



# TOWN OF CHAPEL HILL NORTH CAROLINA

Meeting Date: 01/13/2014

## MEMORANDUM

**TO:** Town of Carrboro Board of Aldermen  
**FROM:** Brian M. Litchfield, Transit Director  
**SUBJECT:** Transit Strategic and Financial Sustainability Plan

### Recommended Council Action

- That the Council receive this memorandum and presentations from the staff and Nelson\Nygaard, our consultants on the Transit Strategic and Financial Sustainability Plan, and provide feedback.

### Context with Key Issues

- Chapel Hill Transit is the second largest transit system in North Carolina, providing nearly seven million rides per year. Chapel Hill Transit serves the communities of Chapel Hill, Carrboro, and the University of North Carolina at Chapel Hill (UNC). Chapel Hill Transit operates fixed-route bus service on 31 weekday and weekend routes and EZ Rider demand response (ADA) service, using a fleet of 118 vehicles (99 fixed-route and 19 demand response) - covering over 2.5 million miles per year in a service area of 62 square miles. The two towns and the university share operating and capital costs associated with Chapel Hill Transit on an annual contractual basis.
- The Chapel Hill 2020 Comprehensive Plan was developed around six themes and their associated goals which have many connections to Chapel Hill Transit. The Council adopted a [goal](#)<sup>1</sup> to adopt a sustainable financial plan for Chapel Hill Transit in partnership with the Town of Carrboro and the University of North Carolina at Chapel Hill.
- The Town hired Nelson\Nygaard to conduct a study of the transit system and to provide an analysis of current conditions, what the system will look like in the future and how we might plan for a sustainable financial structure to support it.
- The consultant team has developed a study of the system as it is today ([State of the System Report](#)<sup>2</sup>) and made projections of needs going forward. The study has shown that, while experiencing significant growth (more than 100% increase in ridership in less than 10 years), we have not supported that growth with a commensurate increase in resources, especially for operations and maintenance staff and replacement buses.
- The need for replacement buses and additional staff has grown at the same time that previous funding sources have been reduced or eliminated (especially State and some

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<sup>1</sup> <http://www.townofchapelhill.org/town-hall/departments-services/chapel-hill-2020/council-goals/adopt-a-sustainable-transit-financial-plan-in-partnership-with-unc-chapel-hill-and-carrb>

<sup>2</sup> <http://www.chtstrategicplan.com/documents/CHT%20SOS%20FINAL%20compressed.pdf>

types of Federal support). The problem has been exacerbated by the recession and its impact on the Transit Partners' ability to fully fund needs.

- Chapel Hill Transit's existing fleet of 99 fixed-route vehicles includes 42 heavy-duty transit buses and 13 demand response (EZ Rider) vehicles that are beyond their useful life as defined by Federal Transit Administration (FTA) guidelines. Fifteen of the 42 heavy-duty transit buses are more than 16 years old and 37 of the 42 are buses that went out of production around 2002.
- The consultants have begun analyzing options for capital and operating plans to fully staff and equip the system. They have made presentations to the Transit Partners' Committee about the scope of need and possible strategies to address the need.
- Tonight's presentation will provide additional background on the key issues facing the system and some possible ways to address the issues.

#### **Explanation of Recommendation**

- We anticipate that the consultant team will present draft recommendations to the Partners' Committee in the Spring. The Council will subsequently receive a recommendation for capital funding as part of the FY2016 budget process.

#### **Fiscal Note**

- Possible solutions to the financial needs of the system will involve significant expenditures. Total operating and capital needs over the next 10 years could total \$80 million over current estimated revenues. We anticipate recommending changes to the way we have planned for and financed capital purchases for Chapel Hill Transit.
- Under the current organizational structure the Town of Chapel Hill would be responsible for any debt issued for transit purposes.

#### **Council Goal:**

- Facilitate Getting Around
- Create a Place for Everyone
- Support Community Prosperity
- Develop Good Places, New Spaces
- Nurture Our Community
- Grow Town and Gown Collaboration

#### **Attachments**

- Draft – State of the System Report