

METROPOLITAN TRANSIT COMMISSION
Meeting Summary
August 26, 2009

DISCUSSION SUMMARY

Presiding: Mayor Lee Myers (Matthews)

Present: Curt Walton (Charlotte City Manager)
Jerry Fox (CTAG Co-chair)
Rick Sanderson (TSAC Acting Chair)
Sarah Nuckles (SCDOT Representative)
Anthony Roberts (Cornelius Town Manager)
Mayor John Woods (Davidson)
Leamon Brice (Davidson Town Manager)
Mayor Jill Swain (Huntersville)
Greg Ferguson (Huntersville Town Manager)
Hazen Blodgett (Matthews Town Manager)
Brian Welch (Mint Hill Town Manager)
Mike Rose (Pineville Town Administrator)

Interim Chief Executive Officer: John Muth

I. Call to Order

The regular meeting of the Metropolitan Transit Commission was called to order at 5:35 pm by Mayor Lee Myers. Mayor Myers introduced Sarah Nuckles, SCDOT's representative to the MTC, and welcomed her to the Commission.

II. Review of Meeting Summary

The Meeting Summary of July 22, 2009 was approved as written.

III. Transit Services Advisory Committee Chair's Report

Rick Sanderson

Mr. Sanderson reported that TSAC met on Thursday, August 13. Committee members heard a Sprinter bus service update and rode a Sprinter bus to and from their tour of the light rail Vehicle Maintenance Facility (VMF). There, they toured the new light rail vehicle operations center and the bus operations room. Most committee members are new and had not seen the VMF before. Mr. Sanderson said the committee members were very impressed with the knowledgeable employees at the VMF and the look of the facility. At the next TSAC meeting on September 10, TSAC plans to discuss more policy and service issues.

IV. Citizens Transit Advisory Group Chair's Report

Jerry Fox

Mr. Fox stated that CTAG met last week with one action item on its agenda, the Vanpool Fare Policy. CTAG discussed including the Vanpool program in CATS' Fare Policy and the recommended Vanpool fare increase. CTAG unanimously approved both the policy and the increase in Vanpool fares. CTAG heard information items on improvements planned for the North Davidson Bus Facility and discussed the proposed bylaw changes for CTAG and TSAC involving tenure and attendance. CTAG took no action on the information items. CTAG's

discussion included having a consistent attendance policy and leaving term limitations to the individual bodies. Mr. Fox said that CTAG also discussed additional information with the Director.

IX. Public Comment on General Items

None.

V. Public Comment on Agenda Items

None.

VI. Action Item

a. Vanpool/Fare Policy

Dietrich Brown

John Muth reviewed last month's information item that CATS proposes a 15 percent increase in Vanpool fares effective in October, as well as including the Vanpool program in the CATS fare policy. Mr. Muth introduced Dietrich Brown, CATS Vanpool Manager, for a short presentation on the reasons for the proposed fare increase and inclusion in CATS' fare policy. Mayor Myers said that he felt the presentation last month was sufficient, and other MTC members concurred.

Resolution: Mayor Myers asked whether discussion was needed on the matter prior to voting; members indicated that they were prepared to vote. The motion was proposed to approve the 15 percent increase in Vanpool fares and to include the Vanpool program in CATS' fare policy. The motion was seconded and passed unanimously.

VII. Information Items

a. Federal Legislative Update

Jeff Boothe – Holland & Knight

Jeff Boothe, with Holland & Knight, began his legislative update by reviewing the stimulus bill, the American Recovery and Reinvestment Act (ARRA). The Davidson Street Bus Garage has received ARRA funds. The FTA proposed that New Starts monies, which funded part of the South Corridor project and which CATS hopes will help fund the Northeast Corridor (NEC), will be distributed to projects with Full Funding Grant Agreements. Through advance funding for FY2010 and FY2011, the FTA has increased its future contingent commitment authority for additional projects. CATS has submitted two projects for hybrid buses to the Transit Investment for Greenhouse Gas and Energy Reduction (TIGGER) program, which promotes greenhouse gas emissions and energy reduction savings. The FTA has received 1,500 applications for \$100 million available through the TIGGER program, so the program is very competitive. Transit projects are also eligible for the Transportation Investment Generating Economic Recovery (TIGER) program, a \$1.5 billion program. The State's priority for a TIGER project is replacing the I-85 Connector Bridge over the Yadkin River. TIGER monies must be obligated by September 30, 2012. NCDOT expects applications equaling nearly 100 times the available funding, so there will also be intense competition for these funds. TIGER projects must be cost at least \$20 million, and must not exceed \$300 million.

