

# METROPOLITAN TRANSIT COMMISSION

## MEETING SUMMARY

January 25, 2012

---

Presiding: Mayor Anthony Foxx (Charlotte)  
Harold Cogdell (Chairman, Mecklenburg County Commission)

Present: Curt Walton (Charlotte City Manager)  
Rick Sanderson (TSAC Chair)  
Harry Jones (Mecklenburg County Manager)  
Sarah Nuckles (SCDOT Representative)  
Mayor Jeff Tarte (Cornelius)  
Anthony Roberts (Cornelius Town Manager)  
Mayor John Woods (Davidson)  
Mayor Jill Swain (Huntersville)  
Greg Ferguson (Huntersville Town Manager)  
Mayor Jim Taylor (Matthews)  
Brian Welch (Mint Hill Town Manager)  
Mayor Miles Atkins ( Mooresville)  
Wayne Herron (Monroe City Manager)  
Mayor George Fowler (Pineville)

Chief Executive Officer: Carolyn Flowers

---

**I. Call to Order**

The regular meeting of the Metropolitan Transit Commission was called to order at 5:35 p.m. by MTC's Chairperson, Commissioner Harold Cogdell.

**II. Special Presentation**

**Anthony Foxx**

Mayor Foxx thanked Commissioner Roberts for her leadership on MTC and presented her with a plaque of recognition for her support of transit. Commissioner Roberts thanked members and pledged to continue to be an advocate for transportation choices. Commissioner Cogdell also thanked Commissioner Roberts for her service and transit advocacy.

**III. Review of Meeting Summary**

The meeting summary of November 30, 2011 was approved as written.

**IV. Transit Services Advisory Committee (TSAC) Chair's Report**

**Rick Sanderson**

TSAC has met twice since the last MTC meeting. On December 8, TSAC members heard information on route performance and bus operations monitoring, and reelected Rick Sanderson as Chair and Terry Lansdell as Co-chair. Members welcomed new member Jean Veatch from Cornelius at the January 12 meeting, where members also heard information on vanpool operations, the bus stop committee and an update on CATS advertising program on trains and buses. TSAC's next meeting is February 9.

**V. Citizens Transit Advisory Group (CTAG) Chair's Report**

No report.

**VI. Red Line Task Force Update**

**John Woods**

Mayor Woods welcomed Mooresville Mayor Miles Atkins to the meeting. The Red Line Task Force (RLTF) is moving ahead quickly with meetings “and all systems are go.” The RLTF is finishing the first month of a three-month draft plan review to prepare a plan jurisdictions can review and act upon. NCDOT’s consultants are meeting with each jurisdiction. Norfolk Southern representatives attended today’s RLTF meeting. Communications with Iredell County commissioners are also open. There is a full list of work to be done in February. The first public private partnership workshop is scheduled for January 26 in Cornelius.

**Discussion:** Mayor Woods said that the RLTF is exactly where it needs to be. Media reports of questions are part of the due diligence that needs to happen at this point. Commissioner Cogdell welcomed Mayor Atkins and said that the collaboration has been impressive. Ms. Nuckles commented that she had heard that environmental reports would be compacted. Ms. Flowers commented that Secretary LaHood and Peter Rogoff announced rule changes today that will impact Small Starts and New Starts projects. The changes will accelerate the process by six months, and are said to save projects time and money.

**VII. Public Comments**

None.

**VIII. Action Items**

**a. Selection of Vice-Chair**

Mayor Tarte nominated Mayor Woods for reappointment to the Vice-Chair position.

**Discussion:** None.

**Resolution:** Mayor Taylor seconded the motion to nominate Mayor Woods for reappointment to Vice-Chair. Mayor Tarte moved to close the nominations, and Mayor Taylor seconded. The motion to close the nominations passed unanimously, as did the motion to reappoint Mayor Woods as Vice-Chair of MTC.

