

Charlotte's Rapid Transit System

Leveraging Public Investment To Transform Land Use



October 2008



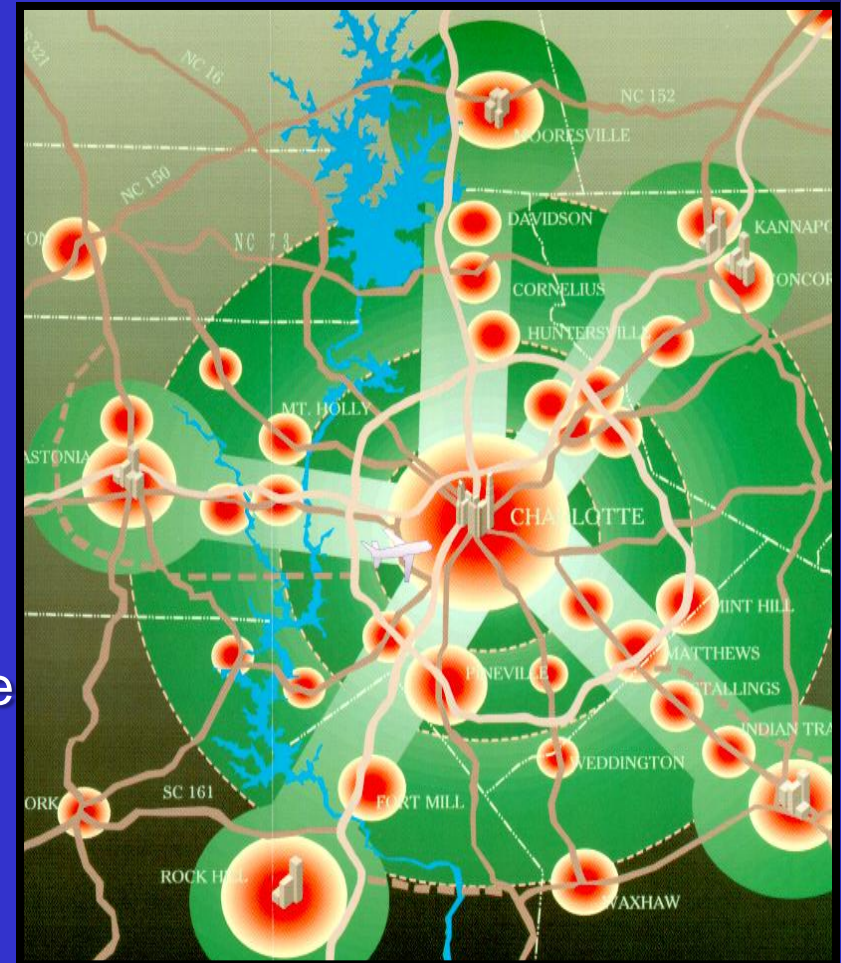
Charlotte's PPP Experience

- Indirect Investment – North Corridor Commuter
 - Tax Increment Financing
- Direct Investment – LYNX Blue Line
 - Providing land
 - Providing transit station & infrastructure
 - Construction of major amenity



Charlotte Mecklenburg Centers & Corridors Vision

- Adopted by Council in 1994 to address accelerating growth
- Five primary transportation and development corridors
- Goals:
 - Focus growth
 - Maximize use of public transportation
 - Encourage redevelopment & reuse of underutilized sites



