

February 14, 2014

Mr. Lee Worsley, Interim County Manager
 Durham County
 200 East Main Street, 2nd Floor
 Durham, North Carolina 27701

Mr. Tom Bonfield, City Manager
 City of Durham
 101 City Hall Plaza
 Durham, North Carolina 27701

Dear Lee and Tom:

The purpose of this letter is to communicate 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 Durham County Bus and Rail Investment Plan (DCBRIP). For the upcoming fiscal year, we will receive a full-year of revenue from the half-cent sales tax and the \$7 increase in registration taxes. We also expect that an additional \$3 increase in the vehicle registration fee will be levied effective October 1, 2014. Our staff has been working alongside your staff and MPO staffers to consider revised assumptions about available federal and state grants for these services and capital projects. They have also considered revised forecasts for sales tax revenues. While that work has not been approved by our governing Boards, the Staff Working Group has recommended using the new assumptions for the FY15 budget year.

Based on the evaluation mentioned above, we provide the following availability in three categories of funding for FY 15: Bus Operations, Bus Purchases, and Bus Capital Projects. Please note that the portion available for increased cost of existing services is estimated at one-half the budgeted level for FY14 receipts of the \$7 vehicle registration fee. The interlocal implementation agreement limits the use of these funds to one-half the actual receipts of the prior year. Actual receipts are currently tracking close to budget. For practicality, we believe using the budgeted figure is the closest we can come to the intent of the implementation agreement.

Bus Operations

Transit Provider	Total New Funds Available for FY15	Portion Available for Increased Cost of Existing Services
DATA	\$ 1,776,500	\$ 569,900
Durham County	\$ 88,100	--
Triangle Transit	\$ 692,100	--

Bus Purchases

Transit Provider	Total New Funds Available for FY15	Expected Federal and State Grant Amounts
DATA	\$ 2,979,900 (65% of total)	\$ 1,604,600 (35% of total)
Triangle Transit	--	--

Bus Capital Projects

Transit Provider	Total New Funds Available for FY15	Expected Federal and State Grant Amounts
Combined	\$ 1,490,550 (54% of total)	\$ 1,269,720 (46% of total)

We have also 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 with federal and state participation which differs from the assumptions used above will be considered based on a detailed request to advance local revenues. The Staff Working Group will then evaluate the implications of any such request 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 on new Triangle Transit services and capital projects by March 10. I ask that you supply us with your programming of the bus operating and capital funds identified above by that same date, March 10. We ask that you use the attached templates 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 DCBRIP and the Implementation Agreement, before notifying you to proceed. We are able to transmit this information to you earlier this year than last, but the work of the Staff Working Group on revised financial assumptions delayed us from our target of transmitting this information in December. I envision next year's process beginning in the late fall, giving us all more time to learn from this year's experience. Please see the attached document for a draft timeline of activities for implementation of the DCBRIP.

The Board and staff of Triangle Transit have been pleased to work with you to give the citizens of Durham 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 plans for FY15.

Sincerely,


David D. King
Attachments (2)

cc: Mr. Fred Day
Mr. Mark Ahrendsen