

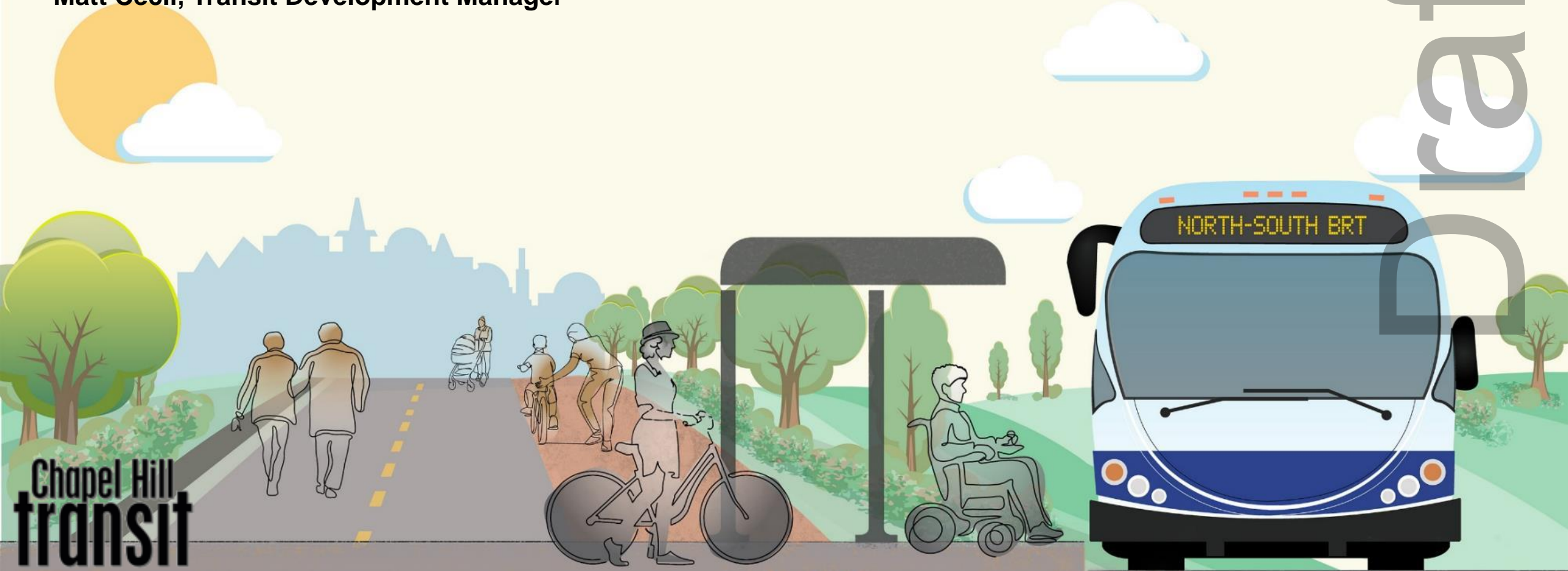
# PROJECT UPDATE

June 21, 2023

Brian Litchfield, Transit Director

Caroline Dwyer, AICP Transit Planning Manager

Matt Cecil, Transit Development Manager





# AGENDA

- Introduction
- Timeline
- Updated Cost Estimate
- Project Expenditures
- Added Costs
- Impacts & Next Steps
- Options
- Tradeoffs
- Recommendation