Guidelines for the New Starts program, which funded the South Corridor, were updated in 2009. The NEC is currently in the New Starts program. The most significant change in the program is that the weights have been shifted for the factors used to evaluate projects. Cost Effectiveness (CE) was reduced from 50 percent of the weight under the Bush Administration to 20 percent of the weight in the Obama Administration; land use and

economic development are increased from 20 percent to 40 percent. Clearly, they are putting a greater emphasis than the past Administration on those areas that have adopted a land use plan or taken action to drive development to transit corridors and station areas. These changes are effective September 2009, so they will have an impact for the NEC project. Also included was a provision that a sponsor can show evidence of “mode choice” in ridership models with existing systems, to show favor of transit over autos. The FTA will allow projects to go forward to PE at a “medium-low” CE if that is offset by “medium-high” land use and economic development. However, the FTA will not recommend a project for funding unless it receives a “medium” rating for CE. Mr. Boothe explained how financing for transit monies may be allocated by Federal authorities over the next few years, and how funding for transit and highways may encounter shortfalls in the next couple of years. The Surface Transportation Authorization Blueprint for New Starts states that projects of more than \$100 million are New Starts; projects below \$100 million fall in the Small Starts category. There is a House bill that attempts to simplify the New Starts process, with such provisions as eliminating the Baseline Analysis and Final Design decision steps. New legislation tends to encourage transit projects to focus on mobility benefits and accessibility, congestion relief, energy and environmental benefits, economic development benefits, and transit supportive uses. The focus would be on the benefits of transit, and not on the cost effectiveness as is currently the case.

Mr. Boothe said that project development typically takes six to twelve years. Part of the reason why the process takes so long is local financial capacity, the ability of the region to finance projects currently in the queue. Currently, the NEC is among the 13 projects nationally in the Preliminary Engineering stage, and is taking a timeline typical of New Starts. Small Starts typically take three to seven years, and are usually less complex. Very few Small Starts projects have not been bus rapid transit projects. Small Starts are more simple projects, without dedicated right-of-way, and tend to go through the New Starts approval process fairly quickly.

Regionally, Mr. Boothe reported that the NEC delegation has requested \$4.65 million for FY08, \$20.5 million for FY09 and \$24 million from the Senate for funding in FY2010. Mr. Boothe said that the NEC ridership model has issues and does not yet match actual results for South Corridor ridership. CATS seeks to advance to Final Design while resolving the model’s anomalies, and hopes to receive funding at the 60 percent level. The NEC will need to be authorized in the next Surface Transportation Bill. We submitted four corridors for funding: the North Corridor, Streetcar, NEC and the Southeast Corridor were all recommended for authorization in the bill.

The FTA does not yet recognize that the North Corridor is in Preliminary Engineering (PE) for the New Starts process. The project would be considered a New Start as the cost exceeds \$250 million. Until the FTA rescinds the requirement for “medium” CE, the North Corridor faces challenges in satisfying the FTA project review criteria. Mr. Boothe reviewed some of those challenges, and then said that the focus of lobbying efforts should be supporting the House T and I bill to eliminate CE, elimination of New Starts Alternative Alignment and comparison of project to No Build, raising the Federal share for Small Starts to \$100 million and eliminating the cost cap for projects, and ensuring authorization of the North Corridor project in the Surface Transportation Bill.

Mr. Boothe said that the Streetcar project has similar challenges to the North Corridor. Congress provided funding for the program, but Streetcar cannot utilize those New Starts monies until the project is approved for entry into PE. Streetcars face huge challenges to be advanced into PE.