**IX. Information Items**

**a. FY2013 Transit Program (Operating Budget & CIP)**

**Dymphna Pereira**

Ms. Flowers said that the FY2013 budget will have no substantive changes from the FY2012 budget. Forecasters indicate that the economy is slowly recovering. The slowness of the recovery necessitates a cautious budget to provide core mass transportation services and maintain a structurally balanced financial plan. Staff will discuss operating programs in depth at the February MTC meeting. The March meeting will cover capital programs and the proposed fare increase. MTC recommendations will be incorporated into the budget for MTC adoption in April. The 2013 budget will seek to maintain the core services of bus, rail and paratransit services. ADA service must be maintained or federal grants will be jeopardized, so the FY2013 budget will strengthen ADA core service. CATS will continue to leverage local funds and seek to develop new revenue sources. The budget will also advance the LYNX Blue Line Extension (BLE) project in compliance with Federal guidelines and with State and Federal support.

Ms. Pereira, CATS Chief Financial Officer, Assistant Director of Public Transit, stated that tonight begins the formal budget process which will culminate in budget adoption in April. This is the second year of the two-year operating budget cycle. For FY2013, CATS projects an increase in operating income of about 6.2 percent over income projected for this year. There are three reasons for the projected increase. Ridership is projected to increase, which will increase fare revenue. CATS will also recommend a fare increase this year. The third reason for the increased income projection is that CATS will request an increase in operating assistance from NC and from federal Congestion Mitigation & Air Quality (CMAQ) grants. Advertising revenue is projected to increase by about \$1 million from the amount budgeted for the current fiscal year. Operating expense will grow by about 3.4 percent, which is consistent with the long-term financial plan. Capital income is projected to come primarily from federal and state grants, and the operating balance. CATS plans to obtain long term financing for the local share of the BLE, which is similar to what was done for the South Corridor. Most of the expenses for FY2013 are projected to be for BLE advancement.

The FY2013 Operating Income reflects a 4.5 percent increase in sales tax revenue over the current budget, following some recovery in the amount received for this year. The fare increase is projected to bring in about \$2.5 million. The budget restores \$300,000 in DSS funding. Operating Assistance includes a combination of state and federal funds. State Maintenance Assistance for Rail has finally been recognized by the State for this year, so \$900,000 from that source is projected. Advertising has been extremely successful this year, and that source of revenue is continued into next year as well. Potential expenses for employee pay and benefits will be determined by the City Council; BOD employee increases will be determined through negotiations. Employee group insurance has increased by about 5.8 percent. Fuel costs are budgeted at \$3.15 per gallon, a five percent increase over the current \$3.00 per gallon.

In accordance with financial policies, a fare increase will be considered in FY2013. The increase would be \$0.25 on the base fare and will be effective on July 1. A public hearing will be held in March on the proposed increase. The base fare will be \$2.00 if the increase is adopted.

FY2013 Operating Expenses of \$106 million funds all front-line services, bus and rail services, STS, vanpool and makes a contribution to STS subscription services. It includes known increases in City benefits and has provisions for changes in contractor personnel-related costs. Inventory and insurance for bus and rail are key cost drivers and risks.

Capital income revenue is projected to come from federal grant and state funds, as well as from the City of Charlotte for the BLE and from sales tax revenue. Debt financing will provide cash flow for the BLE. The 5-year capital income program projects an expenditure of \$1.15 billion for the BLE's final design and construction. It also provides for replacement of revenue vehicles, an overhaul of light rail vehicles and other grant funded projects. Details of the capital program will be provided in March.

**Discussion:** Ms. Nuckles noted that fuel cost was projected at \$3.15 per gallon and asked whether CATS used natural gas. Ms. Pereira replied that CATS uses ultra-low-sulfur diesel. Ms. Flowers said that CATS is studying natural gas. Converting requires a substantial capital investment at start-up. The federal government requires that assets be kept for at least 12

years, so the current fleet would have to be converted over time. There are costs for installing compressors, and other costs involved in installation of natural gas infrastructure. There would be a period where two sets of inventory would be required. CATS locks in fuel prices by hedging and forward buying to control costs. Mr. Roberts asked how staff compared actual FY2012 sales tax in the first quarter. Ms. Pereira replied that revenues are averaging about ten percent higher than projected; some months are higher, but revenue was down this month. Mr. Roberts said he would like to see what type of debt CATS has on the books to see if there are opportunities, and Ms. Pereira said that can be provided.

