

March 15, 2013

Mr. Frank Clifton, 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, 2nd Floor
405 Martin Luther King Jr. Boulevard
Chapel Hill, North Carolina 27514

Dear Frank and Roger:

As you know, we are in the fortunate position of being able to begin the implementation of the Orange County Bus and Rail Investment Plan (OCBRIP) which was approved by Orange County voters last November. Each of our organizations has responsibilities under the Plan for projects and services. The purpose of this letter is to give us all a budgetary starting point, so that the first of those bus services identified in the plan can begin to be implemented during FY14. As you are probably aware, the half-cent sales tax will go into effect on April 1, and the \$7 increase in registration taxes will be effective on October 1, 2013. Based on the timing of these local funding sources, we provide the following estimates of funding availability for FY 14:

	Total New Funds Available for Bus Ops	Portion available for increased cost of existing services
Chapel Hill Transit	\$472,100	\$472,100
Orange Public Transit	\$ 88,350	\$ 47,280
Triangle Transit	\$176,700	NA

Triangle Transit, consistent with the OCBRIP, will use its first installment of operating funds for the following purposes in FY14: to increase frequencies on our route connecting UNC and Chapel Hill with a park-and-ride lot in southern Durham, which is already experiencing overcrowding and will certainly experience more patronage with the imposition of parking charges at several of UNC's and Chapel Hill's park-and-ride lots; to initiate the Mebane-Hillsborough-Durham route (or a temporarily shorter Hillsborough-Durham route); and to begin work on establishing park-and-ride lots in Mebane and Hillsborough. You will also recall that the OCBRIP earmarks funds for the local share of the following projects: (1) Durham-Orange Light Rail; (2) NC 86/MLK busway improvements; and (3) Hillsborough's train station. Note that \$5.5 million is allocated for the MLK busway improvements over the life of the plan. In addition, our financial model requires that cash reserves be escrowed as a hedge against uncertainty.

Given the late date and the need for each of us to advance and pass our FY14 budgets, I ask that you supply us with your plans for use of the bus operating funds identified above by Friday, April 5th. Attached you will find a table describing the proposed new Triangle Transit services. We ask that you use this as a 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 OCBRIP and the Implementation Agreement, before notifying you to proceed.

If these dates prove to be a problem, please let me know. I envision next year's process beginning in the late fall, giving us all more time to learn from this year's experience, as well as to receive more feedback from the public. Please see the attached document for a draft timeline of activities for implementation of the OCBRIP.

My staff and I and our Board are all looking forward to working with you to give the citizens of Orange County the improved transit services they agreed to support last Fall. Please let me know if you have any questions or need more information. We look forward to receiving your plans for FY14 by April 5th.

Sincerely,



David D. King
Attachments (2)

CC: Mr. Fred Day
Mr. Mark Ahrendsen