

Testimony of

**The Honorable Patrick L. McCrory
Mayor
City of Charlotte, North Carolina**

before the

**The United States Senate Committee on Banking, Housing,
and Urban Affairs**

**Evaluation of the Administration's FY 07 Budget for the Federal
Transit Administration**

February 28, 2006

Chairman Shelby and Members of the Committee. My name is Patrick McCrory and I am pleased to speak with you today as the Mayor of the City of Charlotte, North Carolina and to share with you my perspective of the President's FY 06 budget, as it relates to the Federal Transit Administration.

I would also like to extend greetings to you from The U.S. Conference of Mayors, as I serve on that organization's Executive Committee through my role as the Chair of the Conference's Environment Committee.

I would like to begin my remarks today by commending Congress for reauthorizing the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Your demonstrated commitment to invest in America's transportation infrastructure is invaluable and will continue to promote economic prosperity and will go a long way to address our overburdened transportation system. Most importantly, the act will live up to its name and truly leave a positive transportation legacy for users throughout America.

I, like Mayors across the country, certainly welcome the Federal government's partnership in transit and transportation issues. North Carolina is a donor state when it comes to gas tax usage for transit and transportation funding. Given this situation, I am pleased to know that President Bush has identified the importance of investing nearly \$3 billion in "New Starts" and "Small Starts" in the Federal Transit Administration's budget for transit projects. These "New Starts" and "Small Starts" programs will go a long way to direct more money towards the nation's rapid transit needs, such as light rail, street cars, and busways.

In 1998, Charlotte and Mecklenburg County voters approved a half-cent sales tax increase to establish a dedicated revenue stream to support the Charlotte-region's 2025 transit and land-use plan. This was a big leap of faith and a strong demonstration of support by Charlotte-Mecklenburg voters, as this additional sales tax gave Mecklenburg County the distinction of having the highest sales tax rate in the state – and this is a city and region that faces stiff competition for commerce from our adjacent neighbor, the State of South Carolina.

The pitch for establishing the dedicated transit revenue stream in Charlotte-Mecklenburg was an easy sell because of three factors – we presented a compelling vision in the 2025 transit and land-use plan, the state government agreed to be a funding partner and the Federal government was identified as a partner through the Transportation Equity Act for the 21st Century (TEA-21) in 1998.

Today, I am proud to sit before you and highlight that the first leg of a light rail line is under construction in the South Corridor, our first of five corridors to be developed under the 2025 plan. The 10-mile South Corridor light rail line is slated to open in fall 2007 and when it does, I will be able to cut that ribbon and proudly say it was all possible thanks to the Federal government's commitment to pay nearly half of the project costs through our Full Funding Grant Agreement and through our partnership with the State of

North Carolina and with the foresight of those voters who helped to pass the Charlotte-Mecklenburg transit half-cent sales tax.

As the 19th largest city in the country by population, Charlotte is considered a tier-two city. Tier-two cities are those that have just begun to plan and implement transit projects in our communities as compared to the many U.S. cities that have had light rail, commuter rail and other transit projects for decades.

The importance of transit investment in the life of a city, particularly a tier-two city like Charlotte cannot be underestimated. This first generation development of transit in Charlotte is having a profound impact in attracting new investment to blighted areas such as the more than \$400 million that has been invested in Charlotte's South End area in the way of new condominiums, mixed-use development, apartments, townhomes, and even hotels. And all of this is linked and generated by the anticipated opening of the South Corridor light rail line.

Our transit development has not only galvanized our way of thinking about planning and transit-oriented development issues, but it has helped us to consider how we address commute patterns, environmental impact, pedestrian accessibility to even looking at even bigger concepts of livability, sustainability and quality of life.

Charlotte's transit and land-use plan is first and foremost a transportation plan that will address long-term congestion and air quality issues. Charlotte was ranked by the Texas Transportation Institute as the second-most congested second-tier city in the country. We view transit as a way to address our congestion and provide solutions to reduce vehicle miles traveled and redevelop brownfields instead of encouraging more urban sprawl to greenfields. We are developing mixed-use facilities and promoting transit-oriented development projects with high-density housing in conjunction with our park and ride lots and even putting a school playground and green space on top of a park and ride lot. The paradigm has changed in Charlotte on how we will grow and evolve as a dynamic sun-belt City.

I am pleased to say the Federal government and particularly the President's budget have played a large role in this positive shift in Charlotte and many other communities across the nation. I must give a personal note of appreciation to Transportation Secretary Norm Mineta, past FTA Administrator Jenna Dorn, and FTA Deputy Administrator Sandra Bushue for their efforts to invest in Charlotte's 2025 Transit and Land-use Plan. Their willingness to be flexible in addressing local needs while adhering to the standards and spirit of Congressional and Presidential funding directives is to be commended. The Federal government's support of transit programs throughout the country is helping to develop a more balanced transportation system for America.

While I am pleased with the funding level authorized for the FTA and its many programs, particularly the "New Starts" and "Small Starts" programs, I do want to offer some concerns and a cautionary note. The development of the "Small Starts" program for projects that will cost less than \$250 million (or up to \$75 million in Federal funds) is

tremendously exciting and attractive for cities like Charlotte – and the “Small Starts” program is one I hope we can tap into. I worry that the reduction in the total level of funding to only \$100 million nationally among all the Small Starts proposals will make it harder for the Federal government to be a catalyst to help cities like Charlotte get transit programs established.

While I think the “Small Starts” program is extremely positive and visionary, I would hate to see this innovative approach stymied by low funding and the pending rulemaking process that would squelch the flexibility and innovation designed in the “Small Starts” program. I am concerned that the FTA is considering requirements that will undermine Congressional intent to create a simplified and streamlined program that recognizes the lower risk associated with smaller transit projects. We need to make sure that the process of developing and evaluating Small Starts projects does not unnecessarily add time and costs.

In addition, I am concerned about the approach that the FTA is proposing to take in ranking land-use and economic development issues when evaluating Small Starts projects. Cost effectiveness is important but it is only one aspect of what needs to be looked at. Land-use and economic development are very important to cities, particularly cities like Charlotte that are trying to change how they are developing and see the investment in transit as a critical tool in accomplishing this change. The FTA’s proposal to treat land-use as a risk factor trivializes the importance of land-use impacts when evaluating transit investments. I would like to see the FTA treat land-use and economic development as factors equal in importance to cost effectiveness when evaluating both Small Starts and New Starts projects. I urge that the FTA create a process which allows this to occur.

Finally, I would like to see the FTA strive to stabilize the requirements it expects transit project sponsors to adhere to in the development of fixed guideway transit projects. Over the past few years we have seen a stream of new and revised requirements that project sponsors must comply with. When these requirements are continually changed the result is added time and increased project costs which can cause good projects to lose some of their attractiveness.

In conclusion, I am pleased with the work that we have done in Charlotte to implement our 2025 Transit and Land-Use Plan and the partnership we have established with the Federal government to make our plan a reality. I would like to offer you all an early invitation to join us for the ribbon cutting of our first light rail line in August 2007.

Mr. Chairman and members of the Committee, I thank you for allowing me to address the Committee today and I thank you for your continued interest and support of the necessary funding to ensure America’s transportation and transit programs continue to address our needs.