

Item Title: Memorandum of Understanding in Support of Continued Development of the Greater Triangle Commuter Rail Project

Specific Action Requested:

That the Board of Commissioners approves the attached Memorandum of Understanding with GoTriangle, CAMPO, Durham County, DCHC, NCDOT, North Carolina Railroad Company, and potentially Johnston County in Support of Continued Development of the Greater Triangle Commuter Rail Project.

Item Summary:

Purpose: The Board of Commissioners has entered into several regional agreements to govern the implementation of the Wake Transit Plan. In this action, the Board will approve a MOA that for the next phase of study and activities for Commuter Rail.

Background: The Wake Transit Plan contemplates 37 miles of commuter rail on the North Carolina Railroad Company Corridor from Garner through Raleigh, RTP, and Durham to Duke University. The Major Investment Study and Greater Triangle Commuter Rail Study are complete. However, additional activities (Early Project Development) are necessary before initiating project design and implementation and applying for entry into the federal project development process.

Building on prior studies, the MOU outlines four goals during the next phase of work for commuter rail, identifies 22 activities in the accompanying Exhibit A to occur during Early Project Development, and defines the roles and responsibilities of Wake County and the other MOU parties during these activities.

The cost share for Early Project Development follows the same 67% cost share approach as the MIS and Greater Triangle Regional Rail Study. During Early Project Development, Wake County will be significantly involved in the facilitation of a cost-sharing negotiation for the non-federal share estimated for the commuter rail project.

Board Goal: This action is directly related to Objective GS5, Guide the implementation of the Wake County Transit Plan and implements initiative GS5.1, to monitor and oversee the deliverables and processes established by the transit governance interlocal agreement. It also complements other initiatives in Objective GS5.

Fiscal Impact: This action has no impact on County of Wake general or other major funds. It does impact the use of Article 43, the ½ cent sales tax for transit, which is governed by the Financial Plan Agreement and the Wake Transit Governance Interlocal Agreement. Funds for the Early Project Development activities are from funds currently held in

reserve in the Triangle Tax District Wake Capital Fund, funds to be appropriated in the Durham/Orange Fund, and contributions from NCRR and Johnston County.

Additional Information:

Prior Studies: The Wake Transit Plan recommends 37 miles of commuter rail on the North Carolina Railroad Company Corridor from Garner through Raleigh and RTP to Durham to Duke University. Approximately 2/3 of the proposed mileage is in Wake County and a financial partnership with Durham County is assumed. The Wake Transit Plan states that, for the first few years, the commuter rail project would be studied to confirm if the project is the most viable approach and that the project is subject to funds from County partners and successful federal funding. On October 16, 2017, the Board of Commissioners approved a Memorandum of Agreement for the Commuter Rail Portion of the Major Investment Study which memorialized the cost share between the Wake Transit Plan Revenues and Durham Transit Plan Revenues for the costs to be incurred for the commuter rail portion of the Major Investment Study. On January 7, 2020, the Board of Commissioners approved an amendment to the cost share agreement and authorized additional work as part of the Greater Triangle Commuter Rail Study.

Through both studies, updated information is available regarding the commuter rail project contemplated in the adopted Wake Transit Plan. The Major Investment Study found that commuter rail would be faster than the bus and competitive with auto commuting; four station zones stand out for transit support (Downtown Durham, East Durham, NC State, Union Station) but many station areas need significant connectivity improvements; few stops and faster running times does not necessarily lead to increased ridership; and lower frequency service does produce higher riders per hour mostly as a result of limiting departure time choices. The Greater Triangle Commuter Rail Study found that two scenarios are candidates for federal funding for the project: 20 week-day round trips (8-2-8-2) between Durham and Garner and 20 week-day round trips (8-2-8-2) between Durham and Clayton. Both of these scenarios have mobility improvements, environmental benefits, congestion relief, economic development potential, and land use potential combined with ridership to warrant federal funds. However, the study also found that no matter what service scenario, even those running as few as seven week-day round trips (3-1-3-1), significant infrastructure improvements are needed including adding an additional track over and above those that currently exist in the North Carolina Railroad Corridor. These infrastructure improvements are costly; revised cost estimates for commuter rail ranges between \$1.4 - \$1.8 billion between Durham and Garner, and assuming a 67 percent share in costs for the Wake Transit Plan, this results in a \$54 to \$268 million increase over the current assumptions for commuter rail for Wake Transit.

Memorandum of Understanding: The MOU identifies four purposes; 1) the mutual understanding regarding roles and responsibilities during Early Project Development; 2) the priority activities, tasks, and decisions to be achieved during Early Project Development to identify a commuter rail service that will be technically, financially, legally, and politically achievable; 3) the intent to work in good faith during Early Project Development; and 4) the intent to lay a strong foundation for potential future implementation of the Project including future agreements for project development, construction, operations, and maintenance.

