

STATE OF NORTH CAROLINA

COUNTY OF WAKE

**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;

DURHAM COUNTY; ORANGE COUNTY; WAKE COUNTY;

CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION;

DURHAM, CHAPEL-HILL, CARRBORO METROPOLITAN PLANNING

ORGANIZATION;

AND

BURLINGTON-GRAHAM METROPOLITAN PLANNING ORGANIZATION

This Agreement (the "Agreement"), entered into upon the last execution date set forth below, by and between **RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY**, d/b/a GoTriangle, a public body politic and corporate of the State of North Carolina (hereinafter "GoTriangle"), **DURHAM COUNTY, NORTH CAROLINA**, a public body politic and corporate of the State of North Carolina (hereinafter "Durham County") **ORANGE COUNTY, NORTH CAROLINA**, a public body politic and corporate of the State of North Carolina (hereinafter "Orange County"), **WAKE COUNTY, NORTH CAROLINA**, a public body politic and corporate of the State of North Carolina (hereinafter "Wake County"), **CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION**, a metropolitan planning organization with jurisdiction in Wake County (hereinafter "CAMPO"), **DURHAM, CHAPEL-HILL, CARRBORO METROPOLITAN PLANNING ORGANIZATION**, a metropolitan planning organization with jurisdiction in Durham and Orange County (hereinafter "DCHC-MPO") and **BURLINGTON-GRAHAM METROPOLITAN PLANNING ORGANIZATION**, a metropolitan planning organization with partial jurisdiction in Orange County (hereinafter "BG-MPO"); individually referred to as "Party" and collectively referred to herein as "the Parties";

WITNESSETH:

WHEREAS, GoTriangle is a regional public transportation authority created in accordance with the provisions of N.C.G.S. 160A-603 *et seq.* by concurrent resolution of Orange, Durham, and Wake counties and duly incorporated as a body corporate and politic and vested with the general powers set forth in N.C.G.S. Chapter 160A Article 26; and

WHEREAS, Durham County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S. 153A-11; and

WHEREAS, Orange County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S. 153A-11; and

WHEREAS, Wake County is a body politic and corporate vested with the corporate powers set forth in N.C.G.S. 153A-11; and

WHEREAS, CAMPO is the metropolitan planning organization for the N.C. Capital Area Metropolitan Planning Area established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the law of North Carolina pursuant to N.C.G.S. 136-200.1 with jurisdiction in Wake County; and

WHEREAS, DCHC-MPO is the metropolitan planning organization for the N.C. Capital Area Metropolitan Planning Area established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the law of North Carolina pursuant to N.C.G.S. 136-200.1 with jurisdiction in Durham County and Orange County; and

WHEREAS, BG-MPO is the metropolitan planning organization for the N.C. Capital Area Metropolitan Planning Area established pursuant to 23 U.S.C. 134 *et seq.* and recognized under the law of North Carolina pursuant to N.C.G.S. 136-200.1 with partial jurisdiction in Orange County; and

WHEREAS, Durham County, Orange County, and Wake County are organizing members of the Research Triangle Regional Public Transportation Authority d/b/a/ Triangle Transit, also known as GoTriangle (“GoTriangle”), a regional public transportation authority created pursuant to Article 26 of Chapter 160A of the North Carolina General Statutes; and

WHEREAS, GoTriangle, in accordance with its general powers set forth in N.C.G.S. Chapter 160A Article 26 and N.C.G.S. Chapter 105 Article 43 created a special tax district on behalf of Durham County and Orange County for the purpose of authorizing a referendum for the levy of a ½ percent sales and use tax for public transportation systems; the district initially comprised the entire jurisdiction of Durham County, but was expanded on or about June 27, 2012 to include Orange County, hereinafter referred to as the “Western Triangle Tax District;” and

WHEREAS, GoTriangle, as administrator of the Western Triangle Tax District pursuant to N.C.G.S. 105-509.1 collects annual sales and use tax revenue derived from the successful Durham County and Orange County referendums to carry out the transit plan for Durham and Orange counties (“Durham-Orange Transit Plan”); and

WHEREAS, GoTriangle in 2014 also created a separate special tax district on behalf of Durham and Orange counties named the “Durham-Orange Special Tax District” for the levy of a three dollar (\$3.00) increase in the Annual Motor Vehicle License Tax pursuant to N.C.G.S. 105-561 and has been collecting these additional taxes on behalf of Durham and Orange counties; and

WHEREAS, GoTriangle, in addition to the ½ percent sales and use tax collected in the Western Triangle Tax District and the \$3.00 increase in motor vehicle license tax collected in the Durham-Orange Special Tax District, currently collects vehicle rental taxes on behalf of Wake, Durham and Orange counties pursuant to N.C.G.S. 105-550 *et seq.* and a five dollar (\$5.00) motor vehicle license tax on behalf of Wake, Durham, and Orange counties pursuant to N.C.G.S. 105-560 *et seq.*; and

WHEREAS, Wake County as of the date of this Agreement, has not held an advisory referendum in accordance with N.C.G.S. 105-509 on the question of whether to levy a local one half percent (½%) sales and use tax in Wake County, but has expressed a desire for doing so in order to implement Wake County Transit Plan unveiled on or about December 8, 2015; and

WHEREAS, Wake County has not yet authorized the levy of an additional three dollar (\$3.00) increase in motor vehicle license tax collected pursuant to N.C.G.S. 105-561, but may contemplate doing so in the future to further fund the Wake County Transit Plan; and

WHEREAS, acting on a Resolution of the Wake County Board of Commissioners dated May 2, 2016, and subject to the conditions and stipulations set forth therein, which includes execution of this Agreement by the Parties named herein, GoTriangle pursuant to N.C.G.S. 105-508, expanded the Western Triangle Tax District on or about May 25, 2016 to include Wake County and filed a Resolution and organizational documents required for the same with the

North Carolina Secretary of State on or about May 26, 2016, wherein the Western Triangle Tax District was renamed the “TRIANGLE TAX DISTRICT”; and

WHEREAS, the Triangle Tax District remains a multi-county tax district, which now comprises the entire geographical boundaries of Durham, Orange, and Wake counties; and

WHEREAS, Durham and Orange counties, in their capacity as members of the multi-county Triangle Tax District, and DCHC-MPO, BG-MPO and CAMPO, the Metropolitan Planning Organizations whose jurisdiction encompasses the Triangle Tax District, are statutorily charged pursuant to N.C.G.S. 105-508.1 to approve a financial plan that provides for the equitable use of the net proceeds within or to the benefit of the special tax district prior to the levy of any tax within the district; and

WHEREAS, Durham and Orange counties, DCHC-MPO and BG-MPO adopted a financial plan (“Western Triangle Financial Plan”) in 2012 for the Western Triangle Tax District and levied a tax for the same in accordance with N.C.G.S. 105-509 *et seq.* for public transportation systems in Durham County and Orange County as further detailed in the Durham-Orange Transit Plan;

