Red Line Regional Rail Project Summit
Hosted by Lake Norman Transportation Commission

Mooresville, NC
December 13, 2011

Mark Briggs, Parsons Brinckerhoff
Katherine Henderson, KKH Consulting
Redefining the Red Line: 2010-2011

- Fall 2010: Greenleaf retained as NCDOT representative
- January 2011: Market study update (Noell report)
- Late Spring 2011: Formed Working Groups
  - Finance Working Group
  - Economic Development Working Group
- Late Spring 2011: PB and KKH join consultant team
  - Value capture
  - Freight-oriented development memo
  - Policy memo—framework approved by RLTF and MTC
  - Joint Powers Authority memo
  - Preliminary Business & Financial Plan
PRESENTATION OUTLINE

• Context: Purpose and Need
• Project History: 1998-2011
• Value Capture
• Policy Framework
• Freight-Oriented Development
• Governance: Joint Powers Authority
• Funding and Finance Plan
• Recommendations
• Process/Next Steps
CONTEXT: PURPOSE AND NEED
Developed Land: 1976
Developed Land: 1985

Source: CATS
Developed Land: Today

- **Population**
  - 630,500+ (today)
  - 980,000+ (2030)

- **Employment**
  - 470,000+ (2000)
  - 850,000+ (2030)

- **Population Density (persons/acre)**
  - 6.98 (1950)
  - 3.6 (2005)

- **Annual Hours of Delay**
  - 23 (1995)
  - 45 (2005)

How Will We Continue To Grow?

*Source: CATS*
## Projected Local Population Growth

<table>
<thead>
<tr>
<th>Area</th>
<th>2000 Population</th>
<th>2020 Population</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Iredell</td>
<td>44,520</td>
<td>98,251</td>
<td>121 %</td>
</tr>
<tr>
<td>Davidson</td>
<td>7,139</td>
<td>30,895</td>
<td>333 %</td>
</tr>
<tr>
<td>Cornelius</td>
<td>11,969</td>
<td>37,293 (2025 Projection)</td>
<td>212 %</td>
</tr>
<tr>
<td>Huntersville</td>
<td>24,960</td>
<td>80,860</td>
<td>224 %</td>
</tr>
<tr>
<td>Charlotte</td>
<td>540,820</td>
<td>847,400</td>
<td>57 %</td>
</tr>
</tbody>
</table>

Source: CATS
Transit System Expansion

- Basically Served Charlotte
- Couple Of Express Routes Within Mecklenburg County
- Few Neighborhood Circulators
- Few Customer Amenities
- Limited Safety/Security Investments

Source: CATS
Transit System Expansion

- Expanded Service Hours
- Greater Service Frequency
- More Routes
- Countywide ADA Service
- Regional Expansion
- Improved Safety And Reliability

Source: CATS
Our Road Network Is Failing

- **Traffic Volume Is Exploding**
  - Interstate -77: Double the traffic!
    - 2007: 87,000 vehicles per day
    - 2030: 170,000 vehicles per day
  - Local Trips: Triple the traffic!
    - 2007: 490,500
    - 2030: 1,241,700

- **I-77 Expansion Unknown**
  - Cost: $400-600+ million (current dollars)
  - No funding for design/construction
  - Completion: 2030

- **More I-77 Shutdowns**
  - More than 1,000 traffic accidents on I-77 (Exits 10-42) in 2004

*Source: CATS*
Key To Managed Development

- No New Access to Charlotte
  - I-77 expansion (2020-2030)
  - US-21 & NC-115
  - Asbury Chapel Rd and Prosperity Church Rd unfunded

- Development East of Railroad
  - Forced to use current road network to access Charlotte
  - Station area development eliminates automobile trips

Source: CATS
2025 Integrated Transit / Land Use Plan

1998

- Based on Centers and Corridors
  Land Use Vision

- Led to voters approving transit sales tax

Source: CATS
Construction Mitigation Study

2000 – 2001

- Potential Demonstration Project for I-77 Construction Mitigation

- I-77 Project was expedited and became a design/build project

Source: CATS
Major Investment Study

2000-2002

Major Investment Study:
- Analyzed different alignments and technologies
- Identified potential station locations
- Concluded with Locally Preferred Alternative in 2025 System Plan

Source: CATS
Environmental Assessment

2003-2006

- Started as an EIS
- Ended with EA because of minimal impacts
- Submitted to FRA
- Will need to be updated
- Included in 2030 System Plan with possible implementation by 2012 if funding strategy identified

Source: CATS
2007

- Studied ways to fund the federal funding GAP
- Studied Station Area Potential for Possible Tax Incremental Financing (TIF)
- Concluded with towns asking for a higher level of design to advance cost estimate
2008-2009

Cost Estimate Report complete

Track and Grade Crossings
- 90% plans

Stations and VIF
- 30% plans

Property
- Current comparables

Train Equipment
- Option prices for coaches

Source: CATS
## Project Costs (2018 dollars)

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Estimated Cost (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Line Track</td>
<td>$70.5</td>
</tr>
<tr>
<td>Grade Crossings</td>
<td>$44.9</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$58.3</td>
</tr>
<tr>
<td>Stations</td>
<td>$56.6</td>
</tr>
<tr>
<td>Charlotte Terminal Area &amp; Vehicle Inspection Facility</td>
<td>$66.0</td>
</tr>
<tr>
<td>Systems</td>
<td>$25.8</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$40.9</td>
</tr>
<tr>
<td>NS Licensing Agreement</td>
<td>$28.1</td>
</tr>
<tr>
<td>Freight Rail Rationalization</td>
<td>$5.7</td>
</tr>
<tr>
<td>Project Reserve</td>
<td>$11.6</td>
</tr>
<tr>
<td>Station Area Improvements</td>
<td>$43.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$452.0</strong></td>
</tr>
</tbody>
</table>

*Source: CATS*
2009

- Submitted grant request for the NCCR project under the TIGER program

- Over $56 Billion of total project applications were submitted to the TIGER program nationwide – only $1.5 Billion available for award

- The State of North Carolina’s top priority for TIGER funds was the I-85 Yadkin River Bridge project

Source: CATS
The Lake Norman Transportation Commission (LNTC) was created in January 2010. The ULI Advisory Panel made recommendations associated with the economic development and transportation infrastructure for the North Corridor.