Discussion: Mayor Swain asked the status of the Yadkin River Bridge. Mr. Muth said he thought the application had been submitted. Mr. Boothe commented that the FTA hopes to make decisions on which projects will be funded by January of next year. Ms. Nuckles asked whether Congress would ever consider increasing the percentage of funding it contributes to transit projects. Mr. Boothe said that the House has allocated additional monies to metropolitan areas on the highway side, but he was unsure whether the Senate would follow suit. He felt there was an emphasis on mobility, moving items on freight railroads as opposed to primarily on highways. Mr. Booth also spoke of other projects in metropolitan areas and said that he felt more funding would be directed to the metropolitan areas as opposed to the rest of the state. He said that metropolitan regions must address congestion and greenhouse gas emissions at the metropolitan level and not at the state level. Over the next six years, the House bill reallocates the split of money, currently 82 percent to highways and 18 percent to transit, and shifts to 75 percent highways and 25 percent transit. So over a six-year period, the House bill allocates more money into transit. Mr. Boothe said the shift on the transit side will be away from an emphasis on mobility and how quickly people are moved, to accessibility, to linking transit with land use, affordable regional housing plans, and rewarding areas that link their decision on where to locate jobs and housing along transit corridors. Those projects will score better than projects in areas that are not prepared to make the hard choices about land use and how they intend to grow. Mr. Boothe said there is also unprecedented integration now between DOT, EPA, and HUD to link their areas to a greater focus on sustainability and livability. Mr. Boothe conjectured that we will see greater emphasis on sustainability, rewarding areas that figure out how to get people out of their cars and shift those trips to other modes of transit, whether bike, bus, or rail. Mr. Boothe stated that this Administration wants to see a real shift in how areas grow, and how areas grow with transit.

Mayor Myers asked about the \$24 million authorized this year for the NEC, since Mr. Boothe had mentioned that the funding may be reduced. Mayor Myers asked what the MTC could do to help the NEC retain full funding. Mr. Boothe said the focus for the NEC should be to try to maintain the current funding level. We were very successful last year in retaining the Senate funding level for the project, and hope to replicate that success again. Mr. Boothe expressed concern that the Senate increased the New Starts program over the House level by about \$450 million. Depending on the total program funding, there may be less ability to keep the NEC at \$24 million because the program may not be funded at the Senate level, and that may reduce the earmark amount for the NEC. Mr. Boothe felt that individual conversations and a letter from the MTC to the North Carolina delegation in the House and the two NC Senators may be helpful in maintaining funding for the NEC on a Federal level. He added that authorizing all the corridors may be helpful in securing funding for the NEC, and also for the North Corridor and Streetcar. Mayor Myers asked Mr. Boothe for his assistance, and asked Mr. Boothe to work with Mr. Muth to see what the MTC and members could do to help maintain funding.

Mayor Myers commented that the North Corridor has laid the groundwork for economic development if the line is built, and asked what biggest obstacle is to moving forward with the North Corridor and Streetcar simultaneously. Mr. Boothe said that the biggest obstacle is a lack of a local financial plan, as the sales tax is not generating the revenues necessary to allow two projects to go forward simultaneously. It is understandable given the current economy, but the FTA will care about a lack of local funding as they consider what projects can go forward. Mayor Myers asked what we are missing out on in terms of Federal funding due to the lack of local funding, since the Federal government is authorizing transit funds now. Mayor Myers also asked whether another half-cent sales tax, that would have generated an additional \$62 million for transit this year, would help in leveraging Federal dollars. Mr. Boothe said that regions that have moved a lot of transit projects have had local funding that is not dependent on Federal funds, such as Salt Lake City, Denver and Seattle. The thing that separates cities that can move multiple projects versus those that cannot is that they have a revenue source that allows them to decide to build projects locally and not wait on Federal money. Mr. Boothe commented that if an area takes a project through the Federal process, it can leverage more money for the project, but local dollars will move a project faster. California will build a \$750 million project without Federal dollars in order to build it quickly, and hopes to use Federal money to advance the extension of that project later. What impedes the North Corridor now is its cost effectiveness. We need to look at land use decisions and assumptions by the MPO in terms of growth in the region to improve the evaluation of the project under cost effectiveness. When we look at the models and ridership, we are dependent on the MPO's decisions on where population and growth will occur. We cannot make assumptions on where growth and development will happen in the region outside the MPO. Lack of travel time savings is another challenge. Commuter rail often cannot generate enough ridership compared to the baseline to show sufficient travel time savings to achieve a medium rating. So the challenge for the project is to be able to show those incremental benefits. Many regions have leveraged Federal highway dollars. Right now, a region can flex surface transportation program dollars for capital costs for these projects, as well as congestion mitigation and air quality dollars for these projects. From the standpoint of FTA, those are considered "local dollars" for the purpose of evaluating project costs, and not considered Federal dollars. So those dollars can go towards the local match requirement.

