

MEMORANDUM OF UNDERSTANDING RE:
FEDERAL TRANSIT ADMINISTRATION
RALEIGH UZA FUNDING ALLOCATIONS

This MEMORANDUM OF UNDERSTANDING (the “MOU”) is made this ____ day of _____, 2026 (the “Effective Date”) by and between the City of Raleigh, a North Carolina municipal corporation (Raleigh); The Research Triangle Regional Public Transportation Authority, d/b/a GoTriangle (GoTriangle); the Town of Cary (Cary), a North Carolina municipal corporation; the County of Wake (Wake County); the Town of Apex (Apex), a North Carolina municipal corporation; the Town of Morrisville (Morrisville), a North Carolina municipal corporation; Johnston County Area Transit System of the Community and Senior Services of Johnston County, Inc. (JCATS), a North Carolina non-profit corporation; and the Capital Area Metropolitan Planning Organization, a metropolitan planning organization established under Article 16, Chapter 136 of the N.C. General Statutes (CAMPO), collectively referred to herein as the “Parties”.

WITNESSETH:

WHEREAS, subject to congressional appropriation, the Federal Transit Administration (FTA) regularly provides formula grant funding for transit purposes to state, regional, and local entities providing public transit services; and

WHEREAS, such federal funding (“Funding” or “Funds”) is provided through programs codified in Sections 5307, 5340, and 5339(a) of Chapter 49, U. S. Code (“FTA transit programs”); and

WHEREAS, the FTA defines an “Urbanized Area” as a U.S. Census Bureau-defined Urban Area with a population of at least 50,000; and

WHEREAS, the Raleigh Urbanized Area (“Raleigh UZA”) is the geographical and jurisdictional area for distribution of the Funds among the Parties; and

WHEREAS, to facilitate and maximize funding for the Raleigh UZA; to ensure annual funding stability; and to achieve compliance with applicable FTA standards and requirements, the Parties have agreed to memorialize the funding methodology to which they are subject, and to acknowledge their respective responsibilities in the distribution, allocation, and use of FTA Formula transit Funds; and

WHEREAS, distribution and allocation of FTA Funds among the Parties is primarily derived from statutory formulas and based upon factors including population, low-income population, population density, and annual submission of transit performance data to the National Transit Database (“NTD”), which is the primary source of information and statistics on public transit systems in the U.S.; and

WHEREAS, for the Raleigh UZA, Raleigh has been recognized and serves as the “Designated Recipient” of Funds, with responsibility for facilitating and managing the distribution of Funds in accord with applicable FTA standards, requirements, and formulas, and as further set forth in the MOU. The Parties anticipate that Raleigh will continue to serve in this role through federal fiscal year (FFY) 2027 (October 1, 2026 – September 30, 2027); and

WHEREAS, as the federal- and state- designated metropolitan planning agency for the Raleigh UZA, CAMPO is responsible for administering and coordinating FTA transit program Funding, and assisting, collaborating, and concurring with the Designated Recipient regarding allocation of Funds; and

WHEREAS, as of the execution date of the MOU, Cary, GoTriangle, and Raleigh are “Direct Recipients”, eligible for Sub-Allocations of Raleigh Area UZA funds. As Direct Recipients, they may also Sub-Allocate such Funds to their designated Sub-Recipients; and

WHEREAS, Apex and Morrisville are eligible to receive Sub-Allocated Raleigh UZA funds but have entered into agreements with Cary whereby Cary will receive and use their Sub-Allocated Funds as a Direct Recipient and they will receive a credit for equivalent amounts toward the provision of their transit services and or eligible capital projects; and

WHEREAS, while not a Party to this MOU, North Carolina State University (NCSU) is also eligible to receive Sub-Allocated Raleigh UZA Funds; and

WHEREAS, transit data reported to the NTD from transit agencies (including any entities which may qualify and be formally designated as Direct Recipients, Sub-Recipients, or other type of Party to receive credit for Funds) is essential in determining Raleigh UZA Fund apportionments; and

WHEREAS, as a condition of FTA funding, Raleigh and CAMPO must formally report to the FTA the agreed-upon Sub-allocations of Raleigh UZA Funds through a document commonly known as a “split letter”. The FTA may distribute Funds to the Direct Recipients only upon receipt of the split letter by the FTA Regional Office; and

WHEREAS, this MOU governs and outlines the process for Sub-allocating Raleigh UZA Funds for two (2) anticipated annual federal apportionments – FFY 2026 and FFY 2027. FFY 2026 spans the period of October 1, 2025, through September 30, 2026. FFY 2027 spans the period of October 1, 2026, through September 30, 2027; and

