



**CAMPO Executive Board
Joint CAMPO & DCHC Commuter Rail Subcommittee**

Meeting Summary

May 11, 2023
10:30 a.m. – 12:00 p.m.
CAMPO Large Conference Room

ATTENDANCE

CAMPO Subcommittee Members

Vivian Jones, CAMPO Chair
Butch Lawter, CAMPO Vice-Chair
Corey Branch, City of Raleigh
Harold Weinbrecht, Town of Cary

Ken Marshburn, Town of Garner
Sig Hutchinson, GoTriangle Board of Trustees
Susan Evans, Wake County
TJ Cawley, Town of Morrisville

DCHC Subcommittee Members

Jenn Weaver, DCHC Chair
Sally Greene, Orange County
Javiera Caballero, City of Durham

Michael Parker, GoTriangle
Damon Seils, Town of Carrboro
Wendy Jacobs, Durham County

Others

Brenda Howerton, Durham County
Chris Lukasina, CAMPO
Chuck Lattuca, GoTriangle
Doug Plachniski, DCHC MPO
Ellen Beckmann, Durham County
Eric Vitale, City of Durham

Katharine Eggleston, GoTriangle
Leonardo Williams, Durham
Scott Carlson, PFM
Shelby Powell, CAMPO
Steven Schlossberg, GoTriangle

MEETING SUMMARY

1. **Welcome and Introductions** – Vivian Jones, CAMPO Chair, opened the meeting and asked attendees to introduce themselves.
2. **Public Comment** – The floor was opened for public comments; none were received.
3. **Greater Triangle Commuter Rail Financial Scenario Review – GoTriangle Staff and PFM Staff** – Katharine Eggleston, GoTriangle and Scott Carlson, PFM, presented this item. Ms. Eggleston stated that local revenue could afford to pay for a commuter rail project from Raleigh to Auburn, or from Raleigh Union Station to Ellis Road. She stated that information had been presented to DCHC's committee regarding a possible incremental approach to delivering the project. She presented a map that showed where additional tracks are needed, where grade separations are needed and where road improvements are needed. She also noted that NCRR has submitted a CRISI grant application for the section of track from Morrisville to Cary to make capacity improvements.

Mr. Carlson reviewed information about the PFM firm. He reviewed several financial scenarios that had been explored as part of the GTCR project development work. He explained the RRIF loan program that is available through the federal government, noting that it works like TIFIA. He noted that the Wake Transit Plan as \$3Billion of projects/programs and could fund BRT through limited obligation bonds, and CRT through an RRIF loan. In the Durham Transit Plan, the only debt scenario identified is a loan through RRIF. He recommended that with this approach, limited obligation bonds would be recommended for BRT and other transit infrastructure. The RRIF program is 80% federal funding loans with up to a 35-year term that starts post-project completion. Fees would be \$500,000 to \$700,000, which is less than public bond issuance fees). Susan Evans, Wake County, asked a question about who would issue the bonds and who holds the collateral on those bonds. Mr. Carlson noted that GoTriangle would issue the bonds and Ms. Eggleston said the collateral is from what is funded by the loans. The rail line itself is not pledged, but the stations and other infrastructure can be pledged as collateral. The federal government will want to be sure the loan can be paid back.

Wendy Jacobs, Durham County, asked to make clear that no decision has been made yet. For the collateral, those are local assets paid with local transit revenues. Ms. Eggleston clarified that the assets would be, but not other things that may be co-owned. Chuck Lattuca, GoTriangle, added that the assets will be pledged with any bonding for any transit project. Sally Greene, Orange County, asked if Orange County transit revenue was used in any of these assumptions. Mr. Carlson stated that it was not. He also indicated there was a nine month process to apply for RRIF, and that the Auburn to RTP section of the project has a YOE capital cost of \$1.697 Billion. Ms. Eggleston added that there was some potential for cost savings through things like utilizing used fleet trains or having elements of the project paid for through other projects.

