

RED LINE TASK FORCE
Meeting Summary
February 23, 2011
DISCUSSION SUMMARY

Present: Mayor John Woods, Mayor of Davidson, Chair
Mayor Jill Swain, Mayor of Huntersville
Anthony Roberts, Cornelius Town Manager
David Howard, Charlotte Council Member
Leamon Brice, Davidson Town Manager
Carroll Gray, Lake Norman Transportation Commission
Bill Thunberg, Mooresville Representative
Paul Morris, Greenleaf Strategies
Jack Flaherty, NCDOT-Transit
Bill Coxe
Jim Bensman
Molly Patton
Zac Gordon

Staff: Carolyn Flowers, John Muth, Jim Schumacher, Dee Pereira, Brian Nadolny, Danny Rogers, Scott Greer, Adam Guerino, Jonathan Wells, Azania Herron, Penny Traywick

Meeting time 4:00 p.m. – 5:00 p.m.

I. Call to Order

The meeting was called to order by the Chair at 4:00 p.m.

II. Approval of January 26, 2011 meeting summary

The meeting summary was approved as written.

III. Information Items

Dee Pereira gave a presentation on proposed financing options for the Red Line recommended by Jeff Parker & Associates (JPA) as follows:

Option 1 is a traditional publicly funded method for Capital Costs of 25% from CATS, 25% from NCDOT, with the remaining 50% unfunded; and Operations & Maintenance Costs of 25% from CATS with the remaining 75% unfunded.

JPA's recommendation is Option 2, a combination of public and private funding (P3). In this case, there would be a non-CATS public owner, e.g. NCDOT. This P3 case assumes that all of concessionaire's debt would be in a RRIF loan. Repayment to concessionaire of Capital Costs would be 25% from CATS, 25% from NCDOT, with the remaining 50% from yet to be determined funding sources. CATS could participate in up to 25% of the O&M Costs.

For both options, Ms. Pereira recommended discussion topics for the Red Line Task Force which included identifying the lead agency, identification of funding partners, commitments from funding partners, completion of financial agreements, project delivery method, etc. She suggested that a key first step in the process is to meet with NCDOT to determine their interest in leading this project. NCDOT has expressed interest in acting as lead on the project and the Red Line Task Force needs to actively pursue this option for advancing the project. If either NCDOT or Norfolk Southern Railroad were to be the lead concessionaire, either of the agencies could qualify for a 35-year RRIF loan for construction of the project. CATS would support the State by utilizing some of Jeffrey Parker & Associates time toward financial planning.

Discussion

Carolyn Flowers indicated that John Collett had arranged for Secretary Conti, Deputy Secretary Westmoreland and Miriam Perry to meet with CATS on March 8, 2011 to discuss the path forward on the North Line which would include meetings with the MTC members representing the Northern towns.

John Muth stated the various State DOT's and the freight railroads are having on-going meetings in Washington to redefine the relationships between the States and the railroads, and to determine how high speed rail money will be allocated.

Carroll Gray noted that MTC must approve the funding method, and Ms. Flowers stated that the public/private partnership concept was approved at the November 2010 MTC meeting. He also asked when the line would be operational. Ms. Pereira stated the projected operation date is 2018.

Carolyn Flowers said due to State budget constraints, the possibility exists that transit funding could be eliminated so efforts must be made to keep transit in front of legislators. Paul Morris discussed the need to educate the newly elected legislators about state funds that are available for transit. Ms. Flowers and Mayor Woods have met and discussed legislators to approach who are not pro-transit or are uncertain about transit.

