

Advancing Mobility

JANUARY 30, 2023

Goals for Presentation

Discuss how addressing our needs as a growing city/region requires a multi-modal strategy

Consider revenue options and impact

Receive Council direction

1 Multimodal Vision

To move people safely and efficiently

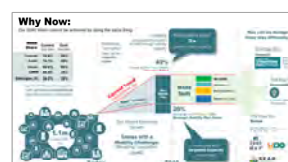
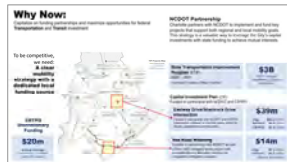


4 Rethink Transit

Adapt for our evolving needs

2 State Partnership

Expand shared capacity needs

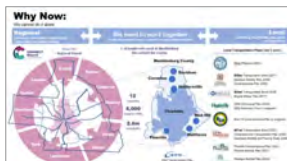


5 Financial Stewardship

Maximize the impact of our mobility investment

3 Regional

"Connect Beyond" to our regional neighbors



6 Investment Prioritization

to align with our vision for growth and equity

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1. 10-MINUTE NEIGHBORHOODS



2. NEIGHBORHOOD DIVERSITY AND INCLUSION



3. HOUSING ACCESS FOR ALL



4. TRANSIT- AND TRAIL-ORIENTED DEVELOPMENT



5. SAFE AND EQUITABLE MOBILITY



6. HEALTHY, SAFE, AND ACTIVE COMMUNITIES



7. INTEGRATED NATURAL AND BUILT ENVIRONMENTS



8. DIVERSE AND RESILIENT ECONOMIC OPPORTUNITY



9. RETAIN OUR IDENTITY AND CHARM



10. FISCALLY RESPONSIBLE

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The best **Mobility** Plan is also a **Jobs & Housing** Plan

Accessibility

Our employment opportunities have a range of mobility needs

Place Type Manufacturing & Logistics

Mobility Need

Accessible, 24-hour, shift-based transit service

Example

Logistics & distribution jobs (Amazon)

Place Type Employment Campus

Mobility Need

First/last mile microtransit, on-demand service

Example

University City Research Park (Wells Fargo)

Place Type Regional Activity Center

Mobility Need

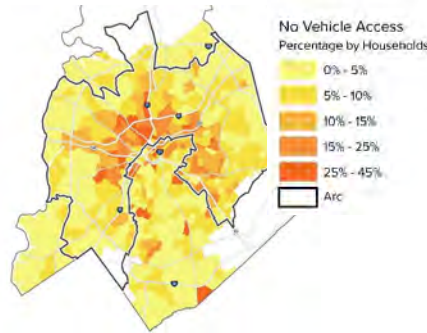
Direct access to rapid transit, walkable, micromobility

Example

Uptown, South End (Lowe's)

Equity

Mobility options for the diversity of needs and mobility obstacles



21,600 households
Do not have a car at home

Affordability

Our mobility investment can reduce the cost burden of transportation

Household Transportation Costs

% of Median HH Income Spent on Transportation

22% Charlotte

22% Nashville

19% Austin

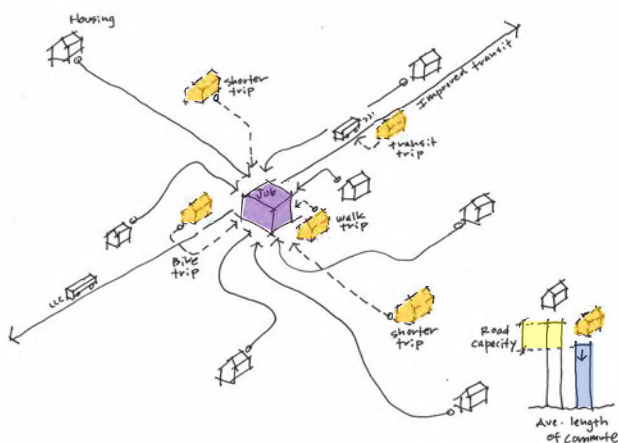
18% Denver

16% Minneapolis

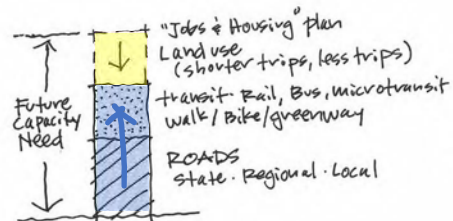
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The best **Mobility** Plan is also a **Jobs & Housing** Plan

