

STATE OF NORTH CAROLINA

COUNTY OF WAKE

AGREEMENT SETTING FORTH THE MUTUAL UNDERSTANDING OF THE

PARTIES AS TO THE SCOPE AND CONTENT OF THE FINANCIAL PLAN

BETWEEN

RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY;

DURHAM COUNTY; ORANGE COUNTY; WAKE COUNTY;

CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION;

DURHAM, CHAPEL-HILL, CARRBORO METROPOLITAN PLANNING

ORGANIZATION;

AND

BURLINGTON-GRAHAM METROPOLITAN PLANNING ORGANIZATION

This Agreement (the “Agreement”), entered into upon the last execution date set forth below, by and between **RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**, d/b/a GoTriangle, a public body politic and corporate of the State of North Carolina (hereinafter “GoTriangle”), **DURHAM COUNTY, NORTH CAROLINA**, a public body politic and corporate of the State of North Carolina (hereinafter “Durham County”), **ORANGE COUNTY, NORTH CAROLINA**, a public body politic and corporate of the State of North Carolina (hereinafter “Orange County”), **WAKE COUNTY, NORTH CAROLINA**, a public body politic and corporate of the State of North Carolina (hereinafter “Wake County”), **CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION**, a metropolitan planning organization with jurisdiction in Wake County (hereinafter “CAMPO”), **DURHAM, CHAPEL-HILL, CARRBORO METROPOLITAN PLANNING ORGANIZATION**, a metropolitan planning organization with jurisdiction in Durham and Orange County (hereinafter “DCHC-MPO”) and **BURLINGTON-GRAHAM METROPOLITAN PLANNING ORGANIZATION**, a metropolitan planning organization with partial jurisdiction in Orange County (hereinafter “BG-MPO”); individually referred to as “Party” and collectively referred to herein as “the Parties”;

WITNESSETH:

WHEREAS, GoTriangle is a regional public transportation authority created in accordance with the provisions of N.C.G.S. 160A-603 *et seq.* by concurrent resolution of Orange, Durham, and Wake counties and duly incorporated as a body corporate and politic and vested with the general powers set forth in N.C.G.S. Chapter 160A Article 26; and

WHEREAS, Durham County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S. 153A-11; and

WHEREAS, Orange County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S. 153A-11; and

WHEREAS, Wake County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S. 153A-11; and

WHEREAS, CAMPO is the metropolitan planning organization for the N.C. Capital Area Metropolitan Planning Area established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the law of North Carolina pursuant to N.C.G.S. 136-200.1 with jurisdiction in Wake County; and

WHEREAS, DCHC-MPO is the metropolitan planning organization for the Durham-Chapel Hill- Carrboro Metropolitan Planning Area established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the law of North Carolina pursuant to N.C.G.S. 136-200.1 with jurisdiction in Durham County and partial jurisdiction in Orange County; and

WHEREAS, BG-MPO is the metropolitan planning organization for the Burlington-Graham Metropolitan Planning Area established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the law of North Carolina pursuant to N.C.G.S. 136-200.1 with partial jurisdiction in Orange County; and

WHEREAS, Durham County, Orange County, and Wake County are organizing members of GoTriangle; and

WHEREAS, GoTriangle, in accordance with its general powers set forth in N.C.G.S. Chapter 160A Article 26 and N.C.G.S. Chapter 105 Article 43 created a special tax district on behalf of Durham County and Orange County for the purpose of authorizing a referendum for the levy of a ½ percent sales and use tax for public transportation systems; the district initially comprised the entire jurisdiction of Durham County, but was expanded on or about June 27, 2012 to include Orange County, hereinafter referred to as the “Western Triangle Tax District;” and

WHEREAS, GoTriangle, as administrator of the Western Triangle Tax District pursuant to N.C.G.S. 105-509.1 collects annual sales and use tax revenue derived from the successful Durham County and Orange County referendums to carry out the transit plans for Durham County (*The Durham County Bus and Rail Investment Plan*) and Orange County (*The Bus and Rail Investment Plan in Orange County*), hereinafter collectively referred to as the “Durham and Orange Bus and Rail Investment Plans”); and

WHEREAS, GoTriangle in 2014 also created a separate special tax district on behalf of Durham and Orange counties named the “Durham-Orange Special Tax District” for the levy of a three dollar (\$3.00) increase in the Annual Motor Vehicle License Tax pursuant to N.C.G.S. 105-561; and

WHEREAS, GoTriangle, in addition to the ½ percent sales and use tax collected in the Western Triangle Tax District and the \$3.00 increase in motor vehicle license tax collected in the Durham-Orange Special Tax District, also collects in Wake, Durham and Orange counties vehicle rental taxes from retailers pursuant to N.C.G.S. 105-550 *et seq.* and a five dollar (\$5.00) motor vehicle license tax pursuant to N.C.G.S. 105-560 *et seq.*; and

WHEREAS, Wake County as of the date of this Agreement, has not held an advisory referendum in accordance with N.C.G.S. 105-509 on the question of whether to levy a local one half percent (½%) sales and use tax in Wake County, but has expressed a desire for doing so in order to implement Wake County Transit Plan unveiled on or about December 8, 2015; and

WHEREAS, Wake County has not yet authorized the levy of an additional three dollar (\$3.00) increase in motor vehicle license tax collected pursuant to N.C.G.S. 105-561 or a new seven dollar (\$7.00) Wake County vehicle registration fee pursuant to N.C.G.S. 105-570, *et seq.*, but may contemplate doing so in the future to further fund the Wake County Transit Plan; and

WHEREAS, acting on a Resolution of the Wake County Board of Commissioners dated May 2, 2016, and subject to the conditions and stipulations set forth therein, which includes execution of this Agreement by the Parties named herein, GoTriangle pursuant to N.C.G.S. 105-508, expanded the Western Triangle Tax District on May 25, 2016 to include Wake County and filed a Resolution required for the same with the North Carolina Secretary of State, wherein the Western Triangle Tax District was renamed the “TRIANGLE TAX DISTRICT”; and

WHEREAS, the Triangle Tax District remains a multi-county tax district, which now comprises the entire geographical boundaries of Durham, Orange, and Wake counties; and

WHEREAS, Durham and Orange counties, in their capacity as members of the multi-county Triangle Tax District, and DCHC-MPO, BG-MPO and CAMPO, the Metropolitan Planning Organizations whose jurisdiction encompasses the Triangle Tax District, are statutorily charged pursuant to N.C.G.S. 105-508.1 to approve a financial plan that provides for the equitable use of the net proceeds within or to the benefit of the special tax district prior to the levy of any tax within the district; and

WHEREAS, Durham and Orange counties, DCHC-MPO and BG-MPO, by and through their approval of the Durham and Orange Bus and Rail Investment Plans, adopted financial plans (“Durham and Orange Bus and Rail Financial Plans”) in 2011 and 2012 for the Western Triangle Tax District and levied a tax for the same in accordance with N.C.G.S. 105-509 *et seq.* for public transportation systems in Durham County and Orange County;

WHEREAS, it is the intent of the Parties for the Durham and Orange Bus and Rail Investment Plans already approved and in implementation to continue carrying out the transit vision planned for these counties;

WHEREAS, as a precondition to the levy of any tax in Wake County pursuant to N.C.G.S. 105-508.1 *et seq.*, Durham and Orange counties, DCHC-MPO, BG-MPO, and CAMPO must approve the financial plan for the implementation of the Wake County Transit Plan within the multi-county Triangle Tax District; and

WHEREAS, Wake County has likewise conditioned its membership in the multi-county Triangle Tax District on the Parties to this Agreement approving its financial plan (“Wake County Financial Plan”) pursuant to N.C.G.S. 105-508.1; and

WHEREAS, the Parties agree that the mutual assurances provided herein are given as consideration for Wake County’s agreement to join the multi-county Triangle Tax District for the purpose of holding an advisory referendum on the levy of a ½ percent sales tax for public transit; and

WHEREAS, prior to calling for an advisory referendum before the voters of Wake County for the purpose of authorizing the levy of a ½ percent sales tax for public transit, the Parties desire to define and approve, pursuant to this Agreement, “the Wake County Financial Plan” that will govern the use of all revenue, including any Wake County Tax Revenue or Wake Transit Revenue, and further designate the parameters, respective roles, and limitations of the Parties with respect to the addition, governance and implementation of the Wake County Transit Plan; and

WHEREAS, the Parties are authorized to enter into this Agreement in order to pursue the above stated goals.

NOW THEREFORE, for and in consideration of the promises and covenants contained in this Agreement and the mutual benefits derived therefrom, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I PURPOSE

1.01 **Purpose.** The purpose of this Agreement is to establish by written agreement the approval of the Wake County Financial Plan required pursuant to N.C.G.S. 105-508.1, define the expectations and duties of the Parties now that Wake County has joined the multi-county Triangle Tax District and to further document the financial terms and conditions for the implementation of transit investment, including the Wake County Transit Plan, the equitable use of net proceeds collected by GoTriangle within any special district to which all Parties of the Agreement are a member, including the Triangle Tax District.

This Agreement shall be evidence of the intent between the Parties with respect to the financial terms and conditions governing the use of transit revenues, including Wake County Tax Revenues and Wake Transit Plan Revenues and the equitable use of proceeds within and for the benefit of any special district to which all the Parties of the Agreement are a member. The execution of this Agreement shall be conclusive evidence that the Parties have reviewed and approved the Financial Plan as contemplated by N.C.G.S. 105-508.1.

ARTICLE II DEFINITIONS

2.01 “DURHAM AND ORANGE BUS AND RAIL INVESTMENT PLANS” shall mean the transit plans formally known as *The Durham County Bus and Rail Investment Plan* and *The Bus and Rail Investment Plan in Orange County*, being those same plans adopted by Durham County, Orange County, GoTriangle, BG-MPO, and DCHC-MPO, and currently administered by GoTriangle for Durham County and Orange County.

2.02 “DURHAM AND ORANGE BUS AND RAIL FINANCIAL PLANS” shall mean the Financial Plans as defined herein and contained in the Durham and Orange Bus and Rail Investment Plans attached hereto as Exhibit A, developed and approved in accordance with N.C.G.S. 105-508.1 on behalf of Durham and Orange counties in conjunction with the creation of the Western Triangle Tax District, and being the same “financial plans” referenced in the Resolution of the Triangle Transit (now known as GoTriangle) Board of Trustees Authorizing the Levy of a One-Half Percent (1/2%) County Sales and Use Tax for Public Transportation filed on or about December 14, 2012 with the North Carolina Secretary of State.

2.03 “EQUITABLE USE OF NET PROCEEDS WITHIN OR TO BENEFIT THE SPECIAL DISTRICT” as that term is used in N.C.G.S. 105-508.1, so long as Wake County is a member of the multi-county Triangle Tax District shall mean:

A 100% dedication of all Wake County Tax Revenue and Wake Transit Plan Revenues as defined in Sections 2.12 and 2.14 for the exclusive use and benefit of the Wake County Transit Plan to the exclusion of any other transit plan within the Special District. A 100% dedication of all Non-Wake County Tax Revenue derived from transit funding sources in counties other than Wake for the exclusive use and benefit of those county transit plans within the Special District, to the exclusion of the Wake County Transit Plan.

This definition contemplates that a complete segregation of all Wake County Tax Revenue and Wake Transit Plan Revenues for the purpose stated herein is required to carry out the Financial Plan of the Tax District pursuant to N.C.G.S. 105-508.1 and that this definition considers the (i) identified needs of local public transportation systems in the district, (ii) human service transportation systems within the district, (iii) expansion of public transportation systems to underserved areas of the district. The Equitable Use of Net Proceeds shall not contemplate or include pledging, committing, agreeing to apply, or otherwise using any portion of Wake County Tax Revenue or Wake Transit Plan Revenues for any purpose now, or in the future, other than in accordance with the Wake County Transit Work Plan. Likewise, this definition contemplates that Non-Wake County Tax Revenue shall not be pledged, committed, applied, or otherwise used by Wake County unless approved by the other counties within the district. “Net proceeds” as used herein shall mean gross proceeds less the cost of collection being allocated to GoTriangle as administrator of the Special District on behalf of any member county.

2.04 “FINANCIAL PLAN” as that term is used in N.C.G.S. 105-508.1(2) shall mean:

(1) As related to the Wake County Transit Plan:

(a) *If now or in the future the Special District consists only of Wake County*, the Financial Plan requiring approval shall mean the Plan Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan as supported by the details of the Transit Plan, and modeled in the Financial Model, being that same Plan approved by the Wake County Board of Commissioners pursuant to a Resolution on June 6, 2016.

(b) *If now or in the future the Special District consists of Wake County and one or more other counties*, the Financial Plan requiring approval shall mean the Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan as supported by the details of the Transit Plan and modeled in the Financial Model, being that same Plan approved by the Wake County Board of Commissioners pursuant to a Resolution on June 6, 2016. The Financial Plan shall only include funds that would be budgeted and reported in the Wake Transit major operating and capital funds; provided that financial plans for other counties in the District, if any, have previously been

approved by those counties. The Parties agree the Financial Plan for the Special District will segregate the Wake County Transit Plan, Wake Tax Revenues, and Wake Transit Plan Revenues from any and all plans in support of projects not included in the Wake County Transit Plan.

(2) As related to the Durham and Orange Bus and Rail Investment Plans:

- (a) *Durham County*: With respect to Durham County, the approved Financial Plan shall mean the Durham County Revenues and the Durham Financial Plan Data sections set forth on pages 12-15 of *The Durham County Bus and Rail Investment Plan* and any other financial terms or appendices included therein, being that same Plan approved by Durham County, GoTriangle, and DCHC-MPO on or about on June 27, 2011, June 22, 2011 and June 22 2011 respectively.
- (b) *Orange County*: With respect to Orange County, the approved Financial Plan shall mean the Orange County Revenues and the Orange Financial Plan Data sections set forth on pages 22-29 of *The Bus and Rail Investment Plan in Orange County* and any other financial terms or appendices included therein, being that same Plan approved by Orange County, GoTriangle, BG-MPO and DCHC-MPO, on or about October 2, 2012, June 27, 2012, August 21, 2012, and October 22, 2012.

2.05 “NON-WAKE COUNTY TAX REVENUES” shall mean all revenues collected on behalf of member counties other than Wake County within the Tax District or Special District that are derived from transit funding sources associated with counties other than Wake County.

2.06 “SPECIAL DISTRICT” or “TAX DISTRICT” shall mean any tax district administered by GoTriangle pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.* or N.C.G.S. 105-561 *et seq.* to which Wake County is a member, now or in the future.

2.07 “TRANSIT PLANS” shall mean the joint reference to the Wake County Transit Plan and the Durham and Orange Bus and Rail Investment Plans as used herein.

2.08 “TRANSIT PLANNING ADVISORY COMMITTEE” or “TPAC” shall mean an advisory committee as that term is defined in N.C.G.S. 160A-462, created and tasked with certain duties and responsibilities as detailed within the Wake Transit Governance Interlocal Agreement for the implementation of the Wake County Transit Plan.

2.09 “WAKE TRANSIT GOVERNANCE INTERLOCAL AGREEMENT” shall mean the Interlocal Agreement entered into between GoTriangle, as administrator of the Triangle Tax District; Wake County, a body politic and corporate; and CAMPO, the Metropolitan Planning Organization in Wake County for the implementation and governance of the Wake County Transit Plan; and

2.10 “TRIANGLE TAX DISTRICT” shall mean the tax district, also referred to as the

Special District created by GoTriangle on or about May 25, 2016 pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.*

2.11 “WAKE COUNTY FINANCIAL PLAN” shall mean the financial plan attached hereto as Exhibit B, required pursuant to N.C.G.S. 105-508.1 for the implementation of the Wake County Transit Plan. The initial Financial Plan is the Plan Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan. The Wake County Financial Plan shall only include funds that would be budgeted and reported in the Wake Transit Plan major operating and capital funds, excluding plans from any other counties or associated with any other plans in the Tax District. The Wake County Financial Plan shall also segregate all Wake Tax Revenues and Wake Transit Plan Revenues from any and all Non-Wake County Revenues or Transit Plans associated with projects or expenditures that are not included in the Wake County Transit Plan.

2.12 “WAKE COUNTY TAX REVENUE” shall be defined as all revenues derived from transit funding sources in support of the Wake Transit Plan, which shall include the ½ percent local option sales and use tax as defined by N.C.G.S. 105-508; the County vehicle registration fee assessed by the Wake County Board of Commissioners in accordance with N.C.G.S. 105-570 *et seq.*; the increased portion of the regional vehicle registration fee assessed by GoTriangle in accordance with N.C.G.S. 105-561 *et seq.* allocated to Wake County; and the portion of vehicle rental tax collected by GoTriangle pursuant to N.C.G.S. 105-550 *et seq.* and as allocated by the GoTriangle Board of Trustees to Wake County.

2.13 “WAKE COUNTY TRANSIT PLAN” shall mean the document entitled “Recommended Wake County Transit Plan” dated December 2015, being that same document approved by the Wake County Board of Commissioners pursuant to a Resolution on June 6, 2016.

2.14 “WAKE TRANSIT PLAN REVENUE” shall mean Wake County Tax Revenue, any federal or state funds, debt proceeds, fares, local contributions, and other sources of revenue used to fund the Wake County Transit Plan.

2.15 “WAKE COUNTY TRANSIT WORK PLAN” or “WAKE TRANSIT WORK PLAN” shall mean the comprehensive plan for transit capital and operations in Wake County presented by the TPAC which shall include all of the separate components of:

- a. Annual Operating Budget Ordinance. This shall be supplied for the Wake Transit major operating fund which will appropriate funds for the operation and administration of transit projects as well as for any other agencies involved in producing products for TPAC review;
- b. Annual Tax District administration budget for the Wake Transit major operating and capital fund;
- c. Multi-Year Capital Improvement Plan (CIP) supplied for the Wake Transit major capital fund that clearly identifies specific projects, project sponsors responsible for undertaking those projects, project funding sources, and project expenditures. (NOTE:

The Multi-year CIP shall be updated annually to coincide with the annual capital budget always being the first year of appropriation of funding for capital projects identified in the CIP. The Multi-year CIP shall be coordinated with the Metropolitan Transportation Plan, Transportation Improvement Program, and annual program of projects developed and maintained by the Raleigh Urbanized Area designated recipient of federal formula transit grants so as to be consistent with submittal deadlines for the final horizon year of both the Transportation Improvement Program and Metropolitan Transportation Plan.);

d. Annual Capital Budget Ordinance supplied for the Wake Transit major capital fund that allocates financial resources to specific project sponsors for specific projects, and represents the first year of appropriation of funding for capital projects identified in the Multi-Year CIP;

e. Multi-year Operating Program (as defined *supra.*);

f. Update of the Wake Transit Financial Plan and financial model assumptions and corresponding update of the planning horizon of Wake Transit Work Plan future projects not included in the current Multi-year CIP. The Parties shall use good faith efforts to align planning horizon year with the horizon year of the current CAMPO MTP. The Financial Model shall contain agreed upon financial assumptions of the TPAC for Wake Transit Work Plan revenues involving federal, state and local sources and multi-year capital and operating costs including liquidity targets and debt ratios relevant to rating agency metrics;

g. Capital Funding Agreements or Master Agreements; and

h. Operating Agreements or Master Agreements.

Nothing herein shall prevent Wake County from entering into a Cost Sharing Agreement with other jurisdictions for any regional transit projects or systems so long as they are detailed in the Wake County Transit Work Plan.

2.16 “WESTERN TRIANGLE TAX DISTRICT” shall mean the special tax district created by the authorizing Resolution of GoTriangle on or about June 27, 2012 that includes the entire area of Orange County and Durham County as further referenced in the Resolution of the Triangle Transit Board of Trustees Authorizing the Levy of a One-Half Percent (1/2%) County Sales and Use Tax for Public Transportation filed on or about December 14, 2012 with the North Carolina Secretary of State.

ARTICLE III EFFECTIVE DATE, TERM, AMENDMENT

a. *Effective Date.* This Agreement shall become effective upon the properly authorized execution of the Agreement by all Parties.

b. This Agreement shall continue so long as Wake County is a member of any-multi county Special District or Tax District.

c. Any amendment, termination, or renewal of this Agreement must be in the form of a written instrument properly authorized and executed by the governing boards of each Party.

d. *Notice.* Any written or electronic notice required by this section shall be delivered to the Parties at the following addresses:

For GoTriangle:	Jeffrey G. Mann General Manager GoTriangle P.O. Box 13787 Research Triangle Park, NC 27709 Suite 100, 4600 Emperor Blvd. Durham, NC 27703	Mail Delivery
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With a copy to	Shelley Blake General Counsel GoTriangle P.O. Box 13787 Research Triangle Park, NC 27709 Suite 100, 4600 Emperor Blvd. Durham, NC 27703	Mail Delivery
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For Durham County:	Durham County Manager 200 East Main Street 2 nd Floor, Old Courthouse Durham, NC 27701
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For Orange County:	Orange County Manager 200 South Cameron Street Hillsborough, NC 27278
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For DCHC-MPO:	DCHC Metropolitan Planning Organization 101 City Hall Plaza Durham, NC 27701
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For BG-MPO: Burlington-Graham Metropolitan Planning Organization
425 S. Lexington Ave.
Burlington, NC 27215

For CAMPO: Capital Area Metropolitan Planning Organization
Executive Director
One Bank of America Plaza
421 Fayetteville Street, Suite 203
Raleigh, NC 27601

For Wake County: Wake County Manager
Wake County Justice Center
301 S. McDowell St.
Raleigh, NC 27601

With a copy to Wake County Attorney
Wake County Justice Center
301 S. McDowell St.
Raleigh, NC 27601

ARTICLE IV

THE TRIANGLE TAX DISTRICT FINANCIAL PLAN

4.01 **Financial Plan.** The Financial Plan for the Triangle Tax District shall be the three financial plans referred to herein as the “Durham and Orange Bus and Rail Financial Plans” and the “Wake County Financial Plan,” , including any future amendments to the same, said plans being incorporated by reference and attached hereto as *Exhibits A and B*, hereinafter jointly referred to and combined as the “Triangle Tax District Financial Plan.”