Early Project Development will include 22 activities, as shown on Exhibit A to the MOU. These activities include community engagement, agency coordination, environmental scoping, identification of critical agreements, preliminary engineering design for key risk areas, refinement of cost estimates and timelines, modeling with CSX and Norfolk Southern, obtaining resolutions of support for moving forward with the project from all affected local governments and major institutions, engagement with local land use authorities, and facilitation of a cost-sharing negotiation for the non-federal share estimated for the commuter rail project.

The MOU outlines the roles and responsibility of Wake County as it relates to project development. The role and responsibility outlined for Wake is the same as Durham County in the MOU as both counties have authorized advisory referenda for local option sales taxes supporting implementation of their transit plans, adopted financial plans, and entered into interlocal agreements that outline planning, funding, expansion, construction, and operations of the County transit plans. The MOU also identifies Wake County, along with Durham County, CAMPO, DCHC, and GoTriangle as a funding party as the parties share a collective responsibility for the expenditure of transit revenues pursuant to state law and interlocal agreements. Moreover, the counties also provide a role in supporting the facilitation of a cost-sharing negotiation among the Funding Parties for the project.

Financial Plan Agreement and Cost-Sharing: On September 6, 2016, the Board of Commissioners approved Wake County entering into a Financial Plan Agreement with GoTriangle, Durham County, Orange County, the Capital Area Metropolitan Organization (CAMPO), the Durham Chapel-Hill, Carrboro Metropolitan Planning Organization (DCHC MPO), and the Burlington-Graham Metropolitan Planning Organization. This Financial Plan Agreement set for the scope and content of the area's respective transit plans, and provided that 100 percent of all transit revenues collected on behalf of Durham and Orange counties would remain solely dedicated and segregated for the benefit of the Durham and Orange Transit Plans. Likewise, all transit revenues collected on behalf of Wake County would be segregated and solely dedicated to fund the Wake Transit Plan. The Agreement clarified that to the extent that there are regional transit projects crossing the jurisdictional boundaries of Wake, Durham, or Orange counties, the Agreement clarifies that nothing restricts the parties from entering into Cost Sharing Agreements for the same.

Approximately two-thirds of the proposed mileage between Wake and Durham counties is in Wake County and a financial partnership with Durham County is assumed. Wake County is covering approximately 67% of early project development activities which corresponds to the percentage of assumed track miles that will fall within Wake County. The cost share for Early Project Development follows the same 67% cost share approach as the MIS and Greater Triangle Regional Rail Study. \$6 million of these funds are scheduled to be approved by GoTriangle and CAMPO at their March board meetings at the same time the MOU is considered. Durham County approved GoTriangle allocating \$2.7 million of Durham County transit funds and the MOU at their March 9th Board meeting. NCRB is scheduled to approve the appropriation of \$250,000 and the MOU at their March 19th Board meeting. And, Johnston County is scheduled to consider the appropriation of \$250,000 towards Early Project Development activities at their April 6th Board Meeting if they desire to move forth with the next stage of scenarios which would include a station in Clayton. During Early Project Development, Wake County will be

significantly involved in the facilitation of a cost-sharing negotiation with Durham County (and if applicable Johnston County) for the non-federal share estimated for the larger commuter rail project.

Board of Commissioners Work Session and Next Steps: The results of the Greater Triangle Commuter Rail Study were shared with the Board of Commissioners at its February 10th work session. At the work session, the Board of Commissioners supported moving forward with the next steps of additional study for Commuter Rail. The Board indicated its support for approving a memorandum of understanding for the next phase of the project and acknowledging a cost share methodology for the next phase of work at its March 16, 2020 board meeting. However, as updated cost estimates are prepared as part of early project development activities, the Board stated that it wants to ensure that a specific, targeted conversation is had with the Board of Commissioners regarding balancing the implementation of commuter rail against the other big moves included in the Wake Transit Plan. The Board reiterated that ultimately, the voters hold them accountable for the success of the Wake Transit Plan. As updates are made to the transit plan, it will be important to brief and consult with the Board of Commissioners to ensure the continued success of Wake Transit implementation.

The MOU is responsive to the Board's feedback. During Early Project Development, Wake County, along with Durham County, the DCHC and CAMPO metropolitan organizations, and GoTriangle will jointly develop a cost-sharing agreement that authorizes GoTriangle to allocate and disburse the transit plan's respective shares after Early Project Development to plan, design, finance, construct, insure, operate, and maintain the Project. Also, prior to entry into federal project development, the Board of Commissioners will be asked to approve a resolution of support for moving forward with the Project Concept along with other affected local governments and major institutions. Finally, the County as a supporting party, will be engaging with local land use authorities, and affected major institutions and agency partners, to evaluate and consider strategies to bolster Land Use and Economic Development ratings and increase project benefits. This last activity is also consistent with the board initiative to GS5.2: Encourage best development practices and create affordable housing opportunities in areas identified for transit improvement. Through Growth and Sustainability committee meetings, board work sessions, and board meetings, the Board of Commissioners will continue to be updated and able to provide feedback to shape the commuter rail project and shape a decision whether to enter the federal pipeline for the project.

Attachments:

1. Presentation
2. Draft Memorandum of Understanding