



A MESSAGE TO THE CITIZENS OF CHARLOTTE:

Invited by leadership from the Charlotte Chamber, City of Charlotte and Mecklenburg County, the Transportation Committee of 21 first convened in May 2008 with the express purpose of concentrating on Charlotte-Mecklenburg's network of roads to prioritize area needs, identify long-term funding options and advocate for proposed funding.

The magnitude of the problem we face as a community is enormous. Escalated over 25 years, a \$12 billion transportation funding gap stands to impede any significant improvement to roads and traffic in Charlotte-Mecklenburg for decades. In the absence of new and increased funding, our road system will simply break down. If we take action now, we can solve many of our most serious challenges. After ten months of expansive thinking, thorough research and rigorous debate, the Committee has emerged with financing and governance recommendations to a long-endured and vexing local problem.

Since the Committee received its charge, the economy has suffered significant setbacks. We recognize that while today's economic environment poses new and formidable challenges, it also necessitates that Charlotte-Mecklenburg works to avoid losing further ground in road construction and maintenance. Transportation is a vital economic driver and a constant factor in our quality of life. The condition of roads and traffic across the county impacts our air quality, the movement of goods and services and the mobility of residents — whether as drivers, passengers, cyclists or pedestrians. Investing in roads, particularly now, will help respond to inevitable federal transportation policy shifts, minimize further regression in road infrastructure and better position our community once the economy turns around. That said, we recognize that implementation of our recommendations must be done as appropriate relative to the status of economic conditions.

Roads throughout our county have been shortchanged in terms of priority and funding, despite years of rapid growth, halting congestion and excessive road deterioration. Frustrations persist with past allocation methodologies that appear to many to be unfair or unreasonable as congestion continues to choke the region's roads. While our Committee commends the work of the 21st Century Transportation Committee and its proposals to bring statewide relief, we believe a focus on local solutions remains urgent. Parallel and in concert with transit, Charlotte-Mecklenburg's roads must evolve into an integrated transportation system with stable and reliable resources for the construction, maintenance and governance of local roadways.

Message to the Citizens of Charlotte, *continued*

I am confident that the recommendations of the Committee of 21 offer solid solutions to the complex transportation issues our community faces. As committee chair, I found it a privilege to work with a cadre of knowledgeable and committed people who volunteered as committee members, and we are indebted to the expert staff researchers, presenters and facilitators who were vital to the process. All told, the Committee dedicated nearly 700 volunteer hours studying the issues, building consensus and formulating recommendations. We engaged in a transparent process with open meetings and online access to minutes, and we look forward to broader public dialogue while advancing our recommendations.

With the release of this report, the Committee of 21 concludes its primary charge and begins an equally important phase of advocacy and public engagement. We urge public officials and residents across the County and the seven municipalities to understand why and support how we recommend solving local transportation issues to ensure Charlotte-Mecklenburg remains a viable, livable and desirable metropolis well into this century.

Thank you,

Ned Curran, Chair
Committee of 21
Road Solutions for Now and the Future

SUMMARY OF RECOMMENDATIONS

In May 2008, the Charlotte Chamber, City of Charlotte and Mecklenburg County formed the Transportation Committee of 21 to prioritize area road needs, identify long-term funding options and advocate for proposed funding. Leaders from these three partner organizations each appointed seven local citizens to serve on the Committee of 21.

Consistent with its charge to address road prioritization and inadequate funding for roads, the Committee of 21 developed recommendations for financing and governance. These recommendations are intended to close the gap between available resources and identified state and local road needs and, through governance, invest new sources of road funding in citizen-led, prioritized road projects — each of which has distinct characteristics and parameters. The recommendations emerged from ten months of in-depth study that included:

- Benchmark research of national and state transportation issues and best practices
- Analysis of data from multiple sources and numerous presenters with expertise in road planning, funding and governance at the federal, state and local level
- Assessment of both capital and maintenance needs for the next 25 years
- Extensive committee discussions

Below is a summary of the recommendations. A comprehensive review detailing each recommendation is contained in the full report.

