Advancing the Plan Committee Report

FRAMEWORK FOR REGIONAL MOBILITY GOVERNANCE

Final Report

The Board Chair of Centralina Regional Council established an official ad-hoc advisory committee of its Executive Board to steward regional conversation and action that advances the implementation of the **CONNECT Beyond Regional Mobility Plan** within the greater Charlotte region. The Advancing the Plan (ATP) Committee was formed to ensure that interests from across the region are heard, provide a forum for communication across jurisdictional lines and serve as the test ground for collective action on regional mobility projects.

The CONNECT Beyond ATP Committee convened elected officials, city and county managers and members of the business community throughout 2023 and early 2024 with the goal of shaping **recommendations for a regional mobility governance approach.**

What is CONNECT Beyond? CONNECT Beyond is a bold regional transit vision and plan that provides real mobility solutions and opportunities for residents and visitors across the two states and 12 counties that make up the greater Charlotte region. The plan was adopted by its lead sponsors, Centralina Regional Council and Metropolitan Transportation Commission, and all North Carolina transportation planning organizations in the region. Project efforts now are focused on implementing the plan's 120+ recommendations.

CENTRALINA
REGIONAL COUNCIL

August 2024

INTRODUCTION

The Board Chair of Centralina Regional Council (Centralina) established an official ad-hoc advisory committee of its Executive Board to steward regional conversation and action that advances the implementation of the [CONNECT Beyond Regional Mobility Plan](#) within the greater Charlotte region. The Advancing the Plan Committee was formed to ensure that interests from across the region are heard, provide a forum for communication across jurisdictional lines, and serve as the test ground for collective action on regional mobility projects.

The Advancing the Plan Committee was formed in late 2022 and held its kick-off meeting in January 2023. The Committee's Co-chairs are Mayor Vi Lyles (City of Charlotte) and Mayor Darrell Hinnant (City of Kannapolis).

Members of the Committee include:

- **Co-Chair**: Mayor Vi Lyles (*City of Charlotte*)
- **Co-Chair**: Mayor Darrell Hinnant (*City of Kannapolis*)
- Mayor Karen Alexander (*City of Salisbury*)
- Commissioner Leigh Altman (*Mecklenburg County*)
- Former Mayor Melinda Bales (*Metropolitan Transit Commission*)
- Joe Bost (*Charlotte Regional Business Alliance*)
- County Manager Dena Diorio (*Mecklenburg County*)
- County Manager Mike Downs (*Cabarrus County*)
- Former County Manager Kim Eagle (*Gaston County*)
- Councilmember Tommy Green (*Gaston-Cleveland-Lincoln MPO*)
- Commissioner Bob Hovis (*Gaston County*)
- City Manager Marcus Jones (*City of Charlotte*)
- Mayor Rusty Knox (*Metropolitan Transit Commission*)
- Janet LaBar (*formerly with Charlotte Regional Business Alliance*)
- Tony Lathrop (*NC Board of Transportation*)
- County Manager Andy Lucas (*Stanly County*)
- Pat Mumford (*Gaston Business Association*)
- Former Mayor Scott Neisler (*Gaston-Cleveland-Lincoln MPO*)
- City Manager Lloyd Payne (*City of Concord*)
- Commissioner Lisa Qualls (*Charlotte Regional Transportation Planning Organization*)
- Former Mayor Ron Pappas (*Charlotte Regional Transportation Planning Organization*)
- David Rhew (*NC Public Transportation Association*)
- Commissioner Lynne Shue (*Cabarrus County*)
- Councilmember Jennifer Stepp (*City of Gastonia*)
- Mayor Woody Washam (*Metropolitan Transit Commission*)
- Commissioner Jarvis Woodburn (*Anson County*)

Background

CONNECT Beyond Project Overview (Plan Adopted October 2021)
CONNECT Beyond is a regional mobility plan designed to transform how residents and visitors travel throughout the 12-county Charlotte region. The result of an 18-month stakeholder driven process, the first-of-its kind plan includes over 120 recommendations that will serve as the blueprint for how to implement a robust, interconnected transportation network across the region. Lead project sponsors are: Centralina and the Metropolitan Transit Commission (MTC).

