

METROPOLITAN TRANSIT COMMISSION
Meeting Summary
February 25, 2009
DISCUSSION SUMMARY

Presiding: Mayor Patrick McCrory (Charlotte)

Present: Lee Myers (Mayor, Town of Matthews)
Jim Schumacher (City of Charlotte)
Jennifer Roberts (Chair, Mecklenburg County Commission)
Amy Aussieker (Co-Chair, CTAG)
Brian Welch (Town Manager, Mint Hill)
Marion Cowell (NC BOT Representative)
Mike Rose (Town Administrator, Town of Pineville)
Jill Swain (Mayor, Town of Huntersville)
Leamon Brice (Town Administrator, Town of Davidson)
Bill Coxe (Town of Huntersville)
Ralph Messera (Town of Matthews)
Paul Edmunds (Chair, TSAC)

CHIEF EXECUTIVE OFFICER: Keith Parker

I. Call to Order

The regular meeting of the Metropolitan Transit Commission was called to order at 5:40 p.m. by MTC's Chairperson, Mayor Patrick McCrory.

II. Approval of the January 28, 2009 Meeting Summary

The January 28, 2009 meeting summary was approved as written.

III. Transit Services Advisory Committee Chairman's Report

Paul Edmunds presented the February 12th report stating that two new committee members were welcomed. Michael Morgan, a citizen, gave a presentation proposing a regional route to Kannapolis. CATS staff will research the proposal. The 2010-2011 Operating Programs and the Route Performance Monitoring System were presented. There was a discussion on the March 2nd service changes. To ensure an easy transition, a public information campaign has begun. CATS staff will be available on the first day to assist customers and to answer questions.

IV. Citizens Transit Advisory Group Chairman's Report

Amy Aussieker presented the February 17th CTAG report. CATS staff presented the 2010 – 2011 Operating Budget. Jerry Fox had a concern regarding the \$10 million Reserve Fund and how the fund would be used. The Northeast Corridor Station alignment was presented, discussed and approved with the recommended alignment.

V. Public Comment on Agenda Items

No public comments at tonight's meeting.

VI. Action Items

None

VII. Information Items

A. Annual Route Performance Report

Larry Kopf stated the Performance Monitoring System is a management tool that provides valuable information for rating the productivity and efficiency of routes. Routes are tracked from month-to-month and year-to-year by using two of the transit industry standard measurements, “Passengers per Hour” and “Net Cost per Passenger”. Usage of the route performance monitoring system permits the ability to track trends and to evaluate services from a month-to-month, year-to-year basis. The scoring system is a valuable assessment tool for determining possible service and route changes.

March 2nd will be the first day of the service changes, resulting in adjustments and discontinuing of six routes. The route performance monitoring system was an instrumental part of the process to develop the service change proposals.

Discussion

Ralph Messera asked if it is possible to use the monitoring system to compare other transit agencies, i.e. Raleigh, Greensboro and how is “bench marking” established between systems. Mr. Kopf said he is unaware if the system was implemented in those areas. Concerning “bench marking”, there is the need to consider demographics and ridership with the possibility of making adjustments to provide for an accurate comparison. Bill Coxe asked about the consistency and the fairness of comparing a half year of '09 with a full year '08. Mr. Kopf responded that monitoring over a six-month period offers a good average for comparison.

B. Streetcar Update

Staff provided an update on the project and the results of the economic study. Mayor McCrory said Charlotte City Council has expressed a desire to possibly speed up the streetcar project in the 2030 plan.

In 2006, the 2030 Plan included a streetcar project from Rosa Parks Place through Downtown to Eastland Mall to be done in two phases:

- Rosa Parks Place to Presbyterian Hospital; and
- Presbyterian Hospital to Eastland Mall.

The 2030 Plan called for a 10-mile streetcar system that connects various neighborhoods and institutions with the downtown area and making the Charlotte Gateway Station, Amtrak, Greyhound and the Charlotte Transit Center more accessible while stimulating land development. Tracks will be in the center of the road along Trade Street and along the curb for the remainder of the route. The capacity of a streetcar is equal to the

capacity of three buses. The current streetcar development augments three of the busiest bus routes making the streetcar more cost efficient.

The projection of construction time is three blocks in three weeks once utility issues have been resolved. Tracks already have been installed as part of the Elizabeth Avenue “utility relocation and business corridor project” since the road was being completely rebuilt.

