

**North-South Bus Rapid Transit
Chapel Hill, North Carolina
Small Starts Project Development
(Rating Assigned November 2019)**

Summary Description	
Proposed Project:	Bus Rapid Transit 8.2 Miles, 16 Stations
Total Capital Cost (\$YOE):	\$141.39 Million
Section 5309 CIG Share (\$YOE):	\$100.00 Million (70.7%)
Annual Operating Cost (opening year 2024):	\$5.90 Million
Current Year Ridership Forecast (2019):	6,600 Daily Linked Trips 1,712,800 Annual Linked Trips
Horizon Year Ridership Forecast (2040):	10,400 Daily Linked Trips 2,706,300 Annual Linked Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: Chapel Hill Transit (CHT) proposes to implement bus rapid transit (BRT) in the Town of Chapel Hill, along Martin Luther King Jr. Boulevard, South Columbia Street, and US 15-501 South. The proposed project includes 5.7 miles of exclusive bus lanes, the purchase of 14 vehicles and optimized station locations. The service is planned to operate every 7.5 minutes during weekday peak periods, every 20 minutes during weekday off-peak periods and every 10 minutes on weekends.

Project Purpose: The Project is intended to provide improved mobility and accessibility in the corridor while accommodating anticipated growth in travel demand by students and seniors. Both groups have high rates of transit ridership. The project is also intended to improve multi-modal connectivity between the northern and southern portions of the corridor.

Project Development History, Status and Next Steps: Chapel Hill Transit (CHT) selected a locally preferred alternative in April 2016. The project entered Small Starts Project Development in November 2016, and was adopted into the region’s fiscally constrained long range transportation plan in March 2018. CHT expects to complete the environmental review process by July 2020, receive a Small Starts Grant Agreement by 2024, and begin revenue operations in 2025.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 Small Starts	\$100.00	70.7%
State: North Carolina Department of Transportation Strategic Transportation Improvement Program competitive grant funds	\$27.27	19.3%
Local: Orange County sales tax, vehicle registration fees, and vehicle rental tax	\$14.12	10.0%
Total:	\$141.39	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, Chapel Hill, North-South Bus Rapid Transit
(Rating Assigned November 2019)**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 CIG Share	N/A	The CIG share of the project is 70.7 percent.
Summary Financial Plan Rating	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> • The average age of the bus fleet is 9.5 years, which is older than the industry average. • The most recent bond ratings for the Town of Chapel Hill, issued in April 2018, are as follows: Moody’s Investors Service Aaa, and Standard & Poor’s Corporation AAA. • The Town of Chapel Hill’s current ratio of assets to liabilities as reported in its most recent audited financial statement is 5.01 (FY2018). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> • Approximately 34 percent of the non-Section 5309 CIG capital funds are committed or budgeted, and the rest are considered planned. Sources of funds include North Carolina Department of Transportation (NCDOT) Strategic Transportation Improvement Program (STIP) competitive grant funds; and Orange County sales tax, vehicle rental tax, and vehicle registration fee revenue. • Approximately 24 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include Federal Section 5307 Urbanized Area Formula funds; State Maintenance Assistance Program funds; Orange County sales tax, vehicle rental tax, and vehicle registration fee revenue; Town of Chapel Hill property tax revenue; Town of Carrboro general fund revenues; the University of North Carolina-Chapel Hill; charges for special event shuttle bus service; and advertising revenue.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> • Assumed growth in capital revenues is reasonable compared to recent historical experience. • The capital cost estimate is optimistic. • Regarding growth in operating revenue assumptions, local revenues provided by the Town of Chapel Hill, Town of Carrboro, and the University of North

		<p>Carolina-Chapel Hill are reasonable compared to recent historical experience. The financial plan assumes no fare revenue because the transit system is free to ride.</p> <ul style="list-style-type: none">• Operating cost estimates are reasonable compared to recent historical experience.• The Town of Chapel Hill has access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 14.4 percent of the estimated CIG capital cost and 31.2 percent of annual system wide operating expenses.
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LAND USE RATING: Medium-Low

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The station areas have an average population density of 3,900 persons per square mile, which rates Medium-Low by FTA benchmarks. The project would serve 37,000 employees, which rates Low by FTA benchmarks. The average daily parking cost in the Chapel Hill central business district (CBD) is \$12, which corresponds to a Medium rating. The ratio of station area to county LBAR housing is 1.52, which corresponds to a Medium rating.
- Land use in the project corridor is primarily residential, university uses, commercial, institutional, and open space.
- Sidewalk availability in the corridor varies, with continuous sidewalks in the station areas in downtown Chapel Hill and gaps in connectivity towards the northern and southern termini.

ECONOMIC DEVELOPMENT RATING: Medium

Transit-Supportive Plans and Policies: Medium-Low

- *Transit-Supportive Corridor Policies:* The Chapel Hill 2020 Comprehensive Plan identifies transit-oriented corridors for higher-density urbanized development, reviews parking standards to support transit and walking, and coordinates land use and transit planning. While some local plans support transit-oriented development (TOD), they generally do not include implementation techniques or mechanisms.
- *Supportive Zoning Regulations Near Transit Stations:* The zoning code contains three districts that provide opportunities for transit-supportive development: mixed-use districts, town-center districts, and TOD districts. There are no examples of TOD districts in the corridor, and limited examples of mixed-use districts. An update to the Future Land Use Map and Land Use Management Ordinance has been initiated.
- *Tools to Implement Land Use Policies:* The Triangle J Council of Governments created the Land Use-Community-Infrastructure Development initiative to coordinate the land use planning approach among local governments. There are limited regulatory and financial incentives to promote transit supportive development.