Michael Parker, GoTriangle, asked if the projections for revenues had considered possible recessions. Mr. Carlson replied that it did not. Mr. Parker asked if there was an option

to reallocate money from the Wake Transit plan to pay for this approach. Ms. Evans stated there was not. Ms. Eggleston noted that all recommended projects in the Wake Transit Plan would remain the same under this loan scenario. Doug Plachniski, DCHC MPO, asked if there was a contingency included in the costs for potential project delays. Mr. Carleson replied that a time delay could actually assist with building more reserve funding, but the model has \$100 Million built into the reserve. He noted that Slide 28 of the presentation showed proposed changes to the debt policy.

Mr. Parker asked whose debt policy governs this if GoTriangle is the debt holder. Ms. Eggleston replied that the transit plans have their debt policies associated with using those funds, and those policies would apply.

Mr. Carlson referred to Slide 30 in the presentation to show proposed changes to the transit plan financial policies. He noted that RRIF loans do not have to go to the LGC. Sandra Freeman, GoTriangle, noted that GoTriangle would share this information with the LGC but that the LGC would not have a role in approval.

Ms. Jacobs asked for clarification that this approach includes no grant funding. Ms. Eggleston confirmed that, noting that this assumes no federal money for a first phase. Some CRT projects have been funded through RRIF. Mr. Lattuca added that if the project was done in segments, there is no financing gap needed, but if the full Garner to RTP project were to be implemented, then there would be money needed to fund that. Leonardo Williams, Durham, asked if it was best to try to use all local funding if that was an option. Ms. Eggleston stated that incremental opportunities could be pursued alongside the RRIF loan process to attempt to reduce the amount borrowed.

Mr. Parker noted that all analysis that has been presented is for Wake County, and asked if this was solely a Wake County decision to be made. Mr. Carlson responded that Durham County has \$200 Million in the Financial Plan earmarked for CRT Capital. All the scenarios presented today going to RTP do not require additional funding from Durham. Chris Lukasina, CAMPO, explained that Durham needs to look at their side of the project to see how far west the project really needs to go. Mr. Lattuca stated that the Durham County Board of Commissioners did not want to spend that amount to go only four more miles, as there was no real rider benefit shown for that extension.

4. Other Ideas – Subcommittee Members

Sig Hutchinson, GoTriangle, stated that at a recent FTA meeting in March, FTA indicated there was no intention from the agency of paying for a Triangle Commuter Rail System. They indicated that commuter patterns were changing, rail costs were increasing, and FTA was looking more favorably at flexible options such as Bus Rapid Transit systems. He noted that FTA has seemed to pay for lots of BRT projects lately. He stated that the Wake Transit Plan has 20 miles of BRT in the plan, plus some other BRT extensions planned but not fully funded. He also noted that FRA has more rail money available for things like improving at-grade or grade separated crossings. NCDOT has been actively working on CRISI funding grants for the s-line corridor. If Wake or Durham County could partner with NCDOT to provide up to a 20% match for building out rail that could bring in additional federal funding for parts of the project. Ms. Evans replied that she

has changed from thinking about full-on Commuter Rail, and has been thinking about a recent visit to Denver to see their system is not working because of its commuter focus. She said it's not a good time to aggressively borrow money for a rail system that won't work for today's conditions. BRT seems more flexible, and she thinks we should step back from looking only at commuter rail. It should not have a commuter focus, it should be considered more regional rail and we should look at expanding BRT. Mr. Parker noted that current BRT plans look only at the single county BRT solutions, and that we should move down a more regional path. Ms. Howerton agreed, stating that she was hearing a lot about individual plans but not a lot about a regional plan. Ms. Greene stated that she wants to support the regional idea. She can see where a commuter focus is less desirable, and that we should change how we talk about any rail project as a regional rail project or passenger rail project instead of a commuter rail project. Ms. Jacobs stated she was excited about the prospect of a regional rail plan, and wondered if there were real opportunities to capitalize on a partnership with Amtrak or NCDOT. Since Charlotte to Washington, DC is considered a priority corridor, perhaps focus on that line with an additional station at RTP.

