



Legislation Text

File #: 21-2081, Version: 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability

AGENDA DATE: December 8, 2021

COUNCIL DISTRICT(S): 1, 2

DEPARTMENT: Department of Transportation

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize **(1)** 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 (O&M) of the Dallas Streetcar for Fiscal Year (FY) 2022; **(2)** the transfer of funds in the amount of \$475,000.00 from the Oak Cliff Gateway TIF District Fund (subject to current and future appropriations from tax increments) to the Dallas Streetcar System Fund; **(3)** the transfer of funds from the General Fund to the Dallas Streetcar System Fund, in an amount not exceed \$1,000,000.00; **(4)** an increase in appropriations in an amount not to exceed \$1,475,000.00 in the Dallas Streetcar System Fund; and **(5)** payment to Dallas Area Rapid Transit for O&M costs for the Dallas Streetcar System from Union Station to Bishop Arts District for FY 2022 - Not to exceed \$1,775,000.00 - Financing: General Fund (\$1,000,000.00), Oak Cliff Gateway TIF District Fund (\$475,000.00), and Streetcar Developer Fund (\$300,000.00)

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, Federal Transit Administration, Texas Department of Transportation, and with 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, City Council authorized the City Manager to execute a consolidated Master Streetcar ILA with DART for the O&M 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 O&M of the streetcar system.

If approved, this action will authorize the payment of funds to DART for Streetcar O&M in Fiscal Year (FY) 2022 including \$1,000,000.00 from the General Fund, \$475,000.00 from the Oak Cliff Gateway TIF District Fund, and \$300,000.00 from the Streetcar Developer Fund. The remaining funds needed for FY 2022 Streetcar O&M have been authorized by other City Council resolutions.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 15, 2016, City Council authorized an amendment to the Interlocal Agreement 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 June 15, 2016, City Council authorized payment to Dallas Area Rapid Transit for the operation and maintenance of the Dallas Streetcar System 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 for Fiscal Year 2017 by Resolution No. 17-0489.

On April 25, 2018, City Council authorized payment to Dallas Area Rapid Transit for the operation and maintenance of the Dallas Streetcar System for Fiscal Year 2018 by Resolution No. 18-0624.

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

On August 28, 2019, City Council authorized a payment to Dallas Area Rapid Transit for the operation and maintenance costs for the Dallas Streetcar System (Union Station to Bishop Arts District) for Fiscal Years 2018 and 2019, by Resolution No. 19-1239.

On August 28, 2019, City Council authorized a Master Streetcar Interlocal Agreement with Dallas Area Rapid Transit (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 January 27, 2021, City Council authorized the receipt and deposit of funds in an amount not to exceed \$100,000.00 from Downtown Dallas Inc. for the operation and maintenance of the Dallas Streetcar by Resolution No. 21-0235.

On April 14, 2021, 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 O&M costs of the Dallas Streetcar System for FY 2021, by Resolution No. 21-0635.

On June 23, 2021, City Council authorized the transfer funds in an amount not to exceed \$1,000,000.00 from Public/Private Partnership Fund to the Dallas Streetcar System Fund for FY 2021, by Resolution 21-1110.

On September 27, 2021, the Oak Cliff Gateway TIF District Board of Directors recommended the dedication of \$475,000 in Oak Cliff Gateway TIF District funds available from the District-Wide Set-Aside to support the operation and maintenance of the Dallas Streetcar for FY 2022.

City Council was briefed by memorandum regarding this matter on December 3, 2021. [https://edit.dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/12-3-21%20Friday%20Memo Streetcar%20Operations%20and%20Maintenance%20Funding%20for%20FY%2021-22%20\(003\).pdf](https://edit.dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/12-3-21%20Friday%20Memo%20Streetcar%20Operations%20and%20Maintenance%20Funding%20for%20FY%2021-22%20(003).pdf)

FISCAL INFORMATION

Fund	FY 2022	FY 2023	Future Years
Streetcar Developer Fund	\$ 300,000.00	\$0.00	\$0.00
Oak Cliff Gateway TIF District Fund	\$ 475,000.00	\$0.00	\$0.00
General Fund	\$1,000,000.00	\$0.00	\$0.00
Total	\$1,775,000.00	\$0.00	\$0.00

Council District

Amount

1	\$ 1,600,000.00
2	\$ 175,000.00
Total	\$1,775,000.00

The O&M expense for FY 2022 is projected by DART to be \$2,456,885.00. In addition to the General Fund, a combination of the following funding sources will be used to meet this projected expense:

DART (Love Field) Contribution funds were set aside at the beginning of the streetcar program for O&M 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 Interlocal Agreement with DART. This ILA was authorized by Resolution No. 19-1235 on August 28, 2019.

Developer Fund was established for the Streetcar through an interlocal agreement 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 Interlocal Agreement 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 O&M 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.

Oak Cliff Gateway TIF District Contribution. On April 14, 2021, City Council authorized amendment to the Project Plan and Reinvestment Zone Financing Plan for Tax Increment Financing Reinvestment Zone Number Three ("Oak Cliff Gateway TIF District") to: (1) include a finding that operations and maintenance support for the Dallas Streetcar is necessary and convenient to the implementation of furthering development along major transportation corridors and transit connections in and adjacent to the TIF District; (2) create a budget category in support of the Dallas Streetcar; and (3) shift \$257,202.00 net present value (approximately \$950,000.00 in total dollars) of

the District's budget from the Oak Cliff Gateway Sub-district to the new budget category by Ordinance 31828. On April 14, 2021, 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 operations and maintenance of the Dallas Streetcar for FY 2021, by Resolution No. 21-0635. On September 27, 2021, the Oak Cliff Gateway TIF District Board of Directors recommended the dedication of \$475,000 in Oak Cliff Gateway TIF District funds available from the District-Wide Set-Aside to support the operation and maintenance of the Dallas Streetcar for FY 2022.

For FY 2022, the proposed funding for Streetcar O&M is as follows:

DART (Love Field)	\$ 652,580.00
Developer Fund	\$ 300,000.00
Estimated Fare Collection	\$ 36,000.00
Oak Cliff Gateway TIF	\$ 475,000.00
General Fund	<u>\$1,000,000.00</u>
Total of Funding Sources	\$2,463,580.00

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

MAP

Attached