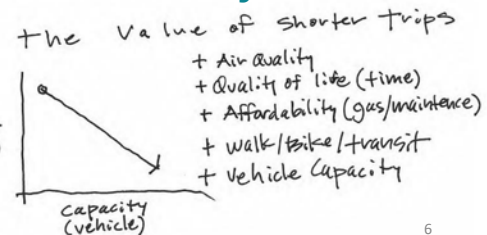
Jobs & Housing



Increased Capacity



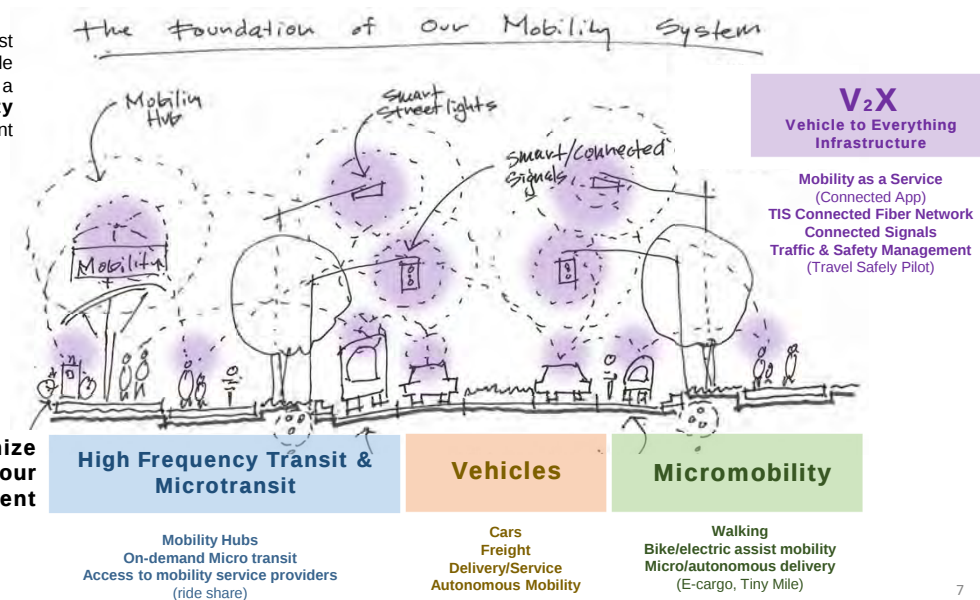
Affordability & Choice



6

The best **Mobility** Plan is also a **Jobs & Housing** Plan

Our community is most accessible and equitable when built on a **complete mobility** infrastructure investment



Extend/maximize the capacity of our mobility investment

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This is a time to

Rethink

Transit in Charlotte



What We Know:

- **Transit has faced challenges** in Charlotte (and nationally) pre and post Covid
- The **way we move in Charlotte has evolved** over the past 25 years, away from the hub and spoke model
- We are seeing recovery...
- We are experiencing a **profound evolution** in transit (innovation, technology, service connectivity, microtransit)
- Transit is still a **fundamental investment** in our mobility strategy to support **equity, affordability, and access to opportunity**
- Opportunity is now to invest in new ways and capitalize on the future....

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This is a time to

Rethink Transit in Charlotte



We've learned to include **Affordable Housing** and **Rail Trail Planning** at the beginning of transit projects

LYNX Silver Line incorporated **Transit Oriented Development** and **Rail Trail Planning** with the **Design** of the project.

	Ashley Station	Pennant Station	Berryhill Station
WALKABILITY	2	2	2
OPPORTUNITY SITES	1.5	3	0.75
OFFICE MARKET	1.33	1.67	2.33
HOTEL MARKET	1.33	1.33	1.33
TRANSIT CONNECTIVITY	2.5	2.5	2

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This is a time to

Rethink Transit in Charlotte



- Ridership is improving and changing
 - Current trends show that by July 23 Bus will be 54% and Rail will be 68% of pre-pandemic ridership
- New patterns are emerging** in the data such as hybrid work schedule
- Special **events continue to attract high ridership to rail service**: Charlotte FC inaugural match- 27,215
- Bus **ridership stabilized** with reliability improvements but will stagnate without increased frequency
- Peak rail ridership came back strong in 2022

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This is a time to

Rethink Transit in Charlotte

Old Model

Hub and spoke structure that requires riders to travel to uptown Charlotte regardless of their destination.

Limited crosstown connections that lengthen commute times for many riders.

Favors peak-hour, weekday trips at the expense of other time periods, particularly weekends

Lacks **modern infrastructure** like comfortable waiting areas and **tools to communicate** information to passengers

New Vision

Mobility Hubs

Microtransit Hub to Hub

High Frequency Network, Bus Priority Corridors

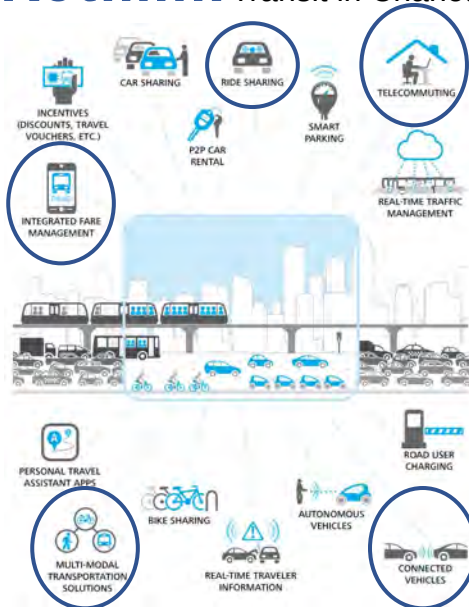
Mobility Hubs connecting to first/last mile on-demand Service + CATS Pass App



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This is a time to

Rethink Transit in Charlotte



Transit **must move** beyond a **network** of asphalt and steel

The **connected** world of things, vehicles, and devices is the **network** that transit must incorporate to serve the travel market of **today** and the **future**

Next mobility evolution...

Mobility as a Service

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This is a time to

Rethink Transit in Charlotte

MICROTRANSIT

- ▶ Completes the mobility landscape
 - First / Last Mile Connections with smaller vehicles & ride share
 - On Demand Zones
 - Curb-to-Curb / Curb-to-Hub
 - App-supported interface
- ▶ Implemented across the country
 - Atlanta: MARTA
 - Dallas: DART
 - Denver: RTD
 - Charlotte: Summer 2023 Pilot
- ▶ CATS Microtransit Next Steps
 - CATS First/Last Mile Pilot from Parkwood/JW Clay Blue Line Stations
 - Turnkey procurement for full implementation
 - Developing strategies to close the digital divide.

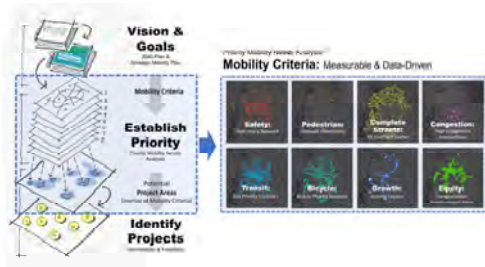


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The best **Mobility** Plan is also a **Jobs & Housing** Plan

Putting it all together...

