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May 9, 2013

Mr. Mike Ruffin, 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 Mike and Tom:

As you know, we are in the fortunate position of being able to begin the implementation of the Durham County Bus and Rail Investment Plan (DCBRIP) which was approved by Durham County voters. 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 aware, the half-cent sales tax went 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
DATA	\$471,200	\$471,200
Durham County	\$ 33,700	-
Triangle Transit	\$160,300	-

Triangle Transit, consistent with the DCBRIP, will use its first installment of operating funds for the following purpose 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. We also expect to conclude a planning effort to determine the service design for a route connecting northern Orange County with Duke Medical Center and downtown Durham. The outcome of this effort may result in the initiation of a new service in FY14. You will also recall that the DCBRIP earmarks funds for the local share of the following projects: (1) Durham-Orange Light Rail and (2) bus stop and access improvements. 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 as soon as practicable. 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 DCBRIP and the Implementation Agreement, before notifying you to proceed.

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 DCBRIP.

My staff and I and our Board are all looking forward to working 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 FY14.

Sincerely,

A handwritten signature in black ink, appearing to read "David D. King". The signature is stylized and cursive.

David D. King
Attachments (2)

CC: Mr. Fred Day
Mr. Mark Ahrendsen