WHEREAS, for UZAs with a population of 200,000 or more, the FTA formulas consider bus vehicle revenue miles (VRM), bus passenger miles, fixed guideway VRM, fixed guideway directional route miles, fixed guideway passenger miles, operating expenses, population, low-income population and population density; and

WHEREAS, the Parties acknowledge the potential inclusion of the Section 5307 fixed guideway tier funds within the Raleigh UZA Fund amounts in the future, as fixed guideway funding for Bus Rapid Transit in the Raleigh UZA is anticipated in the next several years; and

WHEREAS, the Parties acknowledge their mutual intent to proportionally share the cost of the transit portion of the region's Triangle Regional Model and Household Travel Survey ("Travel Demand Model"); and

WHEREAS, in addition to the Parties' responsibilities for FTA Section 15 National Transit Database reporting as necessary to determine Fund Sub-allocations, the Parties have annual reporting responsibilities related to their respective uses of federal funds, roles, and program participation; and

WHEREAS, such reporting responsibilities include development of the Transportation Improvement Program (TIP) and Unified Planning Work Program (UPWP), and publication of an annual report on prior-year federal fund obligations; and

WHEREAS, the Parties acknowledge their common desire to conscientiously follow applicable reporting requirements regarding their respective uses of the Funds, roles, and program participation, to the end that Funds distributed to the Raleigh UZA will be maximally utilized; and

WHEREAS, this MOU sets forth the Parties' agreements regarding the methodology and process for sub-allocating, and thereafter utilizing and reporting on utilization of, FTA Formula Funds. The Parties further agree to work in good faith to enter into additional agreements as may be needed to allow Funds to be transferred among Direct Recipients, Sub-Recipients, and other eligible local transit providers.

NOW, THEREFORE, in consideration of the above recitals, which are fully incorporated into this MOU, the Parties agree as follows:

1. Submission of Data to NTD. To help maximize funding to the Raleigh UZA, each respective Party agrees to submit all eligible data to the NTD in accordance with FTA's applicable NTD Reporting Policy Manual.
2. Funding of Transit Elements – Travel Demand Model. The transit portion of the annual costs of the Triangle Region's Travel Demand Model may be funded using the Funds (Section 5307) distributed to the Raleigh UZA. The Fund amount will be deducted

proportionally based on each applicable criteria in the formula from the annual apportionment, beginning with the FFY 2026 allocation amount prior to calculating sub-allocations to Direct Recipients. The Funds shall be used to fund the inclusion of transit elements and calculations in the Region's Travel Demand Model, in accordance with the established protocols governing the Travel Demand Model, including oversight by the Model Executive Committee and Technical Committee.

3. Timeline and Process – Fund Allocation. The process for achieving concurrence by all Parties on final sub-allocation amounts as indicated in the split letter is as follows:
 - a. FTA Apportionment Published - FTA publishes the Raleigh UZA apportionment (partial or full).
 - b. Process Initiation: CAMPO Prepares Draft Materials and Submits Full Sub-Allocation Package to the Designated Recipient (Day 0-20 after Full Apportionment)
 - i. CAMPO prepares draft sub-allocation worksheets.
 - ii. CAMPO prepares the Sub-Allocation Process Calendar Timetable.
 - iii. CAMPO prepares the draft annual regional split letter.
 - iv. CAMPO prepares the blank Federal Funds Activities Forms (FAF) for each Party.
 - c. Partial Apportionment (If Applicable)
 - i. If only a partial apportionment is published:
 1. CAMPO distributes partial sub-allocation worksheets to the Parties for planning purposes.
 2. Parties, through consensus, may request a split letter based on partial apportionment to be submitted to FTA Regional Office.
 - d. Designated Recipient Review and Approval (Day 21–34)
 - i. Within fourteen (14) calendar days of receipt:
 1. Designated Recipient reviews calculations for compliance with this MOU.
 2. Designated Recipient approves and concurs in writing, authorizing CAMPO to distribute Sub-Allocation Package to Parties.
 - e. CAMPO Distributes Approved Materials (By Day 41)
 - i. Within seven (7) days of the Designated Recipient's approval and within forty-one (41) calendar days of FTA's publication of the full apportionment:
 1. CAMPO distributes to all Parties the Full Sub-Allocation Package, including:
 - a. Approved full sub-allocation worksheets