Mobility Investment Corridor



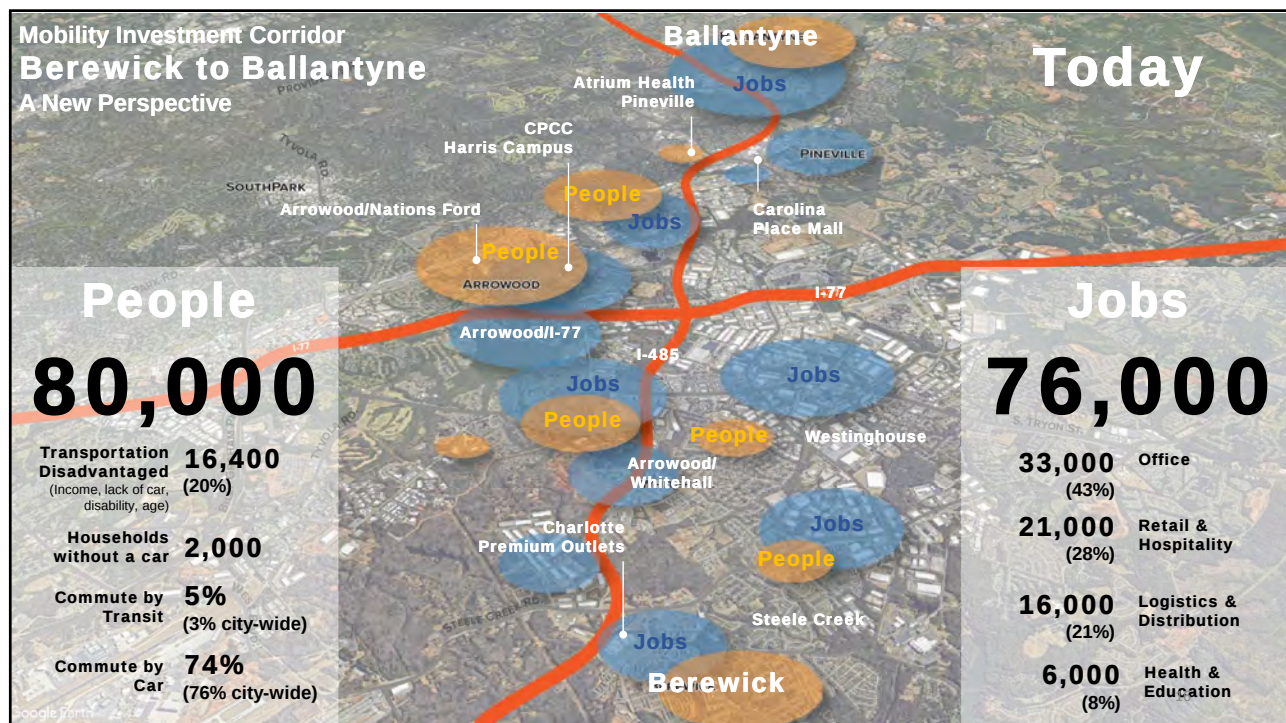
200+
potential project
areas
(from which to develop
potential projects)