WHEREAS, it is the intent of the Parties for the Durham-Orange Transit Plan and Western Triangle Financial Plan already approved and in implementation to continue carrying out the transit vision planned for these counties;

WHEREAS, as a precondition to the levy of any tax in Wake County pursuant to N.C.G.S. 105-508.1 *et seq.*, Durham and Orange counties, DCHC-MPO, BG-MPO, and CAMPO must approve the financial plan for the implementation of the Wake County Transit Plan within the multi-county Triangle Tax District; and

WHEREAS, Wake County has likewise conditioned its membership in the multi-county Triangle Tax District on the Parties to this Agreement approving its financial plan (“Wake County Financial Plan”) pursuant to N.C.G.S. 105-508.1; and

WHEREAS, the Parties agree that the mutual assurances provided herein are given as consideration for Wake County’s agreement to join the multi-county Triangle Tax District for the purpose of holding an advisory referendum on the levy of a ½ percent sales tax for transit; and

WHEREAS, prior to calling for an advisory referendum before the voters of Wake County for the purpose of authorizing the levy of a one-half percent (½ %) sales tax for transit, the Parties desire to define and approve pursuant to this Agreement “the Financial Plan” that will govern the use of all revenue, including any Wake County Tax Revenue or Wake Transit Revenue, and further designate the parameters, respective roles, and limitations of the Parties with respect to the addition, governance and implementation of the Wake County Transit Plan; and

WHEREAS, the Parties are authorized to enter into this Agreement in order to pursue the above stated goals.

NOW THEREFORE, for and in consideration of the promises and covenants contained in this Agreement and the mutual benefits derived therefrom, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE I
PURPOSE**

1.01 **Purpose.** The purpose of this Agreement is to establish by written agreement the approval of the Financial Plan required pursuant to N.C.G.S. 105-508.1, define the expectations and duties of the Parties now that Wake County has joined the multi-county Triangle Tax District and to further document the financial terms and conditions for the implementation of transit investment, including the Wake County Transit Plan, the equitable use of net proceeds collected by GoTriangle within any special district to which all Parties of the agreement are a member, including the Wake County Transit Plan.

This Agreement shall be evidence of the intent between the Parties with respect to the financial terms and conditions governing the use of transit revenues, including Wake County Tax Revenues and Wake Transit Plan Revenues and the equitable use of proceeds within and for the benefit of the Tax District. The execution of this Agreement shall be conclusive evidence that the Parties have reviewed and approved the Financial Plan as contemplated by N.C.G.S. 105-508.1.

**ARTICLE II
DEFINITIONS**

2.01 “DURHAM- ORANGE TRANSIT PLAN” shall mean the plan adopted by Durham County, Orange County, and GoTriangle, currently administered by GoTriangle for the regional transit systems in Durham County and Orange County.

2.02 “EQUITABLE USE OF NET PROCEEDS WITHIN OR TO BENEFIT THE SPECIAL DISTRICT ” as that term is used in N.C.G.S. 105-508.1, so long as Wake County is a member of the multi-county Triangle Tax District shall mean:

A 100% dedication of all Wake County Tax Revenue and Wake Transit Plan Revenues derived from transit funding sources within the jurisdiction of Wake County or on behalf of Wake County for the exclusive use and benefit of the Wake County Transit Plan. A 100% dedication of all Non-Wake County Tax Revenue derived from transit funding sources in counties other than Wake for the exclusive use and benefit of any other county transit plan within the Special District, to the exclusion of Wake County.

This definition contemplates that a complete segregation of all Wake County Tax Revenue and Wake Transit Plan Revenues for the purpose stated herein is required to carry out the Financial Plan of the Tax District pursuant to N.C.G.S. 105-508.1 and that this definition considers the (i) identified needs of local public transportation systems in the district, (ii) human service transportation systems within the district, (iii) expansion of public transportation systems to underserved areas of the district. The Equitable Use of Net Proceeds shall not contemplate or include pledging, committing, agreeing to apply, or otherwise using any portion of Wake County Tax Revenue or Wake Transit Plan Revenues for any purpose now, or in the future, other than in accordance with the Wake County Transit Work Plan. Likewise, this definition contemplates that Non-Wake County Tax Revenue shall not be pledged, committed, applied, or otherwise used by Wake County unless approved by the other counties within the district. "Net proceeds" as used herein shall mean gross proceeds less the cost of collection being allocated to GoTriangle as administrator of the Special District on behalf of any member county.

2.03 "FINANCIAL PLAN" as that term is used in N.C.G.S. 105-508.1(2) shall mean:

- (1) As related to the Wake County Transit Plan:
 - (a) *If now or in the future the Special District consists only of Wake County*, the Financial Plan requiring approval shall mean the Plan Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan as supported by the details of the Transit Plan, and modeled in the Financial Model.
 - (b) *If now or in the future the Special District consists of Wake County and one or more other counties*, the Financial Plan requiring approval shall mean the Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan as supported by the details of the Transit Plan and modeled in the Financial Model. The Financial Plan shall only include funds that would be budgeted and reported in the Wake Transit major operating and capital funds; provided that financial plans for other counties in the District, if any, have previously been approved by those counties. The Parties agree the financial plan for the Special District will segregate the Wake County Transit Plan, Wake Tax Revenues, and Wake Transit Plan Revenues from any and all plans in support of projects not included in the Wake County Transit Plan.

- (2) As related to the Durham-Orange Transit Plan:
The "Western Triangle Financial Plan," as defined herein and approved by Durham County, Orange County, GoTriangle, DCHC-MPO, BG-MPO on or about _____.

Comment [WC1]: Durham-Orange can use a different title. Also, need to verify there is just ONE comprehensive financial plan for the Western Triangle Tax District.

2.04 "NON-WAKE COUNTY TAX REVENUES" shall mean all revenues collected on behalf of member counties other than Wake County within the Tax District or Special District that are derived from transit funding sources associated with counties other than Wake County.

2.05 "SPECIAL DISTRICT" or "TAX DISTRICT" shall mean any tax district administered

by GoTriangle pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.* or N.C.G.S. 105-561 *et seq.* to which Wake County is a member, now or in the future.

2.06 “TRANSIT PLANS” shall mean the joint reference to the Wake County Transit Plan and the Durham-Orange Transit Plan as used herein.

2.07 “TRANSIT PLANNING ADVISORY COMMITTEE” or TPAC” shall mean an advisory committee as that term is defined in N.C.G.S. 160A-462, created and tasked with certain duties and responsibilities as detailed within the Transit Governance Interlocal Agreement for the implementation of the Wake County Transit Plan.

