation Projects
Strategic Mobility Plan
Strategic Investment Areas
Bike/Pedestrian Safety

Mecklenburg Towns Transportation Projects
Cornelius
Davidson
Huntersville
Mathews
Mint Hill
Pineville

Bus Program
Better Bus

Rail Program*
2030 Transit Plan
**Future action by MTC to prioritize corridors and determine mode based on funding availability as set forth in future legislation*

\$5.9B
Additional Funding & Revenue

Additional Transit Funding
Federal Capital Investment
Grants
FTA Formula Funds
Fare Revenue

\$17.5B

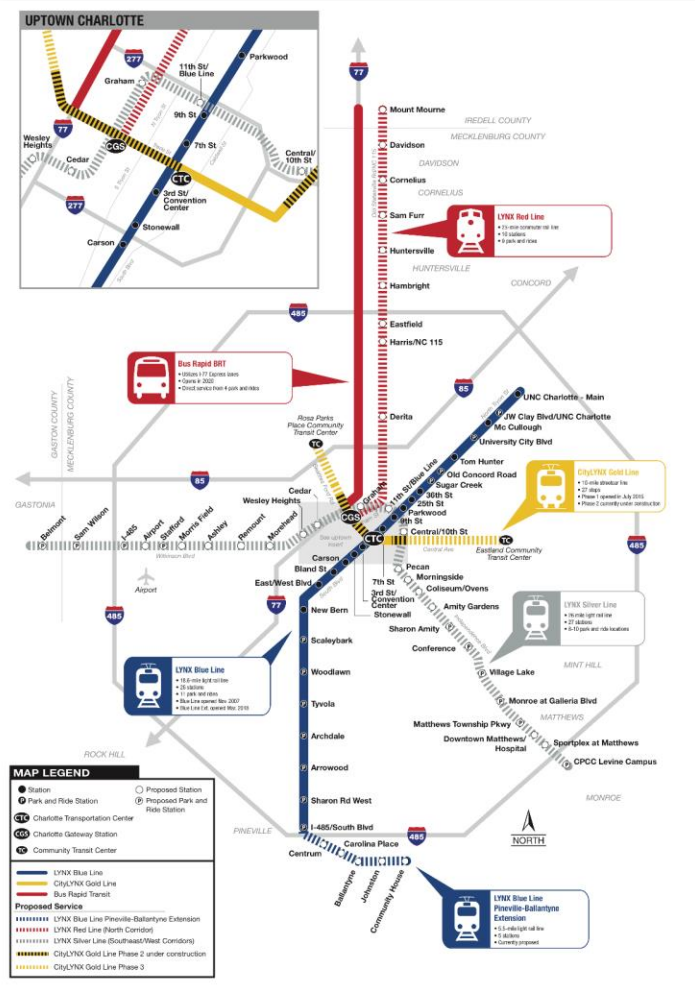
Total Potential Transit Funding & Revenue

2030 Transit Program: 30-Year Implementation

Updating the 2030 Transit Plan:

Developing a Fiscally Constrained Plan with Community Engagement

2030 Transit System Plan



The Current 2030 Transit Plan:

The current 2030 Transit System Plan has not been updated to reflect the potential sales tax funding.

The 2030 Transit Plan is not fiscally constrained and the process to update the plan is necessary and an expected part of the process.

The Updated Transit System Plan will need to be within the **financial capacity of the proposed sales tax.**

Updating the Plan: Planning Process

The process with the MTC will begin this fall, concluding in 2025.

This will be a detailed evaluation process with **community engagement** to gather public input that is transparent and inclusive.

CATS will work with the MTC, stakeholders and the public through the process to develop a **fiscally constrained Transit System Plan** for the MTC's approval.

This updated Transit System Plan will serve as the region's roadmap as we advance transit for our region.

