

SUMMARY REPORT

Final

REGIONAL TRANSIT 2.0



North Central Texas
Council of Governments

May 30, 2025



**NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENT
REGIONAL TRANSIT 2.0: PLANNING FOR THE YEAR 2050
SUMMARY REPORT
WORKING DRAFT**

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Executive Summary

This report summarizes the background, methodology, and outcomes from the North Texas Regional Transit 2.0 Program, initiated and led by the North Central Texas Council of Governments (NCTCOG) in collaboration with its member jurisdictions. Key members of the Transit 2.0 team included the three existing Transit Authorities (TAs) in the region: Dallas Area Rapid Transit (DART); Trinity Metro; and Denton County Transportation Authority (DCTA). Many jurisdictions across the region—both TA member and non-member jurisdictions—also participated.

Transit 2.0 was initiated in April 2024 and incorporated seven discrete tasks that focused on the key elements of public transportation service that together form the basis for providing effective future public mobility in the rapidly growing North Texas region. These elements, which collectively constitute the underlying mandate and purpose and need for Transit 2.0, were designed to develop a more aggressive legislative program, increase membership in transit authorities, enhance collaboration between transit authorities and their systems, and identify opportunities to increase the prevalence and quality of transit-oriented development, all to address the long-term transit needs of the Dallas-Fort Worth region.

The report provides an overview of the various elements comprising Transit 2.0, including the principal findings and recommendations of the study. There are three broad themes that emerged from the project which together frame the recommendations for future public transportation services in the region:

- **Sustainable funding and increased efficiency** of transit services are both necessary to optimally guide projected growth and development trends
- **Economic development, density, and transit-oriented development** are critical for effective regional transit
- **Transit must be competitive** with other modes of travel to provide effective mobility and reduce regional congestion.

Within each of these broad themes, the Transit 2.0 Study recommends a series of actions. These recommended actions are often measures that can be undertaken in the short-term by NCTCOG, the transit authorities, and cities and counties comprising the region. Other recommendations are longer-term, requiring potential legislative and institutional changes designed to accommodate future growth in population, employment, and related development. All should be socialized in the short term to advance the regional transit conversation.



Most of the strategies proposed by Transit 2.0 implementable in the short-term are primarily operational, but will require increased collaborative measures between transit authorities, jurisdictions, NCTCOG, and other regional institutional stakeholders. Many focus on improved efficiency and scale that can be facilitated under existing statutes and policies, while others are aimed at assuring that public transportation services achieve near-term sustainable funding and operational efficiencies. These measures recognize that the cities and subregions in North Texas have inherent differences in community focus, development culture, economic expansion, and lifestyle priorities.

While many recommended strategies can be initiated in the short term, implementation may extend into the longer term. Such bold strategies require more significant and permanent changes in institutional structure and legislatively controlled public funding consistent with the anticipated growth within North Texas. Through extensive review of peer regions in the United States and abroad, Transit 2.0 provides a series of recommendations that aim to improve equity in the provision of services and broaden the approach to regional funding, recognizing that transit needs vary across existing and future member jurisdictions. These strategies may require state legislative action, consistent and interdependent community actions, and possible regionwide public approvals. There is a clear role for NCTCOG to set and lead the dialogue around these concepts today, which can, in turn, help advance regional transit as North Texas looks toward the Year 2050.



Chapter 1. Background and Overview

Introduction to NCTCOG

The North Central Texas Council of Governments (NCTCOG) is a voluntary association of, by, and for local governments, and was established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. Since 1974, NCTCOG, in conjunction with the Regional Transportation Council (RTC), has served as the Metropolitan Planning Organization (MPO) for transportation in the Dallas-Fort Worth Metropolitan Area. The NCTCOG Executive Board serves as the MPO's fiduciary and fiscal agent, while the RTC serves as the MPO's policy body for federal transportation planning, programming, and policy decisions.

NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions. As MPO, NCTCOG and the RTC also support the three regional transit authorities (TAs) of Dallas Area Rapid Transit (DART), Denton County Transportation Authority (DCTA), and Trinity Metro through funding and programming as an aspect of broader regional transit and transportation planning.

NCTCOG's Transportation Department is responsible for regional transportation planning for all modes of transportation and for ensuring that air pollutants attributable to transportation stay within defined limits. The Department provides technical support and staff assistance to the RTC and its technical committees, which compose the MPO policy-making structure. In addition, the Department provides technical assistance to the local transit providers of North Texas in planning, programming, coordinating, and implementing transportation decisions.

Growth Trends in the Region

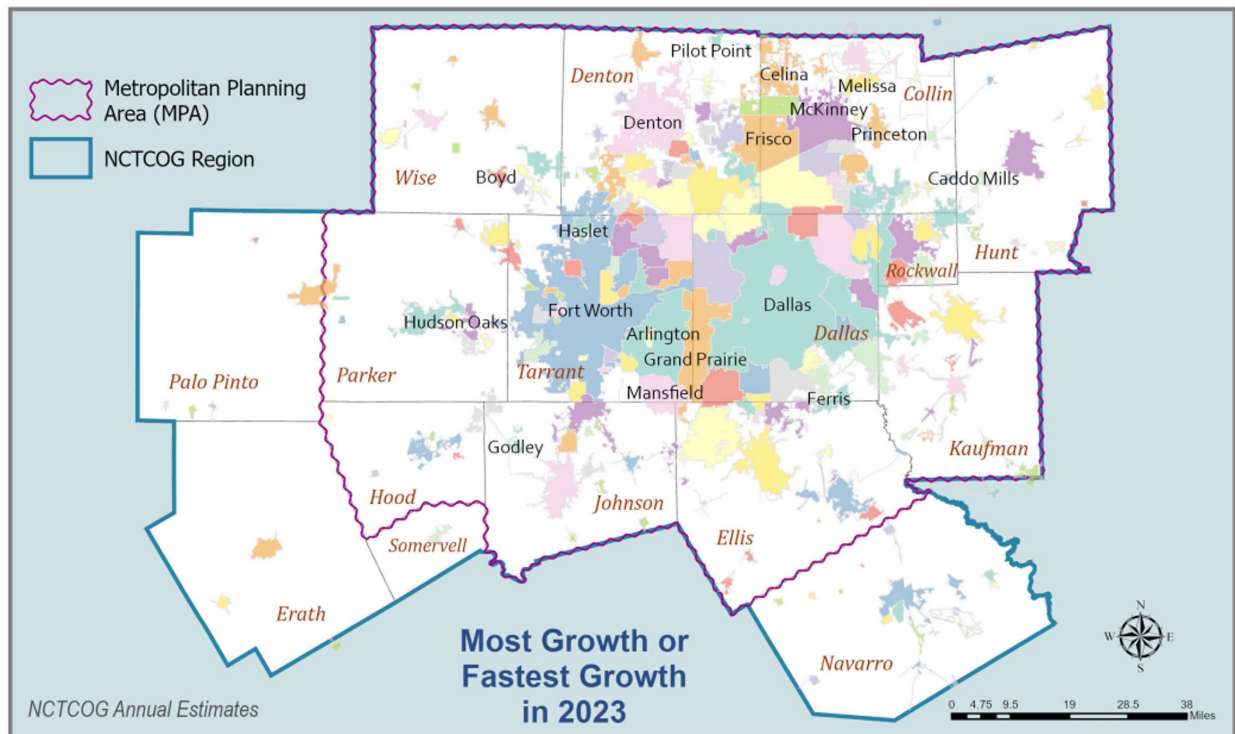
Since 2020, the NCTCOG region has grown by 650,000 new residents, with approximately 200,000 new residents in the past year alone. By 2050, the region will face an anticipated population growth of 4 million additional residents and 3 million jobs, placing significant strain on roadways, housing, and transit¹. NCTCOG, the RTC, and the three TAs, along with the many local jurisdictions, stand at a crossroads, as current

¹ 2024 NCTCOG Population Estimates Publication, Regional Data Center, North Central Texas Council of Governments



transportation and development paradigms are not sufficient to meet the resulting future travel demand.

Figure 1. Highest Growth Cities in the Region



Source: 2024 NCTCOG Population Estimates Publication, Regional Data Center, North Central Texas Council of Governments

Present and Future Mobility

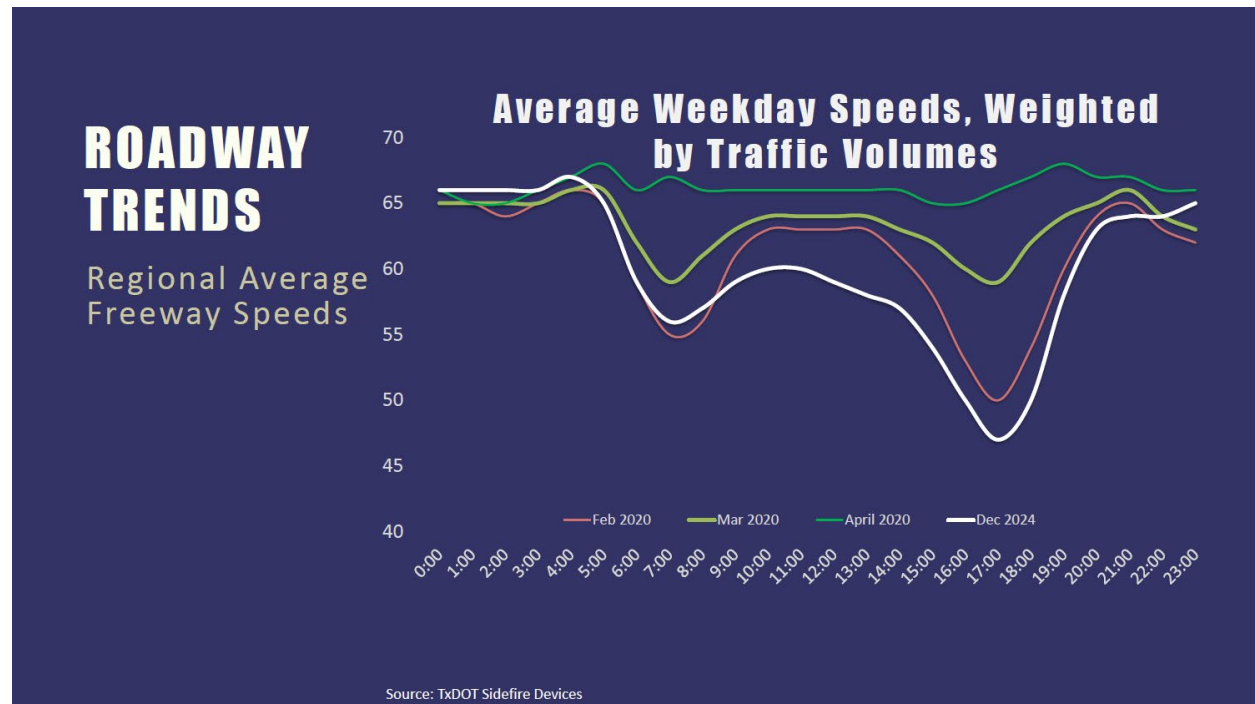
Today, many DFW residents already express dissatisfaction with the current transportation infrastructure and its ability to meet the regional travel demand. NCTCOG conducted a survey of more than 4,000 people that highlights that one of residents' biggest complaints with the region is that roadway infrastructure isn't keeping pace with growth. These complaints will be exacerbated as the population grows and traffic delays increase.

NCTCOG's Travel Demand Model projects that regional congestion will further increase if the region continues its current trajectory. Current plans for future transportation infrastructure investment include a cumulative \$100B for roadway maintenance, improvements, and expansions, and only modest improvements to the regional transit network and service offerings. This will not be sufficient to meet travel demand for the 4



million new residents moving into the region. Vehicle hours of delay are expected to nearly triple from 2019 to 2050, increasing from 1.8 million to 4.9 million annually. This equates to approximately 50 minutes per resident per day spent in traffic delays, driving projected increases in home-based to work (HBW) commute times from 25.4 to 30.4 minutes on average.

Figure 2. Dallas Fort Worth Region Roadway Trends



Historically, increased investment in roadway infrastructure has supported regional growth, but this strategy alone will not meet the anticipated 2050 travel demand.

Substantial increases in traffic delays are forecast, even when considering \$50B in planned investments in roadway solutions that can reduce congestion, which include the addition of choice lanes to increase vehicle occupancy and expansion of tollways/freeways to increase vehicle capacity.

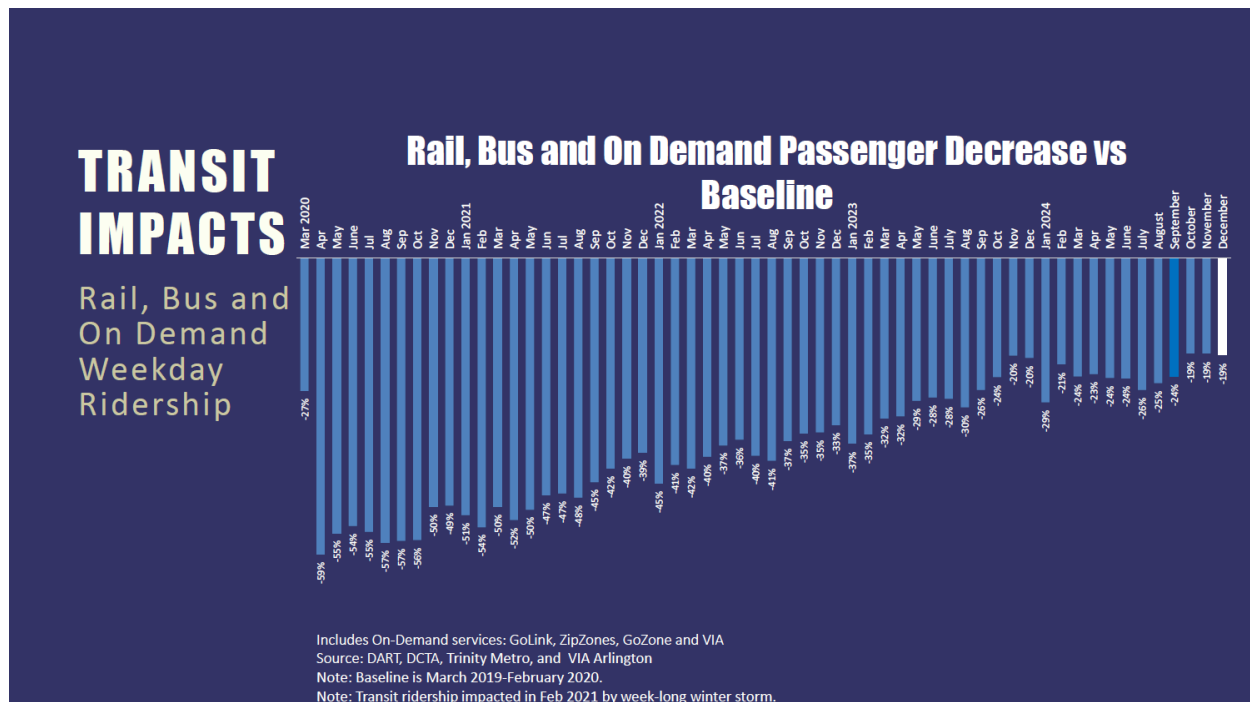
Public Transportation Services

The three North Texas transit authorities, Trinity Metro, DCTA, and DART offer a potential alternative to congested roadways. However, transit in North Texas is rarely viewed as a premium amenity that enhances accessibility, reduces commuting costs, or improves quality of life. Instead, according to many interviews conducted over the course



of Transit 2.0 and [surveys in North Texas](#)², transit is often associated with negative stereotypes, such as inefficiency, inconvenience, or contributing to noise and crime. Exacerbating this issue is that transit, as currently structured, rarely serves as an adequate substitute for private car trips. Combined, this means that transit remains almost exclusively the province of transit-dependent, low-income people and/or those who cannot or choose not to own cars.

Figure 3. Dallas Fort Worth Region Transit Trends



This dissatisfaction with transit has contributed to its low utilization, with residents instead relying on single-occupancy vehicles—a core determinant of roadway congestion. Even in the most urban counties of Dallas, Tarrant, Denton, and Collin, transit mode share was only 1.9% in 2019, a number that is expected to fall to 1.4% by 2050 if there is no intervention³. Additionally, much of the regional population growth is expected in areas outside of existing transit authority boundaries, as the population living inside these service areas will fall from 47% to 38% by 2050. This could further increase the number of residents relying on single-occupancy vehicles and associated vehicle miles traveled

² <https://www.cbsnews.com/texas/news/dart-increasing-security-police-to-address-riders-concerns/>

³ 2024 NCTCOG Population Estimates Publication, Regional Data Center, North Central Texas Council of Governments



(VMT). Increases in VMT are likely to increase transportation-related emissions and ozone-forming pollution in the region.

Challenges Facing Public Transit

It is no secret that public transit across the country faces challenges associated with dedicated funding, sustained ridership, and regional seamless operations. This holds true for North Texas, where key issues include long-term funding, transit competitiveness, and governance.

Long-term Funding and Regional Return on Investment

Given the extraordinary population and employment growth expected in North Texas, billions of dollars are required to fund transit services at the levels needed to make transit competitive with personal vehicles, successfully attract and sustain ridership, and to fund new and previously identified projects in public transit and passenger rail, including costs for expansion, operations, maintenance, and state-of-good-repair. While multi-modal infrastructure is needed to provide mobility to the region, there are limitations on funding from local and State sources that will require new approaches to increase the range of sources available to TAs, including sources beyond local sales taxes. Most Texas state transportation funding is restricted and statutorily protected for roadways and the few that are authorized for non-highway uses have comparatively minimal or no funding while state funding for public transportation is limited to urban and rural transit districts. If this is going to change, a strong consensus needs to be established on the outcomes that leaders in the region—and the State—wish to see from greater transit investment.

Transit Competitiveness and Recovered Ridership

Following the pandemic, ridership has slowly recovered at agencies across the country, however for the most part ridership has not achieved pre-pandemic rates. To attract riders and serve as a true alternative to single occupancy vehicles, transit must provide a competitive service in terms of time, ease of use, and perception of safety.

Increasing service efficiencies and assuring transit competitiveness with personal vehicles will be critical factors in meeting future travel demand and mobility requirements. These are integrally tied to the need for density and transit-oriented development and securing sustainable funding, two concepts that have been meaningfully advanced in Transit 2.0.



Regional Institutional and Governance Enhancements

To fully address the challenges of providing competitive and financially sustainable public transportation, the institutional structures and governance arrangements in North Texas must be reimagined. Transit 2.0 has taken a bold approach to reviewing regional governance and institutions, which have successfully implemented transit options embracing local and regional rail, fixed and on-demand bus services, micro-transit, and other modes which have generally met the need for regional mobility. However, the lack of regional transit coordination is felt in the disjointed customer experience and the varying levels of service across the region. The findings of Transit 2.0 point to the need to both broaden and focus services based on the projections for growth and development. For this to be accomplished, it is necessary to re-examine the ways in which the jurisdictions and transit authorities in the region work collaboratively to generate long-term funding and provide service.



Chapter 2. Regional Transit 2.0 Study Process

Key Stakeholders

Beyond NCTCOG, key stakeholders for Transit 2.0 included the three transit authorities and a set of key local jurisdictions, especially member jurisdictions.

Dallas Area Rapid Transit (DART)

DART is the regional transit authority for the greater Dallas region (Texas Transportation Code § 452). DART was created by voters in 15 cities via a successful referendum on August 13, 1983, which committed a one-cent local sales tax from each city. In 1988, two of the original cities (Flower Mound and Coppell) voted to leave the system. DART connects residents in 13 cities across more than 700 square miles. Its service area cities are Addison, Carrollton, Cockrell Hill, Dallas, Farmers Branch, Garland, Glenn Heights, Highland Park, Irving, Richardson, Rowlett, Plano, and University Park. In 2024, DART provided over 55 million passenger trips across the North Texas region. Its FY2024 revenue was approximately \$1.57 billion, the majority of which is generated by sales tax revenues and formula federal funding, with an operating budget of approximately \$687 million and total budget of approximately \$1.8 billion.

Today, DART operates a 93-mile light rail system with 65 stations, 692 buses with 14 bus transfer facilities, and the 34-mile Trinity Railway Express between Dallas and Fort Worth (in partnership with Trinity Metro). DART's other services include door to door paratransit and GoLink, the largest microtransit operation in North America, with 34 zones in partnership with Uber. DART funds these services in large part through a one-cent sales tax levied within its service area, as well as federal grants and fare revenue. Sales tax revenue comes directly to DART from the State Comptroller as approved by voters when DART was created in 1983.

Denton County Transportation Authority (DCTA)

In 2001, Texas House Bill 3323 created Chapter 460 of the Texas Transportation Code, which authorized the creation of Coordinated County Transportation Authorities (CCTAs) by County Commissioners Courts, subject to a vote by the county population. Denton County Transportation Authority (DCTA) is a coordinated county transit authority authorized under Chapter 460 of the Texas Transportation Code and was established in 2002 with a half-cent local sales tax. The service area consists of the cities of Denton, Lewisville and Highland Village. DCTA had FY2024 sales tax revenue of approximately \$41 million and a FY2025 operating budget of approximately \$52 million. DCTA's FY24 systemwide ridership across all modes was approximately 3.2 million passenger trips.



Fort Worth Transportation Authority (Trinity Metro)

Fort Worth Transportation Authority (Trinity Metro) is a regional transit agency authorized under Chapter 452 of the Texas Transportation Code which was established in 1983 and is funded with a half-cent local sales tax. The service area includes the city of Fort Worth, with additional funding from the cities of Grapevine and North Richland Hills for TEXRail service. Trinity Metro's FY25 operating budget includes \$180.5 million in revenues, primarily from sales tax and federal formula grants, and \$163.8 million in expenditures. Trinity Metro's FY24 ridership across all modes (bus, TRE, TEXRail, On-Demand, and other) was approximately 7.8 million passenger trips.

Key Local Jurisdictions

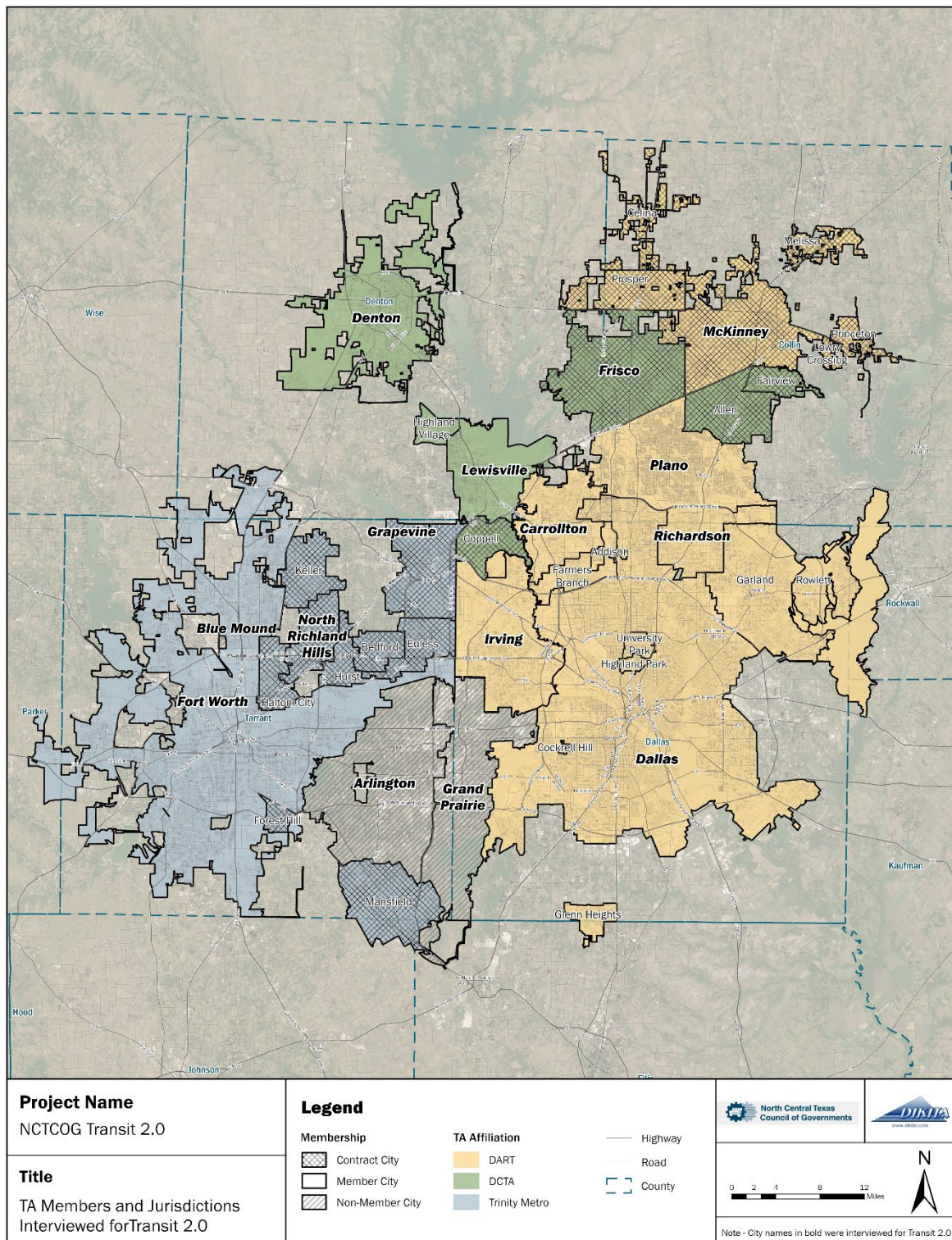
The Transit 2.0 study solicited and received substantial engagement and input from local member and non-member jurisdictions, as shown in Table 1 and Figure 4. These cities provided a variety of perspectives in the areas of governance, land use, legislation, funding, and fare policy. Many other jurisdictions were engaged through broad outreach to socialize task reports and collect feedback from these key groups.

