



Regional Mobility Initiatives

CITY COUNCIL ANNUAL STRATEGIC SESSION

OCTOBER 25-27

Purpose

Discuss:

Regional Mobility Initiative Alignment

- Kelly O'Brien, Charlotte Regional Business Alliance
- Geraldine Gardner, Centralina Regional Council

Immediate Impact on Services and Projects

- City Staff

Funding and Financing Assumptions and Concepts

- InfraStrategies
- Davenport Financial Advisors
- City Staff

Charlotte Regional Business Alliance

Economic Impacts of Mobility Investments in Mecklenburg County and the Benefits to the Charlotte Region

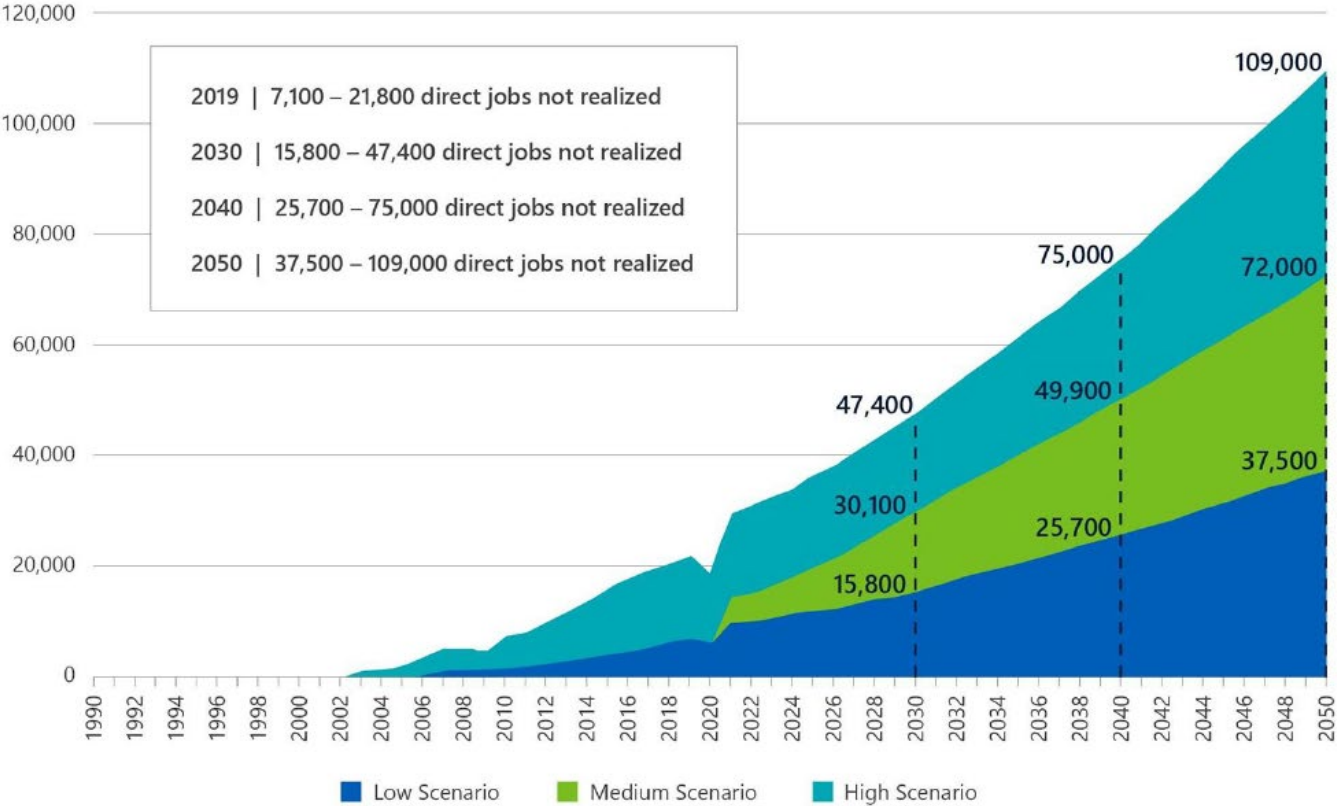
SYNTHESIS OF INFORMATION FROM KEY STAKEHOLDERS, ECONOMIC MODELING, AND MOBILITY PROJECTIONS



Cost of Doing Nothing

- By 2050, region poised to lose:
- 126,100 jobs
 - \$10.1 billion in lost wages
 - \$28.0 billion in economic outputs
 - \$3.0 billion in tax revenue
 - Congestion and mobility issues could impact workforce recruitment