2030 System Plan

Rapid Transit Improvements

South Corridor/Blue Line: 9.6 mile LRT

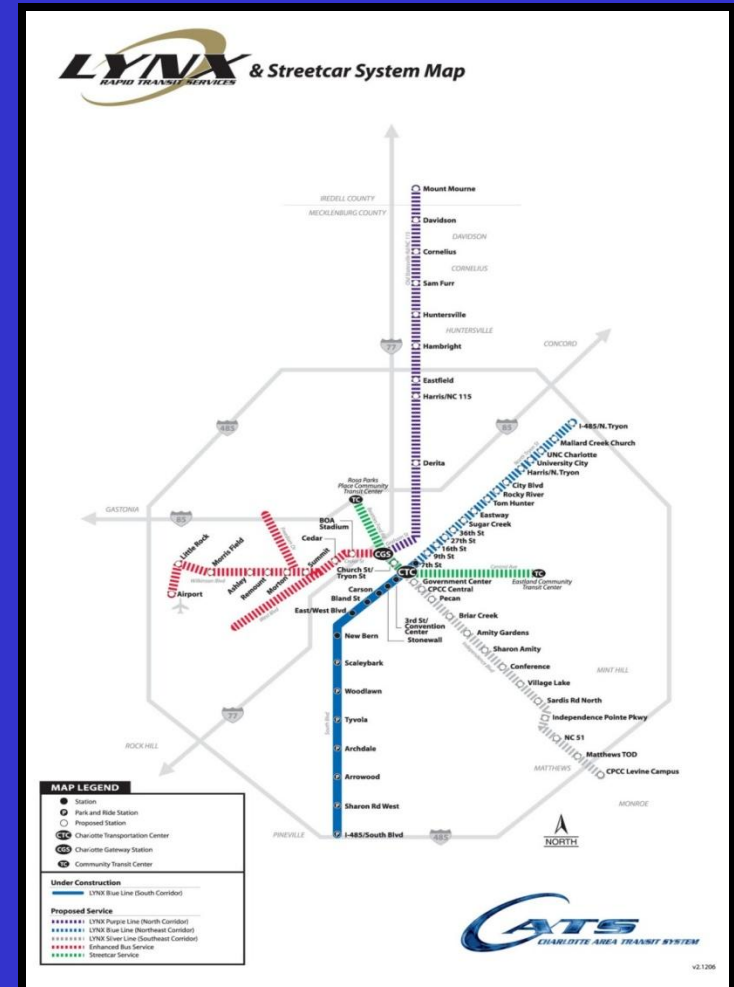
Northeast Corridor/Blue Line Extension:
11 mile LRT