2.08 “TRANSIT GOVERNANCE INTERLOCAL AGREEMENT” shall mean the Interlocal Agreement entered into between GoTriangle, as administrator of the Triangle Tax District; Wake County, a body politic and corporate; and CAMPO, the Metropolitan Planning Organization in Wake County for the implementation and governance of the Wake County Transit Plan; and

2.09 “TRIANGLE TAX DISTRICT” shall mean the tax district, also referred to as the Special District created by GoTriangle on or about May 25, 2016 pursuant to authorizing resolutions and N.C.G.S. 105-508 *et seq.*

2.10 “WAKE COUNTY FINANCIAL PLAN” shall mean the financial plan attached hereto as Exhibit B, required pursuant to N.C.G.S. 105-508.1 for the implementation of the Wake County Transit Plan. The initial Financial Plan is the Plan Implementation and Finance section set forth in pages 32-36 of the Wake County Transit Plan. The Wake County Financial Plan shall only include funds that would be budgeted and reported in the Wake Transit Plan major operating and capital funds, excluding plans from any other counties or associated with any other plans in the Tax District. The Wake County Financial Plan shall also segregate all Wake Tax Revenues and Wake Transit Plan Revenues from any and all Non-Wake County Revenues or Transit Plans associated with projects or expenditures that are not included in the Wake County Transit Plan.

2.11 “WAKE COUNTY TAX REVENUE” shall be defined as all revenues derived from transit funding sources in support of the Wake Transit Plan, which shall include the ½ percent local option sales and use tax as defined by N.C.G.S. 105-508; the County vehicle registration fee assessed by the Wake County Board of Commissioners in accordance with N.C.G.S. 105-570 *et seq.*; the increased portion of the regional vehicle registration fee assessed by GoTriangle in accordance with N.C.G.S. 105-561 *et seq.* allocated to Wake County; and the portion of vehicle rental tax collected by GoTriangle pursuant to N.C.G.S. 105-550 *et seq.* and allocated to Wake County by the GoTriangle Board of Trustees.

2.12 “WAKE COUNTY TRANSIT PLAN” shall mean the document attached hereto as Exhibit A entitled “Recommended Wake County Transit Plan” dated December 2015, being that same document approved by the Wake County Board of Commissioners pursuant to a Resolution on June 6, 2016;

2.13 “WAKE TRANSIT PLAN REVENUE” shall mean Wake County Tax Revenue, any

federal or state funds, debt proceeds, fares, local contributions, and other sources of revenue used to fund the Wake County Transit Plan.

2.14 “WAKE COUNTY TRANSIT WORK PLAN” or “WAKE TRANSIT WORK PLAN” shall mean the comprehensive plan for transit capital and operations in Wake County presented by the TPAC which shall include all of the separate components of:

- a. Annual Operating Budget Ordinance. This shall be supplied for the Wake Transit major operating fund which will appropriate funds for the operation and administration of transit projects as well as for any other agencies involved in producing products for TPAC review;
- b. Annual Tax District administration budget for the Wake Transit major operating and capital fund;
- c. Multi-Year Capital Improvement Plan (CIP) supplied for the Wake Transit major capital fund that clearly identifies specific projects, project sponsors responsible for undertaking those projects, project funding sources, and project expenditures. (NOTE: The Multi-year CIP shall be updated annually to coincide with the annual capital budget always being the first year of appropriation of funding for capital projects identified in the CIP. The Multi-year CIP shall be coordinated with the Metropolitan Transportation Plan, Transportation Improvement Program, and annual program of projects developed and maintained by the Raleigh Urbanized Area designated recipient of federal formula transit grants so as to be consistent with submittal deadlines for the final horizon year of both the Transportation Improvement Program and Metropolitan Transportation Plan.);
- d. Annual Capital Budget Ordinance supplied for the Wake Transit major capital fund that allocates financial resources to specific project sponsors for specific projects, and represents the first year of appropriation of funding for capital projects identified in the Multi-Year CIP;
- e. Multi-year Operating Program (as defined *supra.*);
- f. Update of the Wake Transit Financial Plan and financial model assumptions and corresponding update of the planning horizon of Wake Transit Work Plan future projects not included in the current Multi-year CIP. The Parties shall use good faith efforts to align planning horizon year with the horizon year of the current CAMPO MTP. The Financial Model shall contain agreed upon financial assumptions of the TPAC for Wake Transit Work Plan revenues involving federal, state and local sources and multi-year capital and operating costs including liquidity targets and debt ratios relevant to rating agency metrics;
- g. Capital Funding Agreements or Master Agreements; and
- h. Operating Agreements or Master Agreements.

Nothing herein shall prevent Wake County from entering into a Cost Sharing Agreement with other jurisdictions for any regional transit projects or systems so long as they are detailed in the Wake County Transit Work Plan.

2.15 "WESTERN TRIANGLE FINANCIAL PLAN" shall mean the Financial Plan developed and approved in accordance with N.C.G.S. 105-508.1 on behalf of Durham and Orange counties in conjunction with the creation of the Western Triangle Tax District, being attached hereto and referenced herein as Exhibit A, and being that same "financial plan" referenced in the Resolution of the Triangle Transit Board of Trustees Authorizing the Levy of a One-Half Percent (1/2%) County Sales and Use Tax for Public Transportation filed on or about December 14, 2012 with the North Carolina Secretary of State.

Comment [WC2]: "Western Triangle" is just a placeholder- can change name

2.16 "WESTERN TRIANGLE TAX DISTRICT" shall mean the special tax district created by authorizing Resolution of GoTriangle on or about June 27, 2012 that includes the entire area of Orange County and Durham County as further referenced in the Resolution of the Triangle Transit Board of Trustees Authorizing the Levy of a One-Half Percent (1/2%) County Sales and Use Tax for Public Transportation filed on or about December 14, 2012 with the North Carolina Secretary of State.

**ARTICLE III
EFFECTIVE DATE, TERM, AMENDMENT**

- a. *Effective Date.* This Agreement shall become effective upon the properly authorized execution of the Agreement by all Parties.
- b. This Agreement shall continue so long as Wake County is a member of any-multi county Special District or Tax District.
- c. Any amendment, termination, or renewal of this Agreement must be in the form of a written instrument properly authorized and executed by the governing boards of each Party.
- d. *Notice.* Any written or electronic notice required by this section shall be delivered to the Parties at the following addresses:

For Durham County:

With a copy to _____

For Orange County:

With a copy to _____

For DCHC-MPO:

With a copy to _____

For BG-MPO:

With a copy to _____

For CAMPO: Capital Area Metropolitan Planning Organization
Executive Director
One Bank of America Plaza
421 Fayetteville Street, Suite 203
Raleigh, NC 27601

With a copy to: _____

For Wake County: Wake County Manager
Wake County Justice Center
301 S. McDowell St.
Raleigh, NC 27601

With a copy to Wake County Attorney
Wake County Justice Center
301 S. McDowell St.
Raleigh, NC 27601

**ARTICLE IV
THE TRIANGLE TAX DISTRICT FINANCIAL PLAN**

4.01 **Financial Plan.** The Financial Plan for the Triangle Tax District shall be the two financial plans referred to herein as the “Western Triangle Financial Plan” and the “Wake County Financial Plan,” said plans being incorporated by reference and attached hereto as *Exhibits A and B*, hereinafter jointly referred to and combined as the “Triangle Tax District Financial Plan.”

