

LYNX Blue Line Extension - Northeast Corridor
Charlotte, North Carolina
Preliminary Engineering
(Based upon information received by FTA in November 2009)

Summary Description	
Proposed Project:	Light Rail Transit 10.6 Miles, 13 Stations
Total Capital Cost (\$YOE):	\$1,180.03 Million (incl. \$40.8 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$590.02 Million (50.0%)
Annual Forecast Year Operating Cost:	\$20.14 Million
Ridership Forecast (2030):	23,800 Average Weekday Boardings 12,900 Daily New Riders
Opening Year Ridership Forecast (2019):	17,561 Average Weekday Boardings
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Charlotte Area Transit System (CATS) is proposing the construction of a light rail transit (LRT) line that would extend from Uptown Charlotte, the region's central business district (CBD), northeast to the US 29 interchange with Interstate 485 (I-485) near the University of North Carolina-Charlotte (UNCC). The inner segment of the proposed line follows active Norfolk Southern and North Carolina Railroad right-of-way while the outer part follows US 29 (North Tryon Street), before leaving US 29 right-of-way to proceed to and through the campus of UNCC. The LYNX Blue Line Extension - Northeast Corridor project includes seven park-and-ride lots that would provide a total of 4,500 spaces. Peak period light rail service along the Northeast Corridor would initially operate at 7.5 minute frequencies.

Project Purpose: The LYNX Blue Line Extension - Northeast Corridor project would provide a reliable, time-competitive alternative to automobile travel in the congested I-85/US 29 corridor, where population and employment are anticipated to increase significantly by 2030. The project would improve transit service to regional employment, entertainment, cultural and retail destinations, including Center City Charlotte, professional sports and entertainment facilities, the Charlotte Convention Center, the NASCAR Hall of Fame, and the UNCC's University City and Uptown campuses. The project is also consistent with regional land use plans that seek to focus development along a planned network of multimodal travel corridors served by rapid transit, of which the existing LYNX Blue Line is a component. As an extension of the Blue Line, the project would improve the effectiveness of existing LRT service and support enhancements to cross-town bus service.

Project Development History, Status and Next Steps: FTA approved the project into preliminary engineering in November 2007. CATS did not submit updated project information to FTA in 2010, but the project continues to progress through preliminary engineering and environmental review. Due to diminished local sales tax projections, CATS is evaluating scope changes to reduce the project's capital cost, including a shortened alignment and fewer stations. During 2011, finalization of the project scope and completion of the Final Environmental Impact Statement are expected.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 New Starts	\$590.02	50.0%
State: State Full Funding Grant Agreement	\$295.00	25.0%
Local: ½ Cent Sales Tax	\$295.00	25.0%
Total:	\$1,180.03	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**NC Charlotte, LYNX Blue Line Extension - Northeast Corridor
FY2011 Financial Assessment Summary prepared November 2009**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share (20% of summary financial rating)	Medium	The New Starts share of the project is 50.0 percent.
Project Capital Financial Plan (50% of summary financial rating)	Medium-High	
Capital Condition (25% of capital plan rating)	Medium-High	The average age of CATS' fixed route bus fleet is 6.8 years, which is in line with the industry average. The City of Charlotte's good bond ratings, which were issued in 2008, are as follows: Standard & Poor's Corporation AA-, Moody's Investor Service Aa2, and Fitch AA.
Commitment of Funds (25% of capital plan rating)	High	Fifty percent of the non-New Starts share of funding for the project will come from the existing and committed ½-cent sales tax dedicated to transit. The remaining non-New Starts funds are expected to come from a North Carolina Department of Transportation (NCDOT) State Full Funding Grant Agreement, which is considered planned.
Capital Cost Estimates, Assumptions and Financial Capacity (50% of capital plan rating)	Medium	Sales tax revenue growth rate assumptions are in line with historical experience. The capital cost estimate is considered reasonable.
Project Operating Financial Plan (30% of summary financial rating)	Medium	
Operating Condition (25% of operating plan rating)	Medium-High	CATS' current ratio of assets to liabilities as reported in a recent audited financial statement is excellent at 10.4. CATS is reducing bus service in FY 2010 due to recent economic conditions and less than anticipated sales tax revenue collections.
Commitment of Funds (25% of operating plan rating)	High	The funds needed to operate and maintain CATS' systemwide operating costs are 100 percent committed. The systemwide operating plan includes funding from NCDOT, the half-cent sales tax, fare revenue, and other operating revenue.