Table 1 Local Jurisdictions Interviewed During Transit 2.0

| Agency | TA Membership Status |
|------------------------------|-------------------------------------|
| City of Arlington | Non-member |
| City of Blue Mound | Non-member (formerly Trinity Metro) |
| City of Carrollton | DART |
| City of Dallas | DART |
| City of Denton | DCTA |
| City of Fort Worth | Trinity Metro |
| City of Frisco | DCTA (Contract) |
| City of Grand Prairie | Non-member |
| City of Grapevine | Trinity Metro (Contract) |
| City of Irving | DART |
| City of Lewisville | DCTA |
| City of McKinney | DART (Contract) |
| City of North Richland Hills | Trinity Metro (Contract) |
| City of Plano | DART |
| City of Richardson | DART |



Figure 4. TA Members and Jurisdictions Interviewed for Transit 2.0





Structure of the Study and Stakeholder Engagement

The three TAs served as primary reviewers for most Transit 2.0 task areas as recommended by NCTCOG, and engaged with the study team through interviews, sharing pertinent research information, and critical regional context, including current events. Likewise, Transit 2.0 also received substantial engagement from local member and non-member jurisdictions, shown in Table 1 above. These jurisdictions provided a variety of perspectives in the areas of governance, land use, legislation, funding, and fare policy. Many other jurisdictions were engaged through broad outreach to socialize task reports and collect feedback from these key groups.

The Transit 2.0 scope was developed by NCTCOG and the three transit authorities to address the “transportation authority - member city paradox,” included here as Appendix 1. A principal goal of Transit 2.0 is to identify key challenges to regional transit provision and present bold solutions for an improved future. The purpose of Transit 2.0 is outlined in its seven core tasks, in addition to Task 1 project management activities:

- Task 2: Transit legislative program (September 5, 2025, Transit Legislative Program Report, Appendix 2)
- Task 3: Increase transit authority membership (March 13, 2025, Strategies to Increase Transit Authority Membership Report, Appendix 3)
- Task 4: Increase collaborations between existing transit authorities (March 13, 2025, Collaborations between Existing Transit Authorities Report, Appendix 4)
- Task 5: Strategies for transit authority board partnerships and teamwork (August 24, 2024, Strategies for Authority Board Partnerships and Teamwork Report, Appendix 5)
- Task 6: Strategies for infill development (April 24, 2025, Strategies for In-Fill Development Report, Appendix 6)
- Task 7: Fare collection strategies (March 26, 2025, Fare Collection Strategies to Increase Ridership Report, Appendix 7)
- Task 8: Improve the transit authority-member city paradox (March 19, 2025, Recommendations for Transit Authority / Member City Paradox Report, Appendix 8)

These tasks were performed by consulting firms InfraStrategies LLC, McKinsey and Co., Dikita Engineering, Peyser and Associates, and Intueor. The tasks focused on key transportation and land use issues, including legislation, governance, cooperation, funding, fare policy, and transit-oriented development. Stakeholder engagement was extensive and included over 150 meetings, interviews, and workshops during the year long process.



Development of a Regional Model

To have an accessible tool for testing future cost, revenue, and service delivery options, Transit 2.0 developed and deployed a financial model capable of assessing a wide range of future scenarios.

The model was utilized to explore and refine several potential future regional scenarios with variables including economic development type and location, transportation capital improvements, operations costs, revenue generation, and revenue allocation. Like most models that forecast regional outcomes, it is highly sensitive to the assumptions made and input to the model, including estimated costs of capital facilities, ridership estimates, transit mode routes and frequencies, revenue generated from fares and public sources, and related factors.

Three scenarios were modelled:

1. **Baseline scenario**, representing current transportation infrastructure and existing TA strategic plans, which is expected to generate modest improvements in transit service and state of good repair. This scenario was largely cost and revenue neutral, with existing revenues covering the projected increase in operating expenses and planned capital expenses.
2. **Transit 2.0 policy scenario**, representing the implementation of a set of Transit 2.0 policy recommendations to drive density-oriented economic development and improve transit system competitiveness and efficiency, among other recommendations. This scenario was a net positive from a revenue perspective, significantly increasing sales tax revenue in the region and delivering better transit service on the existing network.
3. **Network expansion scenario**, adding approximately \$15 billion in capital expenditure on nine rail projects and several new bus routes to the implementation of the policy recommendations from Scenario 2. This scenario resulted in a large potential funding gap due to the high level of capital investment required to expand the network. *Mobility 2050*, NCTCOG's Mobility Plan, would need to close this gap.

The outcome of scenario evaluation (discussed in detail in Appendix 8) was a critical factor in determining the recommendations from the Transit 2.0 Study. The study team created several policy-based programs starting with a baseline (current conditions) assumption and adding options that included varying levels of transit investment and



deployment of service. This outcome is critical to both short- and longer-range recommendations and can be used in many future undertakings designed to explore the results of various investment options, capital development programs, and revenue generation opportunities.

Development of a Targeted Legislative Agenda

An early set of outcomes of the Transit 2.0 work was the development of strategies to inform a targeted legislative agenda. The purpose of the legislative agenda was to enhance the opportunities for improved public transit within the region. Legislation is critical to the future of transit looking forward. Transit 2.0 focused on new revenues for transit relieving pressure for one-cent jurisdiction contributions. There is significant legislation pending in Austin at the State Legislature as the Transit 2.0 work nears its conclusion. While there are many policies and programs that can be implemented, or improved upon, by administrative action and means other than legislation, there is little doubt that the legislature plays a critical role in the future of public transportation in the region and throughout the state. The RTC adopted a [legislative agenda](#)⁴ based partially on the outcome of Transit 2.0 and continues to focus on promoting legislative action that is beneficial to the governance and funding of transit in North Texas.

Transit 2.0 Results

Based on stakeholder engagement, peer analysis, the regional model results, and extensive discussions with NCTCOG staff, Transit 2.0 resulted in the seven task reports previously discussed and summarized herein. The key Transit 2.0 findings are defined in the following chapters using a structure of framing, themes, and recommendations. They are encapsulated in three integrated and interdependent sets of findings and recommendations that address these issues:

- Sustainable funding and increased efficiency of transit services are both necessary to optimally guide projected growth and development trends,
- Economic development, density, and transit-oriented development are critical for effective regional transit, and
- Transit must be competitive with other modes of travel to provide effective mobility and reduce regional congestion.

⁴North Central Texas Council of Governments Regional Transportation Council 2025 Regional Transportation Council Legislative Program for the 89th Texas Legislature.
<https://acrobat.adobe.com/id/urn:aaid:sc:VA6C2:a78b338a-6b3c-4c1a-986d-5f6d87e3e523>.



Each finding is supported by framing topics, categorical themes, and specific and actionable recommendations.

How to Read the Findings



Findings are the three overarching Transit 2.0 results. Each finding is supported by a set of framing topics, themes, and recommendations.



Framing topics provide background and context for the finding.



Themes are categories of recommendations.



Recommendations are specific and actionable.



Chapter 3. Finding 1: Sustainable Funding and Increased Efficiency of Transit Services are Both Necessary to Optimally Guide Projected Growth and Development Trends

Framing Topics



Clear Communication of the Need for Increased Funding. NCTCOG and the three transit authorities within its planning area boundary—DART, Trinity Metro, and DCTA—face several financial challenges in their efforts to deliver and expand transit services, including bus, light rail, commuter rail, microtransit, and other innovative mobility services to the region, as well as regional, intercity, and high-speed passenger rail services. These challenges all relate to limitations on potential funding from state and local sources:

- Reliance on local sales taxes as the main source of non-federal funding available to TA member jurisdictions for transit and rail
- A two-cent cap on local sales tax, which disincentivizes non-member jurisdictions from committing their limited sales tax revenue to join a transit authority
- Inter-jurisdictional competition for development between transit authority member and non-member jurisdictions because non-member jurisdictions can use local sales taxes for economic development, while member jurisdictions are constrained.
- Few State sources are authorized for transit, passenger rail, or other non-highway uses. The few that are authorized for non-highway uses have comparatively minimal funding. Of the limited funding available for transit, none is legislatively directed for allocation to the major metropolitan regions.
- Transit funding support is not shared across all cities, county, equity concerns

Addressing these challenges requires consideration of legislative approaches that can increase the level and range of potential funding sources for transit and rail.



Reliance on Local Sales Tax to Fund Transit. Most non-federal funding for transit in the NCTCOG region is derived from local sales tax measures authorized by voters in member jurisdictions of the three transit authorities. These range from the one-cent sales tax approved for DART to the one-half cent sales taxes approved for Trinity Metro and DCTA. Sales and use tax collections in the transit authority member jurisdictions flow directly to the State Comptroller to the agency. The three transit authorities receive none of the State's very limited transit funding, which totaled \$41 million for the Rural Public Transit Program to fund Rural and Urban Transit Districts across the State in 2023.



While sales tax revenues have increased with inflation and population growth, these increases have been insufficient to fully fund the growth in costs for existing and new capital projects, service expansion, operations and maintenance, and system preservation. Sales tax revenue is dependent on the economy and the sale of goods and services, which is concerning for transit authorities that must continue to deliver service during times of market fluctuations or downturns. Further, the transit authorities are challenged in their ability to provide transit service to outlying jurisdictions due to land use patterns, funding availability, demand requirements, and interjurisdictional constraints. As a result, some of DART's member jurisdictions have expressed varying degrees of dissatisfaction with the perceived level of transit services received relative to their allocated portion of the local sales tax authorized to DART. In response, the DART Board has reduced its budget and has initiated establishing a general mobility program allowing certain cities to reclaim 5 percent of the sales tax revenue they provide to DART and utilize these revenues for transportation projects.



Two Percent Cap on Local Sales Tax. The total level of local sales tax authorized by the legislature is capped at two percent. For transit authority member jurisdictions, their one- or one-half percent sales tax for transit subsumes up to half of their authorized maximum, making it more challenging for them to fund other city needs and/or to attract and retain major developments. At the same time, jurisdictions that are not members of a transit authority can use their sales tax to provide tax incentives that may attract developers away from transit agency member jurisdictions. As these communities grow, should they allocate their sales tax revenues to other uses, they are capped and therefore do not have the ability to use sales tax for transit. To do so would require them to abandon or significantly reduce expenditures for initiatives or programs that are already funded using sales tax revenue.

The net effect of the two-cent cap, coupled with competition among jurisdictions for economic development assisted by sales tax, is to reduce the incentive for new jurisdictions to join a transit authority, and to increase the incentive for development and growth outside of transit-supporting jurisdictions. Thus, the state-mandated 2-cent cap on local sales and use taxes has effectively curtailed the addition of new TA members, especially from a view 42 years from conception.



Added Pressure on Sales and Use Taxes. The passage of Senate Bill 2 (SB2) in 2019, also known as the Texas Property Tax Reform and Transparency Act of 2019, reduced the rate at which cities and counties can raise property tax rates without voter approval from 8 percent to 3.5 percent. Under previous Texas law, if local leaders proposed a tax increase of greater than 8 percent, voters could petition for a "rollback election" that would "roll back" the proposed tax increase to the 8 percent ceiling. SB 2 lowered this threshold to



3.5 percent and created automatic elections for jurisdictions proposing to increase property taxes more than 3.5 percent, rather than doing so by petition. In effect, this reduces the political viability of property tax increases above 3.5 percent.

Apart from Austin, property taxes in Texas do not typically fund transit and rail but are used to fund municipal services such as parks, libraries, fire, police, and other local services. SB2 increased the barrier for voters to raise funds for these non-transit needs, putting more pressure on the limited funding available to jurisdictions, including sales and use taxes. This further limits funds that are or could be committed to transit authorities.

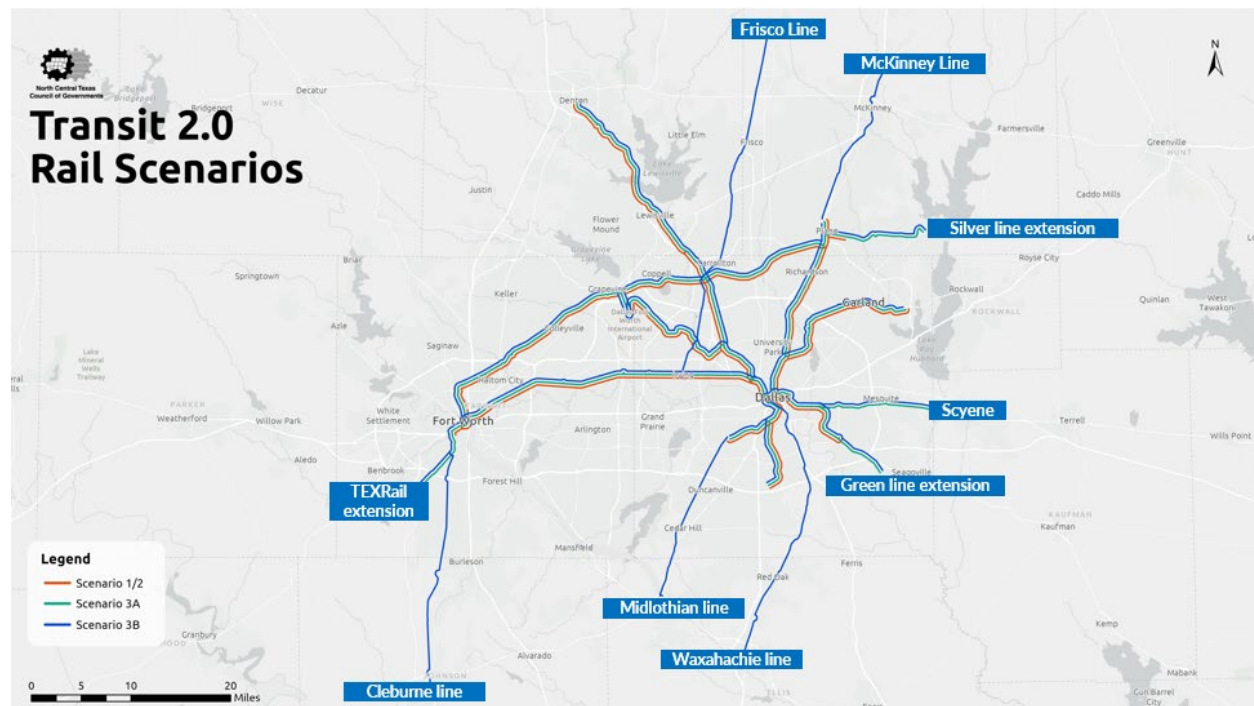


New, Dedicated Funding Sources (Local and State). NCTCOG and the TAs acknowledge the need to prioritize a sustainable, equitable funding model that helps expand services, increase ridership, and improve the customer experience. To do this, the TAs may need to adopt and standardize flexible funding policies that recognize a sustainable, long-term commitment of dedicated funds other than voter-approved sales and use taxes, which are no longer feasible for many jurisdictions. This is likely to take the form of a defined Associate Membership policy that jurisdictions can achieve via Local Government Corporation contracting or a similar mechanism. Alongside this, TAs and NCTCOG can and should push for legislative change so TAs can formally accept other local option funding sources for transit provision (discussed in detail in the Transit 2.0 Task 2 report, Transit Legislative Program). Member jurisdictions, having invested over time, also require assurances that any new funding model respects their contributions while opening pathways for other municipalities to secure transit services fairly through a menu selection process.

Expanding the network would require a significant amount of funding. The full Transit 2.0 Expansion Scenario models a future in which the DFW region builds approximately 160 miles of new regional rail, resulting in a 34% increase in overall service levels by 2050 compared to increasing service and efficiencies on the existing network. These new rail lines include the Frisco Line (including TRE to Silver Line), McKinney Line, Silver Line Extension, Scyene Line, Green Line Extension, Midlothian Line, Waxahachie Line, Cleburne Line, and TEXRail Extension. The proposed expansions would come at significant capital costs of \$14.6 billion in addition to the increased operating expenses associated with the new service lines. Therefore, the region will need to decide whether the benefit of this expansion is commensurate with the cost. More information is contained in the RTC's Metropolitan Transportation Plan, *Mobility 2050*.



Figure 5. Proposed Transit 2.0 Rail System Expansion



Alternative Local Funding Mechanisms for Transit. While TA member jurisdictions typically fund transit through voter-approved local option general sales tax dedicated to transit, other voter-approved funding mechanisms can be leveraged. To date, none of the three TAs have recognized jurisdictions leveraging alternative transit funding methods as full members, due in part to board-imposed pressure to maintain financial equity with current member jurisdictions, and in part to statutory requirements in the Texas Transportation Code defining TA membership as commitment of funds via voter-approved sales and use taxes. NCTCOG can play a critical role in addressing this issue by pursuing legislative changes that could increase the cap and allow other local funding options. Such options include:

- The Development Corporation Act of 1979 (Texas Revised Civil Statutes Article 5190.6) allows municipalities to create nonprofit development corporations that promote new and expanded industry and manufacturing activity within the jurisdiction and its vicinity. These corporations can leverage "Section 4A" or "Section 4B" economic development sales taxes, which account for a portion of the local two cent sales and use tax limit. Section 4A sales taxes target manufacturing and industrial development, while Section 4B sales taxes primarily target infrastructure and quality of life improvements that promote economic development, including transportation facilities. If accepted



by the local TA, jurisdictions can use Section 4B tax revenue to fund the provision of transit service.

- Tax increment financing, whereby sales and property taxes generated by new development surrounding stations is leveraged to fund transit, can be used to fund the provision of transit service if accepted by a local TA.

Transit authorities may also receive funding through NCTCOG and RTC (as the MPO for the Dallas-Fort Worth Metropolitan Area), who administer numerous federal funding programs for transportation. In the NCTCOG region, transportation development credits (TDCs) can be used to leverage federal funding without the contribution of non-federal cash match. These TDCs are non-cash credits that are earned by the MPO to account for toll road and tolled managed lanes that benefit the federal system.



State Legislative Concepts to Increase Funding. Building on past legislative proposals advanced by NCTCOG/RTC, three categories of legislative concepts were proposed for consideration:

- Expand the level and range of one or more of the proposed funding sources for transit
- Protect existing transit authority sales tax funding
- Provide tools to optimally guide transit-oriented development

These legislative concepts are discussed in Appendix 2.

Key Themes and Recommendations

The following key themes support Finding 1: Sustainable funding and increased efficiency of transit services are both necessary to optimally guide projected growth and development trends:

- Expansion of the Level and Range of Funding
- NCTCOG Regional Convening
- Transit-aligned Distribution of Regional Funds



Key Theme: Expansion of Level and Range of Funding

Funding sources considered to offer the best potential are included in the following recommendations and strategies:



State Strategic Multimodal System

Create a State Strategic Multimodal System, with state funding sources to be defined in conjunction with TxDOT and the Texas Transportation Commission. This approach to additional state funding would be modeled after the Strategic Intermodal System (SIS) program in Florida, whereby public transportation and passenger and freight rail would be part of an overall strategic multimodal system with funding set aside for major capital projects. The Strategic Intermodal System (SIS) is Florida's high priority network of transportation facilities important to the state's economy and mobility. The Governor and Legislature established the SIS in 2003 to focus the state's limited transportation

CASE STUDY: STRATEGIC INTERMODAL SYSTEM IN FLORIDA

The graphic is a briefing document titled "STRATEGIC INTERMODAL SYSTEM BRIEFING" featuring the FDOT and SIS logos. It is divided into two main sections. The left section, titled "What is the SIS and why is it important?", explains that the SIS is a statewide network of high-priority transportation facilities designed for seamless flow between modes, aiming to provide high mobility and support Florida's economic goals. The right section, titled "What is the SIS policy framework?", states that seven goals from the Florida Transportation Plan (FTP) guide the SIS Policy Plan. These goals are: Safety & Security, Infrastructure, Mobility, Choices, Economy, Community, and Environment. Below these, the SIS Objectives are listed: Interregional Connectivity, Intermodal Connectivity, and Economic Competitiveness, each accompanied by a representative icon.

What is the SIS and why is it important?

The Strategic Intermodal System (SIS) is a statewide network of high-priority transportation facilities that seamlessly flows from one mode to the next with the goal of providing the highest degree of mobility for people and goods traveling throughout Florida. The SIS plays a vital role in achieving Florida's goal of enhancing economic competitiveness and improving the quality of life for its citizens and visitors. The SIS was established in Florida Statute to focus resources on transportation facilities of statewide and interregional significance.

What is the SIS policy framework?

The seven goals established in the Florida Transportation Plan (FTP) guide the SIS Policy Plan. Policy guidance from both the FTP and the SIS Policy Plan forms the foundation of the SIS planning process.

FTP Goals

- Safety & Security
- Infrastructure
- Mobility
- Choices
- Economy
- Community
- Environment

SIS Objectives

- Interregional Connectivity
- Intermodal Connectivity
- Economic Competitiveness

resources on the facilities that are most significant for interregional, interstate, and international travel. The SIS is the state's highest priority for transportation capacity investments and a primary focus for implementing the Florida Transportation Plan (FTP), the state's long-range transportation vision and policy plan.

The basis for additional state funds in the North Texas region is also derived due to the DFW region's greater relative contributions of sales tax to Texas as compared to the norm.



Special-Purpose Multi-County Transportation Funding Area (TFA)

Create a Special-Purpose Multi-County Transportation Funding Area (TFA) to advance public transportation and passenger and freight rail projects of regional benefit. Building on the Transportation Funding Area (TFA) concept advanced by the RTC in 2008, enact legislation to enable creation of voter-approved county/multi-county TFAs to promote shared use of rail corridors for passenger and freight services, work with transit authorities and local jurisdictions to develop funding plans, and negotiate cost-sharing arrangements whereby member jurisdictions could levy voter-approved taxes or fees to fund transportation capital projects for transit and rail. Such a concept could have high applicability to advance passenger rail services in corridors currently owned by transit authorities such as DART and used by private freight rail operators. Such entities could also provide opportunities to combine funding sources currently limited to freight rail to advance passenger rail service in shared corridors. Recent legislative indicators for passenger rail for corridor grade separation off system could reinforce the benefits of this approach.



Dedicate State Funding to Public Transportation and Passenger and Freight Rail

As noted in the introduction to this section, given the extraordinary population and employment growth expected in the region, additional funding is needed for existing, new and previously identified projects in public transit and passenger/freight rail, including costs for expansion, operations, maintenance, and state-of-good-repair to make transit competitive and attractive. While multi-modal infrastructure is needed to provide mobility to the region, most state transportation funding is restricted and statutorily protected for roadways. Of the limited funding available for transit, none is authorized for allocation to the major metropolitan regions for transit. These restrictions require consideration of legislative approaches that can increase the level and range of potential funding sources for transit and rail.

Key opportunities to increase state funding for transit and rail are to work with TxDOT, the State Transportation Commission, and the legislature to provide for the following:

- State Funds: Direct a portion of State Funds to transit and rail by legislation or modification of Texas Transportation Commission policy.
- Texas Mobility Fund (TMF): Require expenditure of a portion of the Texas Mobility Fund for public transportation and allocation to urban regions. In addition, extend allowable period for payment of debt service by legislation or modification of Texas Transportation Commission policy.
- Dedicated TxDOT Funding Appropriation: Secure dedicated funding for public transportation and rail via TxDOT budget appropriations of state general revenue by legislation or modification of Texas Transportation Commission



policy. This would be similar to how water passage and car ferries are handled by the legislature.



Utilize Existing Legislation Granting Statutory Authority for Public Private Partnerships (P3s)

Expanded opportunities for Public Private Partnerships facilitate private sector investment and enhances development intensification and TOD that, in turn, supports revenue creation for local jurisdictions as well as ridership and revenue for transit authorities. NCTCOG/RTC advocacy and support for TAs to leverage public-private partnerships for transit and passenger rail, as well as TOD support legislation to streamline developments, could help encourage greater use of P3s.



Support Legislation to Expand Opportunities for Local Funding

NCTCOG/RTC could assist in expanding opportunities for local jurisdictions to provide funding beyond the two-cent cap on local sales taxes, while still providing for economic development among transit authority member jurisdictions. Such opportunities include legislative support for the following:

- Amend 4A/4B: Consideration could be given to amending 4A/4B enabling legislation to allow transit authority member jurisdictions to pass voter-approved measures exceeding the two-cent sales tax cap to fund economic development and/or for non-member jurisdictions to pass voter-approved measures exceeding the two-cent sales tax cap to fund new transit authority membership.
- Development Impact Fee Surcharge: Authorize a new county-level Development Impact Fee for Transportation (including transit and rail).
- Local Option Vehicle Registration Fee: Consideration could be given to revisiting the concept of a voter-approved local vehicle registration fee, as proposed in 2009 as part of the Transportation Local Option Transportation Act (TLOTA), C.S.S.B 855, 81st Leg. (2009) by Carona.

The legislative concepts considered in the Transit 2.0 Task 2 report (Appendix 2) investigated additional approaches that could offer varying degrees for revenue potential, jurisdictional support, and cross-cutting achievement of opportunities to enhance development and TOD and provide financial resources to enable transit to offer competitive and reliable service.



Key Theme: NCTCOG Regional Convening

NCTCOG can play a major role by reinforcing NCTCOG/RTC as the regional convener for funding, service, and governance best practices, technical assistance, and training and



education for decision makers. NCTCOG should also serve as the regional “dialogue facilitator.”

NCTCOG should work to reassess its policies and procedures that enhance funding for transit and support the efforts of local jurisdictions and the transit authorities to increase opportunities for Transit Oriented Development and increased densities that can be supportive of transit. Key policies and procedures include:



Review NCTCOG / RTC Policies and Procedures

NCTCOG is responsible for prioritizing and allocating funding for transportation projects in the region under various funding programs, including Congestion Mitigation and Air Quality (CMAQ) funds, Federal Highway Administration (FHWA) Surface Transportation Block Grant (STBG) flexible funds, and Transportation Development Credits. With such significant funding allocated at its discretion, NCTCOG could incorporate into the long-range metropolitan transportation plan, Mobility 2050, a comprehensive review of policies and procedures used to prioritize projects and allocate transportation funding under its purview.



Increase the Level of Federal Funding Flexed from Highways to Transit and Rail

NCTCOG can assess and potentially redirect FHWA flexible funding from highways to transit and rail. Higher levels of flexing could make more federal funding available to the transit authorities and their member jurisdictions to supplement existing sources of transit and rail funding, especially local sales tax revenues. Consideration should be provided for the required local match and funding requirements to access the available federal funding source.



