Transportation Task Force
2/06/08 Meeting
Minutes

Members Present:

Randy Kincaid, Chairman	Karen Floyd, Secretary	Mayor Jill Swain
Andrew Grant	Chris Ahearn	Mayor John Woods
Carroll Gray	Mitch Abraham	
Charlie Jeter	Gary Knox	

North Corridor Rail – David Carol (CATS)

Mr. David Carol, CATS gave presentation on commuter rail system and benefits. www.ridetransit.org

The route from the Charlotte Gateway Station to Mount Mourne is 25 miles using the existing Norfolk Southern Railroad right-of-way. The north line corridor is the least expensive because of the existing right-of-way. Upgrading the tracks and securing the crossings will be a minimal cost. Mooresville is proposing to use TIF to extend service from Davidson to Mount Mourne.

Service will be phased to meet the market but it will be a commuter rail service verses the light rail system in Charlotte. The commuter rail system is designed to be a rush hour congestion relief program for bringing people into Charlotte or employment centers and operate hourly during the course of the day.

The importance of the transportation system is that there are no major roadways that connect to Charlotte and there are vast open green spaces where growth will occur. The rail line provides another form of transportation. It will act as a buffer for retail and office.

The FTA Model measures how many people and how many trips are going to happen in all of Mecklenburg County and does not differentiate between the five corridors. The modeling shows there will be 4,600 trips made between Mount Mourne and Charlotte with the assumption that I-77 is completed and there is no congestion. The transit impact is equivalent to one extra lane on I-77 from 7-8 a.m. and 5-6 p.m.

The following numbers are based on the environmental impact statement by Charles Lesser that show how transit will reduce automotive use:

- Public Transit For Commute To Work
  - Population within 1 Mile of Rail Line (2030)
    - Towns: 47,000
    - Charlotte: 31,000
  - Employment within 1 Mile of Rail Line (2030)
    - Towns: 33,000
    - Charlotte: 85,000
- Mixed-Use Station Communities For Access To Retail & Services
  - 14,000 new residences by 2025
  - 5.8 million sq. ft. office & retail

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The MTC adopted the 2030 Plan in 2006. The Northeast Corridor engineering was approved last week. A briefing will be done with the Charlotte City Council on February 11th in hopes of approval on February 25th to move forward with the engineering. The project completion date is set for 2011-2012; however, funding most likely push that back 1-2 years. Key issue is the rail line exists and the Northeast is currently in the queue. If the towns decide not to fund the rail, it will be 10-15 yrs before MTC and CATS could review it again. The goal for the towns is to decide if the rail is coming or not so that everyone can move forward.

The North Corridor does not qualify for federal funds. The funding shortfall is currently $70 million in Mecklenburg County and to extend the system from Davidson to Mount Mourne will be $18 million additional with Mooresville responsibility being approximately 25%.

Financing alternatives:

A financing mechanism known as a **RRIF Loan** (Railroad Rehabilitation Improvement Financing) is financed by completely by the Federal Government. Under a 25-year loan there are no payments the first two years, interest only the next three years, and then interest and principal afterwards.

Municipality	Total Required	Annual Combined Payment by Towns/County (2014-2016)	Annual Combined Payment by Town/County (2017-2037)
Davidson, Cornelius, Huntersville, and Meck County (combined)	$44 million	$2.2 million	$3.9 million
Charlotte and Meck County (combined)	$26 million	$1.5 million	$2.3 million
Mooresville (Mount Mourne)	$15 million	$825,000	$1.3 million

Another choice is known as **TIF** (Tax Increment Financing). Under a 25-year loan with two years capitalized interest and three years interest-only and 20 years at full payment.

- Towns, City & County contribute a portion of tax revenues from new development in the station areas to finance the local share
- County assumes 70-75% of cost due to higher tax rate
- Projected tax revenue anticipated to exceed cost of rail debt service & cost of local services
- Requires approval of Towns, City & County

Municipality	Total Town Share Required	Annual Payment by Town (2014-2016)	Annual Payment by Town (2017-2037)
Huntersville (3 stations)	$5.9 million	$346,791	$556,252
Cornelius (1 station)	$2.2 million	$128,273	$205,750
Davidson (1 station)	$2.7 million	$153,927	$246,900
Mooresville (1 station)	$15 million	$825,000	$1.3 million
Allocated per station			

The challenge with TIF is that development is slow to start and then starts accelerating.

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Ms. Ahearn asked why the Mooresville share was so much higher. Mr. Carol stated that Mecklenburg County has a ½ cent sales tax.

Other local funding share options:

- Increased CATS' Share
    - Delays implementation of other corridors, e.g., Streetcar
- Contribution From Developers
    - Some station-related costs
- Increased State Share
    - Anticipated 25% share may already be challenge
- Other Options
    - Special tax districts around stations
    - Gradual increase in vehicle tax for road & transit improvements
    - Seek Federal earmarks

Mayor Knox questioned if the assumption of Charlotte's buy-in a bigger issue then whether or not the towns accept their share. Mr. Carol explained that the amount of development around the two stations in Charlotte is so huge that it is so financeable and should not be an issue.

Mr. Carol explained that the light rail line does not have stations there are platforms from the south end through to Seventh Street. NCDOT has assembled approximately 30 acres of property for the Charlotte Gateway Station which will be across the street from the new baseball stadium. They are in the process to find a master developer to develop the site that would include a CATS bus facility, Amtrack Station, a new Greyhound facility, and the street car will go right pass it.

Mayor Knox asked why the Bryton Station is not showing as paid for under the Huntersville portion. Mr. Jeter stated that the Bryton TIF does not include the transit station. Mr. Carol clarified that the TIF for Bryton is paying to relocate and rebuild the rail line.

Mayor Kincaid stated the most important question to ask is if the benefits of the rail outweigh the cost. Mr. Jeter stated that the question is easy to answer once the engineering structure is determined.

Mayor Kincaid stated that the RRIF loan is the secret weapon, in it makes the project doable. Mr. Carol explained that financially it is feasible but the issue is whether or not the towns want to do. Mr. Gray asked what the lead time would be for RRIF approval. Mr. Carol stated approximately 90 days.

Mr. Jeter asked what happens with the back and forth timing of the rail. Mr. Carol explained that trains will run in both directions every ½ hour between the hours of 6AM – 8AM and late night bus service will be provided after 7PM as the freight line will run in the evenings.

Mr. Jeter asked if there were any plans to convert the north rail line from heavy diesel commuter rail to the light rail and if so, would that take new tracks. Mr. Carol stated that the only way a light rail line is possible would be to build a parallel line which will most likely never happen.

Mayor Swain stated that as part of the puzzle you will have the commuter rail, I-77, and the bus service allowing options for everyone.

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Mr. Jeter asked what the impact projection of the rail arms and street traffic. Mr. Carol stated that the environmental impact statement basically says that the roads are congested today and will be congested tomorrow. The timing of the rail arms will be equivalent to an additional traffic light.

Mr. Stan Thompson, Mooresville Chamber of Commerce Hydrogen Economic Advancement, explained the benefits of using hydrogen rail would reduce the cost per mile by $2 million.

Mayor Swain asked for additional discussion on the infrastructure costs. Mr. Carol explained that the towns Planners have worked with CATS and Cherokee to identify the priority list if commuter rail were to move forward. Mayor Kincaid asked Mr. Carol to continue to work with the towns Planners.

Adjournment
6:56PM

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