Ridership is estimated at 16,000 daily with frequency of 7-10 minutes during peak hours and 15 minutes at other times. The 2006 estimated cost was \$252 million but has been updated to \$372 million, which includes additional scope, a project reserve and inflation since 2006. The overhead cable wiring accounts for approximately 24 percent of the cost.

The Streetcar Advisory Committee, after reviewing a study of revenue to be generated, will offer their recommendations on how to proceed and how funding should be accomplished. The budget is adopted in June and there is hope for recommendations to present to City Council at that time.

Discussion

Ralph Messera asked about the savings when comparing the streetcar operating expense to the transit bus system for the three bus routes mentioned. Mr. Carol responded that in 2006 it was approximately half a million a year. It, however, was not decided if the bus routes would be discontinued or run only on peak hours.

Streetcar Economic Impact

The economic study was conducted by the Bay Area Economics and incorporated three parts, case studies of other cities funding models, project development impacts of streetcar and projection of revenues captured from the new activity. The average funding sources was four to six sources with Portland using as many as nine sources at one section. The contributions are an average of 20–25 percent with seldom any one source contributing more than 50 percent. The most common tools were Tax Increment Finance District (TIFs) and Local Improvement Districts (LID).

A creative form of producing non-revenue funds, “low hanging fruit”, was rate increases to city owned parking decks and lots, cash grants and LIDS on property owners benefiting from the land development adjacent to the streetcar lines. Charlotte currently does not have any “low hanging fruit”.

Interviews were conducted with developers and land holders in the streetcar alignment area, community development corporations and the institutions concerning how the streetcar project would impact the businesses. It was discovered that the existing vacant and underutilized land along the area was double what was expected.

With the streetcar, residual units’ value would increase approximately 44 percent from current value. The retail and office growth would be 13 percent to 44 percent. The streetcar project would promote higher and more development at a faster rate.

Discussion

Keith Parker mentioned that the presentation was offered to the MTC to provide information on how TIFs could generate a portion of the funding but it would not completely “fill the gap.”

C. Proposed FY2010-2011 Transit Operating Program

Dee Pereira stated that the budget cycle will be on a yearly basis until after 2011. A fare increase is included in the FY2011 budget. Sales tax income is down 6 percent for the current fiscal year. Operations will reduce service hours beginning March 2, 2009. Due to the economic and employment issues, ridership could be negatively impacted in FY2010. Staffing remains constant with 25 frozen positions.

The new Operating Reserve, a draw from the Fund Balance of \$10 million, will be implemented next year as a contingency against adverse circumstances providing stability to service. The mid-year sales tax through December 2008 was 8.5 percent below the prior year and the projection of -6 percent may be change to -8 percent.

Operating Program

Jim Zingale

For the mid-year FY2009, the expense budget reflects an \$8 million reduction due to the current economy, the reduction of sales tax and the unemployment rate (Charlotte is 9.5 percent). In years 2010 and 2011, there is gradual recovery projected.

Ridership for 2008 was up 17.4 percent and projected to be up 26.8 percent by the end of 2009. Projections for 2010 and 2011 will reflect a flattening in ridership figures. Rail is also experiencing a decrease.

Regarding service reductions, there are 90,000 hours removed from the budget which is approximately \$4.5 million in annual savings.

Council has approved moving ahead with a contract for a fixed price on fuel which would be around \$1.67 (\$.22 premium) if the rate was fixed today.

The fleet is approximately 358 buses. Due to service adjustments, 45 buses will be retired from the fleet. 16 new buses are due for delivery including 5 hybrids for the West Corridor. There are 20 rail cars in operation including Car 85 and trolleys. Four new rail cars are on order (delivery date of April 2010). STS has 85 vehicles in service. Vanpool has 82 vehicles in service.

The revised 2009 Bus Operations budget is around \$67 million. The original \$76 million budget was reduced. Bus ridership is 80,000 to 90,000 trips per day with 14 percent of 17 percent increase being on local and express services.

The new Sprinter Service is scheduled to begin in July 2009. The bus will display a new pattern and will be environmentally friendly (hybrid buses). The first service will be from center city to the airport.

The expense increase in rail is due to the expenditure for parts to build up an inventory for the items that will be coming out of warranty. The inventory is necessary to insure that the trains coming out of warranty can be repaired and placed back into service with minimal down time. The inventory expense should eventually level off as inventory is stockpiled. On-time performance for rail is 99 percent.

