

METROPOLITAN TRANSIT COMMISSION

MEETING SUMMARY

September 25, 2013

Presiding: Mayor Patsy Kinsey (Charlotte)

Present:

Terry Lansdell (TSAC Vice Chair)
John Collett (NCDOT Representative)
Mayor Lynette Rinker (Cornelius)
Mayor John Woods (Davidson)

Mayor Jill Swain (Huntersville)
Greg Ferguson (Huntersville Town Manager)
Ralph Messera (Matthews)
Bill Thunberg (Mooresville Representative)

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, Mayor Patsy Kinsey.

II. Review of Meeting Summary

The meeting summary of August 28, 2013 was approved as written.

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

Terry Lansdell

Mr. Lansdell reported that TSAC met on September 12 and took a field trip to the Tryon Street Bus Maintenance Division facility. TSAC enjoyed seeing what it takes to keep the buses safe and on the road each day. This helps new TSAC members get up to speed with the bus system. As an air quality person, Mr. Lansdell enjoyed the opportunity to see how CATS tries to minimize the system's carbon footprint. TSAC also unanimously approved the October service changes.

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

There was no CTAG report as there was no September meeting.

V. Red Line Task Force Update

There was no Red line Task Force Update as there was no September meeting.

VI. Transit Funding Working Group

Jill Swain

Mayor Swain reported that the Transit Funding Working Group (TFWG) discussed the East Coast Public Private Partnership (P3) alternative funding summit. A number of members wanted to sign up for that committee, both in the marketing, legislative and finance areas. Attendance was not large, but members who were not able to come expressed interest in future meetings. There have been a lot of inquiries lately as the public sees that we are looking at the transit vision. The next meeting is October 7.

VII. Public Comments

None.

VIII. Action Items

a. **MTC Travel Markets Policy**

Larry Kopf

Mr. Kopf, CATS Chief Operations Planning Officer and Manager of Bus Operations, said that the travel markets policy requires MTC approval and is up for review on its regular three-year cycle. Staff recommends policy adoption with the change to the name of the System Plan. The 2025 Plan is recommended to be updated to the 2030 Corridor System Plan. CATS recognizes that it will not compete with all trips, such as trucks hauling freight or parents taking children to soccer practice. CATS focuses on its primary and secondary markets as specified in the travel markets policy. The primary markets are:

1. Trips for individuals who do not have access to or cannot use private transportation. They require public transit for mobility.
2. Existing customers from existing service areas.
3. All trips to, from and within the five original corridors and major employment and activity centers and the connections between them.
4. All trips to/from Transit Oriented Developments in the “wedges” between the five original corridors.
5. Commuter trips in congested travel corridors outside the original five corridors within the “wedges.”
6. Commuter trips to/from surrounding counties into one of the five original corridors.

Secondary markets are served only when cost-effective and when serving those markets does not detract from CATS’ ability to serve the primary markets. Secondary markets include:

1. Trips to/from non-TOD developments and areas.
2. Local trips outside Mecklenburg County.
3. Inter-county trips outside the original five corridors.

Discussion: Mr. Messera asked whether the geography was defined for the primary markets. Mr. Kopf said the policy does not reference specific geography beyond the corridors defined in the System Plan but refers to services provided county-wide. Mr. Messera said that Mint Hill is within the county but beyond existing routes and between corridors. Mr. Kopf said that there is existing service in Mint Hill. If there was a congested commuter market there, it could fall under the fifth primary market. The outer areas are usually less transit-dependent and so do not fall toward the top of the list, but CATS does have service in those areas. Mr. Kopf noted that before new service is initiated, it must be determined to be cost-effective and that ridership will meet demand.

Resolution: Mr. Messera motioned to approve the Travel Markets policy; Mayor Swain seconded. The MTC voted unanimously to adopt the Travel Markets policy.

b. **Charlotte Regional Transportation Planning Organization Membership** **David McDonald**

Mr. McDonald, CATS Transit Planning Manager, said that MTC members were asked tonight to approve the Memorandum of Understanding (MOU) for the new Metropolitan Planning Organization (MPO), the Charlotte Regional Transportation Planning Organization (CRTPO) and secondly to appoint an MTC member and alternate to the new MPO’s board. New provisions in federal law require that the lead Transit Agency within the MPO be included on the MPO’s board as a voting member to represent transit needs within the MPO. By law, the

MPO expanded after the recent census to include most of Union and much of Iredell County, NC.