Mayor Taylor asked if CATS was focusing on the federally-mandated required ADA service, or whether any STS II service could be reinstated. Ms. Pereira replied that CATS has increased the STS budget just to provide service at federally-mandated levels. Larry Kopf, CATS Chief Operations Planning Officer and Manager of Bus Operations, said that CATS provides service outside the ADA-mandated ¾ mile radius today but not as reliably as we would like. CATS hopes that increased funding will allow the capacity to provide more reliable service beyond the federal requirement.

Commissioner Cogdell noted that there is a substantial increase projected in advertising revenue. He said that it appears that we are substantially over what had been projected. Ms. Pereira said that CATS projected about \$560,000 in advertising revenue this year, but the marketing consultant has already brought in about \$1,000,000 in revenue. Commissioner Cogdell asked whether the budget was too conservative in projected advertising revenues. Olaf Kinard, CATS Director of Marketing & Communications, said that there are several things that will affect revenue next year, such as the DNC. Not all buses that will be used with the DNC will be ours, so we are not sure of the amount of increase. Staff would rather give a solid number and update revenue based on contracts awarded. Ms. Flowers noted that the Wells Fargo rebranding advertising was a one-time event which gave a big bump to advertising revenue. Mr. Kinard said that staff seeks other areas to add revenue but do not want to project budgetary income that does not materialize.

**b. Countywide Transit Service Plan (CTSP)**

**Larry Kopf**

Mr. Kopf said he would present the CTSP for consideration tonight and possible adoption in February. The plan is a blueprint for bus services changes over the next five years. Mr. Kopf reviewed the process involved in gathering public feedback and input to the plan. Major findings include preferences for increased amenities such as shelters and benches as well as technology enhancements, and service attributes such as more frequent service, better cross-town connections and improved travel time. Staff analyzed existing routes to create a route profile for each route. The plan includes a proposal to extend Route 10 to take advantage of a new road that will be constructed and terminate at a Central Piedmont Community College campus near Morris Field. The plan also proposes to streamline and extend Route 17 to Presbyterian Hospital Matthews. Routes 64X and 65X will enter Independence Boulevard earlier than they do currently and so will express earlier. CATS proposes to streamline services for the North Meck Village Rider Routes 97, 98, 99. The routes will also be realigned to increase ridership and will still maintain their call-ahead feature. CATS proposes a new route on Highway 51 to connect Matthews to Pineville. The route will begin when a grant becomes available. CATS will add new park and ride locations as funding becomes available. There are often opportunities to apply for grants; identifying locations in advance is helpful in applying for those funds.

**Discussion:** Mayor Swain said that Mr. Kopf has been very responsive to a challenge posed by the North Mecklenburg High School reassignment. The proposed change to a Huntersville route near the school will help students and parents access the school.

**c. Draft 2012 State Legislative Agenda**

**Dana Fenton**

Mr. Fenton, Intergovernmental Relations Manager with the City of Charlotte, said that the NC General Assembly will hold a Short Session in 2012. This short session, which will begin May 16, may last only about two months and end before the end of June. This does not give time to advance new legislation; efforts should focus on maintaining current funding. There are two issues for consideration. Legislation introduced last year proposed to cap the State Motor Fuels Excise Tax (gas tax) at either the June 30 or December 31, 2011 rate. NC's gas tax has two components, a base rate of 17.5 cents per gallon and an additional variable rate. The current gas tax totals 38.9 cents per gallon, one of the highest in the southeast. The gas tax provides about 50 percent of NCDOT's revenue for statewide transportation needs, including transit. The impact of capping the tax would have been about \$400 million.

MTC members should also consider general transit funding. The NC House and Senate established a Joint Select Committee on Transit Funding. The committee has ten members statewide, three from Mecklenburg County. The committee will consider eliminating state funding for mass transit projects, leaving only federal and local funding sources. The 2030 Transit Plan is built upon state funding, which provides 25 percent of funding. MTC members should support state funding for mass transit.

**Discussion:** Mayor Foxx asked if there was any sense whether the new legislative committee would promulgate changes in the Short Session. Mr. Fenton said the study committee is expected to make recommendations to the General Assembly. They are authorized to have four meetings, but have not yet met. Mr. Fenton said that he would be at the meetings if they are held, and will keep in touch with MTC members about the committee's schedule. Commissioner Cogdell asked if there was a proposed meeting date. Mr. Fenton replied that as of yesterday, there was no meeting scheduled on the legislative calendar.

