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May 26, 2016

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Re: Necessary steps to add Wake County to the Triangle Tax District (the renamed and expanded Western Triangle Tax District)

Western Triangle Tax District Partners:

I am writing to provide you with an update on the Wake County Transit Plan and to request two actions from your organization to facilitate the expected addition of Wake County to the Triangle Tax District (“Special District”), the renamed and expanded district currently known as the Western Triangle Tax District. Wake County’s participation in the Special District, if the funding is approved by Wake County voters through an advisory referendum, will allow our region to continue to work cooperatively to expand and improve transit options for our strongly linked communities. The actions requested are:

1) Approval of the Wake County Transit Plan, specifically the financial plan as required by the Local Government Sales Tax Act (“the Act”) N.C.G.S. 105-508, *et seq.* The Act requires that in the event of expansion of the Special District, existing members must approve the financial plan of any new member; and

2) Approval & Execution of an *Agreement Setting Forth the Mutual Understanding of the Parties as to the Scope and Content of the Financial Plan Between Research Triangle Regional Public Transportation Authority (“GoTriangle”); Durham County; Orange County; Wake County; Capital Area Metropolitan Planning Organization; Durham, Chapel-Hill, Carrboro Metropolitan Planning Organization; and Burlington-Graham Metropolitan Planning Organization (“Agreement”)*. The purpose of this Agreement is to set forth the formal approval of the Financial Plan for the Special District as required by the Act and a mutual understanding among the parties as to the financial terms and conditions governing the collection and expenditure of revenues for transit systems within the (expanded) Special District.

In order for Wake County and its partners to remain on schedule for the anticipated November 8, 2016 advisory referendum, Wake County is requesting final approval of both the Wake Transit Plan (incorporating the Wake County Financial Plan) and the proposed Agreement enclosed herein on or before August 12, 2016 by authorizing resolution from your Board of Commissioners or Executive Board.

Wake Transit Plan Update

Wake County developed its Recommended Transit Plan (“Wake Transit Plan” or “Plan”), independently modeled and planned, based on projected Wake County revenues and expenditures. The Plan was unveiled to the public on December 8, 2015. The first 10 years of investment in the Wake Transit Plan calls for:

- Better bus service as defined as a 4x increase in overall bus service from what is operating today;
- New or improved bus connections among and to all 12 Wake County municipalities;
- A focus on bus frequency offering service in urban areas with 83 miles of network and 20 miles of BRT infrastructure in key corridors;
- Stronger regional connections with a new commuter rail system from Garner to Durham; and
- Matching funds to help all cities and towns improve service within their municipality if they choose to make their own investment.

The Wake Transit Plan was approved by the Capital Area Metropolitan Planning Organization (CAMPO) on May 18, 2016 and by GoTriangle on May 25, 2016. On May 25, 2016, GoTriangle also expanded the Western Triangle Tax District to include Wake County. Pending approval by the Wake County Board of Commissioners and further conditions set forth by the Act, Wake County anticipates holding an advisory referendum on the levy of the additional one-half percent (½%) sales and use tax for public transportation on November 8, 2016.

Why is Wake County asking the Special District Partners to approve the Wake Transit Plan?

As a pre-requisite to implementation of the Wake Transit Plan, Wake County must be included in a special district created in accordance with N.C.G.S. 105-509. To join or expand an existing district, certain action must be taken by other interested parties, including member counties and metropolitan planning organizations with jurisdiction within the special district. As the first step in this process, the Wake County Board of Commissioners voted unanimously on May 2, 2016 to request GoTriangle to expand the Western Triangle Tax District to include Wake County and rename said district the “Triangle Tax District”. As explained further below, Wake County’s addition to the Special District will require approval of the Wake County Financial Plan¹ by your executive boards in accordance with N.C.G.S. 105-508.1.

Why is Wake County requesting an agreement between the Special District Partners?

The Act requires that prior to the levy of the tax in the Special District, that the board of commissioners of each county in a multicounty district and all Metropolitan Planning Organizations with jurisdiction within the special district adopt a financial plan providing for the equitable use of the net proceeds within or to benefit the special district. (See N.C.G.S. 105-508.1). While a written agreement is not required by the Act, it is required by the Governance Interlocal Agreement. The purpose of the Agreement is to develop a mutual understanding among the parties as to the financial terms and conditions governing the collection and expenditure of revenues for transit systems within the Special District in compliance with this section. A written agreement has been required by Wake County because the transit plans and preferences of the member counties within the Special District are different and contain different assumptions. The Agreement (enclosed) is currently in draft form. Wake County is open to comments and suggested changes, but please note that Wake County has conditioned its addition to the multicounty Special District on approval of such an Agreement. The Agreement is the best way to address the differences in the transit investment plans between the member counties within the Special District and to ensure that each county is capable of following through with its commitment to voters.

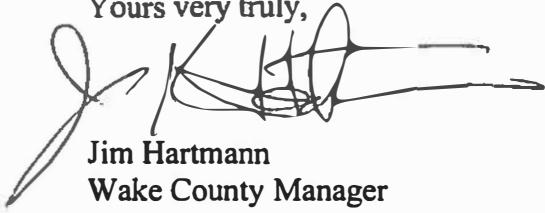
The Agreement also ensures the addition of Wake County to the Special District will not alter or disrupt the implementation or governance of the Durham-Orange Transit Plan. The Agreement acknowledges that the transit plans within the Special District are parallel and separate. To that end, the Agreement provides that 100% of all transit revenues collected on behalf of Durham and Orange counties will remain solely dedicated and segregated for the benefit of the Durham-Orange Transit Plan. Likewise, all transit revenues collected on behalf of Wake County will be segregated and solely dedicated to fund the Wake Transit Plan. 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.

¹ The Wake County Financial Plan is included and incorporated by reference in the Wake Transit Plan as set forth on pages 32-36 of the Wake County Transit Plan.

Closing

We greatly appreciate your input into the Agreement and look forward to working with you and other regional partners to improve public transportation in our region. As always, please feel free to call me to discuss Wake Transit at any time.

Yours very truly,



Jim Hartmann
Wake County Manager

Enclosures

cc: Jeff Mann, Go Triangle
Chris Lukasina, CAMPO