

Article 19.

Congestion Relief and Intermodal 21<sup>st</sup> Century Transportation Fund.

**§ 136-250. Congestion Relief and Intermodal Transportation 21<sup>st</sup> Century Fund.**

There is established in the State treasury the Congestion Relief and Intermodal Transportation 21<sup>st</sup> Century Fund, hereinafter referred to as the Fund. The Fund shall consist of all revenues appropriated and allocated to it. Interest on earnings of the Fund shall remain within the Fund. (2009-527, s. 1.)

**§ 136-251. Findings of fact.**

The General Assembly finds that:

- (1) Increased use of rail for transport of freight will reduce highway congestion as well as allow economic expansion in a way that lessens the impact on the State highway system.
- (2) Public transportation, in addition to a program of urban loops and toll roads, will enable North Carolina to have a balanced 21<sup>st</sup> century transportation system.
- (3) As part of its initial program of internal improvements, the State capitalized the North Carolina Railroad in the 1840s and invested in other railroads, and those internal improvements led to North Carolina's rapid economic development. The North Carolina Railroad, with a 317-mile corridor from Charlotte to Morehead City, is still owned by the State.
- (4) Improved rail facilities and restoration of abandoned rail lines can allow increased access to the North Carolina State ports and military installations located within the State.
- (5) Session Law 2005-222 found that expanding and upgrading passenger, freight, commuter, and short-line rail service is important to the economy of North Carolina; and provided that the State would seek to provide matching funds partly so it can leverage the maximum federal and private participation to fund needed rail initiatives, such as the restoration of the rail corridor from Wallace to Castle Hayne and a rail connection between north-south and east-west routes in the vicinity of Pembroke.
- (6) Rail freight plays a vital role in economic development throughout the State. Intermodal service depends on partnerships with railroads, trucking companies, seaports, and others in the transportation logistics chain. North Carolina has 3,250 mainline miles of track, with Class I railroads holding seventy-nine percent (79%) of the trackage rights, the remainder controlled by local railroads and switching and terminal railroads. The 2006 Mid-Cycle Update to the North Carolina Statewide Intermodal Transportation Plan identified seven hundred ninety-nine million dollars (\$799,000,000) in freight rail needs over the next 25 years, including maintenance and preservation, modernization, and expansion.
- (7) North Carolina's short-line railroads play a key role in the State's economic development and transportation service and are needed to provide essential services to other modes of transportation and the North Carolina port system. North Carolina agriculture is dependent upon essential service by short-line railroads. State funds are needed to maintain short-line railroads as viable contributors to economic development, agriculture, and transportation in this

State in order to prevent the loss of regional rail service. The Department of Transportation reported that 44,992 rail cars handled by short-lines kept 179,688 trucks off North Carolina highways. Short-line railroads are essential to preserve and develop jobs in rural and small urban areas of North Carolina.

- (8) Intermodal facilities and inland ports can greatly reduce freight traffic on North Carolina's highway system, reducing demand, congestion, and damage.
- (9) The proposed North Carolina International Terminal will need high-capacity intermodal access.
- (10) Most of North Carolina's growth is in its urban regions. According to the State Data Center, during the first decade of the 21<sup>st</sup> century, sixty-six percent (66%) of the projected 1,270,000 growth in population is in 15 urban counties surrounding Charlotte, Raleigh, and the Triad, while forty percent (40%) is in just six counties: Mecklenburg, Wake, Durham, Orange, Forsyth, and Guilford.
- (11) This large urban population growth greatly taxes resources. Despite the visionary creation of the Highway Trust Fund by the 1989 General Assembly and the funding of urban loop highways, congestion continues to worsen. Creation of a special fund to help meet urban transportation needs with alternatives such as rail transit and buses, coupled with land-use planning, will spur and guide economic development in a more economically and environmentally sound manner. Investment in public transportation facilitates economic opportunity to the State through job creation, access to employment, and residential and commercial development. Public transportation also protects the public health by decreasing air pollution and reducing carbon emissions. It reduces traffic congestion, road expenditures, public and private parking costs, and the number of traffic accidents. Charlotte's recent success in opening the first phase of its light rail system, with ridership significantly over projections, shows that North Carolinians are willing to use transportation alternatives.
- (12) Significant local revenues are needed to match State funds so that a major portion of the expenses is borne by the localities receiving the majority of the benefits. A local option sales tax for public transportation was approved by a fifty-eight percent (58%) favorable vote in Mecklenburg County in 1998 and reaffirmed by a seventy percent (70%) favorable vote in 2007. Extending this authority to additional jurisdictions, along with other revenue options, will enable localities to demonstrate local support for additional transit options.
- (13) Surveys have indicated broad public support for providing additional public transportation options and for allowing localities to generate revenue to match State grants. (2009-527, s. 1.)

**§ 136-252. Grants to local governments and transportation authorities.**

(a) Eligible Entities. – The following entities are eligible to receive grants under this section from the Fund for public transportation purposes, which includes planning and engineering:

- (1) Cities.
- (2) Counties.