As part of the planning process, Centralina convened a small group of project advisors in the Spring of 2021 to (1) assess the current state of transit funding and partnerships in the region and (2) develop an initial scan of partnership models from peer agencies across the country. From this series of meetings, CONNECT Beyond's plan included a recommendation to create a formal committee to further explore regional funding and partnership opportunities and to help guide the implementation of CONNECT Beyond recommendations.

Committee Goals
The CONNECT Beyond Advancing the Plan Committee convened elected officials, city and county managers and members of the business community throughout 2023 and early 2024 with the following goals:

1. Shape a recommendation for a regional mobility governance approach
2. Endorse a regional communications framework for CONNECT Beyond and support its implementation
3. Form a unified and coordinated legislative strategy for CONNECT Beyond and advocate for local funding initiatives in the region

CONNECT Beyond project staff and Committee members provided regular updates to the Centralina Executive Board throughout the Committee's tenure. While the Committee advanced work on all of its goals, the focus of this report is on Goal #1 and the Committee's recommendations for a **regional mobility governance approach**.

Why Focus on Regional Governance & Coordination?
The greater Charlotte region is home to 17 transit agencies, both fixed route (6) and demand response (11), resulting in a complex system to navigate for any user trying to travel regionally. During the development of CONNECT Beyond's plan, project staff heard from transit riders that had 3+ hour commutes that crossed county lines and moved between transit agencies. The plan's recommendations called for more collaboration across transit agencies to streamline travel and to explore regional partnership structures to better implement recommendations. (*CONNECT Beyond Plan, page 141*)

Regional Transit Operators
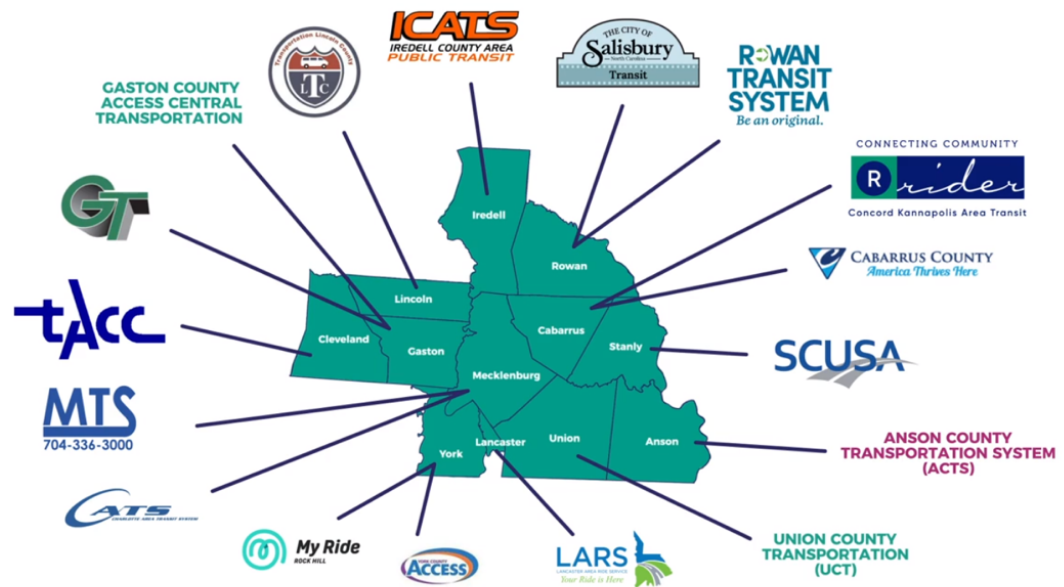
Each of the 17 transit agencies have their own Boards and governance structures with independent operations. Fixed route agencies adjacent to the Charlotte Area Transit System (CATS), the largest transit operator in our region, do coordinate on transfer points and cross-county express bus routes. Two transit agencies, CATS and Concord Kannapolis Area Transit, have intra-county governance structures (within one county), however, there is an absence of any multi-county regional governance structure.

