

FY 2025 Preliminary Operating & FY 2025 to FY 2029 Capital Budgets

Presentation to City Council
Budget Workshop
March 25, 2024



Agenda

- ▶ Current State of CATS
- ▶ FY 2025 Revenue Summary
- ▶ FY 2025 Preliminary Operating Budget
- ▶ FY 2025 – FY 2029 Preliminary Capital Budget
- ▶ Next Steps
- ▶ Discussions





Our Mission

MOVING PEOPLE FORWARD. >>

DWA D. Wilson Agency
CONSULTING • DEVELOPMENT

Vision Statement

To create a seamless transit experience that improves the lives of individuals, fuels economic growth, builds a connected region and fosters a sustainable future for all.

FY25 STRATEGIC PRIORITIES

1. Organizational Resilience
2. Employee Success
3. Future-Forward Planning and Innovation
4. Exceptional Customer Experience
5. Positive Community Impact

Core Values



Safety



Employee
Centric



Customer
Focused



Equity &
Inclusion



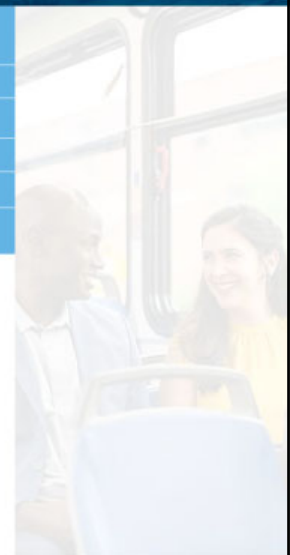
Innovation



Sustainability



Excellence



Accomplishments

► Safety and Security

- ▷ New security contracts
- ▷ CATS Connect
- ▷ Ambassador Program

► State of Good Repair

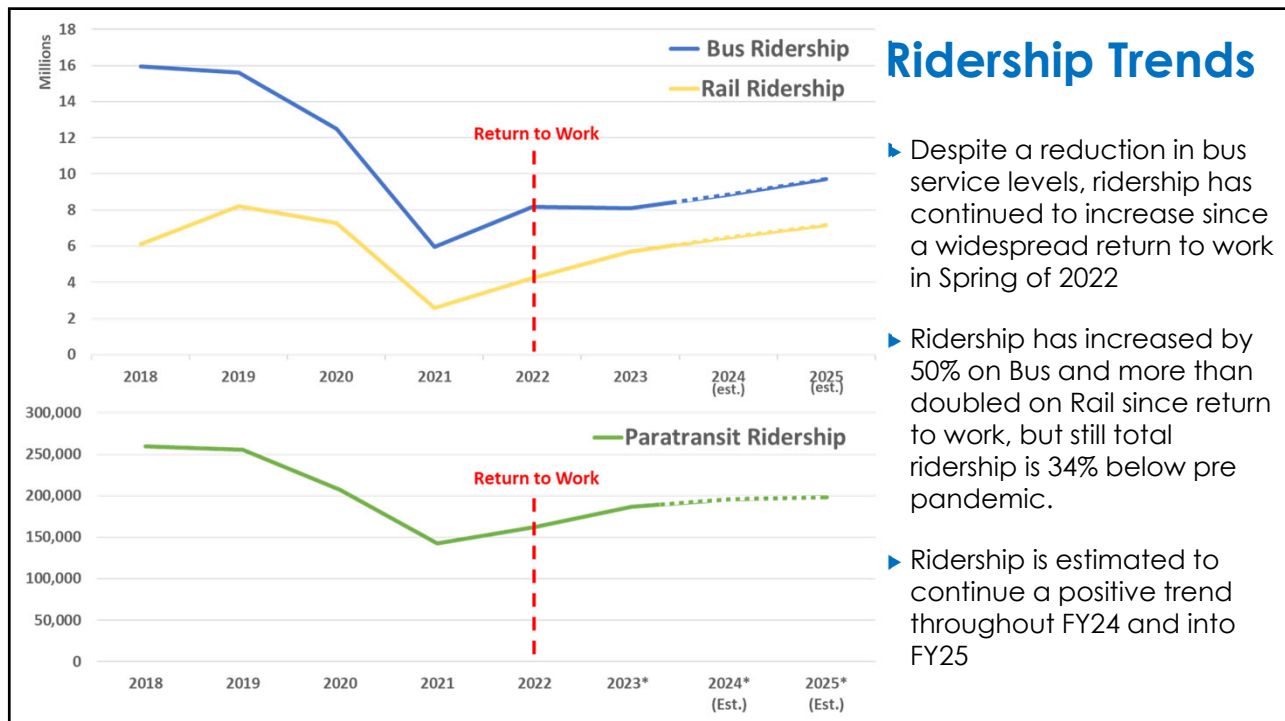
- ▷ LRV Truck Maintenance and Technology System Contract with Siemens
- ▷ Bus and STS Bus Replacement Order and update to fleet replacement plan
- ▷ Awarded a \$30M Zero Emission Grant
- ▷ Conducted bridge and parking deck inspections as well as facility assessments

► Valuing employees and improved recruitment and retention efforts

- ▷ Field staff pay increases
- ▷ Implemented several communication tools

Ongoing and Planned Initiatives

- ▶ Microtransit
- ▶ Better Bus
- ▶ Fare Study
- ▶ Continued investments in Safety & Security
- ▶ Continued focus on our employees
- ▶ New revenue initiatives/partnerships
- ▶ Marketing and education efforts
- ▶ APTA Peer Reviews
- ▶ Technology Projects
- ▶ Transit Asset Management Program