DIRECT EMPLOYMENT IN THE CHARLOTTE-CONCORD-GASTONIA, NC-SC METROPOLITAN STATISTICAL AREA



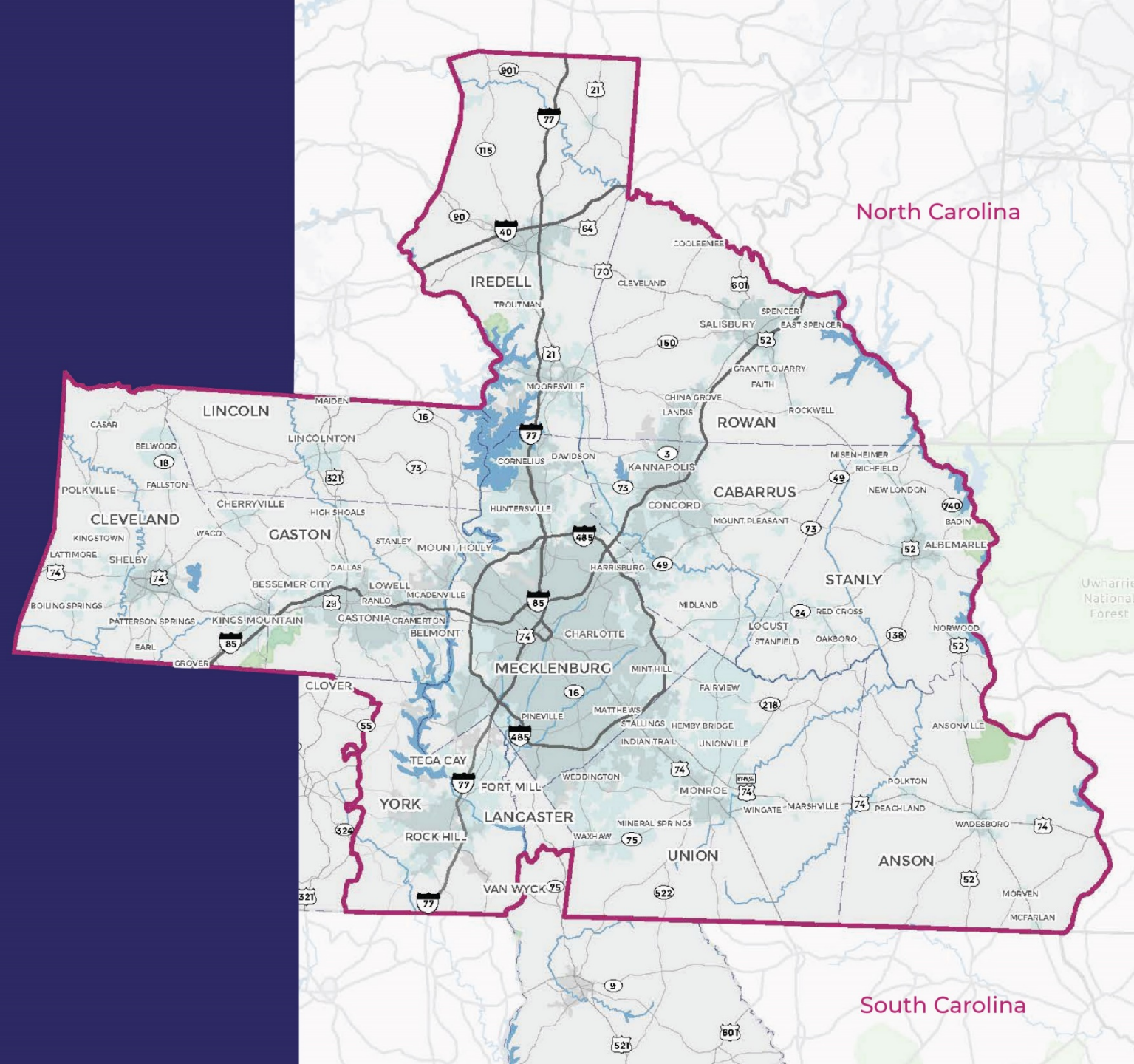
Our Region

2 States

12 Counties

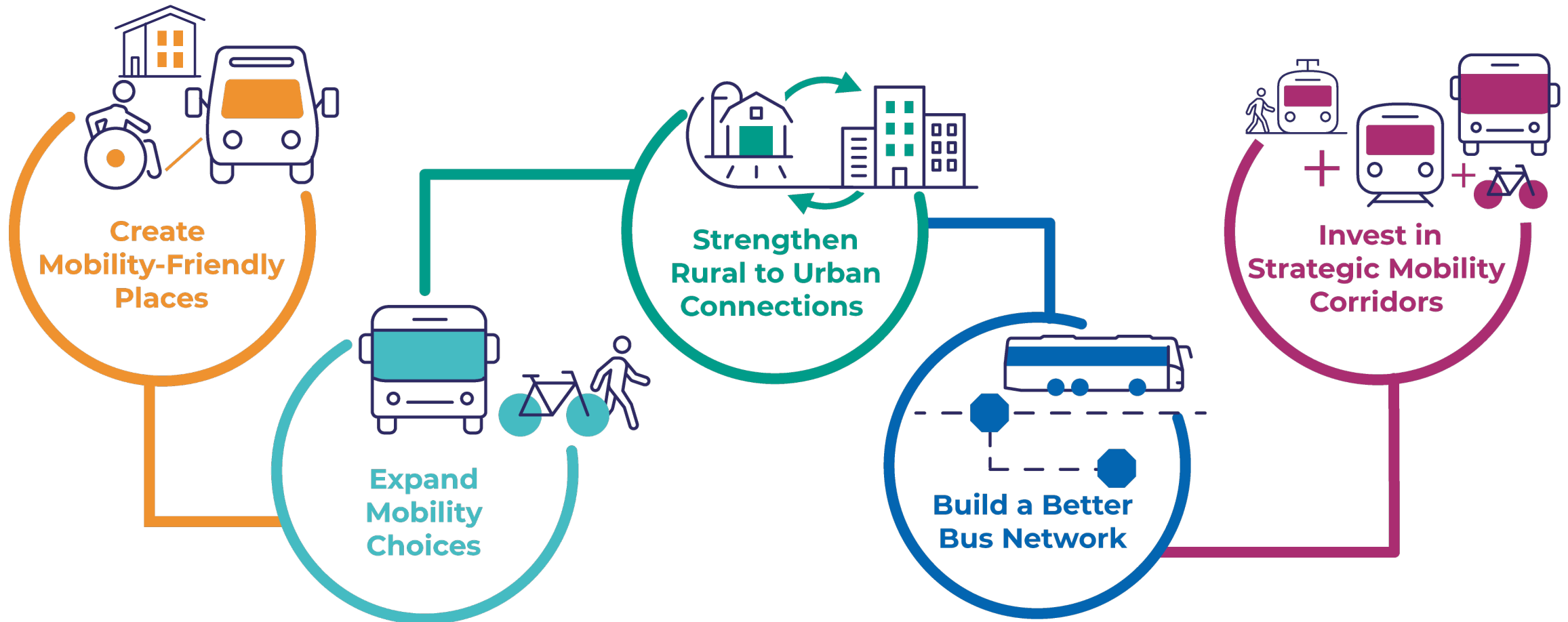
5K Square Miles

2.6 Million People

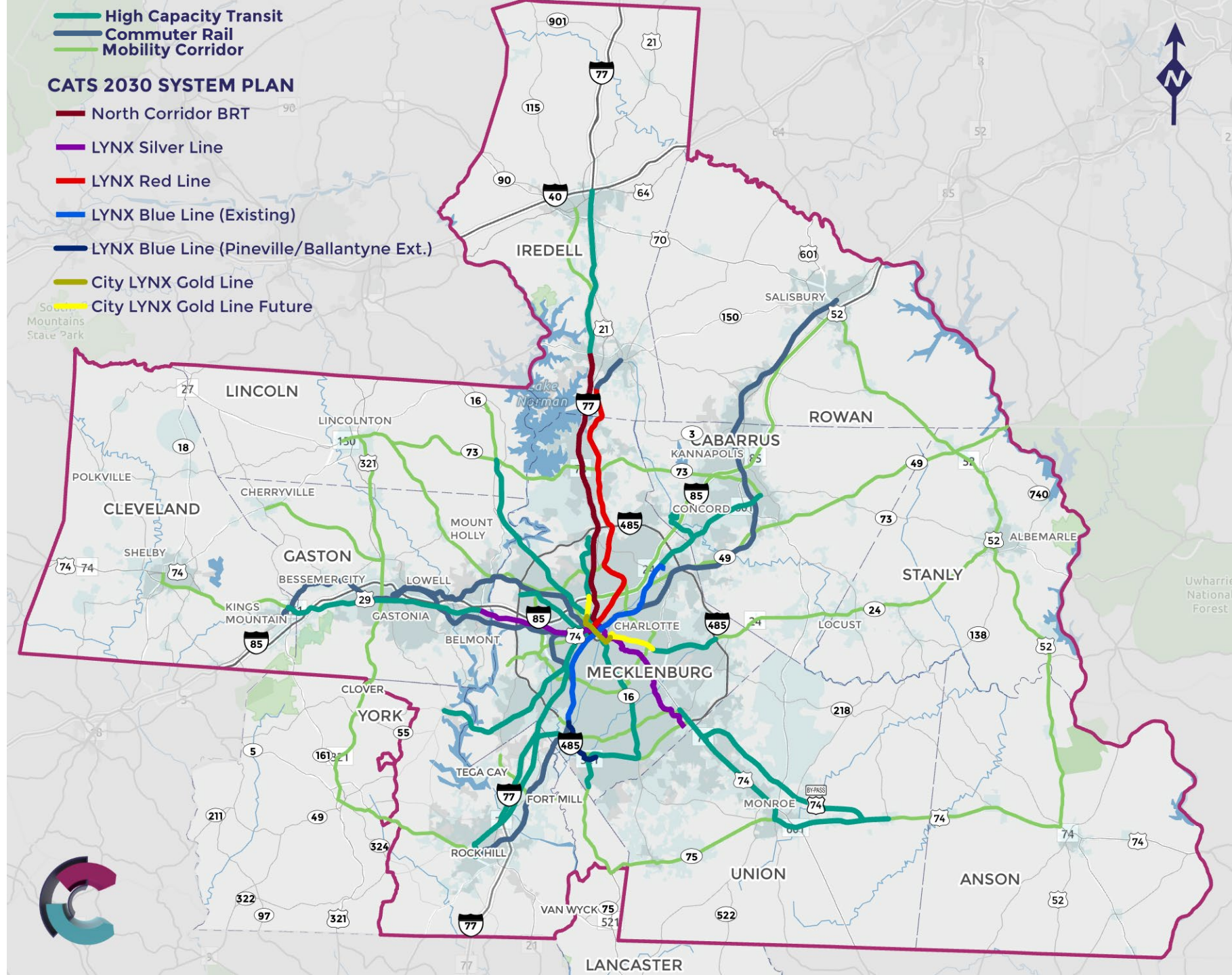
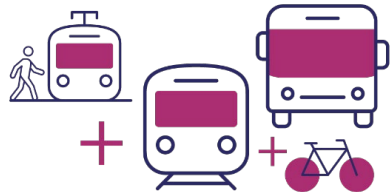