Guiding Principles for Regional Collaboration

Early in 2023, Committee members developed together the following guiding principles for their work on developing a regional governance approach. The Committee stated that their purpose for Regional Collaboration is to:

- Strengthen **Economic Competitiveness** of Our Region
- Increase **Investment** in Region through State/Federal Grants
- Increase **Local Input**
- Improve **Regional Service and Access**
- Improve **Operational Efficiencies**

The remainder of this report outlines the results of the extensive research, discussion and collaborative decision making of the Committee to advance a regional governance framework.

ADVANCING THE PLAN COMMITTEE
Framework for Regional Governance

BUILDING BLOCKS OF REGIONAL GOVERNANCE: TRANSIT FUNCTIONS

Peer Research Overview

Centralina's region has a complex system of transportation and transit planning, investment and operations. Local control of transit operations, coupled with multiple cross-county transportation planning organizations, creates an opportunity for regional collaboration. This challenge is not unique to our region, therefore, Centralina and its consultant team at HDR conducted peer region research to review national models and good practice for regional transit governance. Peer regions researched included:

- ATL (Atlanta, GA)
- Bay Area Metropolitan Transportation Commission (San Francisco Bay Area)
- Central Virginia Transportation Authority (Richmond, VA region)
- Go Triangle (Raleigh, NC region)
- Metro Transit (Minneapolis, MN)
- Piedmont Authority Regional Transportation (Greensboro, NC region)
- Sound Transit (Seattle, WA)
- Valley Metro (Phoenix, AZ)
- WeGo Transit (Nashville, TN)
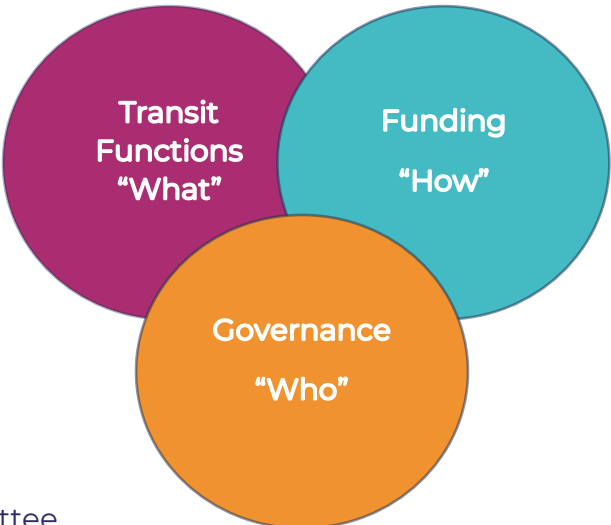
Through the lens of peer research, the Committee developed a framework for evaluating regional governance approaches. The framework included evaluating what services an agency offered (Transit Functions); revenue sources for these services (Funding); and who is directing the agency (Governance Structure).

Peer Regions: Transit Functions

For the Committee, "what services offered," or transit functions, of peer agencies was the first consideration to evaluate given how much this influenced the other two elements of the framework: funding and governance structure.

There are several organizational models for delivering transit functions. Some metropolitan areas share responsibilities, with one or more agencies providing strategic direction, prioritization, or resource allocation, while other agencies manage operating transit services, delivering capital projects, or both. Some metropolitan areas consolidate implementation duties in one fully integrated
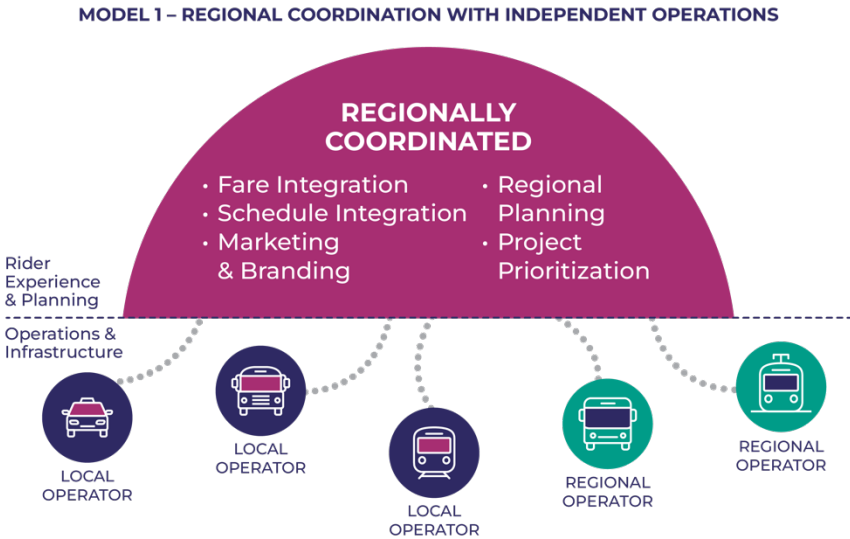
Regional Transit Authority (RTA). National experience suggests there is not necessarily an advantage to one approach over another; transit expansion programs have grown and thrived under both models.