Knowledge Sharing

NCTCOG will soon be launching an online “[quick search database](#)” that agencies can use to secure information about funding opportunities for a variety of transportation programs and projects. Information on funding opportunities is also presented to the Surface Transportation Technical Committee and at RTC meetings. Access to such information is a valuable resource, and its use could be promoted across the region. This can include regular collaboration with transit authorities on grant strategies that seek to maximize funding for projects, programs and economic development/TOD within transit authority boundaries.



NCTCOG Support and Regional Management

This would involve an extension of NCTCOG’s administrative role to include supervision and oversight of regional decision making. As a metropolitan areawide regional transit coordinator, NCTCOG could coordinate across TAs to ensure that schedules between providers are synchronized, long-range planning among the modes and TAs is



coordinated, and that there is a single regionwide fare policy. NCTCOG could convene a working group of TA and RTC representatives to consider activities like regional fare policy, long-range service planning, a regional commuter rail O&M contract, region-wide vanpool and/or paratransit, or regional bus fleet plan and bus specifications. It would involve increasing the coordination activities that NCTCOG already provides to the region. NCTCOG will need to assess their organizational capacity and capability to take on these additional responsibilities.



Fair Share

NCTCOG should facilitate opportunities for the transit authorities to work with member jurisdictions to define how to address equitable allocation of service relative to sales tax collected and local and interjurisdictional travel demand, rather than legislatively defining equitable allocation.

CASE STUDY: BALANCED SERVICE LEVELS IN UTAH

*The Utah Transit Authority (UTA) [charted goals](#) to allocate 70 percent of resources toward high-ridership services and 30 percent toward coverage services in their Salt Lake and Timpanogos Business Units. In their Mount Ogden Business Unit, 60 percent of resources were allocated to high-ridership services and 40 percent to coverage services. By establishing these types of goals, UTA was able to effectively prioritize service planning in a way that clearly allows the agency to allocate resources like staff and vehicles to achieve agreed-upon goals instead. Similar efforts have been undertaken in the Seattle region and in Phoenix. **By planning for service levels instead of dollars, jurisdictions and transit authorities in these areas have been able to more effectively prioritize riders** (UTA Service Choices Final Summary Report, June 2020).*



Key Theme: Transit-aligned Distribution of Regional Funds

NCTCOG can assist in promoting increased density and transit supportive development through enhanced alignment of transit and the distribution of regional funds through the following actions:



Prioritize Allocation of Discretionary Funding

With such significant funding allocated at its discretion, NCTCOG could incorporate into the long-range metropolitan transportation plan, Mobility 2050, an assessment of NCTCOG and RTC's ability to require regional participation in a TA to continue to receive discretionary funding from these and other sources. This is already included as part of NCTCOG's policy bundle to access Transportation Development Credits (TDCs) but may have opportunities for expansion. Consideration could then be given to requiring regional participation in a TA by a predetermined deadline to continue to receive discretionary funding from NCTCOG.

Some of these funding sources, like CMAQ, must support projects that have air quality benefits. As TA member jurisdictions bear an outsized proportion of the costs associated with air quality conformity in the region, there is a clear case for prioritizing funding to



jurisdictions that have demonstrated a commitment to regional connectivity and sustainability through transit investments. However, equity considerations exist on all sides of this issue, where roadway advocates and TxDOT argue for a fair share allocation of CMAQ funds across all modes and ownership paradigms. NCTCOG and RTC will need to discuss any potential changes to the way these sources are allocated across North Texas jurisdictions and analyze impacts to currently allocated funds.



Provide TOD Financial Support

NCTCOG has historically provided thought leadership on TOD, for example through the Coordinated Land Use and Transportation Planning Task Force, as well as land banking efforts through the 2006 Sustainable Development Call for Projects. NCTCOG can build on these efforts by facilitating efforts between jurisdictions and transit authorities to re-zone transit-proximate parcels, particularly those owned by transit authorities. NCTCOG and regional partners like local governments and agencies can also incentivize transit-proximate living through incentives like free or discounted transit passes for residents of transit-proximate developments.



Provide Developer Financial Incentives

Incentives already used in North Texas include density bonuses, tax abatements, fee waivers, or grants for projects that incorporate features like pedestrian-friendly streetscapes, public plazas, and green infrastructure. Provide financial incentives (e.g. grants for adjacent transportation improvements, fare subsidies) for developers in TA member jurisdictions. Ensure State Private Activity Bonds (PABs) can be used for transit.



Chapter 4. Finding 2: Economic Development, Density, and Transit-Oriented Development are Critical for Effective Regional Transit

Framing Topics



Density supports transit and transit supports density. Transit and density are interrelated and interdependent. It will be highly challenging, if not impossible, for the North Texas region to increase transit use without a corresponding increase in density.

The reverse is true as well. The current development patterns both near and far from transit often include challenging pedestrian environments, long walking distances, and excessive parking lots. In such environments, it is no surprise that transit fails to attract new riders, and that building new rail lines does not substantially increase transit ridership. This cycle will need to be reversed in much of the region for public transportation to become effective in moving high numbers of people.

The financial model that was developed for Transit 2.0 included a scenario that modeled the effect of increased density in the region, among other regional policy initiatives. With an illustrative \$2.2 billion in cumulative incremental spend from the TAs, this policy action could drive increased residential and commercial development in member cities, contributing to the substantial incremental \$3.8 billion and \$4.7 billion in sales tax revenue for TAs and member cities, respectively.



Jobs/housing balance along transit corridors is also critical for transit to work. Density is necessary but not sufficient to create effective transit corridors. If a corridor is mostly jobs or housing, instead of a balance, it becomes far less likely that the average person will find such a corridor useful. The most useful transit corridors have a balance of jobs and housing that allows people along that corridor to commute to work with limited transfers. It can also encourage shorter-distance walking and biking trips that help deter car ownership and thus increase transit ridership.



Regional tension for economic development investment. There can be a misconception that increased transit investment is in opposition to increased economic development. This may stem from the idea that economic development incentives, such as tax breaks, are more immediate ways to capture growth. However, this may be short-sighted. Long-term economic development will be stunted by sprawling developments that are entirely auto dependent because traffic congestion will make them less attractive and reduce their economic benefits. Denser, compact areas well-served by public transit can, by contrast, create attractive long-term economic development that will not be strangled by traffic.



Key Themes and Recommendations

The following key themes support Finding 2: Economic development, density, and transit-oriented development are critical for effective regional transit:

- Partnerships and Urban Development
- Regional Convening
- Land Use Policy
- Economic Development Policy
- Innovative and Effective Regional Planning



Key Theme: Partnerships and Urban Development

NCTCOG can be a powerful convening force in the region to develop partnerships with other agencies that can advance TOD. Such partnerships can be an effective tool for both advocacy and specific joint development opportunities, both of which will be critical to the successful pursuit of more TOD in the region.



Support TAs in Seeking Joint Development Opportunities

The most immediate and substantial return on investment for the region in terms of advancing TOD will likely be through NCTCOG support for the TAs in their joint development efforts. As [defined by the Federal Transit Administration](#), joint development is a collaboration between a transit agency and one or more partners to build transit oriented development while improving the transit system. TAs typically provide funds or property and share the costs of transit improvements and the revenue from real estate developments. As more people live, work, or shop in the development, TAs may benefit from increased ridership and farebox revenue. The TAs have existing property near rail stations in the region, often in the form of parking and park and ride lots, that can be used for TOD. However, they believe they lack sufficient staff capacity to move these projects forward in a timely manner. While some TAs make TOD more of a priority than others, they are all likely to respond well to offers of assistance from NCTCOG in this endeavor.

NCTCOG can offer this support in numerous ways. One could be through staff augmentation, allowing their own staff to be transferred to the TA for a limited period of time to help with a specific project. Another strategy can be to support these efforts by providing other in-kind resources such as analysis, outreach, and work with developers. Finally, NCTCOG could provide direct financial support for joint development opportunities where warranted. All of these strategies can be useful in helping the TAs advance joint development TOD.



Key Theme: Regional Convening

NCTCOG has an opportunity to play an increasingly explicit and powerful role as a regional convener for North Texas. Acting as a trusted neutral party in the convening of regional agencies has always been a strength of NCTCOG, yet there is still more they can potentially do to boost this role in terms of both actions and outcomes. This section describes some ideas for how NCTCOG can help lead the way towards the future of public transit by bringing people together around common goals, actions, and priorities.



Land Use Best Practices

The North Texas region may not agree on what land use should look like, however uniform land use that does not take advantage of capital-intensive rail investment is wasteful. That said, the region stands to benefit collectively if they can agree on some general best practices for future land use decisions that can align around common goals. For example, while the entire region does not need to be transit-oriented, given that so many areas with transit are not even served by effective transit, there could be more general agreement around the land use functions and designs that best serve the future of the region including providing sidewalks for pedestrians, preventing parking from overwhelming the landscape, and ensuring adequate green space.

The North Texas region already has active forums that contend with land use issues like TOD, including the Tarrant Regional Transportation Coalition and Transit Coalition of North Texas. For TOD practitioners, NCTCOG's Coordinated Land Use/Transportation Task Force and, on a national level, the Urban Land Institute's TOD Placemaking Development Council are also active. These forums and others should be maximized to build awareness of regional TOD success stories, particularly among elected officials. As the decisionmakers who set policy for local and regional development, elected officials are a key constituent group that NCTCOG should prioritize to educate on the benefits of TOD for the region.

Leveraging one or more of these forums, NCTCOG as a trusted convener can bring together regional agencies and municipal governments for discussions regarding what they might collectively hope to achieve in terms of land use. Based on the goals the group develops they can outline priorities for the key characteristics of beneficial development. If common ground can be found, this can form the basis for a set of best practices that the COG can research, analyze, and promulgate on behalf of its regional partners. Job/housing balance reduces trip lengths and creates opportunities for more pedestrian activities.



Technical Assistance

NCTCOG does an excellent job of convening elected officials across the NCTCOG region, as well as staff through its Coordinated Land Use and Transportation Planning Task Force. However, few opportunities exist to bring TA and jurisdiction staff together for the express purpose of sharing knowledge and expertise. Creating training for TA and jurisdiction staff in the areas of planning and economic development would help the region align on TOD strategies, share best practices, and address barriers to development. By meeting regularly on an annual or more frequent basis, these subject matter experts will be able to identify opportunities to streamline processes, coordinate funding strategies, and ensure development efforts align with inter-jurisdictional goals. This should be paired with a new round of outreach to TAs and jurisdictions to increase awareness of the Coordinated Land Use and Transportation Planning Task Force, as many staff interviewed for this report were unaware of it as a resource.

Technical assistance can be dispensed through webinars or in-person seminars that provide helpful information and an exchange of ideas. However, NCTCOG could also offer technical assistance by providing staff as needed or making existing staff available to help. Often one of the greatest barriers to progress can be a lack of resources or knowledge required to move forward. By filling in this gap, NCTCOG can foster meaningful progress.



Performance Goals for Transit Authorities

Transit authorities may benefit from best practices and technical assistance, but once those amenities are being provided, it may also be useful for them to have specific targets with respect to performance in both transit and land use. While these goals do not have to be tied to funding to be effective, they should be developed in concert with the TAs and should be made publicly available. The idea would be for the agencies to hold themselves accountable for progress. Progress for transit authorities should include improvements that increase ridership, as well as steps towards more transit-oriented development. Increased ridership is not only beneficial for the region but also helps make TOD more attractive to developers.

CASE STUDY: SAN DIEGO ASSOCIATION OF GOVERNMENTS

The San Diego Association of Governments (SANDAG) maintains a [Housing Acceleration program](#) that directly supports local governments, developers, tribal nations, and transit agencies to develop policies that help accelerate housing production, prioritize infill development, and reduce vehicle miles traveled. Consultants, funded by SANDAG, are available on retainer to directly support jurisdictions in their preparation of documents like housing elements, housing legislation, and streamlined permitting ordinances. NCTCOG could fund a similar program.



This strategy should not be used in a way that is punitive or politically damaging, as this would be counterproductive. A successful strategy for accountability will require working in partnership with the TAs to ensure that they agree on the goals to be achieved. This exercise alone will help with alignment across the region. With those goals established, partners can agree on specific actions the TAs can take to achieve them. If progress is less than desired, the partners should review and learn from the experience together annually, to improve performance in the next year.



Training and Education for Decision Makers

One barrier to greater TOD and infill development in the region is that there is a lack of understanding among many decision makers as to the benefits of such development. The presumption appears to be that all development is good development, and that there is no reason to necessarily put forward the effort and resources that may be required to encourage more development near rail stations.

NCTCOG can help by expanding its resources for training and educating willing decision-makers on the benefits of TOD. Many may not be aware that TOD can be a powerful economic development tool that is well worth the extra time and expense due to the long-term return on investment. TOD areas often become highly attractive hubs for development, as these kinds of walkable communities tend to create economies of scale and agglomeration effects that multiply the benefits to local communities. NCTCOG can develop and administer these educational offerings and also recruit the relevant officials to be a part of the curriculum.

CASE STUDY: NCTCOG'S COORDINATED LAND USE/TRANSPORTATION TASK FORCE

NCTCOG's [Coordinated Land Use/Transportation Task Force](#), "is a forum for North Texas local governments to discuss best practices around coordinating land use and transportation plans, policies, and projects." Task Force meetings focus on the influence land use has on transportation system performance and how transportation practices shape the development and design of land uses, with the goal of fostering information sharing and best practices across the region. This Task Force is already providing a space for convening jurisdictions and can be scaled up to provide tours and additional opportunities for sharing of TOD advancements and best practices.



Key Theme: Land Use Policy

While NCTCOG does not currently set land use policies, which are made at the municipal level, the COG can still play a role in supporting cities in adopting pro-density land use policies in their urban core and at transit stations. This support can include technical assistance, convening, and education as outlined above. But it can also be in the form of political support and thought leadership.



Promote Benefits of Land Use Policies

NCTCOG can play this leadership role in the region by promoting dense land use policies and their benefits. On a small scale, NCTCOG's [Metropolitan Transportation Plan policy bundle](#) ties Transportation Development Credits through a similar incentive structure, however the majority of discretionary funding is not impacted by this. NCTCOG can expand these efforts to continue to drive investment in key areas like rezoning. Additional support can include studies and analysis that demonstrate these net benefits, speaking engagements and earned media promoting success stories, and working on behalf of cities to gain support for land use policy improvements. These indirect efforts can be an effective way to let cities know that NCTCOG has their back as they attempt to make policy improvements that may go against the grain.



Key Theme: Economic Development Policy

There is strong support across the North Texas region for harnessing the ongoing growth in the area in a way that maximizes economic development. NCTCOG can build on this consensus to help shift more economic development efforts towards existing transit corridors rather than in greenfield areas far from rail lines. Every transit trip represents economic activity: workers traveling to jobs and consumers patronizing businesses. When transit is unavailable or unreliable, businesses lose customers, and workers face employment instability.

CASE STUDY: THE ECONOMIC VALUE OF TRINITY METRO

In 2024, Trinity Metro supported 3,700 jobs, increased business output by \$85M, and reduced congestion costs by \$67M. And, between 2020 and 2023, sales tax receipts grew 23% across Fort Worth—but 38% for businesses within a 5 min walk of a Trinity Metro stop, making a clear case for the value of economic development adjacent to transit stations.



Foster TA and Member City Collaboration on Economic Development

TAs and their member cities can do more regarding economic development efforts along existing transit corridors. NCTCOG can help push for this collaboration by working with the TAs and their member cities to make the case for economic development near transit. While many cities on their own might default to short-term economic development benefits that do not take advantage of existing transit lines, NCTCOG can provide the leadership and convening efforts to enable this kind of collaboration.



Incentive Packages for Cities

Transit authorities can and should provide incentives for member cities to push economic development in transit-rich areas. However, these packages will be far more effective if they are created in collaboration with NCTCOG, which will enhance buy-in and bring



more cities to the table. NCTCOG can also play a role in promoting some degree of coordination across the TAs, and given the lack of resources TAs often have for TOD, helping to supplement available funds and resources.

NCTCOG and the TAs should work together to develop incentive packages that are most appropriate for their member cities. Key criteria would include 1) How well the package is likely to work in moving economic development towards transit, 2) Cost and funding sources, and 3) Fairness among different TAs. Packages could include benefits such as increased service frequencies, bulk fare discounts, in-kind advertising, and first/last mile services.



Key Theme: Innovative and Effective Regional Planning

Regional planning is a sweet spot for NCTCOG and a way for the organization to play a substantial role in improving development across the region. Beyond creating a regional plan, the COG can play a role in encouraging the kinds of broad public spaces that can enhance the pedestrian experience and encourage more transit-orientation.



Improve Quality and Connectivity of Public Space

One of the biggest challenges in fostering transit-oriented development in the North Texas region is the way the public space is currently designed. As most of the region is designed to accommodate automobiles, public space is rarely designed at a human scale. Instead, we find long walking distances, unpleasant pedestrian paths, and unnecessary barriers between destinations. It is not surprising that most people choose to drive when presented with these conditions, regardless of how good the transit system might be.

Higher quality and more connected public spaces, which can take the form of economic hubs, parks, mixed use development, mobility hubs, and other human-centered spaces can be an important component of inducing transit-oriented development. From 2001 through 2018, NCTCOG managed the [Sustainable Development Program](#), which was designed to “encourage planning and foster growth and development in and around historic downtowns and Main Streets, infill areas, and along passenger rail lines and at stations.” Given the TAs’ limited financial resources, NCTCOG should revive this program to incentivize development at and around rail stations and other key transit hubs. Such funding could be used for pre-development activities like market studies, infrastructure improvements, or environmental remediation that enhance the feasibility of TOD projects. This support could also be tied to specific outcomes, such as affordable housing, multimodal connectivity, or sustainability features, ensuring alignment with regional goals. NCTCOG also maintains the [Routes to Rail Stations](#) program that can be leveraged for this use.



TAs can invest in pedestrian and bicycle infrastructure within and around stations, such as improved sidewalks, bike lanes, and secure parking facilities, to encourage non-motorized access to transit. These improvements require close collaboration with local jurisdictions to permit and construct, particularly for facilities not on TA properties. On TA property and right-of-way, TAs should focus on improvements for convenient pedestrian access. For example, the [DART Red and Blue Lines Corridor TOD Study](#) found in its analysis of first/last mile needs that many park and ride lots and station kiss and rides lacked sidewalks placed where pedestrians traveled through DART property to the neighborhood.

When public spaces are better connected, this enhances economic growth and safety, and spurs transit use, while also reducing unnecessary vehicular traffic.



First/Last Mile Options at Transit Stations

While the goal should be to enable more people to walk to transit, in some cases this may be extremely challenging. So many spaces in the region have already been designed around cars that converting them into walkable spaces can be a daunting task. Fortunately, first/last mile options can help reduce the walkshed for transit stations, enabling more people to reach those stations in a reasonable timeframe to make their journey worth taking by transit.

Some first/last mile services that have proven effective include bike and scooter sharing, shuttle buses, microtransit, and transit buses. Autonomous circulators also present an emerging technology that can support this connectivity. Increasing the frequency and

CASE STUDY: MPO AND TA PARTNERSHIP FOR FIRST/LAST MILE CONNECTIVITY IN LOS ANGELES

In the Los Angeles Region, Los Angeles Metro and the Southern California Association of Governments (SCAG), the MPO for the Southern California region, teamed up to prepare a [First/Last Mile Strategic Plan & Planning Guidelines](#) to improve access around transit stations and stops. The plan provides a toolbox for localities to build support and resources for developing active transportation infrastructure like sidewalks, protected bike lanes, and clear signage directing users to regional transit hubs.

CASE STUDY: AUTONOMOUS SHUTTLES PROVIDE FIRST/LAST MILE CONNECTIVITY IN FLORIDA

Autonomous vehicle technology is poised to provide new and innovative opportunities to improve first mile/last mile connectivity. Autonomous shuttles, which can be run as circulators or as on-demand microtransit, are a promising option for areas where human-operated circulators are cost-prohibitive. The [Pinellas Suncoast Transit Agency](#) in the City of St. Petersburg, Florida, piloted this technology in 2020 and 2021, and technology mobility companies like Beep and May Mobility are rapidly working on solutions in this space. Jurisdictions in North Texas should stay apprised of opportunities to implement these innovative first mile/last mile mobility options in rural and urban contexts alike.



effectiveness of these types of services, as well as orienting them towards rail stations, can be a way to encourage more rail ridership and transit-oriented development. Some of these options can be encouraged through partnerships with the private sector, wherein companies can operate without public funds and still provide a needed public service. Others will require coordination with the TAs to ensure that transit stations function as effective transportation hubs for their communities.



Key Theme: Funding Strategies

Funding, including raising it or distributing it, can be a powerful tool for reshaping economic development around transit. How funding is raised can be just as important as how it is distributed, as different revenue-raising methods create different incentives and outcomes. The following are some strategies we recommend:



Development Impact Fees for Transportation

Texas Local Government Code Chapter 395 authorizes municipalities to impose impact fees on a development, for water, wastewater, drainage, and roadway infrastructure. The law defines main elements of eligible projects for roadway impact fees which include roadways in a city's master thoroughfare plan, new capital projects or expansions/extensions of roads (not maintenance or repair), and right of way acquisition. Transit is not currently a legally allowable cost for use of these development impact fees, even though transit could be part of a transportation or roadway improvement plan.

A development impact fee is a powerful tool because it creates targeted incentives for developers, while also generating revenue that can serve as an added incentive. While such fees are likely to face substantial political challenges, they also follow simple market-based logic and can serve constituent interests. With appropriate effort to generate broad support, this idea can become a reality, and the impact could be substantial.

NCTCOG should advocate for amending Chapter 395 of the Texas Local Government Code to add transit as an eligible expenditure and/or add transit to the types of improvement required in any transportation improvement plan prepared for areas with development impact fees.

A development impact fee can be calibrated according to the potential challenges the new development will create. For example, if a new development is not along an existing transit line and will require substantial amounts of new driving and car trips to access it, this could result in a higher fee. Developments near existing transit lines and within walking distance of housing could be charged a lower fee, or no fee at all if they meet appropriate criteria. The fees can then be used to make transportation improvements



that are a necessary result of those developments, or alternatively they can be used to make the economics of transit-accessible projects pencil out. Either way they will strongly influence the kinds of developments that are undertaken in the region by providing an incentive to create dense developments near transit, while discouraging “greenfield” developments that exacerbate auto-dependence, sprawl, and congestion.



Increased NCTCOG TOD Funding

NCTCOG can have a direct beneficial impact on TOD near rail stations in the region by increasing the amount of funding available for TOD projects. Transit authorities in the region are facing severe financial pressure, and most of their available funds need to be directed towards service provision and planning for capital projects. They typically lack sufficient resources to put towards TOD planning or development, and in some cases, they do not see TOD as central to their mission.

Changing this paradigm may not always be as simple as increasing available funding for TOD from NCTCOG, but it is a crucial first step. By making additional funds for TOD available, the COG will help steer the authorities towards making TOD a more critical component of what they do. Ideally, this funding can be used for planning purposes, but it should also be used as a method of building support for TOD. Many authorities operate in environments where their member cities are not always supportive of dense, compact development near transit stations. One key eligible use for this funding should be education and discussion among stakeholders to ensure that this effort results in buildable projects.



Financial Incentives for Development in TA Member Cities

Many Transit Authority member cities are operating in an environment where growth is happening all around them, and they do not want to miss out. As the region continues to grow at a rapid pace, we can expect this trend to continue. An unfortunate result of this trend is that there can be a “race to the bottom” wherein cities compete with one another to create development incentives that attract new construction to their area. These incentives are especially problematic when, as is typical, they are far more likely to foster new greenfield developments - away from existing development and potential NIMBY-ism - than new TOD projects.

NCTCOG can counteract some of these incentives with incentives of its own. Providing development incentives directly or through TAs or jurisdictions that are specific to land near rail stations, especially land already owned by the TAs, would help alter this dynamic and push TOD forward. Admittedly, such incentives would be an uphill battle and may not fully reverse the development trends in the region. However, they are far better than



the existing situation, in which developers have little incentive to deal with the challenge of TOD and infill development when compared to greenfield opportunities.



Public Private Partnerships and Enhanced TIF Districts

Public-private partnerships (P3s), which can leverage private sector investment to achieve public policy goals, may be useful tools through which jurisdictions can encourage TOD. One of the most effective mechanisms for encouraging P3 is the use of land-based Requests for Proposals (RFPs), where jurisdictions solicit development proposals for publicly owned land near rail stations. By structuring these RFPs to prioritize job/housing balance with mixed-use, walkable, and transit-supportive projects, jurisdictions can solicit new development that aligns with TOD principles. These agreements can also include provisions for affordable housing, sustainable design, or public space enhancements, helping to maximize the community benefits of TOD while reducing the financial burden on public agencies.

Another valuable tool is [Chapter 380 of the Local Government Code](#), which “authorizes municipalities to offer loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity.” In the context of TOD, Chapter 380 agreements can be used to offset the higher costs of infill development, making projects near transit stations more financially viable. Cities can use these agreements to fund site preparation, improve pedestrian and bike connections, or provide tax rebates to developers who commit to TOD-friendly projects.

A Tax Increment Financing (TIF) district is another useful tool that can raise funding while also encouraging TOD. A TIF works by creating an area around a potential area for development in which any increase in property tax revenues can be captured by the district. The idea of a TIF works well when there is new value created by an investment of public dollars. This new value can then be captured by the public sector in a TIF, which allows the revenues to be used for additional enhancements or improvements.

CASE STUDY: TRINITY MILLS URBAN VILLAGE

Trinity Mills Urban Village, at Trinity Mills Station in Carrollton will be North Texas' largest publicly owned transit-oriented development site. Part of a Tax Increment Reinvestment Zone (TIRZ) district established by the City of Carrollton, 65% of tax revenue increases in the zone will be used to fund infrastructure improvements. The 25-acre site, which includes parcels owned by the City of Carrollton and DART, is a public-private partnership between the two agencies and two real estate developers. The master-planned development will include residential, office, and retail space and a three-acre park. Carrollton hopes the site will eventually become a 300-acre hub.