Draft Legislation: Local Resolutions

Opportunity for a generational investment in our community

Council is Not:

Endorsing any changes to the
2030 Transit Plan

Determining any mode or
alignment of any transit or
transportation projects

Pre-empting the CATS public
process to study and make
recommendations to the MTC
to update the Transit System
Plan

Council Action:

**Pass a resolution supporting public referendum for a
one-cent sales tax**

BE IT RESOLVED,
that Charlotte City Council:

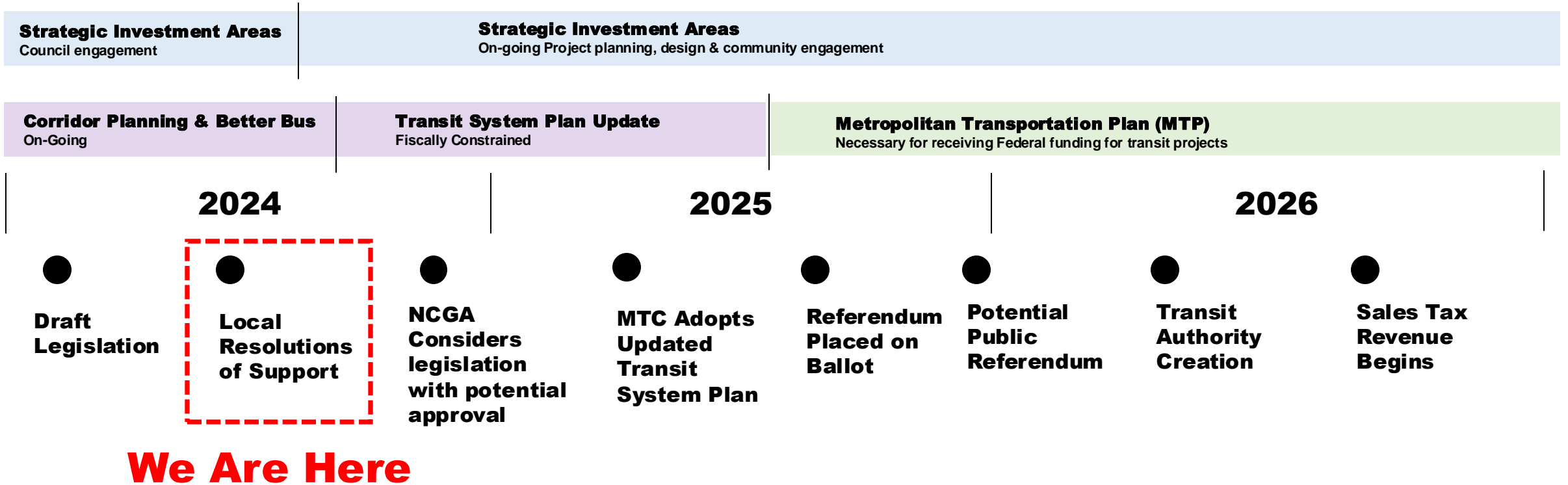
*Hereby supports the coalition of local jurisdictions
in Mecklenburg County to seek authorization from
the North Carolina General Assembly authorizing
the voters of Mecklenburg County to determine by
referendum whether they will approve an
additional sales tax for further investment in
roadway and public transportation systems.*

Draft Legislation: Timeline

Opportunity for a generational investment in our community

Potential Timeline...

Community Engagement



DRAFT LEGISLATION: OPPORTUNITY FOR A GENERATIONAL INVESTMENT IN OUR COMMUNITY

Draft Legislation: Key Components

Opportunity for a generational investment in our community

What we **Protect:**

Charlotte & City Council's Interests

Countywide sales tax (not City) backs future transit debt

CATS employees, keep retirement benefits

Public transit customers (majority of them live in Charlotte)

Governing Position

New Authority = 44% Charlotte votes (12 of 27)

Current MTC = 11% Charlotte votes (1 of 9)

What we **Gain:**

Transformational **Investment in Roads**

\$100M+ transportation revenue for roads annually
(represents **11% of our General Fund budget**)

Transportation investment will **significantly leverage CBI efforts**

Advances **Strategic Investment Areas**

Revenue creates **CIP capacity & flexibility** for Council priorities

Transformational **Investment in Transit**

Ability to **fund an unfunded transit plan**

More than **doubles current investment** in transit

50% increase in bus program funding (annually)

Draft Legislation: Key Components

Opportunity for a generational investment in our community

Draft Legislation

Asking NCGA to **authorize** Mecklenburg County to hold a **referendum** to:

A Choice for Voters

Referendum: (for/against)

“One percent (1%) local sales and use taxes, in addition to the current local sales and use taxes, to be used only for roadway systems and public transportation systems.”

