



March 13, 2015

Ms. Bonnie Hammersley, County Manager  
 Orange County  
 Link Government Services Center  
 200 South Cameron Street  
 Hillsborough, North Carolina 27278

Mr. Roger Stancil, Town Manager  
 Town of Chapel Hill  
 Town Hall, 2<sup>nd</sup> Floor  
 405 Martin Luther King Jr. Boulevard  
 Chapel Hill, North Carolina 27514

Dear Bonnie and Roger:

This letter is our annual communication of the amount of money that will be available in the coming fiscal year for implementation of new bus services, bus purchases, and bus capital projects consistent with the Orange County Bus and Rail Investment Plan. As you are aware, for the upcoming fiscal year, we will receive revenue from the half-cent sales tax, the \$7 increase in registration taxes levied by the County, and the additional \$3 increase in the vehicle registration fee levied by Triangle Transit.

Based on the timing of these local funding sources and the revised revenue assumptions, we provide the following availability of funding for FY 16 – Bus Operations, Bus Purchases, and Bus Capital Projects. Please note that the portion available for increased cost of existing services is estimated at the plan’s forecasted level for FY16 receipts of the \$7 vehicle registration fee multiplied by the shares calculated per the interlocal implementation agreement. The agreement limits the use of these funds to the actual receipts of the prior year. Actual receipts are currently tracking favorable to budget. Since we do not yet have a full accounting of prior year receipts, we believe using the plan’s budgeted figure for the upcoming year is the closest we can come to the intent of the implementation agreement.

**Bus Operations**

Transit Provider	New Funds Available (FY16)	Unspent Carryover Funds	Total Funds Available (FY16)	Available for Increased Cost of Existing Services
Chapel Hill Transit	\$ 1,678,000	\$ 265,364	\$ 1,943,364	\$755,770 (94.45%)
OPT	\$ 315,000	\$ 244,185	\$ 559,185	\$ 44,410 (5.55%)
Triangle Transit	\$ 629,000	\$ --	\$ 629,000	\$ --

**Bus Purchases**

Transit Provider	New Funds Available (FY16)	Unspent Carryover Funds	Total Funds Available (FY16)	Assumed Federal and State Grant Amounts*
Chapel Hill Transit	\$ 921,700	\$ --	\$ 921,700	\$ 496,300
OPT	\$ --	\$ 82,800	\$ 82,800	\$ 44,600
Triangle Transit	\$ --	\$ 298,000	\$ 298,000	\$ 160,500

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**Bus Capital Projects**

<b>Transit Provider</b>	<b>New Funds Available (FY16)</b>	<b>Unspent Carryover Funds</b>	<b>Total Funds Available (FY16)</b>	<b>Assumed Federal and State Grant Amounts*</b>
<b>Combined</b>	\$ 832,500	\$538,000	\$ 1,370,500 (54%)	\$ 1,167,500 (46% of total)

**North – South Bus Corridor Project**

<b>Transit Provider</b>	<b>New Funds Available (FY16)</b>	<b>Unspent Carryover Funds</b>	<b>Total Funds Available (FY16)</b>	<b>Assumed Federal and State Grant Amounts*</b>
<b>Chapel Hill Transit</b>	\$ 980,250	\$ --	\$ 980,250 (25% of total)	\$ 2,940,750 (75% of total)

\*Assumptions of federal and state grant funds are based on Staff Working Group consensus, and each jurisdiction is responsible for applying for those funds directly. If grant funds do not become available, each jurisdiction is responsible for managing the expenses of their program of projects to the local funds available.

We have attached a five-year revenue forecast based on the draft revisions to financial assumptions that the Staff Working Group has developed. Any request for funds to proceed with bus purchases or bus capital project spending that exceeds the total local funds available will be considered only if based on a specific detailed request to advance local revenues from future years. The Staff Working Group will then need to consider the implications on other projects in the Plan and must agree to the request before Triangle Transit can advance the funds.

We will provide you with a detailed program for planned spending of Triangle Transit’s revenues on new Triangle Transit services and capital projects by March 31. I ask that you supply us with your programming of the bus operating and capital funds identified above by that same date, March 31. We ask that you use the attached template for providing the information about your plans. Should you choose to use some portion of these new funds to cover the “increased cost of existing service,” we will need an explanation of those increased costs.

Our staff will then take no more than two weeks to review your plans to confirm their consistency with State law, the Orange County Bus and Rail Investment Plan and the Interlocal Implementation Agreement, before notifying you to proceed.