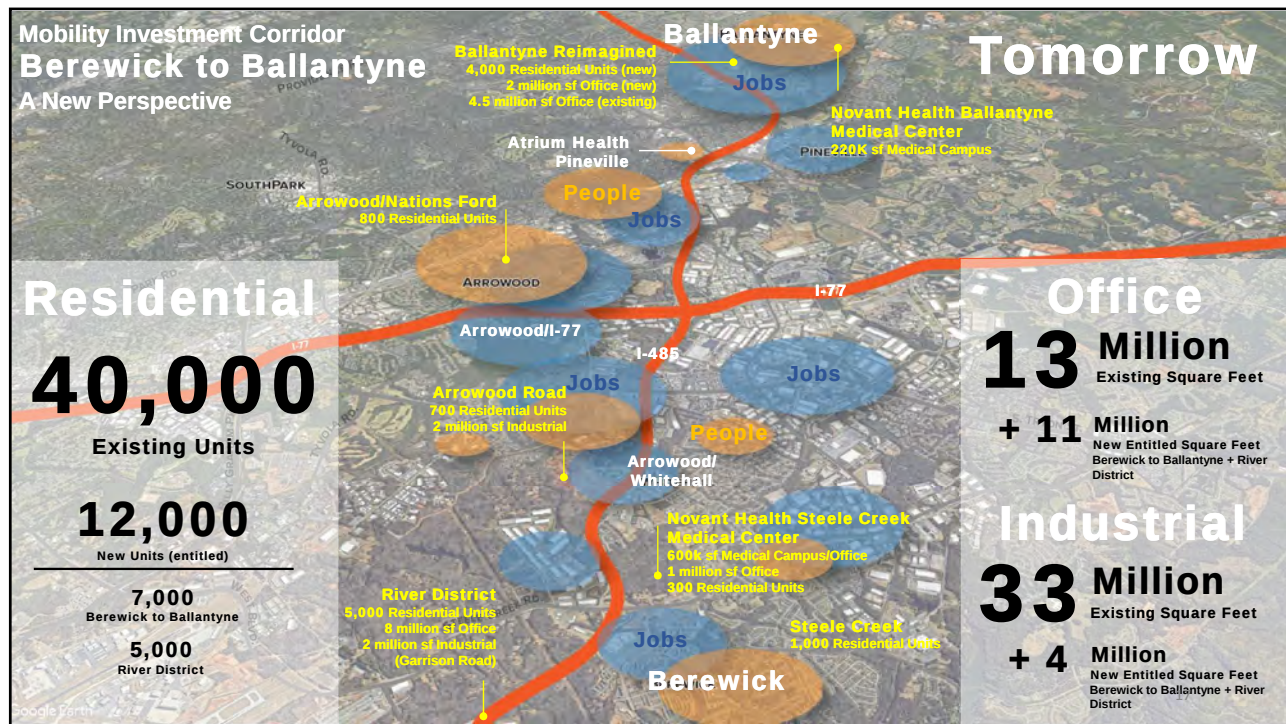
Berewick

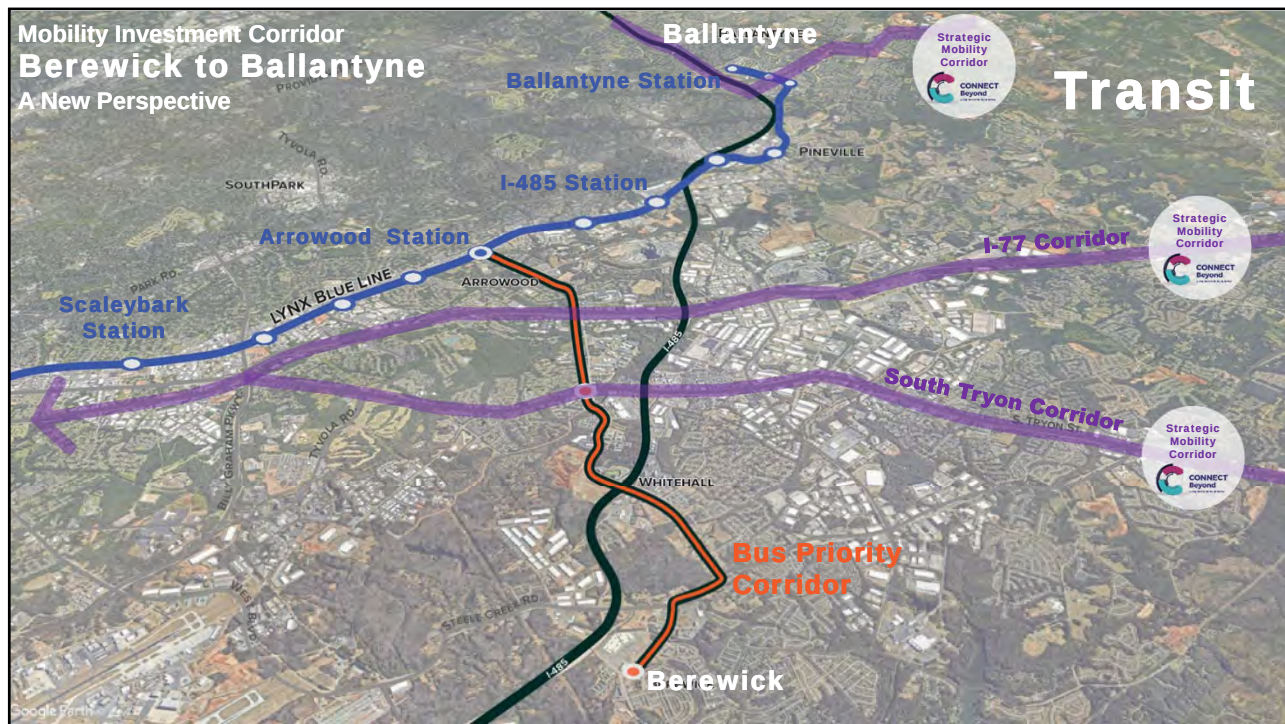
Ballantyne

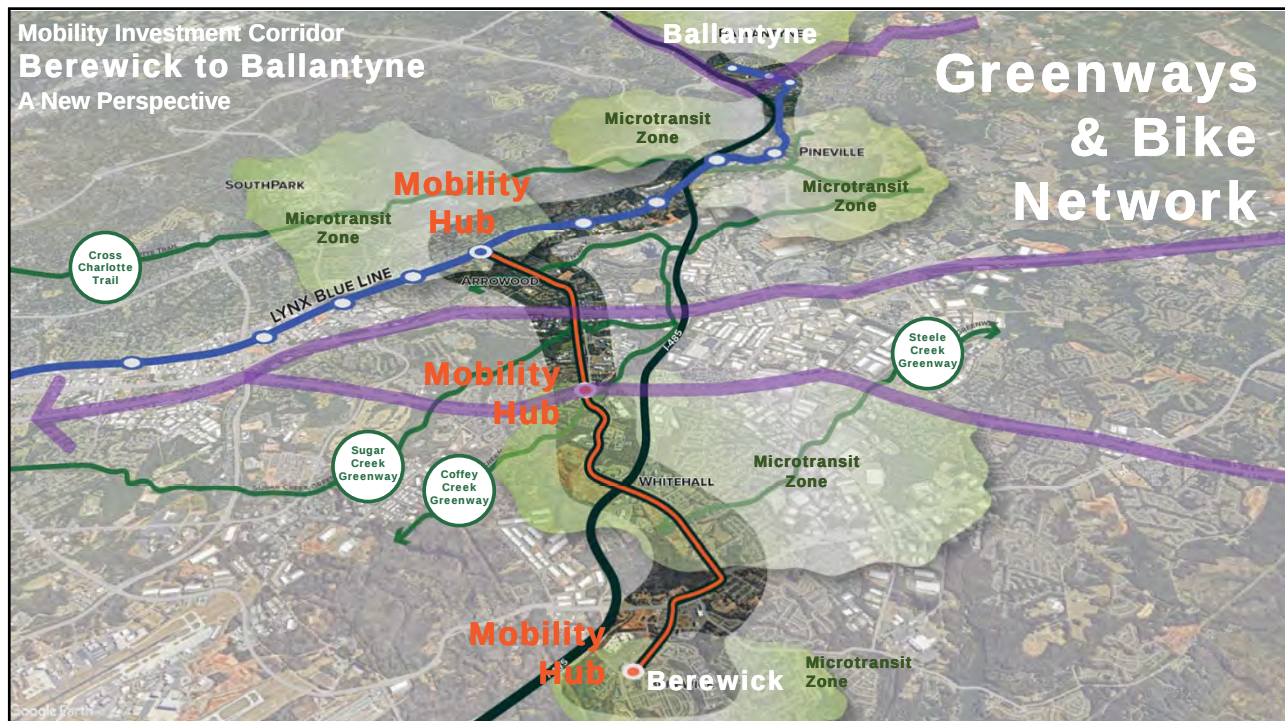