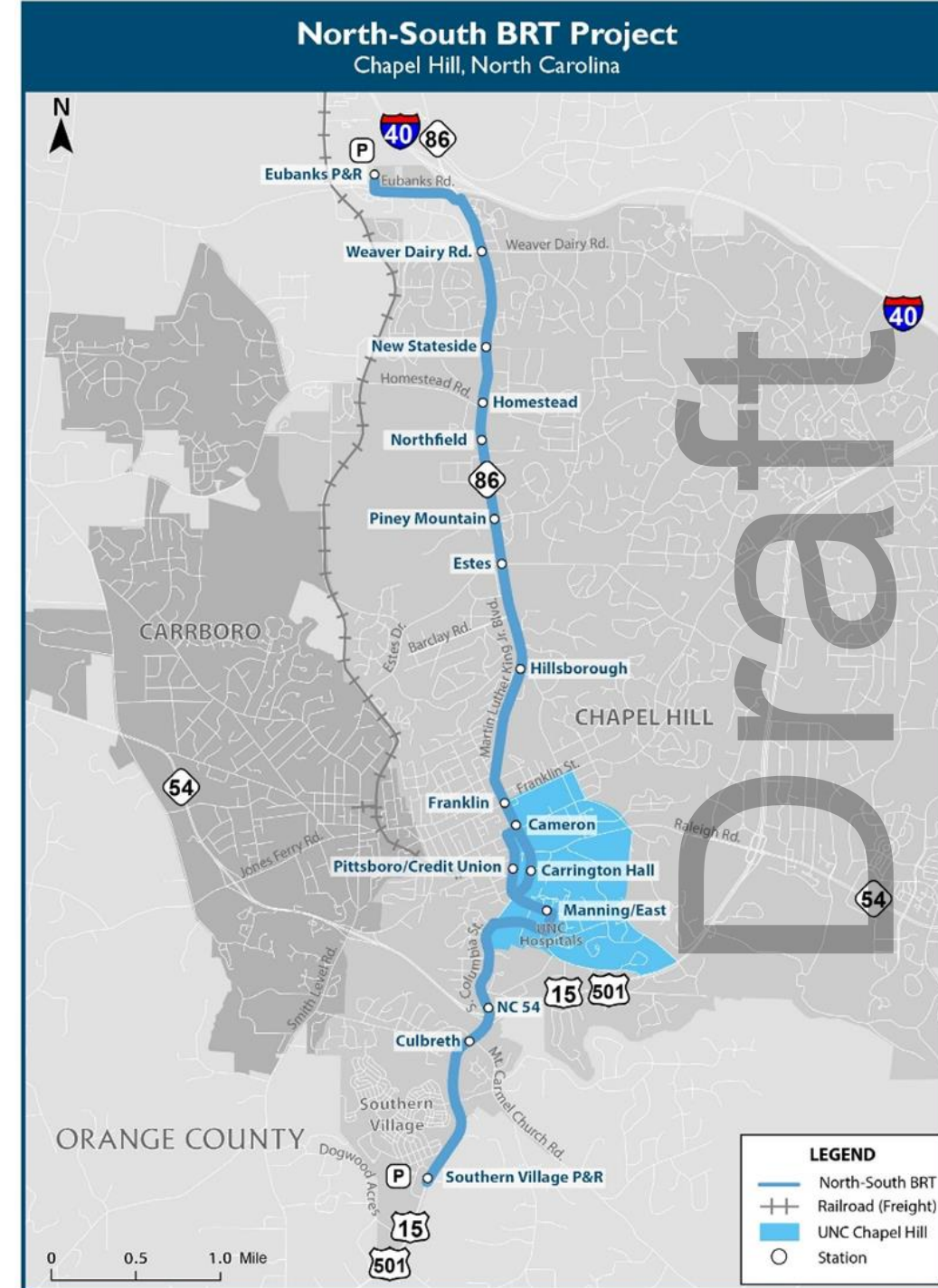




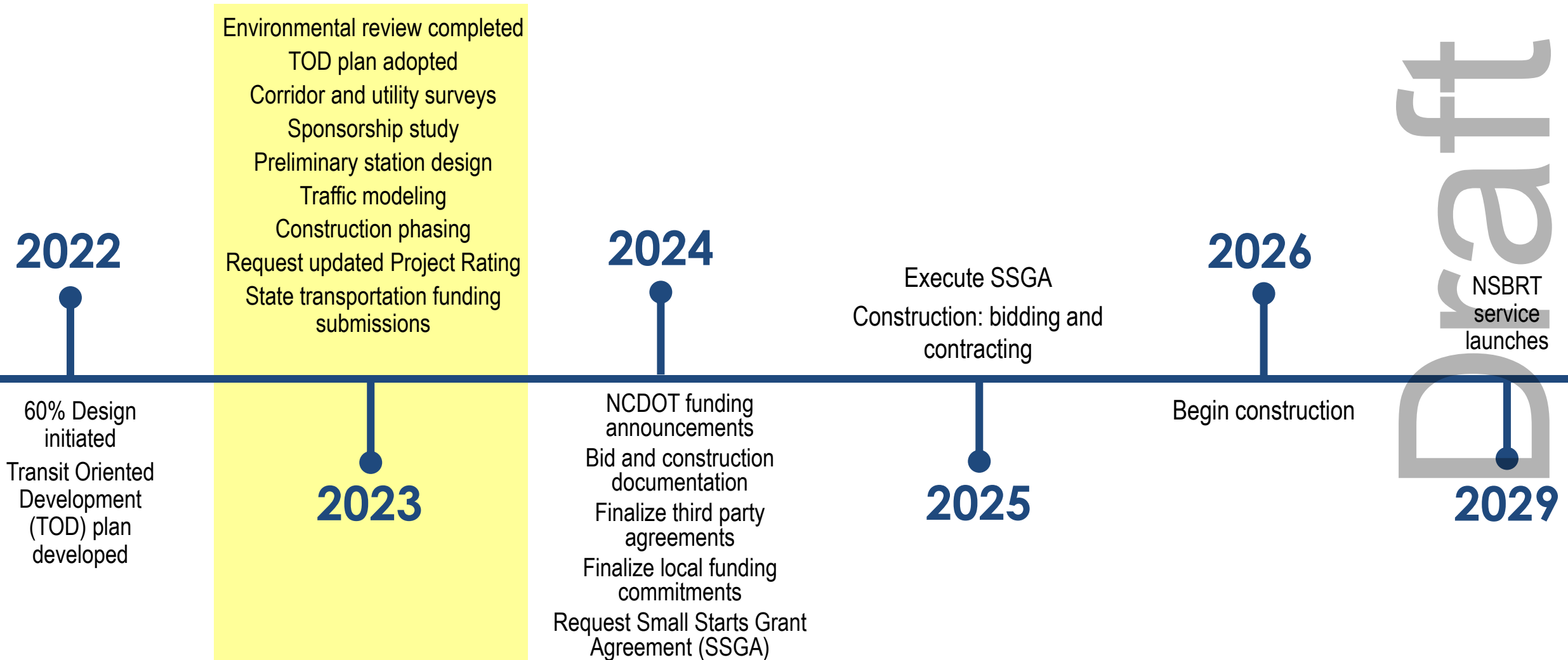
# NORTH-SOUTH BUS RAPID TRANSIT (NSBRT)