- a) *Western Triangle Financial Plan.* The Plan attached hereto as *Exhibit A*, which shall continue to govern the expenditure of all proceeds collected on behalf of Durham and Orange counties by and through GoTriangle, as administrators of the Durham-Orange Transit Plan.
- b) *Wake County Financial Plan.* The Plan attached hereto as *Exhibit B*, which shall govern the expenditure of any proceeds collected on behalf of Wake County by and through GoTriangle for the implementation of the Wake County Transit Plan. For clarity, all Wake County Tax Revenue and Wake County Transit Revenue collected by and through GoTriangle shall be accounted for separate and apart from any revenues collected on behalf of Durham and Orange counties in strict compliance with the financial terms outlined in the Transit Governance Interlocal Agreement.

Comment [WC3]: Need to know if there is a separate “financial plan” for the Durham-Orange Tax District? Or just 1 plan?

4.02 Equitable Use of Net Proceeds within the Triangle Tax District. In accordance with N.C.G.S. 105-508.1, the Parties hereby acknowledge that the Western Triangle Financial Plan and the Wake County Financial Plan, as further described in Section 4.01, above, were modeled at different times, for separate geographical boundaries and transit systems within those boundaries, and with different assumptions. As such, the Parties hereby agree that pursuant to N.C.G.S. 105-508.1, the "equitable use" of all Wake County Tax Revenue and Wake Transit Plan Revenue collected by and through GoTriangle in administration of the Triangle Tax District shall be as defined pursuant to Section 2.02, above. The Parties further agree that a segregation of all Wake County Tax Revenue and Wake Transit Plan Revenue and all expenditures of the same as dictated by the Wake County Transit Plan as defined in Section 2.12, above, is an "equitable use" of said revenues, for the benefit of the Triangle Tax District.

4.03 Approval of the Wake County Financial Plan. By execution of this Agreement, the Parties signify their approval of the Wake County Financial Plan in accordance with N.C.G.S. 105-508.1.

4.04 Oversight, Implementation & Amendments to the Financial Plan.. Nothing herein shall confer any right, duty, oversight, or authority upon Durham County, Orange County, DCHC-MPO, BG-MPO, or CAMPO to amend, review or approve any revisions or modifications to the Wake County Financial Plan or any aspects related to the implementation of the Wake County Transit Plan. Likewise, nothing herein shall confer any right, duty, oversight, or authority upon Wake County, DCHC-MPO, BG-MPO, or CAMPO to amend, review or approve any revisions or modifications to the Western Triangle Financial Plan or any aspects related to the implementation of the Durham-Orange Transit Plan.

4.06 Modeling of the Financial Plan. Consistent with the financial segregation of all Wake County Tax Revenues and Wake Transit Plan Revenues from any and all plans or projects not included in the Wake County Transit Plan, the Wake County Financial Plan shall be modeled and presented separate and apart from any other financial plan of the Tax District, including the Western Triangle Financial Plan.

**ARTICLE V
INDEPENDENCE OF TRANSIT PLANS AND LIMITATIONS OF THE PARTIES**

5.01 Independence of the Transit Plans. Durham County, Orange County, DCHC-MPO and BG-MPO, by virtue of this Agreement hereby acknowledge they do not have any authority, control, or input in the administration, implementation or governance of the Wake County Transit Plan or any financial components associated with the same. Notwithstanding the above, it is acknowledged that the GoTriangle Board of Trustees has representative membership from Durham and Orange counties. Likewise, Wake County and CAMPO, by virtue of this Agreement hereby acknowledge they do not have any authority, control, or input in the administration, implementation or governance of the Durham-Orange Transit Plan or any financial components associated with the same. Notwithstanding the above, it is acknowledged that the GoTriangle Board of Trustees has representative membership from Wake County.

5.02 Governance of the Transit Plans.

a. *Wake County Transit Plan.* The governance of the Wake County Transit Plan and all financial components of the same shall be strictly in accordance with the framework and provisions detailed in the Transit Governance Interlocal Agreement, to which Durham County, Orange County, DCHC-MPO and BG-MPO are not parties.

b. *Durham-Orange Transit Plan.* The governance of the Durham-Orange Transit Plan and all financial components of the same shall be strictly in accordance with the framework and provisions detailed in the _____, to which Wake County and CAMPO are not parties.

Comment [WC4]: Durham-Orange to provide name of governance agreement

5.03 Financing of the Transit Plans. Consistent with the provisions set forth in Article IV, above, one-hundred percent (100%) of all Wake County Tax Revenues and Wake Transit Plan Revenue collected by GoTriangle shall be expended in accordance with the Wake County Transit Work Plan. The Parties hereby agree that zero percent of the Wake County Tax Revenues and Wake Transit Plan Revenue will be made available for any purpose or cause outside of the Wake County Transit Plan. Likewise, one-hundred percent (100%) of all Non-Wake County Tax Revenues collected by GoTriangle shall be devoted to projects outside of the Wake County Transit Plan and Wake County Transit Work Plan, unless otherwise agreed to by the Parties.

5.04 Integration of Transit Plans. Nothing herein shall prevent coordination between the Parties for regional transit systems or joint undertakings between the Wake County Transit Plan and Durham-Orange Transit Plan, as they may be amended from time to time, that overlap the jurisdictional boundaries of the member counties of the Triangle Tax District. Notwithstanding the above, any financial components of such a joint undertaking shall be separately accounted for in accordance with the overriding financial provisions contained in the Transit Interlocal Governance Agreement and as further directed by the Wake County Transit Plan. Nothing herein shall prevent the Parties from entering into a separate Cost Sharing Agreement for any regional transit projects or systems that cross jurisdictional boundaries.

**ARTICLE VI
MISCELLANEOUS PROVISIONS**

6.01 No Waiver Of Sovereign Immunity. Nothing in this Agreement shall be construed to mandate purchase of insurance by Wake County pursuant to N.C.G.S. 153A-435; or to be inconsistent with Wake County’s “Resolution Regarding Limited Waiver of Sovereign Immunity” enacted October 6, 2003; or to in any other way waive Wake County’s defense of sovereign or governmental immunity from any cause of action alleged or brought against Wake County for any reason if otherwise available as a matter of law.

6.02 No Waiver Of Qualified Immunity. No officer, agent or employee of any Party shall be subject to any personal liability by reason of the execution of this Agreement or any other

documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

6.03 Governing Law, Venue. The Parties acknowledge that this Agreement shall be governed by the laws of the State of North Carolina. Venue for any disputes arising under this Agreement shall be in the courts of Wake County, North Carolina.

6.04 Entire Agreement. The terms and provisions herein contained constitute the entire agreement by and between the Parties hereto and shall supersede all previous communications, representations or agreements, either oral or written between the Parties hereto with respect to the subject matter hereof. Nothing herein shall be construed to restrict the statutory rights of any Party.

6.05 Severability. If any provision of this Agreement shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this Agreement.

6.06 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

[Signature pages follow this page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all by the Resolution of their governing board, spread across their minutes, as of the date written below.

