

MEMORANDUM

TO: Bonnie Hammersley, County Manager
Travis Myren, Deputy County Manager
John Roberts, Staff Attorney
Board of County Commissioners
John Tallmadge, GoTriangle
Geoff Green, GoTriangle
Mindy Taylor, GoTriangle
Margaret Hauth, Town of Hillsborough
Christina Moon, Town of Carrboro
Brian Litchfield, Town of Chapel Hill
Mila Vega, Town of Chapel Hill

FROM: Craig Benedict, Planning and Inspections Director
Theo Letman, OPT Director

DATE: Original Sent April 10, 2017; *April 12, 2017 *Update**

RE: April 4th questions regarding 2012 and 2017 Orange County Bus and Rail Investment Plan (OCBRIP) BUS HOURS

The memo is in two sections: Adopted 2012 and Proposed 2017 (update shown in italics)

Executive Summary

The information below from the 2012 adopted plan and the proposed 2017 plan (as of 4/4/17) (update 4/12/17) shows new and total bus hours as follows:

2012-2035 New 34,950; Existing support 6,000 = 40,950 (@ 77.6% BRIP Support)

2017-2045 New 21,930; Existing support 6,000 = 27,930 (@100% BRIP Support)

**Update New 26,767; Existing support 6,000 = 32,737 (@ 85% Blended BRIP Support)*

(i.e. Blended 75% GT, 90% OPT, CHT)

2012 OCBRIP

- Page 1- OCBRIP Cover Revised 9/27/12 Adopted 10/2/12

- Page 6- “Bus Hours Investment that equals about 34,650 bus service hours... during first five years”.
 - This includes 28,650 hours of new service and 6,000 hours of support to Chapel Hill.
See Pie Chart on page 8 for breakdown by provider.

- Page 7 “Year six and beyond” Bus hours
“An additional 6,300 new bus service hours will be provided between year six of the plan implementation through the end of the program (year 2035) bringing the total to 40,950 total new

bus hours. ". (This is incorrect in part the total new bus hours should be 28,650). (Note: See OCBRIP 2012 Appendix B Bus Operating Spreadsheet for funded hours and dollars.)

- Page 8 Bus Hour revenue appropriation First 5 years

		New	Existing	Provider
64% ³	22,332	16,332	6,000	Chapel Hill Transit
12% ³	6,887 ¹	4,118 ¹	TBD ²	OPT
24% ³		8,200	N/A	GoTriangle
Total		28,650		

¹ Using a conversion of \$97/hour (GT & CHT) to \$58/hour for OPT

² OPT can ask for money to support existing services but is awaiting data and a meeting to discuss

³ These percentages could be based on new hours, total hours, or population/employment based. This percentage allocation is part of the interlocal implementation agreement and would need to be amended if other allocation systems are employed.

Appendix A- 2012 OCBRIP

Master Assumptions List, Page A-1 Outcomes

- “New Bus Hours in First Five Years of Plan ... 34,650”
(Note: This is incorrect, only 28,650 is new, 6,000 hours of support)
- “Total Cumulative New Bus Hours by End of Plan (year 2035)... 40,950”
(Note: This is also incorrect, after 6,300 additional new between 2020 and 2035, total new should be 34,950 and at least 6,000 hours of existing bus service support.
- Also note, OPT has access to existing service support as noted in BRIP implementation agreement. This is presently based on total CHT/OPT hours combined and then a percentage allocation based on hours of each provider. This is approximately 91% CHT, 9% OPT at this time and is only allocated from 100% of \$7 tax fee which can be used for existing service. See related comments at the end of the memo regarding state law and use of vehicle tag fee monies.

Appendix B-2012 OCBRIP

Proposed Bus Service Enhancements

OPT 6,887 hours at \$58/hour

- Lists all projects as “Enhanced or New” Category
- This equates to about 3 buses
- After adoption GoTriangle interpreted that the OPT Hillsborough Circulator would be considered existing service and not new since the implementation agreement mentioned that “new” would be considered those services implemented after the November 2012 referendum. See comments regarding new versus existing at the end of the memo.
- OPT is running mid-day regional routes related to the ODX and 420 since GoTriangle is only running commuter peaks in the AM and PM.

- OPT has a BOCC adopted (2014) bus system plan that clarifies and expands the use of OPT BRIP allocations. In addition OPT has developed additional routes and submitted this to GoTriangle based on BOCC January 2017 retreat request.