An enhanced TIF could be a useful tool for capturing value around transit stations as the land value there increases. However, for a TIF to be useful in the region, transit service will need to improve to the point that being near a rail station is seen as a major benefit that can increase land value. This means working with Transit Authorities to target potential TIF districts and then making the effort to increase and improve transit service to those areas. With a TIF district in place, this new value can be captured and used to incentivize further development, improve first/last mile options including walking and biking, or subsidize additional housing units as needed.



Chapter 5. Finding 3: Transit Must be Competitive with Other Modes of Travel to Provide Effective Mobility and Reduce Regional Congestion

Framing Topics



NCTCOG reevaluation of policy packages to incentivize transit/funding for transit to increase the COG's role in regional decision making. NCTCOG and the RTC have a shared interest in expanding transit access regionally and can play a key role in bridging this gap. The current policy framework does not allow jurisdictions to transfer the revenue stream from their current sales tax commitments to NCTCOG as coordinator or regional manager of transit. Therefore, NCTCOG cannot provide local sales tax funds to jurisdictions to support transit provision. A change in the policy could support transit service in non-member cities. This would involve an extension of NCTCOG's administrative role to include supervision and oversight of regional decision making.

Additionally, to achieve air quality and congestion relief goals, the RTC could adopt a policy and utilize its funding to incentivize cities to invest in transit service, and to reward cities that have invested in transit service.



Governance and policy issues regarding shared use of assets. Current governance structures and policies do not enable TAs to share assets such as station parking lots. However, parking policies play a crucial role in attracting and retaining transit riders. Convenient and affordable parking options at transit stations encourage individuals to choose public transportation by bridging the "first-mile/last-mile" gap. This is particularly important in suburban areas with lower population densities, where walking or biking to stations may not be feasible. By providing ample and accessible parking, transit agencies can incentivize ridership, reduce reliance on personal vehicles, and promote a more sustainable and connected transportation network throughout the NCTCOG region.

Given this substantial underutilization of parking assets, the TAs' approach to parking management needs strategic reconsideration. Rather than focusing on member versus non-member city access restrictions, the data suggests an opportunity to leverage these underutilized resources to encourage transit ridership growth. This could include innovative approaches such as:

- Implementing flexible parking policies that welcome riders from all areas, regardless of member city status, to maximize existing infrastructure usage.
- Exploring strategic partnerships with surrounding communities to increase transit accessibility and parking utilization and use innovative funding to address equity concerns.



- To encourage ridership growth, consider targeting paid parking only at high-demand locations like DFW airport and Love Field stations while maintaining free parking at underutilized facilities.
- Developing comprehensive outreach programs to promote available parking resources and their connection to transit services.
- Converting underutilized parking areas to higher-value uses such as housing, parks, or open-air markets that encourage walking and transit-oriented development.

Key Themes and Recommendations

The following key themes support Finding 3: Transit must be competitive with other modes of travel to provide effective mobility and reduce regional congestion:

- Customer Experience
- Funding
- NCTCOG Regional Convening
- TA Governance
- Innovative Urban Planning
- Fare Policy



Key Theme: Customer Experience



Reducing and Eliminating Inefficiencies

Existing barriers between the TAs lead to inefficiencies in the areas of safety, fares, and capital projects. There are also missed opportunities in the coordination of service planning and delivery. For example, DCTA uses a different Positive Train Control (PTC) system than Trinity Metro and DART, limiting opportunities for interoperability and shared maintenance facilities—despite an RTC policy for interoperability. In addition, vanpool, microtransit, demand-response, and paratransit services are operated separately—presenting an opportunity for potential efficiency in consolidating administration of one or more of these services.

More efficient transit performance, through consolidation of targeted operational areas across TAs, could help the region save a cumulative ~\$1.0B, representing a ~10% improvement in cost per hour of service delivered. There are five levers the region could use to realize these potential cost savings, further detailed in the Task 8 report: 1) Region-wide consolidated demand response options, 2) region-wide consolidated end-to-end (E2E) payment systems, 3) leveraging private sector operators and public-private partnerships, 4) collaborative procurement practices across TAs, and 5) consolidated commuter rail responsibilities.



Figure 6 Transit 2.0 Efficiency Levers

| Transit 2.0 efficiency levers included in Transit 2.0 policy scenario | Detail / key assumptions | Rough Order of Magnitude potential savings estimate 2025-2050 for reinvestment, \$M | | Avg. annual savings, \$M |
|---|---|---|-------------------|--------------------------|
| | | Low end of range | High end of range | |
| Region-wide consolidated demand response operations | Assumes all outsourced demand-response transit can reach efficiency of the most cost-effective contract in the region on a cost per ride basis | 563 | 689 | ~25 |
| Region-wide consolidated end-to-end (E2E) payment systems | Assumes any efficiency gains from regional integration are re-invested in new technology and customer experience improvements to streamline payment processes | 0 | 0 | - |
| Collaborative procurement practices across TAs | Key addressable spend categories illustratively modelled include major end capital for rail and bus infrastructure (e.g., ties, rail, signal and electronics), repair parts for rolling stock, IT and professional services, leases and rentals | 296 | 361 | ~13 |
| Consolidated commuter rail responsibilities | Assumes 10% potential operational synergies could be achieved across DART, DCTA, and Trinity regional rail operations including SG&A, maintenance talent and facilities | 81 | 99 | ~4 |
| Total | | 940 | 1,149 | ~42 |

NOTE: All values are preliminary and illustrative estimates. Further effort would be required to refine potential impacts



More Flexible Service Contracting

NCTCOG could help level the playing field for non-member cities by encouraging TAs to establish and publish reasonable and flexible contracting terms that consider the type of service requested. For instance, DART expects member jurisdictions to commit sales and use taxes to service for years before seeing service. While a long-term financial commitment may be appropriate for the planning and construction of a rail project, shorter buy-in periods should be considered for bus or microtransit services that have lower infrastructure demands and costs and can be established and integrated into a regional network more quickly.



Key Theme: Funding



Financial Incentives for Development

Increasing density around transit corridors is one of the most powerful levers to reduce congestion and support regional economic development as North Texas continues to see strong population growth. As discussed in Chapter 2, NCTCOG's Travel Demand Model projects that regional congestion will significantly increase if the region continues its current trajectory. A major opportunity exists for the jurisdictions and NCTCOG to partner with TAs to re-shape regional economic development and land use strategy around existing rail corridors, limiting the anticipated increases in congestion and commute times.

1. In addition to direct investment by cities and NCTCOG, TAs invest a portion of annual sales tax revenue to incentivize density, drive regional economic strategy,



and accelerate development around stations (e.g., provide financial or other incentives for corporate relocation or expansion into member cities)

2. Expand existing land use and economic development strategy teams to support member city and regional priorities (e.g., such as supporting policies enabling densities already seen around DFW)
3. Expand existing efforts to leverage TA-owned real estate

With an illustrative \$2.2B in cumulative incremental spend, this policy action could drive increased residential and commercial development in member cities, contributing to the substantial incremental \$3.8B and \$4.7B sales tax revenue for TAs and member cities, respectively.



Opportunities for Collaborative Procurement

When multiple agencies procure the same goods or services, they can create economies of scale that reduce overall costs and streamline procurement processes, especially for large purchases of rolling stock and frequently used equipment and supplies. An example of such collaborative efforts can be seen in the FTA's Joint Procurement Clearinghouse, an online tool developed to assist transit agencies in exploring joint procurements.

Through this platform, procurement staff can share information about upcoming needs for buses, railcars, and ferries, and specify details such as bus size and engine type. The Clearinghouse enables both large and small transit providers to post their requirements and search for compatible joint procurement opportunities.

At a minimum, the three TAs should regularly utilize resources like the Joint Procurement Clearinghouse or establish shared procurements similar to those in other regions but should also schedule regular meetings between key procurement and executive staff to align on upcoming purchases and discuss areas for standardization of equipment for long-term procurement efficiency. A regional bus fleet standard could create a common fleet plan and bus specification, potentially enabling more efficient or cost-effective bus purchases or a regional evolution to alternative fuels for the three regional TAs in the future. One key opportunity for collaborative procurement is standardization of commuter rail rolling stock and associated PTC.



Key Theme: NCTCOG Regional Convening



Knowledge Sharing Opportunities

Facilitating workshops and events for elected officials and decision-makers from TAs, member jurisdictions, and non-member jurisdictions can foster a stronger regional understanding of transit's role in North Texas by creating opportunities for open dialogue and enabling leaders to learn about regional transit needs and best practices directly from peers and experts. By providing structured, hands-on learning experiences and



convenings, NCTCOG can help bridge these knowledge gaps and provide venues where jurisdictions and TAs can learn from their peers. This type of immersive engagement can build the relationships and insights needed to address shared challenges and explore regional solutions, fostering a more cohesive and informed approach to transit expansion across North Texas.



Key Theme: TA Governance



Regional Governance and Decision Making

While NCTCOG, in conjunction with the RTC, is the MPO for transportation in the Dallas-Fort Worth Metropolitan Area, it is not currently in the MPO's priorities to plan regional multimodal priorities on behalf of TAs, municipalities, and counties. If the North Texas region is committed to reducing congestion, then the region needs an authority with the ability to plan at that scale. NCTCOG or a new authority could support comprehensive region-wide planning for transportation projects of regional significance by preparing a North Texas Multimodal Regional Transportation and Economic Plan. This plan would cohesively evaluate regional needs associated with transit and consider opportunities for regional connectivity regionally, beyond the current boundaries and funding restrictions the existing TAs face.



Advance Policy Approaches to Incentivize TAs to Accept Alternative Funding Sources for Transit

While pursuing legislative changes, which is a long-term endeavor, NCTCOG can encourage DART to enshrine the acceptance of various alternative funding sources, such as Tax Increment Financing (TIF), Section 4B economic development sales taxes, or allocations from general funds, along with other innovative funding approaches, in its policies; both DCTA and Trinity Metro already do this through formal and informal mechanisms. Incentives could include NCTCOG-provided technical assistance for new policy creation or tying award of discretionary funds to TA membership and contracting flexibility through a credit system, via performance-based funding allocations, or revised evaluation criteria.

As previously discussed, NCTCOG could help level the playing field for non-members by encouraging TAs to establish and publish reasonable and flexible contracting terms that consider the type of service requested.

Long-term goals for TAs should be to encourage jurisdictions to become members, which DCTA and Trinity Metro currently prioritize. In cases where jurisdictions cannot or are unwilling to commit sales and use taxes, TAs should have clear policies for contracted service, allowing jurisdictions to dedicate funds in an equivalent amount to sales and use



taxes (one half cent for Trinity Metro and DCTA, one cent for DART) from alternative funding streams.



A la carte System for Service Provision

Member and non-member jurisdictions alike find the idea of a tiered revenue membership structure compelling. A tiered membership structure would allow jurisdictions to commit funds commensurate with the frequency and mode of service provided. Jurisdictions like this concept because it would allow them to obtain right-sized transit provision at a price that makes sense for their community and allow them to establish baseline transit origin-destination (OD) patterns for long-term planning. A potential disadvantage of this concept is its potential to further fragment modes of transit across existing member cities, especially where fixed infrastructure, such as rail systems, have not been implemented. While a la carte service provisioning could increase baseline transit provision, it also has the potential to fragment trips across one or more transfers, negatively impacting the customer experience. Current contract relationships between TAs and non-member jurisdictions are an analog for what this could look like.



Region-wide Demand Response and/or Microtransit Dispatch Provider

By establishing region-wide dispatch systems across DART, DCTA, and Trinity Metro, the TAs could streamline demand response and/or microtransit service delivery and, if effectively structured, improve coordination and be cost effective. A region-wide system could also create a seamless experience for riders who travel across multiple service areas, ensuring more consistent paratransit availability and simplifying the booking process. Implementing this approach would require initial investments in technology alignment and shared training for dispatch staff, but it could lead to substantial long-term savings.

Sharing and tracking funds is a potential barrier; two approaches could be taken to address this regional contribution question:

1. **Regional Demand Response Authority:** Similar to a regional rail authority, a regional demand response authority would provide the region with cohesive planning, consolidated overhead, and a single entity focused on optimization for regional customer experiences. TAs would have full control over how this consolidation would occur. This could be established as a new Authority or managed by NCTCOG.
2. **Dispatch Consolidation:** Consolidating dispatch under one TA would allow each TA to continue to operate its own demand response (including paratransit) fleet, with one TA managing dispatch. However, this would not achieve the same degree of operational efficiency as a Regional Demand Response Authority could provide.



A similar concept can be implemented for microtransit, as each of the three TAs provide their own contractor-operated microtransit service in specified zones throughout their service areas and/or contracts with transportation network companies (TNCs) under a mixed supplier model to achieve operational efficiencies. Consolidating microtransit under a single regional provider may enhance efficiency by reducing administrative costs and centralizing contracts for dispatch and fleet management. However, even on an individual TA basis, there are sometimes tensions between contractor priorities and TA priorities, which is further challenged by the availability of drives in any given region.

A unified system would require a review of the microtransit services TAs already contract out, but could simplify the user experience, offering consistent booking platforms and fare structures across jurisdictions, preferably under an existing regional platform like GoPass. Aggregated ridership and trip data from a consolidated service could also be leveraged to identify regional patterns and unmet demand, informing decisions to adjust or expand fixed-route services that may impact one or more TA.

To further advance these concepts, the TAs could consider co-mingling paratransit and microtransit services across the three TAs to allow shared use of vehicle assets and drivers, optimize resource allocation and scheduling across jurisdictions, and reduce redundant routes.



Key Theme: Innovative Urban Planning



Planning Access to Transit

Many potential transit users are deterred by the inconvenience of getting to and from transit stations, especially in suburban or less dense areas where walking or biking may not be practical. By investing in solutions like enhanced pedestrian and bicycle pathways and routes, micro-mobility options, bike-sharing programs, or city-sponsored shuttle or circulator services—key elements of effective TOD—jurisdictions can bridge this gap and make transit more accessible and attractive to a larger population. Since 2003, NCTOCG has coordinated with jurisdictions to study active transportation routes to light rail and commuter rail stations in the region through its Routes to Rail Stations program.



TA-led Planning

TAs can lead efforts to integrate transit hubs with complementary mobility solutions, such as microtransit, shared e-scooters, bike-share programs, and on-demand shuttles, ensuring seamless connections for riders. Additionally, TAs can invest in pedestrian and bicycle infrastructure within and around stations, such as improved sidewalks, bike lanes, and secure parking facilities, to encourage non-motorized access to transit. These improvements require close collaboration with local jurisdictions to permit and construct, particularly for facilities not on TA properties.



Interlocal Agreements

Interlocal agreements provide a formal framework for governmental units to cooperate and contract with one another. TAs can pursue interlocal agreements with jurisdictions to coordinate resources and share responsibilities that align with priorities for land use and transit planning. These agreements can outline shared goals for TOD, clarify roles and responsibilities, and formalize processes for joint investments in infrastructure, first/last mile solutions, or public-private partnerships.



Collaborative Planning

Collaboration between TAs and local jurisdictions is essential to create vibrant TOD hubs and improve the overall transit experience. TAs should work with jurisdictions to align station design with local priorities, such as incorporating retail spaces, green areas, affordable housing, and public gathering spaces around stations. Coordinating land use planning, infrastructure investments, and community input, helps TAs and jurisdictions ensure that stations serve as accessible, multi-functional spaces that attract residents, businesses, and visitors, while reinforcing the role of transit as a central element of urban life.



Key Theme: Fare Policy

The three TAs offer a diverse range of fare programs, from traditional time-based passes and demographic-specific discounts to employer-sponsored programs and promotional fares. Fare policies and fare collection differ with each TA. Strategies for collaboration on fares and fare payment systems aim to improve customer experiences associated with regional travel. The current lack of integration in these areas is confusing for riders and serves as an impediment to true regional integration.



Integration and Interoperability

Developing a comprehensive approach to integration and interoperability, building on the GoPass platform, could result in a connected regional system with standardized payment processing, data architecture, and open Application Programming Interfaces (APIs) to support future mobility innovations.



Loyalty and Rewards Programs

Transit loyalty and rewards programs offer an innovative way to boost ridership and retain regular users through meaningful incentives. By offering concrete benefits like ride credits, retail discounts, and premium services, these programs create real value for frequent riders and deliver immediate, measurable savings while providing tangible perks. Such benefits not only reduce actual costs for users but also encourage consistent transit use by making the rewards both visible and valuable. A regional loyalty program could



transform the traditional transit payment relationship into an engaging customer experience that builds long-term rider loyalty.



Regional Fare Capping

Regional fare capping implementation across DART, Trinity Metro, and DCTA would transform transit accessibility in the metroplex region by ensuring equitable fare optimization regardless of the rider's agency. Currently, while DART offers fare capping through GoPass, the lack of regional integration means riders using multiple agencies do not benefit from unified caps. This enhancement would particularly benefit regular commuters who use multiple transit services, potentially increasing cross-agency ridership while maintaining revenue through increased system utilization.



Chapter 6. Conclusions and Recommended Actions

To address the unprecedented levels of population and employment growth and associated congestion that will create a significant impact on North Texas over the next 25 years, a broad, bold, and innovative approach will be needed to transcend “Transit 1.0” and meet future travel demand and mobility requirements. Anticipated growth within and outside the current Transit Authority jurisdictional boundaries will require strategies for *collaborative regionalism* as the foundation to enhance travel options, encourage beneficial economic development, optimize integrated transit services, and sustain adequate funding resources.

Transit 2.0 determined that the core challenges facing collaborative regional transit services include sustainable long-term funding, transit’s attractiveness as a viable alternative to personal vehicle use, and the institutional and governance paradigms that presently define transit funding and service provision in the region. Underpinning these challenges is the critical question that impacts virtually all transportation investment decisions: *Who pays, and who benefits?* The corollary to this challenge is the issue of comparative value between regional benefits and local/community benefits.

As shown in the summary matrix at the end of this section, the principal recommendations of Transit 2.0 aim to address these challenges by conceptualizing potential solutions as both tactical and strategic recommendations grouped under three core findings:

- **Sustainable funding and increased efficiency** of transit services are both necessary to optimally guide projected growth and development trends
- **Economic development, density, and transit-oriented development** are critical for effective regional transit
- **Transit must be competitive** with other modes of travel to provide effective mobility and reduce regional congestion.

These findings and the associated recommendations defined in this report emphasize the need for a regional vision for transit development and service provisioning. When implemented individually, many of the Transit 2.0 recommendations can result in targeted near-term improvements. However, if a significant array of the recommendations is implemented in concert, the long-term outcome will help shape the transformative changes that lead to an increase in the appeal of public transportation, improved cost-effectiveness, and the overall viability of regional transit. Some recommendations are easier to implement than others, as the more bold and ambitious concepts proposed will require impactful education, changes in legislation, and potential



public referenda to facilitate a shift in attitudes regarding the value of transit and its role in reducing congestion and improving air quality for the entire region.

The time frame over which successful implementation of these concepts can be achieved will vary, but many are attainable in the near term, and all should be advanced expediently through collaboration and dialogue between the transit authorities, local jurisdictions, the State, and other stakeholders. NCTCOG will need to build upon its success as regional convener to facilitate these dialogues and redirect funding to incentivize the kind of change that is needed; many recommendations in this report relate to this expanded role for NCTCOG.

Transit 2.0 suggests that the region should consider bold, aspirational and transformative actions to effectively address projected traffic congestion, enhanced mobility options and regional air quality. While substantially more complex and requiring longer-term consideration, potential legislative actions, and possible public ballot measures, Transit 2.0 suggests a strategy for North Texas that simultaneously acknowledges the unique needs and preferences of local communities while recognizing that public mobility is a regional and trans-jurisdictional priority.

The Transit 2.0 findings and recommendations reinforce the foundational concept that planning for the Year 2050 in North Texas must ultimately be a strategic blend of community preference and enlightened regionalism.



Table 2 Findings, Themes, and Recommendations Summary Table

| Key Themes | Finding 1: Sustainable funding and increased efficiency of transit services are both necessary to optimally guide projected growth and development trends | Finding 2: Economic development, density, and transit-oriented development are critical for effective regional transit | Finding 3: Transit must be competitive with other modes of travel to provide effective mobility and reduce regional congestion |
|-----------------------------|--|--|--|
| Funding Sources | <ul style="list-style-type: none"> State Strategic Multimodal System Special-Purpose Multi-County Transportation Funding Area (TFA) Dedicated State Funding to Public Transportation and Passenger and Freight Rail Utilize Existing Legislation Granting Statutory Authority for Public Private Partnerships (P3s) Support Legislation to Expand Opportunities for Local Funding | <ul style="list-style-type: none"> Development Impact Fees for Transportation Increased NCTCOG TOD funding Financial Incentives for Development in TA Member Cities Public Private Partnerships and Enhanced TIF Districts | <ul style="list-style-type: none"> Financial Incentives for Development Opportunities for Collaborative Procurement |
| Economic Development | | <ul style="list-style-type: none"> Foster TA and Member City Collaboration on Economic Development Incentive Packages for Cities | |
| Funding Distribution | <ul style="list-style-type: none"> Prioritize Allocation of Discretionary Funding Provide TOD Financial Support Provide Developer Financial Incentives | | |
| Partnerships | | <ul style="list-style-type: none"> Support TAs in Seeking Joint Development Opportunities | |
| Land Use | | <ul style="list-style-type: none"> Promote Benefits of Land Use Policies | |
| Planning | | <ul style="list-style-type: none"> Improve Quality and Connectivity of Public Space First/Last Mile Options at Transit Stations | <ul style="list-style-type: none"> Planning Access to Transit TA-led Planning Interlocal Agreements Collaborative Planning |
| Customer Experience | | | <ul style="list-style-type: none"> Reducing and Eliminating Inefficiencies More Flexible Service Contracting |
| Convening | <ul style="list-style-type: none"> Review NCTCOG / RTC Policies and Procedures Increase the Level of Federal Funding Flexed from Highways to Transit and Rail Knowledge Sharing | <ul style="list-style-type: none"> Land Use Best Practices Technical Assistance Performance Goals for Transit Authorities Training and Education for Decision Makers | <ul style="list-style-type: none"> Knowledge Sharing Opportunities |



| Key Themes | Finding 1: Sustainable funding and increased efficiency of transit services are both necessary to optimally guide projected growth and development trends | Finding 2: Economic development, density, and transit-oriented development are critical for effective regional transit | Finding 3: Transit must be competitive with other modes of travel to provide effective mobility and reduce regional congestion |
|---------------|--|--|--|
| | <ul style="list-style-type: none">• NCTCOG Support and Regional Management• Advance Policy Approaches to Incentivize TAs to Accept Alternative Funding Sources for Transit• Fair Share | | |
| TA Governance | | | <ul style="list-style-type: none">• Regional Governance and Decision Making• Advance Policy Approaches to Incentivize TAs to Accept Alternative Funding Sources for Transit• A la carte System for Service Provision• Region-wide Paratransit Dispatch Provider |
| Fare Policy | | | <ul style="list-style-type: none">• Integration and Interoperability• Loyalty and Rewards Programs• Regional Fare Capping |

Appendix 1:

The Transportation Authority – Member City Paradox

REGIONAL TRANSIT VERSION 2.0: PLANNING FOR THE YEAR 2050

CONTEXT: The Transportation Authority – Member City Paradox

At its simplest terms the transportation authority produces a transit plan which meets its financial capacity over a fixed duration of time. Its tax rate is fixed, and it supplies transit services against that assumed forecast while managing annual fluctuations based on economic condition. It also includes revenues from other sources: State-zero funds, transit fare-small; advertising – smaller; and utility easement revenues – even smaller; and federal/Regional Transportation Council funds - significant.

While some sales tax is available to the cities, the cities also depend on variable property tax rates and annual budget requirements in state law. Any additional sales tax capacity is currently capped by state law. Cities have elected officials and transportation authorities have appointed board members, adding to paradox.

For both sides, funding limitations require hard decisions to be made annually - capital investments to be deferred, assets to be maintained and cutting of services to be considered. For cities, balancing the variety of essential services necessary with the demand of more diverse and growing community needs makes these decisions even more challenging.

Since DART collects a 1 cent sales tax, this paradox impacts DART the most. Half cent transit agencies are not immune to this pressure. The paradox occurs when city officials feel hard decisions are not made by the transit agency and going further, easy decisions on efficient service levels are not made either.

So, the problem occurs at the margin since most services are clearly needed. Could the transit authorities improve how they communicate their planning efforts to meet transit demand balanced with revenue forecasts, state of good repair requirements and debt obligations? Will this improved communication and more transparent planning result in a greater partnership between cities and authorities? In Transit Version 2.0, is it possible to better balance regional need for transit services with more localized city needs and demands?

Nationally, transit authorities that must get their budgets approved from higher sources, like legislatures and/or city councils, have significantly less revenue than those with fixed rate dedicated sources and this annual uncertainty can make long term funding of projects and services more challenging. In these cases, the paradox is adjudicated annually during the budget process as the city council or legislatures consider the funding challenges and priorities for a larger set of circumstances. This is the city budget model as well.

So recent transit policy discussions in fixed rate financial plans revolves around free fares, revenue reimbursements to cities and distribution of sometimes inefficient

services. “I’ll take empty buses over no buses”, would be an example of the current problems.

What if the process was reversed? Review all the costs into the future, re-assess needs based on future growth and desired regional outcomes, pursue revenues, and propose a sales tax rate that meets the long-term need. Maybe a transit authority should pursue state revenues, not propose free fares, not reimburse cities in an ad-hoc manner, and pursue the benefits of new members. In addition, should attention be placed on debt payments, long-term service plans, capital asset inventories, new effective services, reduction in inefficient services and a modernized fare collection program. The consideration of lost opportunity costs inside and outside of transit is essential.

Increased communication can eliminate this paradox and this study is intended to assist. Knowing transit agency needs for state of good repair is critical. Our region depends on it.

