



**City of Dallas**

# **Dallas Streetcar Funding**

**Transportation and Infrastructure  
Committee**

*February 23, 2021*

Gus Khankarli, PE; Interim Director  
Frank Honeycutt, PE; Sr Prog Mgr.  
Department of Transportation  
City of Dallas

# Meeting Agenda



- Current (FY 2021) Funding Issue
- LDR Recommendations
- Potential Funding Sources
- TIGER Funding Commitment
- Minimizing O&M Cost
- Real Estate Challenges
- Determine the Direction to Proceed
- Staff Recommendation



# Current (FY 2021) Funding



In the past, the General Fund provided a significant portion of O&M funding.

Transportation and Infrastructure Committee directed:

- No More General Fund
- Pursue alternate funding such as TIF
- Exhaust Streetcar Reserves first

STREETCAR O&M General Fund Contribution	
FY 2016	\$875,000
FY 2017	\$975,000
FY 2018	\$975,000
FY 2019	\$385,500
FY 2020	\$0.00
FY 2021	\$0.00



# Current (FY 2021) Funding



	FY 21	FY 22	FY 23
<b>O&amp;M BUDGET</b>	<b>\$2,300,000</b>	<b>\$2,300,000</b>	<b>\$2,300,000</b>
<b>FUNDING SOURCES</b>			
<b>DART Contribution</b>	\$633,573	\$633,573	\$672,158
<b>Developer Fund</b>	\$300,000	\$300,000	\$300,000
<b>Fare Collection</b>	\$24,000	\$36,000	\$52,000
<b>Oak Cliff TIF</b>	\$475,000	--	--
<b>Downtown Dallas Inc.</b>	\$100,000	--	--
<b>Advertising</b>	--	\$50,000	\$100,000
<b>Naming Rights</b>	--	--	\$100,000
<b>Property Capitalization</b>	--	--	--
<b>Carryover from Previous Year</b>	(\$193,665)	--	--
<b>Remaining Need</b>	\$961,092	\$1,280,427	\$1,075,842
<b>GENERAL FUND</b>	<b>\$961,092</b>	<b>\$1,280,427</b>	<b>\$1,075,842</b>





# LDR Recommendations



Consultant: LDR Advisory Partners

- Joint Effort with the Office of Economic Development & Department of Transportation
- Review Opportunities for Public Private Partnership (P3)
- Analyze City owned assets related to the Streetcar for potential capitalization



# LDR Recommendations



## STREETCAR RELATED ASSETS

<i>Value Capture Method</i>	<i>Months to Implement</i>	<i>Annual Value</i>
Advertisement	3	\$117,647
Naming Rights and Sponsorship	6	\$300,000
Voluntary Special Collections <i>or</i> Transportation Utility Fee	6	\$41,000 <i>or</i> \$2,196,000
Real Property Asset Disposition	9	\$250,000*
At-Grade Joint Development	12	\$95,000
Streetcar Improvement District (PID)	12+	\$842,768 <i>or</i> \$0**
Above-Grade Joint Development	24+	\$248,393
<b>Available Annual Revenue</b>		<b>\$1,894,808 <i>or</i> \$3,207,040</b>



# Potential Funding Sources



- **Advertising:** *Inside & Outside the Streetcar & at Streetcar Stops*
- **Naming Rights:** *Requires lengthy selection process*
- **Transportation Utility Fee:** *Perceive as a new Tax*
- **Public Improvement District (PID):** *Failed in the past, poor timing*
- **Sell or Lease City property:**
  - *Property is not likely available for surplus*
  - *Property must be offered to other agencies first*
  - *Potential P3 opportunities will take time to develop*



# Real Estate Challenges



- Underused parcels might still be needed
- Surplus properties must be offered to other departments and agencies before selling
- Proceeds might be needed for other uses
- If successful re-purposing may take 2+ years





# Potential Funding Sources



	FY 21	FY 22	FY 23
<b>O&amp;M BUDGET</b>	<b>\$2,300,000</b>	<b>\$2,300,000</b>	<b>\$2,300,000</b>
<b>FUNDING SOURCES</b>			
<b>DART Contribution</b>	\$633,573	\$633,573	\$672,158
<b>Developer Fund</b>	\$300,000	\$300,000	\$300,000
<b>Fare Collection</b>	\$24,000	\$36,000	\$52,000
<b>Oak Cliff TIF</b>	\$475,000	--	--
<b>Downtown Dallas Inc.</b>	\$100,000	--	--
<b>Advertising</b>	--	\$50,000	\$100,000
<b>Naming Rights</b>	--	--	\$100,000
<b>Property Capitalization</b>	--	--	--
<b>Carryover from Previous Year</b>	(\$193,665)	--	--
<b>Remaining Need</b>	\$961,092	\$1,280,427	\$1,075,842
<b>GENERAL FUND</b>	<b>\$961,092</b>	<b>\$1,280,427</b>	<b>\$1,075,842</b>