A. Financing

The Transportation Committee of 21 has formulated a set of financing strategies to generate revenue for a long-term road construction and maintenance program in Mecklenburg County. In response to the charge to address inadequate funding for roads, the Committee has formulated a set of financing strategies to generate revenue for a long term road construction and maintenance program in Mecklenburg County. It is emphasized that these recommendations do not include immediate levy of new taxes and fees in the current economic climate. They do propose a process of evaluating and refining the solutions by local and state elected officials with a goal of implementing road funding solutions up to 2 years from now when local officials deem economic conditions and the resulting community benefits support doing so. In addition, an over-arching priority in creating these financing recommendations is to leverage state funding sources while protecting or enhancing current levels of state and local funding for Mecklenburg County.

1. Maintenance of Local Roads — Vehicle Registration Fee

Recommendation: The Committee recommends that the City of Charlotte and the towns in Mecklenburg County request state authority to raise the local maximum vehicle registration fee from \$30 to \$60. The additional amount levied on vehicles

registered in Mecklenburg County will generate revenue to maintain roads within the county. The recommended fee increase would require maintenance of effort by each municipality. Further, the Committee recommends that funds collected in a municipality be dedicated to roads within that municipality's sphere of influence. A countywide increase in the vehicle registration fee has the potential to generate a maximum of \$18 million in revenue.

Impact: Examples of public benefits from an increase in the vehicle registration fee include:

- More frequent pavement resurfacing and pothole repair
- Installation of up-to-date traffic signal equipment
- Curb and gutter repair
- Sidewalk repair
- Inspection and repair of bridges

2. Construction of Roads – Sales Tax

Recommendation: The Committee recommends that Mecklenburg County request state authority to levy a ½-cent county local option point of collection sales tax dedicated to local and state road construction and associated maintenance. A sales tax increase for road improvement would require voter approval through a local referendum and would not be subject to repeal. If approved, the revenue would be used for pay-as-you-go projects and also for leveraging projects for more rapid construction through the issuance of bonds. In prior economic circumstances, a ½-cent sales tax would generate approximately \$81 million a year.

Impact: Examples of public benefits of increasing the sales tax include:

- Construction of and improvements to local streets, intersections, connectivity projects and other transportation projects identified in municipal transportation plans all designed to reduce and alleviate congestion, for example:
 - 29/49 interchange improvements
 - Albemarle Road/Harris Boulevard intersection improvements
 - Freedom Drive
 - Statesville Road
 - Rea Road
 - Dixie River/Shopton Road West intersection improvements
- Enhanced air quality through better movement of vehicles
- A dedicated funding source for locally-based transportation programs
- Improvements to farm-to-market roads, such as:
 - Rea Road
 - Community House Road
 - Back Creek Church Road

- Oakdale Road
- Robinson Church Road
- Johnson-Oehler Road
- McKee Road
- Tuckaseegee Road
- Sardis Road North

3. Completion and Expansion of Freeways – Tolls

Recommendation: The Committee recommends that Mecklenburg County introduce toll roads as a means to widen, complete and maintain crucial segments of I-77, I-85 and I-485.

Further, the Committee sets forth the following conditions in support of its recommendation to establish toll roads in Mecklenburg County:

- Mecklenburg County tolling projects will be governed by the NC Turnpike Authority
- Toll revenue will be reinvested locally, dollar for dollar
- Toll revenue will be used for long-term maintenance and retirement of debt incurred to finance improvements
- Tolling will generate sufficient revenue for intended road improvements
- There will be maintenance of effort by state and federal bodies such that Mecklenburg County will continue to receive some funding for loops, expressways and other roads

Revenue projections are difficult to produce at this time due to key assumptions related to timing, rate structure (including potentially reduced rates for frequent users), form of collection and related issues. However, preliminary data suggests tolling will yield substantial revenues that will, at a minimum, adequately fund interstate highway improvements and related maintenance.

Impact: Examples of public benefits of tolls include:

- Additional lanes and enhanced maintenance for I-77 and I-85
- Accelerated completion and expansion of the I-485 outer belt

4. Future Road Funding Source – Vehicle Miles Traveled Fee

Recommendation: The Committee recommends that the state further evaluate measures to transition from the current state gas tax to a vehicle miles traveled (VMT) fee — an annual charge to drivers based on the number of miles traveled by a vehicle in a year. The Committee advocates that if a VMT fee is adopted, it would not be in addition to, but in lieu of the gas tax in recognition that gas sales represent a diminishing source for highway funding due to increased use of alternative fuels and fuel-efficient vehicles.