Brian Nadolny presented a draft of a financial work plan listing funding opportunities and possible partners. He discussed the various partners and the roles they might play. (Attachment 1). He also presented a document listing issues to be resolved. (Attachment 2). Leads for each of the partners/issues need to be assigned. Paul Morris stated the various partnerships created should operate within silos, and all conversations must be coordinated between CATS and Greenleaf Strategies. Paul Morris suggested that he, CATS and the City meet to determine which of the proposed partners are financial partners, is financing the primary component of the relationship, how to proceed most effectively to build relationships, and who should be the lead. Ms. Pereira, Ms. Flowers and Mr. Muth are leading the discussions with NCDOT and North Carolina. Jeff Parker will be asked to give his public/private partnership presentation to the Task Force and the MTC.

IV. Action Items

1. Schedule a meeting with Secretary Conti, Deputy Secretary Westmoreland, and Miriam Perry for path forward discussions – Carolyn Flowers.
2. Determine lead contacts for the issues to be resolved – Task Force Members & Paul Morris

3. Schedule JPA to give P3 presentation to Task Force and MTC – Carolyn Flowers

V. Adjourn

The meeting was adjourned at 4:50 p.m.

NEXT RED LINE TASK FORCE MEETING: WEDNESDAY, MARCH 23 AT 4:00 P.M. IN CONFERENCE ROOM #266

RED LINE TASK FORCE
MEETING ATTENDEES

February 23, 2011

<u>Print Name</u>	<u>Organization</u>	<u>Email</u>
Brian Nadolny	CATS	bnadolny@charlottenc.gov
PAUL MORRIS	GREENLEAF STRATEGIES, LLC	pmorris@greenleafstrategies.com
Jack Franney	NC DOT - TRANSIT	JFRANNEY@NC DOT.GOV
Dee Peruvia	CATS	dperuvia@ci.charlotte.nc.us
Bill Cox	Huntersville	bcox@huntersville.org
David Howard	Charlotte	Mfo@davidhowardelt.com
Tim Bensman	CORNELIUS	tbensman@cattylocal.net
Anthony Roberts	Cornelius	aroberts@cornelius.org
PARROLL GRAY	LNTC	CGASSOC@BELL SOUTH.NET
CAROLYN FLOWERS	CATS	
JOHN MUTH	CATS	jmuth@ci.charlotte.nc.us
BILL THUNBERG	MOORESVILLE	BILLTHUNBERG@GMAIL.COM
Jill Swain	Huntersville	jswain@huntersville.org
Jose Woods	Jesson	
Molly Patton	Huntersville	molly-patton@bellsouth.net
Denny Rogers	CATS	d.rogers@ci.charlotte.nc.us
Scott Greer	Charlotte (Finance)	SGreer@charlottenc.gov
Alan Guerino	"	aguerino@charlottenc.gov
FRANK WELLS	C-M PLANNING	FWELLS@CI.CHARLOTTE.NC.US
Penny Traywick	CATS	p.traywick@ci.charlottenc.us

RED LINE TASK FORCE
MEETING ATTENDEES

February 23, 2011

Print Name

Organization

Email

Azania Herron CAYS aherron@charlottesville.gov

Zac Gordon Huntersville zgordon@huntersville.org

LEAMON BRICE DAVENPORT

Jim Schumacher City mgr

Financial Work Plan

North Corridor Red Line

A. Goal – Secure funding partners for the Red Line Project

a. CATS (25%)

- i. Understanding of JPA's 2 approaches
- ii. Develop model scenarios with JPA as new funding inputs are learned

b. NCDOT (25%)

- i. Secure funding stream – Mobility Formula
- ii. The State as the lead concessionaire of the project

c. Unfunded (local) – (50%)

i. Norfolk Southern

1. Update Term Sheet/Operating Agreement
2. NS as the operator of the line
3. Funding possibilities – Air Rights, new rail costumers, etc

ii. Siemens

1. Meeting – what partner opportunities there are

iii. Northern Towns

1. Greenleaf/PB – create potential TIF scenarios
2. Presentation to Town Boards on town participation options
3. Funding participation plan