# TIGER Funding Commitment



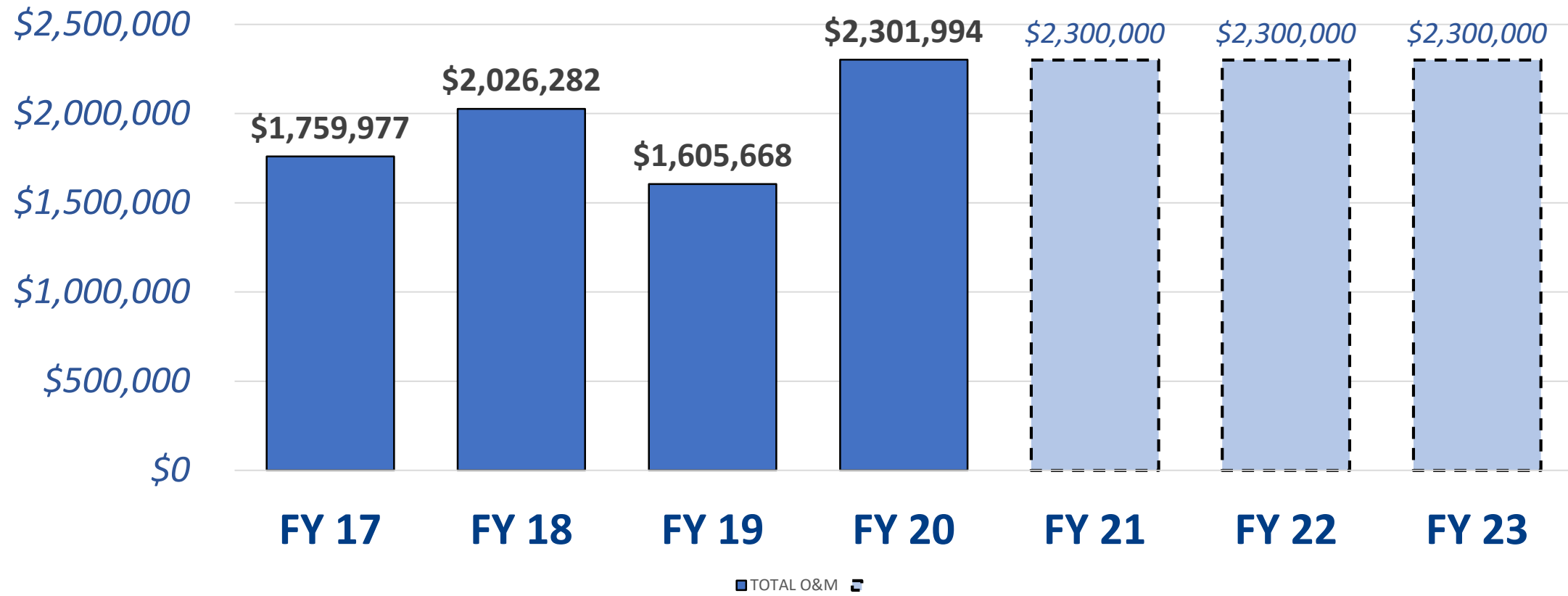
- **City has committed to Federal Transit Administration to Operate the Streetcar for 30 Years (2045)**  
*(per Council Resolution 11-1185)*
- \$26M Federal TIGER Grant Funds paid for 1<sup>st</sup> Phase Only
- 1<sup>st</sup> Phase = Union Station to Methodist Hospital
- City's Failure requires NCTCOG to takeover operation



# Minimizing O&M Cost



## O&M COST



# Minimizing O&M Cost



## Operating Statistics for Streetcar Systems in 2018 *(LDR Advisory Partners)*

City	Operating Expenses	Operating Expenses per Revenue Hour	Cost per Trip/Rider
Kansas City	\$4,928,270	\$255.66	\$2.44
Seattle	\$10,503,016	\$246.69	\$6.23
Portland	\$17,645,569	\$243.48	\$3.62
Cincinnati	\$3,794,491	\$257.34	\$7.81
Detroit	\$8,170,701	\$297.58	\$6.85
Atlanta	\$5,589,429	\$488.53	\$14.41
Milwaukee <sup>10</sup>	\$9,202,446	\$528.88	\$9.79
Tucson	\$4,090,872	\$158.25	\$4.55
Charlotte <sup>11</sup>	\$1,486,118	\$167.11	\$4.00
Washington, DC	\$11,151,824	\$440.77	\$9.52
Little Rock	\$985,393	\$82.95	\$22.96
Oklahoma City <sup>12</sup>	n/a	n/a	n/a
El Paso <sup>13</sup>	n/a	n/a	n/a
<b>Dallas</b>	<b>\$2,440,667</b>	<b>\$179.98</b>	<b>\$16.40</b>

**Third  
Lowest**

**Second  
Highest**





# Minimizing O&M Cost



SCENARIO		COST REDUCTION	PROJECTED COST	PRO	CON
<i>Current Service:</i> <b>A</b> Two cars at <b>20-minute</b> headway. 5:30AM to Midnight.		\$0	<b>\$2,300,000</b>	Maintain Status Quo	\$2.3M Cost
<b>NOT RECOMMENDED</b>	<b>B</b> One car at <b>30-minute</b> headway	\$783,000	\$1,517,000	Simple to follow	Might not have enough time to charge batteries
	<b>C</b> One car at <b>40-minute</b> headway	\$930,000	\$1,370,000	Adequate Charge Time	Poor Service & Awkward schedule
	<b>D</b> No Weekend service	\$572,000	\$1,517,000	Reduce Cost by 28%	Impacts Tourism
	<b>E</b> One car at 30-minute headway Union Station to Methodist Hospital ( <b>Beckley Stop</b> )	\$968,000	\$1,332,000	Satisfies Federal requirements	Poor Service & Isolates Bishop Arts
	<b>F CANCEL</b> Streetcar Service	\$2,300,000	Near \$0	Negligible O&M Cost	NCTCOG Takes Over OR Repay \$26M TIGER Grant





# Determine the Funding Direction



- Reduce or Cancel Service & Cost – *Not Recommended*
- Pursue General Fund supplement
- Pursue Advertising



# Staff Recommendation



- Pursue General Fund Supplement in FY 21 & FY 22
- Pursue Advertising Opportunities





# Dallas Streetcar Funding

## Transportation and Infrastructure Committee

Gus Khankarli, PE; Interim Director  
Frank Honeycutt, PE; Sr Prog Mgr.  
Department of Transportation  
City of Dallas