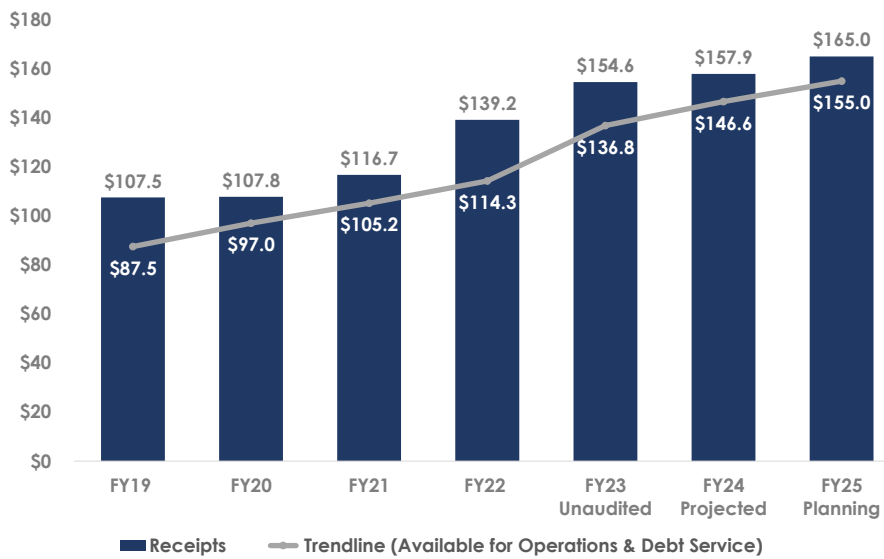


FY 2025 Revenue Summary

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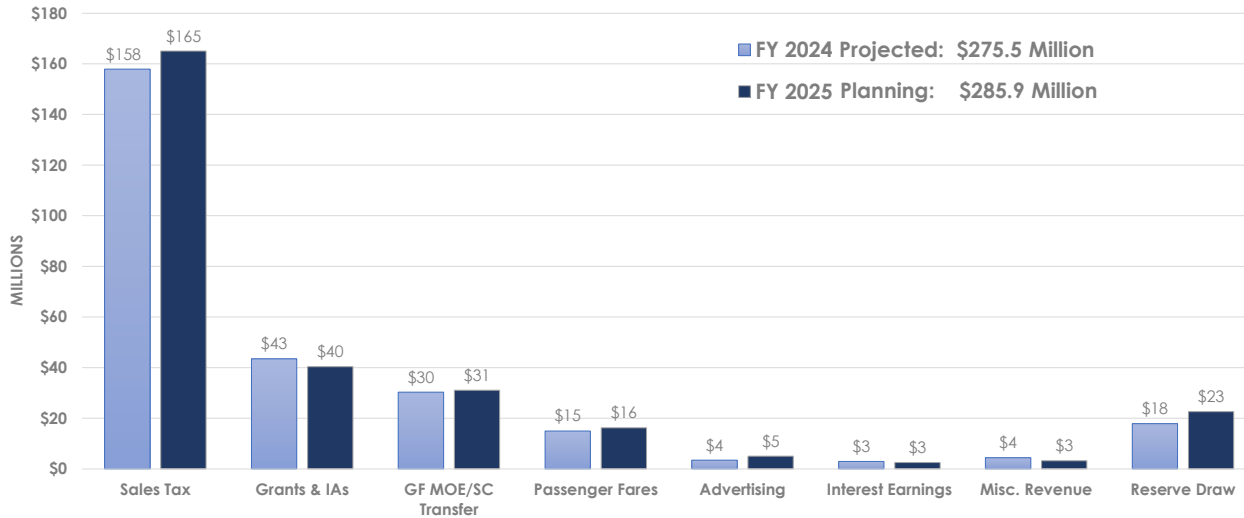
1/2 Percent Sales Tax FY 2019 – FY 2025



1/2 Cent County-Wide Tax

Does Not Include: grocery foods, automobiles, housing, medical visits and medicines, gasoline, insurance, utilities, debt, school, etc.

FY 2025 Revenue Estimates

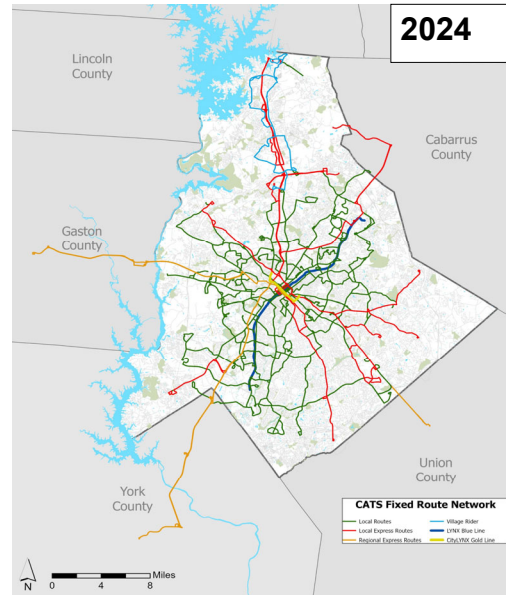


FY 2025 Preliminary Operating Budget



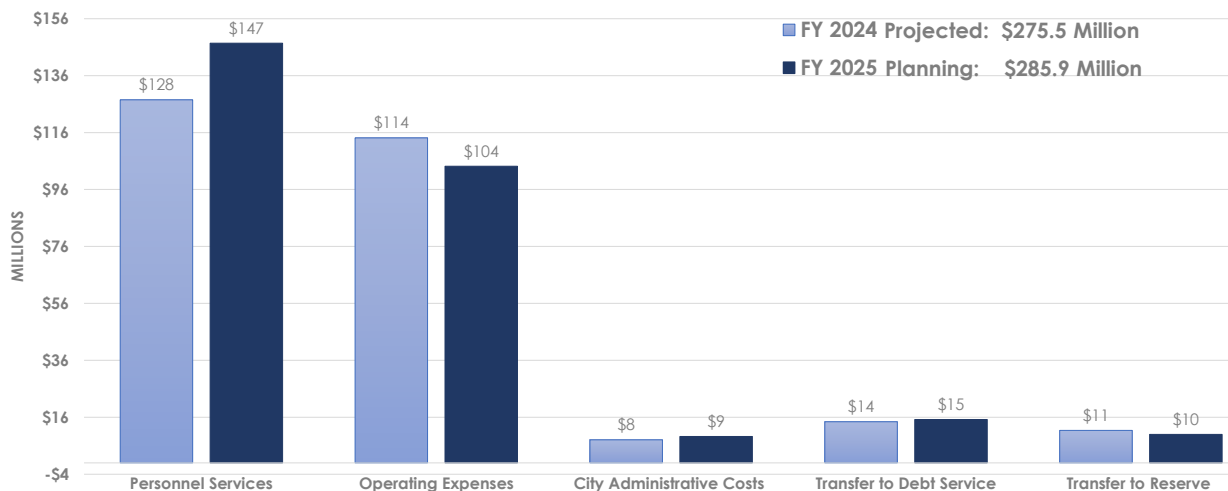
National and Regional Pressures

- ▶ Dedicated transit revenues are low compared to peer cities
- ▶ National and local labor trends have increased operating costs
- ▶ National ridership patterns and needs post-pandemic have reduced fare revenues
- ▶ Past reliability issues have damaged perception of the system
- ▶ Aging system infrastructure and technology is adding to maintenance and capital costs
- ▶ Capital costs have risen dramatically with inflation
- ▶ Regional growth creates additional demand



FY 2025 Operating Budget Summary

Status Quo Service Levels



FY 2025 – FY 2029 Preliminary Capital Budget

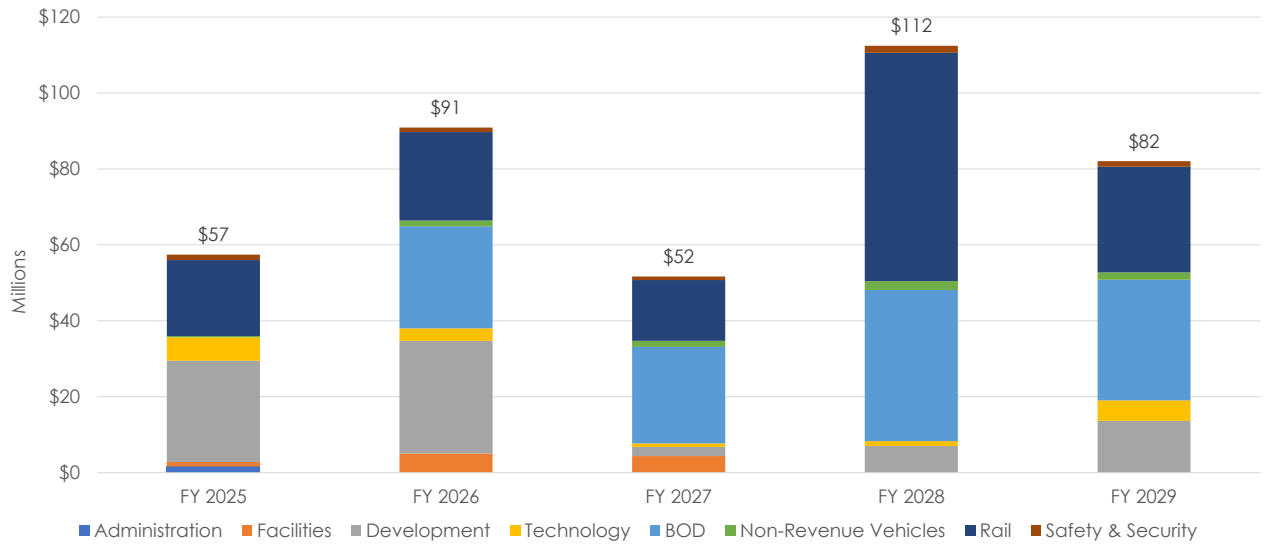
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Capital Budget Summary

