

**NORTH CORRIDOR  
RED LINE RAIL PROJECT  
FACT SHEET  
10/1/2011**

Project Overview

- The Red Line (NCRL) Rail Project is an initiative to upgrade an existing section of the Norfolk Southern Railroad "O" Line in the North Corridor of the Charlotte metropolitan area. The NCRL is a major regional economic development initiative that will significantly improve the movement of both goods and passengers along a 25-mile section of track running south from Mooresville to Charlotte with potential future extension north from Mooresville to Statesville.
- The NCRL is one of five (5) rapid transit corridors called for in the 2030 Transit Corridor System Plan, adopted by the Metropolitan Transit Commission (MTC) in 2006.
- Estimates regarding job creation associated with the NCRL suggest that this rail investment would generate approximately 23,000 unique jobs in the North Corridor.
- The current NCRL project is the culmination of a process that began over 15 years ago with the Centers and Corridors planning for regional growth. To advance this project into the next phase, government policy-makers and executives of the seven North Corridor jurisdictions formed the Red Line Task Force in September of 2010. The Red Line Task Force meets monthly to design and analyze the project's policy and finance approach with the intention of recommending (by the end of 2011) a complete business, funding and financing plan for adoption by all the participating jurisdictions in 2012.

Funding Partnership

- The direct capital cost of the NCRL Rail Project is currently estimated to be \$456 million based on a set of fully vetted and value-engineered plans, plus additional indirect costs of \$30-40 million, still in refinement. Potential cost saving measures in the range of \$50 million have been identified that, if implemented, would bring the total (direct and indirect) project capital cost down to \$450 million. The total capital cost is proposed to be funded through a partnership of the State of North Carolina (25% - transit funds), Charlotte Area Transit System (25% - transit funds), and the seven North Corridor jurisdictions (50% - value capture funds).
- Funds will also be required to operate and maintain the facilities (O&M) after revenue operations commence in approximately 2017. A funding partnership for O&M is currently under development.
- Value capture funding is a unique method of utilizing development-generated revenue streams to fund public infrastructure. Value capture revenue is anticipated as the preferred method to fund the 50% local government contribution. To this end, the Red Line Task Force, with its finance and economic development working groups, are working with the business and development community to identify several value capture revenue streams that will result from the rail-related infrastructure investment.

### Policy Recommendations

In order to advance the NCRL Rail Project, the Red Line Task Force, on August 24, 2011, unanimously approved a set of four policy statements. These policy statements will serve as the foundation for plan development. They have been forwarded to the MTC for adoption.

1. **ECONOMIC DEVELOPMENT FOCUS.** The NCRL Rail Project is an essential part of the region's economic competitiveness. This rail investment will attract new residents, employment and private business, strengthening the North Corridor as a focal point for the regional economy. Regional collaborations across the country (including Minneapolis, MN; Southern California; Portland, OR; and South Florida) have been the most successful, leveraging transit service delivery to stimulate economic growth. In addition, the NCRL Rail Project will focus new development in a pattern that will achieve efficiencies allowing local governments to provide high-quality public services at lower cost.
2. **DUAL BENEFIT STRATEGY.** The NCRL Rail Project must advance a dual-benefit strategy that integrates the efficient movement of both goods (freight) and people (transit). Pursuing a dual-benefiting strategy is essential to achieving corridor-wide economic development potential and supporting traffic mitigation objectives on I-77.
3. **UNIFIED BENEFITS APPROACH.** A unified benefits approach must be established to maximize regional value creation, value capture and value distribution. Establishing a unified benefit district for the NCRL Rail Project will streamline the development process and make for an investment that is more attractive to potential project financiers. This type of unified district approach is often administered via a Joint Powers Authorities (JPA), which is an entity allowing two or more local jurisdictions to operate collectively on projects determined to be of regional need and significance.
4. **STATE LEADERSHIP.** The Red Line Task Force believes that the State of North Carolina playing a leadership role in the NCRL Rail Project will be essential to realize project success. They also recognize that this effort has the potential to set an important precedent for implementation of rail projects elsewhere in the region and across the state. The state, through NCDOT, should take a lead role in positioning the project for strategic statewide logistics inclusion, negotiating partnering agreements with Norfolk Southern, forming a JPA and providing specific financial incentives for regional cooperation.

### Next Steps

The Red Line Task Force, working with its consultants and Finance and Economic Development working groups, is currently preparing a business, funding and financing plan based upon the "provisionally" approved policy recommendations. After the Red Line Task Force adopts the plan, the State of North Carolina, the MTC, and all participating jurisdictions must work together to determine the feasibility of the plan, after which they would proceed through formal adoption and implementation. Review and approval individually and by all participating jurisdictions involved in the NCRL Rail Project will be necessary to proceed. It is anticipated that this process will occur during the first six months of 2012, with implementation steps commencing in the months thereafter.