- a) *Durham and Orange Bus and Rail Financial Plans.* The Financial Plans as defined herein that are contained in the Durham and Orange Bus and Rail Investment Plans attached hereto as *Exhibit A*, which shall continue to govern the expenditure of all proceeds collected on behalf of Durham and Orange counties by and through GoTriangle, as administrators of the Durham and Orange Bus and Rail Investment Plans.
- b) *Wake County Financial Plan.* The Plan attached hereto as *Exhibit B*, which shall govern the expenditure of any proceeds collected on behalf of Wake County by and through GoTriangle for the implementation of the Wake County Transit Plan. For clarity, all Wake County Tax Revenue and Wake County Transit Revenue collected by and through GoTriangle shall be accounted for separate and apart from any revenues collected on

behalf of Durham and Orange counties in strict compliance with the financial terms outlined in the Wake Transit Governance Interlocal Agreement.

4.02 Equitable Use of Net Proceeds within the Triangle Tax District. In accordance with N.C.G.S. 105-508.1, the Parties hereby acknowledge that the Durham and Orange Bus and Rail Financial Plans and the Wake County Financial Plan, as further described in Section 4.01, above, were modeled at different times, for separate geographical boundaries and transit systems within those boundaries, and with different assumptions. As such, the Parties hereby agree that pursuant to N.C.G.S. 105-508.1, the “equitable use” of all Wake County Tax Revenue and Wake Transit Plan Revenue collected by and through GoTriangle in administration of the Triangle Tax District shall be as defined pursuant to Section 2.03 above. The Parties further agree that a segregation of all Wake County Tax Revenue and Wake Transit Plan Revenue and all expenditures of the same as dictated by the Wake County Transit Plan as defined in Section 2.13, above, is an “equitable use” of said revenues, for the benefit of the Triangle Tax District.

4.03 Approval of the Wake County Financial Plan. By execution of this Agreement, the Parties signify their approval of the Wake County Financial Plan in accordance with N.C.G.S. 105-508.1.

4.04 Oversight, Implementation & Amendments to the Financial Plan. Nothing herein shall confer any right, duty, oversight, or authority upon Durham County, Orange County, DCHC-MPO, or BG-MPO, to amend, review or approve any revisions or modifications to the Wake County Financial Plan or any aspects related to the implementation of the Wake County Transit Plan. Likewise, nothing herein shall confer any right, duty, oversight, or authority upon Wake County or CAMPO to amend, review or approve any revisions or modifications to the Durham and Orange Bus and Rail Financial Plans.

4.05 Modeling of the Financial Plan. Consistent with the financial segregation of all Wake County Tax Revenues and Wake Transit Plan Revenues from any and all plans or projects not included in the Wake County Transit Plan, the Wake County Financial Plan shall be modeled and presented separate and apart from any other financial plan of the Tax District, including the Durham and Orange Bus and Rail Financial Plans.

ARTICLE V

INDEPENDENCE OF TRANSIT PLANS AND LIMITATIONS OF THE PARTIES

5.01 Independence of the Transit Plans. Durham County, Orange County, DCHC-MPO and BG-MPO, by virtue of this Agreement hereby acknowledge they do not have any authority, control, or input in the administration, implementation or governance of the Wake County Transit Plan or any financial components associated with the same. Notwithstanding the above, it is acknowledged that the GoTriangle Board of Trustees has representative membership from Durham and Orange counties. Likewise, Wake County and CAMPO, by virtue of this Agreement hereby acknowledge they do not have any authority, control, or input in the administration, implementation or governance of the Durham and Orange Bus and Rail Investment Plans or any financial components associated with the same. Notwithstanding the

above, it is acknowledged that the GoTriangle Board of Trustees has representative membership from Wake County.

5.02 Governance of the Transit Plans.

a. *Wake County Transit Plan.* The governance of the Wake County Transit Plan and all financial components of the same shall be strictly in accordance with the framework and provisions detailed in the Wake Transit Governance Interlocal Agreement, to which Durham County, Orange County, DCHC-MPO and BG-MPO are not parties.

b. *Durham and Orange Bus and Rail Investment Plans.* The governance of the Durham and Orange Bus and Rail Investment Plans and all financial components of the same shall be strictly in accordance with the framework and provisions detailed in the Interlocal Implementation Agreements, to which Wake County and CAMPO are not parties.

5.03 Financing of the Transit Plans. Consistent with the provisions set forth in Article IV, above, one-hundred percent (100%) of all Wake County Tax Revenues and Wake Transit Plan Revenue collected by GoTriangle shall be expended in accordance with the Wake County Transit Work Plan. The Parties hereby agree that zero percent of the Wake County Tax Revenues and Wake Transit Plan Revenue will be made available for any purpose or cause outside of the Wake County Transit Plan. Likewise, one-hundred percent (100%) of all Non-Wake County Tax Revenues collected by GoTriangle shall be devoted to projects outside of the Wake County Transit Plan and Wake County Transit Work Plan, unless otherwise agreed to by the Parties.

5.04 Integration of Transit Plans. Nothing herein shall prevent coordination between the Parties for regional transit systems or joint undertakings between the Wake County Transit Plan and Durham and Orange Bus and Rail Investment Plans, as they may be amended from time to time, that overlap the jurisdictional boundaries of the member counties of the Triangle Tax District. Notwithstanding the above, any financial components of such a joint undertaking shall be separately accounted for in accordance with the overriding financial provisions contained in the Wake Transit Interlocal Governance Agreement and as further directed by the Wake County Transit Plan. Nothing herein shall prevent the Parties from entering into a separate Cost Sharing Agreement for any regional transit projects or systems that cross jurisdictional boundaries.

ARTICLE VI MISCELLANEOUS PROVISIONS

6.01 No Waiver Of Sovereign Immunity. Nothing in this Agreement shall be construed to mandate purchase of insurance by Wake County pursuant to N.C.G.S. 153A-435; or to be inconsistent with Wake County's "Resolution Regarding Limited Waiver of Sovereign Immunity" enacted October 6, 2003; or to in any other way waive Wake County's defense of sovereign or governmental immunity from any cause of action alleged or brought against Wake County for any reason if otherwise available as a matter of law.

6.02 **No Waiver Of Qualified Immunity.** No officer, agent or employee of any Party shall be subject to any personal liability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

6.03 **Governing Law, Venue.** The Parties acknowledge that this Agreement shall be governed by the laws of the State of North Carolina. Venue for any disputes arising under this Agreement shall be in the courts of Wake County, North Carolina.

6.04 **Entire Agreement.** The terms and provisions herein contained constitute the entire agreement by and between the Parties hereto and shall supersede all previous communications, representations or agreements, either oral or written between the Parties hereto with respect to the subject matter hereof. Nothing herein shall be construed to restrict the statutory rights of any Party.

6.05 **Severability.** If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.

6.06 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original.

[Signature pages follow this page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all by the Resolution of their governing board, spread across their minutes, as of the date written below.

<p>RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY (d/b/a GoTriangle)</p> <p>By: _____ Jeffrey G. Mann, General Manager</p> <p>This, the ____ day of _____, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Saundra Freeman, Chief Financial Officer for GoTriangle</p> <p>This, the ____ day of _____, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____ By _____ Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ Shelley Blake, General Counsel for GoTriangle</p> <p>This, the ____ day of _____, 2016.</p>

<p>DURHAM COUNTY, NORTH CAROLINA</p> <p>By: _____ County Manager</p> <p>This, the ____ day of _____, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Director Durham County, North Carolina</p> <p>This, the ____ day of _____, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____ Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ County Attorney</p> <p>This, the ____ day of _____, 2016.</p>

<p>ORANGE COUNTY, NORTH CAROLINA</p> <p>By: _____ County Manager</p> <p>This, the ____ day of _____, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Director Orange County, North Carolina</p> <p>This, the ____ day of _____, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____ Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ County Attorney</p> <p>This, the ____ day of _____, 2016.</p>

<p>WAKE COUNTY, NORTH CAROLINA</p> <p>By:_____</p> <p>County Manager</p> <p> This, the ____ day of _____, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____</p> <p>Finance Director Wake County, North Carolina</p> <p> This, the ____ day of _____, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____</p> <p>Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____</p> <p>County Attorney</p> <p> This, the ____ day of _____, 2016.</p>

<p>CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION (CAMPO)</p> <p>CAMPO</p> <p>By: _____ Executive Director</p> <p>This, the ____ day of _____, 2016.</p>	
<p>ATTEST:</p> <p>By: _____ Valorie D. Lockhart</p>	

<p>DURHAM, CHAPEL-HILL, CARRBORO METROPOLITAN PLANNING ORGANIZATION (DCHC-MPO)</p> <p>By: _____ Felix Nwoko, Manager</p> <p>This, the ____ day of _____, 2016.</p>	<p>By: _____ Steve Schewel, Board Chair</p> <p>This, the ____ day of _____, 2016.</p>
<p>ATTEST:</p> <p>By: _____ _____, Clerk</p> <p>[Seal]</p>	

<p>BURLINGTON-GRAHAM METROPOLITAN PLANNING ORGANIZATION (BG-MPO)</p> <p>By: _____ Mike Nunn, Executive Director</p> <p>This, the ____ day of _____, 2016.</p>	
<p>ATTEST:</p> <p>By: _____ _____</p> <p>[Seal]</p>	

EXHIBIT A

The Durham County Bus and Rail Investment Plan

Approved June 2011

By the DCHC MPO, Triangle Transit Board of Trustees and Durham Board of County Commissioners

The Durham County Bus and Rail Investment Plan

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The Durham Bus and Rail Investment Plan

I. INTRODUCTION

The Durham community has achieved an enviable quality of life at the end of the first decade of the 21st century. Recent accolades include its ranking as the best mid-sized city for jobs in the US by *Forbes* magazine, as the #1 housing market in the US by the *Wall Street Journal*, as one of the top places in the world to visit in 2011 by the *New York Times* and the #2 “green city” for lifestyle and quality of life by *Country Home* magazine.

The Triangle region has also enjoyed a diverse, growing economy and attractive quality of life for a number of years, topping many best places to live and best places to work lists. With these successes has come a surging growth in population and demand upon our roads and highways. Since 2004, the Triangle has moved from 46th largest metro area to 40th in the US for 2009, and our vehicle demand on freeways is up by 28% over those five years. Recently, our region was named the 3rd most sprawling urban area in the country among the 83 areas studied.

In its 2009 long-range (2035) report, the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO) noted that the region’s population would more than double over the 25-year period. For the last two decades, the demand on our roads has grown significantly faster than our population. Even with planned highway improvements and likely additional revenues for new roads, it is clear that Durham and the region will see declining levels of service on major roads in the next 25 years.

The economic costs for our increasingly congested roads are significant. In its 2010 Mobility report, the Texas Transportation Institute estimated that our region has “congestion costs” of almost one-half billion dollars a year. A May 10, 2011 study cited in *Forbes* magazine found that the Triangle region was ranked “America’s Biggest Gas Guzzler.” Finally, it will be difficult to impossible for many of Durham’s low to moderate income families to afford to get to new jobs and take advantage of the region’s prosperity unless enhanced transportation options are created.

Durham residents and its regional neighbors are aware of the growth in clogged roads, as well as the accompanying air quality problems, negative economic impacts and the loss of the quality of life we enjoy if these transportation challenges are not met. Local citizens and elected leaders have responded to these challenges, with some assistance from state government, as described below.

II. TRANSIT PLANNING STEPS LEADING UP TO THIS PLAN

In 2008, a blue-ribbon group of Triangle leaders (the Special Transit Advisory Commission, or STAC) began meeting. In May 2009 the STAC unanimously recommended a regional vision for bus and rail investments. One year later, the region's two MPO's fully incorporated the STAC recommendations into their long-range (25 year) transportation plan.

In August 2009, Governor Beverly Perdue signed into law the Congestion Relief and Intermodal Transport Fund Act (HB 148), legislation that allows Durham, Orange and Wake counties to generate new revenues for public transportation. These new revenues can include a one-half cent sales tax, if approved by the public through a referendum, and an additional \$10 in local and regional vehicle registration fees.

Over the last 18 months, Triangle Transit staff have worked with Durham, Durham County, the MPO and other regional transportation staff to develop a detailed, 25-year plan for new bus and rail investments designed to provide greater transportation options for residents and employers. This option would positively impact traffic congestion and air quality while supporting local land use policies. This plan is the culmination of that work and represents crucial public investments and services designed to maintain our quality of life and economic vitality in the next 25 years.

Extensive public engagement has occurred over the past year in the development of the bus and rail elements of this plan. Triangle Transit and local transportation staff members from the city, county and MPO conducted a series of 19 public workshops, at various locations throughout the Triangle, on the process and substance of the plan's development. A total of over 1,100 participants attended the meetings and provided over 500 comments on the plan. The project web site, www.ourtransitfuture.com, was viewed by over 31,000 individuals with 1.4 million page hits. The web site houses all of the presentation materials and proposed plan elements.

There have been dozens of meetings with citizens, local elected officials, staff and members of the region's MPO's, community stakeholders and business leaders to have feedback on the proposed bus and rail elements. The financial and service elements of this plan are coordinated with the corresponding Orange County Bus and Rail Investment Plan. Additionally, this bus and rail investment plan builds on existing transit services and does not eliminate current financial and service commitments.

III. PLAN ELEMENTS

A. New Bus Service

The major goals of the new and strengthened bus service in Durham County would include:

- connect more residents with job opportunities in Durham and the region
- connect more residents with post-secondary and vocational educational opportunities
- expand bus capacity in corridors with high current bus ridership
- provide better regional connections to other cities and the RDU Airport

Over the 23 year life-of the plan, a total of 77,000 additional bus hours in Durham County would be added (50,000 in the first three years, 27,000 over the 20 years). Today, DATA provides 177,000 annual bus hours. This 44% increase in bus service will provide service benefits to all areas of the county as detailed below and illustrated in the map in Section IV.

Over the first three years following a successful referendum and levy of the sales tax, the following transit improvements will be made:

First 12-18 months following successful referendum and levy of the sales tax

- Connecting more residents with jobs
 - New service from southwest Durham to Duke and VA Medical Centers
 - More frequent service to jobs at retail centers including Brier Creek, Northgate Mall, Southpoint Mall, The Village, and the vicinity of NC 54 and NC 55
 - New services from rural Durham County, Mebane and Hillsborough to Duke and VA Medical Centers
 - More demand response trips from rural Durham County to jobs throughout the county
- Connecting more residents with post-secondary and vocational educational opportunities
 - More demand response trips from rural Durham County to Durham Tech and job training opportunities
 - More frequent service to North Carolina Central University and Durham Tech
- Expanding bus capacity in corridors with high current bus ridership (15 minute frequency during peak hours)
 - Holloway Street/Liberty Street Corridor
 - North Roxboro Street
 - Chapel Hill-Durham Boulevard (US 15-501)
 - Fayetteville Street
 - West Chapel Hill Street
- Providing better regional connections to other cities and the RDU International Airport
 - Later Saturday Service between Downtown Durham and Downtown Chapel Hill; between Downtown Durham, RTP, and Raleigh; and, between Chapel Hill, southern Durham, RTP, and Raleigh
 - Sunday Service between Downtown Durham and Downtown Chapel Hill; between Downtown Durham, RTP, and Raleigh; and, between Chapel Hill, southern Durham, RTP, and Raleigh

- Seven day per week service to RDU Airport
- More frequent express trips between Durham and Raleigh
- More frequent service between Chapel Hill, southern Durham, and RTP

Over the remaining 20 years of the transit investment plan, it is estimated that the sales tax will raise enough revenue to fund an additional 27,000 bus hours of service per year that will be phased in over the life of the plan. The resources will be used to continue to meet the plan's four goals as jobs and residences shift. When light rail and commuter rail services begin operation in later years of the plan, bus services will be shifted to avoid service duplication and to connect people with the rail stations.

Small Capital Projects

An estimated \$15 million in small capital projects supporting the Durham County bus network are also included in the Durham County Bus and Rail Investment Plan. The projects should be completed in the first three to five years. They include:

- Park-and-Ride lots in northern Durham County and various other locations of the city
- Four new neighborhood transit centers
- Three transit emphasis corridors (sidewalks, shelters, and transit signal priority)
- Pedestrian accessibility and amenities improvements at the 200 most-used bus stops

Please see spreadsheet – Durham County Bus Improvements, Section IX.

B. New Light Rail Service

The Durham County Bus and Rail Investment Plan provides funding for a fixed guideway transit system that serves Durham and Orange Counties using Light Rail technology (LRT). The 17-mile alignment extends from the University of North Carolina (UNC) Hospitals to Alston Avenue in East Durham. A total of 17 stations have been proposed including a station next to the Dean Smith Center, the Friday Center, as well as a potential station at Meadowmont in Chapel Hill. Stations in Durham include Patterson Place along US 15-501, the South Square area, at Duke Medical Center and VA Medical Hospital, Ninth Street and downtown Durham, with convenient access to nearby bus and Amtrak intercity rail connections. Light Rail service characteristics and the type of activity centers and neighborhoods being served along the corridor dictate light rail station spacing of between ¼ mile and 2 miles.

Light Rail vehicles are electrically powered and travel at speeds up to 55 mph. The total, end-to-end, travel time for the 17-mile alignment is about 35 minutes including stops. The vehicles are approximately 90 feet long, can operate in both directions, and can be coupled with additional cars as ridership demand increases. Initial 2035 projections indicate that ridership will exceed 12,000 boardings per day. As with all long range projections, this estimate is subject to change as the ridership forecasting model is refined and validated.

Light rail vehicles can operate in exclusive right of way, as well as along urban streets, and characteristically serve accessible low platform (14 inches high) stations. The operations plan for the 17-mile alignment includes train frequencies (headways) of every 10 minutes during the morning and evening peak and 20 minutes during the off-peak hours and on weekends. Fifteen vehicles will be required to operate the system based on an 18 hour schedule each weekday. Several potential light rail vehicle maintenance facility locations are being evaluated and are also included in the financial plan. Detailed alignment and station location decisions will occur in the future at the preliminary engineering and final design stages, within 1-4 years after a successful referendum and levy of the sales tax.

Durham County's share of capital cost for the Durham and Orange Light Rail Project is approximately \$1, 050 billion (2011 dollars). The total cost for the project is \$1.4 billion (\$2011). Durham County's share of operations and maintenance costs are estimated at \$11.3 million/year (2011 dollars). Total operations and maintenance cost are estimated at \$15 million/year.

C. New Commuter Rail Service

The Durham County Bus and Rail Investment Plan provides funding for a transit system that serves Durham and Wake County using Commuter Rail technology (CRT). The 37-mile alignment extends from West Durham to Greenfield Parkway in Garner via Durham, the Research Triangle Park, Morrisville, Cary, Raleigh, and Garner. A total of 12 stations have been proposed, including locations with major bus and Amtrak intercity rail connections available in downtown Durham, downtown Cary, and downtown Raleigh. Due to the vehicle's performance capabilities, length of the corridor, and the needs of activity centers being served, station spacing is typically between 2 miles and 10 miles for commuter rail systems..

Commuter Rail vehicles are pulled by diesel powered locomotives and travel at speeds up to 79 mph. Total, end-to-end, travel time for the 37-mile alignment is about 51 minutes including stops. The train would include a locomotive and multiple coach cars, sized according to anticipated ridership. Initial 2035 projections indicate ridership will exceed 7,000 boardings per day. This estimate is subject to change as the ridership forecasting model is refined and validated.

Commuter rail vehicles must remain in the railroad corridor (i.e. no street running). The operations plan for the alignment assumes the use of existing freight tracks where possible. In some instances, a second track will be constructed to enhance the capacity of the corridor to allow for continued increases in demand for both passenger and freight traffic in the corridor. Commuter Rail operation is recognized as an inter-urban service and operates on 20 to 30 minute train frequencies (headways), primarily during the morning and evening peak periods, with the opportunity for some limited off-peak service. The service is primarily oriented towards the work-week and peak-period commuting to major employment centers. Weekend service will be considered based

upon future ridership demand. Fifteen vehicles and a rail maintenance facility are also included in the plan.

Durham County's share of the capital cost for the Commuter Rail Project would be \$300 million (\$2011). The total capital cost for the Commuter Rail project is approximately \$645 million (2011). Durham County's share of the annual operating and maintenance costs is estimated at \$2.57 million/year (\$2011). Total operations and maintenance cost is estimated at \$11 million/year (2011).

IV. Maps

Three maps that illustrate bus and rail service improvements in Durham County follow.