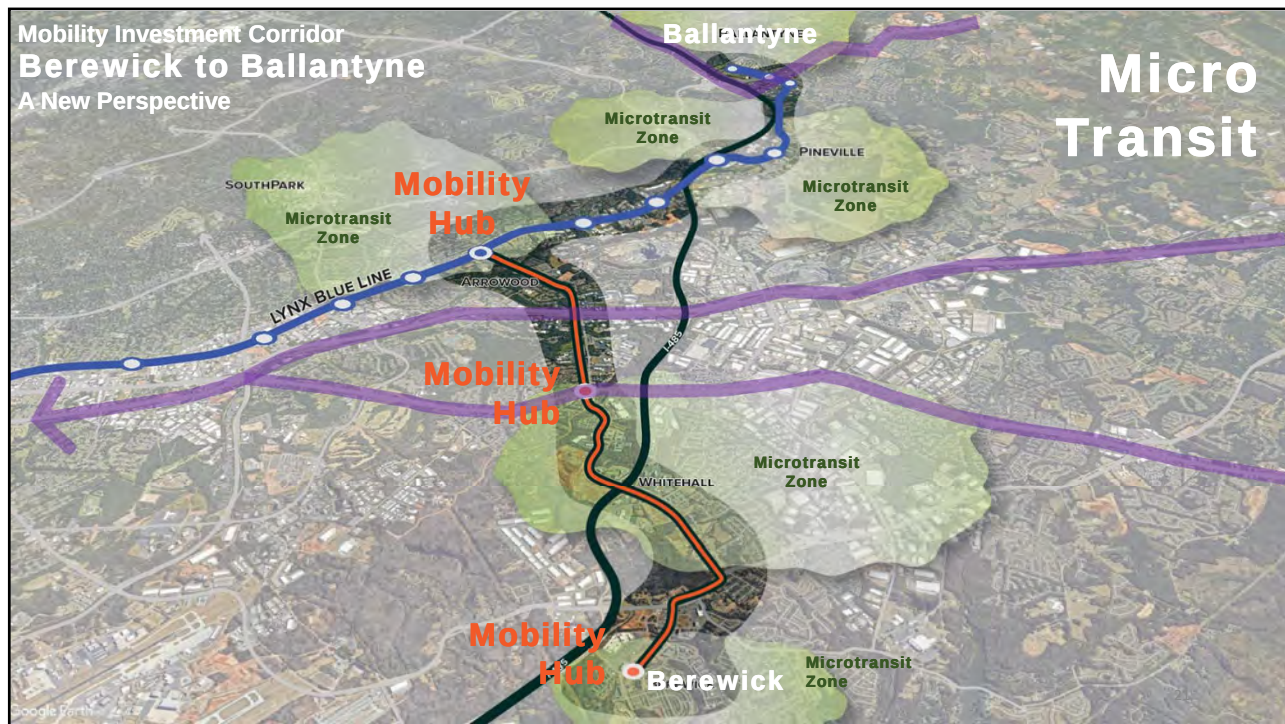
The mobility criteria
mapped to identify
the areas with the
most overlaps