- b. Draft Regional split letter
 - c. Process Timetable
 - d. Federal Funds Activity Form (FAF) template with submission deadlines
 - f. Party Acceptance of Sub-Allocation (Day 0–14 after Receipt)
 - i. Within fourteen (14) calendar days:
 - 1. Each Party completes and submits a signed Federal Funds Activity Form (FAF) to indicate concurrence that the sub-allocation complies with the methodology outlined in this MOU.
 - 2. Sub-allocation is formally accepted.
 - g. CAMPO Action on Final Sub-Allocation and Regional Split Letter
 - i. CAMPO staff will present at the earliest opportunity the final sub-allocation calculations and regional split letter to the CAMPO Technical Coordinating Committee and Executive Board for adoption.
 - ii. CAMPO staff will submit the final regional split letter to the FTA Regional Office, with copies going to all Parties.
- 4. FAF Reporting Requirement. The FAF must be fully completed and signed by each Party's authorized individual. CAMPO and Raleigh will jointly determine whether the Parties have met required deadlines for the completion of the FAF. The FAF shall include:
 - a. Acceptance of the annual Fund sub-allocation worksheets and draft split letter;
 - b. Report of the Party's ongoing and projected use of the Party's sub-allocated federal funds;
 - c. Report of TIP project list from Direct Recipients;
 - d. Disclosure of whether the Party has any unobligated funds that are more than three (3) years old from the time of the FTA publication of the full-year apportionment, and the Party's plan for timely obligation of such funds; and
 - e. Certification of the Parties' required submissions to CAMPO, including an annual list of federal funding authorizations (due to CAMPO in December each year) and any required content for the region's Unified Planning Work Program (due to CAMPO in November each year).
- 5. Post -Audit of Fund Expenditure; Avoidance of Lapse. Generally, Section 5307/5340 Funds covered by this MOU must be obligated within five (5) years following the end of the federal fiscal year of apportionment, or they are subject to lapse. Section 5339(a) funds covered by this MOU must be obligated within three (3) years following the end of the federal fiscal year of apportionment, or they are subject to lapse. To ensure full obligation of all Funds distributed to the Raleigh UZA, each Party shall provide a report

on the FAF on the status of Funds awarded to it, with particular highlight on funds that are greater than three (3) years old from the time of the FTA publication of the full-year apportionment,. Any unobligated Funds older than four years from the time of the FTA publication of the full-year apportionment are subject to rescission and redistribution by Raleigh and CAMPO. Rescinded funds will be proportionately re-allocated by calculation conducted by CAMPO based on the latest split letter, less the amount due the Party whose funding is subject to rescission. Parties receiving redistributed funds will have fourteen (14) calendar days to acknowledge the redistribution and complete a revised FAF outlining intended use of the redistributed funds. A revised regional split letter will be developed and submitted to the FTA Regional Office as deemed necessary and appropriate by Raleigh, CAMPO and FTA.

6. Party Recipient Status Not Fixed. Nothing herein shall preclude any Party that is not a FTA Direct Recipient or Sub-Recipient at the time of execution of this MOU from becoming a Direct Recipient or Sub-Recipient during the term of this MOU.
7. Requirements for Existing and Future Parties:
 - a. Entities that provide transit services and/or funding for transit service within the Raleigh UZA, and that have submitted data to the National Transit Database (“NTD”), may be eligible. The agency becomes eligible when the reported data is used by FTA to calculate annual apportionments to the Raleigh UZA.
 - b. The entity must demonstrate the requisite local match for the federal transit funds.
 - c. The entity must become an FTA Direct Recipient, arrange to become a Sub-Recipient of a Designated or Direct Recipient Party to this MOU, or enter into an agreement with a Designated Recipient, Direct Recipient or Sub-Recipient specifying how the agency will benefit from any suballocated funds.
 - d. The entity must agree to submit data to the NTD that will maximize potential funding to the Raleigh UZA in accordance with FTA’s applicable NTD Reporting Policy Manual.

In addition to those entities named as Parties upon execution of this MOU, entities within the Raleigh UZA meeting the eligibility requirements set forth above may become Parties upon: (1) verification that such requirements have been satisfied by formal action of either the CAMPO Executive Board, (2) execution of the MOU (as the same may have been then amended) by the newly added Party or Parties; and (3) provision of written notice of such action by the CAMPO staff to all other Parties to the MOU.