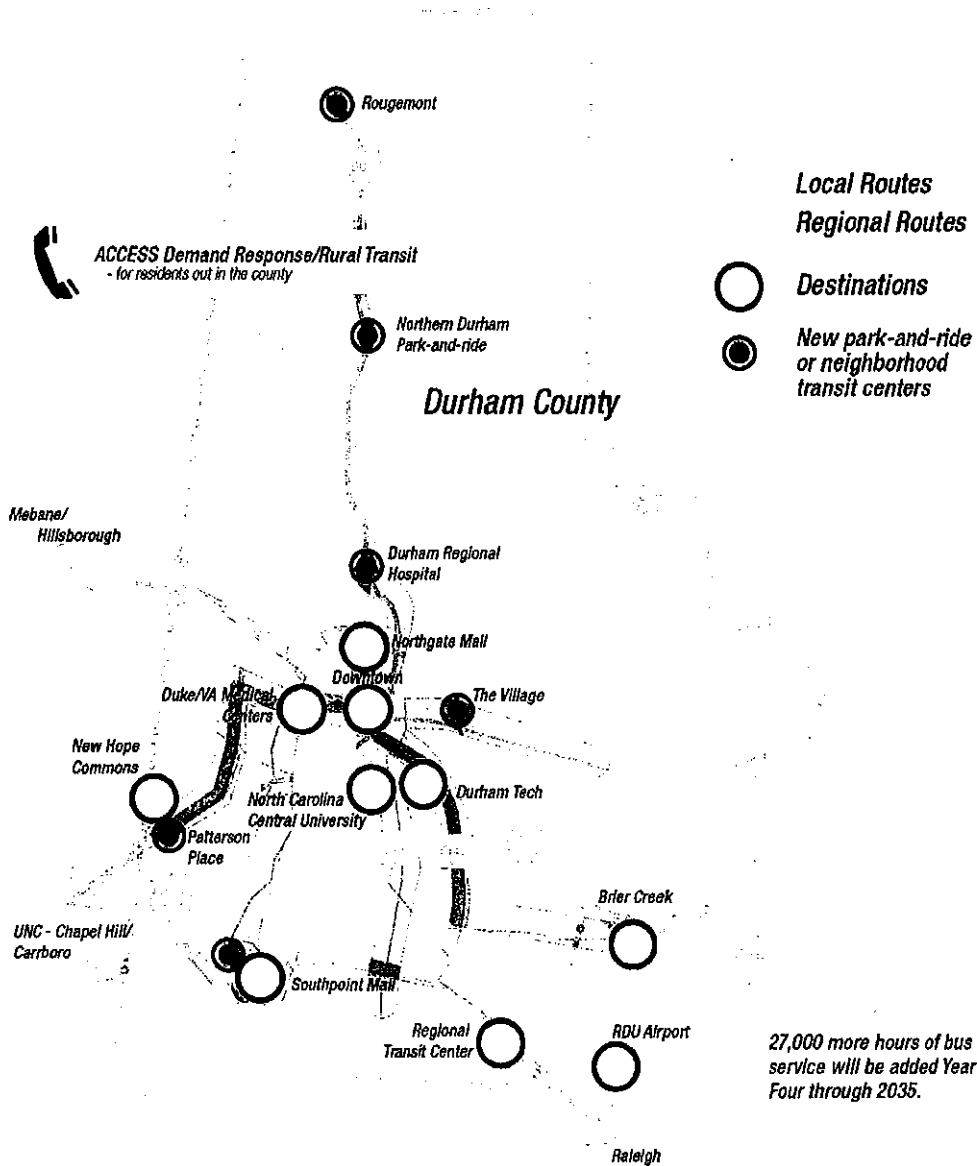
The first map (page 9) is a conceptual representation of where frequent local and regional bus service will be put into operation in the first three years following the implementation of this plan.

The second map (page 10) shows the Light Rail alignment from Downtown Durham to Chapel Hill.

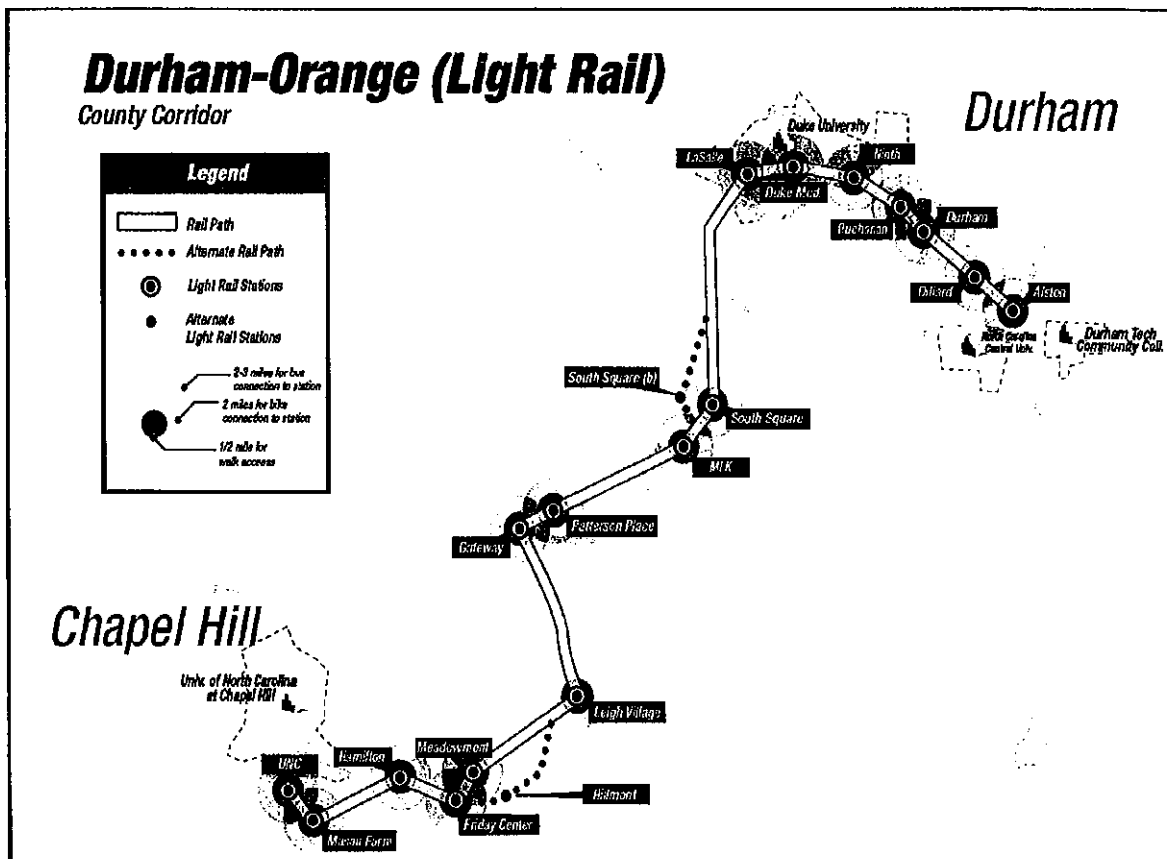
The third map (page 11) shows the Commuter Rail alignment from West Durham to Raleigh and Eastern Wake County.

Durham County Bus Investment Plan

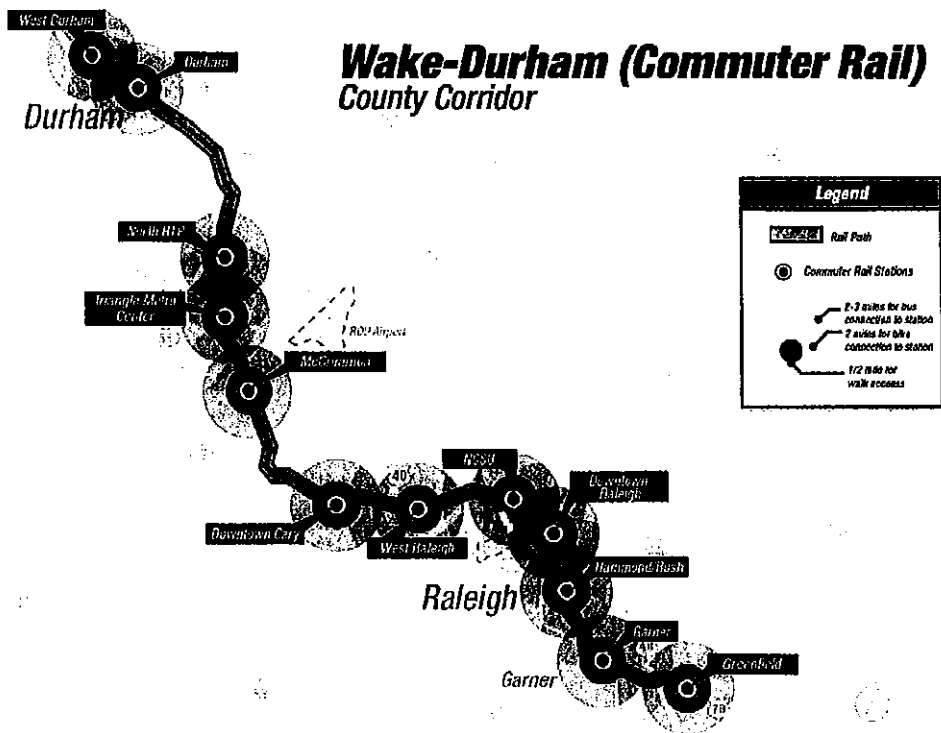
50,000 hours of bus improvements in the **first three years**



Durham-Orange Light Rail Plan



Durham-Wake Commuter Rail Plan



V. DURHAM COUNTY REVENUES

A variety of revenue sources provide the funding for the Durham County Bus and Rail Investment Plan. Those revenues include:

- A new one-half-cent sales tax in Durham County (referendum required)
- A new \$7 vehicle registration fee levied by Durham County
- An increase of \$3 to the existing \$5 vehicle registration fee currently levied by Triangle Transit in Durham County
- Revenue from Triangle Transit's rental car tax
- NC State Government contributions to funding
- Federal Government contributions to funding
- Passenger Revenue (fares for services)

Further details for each revenue source follow below.

A. Initial Proceeds Assumptions for Local Revenue

The initial annual projections for each local revenue stream for Durham County (see prior section V) in 2012 for transit are as follows:

- | | |
|--|----------------|
| • One-half cent sales tax: | \$18.4 million |
| • \$7 vehicle registration fee: | \$1.58 million |
| • \$3 vehicle registration fee increase: | \$677,000 |
| • Rental Car Tax revenue (Durham): | \$1.0 million |

B. Growth Rates Assumed for Each Revenue Source

- | | |
|--|------|
| • ½-cent sales tax: | |
| o Growth Rate from 2011 through 2014: | 1.5% |
| o Growth Rate from 2015 through 2035: | 3.5% |
| • \$7 vehicle registration fee: | 2.0% |
| • \$3 vehicle registration fee increase: | 2.0% |
| • Rental Car Tax revenue: | 4.0% |

C. One-half cent sales tax in Durham County

A one-half cent sales tax in Durham County means that when individuals spend \$10.00 on certain goods and services, an additional five cents (\$0.05) is added to the transaction to support the development of the Bus and Rail Investment Plan. Purchases of food, gasoline, medicine, health care and housing generally are excluded from the tax.

A one-half cent sales tax in Durham County is estimated to generate \$18.4 million. Over the life of the plan to 2035, the sales tax is expected to generate \$625 million in Year-Of-Expenditure (YOE) dollars. Implementation of the Plan as described above is subject to authorization of a referendum by the Durham Board of County Commissioners and approval by the voters.

D. \$7 Vehicle Registration Fee in Durham County

A seven dollar (\$7) vehicle registration fee in Durham County means that when an individual registers a new vehicle or renews the registration for an existing vehicle in Durham County, an additional \$7 per year is added to the cost above the other required registration fees for that vehicle.

The seven dollar fee in Durham County is expected to bring in \$1.58 million in 2012. Over the life of the plan to 2035, the seven dollar fee is expected to generate \$58.1 million in Year-Of-Expenditure (YOE) dollars.

E. \$3 Vehicle Registration Fee Increase in Durham County

A three dollar (\$3) vehicle registration fee increase in Durham County means that when an individual registers a new vehicle or renews the registration for an existing vehicle in Durham County, an additional \$3 per year is added to the cost above the other required registration fees for that vehicle. An existing \$5 fee for vehicle registration supports activities of Triangle Transit, including bus operations and long-term planning. This fee would increase to \$8 after the \$3 increase is implemented.

The three dollar fee in Durham County is projected to generate \$677,000 in 2012. Over the life of the plan to 2035, the three dollar fee is expected to generate \$24.9 million in Year-Of-Expenditure (YOE) dollars.

F. Revenue from Triangle Transit's Rental Car Tax

Triangle Transit operations are partially funded by a five percent (5%) tax on car rentals in Wake, Durham, and Orange Counties. Under existing policy adopted by the TTA Board, 50% of the rental revenues are dedicated to advancing long-range bus and rail transit.

Since a significant portion of all cars rented and driven in the three counties are rented at RDU International Airport, it is difficult to determine which rentals are driven primarily in one county or another. Therefore, the 50% rental revenues dedicated to long-term transit were allocated by county according to the percentage of population in the Triangle Region, which is: Wake (68%); Durham (21.5%); Orange (10.5%).

The Triangle Transit rental car tax proceeds directed to Durham County is estimated at \$1.0 million in 2012. Over the life of the plan to 2035, the rental car tax is expected to generate \$36 million in Year-Of-Expenditure (YOE) dollars for Durham County.

G. NC State Government Funding

The plan includes a 25% capital cost contribution by the NC Department of Transportation (NCDOT) for both light rail and commuter rail projects in Durham County. This level of participation was established by the State in its participation in the Charlotte Blue Line light rail project in 2003. The plan assumes that NCDOT also pays for 10% of bus capital costs (replacement buses, new buses, park and ride lots, etc) consistent with its current practices. Based on these precedents, NCDOT assumed contributions to the plan total \$465 million in YOE dollars from 2012 through 2035.

H. Federal Government Funding

The plan projects that the US Government will contribute 50% of the capital cost for both the light rail and commuter rail projects in Durham County. This was the federal level of participation in the Charlotte Blue Line light rail project and is consistent with federal funding outcomes for most rail projects in the Federal Transit Administration's New Starts program in recent years.

The plan assumes that the Federal Government also pays for 80% of bus capital costs, consistent with its current practices, and continues to provide operating appropriations consistent with present FTA operating grant formulas. Federal Government contributions to the plan are projected to be \$926 million in YOE dollars from 2012 through 2035.

I. Passenger Revenue

This revenue source accounts for the fares we receive from our bus service, commuter rail service, and light rail service.

J. Cost allocation along the county border

A cost-sharing understanding was reached by officials from both Durham and Orange County which identifies how costs would be allocated for the light rail project that crosses their county border. This understanding calls for Durham County to fund all rail investment (capital, operations, and maintenance costs) within Durham County with the exception of the light rail investment found within those portions of the Chapel Hill town limit which are inside Durham County. Conversely Orange County will fund all bus and rail investments within Orange County and within the Chapel Hill municipal limit. Costs and expenses for regional bus service for the Durham and Orange county region are shared on a 50-50 basis in this Plan.

VI. DURHAM FINANCIAL PLAN DATA

The following is a list of the total spending for each technology and category identified in the Durham County Bus and Rail Investment Plan.

- Rail Capital: \$1,669 million (\$1350 million in 2011 dollars)
- Rail Operations: \$283 million
- Bus Capital: \$47 million
- Bus Operations: \$151 million
- Debt: \$136 million

VII. IMPLEMENTATION AGREEMENT: ANNUAL REVIEW AND CHANGES TO THE PLAN

The Durham County Bus and Rail Investment Plan details the specific elements of local and regional bus service, LRT and commuter rail service to be added in Durham County over a twenty-three year period. Because of the long time frame for implementation of the Plan and its major capital projects, over time there will need to be changes and revisions made to the Plan. As the statutory implementation agency, Triangle Transit will work with Durham County, the DCHC Metropolitan Planning Organization (MPO), and the City of Durham, the public transit provider in Durham County to develop and execute an Implementation Agreement which details the following aspects of implementation of the Plan:

- (a) Annual review presentations of the activities and progress made in implementation of the Plan by Triangle Transit to the County and the MPO;
- (b) The process for review and vote by the County, the MPO and Triangle Transit's Board of Trustees on any significant or substantial revisions to the Plan required by changes experienced in revenues received, capital costs, operating expenses, or other substantial issues affecting the Plan;
- (c) Responsibility of Triangle Transit for direct disbursement of funds from the revenues received per Section V (above) to the public agency responsible for implementing the bus services set forth in the Plan; and
- (d) Other necessary provisions regarding implementation of this Plan as agreed to by the County, the MPO, and Triangle Transit.

VIII. CLOSING SUMMARY

The Durham County Bus and Rail Investment Plan is the result of years of collaborative work by local elected leaders, regional stakeholders, municipal and county staff and Triangle Transit. The plan consists of a balance of bus improvements and rail investment to help accommodate the intense population growth that the region is expected to experience in the next 25 years.

The proposed plan addresses the ongoing need to provide greater choice to transit riders with improved and expanded bus and rail connections. Once implemented, the residents of Durham County will be able to have greater access to jobs, shopping, and activity

centers such as downtown Durham, the Universities, the Research Triangle Park, and the Raleigh-Durham International Airport.

Additionally, the plan will provide core infrastructure investment that will help support the goals and objectives of Durham's local land use plans. In particular, as evidence in communities across the country, investment in light rail has proven to be a great motivator for private companies to build transit-oriented development (TOD) at station locations along the rail corridor. This kind of more intense development generally consists of a mixed-use, walkable environment that can allow a more sustainable alternative to the suburban growth pattern that exists today, without paralyzing the suburban options.

All of the elements listed in the Durham County Bus and Rail Investment Plan are fiscally constrained. The Plan has been conservative in revenue assumptions and through added contingencies for capital and operating expenditures.

The plan has been shared with the general public, Durham City Council, the DCHC MPO and the Durham Board of County Commissioners. The plan was considered and approved by the DCHC MPO, the Triangle Transit Board of Trustees, and the Durham County Board of Commissioners in June 2011. The Durham Board of County Commissioners set November 8, 2011 as a referendum date. Once a voter referendum passes and the one-half cent sales tax is levied, work can begin on implementation of the Bus and Rail Investment Plan.

Durham County Bus Transit Plan -- Annual Operating and Maintenance Costs
Complements Express rail to TMC and Light Rail to Leigh Village

Service Type (Responsible Party)	Projects	Enhanced or New?	Total New Hours	Annual Operating Cost	Annual New Bus Hours Cumulative
YEARS 1 THROUGH 3					
Local (City of Durham)	Brier Creek-Downtown (Route 15)	Enhanced	3,800	\$4,280,000	50,000
Local (City of Durham)	Southern High-Liberty Street-Downtown (Route 16)	Enhanced	3,000	\$320,000	3,800
Local (City of Durham)	NC 54/NC 55-Downtown (Route 12)	Enhanced	3,000	\$260,000	6,800
Regional (Triangle Transit)	Carboro-Chapel Hill-Durham Boulevard Express (Route 405) - 15 minute service during peak hours	Enhanced	1,500	\$130,000	8,800
Local (City of Durham)	New Hope Commons-Downtown via Duke	New	3,400	\$290,000	11,300
Local (City of Durham)	Northgate Mall-Downtown (Route 1) - peak only	Enhanced	1,500	\$130,000	14,700
Local (City of Durham)	The Village-Holloway Street-Downtown (Route 3) - peak only	Enhanced	1,500	\$130,000	16,200
Regional (Triangle Transit)	Chapel Hill-Durham Express (Route 405) - extend Saturday hours to 11pm	Enhanced	200	\$20,000	17,700
Regional (Triangle Transit)	Chapel Hill-Regional Transit Center via Southpoint (Route 800) - extend Saturday hours to 11pm	Enhanced	200	\$20,000	18,100
Regional (Triangle Transit)	Durham-Regional Transit Center-RDU (Route 700/100) - extend Saturday hours to 11pm	Enhanced	200	\$20,000	18,300
Regional (Triangle Transit)	Carboro-Chapel Hill-Durham Express (Route 405) - Sundays	Enhanced	600	\$50,000	18,900
Regional (Triangle Transit)	Chapel Hill-Regional Transit Center via Southpoint (Route 800) - Sundays	Enhanced	600	\$50,000	19,500
Regional (Triangle Transit)	Durham-Regional Transit Center-RDU (Route 700/100) - Sundays	Enhanced	600	\$50,000	20,100
Rural (Durham County)	Durham County Dial-A-Ride	Enhanced	1,200	\$100,000	21,300
Local (City of Durham)	Southpoint Mall-DukeVA Medical Centers Express	New	8,000	\$680,000	29,300
Local (City of Durham)	Durham Regional-North Roxboro Street-Downtown (Route 4)	Enhanced	3,000	\$260,000	32,300
Regional Express (Triangle Transit)	Durham-Raleigh Express (Route DRX) 30 minute service during peak hours	Enhanced	800	\$70,000	33,100
Regional Express (Triangle Transit)	Chapel Hill-Regional Transit Center via Southpoint (Route 800) 15 minute service during peak hours	Enhanced	1,500	\$130,000	34,600
Regional Express (Triangle Transit)	Mebane-Hillsborough-DukeVA Medical Centers Express	New	1,600	\$140,000	36,200
Regional Express (Triangle Transit)	Rougemont-DukeVA Medical Centers Express	New	3,300	\$280,000	39,500
Rural (Durham County)	Durham County Dial-A-Ride	Enhanced	1,200	\$100,000	40,700
Local (City of Durham)	NCCU-Fayetteville Street-Downtown (Route 5)	Enhanced	1,500	\$130,000	42,200
Local (City of Durham)	Durham Tech-Downtown (Route 8)	Enhanced	1,500	\$130,000	43,700
Local (City of Durham)	American Village-Duke-West Chapel Hill Street-Downtown (Route 6)	Enhanced	1,500	\$130,000	45,200
Local (City of Durham)	East Durham-Downtown (Route 2)	Enhanced	1,500	\$127,500	47,000
Regional (Triangle Transit)	Durham-Regional Transit Center (Route 700) 15 minute service during peak hours	Enhanced	3,300	\$280,500	50,000
Local and Rural Bus Service Improvements				\$4,590,000	64,000
Regional Bus Service Improvements				\$1,965,000	23,000
Total Bus Service Improvements				\$6,545,000	77,000
BY 2035					

Note: Cost per hour is assumed to be \$95.