If and when the VMT fee is implemented, the committee recommends the portion of the gas tax allocated for air quality programs be maintained.

The Committee also recommends that if and when the gas tax is changed or revised or if a VMT is approved, the existing allocation formula will be revised. Mecklenburg County will allocate revenue generated by a VMT fee to the construction and maintenance of all roads in the county.

Impact: Examples of public benefits derived from a VMT fee include:

- Accelerated construction of new state roads
- Widened and modernized existing state roads

5. Additional Considerations

In addition to the four leading recommendations above, the Committee also proposes the following approaches to continue narrowing the funding gap for transportation in Mecklenburg County and to further efforts to improve our road infrastructure:

- Public-private partnerships
- Early right-of-way acquisition
- Matching state funds to accelerate project development
- Coordination with transit development and land-use planning
- Revision of the State allocation formula

B. Governance

The Transportation Committee of 21 defines governance as the process by which roads are planned, funded, constructed and maintained in Mecklenburg County. The Committee's discussions about governance centered on having clarity, transparency, accountability and limited political influence in the process — with the goal to build citizen trust. Committee members envision a governance process that represents the interest of Mecklenburg County at state and federal levels. Having found that accountability for road construction and maintenance diminishes as decision making moves further away from the citizens who use the road, the Committee seeks to place accountability at the local level while increasing coordination with the state and federal governments.

The Committee also acknowledges the many existing governance structures established by rule, regulation, ordinances and statute. Each of these existing structures is operating with assigned responsibilities and accountabilities. Refrains about issues with the State DOT Board, particularly the effects of political influence, were common. Committee members also heard local level issues pertaining to capacity and regulatory requirements. With these insights, members wrestled with how best to craft an effective recommendation on governance. Committee members agree that roads must be built faster and with greater accountability to the public.

The Committee convened a subcommittee on governance comprising representatives of the Committee of 21, representatives from each municipality and a county representative. The charge of the subcommittee was to recommend a structure for a regional road entity that would be responsible for prioritizing and allocating funds to a road program from the proposed ½-cent sales tax. The subcommittee along with the full Committee developed a recommendation recognizing the current economic environment will likely prevent immediate approval of any new revenue source dedicated to road construction.

In the course of its work, the Committee learned that the greatest chance for voter approval of increased taxes or tolls for roads is when they trust that there will be a direct correlation between the money raised and the rapid investment in local area roads. While our final report provides broad principals related to governance structure, our Committee believes it is vitally important that the explicit details associated with the governance structure, which would elaborate and include all of our Governance Structure Principles, be fully and completely resolved prior to seeking voter approval, which would include the drafting of the interlocal agreement.

Local Accountability, Increased Coordination — Sound Principles and Structure

Recommendation: The Committee of 21 recommends the governing bodies in Mecklenburg County apply the following principles as a foundation for determining the governance structure for allocating revenue from a new ½-cent sales tax dedicated to road construction. Application of these principles will insure countywide roadway planning and priority setting and demonstrate local accountability to the voters.

The governance structure would be established through interlocal agreement among the County and its seven municipalities.

1. Governance Structure Principles

- The proposed sales tax shall include an annual amount set aside for each municipality for its immediate use on transportation projects. Potential options for allocating the balance of the annual collection among the municipalities (including any extraterritorial jurisdiction — ETJ) consist of the following:
 - Per capita
 - Calculation of population and paved-road mileage within a municipality and its ETJ, similar to the state Powell Bill allocation formula
 - Relative ratio of ad valorem tax rates or tax base between municipalities
- The balance of the annual collection will be used for countywide road priorities and a retrospective ten-year test will be applied to insure each municipality was appropriately allocated its proportionate share of monies.
- Roads funded by the countywide fund will be based on a rigorous local priority setting process that will be transparent and accountable to the citizens and will have limited political influence.

- The countywide fund will be managed by a countywide body comprising elected representatives from the county and each municipal governing board as well as a number of citizens (elected representatives will maintain a majority vote). In the model used by the Metropolitan Transit Commission (MTC), the chief elected official serves. The subcommittee did not address the method for the appointment of citizens to the body.
- Initial staff support will be from the existing staff technical coordinating committee (TCC); initial administrative support will be from the City of Charlotte Department of Transportation.
- Each governing board will determine the method for its representative's vote (i.e., directed/non-directed voting).
- Mecklenburg County will collect and distribute the ½-cent sales tax; annual allocations from the countywide fund will be contingent upon agreement by each governing board of the recommended priority list of roads.