Mobility Moves

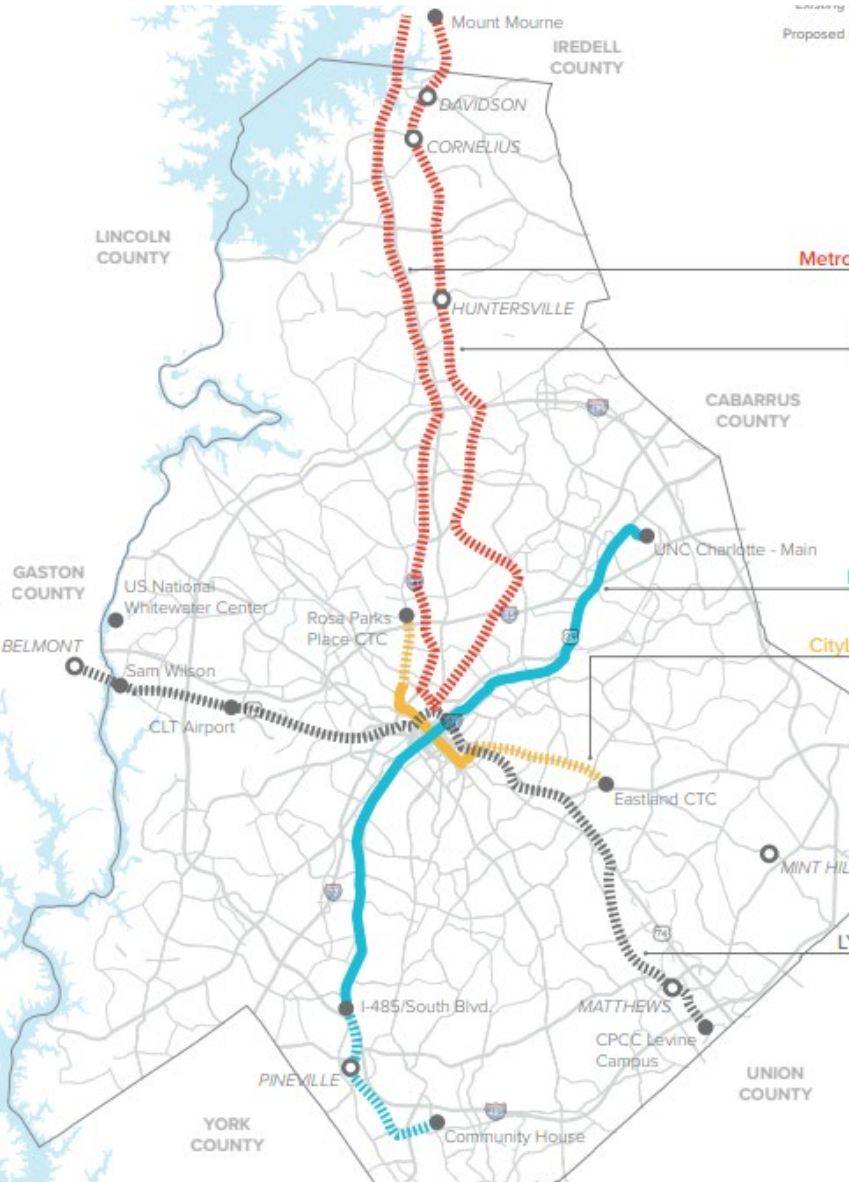
Create | Expand | Strengthen | Build | Invest



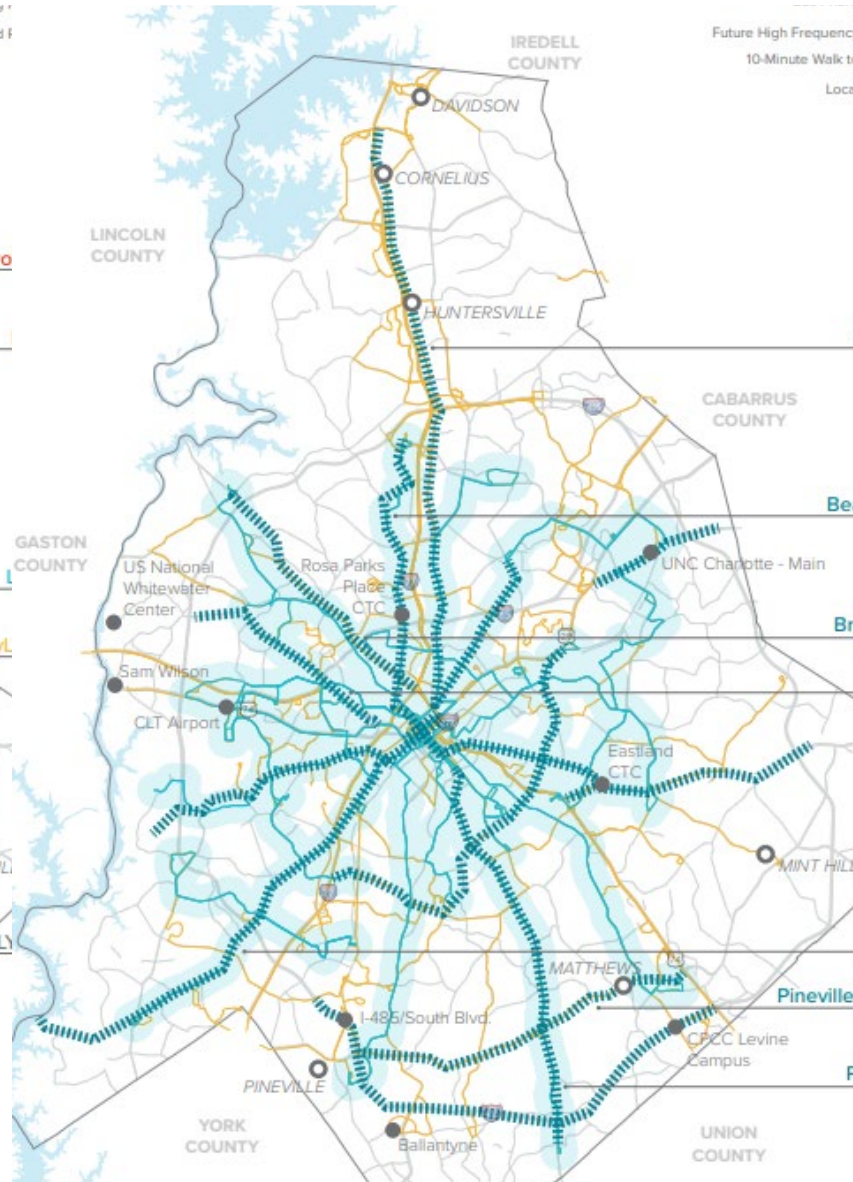
High Capacity Transit & Emerging Mobility Corridors