Source: CATS
Recent Work - 2010

- January 2010 - CATS created a LYNX Red Line Work Plan identifying tasks to advance the project:
  - Project Cost Reduction and Phasing Work Session
  - Update Station Area Development Potential
  - Feasibility analysis of proposed new station in Charlotte
  - Feasibility analysis of station location change in Mt. Mourne
  - Update Operating and Maintenance Plan

- Spring 2010 – Red Line Task Force created

- Sept 2010 – Task Force introduced as an official sub-committee of the MTC

*Source: CATS*
November 2010 – Jeff Parker and Associates updated the CATS Financial Model which included scenarios that incorporated options for the Red Line

Fall 2010 - Members of the task force met with NCDOT who offered a State consultant resource to work with the Task Force on the Work Plan.
North Corridor Commuter Rail

Project Snapshot

- **Project**
  - Upgrades existing tracks on existing right-of-way
  - Connects: Charlotte, Huntersville, Cornelius, Davidson & Mooresville
  - 10 stations

- **Service**
  - 16-28 daily trains
  - Top Speed: 60 mph
  - 30-minute headway during rush
  - Hourly service off-peak
  - Daily Ridership: 4,000 – 5,000

*Source: CATS*
Commuter Rail Already Having An Impact
“Plan It . . . And They Will Come”

| Households Under Active Planning Or Construction At North Corridor Stations |
|-----------------|-----------------|-----------------|
| Griffith        | (Harris)        | 1,500           |
| Gandy           | (Eastfield)     | 951             |
| Twin Lakes      | (Eastfield)     | 750             |
| Bryton          | (Hambright)     | 3,000           |
| Vermillion      | (Huntersville)  | 917             |
| Caldwell Station| (Sam Furr)      | 1,359           |
| Antiquity       | (Cornelius)     | 759             |
| Approved Projects| (Davidson)     | 285             |
| Legacy          | (Mt. Mourne)    | 135             |
| **Total**       |                 | **9,656**       |

Source: CATS
Bryton (Huntersville), July 2009

Source: CATS
VALUE CAPTURE
Value capture strategies are financial mechanisms that harness and guide unique and extraordinary increases in economic value created by rail infrastructure investments to help fund the public improvements the related infrastructure.

Both public and private sectors must benefit.
Only works if market demand for proximity exists.
Value Capture: How it Works

Step 1
Anticipate development benefit

Step 2
Cash or Bond from unique benefit

Step 3
Construct capital improvements

Step 4
Pursue development projects

Improvements

Revenue

Value
## Stakeholders and Their Roles

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Role in Value Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local transit agencies/operators</td>
<td>Build and operate transit systems</td>
</tr>
<tr>
<td>DOTs and MPOs</td>
<td>Build, operate and direct funds for transit</td>
</tr>
<tr>
<td>Local governments</td>
<td>Collect taxes, provide facilities, control land use</td>
</tr>
<tr>
<td>Private developers</td>
<td>Develop associated property</td>
</tr>
<tr>
<td>Property owners</td>
<td>Pay taxes</td>
</tr>
</tbody>
</table>
System-Wide Influences – Getting it Right

- Land use development policies
- Transit service improvements
- Mobility management and urban design strategies
- **Regional collaboration**
Value Capture: General Sources

• **One-time funding sources**
  – Joint development
  – Air rights transfer
  – Development impact fees
  – Negotiated exactions

• **Ongoing funding sources**
  – Tax increment financing
  – Special assessment districts
  – Land value tax
  – Transportation utility fees
Value Capture: General Sources

- **One-time funding sources**
  - Joint development
  - Air rights transfer
  - Development impact fees
  - Negotiated exactions

- **Ongoing funding sources**
  - Tax increment financing
  - Special assessment districts
  - Land value tax
  - Transportation utility fees
Joint Development

Rail facility co-located with private real estate development, where the private sector partner may provide a public sector facility or make a financial contribution to public sector partner to offset its construction cost.

*May include Air Rights.*

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient (voluntary transaction)</td>
<td>Administratively complex</td>
</tr>
<tr>
<td>Politically palatable</td>
<td>Works only for the most profitable stations</td>
</tr>
</tbody>
</table>
Negotiated exactions are one-time developer contributions, like development impact fees, but they do not use a formulaic process and are typically not applied to off-site infrastructure. 

*Paid via in-kind contributions or in-lieu fees.*

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient</td>
<td>Not a primary source of revenue</td>
</tr>
<tr>
<td>Social equity</td>
<td>Can discourage development if fees are perceived as too high</td>
</tr>
<tr>
<td>Politically palatable</td>
<td></td>
</tr>
</tbody>
</table>
A mechanism allocating unique increases in future total property tax revenues toward public investment within a designated district.

This is not a new tax and does not require a tax rate change.

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit equity</td>
<td>Highly dependent on mode, location and market demand</td>
</tr>
<tr>
<td>Politically feasible</td>
<td>Concerns over geographic equity</td>
</tr>
<tr>
<td>Can potentially generate large increment</td>
<td>Good potential (but limited track record) for transit</td>
</tr>
</tbody>
</table>
Tax Increment Financing: how it works

**Base AV:** Retained by other taxing districts

**Incremental AV:**
- To TIF authority for project costs
- "Real" Increment
- New Post-Project AV: Shared by all taxing districts

**Project AV:**
- Now belongs to all relevant taxing districts
- Shared by all taxing districts

**AV: Background gains**

**TIF Assessed Value (AV) Over Project Life**

- **30 year TIF**
- **Created**
- **Terminated**
Special Assessment Districts (SAD)

A self-imposed additional assessment on income producing properties that are expected to see a benefit due to a new nearby rail facility.

Increasingly used to fund a portion of the transit system itself vs. operating costs.

