
Wednesday, March 23, 2022

12:00 p.m.

Virtual | Webex

Board members present | Will Allen III, Corey Branch [arr. 1:29 p.m.], Michael Fox [arr. 12:49 p.m., left 1:12 p.m.], Brenda Howerton, Sig Hutchinson, Vivian Jones [arr. 1:16 p.m.], Valerie Jordan, Elaine O'Neal, Michael Parker, Renée Price, Jennifer Robinson, Stefanie Williams

Chair Sig Hutchinson officially called the meeting to order at 12:04 p.m. A quorum was present.

I. Adoption of Agenda

Action: On motion by Allen and second by Parker the agenda was adopted. Upon vote by roll call, the motion was carried unanimously.

II. Recognition

A. Employee Service Awards

President/CEO Charles Lattuca recognized the following employees for their service:

- Robin Leonard, 20 years' service
- Vinson Hines, 15 years' service
- Cynthia Hawkins and Eric Young, 10 years' service

Lattuca also recognized Laurie Barrett for 31 years' service and her upcoming retirement on April 22, 2022. Hutchinson also noted Barrett's contributions and offered appreciation on behalf of the Board.

III. Public Comment

No comments.

IV. Consent Agenda

Action: A motion was made by Parker and seconded by Allen to approve the consent agenda. Upon vote by roll call, the motion was carried unanimously.

The following consent agenda items were approved:

- February 16, 2022 | Special Session Minutes.
- February 23, 2022 | Regular Session Minutes.
- FY2022 Durham Transit work plan and budget ordinance amendments 2022 0005 - 0006.
- Authorized the President/CEO to execute a contract with Motorola Solutions Inc. for the purchase of replacement radios and associated communication system equipment for an amount not to exceed \$1,394,468.

The budget ordinance amendments are attached and hereby made a part of these minutes.

V. Presentation | Durham Transit Plan Update

Ellen Beckmann, Durham County Transportation Manager, presented an update on the Durham Transit Plan, which is attached and hereby made a part of these minutes. She recognized Aaron Cain, DCHC MPO Planning Manager, co-project manager.

Beckmann stated the Durham Transit team is developing a financially constrained recommended plan based on outreach results and technical analysis. The hope is to release the plan in May, conduct public engagement over the summer and adopt the plan in August. A governance study currently underway will add new policies and procedures with a stronger role for the County in financial management.

Key assumptions of the financial model

- Average sales tax revenue growth of 4.5% based on Moody's forecast [Wake County uses 4%].
- Debt service coverage ratio of 1.25 [net operating revenues to debt service], the lowest coverage to achieve an A or higher rating.
- Operating reserve of three months.
- Increase in the capital reserve to 5% of the 10-year CIP, or \$16.2 million.
- New revenue reserve of \$10 million to mitigate for the potential recessions and lower sales tax revenue growth than forecasted.
- Operating costs have increased from FY2022 to FY2023 by 7.4% for GoTriangle and 20.5% for GoDurham. The increases are due to operator wage increases and rising fuel costs. The model projected a 2.5% annual increase.

The increase in reserves decreases available funding for the transit plan by \$26.2 million. The increase in costs reduces available funding for committed projects by \$23 million and at least \$50 million for future projects.

Beckmann said the plan also considered the commuter rail cost share. Projections were based on the phase 1 study capital cost of \$1.95 billion and annual operating cost of \$41 million, with half of the capital cost assumed to come from federal funding. The Wake County Plan has budgeted for 67% of the non-federal share and the current Durham County Plan assumes contribution of 20% of the non-federal share, leaving 13% of the capital cost undetermined. She stated that Durham considered the impact of increasing its share to 33% of the non-federal share to cover this undetermined amount, but this increase would result in a reduction by half to the new services and projects recommended for the new transit plan. Beckmann added that other options to allow Durham to pay over a longer time also result in fewer resources and a funding commitment far into the future. She said there was definite support expressed for commuter rail during public outreach, but increasing bus service was the highest priority expressed so the Durham Transit team is remaining consistent with the recommendation for a 20% share towards commuter rail.

VI. General Business Agenda**A. Items Removed from Consent Agenda**

None.