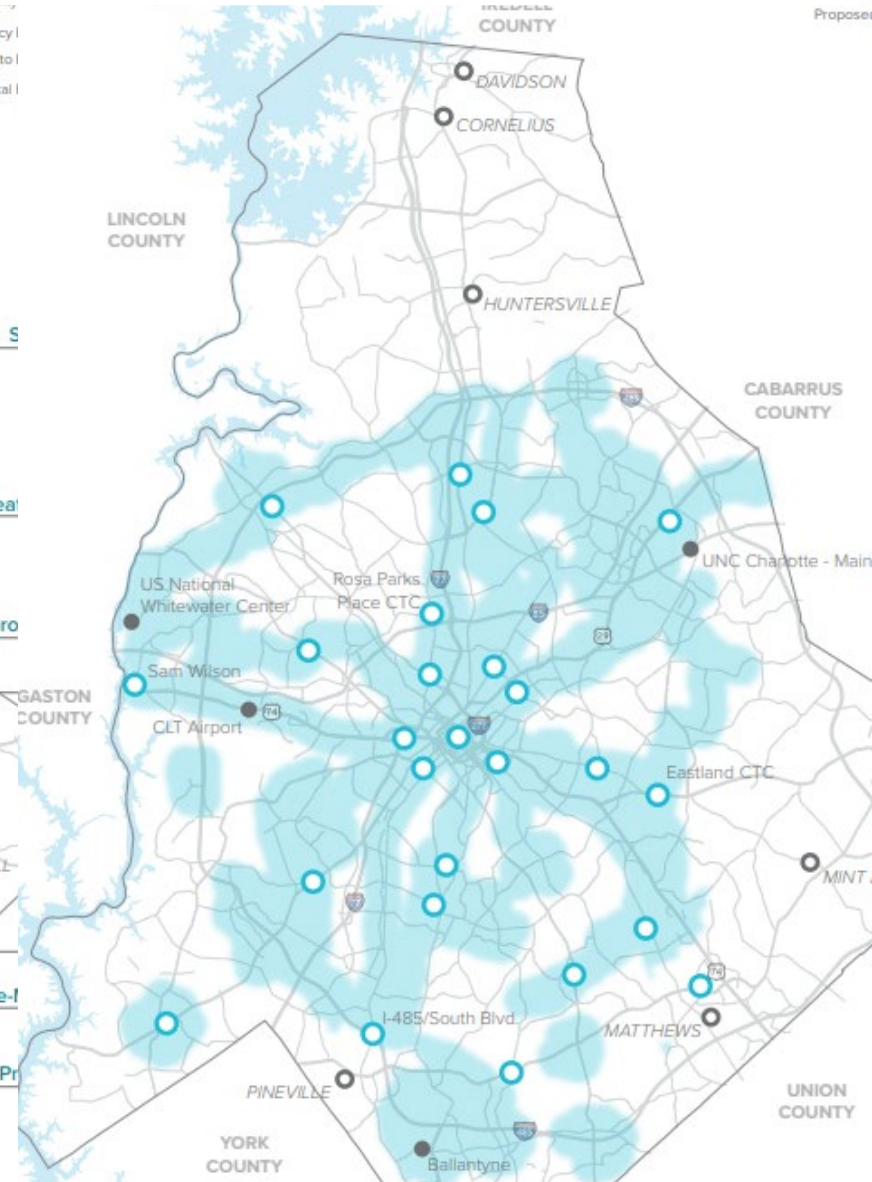
Transformational Mobility Network: Transit Only – Core of Connect Beyond



2030 Transit System Plan



Bus Priority Corridors



Mobility Hubs

Reminder of TMN

- ◀ **TMN is a funding mechanism for transit and transportation projects identified throughout the county based on the one cent sales tax increase**

Reminder: What is the TMN?

TRANSIT

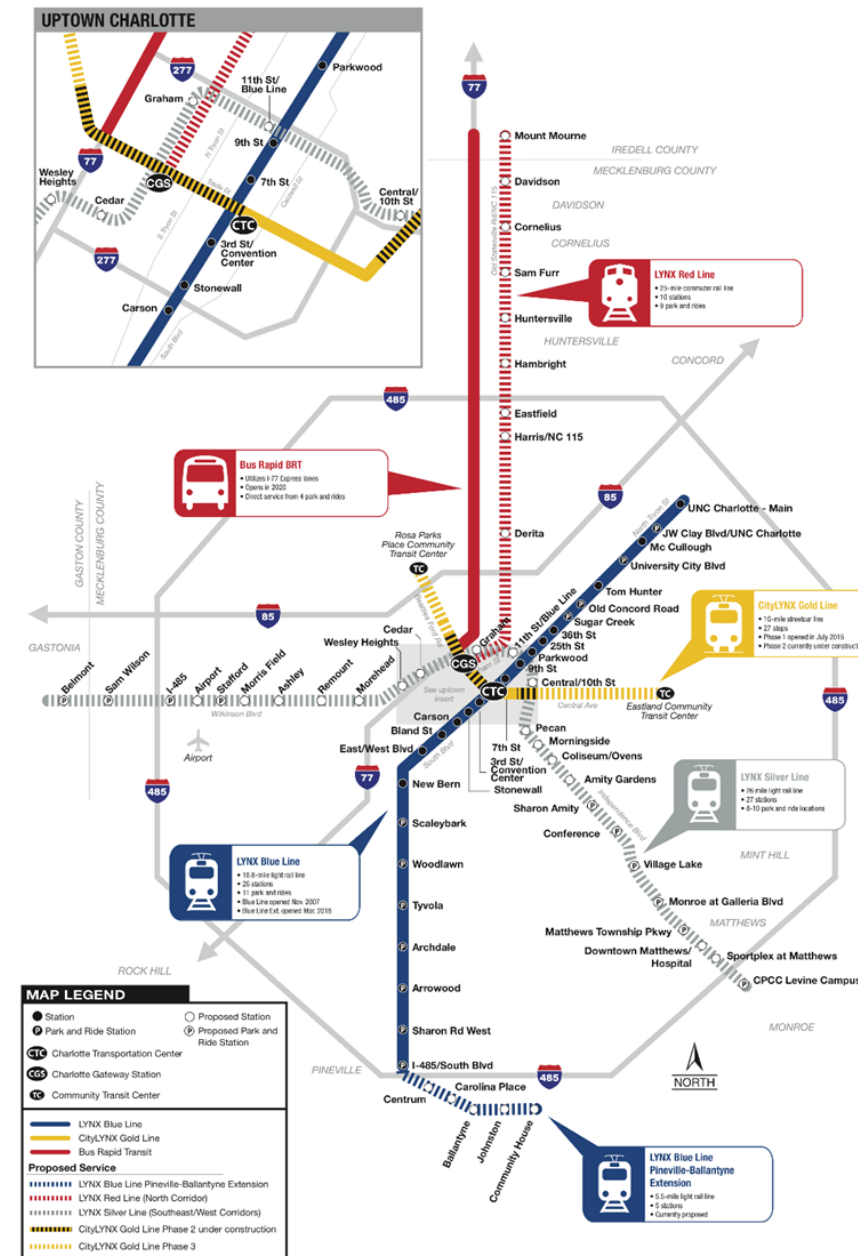
- ◀ **Rapid Transit Corridors:** High-capacity transit corridors and technology including light rail, commuter rail, bus rapid transit and streetcar
- ◀ **Bus Priority System:** High-frequency bus network highlighted by 15-minute service or better on more than 20 key routes, enhanced reliability and mobility hubs