Based on a review of peer agencies, the Committee defined two alternative model organization frameworks for consideration:

Model 1: Regional Coordination with Independent Operations

In the Model 1 approach, the entity would facilitate regional coordination mainly focused on Rider Experience and Planning. Under this model, the regional entity oversaw:

- Shared marketing and branding
- Integrated fare, regional scheduling and technologies
- Regional vanpool, carpool programs

MODEL 1 – REGIONAL COORDINATION WITH INDEPENDENT OPERATIONS

REGIONALLY COORDINATED
- Fare Integration
- Schedule Integration
- Marketing & Branding
- Regional Planning
- Project Prioritization

Rider Experience & Planning

Operations & Infrastructure

LOCAL OPERATOR

LOCAL OPERATOR

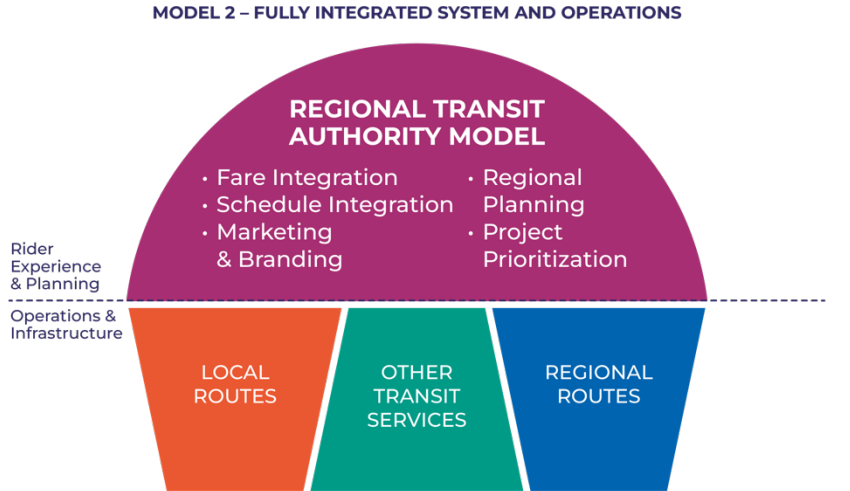LOCAL OPERATOR

REGIONAL OPERATOR

REGIONAL OPERATOR

Local transit operators maintain control over transit operations and system infrastructure. The Model 1 approach is used in Atlanta, Nashville, and San Francisco Bay Area.

Model 2: Fully Integrated System and Operations

In the Model 2 approach, in addition to the regional collaboration functions of Model 1, the regional entity also oversees transit operations and infrastructure.

This fully integrated approach encompasses strategy, planning, prioritization, and project and service delivery. The Model 2 approach is used in Minneapolis, Phoenix, and Seattle.

MODEL 2 – FULLY INTEGRATED SYSTEM AND OPERATIONS

REGIONAL TRANSIT AUTHORITY MODEL
- Fare Integration
- Schedule Integration
- Marketing & Branding
- Regional Planning
- Project Prioritization

Rider Experience & Planning

Operations & Infrastructure

LOCAL ROUTES

OTHER TRANSIT SERVICES

REGIONAL ROUTES

ADVANCING THE PLAN COMMITTEE
Framework for Regional Governance

Committee Recommendation #1: Regional (Multi-County) Transit Partnership Model

Through engagement exercises and discussions, the Committee recommended that the Charlotte region should start with a model for regional (multi-county) collaboration that reflected Model 1 and focused on Rider Experience and Planning. The Committee wanted to leave open the possibility that in the future the model could develop into a more fully integrated entity.