B. RUS Bus Development**1. Closed Session | RUS Bus Agreements**

Action: On motion by Allen and second by Robinson the Board entered into Closed Session at 12:39 p.m. pursuant to NCGS §143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. Upon vote by roll call, the motion was carried unanimously.

Action: The Board returned to open session at 1:14 p.m.

Fox left and Jones arrived.

2. RUS Bus Predevelopment MOU Addendum

Katharine Eggleston's presentation is attached and hereby made a part of these minutes. She reviewed the project, a transit facility with a joint development mixed-used high-rise private overbuild on property owned by GoTriangle and adjacent to Raleigh Union Station, a multi-modal facility developed by NCDOT and the city of Raleigh in 2018. The \$20 million BUILD grant received from the federal government to support the public portion of this project includes a ground floor transit center, pedestrian bridge to the train station, wayfinding and accessibility enhancements, West Street improvements, BRT infrastructure, traffic signal upgrades and funds for low/no emission rolling stock. The private development includes 500,000 square feet across two high-rise buildings that will house 350 apartment units [10% affordable units], 200 hotel rooms, 18,000 square feet of retail and 550 parking spaces. In addition to the federal grant, the project includes almost \$18 million in additional funds from state and local sources.

Eggleston reminded the Board that it authorized execution of the two primary agreements for the project last year; however, execution is contingent on receiving FTA approval of the joint development project request which is not complete. GoTriangle has been responding to questions from FTA and is working to address remaining items. In order to minimize risks of not meeting BUILD grant deadlines, staff is requesting approximately \$2.4 million for early construction activities and \$800,000 for continued design of the public facilities.

Eggleston said that due to the interconnected nature of the joint development project's private and public facilities, the project is seeking a joint or single permit process through the city of Raleigh. To prevent delay and encourage continued advancement of the private facility design prior to the completion of FTA's review of the joint development project request and subsequent execution of the agreements, staff also is recommending that GoTriangle commit to reimburse the developer for up to \$300,000 for costs to advance the private facility design over the next three months. She emphasized that this money would only be paid in the event that the development agreements with Hoffman are not executed; GoTriangle would not

incur any additional financial obligation if the agreements are executed as expected in the coming months.

Action: On motion by Allen and second by Parker the Board authorized the President/CEO to execute (1) an agreement with RB Infrastructure LLC, a special purpose entity owned and controlled by Hoffman & Associates, for an amount not to exceed \$3,255,962 to continue advancing development of the RUS Bus Transit Facilities and (2) an agreement with the RUS Bus developer parent company, Hoffman & Associates, in which GoTriangle conditionally agrees to reimburse Hoffman & Associates up to \$300,000 for private-facility design costs incurred between April 1, 2022, and June 30, 2022, in the event that the RUS Bus development agreements [JDA and JDSA] are not ultimately executed by GoTriangle. Upon vote by roll call, the motion was carried unanimously.

C. Operations & Finance Committee Report

Operations & Finance Committee Chair Renée Price reported that the Committee met on March 3 and discussed the Durham Transit FY22 Q3 work plan and budget amendment as well as the contract for purchase of replacement radios and communications equipment. She said the Committee also received a mid-year financial report. Hutchinson noted that the action items appeared on today's consent agenda.

Branch arrived.

D. Planning & Legislative Committee Report

Vivian Jones reported that there was no Planning & Legislative Committee meeting this month, but John Hodges-Copple will present the land use analysis for the commuter rail corridor to the full Board at its work session on April 13.

VII. Other Business

A. D-O LRT Project Expenses

Sandra Freeman, Katharine Eggleston and Gary Tober provided a financial report on the Durham-Orange Light Raleigh Transit project, which is attached and hereby made a part of these minutes.

Freeman reviewed the project's timeline, noting that the project was discontinued in 2019 before construction began.

