

**Wake Bus Rapid Transit: Southern Corridor**  
**Raleigh, North Carolina**  
**Small Starts Project Development**  
**(November 2022)**

Summary Description	
<b>Proposed Project:</b>	Bus Rapid Transit 5.13 Miles, 9 Stations
<b>Total Capital Cost (\$YOE):</b>	\$173.92 Million
<b>Section 5309 CIG Share (\$YOE):</b>	\$85.91 Million (49.4%)
<b>Annual Operating Cost (opening year 2028):</b>	\$2.70 Million
<b>Current Year Ridership Forecast (2019):</b>	2,200 Daily Linked Trips 689,200 Annual Linked Trips
<b>Horizon Year Ridership Forecast (2040):</b>	5,100 Daily Linked Trips 1,585,900 Annual Linked Trips
<b>Overall Project Rating:</b>	Medium-High
<b>Project Justification Rating:</b>	Medium
<b>Local Financial Commitment Rating:</b>	High

**Project Description:** The City of Raleigh (the City) proposes to implement a Bus Rapid Transit (BRT) corridor between Downtown Raleigh and Rupert Road in the Town of Garner. The project is planned to operate in dedicated center-running transit lanes and curbside business access transit (BAT) lanes for 3.8 miles, and 1.33 miles in mixed traffic with signalization improvements at intersections to provide transit signal priority. The project includes off-board fare payment, level vehicle boarding, real-time bus arrival information, Americans with Disabilities Act accessibility, and seven compressed natural gas buses. The service is planned to operate from 4:00 am to 12:00 am on weekdays and from 5:30 am to 12:00 am on weekends, with 10-minute frequencies during weekday peak periods, 15-minute frequencies during off-peak periods and evenings, and 20-minute frequencies on weekends.

**Project Purpose:** Downtown Raleigh, the northern terminus of the project, is a major employment center in Wake County, with numerous cultural and civic sites that act as trip generators along the corridor, including the Raleigh Convention Center, Duke Energy Center for the Performing Arts, Shaw University, the North Carolina State Capital Building, the Wake County Justice Center and the GoRaleigh Bus Station. The corridor includes light industrial uses, social services, a mix of single and multifamily residential neighborhoods, and retail. The project is planned to provide riders with faster and more reliable service and enhanced transit amenities over existing bus service.

**Project Development History, Status and Next Steps:** The City selected the locally preferred alternative (LPA) in June 2021. The project entered Project Development in July 2021. The LPA was adopted into the region’s fiscally constrained long-range plan in February 2022. The City anticipates completion of the environmental review with receipt of a Categorical Exclusion from FTA in December 2024, receipt of a Small Starts Grant Agreement by December 2025, and the start of revenue service in 2028.

## Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
<b>Federal:</b> Section 5309 CIG	\$85.91	49.4%
<b>Local:</b> Wake County Transit Tax Proceeds	\$88.01	50.6%
<b>Total:</b>	<b>\$173.92</b>	<b>100.0%</b>

**NOTE:** The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**North Carolina, Raleigh, Wake Bus Rapid Transit: Southern Corridor  
(Rating Assigned November 2022)**

<b>Factor</b>	<b>Rating</b>	<b>Comments</b>
<b>Local Financial Commitment Rating</b>	<b>High</b>	
<b>Non-Section 5309 CIG Share</b>	<b>+1 Level</b>	<ul style="list-style-type: none"> <li>The CIG share of the overall project is 49.4 percent.</li> </ul>
<b>Summary Financial Plan Rating</b>	<b>Medium-High</b>	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> <li>The average age of the bus fleet is 5.9 years, which is younger than the industry average.</li> <li>The most recent bond ratings for the City of Raleigh (the “City”), issued in May 2020, are as follows: Moody’s Investors Service Aaa and Fitch’s AAA.</li> <li>The City’s General Fund current ratio of assets to liabilities, as reported in its most recent audited financial statement, is 21.4 (FY2021).</li> <li>There were no cash flow shortfalls in recent years.</li> <li>There were minor service cutbacks in recent years, as a result of the COVID-19 pandemic. There were no service cutbacks prior to the COVID-19 Pandemic.</li> </ul>
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> <li>Approximately 81 percent of the non-Section 5309 CIG capital funds are committed or budgeted, and the rest are considered planned. The sole source of capital funds is a Wake County ½ cent local option sales tax.</li> <li>Approximately 10 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include Section 5307 Urbanized Area Formula Funding, a Wake County ½ cent local option sales tax, State funding from the North Carolina Department of Transportation State Maintenance Assistance Program, City General Fund revenues, and farebox and system revenues.</li> </ul>
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> <li>Assumed growth in capital revenues is optimistic compared to recent historical experience.</li> <li>The Project capital cost estimate is reasonable.</li> <li>Regarding growth in operating revenue assumptions, farebox collections are optimistic compared to recent historical experience, and sales tax revenues are reasonable compared to recent historical experience.</li> <li>Operating cost estimates are reasonable compared to recent historical experience.</li> <li>The City has access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 15.0 percent of the estimated capital cost and 15.0 percent of annual system-wide operating expenses.</li> </ul>