b. State Legislative Update

Bill Carstarphen/Boyd Cauble

Bill Carstarphen, CATS Governmental Relations, reviewed the Legislative Objectives for the session recently ended in Raleigh. CATS first objective this session was to show the legislature its appreciation for enacting the original Mecklenburg County ½ cent Transit Sales Tax. Mr. Carstarphen said that other objectives included educating members of the General Assembly on the success and benefits Charlotte-Mecklenburg has enjoyed through the Transit/Land Use Plan, working to expand local government authority to regulate smoking, and supporting congestion relief/intermodal transport fund legislation. In an attempt to amend the Congestion Relief/Intermodal Transportation Plan to allow Mecklenburg County to levy an additional ½ cent transit sales tax, the MTC approved a resolution in May setting forth that objective. Mr. Carstarphen reported that members of the MTC presented a Resolution of Appreciation in May to leadership of the NC Senate, House and Board of Transportation. It was well received, and should be done more often. The bill to prohibit smoking in certain public places was enacted, House Bill 2, and we will have the authority to regulate smoking in transit shelters next year. The congestion

relief/intermodal Transport Fund HB 148 was enacted. The new legislation does not provide a sales tax option for Mecklenburg County, the only county excluded from the bill, but does provide a ½ cent local option transit sales tax for Wake, Durham, Orange, Guilford, and Forsyth counties. The remaining 94 counties in NC are authorized to implement a ¼ cent transit sales tax option. This could be utilized by counties surrounding Mecklenburg to fund some of their transit needs. HB 148 was the source of our greatest disappointment, but is a real accomplishment for transit in North Carolina. Mr. Carstarphen said that he appreciates the hard work of Rep. Carney for leading the effort. Also, NCDOT supported House Bill 1005 for funding fixed rail projects, which allows NCDOT for the first time to fund fixed-rail projects that lack Federal funding. HB 1005 was enacted. Rep. Carney played a major role in that effort as well, a project may help benefit future commitment to the North Corridor. NCDOT has been a strong supporter to our projects, and their ability to fund fixed-rail projects that lack Federal funding should help their future commitment to the North Corridor.

A fifth transit-related bill, sponsored by Sen. Clodfelter, was introduced but not enacted, and remained in committee throughout the session. Regional Transportation Authorities, Senate Bill 910 (SB 910), allows the formation of regional transportation authorities and regional transportation funding agreements. This bill would allow areas that are able to achieve this to levy an additional ½ cent sales tax and an additional five cent per gallon tax for transportation financing in the participating counties. Mr. Carstarphen stated that SB 910 includes a number of elements of great interest to CATS and the MTC. The legislation specifies that all local governments that are parties to the regional transportation funding agreement must be within a single EPA boundary as designated under the Clean Air Act. It also specifies that within the applicable Ozone Attainment Area, there is not more than one metropolitan planning organization, and that all counties that are included within the Ozone Attainment Area, plus all municipalities included within the Ozone Attainment Area, have a population above 500,000. There are a number of other specific elements that we should review carefully. The governance specifications within that legislation leave it up to the regional agreements among the governments as to how such an organization would be governed. Sen. Clodfelter has expressed the intention to move the legislation forward in the next session. Mr. Carstarphen called upon Boyd Cauble, Assistant City Manager for the City of Charlotte, for additional comments.