- Eubanks Road Park & Ride to Southern Village Park & Ride (8.2 miles)
- Dedicated, curb running transit lanes\*
- Buses run every 7-minutes at peak
- World class stations with cutting edge amenities
- Multiuse path connecting to Everywhere-to-Everywhere greenway network
- Faster, more reliable transit access to local and regional employment centers

\*Where right of way allows



# TIMELINE



# UPDATED COST ESTIMATE



- Project cost estimates last calculated in 2021
- Significant and unanticipated inflation and cost increases have occurred in the last two years

	2021 est.	2023 est.
<b>Total Project Cost (YOE*)</b>	<b>\$155M</b>	<b>\$197M</b>
<b>Revenue Service Date</b>	2026	2029
<b>Federal Transit Administration (FTA) Small Starts Grant Maximum (Federal Share)</b>	\$124M (80% of project cost)	\$150M (max allowed)
<b>Non-federal Share Required</b>	\$31M	\$47M
<b>Committed Non-Federal Share</b> (County Transit Plan + est. Transit Partners contribution)	\$29.1M + \$2M	\$29.1M + \$2M
<b>Non-federal Funding Gap</b>	<b>\$0</b>	<b>\$16.6M</b>
<i>* Year of expenditure, 2029</i>		

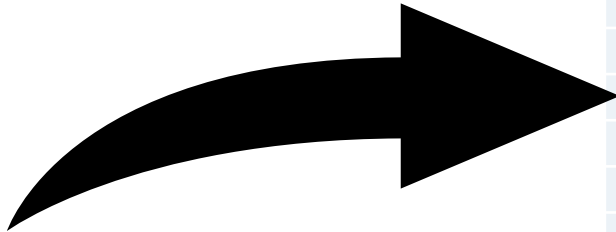
# PROJECT EXPENDITURES

	% of 2023 Cost *
Construction	50%
Right of Way	13%
Vehicles	15%
Professional Services	14%
Contingency	8%**
<b>Total</b>	100%
<i>* of base year total project cost</i>	

- Most NSBRT capital costs are construction-related expenditures
- FTA requires a contingency (33% of the project's base year cost)

# ADDED COSTS

	Change from 2021	% of Cost Increase
Inflation	+\$28.8M	68%
Increased NCDOT bid prices (primarily stormwater improvements)	+\$5M	11.7%
Vehicle (convert to all-electric fleet)	+\$3.8M	8.9%
Longview Stations (2)	+\$2.8M	6.8%
Other	+\$1.9M	4.6%
TOTAL INCREASE	\$42,487,052	100%



Estimated Inflation Rate		
	2019	2023
2019	3.10%	1.80%
2020	3.10%	2.10%
2021	3.10%	8.00%
2022	3.10%	6.00%
2023	3.10%	5.00%
2024	3.10%	4.00%
2025	3.10%	3.50%
2026	3.10%	3.50%
2027	3.10%	3.50%
2028	3.10%	3.50%
2029	3.10%	3.50%

- **INFLATION** accounts for 68% of the cost increase (\$28.8 million)
- **TIME** 4 years added to project timeline (2025 to 2029 launch)
- **VEHICLES** change from hybrid electric fleet to all-electric fleet
- **STATIONS** added NB and SB stations at Longview Street serving proposed development
- **INCREASED COST OF CONSTRUCTION, LABOR, AND MATERIALS** across the board