- May 2008 – Special Transit Advisory Commission recommends light rail between Durham and Chapel Hill
- June 2009 – DCHC MPO includes light rail in 2035 Long Range Transportation Plan
- 2011 – Durham County voters pass one-half cent transit sales tax; Durham Board of County Commissioners approve light rail as part of the Bus and Rail Investment Plan
- 2012 – Orange County voters pass one-half cent transit sales tax; Durham Board of County Commissioners approve light rail as part of the Bus and Rail Investment Plan
- May 2012 – Durham and Orange County negotiate an initial cost-sharing agreement for the capital cost of D-O LRT project

- June 2013 – DCHC MPO includes D-O LRT project in 2040 Metropolitan Transportation Plan
- February 2014 – FTA approves D-O LRT project entry into Project Development
- Fall 2015 – DCHC MPO, Durham County, City of Durham, Town of Chapel Hill and Orange County endorse a preferred alternative from UNC hospital to Alston Avenue
- February 2016 – FTA issues Final Environmental Impact Statement and Record of Decision for D-O LRT project
- November 2016 – DCHC MPO recommends including NCCU station refinement in D-O LRT project
- December 2016 – FTA approves amended Record of Decision for D-O LRT project including NCCU station refinement
- April 2017 – Durham County, Orange County, DCHC MPO and GoTriangle Board of Trustees commit additional dedicated transit funds for D-O LRT project in the updated County Transit Plans and cost-sharing agreement
- July 2017 – FTA approves D-O LRT project entry into Engineering
- January 2018 – GoTriangle Board of Trustees authorizes acquisition of property for Rail Operations and Maintenance Facility
- December 2018 – Durham City Council approves rezoning and annexation for D-O LRT project Rail Operations and Maintenance Facility
- March 2019 – GoTriangle Board of Trustees discontinues D-O LRT project

Allen pointed out that although approved by FTA to enter each phase of the federal funding process, no federal reimbursement is received until a project enters the construction phase. Every big project like D-O LRT project is always at risk up until that point.

Freeman stated that total expenses were approximately \$157 million, with 80% contributed by Durham County and 20% by Orange County. The April 2017 cost-share agreement was 81.5% from Durham and 18.5% from Orange.

Katharine Eggleston stated she joined the D-O LRT project team in 2014 as a member of the engineering team and later, project development manager. She presented a breakdown of costs for the D-O LRT project:

▪ <i>Management and design [83%]</i>		\$130,922,132
○ Project Development Consultant	URS/AECOM	\$26,722,828
○ General Engineering Consultant	HDR	\$86,775,632
○ Program Management Consultant	HNTB	\$12,065,515
○ Construction Management Consultant	Gannett-Fleming/WSP joint venture	\$3,278,526
○ Financial Advisor	PFM	\$1,061,455
○ Project management software	E-builder	\$615,000
○ Reimbursements for engineering review		\$403,176
▪ <i>Administration and staff [10%, 10-12% typical for large capital project]</i>		\$16,139,172
○ Staff and administrative support		\$14,936,603
○ Project office		\$1,202,569
▪ <i>Real estate [4%]</i>		\$6,158,465
○ Rail Operations and Maintenance Facility property [acquire and maintain]		\$4,702,888
○ Property-related expenses		\$1,389,119
▪ <i>Professional services and operations [3%]</i>		\$3,823,844

Eggleston noted that the E-builder software currently is being used for capital projects and can be scaled up for larger projects in the future. She also provided more specifics about the work performed by each consultant group.

Eggleston also provided information about disadvantaged business enterprises who worked as subcontractors for the project's prime consultants:

<i>Prime consultant</i>	<i>DBE Goal</i>	<i>DBE Actual</i>
General Engineering Consultant	14%	10.7%
Project Management Consultant	14%	11.3%
Construction Management Consultant	15%	18.5%
Project Development Consultant	8.8%	13.2%

Eggleston stated that very few of the firms are based in Durham, although many are located in Raleigh and Cary. She said a firm will often locate around its primary client and many of these rely heavily on work with the State and NCDOT. She added that had the project moved into construction, there potentially would have been more Durham firms on the list because there are a greater number of small contractors performing construction work that are located in Durham.

Lattuca stated that staff is prepared to meet with any groups to share this information, including the Boards of County Commissioners. He said that some public sessions are being scheduled in Durham and Orange County discuss this and other issues.