<p>O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)</p>	<p>Medium-Low</p>	<p>Assumptions about growth in operating costs are optimistic compared to historical experience.</p> <p>Farebox recovery is assumed to improve significantly over time due to assumed frequent fare increases as approved in a policy adopted by CATS' Board.</p> <p>The project's financial plan shows significant ending cash balances exceeding six months of system-wide operating expenses.</p>
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Charlotte, North Carolina

Preliminary Engineering

(Land Use and Economic Development Rating based upon Information accepted by FTA in November 2007)

LAND USE RATING: Low

The land use rating reflects the population and employment densities within ½-mile of proposed station areas:

- There are 59,000 employees in the Charlotte CBD, a total of 76,000 jobs served, and average station area population densities of 2,300 persons per square mile. UNCC, with an enrollment of 21,500 students, represents a major trip generator.
- The CBD has a compact, high-density commercial core and a considerable amount of new residential development, as well as vacant land and parking lots awaiting development. Four stations abut industrial areas and rail yards on one side, and older, gridded residential neighborhoods of moderate densities (primarily single-family) on the other. The remaining stations are generally low-density and suburban in character. Pedestrian accessibility is generally poor as many street frontages lack sidewalks and many intersections lack marked and signalized crossings. Ample surface parking is generally provided.

ECONOMIC DEVELOPMENT RATING: Medium-High

Transit-Supportive Plans and Policies: Medium-High

(50 percent of Economic Development Rating)

- In the mid-1990s, the City of Charlotte and Mecklenburg County endorsed a regional growth strategy entitled "Centers and Corridors," which is designed to increase development density in five growth corridors served by fixed guideway transit and target most commercial and multi-family development to these corridors. The city and county have developed more specific development policies to support these plans, including minimum densities and pedestrian-friendly design guidelines for station areas.
- Draft Station Area Concepts have been completed for 12 of the 14 station areas in the Northeast Corridor and will serve as an interim step towards developing more detailed station area plans. With the exception of some existing single-family neighborhoods, these plans will require high density transit-supportive development, including minimum densities consistent with regional policies (15 to 20 dwelling units per acre and 0.5 to 0.75 floor area ratio or FAR).
- Existing zoning varies widely. Mixed-use districts allowing high densities and including pedestrian design requirements encompass most of the CBD. Other zoning includes a mix of single family, multi-family at 17 to 22 units per acre, and commercial development with maximum FARs from 0.5 to 1.0.
- In 2003, the Charlotte City Council adopted three transit oriented development (TOD) districts that allow mixed-use development, require minimum densities, and have reduced minimum setbacks, parking requirements, and pedestrian design requirements.
- The city has allocated \$50 million for South Corridor LRT station area infrastructure improvements and will request a similar program of improvements for the Northeast Corridor Light Rail Project. Other tools to support TOD include funds for acquisition of land and affordable housing, gap financing, project-specific planning assistance, and a streamlined development review process.

Performance and Impacts of Policies: Medium

(50 percent of Economic Development Rating)

- The Charlotte CBD has seen a considerable amount of residential as well as commercial development in recent years. In the South Corridor, the pace of development has been slow but is accelerating with \$300 million in projects completed and over \$1.5 million proposed in station areas outside of Uptown.
- Strong regional growth is forecast (75 percent by 2030) and a market analysis for the Northeast Corridor suggested that just over 5,000 acres (84 percent of station area land) had the potential for redevelopment. Current market conditions in most Northeast Corridor station areas are relatively weak, however, and barriers exist that appear to limit development potential in the near term.

Northeast Corridor Light Rail Project

Charlotte, North Carolina

