

Memorandum



CITY OF DALLAS

DATE April 8, 2011

TO Members of the Transportation and Environment Committee: Linda Koop (Chair), Sheffie Kadane (Vice Chair), Pauline Medrano, Vonciel Jones Hill, Jerry R. Allen, Carolyn R. Davis, Angela Hunt, Ron Natinsky

SUBJECT Streetcar Planning Update

At the Transportation and Environment Committee Meeting on Monday, April 11, 2011, there will be a briefing to provide updates on the TIGER Streetcar Project and Streetcar System Planning for the Central Dallas area.

Should you have any questions, please contact me at (214) 670-3314.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, Jr. City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, Director, Controller's Office
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager – Council Office
Rick Galceran, Director, Public Works and Transportation
Theresa O'Donnell, Director, Sustainable Development and Construction

Streetcar Planning Update

Dallas City Council Transportation and Environment Committee
April 11, 2011



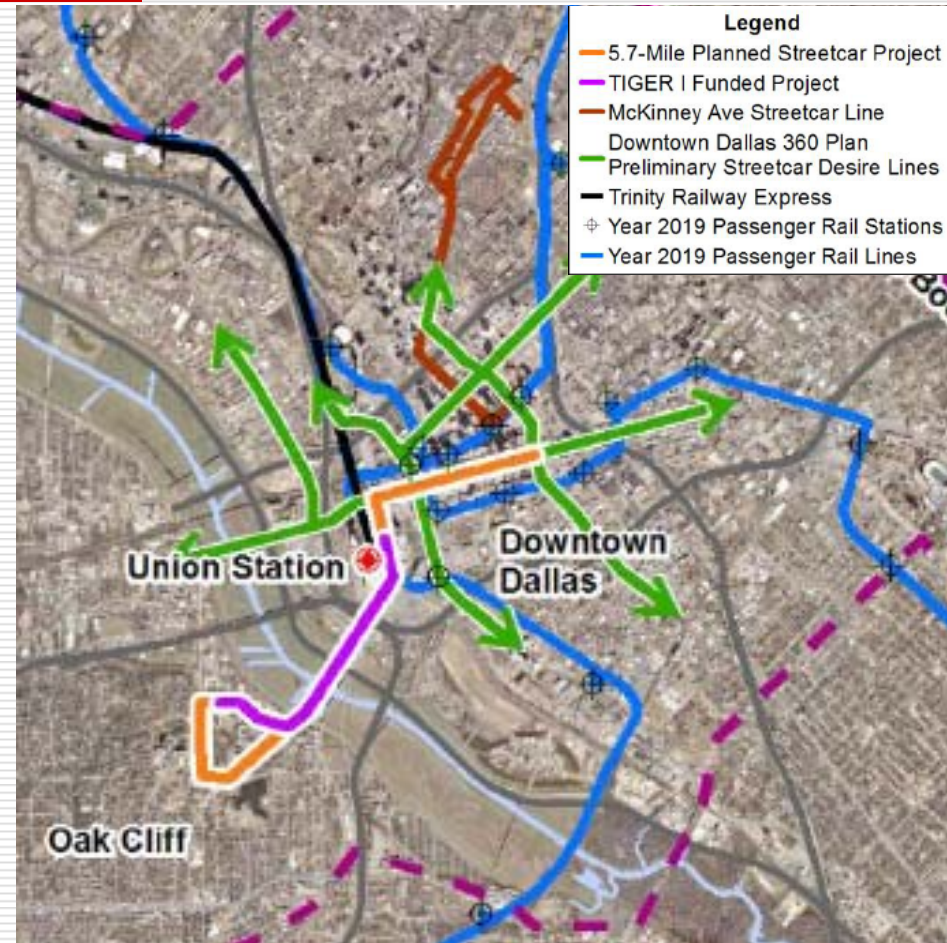
Purpose

- Brief the Committee in preparation for taking action on April 25, 2011 on funding strategy for operation and maintenance of the TIGER Streetcar Project
- Provide an update on streetcar system planning and development for the Central Dallas area

TIGER Project Background

Original Grant Request

- ❑ Original grant request was for \$49 million towards a \$150 million streetcar project linking Downtown Main Street Gardens to Oak Cliff Methodist Hospital via Union Station
- ❑ Only \$23 million was awarded
- ❑ NCTCOG is the official grantee; COD is project owner; DART provides technical support
- ❑ Given funding constraints, a scaled back project was necessary to implement a starter line