**Current Consideration towards a one-cent sales tax proposal*



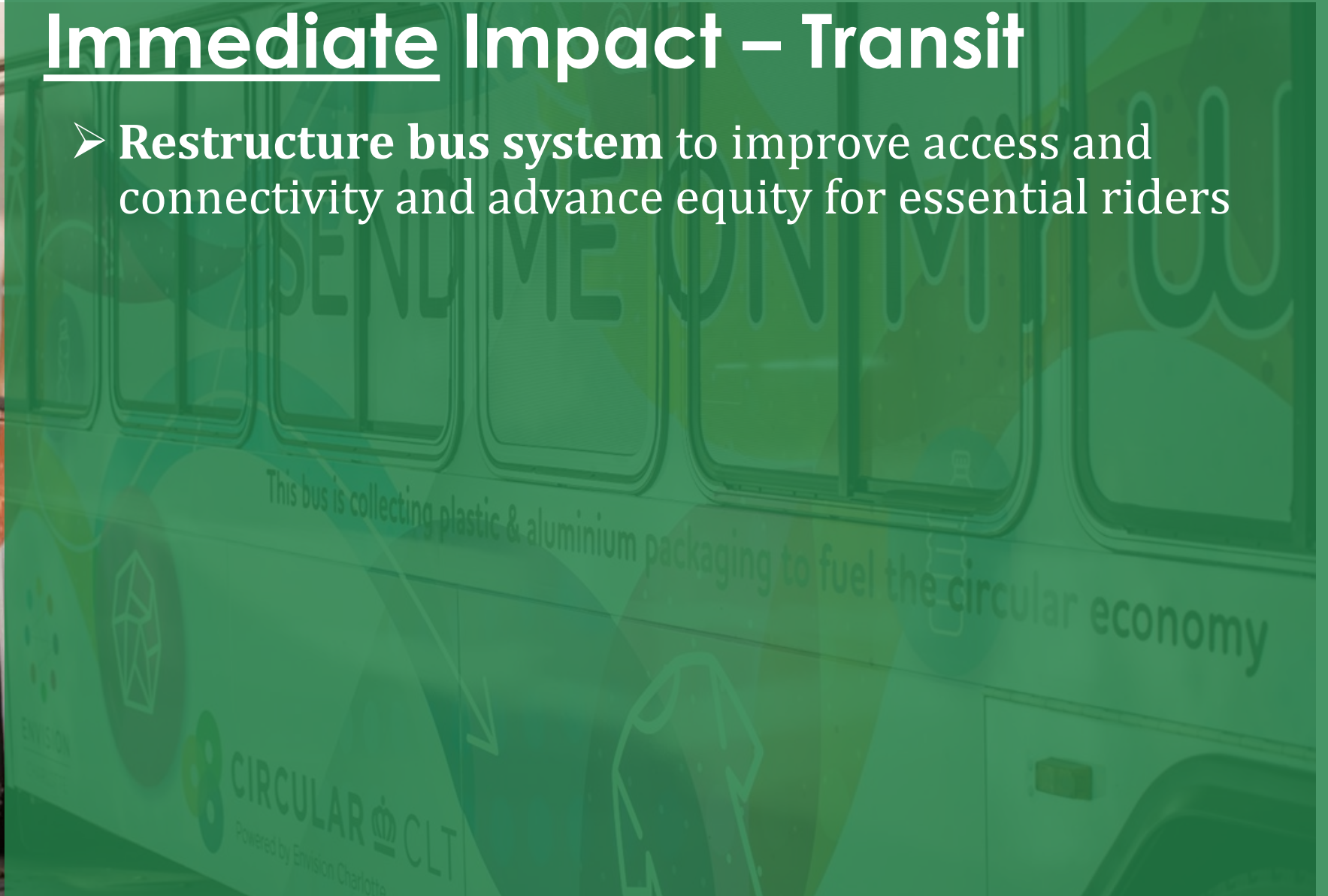
Transit

- ◀ Gold Line
- ◀ Red Line
- ◀ Bus Rapid Transit
- ◀ Blue Line Extension
- ◀ Silver Line



Immediate Impact – Transit

- **Restructure bus system** to improve access and connectivity and advance equity for essential riders



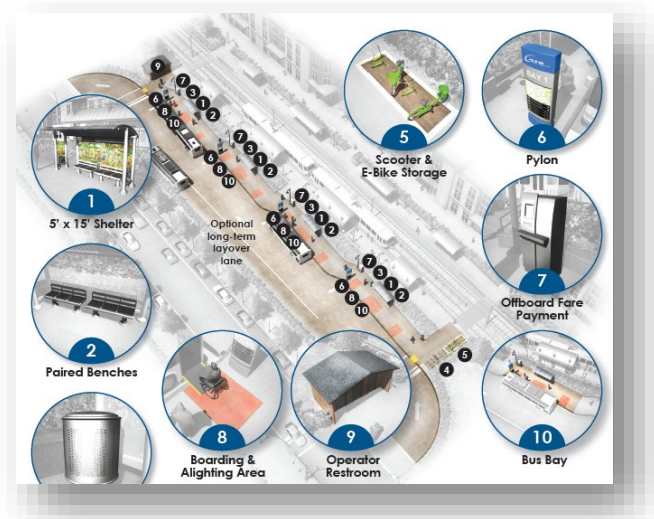
Envision My Ride: Immediate Implementation (FY24-27)

- **22 High Frequency Routes**, 15 min all day (5 today)
- Minimum **30-minute frequency system wide** (Approx. 19 are 40+ frequency today)
- **15 new routes** to the following areas:
 - *Albemarle Rd to I-485*
 - *CPCC Levine*
 - *WT Harris*
 - *Mallard Creek*
 - *Mint Hill*
 - *Mooreville*
 - *Morris Chapel*
 - *Plaza Extension*
 - *Selwyn Ave*
 - *Rea Rd*
 - *Ballantyne*
 - *Sunset Rd*
 - *Blakeney*
 - *Matthews-Lawyer Rd*
 - *Pavilion-University Area*

Implementation by FY	Expansion Vehicles
*FY24	0
FY25	40
FY26	35
FY27	26
Total	100

Mobility Hubs and Amenities

- **Implement 50 mobility hubs** throughout the County – for first/last mile connections and on-demand services
- **Add amenities to 50% (from 10%)** of existing bus stops (shelters, art etc.)



*A **Mobility Hub** is a physical location that combines various mobility services in public spaces that are easily accessible to the surrounding community. A hub can be as small as a bus stop combined with first/last mile mobility options, or as large as a transfer center offering several services such as scooters, car-share, mass transit, and EV charging*



Innovation: This is the TMN of Today and Tomorrow

TMN programs and projects can advance innovation:

- Autonomous vehicles/shuttles and infrastructure
- Advanced electric vehicle and charging technology
- Advanced signalization





Immediate Impact - Transportation

Significant investments in transportation projects that support:

- **Bicycle Network:** An expansive cross-county network for bicycles, scooters and emerging technology for bicycle commuting
- **Pedestrian Walkability:** Creating a safe pedestrian environment with convenient access to daily needs and mobility options.
- **Roadway Network:** A designed, roadway network to provide safe multimodal options to manage areas of high congestion and expand street grid connectivity
- **Greenway System:** A connected greenway system to connect neighborhoods and services

How Transportation Dollars Could be Used



ROADS

- ◀ Accelerate roads from Advanced Planning and Design Program
- ◀ Create new complete streets



GREENWAYS

- ◀ Support Mecklenburg County's Greenway plan

Transportation Dollars Could Also Accelerate Current Programs



Sidewalk and Pedestrian Safety Program



Vision Zero



Congestion Mitigation



Bicycle Program

Updates from June 28 Council Presentation

- ◁ **80/20 transit/transportation**
- ◁ **Red Line flexibility**
- ◁ **Growth rate**
- ◁ **TIFIA loan**
- ◁ **Sales tax start date**

