



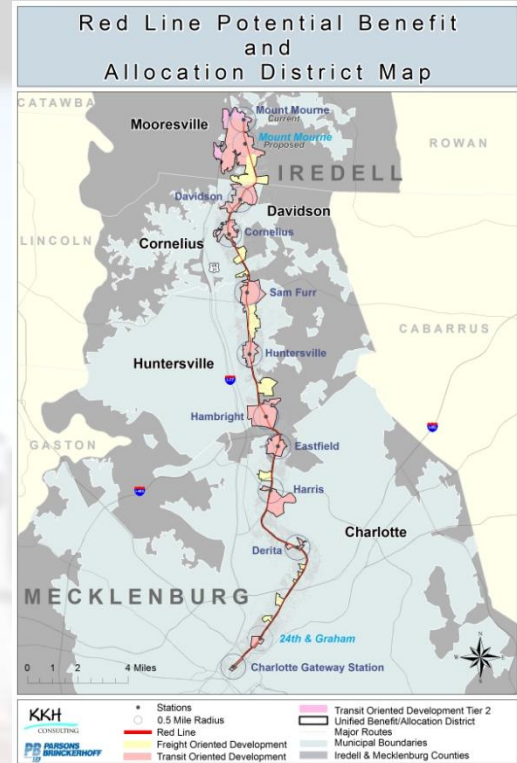
# Red Line Regional Rail

## North Corridor: Mooresville to Charlotte

### Project Overview

#### Background

- The Red Line Regional Rail (RLRR) project is an initiative to upgrade an existing section of the Norfolk Southern Railroad “O” Line in the North Corridor of the Charlotte metropolitan area. The RLRR is a major regional economic development initiative that will significantly improve the movement of both goods and passengers along a 25-mile section of track running south from Mooresville to Charlotte with potential future extension north from Mooresville to Statesville.
- The current RLRR project is the culmination of a process that began over 15 years ago with the Centers and Corridors planning for regional growth. The North Corridor is one of five (5) rapid transit corridors called for in the 2030 Transit Corridor System Plan, adopted by the Metropolitan Transit Commission (MTC) in 2006.
- Estimates regarding job creation associated with the RLRR suggest that this rail investment would generate approximately 23,000 new jobs in the North Corridor over the life of the project.
- Government policy-makers and executives of the seven North Corridor jurisdictions formed the Red Line Task Force in September of 2010. The Red Line Task Force meets monthly to design and analyze the project’s policy and finance approach.



#### Process Overview

The five-phase process currently underway for the RLRR Project is illustrated in the diagram below.



#### Funding Partnership


- The capital cost of the RLRR Project is currently set at \$452 million based on plans that have undergone detailed design work and collaboration. The total capital and Operating and Maintenance cost is proposed to be funded through a partnership of the State of North Carolina (25% - transit funds), Charlotte Area Transit System (25% - transit funds) and the seven North Corridor jurisdictions (50% - value capture funds).

## Local Share: Value Capture

- Value capture funding is a well-tested method of utilizing development-generated revenue streams to fund public infrastructure. Major transit projects funded using value capture include: the Portland, OR streetcar system; Washington Metro's NY Avenue Station; and improvements to the Dallas Area Rapid Transit System. Value capture revenue is anticipated as the preferred method to fund the 50% local government contribution. To this end, the Red Line Task Force and its working groups have collaborated with the business and development community to identify several value capture revenue streams that will result from infrastructure investment related to the RLRR.

## Policy Recommendations

The Red Line Task Force, on August 24, 2011, unanimously approved a set of four policy statements which were subsequently approved by the MTC on October 26, 2011 for use in plan development. These foundational statements are:

1. **ECONOMIC DEVELOPMENT FOCUS.** The RLRR project 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.
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2. **DUAL BENEFIT STRATEGY.** The RLRR project 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.

## Next Steps

1. **BUSINESS PLAN REFERRAL.** The Red Line Task Force, working with its Finance and Economic Development Working Groups and consultants, prepared the preliminary Business/Finance Plan for the RLRR project. The RLTF and MTC will refer the preliminary business plan to all participating jurisdictions for their review and action.
2. **REVIEW AND APPROVAL BY ALL PARTICIPATING AGENCIES.** Review and approval of the plan and its key components by all RLRR participating jurisdictions is necessary to proceed. The review period will be conducted by each jurisdiction during the first quarter of 2012, culminating in a Consensus Business/Finance Plan to be completed by March 31. Each jurisdiction will then conduct their formal approval process during the second quarter of 2012.