- ▶ Key projects in FY25 budget:
 - ▶ Bus and Rail State of Good Repair
 - ▶ Implement Bus and Rail Capital Improvements – Continued Funding FY25-FY29
 - ▶ CTC Redevelopment Project
- ▶ Continued implementation of projects funded in prior years:
 - ▶ Construction Projects
 - ▷ South End Station
 - ▷ Hambright Park and Ride
 - ▷ Operator Comfort Stations
 - ▶ Advancing the 2030 Corridor System Plan
 - ▷ Red Line
 - ▷ Gold Line Phase 3
 - ▷ Silver Line
 - ▷ No additional future year funding allocated

FY 2025 – FY 2029 Capital Budget Expenditures



Next Steps: FY 2025 Budget Calendar

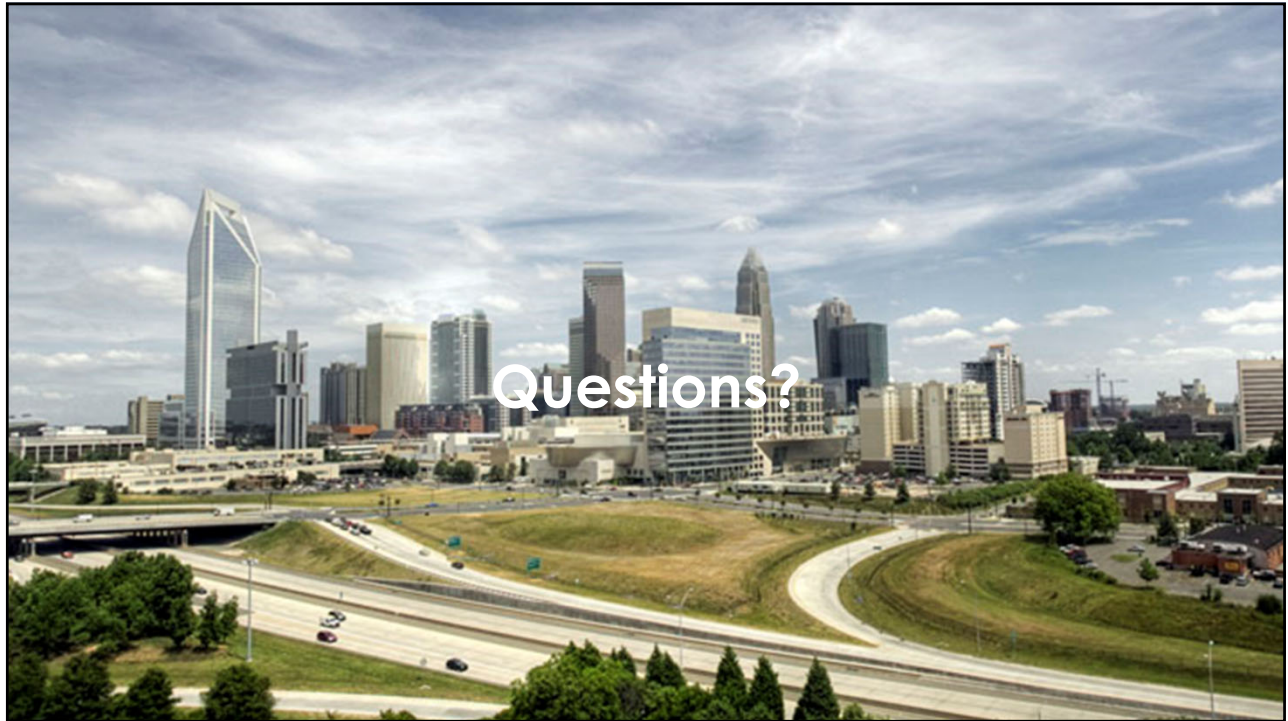
► March 2024

- ▷ MTC Capital Budget Workshop
- ▷ Finalize revenue and expenditure projections
- ▷ Workshop results incorporated into preliminary capital budget