TIGER Project Background

FTA Expectations

- To avoid jeopardizing the grant award the revised project must:
 - Fit within the alignment defined in the original application
 - Be completed by December 2013
- The Federal Transit Authority (FTA) strongly emphasizes speedy project implementation to meet the job creation requirements of the TIGER grant program

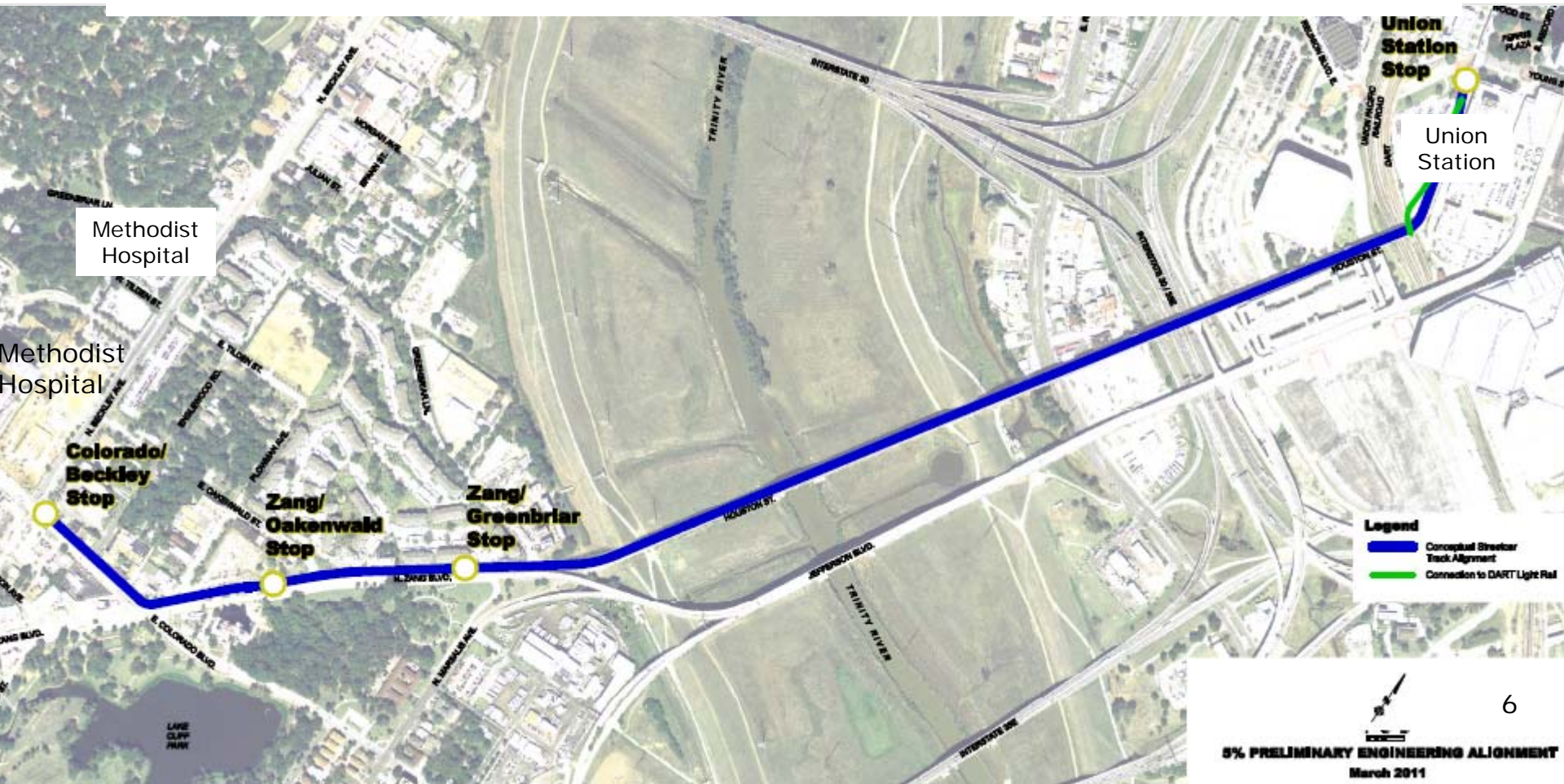
TIGER Project Background

Acknowledged Challenges

- ❑ Capital funds currently available will enable construction of vital link across the Trinity River
- ❑ TIGER Project needs to be viewed as first phase of a larger streetcar system serving Central Dallas (Downtown and surrounding neighborhoods)
- ❑ Public-private partnerships will be essential to build a larger streetcar system
- ❑ Establishing reliable revenue sources to cover anticipated operation and maintenance costs is as important as raising additional capital for project expansion
 - Addressing this for our TIGER Project is our most immediate challenge

Current Project Definition

- 1.6 mile single track project from Houston Street @ Young (Union Station) to Colorado at Beckley (near Methodist Hospital)



Capital Budget and Project Schedule

□ Project budget - \$36.6 million

- \$23 million – TIGER I grant
- \$7.8 million – RTR funds from 121 project
- \$5.8 million – RTR funds from 161 project

□ Target schedule

- Complete environmental assessment with finding of no significant impact - Summer 2011
- Begin construction - Spring 2012
- Complete construction - Summer 2013
- Begin revenue service - December 2013

Proposed Operation Plan

Hours of Operation:

- 5am to 7pm Monday through Friday