2. Operational Principles

- State roads (excluding interstate highways and freeways) are eligible for funding from the ½-cent sales tax.
- Maintenance of effort (i.e., existing levels of funding, including both maintenance and capital funding) will be required from each municipality and the State.
- Mecklenburg County should continue to receive in a timely manner its reasonable and proportional share of State funds for roads.
- The unincorporated areas would be assigned to each municipality's extra-territorial jurisdiction (ETJ).
- The ½-cent sales tax can be used as pay-as-you-go funding or for the issuance of debt; the municipality responsible for road construction will issue debt.
- The jurisdiction where each project is located will determine how to implement the project, such as city/town management, use of consultants, and contracting with other jurisdictions or the NCDOT.

3. Other Considerations

The structure should be built to accommodate regional expansion when appropriate. Further, acknowledging the desired coordination of roads and transit, the Committee recommends that the new roads entity coordinate with the MTC and at some point in the future give consideration to a merger of the two entities while always respecting the distinct funding sources and their restricted uses (i.e., road money for roads and transit money for public transportation).

TRANSPORTATION COMMITTEE OF 21 MEMBERSHIP

Committee members represent a demographic and geographic balance that includes residents of Mecklenburg County towns, neighborhood activists, environmental advocates and the business community. The committee is chaired by Ned Curran and vice-chaired by Virginia Keogh and Pat Mumford. Below is a roster of members and their affiliations.

Ned Curran, The Bissell Companies (Chair)

Virginia Keogh, Southwest Area Neighborhood Association (Vice Chair)

Pat Mumford, Wachovia Corporation (Vice Chair)*

Johnsie Beck, Bonsal American

Mark Casper, Chair of County's Air Quality Commission

Cindy Chandler, The Chandler Group & Former Vice-Chair of Charlotte Mecklenburg Planning Commission

John Crosland, Crosland

Frank Emory, Hunton & Williams

Ray Eschert, ReMax Realty & Ballantyne Neighborhood Activist

Claire Fallon, University City Community Activist & NorthEast Coalition

Anthony Fox, Parker Poe Adams & Bernstein

David Howard, Charlotte Mecklenburg Housing Partnership & Chair of the Charlotte-Mecklenburg Planning Commission

Steve Iannarino, Huntersville business owner

Randy Kincaid, Former Mayor of Davidson

Charles Knox, The Knox Group

Ed McMahan, LITTLE

Peter A. Pappas, Pappas Properties

Ken Randall, Matthews Transportation Advisory Board

Wendy Spanbauer, Hunton & Williams

Allen Tate, Allen Tate Company

Betty Turner, Bank of America.

*Upon accepting the Key Business Executive of Neighborhood and Economic Development position with the City of Charlotte, Pat Mumford resigned the Committee of 21 effective March, 2009.

TRANSPORTATION SUB-COMMITTEE MEMBERSHIP

Committee members represent demographic and geographic balance that includes Committee of 21 Members as well as Mecklenburg town staff.

Leamon Brice, Town of Davidson
Ned Curran, The Bissell Companies
Natalie English, Charlotte Chamber of Commerce
Clair Green Fallon, NorthEast Coalition
Greg Ferguson, Town of Huntersville
Anthony Fox, Parker Poe Adams and Berstein
Andrew Grant, Town of Cornelius
Ralph Messera, Town of Matthews
Pat Mumford, Wachovia Corporation*
Peter A. Pappas, Pappas Properties
Danny Pleasant, Charlotte Department of Transportation
Anthony Roberts, Town of Cornelius
Michael Rose, Town of Pineville
Jim Schumacher, City of Charlotte
Bobbie Shields, Mecklenburg County
Allen Tate, Allen Tate Realtors
Gerry Vincent, Town of Huntersville
Brian L. Welch, Town of Mint Hill

*Upon accepting the Key Business Executive of Neighborhood and Economic Development position with the City of Charlotte, Pat Mumford resigned the Committee of 21 effective March, 2009.