North Corridor: 25 mile Commuter Rail Line

Southeast Corridor: 14 mile BRT/LRT

West Corridor: Streetcar Line to the Airport

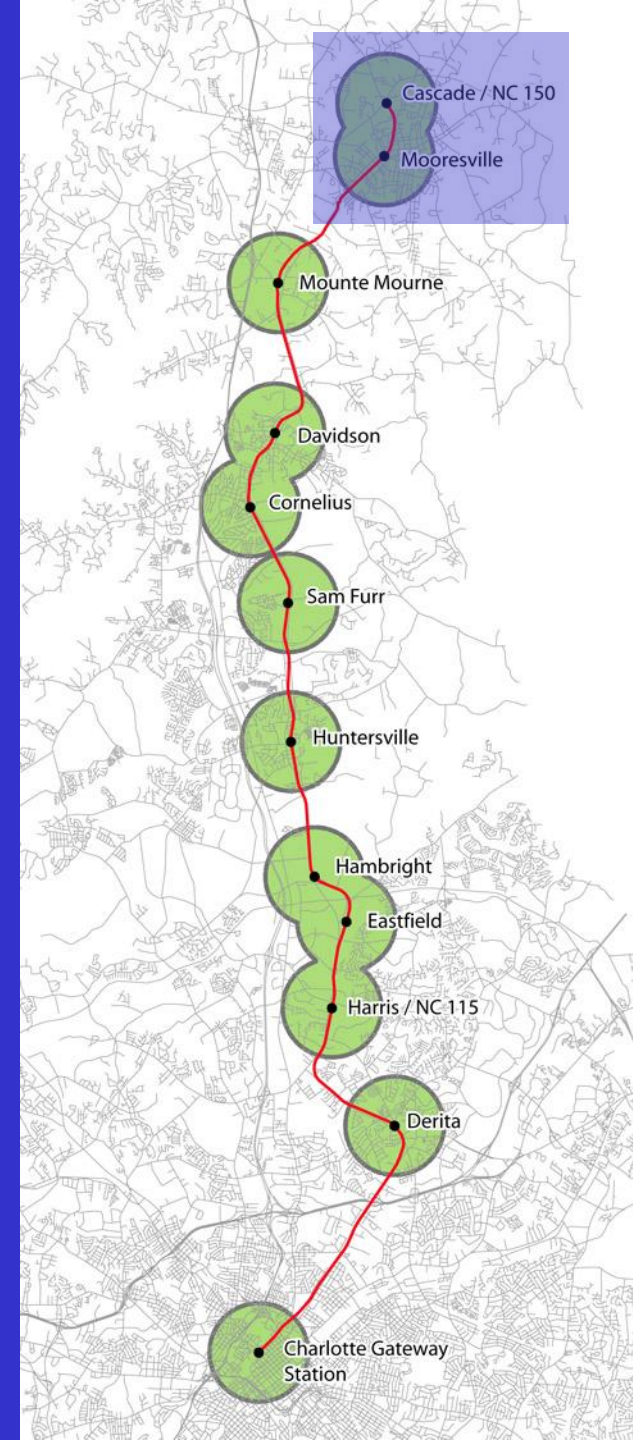
Streetcar: 10-mile downtown line



North Corridor Commuter Rail

Igniting The Region's Economic Engine

- Project
 - Upgrade of existing tracks on existing right-of-way
 - 10 stations
 - Cost: \$261 million
 - 22-38 trains per day
 - 20-30 minute headway during rush
 - Ridership: 4,600 trips, mostly during rush hour
- Development Potential
 - 83,000 jobs within ½ mile of Stations by 2030
 - Large green-field sites at station areas
 - 250,000 residents within the corridor by 2030
 - North Mecklenburg/South Iredell Growth: 179%



Projected Growth By 2025 At North Corridor Station Areas

Station	Residential Growth (Dwelling Units)	Commercial Development (sq. ft.)	Incremental Assessed Value (\$ millions)
Derita	728	110,000	185
Harris	2,800	918,000	1,222
Eastfield	3,051	1,217,000	1,420
Hambright	2,000	2,200,000	1,000
Huntersville	935	535,000	500
Sam Furr	945	611,000	495
Cornelius	2,059	410,000	1,346
Davidson	1,700	355,000	1,026
Mount Mourne	2,558	1,627,000	1,996
Total	16,776 units	8.0 million sq. ft.	\$9.19 billion

* RCLCO 11/07; Excludes Charlotte Gateway Station.



Mount Mourne

Employment Engine

	2000	2025	Projected Growth
South Iredell County Population	44,520	109,602	146%
South Iredell Employment	18,321	58,897	221%



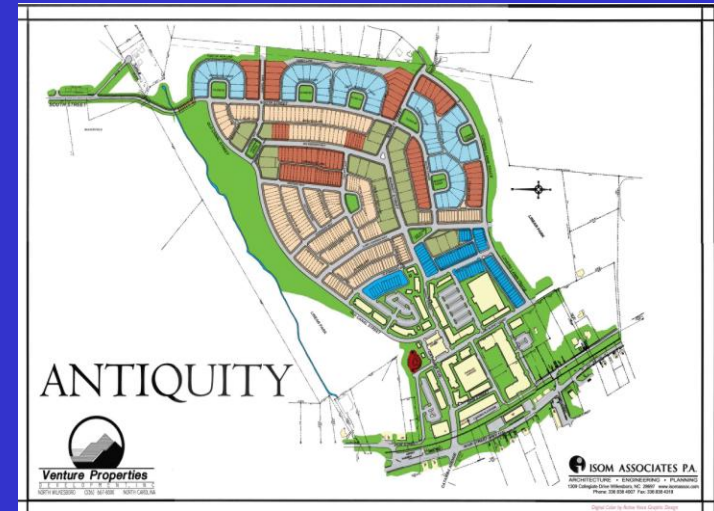
- Lowe's Corporation HDQ
 - 12,000 employees
- Lake Normal Regional Medical Center
 - 1,000 employees
- Fairview & Legacy Commercial
 - 1,000 employees
- *Legacy Village* TOD
- Funding of Rail line costs, including parking deck



Antiquity – Village Of Cornelius

Future Downtown Build-out With Commuter Rail

- 540,000 ft commercial
- 1,439 new dwellings
- Population growth: 259% by 2030
- Includes *Antiquity* TOD development
- Town consolidated, sold property



Sam Furr

A Commuter Rail Village

Future Sam Furr Build-out With Commuter Rail

- 600,000 ft commercial
- 900 new dwellings
- Completion of *Caldwell Station* TOD Development
- **Sewer & water; roads**



Bryton

The Model Transit-Oriented Development



Future *Bryton* Build-Out With Commuter Rail

- 2.2 million ft commercial
- 2,000 residential units
- TIF Funding Used for:
 - Track relocation
 - Road improvements
 - Station & Parking