My staff and I and our Board have been pleased to work with you to give the citizens of Orange County the improved transit services they have voted to support. Please let me know if you have any questions or need more information. We look forward to receiving your program of spending for the upcoming fiscal year.

Sincerely,



David D. King  
Attachments (2)

CC: Mr. William V. Bell  
Mr. Mark Ahrendsen

## Updated 5-Year Bus Revenue Forecast for Bus Services and Capital Projects in Orange County Transit Plan

### Bus Operations - Updated 5-Year Forecast (All Dollars shown in \$1000's)

Orange		FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>TTA OBRIP New Hours (FY14 \$108/hr)</b>		4,603	6,961	7,926	8,224	8,306	8,306	37,121
Total Cost		\$ 513	\$ 799	\$ 967	\$ 1,004	\$ 1,045	\$ 1,077	\$ 4,446
Federal Share		\$ -	\$ 10	\$ 19	\$ 31	\$ 44	\$ 45	\$ 104
State Share	7.5%	\$ 9	\$ 38	\$ 60	\$ 73	\$ 75	\$ 78	\$ 255
Local Share		\$ 422	\$ 629	\$ 744	\$ 754	\$ 776	\$ 800	\$ 3,444
Farebox	15.0%	\$ 82	\$ 122	\$ 144	\$ 146	\$ 150	\$ 155	\$ 644
<b>CHT OBRIP New Hours (FY14 \$103/hr)</b>		10,929	16,355	19,219	19,457	19,625	19,625	90,160
Total Cost		\$ 1,161	\$ 1,791	\$ 2,169	\$ 2,264	\$ 2,355	\$ 2,428	\$ 10,211
Federal Share		\$ -	\$ 25	\$ 51	\$ 83	\$ 116	\$ 120	\$ 275
State Share	7.5%	\$ 35	\$ 87	\$ 134	\$ 163	\$ 170	\$ 175	\$ 589
Local Share		\$ 1,125	\$ 1,678	\$ 1,984	\$ 2,019	\$ 2,069	\$ 2,133	\$ 9,347
Farebox	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPT OBRIP New Hours (FY14 \$44/hr)</b>		4,759	6,883	7,424	7,620	7,670	7,670	36,364
Total Cost		\$ 211	\$ 315	\$ 372	\$ 382	\$ 388	\$ 400	\$ 1,756
Federal Share		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Share		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Share	100.0%	\$ 211	\$ 315	\$ 372	\$ 382	\$ 388	\$ 400	\$ 1,756
Farebox	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Hours - Orange County</b>		20,292	30,199	34,568	35,301	35,601	35,601	163,645
Total Cost		\$ 1,884	\$ 2,904	\$ 3,509	\$ 3,650	\$ 3,788	\$ 3,905	\$ 16,471
Federal Share	2.3%	\$ -	\$ 35	\$ 70	\$ 114	\$ 160	\$ 165	\$ 379
State Share	5.1%	\$ 44	\$ 125	\$ 194	\$ 235	\$ 245	\$ 253	\$ 844
Local Share	81.8%	\$ 1,758	\$ 2,622	\$ 3,101	\$ 3,154	\$ 3,233	\$ 3,333	\$ 13,466
Farebox	3.9%	\$ 82	\$ 122	\$ 144	\$ 146	\$ 150	\$ 155	\$ 644

### Bus Capital - Bus Acquisitions - Updated Assumptions (All Dollars shown in \$1000's)

Orange		FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>TTA Bus Acquisitions (2 buses)</b>		458.45	0.00	487.31	0.00	0.00	0.00	945.76
Federal Share	30.0%	137.54	0.00	146.19	0.00	0.00	0.00	283.73
State Share	5.0%	22.92	0.00	24.37	0.00	0.00	0.00	47.29
Local Share	65.0%	297.99	0.00	316.75	0.00	0.00	0.00	614.75
<b>CHT Bus Acquisitions (8 buses)</b>		0.00	1,417.99	1,461.94	1,004.84	0.00	0.00	3,884.77
Federal Share	30.0%	0.00	425.40	438.58	301.45	0.00	0.00	1,165.43
State Share	5.0%	0.00	70.90	73.10	50.24	0.00	0.00	194.24
Local Share	65.0%	0.00	921.69	950.26	653.15	0.00	0.00	2,525.10
<b>OPT Bus Acquisitions (2 buses)</b>		150.41	0.00	0.00	164.84	0.00	0.00	315.25
Federal Share	30.0%	45.12	0.00	0.00	49.45	0.00	0.00	94.58
State Share	5.0%	7.52	0.00	0.00	8.24	0.00	0.00	15.76
Local Share	65.0%	97.77	0.00	0.00	107.15	0.00	0.00	204.91
<b>Totals - Orange County</b>		608.86	1,417.99	1,949.26	1,169.68	0.00	0.00	5,145.79
Total Federal Share	30.0%	182.66	425.40	584.78	350.90	0.00	0.00	1,543.74
Total State Share	5.0%	30.44	70.90	97.46	58.48	0.00	0.00	257.29
Total Local Share	65.0%	395.76	921.69	1,267.02	760.29	0.00	0.00	3,344.76