<p>RESEARCH TRIANGLE REGIONAL PUBLIC TRANSPORTATION AUTHORITY (d/b/a GoTriangle)</p> <p>By: _____ Jeffrey G. Mann, General Manager</p> <p>This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Saundra Freeman, Chief Financial Officer for GoTriangle</p> <p>This, the ____ day of June, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>By: _____ _____, Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ Karen Porter, Interim General Counsel For GoTriangle</p> <p>This, the ____ day of June, 2016.</p>

<p>DURHAM COUNTY, NORTH CAROLINA</p> <p>By: _____ County Manager</p> <p>This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Director Durham County, North Carolina</p> <p>This, the ____ day of June, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____ Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ County Attorney</p> <p>This, the ____ day of June, 2016.</p>

<p>ORANGE COUNTY, NORTH CAROLINA</p> <p>By: _____ County Manager This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Director Orange County, North Carolina This, the ____ day of June, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____ Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ County Attorney This, the ____ day of June, 2016.</p>

<p>WAKE COUNTY, NORTH CAROLINA</p> <p>By: _____ County Manager This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Director Wake County, North Carolina This, the ____ day of June, 2016.</p>
<p>[Seal]</p> <p>ATTEST:</p> <p>_____ Clerk</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ County Attorney This, the ____ day of June, 2016.</p>

<p>CAPITAL AREA METROPOLITAN PLANNING ORGANIZATION (CAMPO)</p> <p>CAMPO</p> <p>By: _____ Executive Director</p> <p>This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Director City of Raleigh, North Carolina (Designated fiscal agent for CAMPO)</p> <p>This, the ____ day of June, 2016.</p>
<p>ATTEST:</p> <p>By: _____ Valorie D. Lockhart</p> <p>This, the ____ day of June, 2016.</p>	

<p>DCHC-MPO</p> <p>By: _____ Executive Director</p> <p>This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Officer</p> <p>This, the ____ day of June, 2016.</p>
<p>ATTEST:</p> <p>By: _____, Clerk</p> <p>[Seal]</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ Attorney</p> <p>This, the ____ day of June, 2016.</p>

<p>BG-MPO</p> <p>By: _____ Executive Director This, the ____ day of June, 2016.</p>	<p>This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.</p> <p>_____ Finance Officer This, the ____ day of June, 2016.</p>
<p>ATTEST:</p> <p>By: _____ _____, Clerk</p> <p>[Seal]</p>	<p>This instrument is approved as to form and legal sufficiency.</p> <p>_____ Attorney This, the ____ day of June, 2016.</p>

EXHIBIT A

EXHIBIT B

5 Plan Implementation and Finance



Plan Implementation and Finance

Implementation

The existing transit providers in Wake County have provided guidance and funding to help develop this enhanced transit plan. All current services will be expanded as part of this plan and several new services will be added. The transit agency responsible for operating and managing each element of the Transit Plan will be determined during the next phase of planning and design, and will depend on geographic location, type of technology, cost, and anticipated efficiencies.

Participating parties will enter into a formal agreement defining roles, responsibilities, and cost sharing for individual projects as they are pursued. During the next few months, Wake County and its partners will receive feedback on the Wake County Recommended Transit Plan and begin the steps to approve the governance structures necessary for adoption of the plan and funding of the projects in it. This will include approval of a plan by Go Triangle and the CAMPO as well as Wake County prior to the sales tax advisory referendum.

The schedule of capital projects within the next 10 years is dependent on multiple factors, including successful grant awards. The planning and design process may begin for the infrastructure projects (the CRT corridor and the four BRT corridors) simultaneously, or it may be phased. Through that process, the corridors will be prioritized based on feasibility and cost. Individual projects or groups of projects will be submitted for federal grants and State Transportation Improvement Program (STIP) funding.

Since BRT can be built incrementally, improvements—such as new buses, signal prioritization, off-board fare collection, level-boarding stations, or dedicated busways—can be built in phases. For example, the initial project may include dedicated busways on 50% of the corridor and additional lane-miles of dedicated busways will be added in future years as those sections of road are widened, redeveloped, or as additional funds become available. Corridors that are anticipated to have high ridership and fewer physical constraints (thereby lowering impacts and costs) are likely to move faster through the federal funding process.

To create a more useful commuter rail project, the CRT line was assumed to extend from Garner to Durham as part of the first phase. A line ending at RTP, and therefore almost entirely in Wake County, was considered. However, successful commuter rail services running only during peak hours rely heavily on a major dense employment center within walking distance of stations. While NC State and downtown Raleigh provide this to a degree, our analysis concluded that downtown Durham and Duke University also need to be on the line to generate strong two-way demand sufficient for the line to succeed.

The planning and design of this extensive rail project can take longer than the BRT corridors because the CRT line would need to be designed and then constructed as one project, rather than incrementally. The project will be a collaboration of many partners, notably the federal and state governments, Durham County, the North Carolina Railroad Company, and municipalities and communities involved in station planning. The success of this project is dependent on the collaboration of the involved parties.

The first few years of the Recommended Wake County Transit Plan involve significant design and further study for projects that require significant investment. This is to balance careful use of tax payer dollars with thoughtful investment in transit. The Transit Plan's approach is to use strategic leveraging of federal and state funds, combined with existing and new sources of local funding, to deliver projects that connect regionally, connect Wake County's communities, provide frequent urban mobility, and link local service. The implementation of those projects and the timing of them will evolve as the design and study reveals new information.

After successful approval of the half-cent sales tax advisory referendum, funds would be collected starting in the Spring of 2017. Some operating items in the Recommended Transit Plan will be noticeable fairly soon, such as including increasing weekend and evening service and some increases in midday frequency. Other items, like new routes or peak service increases, will be phased in as new buses are acquired and operations are deployed.

Small capital projects, such as adding bus stops along new routes, can be done during the Transit Plan's initial years. The transit budget allocates funds toward a range of capital improvements, such as bus stops and stations, nicer buses and park-and-ride lots. Many adjacent improvements, such as additional sidewalks, would be paid for by local programs.

The transit partners will work together to develop a detailed implementation plan that will identify and prioritize new enhanced bus service and facilities. Detailed studies will be conducted for larger capital projects. The outcome of these studies will impact project implementation. However, existing service will continue to operate and enhanced service will begin to deploy while larger projects are studied and gradually constructed.

Financial Plan Details

The Recommended Wake County Transit Plan is fiscally constrained and is contingent on a variety of assumptions. The assumptions will evolve as information is modified and projections are updated to reflect actual results. The projects included in the Transit Plan will continue to be studied and new information may influence their cost and timing. Additionally, overall inflation assumptions, availability of local sources of revenue and growth assumptions, competition for federal funding for projects and successful access to capital markets, and regional partnerships will continue to influence the overall financial outlook of the Transit Plan. The following sections detail current assumptions.

Sources of Revenue

Half-Cent Sales Tax for Transit (Article 43)

The largest recurring local revenue source would be a half-cent local option sales tax as authorized by NCGS 105-164.13B. The transit plan assumes that the Wake County Board of Commissioners would vote to place the local option sales tax for transit on the ballot, which would be voted on in November 2016. Upon approval by Wake County voters, the sales tax would be adopted and funds would be available in Spring 2017.

