

**Durham Orange Joint Staff Working Group**

**Meeting Agenda**

**October 10, 2018**

**2:30 pm – 4:00 pm**

**Durham City Hall, Transportation 4B**

- 1. Call to Order/Roll Call**
- 2. Election – Chair Position**
- 3. Open Issues**
  - a. FY2019 Calendar – Mo**
  - b. Policy Committee and Finance Committee Updates – Mindy, Aaron**
  - c. Durham Orange Triangle Tax Districts Presentation - Praveen**
- 4. New Business**
- 5. Adjournment**





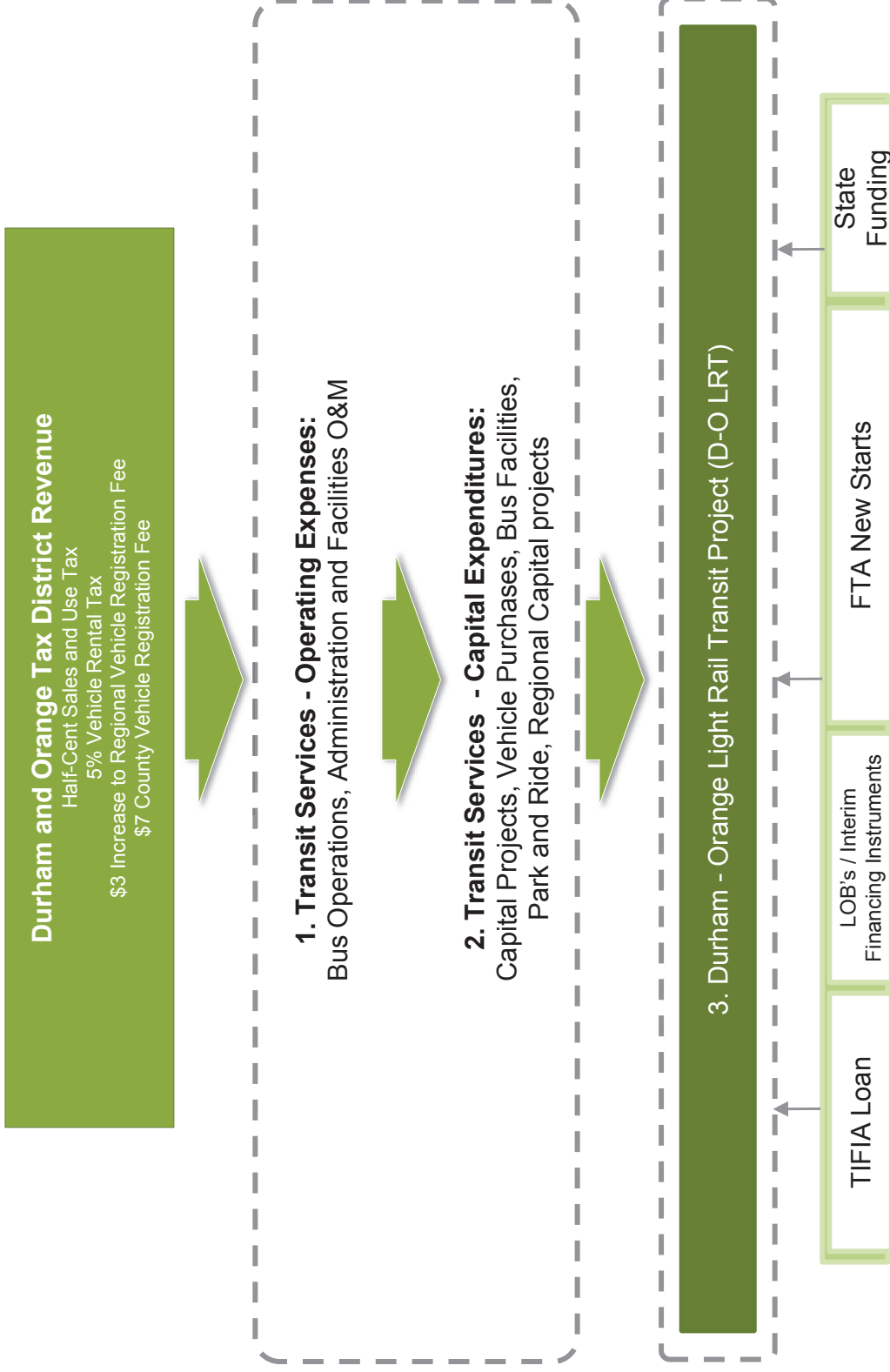
*Triangle*

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# Durham - Orange Triangle Tax District

Funding Presentation

# Transit Plan - Funding Hierarchy



# Transit Plan -Operating Expenses

- Transit services operating costs are the first to be funded by the year's tax revenues. This practice minimizes the funding risk so transit services operations continue even in the event of a revenue shortfall.
- The funds available for each Partner Agency's transit services operating costs are identified in the 2017 Transit Plan.
- Partner Agencies budget their annual transit services operating expenses based on actual anticipated needs without exceeding their Transit Plan allocation + available carryover.
- Currently, cumulative unspent 2017 Transit Plan operating funds are carried over indefinitely for use by the agency in which they were allocated.