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically efficient</td>
<td>May have political issues</td>
</tr>
<tr>
<td>Equitable</td>
<td>Relevant NC legislation set to sunset in 2013</td>
</tr>
</tbody>
</table>
Considerations For Value Capture

- Coordination between multiple jurisdictions
- Accessing funds administered by local governments
- Support from private developers and property owners
- Project location and design
- Current macroeconomic conditions
- Legal considerations
- Federal transportation policies
The Bottom Line

Value capture can help fill the gap in traditional funding sources.
POLICY FRAMEWORK
Policy Concepts for the North Corridor

Three key concepts for project success—Red Line as:

1. An economic development strategy
2. A dual-benefit corridor: goods (FOD) and people (TOD)
3. A network benefit best suited to a unified approach (governed via Joint Powers Authority)
An Economic Development Strategy

Via a Dual Benefit Corridor, the Red Line can:

• Be an attractive alternative location to I-77
• Enhance long-term logistics opportunities
• Help generate 23,000 unique jobs for the region
• Attract over $4.9 billion in private investment

...over time, enhancing the North Corridor’s regional economic development leadership position.
Leveraging Revenues from TOD/FOD

Value Capture:
Directs Revenue Back for Corridor Operation and Improvements

Design Integrated Rail and Road Network

Robust Stream of Revenue

Highest and Best Pattern of Land Development
Network Benefit: Building One Car

Each jurisdiction purchases a part of the car. The car only runs when everyone has contributed their part.

Each car part is different, and part each is essential.

Together, we achieve a network benefit through regional participation.
Project Delivery: Unified vs. Segmented

SEGMENTED APPROACH (Independent Parties)

By others!

UNIFIED APPROACH (Dependent Partners)
## Unified Approach: Best Chance for Success

<table>
<thead>
<tr>
<th>Unified Pros (vs. Segmented)</th>
<th>Unified Cons (vs. Segmented)</th>
</tr>
</thead>
<tbody>
<tr>
<td>More attractive to bond market</td>
<td>Requires greater cooperation</td>
</tr>
<tr>
<td>Streamlines negotiations and administration (JPA)</td>
<td>Raises concerns over perceptions of control</td>
</tr>
<tr>
<td>Eliminates cross jurisdictional complexities</td>
<td>Requires new way of thinking and acting on local funding</td>
</tr>
<tr>
<td>Increases efficiency and likelihood of project delivery</td>
<td></td>
</tr>
</tbody>
</table>

- **Pros**:
  - More attractive to bond market
  - Streamlines negotiations and administration (JPA)
  - Eliminates cross jurisdictional complexities
  - Increases efficiency and likelihood of project delivery

- **Cons**:
  - Requires greater cooperation
  - Raises concerns over perceptions of control
  - Requires new way of thinking and acting on local funding
“A geographical area consisting of at least two contiguous counties ... administered by a single entity.”

Benefits of regionalization include:

• Better and increased services crossing county lines
• Addressing regional problems (traffic, air quality)
• Greater opportunities for creation of local dedicated funding sources for transit
• Increasing capital, operating, and administrative economies
• NCDOT technical, operational and financial incentives

These benefits can only be obtained through transit consolidation under a single regional entity.
NCDOT long-term transportation planning prioritizes:

- An integrated network of multimodal transportation systems and supporting logistics centers
- Clear links to jobs, economic opportunities, and environmental and financial sustainability.
## Northeast/Midwest Precedents

<table>
<thead>
<tr>
<th>System Name</th>
<th>Location</th>
<th>Operating Entity</th>
<th>System Length (miles)</th>
<th>JPA Created?</th>
<th>Key Characteristics Relevant to Red Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>MetroNorth Railroad</td>
<td>CT / NY</td>
<td>MetroNorth</td>
<td>775</td>
<td>*</td>
<td>Occasional freight customers.</td>
</tr>
<tr>
<td>MARC train</td>
<td>Maryland / DC</td>
<td>MTA</td>
<td>187</td>
<td>*</td>
<td>Shares with CSX.</td>
</tr>
<tr>
<td>Railway Express</td>
<td>Virginia</td>
<td>NVTC / PRTC</td>
<td>90</td>
<td>*</td>
<td>Shares with CSX and NS. Partnership of 2 transportation commissions.</td>
</tr>
<tr>
<td>Northstar Commuter Rail</td>
<td>Minneapolis, MN</td>
<td>Metro Transit</td>
<td>40</td>
<td>Yes</td>
<td>30 local governments. Shares with BNSF.</td>
</tr>
<tr>
<td>Metra</td>
<td>Chicago area</td>
<td>RTA</td>
<td>500</td>
<td>*</td>
<td>Shares with BNSF and UP.</td>
</tr>
<tr>
<td>Northeast Regional Rail Authority (NRRA)</td>
<td>Pennsylvania</td>
<td>NRRA</td>
<td>100</td>
<td>*</td>
<td>Currently upgrading for passenger traffic.</td>
</tr>
</tbody>
</table>
# Northwest, Southeast, Southwest Precedents

<table>
<thead>
<tr>
<th>System Name</th>
<th>Location</th>
<th>Operating Entity</th>
<th>System Length (miles)</th>
<th>JPA Created?</th>
<th>Key Characteristics Relevant to Red Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metrolink</td>
<td>Southern California</td>
<td>SCRRRA</td>
<td>512</td>
<td>Yes</td>
<td>Fifth largest system in US.</td>
</tr>
<tr>
<td>Westside Express</td>
<td>Portland, Oregon</td>
<td>TriMet</td>
<td>15</td>
<td>*</td>
<td>Tri-county system. Operated on upgraded P&amp;W line.</td>
</tr>
<tr>
<td>Sounder</td>
<td>Seattle / Tacoma, WA</td>
<td>Sound Transit</td>
<td>82</td>
<td>*</td>
<td>Shares with BNSF</td>
</tr>
<tr>
<td>Rail Runner Express</td>
<td>Albuquerque / Santa Fe, NM</td>
<td>3 regional agencies</td>
<td>97</td>
<td>*</td>
<td>Shares with BNSF</td>
</tr>
<tr>
<td>Capital MetroRail</td>
<td>Austin, TX</td>
<td>CMTA</td>
<td>32</td>
<td>*</td>
<td>Shares with Austin Western RR</td>
</tr>
<tr>
<td>TriRail</td>
<td>Southern Florida</td>
<td>SFRTA</td>
<td>71</td>
<td>*</td>
<td>Shares with CSX</td>
</tr>
<tr>
<td>ACE</td>
<td>San Joaquin, CA</td>
<td>SJRRC</td>
<td>86</td>
<td>Yes</td>
<td>Shares with UPRR</td>
</tr>
<tr>
<td>FrontRunner</td>
<td>Salt Lake City, UT</td>
<td>UTA</td>
<td>45</td>
<td>*</td>
<td>6 miles shared with UP</td>
</tr>
<tr>
<td>Cotton Belt Rail</td>
<td>North Texas</td>
<td>DART / FWTA</td>
<td>68</td>
<td>N/A</td>
<td>PLANNING STAGE. Would upgrade/share with BNSF.</td>
</tr>
</tbody>
</table>
The Bigger Picture