Discussion: Mayor Swain volunteered to serve as MTC's representative for the new MPO and nominated MTC member Mayor George Fowler (Pineville) as alternate.

Resolutions:

1. Mr. Messera motioned to approve the MOU for the new MPO; Mayor Rinker seconded the motion. The MTC voted unanimously to approve the MOU for the Charlotte Regional Transportation Planning Organization.
2. Mayor Woods nominated Mayor Swain to serve as MTC's representative to the new MPO; Mr. Ferguson seconded the motion. MTC members unanimously approved Mayor Swain as MTC's representative to the new MPO.
3. Mayor Swain nominated Mayor Fowler as the alternate representative to the new MPO; Mayor Woods seconded the motion. The motion passed unanimously.

c. Rapid Transit Way-finding Signage

Olaf Kinard

Mr. Kinard, CATS Director of Marketing & Communications, defined the potential areas for identification on the way-finding signs, areas such as Uptown, University Area, Southend and NoDa. Areas identified would be Municipal Service Districts or areas of significant ridership and historical or cultural interest or areas of significant retail value to CATS. Mr. Kinard offered the example that NoDa is an entertainment venue that would generate significant ridership.

Discussion: Mr. Collett asked how much the advertising revenue will be this year. Mr. Kinard said that CATS has a guarantee this year of \$1.12 million to CATS for this fiscal year. Contracts executed since July 1, 2013 total \$1.8 million. Staff is starting to order signage to sell advertising at light rail stations.

Resolution: Mayor Woods motioned to approve the Rapid Transit Way-finding Signage policy; Mr. Collett seconded the motion. The MTC voted unanimously to approve the Rapid Transit Way-finding Signage policy.

IX. Information Items

a. 2014 Federal Legislative Agenda

Dana Fenton

Mr. Fenton, Intergovernmental Relations Manager with the City of Charlotte, reviewed items already approved by MTC for the 2013 State Legislative Agenda. The sunset date of the Special Assessment Act was extended two years to July 1, 2015. Transportation Infrastructure Finance and Innovation Act (TIFIA) legislation was not acted upon and so will not be eligible for consideration in the 2014 short session. The General Assembly has been wary of authorizing new authority for infrastructure. The bill to extend the maximum vehicle length for public transportation passed the House and is eligible for consideration next year. The State did budget the full amount for construction funding for the LYNX Blue Line Extension (BLE). In addition, the State Maintenance Assistance Program (SMAP) was budgeted at FY13 levels without a reduction. House Bill 857 (HB 857) extended to all local governments Public Private Partnership (P3) authority for Design-Build, Design-Build bridging contracts, and P3 construction contracts.

2014 is the “short session” in North Carolina. Local bills or 2013 legislation that met the “crossover” requirements can be considered. Mr. Fenton said that they will monitor the Strategic Transportation Investments bill HB 817. Lobbying efforts will also focus on advancing the vision, with recommendations from the TFWG. Mr. Fenton noted that staff will continue to work with partners such as the local business community, NC League of Municipalities and NC Metro Mayors Coalition, Triangle Transit Authority and other entities.

The 2013 Federal Legislative Agenda includes BLE funding. The Administration has requested \$100 million in FY14; \$66 million was appropriated in the FY13 budget. Congestion Mitigation & Air Quality (CMAQ) Improvement Program funds for bus and rail operators are also high on the federal agenda. The Federal Transit Administration (FTA) ruled that such funds in the future may be used for operations in the same manner in which they have been used in the past.