Durham County Bus Transit Plan -- Small Capital Costs (excluding buses)
Complements Express rail to TMC and Light Rail to Leigh Village

CAPITAL PROJECTS		RELATED OPERATING PROJECT		Unit Cost	Quantity	Est. Cost
Park-and-Ride lot in northern Durham County		Rougmont-Duke-Downtown Express		\$350,000 per lot	1	\$350,000
Park-and-Ride lot near Durham Regional Hospital		Rougmont-Duke-Downtown Express AND Durham Regional-Duke Medical Hospital Connector		\$350,000 per lot	2	\$700,000 Associated with Light Rail Project
Park-and-Ride lots at Patterson Place and/or South Square		Chapel Hill-Durham Express (Route 405) - peak only AND New Hope Commons-Downtown via Duke Southpoint-Duke Connector AND Chapel Hill-Regional Transit Center via Southpoint (Route 800) - peak only		\$350,000 per lot	2	\$700,000
Park-and-Ride near Southpoint Mall		Chapel Hill-Regional Transit Center via Woodcroft (Route 805)		\$350,000 per lot	1	\$350,000
Park-and-Ride near Woodcroft Shopping Center and Alston Ave)		The Village-Downtown (Route 3) - peak only		\$530,000 per mile	2	\$1,060,000
Transit Emphasis Corridor (Holloway St between The Village and Alston Ave)		Durham Regional-Downtown (Route 4)		\$530,000 per mile	3	\$1,590,000
Transit Emphasis Corridor (Roxboro Rd between I-85 and Durham Regional Hospital)		NCCU-Downtown (Route 5)		\$530,000 per mile	4	\$2,120,000
Transit Emphasis Corridor (Fayetteville St between Lakewood and Cornwalls)		Durham Regional-Downtown (Route 4)		\$220,000 per bay	3	\$660,000
Neighborhood Transit Center (Northern Durham)		The Village-Downtown (Route 3) - peak only AND Southern High-Downtown (Route 16)		\$220,000 per bay	3	\$660,000
Neighborhood Transit Center (The Village)		Southpoint-Duke Connector AND Chapel Hill-Regional Transit Center via Southpoint (Route 800)		\$220,000 per bay	3	\$660,000
Neighborhood Transit Center (Southern Durham)		Chapel Hill-Durham Express (Route 405) AND New Hope Commons-Downtown via Duke		\$220,000 per bay	2	\$440,000
Neighborhood Transit Center (I-40/US 15-501)		Top 200 Boarding Locations		\$10,000 Per stop	200	\$2,000,000
Pedestrian Accessibility / Amenities Improvements					Subtotal	\$11,300,000
Contingency				30%	Total	\$3,400,000 \$15,000,000

The Bus and Rail Investment Plan in Orange County



Revised: 9/27/2012
Adopted: 10/2/2012

The Bus and Rail Investment Plan in Orange County

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The Bus and Rail Investment Plan in Orange County

I. INTRODUCTION

Orange County has achieved an enviable quality of life at the end of the first decade of the 21st century. Recent accolades include its ranking as the one of the best place to live by *Money Magazine*, July 2010, one of the best places to start a business by *Entrepreneur Magazine*, August 2009 and one of the best places in the nation to raise children by *Business Week*, December 2010. Orange County is nationally known for its excellent public education systems. Two districts serve the residents of Orange County: The Chapel Hill-Carrboro City School System and the Orange County School System. The University of North Carolina at Chapel Hill consistently ranks among the great institutions of higher education in the nation, most recently honored by *US News & World Report*.

With these successes comes growth in population and increased pressure on our roads and highways. Since 2004, the Triangle has moved from 46th largest metro area in the nation to 40th in 2009, and our vehicle demand on freeways is up by 28% over those five years. Recently, our region was named the 3rd most sprawling urban area in the country among the 83 areas studied.

In 2009, the Joint Long Range Transportation Plan for 2035, by the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO) noted that the region's population would more than double over the 25-year period. For the last two decades, the demand on our roads has grown significantly faster than our population. Even with planned highway improvements and likely additional revenues for new roads, it is clear that Orange County and the region will see declining levels of service on major roads in the next 25 years. Orange County population grew by 1.6% a year since 2000 and is projected to grow from the countywide 2010 census of 133,801 to approximately 173,000 by 2030.

The economic costs for increasingly congested roads are significant. In its 2010 Annual Urban Mobility Report, the Texas Transportation Institute estimated that our region has "congestion costs" of almost one-half billion dollars a year. Recently, a May 10, 2011 study cited in *Forbes* magazine found that the Triangle was the urban region in the nation that is most vulnerable to rising gasoline prices. Enhanced transportation options need to be created to ensure that Orange County's residents of all income levels have access to job centers and commerce.

Orange County residents and their regional neighbors are aware of the growth in clogged roads, as well as the accompanying air quality problems, negative economic impacts and the loss of the quality of life we enjoy if these transportation challenges are not met. Local citizens and elected leaders have responded to these challenges, with some assistance from state government, as described in this investment plan.

II. TRANSIT PLANNING STEPS LEADING UP TO THIS PLAN

Beginning in 2007, a blue-ribbon group of Triangle leaders (the Special Transit Advisory Commission, or STAC) met for over a year and in 2008 unanimously recommended a regional vision for bus and rail investments. One year later, the region's two Metropolitan Planning Organizations (MPOs) fully incorporated the STAC recommendations into a long-range (25-year) transportation plan.

In August 2009, Governor Beverly Perdue signed into law the Congestion Relief and Intermodal Transport Fund Act (HB 148), legislation that allows Orange, Durham and Wake counties to generate new revenues for public transportation. These new revenues can include a one-half cent sales tax, if approved by the public through a referendum, as well as an additional \$10 in local and regional vehicle registration fees.

Over the last two years, Triangle Transit staff has worked with municipal, Orange County, the MPO and other regional transportation staff to develop a detailed, 25-year plan for new bus and rail investments designed to provide greater transportation options for residents and employers. These investments would positively impact traffic congestion and air quality, and support local land use policies. This plan is the culmination of that collaboration and proposes crucial public investments and services to maintain our quality of life and economic vitality for the next 25 years.

Extensive public engagement has occurred over the two years in the development of the bus and rail elements of this plan. In 2010 and 2011 Triangle Transit and local transportation staff members from municipalities, counties and MPOs conducted a series of 19 public workshops, at various locations throughout the Triangle, on the process and substance of the plan's development. A total of over 1,100 participants attended the meetings and they provided over 500 comments on the plan. Since that time, the project Web site, www.ourtransitfuture.com, was viewed by over 73,000 unique individuals. The Web site houses all of the presentation materials and proposed plan elements.

Additionally, the DCHC MPO held five public workshops to receive input on the proposed plan in 2011. In spring 2012, the Orange County Board of Commissioners held two public hearings and two public workshops to provide opportunities for the public to ask questions and provide feedback on the proposed plan.

There have been dozens of meetings with citizens, local elected officials, staff and members of the region's MPOs, community stakeholders and business leaders, allowing extensive feedback on the proposed bus and rail elements of the plan. The financial and service elements of this plan are coordinated with the adopted Durham County Bus and Rail Investment Plan. Additionally, this bus and rail investment plan builds on existing transit services and therefore does not eliminate or reduce the current financial and service commitments.

III. PLAN ELEMENTS

A. Public Transit Providers

The Triangle has a number of public transit providers that have been involved in the development of this plan and will have responsibility to implement the recommendations of the plan upon its approval. Below is a brief description of the transit agencies:

Chapel Hill Transit is a multijurisdictional agency formed by a partnership of the Towns of Chapel Hill, Carrboro and the University of North Carolina at Chapel Hill. Chapel Hill Transit is responsible for regular and express route and demand response service in the Chapel Hill, Carrboro, and University area. Chapel Hill Transit also provides regional express bus service, in cooperation with Triangle Transit to Hillsborough.

Orange County Public Transportation is a county agency that provides community transportation in unincorporated Orange County consisting of demand response service and circulator service within Hillsborough in cooperation with the Town of Hillsborough. Orange County Public Transportation is responsible for providing transportation services to all residents of unincorporated Orange County, the Town of Hillsborough and a portion of the City of Mebane with destinations within and beyond Orange County's borders.

Triangle Transit is a regional transit agency serving Wake, Durham and Orange counties. Triangle Transit is responsible for providing regional commuter express and demand response service connecting Wake, Durham and Orange counties

B. New Bus Service

Representatives from Orange County, Chapel Hill, Carrboro, Hillsborough, The University of North Carolina at Chapel Hill, and Triangle Transit have worked collaboratively to develop a comprehensive bus service improvement plan that supports the effort to improve public transit in Orange County. The group identified a range of services that would address county-wide transit service needs. Identified services were ranked and prioritized based on a set of goals and strategies.

Goals include:

- Improve overall mobility and transportation options in the region
- Provide geographic equity
- Support improved capital facilities
- Support transit supportive land use
- Provide positive impact on air quality

Strategies to accomplish these goals include:

- Improve connectivity
- Increase frequency in peak hours
- Improve weekend, night services (off peak)

EXHIBIT A
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- Enhance existing service
- Maintain existing services
- Maintain level of local funding at no less than the August 1, 2009 spending level

Over the course of the plan, a new half-cent sales tax would enable delivery of a total of 40,950 additional bus hours in Orange County. By comparison, Chapel Hill Transit currently provides 190,000 annual bus hours and Orange Public Transportation provides approximately 13,000 annual bus hours. The projects will provide benefits to all areas of the county by enhancing urban and rural transit services.

Bus improvement projects were classified by type of service:

- Local bus service - service operating within Orange County boundaries
- Rural or Non-urban service- new or supplemented bus service in northern and western portions of the County.
- Regional service - service operating in more than one county or between separate urban areas. Note: Costs and expenses for regional bus services traveling between Durham and Orange counties are shared on a 50-50 basis by Durham and Orange counties in this Plan.

First Five Years following successful sales tax referendum

An investment that equals about 34,650 bus service hours will be provided during the first five years. Improvements will include:

Improve connectivity

- New regional service connecting Carrboro, Chapel Hill, and Durham
- New regional express service connecting Mebane, Hillsborough and Durham

Increase frequency in peak hours

- Enhanced services in the US 15/501 corridor between Durham and Chapel Hill for Chapel Hill Transit, Triangle Transit, and DATA
- Improvements in the NC 54 corridor transit service
- Increased peak hour service on Triangle Transit Route 800 between Research Triangle Park and Chapel Hill
- Increased peak hour service on Triangle Transit Route 420 between Hillsborough and Chapel Hill

Improve weekend, night services (off peak)

- New Saturday service on the in-town Hillsborough circulator
- Expanded local Saturday service in Chapel Hill, Carrboro and UNC
- Expanded regional Saturday service on existing Triangle Transit Route 405 between Durham and Chapel Hill and Triangle Transit Route 800 between Chapel Hill and the Research Triangle Park
- Expanded regional Sunday service on existing Triangle Transit Route 405 between Durham and Chapel Hill and Triangle Transit Route 800 between Chapel Hill and the Research Triangle Park
- New local Sunday service in Chapel Hill, Carrboro and UNC
- Expanded local evening service in Chapel Hill, Carrboro and UNC

Bus Service Enhancements

- Enhanced rural transit service in unincorporated Orange County

Maintain existing services consistent with state law

- Revenues from the County vehicle registration fee of \$7.00 as identified in the plan (see page 21) will be used to support existing bus service
- Continue weekday hourly service on the in-town Hillsborough circulator
- ❖ Routes provided by Chapel Hill Transit, may or may not, be included in the plan. Chapel Hill Transit and its partners will determine which of the improvements will be included after further public involvement and analysis.

Year six and beyond following successful sales tax referendum

An additional 6,300 new bus service hours will be provided between year six of the plan implementation through the end of the program (year 2035) bringing the total to 40,950 total new bus hours.

Improvements include:

Increase frequency in peak hours

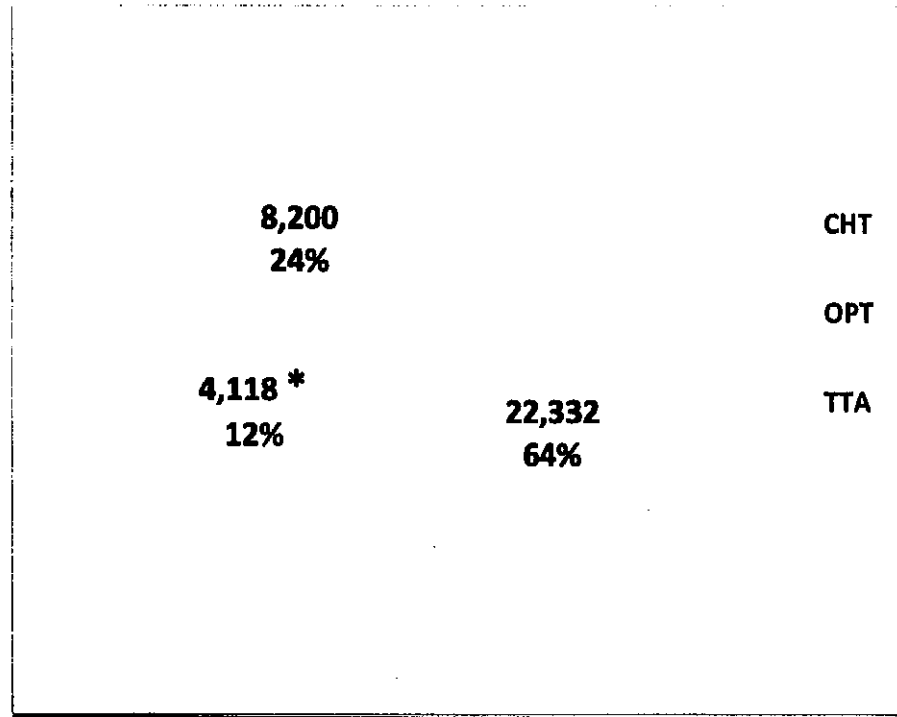
- Increased peak hour service on Pittsboro – Chapel Hill Express
- Increased peak hour service on the existing Triangle Transit Route 800 between Research Triangle Park and Chapel Hill
- Increased peak hour service in Chapel Hill, Carrboro and UNC

Service Enhancements

- Continued enhancements to rural transit service in unincorporated Orange County

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The following chart depicts how revenue will be appropriated initially to the various transit providers – Chapel Hill Transit, Orange Public Transit, and Triangle Transit.



Provider	Hours	% Share of Revenue
CHT	22,332	64%
OPT	4,118 *	12%
TTA	8,200	24%
Total	34,650	100%

Operating Cost for TT/ CHT is \$97/ hr; OPT cost is \$58/ hr

*** The above chart uses a blended formula for operating costs. Since operating cost for OPT are currently \$58/ hr, the 4,118 hours will result in 6,887 hours at that \$58/hr rate.**

❖ See Appendix for more detailed information about specific bus routes and proposals

C. New Bus Capital Investments

- Park and Ride lots
- Bus shelters in both rural and urban areas of the County
- Real-time passenger information signs and technology
- Bus stop access improvements such as sidewalks

❖ For financial information about these proposed investments please see the Appendix.

D. Hillsborough Amtrak Station

The plan will provide local funding to support the creation of a passenger rail station in the Town of Hillsborough.

The Rail Station Small Area Plan is a conceptual site and land use plan for the 20-acre tract of land owned by the Town located off of Orange Grove Street. The proposed land uses include a rail station building with space for municipal meetings and a police station; a fire station, and space for a civic arts center. On the eastern portion of the site, high-density commercial and residential land uses are suggested. Phasing options have been considered as well. In addition to the conceptual site plan for the Hillsborough tract, a general transportation network and set of land uses is proposed for the adjacent Collins property.

❖ For financial information about this proposed investment please see the Appendix.



E. New Light Rail Service

The Orange County Bus and Rail Investment plan provides funding for a fixed guideway transit system that would connect Durham and Orange counties using Light Rail technology (LRT). The 17.3-mile alignment extends from the University of North Carolina (UNC) Hospitals to Alston Avenue/NCCU in East Durham. A total of 17 stations have been proposed including a station at Mason Farm Road, Hamilton Road, the UNC Friday Center, as well as a potential station at Woodmont/Hillmont or Meadowmont in Chapel Hill. Stations in Durham include Patterson Place along US 15-501, the South Square area, at Duke Medical Center, Ninth Street, and downtown Durham, with convenient access to nearby bus and Amtrak intercity rail connections. Due to the light rail vehicle's capabilities and the requirements of the activity centers and neighborhoods being served along the corridor, light rail stations are routinely spaced between ¼ mile and 2 miles apart.

Light Rail vehicles are electrically powered and travel at speeds up to 55 mph. The total travel time for the 17.3-mile alignment is about 35 minutes, including stops. The vehicles are approximately 90 feet long and can operate in both directions. Additional cars can be added as the demand increases. Recent 2035 projections indicate that ridership will exceed approximately 14,000 boardings per day. These projections are subject to change as the demand model is refined and as development, population and employment changes are recognized.

Light rail vehicles can operate in exclusive right of way, as well as along urban streets, and characteristically serve accessible low platforms (14 inches high) at each station. The operations plan for the 17.3-mile alignment includes train frequencies (headways/ e.g. time between each train) of 10 minutes during the morning and evening peak and 20 minutes during the off-peak hours and on weekends. Vehicles will operate on an 18-hour schedule each weekday. Several potential light rail vehicle maintenance facility locations are being evaluated. Detailed alignment and station location decisions will be made at the end of Preliminary Engineering.

The total capital cost for the Durham and Orange Light Rail Project is approximately \$1.378 billion (2011 dollars). Orange County's share is \$316.2 million in 2011 dollars, which is the same as \$418.3 million in Year-Of-Expenditure (YOE) dollars. Operations and Maintenance costs are estimated at \$14.44 million/year (2011 dollars). Orange County's share of the Operations and Maintenance costs are \$3.46 million/year (2011 dollars). For Orange County's share of the capital cost of the Light Rail project the total cost allocation is Orange County 25%, and an assumed State participation of 25% and Federal Participation of 50%.

Cost estimates for the light rail project have been developed with multiple conservative assumptions. Included in the \$1.378 billion total project cost are the following contingencies:

- 30% contingency on all civil engineering construction costs (stations, sitework, track, yard & shop)
- 20% contingency on systems (signals, electricity, communications)

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- 10% contingency on vehicles
- Additional contingency on all soft costs (Design/Architectural/Engineering)

Beyond these line-item specific contingencies, there are also two general contingency line items, one that is equal to 5% of construction cost and another that is equal to 5% of the entire project cost.

For financial information about this proposed investment please see the Appendix.

F. Martin Luther King Boulevard Bus Lanes and Corridor Improvements

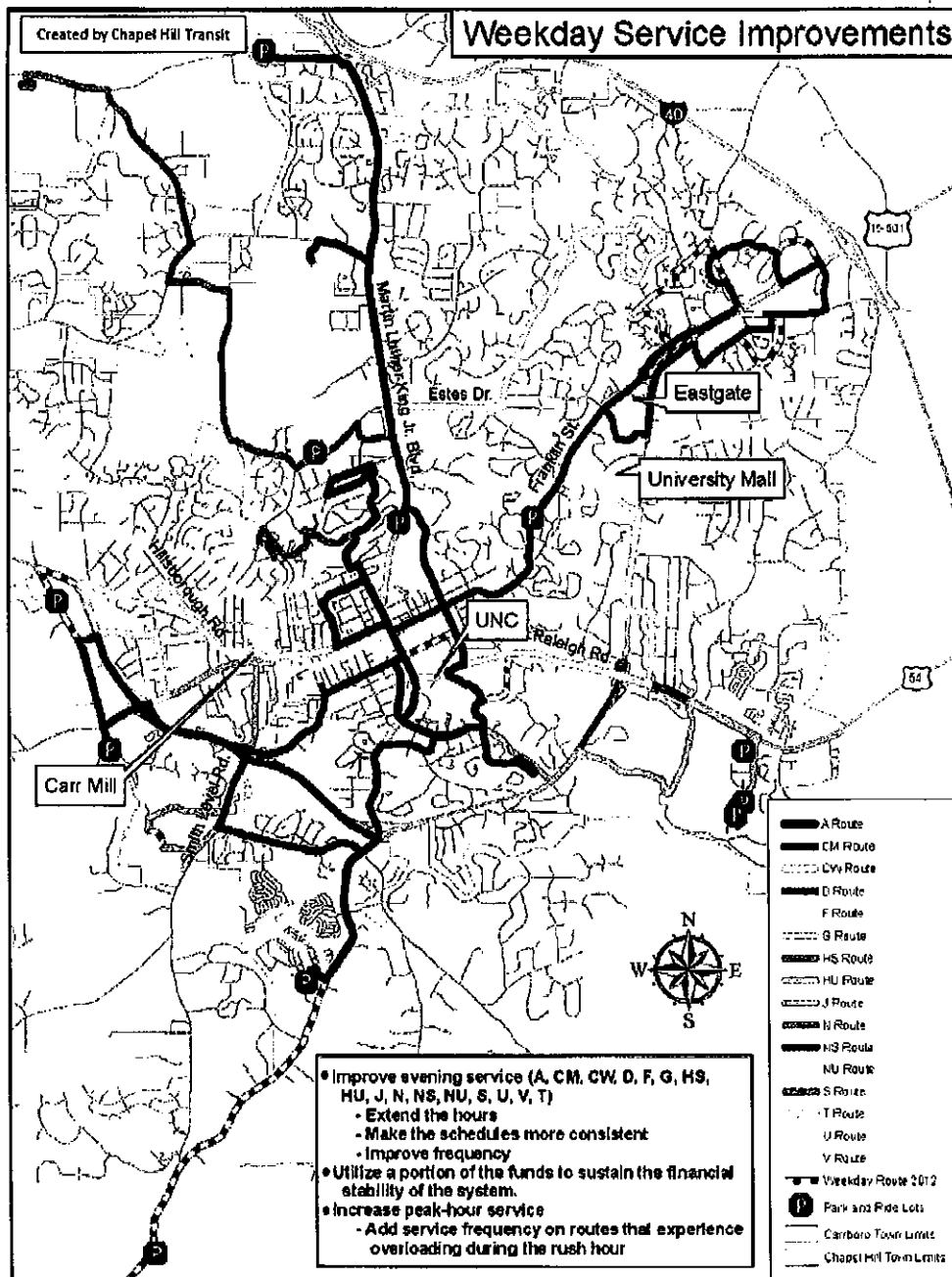
This investment provides for corridor improvements for buses on Martin Luther King (MLK) Boulevard from Interstate 40 to UNC, using a combination of exclusive lanes and other forms of preferential treatment. It will make bus travel times more reliable in peak periods. Existing buses operating in the MLK corridor will be re-routed to take advantage of the enhanced facilities.