A unified Red Line rail project captures local economic development opportunities that can only be realized through regional collaboration.
1. ECONOMIC DEVELOPMENT FOCUS. The Red Line is an essential part of the region's economic competitiveness. This rail investment will attract new residents, employment and private business, strengthening the North Corridor as a focal point for the regional economy. Regional collaborations across the country (including Minneapolis, MN; Southern California; Portland, OR; and South Florida) have been the most successful, leveraging transit service delivery to stimulate economic growth. In addition, the RLRR Project will focus new development in a pattern that will achieve efficiencies allowing local governments to provide high-quality public services at lower cost.
2. DUAL BENEFIT STRATEGY. The RLRR must advance a dual-benefit strategy that integrates the efficient movement of both goods (freight) and people (transit). Pursuing a dual-benefiting strategy is essential to achieving corridor-wide economic development potential and supporting traffic mitigation objectives on I-77.
3. **UNIFIED BENEFITS APPROACH.** A unified benefits approach must be established to **maximize regional value creation, value capture and value distribution.** Establishing a unified benefit district for the RLRR Project will streamline the development process and make for an investment that is more attractive to potential project financiers. This type of unified district approach is often administered via a **Joint Powers Authorities (JPA),** which is an entity allowing two or more local jurisdictions to operate collectively on projects determined to be of regional need and significance.
4. STATE LEADERSHIP. The Red Line Task Force believes that the State of North Carolina playing a leadership role in the RLRR project will be essential to realize project success. They also recognize that this effort has the potential to set an important precedent for implementation of rail projects elsewhere in the region and across the state. The state, through NCDOT, should take a lead role in positioning the project for strategic statewide logistics inclusion, negotiating partnering agreements with Norfolk Southern, forming a JPA and providing specific financial incentives for regional cooperation.
FREIGHT ORIENTED DEVELOPMENT
Red Line
Regional Rail
Unified Benefit District (UBD)
Southeastern U.S.: Success Factors for FOD

• Attractive location for industry
  – Quality of life
  – Right to work laws
  – Ample funding for workforce training programs
  – Low taxes
  – Moderate climate

• Strong existing transportation network
  – Rail, highways, ports
  – Intermodal centers
  – Distribution and logistics

• Growing base of freight-dependent industries
  – Auto manufacturing
  – Retail (distribution centers)
North Corridor: Freight Opportunity

- Second largest concentration of economic activity in Charlotte region (after CBD)
- Base of industrial freight logistics
- Many available FOD sites
- Constrained regional roadway network
- Heavy and increasing demand for freight transportation

➔ Significant opportunity for FOD as an economic development strategy in the North Corridor
Public Benefits of Freight Transport

Transporting freight by rail (vs. truck) offers other benefits beyond economic development:

• Energy efficiency: on average, three times more efficient than trucks (tonnage moved per gallon of fuel)
• Lower emissions (per ton-mile) than truck transport
• Reduced highway congestion
• Safer way to transport hazardous materials
Recent studies indicate strong support for the Red Line project approach:

- 30 commuter rail operations in U.S.
- 24 contract out their operations
- State or local jurisdictions own most
- Many operate on rights-of-way belonging to other freight or passenger rail carriers
- Most commuter operations advocate using freight railroad ROW
Amtrak operates on 22,000 miles of track. The vast majority of this mileage is owned by freight railroads. By law, freight railroads must grant Amtrak access to their track upon request and give priority status to Amtrak trains over other customers. Amtrak pays fees to freight railroads to cover the incremental costs of Amtrak's use of freight railroad tracks.
Public Side: FOD Implementation Issues

- Pattern of freight transportation
- Noise, air quality, congestion, vibration and safety impacts
- Congestion and public safety
- Abandoned /obsolete sites and railroad rights-of-way
- Industrial adjacent to sensitive land uses (school, hospital)
- Limited local control over railroad operations
- Federal preemption (Federal Surface Transportation Board)
Local Planning Tools to Support FOD

- FOD land use planning
- Site design/approval
- Upgrade infrastructure
- Grade crossings
- Idling restrictions
- Minimum buffers
- Zoning distinction for spur vs. siding
- Truck access/loading areas
- Trip generation estimates
- Manage truck traffic
- Parking (on-site requirements; pooled truck strategy)
- Communication program
Balancing Freight/Passenger Tensions

- Competition for limited track space
- Parking shortages
- Liability issues
- Congestion and public safety
- Access rights
- Length of shared use agreements
- Responsibility for dispatching, capital investments, maintenance
- Local land use conflicts
- Noise, air quality, congestion, vibration and safety impacts
Establishing Shared Use: Negotiations

• Railroads start with tremendous leverage
  – Most rail corridors are private property
  – Railroad property cannot be condemned via eminent domain

• Transit leadership must manage public expectations about the commuter rail service
  – Too high expectations damages public bargaining position
Toward a Win-Win Shared Use Agreement

- Establish a trusting relationship
- Involve high-level legislators or elected officials to facilitate agreements and secure public support
- Focus on shared goals: increasing capacity; increasing speed and reducing travel time; improving reliability; optimizing maintenance costs; and improving ROW

Goal: a unique shared use agreement that suits the specific situation and respects individual interests
Conclusion: FOD Feasible in North Corridor

- The Southeast, and North Corridor in particular, is a strong candidate for FOD.
- FOD can help leverage revenues to support Red Line capital costs and operations.
- Successful FOD implementation will require:
  - Thoughtful local land use planning and zoning
  - A shared use rail agreement with Norfolk Southern
  - Focus on shared public/private goals, including: increasing capacity; increasing train speed and reducing travel time; improving reliability and ensuring on-time performance; optimizing maintenance costs; and improving ROW conditions.
PROJECT GOVERNANCE: JOINT POWERS AUTHORITY
Joint Powers Defined

- Formal partnership between two or more agencies
- Projects of regional significance
- Includes “interlocal agreements” or creation of new entities (Joint Powers Authority)
Characteristics of JPAs

- Local jurisdictions choose powers
- Formed by mutual agreement
- Created voluntarily by member organizations
- Can issue revenue bonds without holding election
- Distinct from special districts which require new delegation of power from state

(a) Units agreeing to an undertaking may establish a joint agency charged with any or all of the responsibility for the undertaking. The units may confer on the joint agency any power, duty, right, or function needed for the execution of the undertaking, except that legal title to all real property necessary to the undertaking shall be held by the participating units individually, or jointly as tenants in common, in such manner and proportion as they may determine.