Recommended Model

REGIONAL MOBILITY PARTNERSHIP MODEL

- Fare Integration
- Schedule Integration
- Marketing & Branding
- Regional Planning
- Project Prioritization

Rider Experience & Planning

Operations & Infrastructure

LOCAL OPERATOR

LOCAL OPERATOR

LOCAL OPERATOR

REGIONAL OPERATOR

REGIONAL OPERATOR

Specific Regional Partnership Model Transit Functions could include:

- Developing a coordinated marketing and branding campaign for participating transit agencies
- Overseeing transit coordination on technology, fares and scheduling integration
- Coordinating federal/state grants to maximize funding for region
- Leading regional planning on land use readiness for transit, regional trail planning, mobility hubs design, and project prioritization for the region.
- Addressing emerging technologies (e.g. autonomous vehicle readiness, zero-emission transition)

The benefits of this Model could include:

- Increasing ridership and intra-regional movement through coordinated marketing, transit integration and regional planning for mobility
- Building trust across local and regional operators, local governments and riders
- Leveraging resources for efficiency across transit agencies
- Attracting investment to region by collaboratively pursuing state/federal funding opportunities

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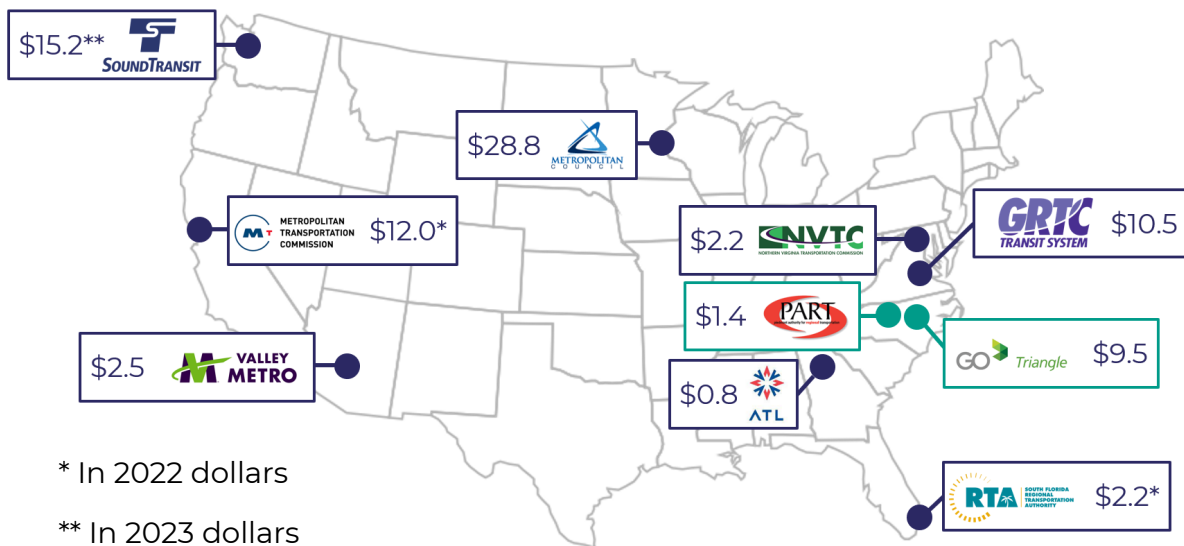# BUILDING BLOCKS OF REGIONAL GOVERNANCE: FUNDING & REVENUE SOURCES

Peer Regions: Funding & Paying for Transit

The ATP Committee reviewed the funding mechanisms and revenue generated by other RTAs across the United States, including two examples from North Carolina: Piedmont Authority Regional Transportation, PART (Greensboro NC area) and GoTriangle (Raleigh, NC area).