Orange County's cost for the bus lanes is anticipated to be \$22 million in \$2011 dollars, which is the same as \$24.5 in YOE dollars – according to staff at Chapel Hill Transit. This project assumes 25% of the funding will come from the State and 50% of the funding will come from the Federal Government. Since the bus lanes will be used by existing services, they do not generate any additional operational costs within the plan.

For financial information about this proposed investment please see the Appendix.

IV. MAPS: The series of maps listed below articulate proposed investments in both bus and rail throughout Orange County.

- a. Chapel Hill Transit Weekday Service Improvements
- b. Chapel Hill/Carrboro: Saturday Service Improvements
- c. Chapel Hill/Carrboro: Sunday Service Improvements
- d. Improved Bus Service in US 15/ 501 and NC 54 Corridors
- e. Orange County Transit Plan: Proposed Regional Bus Service Improvements
- f. Proposed Hillsborough and Rural Bus Service Improvements
- g. Durham-Orange Light Rail Transit Project
- h. Improved Bus service on MLK
- i. Regional Integration of Orange, Durham, and Wake Transit Plans



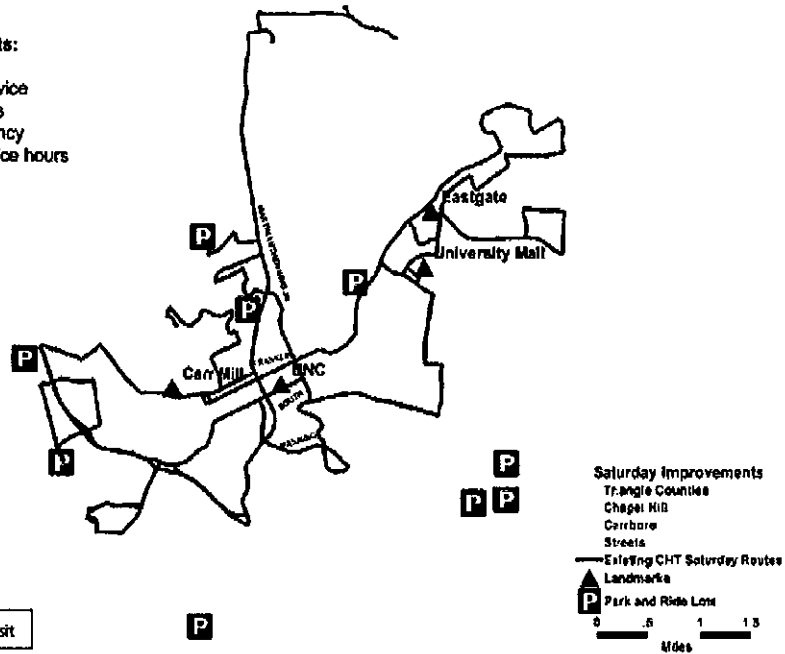
Chapel Hill/Carrboro: Saturday Service Improvements

Existing Service Characteristics:

- Operates 8:00am - 8:30pm
- 80 daily service hours

Proposed Improvements:

- Re-design routes
- Double the existing service
- Expand operating hours
- Improve service frequency
- Add up to 70 daily service hours



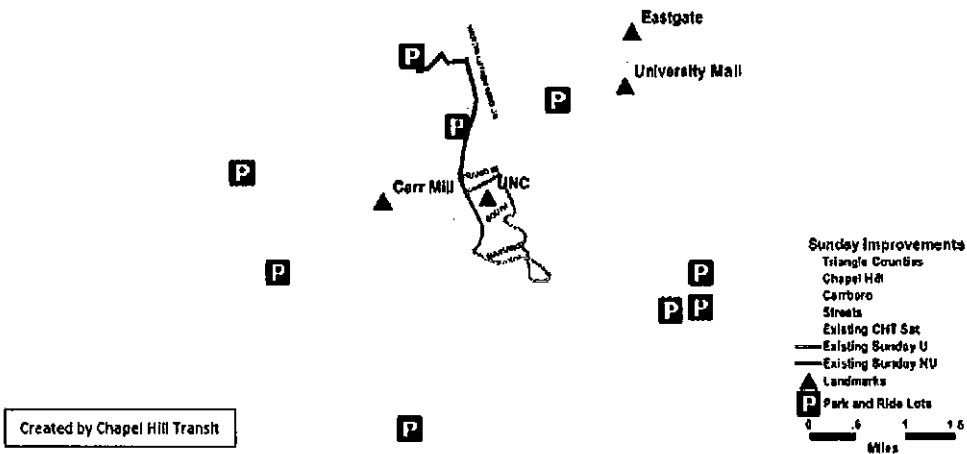
Chapel Hill/Carrboro: Sunday Service Improvements

Existing Service Characteristics:

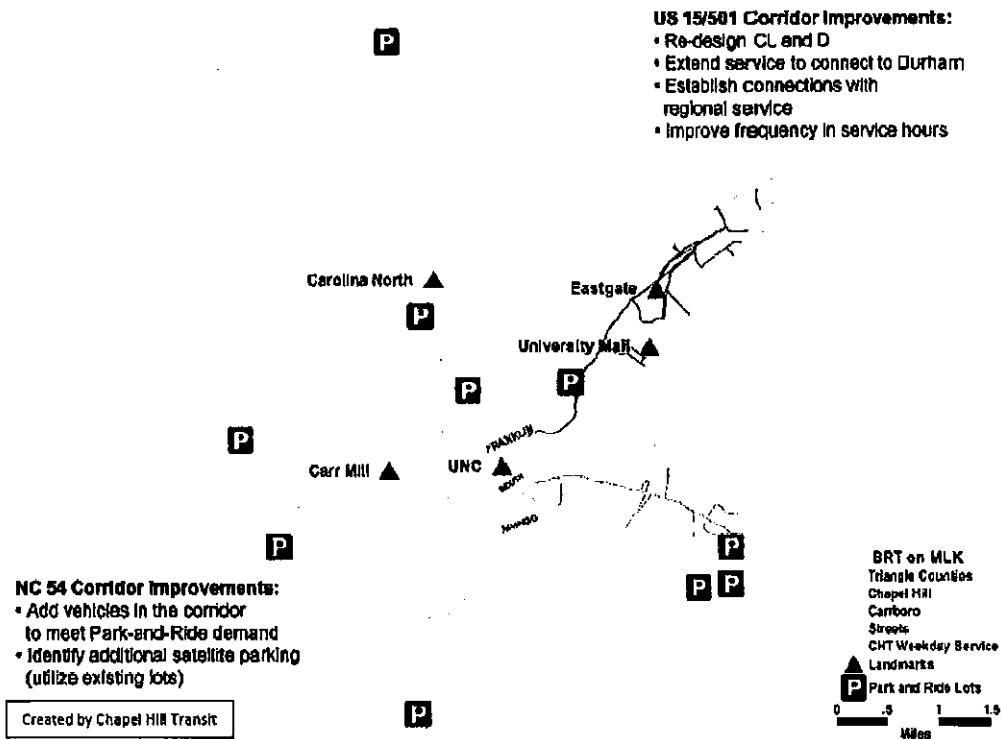
- Operates 10:30am - 11:30pm when UNC is in session
- 22 daily service hours

Proposed Improvements:

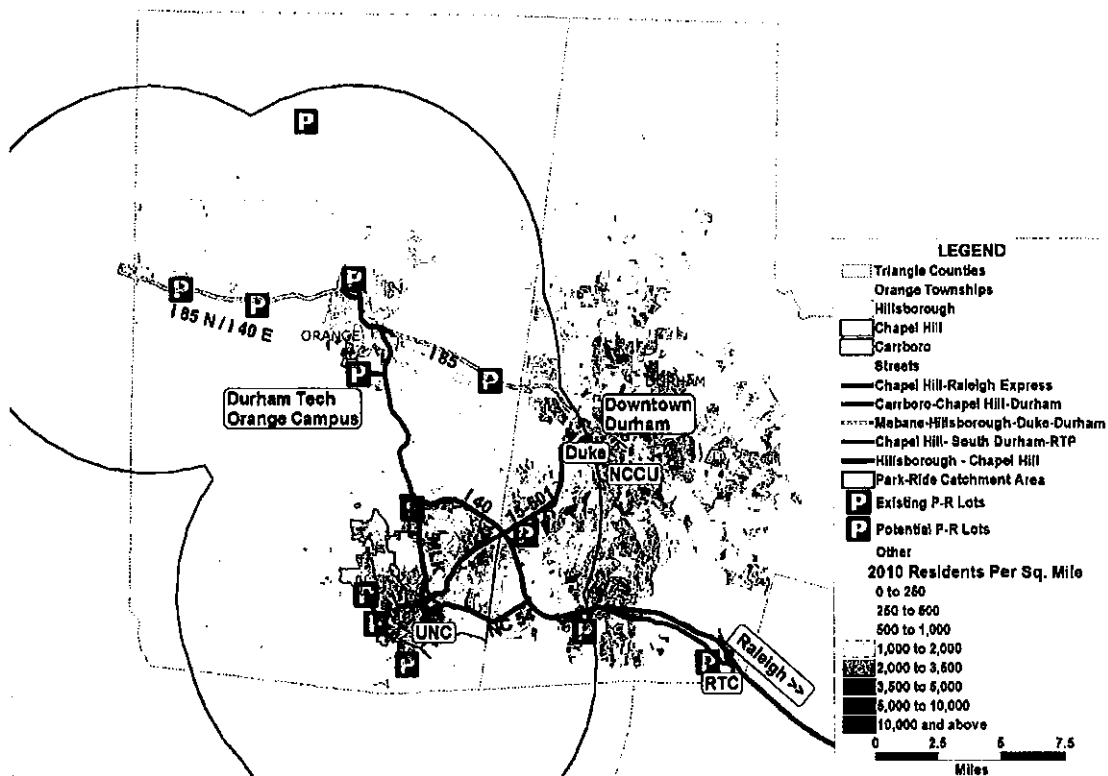
- Design and implement new routes
- Adjust existing routes
- Add up to 88 daily service hours



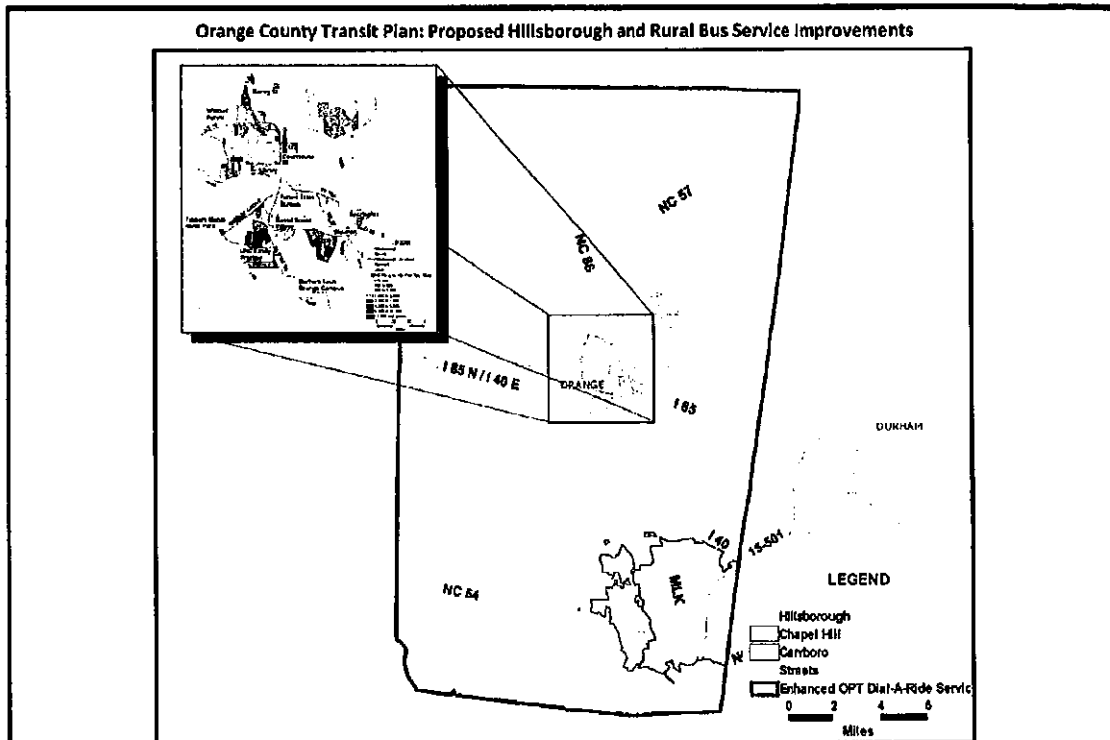
Improved Bus Service in US 15/501 and NC 54 Corridors



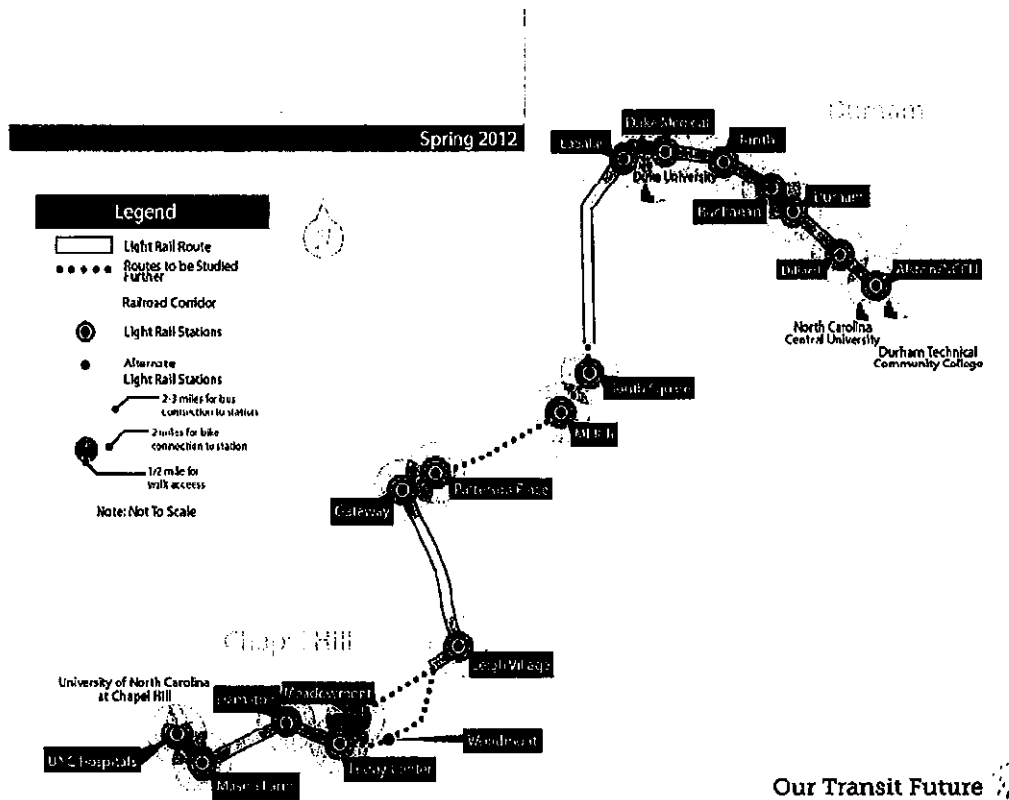
Orange County Transit Plan: Proposed Regional Bus Service Improvements



Created by Triangle Transit
April 23rd 2012



Created By Triangle Transit

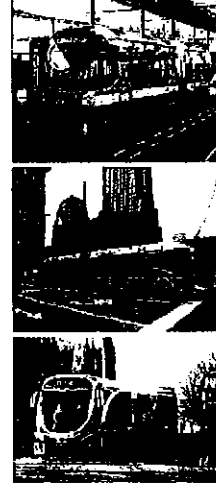
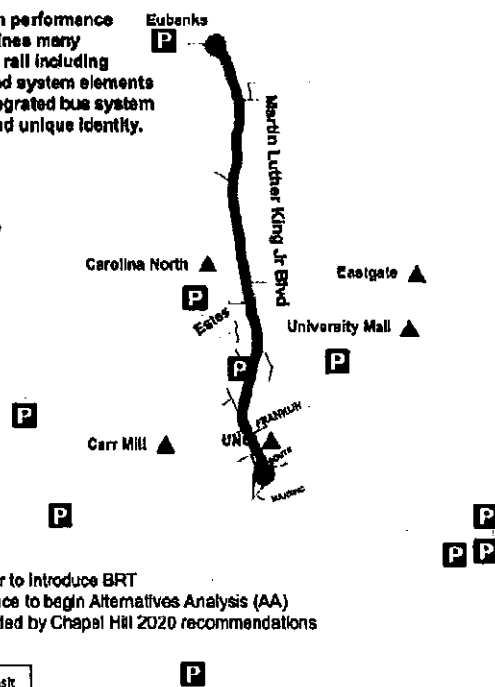


Improved Bus Service on Martin Luther King Jr. Boulevard

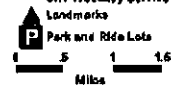
BRT is a flexible, high performance bus service that combines many characteristics of light rail including physical, operating, and system elements into a permanently integrated bus system with a quality image and unique identity.

Characteristics:

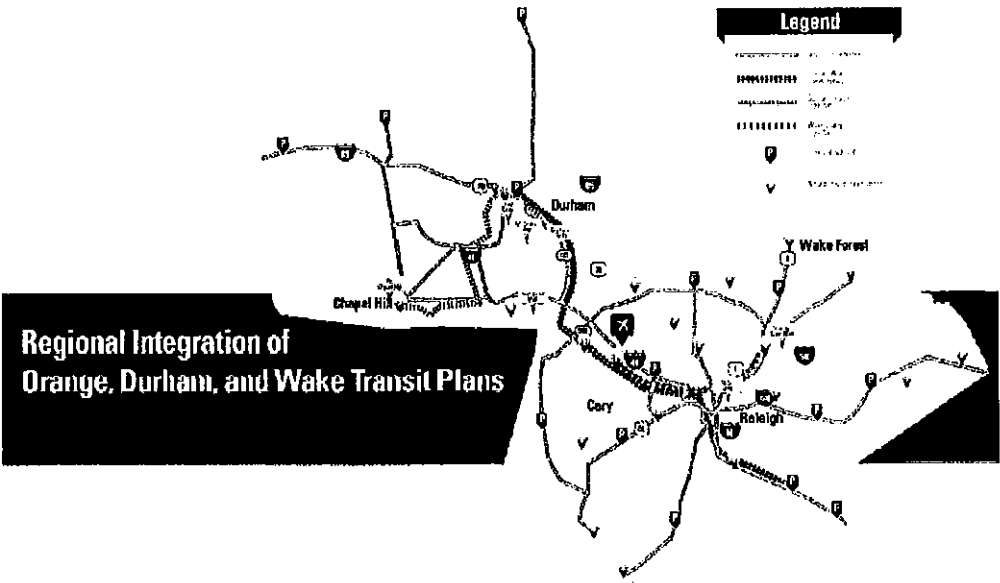
- High capacity buses
- High frequency service
- Dedicated lanes
- Upgraded shelters
- Technology
- Easy fare payment
- Unique identity



BRT on MLK
Triangle Counties
Chapel Hill
Carrboro
Streets
CHT Weekday Service
Landmarks



Created by Chapel Hill Transit



Created by Triangle Transit

V. ORANGE COUNTY REVENUES

A variety of revenue sources provide the funding for the Orange County Bus and Rail Investment Plan. Those revenues include:

- A new one-half-cent sales tax in Orange County
- A new \$7 vehicle registration fee levied by Orange County
- An increase of \$3 to the existing \$5 vehicle registration fee currently levied by Triangle Transit in Orange County
- Revenue from Triangle Transit's rental car tax
- NC State Government contributions
- Federal Government contributions

In addition, local funding of current transit services will remain in place.

The initial proceeds for a FULL YEAR of each local revenue stream for Orange County in 2013 for transit are assumed to be:

- | | |
|--|---------------|
| • ½-cent sales tax: | \$5.0 million |
| • \$7 vehicle registration fee: | \$788,000 |
| • \$3 vehicle registration fee increase: | \$338,000 |
| • Rental car tax revenue: | \$582,000 |

Growth rates assumed for each revenue source:

- | | |
|--|------|
| • ½-cent sales tax: | |
| ○ Growth rate from 2011 through 2014: | 1.0% |
| ○ Growth rate from 2015 through 2035: | 3.6% |
| • \$7 vehicle registration fee: | 2.0% |
| • \$3 vehicle registration fee increase: | 2.0% |
| • Rental car tax revenue: | 4.0% |

A total of \$25 million would be borrowed over the life of the plan. This borrowing would cover for the large capital expenditures which occur for 3 to 4 years of construction of the light rail component of the plan. Any borrowing would be from capital markets through government bonds, would require approval by the NC Local Government Commission, and would have to meet debt to revenue ratios required by the capital markets for bond issuance.

Further details for each revenue source follow.

A. One-half cent sales tax in Orange County

A one half-cent sales tax in Orange County means that when individuals spend \$10.00 on certain goods and services, an additional five cents (\$0.05) is added to the transaction to support the development of the Bus and Rail Investment Plan. Purchases of food, gasoline, medicine, health care and housing are excluded from the tax.

A one half-cent sales tax in Orange County is estimated to generate \$5.0 million in 2013 if active for the full year. Discussions with the NC Dept of Revenue indicate that in the first year

of the plan, the revenue streams may not be active until April 1st instead of January 1st. The figures in Appendix G: Revenue reflect the partial first-year levy of both a ½-cent sales tax and a \$10 vehicle registration fee increase. Over the life of the plan to 2035, the sales tax is expected to generate approximately \$163 million in Year-Of-Expenditure (YOE) dollars. This tax can only be levied subsequent to a referendum by the Orange Board of County Commissioners and approval by the voters.

Revenue from the ½-cent sales tax identified in the Bus and Rail Investment Plan for Orange County can be used for financing, constructing, operating and maintain local public transportation systems. The funds can be used to supplement but not supplant or replace existing funds or resources for public transit systems.