(b) The participating units may appropriate funds to the joint agency on the basis of an annual budget recommended by the agency and submitted to the governing board of each unit for approval.
Article 5 of Chapter 159; 159-80 and following:

- Permits revenue bonds to be issued for a public transportation system and for economic development

- **Specifically authorizes the use of the Revenue Bond Act by Joint Agencies** by defining the term “Municipality” to include joint agencies under Article 20 of Chapter 160A

- Revenues that JPA can pledge toward revenue bond include:
  - TIF
  - Special Assessment District
  - Revenues from a contract with the State

→ Express statutory authorization in North Carolina for issuance of revenue bonds by a joint agency as envisioned for Red Line
## Regional Rail: Governance Case Studies

<table>
<thead>
<tr>
<th>System Name</th>
<th>Location</th>
<th>Managing Entity</th>
<th>Contract Operator</th>
<th>System Length (miles)</th>
<th>Partner RRs</th>
<th># of Member Agencies</th>
<th># Board Members</th>
<th># of Staff</th>
<th>Can Tax?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional Rail via JPA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Northstar Commuter Rail</td>
<td>Minnesota</td>
<td>NCDA / Metro Transit</td>
<td>Metro Transit</td>
<td>40</td>
<td>BNSF</td>
<td>30</td>
<td>30</td>
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<td>Metrolink (SCRRA)</td>
<td>Southern California</td>
<td>SCRRRA</td>
<td>Amtrak</td>
<td>512</td>
<td>BNSF &amp; UPRR</td>
<td>5</td>
<td>11</td>
<td>208 + 397 contract</td>
<td>No</td>
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<td>ACE</td>
<td>San Joaquin, CA</td>
<td>SJRRC**</td>
<td>Herzog Transit</td>
<td>86</td>
<td>UPRR</td>
<td>3</td>
<td>8</td>
<td>37</td>
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<tr>
<td>Capitol Corridor</td>
<td>Northern California (8 counties)</td>
<td>CCJPA/ BART</td>
<td>Amtrak</td>
<td>170</td>
<td>UPRR</td>
<td>6</td>
<td>16</td>
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<td>Caltrain</td>
<td>Northern California</td>
<td>PCJPB/ SamTrans</td>
<td>Herzog Transit</td>
<td>77</td>
<td>UPRR</td>
<td>3</td>
<td>9</td>
<td>0</td>
<td>No</td>
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<tr>
<td><strong>Regional Rail via Interlocal Agreement</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Virginia Railway Express</td>
<td>Virginia</td>
<td>NVTC / PRTC</td>
<td>Amtrak</td>
<td>90</td>
<td>CSX &amp; NS</td>
<td>2</td>
<td>14</td>
<td>40</td>
<td>Unknown</td>
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<tr>
<td>Trinity Railway Express</td>
<td>Dallas area</td>
<td>T / DART</td>
<td>Herzog Transit</td>
<td>35</td>
<td>BNSF &amp; UPRR &amp; FWWR &amp; DGN</td>
<td>2</td>
<td>Unknown*</td>
<td>0</td>
<td>Unknown</td>
</tr>
</tbody>
</table>
JPA Case Study: Capitol Corridor (CA)

- **Service characteristics**
  - Passenger service along 170-mile UPRR corridor
  - Dual benefit corridor, UPRR handles dispatching

- **CCJPA**
  - 6 transit agencies in 8 counties (16 board members)
  - Internal functions: oversight, management, administration
  - Contract functions: train/station O&M to Amtrak
  - All staffing provided by BART (23.5 FTE)
Former CCJPA Executive Director Eugene Skoropowski:

“This all sounds complex, but it actually is a simple concept that works....This structure, combined with state capital funds, allowed the Capitol Corridor to grow from a brand new intercity passenger rail corridor with six trains a day in 1991 to the nation’s third-busiest route with some 32 trains a day, and pushing the share of costs paid by passengers to 50-55% (up from 29.8% in 1998). It is judged as a success by users, legislators, state administrators and transportation officials of both political parties. Yes, even in California, the automobile capitol of the planet, Americans will ride trains if they are safe, frequent, reliable, modern, comfortable, and reasonably time competitive.”
JPA Case Study: Northstar (MN)

- **Service characteristics**
  - Passenger service along 40-mile BNSF mainline
  - Dual benefit corridor (40-80 trains per day)

- **NCDA**
  - 30 local governments, each with one representative
  - 5-member Executive Committee
  - Staff functions to Anoka County
  - Contract operations to Metro Transit
Interlocal: Virginia Railway Express (VA)

- **Service characteristics**
  - Passenger service along 90-mile corridor
  - Dual benefit corridor shared with CSX & NS

- **Master (interlocal) agreement**
  - Partnership between two transportation commissions
  - Co-ownership of all assets
  - Share staff functions
Red Line Regional Rail: JPA Overview

- Limited-power regional entity formed for the single purpose of executing the Red Line Regional Rail (Phases I and II)
- Created by mutual consent of the seven North Corridor local governments
- Closely related to and controlled by its member agencies, including CATS and the State, through Board representation
Creating a JPA: Project Recommendations

1. The purpose or purposes of the contract or agreement;

   Streamlined design, building, operations, maintenance and financing of:
   – Phase I: South Mt. Mourne in Mooresville to Charlotte
   – Phase II: South Mt. Mourne in Mooresville to Lowe’s Distribution Center at I-40
2. *The duration of the agreement;*
   - 30 years to cover full financing period
   - After 30 years, continuous unless otherwise terminated
3) If a joint agency is established, its composition, organization, and nature, together with the powers conferred on it;