**X. Chief Executive Officer's Report**

**Carolyn Flowers**

Under the CEO's report, Ms. Flowers discussed the following:

**a. LYNX Blue Line Extension (BLE) Report:**

FTA's final session to complete the BLE's Risk Assessment is January 26. This is part of the federal process. The group will assess the project's budget, schedule and scope. MTC members will receive a BLE update in February.

**b. Financial Report:**

Sales tax revenue still has some volatility. Staff will continue to monitor it. Formula grant evaluations are at least a year behind. Staff has changed the financial plan to fund preventative maintenance while waiting for federal formula grants to be executed.

**c. NC Board of Transportation Meeting:**

The NC Board of Transportation will meet in Charlotte on Wednesday, February 1. Paul Morris, Deputy Secretary for Transit for NCDOT, will give a presentation on the Red Line and BOT members will tour the Blue Line. Local BOT member John Collett is hosting the event. CATS, Airport and NCDOT will give presentations to the Board at their Charlotte meeting.

**d. NC State Joint Legislative Oversight Committee:**

There will be a BLE presentation to this committee on February 10. CATS has approval from NCBOT for a State Full Funding Grant Agreement (FFGA) but must present to this committee before the FFGA can be signed. This committee is responsible for policy review and budget implementation. Mr. Morris will also make a presentation on the Red Line and Ms. Flowers will give the history of the project.

**Discussion:** None.

**XI. Other Business**

Commissioner Cogdell recognized Mayor Swain, who said she has reviewed what previous committees such as the Committee of 100 did for visioning and planning in Charlotte and the region. Because of conflicting funding sources, we have had to be competitive in the process and have perhaps lost some of that visioning. Mayor Swain said that it is increasingly clear to her that the Transit 2030 Plan and the Charlotte Center City Partners (CCCP) 2020 Plan need to mesh, particularly in the Gateway area, which will be the terminus for just about everything involved in MTC's work. Because of MTC's regional focus, members need to be leaders in disseminating information to all who could be partners in the visioning process about all transit, particularly Gateway Station, but perhaps extending into Iredell and Union counties. We need to be partners with NCDOT and other large landowners and organizations in a visioning process. As developers purchase land and local urban universities make expansion plans, transit will be involved. We need to involve people to be partners around the table for the discussion.

Commissioner Roberts remarked that it would be helpful to involve the Centralina Council of Governments (CCOG) to see what they can do to help kick off the visioning process. Mayor Swain said that the different groups should be talking together, as the Charlotte region has done in the past. Commissioner Mayor Foxx said that he was under the impression that CCCP's visioning effort took the Transit 2030 Plan into consideration; Mayor Swain agreed that it was mentioned. Mayor Foxx said that MTC has direct control over CATS, but when MTC discusses planning decisions such as how to develop Charlotte's Center City, that is a different thing. Given current governing structures, Mayor Foxx said he has concerns about giving the impression that we are turning the planning over to a regional body. Partners across the county should be involved, and Mayor Foxx suggested involving the State also since the Gateway Project is a state-sponsored project. He asked for some input from the State on where the project stands and from Charlotte's City Manager on how the planning effort would normally develop and to what extent partners at MTC and other municipalities would be involved. The State will construct the project and they own the land, but presumably they would involve the area in the visioning process.

Paul Morris, Deputy Secretary for Transit for NCDOT, said that NCDOT is on the verge of an update to their state-wide rail policies and guidelines that will look strategically at developing rail state-wide, examining logistics and freight movement as well as passenger service. The purpose is to create a state-wide rail plan and strategy and to determine how that fits into national efforts, with the goal of becoming a destination state rather than a pass-through state. NCDOT seeks to make sure that rail plans for each region coalesce and are not disconnected. The sort of effort Mayor Swain is speaking of would align with NCDOT's desire to have a statewide plan for 2040. Alliances with regional partners in the ten-county region need to be

determined, with the State's role becoming more significant when more than two counties are concerned. The State contributes to regional rail and other areas such as light rail and streetcar.