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**LAND USE RATING: Medium**

The land use rating reflects population density within one-half mile of the proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The population density in the proposed station areas is 2,700 persons per square mile, which corresponds to a Medium-Low rating according to FTA benchmarks. Total employment served is 45,000, corresponding to a Medium-Low rating. The parking cost per hour is approximately \$2.50 in Raleigh’s off street lots and an average of \$19 for 24 hours, corresponding to a High rating. The ratio of station area to county proportion of LBAR housing units is 4.16, corresponding to a High rating.
- Three stations would be located in downtown Raleigh, a mixed-use central business district of moderate intensity laid out on a regular street. Elsewhere, the corridor is generally low-density and auto-oriented, with one- to two-story commercial buildings, ample surface parking, single-family and low-rise multi-family residential, and some vacant land and open space.
- Sidewalks exist on most streets in station areas, but their condition varies and a sparse street network limits connectivity outside of downtown.

**ECONOMIC DEVELOPMENT RATING: Medium-High**

**Transit-Supportive Plans and Policies: Medium**

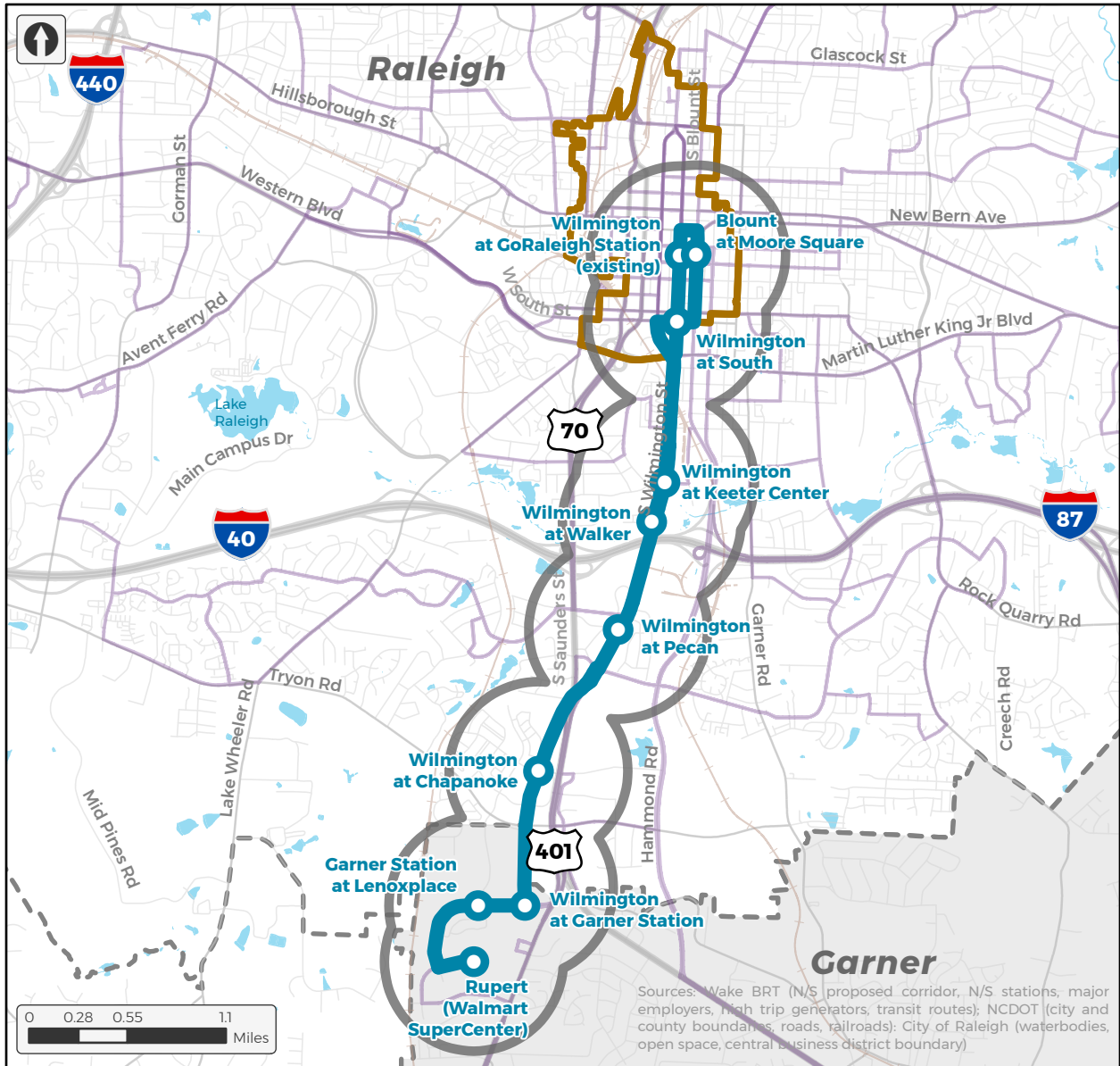
- *Transit-Supportive Corridor Policies:* Raleigh’s comprehensive plan includes a clear set of policies and guidelines to increase development in mixed-use growth centers around transit, including the Southern Corridor. In most station areas, building height guidelines correspond to an estimated Medium to High rating for density. Area plans for downtown and the corridor south of downtown provide a more specific vision and policies including pedestrian-supportive design principles. The Town of Garner’s comprehensive plan includes general policies supportive of mixed-use development but does not include specific density or design guidelines.
- *Supportive Zoning Regulations Near Transit Stations:* In the City of Raleigh, most of the corridor is zoned for some form of mixed-use, permitting heights of up to three to five stories in most of the station areas, with up to 40 stories in the downtown and one other activity center. The zoning code establishes a number of transit-supportive design requirements and a Transit Overlay District applied to most of the non-residential parts of the corridor further establishes a minimum two-story height. The city has eliminated parking minimums for new developments. In the Town of Garner, most of the station area land is zoned for Mixed Use with maximum densities for commercial development and residential; there are some pedestrian-supportive requirements.
