



Legislation Text

File #: 20-2555, **Version:** 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability

AGENDA DATE: January 27, 2021

COUNCIL DISTRICT(S): 1, 2

DEPARTMENT: Department of Transportation

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize **(1)** the receipt and deposit of funds in an amount not to exceed \$100,000.00 from the Downtown Dallas Inc. for the operation and maintenance of the Dallas Streetcar; **(2)** the establishment of appropriations in an amount not to exceed \$100,000.00 in Dallas Streetcar System Fund; and **(3)** payment to Dallas Area Rapid Transit not to exceed \$282,768.00 for the operation and maintenance of the Dallas Streetcar - Total not to exceed \$282,768.00 - Financing: Dallas Streetcar System Fund (\$100,000.00) and Streetcar Developer Fund (\$182,768.00); Estimated Revenue: \$100,000.00

BACKGROUND

The City of Dallas maintains several Interlocal Agreements (ILAs) with the North Central Texas Council of Governments (NCTCOG), Federal Transit Administration, Texas Department of Transportation, and with Dallas Area Rapid Transit (DART) pertaining to the Dallas Streetcar System. These ILAs 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 behalf of the City.

Since the Dallas Streetcar began service in 2015, the General Fund has paid for a significant portion of the cost of routine operation and maintenance (O&M). The General Fund contribution in Fiscal Year (FY) 2016 was \$875,000.00 and increased to \$1,231,000.00 in FY 2019. On June 15, 2020, the Transportation and Infrastructure Committee directed staff to pursue funding from the Oak Cliff Gateway TIF (Tax Increment Financing) District and to develop other additional funding sources in lieu of the General Fund. With that direction, staff has pursued multiple sources to meet the O&M funding need. These sources include the following:

Downtown Dallas Inc. (DDI) Contribution - On November 17, 2020, the Board for DDI considered the economic benefit to the Downtown Business District provided by the Dallas Streetcar and authorized a onetime contribution of \$100,000.00 for the O&M.

DART Contribution - the ILA with DART for Streetcar O&M also provides funding each year that is often referred to as the Love Field contribution. This amount increases by three percent each year through 2036. For FY 2021 the contribution is \$633,573.00. This ILA also provides for money from fare collection that will be used to offset the cost of O&M. Fare collection during the pandemic has averaged about \$2,000.00 per month.

TIF funding - The Board for the Oak Cliff Gateway TIF District is considering providing a onetime contribution for the Streetcar O&M. A separate action to transfer these funds will be brought to City Council soon for consideration.

Developer Fund - On April 25, 2018, City Council authorized an ILA with NCTCOG to receive funds collected by NCTCOG from a developer, SLF III - The Canyon TIF, L.P., for the Dallas Streetcar. The agreement anticipates receiving \$300,000.00 each year for ten years, which will total \$3,000,000.00. Since the start of the program \$2,100,000.00 has been received into the Streetcar Developer Fund but only \$1,895,500.00 has been authorized for disbursement to DART for the Streetcar O&M. Authorization to disburse \$182,768.00 is needed to apply the remaining balance for O&M in FY 21. The final receipt of these funds is anticipated in 2024.

Other funding - Staff with the Department of Transportation and with the Office of Economic Development are also working together with a consultant to develop alternate funding sources in future years beginning with FY 2022. The results of this study will be brought to the Transportation and Infrastructure Committee for evaluation and further direction.

The anticipated funding sources for FY 2021 are:

DDI	\$ 100,000.00
DART Contributions	\$ 633,573.00
Fare Collections	\$ 24,000.00
Oak Cliff Gateway TIF	\$ 950,000.00
Streetcar Development Fund	<u>\$ 300,000.00</u>
Total	\$2,007,573.00

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 15, 2016, City Council authorized payment to Dallas Area Rapid Transit for operation and maintenance costs for the Dallas Streetcar System (Union Station to North Oak Cliff) for Fiscal Year 2016, by Resolution No. 16-0981.

On March 22, 2017, City Council authorized payment to Dallas Area Rapid Transit for the operation and maintenance of the Dallas Streetcar System (Union Station to North Oak Cliff) for Fiscal Year 2017, by Resolution No. 17-0489.

On April 25, 2018, City Council authorized an ILA with NCTCOG to transfer \$300,000 annually through 2024 from the SLF III - The Canyon TIF, LP for the Dallas Streetcar by Resolution No. 18-0624.

On April 25, 2018, City Council authorized payment to DART for the O&M of the Dallas Streetcar System for FY 2018, by Resolution No. 18-0624.

On April 25, 2018, 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, City Council authorized the Chief Financial Officer to make a payment to DART for the O&M costs for the Dallas Streetcar System (Union Station to Bishop Arts District) for FY 2018 and 2019, by Resolution No. 19-1239.

On August 28, 2019, City Council authorized the City Manager to execute 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.

FISCAL INFORMATION

Estimated Revenue: \$100,000.00

Fund	FY 2021	FY 2022	Future Years
Dallas Streetcar System Fund	\$100,000.00	\$0.00	\$0.00
Streetcar Developer Fund	\$182,768.00	\$0.00	\$0.00
Total	\$282,768.00	\$0.00	\$0.00

<u>Council District</u>	<u>Amount</u>
1	\$ 254,490.00
2	\$ 28,278.00
Total	\$ 282,768.00

MAP

Attached