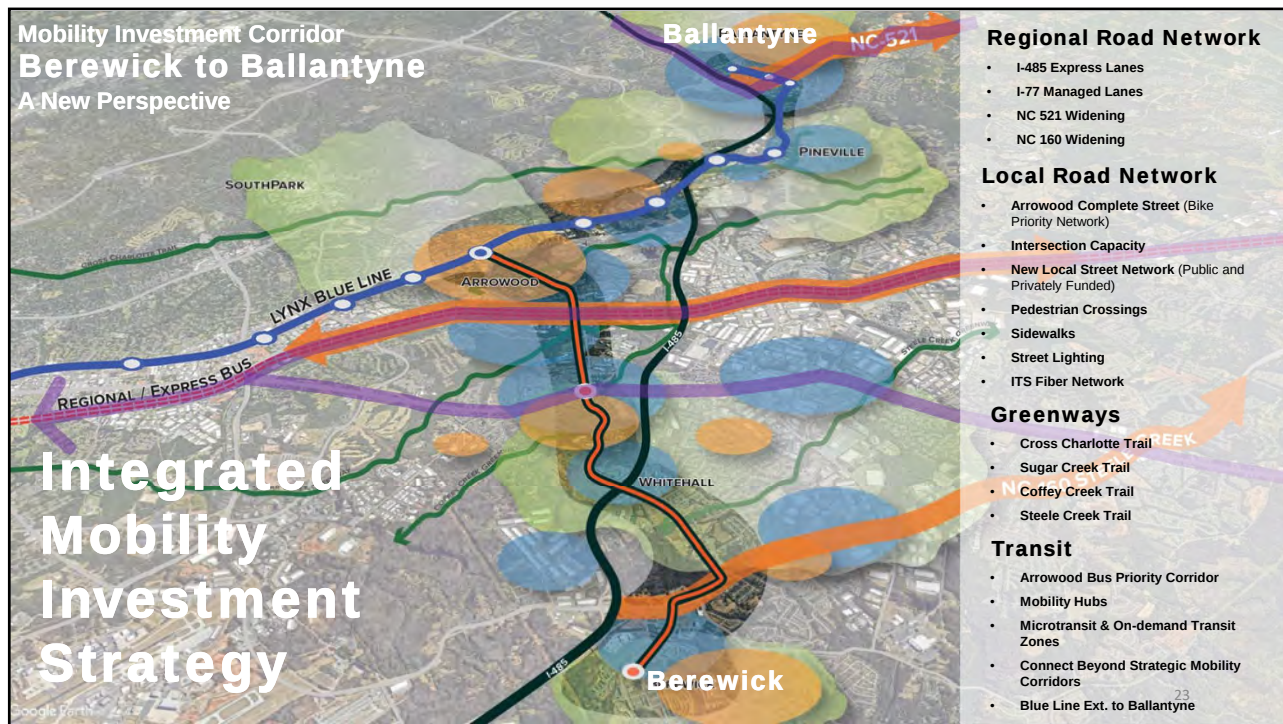
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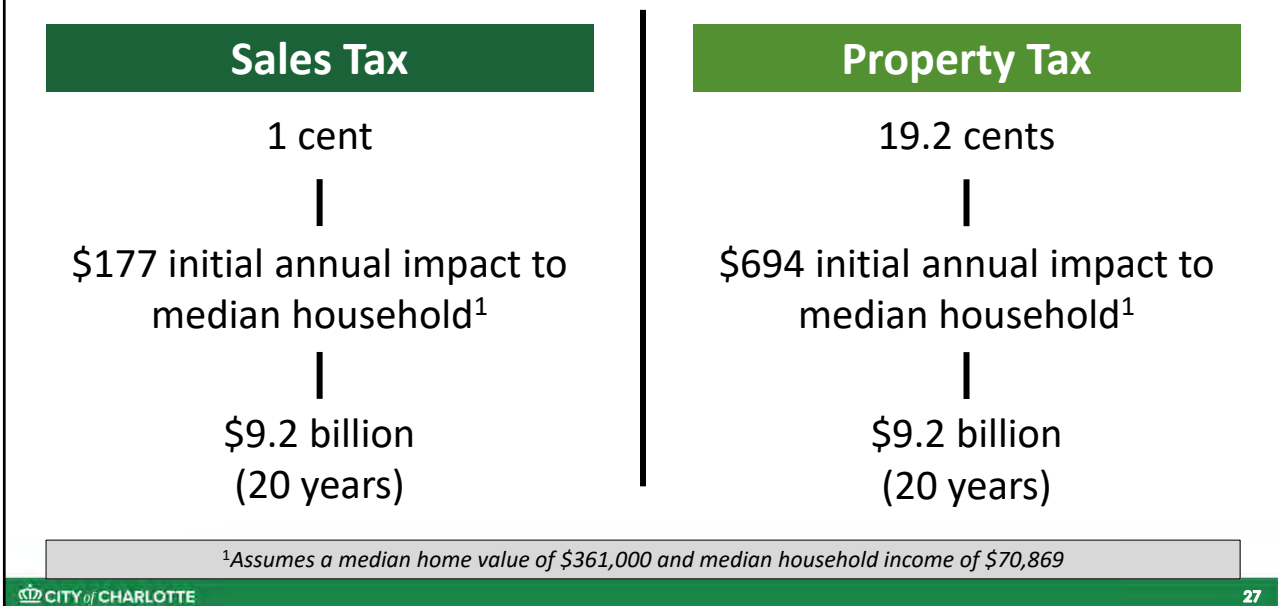


Funding Mobility

Comparing Sales Tax and Property Tax

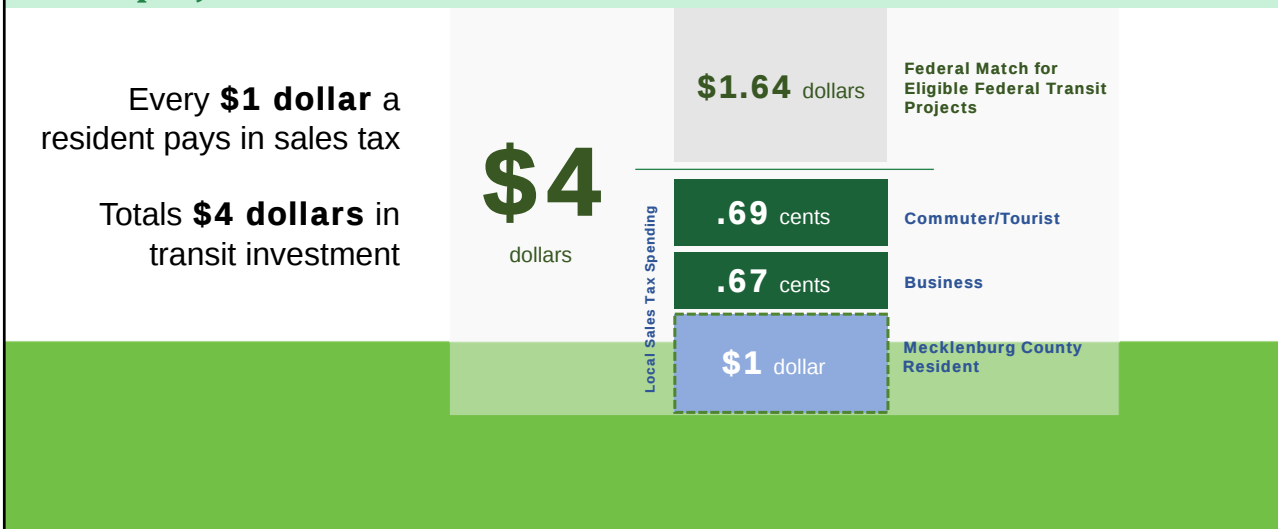
	Sales Tax (countywide)	Property Tax (city)
Applies to:	Consumer purchases except groceries and prescription pharmaceuticals	Property tax bills for property owners
Projected annual growth:	4%	2%
Cost burden estimate:	42% Residents 28% Businesses 30% Commuters/tourists	55% Residential property 34% Commercial property 12% Personal property, vehicles, state certification