Currently there is no evidence that a lower tax rate at DART is possible. If it is possible, what are the impacts to service, debt obligations and future service commitments. Understanding these impacts balanced with the future growth needs of the region would certainly assist in local elected officials and transit authority board members working more closely in unison to achieve mutually desirable outcomes. Doing so will reduce trips to the legislature. If this project is approved, transportation authorities and cities are committing to resolve differences here at home.

PROBLEM STATEMENT

The Dallas-Fort Worth Metroplex will continue unprecedented growth over the next 20 to 30 years. Current projections forecast an influx of four million new residents to the region and an addition of three million jobs. This substantial growth will compound a seemingly insatiable demand for passenger and goods movement that has already exacerbated the limited capacity of the region’s streets and highways.

In light of this phenomenon, a regional transit study to explain Transit Version 2.0 will be undertaken to shed light on the critical transportation investments necessary and lost opportunity costs for other investments. Acknowledging that optimal use of public transportation provides more people movement capacity in less space and frees up roadway capacity for all other users, the study will consider the following scope:

1. Partnership models for public transit in the Metroplex
 - a. Operations implications and benefits
2. Potential ways to fund public transportation in the Metroplex, including membership vs. non-member models
3. Available funding sources at the regional and state levels

4. Potential ways to better leverage the economic development benefits of public transportation investment to create incentives for people and companies to locate where there is a variety of transportation modes available
5. Policy considerations of the various governance and funding proposals
 - a. Enabling policy
 - b. Policy barriers or changes
 - c. Inclusion of Opportunity Costs

This effort is not intended to create a regional rail authority or change the independent authority of each of the three current transportation boards of directors.

Who:

Funded by the Regional Transportation Council. The proposed Policy Committee is RTC members from transportation authority cities and transit authority board members.

What: Seven Components of the Study

1. Legislative Categories of Study – Example Questions

Are there opportunities to get annual Texas Metropolitan Mobility Funds for regional rail operations?

Should 4A and 4B non-member cities be able to recruit employers from transportation authority cities?

2. What other legislative strategies could fund transit in new communities and create 4A/4B opportunities in transportation authority cities? How do transit authorities increase membership in transportation authorities or through their local government corporations? Is it better to change current RTC policy and increase the number of authorities?
3. Can the three transportation authorities work together more efficiently to lower transit costs and increase system ridership between systems? For example, can rail operation contracts be bundled for greater efficiency?
4. Demographic growth is higher outside transportation authorities than within. How can transportation authorities develop new tools with local governments to reverse this trend? Can more development be placed on near existing transportation stations increasing economies of scale and creating air quality benefits.
5. Improve Board teamwork to reduce bylaw issues. For example, Denton County Transportation Authority bylaws were recently brought to the Texas Legislature.

6. Review fare collection strategies to increase ridership without lowering revenue. Are there membership loyalty opportunities?
7. Pursue resolution of the transit authority – city paradox described above, this would include the efficiency and effectiveness of different types of transit service. This would include agency cost, and efficiencies between transit authorities. Do the transit agencies have the correct tax rate to meet the needs discussed? Is it higher or lower? If transit agencies reviewed opportunity costs options would partnerships develop?

When:

The Executive Board meets in November 2023 and January 2024. The Regional Transportation Council meets monthly. The RTC will be briefed in September for information and proposed action in October 2023. The Executive Board will select the consultant. A committee of staff persons from the transportation authorities, cities, and NCTCOG will recommend a consultant.

The Executive Board will be requested to approve in November 2023 or January 2024. The legislative item will be completed by August/September of 2024 and the final report will be out in December 2024/January 2025.

Where:

The boundary of the 12-County Metropolitan Planning Organization boundary.

Why:

Transportation authorities have been going to the Legislature to solve local problems. These problems should be first solved by the respective Board of Directors. If unsuccessful, they should come to the Regional Transportation Council. This effort is to comprehensively address a series of regional and sub-regional transit questions. They are listed in the “What” section above.

How:

By a consultant team working for RTC members from transportation authorities and member cities of authorities. It will be coordinated by NCTCOG staff.

How Much:

[REDACTED] The reports are:

1. Regional Transit Coordination – 2002 (Prepared for DART by LKC Consulting Services, Inc.)
2. Regional Transit Initiative – 2004 (Regional Transportation Council)
3. Rail Transit System Review – 2006 (Regional Transportation Council)

Michael Morris
Executive Director, Regional Transportation Council
North Central Texas Council of Governments

Re: Regional Transit Study

Regional Transportation Council Board Members:

With the 40th anniversary of Dallas Area Rapid Transit, the cities of Carrollton, Irving, Plano and Dallas believe this is an appropriate time for the region to revisit the strategic goals and desired outcomes of regional transit. Forty years ago, 14 area cities had a vision to develop a regional transit system and the development of the services and systems have been fulfilled to serve the needs and vision from 1983. The same year the Fort Worth area formed the Fort Worth Transportation Authority. In addition to DART, there are other transit agencies including Trinity Metro and DCTA who are also charged with providing transit services to meet the rapid growth of the Dallas/Fort Worth Metroplex. Partnerships between these transit agencies such as the Trinity Railway Express, TEXRail, and A-Train, have demonstrated the importance of system connectivity and regional collaboration that enhances customer experience and drives ridership demand.

As member cities of a transit authority, we acknowledge and embrace that the growth of the region requires an efficient transit solution in order to provide predictable, cost effective, and reliable mobility for residents and businesses. We believe a comprehensive study is needed to assess the effectiveness of regional transit today and what regional transit should look like for the next 40 years. We request the study be commissioned by the Regional Transportation Council as the region's neutral transportation planner. The study must be conducted by a top tier, globally recognized consulting firm (McKinsey, Bain, Deloitte, etc.), to be completed prior to the next Legislative Session, if possible.

Specifically, we would like to request the study address:

- Needs analysis for service types
- Costs of agencies and potential efficiencies
- Membership categories and options
- Revenue commitments/contributions
- State of Texas ferry allocation
- Fares and revenue recovery philosophies
- Barriers to system growth

We member cities of a transit authority believe now is the time for this strategic look at transit solutions to ensure we are meeting the mobility needs of the Metroplex.

Sincerely,

Eric Johnson, Mayor of Dallas



John B. Muns, Mayor of Plano



Steve Babick, Mayor of Carrollton



Oscar Trevino, Mayor of North Richland Hills



Wes Mays, Mayor of Coppell



Bruce Arfsten, Mayor of Addison



Don Carroll, Dallas Regional Mobility Coalition Chair



Mattie Parker, Mayor of Fort Worth



Rick Stopfer, Mayor of Irving



Terry Lynne, Mayor of Farmers Branch



Blake Margolis, Mayor of Rowlett



George Fuller, Mayor of McKinney



Bob Dubey, Mayor of Richardson



4. Rail North Texas/Texas Local Option Transportation Act – 2008 (Regional Transportation Council)
5. Recent Regional Rail Options by DART

Transit agency plans will be sent to the winning consultant as well.

A similar effort was done of NTTA several years ago, resulting in dozens of new initiatives. It was coordinated by a consultant for the 4 county Judges.

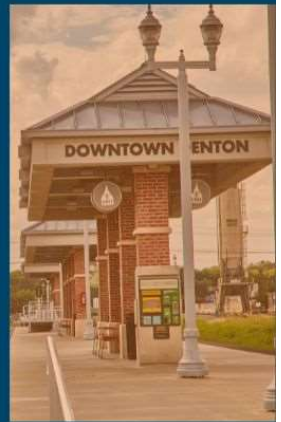
Source: NCTCOG, September 2023, Version 2

Appendix 2:

Task 2: *Transit Legislative Program* Report

Task 2 Report: Transit Legislative Program

REGIONAL TRANSIT 2.0



North Central Texas
Council of Governments

September 5, 2024



Executive Summary

The North Central Texas Council of Governments (NCTCOG) and the three transit authorities within its planning area boundary—Dallas Area Rapid Transit (DART), Trinity Metro, and Denton County Transportation Authority (DCTA)—face several challenges in their efforts to deliver and expand transit services, including bus, light rail, commuter rail, microtransit, and other innovative mobility services to the region, as well as regional, intercity, and high-speed passenger rail services.¹ Some of these same issues present barriers for the region and non-transit member jurisdictions to add or improve transit within their communities. Key issues include:

- Limitations on potential funding from State and local sources
- Reliance on local sales taxes as the main source of non-federal funding available to transit authority (TA) member jurisdictions for transit and rail
- A two-percent cap on local sales tax, which disincentivizes non-member jurisdictions from committing their limited sales tax revenue to join a transit authority
- Inter-jurisdictional competition for development between transit authority member and non-member jurisdictions because non-member jurisdictions can use local sales taxes for economic development, while member jurisdictions are constrained.
- Limited coordination of transportation and land use planning between local jurisdictions and transit authorities that can support effective and efficient provision of transit and rail services and facilitate transit-oriented development. This in turn supports regional sustainable development goals to reduce congestion and improve air quality.

Lack of support for transit from regional political leaders, the State Legislature, or the Governor further exacerbates these challenges. Many do not value the role of transit as a critical element of the transportation system to sustain and support strong continued economic growth.

¹ Subsequent sections of this report use the term “transit and rail,” which is inclusive of the description provided here. These definitions follow Federal Transit Administration and Federal Railroad Administration definitions.



This report builds on these key challenges and redirects the response to them. It focuses on the limited range of State funding opportunities not statutorily constrained to potentially expand the range of funding sources for transit and rail, supplement and reduce the reliance on transit authority member jurisdiction local sales tax contributions, and incentivize other local jurisdictions to become transit authority members. The report provides a range of potential policy and legislative approaches, proposes criteria to evaluate these approaches, and assesses the potential timeline for action on these approaches in the short (1-3 years) and intermediate (4-6 years) terms. Based on this analysis, the report sorts and groups legislative concepts into three tiers, where Tier 1 legislative concepts are recommended to NCTCOG as priority for short term advancement. The approaches presented in this report will be considered by NCTCOG as they develop a legislative platform and path forward. The legislative concepts recommended for short term action are shown in the figure below.



TIER 1 SHORT-TERM ACTION: 15 LEGISLATIVE CONCEPTS

STATE STRATEGIC INTERMODAL SYSTEM (SIS): Enact legislation to create a State Strategic Intermodal System (SIS) program modeled after Florida's SIS to advance and provide matching funds for strategic intermodal corridors.

SPECIAL-PURPOSE TRANSPORTATION CORRIDOR ENTITIES TO ADVANCE PASSENGER AND FREIGHT RAIL TRANSPORTATION FUNDING AREAS (RAIL CORRIDOR TFA): Building on the Transportation Funding Area (TFA) concept advanced by the RTC in 2008, enact legislation to enable creation of voter-approved county / multi-county TFAs to promote shared use of rail corridors for passenger and freight services, work with transit authorities and local jurisdictions to develop funding plans, and negotiate cost-sharing arrangements whereby member jurisdictions could levy voter-approved taxes or fees to fund transportation capital projects for transit and rail. Such a concept could have high applicability to advance passenger rail services in corridors currently owned by transit authorities such as DART and used by private freight rail operators. Such entities could also provide opportunities to combine funding sources currently limited to freight rail to advance passenger rail service in shared corridors.

STATE HIGHWAY FUND: Redirect a portion of the State Highway Fund to transit and rail by legislation or modification of Texas Transportation Commission policy.

HOTEL OCCUPANCY TAX SURCHARGE: Increase the Hotel Occupancy Tax on hotels and short-term rentals to fund transportation improvements, including transit and rail that benefit tourists and business travelers.

AMEND 4A/4B: Amend 4A/4B enabling legislation to allow transportation authority member jurisdictions to pass voter-approved measures exceeding the two-percent sales tax cap to fund economic development and/or for non-member jurisdictions to pass voter-approved measures exceeding the two-percent sales tax cap to fund new transit authority membership. For background, in 1989, the Texas Legislature amended the enabling legislation by adding Section 4A, which provided that a Section 4A development corporation could be funded by the imposition of a local sales and use tax dedicated to economic development. In 1991, the legislature authorized another new type of sales tax, a Section 4B sales tax. This legislation authorized a one-half-cent sales tax to be used by certain jurisdictions to promote a wide range of civic and commercial projects.



TIER 1 SHORT-TERM ACTION: 15 LEGISLATIVE CONCEPTS

SALES TAX CAP INCREASE (B): Increase the two-percent tax on local sales tax without restricting it for transit and rail.

TEXAS MOBILITY FUND (TMF): Require expenditure of a portion of the Texas Mobility Fund for public transportation and extend allowable period for payment of debt service by legislation or modification of Texas Transportation Commission policy.

DEVELOPMENT IMPACT FEE SURCHARGE: Authorize a new county-level Development Impact Fee for Transportation (including transit and rail).

DEDICATED TXDOT FUNDING APPROPRIATION: Secure dedicated funding for public transportation and rail via TxDOT budget appropriations of state general revenue by legislation or modification of Texas Transportation Commission policy.

PROPOSITION 7: Direct a portion of Proposition 7 funding derived from rental car sales and use taxes to fund transit and rail.

DART 1%: Support DART in defending its voter-approved one-cent sales tax funding source until an alternative, dedicated, and equivalent or greater than equivalent revenue source can be identified.

DART ENABLING STATUTE: Oppose proposed statutory changes to DART's enabling statute with respect to level of sales tax contribution (Ch 452 TTC, Ch 322 Tax Code - Transit Sales and Use Tax).

AUTHORIZE TOD PUBLIC-PRIVATE PARTNERSHIPS (P3s): Advocate passage of legislation granting statutory authority to enter long-term partnerships that spur TOD. Support legislation such as SB 1984 Alvarado to streamline legislation that would make P3 possible.

FAIR SHARE: Propose legislation that requires authorities to work with member jurisdictions to define how to address equitable allocation of service relative to sales tax collected and local and interjurisdictional travel demand, rather than legislatively defining equitable allocation.

PUBLIC-PRIVATE PARTNERSHIPS: Advocate passage of legislation granting statutory authority to enter into public-private partnerships for transit and passenger rail, as well as TOD. Support legislation such as SB 1984 Alvarado to streamline legislation that would make



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1. Introduction

Since 1974, NCTCOG, in conjunction with the Regional Transportation Council (RTC), have served as the Metropolitan Planning Organization (MPO) for transportation in the Dallas-Fort Worth Metropolitan Area. The NCTCOG Executive Board serves as the MPO's fiduciary and fiscal agent, while the RTC serves as the MPO's policy body for federal transportation planning, programming, and policy decisions.

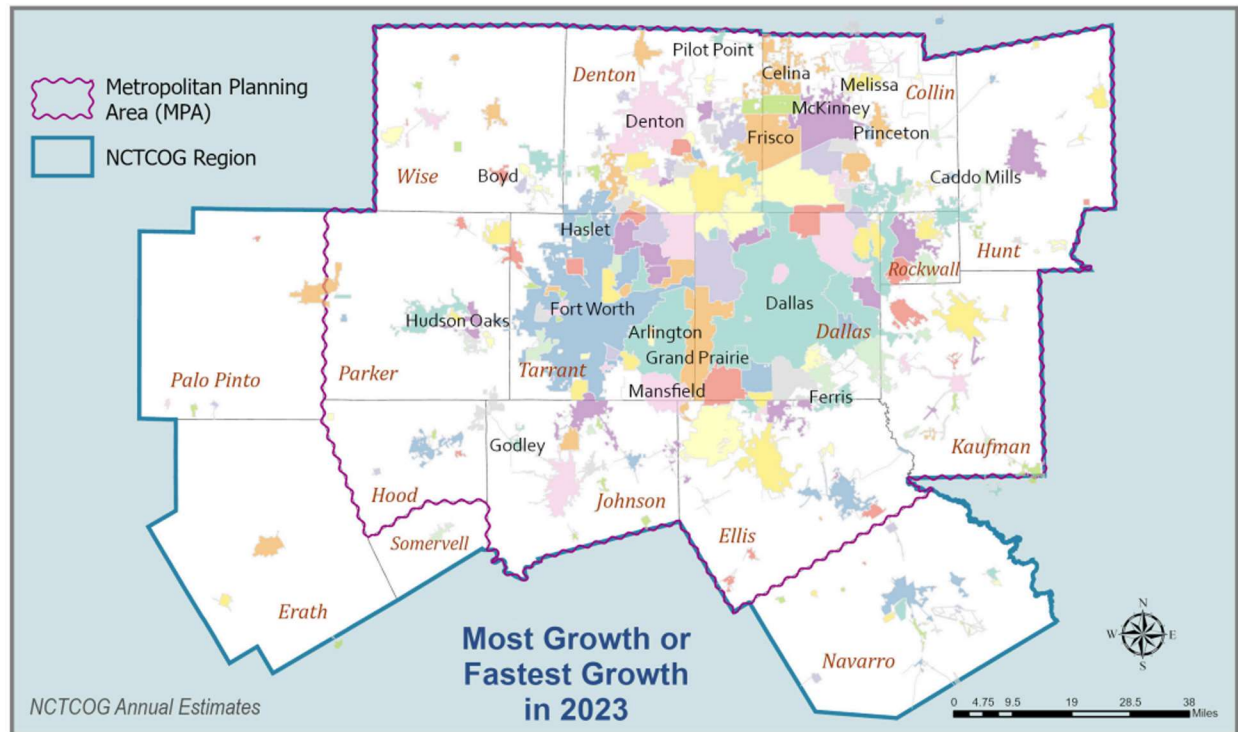
NCTCOG, RTC, and the three transit authorities (TAs) of Trinity Metro, Denton County Transportation Authority (DCTA), and Dallas Area Rapid Transit (DART), are challenged in their efforts to deliver and expand transportation and mobility services and to support development in the rapidly growing and dispersed 16-county NCTCOG region—a region that is projected to exceed 12 million people within 25 years².

Since 2020, the NCTCOG region has grown by 650,000 new residents, with approximately 200,000 new residents in the past year alone. As shown in the figure below, the largest population increases were in Dallas and Fort Worth, followed by Celina, Frisco, and Princeton. While Dallas and Fort Worth are transit authority members, most growth is occurring outside of the service areas covered by the three transit authorities.

² The estimated January 1, 2024, population for the NCTCOG region is 8,481,512. Source: 2024 NCTCOG Population Estimates Publication, Regional Data Center, North Central Texas Council of Governments



Figure 1. Highest Growth Cities in the Region



Source: 2024 NCTCOG Population Estimates Publication, Regional Data Center, North Central Texas Council of Governments

This report focuses on TAs which are eligible under State statute for potential member jurisdictions to seek voter approval for a local option general sales tax dedicated to funding transit (Texas Transportation Code § 451, 452, 453, 460). Local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may impose local sales and use taxes up to two percent, including the local sales and use tax for transit. Local sales taxes are in addition to the Texas sales and use tax rate of 6.25 percent, for a total maximum combined rate of 8.25 percent.

2. Key Challenges to Increasing Transit and Rail in the NCTCOG Region

NCTCOG and the three TAs within its planning area boundary face several challenges in their efforts to deliver and expand transit services, including bus, light rail, commuter rail, microtransit, and other innovative mobility services to the region, as well as regional, intercity, and high-speed passenger rail services.³ Some of these same issues present

³ Subsequent sections of this report use the term “transit and rail,” which is inclusive of the description provided here. These definitions follow Federal Transit Administration and Federal Railroad Administration definitions.



barriers for the region and non-transit member jurisdictions to add or improve transit within their communities. Key issues include:

- Limitations on potential funding from State and local sources
- Reliance on local sales taxes as the main source of non-federal funding available to transit authority (TA) member jurisdictions for transit and rail
- A two-percent cap on local sales tax, which disincentivizes non-member jurisdictions from committing their limited sales tax revenue to join a transit authority
- Inter-jurisdictional competition for development between transit authority member and non-member jurisdictions because non-member jurisdictions can use local sales taxes for economic development, while member jurisdictions are constrained.
- Limited coordination of transportation and land use planning between local jurisdictions and transit authorities that can support effective and efficient provision of transit and rail services and facilitate transit-oriented development. This in turn supports regional sustainable development goals to reduce congestion and improve air quality.

Further exacerbating these challenges is the lack of support for transit by regional political leaders, within the State Legislature, or from the Governor. Transit is only provided in a portion of the DFW region, and as a result, policymakers and the public may underestimate or be unaware of the benefits transit can provide.

Limitations on Potential Sources of State Transit Funding

Given the extraordinary population and employment growth expected in this region, billions of dollars are likely needed to fund new and previously identified projects in public transit, passenger rail, and roadway infrastructure improvements, including costs for expansion, operations, maintenance, and state-of-good-repair. While multi-modal infrastructure is needed to provide mobility to the region, most state transportation funding is restricted and statutorily protected for roadways. If this is going to change, a strong consensus needs to be established on the outcomes that leaders in the region—and the State—wish to see from greater transit investment.



As shown in Figure 2, few of these State sources are authorized for transit, passenger rail, or other non-highway uses. The few that are authorized for non-highway uses have comparatively minimal or no funding. Of the limited funding available for transit, none is authorized for allocation to the major metropolitan transit authorities, and what is available has been used for capital projects for smaller agencies. These restrictions require consideration of legislative approaches that can increase the level and range of potential funding sources for transit and rail, which are the focus of our legislative recommendations.

Figure 2. Statutorily Authorized Uses of Funding Streams in Texas

| FUNDING SOURCE | PROJECT TYPE | | | | | | | |
|--|----------------------------|----------------------|---------------------|-------------------|---------------------|----------------------|--------------------------|-------------------------|
| | Highways (Non – Tolled) | Highways (Tolled) | Rail (Passenger) | Rail (Freight) | Transit (Public) | Aviation (Public) | Ports (Outside Gates) | Ports (Inside Gates) |
| Proposition 1 Funds | ✓ | | | | | | | |
| Proposition 7 Funds | ✓ | | | | | | | |
| State Highway Fund (Dedicated) ¹ | ✓ | ✓ | | | | | | |
| Texas Mobility Fund ² | ✓ | | ✓ | | ✓ | ✓ | ✓ | |
| State Highway Fund (Non-Dedicated) ³ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| General Revenue ⁴ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

1. State Highway Fund (Dedicated) includes traditional sources of funding dedicated by the Texas Constitution and consists of state motor fuel and lubricant taxes, motor vehicle registration fees, and interest earned on dedicated deposits. It also includes federal reimbursements that are not reflected in the above grid, as a small amount of these federal funds may at times be used for other modes of transportation.

2. The Texas Constitution allows for the use of Texas Mobility Fund revenues and bond proceeds to develop and construct state highways and other public transportation projects.

3. State Highway Fund (Non-Dedicated) includes very limited revenue sources that are designated by statute but not the Texas Constitution. These limited revenue sources are further constrained by an annual, statutorily required transfer of approximately \$150 million, which backfills the Texas Mobility Fund's loss of certificate of title fees. Many multi-modal transportation services have received level funding for decades because of the limited availability of non-dedicated funds.

4. State general revenue can be used on all forms of multimodal transportation in order to pay for exceptional items or legislative directives where other revenues are unavailable due to restrictions or if they have already been fully obligated.

2023-2024 EDUCATIONAL SERIES

Source: Texas Department of Transportation 2023-2024 Educational Series: Funding

Reliance on Local Sales Tax to Fund Transit

Most non-federal funding for transit in the NCTCOG region is derived from local sales tax measures authorized by voters in member jurisdictions of the three transit authorities. These range from the one-percent sales tax approved for DART to the one-half percent sales taxes approved for Trinity Metro and DCTA. Sales and use tax



collections in the transit authority member jurisdictions flow directly to the State Comptroller to the agency. The three transit authorities receive none of the State's very limited transit funding, which totaled \$41 million for the Rural Public Transit Program to fund Rural and Urban Transit Districts across the State in 2023.

While sales tax revenues have increased with inflation and population growth, these increases have been insufficient to fully fund the growth in costs for existing and new capital projects, service expansion, operations and maintenance, and system preservation. Sales tax revenue is likewise dependent on the economy and the sale of goods and services, which is concerning for transit authorities that must continue to deliver service during times of market fluctuations or downturns. Further, the transit authorities are challenged in their ability to provide transit service to outlying jurisdictions due to land use patterns, funding availability, demand requirements, and interjurisdictional constraints. As a result, some of DART's member jurisdictions have expressed varying degrees of dissatisfaction with the perceived level of transit services received relative to the perceived portion of the local sales tax authorized to DART. Expressions of dissatisfaction range from member jurisdictions passing city council resolutions proposing to reduce their voter-approved one-percent sales tax to having members of the Texas Legislature sponsor bills to require the transit authority to provide audited reports on revenue collected and costs expended by jurisdiction. Ultimately any changes in committed levels of sales tax funding would require approval by the DART Board of Directors, assuming there are no changes to DART's enabling legislation at the state level.

The net result of DART member jurisdictions reducing their local sales tax commitments would further impact DART's ability to provide transit services to its members and the region. This effect would be exacerbated by DART's inability to fully leverage its local dollars to match federal funding. With DART's sales tax revenues committed to repayment of outstanding debt, reducing sales tax levels could trigger a default.

Two Percent Cap on Local Sales Tax

The total level of local sales tax authorized by the Legislature is capped at two percent. For transit authority member jurisdictions, their one- or one-half percent sales tax for transit subsumes up to half of their authorized maximum, making it more challenging for them to fund other city needs and/or to attract and retain major developments. At the same time, jurisdictions that are not members of a transit authority can use their sales tax to provide tax incentives that may attract developers away from transit agency member jurisdictions. As these communities grow, if they have allocated their sales tax to other uses, they are capped and do not have the ability to use sales tax for transit. To do so



would require them to give up initiatives or programs that are already funded using sales tax revenue.

The net effect of the two percent cap, coupled with competition among jurisdictions for economic development assisted by sales tax, is to reduce the incentive for new jurisdictions to join a transit authority.

Added Pressure on Sales and Use Taxes

The passage of Senate Bill 2 (SB2), also known as the Texas Property Tax Reform and Transparency Act of 2019, reduced the rate at which cities and counties can raise property tax rates without voter approval from 8 to 3.5 percent. Under previous Texas law, if local leaders proposed a tax increase of greater than 8 percent, voters could petition for a “rollback election” that would “roll back” the proposed tax increase to the 8 percent ceiling. SB 2 lowered this threshold to 3.5 percent and created automatic elections for jurisdictions proposing to increase property taxes more than 3.5 percent, rather than doing so by petition. In effect, this reduces the political viability of property tax increases above 3.5 percent.