# IMPACTS & NEXT STEPS

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- No impacts to August 2023 request for updated Project Rating (requires 50% of non-federal revenue to be committed = \$23.5M for NSBRT, using 2023 cost estimates)
- To request a Small Starts Grant Agreement from FTA in 2024, 100% of non-federal revenue must be committed (\$47M, using 2023 cost estimates)
- NCDOT funding *may* cover cost increases, but availability/amounts will not be known until early 2024; staff are coordinating with local and regional partners on state funding requests for NSBRT projects (submit in September 2023)
- Transit staff have assessed options and tradeoffs for both cost-saving and revenue-generating options and are providing a recommendation for moving forward



# ON THE TABLE

## REDUCE COST



- Revisit transit vehicle technology
- Reduce scope of multiuse path (MUP)
- Reduce number of stations
- Revise corridor guideway design

## WAIT



- Delay requesting FTA grant agreement until additional funding can be identified

## GENERATE REVENUE



- Sponsorship
- Debt financing
- Inter-county transit loan (Durham, Wake)
- Additional non-federal funding:
  - State
  - Local (Partners)
  - Private



# COST SAVING OPTIONS: COMPARISON

OPTIONS	IMPACT METRICS				
	PROJECT RATING	POTENTIAL SAVINGS	OPERATIONS	ENVIRONMENTAL REVIEW	USER EXPERIENCE
<b>Vehicles:</b> Diesel buses (instead of all-electric fleet)	Minimal	\$8-9M	Minimal	None	Minimal
<b>Multiuse path (MUP):</b> One side of MLK only; complete sidewalk network on other side	None	\$8-12M	None	Minimal	Minimal
<b>Stations:</b> Eliminate 2 stations at Longview Street	None*	\$2.5-3.5M	None	Minimal	Moderate
<b>Corridor guideway design:</b> operate BRT in mixed traffic south of Culbreth/ Mt. Carmel Church	Substantial	\$7-10M	Substantial	None	Substantial

*\* Not included in 2019 Project Rating Request*

# OPTIONS: SIDE-BY-SIDE



## PRIORITIES

Staff prioritized options:

- Minimizing impacts to users, operations, environmental review, and Project Rating
- Maximizing cost savings and/or revenue generation
- Providing more predictable outcomes versus uncertainty
- Maintaining or reducing the project’s timeline

	REDUCE PROJECT BUDGET	DELAY FTA GRANT REQUEST	GENERATE REVENUE
IMPACTS	RANGE FROM NONE TO SUBSTANTIAL	UNCERTAIN	UNCERTAIN
MAXIMIZE COST SAVINGS/ REVENUE GENERATION	HIGH	UNCERTAIN	UNCERTAIN
PREDICTABILITY	HIGH	LOW	LOW
MAINTAIN TIMELINE	HIGH	LOW	UNCERTAIN

# STAFF RECOMMENDATIONS

- 1. REVISE VEHICLE ASSUMPTIONS:** Launch NSBRT with diesel buses; restore electric fleet if additional local funding is committed (i.e., state SPOT 7.0) and/or replace diesel vehicles with electric during normal replacement cycle (-\$8-9M)
- 2. REDUCE SCOPE OF MULTUSE PATH (MUP):** Plan for an MUP on one side of MLK (side TBD, based on ROW and other considerations) and completed sidewalk network on other side; strengthen greenway connections and improve pedestrian connections along and across MLK; restore bidirectional MUP if additional local funding is committed or by pursuing alternative sources (-\$8-12M)
- 3. IDENTIFY ADDITIONAL FUNDING:** Continue investigating and pursuing revenue-generating mechanisms, including NCDOT SPOT 7.0 funding, sponsorships, and special tax levies and/or fees (\$TBD)

## BALANCE SHEET

	COST	EST. SAVINGS
Total Project Cost (YOE 2029)	\$197M	
FTA Small Starts Grant (max request)	(\$150M)	
Committed Non-Federal (Local) Share (County Transit Tax + est. Transit Partners contribution)	(\$31.1M)	
Diesel Transit Vehicles		(\$8-9M)
Multiuse path (MUP) (one side of corridor)		(\$8-12M)
BALANCE	\$16.6M	(\$16-21M)



# THANK YOU!

## Questions?



**Brian M Litchfield**

Director

**Chapel Hill Transit**

[blitchfield@townofchapelhill.org](mailto:blitchfield@townofchapelhill.org)

**Matt Cecil**

Transit Development Manager

**Chapel Hill Transit**

[mcecil@townofchapelhill.org](mailto:mcecil@townofchapelhill.org)

**Caroline Dwyer, AICP**

Transit Planning Manager

**Chapel Hill Transit**

[cdwyer@townofchapelhill.org](mailto:cdwyer@townofchapelhill.org)