

**A RESOLUTION AUTHORIZING AN INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF CHARLOTTE AND THE METROPOLITAN PUBLIC  
TRANSPORTATION AUTHORITY TO IMPLEMENT AND FULFILL THE CITY'S  
OBLIGATIONS UNDER THE PROJECTS FOR ADVANCING VEHICLE-  
INFRASTRUCTURE ENHANCEMENTS (PAVE) ACT**

**WHEREAS**, the General Assembly of North Carolina added a new Article 34 to Chapter 160A of the General Statutes pursuant to the Projects for Advancing Vehicle-Infrastructure Enhancements Act (Session Law 2025-39) (the "PAVE Act"); and

**WHEREAS**, the PAVE Act authorized Mecklenburg County to obtain an additional source of revenue to expand and improve roadway systems and public transportation for the Mecklenburg County region through a one-percent local sales and use tax subject to voter approval; and

**WHEREAS**, on November 4, 2025, Mecklenburg County voters approved the one-percent local sales and use tax referendum, and on December 2, 2025, the Mecklenburg County Board of Commissioners adopted a resolution levying the tax effective July 1, 2026; and

**WHEREAS**, the PAVE Act established the Metropolitan Public Transportation Authority ("MPTA") and outlines the requirements for the transfer of transit operations from the City of Charlotte to the MPTA effective July 1, 2026; and

**WHEREAS**, the City of Charlotte and the MPTA have negotiated a Primary Interlocal Agreement to establish the framework for the initial implementation of the PAVE Act, including governance, operational responsibilities, transition planning, asset transfer, debt repayment, and related matters; and

**WHEREAS**, the Primary Interlocal Agreement establishes three phases of transition, including:

(a) Phase One, beginning July 1, 2026, and anticipated to end December 31, 2026, during which the City will continue operating the Charlotte Area Transit System under the governance and policy oversight of the MPTA while the MPTA develops the systems, approvals, and staffing necessary to assume transit operations;

(b) Phase Two, anticipated to begin January 1, 2027, and anticipated to end on June 30, 2027, during which the City may continue to provide certain shared services to support a smooth transition and the operation of the MPTA; and

(c) Phase Three, anticipated to begin July 1, 2027, and anticipated to end once (i) all CATS Debt has been repaid, (ii) all grant requirements have been satisfied, and (iii) all assets have been transferred to the MPTA. During this phase, the City and the MPTA will operate independently except as necessary to address outstanding debt obligations, grant requirements, and the transfer of encumbered assets; and

**WHEREAS**, the MPTA Board of Trustees adopted and ratified by unanimous vote the Primary Interlocal Agreement on June 10, 2026, with an effective date of July 1, 2026; and

**WHEREAS**, the City and the MPTA are authorized pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes to enter into interlocal agreements for the joint cooperation and exercise of powers and the performance of governmental functions, including to perform jointly any function that they have the power to perform alone, or to contract with one another to perform any governmental function that they have the power to perform alone, and to enter into agreements to specify the details of these joint undertakings, including the transfer to and expenditure of funds collected by any participating unit of government to another consistent with the parties' agreement; and

**WHEREAS**, North Carolina General Statute § 160A-461 requires that interlocal agreements be ratified by resolution of the governing board of each participating unit of local government.

**NOW, THEREFORE, BE IT RESOLVED** that the Charlotte City Council hereby:

1. Approves and ratifies the Primary Interlocal Agreement, effective July 1, 2026, between the City of Charlotte and the Metropolitan Public Transportation Authority for their joint undertaking and implementation of requirements to fulfill obligations under the PAVE Act; and
2. Authorizes the City Manager, or their designee, to negotiate and execute all documents, contracts, certifications, and other instruments, including for the transfer and expenditure of funds necessary to implement and fulfill the City's obligations under the PAVE Act and the Primary Interlocal Agreement, in substantially the form presented to City Council with technical corrections and minor modifications as they may deem necessary consistent with the spirit and intent of the transactions; and
3. Authorizes the City Manager, or their designee, to take all actions contemplated by the Primary Interlocal Agreement, including such amendments as are permitted by law and the terms of the parties' agreements; and
4. Directs that the City Clerk reflect the adoption of this resolution in the official minutes of the City Council.

ADOPTED this \_\_\_ day of June, 2026.