- No Saturday or Sunday service
- 20 minute peak headway
 - AM and PM peaks
 - No mid-day peak
- 30 minute off-peak headway

Streetcar Vehicles

- Total of 2 vehicles (1 service + 1 spare)*
- Low-floor modern vehicle
- Dual mode with both overhead catenary operation and alternative propulsion option

* Note: Cost of purchase of vehicles (\$9 million) is not covered in current capital budget.

Estimated Operation and Maintenance Cost

- ❑ FTA requires local operation and maintenance commitment for 30 years
- ❑ O&M cost estimate (including inflation)
 - Total 30 year cost: \$30 million
 - Annual cost range:
 - ❑ \$700,000 per year (Year 1)
 - ❑ \$1,300,000 per year (Year 30)
- ❑ FTA approved schedule requires local partners to provide O&M commitment through inter-local agreement by **end of April 2011**

Potential Revenue Sources for Operation and Maintenance

□ Sources Under Consideration:

- Oak Cliff TIF/MMD: \$300,000 for 10 yrs
- Love Field People Mover RTC funds: up to \$5 million over 3 yrs*
- Downtown Improvement District: \$50,000 for 30 yrs
- Advertising revenues: To be explored
- Other sources: To be explored

□ Need to establish commitments and identify additional bankable revenue streams

* Note: This involves proposed reallocation of RTC funds currently committed to the Love Field People Mover.

Proposed Funding Strategy for Operation and Maintenance

- ❑ Provide for joint three-party commitment by NCTCOG, City of Dallas and DART
- ❑ Create “TIGER Streetcar O&M Endowment Fund” to provide back stop to enable three parties to sign commitment
- ❑ Reprogram DART funds currently committed to Love Field People Mover to create this endowment fund