The Red Line

- Establishes project definition, City reimbursement, and prioritization.

Transportation Revenue

- **Road (40%)** revenue distributed directly to Towns and City.
- **Transit** revenue split between **Rail (40% limit)** and **Bus (20% minimum)**, unused rail funding can be used for bus.

New Authority

- One governing board that combines the dual roles of the MTC and the City of Charlotte.

Why Does an Authority Make Sense?

Streamlines Roles for Clarity

- Creates 1 governing board
- Replaces dual roles of the MTC and the City of Charlotte
- Aligns policy making and operations
- Clarifies decision making and governance

Better Manages a Growing System

- Since 1998 the system has grown from a bus-only service
- Today includes Light Rail, Streetcar, paratransit
- Future plans include Rail, Micro Transit, Bus, BRT etc.

Mitigates Charlotte Risk

- Current debt is backed by City; Future debt backed by Countywide sales tax
- A county-wide (and beyond) system should be backed by a county-wide tax
- More equitable voting distribution

The Model for Transit Systems

- Major urban transit systems in the country are run by an authority that is separate from a city or county

Allows for Expansion

- Allows for other jurisdictions (counties/cities) to join with a dedicated funding source.
- Supports the Connect Beyond vision

Draft Legislation: New Authority

One Governing Board

Board

All Activities:

- FTA Designee
- Budget Approval
- Policy
- Planning & Development
- Operations
- Maintenance
- Fare Collection
- Customer Service
- Environmental Impact
- Employee Polices, Retirement

12 City Appointments
(3 representing business interests)

12 County Appointments
(6 representing the towns)

2 State Legislator Appointments

1 Governor Appointment

Board Representation:

27 members

CEO

Organization

Board

- **Clarity with one Board** administering revenue (existing .5 cent + new .6 cent = **1.1 Cent**) to implement **Transit System Plan and Better Bus**
- **Regional expansion** upon Board approval and contributing funds
- **Comparable nationally** with authorities around the country
- **More equitable** than what exists today

Creation

- Draft legislation defines the transition and creation of the new Authority including the transfer of City and CATS assets to the new authority (protecting City bond rating).

City Protection

- Authority ultimately assumes all financial responsibility, liability and risk
- Draft legislation protects CATS staff (Charlotte employees) ensuring pension benefits carry over to new Authority
- Supermajority vote required for expansion and amendment of articles of incorporation and bylaws

Draft Legislation: Local Resolutions

Opportunity for a generational investment in our community

All Jurisdictions Slated to Issue Resolutions

Charlotte Action:
Support Resolution
September 3rd

Council Action:

Pass a resolution supporting public referendum for a one-cent sales tax

BE IT RESOLVED,
that Charlotte City Council:

Hereby supports the coalition of local jurisdictions in Mecklenburg County to seek authorization from the North Carolina General Assembly authorizing the voters of Mecklenburg County to determine by referendum whether they will approve an additional sales tax for further investment in roadway and public transportation systems.

RED LINE: A 20+ YEAR PURSUIT

City of Charlotte's O-Line Negotiation Team

- Since 2021 Charlotte has maintained a dialog with NS
- In 2023 the City and NS began negotiations for the purchase of the O Line

Rob Martinez

Moffatt and Nichol
Former Norfolk Southern
Executive

Kelly Goforth

Chief Development Officer, CATS

Brian Nadolny

Senior Project Manager, Red Line

Engineering & Design

HDR Inc.