Apart from Austin, property taxes in Texas do not typically fund transit and rail but are used to fund municipal services such as parks, libraries, fire, police, and other local services. SB2 increased the barrier for voters to raise funds for these non-transit needs, putting more pressure on the limited funding available to jurisdictions, including sales and use taxes. This further limits funds that are or could be committed to transit authorities.

Land Use and Transit Coordination

Transit and land use are integrally related. Higher levels of density, more compact development patterns, improved pedestrian connections, and transit-oriented development are critical for transit to function efficiently and effectively. At the same time, transit reduces vehicle miles traveled and emissions and improves air quality. Transit authorities and their member jurisdictions need to better coordinate and leverage land use and financial tools to encourage density and transit-oriented development, improve universal accessibility for pedestrians, and maximize potential benefits that transit can facilitate.

Focus of This Task Report

Individually and in combination, the challenges described above limit the ability of NCTCOG to fund projects and the transit authorities to deliver and expand transit, passenger rail, and innovative mobility services to the region and reduce the incentive for local jurisdictions to become transit authority members. This report builds on this



summary of key challenges and redirects the regional response toward expanding the range of funding sources for transit and passenger rail, supplementing and reducing the reliance on transit authority member agencies' local sales tax contributions, and incentivizing other local jurisdictions to become transit authority members. The report provides a range of potential policy and legislative approaches, proposes evaluation criteria for these approaches, and assesses the potential timeline for implementation.

3. Legislative Context

This section describes the State legislative context and timeline for introducing State legislation, the transit authorities serving the region, and the past and current legislative priorities of NCTCOG and the authorities.

Enabling Legislation for Transit Agencies

Texas has three categories of transit systems:

- Transit authorities and municipal transit departments
- Urban transit districts
- Rural transit districts

As previously discussed, TAs are eligible under State statute to seek voter approval for a local option general sales tax dedicated to funding transit (Texas Transportation Code § 451, 452, 453, 460). Local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may impose local sales and use taxes up to two percent, in addition to the Texas sales and use tax rate of 6.25 percent, for a total maximum combined rate of 8.25 percent.

Notably, TAs are not eligible to receive State public transportation funds, which are reserved for urban and rural transit districts.

Voters in three counties in the NCTCOG region—Fort Worth, Dallas, and Denton County—have approved a local option sales tax for transit authorities.

Alternative Local Funding Mechanisms for Transit

Member jurisdictions in Texas typically fund transit through voter-approved local option general sales tax dedicated to transit, however other voter-approved funding mechanisms can be leveraged:

- The Development Corporation Act of 1979 (Texas Revised Civil Statutes Article 5190.6) allows municipalities to create nonprofit development corporations that promote new and expanded industry and manufacturing activity within the jurisdiction and its vicinity. These corporations can leverage “Section 4A” or



“Section 4B” economic development sales taxes, which account for a portion of the local two percent sales and use tax limit. Section 4A sales taxes target manufacturing and industrial development, while Section 4B sales taxes primarily target infrastructure and quality of life improvements that promote economic development, including transportation facilities. If accepted by the local TA, jurisdictions can use Section 4B tax revenue to fund the provision of transit service.

- Tax increment financing, whereby sales and property taxes generated by new development surrounding stations is leveraged to fund transit, can be used to fund the provision of transit service if accepted by a local TA.

Transit authorities may also receive funding through NCTCOG and RTC (as the MPO for the Dallas-Fort Worth Metropolitan Area), who administer numerous federal funding programs for transportation. In the NCTCOG region, including transportation development credits (TDCs) that can be used to leverage federal funding without the contribution of non-federal cash match. These TDCs are non-cash credits that are earned by the MPO to account for toll road and tolled managed lanes that benefit the federal system.

State Legislative Context

The Texas Legislature

The Texas Legislature meets in Austin every two years beginning on the second Tuesday in January of each odd-numbered year. Sessions are limited to 140 calendar days. The 89th Session will convene on January 14, 2025.

Preparing a Legislative Platform

Before each session, NCTCOG and the Regional Transportation Council (RTC) develop a legislative program that outlines the RTC’s position on legislative matters and serves as the foundation for the RTC to support or oppose various State legislation. The platform seeks to secure critical resources for, among other things, transit in North Central Texas and outlines policy Statements that allow NCTCOG staff to work with the RTC to more effectively respond to legislation at the State level. The RTC seeks action on the platform in October of the year preceding the session. A timeline of the 2025 RTC legislative program timeline is shown in Figure 3.



Figure 3. RTC Legislative Program Timeline, 2024-2025



The Three Transit Authorities

As stated previously, the NCTCOG region has three transit authorities approved by successful referendums and funded with local sales taxes: Trinity Metro, DART, and DCTA. The three agencies differ in their enabling legislation and approaches to funding transit and expansion of services.

Trinity Metro

Trinity Metro is the regional transit authority for the greater Fort Worth region (Texas Transportation Code § 452). Also known as the Fort Worth Transportation Authority, Trinity Metro was created by voters in Fort Worth via a successful referendum on November 8, 1983, which committed a half-percent local sales tax from the City of Fort Worth.

Trinity Metro also allows municipalities to gain specific services through interlocal agreements at rates below the full half-percent membership. Two cities, Grapevine and North Richland Hills, maintain these agreements with Trinity Metro to pay for service on the TEXRail commuter rail line. Neither municipality receives other Trinity Metro services (fixed-route bus service, on-demand transit, or paratransit).



Grapevine funds its service via a half-cent economic development sales tax, of which 3/8ths of a cent is earmarked for Trinity Metro. The tax accounts for a portion of the local two-cent sales tax limit and is structured under Section 4B of the Development Corporation Act of 1979 (Texas Revised Civil Statutes Article 5190.6).

North Richland Hills funds its service via sales and property taxes generated by new development surrounding their two TEXRail stations.

For other services like on-demand, Trinity Metro enters into Interlocal Agreements that outline terms of service that are funded through each City's general fund and local grant opportunities provided through NCTCOG.

Dallas Area Rapid Transit

DART is the regional transit authority for the greater Dallas region (Texas Transportation Code § 452). DART was created by voters in 15 cities via a successful referendum on August 13, 1983, which committed a one-percent local sales tax from each city. In 1988, two of the original cities (Flower Mound and Coppell) voted to leave the system. DART member jurisdictions are authorized to hold withdrawal elections every six years under Chapter 452. While other cities have held elections since 1988, none since Flower Mound and Coppell have been successful.

Today, DART's service area consists of 13 member jurisdictions: Addison, Carrollton, Cockrell Hill, Dallas, Farmers Branch, Garland, Glenn Heights, Highland Park, Irving, Plano, Richardson, Rowlett, and University Park. Of these, six member jurisdictions have passed City Council resolutions to reduce their one-cent local sales tax contributions to three-quarters of a cent. These jurisdictions are Plano, Irving, Rowlett, Carrollton, Farmers Branch, and Highland Park. These actions are symbolic because changes in funding must be approved by the DART Board of Directors.

Beyond the 13 member jurisdictions, any municipality that adjoins a DART member city is eligible to join upon affirmative approval of a referendum called and conducted by that city authorizing the collection of a one-percent local sales tax for transit services (TRANSP § 452, Subchapter O, DART Policy No. IV.13).

Municipalities outside of the DART service area may seek a service agreement with DART for transit service. These agreements must be approved by the DART Board of Directors for no more than 36 months, after which the municipality must provide a plan to become a full member city (DART Policy No. III.07). DART established a Local Government Corporation (LGC) in March 2012 under Subchapter D of Chapter 431, Texas Transportation Code, to aid and act on behalf of DART in performance of its



governmental purpose of providing a public transportation system by bus primarily outside the DART Service Area.

Denton County Transportation Authority

In 2001, Texas House Bill 3323 created Chapter 460 of the Texas Transportation Code, which authorized the creation of Coordinated County Transportation Authorities (CCTAs) by county commissions, subject to a vote by the county population. DCTA is the first and only CCTA in the State (TRANSP § 460). DCTA was created by voters in Denton County via a successful referendum on November 5, 2002.

After the creation of DCTA, the jurisdictions of Denton, Highland Village, and Lewisville voted to join DCTA on September 13, 2003. The referendums committed a half-percent local sales tax from each city to finance the system.

DCTA provides service via other partnership agreements. Collin County Transit, a partnership between the City of McKinney, the McKinney Urban Transit District, and DCTA, provides service to the jurisdictions of McKinney, Princeton, Melissa, and Celina via a taxi voucher program. DCTA also maintains a contract with the City of Frisco to operate Frisco Demand Response, a curb-to-curb service for residents who are elderly, disabled, or traveling to medical care.

4. Review of RTC Legislative Recommendations 2017 – 2023

Figure 4 provides an overview of the RTC's adopted legislative programs from 2017 to 2023 for the 85th, 86th, 87th, and 88th Sessions of the Texas Legislature. As shown in the figure, key historical priorities have been to:

- Adequately Fund Transportation and Utilize Tools
- Expand Transportation Options
- Enhance Safety
- Improve Air Quality
- Pursue Innovation and Technology

The legislative approaches proposed for consideration by the RTC for the 89th Session are consistent with these priorities, with a greater focus on funding. Star symbols have been placed next to historical legislative approaches related to concepts included in this report. Absence of a star does not mean that an historical legislative approach does not merit consideration by the RTC for the 89th Session, only that it does not overlap with an initiative evaluated herein.

It is important to note that RTC supported key legislative efforts over the preceding decade, including the Transportation Local Option Transportation Act (TLOTA), C.S.S.B



855 by Senator John Carona. TLOTA would have given jurisdictions a menu of transportation funding options that jurisdictions could bring to the voters for approval, including gasoline and diesel taxes, vehicle registration fees, parking management fees, vehicle emissions fees, driver license renewal fees, and new resident impact fees. TLOTA did not pass but advanced several important funding concepts that are revisited in this analysis.



Figure 4. Summary of NCTCOG/RTC Legislative Programs, 2017-2023

| 2023 Legislative Program | | 2021 Legislative Program | 2019 Legislative Program | 2017 Legislative Program | Concept Included in this report |
|---|--|--------------------------|--------------------------|--------------------------|---------------------------------|
| ADEQUATELY FUND TRANSPORTATION AND UTILIZE TOOLS | | ✓ | ✓ | ✓ | ★ |
| ADDITIONAL TRANSPORTATION REVENUE | Identify additional revenue for all modes of transportation, including fees on alternative fuel vehicles | ✓ | ✓ | ✓ | ★ |
| INNOVATIVE FUNDING | Support innovative funding methods to expand rail and transit options within the region | | | | ★ |
| TEXAS RAIL RELOCATION AND IMPROVEMENT FUND | Allocate funds to the existing Texas Rail Relocation and Improvement Fund | | | | |
| AIR QUALITY USER FEES | Return approximately \$80 million in air quality user fees to counties for Local Initiatives Projects | | | | |
| FAIR-SHARE ALLOCATION | Ensure fair-share allocation of funds for roadway capacity improvements to metropolitan regions | ✓ | | | |
| PROPOSITIONS 1 AND 7 | Support full appropriation of current funding initiatives previously approved by the Legislature, including Proposition 1 and Proposition 7 | ✓ | ✓ | ✓ | ★ |
| EXPAND TRANSPORTATION OPTIONS IN MEGA-METROPOLITAN REGIONS | | ✓ | | | ★ |
| P3s AND MANAGED LANES | Support use of Public-Private Partnerships; allow for the ability to create data corridors (i.e., digital twins) and tolled managed lanes for roadway and transit projects through an MPO/local decision-making process | ✓ | ✓ | ✓ | ★ |
| COMPREHENSIVE DEVELOPMENT AGREEMENT | Authorize the use of a Comprehensive Development Agreement for specific needed projects | ✓ | | | |
| EMINENT DOMAIN FOR TRANSPORTATION CORRIDORS | Retain eminent domain authority to allow planning and development of new and/or expanded transportation corridors, including high-speed rail, commuter rail, freight rail, roadways, and trails | ✓ | ✓ | | |
| BALANCED LIABILITY INSURANCE | Support the use of a balanced liability insurance program that would allow North Texas transit agencies to operate on additional rail corridors as part of the regional transportation system | ✓ | | | |
| LOCAL AND REGIONAL LAND USE CONTROL | Provide counties and cities with expanded tools for land use control to preserve future transportation corridors | ✓ | ✓ | ✓ | ★ |
| PROVIDE TOOLS TO FACILITATE TRANSIT ORIENTED DEVELOPMENT | | | | | ★ |
| IMPROVE TRANSPORTATION SAFETY FOR ALL | Improve the safety of the statewide transportation system for all users, including controlling texting while driving, eliminating driving under the influence, lowering excessive speed limits, reducing aggressive driving, reducing the number of fraudulent temporary tags, and improving bicycle and pedestrian safety | ✓ | ✓ | ✓ | |
| HANDS FREE CELL TECHNOLOGY | Reduce distracted driving through measures such as the use of hands-free cell phone technology | | | | |
| FREIGHT WEIGHT LIMITS | Oppose legislation to increase freight truck weight limits above 80,000 pounds | | | | |
| ROADSIDE ASSISTANCE | Support legislation allowing sponsorships to support roadside assistance programs | | | | |
| DEFERRED ADJUDICATION | Eliminate deferred adjudication for safety related traffic violations (e.g., traffic violations in construction zones are not eligible for deferred adjudication) | | | | |
| CRASH REPORTS BY NON-SWORN POLICE | Allow non-sworn police officers to complete crash reports and clear minor, non-injury traffic crashes | | | | |



| | 2023 Legislative Program | 2021 Legislative Program | 2019 Legislative Program | 2017 Legislative Program | Concept Included in this report |
|--|---|--------------------------|--------------------------|--------------------------|---------------------------------|
| IMPROVE AIR QUALITY | | ✓ | ✓ | ✓ | ★ |
| LOCAL INITIATIVE PROJECTS | Modernize and increase flexibility in the Local Initiative Projects (LIP) through a limited program focused on transportation and air quality improvements | ✓ | ✓ | ✓ | |
| EMISSIONS ENFORCEMENT | Strengthen emissions enforcement through temporary tag enforcement | | | | |
| PROTECT TERP | Protect the TERP Trust fund and revenue balance to ensure funds are used for TERP purposes; modernize the program and ensure flexibility to accommodate innovative approaches to improving air quality and reducing emissions, including the purchase of heavy-duty zero emission vehicles such as hydrogen fuel cell and battery electric vehicles and associated infrastructure | ✓ | ✓ | ✓ | ★ |
| RELIABILITY, CONGESTION, AND TRIP REDUCTION | Support system reliability, congestion relief, and encourage trip reduction strategies | ✓ | ✓ | | |
| AIR QUALITY | Support legislation that improves air quality | ✓ | | | ★ |
| PURSUE INNOVATION AND TECHNOLOGY | | ✓ | ✓ | ✓ | ★ |
| VEHICLE INNOVATION | Utilize innovation in high-speed transportation, transit, autonomous vehicles, and freight | ✓ | ✓ | | |
| COLLABORATION FOR LAND USE | Support the collaboration between local governments, the military, the State, and FAA to advance regulations for compatible land use and the safe operations of unmanned aircraft | ✓ | ✓ | | ★ |
| SHARED MOBILITY | Plan for shared mobility solutions and technology-based transportation solutions; enable transportation data sharing and accessibility with appropriate privacy protection | ✓ | ✓ | ✓ | |
| IMPROVE CYBERSECURITY | Establish and support programs to improve cybersecurity | | | | |
| BROADBAND EXPANSION | Support broadband expansion as a mode of transportation | | | | |



5. Comparative Review of Transit Authority Legislative Programs

Figure 5 provides a comparative review of the legislative programs of the three transit authorities and the RTC's adopted legislative programs discussed in the prior section.



Figure 5. Comparative Review of Transportation Authority Legislative Program

| | RTC LEGISLATIVE PROGRAM FOR THE 88TH TEXAS LEGISLATURE | DART'S LEGISLATIVE PRIORITIES FOR THE 88th SESSION OF THE TEXAS LEGISLATURE | TRINITY METRO'S 88TH TEXAS LEGISLATIVE AGENDA | DENTON COUNTY TRANSPORTATION AUTHORITY 2023 LEGISLATIVE AGENDA | DALLAS REGIONAL MOBILITY COALITION (DRMC) 2023 STATE LEGISLATIVE AGENDA |
|--|---|--|--|---|---|
| ADEQUATELY FUND TRANSPORTATION AND UTILIZE TOOLS | Identify additional revenue for all modes, including fees on alternative fuel vehicles | Monitor motor vehicle registration fees, electric vehicles | Maintain MTA exemption from fees for alternatively fueled vehicles | | Support passage and implementation of an Electric Vehicle fee to ensure electric vehicles pay their fair share of transportation costs |
| | Support innovative funding methods to expand rail and transit options within the region | Monitor legislation relating to construction and project delivery | | Support innovative funding methods at state level to expand rail and transit options within Denton County | |
| | Allocate funds to the existing Texas Rail Relocation and Improvement Fund | | | | |
| | Return approximately \$80M in air quality user fees to counties for Local Initiatives Projects | | Support return of approx \$100M in air quality funding to counties to support Local Initiatives Projects | | |
| | Ensure fair share allocation of funds to metro regions for capacity funding | | Ensure fair share allocation to metro regions for capacity funding | Collaborate with TxDOT to expand their multi-modal approach to the transportation needs of Texas to include metropolitan public transportation in their footprint | Collaborate with TxDOT to expand their multi-modal approach to the transportation needs of Texas to include metropolitan public transportation in their footprint |
| | Support full appropriation of current funding initiatives previously approved by the Legislature, including Proposition 1 (2014) and Proposition 7 (2015) initiatives | | Support continued state investment on projects that enhance existing and new infrastructure to meet the current and future needs of the state | | Support efforts to eliminate the sunset date for Propositions 1 and 7 to ensure continued investment in transportation infrastructure |
| | | Protect and defend DART's voter-approved one-cent sales tax funding source; approximately 75% of agency revenues | Oppose reduction or elimination of Transit Authority revenue streams from local option sales taxes | | |
| | | | Oppose legislation that unnecessarily limits local decision-making authority to govern properly and fully fund services necessary to plan and provide for growth challenges. | Preserve current authority and agency resources to meet the transit needs of Denton County and oppose any legislation that would restrict current authority or agency resources | |



| | RTC LEGISLATIVE PROGRAM FOR THE 88TH TEXAS LEGISLATURE | DART'S LEGISLATIVE PRIORITIES FOR THE 88th SESSION OF THE TEXAS LEGISLATURE | TRINITY METRO'S 88TH TEXAS LEGISLATIVE AGENDA | DENTON COUNTY TRANSPORTATION AUTHORITY 2023 LEGISLATIVE AGENDA | DALLAS REGIONAL MOBILITY COALITION (DRMC) 2023 STATE LEGISLATIVE AGENDA |
|---|--|---|--|--|---|
| EXPAND TRANSPORTATION OPTIONS IN MEGA- METROPOLITAN REGIONS | Support use of Public-Private Partnerships; allow for the ability to create data corridors (ie-digital twins) and tolled managed lanes for roadway and transit projects through an MPO / local decision-making process | | Support the use of public-private partnerships to meet increased demands while stimulating the economy and creating jobs through planning, design, and construction of multi-modal transportation systems of choice and transit-oriented development projects. | | |
| | Authorize the use of a Comprehensive Development Agreement for specific needed projects | | | | |
| | Retain eminent domain authority to allow planning and development of new and/or expanded transportation corridors, including high-speed rail, commuter rail, freight rail, roadways, and trails | | Support maintaining existing law related to eminent domain authority to allow planning and development of new and/or existing infrastructure projects that are fundamental to public transit | | |
| | Support the use of a balanced liability insurance program that would allow North Texas transit agencies to operate on additional rail corridors as part of the regional transportation system | | | | |
| | Provide counties and cities with expanded tools for land use control to preserve future transportation corridors | | Advocate passage of legislation granting Trinity Metro statutory authority to enter into long term partnerships to spur transit-oriented development adjacent to Trinity Metro bus stops and train stations | | Provide counties and cities with expanded tools for land use control to preserve future transportation corridors |
| | | | Support a new Texas Local Option Transportation Act to expand transit within the north Texas region. | | |
| ENHANCE SAFETY | Improve statewide transportation safety in areas of texting and driving, impaired driving, lowered speed limits, aggressive driving, fraudulent temp tags, bike and pedestrian safety | | | | Support TxDOT and NCTCOG's efforts to improve the safety of the statewide transportation system and reduce overall traffic fatalities |
| | <u>Reduce distractive driving through hands free cell</u> | | | | |
| | Oppose increase in freight truck weight limits above 80,000 lbs | | | | |
| | Support sponsorships for roadside assistance programs | | | | |
| | Eliminate deferred adjudication for safety traffic violations | | | | |
| | Allow non-sworn police to complete crash reports and clear minor crashes | Monitor legislation related to social justice and police reforms | | | |



| | RTC LEGISLATIVE PROGRAM FOR THE 88TH TEXAS LEGISLATURE | DART'S LEGISLATIVE PRIORITIES FOR THE 88th SESSION OF THE TEXAS LEGISLATURE | TRINITY METRO'S 88TH TEXAS LEGISLATIVE AGENDA | DENTON COUNTY TRANSPORTATION AUTHORITY 2023 LEGISLATIVE AGENDA | DALLAS REGIONAL MOBILITY COALITION (DRMC) 2023 STATE LEGISLATIVE AGENDA |
|---|---|---|---|--|---|
| IMPROVE AIR QUALITY | Modernize and increase flexibility in the Local Initiatives Projects through limited program focused on transportation and AQ improvements | | | | |
| | Strengthen emissions enforcement through temporary tag enforcement | | | | |
| | Protect the TERP Trust Fund and revenue balance to ensure funds are used for TERP purposes; Modernize the program and ensure flexibility to accommodate innovative approaches to improving air quality and reducing emissions, including the purchase of heavy-duty zero emission vehicles such as hydrogen fuel cell and battery electric vehicles and associated infrastructure | | | | |
| | Support system reliability, congestion relief, encourage trip reduction strategies | | | | |
| | Support legislation that improves air quality | | | | |
| PURSUE INNOVATION AND TECHNOLOGY | Utilize innovation in high-speed transportation, transit, AVs, and freight | | | | |
| | Support the collaboration between local governments, the military, the State, and FAA to advance regulations for compatible land use and the safe operations of unmanned aircraft | | | | |
| | Plan for shared mobility solutions and technology-based transportation solutions; enable transportation data sharing and accessibility with appropriate privacy protection | | | | |
| | Establish and support programs to improve cybersecurity | | | | |
| | Support broadband expansion as a mode of transportation | | | | |
| COMMERCIAL DRIVERS LICENSES AND COMMON CARRIERS | | Monitor legislation relating to commercial driver's licensing | Support policies that remove unnecessary delays in the processing of Commercial Driver's License by the Department of Public Safety | | |
| | | Monitor legislating relating to common carriers | | | |



| | RTC LEGISLATIVE PROGRAM FOR THE 88TH TEXAS LEGISLATURE | DART'S LEGISLATIVE PRIORITIES FOR THE 88th SESSION OF THE TEXAS LEGISLATURE | TRINITY METRO'S 88TH TEXAS LEGISLATIVE AGENDA | DENTON COUNTY TRANSPORTATION AUTHORITY 2023 LEGISLATIVE AGENDA | DALLAS REGIONAL MOBILITY COALITION (DRMC) 2023 STATE LEGISLATIVE AGENDA |
|-----------------|--|--|---|--|---|
| AGENCY AUTONOMY | | Closely monitor and oppose/mitigate legislation than could detrimentally impact DART's mission, goals and business operations | Oppose any attempt to prohibit local units of government from the ability to engage government relations professionals or join associations to efficiently advocate on behalf of their community and communicate with members of the legislative branch and executive branch, including state agencies. | Oppose any restriction to the agency having representation before the Legislature. | |
| | | Closely monitor proposed statutory changes to DART's enabling statute, Chapter 452, Texas Transportation Code, and Chapter 322, Tax Code - Transit Sales and Use Tax | | | |
| | | Monitor legislation relating to "walking quorums" | | | |
| Source | Regional Transportation Council Legislative Program for the 88th Texas Legislature | DART Legislative Priorities for the 88th Session of the Texas Legislature | Planning, Operations & Marketing Committee Meeting - October 17, 2022 - Action Item 5. State Legislative Agenda Approval | DCTA 2023 Legislative Agenda | Dallas Regional Mobility Coalition 2023 State Legislative Agenda |



6. Legislative and Policy Concepts for Consideration by NCTCOG

Building upon the RTC's past legislative initiatives and the comparative review of the transit authorities' legislative programs, this section outlines legislative and policy concepts for consideration by the RTC as it formulates its legislative recommendations for the next legislative session.

State Legislative Proposals

The Transit 2.0 team has proposed 22 legislative concepts for NCTCOG's consideration to expand the range of funding sources for public transportation and passenger rail. These concepts have similar goals but take different approaches. However, none will succeed without strategies to mobilize constituencies and organizations to educate and advocate for approval by the Legislature. NCTCOG can play a central role in this process.

In the sections below, the legislative concepts are grouped into four categories:

- Expand the level and range of one or more of the proposed funding sources for transit and passenger rail, individually and in combination
- Protect existing transit authority sales tax funding
- Provide tools to facilitate transit-oriented development
- Additional legislative concepts

Expand the Level and Range of Funding Sources for Public Transportation and Rail, Individually or in Combination

The following 19 concepts are proposed to expand the level and range of funding sources for public transportation and rail, individually or in combination:

- **TEXAS MOBILITY FUND (TMF):** Require expenditure of a portion of the Texas Mobility Fund for public transportation and extend allowable period for payment of debt service, accomplished by legislation or by modification of Texas Transportation Commission policy.
- **TEXAS EMISSION REDUCTION PLAN (TERP):** Increase the share of TERP funding for the Governmental Alternative Fuel Fleet (GAFF) Program, for which the purchase of transit vehicles is an eligible cost.
- **DEDICATED TXDOT FUNDING APPROPRIATION:** Secure dedicated funding for public transportation and rail via TxDOT budget appropriations of state general revenue, accomplished by legislation or by modification of Texas Transportation Commission policy.