iv. Developers

1. What elements of the stations would they contribute
2. Options to secure contributions

v. Charlotte

1. Greenleaf/PB – create potential TIF scenarios
2. Discussion with City Manager/Council on city participation options
3. Funding participation plan

vi. Mecklenburg County

1. Discussion with County Manager/Commission on county participation options
2. Funding participation plan

vii. Iredell County

1. Discussion with County Manager/Commission on county participation options
2. Funding participation plan

viii. Mooresville

1. Greenleaf/PB – create potential TIF scenarios
2. Presentation to Town Boards on town participation options
3. Funding participation plan

ix. Lowes

1. Discussion with Lowes on participation options
2. Funding participation plan

x. North Carolina

1. State Commuter Rail initiative
2. Additional state programs or participation

xi. P3 options

1. Presentation on how P3s work
2. Examples of successful P3 projects

d. Creating Financial Plan

- i. Write up agreements (MOUs)
- ii. Finalize partner funding requirements and schedule for participation

B. Options if not all funding is identified

- a. Project Cost
 - i. Analysis of decreasing project scope
- b. Other sources of revenue – future opportunities in New Starts
- c. Evaluate feasibility of project
 - i. Potential modifications, phasing, building the market

Red Line Financial Work Plan

Potential Partner	Lead Contact	Issues to resolve	Next Step	Completion Date
CATS		Understanding of JPA's 2 approaches		
NCDOT		Develop model scenarios with JPA as new funding inputs are learned Secure funding stream – Mobility Formula The State as the lead concessionaire of the project		
Norfolk Southern		Update Term Sheet/Operating Agreement NS as the operator of the line Funding possibilities – Air Rights, new rail costumers, etc Meeting – what partner opportunities there are Greenleaf/PB – create potential TIF scenarios Presentation to Town Boards on town participation options Funding participation plan		
Siemens		What elements of the stations would they contribute Options to secure contributions		
Northern Towns		Greenleaf/PB – create potential TIF scenarios Discussion with City Manager/Council on city participation options Funding participation plan		
Developers		Discussion with County Manager/Commission on county participation options Funding participation plan		
Charlotte		Discussion with County Manager/Commission on county participation options Funding participation plan		
Mecklenburg County		Discussion with County Manager/Commission on county participation options Funding participation plan		
Iredell County		Discussion with County Manager/Commission on county participation options Funding participation plan		
Mooreville		Greenleaf/PB – create potential TIF scenarios Presentation to Town Boards on town participation options Funding participation plan		
Lowes		Discussion with Lowes on participation options Funding participation plan		
North Carolina		State Commuter Rail initiative Additional state programs or participation Presentation on how P3s work		
P3 Options		Examples of successful P3 projects		



RED LINE COMMUTER RAIL FUNDING OPTIONS

Presented to:

RED LINE TASK FORCE

February 23, 2011

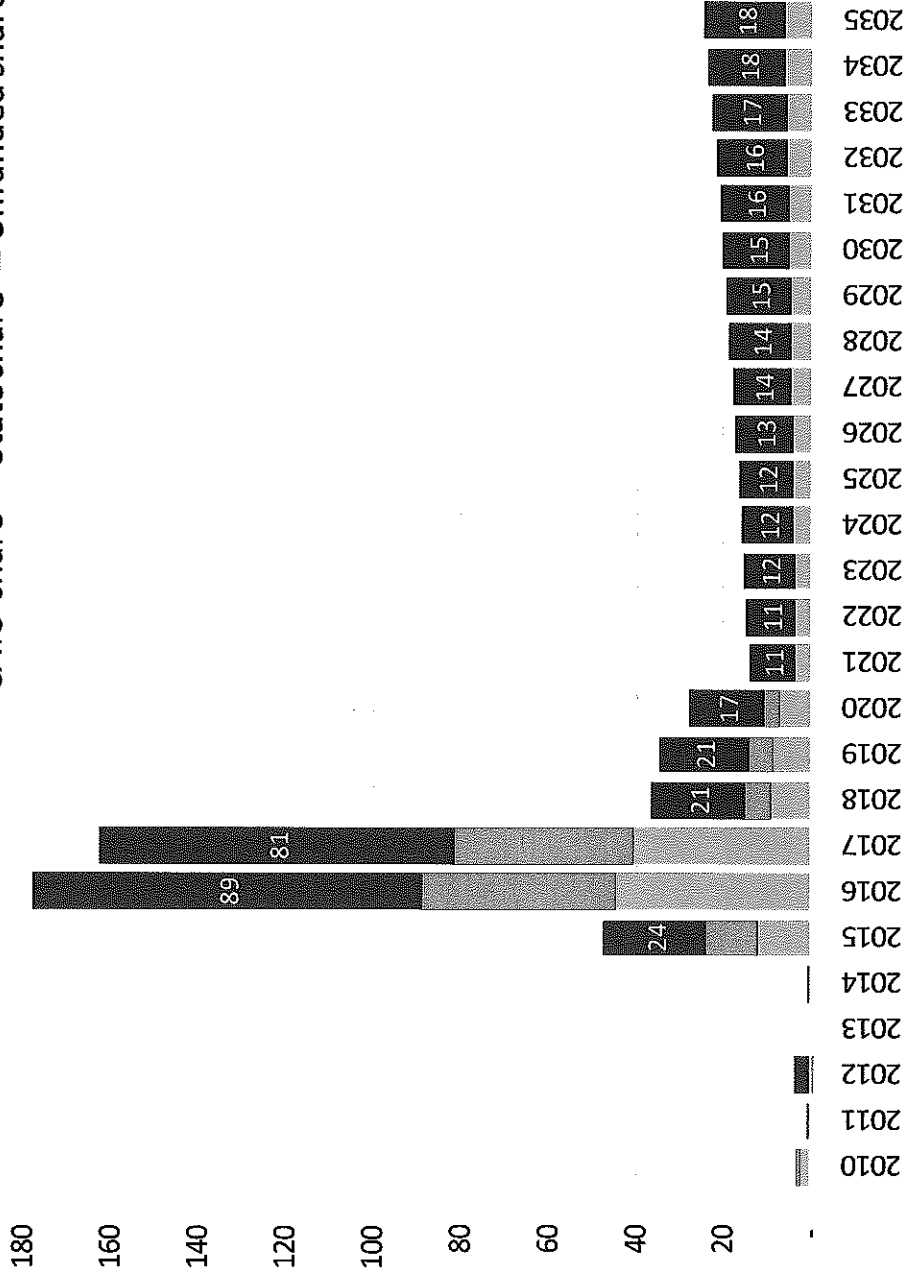


Red Line Annual Capital and O&M Costs

North Corridor Financial Plan

Millions of inflated \$

■ CATS share ■ Stateshare ■ Unfunded share



Capital Costs

- ✓ CATS – 25%
- ✓ NCDOT – 25%
- ✗ Unfunded – 50%

O&M Costs

- ✓ CATS – 25%
- ✗ Unfunded – 75%



RED LINE PUBLIC FINANCE

- Discussion Topics
- Identify funding partners
 - Commitment from NCDOT
 - Commitment from 'Unfunded' partners
 - Lead Agency
 - Delivery Method