General Services Department

Real Estate, Survey & Environmental

Environmental Site Assessment

Terracon

Appraisal Services

Johnson & Knight, R.L. Banks & Associates

Survey Consultants

NV5 Engineering & Colliers Engineering

Brad Thomas

Lead Counsel, CATS

City Attorney's Office

Staff Attorneys

Railroad Legal Services

Fletcher & Sippel

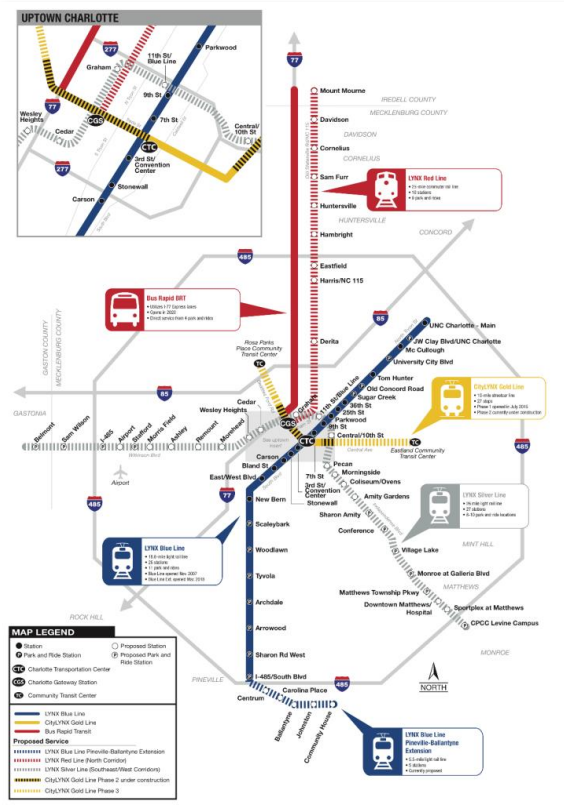
Title Attorney

Maynard Nexsen

The Red Line



**2030
Transit System Plan**



**High-Capacity
Transit
Corridors:**
Red Line
Gold Line
Silver Line
Blue Line

**The Red Line &
The 2030 Transit Plan**

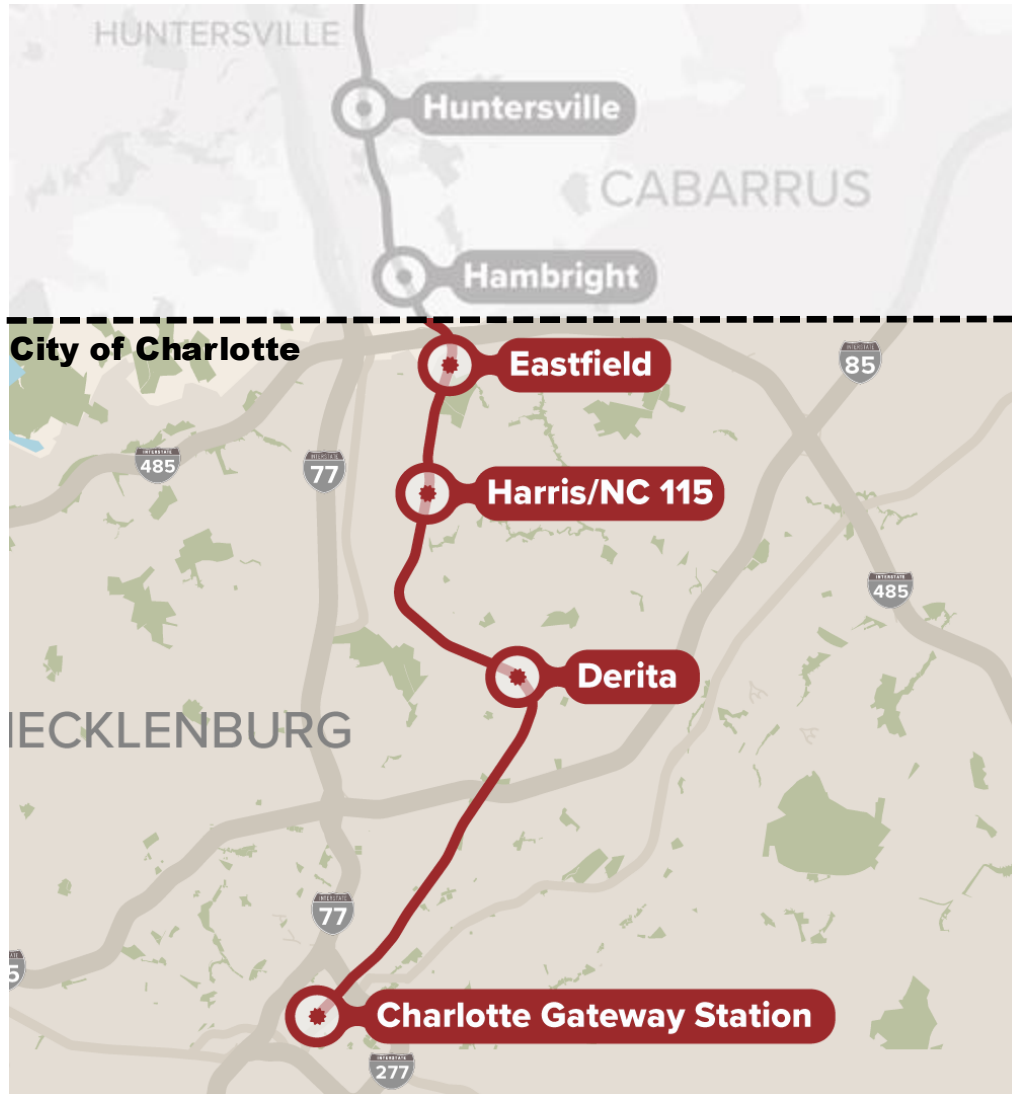
A 20+ Year Pursuit

**Fundamental to Our Transit
Plan:**

- Since 2002 the MTC's adopted transit plans have recommended the Red Line commuter rail from Uptown Charlotte to the towns of Huntersville, Cornelius, Davidson, and Mooresville
- The Red Line was anticipated to be funded through the 1998 transit tax

Critical to the Sales Tax:

- Delivering on the promise of the Red Line is critical for support of sales tax



It's Important to Charlotte

- **11.5 miles** of the corridor falls within Charlotte city limits
- **4 transit stations** with **equitable TOD** opportunity
- Connects **Uptown's regional employment** base and **cultural destinations** to the regional growth north of Charlotte along the I-77 corridor
- Links into **Charlotte Gateway Station** which will be a critical **multi-modal and economic hub** for the city, region, state and the rapidly growing economy of the Southeast and East Coast

Goal:

CORRIDOR PRESERVATION

The first step in moving the Red Line forward
– **can't go any farther without this**