- (3) Public transportation authorities under Article 25 of Chapter 160A of the General Statutes.
  - (4) Regional public transportation authorities under Article 26 of Chapter 160A of the General Statutes.
  - (5) Regional transportation authorities under Article 27 of Chapter 160A of the General Statutes.
- (b) Requirements. – A grant may be approved from the Fund only if all of the following conditions are met:
- (1) The application is approved by all Metropolitan Planning Organizations under Article 16 of this Chapter whose jurisdiction includes any of the service area of the grant applicant.
  - (2) The applicant has approved a transit plan that includes the following:
    - a. Relief of anticipated traffic congestion.
    - b. Improvement of air quality.
    - c. Reduction in anticipated energy consumption.
    - d. Promotion of a pedestrian- and bike-friendly environment around and connected to transit stations.
    - e. Promotion of mixed-use and transit-oriented developments and other land-use tools that encourage multimodal mobility.
    - f. Coordination with the housing needs assessment and plan provided in subdivision (3) of this subsection.
    - g. Promotion of access to public transportation for individuals who reside in areas with a disproportionate number of households below the area median income.
    - h. Coordination and planning with local education agencies to reduce transportation costs.
    - i. Coordination with local governments with zoning jurisdiction to carry out elements of the plan.

The applicant may also include plans for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.
  - (3) The applicant has approved a housing needs assessment and plan, or includes with its application such assessment and plan (or assessments and plans) approved by another unit or units of local government within its service area, that includes the following:
    - a. A housing inventory of market rate, assisted housing units, and vacant residential parcels.
    - b. An analysis of existing housing conditions, affordable housing needs, and housing needs for specific population groups, such as people who are elderly, are disabled, have special needs, or are homeless.
    - c. A catalogue of available resources to address housing needs.
    - d. Identification of potential resources and a strategy to provide replacement housing for low-income residents displaced by transit development and to create incentives for the purpose of increasing the

stock of affordable housing to at least fifteen percent (15%) within a one-half mile radius of each transit station and bus hub to be affordable to families with income less than sixty percent (60%) of area median income.

- e. Goals, strategies, and actions to address housing needs over a five-year period.
- (4) The applicant has an adequate and sustainable source of funding established for its share of project costs.
- (5) The applicant agrees to submit to both the Secretary and each Metropolitan Planning Organization that approved the application a periodic update of the implementation of both the transit plan and the housing needs assessment and plan. Each Metropolitan Planning Organization receiving such update shall afford interested parties the opportunity to comment on the update.

(c) **Multiyear Allotments.** – Grants from the Fund may be committed for a multiyear basis to stabilize the phased implementation of a plan, including multiyear allotments. The Secretary of Transportation, after consultation with the Board of Transportation, shall approve, and amend from time to time, a rolling multiyear projection of up to 15 years for allocation of funds under this section. No applicant is eligible under the 15-year plan projection for more than one-third of the total funds to be granted under this Article during that 15-year period.

(d) **Cap; Matching Requirement.** – A grant under this section may not exceed twenty-five percent (25%) of the cost of the project and must be matched by an equal or greater amount of funds by the applicant. In evaluating projects, qualification for federal funding shall be considered. (2009-527, s. 1.)

### **§ 136-253. Grants to other units.**

(a) **Eligible Entities; Purposes.** – State agencies and railroads are eligible to receive grants under this section from the Fund for any of the following purposes:

- (1) Assistance to short-line railroads to continue and enhance rail service in the State so as to assist in economic development and access to ports and military installations. This may involve both the Rail Industrial Access Program and the Short Line Infrastructure Access Program, as well as other innovative programs. Grants under this subdivision shall not exceed fifty percent (50%) of the nonfederal share and must be matched by equal or greater funding from the applicant. Total grants under this subdivision may not exceed five million dollars (\$5,000,000) per fiscal year.
- (2) Assistance to any railroad in the construction of rail improvements, intermodal or multimodal facilities or restorations to (i) serve ports, military installations, inland ports or (ii) improve rail infrastructure to reduce or mitigate truck traffic on the highway system. Grants under this subdivision shall not exceed fifty percent (50%) of the nonfederal share and must be matched by equal or greater funding from the applicant. Total grants under this subdivision may not exceed ten million dollars (\$10,000,000) per fiscal year.
- (3) Assistance (i) to the State ports in terminal railroad facilities and operations, (ii) to improve access to military installations, and (iii) to the North Carolina International Terminal. Grants under this subdivision shall not exceed fifty percent (50%) of the nonfederal share and must be matched by equal or greater

funding from the applicant. Total grants under this subdivision may not exceed ten million dollars (\$10,000,000) per fiscal year.

- (4) Expansion of intercity passenger rail service, including increased frequency and additional cities serviced. Routes under this subdivision must extend beyond the territorial jurisdiction of a transportation authority.

(b) Commuter Rail Service Grants. – State agencies, railroads, transportation authorities under Article 25 of Chapter 160A of the General Statutes, regional public transportation authorities under Article 26 of Chapter 160A of the General Statutes, and regional transportation authorities under Article 27 of Chapter 160A of the General Statutes are eligible to receive grants under this section from the Fund for the introduction of commuter rail service. Routes under this subsection must extend beyond the territorial jurisdiction of a transportation authority. (2009-527, s. 1.)

**§ 136-254. Grant approval.**

All grants made under this Article are subject to approval of the Secretary of Transportation after consultation with the Board of Transportation. The Fund may be administered in conjunction with G.S. 136-44.20 and G.S. 136-44.36, but any funds allocated under those sections shall continue to be available as provided therein. (2009-527, s. 1.)

**§ 136-255. Expenditure.**

No monies shall be expended from the Fund until appropriated by the General Assembly. (2009-527, s. 1.)

**§ 136-256. Funds remain available until expended.**

Appropriations to the Fund remain available until expended. (2009-527, s. 1.)

**§ 136-257: Reserved for future codification purposes.**

**§ 136-258: Reserved for future codification purposes.**

**§ 136-259: Reserved for future codification purposes.**