Mr. Cauble said that we lost a great opportunity not being included in HB 148, as the only county not included in the bill. Every community across the country that has had the opportunity to build transit has had to come back to their community and ask for more funding. Mr. Cauble said that this transit program is our future. In the next long session, the MTC should approach Raleigh with a request for the expansion programs we think are necessary. Federal funding is questionable at all levels, but we need to go after every dime we can get. If we have the local capacity, we are greeted with open arms by most people. Mr. Cauble said that it was amazing how Raleigh embraced transit this year. Rural legislators supported the transit legislation, and they are often not given credit for understanding what needs to take place in this state. Transit now is viewed as vital to the success of this state, a key to the community's future. Mr. Cauble said that he thought our charge over the next year is to work with Sen. Clodfelter and others to frame a position acceptable to the citizens who have voted twice for this transit program. He encouraged the MTC to move forward to make sure that we have the authority to do over the long term

whatever the community wants us to do to move forward. Mr. Cauble said that Mayor Myers, Mayor McCrory, and other MTC members have done a lot to make the transit effort a success, and said that areas all over the State bragged on the Charlotte region and what we have accomplished here. Mr. Cauble said that Mr. Boothe is a good ambassador for the MTC, but we need to pull the rest of the community together.

Discussion:

Mayor Swain expressed support for Mr. Cauble's views, and asked for a copy of SB 910. Mr. Muth said he would e-mail SB 910 to the MTC members. Mr. Fox said that he thought it would behoove MTC members to become very familiar with SB 910, because he felt the bill will pass the way Sen. Clodfelter wants it unless more educational efforts are made. Mr. Muth said that he would put together an action item for the next meeting to discuss areas of concentration for CATS and the MTC in the next legislative session. Mr. Boothe said that the next session begins in May, and nothing is more valuable than individual members making a simple effective appeal to the legislative members.

c. Bylaws for CTAG & CTAG

Lisa Flowers

The Citizens Transit Advisory Group (CTAG) and the Transit Services Advisory Committee (TSAC) are considering changing their bylaws to establish consistent attendance requirements and term limits for members. Lisa Flowers, Assistant City Attorney, said the MTC operates under two documents, the Interlocal Agreement and the Rules of Procedure. The Interlocal Agreement that established the MTC mentions CTAG and gives the authority to establish other standing or ad hoc committees. The MTC Rules of Procedure simply lists the two citizen committees and the responsibilities of the committees; neither document details attendance requirements or term limits. The Interlocal Agreement provides that CTAG members serve two-year staggered terms and cannot hold publicly-elected office. Bylaws for TSAC were established years ago. Staff looked at the different appointing authorities – the towns, CMS, the counties, and the City of Charlotte – to see what their requirements were. The City of Charlotte's policies are comprehensive. Charlotte's policy on term limits calls for no more than two full consecutive terms, but exceptions can be made. The City also has requirements for attendance. The County, CMS and the Towns have no uniformity in attendance policies or term limits for advisory committee appointees, or procedures for reporting absences. CATS proposes to enact attendance and term limits to reflect City of Charlotte requirements in these areas. TSAC endorsed the changes in June, but asked that the TSAC membership be increased by one member to fifteen to add a Vanpool rider. CTAG discussed the information in August, but took no action as members had concerns over term limits. Some members asked for additional information on attendance and term limits. CATS staff will take comments and suggestions, and present for action to TSAC and CTAG in September. Staff will also prepare an action item for the September MTC meeting after the action at the TSAC and CTAG meetings.

Discussion: Mr. Muth asked whether there were any questions or comments about term limits and whether as an appointed agency, MTC members would prefer to make the decision on their own whether to appoint someone more than twice. Mayor Myers felt that people who were doing a good job should be kept on, that experience is a good thing.

