



NC FIRST COMMISSION MEETING MINUTES

DATE: Sept. 25, 2020

TIME: 9:00 a.m.

LOCATION: Transportation Board Room and via
GoToMeeting

MEETING CALLED BY	Co-Chair The Honorable Nancy McFarlane
COMMISSION ATTENDEES	<p>Attending:</p> <ul style="list-style-type: none"> • The Honorable Nancy McFarlane, Co-Chair • Ward Nye, Co-Chair • Aaron Chatterji, PH.D. • The Honorable Janet Cowell • The Honorable Julie Eiselt • Stephen De May • Sallie Shuping-Russell • Michael Walden • Patrick Woodie • Kim Saunders • Secretary Eric Boyette (Advisory Member) • Tony Lathrop (Advisory Member) <p>Absent:</p> <ul style="list-style-type: none"> • Peter Hans • The Honorable William Lapsely • The Honorable Brenda Lyerly

AGENDA TOPICS

1. CALL TO ORDER AND OPENING REMARKS – THE HONORABLE NANCY MCFARLANE, CO-CHAIR	
DISCUSSION SUMMARY	The meeting was called to order by Co-Chair The Honorable Nancy McFarlane at 9:00 am.
2. NCDOT UPDATE - Eric Boyette, Secretary, North Carolina Department of Transportation	
DISCUSSION SUMMARY	Secretary Boyette provided the Cash Balance
3. NC MOVES 2050 – ALPESH PATEL AND DAVID JACKSON, CAMBRIDGE SYSTEMATICS	
DISCUSSION SUMMARY	<p>NC Moves 2050 is a transportation plan that connects communities across the state. It is focused on creating a more responsive, diverse, and inclusive transportation system that will keep people and goods moving safely and efficiently.</p> <p>Key Points:</p> <ul style="list-style-type: none"> • 2050 to 2032 Analysis • 2032 Revenue Forecast(s) Across Futures



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	<ul style="list-style-type: none"> • 2032 Consensus Revenue Forecast
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	4. CRAFTS DEMONSTRATION - JOHNNY STOVER, DEPUTY DIRECTOR, OFFICE OF STRATEGIC INITIATIVES AND PROGRAM SUPPORT
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DISCUSSION SUMMARY	This presentation showed an interactive dashboard that has a developing transportation needs simulator to compare and evaluate different scenarios and their corresponding costs.
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	5. WORKGROUP REVIEW – JAIME RALL, COMMISSION CONSULTANT AND AMNA CAMERON, DEPUTY DIRECTORY, OFFICE OF STRATEGIC INITIATIVES AND PROGRAM SUPPORT
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DISCUSSION SUMMARY	<p>A. Local Government Workgroup – Jaime Rall, Commission Consultant - convened August 31, 2020 -discussed possible modifications to existing local revenue streams along with additional funding sources requiring state authorization</p> <ol style="list-style-type: none"> 1. Key Findings <ol style="list-style-type: none"> a) NC’s transportation network is an integrated, statewide system that requires robust investment at all levels of government to facilitate the movement of people and goods and ensure economic vitality and competitiveness across the state b) Local revenues are a critical component of a comprehensive and forward-thinking transportation investment strategy, but cannot make up for state shortfalls c) NC statute places several restrictions on local authority to fund and finance transportation projects, especially in comparison to other states d) Expanded local flexibility across the board, within a rational statutory framework that includes both incentives an penalties, will help provide the critical and necessary resources to build and maintain transportation infrastructure at the local level 2. Submitted Statutory Recommendations <ol style="list-style-type: none"> a) Authorize additional local option taxes for transportation investment b) As part of any actions to explore or pursue mileage-based user fees in NC, include statutory provisions that allow similar local option mileage-based fees for the construction and maintenance of local roads c) Authorize various public-private partnership (P3 or PPP) arrangements d) Re-establish the state-funded state infrastructure bank (SIB) and identify a funding source for both the state SIB and the aviation SIB, so that they can continue to offer loans and other types of financial assistance to transportation facilities and projects that will contribute to meeting the state’s transportation goals e) Authorize and establish local infrastructure banks and trust funds f) Remove the current statutory prohibition that prohibits local governments from imposing fees, requiring licenses, or otherwise regulating Transportation Network Companies such as Uber and Lyft (N.C. Gen. Stat. 20-280.10) g) Remove the current statutory prohibition that prohibits local governments from imposing a franchise tax, license tax, or other fees on motor carriers (N.C. Gen. Stat 20-97[e]) h) Expand local authority to use “value capture” techniques, an umbrella term for a number of revenue options that leverage increases in property values, economic activity, and growth that result from infrastructure investments <p>B. Finance Workgroup – Amna Cameron, Deputy Director, Office of Strategic Initiatives and Program Support -convened August 25, 2020 and September 8, 2020 to discuss possible modifications to existing state and local laws and policies with the goal of expanding existing authority and removing barriers to innovation</p>
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	<ol style="list-style-type: none"> 1. Key Findings <ol style="list-style-type: none"> a) Financing tools complement a diverse funding structure, but the tools do not replace the need for additional transportation revenues b) Innovative states, like Virginia, Texas, and Florida, have adopted expansive programs and policies that may offer NC valuable guidance in expanding its use of finance tools -Virginia, Texas, and Florida DOTs and their network of local and regional transportation authorities broadly use public-private partnerships, private infrastructure financing, and multiple tolling strategies to advance projects c) NC's use of financing tools is limited by statutory caps, prohibitions, and narrowly-applied legal authorizations, especially in comparison to other states d) NC has conservative debt practices that limit debt issuance more than many states, which limits the state's ability to act on low interest rates or expedite existing projects 2. Statutory Recommendations and Policy Changes <ol style="list-style-type: none"> a) Reauthorize and capitalize the State Infrastructure Bank b) Authorize and establish local infrastructure banks and trust funds c) Establish an office to manage, expand, and encourage the use of tolling, private investment, and innovation d) Expand the use of public-private partnership (P3 or PPP) arrangements e) Expand the use of all electronic highway tolling f) Expand the use of local government "value capture" techniques, such as impact fees, and give more authority to local governments to raise additional forms of revenue g) Consider the monetization of publicly owned transportation assets through lease or purchase arrangements h) Adopt more innovative practices i) Ensure NC's tax code and finance tools to keep the state competitive with neighboring and peer states
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6. COMMISSION DISCUSSION – CO-CHAIR THE HONORABLE NANCY MCFARLANE	
DISCUSSION SUMMARY	Committee members discussed topics they would like to cover during the next meeting

Meeting Adjourned: 10:56 a.m.

Next Meeting date is Friday, November 20, 2020 at 9:00 a.m. This meeting will be live streamed on the NC FIRST Commission website at [NC FIRST Commission](http://www.ncfirstcommission.com)

NC FIRST Commission meeting minutes submitted by Stephanie Pratt on behalf of Governance Office