Red Line Example with Non-CATS Public Owner

North Corridor P3 - Public Owner Cash Outlays



- Capital Costs**
- ✓ CATS – 25%
 - ✓ NCDOT – 25%
 - ✗ Unfunded – 50%

- O&M Costs**
- ✓ CATS – 25%

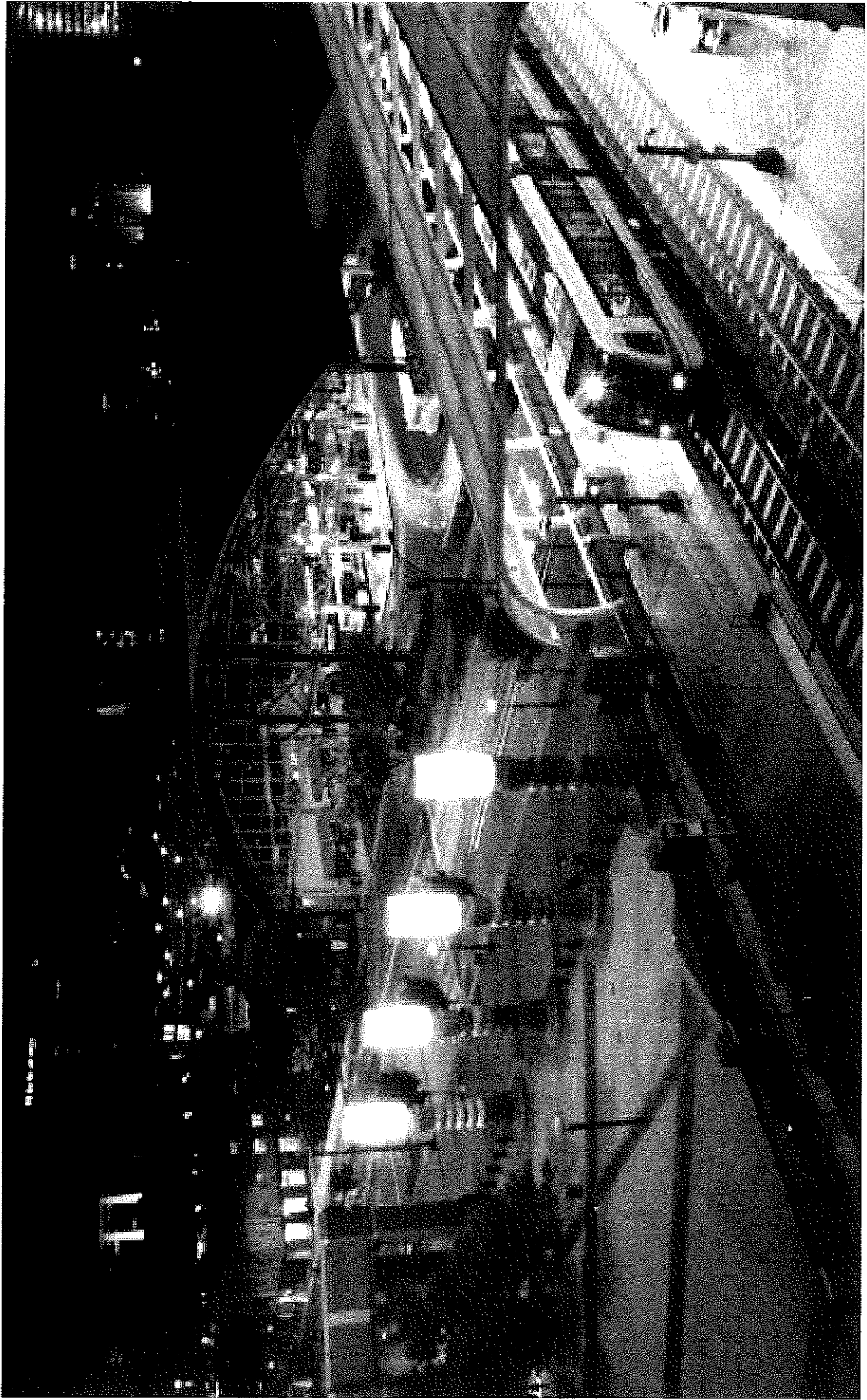
Discussion Topics

- Owner, Concessionaire, Operator
- Financial Partners
- Delivery Method
- **Financial Plan**
- Financial Partner Agreements

Need to pursue this option with NCDOT



THANK YOU



CITY OF CHARLOTTE

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