Appendix B-2012 OCBRIP

Regional Services (i.e. GoTriangle)

8,200 hours-Enhanced or New

- Page 6- Notes that all 2 county services would be paid 50%/50% with Durham, so these hours equate to approximately 16,400 total hours of new or enhanced service.
- GoTriangle does not use tag fee revenue for support of existing service
- OPT is running certain identified regional service routes during mid-day time periods but has not asked for regional money support.

Appendix B-2012 OCBRIP

Chapel Hill Transit-22,391 hours total; 16,391 new; 6,000 existing

- This total is close to the 22,332 noted on page 8.
- Dividend rail hours are a separate issue.

Appendix B-2012 OCBRIP

Overall Note

- Although both OPT and GoTriangle included a place holder list for “Unfunded, Future priorities after year 2020” the title would be more appropriately labeled “Potential Bus Service projects Funded by the Plan and subject to further Bus Planning Studies”. This would include the funded 6,300 hours in the original plan but un-earmarked.
- During the adoption process of the BRIP, facilitators noted that revenue assumptions are conservative and if revenue projections are exceeded; the county could invest those revenues into more bus service hours during the regular updates to the plan.

Appendix B-2012 OCBRIP

Bus Operations Spreadsheet

- This notes the year by year increase in Bus Hours and associated costs in the first 5 years (Operating) and after that hours are the same and the costs include a 3.1% inflation increase per year.
- Implementation ‘policies’ each year provide funding amount totals and hours are a byproduct depending on costs per hour of the bus provider as it compares to the annual cost allocation. For example, if a provider maintains their costs per hour at a lower rate than the assumed inflation rate, they may be able to provide more hours.

- Please note the funded 6,300 additional hours albeit in 2035. (Note: This should be amended that as of 4/4/17 GoTriangle advised staff that these hours are no longer available. Therefore, there are no more future hours for bus expansion beyond the initial BRIP allocation.

Proposed 2017 Orange County Bus and Rail Investment Plan (as of 4/4/17)

- The 2017 Financial model Operating Tag shows
UPDATE-Please see far right column

	<i>Annual Expenditures</i>	<i>Operating cost per hour @ 100% BRIP</i>	<i>Existing Support Hours</i>	<i>Total New Bus Hours @ 100% BRIP</i>	<i>Total New Bus Hours @ 75%-90% BRIP</i>
<i>GoTriangle</i>	<i>\$744,130</i>	<i>\$111/Hr</i>		<i>6,704</i>	<i>8,939</i>
<i>Chapel Hill Transit</i>	<i>\$1,984,000</i>	<i>\$111/Hr</i>	<i>6,000</i>	<i>11,874</i>	<i>14,040</i>
<i>OPT</i>	<i>\$372,065</i>	<i>\$111/Hr</i>		<i>3,352</i>	<i>3,758</i>
<i>OPT</i>	<i>\$372,065</i>				
<i>OPT</i>	<i>\$58/Hr (6,415 hours)</i>				
<i>Total</i>			<i>6,000</i>	<i>21,930</i>	<i>26,737</i>

- These numbers in the model increase at a 3.1% rate to provide the same amount of hours.
- The \$111 per hour noted above is the inflated \$97 per hour from the 2012 OCBRIP for GoTriangle and Chapel Hill Transit. The \$50 per hour for OPT is approximately the operating costs for 2016. Originally in 2012 the operating cost was assumed at \$58 per hour and this rate should be inflated at 3.1% annually to 2017 which would be \$67.56.
- Therefore the new 2017 financial plan does not show monies for the additional 6,300 hours adopted in the original plan to 2035 and further does not allocate any additional bus hours to the new plan date of 2045 or beyond to 2062.

Comparison

- The original adopted OCBRIP included 34,950 new and at least 6,000 hours existing service support up to a maximum 8,124 hours using tag fee revenue which includes 100% of the \$7.00 tag fee.
- Tag fee monies received pursuant to Article 52 §150-570 “shall ... [be] distributed by the county on a per capita basis...” not as aforementioned in the implementation agreement.
- The original date for new was August 2009 when the “Mobility Bill” was approved by the legislature. The intent was to not to supplant already invested local dollars with the new tax revenues. However, this would and should not apply to the Hillsborough Circulator since it was not funded at all with local dollars but a 100% federal CMAQ grant and after 5 years it was planned by OPT to have the service continue with OCBRIP new tax revenues not tag existing service revenues.

- Orange County (OPT and Planning) staff believes bus hours should be increased to accommodate the extended time period of the plan from 2035 to 2045 based on population of population/employment growth from the original plan of 2012 and distributed based on this parameter. A separate memo explains this request for increased bus hours.
- Additional dollars for both bus service and bus capital are within the new plan but not to accommodate the original or additional bus hours. The additional costs added are to resolve new assumptions in state and federal funding.