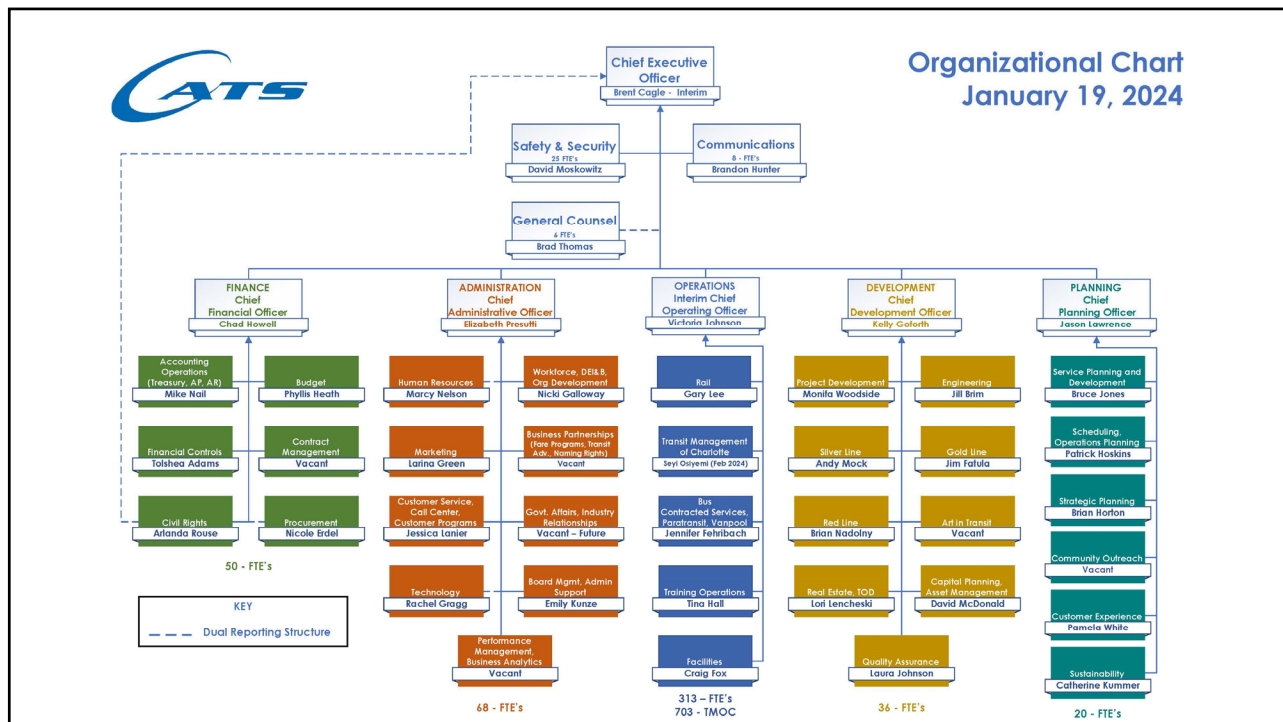
► April – June 2024

- ▷ Revise budget and present to MTC and City Council for adoption





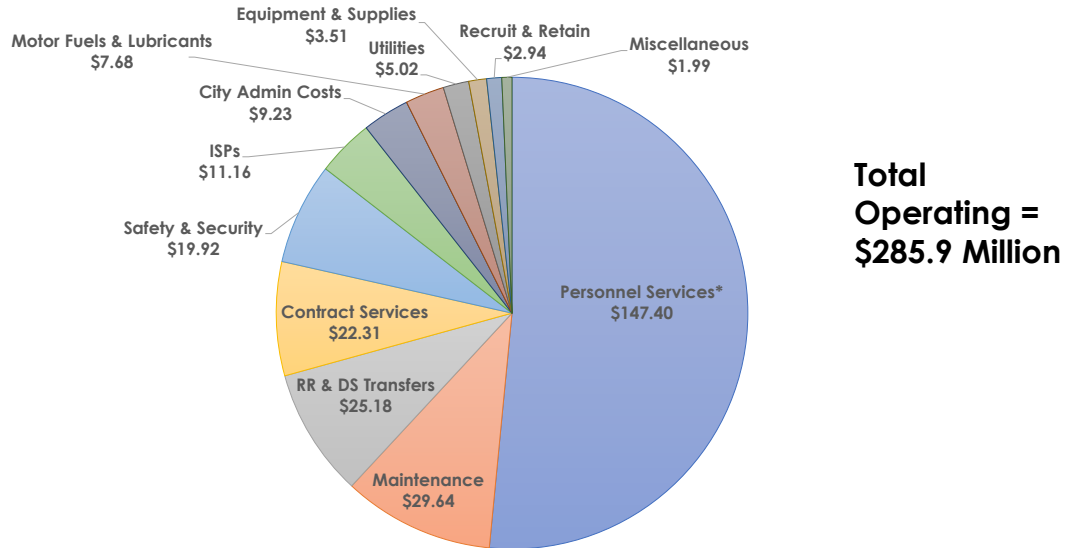
**SUPPORTING SLIDES
NOT FOR PRESENTATION**



Challenges

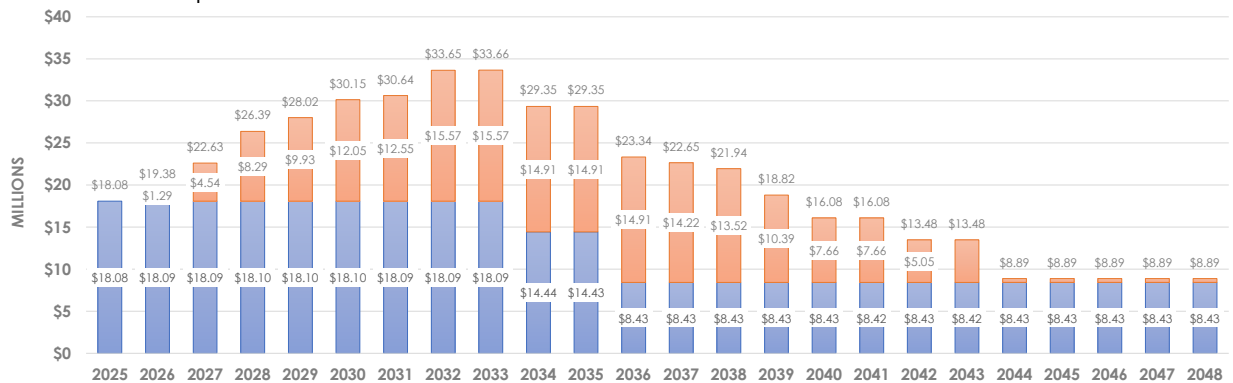
- ▶ Financial realities of maintaining what we have
 - ▷ Costs associated with stabilizing the organization
 - ▷ Increasing operating costs
- ▶ Aging system infrastructure and technology
 - ▷ State of good repair
 - ▷ Assets beyond useful life
- ▶ Changing ridership patterns and needs post-pandemic
- ▶ Safety and security for riders and staff
- ▶ Reliability / frequency of services
- ▶ Perception of system
- ▶ Growing region with additional transit needs

Operating Expenses By Major Category



Debt Service Expenses

- ▶ FY2025 Debt Service Budget ~\$18.1 million
- ▶ New Debt Issued in FY 2026 for Bus and STS Vehicles and facility improvements
- ▶ Transit Sales Tax, Fund Balance, and Federal Grant Funds pay annual principal and interest expenses



Bus and Rail State of Good Repair

- ▶ STS and Bus Replacements
- ▶ Light Rail Vehicle Truck Overhaul
- ▶ Blue Line Signal House Refresh
- ▶ Software Replacements
- ▶ ADA Transition Plan – Bus Stop and Facility Improvements
- ▶ Community Transit Centers – Condition Assessments
- ▶ Drainage Improvements
- ▶ Bridge Inspection and Repair Program
 - ▷ Inspections nearly complete
 - ▷ Repairs in 2024-2025
- ▶ Parking Deck Inspection and Repair Program
 - ▷ Inspections complete 2023
 - ▷ Repairs in 2024-2025



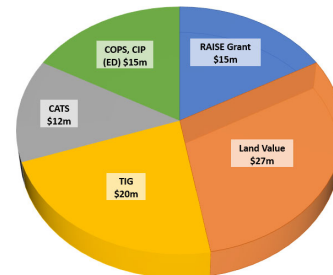
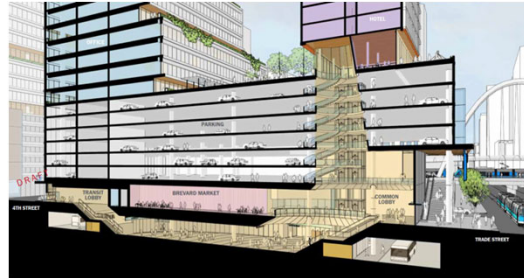
Bus and Rail Capital Improvements

- ▶ New Bus Shelters and Amenities
- ▶ North Yard Storage Capacity
- ▶ EV Charging Infrastructure (Grant Funded)

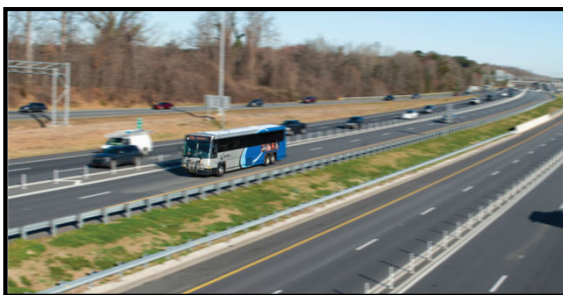


CTC Redevelopment

- ▶ Public-Private Partnership
 - DART/White Point Partners
 - New multi-modal bus facility with mixed use development
- ▶ FTA RAISE Grant \$15 M - 2021
- ▶ City Council approvals
 - Design Reimbursement Dec 2022
 - MOU Feb 2023
- ▶ MTC approval – Jan 2022
 - LPA Concourse Design Concept
- ▶ Financial Framework
 - Developer's Conceptual Cost Estimate \$89 M
 - Includes \$12 M CATS for Temp Facility
 - Additional Funding Request FY26-29 \$10 M
 - Owner's Representative Consultant
 - Furniture, Fixture, Equipment, Technology Allowance



North Corridor: Hambright Park & Ride



- ▶ Project Description
 - Located in Town of Huntersville
 - 500 parking spaces
 - Bus operator restroom
 - Mobility hub
 - Carpool/vanpool staging
- ▶ Express buses will use the I-77 express lane direct connect to access the park-and -ride
- ▶ Schedule
 - Environmental Complete
 - Design Contract Award Nov 2023
 - Design Phase 2024 -2025
 - Construction 2026
- ▶ Funded with CMAQ grant