- **STATE HIGHWAY FUND:** Redirect a portion of the State Highway Fund to transit and rail, accomplished by legislation or by modification of Texas Transportation Commission policy.
- **STATE STRATEGIC INTERMODAL SYSTEM (SIS):** Enact legislation to create a State Strategic Intermodal System (SIS) program modeled after Florida's SIS to advance and provide matching funds for strategic intermodal corridors.
- **SPECIAL-PURPOSE TRANSPORTATION CORRIDOR ENTITIES TO ADVANCE PASSENGER AND FREIGHT RAIL TRANSPORTATION FUNDING AREAS (RAIL CORRIDOR TFA):** Building on the Transportation Funding Area (TFA) concept advanced by the RTC in 2008, enact legislation to enable creation of voter-approved county / multi-county TFAs to promote shared use of rail corridors for passenger and freight services, work with transit authorities and local jurisdictions to develop funding plans, and negotiate cost-sharing arrangements whereby member jurisdictions could levy voter-approved taxes or fees to fund transportation capital projects for transit and rail. Such a concept could have high applicability to advance passenger rail services in corridors currently owned by transit authorities such as DART and used by private freight rail operators. Such entities could also provide opportunities to combine funding sources currently limited to freight rail to advance passenger rail service in shared corridors.
- **PROPOSITION 7:** Direct a portion of Proposition 7 funding derived from rental car sales and use taxes to fund transit and rail.
- **LOCAL OPTION GAS TAX:** Revisit the concept of a voter-approved local option gas tax, as proposed in 2008 as part of the Transportation Local Option Transportation Act (TLOTA), C.S.S.B 855 by Carona.
- **LOCAL OPTION VEHICLE REGISTRATION FEE:** Revisit the concept of a voter-approved local vehicle registration fee, as proposed in 2008 as part of the Transportation Local Option Transportation Act (TLOTA), C.S.S.B 855 by Carona.
- **SALES TAX CAP INCREASE (A):** Increase the two-percent cap on local sales tax to fund transit and rail.



- **SALES TAX CAP INCREASE (B):** Increase the two-percent tax on local sales tax without restricting it for transit and rail.
- **RESTRICTIONS ON USE OF 4A/4B:** Disallow non-member jurisdictions to use 4A/4B revenue to provide tax incentives to companies relocating from a TA member jurisdiction.
- **AMEND 4A/4B:** Amend 4A/4B enabling legislation to allow transportation authority member jurisdictions to pass voter-approved measures exceeding the two-percent sales tax cap to fund economic development and/or for non-member jurisdictions to pass voter-approved measures exceeding the two-percent sales tax cap to fund new transit authority membership. For background, in 1989, the Texas Legislature amended the enabling legislation by adding Section 4A, which provided that a Section 4A development corporation could be funded by the imposition of a local sales and use tax dedicated to economic development. In 1991, the legislature authorized another new type of sales tax, a Section 4B sales tax. This legislation authorized a one-half-cent sales tax to be used by certain jurisdictions to promote a wide range of civic and commercial projects.
- **RETAIL DELIVERY FEE:** Enable a local retail delivery fee on packages, similar to programs in Minnesota and Colorado. Minnesota enacted a Retail Delivery Fee in 2023 that imposes a 50-cent charge on purchases of more than \$100, projected to generate \$59M in its first year. Colorado enacted a Retail Delivery Fee of 29 cents in 2022 to fund highways, bridges, tunnels, electric vehicle charging stations, and projects to reduce air pollution and to electrify vehicle fleets and transit systems, generating more than \$160M. This would support transportation (including transit and rail).
- **HOTEL OCCUPANCY TAX SURCHARGE:** Increase the Hotel Occupancy Tax on hotels and short-term rentals to fund transportation improvements, including transit and rail that benefit tourists and business travelers.
- **DEVELOPMENT IMPACT FEE SURCHARGE:** Authorize a new county-level Development Impact Fee for Transportation (including transit and rail).
- **LOCAL BUSINESS SURCHARGE:** Authorize a new local business surcharge for Transportation (including transit and rail).



- **LOCAL RENTAL CAR FEE SURCHARGE:** Authorize a new local rental car fee surcharge for Transportation (including transit and rail).
- **LOCAL RIDE-HAILING FEE:** Authorize a new local ride-hailing fee surcharge for transportation (including transit and rail).

Protect Existing Transit Authority Sales Tax Funding

The following two concepts are proposed to protect DART's existing sales tax funding:

- **DART 1%:** Support DART in defending its voter-approved one-cent sales tax funding source until an alternative, dedicated, and equivalent or greater than equivalent revenue source can be identified.
- **DART ENABLING STATUTE:** Oppose proposed statutory changes to DART's enabling statute with respect to level of sales tax contribution (Ch 452 TTC, Ch 322 Tax Code - Transit Sales and Use Tax).

Provide Tools to Facilitate Transit-Oriented Development

One legislative concept is proposed to provide tools to facilitate transit-oriented development:

- **AUTHORIZE TOD PUBLIC-PRIVATE PARTNERSHIPS (P3s):** Advocate passage of legislation granting statutory authority to enter long-term partnerships that spur TOD. Support legislation such as SB 1984 Alvarado to streamline legislation that would make P3 possible.

Additional Legislative Concepts

Three additional legislative concepts proposed for consideration are:

- **FAIR SHARE:** Propose legislation that requires authorities to work with member jurisdictions to define how to address equitable allocation of service relative to sales tax collected and local and interjurisdictional travel demand, rather than legislatively defining equitable allocation.
- **PUBLIC-PRIVATE PARTNERSHIPS:** Advocate passage of legislation granting statutory authority to enter into public-private partnerships for transit and passenger rail, as well as TOD. Support legislation such as SB 1984 Alvarado to streamline legislation that would make P3 possible.



- **TRANSIT AUTHORITY ADDITION:** Create one or more additional transit authorities to provide transit service to jurisdictions unable to commit the required portion of sales tax to obtain service from existing authorities. This new authority could be focused on developing and providing commuter rail service outside of existing transit authority service area boundaries. Alternatively, enact legislation to enable creation of voter-approved county / multi-county TFAs to promote shared use of rail corridors for passenger and freight services.

Regional and Local Policy Proposals

While most proposals to enhance revenue for transit and rail require legislative action, there are regional and local policy modifications that could be considered to expand and/or preserve funding for transit and rail. These policy proposals are discussed below.

NCTCOG/RTC Policies and Procedures

- **REVIEW NCTCOG/RTC POLICIES AND PROCEDURES:** NCTCOG is responsible for prioritizing and allocating funding for transportation projects in the region under various funding programs, including Metropolitan Corridor funds, Congestion Mitigation and Air Quality (CMAQ) funds, Federal Highway Administration (FHWA) Surface Transportation Block Grant (STBG) flexible funds, Carbon Reduction Program funds, and Transportation Development Credits. With such significant funding allocated at its discretion, NCTCOG could incorporate into the long-range metropolitan transportation plan, Mobility 2050 a comprehensive review of policies and procedures used to prioritize projects and allocate transportation funding under its purview. Such an assessment could ensure that RTC decisions:
 - Maximize opportunities to coordinate mobility options and land use
 - Expand multimodal opportunities, and
 - Expand financial opportunities and incentives for local jurisdictions

Example policies could include:

- Prioritizing funding for projects that will expand regional transit and rail services
- Prioritizing expansion of regional multimodal connectivity options to provide access to major transit and rail service
- Prioritizing funding for jurisdictions that contribute local funding (through voter approved sales tax or other means) for transit



- Requiring jurisdictions of a certain size to join a TA within 10 years (or another specified time frame) to qualify for future funding, considering current municipal requirements on timing for voter approved funding
- **INCREASE THE LEVEL OF FEDERAL FUNDING FLEXED FROM HIGHWAYS TO TRANSIT AND RAIL:** NCTCOG can assess and potentially redirect FHWA flexible funding from highways to transit and rail. Higher levels of flexing could make more federal funding available to the transit authorities and their member jurisdictions to supplement existing sources of transit and rail funding, especially local sales tax revenues. Consideration should be provided for the required local match to access the available federal funding source.
- **ENSURE INFORMATION IS SHARED WITH THE TRANSIT AUTHORITIES AND THEIR MEMBER JURISDICTIONS ABOUT OPPORTUNITIES TO PURSUE FEDERAL AND STATE FUNDING FOR TRANSIT, RAIL, AND TRANSIT-ORIENTED DEVELOPMENT:** NCTCOG has launched an online “quick search database” that agencies can use to secure information about funding opportunities for a variety of transportation programs and projects. Information on funding opportunities is also presented to the Surface Transportation Technical Committee and at RTC meetings. Access to such information is a valuable resource, and its use could be promoted across the region. This can include regular collaboration with transit authorities on grant strategies that seek to maximize funding for projects, programs and economic development/TOD within transit authority boundaries. To gauge information needs, NCTCOG is considering a survey of members to see if more or different information regarding funding opportunities is needed.
- **PROVIDE TOD FINANCIAL SUPPORT:** NCTCOG has historically provided thought leadership on TOD, for example through the Coordinated Land Use and Transportation Planning Task Force, as well as land banking efforts through the 2006 Sustainable Development Call for Projects. NCTCOG can build on these efforts by facilitating efforts between jurisdictions and transit authorities to re-zone transit-proximate parcels, particularly those owned by transit authorities. NCTCOG can also incentivize transit-proximate living through incentives like free or discounted transit passes for residents of transit-proximate developments.
- **ENSURE AVAILABILITY OF PRIVATE ACTIVITY BONDS:** Ensure State Private Activity Bonds (PABs) can be used for transit and rail.



- **PROVIDE DEVELOPER FINANCIAL INCENTIVES:** Provide financial incentives (e.g. grants for adjacent transportation improvements, fare subsidies) for developers in TA member jurisdictions.
- **PROVIDE TECHNICAL SUPPORT TO JURISDICTIONS:** Assist jurisdictions in developing and implementing expanded tools such as overlay districts to allow planning and development of new and expanded transportation corridors.

Transit Authority Policies and Procedures

While policy items do not require immediate action, they are presented in this report for informational purposes and will be reviewed again in later Transit 2.0 tasks. The transit authorities emphasize communication and coordination among senior leadership, their Boards of Directors, and their member jurisdictions. Despite such efforts, member jurisdictions have opted to advance issues to the State Legislature for resolution. To better resolve issues without legislative assistance, the transit authorities and member jurisdictions could consider the following:

- **PROCEDURES TO ADDRESS MEMBER CONCERNS:** Assess opportunities for outside facilitators to resolve challenges locally.
- **RECONSIDER TIME LIMIT ON CONTRACTING FOR TRANSIT SERVICE:** Expand options and/or reconsider terms and conditions for non-member jurisdictions to contract with transit authorities for various public transportation services. Such approaches could include additional local government corporation (LGC) formation, use of 4A/4B funding, and expansion of the range and term for contract services. The three transit authorities differ in the types of opportunities and approaches they allow, and this likely would also require outside facilitation and negotiation.
- **INCREASE TRANSIT CONTRACTING OPPORTUNITIES:** Consider alternative approaches for non-member jurisdictions to contract with TAs for transit services (e.g. LGC Formation, 4A/4B, expanded range and term for contract services)

7. Concept Evaluation Criteria

The conceptual legislative and policy proposals were evaluated based on three criteria:

- Revenue potential



- Ability to incentivize jurisdictional support for transit
- Nexus with other benefits, such as safety, economic development, and air quality

Alignment with each of these evaluation criteria was rated on a scale of low, medium, and high alignment, depicted graphically as:

- Low alignment: ○
- Medium alignment: ◐
- High alignment: ●

All legislative concepts advanced in this report were screened based on the beneficiary pays principle to ensure that concepts that generate new funding sources align the use of the source with the origin of the funds. For example, a hotel occupancy tax surcharge or local rental car fee surcharge would require people who benefit directly from staying in hotels or renting cars—most likely, out of state or region visitors—to contribute to the costs associated with maintaining the transportation infrastructure that makes their stay productive and/or enjoyable.

Legislative concepts advanced in this report are also framed to maximize potential for political support. Transit as a stand-alone item is not a strong candidate for support in the current Texas legislature. Therefore, proposed legislative concepts are framed to link transit to transportation more broadly in ways that legislators may be able to more fully embrace.

Legislative concepts were sorted into three tiers based on their alignment with the three evaluation criteria:

- **Tier 1:** Legislative concepts that have high revenue potential, medium to high incentive for jurisdictional support, and a medium to high nexus with other benefits.
- **Tier 2:** Legislative concepts that have mid to high revenue potential, medium to high incentive for jurisdictional support, and a low to high nexus with other benefits.
- **Tier 3:** Legislative concepts with low to high potential in all three categories of revenue potential, jurisdictional support, and other benefits.



An assessment was then made as to whether action should be taken on the individual concepts in the:

- Short Term: 1-3 years
- Intermediate Term: 4-6 years

Tier 1 legislative concepts are recommended to NCTCOG as priority for short term advancement.

All policy concepts presented in this report are considered actionable in the short term.



Figure 6. Legislative Concepts for Consideration

| | | Evaluation Criteria | | | Implementation Timeframe | |
|--|---|---------------------|--|--|--------------------------------------|--------------------------------------|
| | | Revenue Potential | Incentivize Jurisdictional Support for Transit | Nexus with Other Benefits (e.g. safety, economic development, air quality) | Short Term Action Needed (1-3 YEARS) | Intermediate Term Action (4-6 YEARS) |
| EXPAND THE LEVEL AND RANGE OF FUNDING SOURCES FOR PUBLIC TRANSPORTATION AND RAIL, INDIVIDUALLY OR IN COMBINATION | | | | | | |
| STRATEGIC INTERMODAL SYSTEM | Create a State Strategic Intermodal System (SIS) with funding sources defined | ● | ● | ● | ✓ | Tier 1 |
| TRANSPORTATION FUNDING AREA | Enable creation of a voter-approved county / multi-county Transportation Funding Area (TFA) to levy taxes or fees for transportation including transit, rail, and roadway improvements | ● | ● | ● | ✓ | |
| STATE HIGHWAY FUND | Redirect a portion of the State Highway Fund to transit and rail by legislation or modification of Texas Transportation Commission policy | ● | ● | ◐ | ✓ | |
| HOTEL OCCUPANCY TAX SURCHARGE | Increase Hotel Occupancy Tax on hotels and short term rentals to fund transportation improvements (including transit and rail) that benefit tourists and business travelers. | ● | ● | ◐ | ✓ | |
| AMEND 4A / 4B | Amend 4A/4B Enabling Legislation to allow TA member cities to pass voter-approved measures for economic development exceeding the 2-cent sales tax cap to obtain or maintain TA membership | ● | ● | ◐ | ✓ | |
| SALES TAX CAP INCREASE (B) | Increase sale tax cap - blanket | ● | ◐ | ● | ✓ | |
| TEXAS MOBILITY FUND | Require expenditure of a portion of the Texas Mobility Fund for public transportation and extend allowable period for payment of debt service by legislation or modification of Texas Transportation Commission policy. | ● | ◐ | ● | ✓ | |
| DEVELOPMENT IMPACT FEE SURCHARGE | Authorize a new county-level Development Impact Fee for Transportation (including transit and rail) | ● | ● | ◐ | ✓ | |
| DEDICATED TXDOT FUNDING APPROPRIATION | Secure dedicated funding for public transportation and rail via TxDOT appropriations and general revenue by legislation or modification of Texas Transportation Commission policy | ● | ● | ◐ | ✓ | Tier 2 |
| PROP 7 | Redirect portion of Proposition 7 funding from rental car sales and use taxes to transit and rail | ● | ● | ◐ | ✓ | |
| SALES TAX CAP INCREASE (A) | Increase sale tax cap - for transit | ● | ● | ○ | ✓ | |
| LOCAL BUSINESS SURCHARGE | Revisit TLOTA local business surcharge proposal for transportation | ◐ | ● | ◐ | ✓ | |
| LOCAL RENTAL CAR FEE SURCHARGE | Authorize Local Rental Car fee for transportation (including transit and rail) | ◐ | ● | ◐ | ✓ | |
| LOCAL RIDEHAILING FEE | Authorize Local ridehailing fee for transportation (including transit and rail) | ◐ | ● | ◐ | ✓ | |
| TEXAS EMISSION REDUCTION PLAN PROGRAM | Increase funding from the Texas Emission Reduction Plan (TERP) for the Governmental Alternative Fuel Fleet (GAFF) Program | ◐ | ◐ | ● | ✓ | |
| LOCAL OPTION GAS TAX | Revisit TLOTA voter-approved gas tax proposal for transportation | ● | ◐ | ○ | ✓ | |
| RESTRICTIONS ON USE OF 4A / 4B | Disallow non-TA member jurisdictions to use 4A/4B revenue to provide tax incentives to companies relocating from a TA member jurisdiction | ◐ | ● | ○ | ✓ | |
| RETAIL DELIVERY FEE | Authorize a retail delivery fee on packages for transportation (including transit and rail) | ○ | ◐ | ◐ | ✓ | |
| LOCAL OPTION VEHICLE REGISTRATION FEE | Revisit TLOTA voter-approved registration fee proposal | ◐ | ◐ | ○ | ✓ | |



| | | Evaluation Criteria | | | Implementation Timeframe | | |
|---|---|---------------------|--|--|--------------------------------------|--------------------------------------|--------|
| | | Revenue Potential | Incentivize Jurisdictional Support for Transit | Nexus with Other Benefits (e.g. safety, economic development, air quality) | Short Term Action Needed (1-3 YEARS) | Intermediate Term Action (4-6 YEARS) | |
| PROTECT EXISTING TRANSPORTATION AUTHORITY SALES TAX FUNDING | | | | | | | |
| DART 1% | Supoort protection of DART's 1 cent sales tax funding source | | | | ✓ | Tier 1 | |
| DART ENABLING STATUTE | Oppose proposed statutory changes to DART's enabling statute | | | | ✓ | | |
| PROVIDE TOOLS TO FACILITATE TRANSIT ORIENTED DEVELOPMENT | | | | | | | |
| AUTHORIZE TOD P3 PARTNERSHIPS | Advocate passage of legislation granting statutory authority to enter into TOD partnerships. Support legislation such as SB 1984 Alvarado to streamline legislation that would make P3 possible | ● | ● | ● | ✓ | Tier 1 | |
| ADDITIONAL LEGISLATIVE CONCEPTS | | | | | | | |
| FAIR SHARE | Require authorities to work with member jurisdictions to define how to address equitable allocation of service relative to sales tax collected and local and interjurisdictional travel demand, rather than legislatively defining equitable allocation | | | | ✓ | Tier 1 | |
| P3 | Advocate for passage of legislation granting statutory authority to enter P3 partnerships for transit and rail, as well as TOD Support legislation such as SB 1984 Alvarado to streamline legislation that would make P3 possible | ● | ● | ● | ✓ | | |
| TA ADDITION | Create a 4th TA | | | | | ✓ | Tier 3 |



Figure 7. Policy Concepts for Consideration

| | | Evaluation Criteria | | |
|---|--|---------------------|--|--|
| | | Revenue Potential | Incentivize Jurisdictional Support for Transit | Nexus with Other Benefits (e.g. safety, economic development, air quality) |
| NCTCOG/RTC | | | | |
| REVIEW NCTCOG/RTC POLICIES AND PROCEDURES | Review and reassess policies and procedures used to prioritize projects and allocate transportation funding sources. Example policies could include: <i>Prioritize funding for projects that will lead to expansion of regional transit and rail services</i> <i>Prioritize expansion of regional multimodal connectivity options</i> <i>Prioritize funding for jurisdictions that contribute local funding to transit</i> <i>Require jurisdictions of a certain size to join a TA within a specified time frame to qualify for future funding</i> | ● | ● | ● |
| INCREASE FLEXING OF FUNDS TO TRANSIT AND RAIL | Increase level of federal funding flexed from highways and transit to rail | ● | ● | ● |
| ENSURE TRANSIT AGENCY AWARENESS OF ALL GRANT AND FUNDING OPPORTUNITIES | Educate and increase transit agency awareness of all available grant and funding opportunities | | | |
| PROVIDE TOD FINANCIAL SUPPORT | Increase level of COG funding to support TOD | ● | ● | ● |
| ENSURE AVAILABILITY OF PRIVATE ACTIVITY BONDS | Ensure State Private Activity Bonds (PABs) can be used for transit and rail | N/A | ● | ● |
| PROVIDE DEVELOPER FINANCIAL INCENTIVES | Provide financial incentives (e.g. grants for adjacent transportation improvements, fare subsidies) for developers in TA member jurisdictions | ● | ● | ● |
| PROVIDE TECHNICAL SUPPORT TO JURISDICTIONS | Assist jurisdictions in developing and implementing expanded tools such as overlay districts to allow planning and development of new and expanded transportation corridors | ● | ● | ● |
| TRANSIT AUTHORITY POLICIES AND PROCEDURES | | | | |
| PROCEDURES TO ADDRESS MEMBER CONCERNS | Assess opportunities for TA boards to modify policies and procedures to address member concerns to minimize the desire for members to go to the legislature | N/A | ● | ● |
| RECONSIDER TIME LIMIT ON CONTRACTING FOR TRANSIT SERVICE | Reconsider any time limits on service contracting | ● | ● | ● |
| INCREASE TRANSIT CONTRACTING OPPORTUNITIES | Consider alternative approaches for non-member jurisdictions to contract with TAs for transit services (e.g. LGC Formation, 4A/4B, expanded range and term for contract services) | ● | ● | ● |



8. Recommendations for Advancement by NCTCOG

Based on the preliminary evaluation of the conceptual legislative proposals, the following approaches are recommended for advancement by NCTCOG in the short term (1-3 years) and intermediate term (4-6 years):

Tier 1 Action: 15 Legislative Concepts

There are fifteen Tier 1 concepts recommended for advancement by NCTCOG in the short term (1-3 years):

- **STATE STRATEGIC INTERMODAL SYSTEM (SIS):** Enact legislation to create a State Strategic Intermodal System (SIS) program modeled after Florida's SIS to advance and provide matching funds for strategic intermodal corridors.
- **SPECIAL-PURPOSE TRANSPORTATION CORRIDOR ENTITIES TO ADVANCE PASSENGER AND FREIGHT RAIL TRANSPORTATION FUNDING AREAS (RAIL CORRIDOR TFA):** Building on the Transportation Funding Area (TFA) concept advanced by the RTC in 2008, enact legislation to enable creation of voter-approved county / multi-county TFAs to promote shared use of rail corridors for passenger and freight services, work with transit authorities and local jurisdictions to develop funding plans, and negotiate cost-sharing arrangements whereby member jurisdictions could levy voter-approved taxes or fees to fund transportation capital projects for transit and rail. Such a concept could have high applicability to advance passenger rail services in corridors currently owned by transit authorities such as DART and used by private freight rail operators. Such entities could also provide opportunities to combine funding sources currently limited to freight rail to advance passenger rail service in shared corridors.
- **STATE HIGHWAY FUND:** Redirect a portion of the State Highway Fund to transit and rail by legislation or modification of Texas Transportation Commission policy.
- **HOTEL OCCUPANCY TAX SURCHARGE:** Increase the Hotel Occupancy Tax on hotels and short-term rentals to fund transportation improvements, including transit and rail that benefit tourists and business travelers.
- **AMEND 4A/4B:** Amend 4A/4B enabling legislation to allow transportation authority member jurisdictions to pass voter-approved measures exceeding the two-percent sales tax cap to fund economic development and/or for non-member jurisdictions to pass voter-approved measures exceeding the two-percent sales



tax cap to fund new transit authority membership. For background, in 1989, the Texas Legislature amended the enabling legislation by adding Section 4A, which provided that a Section 4A development corporation could be funded by the imposition of a local sales and use tax dedicated to economic development. In 1991, the legislature authorized another new type of sales tax, a Section 4B sales tax. This legislation authorized a one-half-cent sales tax to be used by certain jurisdictions to promote a wide range of civic and commercial projects.

- **SALES TAX CAP INCREASE (B):** Increase the two-percent tax on local sales tax without restricting it for transit and rail.
- **TEXAS MOBILITY FUND (TMF):** Require expenditure of a portion of the Texas Mobility Fund for public transportation and extend allowable period for payment of debt service by legislation or modification of Texas Transportation Commission policy.
- **DEVELOPMENT IMPACT FEE SURCHARGE:** Authorize a new county-level Development Impact Fee for Transportation (including transit and rail).
- **DEDICATED TxDOT FUNDING APPROPRIATION:** Secure dedicated funding for public transportation and rail via TxDOT budget appropriations of state general revenue by legislation or modification of Texas Transportation Commission policy.
- **PROPOSITION 7:** Direct a portion of Proposition 7 funding derived from rental car sales and use taxes to fund transit and rail.
- **DART 1%:** Support DART in defending its voter-approved one-cent sales tax funding source until an alternative, dedicated, and equivalent or greater than equivalent revenue source can be identified.
- **DART ENABLING STATUTE:** Oppose proposed statutory changes to DART's enabling statute with respect to level of sales tax contribution (Ch 452 TTC, Ch 322 Tax Code - Transit Sales and Use Tax).
- **AUTHORIZE TOD PUBLIC-PRIVATE PARTNERSHIPS (P3s):** Advocate passage of legislation granting statutory authority to enter long-term partnerships that spur TOD. Support legislation such as SB 1984 Alvarado to streamline legislation that



would make P3 possible.

- **FAIR SHARE:** Propose legislation that requires authorities to work with member jurisdictions to define how to address equitable allocation of service relative to sales tax collected and local and interjurisdictional travel demand, rather than legislatively defining equitable allocation.
- **PUBLIC-PRIVATE PARTNERSHIPS:** Advocate passage of legislation granting statutory authority to enter into public-private partnerships for transit and passenger rail, as well as TOD. Support legislation such as SB 1984 Alvarado to streamline legislation that would make P3 possible.