Due to commuters, tourists, and a higher growth rate, sales tax is less burdensome to Charlotte residents



Advancing Mobility Funding

\$1 in sales tax investment by residents can provide \$4 in funding for transit projects

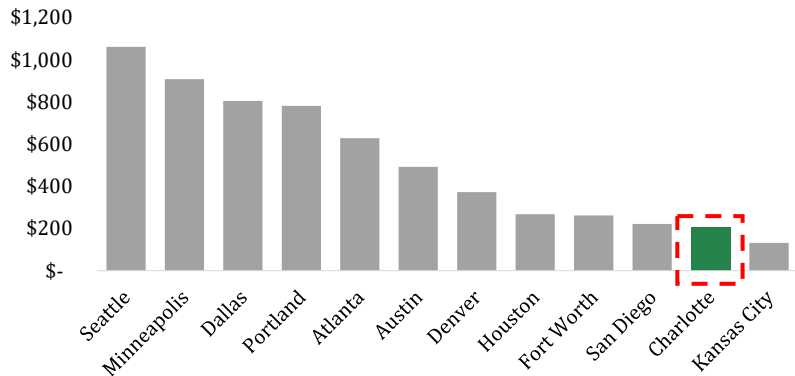


Benchmarking: Peer cities with rail transit service

Sales tax rate dedicated to transit

Atlanta ¹	1.0 - 1.5%
Seattle	1.4%
Austin ²	1%
Dallas	1%
Denver	1%
Houston	1%
Kansas City ³	0.875%
Minneapolis ⁴	0.5%
Charlotte	0.5%
San Diego ⁵	0.5%
Fort Worth	0.5%
Portland ⁶	0%

FY22 Revenue Budget Per Capita



¹A 1% sales tax is levied in Atlanta and Fulton, DeKalb, and Clayton Counties. An additional 0.5% sales tax is levied only in Atlanta; ²Austin also levies an 8.75 cent property tax for transit; ³Kansas City only has streetcar service and no light rail; ⁴The agency overseeing Minneapolis' transit receives 1.4% of the region's property tax revenue; ⁵San Diego also receives support from the State of California; ⁶Portland's transit agency is supported by a payroll tax

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Financial Team Members



Carolyn Flowers
Managing Principal
InfraStrategies LLC

Former Federal Transit Administration (FTA) Acting Administrator and Agency CEO

Led development of federal guidance, programs, initiatives, and policy changes at FTA



Sharon Greene
Managing Principal
InfraStrategies LLC

Nationally renowned expert in transit funding and former transit agency executive director

Chairs several funding, revenue, finance, and tax policy committees in the transportation industry



Amanda Vandegrift
Managing Principal
InfraStrategies LLC

Financial principal for several major national transportation providers

Specializes in the development of dynamic financial models, funding strategies, and multibillion dollar financial plans



Roland Kooch
Senior Vice President
Davenport & Company LLC

Municipal Advisor to national public sector and not-for-profit clients since 1993

Led analytical, financial modeling, and credit work on a wide variety of governmental and enterprise system engagements



RT Taylor
Vice President
Davenport & Company LLC

Former Auditor with Ernst & Young
Specializes in multi-year financial modeling, capital planning, rating agency interaction, debt structuring and execution of project financing strategies

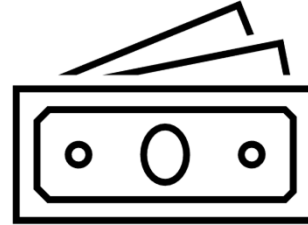
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Funding and Financing Options Review

- InfraStrategies LLC completed a funding and financing options review in 2022
- Considered 91 potential sources on the federal, state, and local levels
- Identified **46 primary and secondary sources** that could be used to fund mobility

Confirmed that **sales tax was the preferred primary local source** to expand Charlotte's mobility options

- High revenue potential and generally stable
- Captures revenue from non-residents and visitors
- Primary local funding source for mobility in Charlotte today
- Charlotte's existing transit sales tax and effective sales tax rate are lower than peers



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Federal Funding Opportunities for Mobility

27 Potential Federal Sources			
Grant Programs	USDOT RAISE Grants	USDOT Reconnecting Communities Program	USDOT MEGA Grant Program
	USDOT INFRA Grants	USDOT Active Transportation Infrastructure Investment Program	USDOT Culvert Removal, Replacement and Restoration Grant Program
Grant Programs	FHWA Flex Formula Funds (CMAQ, STP, TA)	USDOT SMART Grant Program	FRA CRISI Grant Program
	FTA Capital Investment Grant Program	USDOT Carbon Reduction Formula Program	FRA Railroad Crossing Elimination Program
Grant Programs	FTA Bus and Bus Facilities Program	USDOT Congestion Relief Program	FEMA BRIC Grants
	FTA Low-No Bus Grant Program	USDOT Healthy Streets Program	USDOT PROTECT Grant Program
Grant Programs	FTA TOD Grants	FHWA Bridge Formula Program	Federal Volkswagen Settlement Funds
	USDOT Safe Streets and Roads for All Competitive Grant Program	USDOT Bridge Investment Program	EPA Greening America's Communities
Financing Tools	Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans	Railroad Rehabilitation & Improvement Financing (RRIF) Loans	Private Activity Bonds

federal funding requires a **local match**

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Unprecedented Federal Transit Funding

Federal Transit Administration (FTA) Capital Investment Grant (CIG) Program Appropriations (FY21-26)

Fiscal Year	Total Appropriations (\$B)
2021	<u>\$2.1</u>
2022	<u>\$3.8</u>
2023	Up to \$4.6
2024	Up to \$4.6
2025	Up to \$4.6
2026	Up to \$4.6