Price asked if anything other than the software was saved from the project and able to be used. Eggleston responded the real estate and some of the survey data, which was provided to partner organizations in the corridor. More recently information for a project on Erwin Road was supplied to the City of Durham. She stated that internal plan documents provide a template for other large projects. Freeman added that each year the audit each lists as an asset a dollar amount for the project.

O'Neal stated her shock at the amount of money that went out of Durham County compared to how much stayed in Durham County. She added that people need to see that GoTriangle is being transparent in order to establish trust.

Freeman responded that she would add information to the presentation about the goal-setting process used as it relates to DBE and M/WBE. She stated that procurement rules do not allow consideration of geographic location for contracts. She also offered to provide any lessons learned from the project.

B. President and CEO's Report

A list of contracts approved by the president and CEO is attached and hereby made a part of these minutes.

Lattuca reported on the following items:

- Attended the APTA Legislative Conference and presented an advocacy award to Congressman Price on behalf of the transit operators in North Carolina.
- Employee Appreciation Day is April 28 at the Durham Bulls game.

1. Operations Update

The monthly report is attached and hereby made a part of these minutes.

Patrick Stephens reported that a new class of eight operators began March 7. He added that since March 9, 40 applications have been received for fixed route and paratransit operators. He said the recruitment trailer at Durham Station will be open soon.

2. Capital Projects Status Report

The capital projects status report and commuter rail update are attached and hereby made a part of these minutes.

Katharine Eggleston stated again that GoTriangle received initial results from Norfolk Southern on the capacity modeling study and discussions are underway. GoTriangle also is discussing the possibility of some additional work to study alternate service plans with more midday and evening service. The STV team is updating cost, ridership and other deliverables that are dependent on the modeling results.

Eggleston shared activities related to the top risks to the project:

- Railroad coordination – The Norfolk Southern modeling study is delayed.
- Local buy-in – Coordination with municipalities to plan public and elected official engagement is ongoing.
- Cost-sharing discussions – Parties are engaging financial consultant support to evaluate model assumptions and support negotiation. The preferred scenario for the Durham Transit Plan is under development.
- Feasibility in key areas – Study results for Durham and Cary are being finalized with input from municipalities.
- Federal funding eligibility – Ridership model updates are under development.

C. General Counsel's Report

Byron Smith reported that RUS Bus agreements continue to progress. He said the legal office continues with contract drafting and review as well as providing legal advice on a variety of issues and the office of real estate has been involved in various real estate matters including the Seaboard Station purchase agreement.

D. Chair's Report

Chair Hutchinson stated he enjoyed attending the Transit Operators Appreciation event and encouraged Board members to attend the employee appreciation event in April. Hutchinson also thanked those who attended the regional dinner and offered appreciation to Stelfanie Williams and Duke President Price for hosting the event and to Congressman

David Price for speaking. He reminded the Board of a special meeting scheduled for April 13 and the budget work session which will precede the April 27 Board meeting.

E. Board Member Reports

1. CAMPO Executive Board Representative

Vivian Jones provided the report, stating the Major Investment Study for the northern BRT will use CARES Act funding of \$69,500 in FY2022 in addition to \$180,500 in FY2023 with a match from the Wake Transit Plan. She also reported the Strategic Plan was adopted with a vision statement that assures consideration of transit and all multi-modal options.

2. Regional Transportation Alliance (RTA) Representative

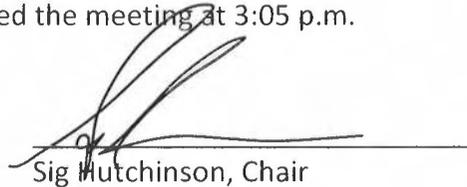
Will Allen III noted that next week's tour to south Florida will have over 80 attendees.

3. DCHC MPO Board Representative

Michael Parker reported that updates on the Durham and Orange County Transit Plans were received. He said Orange County's plan is anticipated to be adopted by County Commissioners by June 30. He added that interviews are underway for the new executive director of the DCHC MPO.

VIII. Adjournment

Action: Chair Hutchinson adjourned the meeting at 3:05 p.m.



Sig Hutchinson, Chair

Attest:



Michelle C. Dawson, CMC
Clerk to the Board