B. \$7 Vehicle Registration Fee in Orange County

A seven dollar (\$7) vehicle registration fee in Orange County means that when an individual registers a new vehicle or renews the registration for an existing vehicle in Orange County, an additional \$7 per year is added to the cost above the other required registration fees for that vehicle.

The seven dollar fee in Orange County is expected to bring in \$788,000 in 2013 if implemented for a full year. Discussions with the NC Dept of Revenue indicate that in the first year of the plan, the revenue streams may not be active until April 1st instead of January 1st. The figures in Appendix G: Revenue reflect the partial first-year levy of both a ½-cent sales tax and a \$10 vehicle registration fee increase. Over the life of the plan to 2035, the seven dollar fee is expected to generate \$22.5 million in Year-Of-Expenditure (YOE) dollars. The implementation agreement will articulate how this revenue can be utilized.

C. \$3 Vehicle Registration Fee Increase for Triangle Transit in Orange County

A three dollar (\$3) vehicle registration fee increase in Orange County means that when an individual registers a new vehicle or renews the registration for an existing vehicle in Orange County, an additional \$3 per year is added to the cost above the other required registration fees for that vehicle. An existing \$5 fee for vehicle registration supports activities of Triangle Transit, including bus operations and long-term planning. This fee would be increased to \$8 when the \$3 increase is implemented.

The three dollar (\$3) fee in Orange County is projected to generate \$338,000 in 2013 if implemented for a full year. Discussions with the NC Dept of Revenue indicate that in the first year of the plan, the revenue streams may not be active until April 1st instead of January 1st. The figures in Appendix G: Revenue reflect the partial first-year levy of both a ½-cent sales tax and a \$10 vehicle registration fee increase. Over the life of the plan to 2035, the three dollar (\$3) fee is expected to generate \$9.7 million in Year-of-Expenditure (YOE) dollars. The implementation agreement will articulate how this revenue can be utilized.

D. Revenue from Triangle Transit's Rental Car Tax

Triangle Transit operations are partially funded by a five percent (5%) tax on car rentals in Wake, Durham, and Orange Counties. Under existing policy adopted by the TTA Board, 50% of the rental car tax revenues are dedicated to advancing long-range bus and rail transit.

Since a significant portion of all cars rented and driven in the three counties are rented at the RDU International Airport, it is difficult to determine which rentals are driven primarily in one county or another. Therefore, the 50% rental revenues dedicated to long-term transit were allocated by county according to the percentage of population in the Triangle Region, which is: Wake (68%); Durham (21.5%); Orange (10.5%).

The Triangle Transit rental car tax proceeds directed to project development in Orange County are estimated to be \$582,000 in 2013. Over the life of the plan to 2035, the rental car tax is expected to generate \$21.3 million in Year-of-Expenditure (YOE) dollars for Orange County.

E. NC State Government Funding

The plan includes a 25% capital cost contribution by the NC Department of Transportation (NCDOT) for both light rail and commuter rail projects in Orange County. This level of participation was established by the State in Charlotte's Lynx Blue Line light rail project in 2003. The plan assumes that NCDOT also pays for 10% of bus capital costs (replacement buses, new buses, park and ride lots, etc) consistent with its current practices. Over the life of the plan to 2035, the contributions of NCDOT are expected to total \$130.6 million in Year-of-Expenditure (YOE) dollars in Orange County.

F. Federal Government Funding

The plan assumes that the Federal Government contributes 50% of the capital cost for the light rail project in Orange County. This was the federal level of participation in the Charlotte Lynx Blue Line light rail project and is consistent with federal funding outcomes for most rail projects in the Federal Transit Administration's New Starts program in recent years.

The plan assumes that the Federal Government also pays for 80% of bus capital costs, consistent with its current practices, and continues to provide operating appropriations consistent with present Federal Transit Administration operating grant formulas. Over the life of the plan to 2035, the contributions of the Federal Government are expected to total \$248 million in Year-of-Expenditure (YOE) dollars in Orange County.

G. Transit Fares

The plan assumes fares for all operating agencies remain unchanged from the existing fare structures.

- Light Rail farebox recovery ratio: 20%
- Triangle Transit bus farebox recovery ratio: 15%
- Chapel Hill Transit bus farebox recovery ratio: 0%
- Orange Public Transportation bus farebox recovery ratio: 3.5%

H. FTA Formula Funds

The plan assumes that new bus services will receive partial operating and capital cost contributions through existing formula programs established by the Federal Transit Administration (FTA), and that transit agencies in Orange County will receive those contributions in accordance with historical patterns of funding that existing transit services have received. Over the life of the plan to 2035, FTA Formula funds are expected to total \$70.9 million in Year-Of-Expenditure (YOE) dollars in Orange County.

I. Additional Revenue Sources

This draft Bus and Rail Investment Plan does not rely on additional municipal contributions, public or private third party contributions or value capture forms of revenue.

VI. ORANGE FINANCIAL PLAN DATA

The following is a list of the total spending for each technology and category identified in the Orange County Bus and Rail Investment Plan to 2035. All figures are in Year of Expenditure dollars (YOE) unless otherwise noted.

- Light Rail Capital: \$418.3 million (\$316.2 million in 2011 dollars)
- Light Rail Operations: \$59.1 million
- Bus Capital:
 - MLK Bus Lanes - \$24.5 million
 - Miscellaneous Bus Capital Projects - \$6.7 million
 - Buses purchased - \$17.6 million
- Bus Operations: \$106.8 million
- Hillsborough Intercity Rail Station: \$8.9 million (\$8.0 million in 2011 dollars; Orange County will only be responsible for a 10% matching contribution to total cost)
- Amount of debt service payments made by Triangle Transit through 2035: \$19.2 million

Note Regarding Borrowing: Amount borrowed by Triangle Transit to execute the plan: \$25 million (this number is larger than the line above because debt payments are over 30-year terms and continue past 2035)

Additional specific financial information on each of these plan elements can be found in the Appendices.

VII. AGREEMENTS

IMPLEMENTATION AGREEMENT: ANNUAL REVIEW AND CHANGES TO THE PLAN

The Bus and Rail Investment Plan in Orange County details the specific elements of local and regional bus service, and Light Rail service to be added in Orange County over a 23-year period. Because of the long time frame for implementation of the Plan and its major capital projects, over time there will be changes and revisions made to the Plan. As the statutory implementation agency, Triangle Transit will work with Orange County, the DCHC Metropolitan Planning Organization (MPO), and the towns of Chapel Hill, Carrboro,

Hillsborough, the University of North Carolina at Chapel Hill and Chapel Hill Transit, and the public transit provider in Orange County, to develop and execute an Implementation agreement which details the following aspects of implementation of the Plan:

- (a) Annual review presentations of the activities and progress made in implementation of the Plan by Triangle Transit to the County, TTA Board and the MPO;
- (b) The process for review and vote by the County, the MPO and Triangle Transit's Board of Trustees of any significant or substantial revisions to the Plan required by changes experienced in revenues received, capital costs, operating expenses, or other substantial issues affecting the Plan;
- (c) A recognition and preservation of decision making responsibilities of the operating agencies;
- (d) Responsibility of Triangle Transit for direct disbursement of funds from the revenues received per Section V (above) to the public agency responsible for implementing the bus services set forth in the Plan; and
- (d) Other necessary provisions regarding implementation of this Plan as agreed to by the County, the MPO, and Triangle Transit.

COST SHARING AGREEMENT

The capital and operating costs for the 17.3-mile LRT line will be shared by Orange and Durham counties. Accordingly, a separate cost sharing agreement between Orange County, Durham County and Triangle Transit has been developed. The cost sharing agreement sets forth the respective shares of the capital and operating costs that will be paid by each county for this project that cross both county and municipal borders.

TAX LEVY AGREEMENT

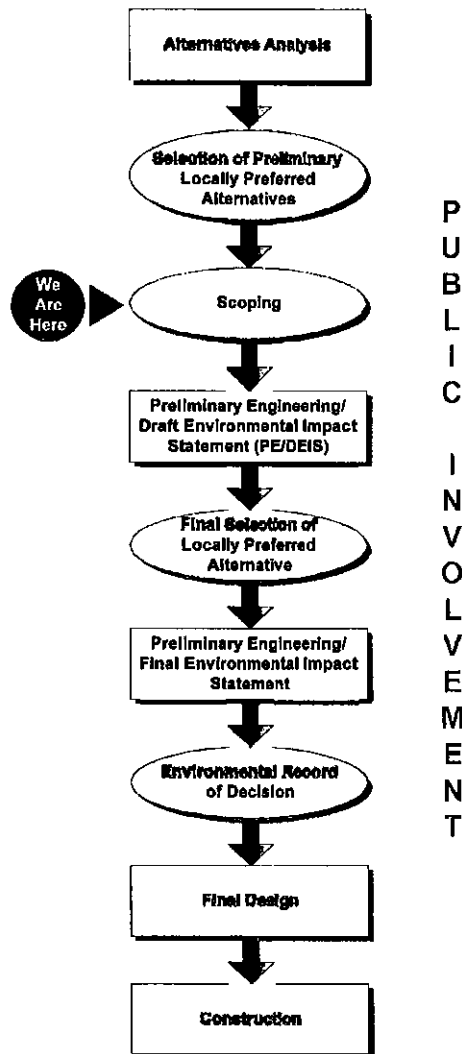
One additional agreement has been developed by Orange County and Triangle Transit relevant to the plan. In this tax levy agreement Triangle Transit agrees not to levy the half-cent transit sales tax for Orange County in the event of a successful referendum vote on the sales tax until after receiving a Resolution from the Orange County Board of County Commissioners requesting that the tax be levied.

VIII. NEW STARTS PROCESS

Federal New Starts Funding Process

It is anticipated that Federal funds assisting in the planning and implementation of the Durham-Orange Light Rail Transit Project would be secured through the Federal Transit Administration's (FTA) discretionary New Starts program.

New Starts is the federal government's primary financial resource for funding transit "guideway" capital investments. Projects seeking New Starts funding – like all federally-funded transportation investments in metropolitan areas – must emerge from a locally-driven, *multimodal* corridor planning process, as depicted graphically in this chart:



Through the jointly adopted 2035 Long Range Transportation plan by the Durham-Chapel Hill-Carrboro MPO (DCHC MPO) and the Capital Area MPO (CAMPO), transportation corridors in greatest need of more detailed planning and analysis were identified. The Alternatives Analysis (AA), completed in 2011, focused on a set of needs and alternative actions to address these needs, and generated information needed to select an option for further engineering and implementation. In February 2012, the DCHC MPO selected a 17.3-mile light rail corridor from East Durham to UNC Hospitals as the locally preferred alternative (LPA). Triangle Transit, as the local project sponsor, will submit to FTA the New Starts project justification

and local financial commitment and request FTA's approval to enter into the preliminary engineering (PE) phase of project development.

During the preliminary engineering phase of project development, local project sponsors refine the design of the proposal, taking into consideration all reasonable design alternatives. Preliminary engineering results in estimates of project costs, benefits, and impacts at a level of detail necessary to complete the federal environmental process.

Preliminary engineering for a New Starts project is considered complete when the FTA has issued a *Record of Decision* (ROD) as required by the National Environmental Policy Act (NEPA). Projects which complete preliminary engineering and whose sponsors are determined by the FTA to have the technical capability to advance further in the project development process must request FTA approval to enter final design and submit updated New Starts information for evaluation.

Final design is the last phase of project development, and includes right-of-way acquisition, utility relocation, and the preparation of final construction plans, detailed specifications, construction cost estimates, and bid documents.

The FTA typically considers a Full Funding Grant Agreement (FFGA) for a New Starts project during the final design phase of the New Starts project development process. A State FFGA will also be requested by the local project sponsor to supplement federal and local funding sources.

With all funding secured, construction on the project will begin.

IX. ALTERNATIVE PLAN

If it is determined that Federal or State funding for the proposed projects are not available, an alternative plan must be developed. Upon this determination, Triangle Transit will work in collaboration with the citizens, elected officials, and stakeholders from Orange County, Chapel Hill Transit, DCHC MPO and Durham County to identify next steps toward the development of a revised plan.

X. CLOSING SUMMARY

The Bus and Rail Investment Plan in Orange County is the result of years of collaborative work among Orange County elected officials and civic leaders, regional stakeholders, municipal and county staff and Triangle Transit. The plan consists of a balance of bus improvements and rail investment to help accommodate the population and employment growth that the region is expected to experience in the next 25 years.

The proposed plan addresses the ongoing need to provide more options to transit riders with improved and expanded bus and rail connections. Once implemented, the residents of Orange County will be able to have greater access to jobs, shopping, and activity centers such as downtown Chapel Hill and Carrboro, the University, or UNC Hospital.

Additionally, the plan will provide core infrastructure investment that will help support the goals and objectives of local land use plans in Orange County and its municipalities. In particular, as evidenced in communities across the country, investment in light rail has proven to be a great motivator for private companies to build transit-oriented development at station locations along the rail corridor. This kind of more intense development generally consists of a mixed-use, walkable environment that can provide a more sustainable alternative to the suburban growth pattern that exists today, while allowing more open space to be preserved.

All the elements listed in the Draft Bus and Rail Investment Plan of Orange County are fiscally constrained. At every turn, the Plan is conservative in revenue assumptions and incorporates contingencies for capital and operating expenditures.

The draft plan has been shared with the general public, Carrboro Board of Aldermen, Chapel Hill Town Council, the Hillsborough Town Commissioners, the DCHC MPO, the Burlington-Graham MPO and the Orange County Commission. The draft plan will be considered for approval by the DCHC MPO, the Burlington-Graham MPO, the Triangle Transit Board of Trustees, and the Orange County Board of Commissioners. The Orange County Board of Commissioners will determine if and when to set a referendum date. Once a referendum passes, work can begin on implementation of the Bus and Rail Investment Plan.

- ❖ *As directed by NCGS 105-510.6, Triangle Transit drafted and developed this Plan, working in collaboration with the citizens, elected officials, and stakeholders from Orange County, the DCHC MPO, and Chapel Hill Transit.*

Bus and Rail Plan In Orange County

Appendix A: Master Assumption List

Assumptions in Orange County and Durham County Financial Plans for Bus and Rail Transit

September 26, 2012

ASSUMPTIONS

	ORANGE	DURHAM
Sales Tax Growth Rate to 2015	1.00%	2.00%
Sales Tax Growth Rate 2016 and Beyond	3.60%	3.50%
Light Rail Capital Cost Responsibility (Percentage)	22.95%	77.05%
Light Rail Operating Cost Responsibility (Percentage)	23.95%	76.05%
Light Rail Capital Cost Share Based on Current Cost Estimates (\$2011 millions)	\$ 316.2	\$ 1,061.8
Light Rail Operating Cost Share Based on Current Cost Estimates(\$2011 millions)	\$ 3.46	\$ 10.98
MLK Bus Lanes Capital Cost (\$2011 millions)	\$ 22.1	NA
MLK Bus Lanes Operating Cost* (\$2011 millions)	\$ -	NA
Hillsborough Intercity Train Station Capital Cost (\$2011 millions)	\$ 8.0	NA
Hillsborough Intercity Train Station Operations Cost **	Not part of plan	
Amount borrowed by Triangle Transit to execute the plan (\$2011 millions)	\$25	\$165
Plan Minimum Cash Balance (\$2011 millions)	\$4.1	\$12.9

OUTCOMES

New Bus Hours in First Five Years of Plan	34,650	45,000
Total Cumulative New Bus Hours by End of Plan (Year 2035)	40,950	87,500
Opening Year for Hillsborough Intercity Train Station	2015	NA
Opening Year for MLK Bus Lanes	2019	NA
Opening Year for Light Rail	2026	2026
"Rail Dividend" Bus Hours that can be re-directed when Light Rail Opens	30,000-45,000	12,000-35,000
Plan Cash Balance in 2035 (\$2035 millions)	\$45	\$89
Plan Cash Balance in 2035 (\$2011 millions)	\$23	\$46

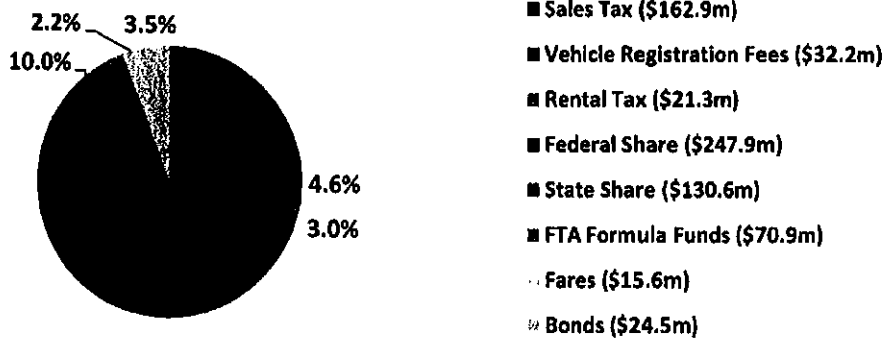
*MLK Bus Lanes have no operating costs because existing, already-paid-for bus services will be re-organized to use the bus lanes
 **Operations cost of Intercity Rail Station assumed to be covered in existing station plans by NCDOT Rail Division and Town of Hillsborough. Capital Cost contribution of the Orange County plan is 10% of total capital cost for Hillsborough train station.

Light green indicates updated cell or figure since previous draft

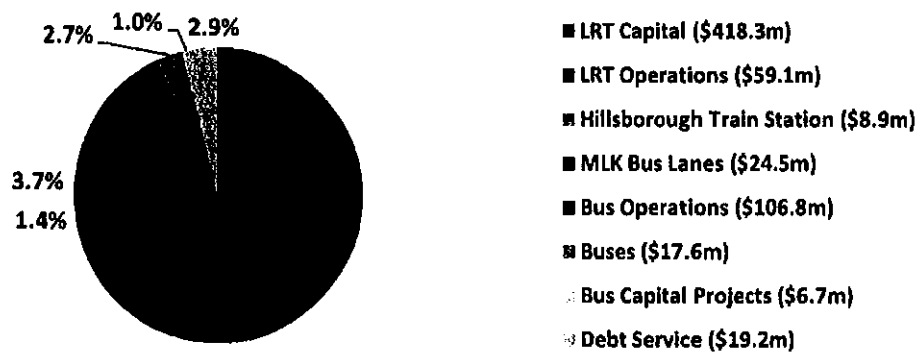
TOTAL Plan Revenues and Costs to 2035, and LOCAL Costs to 2035:

All Numbers Are in Year-Of-Expenditure (YOE) Dollars

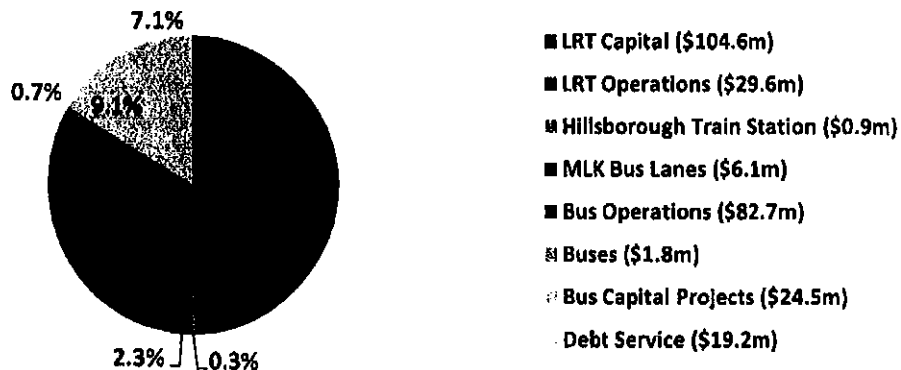
Orange County Plan Revenue, All Sources to 2035: Total Revenue \$706.0m



How ALL Dollars Are Spent to 2035: Total Cost \$659.9m



How LOCAL Orange County Dollars Are Spent to 2035: \$268.7m



Note: small differences and percentages not adding exactly to 100.0% may be due to rounding