VIII. Interim Chief Executive Officer's Report John Muth

Under the CEO's report, Mr. Muth discussed the following:

a. Ridership:

As expected, July ridership was down 11.8 percent compared to July 2008, when gas prices were 40 percent higher than in July 2009 and the region experienced fuel shortages. LYNX ridership still averaged about 14,500 weekday trips. However, the overall ridership level remains 24 percent above ridership of July 2007, an encouraging sign of the region's support for transit even in a challenging economy.

Discussion: None

b. Financial Update:

Sales tax revenue is almost 19 percent less than originally budgeted. CATS has cut back service, frozen positions and conducted layoffs, which has offset the sales tax revenue reduction. Fuel costs have also dropped, decreasing bus fleet expenses.

Discussion: None

c. I-485 Station:

CATS has installed new signage to let LYNX customers know when the parking deck is full but parking is available in the overflow lot. The signage also lets customers know when both the deck and overflow lot are full, so they can drive to the next station.

Discussion: None

d. Sprinter:

The Sprinter Service scheduled to begin on September 14 will feature more frequent service on Wilkinson Blvd using new hybrid-electric buses. The kick-off for Sprinter service to the Airport will be September 10. MTC members are encouraged to attend the kick-off.

Discussion: Mayor Swain said that an expansion of the park and ride lot at exit 23 was approved and land purchased, and asked about the status of the contract. Mr. Muth said that Council had approved the contract for the parking lot expansion. The contractor should have received a notice to proceed, and groundbreaking should take place soon. Mr. Muth added that as a sign of the times, the low bid came in about 25 percent lower than estimated.

Mayor Swain commented that Huntersville had a Transit Citizen's Summit this month. She was pleased with attendance. She has received requests for shelters at bus stops, and asked if there are requirements for bus shelters. Mr. Muth said CATS has guidelines, such as number of boardings, so shelters go in heavy-traffic areas. Mayor Swain said that a large European-based corporation in Huntersville said that in bringing in larger economic development opportunities, they viewed simple things as important, like shelters at the bus stops. She would like to see if specific areas request shelters. Mr. Muth said he would share that information with her as it comes up.

IX. Other Business

a. Recruitment Process for the Chief Transit Official

Curt Walton

Mr. Walton briefed MTC members on the factors behind the choice of KL Executive Search for the Chief Transit Official position. The City received initial proposals from eighteen companies. Human Resources narrowed the list to eight companies, and the list was further narrowed to the top two. There were several factors behind the final selection of KL

Executive Search. Mr. Walton said he did not see a conflict of interest or ethical violation in choosing KL, and there were compelling reasons to choose KL. KL has performed the last three major city transit executive searches, for Los Angeles, San Jose, and San Antonio, and received high marks from those cities. Although the firm has existed for only a few years, the two principals have spent their entire careers in transit, and they know the industry well. KL also submitted a bid that was two to three times less expensive than the second firm. In addition, KL was the only firm of the finalists that incorporated a public input process into the candidate selection process. Mr. Walton said that there was not a code of ethics violation in selecting KL, and no conflict of interest in their having recruited Keith Parker for San Antonio. If they had not identified Mr. Parker as a potential candidate for the San Antonio search, that would not have spoken well for them as a search firm, as he was well-regarded nationally.

The position was advertised nationally on August 17. KL will help us pare down the applicants. Mr. Walton said that there will be five external public sessions on September 15, 16, and 17, and he will send the information to the MTC members when finalized. The input for the public sessions is limited to the profile, seeking public input on key characteristics of a successful Director of Transit. We are not seeking information on bus routes or Special Transportation Services, but will keep the focus on the skills and attributes of the ideal candidate. Mr. Walton said that Mayor Woods will represent the MTC on the selection panel. He has asked Mr. Blodgett to be involved in the process also. This is not required by the bylaws, but Mr. Walton said he would prefer to have both the North and South areas of the county represented. Mr. Walton and Mr. Jones complete the panel. Interviews will probably be in mid-October to early November. The City hopes to have the Chief Transit Official appointed by the end of November.

Discussion: None.

X. Adjourn

The meeting was adjourned at 6:50 pm by Mayor Myers.

NEXT MTC MEETING: WEDNESDAY, SEPTEMBER 23, 2009, 5:30 PM