Harris

The Power Of Transit To Shape Development

Future *Griffith Lakes* TOD At Full Build-Out With Commuter Rail

- 325-acre suburban village with 1,200 residential units
- 70-acre high-intensity transit center (will not be built without commuter rail)
 - 1,800 residences
 - 270,000 feet retail
 - 530,000 feet office

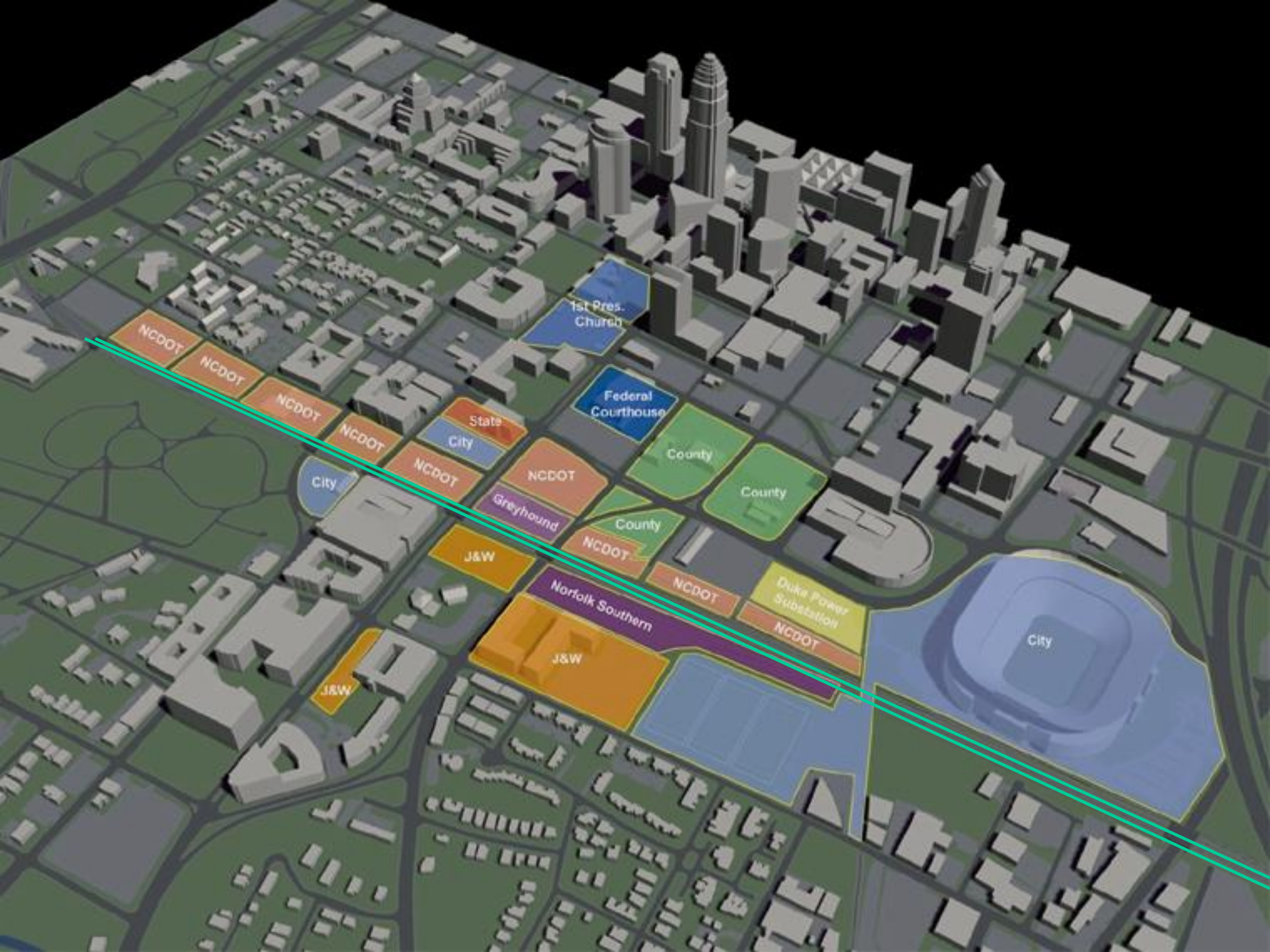


Charlotte Gateway Station

Catalyst for Development

- Transportation Hub Serving
 - North Corridor commuter
 - CATS bus
 - Amtrak
 - Streetcar
 - Greyhound
- Catalyst For Downtown Development
- Large Public Investment – property, rail service; track rationalization
- NCDOT To Seek Master Developer Fall 2008
 - Development of NCDOT property could exceed \$750 million