- *Tools to Implement Land Use Policies:* Citywide and corridor-specific planning efforts in Raleigh have included public involvement with a focus on transit-supportive land use planning, including for the Southern Corridor. The City’s zoning code includes height bonuses for affordable housing. Other specific tools and incentives for transit-supportive development were not identified.

**Performance and Impacts of Policies: Medium-High**

- *Performance of Land Use Policies:* The application highlights over a dozen high-density projects recently completed, under construction, or planned in or near downtown Raleigh, nearly all of them mixed-use and with transit-supportive design. Elsewhere in the corridor, plans are being developed for high-rise buildings in a new redevelopment area and there are proposals for four station-area residential projects.
- *Potential Impact of Transit Investment on Regional Land Use:* There is a considerable amount of vacant and underutilized land in the Southern Corridor, most of which has been rezoned to support moderate to high-density development. High rates of growth are forecast in the corridor, although from modest baseline levels. Most of the corridor in Raleigh is identified as an economic development priority area; economic indicators of development potential are mixed.




**Tools to Maintain or Increase Share of Affordable Housing: Medium-High**

- Raleigh has developed a variety of policy recommendations to support affordable housing, including prioritizing housing near transit. The primary implementation tools are density bonuses in Transit Overlay Districts for affordable housing and three county and city funding sources. These incentives are supporting four planned projects in Southern Corridor station areas. While the Town of Garner makes general recommendations to support affordable housing, no specific tools or incentives were identified.






**LEGEND**

**Wake BRT Elements**

-  Wake BRT: Southern Corridor Proposed Station Location
-  Wake BRT: Southern Corridor Proposed Alignment Location
-  1/2 Mile Buffer of Proposed Station Locations

**Transportation Network**

-  Intersecting Transit Route
-  Roadway
-  Railroad

**Municipal Features**





-  Central Business District (CBD)
-  City of Raleigh
-  Town of Garner
-  Waterbody

Figure 1: Project Map  
**Wake BRT: Southern Corridor**  
 Raleigh | North Carolina