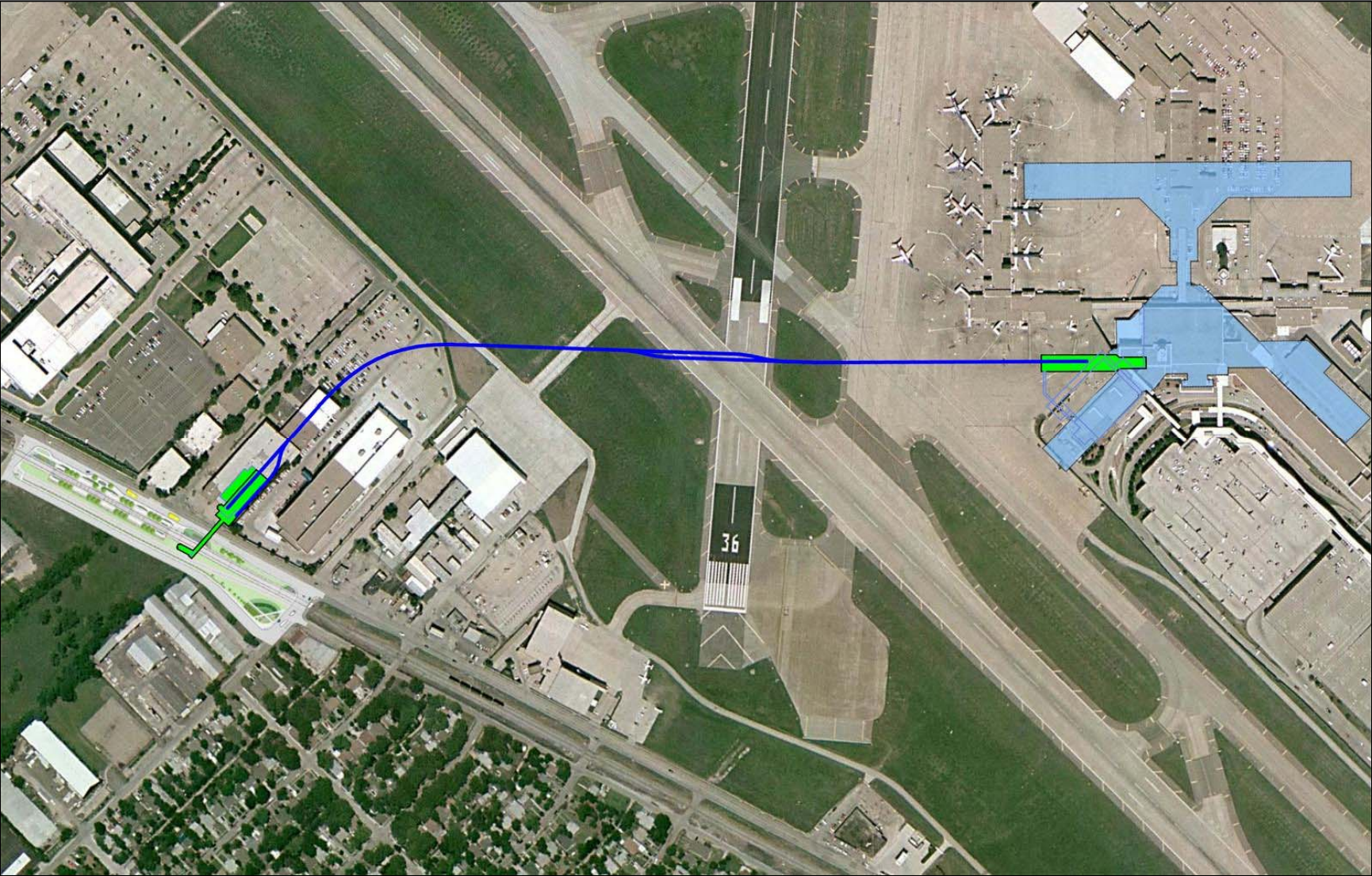
Love Field People Mover Project

- DART and NCTCOG have made previous funding commitments for a seamless transit connection from Love Field Terminal to the DART Green Line (People Mover)
 - DART commitment \$20 million
 - NCTCOG commitment \$50 million