Additional 1 Cent Sales Tax Revenue

Annual Allocation Assumption



20% Non-Transit Allocation

- Roadway Network
- Pedestrian Walkability
- Bicycle Network
- Greenway System

80% Transit (Bus & Rail) Projects

- Rail System
- Improved Bus Service Frequencies, New Bus Routes, Install Mobility Hubs, Improved bus stops
- Debt Service Payments
- Operations and Maintenance Costs
- Capital Costs

Consideration of Adjusting Program to Allow Flexibility on Red Line Project

PATH 1

- ◀ Necessary approvals are received to build Red Line
- ◀ Red Line is built and operated within TMN Program

PATH 2

- ◀ Red Line project determined to not be feasible
- ◀ Impacted towns receive additional transportation dollars

Both paths could work within program without impacting other TMN projects

Financial Team Members



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InfraStrategies LLC

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and Agency CEO*
*Led development of federal guidance,
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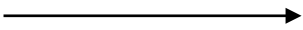
Adjustments to Example Scenario

	6/28 Baseline	Adjusted Example Scenario
Transit/Transportation split	90% Transit 10% Transportation	80% Transit 20% Transportation
Growth Rate	1.5% first 2 years, 4.4% after	3.8%
Utilization of TIFIA Loan Program	No	Yes
Red Line	Costs built into model	Costs built into model, with secondary option
Sales Tax Start Date	July 2022 (FY23)	July 2023 (FY24)

Preliminary TMN Financial Model Inputs

June 2021 Initial Baseline
FINANCIAL MODEL INPUTS

Cost Drivers	Capital Cost Estimates
	Capital Cost Escalation (3.5%)
	Project Phasing (FY41 Revenue Service)
	O&M Cost Estimates
Federal Revenue Drivers	O&M Cost Escalation (2.0% rail, 3.0% bus)
	Federal Capital Investment Grant Assumptions
Local Revenue Drivers	Other Federal Grants (\$300M)
	Sales Tax Authority (1 cent, FY23, countywide)
	Non-Transit Sales Tax Allocation (10%)
	Sales Tax Revenue Growth Rate (4.4%)
	Financing Terms (4.0%, 30 years)
	TIFIA Financing (none)



October 2021 Example Scenario
FINANCIAL MODEL INPUTS

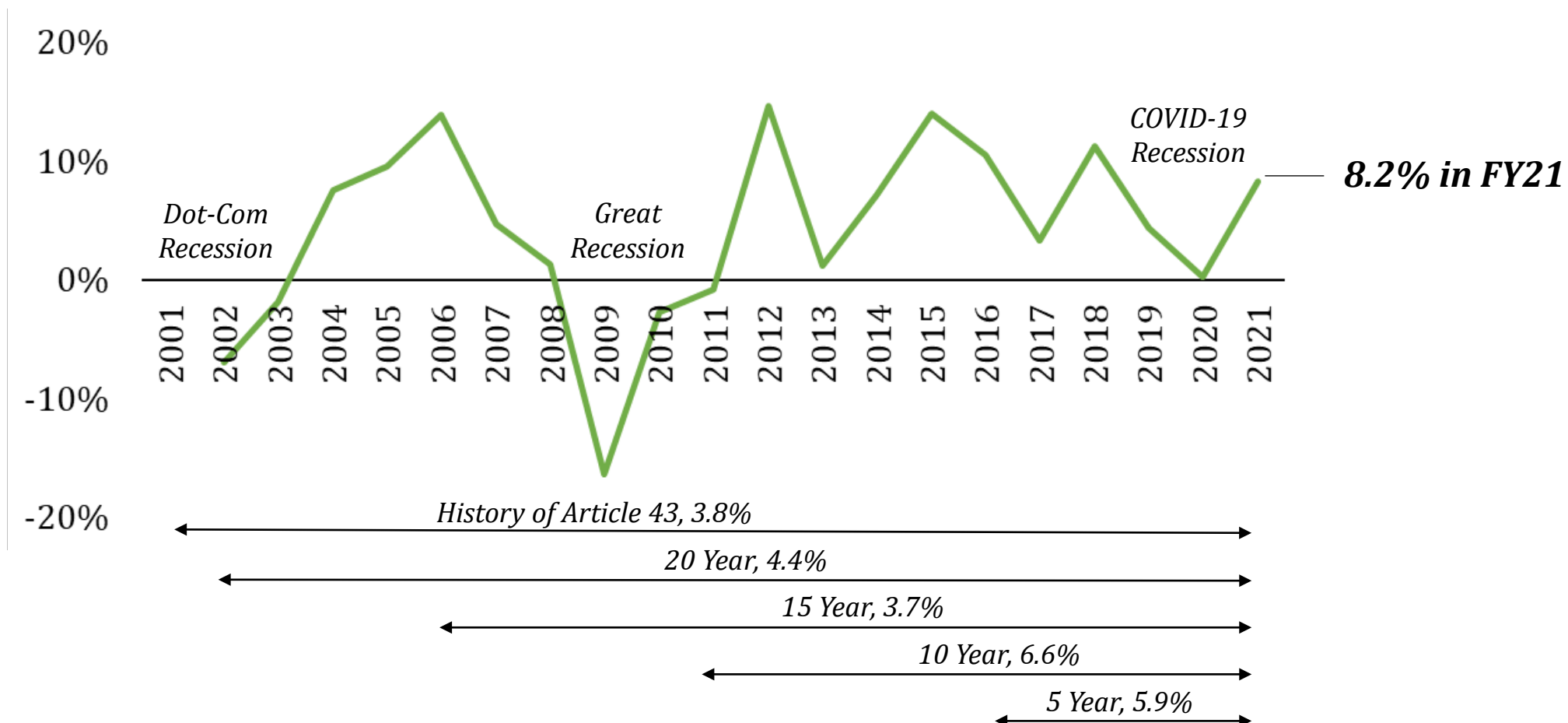
Cost Drivers	Capital Cost Estimate (Updated Silver Line)
	Capital Cost Escalation (FY21 actuals , 3.5%)
	Project Phasing (FY41 Revenue Service)
	O&M Cost Estimates
Federal Revenue Drivers	O&M Cost Escalation (2.0% rail, 3.0% bus)
	Federal Capital Investment Grant Assumptions
Local Revenue Drivers	Other Federal Grants (\$300M)
	Sales Tax Authority (1 cent, FY24 , countywide)
	Non-Transit Sales Tax Allocation (20%)
	Sales Tax Revenue Growth Rate (3.8%)
	Financing Terms (4.0%, 30 years)
	TIFIA Financing (3.0%, 30 years)

PREVIOUS BASELINE
ASSUMPTION:
1.5% (first 2 yrs), 4.4%

UPDATED BASELINE
ASSUMPTION:
3.8%

Historical Article 43 Growth Rates

Additional 1 Cent Sales Tax Revenue Growth Rate Assumption



Source: NCDOR Statistical Abstracts, Table 60A, Article 43 Distributable Proceeds for Mecklenburg County, https://files.nc.gov/ncdor/documents/reports/completeabstract_2019.pdf

TIFIA Loans



◀ Leveraging Federal Opportunities:

- The Build America Bureau's Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance
- The Build America Bureau is actively looking to expand transit portfolio

◀ Innovative but Not Unprecedented:

- The City previously used the TIFIA program in 2015 for the Blue Line Extension
- Approach would be similar to the Master Credit Agreement TIFIA loan program implemented by Seattle, Washington's Central Puget Sound Regional Transit Authority