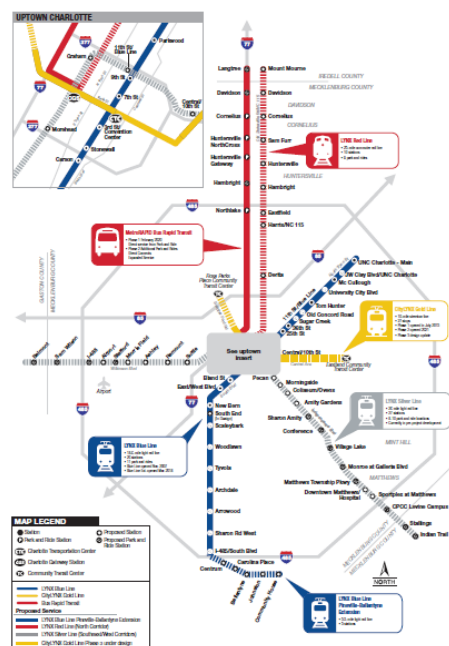
LYNX Blue Line: South End Station

- ▶ Project Description
 - New Station between New Bern and East-West Stations
- ▶ Schedule
 - Currently in Preliminary Design
 - Completion schedule currently being updated
- ▶ Funded with BLE Cost Savings and Private Contributions



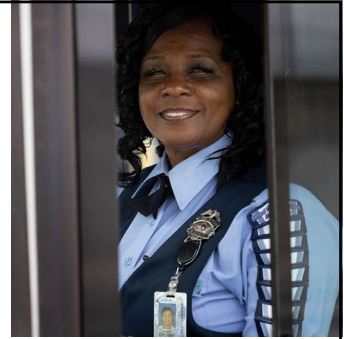
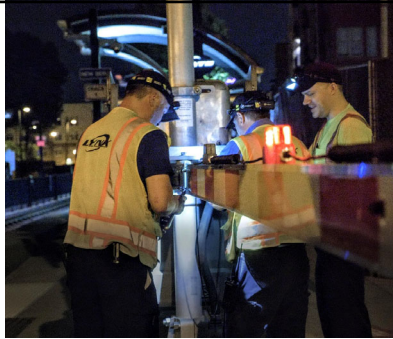
Advancing the Plan

- ▶ Red Line
 - Design Update
 - Prior Year Funding \$5.0 million
 - Expected Completion Spring 2025
- ▶ Silver Line
 - Design and Environmental
 - Prior Year Funding \$51.2 million
 - Expected Completion Summer 2026
- ▶ Gold Line Phase 3
 - Design and Environmental
 - Prior year Funding \$4.3 million
 - Expected Completion Fall 2025
- ▶ No Additional Funding FY25-29



Moving CATS Forward

- ▶ Restoring service, new service delivery concepts and renewed customer experience focus to catapult continued ridership growth
- ▶ Continued emphasis on safety and security as well as state of good repair
- ▶ Investing in CATS most important asset – our employees
- ▶ Strengthening local and regional partnerships





Five-Year Capital Investment Plan & 2024 Bond Outlook

MARCH 25, 2024

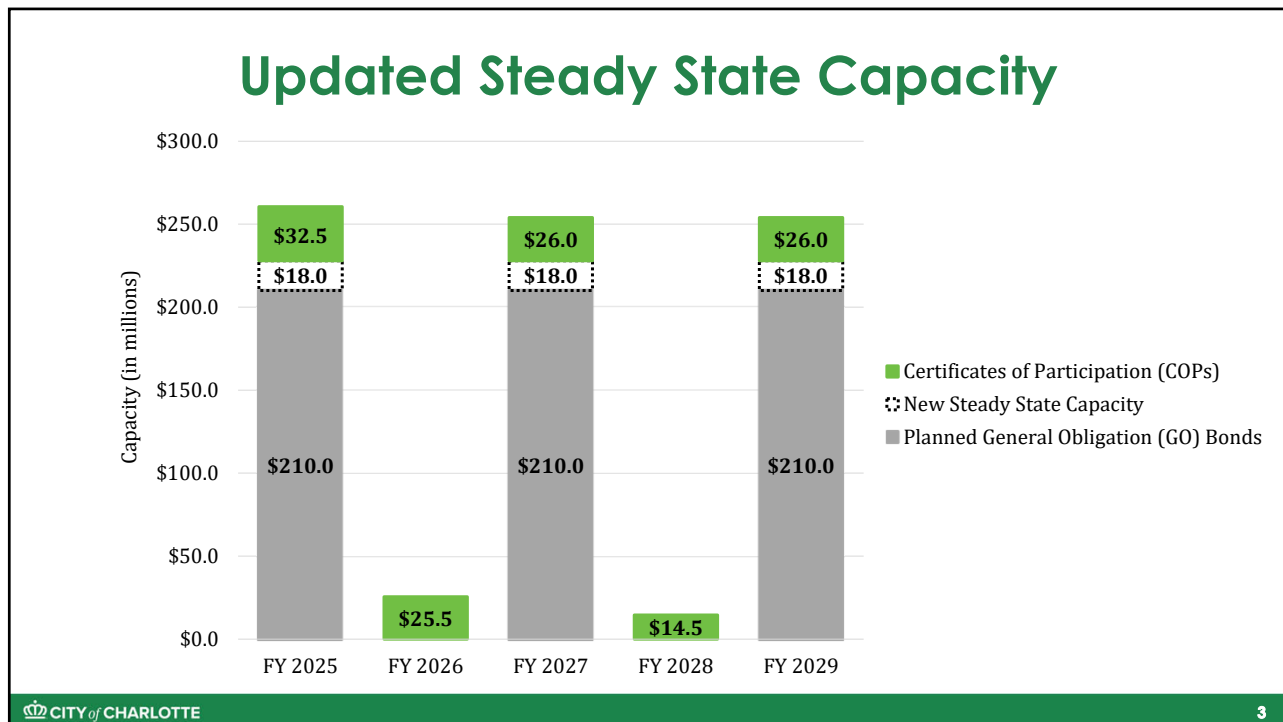
Five-Year Capital Investment Plan Overview

Facility Funding Update

2024 Bond Outlook

- Current Bond Plan
- Transportation Strategy Shift





Examples of Recent COPs Projects

Police

- Police Station Construction Program: Central, Hickory Grove, Independence, Northwest, University City, South
- Animal Care & Control Renovations: Phase I & Phase II

Fire

- Firehouse Construction Program: Three New Infill Stations and Two Fire House Replacements
- Firehouse Equity Renovations
- Electric Fire Truck

Sustainability & Capital Facility Maintenance

- 178 EV Charging Ports
- 31 Solar Photovoltaic System Projects
- Charlotte-Mecklenburg Government Center HVAC Replacement
- ADA Improvements

CITY of CHARLOTTE

Existing City Facility Funding Plan

Planned Certificates of Participation (COPs) Schedule					
Project/Program	Planned FY 2025	Planned FY 2026	Planned FY 2027	Planned FY 2028	Draft FY 2029
Fire Facilities Program	\$25.0	\$18.0	\$11.5	-	-
ADA Transition Plan	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Capital Building Improvements	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5
Building Sustainability	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Reserved Future Capacity	-	-	\$7.0	\$7.0	\$18.5
Total	\$32.5	\$25.5	\$26.0	\$14.5	\$26.0

\$103 Million Fire Facilities Program includes:

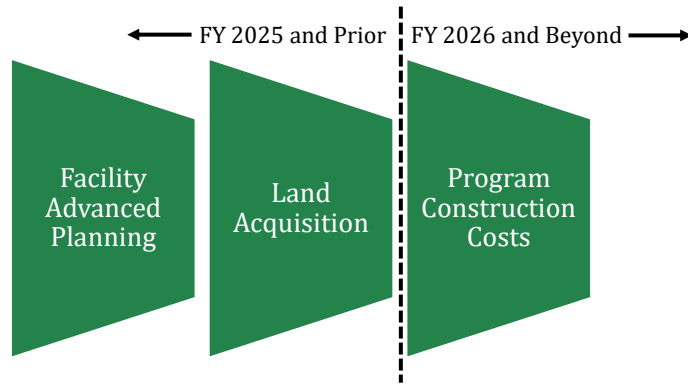
- Three new infill Firehouses: Hidden Valley neighborhood at 5800 N Tryon Street, 4032 Miranda Road, and River District off Dixie River Road
- Two replacement Firehouses: 11 and 30

FY 2025 Planned Actions Advanced Planning Program

	Feasibility	Land Acquisition	Design/Construction	Funding Estimate
Fire Facility Equity Renovations <small>Fire Houses 2, 12, 22</small>	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	\$2 - \$3M
Solid Waste Equity Renovations	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	\$2 - \$4M
911 Call Center Expansion	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	\$5 - \$10M
Relocate ARD/CDC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	■
Relocate CMDP Helicopter Hanger	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	■
Animal Care & Control <small>Phase Three</small>	<input checked="" type="checkbox"/>	■	■	■
Solid Waste Transfer Station	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	■	■

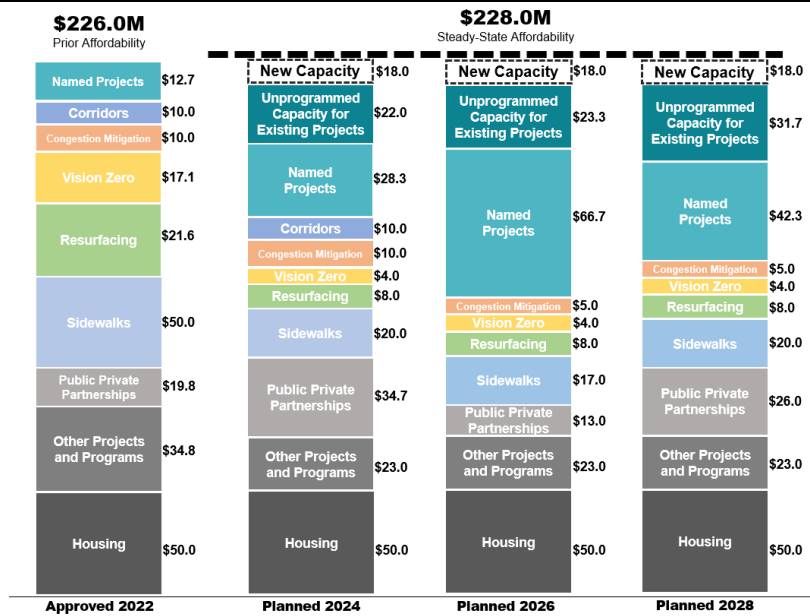
COPs Capacity

Beyond FY 2025, COPs requires additional capacity to construct projects in Advanced Planning Program



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Planned Affordability Compared to 2022 Bond



A Different Approach to Capital Investment

- Focused**
Program investment "bundled" to maximize impact
- Scalable**
Big and small projects delivered based on funding and feasibility
- Measurable**
Tracking performance towards our policy goals
- Adaptable**
Pivoting to better solutions, new technology, and innovation

Strategic Investment Areas

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District 5

STRATEGIC INVESTMENT AREAS

Example:

C Harrisburg Rd Corridor

Improve safety, capacity, and access between neighborhoods, greenspaces, and Cambridge Commons Activity Center using ITS, center turn lanes, streetlighting, and better multimodal facilities and crossings.

Far East - Harrisburg Rd

Safety Equity Growth

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Strategic Area: Far East - Harrisburg Rd

Example Project Grouping: Harrisburg Rd Corridor

Strategic Area



Safety
High Injury Network
Sidewalk Gaps
Street Lighting Gaps

Equity
Transportation Disadvantage
Bus Priority Network
Bike Priority Network

Growth
Activity Centers
Jobs & Housing
Congestion

Council District

District 05

Scalable Project Component Key

- \$ \$0M to \$1M
- \$\$ \$1M to \$5M
- \$\$\$ \$5M to \$25M
- \$\$\$\$ \$25M+
- Capacity
- Pedestrian/Bicycle
- Transit
- Safety


Example Project Bundle

Improve safety, capacity, and access between neighborhoods, greenspaces, and Cambridge Commons Activity Center using ITS, center turn lanes, streetlighting, and better multimodal facilities and crossings.



Scalable Project Components

- \$\$\$ Sidewalk Gaps/Shared Use Path
- \$\$\$ Targeted Center Turn Lane
- \$\$ Streetlighting
- \$\$ ITS Upgrades
- \$ New Pedestrian/Bike Crossings
- \$ Pedestrian/Bike Signal Upgrades at Existing Signals
- \$ Cambridge Commons Mobility Hub
- \$ Hickory Ridge - Becton Park Microtransit Zone



Strategic Areas: Project Bundle

Focused - Scalable - Measurable - Adaptable

Example:
Harrisburg Road Corridor

Project Cost Ranges*

- \$ up to \$1M
- \$\$ \$1M to \$5M
- \$\$\$ \$5M to \$25M
- \$\$\$\$ \$25M+

Scalable Project Components

- \$\$\$ Sidewalk Gaps/Shared Use Path
- \$\$\$ Targeted Center Turn Lane
- \$\$ Streetlighting
- \$\$ ITS Upgrades
- \$ New Pedestrian/Bike Crossings
- \$ Pedestrian/Bike Signal Upgrades at Existing Signals
- \$ Cambridge Commons Mobility Hub
- \$ Hickory Ridge - Becton Park Microtransit Zone

Project Bundle

Example:
Harrisburg Road Corridor

- 3 Signalized Pedestrian Crossings
- 1 Streetlighting (mile)
- 1 Sidewalk (mile)
- 2 Bus Stops/Mobility Hubs

+/- \$20M

*These estimated ranges reflect the costs of a typical project by project type in the current 2024 market. No advanced planning work has been completed on specific projects or segments to determine precise project cost estimates.

Capacity
Pedestrian/Bicycle
Transit
Safety

Continuing the Conversation...

Now: Council discussion and feedback on Capital Investment Plan priorities in FY 2025

April 1: Referral conversations continues in Transportation, Planning & Development Committee around transportation investment strategy

May 6: Proposed five-year Capital Investment Plan and 2024 Bond

FY 2025 Financial Partner Applicants

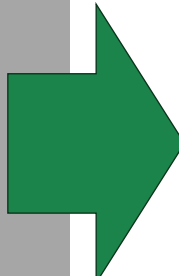
BUDGET WORKSHOP

MARCH 25, 2025

Financial Partnerships with Agencies

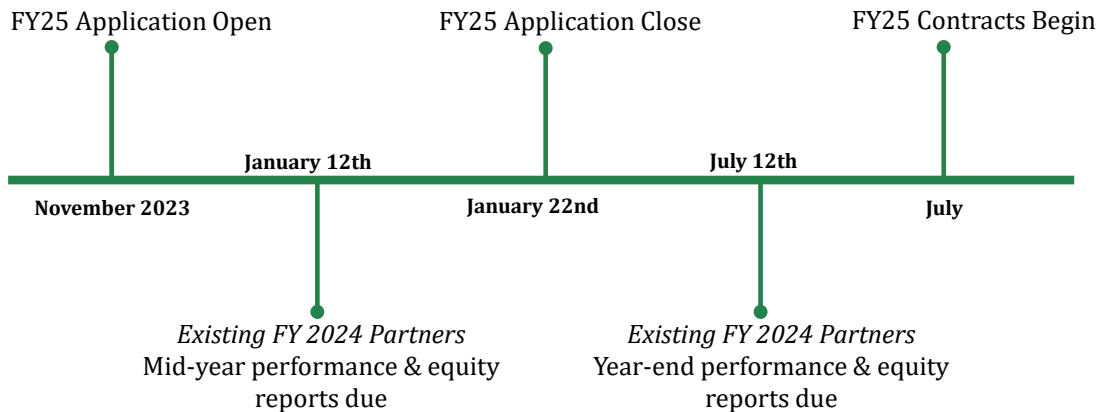
The strategic priorities defined by City Council guide decision-making and align resource allocation:

- Great Neighborhoods
- Safe Communities
- Transportation and Planning
- Workforce and Business Development
- Well-Managed Government, focused on Equity, Engagement, and the Environment



Financial Partners are contracted by the City of Charlotte to provide specific services which support key initiatives to advance Council priorities and contribute to community enrichment.