Javaria Caballero, Durham, stated that, at the end of the day, folks are commuting in a different way and we need to figure out how to get people out of cars. The people do not care about boundaries, they need the actions of leaders to make their lives better. Butch Lawter, Johnston County, noted that 60,000 commuters from Johnston County travel to points west each day. Johnston County is not interested in paying for a commuter rail project with such limited services, but they could get excited about some of the NCDOT projects for rail that have higher service levels and also were very interested in implementing the Metropolitan Transportation Plan. Jenn Weaver, DCHC, noted that we need to be mindful of all the sides of the Triangle; part of the lack of commuting is lack of access to transit to get to better jobs. Should we look more at building rail infrastructure? And BRT infrastructure? The possibilities to get funding are not necessarily easy for either one. We need more work at the staff level to determine a real path forward.

Damon Seils, Carrboro, stated there has been a regional vision for years with the CRT project and the DOLRT project. While it sounds like other leaders in the room are willing to pivot away from those thoughts, he is not sure that pivot should be based on a single conversation with FTA. We do not want to pretend a BRT system is a regional transit system. It is not. It may have some benefits, but individual BRT projects do not represent real regional mobility or transit. Intercity rail like Amtrak is not providing job access. If we pivot away from CRT, we are pivoting away from a long-held regional vision.

Corey Branch, Raleigh, stated that we need to re-evaluate the end points, then figure out the best vehicle to get there, be it BRT or local bus or CRT. Local bus or CRT – that is the question. There are multiple ways to get from Four Oaks in Johnston County to Chapel Hill. If all local plans are being connected, that is providing regional transport. We need to think beyond work travel to other travel goals.

Ms. Howerton thanked CAMPO for calling this meeting. She noted this is the closest we've gotten to having all the partners at the table. When we discuss NCDOT or NCRR, they

need to be in the room. She stated she struggles with discussing different agencies and their priorities when they are not at the table.

Mr. Williams said we need to bring it back to regional leaders that need to sell any of these ideas to constituents. What makes sense, how to get to places are good questions. As housing becomes more scarce and expensive, we will continue to see growth at the outer edges. He would like further exploration of all the options.

Ms. Evans agreed with an earlier comment about not needing to be prescriptive – she asked if we feel it is a good time to move full speed ahead on CRT; probably not. This group should continue to meet to discuss all regional transit.

Mr. Parker added to that, stating that people do not care which MPO they are in – they just need to get to where they need to go. Organizationally we need to have a more comprehensive way of thinking regionally.

TJ Cawley, Morrisville, asked to address the abandonment of the regional plan. If nodes and destinations are being hit with a CRT project, then this is perhaps an evolving of ideas to meet those goals given current picture of federal funding possibilities.

Mr. Plachniski noted that we spend a lot of time coordinating, and some of that work on regional coordination should be shared with this group. We need to figure out how to do that to build more connections.

Ms. Jacobs stated that we still need to focus on affordable housing and we do not want to abandon the corridor. We do not need to start from scratch.

5. **Next Steps** -- Ms. Jones suggested the MPO staffs get together to discuss and develop a plan of action. Mr. Branch noted that last Fall, we had a gap of \$19 Million and now we have a gap of \$55 Million due to increased land costs. He suggested that GoTriangle should remain a part of the conversation. Ms. Greene noted that she agreed with everything everyone said. Mr. Hutchinson stated he wanted to make sure the MPO's have enough information to move forward, and reiterated the need to involve broader partners. Mr. Lattuca stated that the CRT Feasibility Study started in 2019, had strong partners in the MPO's and the railroads. This study provides good data to use to move forward.