Norfolk Southern required timeframe:
no later than September 9, 2024

This is an FTA recognized step and we
have done this before in advance of
project funding (Blue Line)

Steps:

1. **City:** Own not Operate

- Hold the corridor until transfer to Transit Agency complete

2. **Transit Agency:** Own and Operate

- Transfer the corridor to the new Transit Agency
- Draft legislation ensures the City will be reimbursed for purchase price plus financing costs
- Draft legislation requires a timeline on establishing an agreement on asset transfer between the City and new Transit Agency
- Transit Agency will be responsible for funding the design, construction and operation of the Red Line (funded by new sales tax)

RED LINE

Norfolk Southern Negotiations

Council Updates

2023 - 2024

2023 2024

Received Norfolk Southern Letter

Big break through: NS “willing to consider a possible transaction”

July 25, 2023

Council Closed Session

Review & discuss Norfolk Southern July Letter

August 28, 2023

Council Small Group Meetings

Negotiations with NS are proceeding and serious, update on Interlocal Agreement

October 2, 2023

Council Closed Session

City signed Non-Binding Purchase and Sale Agreement with an NS requirement for a September 2024 closing

March 25, 2024

Council Small Group Meetings

Update on negotiations & Draft legislation
July/August 2024

Council Closed Session

Review Purchase Terms & Price
August 19, 2024

Council Action Review

August 26, 2024

Council Action

September 3, 2024

O-LINE PURCHASE CLOSING

September 9, 2024

COUNCIL ACTIONS:

- 1. Purchase and Sale Agreements (PSA)**
- 2. Comprehensive Rail Agreement (CRA)**

PURCHASE AND SALE AGREEMENTS (PSA)