8. Incorporation of Sub-Allocation Formula and Methodology Implementation Guide. The Sub-Allocation Formula and Methodology Implementation Guide is incorporated as Attachment 1 to this MOU.
9. Non-Discrimination – To the extent permitted by law, neither Party, their officers, employees, contractors, agents, successors, or permitted assigns, shall discriminate against any member of a protected class as defined by federal, state, or local law, including Wake County Code of Ordinances Section 34.01.
10. Binding Effect and Assignment - This MOU shall be binding on the successors and assigns of the Parties with reference to the subject matter of this MOU. No Party may sell or assign any interest in or obligation under this MOU without the prior express written consent of the other Parties.
11. Disputes; Controlling Law - In the event of conflict or dispute that might arise from matters associated with this MOU, the Parties agree to informally communicate in an effort to resolve the conflict or dispute. If any such dispute cannot be informally resolved, then resolution of such dispute shall be governed by the laws of the State of North Carolina, without regard to its choice of law provisions, and venue for any action relating to this MOU shall be Wake County Civil Superior Court or the United States District Court for the Eastern District of North Carolina, Western Division.
12. Term - This MOU shall have a term of two (2) years from the Effective Date. This MOU may be extended for two (2) additional years or its provisions modified with the written agreement of all Parties hereto. This MOU may be terminated, extended, or amended only by written agreement of all Parties. The sub-allocation method reflected in this MOU has been agreed to by the Parties in reliance upon the formula that FTA currently uses for that purpose. As a result, if the FTA changes the formula it uses to allocate Funds to urbanized areas, the sub-allocation method in this MOU will no longer govern, and the Parties shall agree on a new sub-allocation method and amend this MOU to incorporate that new method for the pending annual apportionment and sub-allocation. Unless terminated earlier in accordance with the terms of this MOU, if the Parties cannot agree on a new sub-allocation method by September 1st, 2027, for the impending sub-allocation, this MOU will continue to be in effect. The Designated Recipient, in consultation with CAMPO, and notwithstanding provisions of this MOU, may make decisions on the Raleigh UZA sub-allocation formula until the Parties reach consensus on

a new methodology. All parties commit to good-faith efforts to continue at existing funding levels in the event that this provision is exercised.

13. Representations and Warranties - The Parties each represent, covenant and warrant for the other's benefit as follows:

- (a) Each Party has all necessary power and authority to enter into this MOU and to carry out the transactions contemplated by this MOU, and this MOU has been authorized by each Party's governing body. This MOU is a valid and binding obligation of each Party.
- (b) To the best knowledge of each Party, neither the execution and delivery of this MOU, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of the transactions contemplated by this MOU, results in a breach of the terms, conditions and provisions of any agreement or instrument to which either Party is now a party or by which either is bound or constitutes a default under any of the foregoing.
- (c) To the best knowledge of each Party, there is no litigation or other court, or administrative proceeding pending or threatened against such Party (or against any other person) affecting such Party's rights to execute or deliver this MOU or to comply with its obligations under this MOU. Neither such Party's execution and delivery of this MOU, nor its compliance with its obligations under this MOU, requires the approval of any regulatory body or any other entity the approval of which has not been obtained.

14. No Waiver of Non-Compliance with MOU - No provision of this MOU shall be deemed to have been waived by any Party hereto unless such waiver shall be in writing and executed by the same formality as this MOU. The failure of any Party hereto at any time to require strict performance by the other of any provision hereof shall in no way affect the right of the other Party to thereafter enforce the same. In addition, no waiver or acquiescence by a Party hereto of any breach of any provision hereof by another Party shall be construed or applied to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

15. Liability of Officers and Agents - No officer, agent or employee of any Party will be subject to any personal liability or accountability by reason of the execution of this MOU or any other documents related to the transactions contemplated hereby. Such officers, agents or employees will be deemed to execute such documents in their official capacities only, and not in their individual capacities. This section will not relieve any such officer, agent or employee from the performance of any official duty provided by law.

16. Amendments. Subject to the provisions of Paragraph 7 hereof, this MOU may be amended only by written instrument duly approved and executed by all Parties. In order to allow Funds to be transferred among Direct Recipients, Sub-Recipients, and other local

transit providers receiving credit for Funds, the Parties agree to cooperate in good faith to enter into an additional agreements as may be required.

17. Execution in Counterparts/Electronic Version of MOU - This MOU may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Any Party may convert a signed original of the MOU to an electronic record pursuant to a North Carolina Department of Natural and Cultural Resources approved procedure and process for converting paper records to electronic records for record retention purposes. Such electronic record of the MOU shall be deemed for all purposes to be an original signed MOU.

18. Iran Divestment Act - The Parties hereby certify that they, and all permitted subcontractors, if any, are not on the Iran Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58.

19. No Third-Party Beneficiaries – There are no third-party beneficiaries to this MOU.

IN WITNESS THEREOF, the Parties hereto have made and executed this MOU as of the day and year first above written.

[Insert signature blocks for:

Capital Area Metropolitan Planning Organization

Chris Lukasina, Executive Director

City of Raleigh

Marchell Adams-David City Manager

Louis Buonpane, Clerk

Research Triangle Regional Public Transportation Authority

Brian Smith, General Manager

Community & Senior Services of Johnston County

Josh Jensen, Executive Director

Town of Apex

Randal E. Vosburg, Town Manager

Town of Cary

Kelly Blazey, Transit Director

Town of Morrisville

Brandon Zuidema, Town Manager

Wake County

David Ellis, County Manager

Yvonne Gilyard, Clerk