Performance and Impacts of Policies: Medium

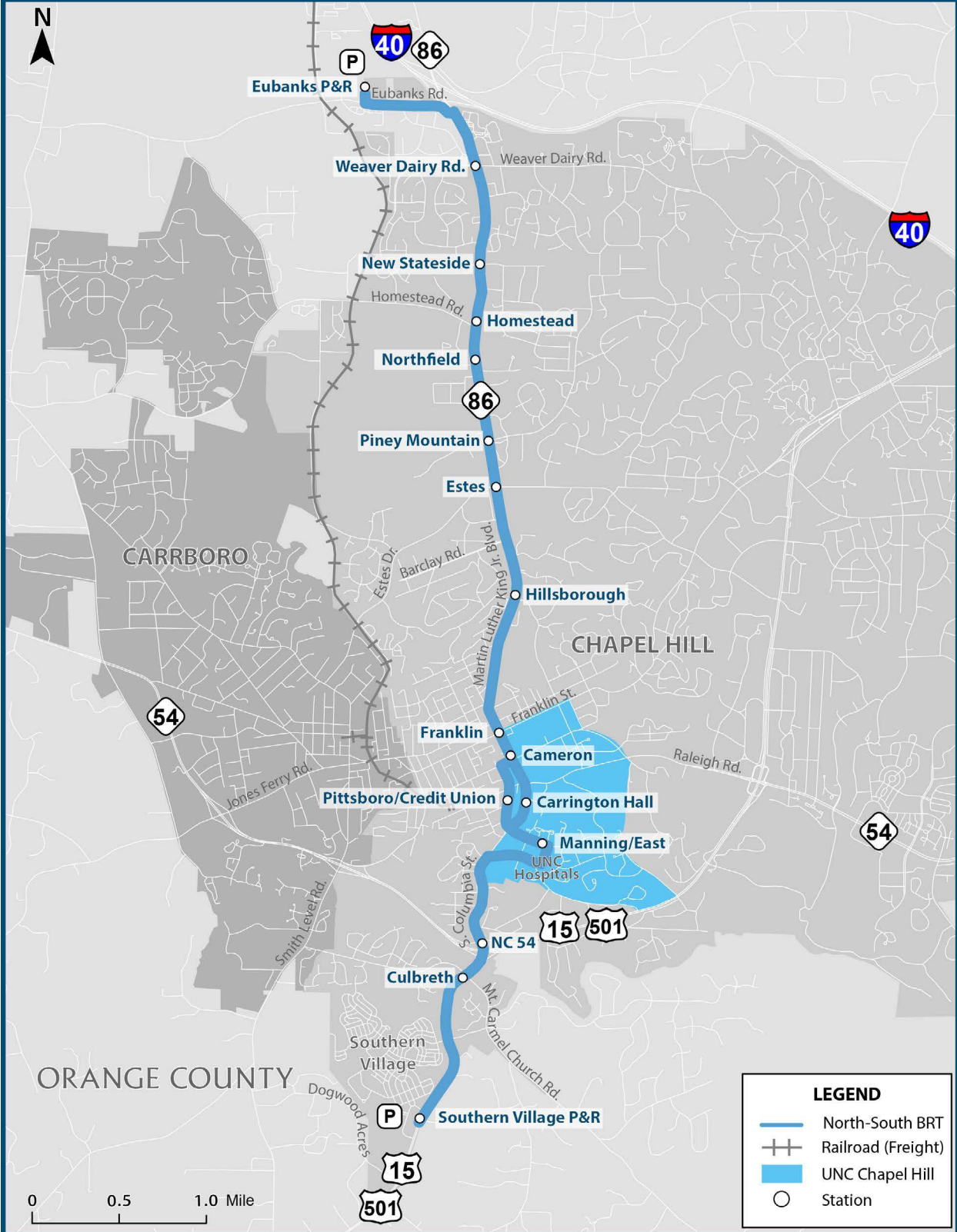
- *Performance of Land Use Policies:* A number of transit-supportive developments have recently been built in Chapel Hill. Within the station areas there are nine proposals that are transit-oriented, mixed-use, and will add housing units.
- *Potential Impact of Transit Investment on Regional Land Use:* Currently, eight percent of the corridor consists of vacant land that could be developed, and many station areas have land that is underutilized with the potential for higher density development. By 2040, 46 percent of the town's population and 54 percent of the town's jobs will be in the station areas.

Tools to Maintain or Increase Share of Affordable Housing: Medium-High

- Chapel Hill is pursuing planning and implementation of affordable housing. The town's legislative tools to guide the development and provision of affordable housing include an inclusionary zoning ordinance, density bonuses, and an affordable housing investment plan. Financial support for affordable housing comes from the Town's Affordable Housing Fund and Affordable Housing Development Reserve.

North-South BRT Project

Chapel Hill, North Carolina



LEGEND

- North-South BRT
- ++ Railroad (Freight)
- UNC Chapel Hill
- Station