- Composition:
  - Formed by seven North Corridor jurisdictions
  - CATS included as part of City of Charlotte
  - State included by contract with JPA
3) If a joint agency is established, its composition, organization, and nature, together with the powers conferred on it;

Structure of 18-member Board:

- State of NC: two members
- CATS: two members
- City of Charlotte (non-CATS): two members
- Town of Huntersville: two members
- Town of Cornelius: two members
- Town of Davidson: two members
- Town of Mooresville: two members
- Mecklenburg County: two members
- Iredell County: two members
Creating a JPA: Project Recommendations

3) *If a joint agency is established, its composition, organization, and nature, together with the powers conferred on it;*

Board Responsibilities:

- Conduct strategic planning
- Create JPA policies, including Operating Guidelines
- Hire JPA Executive Director
- Approve contracts
- Approve annual budget
- Approve annual report
- Issue quarterly progress reports and meeting minutes
- Appoint Board positions
- Retain third-party independent auditor for annual audit
3) **If a joint agency is established, its composition, organization, and nature, together with the powers conferred on it;**

Proposed JPA powers:

- Ability to receive revenues
- Ability to issue bonds (based on revenues from members)
- Ability to allocate/spend money within the UBD on approved expenditures
- Ability to own assets, except real property
- Ability to enter into contracts
- Ability to sue (or be sued)

**JPA WOULD NOT BE GRANTED THE POWER TO TAX**
4) *The manner of appointing the personnel necessary to the execution of the undertaking;*

- Three JPA Staff Positions:
  - Executive Director, hired by the Board
  - Finance Director, hired by the Executive Director
  - Project Coordinator/Administrative Assistant, hired by the Executive Director

- Three Technical Advisory Committees:
  - Planning
  - Economic Development
  - Communications/PR
### Creating a JPA: Project Recommendations

<table>
<thead>
<tr>
<th>JPA Function</th>
<th>Type</th>
<th>Personnel / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Planning</td>
<td>Internal</td>
<td>Board</td>
</tr>
<tr>
<td>Administration / Governance; Legal and Intergovernmental Affairs</td>
<td>Internal</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Financial Management, including Budgets and Annual Reports</td>
<td>Internal</td>
<td>Finance Director. Must also appoint treasurer and auditor.</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>Contract</td>
<td>Member jurisdiction or third party. Ongoing, long-term.</td>
</tr>
<tr>
<td>Planning for both Phase I and II</td>
<td>Contract</td>
<td>Member jurisdiction or third party. Some ongoing functions, some discrete projects.</td>
</tr>
<tr>
<td>Project Development / Execution; Design &amp; Construction Management</td>
<td>Contract</td>
<td>Third party, discrete projects</td>
</tr>
<tr>
<td>Communications / Public Relations</td>
<td>Contract</td>
<td>Third party, as-needed</td>
</tr>
<tr>
<td>Legal / Bond Finance / P3 Procurement</td>
<td>Contract</td>
<td>Third party. Heaviest at JPA inception.</td>
</tr>
</tbody>
</table>

§ 160A-464. Provisions of the agreement
6) The formula for ownership of real property involved in the undertaking, and procedures for the disposition of such property when the contract or agreement expires or is terminated;

- JPA cannot own real property
- Could be granted ownership of non-real property project assets, subject to relevant contracts
7) **Methods for amending the contract or agreement;**

8) **Methods for terminating the contract or agreement;**

- Would require consent of each member jurisdiction
- Member could withdraw via up-front payment
9) *Any other necessary or proper matter.*

- JPA agreement explicitly protects all member jurisdictions from recourse
- Local control of local rail-related infrastructure improvements, following:
  - Adopted Station Area Plan
  - Cost analysis vs JPA execution
  - Design and construction specs
  - Bid documents and solicitation
  - Contractor selection
State Leadership and Support

- Project leadership role by NCDOT and consultants
  - Scoping, planning, review and adoption processes
- Strategic position and transportation experience
  - NCDOT rail knowledge and expertise
- History of State backing for infrastructure borrowing
- State will review plan, potentially commit to:
  - Fund 25 percent of the project capital construction costs
  - Fund 25 percent of ongoing O&M costs
  - Back the bond financing package
FUNDING AND FINANCING PLAN
Total project capital cost: $452M

Capital and O&M proposed to be funded via the following partnership:

- 25% CATS = $113 M (transit funds)
- 25% State = $113 M (multimodal funds)
- 50% Local = $226 M (value capture)
Value Capture: Two Primary Sources

Funding local share via two primary mechanisms:

• Tax Increment District (TIF) Revenues
  – Mecklenburg and Iredell Counties, City of Charlotte, towns of Huntersville, Cornelius, Davidson and Mooresville

• Special Assessment District (SAD) Revenues
  – City of Charlotte, towns of Huntersville, Cornelius, Davidson and Mooresville
Value Capture Development Assumptions

- Projected “Value Capture” only includes known projects
- Identified projects:
  - Beginning construction with projected phasing
  - Where owners commit to develop as the economy improves
  - On key sites where jurisdictions are confident that near-term development will occur
  - With development plans endorsed by jurisdictions (densities, mix of uses and entitlements)
Phil Gandy: “I began to assemble the properties six years ago because I saw the vision for a TOD and thought it was worth the investment. The design of the project and the uses all focus on the coming of the Red Line.”
Key Project: Gandy Communities

• **Area A:**
  - 18 acres open space
  - 150 K retail
  - 300 K office
  - 800 residential units

• **Area B:**
  - 8 acres open space
  - 120 residential units
  - 150 K office

• **Area C:**
  - 11 acres open space
  - 120 K office and retail
  - 750 residential units

• **Area D:**
  - 5 acres open space
  - 350 residential units
Key Project: LangTree at the Lakes

Barry Rigby:
"The continuation of Live, Work, Play developments that encompass a greener lifestyle with less individual negative footprints on our eco system is finally at a point where both economics, lifestyle and morality are meeting at the same place."