◀ Flexibility and Below Market Cost of Funds:

- Program provides ability to close on multiple loans that provide financing flexibility and potential below market cost of funding for separate projects as needed

Additional 1 Cent Sales Tax Revenue

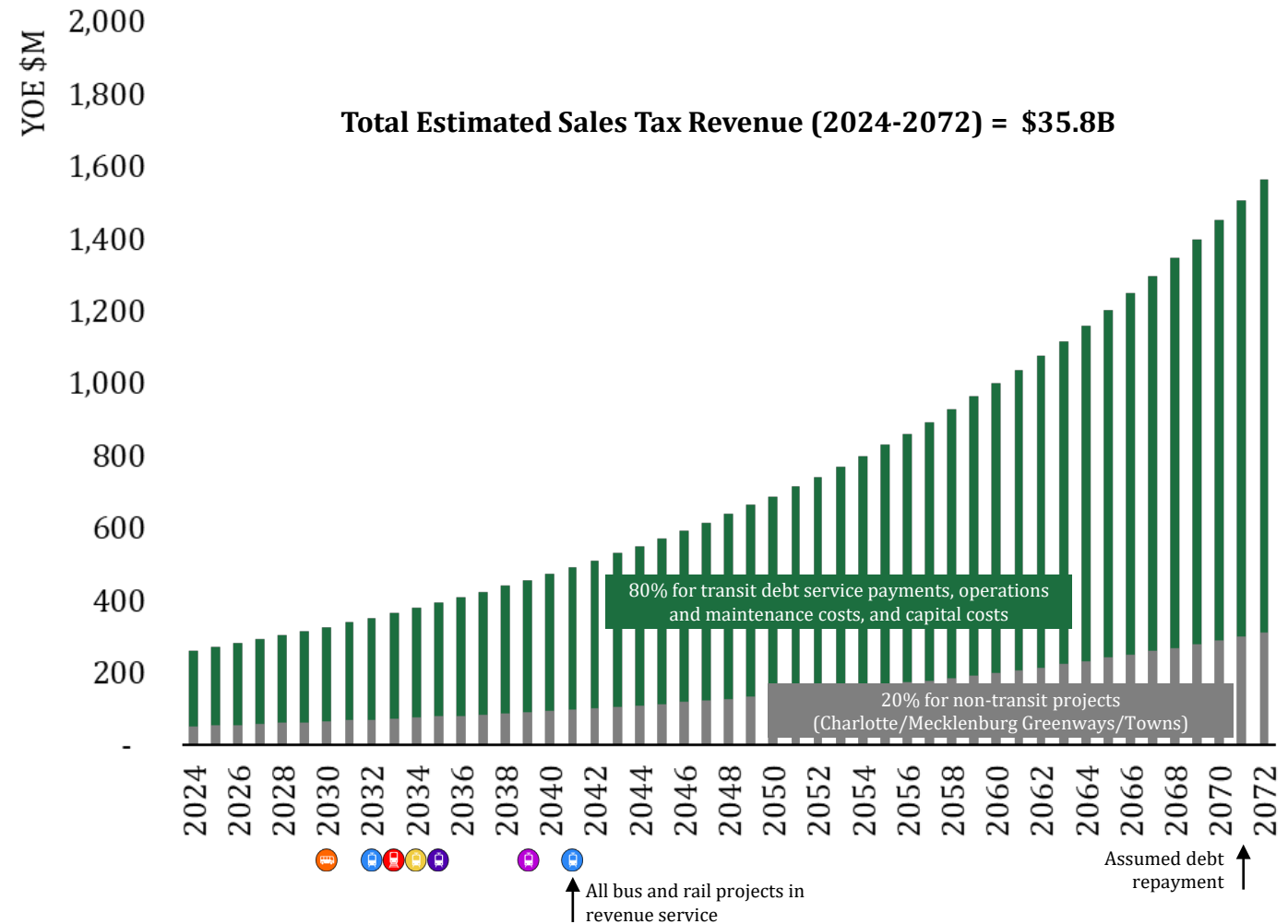
Preliminary Revenue Estimate

PREVIOUS BASELINE
ASSUMPTION:
\$37.0B

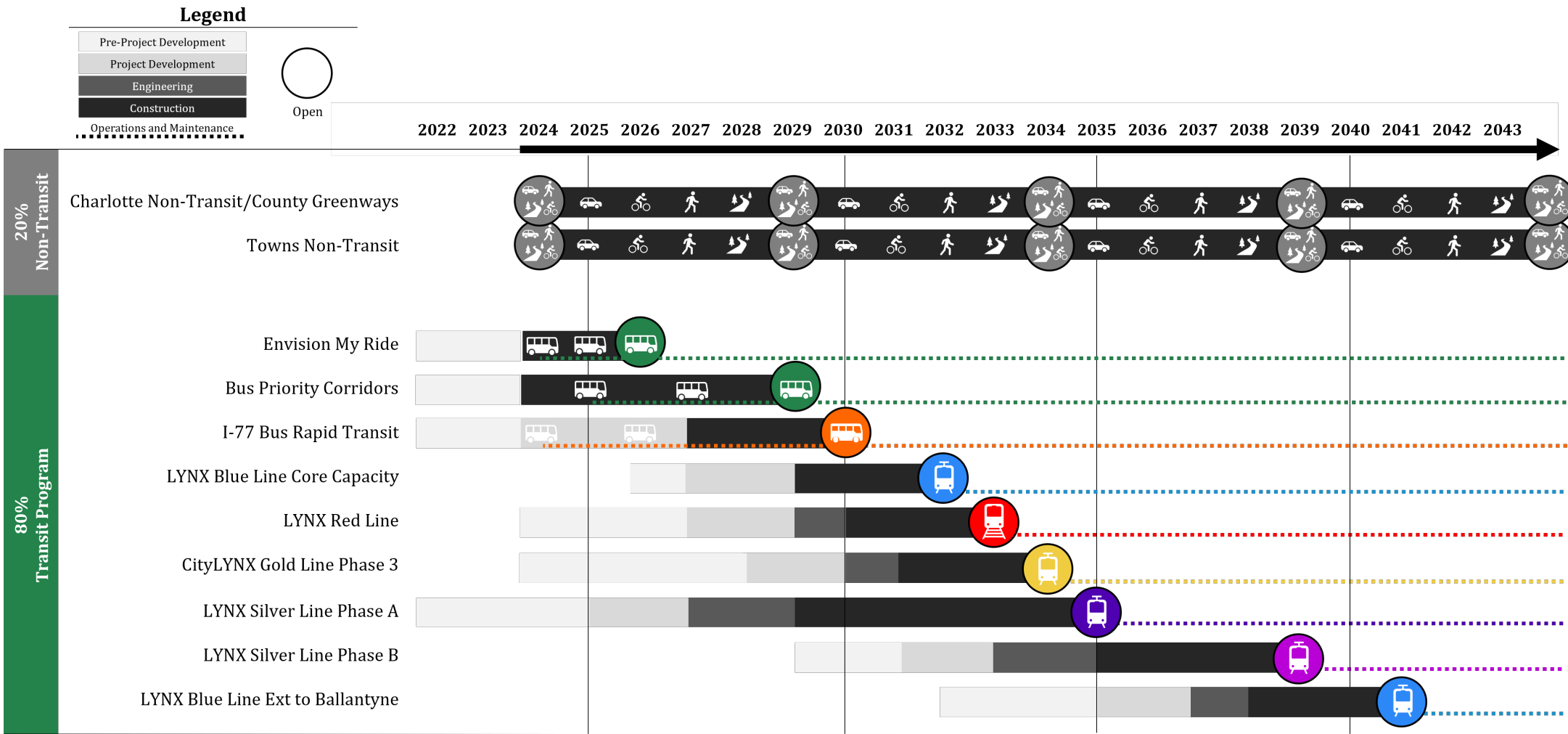
UPDATED BASELINE
ASSUMPTION:
\$35.8B

Key Assumptions:

