



## **Wake Transit Plan Implementation Joint Agency Agreement Memo**

**From:** Bret Martin, Transportation Planner (TPAC Clerk), Capital Area MPO

**To:** Wake County Transit Planning Advisory Committee Member Agencies

**Re:** Wake Transit Plan Implementation Joint Agency Agreement

GoTriangle, in cooperation with the Wake County Transit Planning Advisory Committee (TPAC), has produced a draft “Joint Agency Agreement” or “Master Agreement” that contains a number of provisions addressing overall participation in the implementation of the Wake County Transit Plan (Transit Plan). More specifically, the agreement functions as a multi-party instrument that institutionalizes provisions of engagement associated with any agency’s or party’s use of Wake County Tax Revenue, as defined in the Wake Transit Governance Interlocal Agreement (Governance ILA) to implement projects in the Wake County Transit Plan. Any agency or local government within Wake County that is expecting to benefit from these revenues must be a party to the agreement. The agreement’s anticipated time of performance is 25 years. This agreement is also intended to function as the gateway to the overall agreement structure for Wake Transit Plan project implementation, as agreed upon by the TPAC, and to satisfy the requirement within the Wake Transit Governance ILA for execution of a “master joint agency operations agreement.”

Specific substantive provisions and party responsibilities contained within the agreement include:

- 1) A commitment to implement all projects recommended in the Wake County Transit Plan (as adopted and subsequently amended), ensuring the establishment of minimum service standards, and the cost-effective delivery of projects;
- 2) Agreement to enter into more specific additional agreements for project implementation, incorporating requirements for those agreements as specified in the Governance ILA;
- 3) A requirement that projects are implemented in accordance with all federal requirements (e.g., Federal Transit Administration Certifications and Assurances);
- 4) Consent of all parties that operate a public transportation system now or in the future to assign their share of the \$7 vehicle registration tax revenues authorized under North Carolina General Statutes (NCGS) 105-570(c) to the Triangle Tax District, Wake Operating Fund;
- 5) A requirement that the Community Funding Areas (as identified in the Wake County Transit Plan) will be managed in accordance with a Community Funding Areas Program Management Plan to be developed by the TPAC; and
- 6) Compliance with state law regarding the use of public transportation sales tax for supplementation, rather than supplantation, of existing funding contributions for public transportation systems in Wake County.

Two provisions or responsibilities contained within the draft agreement may require additional attention:

- 1) Municipalities’ assignment of any claim to \$7 vehicle registration tax revenues authorized under NCGS 105-507(c) to the Triangle Tax District, Wake Operating Fund, and
- 2) Community Funding Area program participation.



### **\$7 Vehicle Registration Tax**

Under NCGS 105-570(c), public transportation vehicle registration tax revenues must be distributed by Wake County to municipalities that operate a public transportation system based on their pro rata shares of population relative to the combined population of all municipalities within the county (and unincorporated population if the county operates a system) that operate public transportation systems. In the future, if a municipality that currently does not operate a public transportation system begins to operate one, the municipality would receive a distribution based on its pro rate population share. Under the law, contracting with another public or private entity for operation of a public transportation system is included under the definition of a municipality operating a public transportation system. The “Joint Agency Agreement” waives this distribution and allows these tax revenues to be used for overall implementation of the Wake Transit Plan.

### **Community Funding Areas Program**

For many municipalities in Wake County, the Community Funding Area Program is intended to allow those municipalities to leverage matching funds to develop and oversee, establish partnerships to develop and oversee, or engage existing transit providers to develop and oversee the operation of community-based local transit services. The Wake Transit Plan and corresponding financial model, which provides set-aside funds for the program, presume that a portion of these services would be funded with local municipality/agency contributions. Details regarding required match contributions and other programmatic policies will be established as components of a program management plan that will be developed for managing the program. In addition to this set-aside of available funding, it is anticipated that additional in-kind benefits will be realized by municipalities taking advantage of the program, including start-up and ongoing technical and planning assistance and better integration and coordination with the regional transit network. Public transportation service start-up expenses (e.g., marketing, fare collection technology, vehicles, bus stop amenities, etc.) may also be eligible under the Community Funding Area Program.

As with any agreement, municipalities may wish to evaluate the costs and benefits of participation. To take advantage of the Community Funding Area program, municipalities will need to participate as a signing party to this agreement. In doing so, said municipality will also forgo its claim to any current or potential future \$7 vehicle registration tax revenues collected and distributed by Wake County. Based on Wake Transit financial model inputs, approximately \$6 million dollars per year of vehicle registration tax revenue is anticipated to be collected beginning in FY 2018. Based on the population of existing municipalities’ and Wake County’s operation of public transportation systems, the vehicle registration tax is worth approximately \$7.25 per person per year. However, if additional municipalities that currently do not operate public transportation systems begin to operate public transportation systems, this amount per person will decrease.

According to the Governance ILA, this agreement must be adopted by all participating parties before tax funds may be distributed or tax-funded projects may be started. The tax collection is slated to begin on April 1, 2017. **Therefore, we request that this agreement be reviewed by your City or Town Manager and Attorney, with comments sent to TPAC staff [Bret.Martin@campo-nc.us](mailto:Bret.Martin@campo-nc.us). Manager and Attorney comments should be provided no later than January 13, 2017. After these comments are reviewed and incorporated, the final Joint Agency Agreement will be sent to parties for adoption.** In order to meet deadlines specified in the Governance ILA, it is requested that all parties consider adopting the final Joint Agency Agreement between February 1 and March 31, 2017. If any listed party intends to decline adoption of the Joint Agency Agreement, that party should notify the TPAC Clerk in writing no later than February 28, 2017.

If there are any questions on the provisions of the “Joint Agency Agreement” or the specific provisions related to the \$7 vehicle registration tax or community funding areas, please contact Bret Martin, Transportation Planner (TPAC Clerk), Capital Area MPO by phone at (919) 996-4390 or by email at [bret.martin@campo-nc.us](mailto:bret.martin@campo-nc.us).