North Corridor Project Funding

• CATS	\$ 89 million	34 %
• State	65	25 %
• Mooresville	20	8 %
• Towns/County	87	33 %
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	\$ 261 million	100 %



Using Incremental Tax Revenue To Fund The Local Share

- Railroad Rehabilitation & Improvement Financing
 - Charlotte will secure RRIF loan for local share
 - 25-year term
 - 2 years of capitalized interest
 - Interest-only for five years
- Towns/County Fund Debt Service Using Synthetic TIF
 - Incremental local & county tax revenue from station-area development projected to exceed debt service costs
 - \$100 million in annual incremental tax revenue by 2025
 - Debt service projected at less than \$9 million
- Developer Investment in Train Station Enhancements & Parking



Direct Investments – LYNX Blue Line

- Public Investments In:
 - Road & Rail infrastructure
 - Amenities
 - Property consolidation
 - Financing
 - Parking:
 - 7 P&R lots
 - 2,500 spaces



Direct Investment & Cost Sharing



Westin Hotel

- 700 Rooms, \$140 million
- \$16 M to build & own parking & lobbies
- \$24 M in mezzanine debt (repaid already)
- \$1 ground lease for portion of parking



Epicenter

- 53 story condo tower
- Retail, office hotel, entertainment
- \$275 million
- Direct skyway connection to Blue Line station
- \$5 M infrastructure
- \$1 M in land and retaining wall

Amenities & Attractors

Imaginon Library

- 100% county financed
- Close design integration with 7th Street station

Bobcat Arena

- NBA arena - 20,500 seats
- 8,000 sf retail & restaurant open to street
- Close design with Transit Center Station to accommodate crowds and light rail use
- \$250 M in public \$ backed by hotel / motel taxes
- 10 public days
- Bobcats carry operational risk



TOD: Scaleybark Joint Development Project

BEFORE



**South
Boulevard**

TOD: Scaleybark Joint Development Project



Define Public Roles & Objectives

- City Role
 - Acquire & consolidate the property
 - Define public development “must-haves”
 - Open Space
 - Affordable Housing
 - Solicit RFP to achieve objectives
- Objectives:
 - Maximize Fair Market Value of land
 - Maximize mixed-use development
 - Remove Blight or Non-Transit Supportive Uses
 - Station parking



Land Use Comparison

	Acres	Residential	Retail	Office	Park	CATS Parking
BoA	17	<u>553 units</u> (32 units per acre) 49 affordable in bldg of 194 units 504 market	<u>75,500 sf</u> 43,500 grocery	37,000 sf	0.51 acres (2 spaces)	315 space deck
SP	25	<u>900 units</u> (36 units per acre) 100 affordable in bldg of 120 units 800 market rate	<u>77,000 sf</u> 36,000 grocery 22,000 towards park	15,000 sf	0.55 acres	315 surface (spaces decked if Phase III)



Projected Public Investment Return

Project	% of Project	Property Tax ROI
Mid-Town	9%	9.5 years
Old Convention Center	11%	12.5 years
Elizabeth	6%	5.2 years
Westin	11%	10 years
Carolina Theater	14%	12.3 years
Bank of America	1%	3.5 years
Scaleybark Partners	1.6%	6.4 years