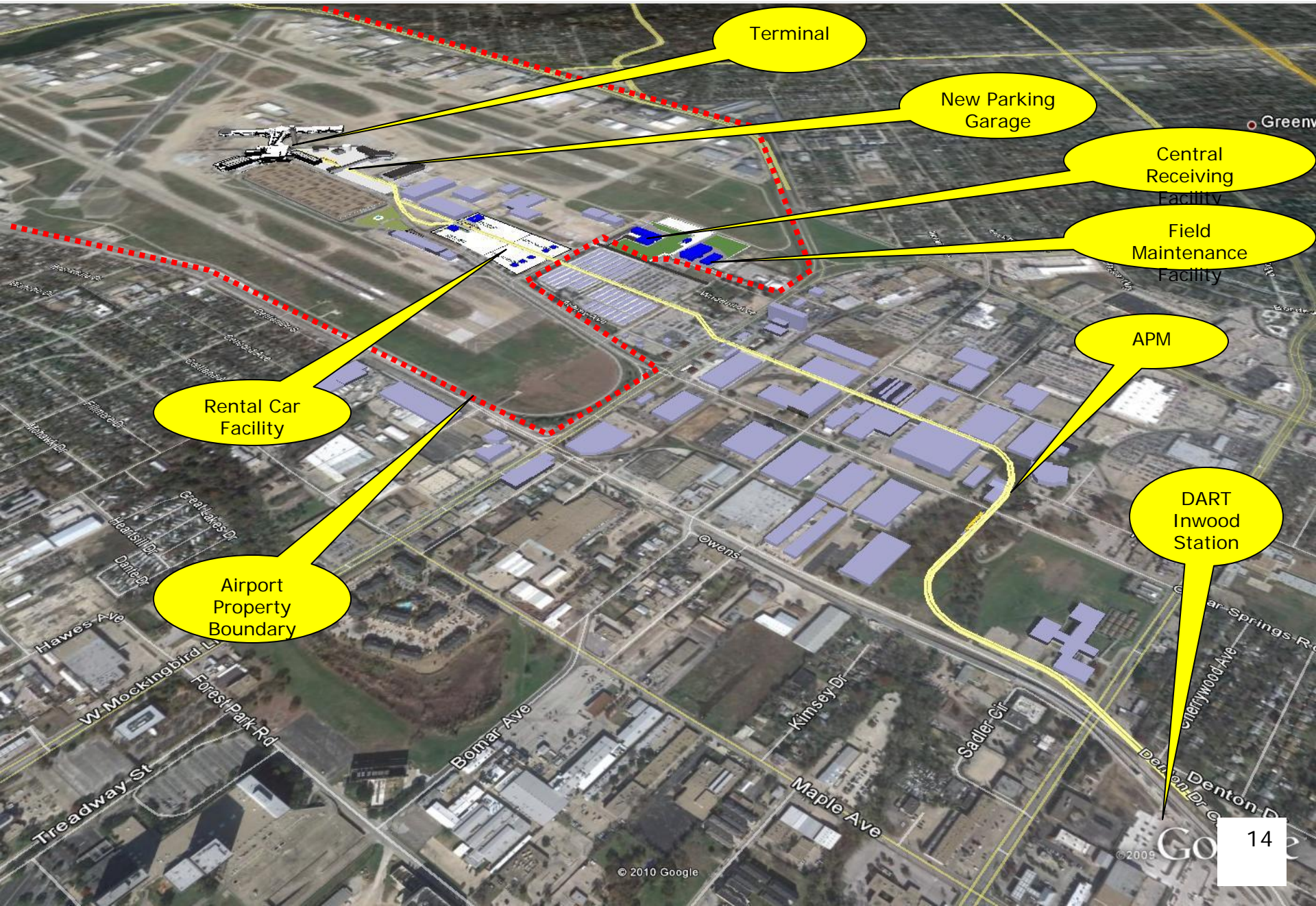
- Other funding sources for the People Mover include Aviation funds and Passenger Facility Charge (PFC) revenues

- Two options have been explored:
 - Burbank Alignment
 - Inwood Alignment

Burbank Alignment



Inwood Alignment



Alignment Option Highlights

□ Burbank Alignment

- Connects terminal to Southwest Airlines Headquarters
- Tunnel below airport runway
- Estimated cost exceeds \$400 million

□ Inwood Alignment:

- Connects terminal to a future proposed consolidated car rental facility
- Connects to redevelopable properties near Inwood DART Station
- At grade or above grade
- Estimated cost is about \$100 million less than Burbank Alignment

Reallocation of Funding

- ❑ Inwood option reduces cost significantly and opens up new public-private partnership possibilities for implementation
- ❑ Pursuit of this option would enable the City to consider allocating some portion of the DART and NCTCOG funding commitments towards the TIGER Project
- ❑ Reallocation of DART and NCTCOG funds would provide the following potential benefits for the TIGER project:
 - Critical funding for O&M
 - Funds for purchase of streetcars
 - Capital to incentivize private investment in an expanded streetcar system

Actions Needed

- ❑ City Council and DART Board action to amend the existing Master City/DART ILA to reprogram Love Field People Mover Funds
- ❑ DART Board action to amend DART's Financial Plan
- ❑ Regional Transportation Council action to reprogram Love Field People Mover Funds
- ❑ Approval of COD/DART/NCTCOG TIGER ILA for implementation of the TIGER-funded Streetcar Project

