



Legislation Text

File #: 24-497, **Version:** 1

STRATEGIC PRIORITY: Transportation & Infrastructure

AGENDA DATE: February 28, 2024

COUNCIL DISTRICT(S): 1, 2

DEPARTMENT: Department of Transportation

EXECUTIVE: Dr. Robert Perez

SUBJECT

Authorize payment to Dallas Area Rapid Transit for operation and maintenance costs for the Dallas Streetcar System from Union Station to Bishop Arts District for FY 2024 - Not to exceed \$1,887,492.00 - Financing: Dallas Streetcar System Fund (\$1,565,760.00) and Streetcar Developer Fund (\$321,732.00)

BACKGROUND

The Dallas Modern Streetcar is a City owned facility that links the downtown Central Business District to the Methodist Hospital in Oak Cliff and the Bishop Arts District. The system includes six stops on 2.3 miles of track all within the City street network. The system was constructed using \$81 million in State and Federal grant funds with the expectation of providing an economic stimulus, neighborhood revitalization, and an alternate mode of public transportation for at least a 30-year period.

The City maintains interlocal agreements (ILA) with the North Central Texas Council of Governments (NCTCOG), Federal Transit Administration, Texas Department of Transportation, and Dallas Area Rapid Transit (DART) pertaining to the Dallas Streetcar System. These ILA's established the City of Dallas as the owner of the Dallas Streetcar and allow for the City to rely on technical expertise from DART to operate and maintain the Dallas Streetcar.

On August 28, 2019, the City Council authorized the City Manager to execute a consolidated Master Streetcar ILA with DART for the operation and maintenance of the Dallas Streetcar System from Union Station to the Bishop Arts District by Resolution No. 19-1235. This consolidated ILA concisely restates the roles and responsibilities from eight previously approved ILA's (Streetcar Foundation Agreements) for the ongoing operation and maintenance of the streetcar system.

If approved, this action will authorize the payment of funds to DART for Streetcar operation and maintenance in fiscal year (FY) 2024 in the amount of \$1,887,492.00 including \$1,565,760.00 from the Dallas Streetcar System Fund and \$321,732.00 from the Streetcar Developer Fund. The remaining funds needed for FY 2024 Streetcar operation and maintenance have been authorized by other City Council resolutions.

The City's responsibility for operation and maintenance of the Dallas Streetcar in FY 2025 is estimated to be \$1,900,000.00 to be funded from the General Fund. Authorization of payment for Streetcar operation and maintenance cost in FY 2025 will be brought to City Council for approval next fiscal year.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 15, 2016, the City Council authorized an amendment to the ILA with DART to provide for the operation and maintenance for the southern and northern extensions of the Dallas Streetcar System (Union Station to North Oak Cliff) and two additional vehicles by Resolution No. 16-0980.

On April 25, 2018, the City Council authorized an amendment to the ILA with DART to establish a \$1.00 fare for the Dallas Streetcar by Resolution No. 18-0625.

On August 28, 2019, the City Council authorized a Master Streetcar ILA with DART for the purpose of restating and consolidating the provisions in the Streetcar Foundation Agreements that describe the respective duties, responsibilities, and ownership interest of the City of Dallas and DART in relation to the Dallas Streetcar System by Resolution No. 19-1235.

On December 8, 2021, the City Council authorized the dedication of \$475,000.00 in Oak Cliff Gateway TIF District funds from the available District-Wide Set-Aside to support the operation and maintenance of the Dallas Streetcar for FY 2022; the transfer of funds in the amount of \$475,000.00 from the Oak Cliff Gateway TIF District Fund to the Dallas Streetcar System Fund; and the transfer of funds from the General Fund to the Dallas Streetcar System Fund, in an amount not exceed \$1,000,000.00 by Resolution No. 21-1969.

FISCAL INFORMATION

Fund	FY 2024	FY 2025	Future Years
Streetcar Developer Fund	\$ 321,732.00	\$0.00	\$0.00
Dallas Streetcar System Fund	\$1,565,760.00	\$0.00	\$0.00
Total	\$1,887,492.00	\$0.00	\$0.00

<u>Council District</u>	<u>Amount</u>
1	\$1,698,742.80
2	\$ 188,749.20
Total	\$1,887,492.00

The operation and maintenance expense for FY 2024 is projected by DART to be \$2,631,815.00. In addition to the Dallas Streetcar System Fund, a combination of the following funding sources will be used to meet this projected expense:

DART Annual Contribution funds were set aside at the beginning of the streetcar program for operation and maintenance of the starter phase over a twenty-year period.

The annual funding amounts increase by 3 percent each year and are tabulated in Exhibit B of the Master Streetcar ILA with DART. This ILA was authorized by Resolution No. 19-1235 on August 28, 2019.

Developer Fund was established for the Streetcar through an ILA with NCTCOG. NCTCOG receives \$300,000.00 per year through FY 2024 from a private developer, SLF III - The Canyon TIF, L.P. for the Streetcar. The ILA was authorized by Resolution No. 18-0624 on April 25, 2018.

Estimated Fare Collection. A \$1.00 fare is charged for riding the Streetcar. The fare, collected by DART, is used to offset operation and maintenance expenses, and is documented on the recurring invoices sent by DART to the City. The \$1.00 fare was authorized by Resolution No. 18-0625 on April 25, 2018.

For FY 2024, the proposed funding for Streetcar operation and maintenance is as follows:

DART Annual Contribution per ILA	\$ 692,323.00
Developer Fund	\$ 321,732.00
Estimated Fare Collection	\$ 52,000.00
Dallas Streetcar System Fund	<u>\$1,565,760.00</u>
Total of Funding Sources	\$2,631,815.00

Unused funds at the end of the FY, if any, are carried over into the following FY for the same purpose.

MAP

Attached