Bus and Rail Plan In Orange County

Appendix B: Proposed Bus Service Enhancements

ORANGE COUNTY BUS PLAN - FUNDED AND FUTURE COMPONENTS

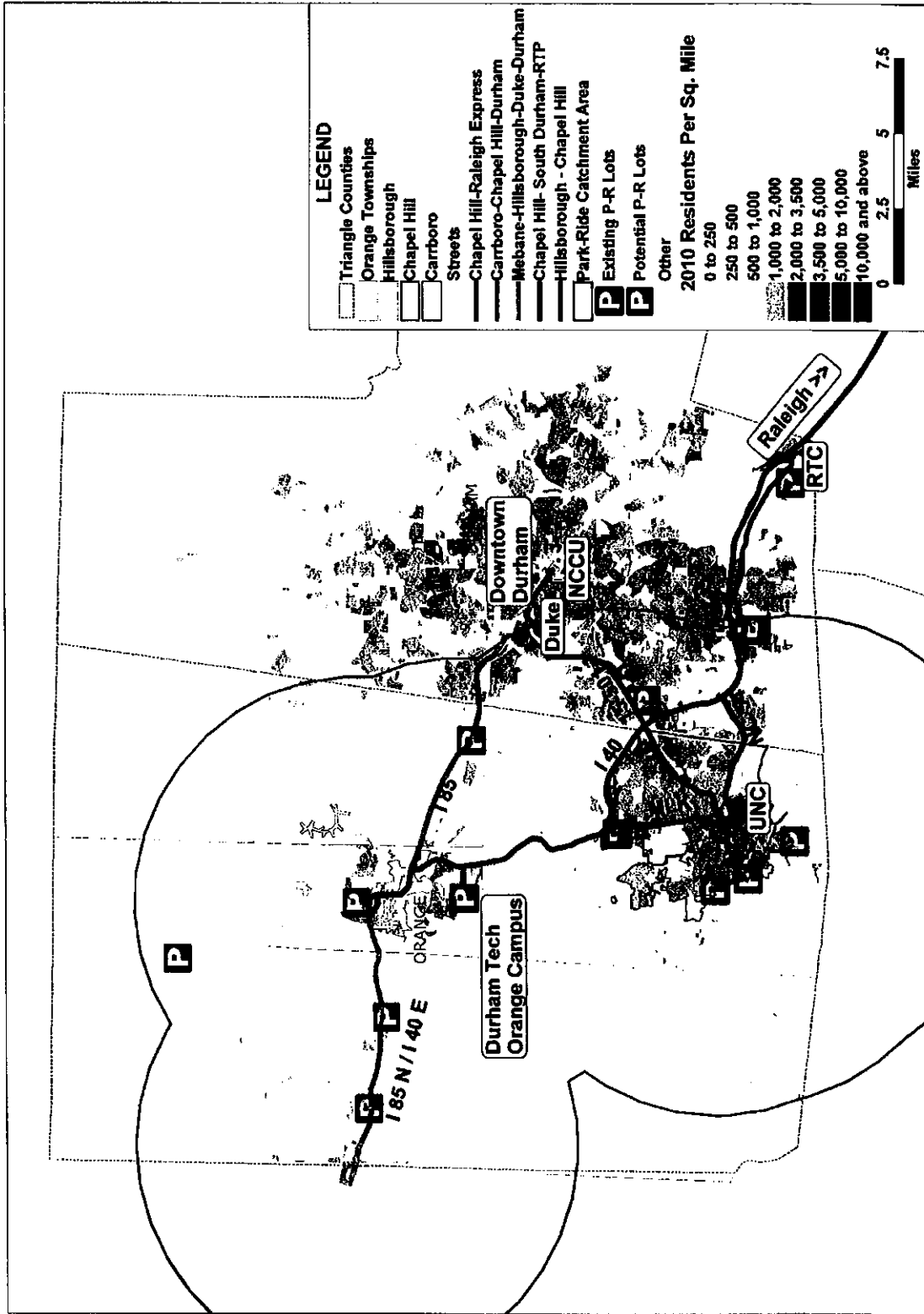
REGIONAL SERVICES - FUNDED AND FUTURE COMPONENTS

Service Type	PROJECTS	Enhanced or New	Cumulative New Service Hours	Service Description
Regional Exp	Carboro-Chapel Hill-Durham Express (Route 405)	Enhanced	1,896	Increase peak-hour frequency of the express route between Durham and Chapel Hill to 15 minutes during the peak commute, directly serve Downtown Carboro with rush hour service to Durham.
Regional Exp	Mebane-Hillsborough-Durham Express Introduce Service	New	2,510	Introduce a new express route serving Mebane, Hillsborough, and Durham.
Regional Exp	Carboro-Chapel Hill-Durham Express (Route 405) - mid-day	Enhanced	4,016	Increase frequency of the express route between Durham and Chapel Hill or Carboro to 30 minutes during the mid-day.
Regional Exp	Carboro-Chapel Hill-Durham Express (Route 405) - Sundays	New	4,640	Introduce Sunday service on route between Durham and Chapel Hill or Carboro.
Regional Exp	Chapel Hill-Regional Transit Center via Southpoint (Route 800) - Saturdays	New	5,264	Introduce new Sunday service to the existing TTA route 800.
Regional Exp	Carboro-Chapel Hill-Durham Express (Route 405) - Saturday	Enhanced	5,484	Extend service between Durham and Chapel Hill or Carboro to 11pm on Saturdays.
Regional	Chapel Hill-Regional Transit Center via Southpoint (Route 800) - Saturdays	Enhanced	5,704	Extend service between RTP and Chapel Hill (via Southpoint) to 11pm on Saturdays.
Regional	Route 800-SW Durham (Southpoint)-Chapel Hill peak	Enhanced	7,210	Phase 1 service improvement - Increase peak hour frequency on the existing TTA Route 800. Currently the route operates at 30-minute frequency.
Regional Exp	Chapel Hill-Raleigh Express (Route CRX) - peak	Enhanced	7,983	Introduce mid-day service on the express route between Chapel Hill and Raleigh.
Regional	Hillsborough-Chapel Hill (Route 420) - peak: IMPLEMENTED in 2012	Enhanced	7,983	Increase frequency of the regional route between Hillsborough and Chapel Hill to 30 minutes during the peak commute.
Regional	Additional service hours TBD	Enhanced	8,200	237 additional hours that may augment any of the services above

REGIONAL SERVICES - UNFUNDED AND FUTURE COMPONENTS - FISCAL YEAR 2022

Service Type	PROJECTS	Enhanced or New	Cumulative New Service Hours	Service Description
Regional Exp	Mebane-Hillsborough-Durham Express Expansion	New	9,204	Increase the frequency on an express route serving Mebane, Hillsborough, and Durham to 30 minutes at peak.
Regional	Hillsborough-Chapel Hill (Route 420) - mid-day	Enhanced	13,722	Increase frequency of the regional route between Hillsborough and Chapel Hill to 30 minutes during the mid-day.
Regional Exp	White Cross to Carboro to Chapel Hill Express	New	15,228	Phase I - Introduce a new express route serving Alamance County and Chapel Hill (via NC-54) at an hourly frequency.
Regional Exp	White Cross to Carboro to Chapel Hill Express	New	16,734	Phase II - Introduce a new express route serving Alamance County and Chapel Hill (via NC-54) at a 30-minute frequency.
Regional Exp	Chapel Hill-Raleigh Express (Route CRX) - mid-day	Enhanced	18,386	Introduce mid-day service on the express route between Chapel Hill and Raleigh.
Regional	Chapel Hill-Regional Transit Center via Southpoint (Route 800) - mid-day	Enhanced	19,997	Increase frequency of the regional route between RTP and Chapel Hill (via Southpoint) to 30 minutes during the mid-day.
Regional	Route 800-RTC via SW Durham (Southpoint)-Chapel Hill peak	Enhanced	20,813	Phase 2 service improvement - Increase frequency of the existing Route 800 between RTP and Chapel Hill (via Southpoint) to 15 minutes during the peak commute.
Regional	Chapel Hill-Regional Transit Center via Woodcroft (Route 805) - mid-day	Enhanced	21,851	Introduce added mid-day trips to regional route between Woodcroft and Chapel Hill.

Orange County Transit Plan: Proposed Regional Bus Service Improvements

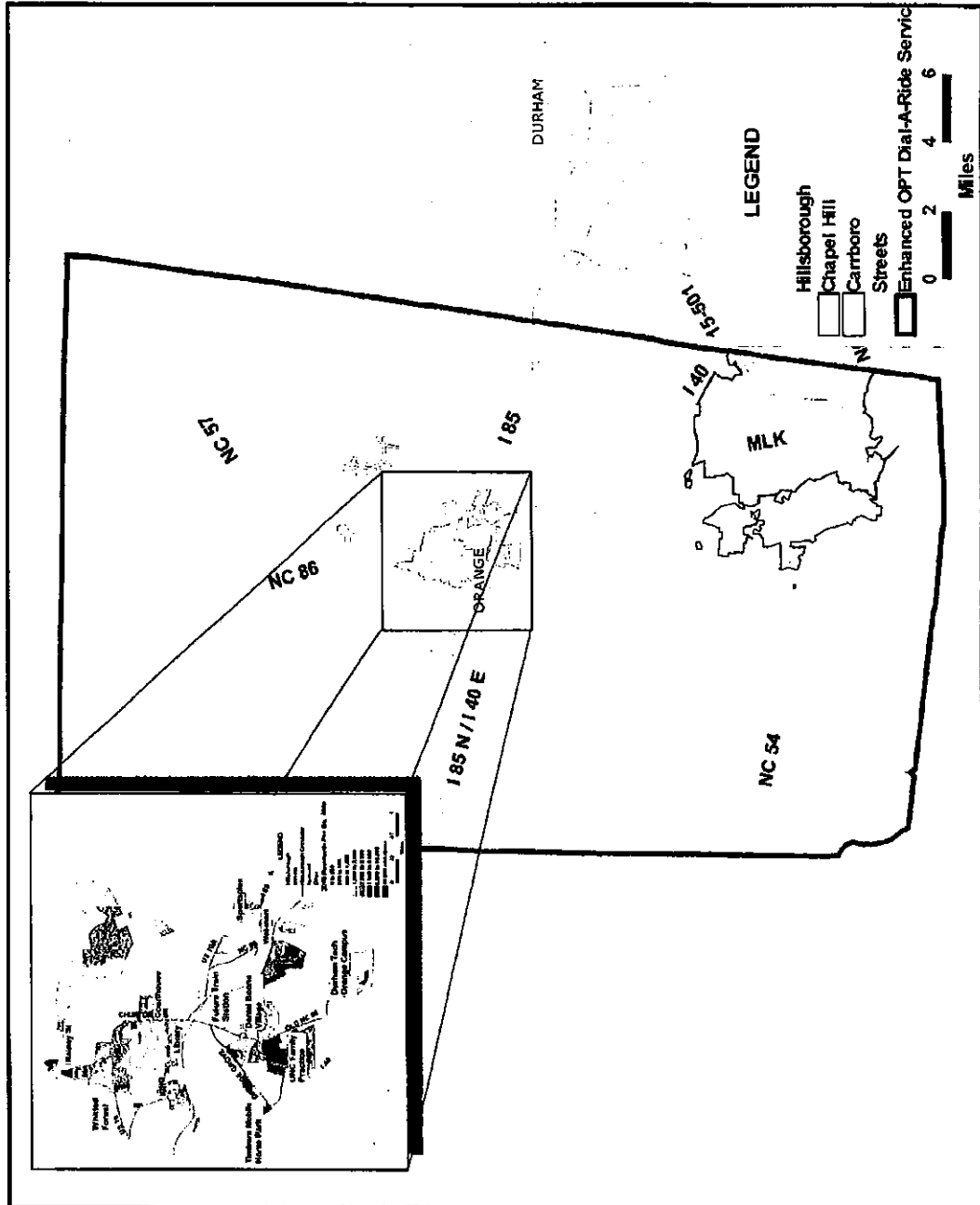


[illegible]

NA - All identified needs funded in first five years.

Prepared by Triangle Transit
April 23, 2012

Orange County Transit Plan: Proposed Hillsborough and Rural Bus Service Improvements



ORANGE COUNTY PLAN - FUNDED AND FUTURE COMPONENTS

CHAPEL HILL TRANSIT BUS SERVICE OPTIONS

Service Type	Project	Enhanced or New	Cumulative New Service Hours
Local	Service Improvements Chapel Hill, Carrboro, UNC in the I-5/501 corridor	Enhanced	7,279
Local	I-54 Corridor Improvements (Orange and Durham Counties)	Enhanced	4,016
Local	Support existing services	Enhanced	6,000
Local	Chapel Hill - Carrboro - UNC Saturday Service	New	5,096
Sub-Total			22,391
Local	Chapel Hill - Carrboro - UNC Sunday Service	New	3,540
Local	Extend evening service in Chapel Hill Carrboro UNC	Enhanced	4,080
Regional	Pittsboro- Chapel Hill Express	Enhanced	816
Local	Improve peak hour frequency Chapel Hill Carrboro UNC	Enhanced	2,209
Total			33,136

This list of service priorities supplied by Chapel Hill Transit exceeds the 22,332 bus hour budget currently expected to be available in the plan for Chapel Hill Transit. Roughly a third of the proposed service hours will not be funded in the plan. Chapel Hill Transit and its partners will make a final determination of service priorities based on extensive public involvement and analysis in order to fit within the approximately 22,000 hour limit called for in the financially constrained plan.

Bus Operations

Total Bus Operations and Maintenance Costs by Year													
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Bus Hours	9,000	15,750	24,750	34,650	34,650	34,650	34,650	34,650	34,650	34,650	34,650	34,650	
Cost (\$YOE thousands)	\$ 905	\$ 1,608	\$ 2,565	\$ 3,702	\$ 3,817	\$ 3,935	\$ 4,057	\$ 4,183	\$ 4,313	\$ 4,447	\$ 4,584	\$ 4,727	

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Bus Hours	34,650	34,650	34,650	34,650	34,650	34,650	34,650	34,650	34,650	34,650	40,950	
Cost (\$YOE thousands)	\$ 4,873	\$ 5,024	\$ 5,180	\$ 5,341	\$ 5,506	\$ 5,677	\$ 5,853	\$ 6,034	\$ 6,221	\$ 6,414	\$ 7,815	

Total Bus Operations \$YOE Cost to Year 2035

\$ 106,782,735

Bus Operations Costs assumed to be split according to following percentages:

Federal	8.9%
State	10.0%
Local	77.6%
Fares	3.5%

Bus and Rail Plan In Orange County

Appendix C: Bus Capital Enhancements

Bus Capital and Vehicle (Bus) Purchases/Replacements

Total Bus Purchases (New and Replacement Buses)												
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
New Buses Purchased	4	3	4	4	-	-	-	-	-	-	-	-
Replacement Buses Purchased	1,606	1,222	1,654	1,876	-	-	-	-	-	-	-	-
Cost (\$YOE thousands)												
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
New Buses Purchased	-	-	-	-	-	-	-	-	-	-	-	3
Replacement Buses Purchased	4	3	4	4	-	-	-	-	-	-	-	-
Cost (\$YOE thousands)	2,245	1,736	2,386	2,706	-	-	-	-	-	-	-	2,132

Total Bus Purchases \$YOE Cost to Year 2035
\$ 17,564,162

Total Bus Capital Project Spending (Amenities, Transit Centers, Park/Ride Lots, Sidewalks, etc)												
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cost (\$YOE thousands)	656	2,664	3,379	-	-	-	-	-	-	-	-	-
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Cost (\$YOE thousands)	-	-	-	-	-	-	-	-	-	-	-	-

Total Bus Capital Projects \$YOE Cost to Year 2035
\$ 6,699,000

Bus Purchases and Bus Capital projects assumed to be split according to current trend:

Federal 80%
State 10%
Local 10%

Bus and Rail Plan In Orange County

Appendix D: Hillsborough Train Station Expenditures

Hillsborough Intercity Rail Station

Total Rail Station Construction Costs by Year												
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cost (\$YOE thousands)	\$ 875	\$ 3,552	\$ 4,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Cost (\$YOE thousands)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Hillsborough Intercity Rail Station \$YOE Cost to Year 2035												
\$	8,932,729											

Hillsborough Rail Station assumed to be split according to pattern for other NCDOT Rail Division-approved stations

Federal	80%
State	10%
Local	10%

NCDOT Rail Division has studied two possible station designs. The option in the plan includes a permanent station. A modular, temporary station can be built for less money, approximately \$4 million in \$2011 dollars. Examples of the type of station the \$8.9 million YOE dollar investment projected above would build can be found in Cary and Kannapolis.

Bus and Rail Plan In Orange County

Appendix E: MLK Bus Lanes Expenditures

MLK Bus Lane Project

Total MLK Bus Lane Project Costs by Year													
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cost (\$YOE thousands)	\$ 694	\$ 704	\$ 4,007	\$ 7,456	\$ 7,892	\$ 3,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Cost (\$YOE thousands)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total MLK Bus Lane \$YOE Cost to Year 2035													
\$	24,456,259												

Project Costs are anticipated to follow the percentages below within the FTA Small Starts program

Federal	50%
State	25%
Local	25%

Bus and Rail Plan In Orange County

Appendix F: Light Rail Expenditures

Durham-Orange Light Rail Expenditures: Capital & Operating to 2035

Total Light Rail Capital Spending		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year													
Cost (\$VOE thousands)	\$	3,258	\$ 3,306	\$ 5,034	\$ 3,460	\$ 3,567	\$ 5,517	\$ 16,757	\$ 28,530	\$ 31,211	\$ 68,984	\$ 120,898	\$ 96,797
<hr/>													
Year		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Cost (\$VOE thousands)	\$	31,009	-	-	-	-	-	-	-	-	-	-	-

Total Bus Purchases \$VOE Cost to Year 2035
\$ 418,327,293

Total Light Rail Operations Spending		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year													
Cost (\$VOE thousands)		-	-	-	-	-	-	-	-	-	-	-	-
<hr/>													
Year		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Cost (\$VOE thousands)		-	\$ 5,135	\$ 5,294	\$ 5,458	\$ 5,627	\$ 5,802	\$ 5,982	\$ 6,167	\$ 6,358	\$ 6,555	\$ 6,759	

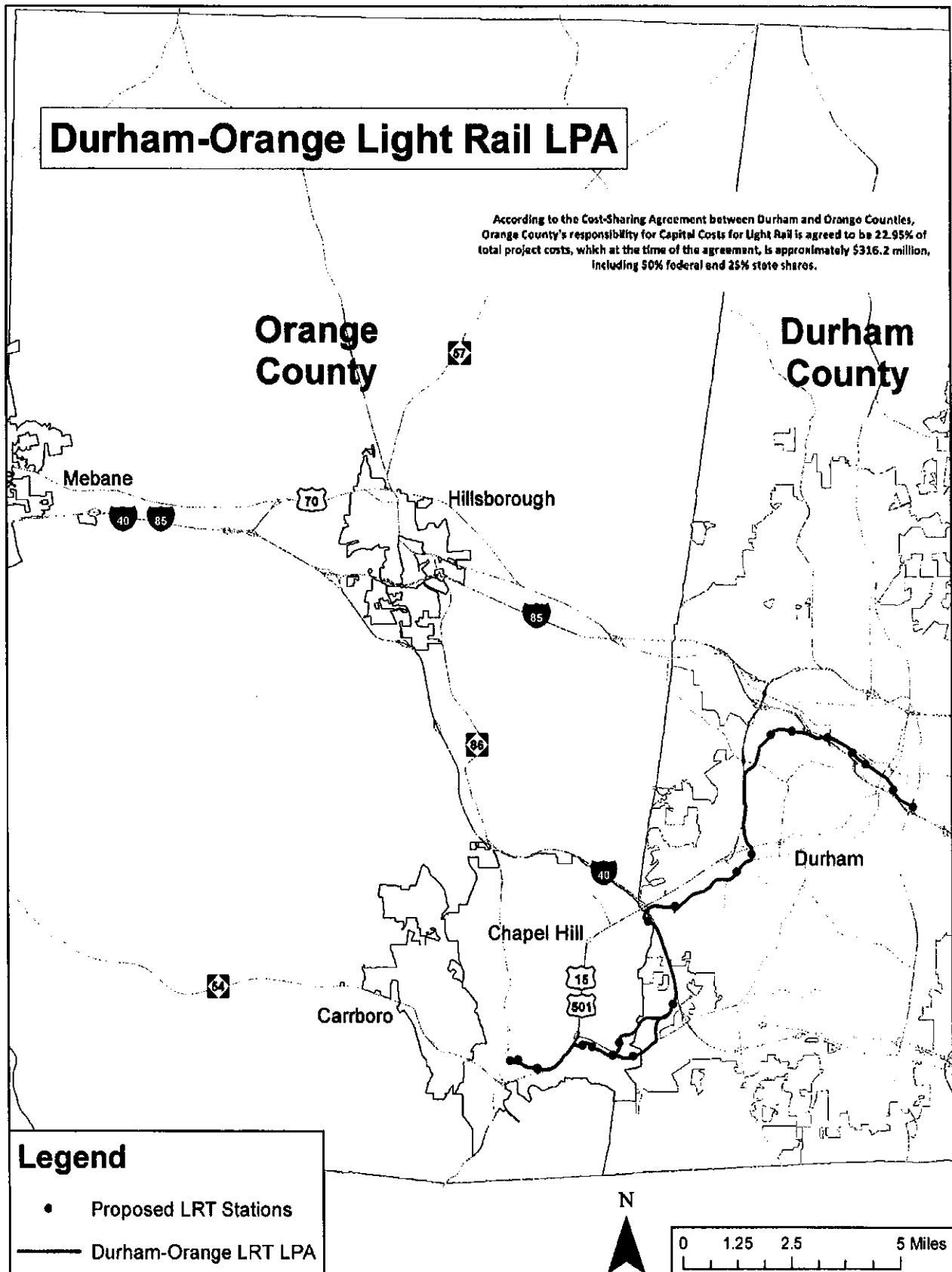
Total Light Rail Operations \$VOE Cost to Year 2035
\$ 59,136,705

The capital cost of the Durham-Orange Light Rail project is anticipated to be split as follows:

Federal	50%
State	25%
Local	25%

The operating cost of the Durham-Orange Light Rail project is anticipated to be split as follows:

Federal	20%
State	10%
Local	50%
Fares	20%



Bus and Rail Plan In Orange County

Appendix G: Revenues by Year

Orange County Plan Revenues

Total Orange County Revenues by Year (\$YOE millions)													
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
1/2-Cent Sales Tax*	\$ 3.9	\$ 5.0	\$ 5.0	\$ 5.2	\$ 5.4	\$ 5.6	\$ 5.8	\$ 6.0	\$ 6.2	\$ 6.5	\$ 6.7	\$ 6.9	
\$7 Vehicle Registration Fee*	\$ 0.6	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	
\$3 Vehicle Registration Fee*	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	
Car Rental Tax (existing)	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	
FTA Formula Funds	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.0	
Federal Projects Share	\$ 4.5	\$ 8.0	\$ 12.2	\$ 7.0	\$ 5.7	\$ 4.6	\$ 8.4	\$ 14.3	\$ 15.6	\$ 34.5	\$ 60.4	\$ 48.4	
State Projects Share	\$ 1.4	\$ 1.9	\$ 3.5	\$ 3.3	\$ 3.2	\$ 2.7	\$ 4.6	\$ 7.6	\$ 8.2	\$ 17.7	\$ 30.7	\$ 24.7	
Fares	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.8	\$ 17.6	
Total Revenue By Year	\$ 14.4	\$ 20.2	\$ 26.2	\$ 21.1	\$ 20.2	\$ 18.9	\$ 24.9	\$ 34.1	\$ 36.5	\$ 65.2	\$ 110.4	\$ 104.5	

Total Orange County Transit Plan \$YOE Revenue to Year 2035													
Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL	
1/2-Cent Sales Tax	\$ 7.2	\$ 7.4	\$ 7.7	\$ 8.0	\$ 8.3	\$ 8.6	\$ 8.9	\$ 9.2	\$ 9.5	\$ 9.9	\$ 10.2	\$ 162.9	
\$7 Vehicle Registration Fee	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.2	\$ 22.5	
\$3 Vehicle Registration Fee	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 9.7	
Car Rental Tax (existing)	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.4	\$ 21.3	
FTA Formula Funds	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.5	\$ 3.6	\$ 3.7	\$ 3.8	\$ 3.9	\$ 4.0	\$ 70.9	
Federal Projects Share	\$ 17.3	\$ 1.4	\$ 1.9	\$ 2.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.7	\$ 247.9	
State Projects Share	\$ 8.5	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.7	\$ 130.6	
Fares	\$ 0.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 15.6	
Bond Proceeds	\$ 1.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24.5	
Total Revenue By Year	\$ 41.2	\$ 18.3	\$ 19.4	\$ 20.2	\$ 18.3	\$ 18.9	\$ 19.5	\$ 20.1	\$ 20.7	\$ 21.3	\$ 24.1	\$ 706.0	

Total Orange County Transit Plan \$YOE Revenue to Year 2035

\$ 706,000,000

*Revenue in first year is 75% of full value because revenue source is anticipated to be active on 4/1/2013, not 1/1/2013

EXHIBIT B

5 Plan Implementation and Finance



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Plan Implementation and Finance

Implementation

The existing transit providers in Wake County have provided guidance and funding to help develop this enhanced transit plan. All current services will be expended as part of this plan and several new services will be added. The transit agency responsible for operating and managing each element of the Transit Plan will be determined during the next phase of planning and design, and will depend on geographic location, type of technology, cost, and anticipated efficiencies. Participating parties will enter into a formal agreement defining roles, responsibilities, and cost sharing for individual projects as they are pursued. During the next few months, Wake County and its partners will receive feedback on the Wake County Recommended Transit Plan and begin the steps to approve the governance structures necessary for adoption of the plan and funding of the projects in it. This will include approval of a plan by Go Triangle and the CAMPO as well as Wake County prior to the sales tax advisory referendum.