- 1 cent countywide sales tax increase
- FY24 (July 2023) revenue collections start date
- 3.8% annual growth rate
- 20% of annual revenue would be allocated to non-transit projects (Charlotte/Mecklenburg Greenways/Towns)
- After the annual non-transit allocation and servicing debt, remaining annual revenue would be available for transit operations and maintenance costs and transit capital costs
- TMN transit program funded with combination of federal grants, pay-as-you-go funds, and financing
 - Financing approach incorporates a new stand-alone revenue bond credit that is used by other large transit issuers across the nation
 - Use of revenue bond funding, which include TIFIA loans that may offer ability to access lower cost funding and greater flexibility
 - Financial modeling cost of funds assumptions of 4% for revenue bonds and 3% for TIFIA loans



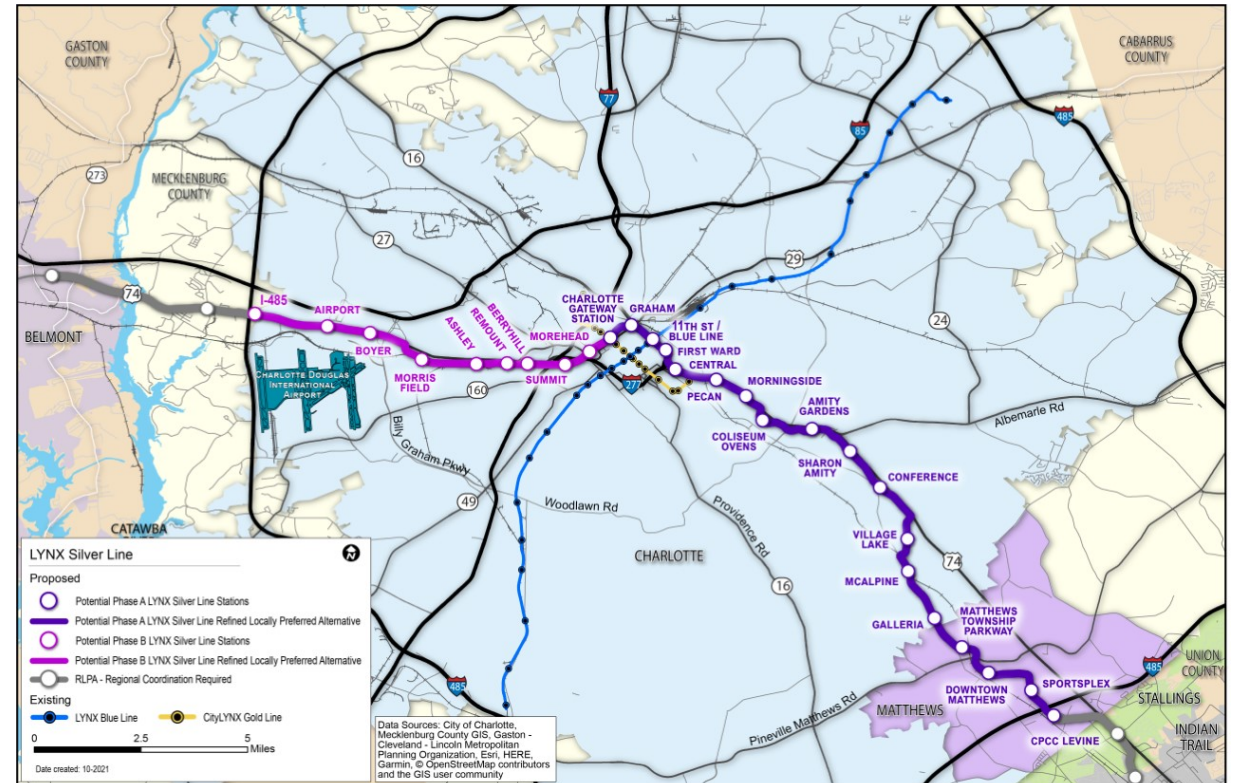
Example Scenario Transit (Rail & Bus) Phasing



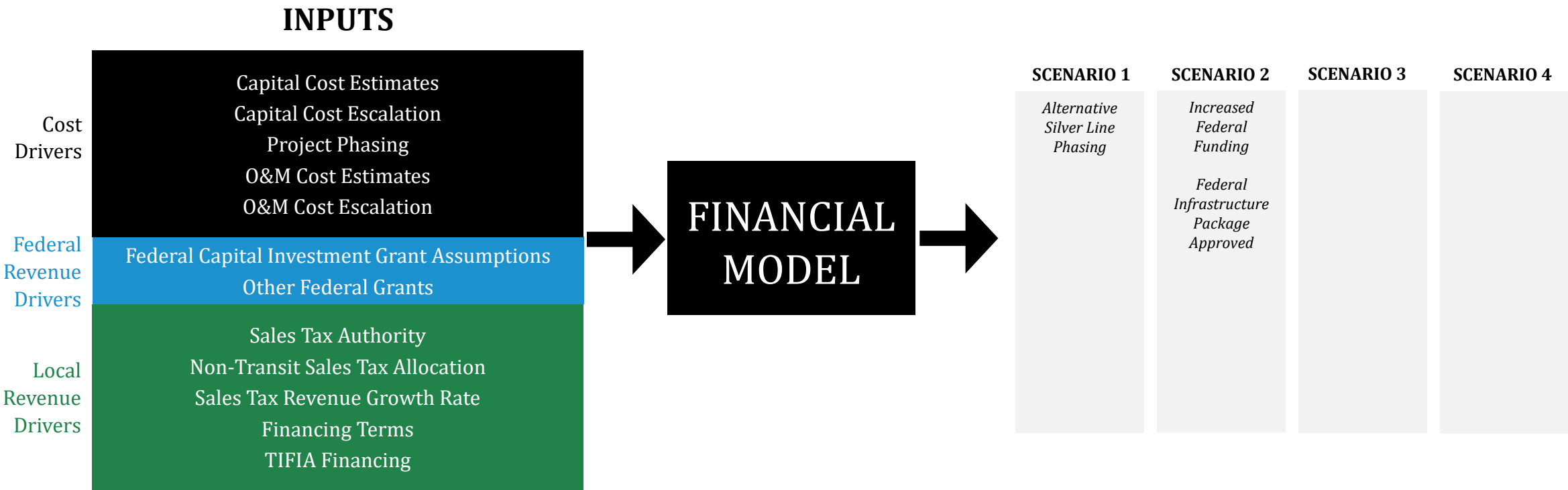
* If LYNX Red Line does not advance, impacted towns may receive additional sales tax funds for non-transit needs.

Silver Line Ongoing Engagement and Considerations

- CATS is conducting public engagement on Silver Line phasing strategy and design refinements
- Phasing and design refinements impact financial model
- Through Design refinements CATS is working to develop phasing alternatives that will achieve the highest possible federal ratings for the project including:
 - Ridership generation
 - Costs and eligibility for federal funds
 - Environmental review
 - Coordination with other projects
 - Economic development
 - Housing



Next Steps



Discussion

- ◁ **Where would you prioritize transit/transportation dollars?**
- ◁ **Are there other financial scenarios you would like to see?**
- ◁ **How can we best leverage and work with our regional partners to advance the TMN?**
- ◁ **How can we plan for future innovation through the TMN?**

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