### Bus Capital - Facilities - Updated Assumptions

Orange		FY15	FY16	FY17	FY18	FY19	FY20	Total
Total Cost		950.05	1,541.75	2,467.95	2,222.24	61.00	63.00	7,330.99
Federal Share Bus Facility	38.0%	361.02	585.86	937.82	844.45	0.00	0.00	2,729.16
State Share Bus Facility	8.0%	76.00	123.34	197.44	177.78	4.88	5.04	584.48
Local Share Bus Facility	54.0%	513.03	832.54	1,332.69	1,200.01	56.12	57.96	4,017.35

### North - South Corridor Project - Updated Assumption: (All Dollars shown in \$1000's)

Orange		FY15	FY16	FY17	FY18	FY19	FY20	Total
Total Cost			3,921.00	3,980.00	4,060.00	4,141.00	4,224.00	20,326.00
Federal Share Bus Facility	50.0%		1,960.50	1,990.00	2,030.00	2,070.50	2,112.00	10,163.00
State Share Bus Facility	25.0%		980.25	995.00	1,015.00	1,035.25	1,056.00	5,081.50
Local Share Bus Facility	25.0%		980.25	995.00	1,015.00	1,035.25	1,056.00	5,081.50

## Chapel Hill

### Orange County Bus and Rail Investment Plan Proposed Expenditures for FY16

FY16 Available Bus Operating Revenue from TTA (Funded with new transit tax revenues (1/2 cent sales tax, vehicle registration tax and vehicle rental tax collected in Orange County)  
 Maximum Amount Eligible for Increased Cost of Existing Service (ICES)  
 FY13 Cost Per Hour  
 Budgeted FY16 Cost Per Hour  
 Annualized Revenue Hours of Service Provided in November 2012  
 Increased Cost of Existing Service (ICES)

\$1,943,364  
 \$755,770  
 \$103  
 180,792  
 \$ (18,621,576)

Amount is provided by Triangle Transit per terms of Implementation Agreement funded with vehicle registration fee or vehicle rental tax revenues per implementation agreement

Proposed FY16 Expenditures on Service Expansion (Funded with new transit tax revenues (1/2 cent sales tax, vehicle registration tax and vehicle rental tax collected in Durham County)  
 Proposed FY16 Expenditures on Increased Cost of Existing Service (ICES)  
 Proposed FY16 Expenditure on Existing Service above ICES  
 Total Proposed FY16 Expenditures

\$ -  
 \$ 533,500  
 \$ -  
 \$ 533,500

Funded with vehicle registration fee or vehicle rental tax revenues per implementation agreement

Estimated Farebox Recovery Ratio  
 Estimated Farebox Revenue  
 Estimate of Other Revenues (e.g., SMAP, Sec. 5307, CMAQ)  
 Total Projected Revenues

0%  
 \$ -  
 0  
 \$ 1,943,364

Descriptions of Service Expansion	Time Period	Start Date	FY16 Hours	FY16 Projected Expenses	Annualized Hours	Annualized Expenses	In County Plan?	Notes
A, D, J and N5 - peak hour and mid-day service expansion	M-F	8/18/2014		\$ -	3975	\$ -	Yes	
FG & D - extension of Saturday hours	Saturday	8/23/2014		\$ -	136	\$ -	Yes	
Continuation of CM, CW, D, F, & J - extension of weekday evening hours	M-F	8/12/2013		\$ -	1083	\$ -	Yes	
Continuation of CM, CW & JN - extension of Saturday hours	Saturday	8/12/2013		\$ -	607	\$ -	Yes	
<b>Total</b>				0 \$	5801	\$ -		

Annualized hours must be equal to or greater than the estimated Hours for FY14