Proposed Action Schedule

- Regional Transportation Council April 16 (?)
- Council Transportation and Environment Committee April 25
- DART Board Finance and Budget Committee April 26
- Dallas City Council April 27
- DART Board May 10
- FTA Deadline **End of April**

Streetcar System Planning and Development for the Central Dallas Area



The Challenge

- We will not realize the full development potential of light rail, if we fail to make the first/last mile connection to and from destinations
- An effective streetcar circulator network for the Central Area would require:
 - At least 40 miles of track length
 - Capital investment to the tune of \$800 million
 - Annual O&M cost of about \$40 million
- Public-**private** partnerships are essential to meet this challenge - Government funding (federal/state/local) is scarce

Public-Private Partnerships

- Private involvement in financing infrastructure is not new:
 - PID assessments
 - Street /sidewalk improvement assessments
 - Highway frontage connection fees
- Private involvement in developing and owning infrastructure is also not new:
 - LBJ managed lanes project

Forward to the Past

List of former private transit companies in Dallas

- 1872-1884 - Dallas City Railroad Company (Main Street Line)
 - 1875-1884 - Dallas Street Railroad Company (San Jacinto Line)
 - 1876-1887 - Commerce and Ervay Street Railroad Company
 - 1884-1887 - Belt Street Railway
 - 1884-1887 - Dallas City and Dallas Street Railroad Company (merger of Main, San Jacinto Lines)
 - 1887-1890 - Dallas Consolidated Street Railway Company (merger of DC&DS, C&E, BSR)
 - 1887-1900 - Dallas and Oak Cliff Elevated Railway
 - 1888-1898 - Dallas Rapid Transit Company
 - 1889-1892 - North Dallas Circuit Railway
 - 1890 - North Dallas Railway Company
 - 1890-1895 - Dallas Consolidated Traction Railway Company (New owners changed the DCSR)
 - 1892-1898 - Queens City Railway Company
 - 1895-1898 - Dallas City Railway Company (Company formed to take over DCTRC, in receivership)
 - 1898-1917 - Dallas Consolidated and Electric Street Railway Company (acquired DCRC properties along with QCRC)
 - 1899-1917 - Rapid Transit Railway Company (acquired DRTC)
 - 1900-1917 - Northern Texas Traction Company (acquired D&OCER)
 - 1917 - Metropolitan Street Railway Company
 - 1917-1926 - Dallas Railway Company (merger of DC&ESRC, RTRC, MSRC and leased NTTC lines)
 - 1926-1956 - Dallas Railway and Terminal Company (Name change from the DRC)
 - 1956-1964 - Dallas Transit Company (Name change from DR&T. In 1964, the city purchased the DTC, ending a 92 year run of private transit companies in Dallas)
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Streetcar System Planning and Development Approach

- City of Dallas and DART collaboration to explore development of a streetcar system to serve Central Dallas to be financed, built and operated through public-**private** partnership
- Two concurrent and closely coordinated processes:
 - Financial Partnership Solicitation
 - Technical System Study

Financial Partnership Solicitation

- ❑ Seek private partners to design, build, operate, maintain and finance a streetcar system to serve the Central Dallas area
- ❑ Facilitate innovative financing techniques through public-private partnership arrangements
- ❑ Facilitate private-private partnerships between streetcar financiers, developers and land owners for transit-oriented real estate development along streetcar corridors

Innovative Financing Mechanisms

- City had preliminary discussions with FTA regarding this approach and FTA has shown interest
- City is seeking State action in the current legislative session amending Public Improvement District legislation to enable “value capture” to help finance streetcar development and operation

Three Step Solicitation Process

- Phase I: Request for Qualifications(RFQ) to assess financial and technical capability of interested private entities
- Phase II: Request for Proposals (RFP) for preliminary business plans from qualified teams for successful financing, development and operation of a streetcar system
- Phase III: Request for robust proposal from the most qualified candidate to further develop concepts and strategies and prepare a final business proposal as a basis for negotiations