Purchase & Sale Agreement 1: O-Line Corridor

Purchase & Sale Agreement 2: Red Line Gateway Station Property

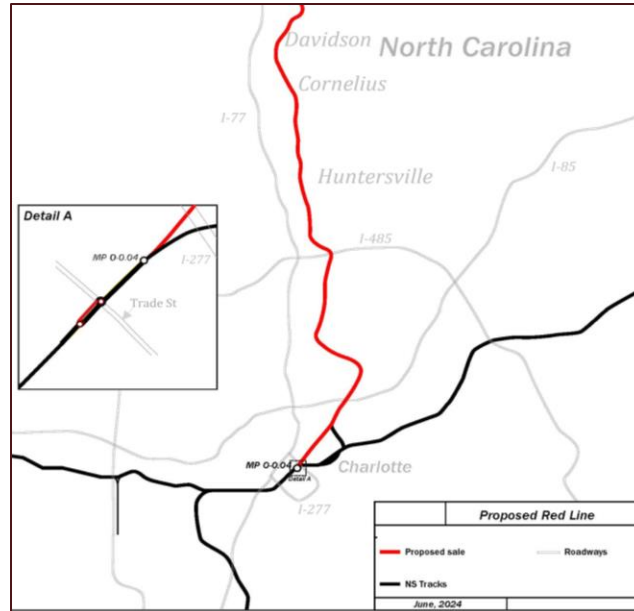
Purchasing a 22-mile rail corridor (primarily a 100-foot-wide charter right-of-way) from Charlotte north to Mecklenburg County line.

Purchasing approximately 1.6 acres adjacent to Gateway Station for a Red Line station and station tracks.

\$74M

Funding:

City General Credit with a plan of finance modeled as a short-term note and/or variable rate financing. Steady State Affordability is maintained in the short term (5 years).



\$17M

Funding:

City General Credit with a plan of finance modeled as a short-term note and/or variable rate financing. Utilizes CIP funds already ear-marked for Charlotte Gateway Station (CGS).



COMPREHENSIVE RAIL AGREEMENT (CRA)

COMPREHENSIVE RAIL AGREEMENT (CRA)

This agreement protects the City and the future Transit Agency's rights to operate commuter rail and defines terms with Norfolk Southern (NS) for shared use of corridor.

Outline of Key Provisions:

- Assignment & Term of Agreement
- Commuter Rail Service Rights (Transit Agency)
- Freight Service Rights (NS)
- Compensation (for service rights)
- Maintenance & Dispatching
- Liability
- Insurance/\$10M Escrow Account (City & Transit Agency Coverage)
- Option to Extend into Iredell County
- Improvements Necessary for Commuter Rail Operation

ACTIONS COMPLETED:

July 16:

Charlotte-Mecklenburg Planning Commission:
(Mandatory Referral - required review of purchase)

August 16:

Surface Transportation Board Approval

NEXT STEPS:

August 19:

City Council Closed Session Review

August 26:

City Council Action Review

September 3:

City Council Authorization*

1: Purchase and Sale Agreements (PSA)

2: Comprehensive Rail Agreement (CRA)

September 9: (or earlier)

Acquisition Closing

* **Actions cannot be deferred**

(In order to close on purchase with NS by September 9th)

ADDITIONAL FUTURE AGREEMENTS

To commence commuter rail service CATS will need to execute several future agreements, that may require City Council (or future Transit Agency) approval. All agreements will need to be in place before commuter rail operations and before Full Funding Grant Agreement (FFGA)/start of construction (assuming CATS seeks federal funding for the project).

Future Agreements:

- NS Construction Agreement covering construction phasing for Red Line project and freight service and NS main line improvements
- Operating/Crossing Agreement with CSX to address crossing of CSX track
- NS Operations Agreement covering dispatch and maintenance responsibilities after commuter rail service begins.

Upcoming Requested Council Action (RCA)

September 3, 2024

Purchase Sale Agreements:

O-Line Corridor: \$74M
Gateway Property: \$17M
Total: \$91M

One RCA: (4 parts)

a. Authorize Purchase Sale Agreements (PSA):

- O-Line Corridor
- Red Line Gateway Property

b. Approve Comprehensive Rail Agreement (CRA)

- Protects the City/Transit Agency's rights to operate commuter rail and defines terms with Norfolk Southern (NS) for shared use of corridor.

c. Authorize Escrow Agreement

- To provide transitional self-coverage until coverage is provided by a Commercial General Liability (CGL) policy.

d. Authorize the City Manager

- To negotiate and execute any additional documents required for closing by September 9, 2024

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- **September 9** – Close/purchase Red Line

As Early as November

- General Assembly considers legislation to authorize sales tax

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