The schedule of capital projects within the next 10 years is dependent on multiple factors, including successful grant awards. The planning and design process may begin for the infrastructure projects (the CRT corridor and the four BRT corridors) simultaneously, or it may be phased. Though that process, the corridors will be prioritized based on feasibility and cost. Individual projects or groups of projects will be submitted for federal grants and State Transportation Improvement Program (STIP) funding.

Since BRT can be built incrementally, improvements—such as new buses, signal prioritization, off-board fare collection, level boarding stations, or dedicated busways—can be built in phases. For example, the initial project may include dedicated busways on 50% of the corridor and additional lane-miles of dedicated busways will be added in future years as those sections of road are widened, redeveloped, or as additional funds become available. Corridors that are anticipated to have high ridership and fewer physical constraints (thereby lowering impacts and costs) are likely to move faster through the federal funding process.

To create a more useful commuter rail project, the CRT line was assumed to extend from Garner to Durham as part of the first phase. A line ending at RTP, and therefore almost entirely in Wake County, was considered. However, successful commuter rail services running only during peak hours rely heavily on a major dense employment center within walking distance of stations. While NC State and downtown Raleigh provide this to a degree, our analysis concluded that downtown Durham and Duke University also need to be on the line to generate strong two-way demand sufficient for the line to succeed.



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The planning and design of this extensive rail project can take longer than the BRT corridors because the CRT line would need to be designed and then constructed as one project, rather than incrementally. The project will be a collaboration of many partners, notably the federal and state governments, Durham County, the North Carolina Railroad Company, and municipalities and communities involved in station planning. The success of this project is dependent on the collaboration of the involved parties.

The first few years of the Recommended Wake County Transit Plan involve significant design and further study for projects that require significant investment. This is to balance careful use of tax payer dollars with thoughtful investment in transit. The Transit Plan's approach is to use strategic leveraging of federal and state funds, combined with existing and new sources of local funding, to deliver projects that connect regionally, connect Wake County's communities, provide frequent urban mobility, and link local service. The implementation of those projects and the timing of them will evolve as the design and study reveals new information.

After successful approval of the half-cent sales tax advisory referendum, funds would be collected starting in the Spring of 2017. Some operating items in the Recommended Transit Plan will be noticeable fairly soon, such as including increasing weekend and evening service and some increases in midday frequency. Other items, like new routes or peak service increases, will be phased in as new buses are acquired and operations are deployed.

Small capital projects, such as adding bus stops along new routes, can be done during the Transit Plan's initial years. The transit budget allocates funds toward a range of capital improvements, such as bus stops and stations, nicer buses and park-and-ride lots. Many adjacent improvements, such as additional sidewalks, would be paid for by local programs.

The transit partners will work together to develop a detailed implementation plan that will identify and prioritize new enhanced bus service and facilities. Detailed studies will be conducted for larger capital projects. The outcome of these studies will impact project implementation. However, existing service will continue to operate and enhanced service will begin to deploy while larger projects are studied and gradually constructed.

PLAN IMPLEMENTATION AND FINANCE

Financial Plan Details

The Recommended Wake County Transit Plan is fiscally constrained and is contingent on a variety of assumptions. The assumptions will evolve as information is modified and projections are updated to reflect actual results. The projects included in the Transit Plan will continue to be studied and new information may influence their cost and timing. Additionally, overall inflation assumptions, availability of local sources of revenue and growth assumptions, competition for federal funding for projects and successful access to capital markets, and regional partnerships will continue to influence the overall financial outlook of the Transit Plan. The following sections detail current assumptions.

Sources of Revenue

Half-Cent Sales Tax for Transit (Article 43)

The largest recurring local revenue source would be a half-cent local option sales tax as authorized by NCGS 105-164.138. The transit plan assumes that the Wake County Board of Commissioners would vote to place the local option sales tax for transit on the ballot, which would be voted on in November 2016. Upon approval by Wake County voters, the sales tax would be adopted and funds would be available in Spring 2017.

To project sales tax dollars that would be available, actual Wake County Article 39 gross revenues for fiscal year 2015 served as the base, less 10% as Article 39 is charged on food purchases which are prohibited to be taxed as part of Article 43. Then, it was assumed that the local sales tax revenue would be half of that amount, as Article 39 is one cent and Article 43 is one half cent. Using the County's same assumption for sales tax growth that is used in the County's debt and capital financial model, this amount was grown annually by 4%. Accordingly, the alternatives include an assumption that the half-cent sales tax revenue available for new transit would be \$78.5 million in FY 2018 and would grow by 4% annually thereafter.

Other Local Revenue Sources

Increases to vehicle registration fees also are included in the assumptions for local revenue sources. Currently, GoTriangle collects a fee of \$5 per registration throughout Wake, Durham, and Orange Counties. That is used to support transit activities in this three-county service area. This fee would increase by \$3, for a total of \$8. Second, a new \$7 vehicle registration fee would be assessed by the Board of Commissioners, as authorized by NCGS 105-509. Together, the vehicle registration fees would generate approximately \$8.5 million a year in fiscal year 2018 and are projected to grow 2% a year thereafter.

Plan Implementation and Finance

The vehicle rental tax also is included as a revenue source in the transit plan. GoTriangle currently levies a 5% tax on vehicle rentals in Wake, Durham, and Orange Counties. GoTriangle's Board of Trustees has an existing policy that 50% of rental revenues are dedicated to expanding transit options in the region, while the other 50% is used by GoTriangle for operations and capital needs of the current system. To determine the amount allocated to each county, GoTriangle dedicates vehicle rental revenues based on percent of total population. GoTriangle's current allocation percentages are 68% for Wake County, 21.5% for Durham County, and 10.5% in Orange County. As such, the Wake County portion of all vehicle rental revenues is, compared to the total collected, 34%. The transit plan includes an assumption that rental car tax revenue available for new transit programs would be \$3.6 million in FY 2018, which would grow by 2.5% annually.

The transit plan also includes local revenues from the City of Raleigh, Town of Cary, and GoTriangle for existing bus operations. Local bus operations in those jurisdictions would continue and bus operations in the transit plan were designed considering those existing resources. Accordingly, the transit plan assumes that the local contribution from each agency would equal approximately \$15 million in 2018 and this

contribution would increase at 2.5% each year, the assumed rate of operating inflation. The transit plan also includes existing federal and state funds allocated directly to existing bus operations equaling approximately \$6.2 million.

Federal and State Contributions

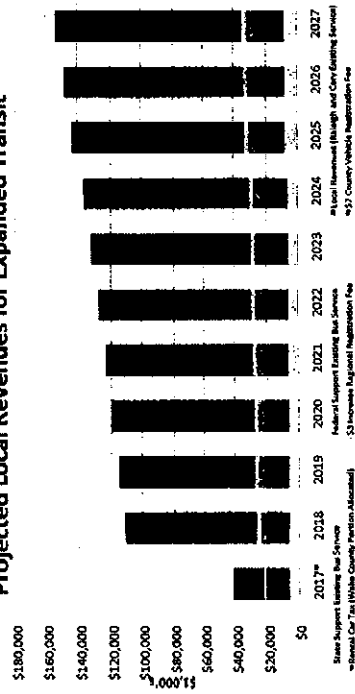
The Recommended Wake County Transit Plan assumes federal and or state funding for many planned projects. Significant federal funds are assumed for the capital costs for both CRT and BRT—50% of the capital costs are assumed to be federally funded. For BRT, the projects are assumed to successfully compete through the FTA Capital Improvement Program New Starts, Small Starts, and Core Capacity Improvement grant programs such that overall, the BRT projects included in the transit plan will, on average, receive 50% federal funds (estimated at \$173.5 million). For commuter rail, it is assumed that, through a regional partnership by extending the line into neighboring counties, the project would successfully compete for 50% federal funding (estimated at \$443.3 million). The Wake County share included in the Financial Plan). Approximately \$24 million of federal funds towards the acquisition of buses are included in the plan, which could also be used towards bus maintenance.

Federal funds towards operating expenses also are assumed in the Recommended Wake County Transit Plan. Starting in 2026, approximately \$1.8 million annually is programmed in federal operating revenue towards BRT services.

Starting in 2029, approximately \$6 million annually is programmed in federal operating revenue towards commuter rail services. Another \$1.9 million in additional federal funding for bus operations is planned starting in 2019, which increases to approximately \$3.2 million as increased local bus service roughly triples by 2027.

State funds are primarily limited to operating fund support for bus operations, BRT, and commuter rail operations once those services are in place. To be fiscally conservative, the Recommended Wake County Transit Plan does not include state funds towards the capital costs for BRT and commuter rail; however the County and its partners would work to achieve such funding towards the projects or components

Projected Local Revenues for Expanded Transit



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in the projects. The transit plan does include \$6 million of state capital funds towards the acquisition of buses between 2018 and 2025. Starting in fiscal year 2024, approximately \$1.3 million annually is programmed in state operating revenue towards BRT services and starting in 2027 approximately \$4 million is programmed in state operating revenue towards commuter rail services. No additional state funds, beyond the current \$1.2 million annually in existing state funding for local bus services are programmed for local bus operating support.

Farebox Revenue

Farebox revenue varies by type of service. For local bus service, including BRT, a 24% farebox recovery ratio was used for ridership routes, 10% for coverage routes, 3% for intertown routes, and 0% for local service match. Ridership estimates will be refined for commuter rail during future studies. The current plan assumes farebox revenue of 20% of operating expenses.

Long-Term Bond Proceeds

Shown as revenues, with corresponding debt service expenses, certain capital projects are debt funded. Commuter rail is 40% debt funded, BRT is 15.5% debt funded, and bus infrastructure projects are 31% debt funded. A portion of future projects modeled from 2028 to 2037 are also assumed to be funded with debt.

By using long-term debt, it is important that the model adhere to several key metrics, including adequate operating and capital fund balances to demonstrate sufficient liquidity to rating agencies and the capital markets. The Recommended Wake County Transit Plan was developed within the context of adhering to two key measures: 1) maintaining near-term capacity to service debt from recurring net revenues, and 2) gross debt service coverage. Given the transit plan's focus on capital and significantly increasing local bus service, a key measure for the transit plan is a projection of the ongoing ability to pay annual debt service given projected revenue, planned capital, and recurring operating expenses. The transit plan maintains net debt service coverage of revenues less operating expenses greater than 1.25 times annual debt service and maintains a gross debt service coverage of revenues more than three times annual debt service expenses. These are simply modeled at this time. As governance discussions occur, these metrics and calculations will be revisited and updated.

Plan Implementation and Finance

Planned Expenditures

Planned Expenditures and Inflation

To ensure fiscal constraint, the Recommended Wake County Transit Plan includes inflation estimates for project estimates and operating costs. Project estimates for BRT, commuter rail, bus infrastructure, and buses were estimated in 2015 dollars. Then, projects were programmed according to planned project schedules, and then escalated to year of expenditure using an inflation factor of 4%. Local bus operating hours were calculated in 2015 dollars, and then escalated at 2.5%. Operating costs for commuter rail and BRT were estimated in 2015 dollars, and then inflated to the year the projects would begin, again using an inflation factor of 2.5%. The Recommended Wake County Transit Plan contemplates a total of \$1.6 billion of capital projects by 2027. A summary of all capital expenditures is shown in Figure 26.

Commuter Rail Capital Expenditures

The Commuter Rail capital expenditures include the Wake County share of commuter rail. The Transit Plan proposes up to eight trains in each peak with two mid-day and two in the evening, in each direction (8-2-8-2). The final service hours and frequencies will be determined during the future alternatives analysis. To be conservative, included in the fiscal plan is an estimated 8-2-8-2 commuter rail service which would operate from West Durham to Garner within the existing Norfolk Southern Railroad corridor (owned by NCR Company) by adding additional tracks and facilities. This would continue to be studied and refined during the first years of the Transit Plan, to confirm if this is the most viable approach and is subject to funds from our partners and successful federal funding.

BRT Capital Expenditures

The BRT Capital Expenditures include four BRT corridors totaling \$347 million between 2018 and 2023 as shown below. Dollars programmed including planning and design, construction, and acquisition of vehicles for the corridors.

Other Capital Expenditures

Significant resources are allocated for capital infrastructure to support a rapidly increasing local bus network. Bus infrastructure, which includes transfer stations, park and ride lots, bus stop improvements, bus maintenance facilities, sidewalk access and streetside facilities, and other improvements, is programmed for \$208 million between 2018 and 2024. A summary of these items is shown below.

Moreover, \$114 million is allocated towards the acquisition and

replacement of busses for local bus service between 2018 and 2026, which represents 116 buses.

Also included in other capital is \$24.37 million of locally funded grade separation match funds allocated between 2018 and 2022.

Between 2025 and 2027, \$35 million is available for future projects. Between 2028 and 2037, other capital includes two components: bus replacement totaling \$180 million and future projects totaling \$264.5 million.

Debt Service and Debt Service Reserve Fund

As debt is issued for capital projects, principal and interest will be paid on these projects. These dollars represent the corresponding debt service on commuter rail, BRT, and various bus infrastructure projects that are required during the first 20 years of the Recommended Wake County Transit Plan.

Operating Fund Balance Allocation

To ensure adequate operating liquidity, the Recommended Wake County Transit Plan was developed with a target of that the operating fund balance would have a minimum fund balance equal to 25% of annual sales tax revenues. The dollars shown are the minimum allocation to meet this requirement.

Capital Fund Balance Allocation

To demonstrate credit strength to manage risk, the Recommended Wake County Transit Plan also was developed with a target of having a capital fund balance of 5% of capital projects cost. This capital fund balance is over and above individual capital budgets which may have their own project contingencies. Maintaining sufficient liquidity during construction activity is an important credit strength for rating agencies. The capital fund balance allocation is timed to when significant debt issuances would begin for capital projects funded in the Wake County Transit Plan.

Operating Expenses

There are five categories of operating expenses combined. The first is local bus service, which increases from \$22 million in FY 2018 to \$85 million in FY 2027. Added to that is BRT service, beginning in the model in 2024. Other operating funds include maintenance and operations for bus facilities and other related bus operations such as small town local service matching funds, paratransit service, and other professional services. Finally, commuter rail is shown starting in 2027, and adds an additional \$20 million of operating expenses. All operating expenses are

PLAN IMPLEMENTATION AND FINANCE

grown at 2.5% to account for inflation. The model assumes that by 2027, \$129.3 million of operating will be in place and a total of \$166 million of operating expenses will be incurred including allocations to fund balance and debt service expenses. A summary of 2027 local operating costs is shown in Figure 27.

Capital Funded Through 2027 (with Federal, State, Local Support)	
	\$(thousands)
Commuter Rail	\$886,500
Bus Rapid Transit	\$347,000
Bus Acquisition	\$114,700
Bus Infrastructure	\$208,400
Other Capital Projects	\$24,500
Future Projects	\$35,000
Total	\$1,616,100

Figure 26: Capital Expenditures
Capital Expenditures by Year of Expenditure by FY and Year

Local Service Operating Costs in 2027 **	
	\$(thousands)
Local Bus Network	\$85,300
BRT	\$14,500
Commuter Rail	\$20,100
Other Bus Operations	\$7,100
Maintenance and Operations	\$2,300
Total	\$129,337

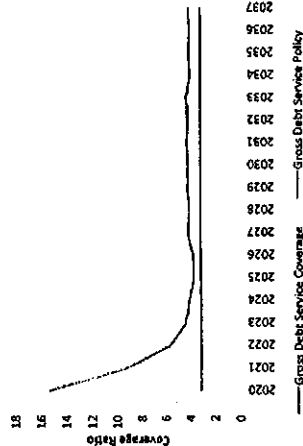
Figure 27: Local Operating Costs in 2027 by FY and Year
Operating Expenses by Year of Expenditure by FY and Year

Plan Implementation and Finance

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
1) Cash Sales	18,891	78,391	2,364	81,837	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886	41,886																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									

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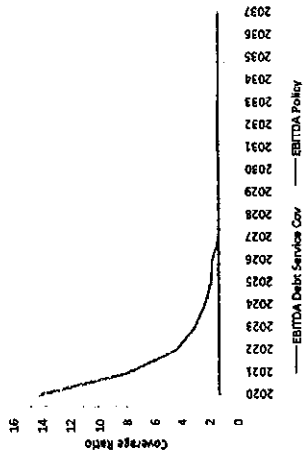
**Gross Debt Service Coverage
(Revenues to Annual Debt Service) = 3.0**

[illegible]

Kimley»Horn

JARRETT WALKER & ASSOCIATES

Net Debt Service Coverage After Operating Expenses = 1.25


$$(\tilde{u}_1, \tilde{u}_2, \tilde{u}_3, \tilde{u}_4, \tilde{u}_5, \tilde{u}_6, \tilde{u}_7, \tilde{u}_8, \tilde{u}_9, \tilde{u}_{10}, \tilde{u}_{11}, \tilde{u}_{12}, \tilde{u}_{13}, \tilde{u}_{14}, \tilde{u}_{15}, \tilde{u}_{16}, \tilde{u}_{17}, \tilde{u}_{18}, \tilde{u}_{19}, \tilde{u}_{20}, \tilde{u}_{21}, \tilde{u}_{22}, \tilde{u}_{23}, \tilde{u}_{24}, \tilde{u}_{25}, \tilde{u}_{26}, \tilde{u}_{27}, \tilde{u}_{28}, \tilde{u}_{29}, \tilde{u}_{30}, \tilde{u}_{31}, \tilde{u}_{32}, \tilde{u}_{33}, \tilde{u}_{34}, \tilde{u}_{35}, \tilde{u}_{36}, \tilde{u}_{37}, \tilde{u}_{38}, \tilde{u}_{39}, \tilde{u}_{40}, \tilde{u}_{41}, \tilde{u}_{42}, \tilde{u}_{43}, \tilde{u}_{44}, \tilde{u}_{45}, \tilde{u}_{46}, \tilde{u}_{47}, \tilde{u}_{48}, \tilde{u}_{49}, \tilde{u}_{50}, \tilde{u}_{51}, \tilde{u}_{52}, \tilde{u}_{53}, \tilde{u}_{54}, \tilde{u}_{55}, \tilde{u}_{56}, \tilde{u}_{57}, \tilde{u}_{58}, \tilde{u}_{59}, \tilde{u}_{60}, \tilde{u}_{61}, \tilde{u}_{62}, \tilde{u}_{63}, \tilde{u}_{64}, \tilde{u}_{65}, \tilde{u}_{66}, \tilde{u}_{67}, \tilde{u}_{68}, \tilde{u}_{69}, \tilde{u}_{70}, \tilde{u}_{71}, \tilde{u}_{72}, \tilde{u}_{73}, \tilde{u}_{74}, \tilde{u}_{75}, \tilde{u}_{76}, \tilde{u}_{77}, \tilde{u}_{78}, \tilde{u}_{79}, \tilde{u}_{80}, \tilde{u}_{81}, \tilde{u}_{82}, \tilde{u}_{83}, \tilde{u}_{84}, \tilde{u}_{85}, \tilde{u}_{86}, \tilde{u}_{87}, \tilde{u}_{88}, \tilde{u}_{89}, \tilde{u}_{90}, \tilde{u}_{91}, \tilde{u}_{92}, \tilde{u}_{93}, \tilde{u}_{94}, \tilde{u}_{95}, \tilde{u}_{96}, \tilde{u}_{97}, \tilde{u}_{98}, \tilde{u}_{99}, \tilde{u}_{100})$$


Kimley»Horn

JARRETT WALKER & ASSOCIATES

20-Year Expenditure Summary

Recommends Wake County Transit Plan 2017 - 2037		
BRT Capital and Operations, Enhanced Bus Operations, Bus Acquisition and Bus Infrastructure	\$2,945,773	58%
Commuter Rail Capital and Operations	1,582,549	31%
Future Capital Projects and Operating	452,193	9%
Fund Balance Allocation	122,046	2%
Total	\$5,113,561	100%

[illegible]