Sales taxes are common across peer agencies: Minneapolis, Seattle, Denver, Dallas and many other metro areas use sales tax as a primary revenue source. Motor vehicle taxes are also common. Portland, Oregon funds transit with a payroll tax. San Francisco and Austin use parking fees, in addition to other revenues, to pay for public transportation.

The level of spending on public transportation per capita varies widely. The graphic below shows the per resident spending in several peer regions on the activities contemplated in the Regional Transit Partnership Model.

Peer Rider Experience & Planning Funding Levels ($ Per Capita)

$15.2** SoundTransit

$28.8 Metropolitan Council

$12.0* Metropolitan Transportation Commission

$2.5 Valley Metro

$2.2 NVTC Northern Virginia Transportation Commission

$10.5 GRTC Transit System

$1.4 PART

$9.5 GO Triangle

$0.8 ATL

$2.2* RTA South Florida Regional Transportation Authority

* In 2022 dollars

** In 2023 dollars

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Framework for Regional Governance

Existing NC Transit Revenue Options

The Committee was most interested in reviewing revenue sources that would be "new" sources of funding for the region. The following chart summarizes these sources of RTA funding:

Vehicle Registration Tax *Article 51*	Vehicle Rental Tax *Article 50*	Sales Tax *Article 43*
• Up to $8 annual license tax on motor vehicles with a tax situs within the Authority's jurisdiction	• Up to 5% privilege tax on short-term leases or rentals made by a retailer whose place of business or inventory is located within the Authority's jurisdiction	• Up to 0.25 percent local sales and use tax in individual counties* *(Not available in Mecklenburg County)*
• Available to public transportation authorities under Articles 25, 26, or 27	• Available to public transportation authorities under Articles 26 or 27 only	• Available to public transportation authorities under Articles 25, 26 or 27

* Under the existing NCGS, there are six counties (Mecklenburg in our region) in North Carolina that have access to a ½-cent sales tax option for public transportation purposes that must be approved by voters in a referendum. The other 94 counties have access to a ¼-cent sales tax. Only Mecklenburg County in our region has activated the ½-cent sales tax.

The Vehicle Registration and Rental Vehicle tax are only available to RTAs formed under specific North Carolina General Statues (NCGS), noted in chart above.

Sales tax and percentage-based vehicle rental taxes are partially or substantially indexed to inflation, while a capped vehicle registration fee of $7 loses purchasing power over time. In a survey of ATP members, fees or taxes levied on visitors (i.e. hotel stays, rental cars) had the most support, while those levied on residents had support, but not has much as visitor-levied options. All Committee members recognized that local governments should have the flexibility to determine which source of revenue to use for RTA funding and that any fee or tax would need to be approved locally.

Revenue Potential In Our Region

The chart below details potential for these revenue streams by county:

	Vehicle Registration Tax			Vehicle Rental Tax			Sales Tax
	$3	**$5**	**$8**	**3%**	**4%**	**5%**	**0.25% (existing authority only)**
Anson	$0.1	$0.1	$0.2	$0.1	$0.2	$0.2	$0.5
Cabarrus	$0.5	$0.9	$1.4	$1.3	$1.7	$2.1	$12.2
Cleveland	$0.3	$0.4	$0.7	$0.5	$0.7	$0.9	$3.3
Gaston	$0.5	$0.9	$1.4	$1.3	$1.7	$2.1	$9.0
Iredell	$0.5	$0.8	$1.4	$0.5	$0.7	$0.8	$9.1
Lincoln	$0.3	$0.4	$0.7	$1.1	$1.4	$1.8	$3.4
Mecklenburg	$2.4	$4.0	$6.4	$9.5*	$12.7*	$15.9*	-
Rowan	$0.4	$0.6	$1.0	$0.8	$1.1	$1.3	$5.0
Stanly	$0.2	$0.3	$0.5	$0.8	$1.1	$1.3	$2.4
Union	$0.6	$1.0	$1.7	$1.3	$1.8	$2.2	$8.2
Regional Total	**$5.7**	**$9.5**	**$15.3**	**$17.3**	**$23.0**	**$28.8**	**$53.2**

Notes: Totals may not sum due to rounding. Preliminary revenue estimates are order-of-magnitude and based on third-party data, placeholder assumptions, and recently prevailing conditions. See disclaimer. Sources for each revenue estimate are provided in the prior slides.
* Mecklenburg currently uses full 5% authority. Would requires policy decision to dedicate funds for regional transit activities.