To project sales tax dollars that would be available, actual Wake County Article 39 gross revenues for fiscal year 2015 served as the base, less 10% as Article 39 is charged on food purchases which are prohibited to be taxed as part of Article 43. Then, it was assumed that the local sales tax revenue would be half of that amount, as Article 39 is one cent and Article 43 is one half cent. Using the County's same assumption for sales tax growth that is used in the County's debt and capital financial model, this amount was grown annually by 4%. Accordingly, the alternatives include an assumption that the half-cent sales tax revenue available for new transit would be \$78.5 million in FY 2018 and would grow by 4% annually thereafter.

Other Local Revenue Sources

Increases to vehicle registration fees also are included in the assumptions for local revenue sources. Currently, GoTriangle collects a fee of \$5 per registration throughout Wake, Durham, and Orange Counties. That is used to support transit activities in this three-county service area. This fee would increase by \$3, for a total of \$8. Second, a new \$7 vehicle registration fee would be assessed by the Board of Commissioners, as authorized by NCGS 105-509. Together, the vehicle registration fees would generate approximately \$8.5 million a year in fiscal year 2018 and are projected to grow 2% a year thereafter.



Plan Implementation and Finance

The vehicle rental tax also is included as a revenue source in the transit plan. GoTriangle currently levies a 5% tax on vehicle rentals in Wake, Durham, and Orange Counties. GoTriangle's Board of Trustees has an existing policy that 50% of rental revenues are dedicated to expanding transit options in the region, while the other 50% is used by GoTriangle for operations and capital needs of the current system. To determine the amount allocated to each county, GoTriangle dedicates vehicle rental revenues based on percent of total population. GoTriangle's current allocation percentages are 68% for Wake County, 21.5% for Durham County, and 10.5% in Orange County. As such, the Wake County portion of all vehicle rental revenues is, compared to the total collected, 34%. The transit plan includes an assumption that rental car tax revenue available for new transit programs would be \$3.6 million in FY 2018, which would grow by 2.5% annually.

The transit plan also includes local revenues from the City of Raleigh, Town of Cary, and GoTriangle for existing bus operations. Local bus operations in those jurisdictions would continue and bus operations in the transit plan were designed considering those existing resources. Accordingly, the transit plan assumes that the local contribution from each agency would equal approximately \$15 million in 2018 and this

contribution would increase at 2.5% each year, the assumed rate of operating inflation. The transit plan also includes existing federal and state funds allocated directly to existing bus operations equaling approximately \$6.2 million.

Federal and State Contributions

The Recommended Wake County Transit Plan assumes federal and or state funding for many planned projects. Significant federal funds are assumed for the capital costs for both CRT and BRT—50% of the capital costs are assumed to be federally funded. For BRT, the projects are assumed to successfully compete through the FTA Capital Improvement Program New Starts, Small Starts, and Core Capacity Improvement grant programs such that overall, the BRT projects included in the transit plan will, on average, receive 50% federal funds (estimated at \$173.5 million). For commuter rail, it is assumed that, through a regional partnership by extending the line into neighboring counties, the project would successfully compete for 50% federal funding (estimated at \$443.3 million, the Wake County share included in the Financial Plan). Approximately \$24 million of federal funds towards the acquisition of buses are included in the plan, which could also be used towards bus maintenance.

in the projects. The transit plan does include \$6 million of state capital funds towards the acquisition of buses between 2018 and 2025. Starting in fiscal year 2024, approximately \$1.3 million annually is programmed in state operating revenue towards BRT services and starting in 2027 approximately \$4 million is programmed in state operating revenue towards commuter rail services. No additional state funds, beyond the current \$1.2 million annually in existing state funding for local bus services are programmed for local bus operating support.

Farebox Revenue

Farebox revenue varies by type of service. For local bus service, including BRT, a 24% farebox recovery ratio was used for ridership routes, 10% for coverage routes, 3% for intertown routes, and 0% for local service match. Ridership estimates will be refined for commuter rail during future studies. The current plan assumes farebox revenue of 20% of operating expenses.

Long-Term Bond Proceeds

Shown as revenues, with corresponding debt service expenses, certain capital projects are debt funded. Commuter rail is 40% debt funded, BRT is 15.5% debt funded, and bus infrastructure projects are 31% debt funded. A portion of future projects modeled from 2028 to 2037 are also assumed to be funded with debt.

By using long-term debt, it is important that the model adhere to several key metrics, including adequate operating and capital fund balances to demonstrate sufficient liquidity to rating agencies and the capital markets. The Recommended Wake County Transit Plan was developed within the context of adhering to two key measures: 1) maintaining near-term capacity to service debt from recurring net revenues, and 2) gross debt service coverage. Given the transit plan's focus on capital and significantly increasing local bus service, a key measure for the transit plan is a projection of the ongoing ability to pay annual debt service given projected revenue, planned capital, and recurring operating expenses. The transit plan maintains net debt service coverage of revenues less operating expenses greater than 1.25 times annual debt service and maintains a gross debt service coverage of revenues more than three times annual debt service expenses. These are simply modeled at this time. As governance discussions occur, these metrics and calculations will be revisited and updated.

Federal funds towards operating expenses also are assumed in the Recommended Wake County Transit Plan. Starting in 2026, approximately \$1.8 million annually is programmed in federal operating revenue towards BRT services. Starting in 2029, approximately \$6 million annually is programmed in federal operating revenue towards commuter rail services. Another \$1.9 million in additional federal funding for bus operations is planned starting in 2019, which increases to approximately \$3.2 million as increased local bus service roughly triples by 2027.

State funds are primarily limited to operating fund support for bus operations, BRT, and commuter rail operations once those services are in place. To be fiscally conservative, the Recommended Wake County Transit Plan does not include state funds towards the capital costs for BRT and commuter rail; however the County and its partners would work to achieve such funding towards the projects or components

Projected Local Revenues for Expanded Transit

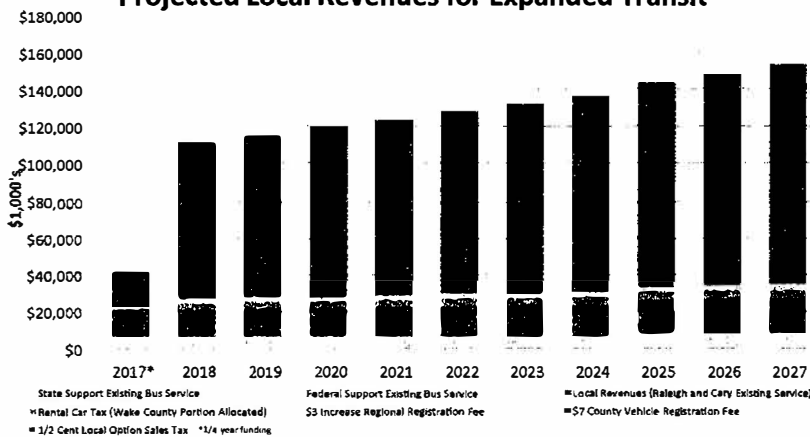


Figure 25: Projected Local Revenues for Expanded Transit

Plan Implementation and Finance

Planned Expenditures

Planned Expenditures and Inflation

To ensure fiscal constraint, the Recommended Wake County Transit Plan includes inflation estimates for project estimates and operating costs. Project estimates for BRT, commuter rail, bus infrastructure, and buses were estimated in 2015 dollars. Then, projects were programmed according to planned project schedules, and then escalated to year of expenditure using an inflation factor of 4%. Local bus operating hours were calculated in 2015 dollars, and then escalated at 2.5%. Operating costs for commuter rail and BRT were estimated in 2015 dollars, and then inflated to the year the projects would begin, again using an inflation factor of 2.5%. The Recommended Wake County Transit Plan contemplates a total of \$1.6 billion of capital projects by 2027. A summary of all capital expenditures is shown in Figure 26.