The Surface Transportation Reauthorization Act was approved for two years. CATS would like to see the program enacted as a long-term program, preferably six years supporting local decision making through metropolitan transit organizations. CATS would also like to see the New Starts/Small Starts program continue, as well as continued funding for bus/rail maintenance programs and the Railroad Rehabilitation and Improvement Financing (RRIF) and TIFIA loan programs. The 2030 Transit System Plan supports continuation of federal resources for build-out of the 2030 Transit System Plan.

Discussion: Mayor Swain noted that the TFWG is working on the East Coast Summit, which will be an opportunity for experts in financing to educate elected officials. It is important that MTC, the TWFG and CATS keep each other abreast of new developments. The target date is March of 2014 for the P3 forum.

b. Strategic Transportation Investments Law (HB 817)

David McDonald

Mr. McDonald noted that HB 817, the Strategic Transportation Investments Law (STI), is a new law for which guidance is still being developed. This is the first major change to NC’s transportation funding formula since 1989’s Highway Trust Fund Act, which established the so-called “equity” formula. All capital expenditures, regardless of mode, will be prioritized and funded from the Highway Trust Fund. Operations and Maintenance will be funded from the Highway Fund. Projects already obligated such as the BLE will be exempt from the STI law, as will Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds. The new law establishes three tiers of funding and sets a percentage of funds for each tier. Statewide Mobility receives 40 percent of funds; Regional Impact and Division Needs receive 30 percent each. There is a cascading effect. Projects eligible at the State level which do not receive funding move to the Regional Impact tier and then to the Division Needs tier. Projects can be submitted every two years.

Currently, there are no eligible transit projects at the Statewide Mobility tier, which is focused on projects that would address significant congestion and bottlenecks for statewide projects such as Interstates. Transit service that spans two or more counties and serves more than one municipality will fall in the Regional Impact tier. Funding is capped at ten percent of the region’s allocation. CATS’ reach spans two regions; therefore, CATS may potentially draw from two different regions. Fixed guideway and vehicles and expansion service may qualify, but there are questions about whether facilities such as bus shelters

and park and ride lots will qualify. The Division Needs tier is for transit projects not selected or funded in the Regional Tier and all remaining transit capital projects.

Projects will be ranked according to a formula. At the Statewide level, rankings will be 100 percent data-driven. At the regional level, 70 percent of a project's ranking will be data driven with 30 percent local input. Of that 30 percent, half of the weight is given to the NCDOT Division Engineer and half to the local MPO. The CRTPO has assumed that about 10-15 percent of funding will be set aside to non-roadway purposes such as transit, bike and pedestrian needs. Division Needs projects will be 50 percent data driven and 50 percent local input. The Division Engineer and MPO will assign points to projects, so it will be important to communicate to the Division Engineer and MPO about projects' importance. Key dates are November 15, 2013 for submitting transit projects for FY 2015 and November 29, 2013 for submitting transit projects for FY2016-2020. In December 2013, the MPO will endorse road projects to be submitted. By July 2014, the MPO and Division Engineer will assign Local Input Points to projects and the projects will be ranked. No other state puts all transportation projects in one group to compete for funding, so NC will have to determine a project ranking prioritization process without comparisons to other processes. Historically, the state budgeted 93 percent for highway projects and 7 percent for non-highway projects. Of projects funded, 96 percent were highway projects and 4 percent were non-highway projects.

In the early years of the new formula, most of the projects funded will be those already in the pipeline. The BLE is grandfathered under the old formula with funding already committed through 2022. Most federal funds utilized by CATS will not be subject to the law. Federal Formula Funds are directly awarded to CATS, CMAQ funding is exempt and New Starts funds are competitively awarded. However, the State funds used for capital are subject to the STI law, so future State Full Funding Grant Agreements and the State Match to capital expansions will be subject to the new law. Operations and Maintenance funds are not part of STI, but CATS will continue to compete with other agencies for limited funds.