Financial Partner Timeline



Financial Partner Reporting (non-housing service partners*)

Performance Measures

- Established in partnership with staff to ensure alignment with strategic priorities
- Reported on at mid-year and year-end

CBI-Certified MWSBE Utilization

- Goals established in partnership with CBI at start of contract year
- Ensure selected organizations support competition and participation of Minority, Women, and Small Business Enterprises (MWSBEs) in city contracting
- Reported on quarterly

Equity Measures

- Organizations identify target populations that their programming supports
- Ensure partners support the city's efforts to address systemic and community barriers that limit opportunities for Charlotte's vulnerable communities
- Reported on at mid-year and year-end

* Housing services partners are typically subject to federal regulations and requirements and/or specific purpose contracts

Financial Funding Sources

Discretionary Revenue

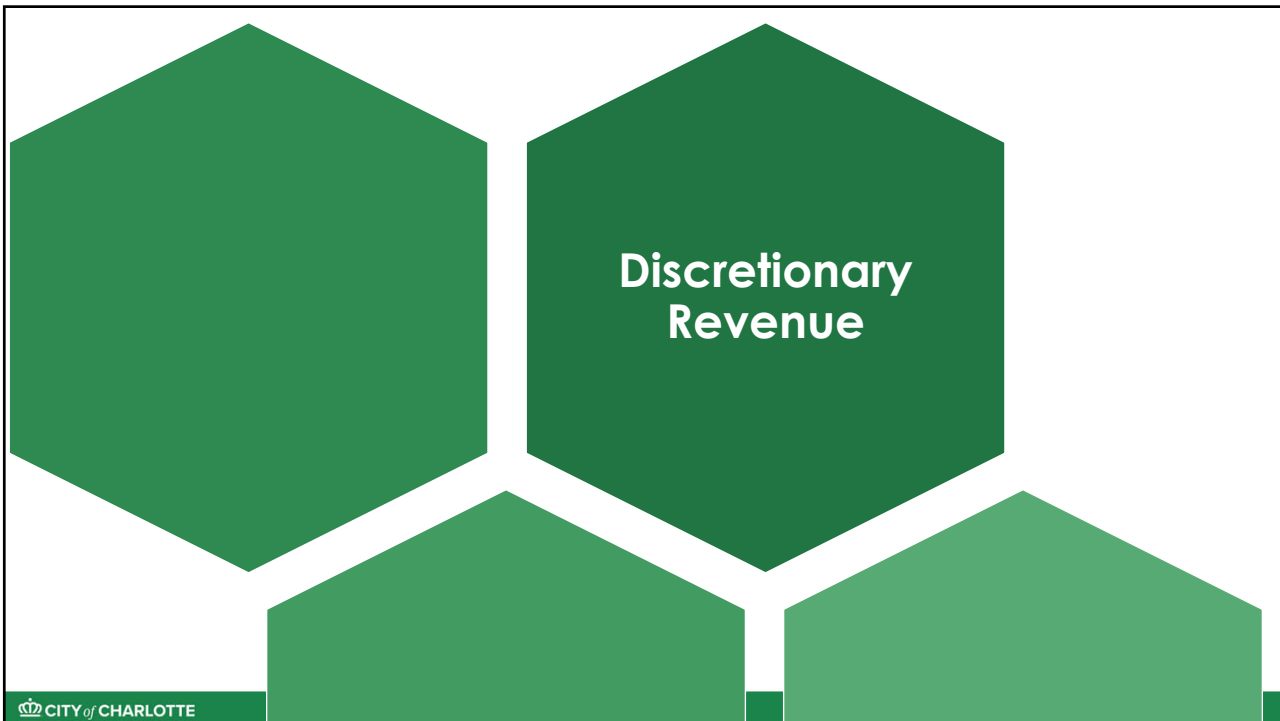
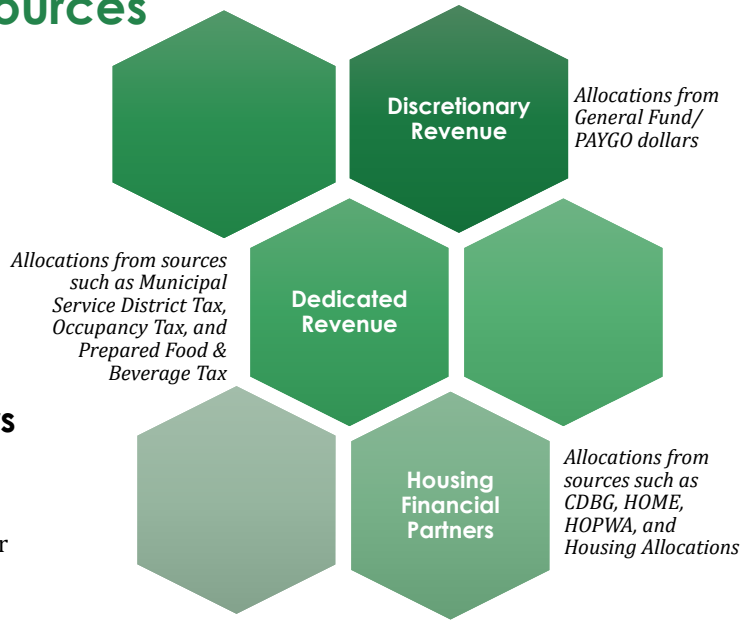
- Competitive process
- “Boots on the ground” organizations

Dedicated Revenue

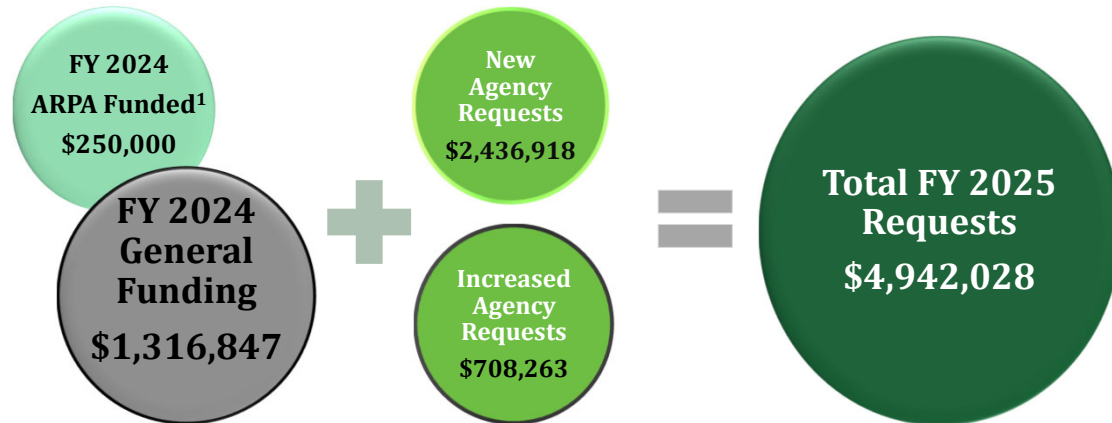
- Partnerships renewed annually

Housing Financial Partners

- Organizations typically support housing goals
- Funded by either federal grants or from Housing Allocations