# Transit Plan - Capital Expenditures

- Capital expenditures (e.g., vehicle purchases, facilities) are the second to be funded by the year's tax revenues. This practice minimizes the **funding risk** so transit services capital spending continues even in the event of a revenue shortfall.
- The funds available for each Partner Agency's transit services capital costs are identified in the 2017 Transit Plan.
- Partner Agencies budget their annual transit services capital expenditures based on actual anticipated needs without exceeding their Transit Plan allocation + available carryover.
- Currently, cumulative unspent 2017 Transit Plan capital funds are carried over indefinitely for use by the agency in which they were allocated.

# Transit Plan – D-O LRT

- D-O LRT is the last piece to be funded after transit services operating and capital costs.
- D-O LRT cost allocations in the 2017 Transit Plan are based on the Cost Share Agreement's committed funds, a 30% design milestone and borrowing against future revenue
  - The Current 50% design milestone was completed in FY18 and progress towards 90% design is ongoing.
- D-O LRT currently bears the primary risk of revenue shortfalls, changes in programmed expenses and borrowing. Offsetting the risk is the potential benefit of revenue surpluses.

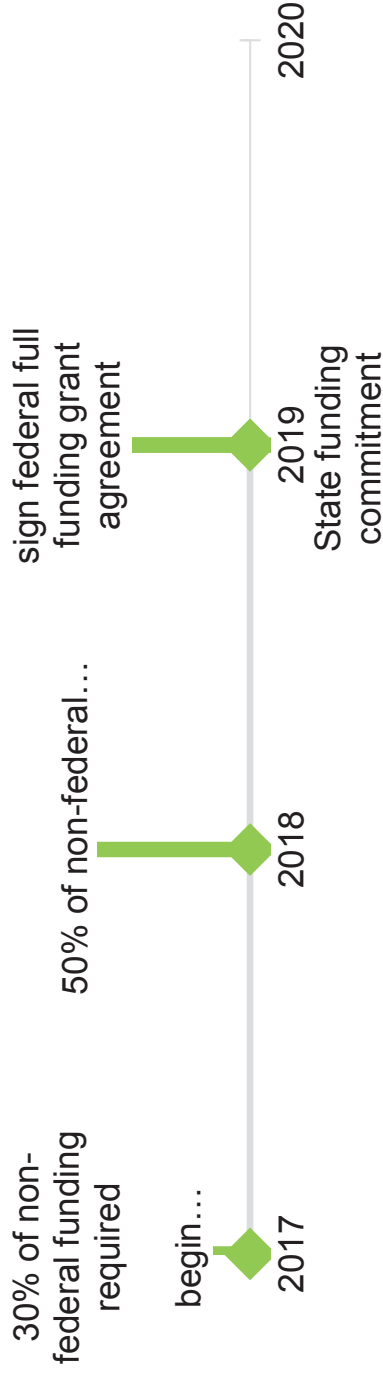
# D-O LRT Capital Funding Sources

Capital Funding Source	Total Capital Funding Share
Federal*	50%
State	25% 10% <u>7.7%</u>
Local / Other	25% 40% <u>42.3%</u>
<i>Transit Plan - Committed Funds</i>	\$ 887.9M YOE
<i>Private/Other Sources</i>	\$ 102.5M YOE
<u>Additional Revenues Needed</u>	\$ 57.6M YOE
Total	100.0%

\* Federal funding capped at 50% match of \$2.476B in YOE



# Update on D-O LRT timeline



Early August, 2018 –

- A plan for the \$57.6 million in funds shortfall from the state must be in place for a required FTA submittal.

October End (Tentative), 2018 –

- FTA Risk Assessment Workshop

January, 2018 –

- Commitments for the \$57.6 million must be in place.

- Commitments for the \$102.5 million planned from other sources including private funding and non-monetary contributions.

- FTA Risk Assessment results

February 2019 –

- All funding commitments must be in place, so we can prepare our application for the FFGA.

September 2019 – Target date to execute an FFGA.

# Transit Plans

<http://ourtransitfuture.com/plans/>