Committee Recommendation #2: Maximum Revenue Flexibility

The Committee recognized that raising revenue for any regional authority would require local action by a county or municipality. In order to maximize flexibility, the Committee recommends that any regional authority formed should allow for all possible revenue sources, including but not limited to: vehicle registration tax, vehicle rental tax and sales tax. The Committee indicated a preference for those revenue sources that are paid more by visitors but wanted to leave specific funding decisions to be determined locally.

Peer Regions: Formation & Governance

To understand the state legislative framework for creating RTAs in North Carolina, the ATP Committee examined the NCGS and Articles that supported the formation of the Research Triangle Regional Public Transportation Authority (GoTriangle), and the Piedmont Authority for Regional Transportation (PART).

Both agencies were created with an NCGS Article that was specifically crafted for their region. GoTriangle's enabling legislation (Article 26) requires any county empowered in that article to be in or adjacent to a county with a research park of a certain size and having a fixed route bus system. Only Wake, Durham, and Orange counties can meet such criteria. Similarly, PART's enabling legislation (Article 27) contains a series of interacting requirements which lead to the conclusion that only Guilford and Forsyth County and the surrounding counties are eligible to form an RTA.

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Both Articles 26 and 27, outline specific Board memberships representing a mix of counties, municipalities, state officials and transportation planning organizations. Having reviewed GoTriangle and PART's enabling legislation, ATP Committee did not find that these statutes provided a suitable fit for the CONNECT Beyond region. Both Articles were developed for the formation of an RTA in a specific region and did not easily apply to other areas.

Committee Recommendation #3: RTA Formation Through New Legislation

The Committee recommended that new legislation would be more effective than trying to amend existing statutes for the creation of an RTA. The new legislation would need to be designed to accommodate the needs and goals of the region, as outlined below in the Committee's recommendations for RTA authorization legislation.

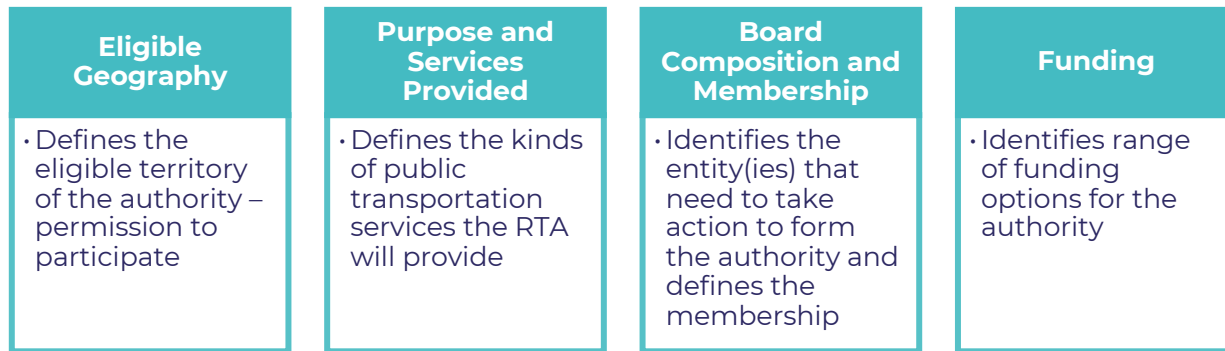## Governance Models – Establishing How an RTA Works

To prepare for any engagement with the North Carolina General Assembly on new legislation, the ATP committee worked to develop a few synthetic governance models for the Regional Transit Authority.