Mr. Morris stated that Gateway Station will be an anchor for Uptown and a pivot point for rail throughout the region, serving existing intercity passenger rail, freight rail and high speed rail. The State has a significant financial stake in these areas, as well as regional and local bus connections. The State intends to advance Gateway Station this year, bringing in a third party private partner to aid with the economic development vision and capture the value of public infrastructure, transportation and other services. Mayor Foxx asked if the State will play the role of convener, and Mr. Morris affirmed that it will, as well as providing financial support to fund technical services for the team. The State has no intention of owning the outcome, but Mr. Morris has the authority to oversee the process. Mayor Foxx asked about the timeline. Mr. Morris said the process launched in November. The next meeting is January 27 to develop a formalized management structure and outreach effort. CCCP has expressed interest in participating, as have a number of other stakeholders and business interests. The State wants to prepare a formal plan this year to bring in a private partner to a master developer agreement. Ms. Flowers added that CATS has an \$18 million Federal earmark for a bus facility. CATS seeks to utilize that money so we do not have to give it back. There are Station Area Plans for all stations except Charlotte Gateway Station, so the CCCP 2020 Plan has the only information available. Mr. Morris noted that the State has purchased property and is moving forward with a funded plan to construct a train maintenance center on the south end of the Gateway Station area. They have discussed plans with the Federal Railroad Administration to build a large enough track for the facility to handle high speed rail and the full relocation of Amtrak.

Mayor Foxx asked Mr. Walton to explain how the planning process will work and how to make sure that there is a table to which everyone can come. Mr. Walton noted that the Charlotte Mecklenburg Planning Department, a City department, would first develop an area plan, which involves an extensive public outreach process. Economic Development would also be huge, as this will be a major employment center. There has not been a plan so far because there have been too many moving parts with the State. MTC would be a welcome constituent in the process. Mr. Walton stated that the question is who the convener is; no one has dibs on that except the State because they own the land. It is extremely important to the City to have the ability to make the land-use decisions, since Gateway Station will be in the center of Charlotte. Mayor Foxx said that there may need to be a process designed where planning departments of the various towns meet, including Charlotte. Mayor Swain said that she did not know who should control the process but everyone who will be affected by Gateway needs to have a voice at the table. Whatever happens affects all of our futures; our borders are getting closer and closer. What goes on in Charlotte affects Huntersville, as well as other outlying areas. Mr. Morris commented that from the State's perspective, this project has state-wide significance. The economic development efforts are significant, but the only way it will come together is if everyone works together to meet the needs. Mayor Taylor asked if the Planning Liaison Committee, the quarterly meeting of planners from all the towns, was a good venue to discuss this. Mr. Walton said that it has been a better idea in concept than in practice, which is why the planning directors began meeting more frequently. Mayor Taylor asked if the planning directors meet, would they talk about this as well. Mr. Walton replied that the mayor's suggestion to let the planning directors develop a process for how the area plan would work was good.

Commissioner Cogdell said that he was trying to understand what the State's role would be in convening this. Ultimately the local jurisdiction has the responsibility of making land use decisions even though this project has regional implications. Mr. Morris replied that the State's interest is not to oversee or drive the planning process for the area, which is a local action. But this project with multiple parts needs to move forward to a project that coalesces around an actionable set of property developments. This involves bringing in a private partner who understands working on a project with nationally iconic investments and working with railroads on design issues as well as other partners. He plans to assemble a Partnership Steering Group as opposed to the large-scale public outreach or planning efforts that the City performs in area plan development; he did not envision that the State would be responsible for the area plan. Mayor Foxx stated that this must be a collaborative effort. He suggested that MTC members ask their planning staffs to take a look at this topic before the February MTC meeting to make sure that we can have a process to make sure that everyone is engaged and information flows as the project moves forward. Perhaps they can come back with a process that MTC members can discuss. Commissioner Cogdell said that sounded like a reasonable recommendation. MTC members agreed to give direction to their staffs as a result of this conversation.

**XII. Adjourn**

The meeting was adjourned at 7:20 p.m. by Commissioner Cogdell.

---

NEXT MTC MEETING: WEDNESDAY, FEBRUARY 22, 2012, 5:30 P.M.