Barry Rigby:
“The Red Line provides for a wider geographical breath of employment and recreational choices for individuals.”
Key Project: LangTree at the Lakes

- **Area A:**
  - 600 apartments
  - 98 K retail
  - 55 K office
  - 3 hotels (430 rooms)
  - 35 condominiums

- **Area B:**
  - Hotel (150 rooms)
  - 20 K retail/restaurants
  - 100 K office

- **Area C:**
  - 35.7 K commercial
  - 17 condominiums

- **Area D:**
  - 200 K office
  - 500 apartments
  - 100 townhomes
  - 300 single family detached homes
Unified Revenue Approach

- The TIF and Assessment District revenues are “rolled up” into the cumulative amounts
- The revenues are allocated by contract from the jurisdictions to the Joint Powers Authority (JPA)
- JPA will offer “Availability Payments” based on the combined TIF and Assessment District revenues
- The JPA secures the financing through the issuance of bonds or P3 approach
Financing Options: Bond Approach

- The importance of full participation in the Assessment District
- Provides early year revenues before the Tax increment Revenues are realized

**RLRR Annual Tax Increment Revenues**

<table>
<thead>
<tr>
<th>RANGE</th>
<th>ANNUAL SNAPSHOT</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2021</td>
<td>2026</td>
<td>2031</td>
<td>2036</td>
</tr>
<tr>
<td>High</td>
<td>$7,457,011</td>
<td>$21,609,741</td>
<td>$27,586,137</td>
<td>$29,769,517</td>
<td>$30,632,619</td>
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<tr>
<td>Medium</td>
<td>$7,239,816</td>
<td>$20,980,331</td>
<td>$26,782,657</td>
<td>$28,902,443</td>
<td>$29,740,407</td>
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<tr>
<td>Low</td>
<td>$7,022,622</td>
<td>$20,350,921</td>
<td>$25,979,177</td>
<td>$28,035,370</td>
<td>$28,848,195</td>
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</tbody>
</table>

**RLRR Annual Special Assessment Revenues**

<table>
<thead>
<tr>
<th>RANGE</th>
<th>ANNUAL SNAPSHOT</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2021</td>
<td>2026</td>
<td>2031</td>
<td>2036</td>
</tr>
<tr>
<td>High</td>
<td>$16,283,498</td>
<td>$25,156,079</td>
<td>$29,305,518</td>
<td>$30,819,182</td>
<td>$31,749,826</td>
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<tr>
<td>Medium</td>
<td>$15,809,221</td>
<td>$24,423,377</td>
<td>$28,451,959</td>
<td>$29,921,536</td>
<td>$30,825,074</td>
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<tr>
<td>Low</td>
<td>$15,334,944</td>
<td>$23,690,676</td>
<td>$27,598,400</td>
<td>$29,023,890</td>
<td>$29,900,322</td>
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</tbody>
</table>
• Stone & Youngberg proposes a structure utilizing the tax increment and assessment revenues as a single source for bond payments
• Guggenheim Securities proposes separate bond issues with early assessment bonds and later tax increment bonds
• Both approaches are viable
Stone & Youngberg Structure

- **CATS Share**: Funding through Zero Coupon Revenue Anticipation Notes (RANs) repaid in 2018 at 3% interest rate

- **State Share**: Funding through Revenue Anticipation Notes (RANs) repaid quarterly from 2014 through 2018 at interest rate ranging from 1.2% to 2.3%.

- **Local Share**:
  - 30-year Revenue Bonds (based on tax increment and assessment district revenues) at 4% to 5% interest rates
  - Includes $11 million in capitalized interest, a $19 million reserve fund, and no less than a 1.4 annual coverage
  - **Cumulative retained revenues exceed $1 billion, before use for O&M costs**
## Stone & Youngberg Summary

<table>
<thead>
<tr>
<th></th>
<th>JPA SA/TIF</th>
<th>CATS</th>
<th>NCDOT</th>
<th>SA/TIF Revenues</th>
<th>Total Construction</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Bond Proceeds</td>
<td>RAN Proceeds</td>
<td>RAN Proceeds</td>
<td>Applied to Const.</td>
<td>Proceeds</td>
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<td>2013</td>
<td>$32,958,331</td>
<td>$14,288,963</td>
<td>$15,753,997</td>
<td>$11,131,292</td>
<td>$74,132,583</td>
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<td>2014</td>
<td>$56,499,996</td>
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<td>$27,006,852</td>
<td>$8,859,837</td>
<td>$116,862,051</td>
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<tr>
<td>2015</td>
<td>$56,499,996</td>
<td>$24,495,366</td>
<td>$27,006,852</td>
<td>$</td>
<td>$108,002,214</td>
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<tr>
<td>2016</td>
<td>$56,499,996</td>
<td>$24,495,366</td>
<td>$27,006,852</td>
<td>$</td>
<td>$108,002,214</td>
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<tr>
<td>2017</td>
<td>$23,541,681</td>
<td>$10,206,402</td>
<td>$11,252,855</td>
<td>$</td>
<td>$45,000,938</td>
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<tr>
<td>Total</td>
<td>$226,000,000</td>
<td>$97,981,463</td>
<td>$108,027,408</td>
<td>$19,991,129</td>
<td>$452,000,000</td>
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</table>
Guggenheim Securities Approach

• **NC DOT** pays 25%
  – Not financed: funding received evenly

• **CATS** pays 25%
  – Lump sum after construction
  – Financed with a short-term, stand-alone note

• **Assessment bonds** will be 25%
  – Sold upfront
  – Bond sizing will be limited to an amount that can be supported (with coverage) from assessments available on the date of bond sale

• **TIF bonds** will pay for 25%.
  – Sold last
  – Will still need credit enhancement for a period of time
Summary of Guggenheim Securities Program

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Timing</th>
<th>Credit Quality</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC DOT</td>
<td>During Construction</td>
<td>AAA</td>
<td>Use as PAYGO</td>
</tr>
<tr>
<td>CATS</td>
<td>After Construction</td>
<td>A Category</td>
<td>Stand-alone RAN’s</td>
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<tr>
<td>Assessment</td>
<td>Immediately available</td>
<td>Non Rated , but very attractive to market</td>
<td>Non Rated Assessment Bonds</td>
</tr>
<tr>
<td>Tax Increment</td>
<td>Available only after new construction</td>
<td>No revenues, unsellable</td>
<td>JPA BAN’s, backstopped by State of NC, offset by TIF, refinanced ASAP</td>
</tr>
</tbody>
</table>
Excess Revenues