Commuter Rail Capital Expenditures

The Commuter Rail capital expenditures include the Wake County share of commuter rail. The Transit Plan proposes up to eight trains in each peak with two mid-day and two in the evening, in each direction (8-2-8-2). The final service hours and frequencies will be determined during the future alternatives analysis. To be conservative, included in the fiscal plan is an estimated 8-2-8-2 commuter rail service which would operate from West Durham to Garner within the existing Norfolk Southern Railroad corridor (owned by NCCR Company) by adding additional tracks and facilities. This would continue to be studied and refined during the first years of the Transit Plan, to confirm if this is the most viable approach and is subject to funds from our partners and successful federal funding.

BRT Capital Expenditures

The BRT Capital Expenditures include four BRT corridors totaling \$347 million between 2018 and 2023 as shown below. Dollars programmed including planning and design, construction, and acquisition of vehicles for the corridors.

Other Capital Expenditures

Significant resources are allocated for capital infrastructure to support a rapidly increasing local bus network. Bus infrastructure, which includes transfer stations, park and ride lots, bus stop improvements, bus maintenance facilities, sidewalk access and streetside facilities, and other improvements, is programmed for \$208 million between 2018 and 2024. A summary of these items is shown below.

Moreover, \$114 million is allocated towards the acquisition and

replacement of busses for local bus service between 2018 and 2026, which represents 116 buses.

Also included in other capital is \$24.37 million of locally funded grade separation match funds allocated between 2018 and 2022.

Between 2025 and 2027, \$35 million is available for future projects. Between 2028 and 2037, other capital includes two components: bus replacement totaling \$180 million and future projects totaling \$264.5 million.

Debt Service and Debt Service Reserve Fund

As debt is issued for capital projects, principal and interest will be paid on these projects. These dollars represent the corresponding debt service on commuter rail, BRT, and various bus infrastructure projects that are required during the first 20 years of the Recommended Wake County Transit Plan.

Operating Fund Balance Allocation

To ensure adequate operating liquidity, the Recommended Wake County Transit Plan was developed with a target of that the operating fund balance would have a minimum fund balance equal to 25% of annual sales tax revenues. The dollars shown are the minimum allocation to meet this requirement.

Capital Fund Balance Allocation

To demonstrate credit strength to manage risk, the Recommended Wake County Transit Plan also was developed with a target of having a capital fund balance of 5% of capital projects cost. This capital fund balance is over and above individual capital budgets which may have their own project contingencies. Maintaining sufficient liquidity during construction activity is an important credit strength for rating agencies. The capital fund balance allocation is timed to when significant debt issuances would begin for capital projects funded in the Wake County Transit Plan.

Operating Expenses

There are five categories of operating expenses combined. The first is local bus service, which increases from \$22 million in FY 2018 to \$85 million in FY 2027. Added to that is BRT service, beginning in the model in 2024. Other operating funds include maintenance and operations for bus facilities and other related bus operations such as small town local service matching funds, paratransit service, and other professional services. Finally, commuter rail is shown starting in 2027, and adds an additional \$20 million of operating expenses. All operating expenses are

grown at 2.5% to account for inflation. The model assumes that by 2027, \$129.3 million of operating will be in place and a total of \$166 million of operating expenses will be incurred including allocations to fund balance and debt service expenses. A summary of 2027 local operating costs is shown in Figure 27.

Capital Funded Through 2027 (with Federal, State, Local Support)*	
	\$(thousands)
Commuter Rail	\$886,500
Bus Rapid Transit	\$347,000
Bus Acquisition	\$114,700
Bus Infrastructure	\$208,400
Other Capital Projects	\$24,500
Future Projects	\$35,000
Total	\$1,616,100

Figure 26: Capital Cost Summary
* Capital cost totals are \$1.6 billion, inflated to 2027 dollars, and rounded to the nearest \$100,000.

Local Service Operating Costs in 2027 **	
	\$(thousands)
Local Bus Network	\$85,300
BRT	\$14,500
Commuter Rail	\$20,100
Other Bus Operations	\$7,100
Maintenance and Operations	\$2,300
Total	\$129,337

Figure 27: Local Service Operating Costs in 2027
** Operating costs shown are dollars simulated to year of expenditure by 2.5% each year.