Discretionary FY 2024 Funding and FY 2025 Requests



¹Block Love Charlotte did not apply for FY 2025 funding, funded in FY 2024 with \$230,000 in ARPA funds

Current Funding and Requests

Agency	FY 2024 Funding Amount	FY 2025 Funding Request	Increase Requested
Alliance Center for Education	\$90,000	\$126,000	\$36,000
Bengali Women's Forum Corp	\$10,000	\$10,000	-
Carolina Metro Reds (ARPA Funded)	\$50,000	\$50,000	-
Charlotte Regional Business Alliance	\$168,341	\$171,809	\$3,468
Community Building Initiative	\$50,000	\$50,000	-
For The Struggle, Inc. (ARPA Funded)	\$100,000	\$100,000	-
Greater Enrichment Program	\$200,000	\$200,000	-
My Brother's Keeper Charlotte-Mecklenburg	\$50,000	\$300,000	\$250,000
National Institute of Minority Economic Development - The Women's Business Center of Charlotte	\$50,000	\$65,000	\$15,000
Race Matters for Juvenile Justice	\$51,468	\$128,496	\$77,028
Safe Alliance	\$397,038	\$473,805	\$76,767
The Males Place (ARPA Funded)	\$100,000	\$100,000	-
Trees Charlotte	\$250,000	\$500,000	\$250,000
Total Increases Requested	\$1,566,847	\$2,275,110	\$708,263

New General Fund Partner Requests

New Agency Requests	FY 2025 Funding Request
Be You Be Great	\$725,333
Bright Hope	\$10,000
Carolinas Asian Chamber of Commerce*	\$246,000
Community Leadership Academy	\$250,000
Envision Charlotte	\$200,000
Freedom Fighting Missionaries	\$100,000
Housing Collaborative	\$300,000
Roof Above	\$268,085
Stiletto Boss University	\$77,500
The United Way of Greater Charlotte	\$130,000
WYTV7 Community Broadcast	\$130,000
Total Requested	\$2,436,918

*Received \$250,000 in ARPA funding in FY 2024 for Small Business Ecosystem Partner Grant

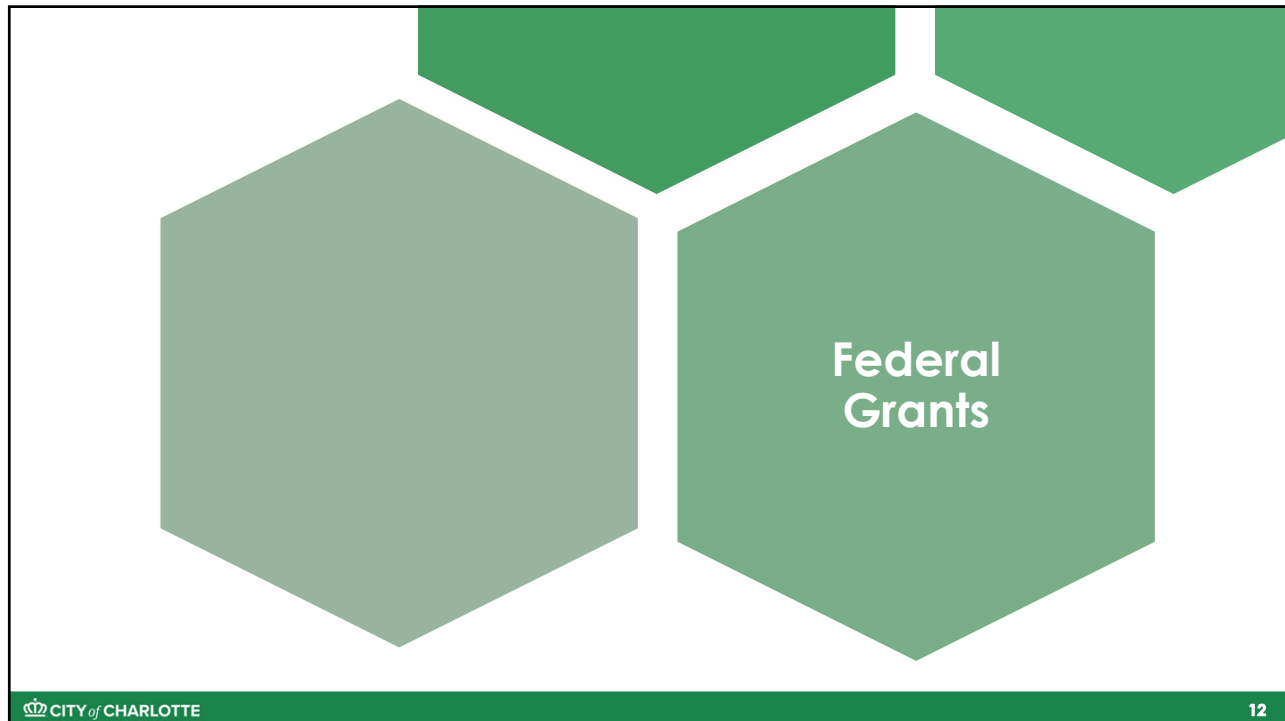


Dedicated Revenue Sources

Financial Partners with Dedicated Revenue Sources receive allocations from sources such as Municipal Service District Tax, Occupancy Tax, and Prepared Food & Beverage Tax.

Agency	Funding Source	FY 2024 Funding Amount	FY 2025 Funding Request
Charlotte Center City Partners*	Municipal Service District Tax	\$6,796,745	\$7,508,026
Charlotte Regional Visitors Authority – Visit Charlotte	Occupancy/Prepared Food & Beverage Tax	\$21,861,227	\$23,361,809
Charlotte Regional Visitors Authority – Film Commission	Occupancy Tax	\$150,000	\$150,000
SouthPark Community Partners	Municipal Service District Tax	\$1,614,682	\$1,614,682
University City Partners	Municipal Service District Tax	\$1,380,857	\$1,408,474

* Charlotte Center City Partners is the contracted organization for four Municipal Service Districts.



Housing Financial Partners

Housing Financial Partners are programmed primarily with Federal grants, such as CDBG, HOME, and HOPWA, with supplemental funding from PAYGO. These partners assist in providing housing resources such as construction or rehabilitation of units, financial support such as short-term assistance for rent or utilities and other services such as homebuyer counseling.

Agency	Funding Source	FY 2024 Funding Amount	FY 2025 Funding Request
Carolinas Care Partnership	HOPWA	\$3,598,683	\$3,320,702
Crisis Assistance Ministry	PAYGO – Innovative Housing	\$550,000*	\$575,000
DreamKey (formerly Charlotte Mecklenburg Housing Partnership) – Affordable Housing	CDBG, HOME, and PAYGO – Innovative Housing	\$1,690,000	\$1,860,000
DreamKey (formerly Charlotte Mecklenburg Housing Partnership) – House Charlotte	CDBG, HOME, and PAYGO – Innovative Housing	\$231,000	\$231,000
Local Initiative Support Corporation (LISC)	PAYGO – Innovative Housing	\$200,000	\$200,000

*Crisis Assistance Ministry received an additional \$125,000 in ARPA funding in FY24

Discussion & Questions