• Under either approach, there will be excess revenues beyond debt service and O&M costs

• At a pre-established threshold, the JPA will evaluate:
  – Reducing the 75/25 split of the tax increment revenues
  – Reducing the special assessment level from .75/$100 of assessed values
Assumptions – DBFOM Scenario

- Capital cost of $452M
- CATS and NCDOT each contribute $113M towards capital (interest and principal) through issuance of $206M revenue anticipation notes (RANs)
  - 5 years @ 1.9 to 3.3%
- Special Assessment and Tax Increment Financing (SA/TIF) revenues PAYGO during construction ($87M)
- Balance of construction costs financed by private partner
  - Debt/Equity: 80/20
  - Debt: Private Activity Bonds (PABs) @ 6.0%
  - Equity: 10.0% return required
  - Term: 30 years (2013 – 2043)
Sources of Funds – DBFOM Scenario

- P3 Partner, 35%
- PABs $127M, 28%
- Equity $32 M, 7%
- NCDOT RAN Proceeds $108M, 24%
- CATS RAN Proceeds $98 M, 22%
- TIF/SA Applied to Construction PAYGO $87M, 19%

Slide 111
Sponsor Cash Flows – DBFOM Scenario
Assumptions – DBOM Scenario

• Capital cost of $452M
• CATS and NCDOT each contribute $113M towards capital (interest and principal) through issuance of $206M revenue anticipation notes (RANs)
  – 5 years @ 1.9 to 3.3%
• SA/TIF Revenues PAYGO to construction $20M
• SA/TIF Revenue Bond Proceeds $226M with State backstop
  – 4.00% to 5.00% annual coupon
  – 30 year term from date of issuance (6/1/2013)
Sources of Funds – DBOM Scenario

- **SA/TIF Bond Proceeds**: $226 M, 50%
- **CATS RAN Proceeds**: $98 M, 22%
- **NCDOT RAN Proceeds**: $108 M, 24%
- **SA/TIF PAYGO During Construction**: $20 M, 4%

**Sources of Funds – DBOM Scenario**
Sponsor Debt Service – DBOM Scenario
Sponsor’s Operating Cash Flows – DBOM Scenario

- Annual Debt Service on SA/TIF Bonds
- Operating and Maintenance Costs
- Mid-Life Overhaul
- Total Revenue
- Total Revenue/Total Cost

Nominal Dollars (Million) vs. Ratio of Total Revenue to Total Costs (2010 to 2042)
Conclusions for P3 Options

- Both DBFOM and DBOM scenarios appear financially feasible
- Both scenarios require a State backstop
- Anticipated revenues in the public finance scenario cover debt service and O&M and achieve high coverage
- DBFOM would bear a higher cost of capital but could lead to higher efficiencies through higher risk transfers
  - No cost/schedule efficiencies or risk transfers were assumed
- A comprehensive business case should also be developed to assess the tradeoffs between DBOM and DBFOM
RECOMMENDATIONS
Create a Joint Powers Authority (JPA)

- Each of the seven North Corridor jurisdictions should:
  - Approve the creation of a Joint Powers Authority with powers, limitations and representation established by the participants
  - Appoint two members to the JPA Board and authorize two members each from NCDOT and CATS
Initiate the Tax Increment Financing (TIF)

• All seven North Corridor jurisdictions should:
  – Adopt the Tax Increment Financing District boundaries
  – Instruct the County Tax Collector to allocate 75 percent of the incremental property taxes from the parcels within those boundaries to the JPA to fund the Red Line

• The City of Charlotte should:
  – Allocate 75 percent of the incremental property taxes from Gateway Station parcels in three equal amounts
    • One-third to the JPA
    • One-third to the future commuter line to Gastonia
    • One-third to the future commuter line east to Monroe
The four towns and City of Charlotte should:

- Secure requisite percentages of signatures from income-producing properties to adopt the Assessment District
- Establish the special assessment rate at .75/$100 of assessed values in the District
- Allocate 100 percent of the assessment revenues to the JPA to fund the Red Line

Note: For Gateway Station, where existing Municipal Service District (MSD) levies are in place, set the assessment equal to the amount to bring the total assessment to .75/$100 of assessed values. 100 percent of this incremental assessment will be allocated to the JPA.
Pursue Joint Developments and Negotiated Agreements

– Each jurisdiction owning land that is planned for new private development should:
  • Develop the criteria for the new development
  • Plan for the solicitation of development partners as the market warrants

– Each jurisdiction should:
  • Prepare or revise their Station Area Plans to incorporate land owned by the jurisdiction
  • Enter into negotiations with land owners for the station development where appropriate
• The JPA should:
  – Allocate the annual Revenue Available Payments in excess of the annual bond debt service for the local share for operations and maintenance (O&M) costs
To implement the financing approach, the JPA should:

- Select underwriters to structure the bond financing
  - Revenue Anticipation Notes (RANs) to fund CATS and State portion
  - 30-year Revenue Bonds (RA Payments as the “first call”)

- Select P3 approach and solicit bids under either a DBOM or DBFOM scenario, to include:
  - Final design
  - Selection of rolling stock and technical programs
  - Construction
  - Operations and maintenance
PROCESS AND NEXT STEPS
Ongoing Five-Phase Process

Phase I: 2010
RLTF Formed; Project Redefined

Phase II: 2011
1) Develop Draft Business / Finance Plan
2) Review and Adoptions

Phase III: 2012
1) Establishment of JPA & Funding / Financing Mechanisms
2) Activation of JPA & Funding / Financing Mechanisms

Phase IV: 2013
1) Financing/Bond Sales & P3 Negotiations

Phase V: 2014-2016
Project Construction

2017: Service Begins

Phase III Begins with Plan Referral
Next Steps for Red Line Regional Rail

1. Referral of Business/Finance Plan by RLTF and MTC to all nine entities
2. Public Plan presentation on 12/13
3. 3-month review period: mid-December through mid-March 2012
4. Delivery of Consensus Business/Finance Plan by March 31
5. 3-month adoption period: April through June 2012
Slide 128
Red Line
Regional Rail
Unified Benefit District (UBD)