

# DEVELOPMENT OF A COST EFFECTIVE RAIL ELEMENT

## Rail

Warranted rail lines only

Regional rail, light rail compliant and light rail recommendations based on most cost effective option

## Bus Feeder To/From Rail

No bus feeder on rail lines served predominately by automobile access

Bus egress on rail line served by attractions requiring transit service

## Paratransit

None

## Fort Worth

Full modal compliment community

# 10 Strategic Steps to Success

1. Assume Vote will be City-by-City
2. Review Costs for Each Corridor and Review Sales Tax Revenue Data – Refine Mobility 2030 (if necessary)<sup>1</sup>
3. Work with Private Sector, Local Legislative Delegation, and Transit Authorities
4. Develop Priority Service Plan with Corridor Cities  
(Step #2 Above, Do Cities Want a 1% Service Plan, “Level the Playing Field”)
5. Identify Opening Day Rail Service Initiation Timeframe
6. Review Potential Funding Options (e.g., Reinvestment Zones, Previous Options)
7. Hold a Next Steps and Funding Workshop Summit  
(Possible Spring/Summer 2008)
8. Utilize Newspapers, Lobbyists, etc. to Share Common Position
9. Develop Marketing Plan and Seek Non-RTC Resources
10. Private and Public Sector Coordinate With Legislative Leadership

<sup>1</sup>For example, reduce feeder bus service from areas largely served by residential land uses.  
(Approved by Regional Transportation Council: Transit Authority Partnership Subcommittee, 12/13/07)

## **Regional Transit Expansion - Statement of Support by North Texas Employers**

**January 29, 2008**

The undersigned employers of the North Texas business community present the following principles in support of the objective of expanding mass transportation in our region:

- 1) We support mass transit and rail specifically as elements of a balanced strategy for addressing regional mobility.
- 2) We believe it is imperative that transit expansion policy be crafted within current state caps on local sales tax rates for the following reasons:
  - Busting the local sales tax cap will have severe economic consequences for communities in this state and for businesses that invest capital, create jobs and sell products and services in the region. At 9.25%, the sales tax rate would be the highest in Texas and among the highest in the nation.
  - The sales tax is the primary state revenue source. Given uncertainty over the economy, uncertainty over the long term viability of recent school finance legislation, and uncertainty over the revenue generating capacity of the new business tax, the state must retain sales tax capacity to preserve its ability to meet its obligations to the citizens of Texas.
  - History has proven that when increased sales tax authorization is instituted to address a regional or local issue, it rapidly spreads across the state. This is not just a local issue.
- 3) While the one-cent sales tax within current rate caps must remain the primary dedicated funding source for transit, additional financing options for expansion of transit must be authorized or restated in omnibus state legislation. This approach is necessary to accommodate the diverse mobility needs and fiscal circumstances of municipalities and transit agencies in the region and throughout the state. Policy elements that should be evaluated for inclusion in omnibus legislation are:
  - a. Re-evaluation of state constraints on transit agency borrowing capacity. This will enable agencies with responsible track records and the confidence of the public to more fully leverage debt financing for long-term capital projects.
  - b. Create a new statutory mechanism to admit additional cities to transit agencies. Cities that desire to join a transit agency but have debt obligations on their sales tax should be authorized to negotiate with the transit agency a temporary, reduced level of sales tax participation that allows it to retire its debt, and a temporary, reduced level of service plan that remains in place until the debt is

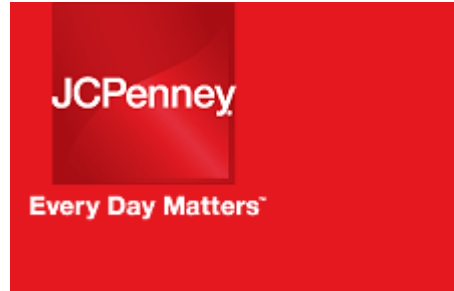
retired. The transit agency must approve the negotiated plan with a 2/3 vote of its membership, and the city would be authorized to call an election to join transit on a date-certain and commit to avoid all future encumbrances on the sales tax. Upon voter approval, the city would become a member of the transit agency subject to the terms of the negotiated agreement.

- c. Create transit agency “sub-regions” comprised of municipalities that desire to participate in transit at reduced service and sales tax rates less than one cent (i.e. rail only). This process is currently authorized in the enabling legislation of two of the local transit agencies, but it has never been utilized.
  - d. Encourage transit agency contracting with public and private entities for transit expansion:
    - Capture capital and operating commitments in contracts and/or bond covenants for facilities construction.
    - Contracting enables cities to access to diverse municipal revenue sources other than sales tax to fund their participation in transit: tax increment financing, fees, royalties, etc.
    - Create legislative authorization for transit agencies to jointly issue debt-financing instruments with non-member cities.
    - Invite developer, toll authority and TxDOT participation in capital construction and operating expenses for multimodal projects benefitting regional mobility.
  - e. Maximize transit agency proprietary revenue sources, especially parking, facility sponsorships, advertising, etc.
- 4) We request that area transit agencies, particularly DART, invite thorough performance audits by the State of Texas of their finances, operations and proposed system plans. Should such requests not be forthcoming, we urge state elected officials from our region to institute other effective state oversight and review processes. Public confidence in mass transit, and the confidence of area taxpayers in the stewardship of resources committed to addressing mobility needs must be restored, prior to or in parallel with policy initiatives for transit expansion within current local sales tax rate caps.
- 5) We call on state, regional and local membership organizations that represent business to consider and adopt statements of support for transit as an element of regional mobility in line with the principles outlined in this document.

MEMBER COMPANY LOGOS



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# Candidate Top Ten Revenue Sources

1. Sales Tax
2. Local Option Gasoline Sales Tax (Note 1: result in transportation infrastructure bank within transit service areas)
3. Local Option Motor Vehicle Excise Tax (See Note 1)
4. Local Option Vehicle Registration Fee (See Note 1)
5. Reinvestment Zones (outside DART and DCTA service areas?)
6. A: Impact Fees Outside DART and DCTA Service Areas (odd equity impact)  
B: Impact Fees (See Note 1)
7. Private-Public Partnerships (borrowing)
8. Borrowing Capacity (outside improvements?)
9. Retirement of 4A/4B (cities invited to clarify this option)
10. Establish Parking Fees/Increase Rail Fares