STS services are provided throughout Charlotte and the county. The total monthly service trips are 18,000. STS does not reflect much change. Maintenance cost was higher when the fleet was comprised of older models. To assist in meeting CATS FY2009 budget, DSS transportation has been reduced by \$163,467 to \$1,722,566. Similar reductions are anticipated for FY2010.

Vanpool's rate structure is based on daily mileage, fuel and maintenance cost. With no rate increase in numerous years, an increase is being considered. Guarantee Ride Home program (vanpool and express service riders) will be reduced from 24 rides annually to a maximum of six rides annually. The change will have a savings of approximately \$45,000 a year.

Safety and Security records for bus and rail are outstanding with bus safety at one accident per every 200,000 miles and rail's safety record at 0 percent for preventable accidents. The 2000 camera surveillance system cost approximately \$100,000 per year in maintenance but is a contributing factor to the high level of safety/security being experienced. Homeland Security Grant has allocated \$560,000 for training.

Discussion

Jill Swain asked what is done with the retired buses. Mr. Zingale said we attempt to transfer them to other transit agencies. Mr. Messera asked about the Operating Fund Balance and the Capital Program. Ms. Pereira responded that currently the Fund Balance is \$181 million and the requirement is to maintain \$100 million. The Capital Program requirement is to transfer 20 percent to 33 percent of the sales tax to the program. This requirement is met in the current budget being proposed. Mr. Messera also requested a sales tax projection through 2018 or a 20-year period. Mr. Messera asked if there are benchmarks concerning cost per revenue mile and cost per revenue hour compared to systems in Washington and in the Southeast. Ms. Pereira stated that transit agencies use the National Transit Data Base for comparison.

Keith Parker stated that, with every indicator, CATS is meeting the objectives set yet with the unemployment situation and revising the sales tax from -6 percent to -8 percent there is now another \$2 to \$3 million of savings needed to be found. The goal is to have a memo to the MTC members within the next three weeks outlining the plan moving forward. CATS will have to take actions not being faced by other City departments.

Jill Swain asked if charging for parking lots is an option for stimulating revenue. Mr. Parker stated that with a start-up operation and the high maintenance of parking lots, it is

not recommended at this time. As the transit system matures, we will study the option. Currently, the Marketing Division is working with the downtown hotels and businesses to notify them of CATS available services, offering discounts and providing pertinent information on the services.

VII. Chief Executive officer's Report

Keith Parker

A. Corporate Financial Reports

A detailed report providing information concerning the revenue and the expenses for the current fiscal year was provided to all members. Public transit in the stimulus package is less than 1 percent of the total amount nationally. CATS will receive \$20.7 million. It is being determined how to distribute this amount to create jobs while being equitable in the usage of the funds. Mayor McCrory expressed concern of investing in short-term operating expenses and would prefer that the money be used in infra-structure job creation that would be more beneficial in the long-term. Mr. Parker agreed and stated that no stimulus funding is being used for operating expenses. The projects being considered are projects that will bring long-term and possibly permanent benefits to the system while offering new jobs.

B. Ten Year Anniversary of Half Cent Sales Tax

Staff is preparing a Proclamation to thank the NC Department of Transportation and the NC Legislature for their support during the construction of the transit system and the \$100+ million contribution to the LYNX line.

C. Holland & Knight LLP

Good news concerning the requests for appropriations in the omnibus bill. Instead of the \$10 million requested for the Northeast Corridor, it has been approved for \$20.5 million.

D. Secretary Conti's Visit

Secretary Conti received a tour of all proposed 2030 plan projects. During his visit, he mentioned the State's #1 priority for discretionary stimulus funds was the Yadkin River Bridge. CATS staff noted that the North Corridor Commuter Rail project would be a "shovel ready" alternative.

E. Goggle Transit: Web Trip Planning

Olaf Kinard presented a new service to be offered to CATS customers. The service is provided free by Google and should be "live" in April 2009.

Discussion

MTC members discussed, at length, concerns with how Stimulus road funding is being distributed by the State.

VIII. Adjourn

The meeting was adjourned at 7:30 p.m. by Mayor Pat McCrory.

NEXT MTC MEETING WILL BE WEDNESDAY, MARCH 25, 2009, 5:30 P.M.