In the ATP Committee's March 2024 meeting, the committee reviewed the board governance structures of both GoTriangle and PART and identified the requirements for board membership at each agency. Some of the key discussion questions at this meeting included:

- *How large should an RTA board be? Are there board sizes that are either too small or too large?*
- *Which entities should be eligible to be represented on the board? Cities, counties, towns, transportation planning organizations, and state agencies like NCDOT?*
- *Is there a minimum number of entities that would be required to create an RTA?*
- *How long should terms be on the Board?*
- *What can be done to ensure that smaller communities are appropriately represented?*
- *How might the composition of the Board change over time as new members join?*

Framework for Potential RTA Authorization Legislation

The Committee broke down their analysis of any potential RTA authorization legislation into the following elements defined below:

Eligible Geography	Purpose and Services Provided	Board Composition and Membership	Funding
• Defines the eligible territory of the authority – permission to participate	• Defines the kinds of public transportation services the RTA will provide	• Identifies the entity(ies) that need to take action to form the authority and defines the membership	• Identifies range of funding options for the authority

Using this framework as a guide, the Committee developed recommendations for each element of any potential RTA authorization legislation.

RECOMMENDATIONS FOR RTA AUTHORIZATION LEGISLATION

In 2024, the ATP Committee found consensus on the following recommendations for potential RTA authorization legislation for our region:

Recommendation for Legislation	Committee Rationale
Eligible Geography: 10 county CONNECT Beyond area – Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union counties	The Committee agreed that all of the counties in North Carolina that were part of the Connect Beyond effort would be eligible to be part of the RTA. A bi-state authority was not recommended due to its complexity. Additionally, any adjacent county should be given a legislative pathway to joining the RTA, if desired.
Purpose and Services Provided: Inclusive of Model 1 and Model 2 activities *(See Article 26 for example language)*	The Committee reached consensus that a new RTA in the Connect Beyond region should begin by focusing on regional coordination (Model 1), while maintaining a clear path to becoming a fully integrated RTA (Model 2) without having to return to the North Carolina General Assembly for additional legislative action.

Recommendation for Legislation	Committee Rationale
Purpose and Services Provided: Include a no takeover clause	The Committee supported a stipulation that prohibits the RTA from taking over the operation of another transit provider without that provider's consent.
Funding: Local governments should be able to access a variety of funding to join RTA	The Committee supported creating flexibility for localities in joining the RTA. Local governments should be able to join the RTA at a time of their choosing and have a choice for the type of revenue stream (e.g. sales tax, vehicle registration tax, vehicle rental tax) they use to fund transit investments.
Board Composition and Membership: Formation: At least four (4) entities, inclusive of two counties	At least four entities, including two counties with voting seats, would be required for RTA formation. Include a pathway for entities to opt-in and opt-out after formation.
Board Composition and Membership: Board membership (voting) for paying entities only	The Committee had a strong preference that entities with seats on the RTA Board also contribute money to the RTA in exchange for voting rights. The committee also recognized that county involvement is critical due to their role in providing human services transportation and could potentially hold nonvoting seats on the Board.

Other Board Composition and Membership Considerations:
- **Board size** that ranges from 15 to 30 members. There was a preference from some of the rural counties for not using an executive committee as part of the governance structure.
- **Appointees & Expertise:** Appointees to the Board should represent both public and private sector perspectives, including:
  - **Regional and State Perspectives**: Board seats potentially reserved for transportation planning organizations and NCDOT.
  - **Fixed Route Systems**: There was also interest in some of the seats on the Board being reserved for entities that operated fixed route transit services.
  - **Small Communities**: Recognizing that there are dozens of smaller communities across the region, the Committee saw a need to allow for a variety of communities to sit on Board, either as a primary or alternate member.

Conclusion

Our region's complex transit network requires thoughtful and systematic collaboration across transit agencies to streamline travel, improve the rider experience and gain efficiency. The recommendations detailed in the Advancing the Plan Committee report elevate the benefits of improving mobility and provide a framework for achieving a level of regional coordination envisioned in CONNECT Beyond. Although the Committee did not fully represent every jurisdiction, these recommendations reflect a consensus-based process of elected officials and county leaders from across the North Carolina counties of the CONNECT Beyond region.

The Committee submits this report for approval by the Centralina Regional Council Executive Board on September 11, 2024.   With its approval, Centralina and its member governments endorse these recommendations for inclusion in any future legislation authorizing a regional governance entity or transportation authority within the CONNECT Beyond's 10-county region in North Carolina.

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