Potential to double Capital Investment Grant program over five-year period

However, several mega projects and programs are anticipated in the CIG program over the same time period

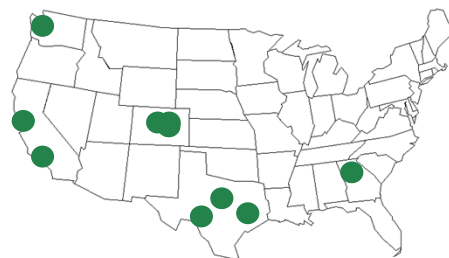
- NY Gateway Program
- New York 2nd Ave Subway Phase 2
- San Jose BART Silicon Valley Phase II
- San Francisco Caltrain Tunnel Extension
- Chicago Red Line Extension
- Los Angeles Transit Program
- Seattle Transit Program
- Atlanta Transit Program
- Phoenix Transit Program
- Austin Transit Program
- San Antonio Transit Program
- Houston Transit Program

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Timing and Competition for Funds

Timing is critical to align mobility improvements with a “once-in-a-generation” federal investment in transportation

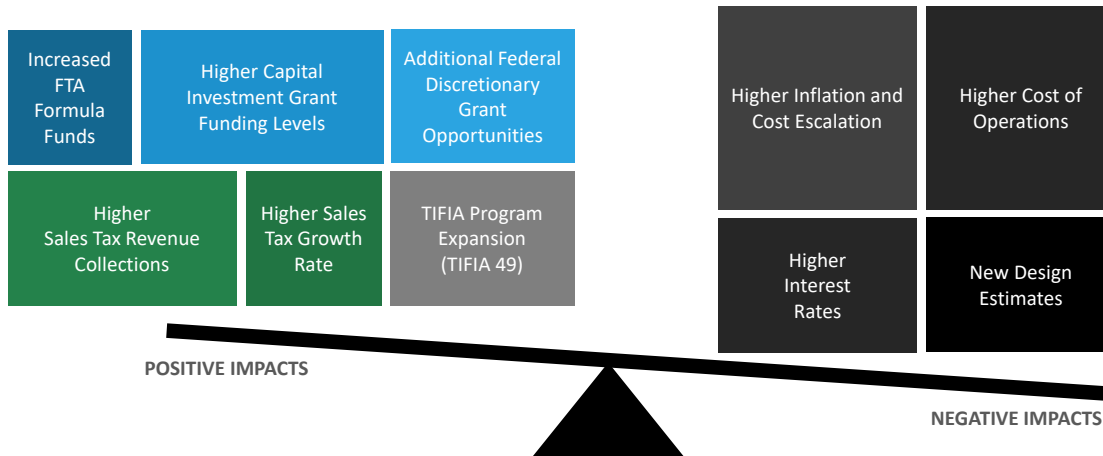
Additional local funding is required to capture these funds and bring them into North Carolina. Los Angeles, Seattle, Atlanta, and Austin are ready and waiting at the front of the line.



● Recent Successful Transportation Ballot Initiatives, 2016 to-date

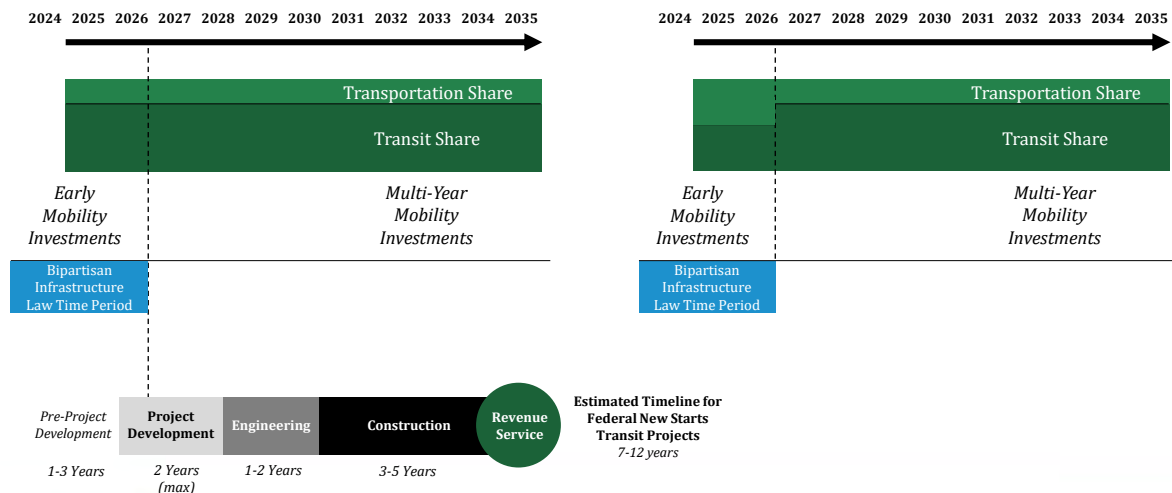
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Recent Changes



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Option to Frontload Transportation Dollars



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Advantages and Disadvantages of Frontloading Early Mobility Investments

Pros

- ✓ Allows for immediate and impactful countywide mobility investments (streetlights, roadway network, mobility hubs, and more)
- ✓ Allows localities to access additional local matching dollars to compete for federal grants during the Bipartisan Infrastructure Law period
- ✓ Allows for planning and engineering for the transit program to continue in early years as corridor projects advance into the federal process
- ✓ Maintains Envision my Ride delivery schedule

Cons

- ✗ May require an increase in transit allocation in later years or adjustments to transit program, depending on frontloading period and level of the early allocation
- ✗ May require increased debt issuances in early years to meet transit program delivery targets



 CITY of CHARLOTTE

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Council Conversation

- Sales tax as a solution to pursue to build out the vision of the Strategic Mobility Plan?
- *Option to frontload transportation dollars?*



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