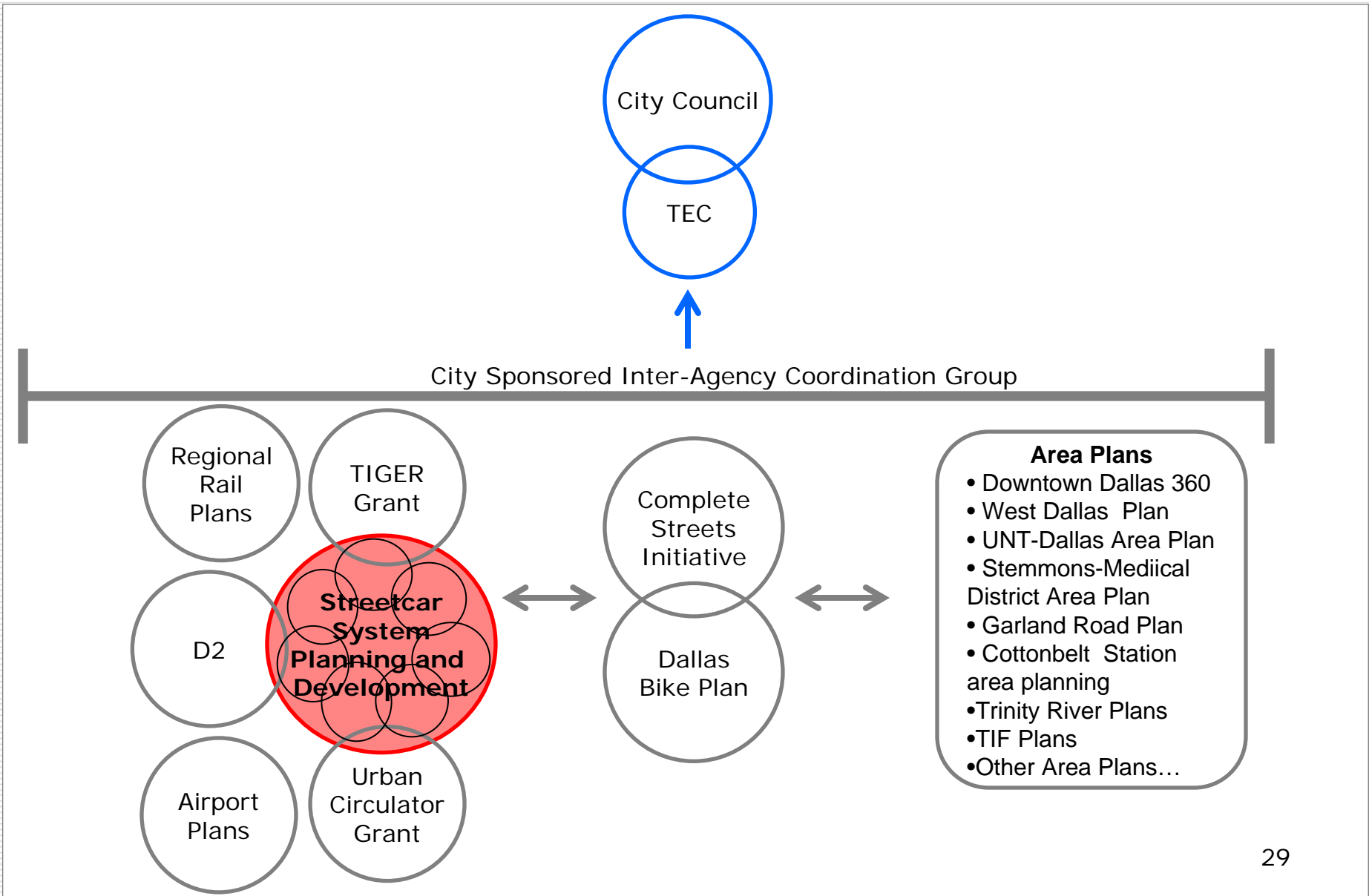
Technical System Study

- To be led by transportation planning consultants
 - HDR
- Phase I: Preliminary data gathering and analysis of the proposed Central Dallas service area prior to identification of potential private partners
- Phase II:
 - Technical and financial feasibility analyses for specific corridors in collaboration with potential financial partners
 - Conduct necessary analysis to ensure project eligibility for potential future federal funding

Public Engagement

- Public meetings/workshops – open forums to keep the community informed and to receive input
- Corridor based stakeholder group meetings to facilitate private-private partnerships between property owners, developers and streetcar financiers

Planning Context



Questions and Answers