Plan Implementation and Finance

PLAN IMPLEMENTATION AND FINANCE

Fiscal Year Ending	1/2 City Staff	5/1 Increase Appropriation	5/1 Multi-Car Registration	Regional Rental Car Fee Avail	Long-Term Debt Proceeds	State Funds	State Funds	Long-Term Debt Proceeds	Short-Term Debt Proceeds	Excess Capital Project Fund Outflow	Existing Local Revenue for Debt	Existing State Operating	Excess Revenue	Excess Revenue	Annual Revenues	BRT Capital Expenditures	Commuter Expenditures	Other Capital Expenditures	Debt Service Reserve Fund	Debt Service Reserve Fund	Operating Fund Allocation	Capital Fund Allocation	Operating Expenses	Total Expenses	Fiscal Year Ending
6/30/2017	18,893	631	1,449	876	5,000	1,000	1,000	38,441	-	(5,402)	14,594	1,200	3,763	46,358	8,405	13,197	16,489	15,468	-	18,893	5,864	21,640	46,358	6/30/2017	
6/30/2018	17,992	2,554	5,912	1,598	19,403	918	918	38,441	-	5,559	14,599	1,200	3,858	79,855	24,897	48,541	66,330	66,330	-	754	14,297	31,531	79,855	6/30/2018	
6/30/2019	17,377	2,564	6,238	1,488	43,351	918	918	43,351	-	5,559	15,337	1,200	4,333	202,185	24,897	48,541	66,330	66,330	-	786	20,133	46,151	202,185	6/30/2019	
6/30/2020	18,006	2,656	6,151	1,780	52,606	827	827	52,606	-	9,374	15,377	1,200	5,508	254,202	24,897	48,541	66,330	66,330	-	817	40,353	33,274	254,202	6/30/2020	
6/30/2021	18,408	2,689	6,274	1,917	53,861	794	794	66,644	40,000	1,150	16,115	1,200	6,738	324,877	24,897	48,541	66,330	66,330	-	880	-	41,790	324,877	6/30/2021	
6/30/2022	19,143	2,743	6,450	2,091	55,267	650	650	82,148	-	1,194	16,812	1,200	8,094	378,144	24,897	48,541	66,330	66,330	-	919	-	50,995	378,144	6/30/2022	
6/30/2023	19,620	2,798	6,528	2,278	56,824	716	716	102,148	-	1,221	16,925	1,200	9,469	408,377	24,897	48,541	66,330	66,330	-	956	-	58,552	408,377	6/30/2023	
6/30/2024	19,945	2,853	6,638	2,472	58,433	716	716	127,148	-	1,249	17,048	1,200	10,849	438,811	24,897	48,541	66,330	66,330	-	994	-	67,997	438,811	6/30/2024	
6/30/2025	20,223	2,911	6,769	2,677	60,094	716	716	152,148	-	1,278	17,171	1,200	12,229	469,250	24,897	48,541	66,330	66,330	-	1,032	-	77,490	469,250	6/30/2025	
6/30/2026	20,458	2,969	6,884	2,884	61,804	716	716	177,148	-	1,307	17,294	1,200	13,609	499,689	24,897	48,541	66,330	66,330	-	1,070	-	86,981	499,689	6/30/2026	
6/30/2027	20,650	3,028	7,006	3,097	63,564	716	716	202,148	-	1,336	17,417	1,200	14,989	529,128	24,897	48,541	66,330	66,330	-	1,118	-	96,473	529,128	6/30/2027	
6/30/2028	20,800	3,089	7,133	3,312	65,373	716	716	227,148	-	1,365	17,539	1,200	16,369	558,567	24,897	48,541	66,330	66,330	-	1,166	-	105,965	558,567	6/30/2028	
6/30/2029	20,910	3,150	7,264	3,537	67,232	716	716	252,148	-	1,394	17,661	1,200	17,749	587,006	24,897	48,541	66,330	66,330	-	1,214	-	115,457	587,006	6/30/2029	
6/30/2030	21,000	3,213	7,399	3,772	69,141	716	716	277,148	-	1,423	17,783	1,200	19,169	615,445	24,897	48,541	66,330	66,330	-	1,262	-	124,949	615,445	6/30/2030	
6/30/2031	21,080	3,278	7,540	4,017	71,099	716	716	302,148	-	1,452	17,905	1,200	20,619	643,884	24,897	48,541	66,330	66,330	-	1,310	-	134,441	643,884	6/30/2031	
6/30/2032	21,150	3,345	7,687	4,272	73,106	716	716	327,148	-	1,481	18,027	1,200	22,109	672,323	24,897	48,541	66,330	66,330	-	1,358	-	143,933	672,323	6/30/2032	
6/30/2033	21,210	3,415	7,840	4,537	75,163	716	716	352,148	-	1,510	18,149	1,200	23,639	700,762	24,897	48,541	66,330	66,330	-	1,406	-	153,425	700,762	6/30/2033	
6/30/2034	21,260	3,478	7,998	4,812	77,270	716	716	377,148	-	1,539	18,271	1,200	25,209	729,201	24,897	48,541	66,330	66,330	-	1,454	-	162,917	729,201	6/30/2034	
6/30/2035	21,300	3,546	8,161	5,107	79,427	716	716	402,148	-	1,568	18,393	1,200	26,829	757,640	24,897	48,541	66,330	66,330	-	1,502	-	172,409	757,640	6/30/2035	
6/30/2036	21,330	3,619	8,340	5,412	81,634	716	716	427,148	-	1,597	18,515	1,200	28,489	786,079	24,897	48,541	66,330	66,330	-	1,550	-	181,901	786,079	6/30/2036	
6/30/2037	21,350	3,691	8,525	5,727	83,891	716	716	452,148	-	1,626	18,637	1,200	30,189	814,518	24,897	48,541	66,330	66,330	-	1,608	-	191,393	814,518	6/30/2037	
Total	\$2,389,237	\$45,185	\$145,099	\$70,783	\$882,145	\$33,300	\$33,300	\$71,749	\$-	\$799	\$194,725	\$23,000	\$274,250	\$511,501	\$347,008	\$406,407	\$627,250	\$714,633	\$41,300	\$41,300	\$41,300	\$41,300	\$2,215,718	\$5,115,501	

Figure 29 Summary of Capital Expenditures

- Assumes 1st Year Funding with November 2016 Retirement
- Assumes 2nd Year Funding of BRT and Commuter Rail Capital Project Cost. Includes BRT and Commuter Rail Federal Operating Funds, and Federal Gas Operating Funds
- Assumes no state contribution for capital, except bus replacement, state operating support for bus operating, BRT, and commuter rail
- Full 30 Year Amortization at 3.25%, BRT and Other Capital 20 Year Amortization at 4.75%, Commuter rail 40% debt funded 2019-2026, BRT 15.5% debt funded 2019-2023
- 5% of full retirement debt funded 2019-2024

Gross Debt Service Coverage (Revenues to Annual Debt Service) = 3.0

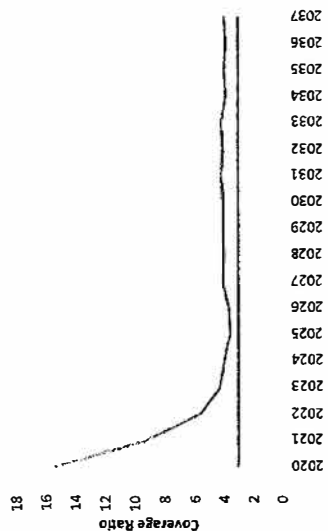


Figure 27 Annual Debt Service Coverage Chart

JARRETT WALKER + ASSOCIATES Kimley Horn

Net Debt Service Coverage After Operating Expenses = 1.25

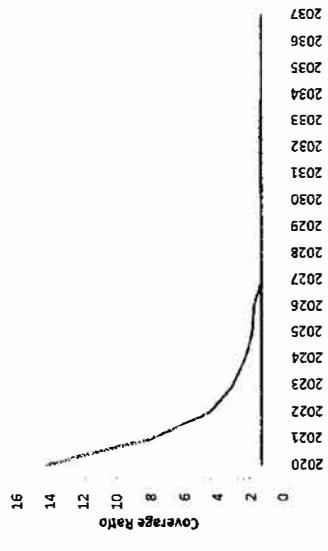


Figure 30 Net Debt Service Coverage Chart

20-Year Expenditure Summary

Category	Amount	Percentage
Recommended Wake County Transit Plan 2017 - 2037*	\$2,949,773	58%
BRT Capital and Operations, Enhanced Bus Network Operations, Bus Acquisition and Bus Infrastructure	1,582,549	31%
Commuter Rail Capital and Operations	459,193	9%
Future Capital Projects and Operating	122,046	2%
Fund Balance Allocation	\$5,113,561	100%

Figure 31 Total Service Operating Costs in 2037
* Allocation includes debt service