Mr. Fenton said that the definition of local input was discussed at length in a Legislative Transportation Oversight Committee (LTOC) meeting on September 10. Legislators had thought that local input would mean local governments working through MPOs would have the voice. They did not see Division Engineers, being State employees, as being truly local. Secretary of Transportation Tata told the LTOC to take as much time as they needed to work out the details. Mr. Fenton said he had received information from Metro Mayors that Secretary Tata may be thinking about a different split for local input. The regional impact area has 30 percent for local input; his idea is that 20 percent would be truly local through the MPOs and Regional Planning Organizations and 10 percent for Division Engineers. Under Division Needs, it would be 30 percent local and 20 percent Division Engineers. It is likely that the formulas will not work as intended for projects, so the formulas may be tweaked in future legislation. Technical changes have already been made to the original legislation.

Discussion: Mayor Swain said that she understood that the formula is still being negotiated and MTC members should weigh in on the formula. If half of the decision is made by the Division Engineer, the decision is not a local voice. Mr. Collett said that the area over a 20-year horizon will equal \$2 billion to Division 10. That is a plus but he did not know how the money for the BLE would fit in. There are people at the MPO meetings who do not know a

lot about transit. He hoped the State would be open to capitalizing something outside the formula in the future. Mr. Thunberg said that since the State has already committed to the BLE for the next ten years, there may not be additional funding available for the next ten years for other CATS projects through this formula. The questions will be what the board policies will be with regards to previous commitments. Will the funds for those previous commitments be taken off the top before additional commitments are made? Mr. Collett said that in reality, the Legislature drove this formula. The Blue Line has been so successful that throughout the State he hears accolades; he did not feel there would be pushback on the Extension. Transit is not popular throughout the State, but the Governor has supported transit in the past. Mr. Messera noted that the pot of money is small. Only \$1.8 million is allocated for non-transit use for the entire Division. He said that Bill Brawley wanted to defund everything but highways. Ms. Flowers noted that the challenge for the future is that in the past, the State was a funding partner for the local share. That will no longer be the case. As CATS pursues competitive grants, the Federal commitment is usually to partner for a 50 percent share. If the State is not a partner, then the local share will become the entire remaining 50 percent. We will have to find creative funding in the region for the entire remaining 50 percent.

X. Chief Executive Officer's Report

Carolyn Flowers

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

a. Staff Update:

Ms. Flowers introduced the new General Manager of Safety and Security, Lavern McElveen.

Pallas Lombardi, CATS Program Manager for Art in Transit, participated in development of a Sustainable Urban Design Standard for best practices for integrating art in sustainable capital projects.

b. Financial Update:

The Senate unanimously approved a continuing resolution for funding. This will allow CATS to continue to receive funds even though the budget has not yet been approved.

Sales tax receipts in July came in higher than budget by about \$351,000, so the sales tax recovery trend remains positive. CATS hopes recovery will continue for the remainder of the fiscal year.

c. Miscellaneous:

The American Public Transportation Association (APTA) annual meeting begins this weekend in Chicago and continues through next Wednesday. Several staff members will attend. CATS is the recipient of two first-place AdWheel awards. Ms. Flowers said that she will administer a session with Secretary Foxx and FTA Administrator Rogoff.

CATS was featured in a recent report by the Institute for Transportation Development Policy entitled "More Development for your Transit Dollar." CATS' light rail project was characterized as "emerging land potential with moderate government TOD support." Ms. Flowers said that she disagreed with the report; she felt we had substantial land potential with a lot of government support.

d. Contract Negotiations:

Negotiations continue as there is currently not a contract with the union. The Union Steward has the authority to call a work stoppage and agreed today to an extension through October 15. Negotiations continue on both sides to make sure CATS can manage service. CATS has a contingency plan for operations, communications and safety and security in the event of a work stoppage. CATS will conduct a tabletop exercise next week to simulate the contingency plan to maintain core services.

Discussion: Mayor Rinker asked the major issues in the negotiations. Ms. Flowers replied that per agreement, CATS is not the negotiator and cannot discuss issues under negotiation. Both sides have agreed not to discuss the issues under negotiation.

XI. Other Business

None.

XII. Adjourn

The meeting was adjourned at 6:50 p.m. by Mayor Kinsey.

NEXT MTC MEETING: WEDNESDAY, OCTOBER 23, 2013, 5:30 P.M.