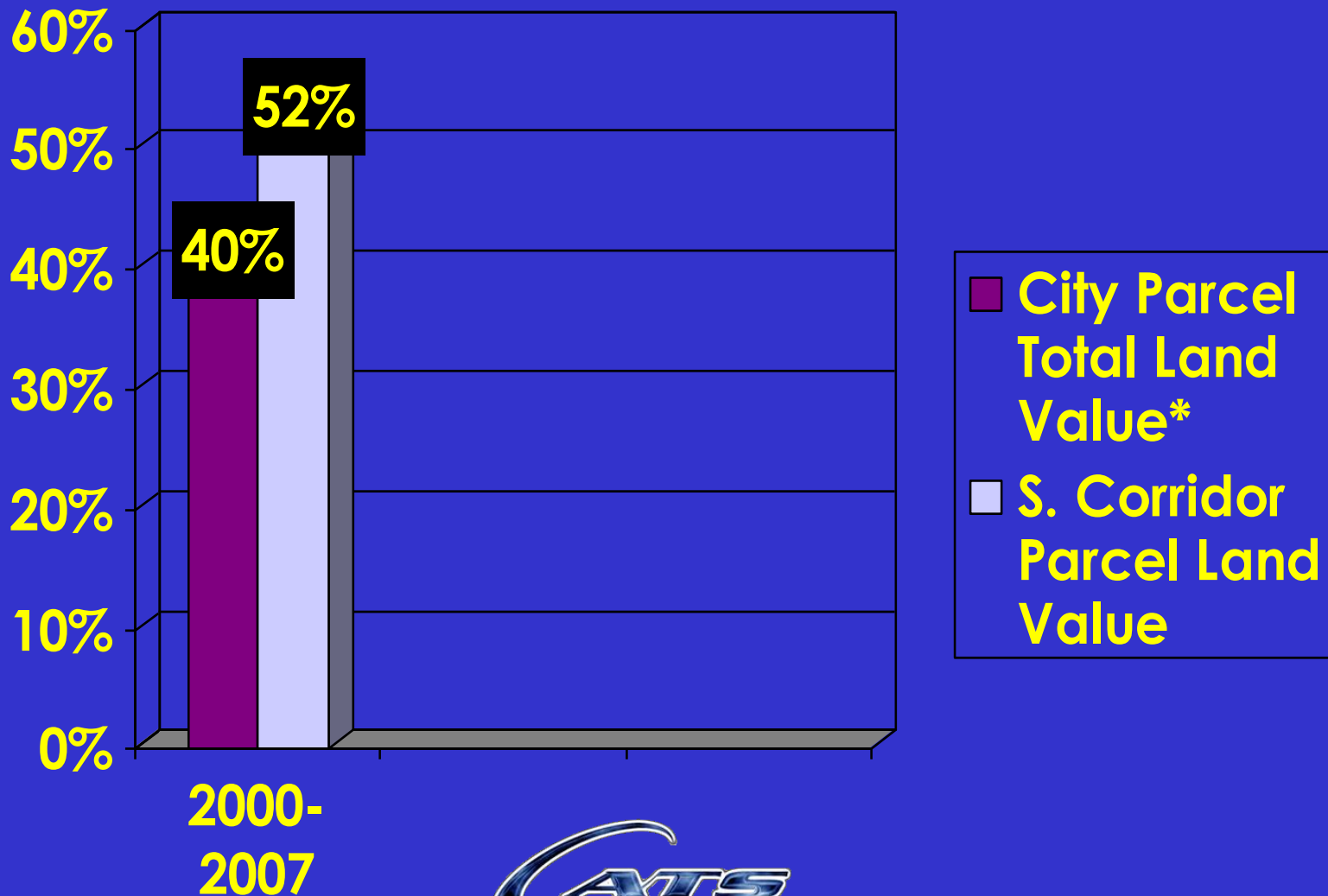


Partnership Benefits

- Public:
 - Incremental tax revenue: \$24.1 million/year by 2011
 - Increased transit ridership and political support
 - Excitement
- Private Developer/Equity Partner
 - New markets with something different to offer
 - Reduced risk from public participation
 - Willing to accept reduced ROI for reduced risk
 - Projects timed for the new market
 - Faster appreciation



South Corridor Property Tax Base 2000 - 2007



*Includes personal property



Lessons Learned

- Manage Public & Private Expectations
 - Keep elected officials in the loop
 - Underscore City's ability or inability to provide additional funding or "ask" items
 - PPP is a process, not a project
- Haste Kills Good Projects
 - Plan ahead to avoid "now or never" situations
 - Be willing to start over if required
 - Process Takes time
- Non-Market-Driven Objectives Are Costly
 - Affordable Housing
 - Open Space
 - Public Facilities
- Success Feeds on Itself