Tier 2 Action: 5 Legislative Concepts

There are five Tier 2 concepts are recommended for advancement by NCTCOG in the intermediate term (4-6 years):

- **SALES TAX CAP INCREASE (A):** Increase the two-percent cap on local sales tax to fund transit and rail.
- **LOCAL BUSINESS SURCHARGE:** Authorize a new local business surcharge for Transportation (including transit and rail).
- **LOCAL RENTAL CAR FEE SURCHARGE:** Authorize a new local rental car fee surcharge for Transportation (including transit and rail).
- **LOCAL RIDE-HAILING FEE:** Authorize a new local ride-hailing fee surcharge for transportation (including transit and rail).
- **TEXAS EMISSION REDUCTION PLAN (TERP):** Increase the share of TERP funding for the Governmental Alternative Fuel Fleet (GAFF) Program, for which the purchase of transit vehicles is an eligible cost.

Tier 3 Action: 5 Legislative Concepts

There are five Tier 3 concepts are recommended for advancement by NCTCOG in the intermediate term (4-6 years). Note that “advancement” does not necessarily mean implementation; for example, in the case of TA Addition, NCTCOG should determine in the intermediate term if pursuing the creation of an additional TA is desirable.



- **LOCAL OPTION GAS TAX:** Revisit the concept of a voter-approved local option gas tax, as proposed in 2008 as part of the Transportation Local Option Transportation Act (TLOTA), C.S.S.B 855 by Carona.
- **RESTRICTIONS ON USE OF 4A/4B:** Disallow non-member jurisdictions to use 4A/4B revenue to provide tax incentives to companies relocating from a TA member jurisdiction.
- **RETAIL DELIVERY FEE:** Enable a local retail delivery fee on packages, similar to programs in Minnesota and Colorado. Minnesota enacted a Retail Delivery Fee in 2023 that imposes a 50-cent charge on purchases of more than \$100, projected to generate \$59M in its first year. Colorado enacted a Retail Delivery Fee of 29 cents in 2022 to fund highways, bridges, tunnels, electric vehicle charging stations, and projects to reduce air pollution and to electrify vehicle fleets and transit systems, generating more than \$160M. This would support transportation (including transit and rail).
- **LOCAL OPTION VEHICLE REGISTRATION FEE:** Revisit the concept of a voter-approved local vehicle registration fee, as proposed in 2008 as part of the Transportation Local Option Transportation Act (TLOTA), C.S.S.B 855 by Carona.
- **TRANSIT AUTHORITY ADDITION:** Create one or more additional transit authorities to provide transit service to jurisdictions unable to commit the required portion of sales tax to obtain service from existing authorities. This new authority could be focused on developing and providing commuter rail service outside of existing transit authority service area boundaries. Alternatively, enact legislation to enable creation of voter-approved county / multi-county TFAs to promote shared use of rail corridors for passenger and freight services.

Short Term Action: All Policy Proposals

All ten conceptual policy proposals for NCTCOG/RTC and the transit authorities are recommended for short term consideration.

NCTCOG/RTC Policies and Procedures:

- **REVIEW NCTCOG/RTC POLICIES AND PROCEDURES:** NCTCOG is responsible for prioritizing and allocating funding for transportation projects in the region under various funding programs, including Metropolitan Corridor funds, Congestion Mitigation and Air Quality (CMAQ) funds, Federal Highway



Administration (FHWA) Surface Transportation Block Grant (STBG) flexible funds, Carbon Reduction Program funds, and Transportation Development Credits. With such significant funding allocated at its discretion, NCTCOG could incorporate into the long-range metropolitan transportation plan, Mobility 2050 a comprehensive review of policies and procedures used to prioritize projects and allocate transportation funding under its purview.

- **INCREASE THE LEVEL OF FEDERAL FUNDING FLEXED FROM HIGHWAYS TO TRANSIT AND RAIL:** NCTCOG can assess and potentially redirect FHWA flexible funding from highways to transit and rail. Higher levels of flexing could make more federal funding available to the transit authorities and their member jurisdictions to supplement existing sources of transit and rail funding, especially local sales tax revenues. Consideration should be provided for the required local match to access the available federal funding source.
- **ENSURE INFORMATION IS SHARED WITH THE TRANSIT AUTHORITIES AND THEIR MEMBER JURISDICTIONS ABOUT OPPORTUNITIES TO PURSUE FEDERAL AND STATE FUNDING FOR TRANSIT, RAIL, AND TRANSIT-ORIENTED DEVELOPMENT:** NCTCOG has launched an online “quick search database” that agencies can use to secure information about funding opportunities for a variety of transportation programs and projects. Information on funding opportunities is also presented to the Surface Transportation Technical Committee and at RTC meetings. Access to such information is a valuable resource, and its use could be promoted across the region. This can include regular collaboration with transit authorities on grant strategies that seek to maximize funding for projects, programs and economic development/TOD within transit authority boundaries. To gauge information needs, NCTCOG is considering a survey of members to see if more or different information regarding funding opportunities is needed.
- **PROVIDE TOD FINANCIAL SUPPORT:** NCTCOG has historically provided thought leadership on TOD, for example through the Coordinated Land Use and Transportation Planning Task Force, as well as land banking efforts through the 2006 Sustainable Development Call for Projects. NCTCOG can build on these efforts by facilitating efforts between jurisdictions and transit authorities to re-zone transit-proximate parcels, particularly those owned by transit authorities. NCTCOG can also incentivize transit-proximate living through incentives like free or discounted transit passes for residents of transit-proximate developments.



- **ENSURE AVAILABILITY OF PRIVATE ACTIVITY BONDS:** Ensure State Private Activity Bonds (PABs) can be used for transit and rail.
- **PROVIDE DEVELOPER FINANCIAL INCENTIVES:** Provide financial incentives (e.g. grants for adjacent transportation improvements, fare subsidies) for developers in TA member jurisdictions.
- **PROVIDE TECHNICAL SUPPORT TO JURISDICTIONS:** Assist jurisdictions in developing and implementing expanded tools such as overlay districts to allow planning and development of new and expanded transportation corridors.

Transit Authority Policies and Procedures:

- **PROCEDURES TO ADDRESS MEMBER CONCERNS:** Assess opportunities for outside facilitators to resolve challenges locally.
- **RECONSIDER TIME LIMIT ON CONTRACTING FOR TRANSIT SERVICE:** Expand options and/or reconsider terms and conditions for non-member jurisdictions to contract with transit authorities for various public transportation services. Such approaches could include additional local government corporation (LGC) formation, use of 4A/4B funding, and expansion of the range and term for contract services. The three transit authorities differ in the types of opportunities and approaches they allow, and this likely would also require outside facilitation and negotiation.
- **INCREASE TRANSIT CONTRACTING OPPORTUNITIES:** Consider alternative approaches for non-member jurisdictions to contract with TAs for transit services (e.g. LGC Formation, 4A/4B, expanded range and term for contract services).

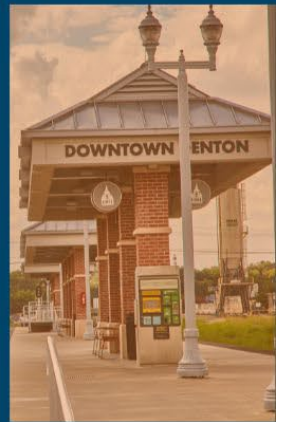
Appendix 3:

Task 3: *Strategies to Increase Transit Authority* *Membership Report*

Task 3 Report: Develop Strategies to Increase Transit Authority Membership

Final

REGIONAL
TRANSIT 2.0



North Central Texas
Council of Governments

March 13, 2025



Preface

This report is an interim task report of the North Central Texas Council of Government's (NCTCOG) Regional Transit 2.0 initiative, which aims to examine crucial transportation investments that could accommodate the anticipated population growth and support sustainable development across the North Texas region. The Transit 2.0 initiative is comprised of eight primary tasks in the following areas, each of which is accompanied by its own standalone report:

- Task 2: Transit legislative program
- Task 3: Increase transit authority membership (this report)
- Task 4: Increase collaborations between existing transit authorities
- Task 5: Strategies for transit authority board partnerships and teamwork
- Task 6: Strategies for infill development
- Task 7: Fare collection strategies
- Task 8: Improve the transit authority-member city paradox
- Task 9: Final report

The purpose of the Task 3 report, *Develop Strategies to Increase Transit Authority Membership*, is twofold:

1. Identify challenges to expanding transit authority membership, including a review of existing institutional, governmental, and collaborative processes that may contribute to these challenges, and
2. Develop a menu of strategies that can lower institutional and financial barriers to transit authority membership.

This "menu" of strategies, as presented in this report, is meant to provide an inventory of options that could, under the right circumstances, lower barriers to transit authority membership. Not all ideas inventoried in this report may be feasible in North Texas due to political or institutional barriers but are included as worthwhile initiatives that NCTCOG and regional decisionmakers should be aware of and consider as the region progresses in the coming decades. Inclusion of a strategy in this Task 3 report does not necessarily indicate endorsement by NCTCOG or the three transit authorities.



After completion of Tasks 2 through 8, the most promising strategies will be extracted and refined in Task 9. The Task 9 final report and recommendations will be complete in late spring 2025.



Executive Summary

The North Central Texas Council of Governments (NCTCOG) and the three transit authorities (TAs) within its planning area boundary—Dallas Area Rapid Transit (DART), Trinity Metro, and Denton County Transportation Authority (DCTA)—face several challenges in their efforts to expand transit services, including bus, light rail, commuter rail, microtransit, and other innovative mobility services, to additional jurisdictions. The existing model for local jurisdictions to become members of a TA, which involves the commitment of one-half cent (Trinity Metro and DCTA) to one cent (DART) of voter-approved local sales and use taxes, is in direct competition with other municipal uses for these funds, due in large part to legislatively-imposed caps on property and sales and use taxes. This competition, and other challenges to increasing membership, have meant that none of the three TAs have successfully added a permanent full member jurisdiction since their founding. While each of the three TAs has their own unique policy for accepting funds for services in non-member jurisdictions, the TAs will need more options to help the jurisdictions interested in receiving transit—but are unable or unwilling to dedicate sales and use taxes—contract for service or achieve some intermediary type of long-term contracted service via alternative funding streams. This will need to be done in such a way that recognizes the value of full TA membership while providing affordable avenues for transit service provisioning for prospective jurisdictions facing these constraints.

With projected regional population growth estimated at over 4 million new residents in the next 25 years and most freeway corridors at maximum buildout, the region must find new and innovative ways to expand transit opportunities and accessibility. Key challenges include:

1. Identifying and securing dedicated funding sources for transit is challenged by state-imposed tax caps, putting funding for transit in direct competition with funding for other local public services;
2. The three TAs have variable appetites for and approaches to serving and integrating non-member contract jurisdictions;



3. There is limited consensus on how to fairly distribute transit funds across TA member jurisdictions; and
4. Regional growth, suburban sprawl, and rising congestion require greater transit access, even as many local jurisdictions currently undervalue its benefits.

Twelve possible strategies are posed in this report to help NCTCOG and the TAs achieve these goals based on ideas shared by NCTCOG, the TAs, local jurisdictions, and industry-leading innovations, best practices, and case studies. These are aggregated into funding strategies, collaboration strategies, consolidation strategies, and transformation strategies, and should be considered an inventory of ideas for NCTCOG and the TAs to consider. Though some complement one another, they are not in all cases meant to be undertaken as a package.

Funding Strategies

- F1. Create a voter-approved County/Multi-County Transportation Funding Area (TFA) to levy taxes or fees for transit and rail
- F2. Alter the enabling legislation for TAs to become self-regulating taxing authorities
- F3. Transition local sales and use taxes and/or other general revenues from non-transit uses to transit uses with NCTCOG support

NCTCOG-Led Collaboration Strategies

- C1. Facilitate field trips, workshops, and convenings for elected officials and decisionmakers from TAs and member and non-member jurisdictions
- C2. Require regional participation in a TA by a predetermined deadline to continue to receive discretionary funding from NCTCOG
- C3. Require TAs to establish clear and accessible avenues for jurisdictions to obtain TA services via membership and long-term contracting

Consolidation Strategies

- S1. Implement a "Devolution" process to transfer decision making for TA membership from TA boards to NCTCOG as a regional administrator



S2. Increase the role of NCTCOG in regional decision making to expedite and optimize regional coordination

Transformation Strategies

T1. Implement a “balanced service levels by city” policy framework to clearly communicate funding allocation fairness to member jurisdictions

T2. Create an a la carte system for TA service provision

TA-Specific Strategies

A1. Assign the region’s urbanized areas by TA to provide dedicated funding for transit

A2. Incentivize DART to accept alternative methods of funding for long-term transit provision

Each of these strategies have different strengths in their ability to address key challenges to increasing TA membership. Criteria are proposed and leveraged in the report to evaluate the degree to which these strategies:

- Lower financial barriers to TA membership or contracting;
- Lower structural barriers to TA membership or contracting;
- Improve regional planning and connectivity; and
- Make TA membership more valuable.

The Transit 2.0 team recommends that the TAs in the NCTCOG region prioritize a sustainable, equitable funding model that helps expand services, increase ridership, and improve the customer experience. To do this, the TAs will need to adopt and standardize flexible funding policies that recognize a sustainable, long-term commitment of dedicated funds other than voter-approved sales and use taxes, which are no longer feasible for many jurisdictions. This is likely to take the form of a defined long-term contracting policy that jurisdictions can achieve via Local Government Corporation contracting or a similar mechanism. Alongside this, TAs and NCTCOG can and should push for legislative change so TAs can formally accept other local option funding sources for transit provision (discussed in detail in the Transit 2.0 Task 2 report, *Transit Legislative Program*). Member jurisdictions, having invested over time, also require assurances that any new funding model respects their contributions while opening pathways for other municipalities to secure transit services fairly through a menu selection process.



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1. Introduction

Since 1974, NCTCOG, in conjunction with the Regional Transportation Council (RTC), has served as the Metropolitan Planning Organization (MPO) for transportation in the Dallas-Fort Worth Metropolitan Area. The NCTCOG Executive Board serves as the MPO's fiduciary and fiscal agent, while the RTC serves as the MPO's policy body for federal transportation planning, programming, and policy decisions.

NCTCOG, RTC, and the three transit authorities (TAs) of Trinity Metro, Denton County Transportation Authority (DCTA), and Dallas Area Rapid Transit (DART), are fiscally challenged in their efforts to deliver and expand transportation and mobility services and to support development in the rapidly growing and dispersed NCTCOG region—a region that is projected to exceed 12 million people within 25 years (2024 NCTCOG Population Estimates).

Since 2020, the NCTCOG region has grown by 650,000 new residents, with approximately 200,000 new residents in the past year alone. According to the 2024 NCTCOG Population Estimates, the largest population increases were in Dallas and Fort Worth, followed by Celina, Frisco, and Princeton. Dallas and Fort Worth are transit authority members, however, most growth is occurring outside of the service areas covered by the three transit authorities.

The three TAs have historically provided transit services to local jurisdictions after the affirmative approval of a referendum for a local option general sales tax dedicated to funding transit. For jurisdictions, this involves committing between one half cent (Trinity Metro and DCTA) to one cent (DART) of local sales and use taxes to transit. This commitment of sales and use tax is subject to the statewide cap of two cents. Locally generated sales and use taxes may also be leveraged by jurisdictions to fund economic development initiatives, crime prevention measures, and any number of critical local services, creating intense competition for these funds. Today, many jurisdictions that do not already have voter-approved sales and use taxes dedicated to transit have already committed their full two cent sales tax to other uses.

Due to the commitment of these funds, the addition of direct full member jurisdictions to the three TAs has effectively halted. Neither DART nor DCTA has added a member jurisdiction since authority inception, and Trinity Metro has only seen an increase in partial members via contracting through Local Government Corporations (LGCs). DART



and Trinity Metro have lost full members over time—DART lost Coppell and Flower Mound in the 1980s and 1990s, while Trinity Metro lost Lake Worth, Richland Hills, and Blue Mound between 2003 and 2024. Former members cite the cost of service and competing uses for sales tax revenue as primary reasons voters decided to withdraw.

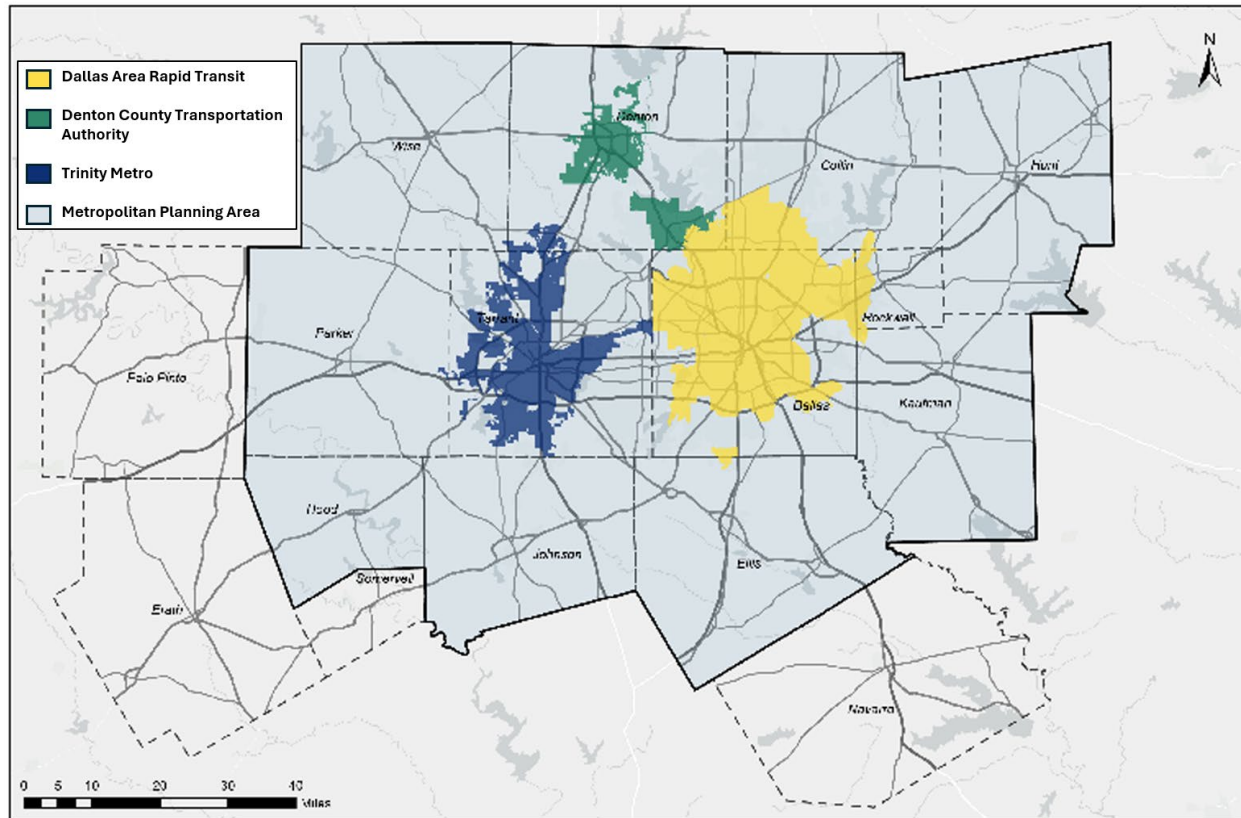
Some jurisdictions, including the City of Arlington, have chosen to operate their own on-demand transit service rather than join a TA, despite three voter referendums for TA membership that failed. Agencies like Arlington are eligible to use a portion of the federal Urbanized Area Formula funds for operating assistance. The expanded "100 Bus Rule" includes demand response service which smaller agencies and rural providers can use to cover their service area.

This type of city-by-city transit provisioning is inefficient and can result in additional transfers for riders looking to cross jurisdictional boundaries, and in worse cases, can result in poor to nonexistent regional connectivity and long transfer times.

This process of jurisdiction-by-jurisdiction elections for membership has created a patchwork of transit provision throughout the region (Figure 2). This means that communities face barriers to accessing jobs, education, healthcare, and other essential services beyond jurisdictional boundaries, exacerbating regional inequities and hindering overall economic growth and mobility. To ensure a vibrant and accessible economy with maximum labor participation and access to resources and opportunities, transit provision through TA membership, or long-term contracted service must be more consistently available across the geographic span of the region.



Figure 1. Transit Authority Jurisdictional Boundaries.



Source: NCTCOG.

Patchwork service provision also results in inconsistent funding allocation, spreading federal funds like Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Funding thin. The FTA provides transit funding to the region for designated and direct recipients, such as Arlington, for providers of public transportation and the RTC approves FTA allocations on an annual basis. The RTC has allocated Section 5307 to support Arlington's on demand service and is considering using Section 5307 to support on-demand service to the City of Frisco—two jurisdictions that do not currently hold TA membership. The RTC has had to grapple with this classic policy question of competing federal and regional interest to support the high-need residents where no transit service currently exists and should continue to require local contributions to ensure local jurisdictions have a stake in transit provisioning.

The TAs struggle to provide short-term service provision that can create long-term operational and budgetary uncertainty. For this reason, the TAs wish to create a path



from short-term contracting to long-term service provision. Each has approached this service contracting challenge differently when working with jurisdictions who are interested in receiving transit service but are unwilling or unable to commit the required sales and use taxes for full membership. None of these disparate approaches have succeeded in providing a successful alternative pathway to full membership, with DART's policy being so restrictive as to effectively prevent both contracting and membership:

- Trinity Metro will provide long-term contracting with jurisdictions, with agreements that can be as binding as full membership, as is the case with TEXRail service in Grapevine and in North Richland Hills.
- DCTA is also open to contracting—both DCTA and Trinity Metro provide service to more jurisdictions on a contract or partial-membership basis than through full half cent sales tax contributions—but the Authority hopes to put an emphasis on converting these contract jurisdictions to long-term membership in policy updates.
- DART has typically approached contracting relationships with individual jurisdictions more restrictively by terminating contracted services after 3 years if a jurisdiction has not affirmatively approved, via referendum, the collection of a one-cent local sales tax for transit services. There have been some exceptions to this but a three-year trial period is the norm.

The funding sources TAs accept for contracted service vary, and include Section 4B economic development sales taxes, Tax Increment Financing (TIF) districts, general funds, and federal funds. LGCs are also a common tool leveraged by all TAs and local jurisdictions to support funding. These are all described in greater detail later in this report.



2. Key Challenges to Increasing Transit Authority Membership in the NCTCOG Region

Task 3 findings were informed by interviews with staff at NCTCOG, the three TAs, and municipalities in the NCTCOG region. Current TA membership policies and NCTCOG studies were thoroughly reviewed to establish a baseline understanding of needs.

Jurisdictions interviewed included TA members, contract jurisdictions, and a previous member as listed in Figure 2. Interviews were sought with an additional three jurisdictions, but due to their schedule and the timeline for completion of this task, interviews were not possible.

Figure 2. Municipalities interviewed for Task 3.

| Agency | TA Membership |
|--------------------------------|--|
| City of Plano | DART |
| City of Richardson | DART |
| City of Dallas | DART |
| City of Irving | DART |
| City of McKinney | DART (Contracts for service) |
| City of Fort Worth | Trinity Metro |
| City of North Richland Hills | Trinity Metro (Long-term contracted service at 3/8 cent) |
| City of Grapevine (former CFO) | Trinity Metro (Long-term contracted service at 3/8 cent) |
| City of Blue Mound | Non-member (formerly Trinity Metro) |
| City of Denton | DCTA |
| City of Frisco | DCTA (Contracts for service) |
| City of Arlington | Non-member |
| City of Grand Prairie | Non-member |

Throughout the interviews, key challenges to increasing TA membership and expanding transit services, including bus, light rail, commuter rail, elderly/disabled service, and/or microtransit, and other innovative mobility services to the region, included the following:

1. Identifying and securing dedicated funding sources for transit is challenged by state-imposed tax caps, putting funding for transit in direct competition with



funding for other local public services;

2. The three TAs have variable appetites for and approaches to serving and integrating non-member contract jurisdictions;
3. There is limited consensus on how to fairly distribute the use of transit funds across TA member jurisdictions; and
4. Regional growth, suburban sprawl, and rising congestion require greater transit access, even as many local jurisdictions currently undervalue its benefits.

A sentiment of frustration was frequently expressed by interviewees who discussed the lack of support for transit by local political leaders, within the State Legislature, and from the highest officials in State government. This absence of high-level political support for transit has negatively impacted awareness by policymakers and the public regarding the value of transit and functional mobility within the North Central Texas region. This lack of prioritization at various levels of government has impacted the availability of dedicated funding alternatives for TA membership.

Identifying and securing dedicated funding sources for transit is challenged by state-imposed tax caps, putting funding for transit in direct competition with funding for other local public services

Most non-federal funding for transit in the NCTCOG region is derived from local sales tax measures authorized by voters in member jurisdictions of the three TAs. This is because State funds within the State Highway Fund (also known as TxDOT Fund 6) are not eligible for transit purposes. Local sources range from the one cent sales tax approved by DART member jurisdictions to the one-half cent sales taxes approved for Trinity Metro and DCTA. The total level of local sales tax authorized by the Legislature is capped at two cents. All locally generated funding for transit in the region can be leveraged for federal funding apportionments.

For TA member jurisdictions, their one- or one-half cent sales tax for transit consumes up to half of their state-authorized two cent local maximum, limiting funding other city needs and/or to attract and retain major developments. Underscoring this issue, jurisdictions that are not members of a TA can use their sales tax revenues to provide tax incentives that may attract developers away from transit agency member jurisdictions.



Once a jurisdiction has allocated their sales and use tax—to any use—it becomes politically challenging to reconsider the allocation of these funds for member and non-member jurisdictions alike, as it would require giving up initiatives or programs that are already funded using this revenue stream. The repurposing of these funds is explored in Transit 2.0 Task 5, *Develop Strategies to Foster Transit Authority Board Partnership and Teamwork*.

The net effect of the two-cent cap, coupled with competition among jurisdictions for economic development assisted by sales tax and lack of other viable, dedicated funding sources, has resulted in reduced incentives for new jurisdictions to join TAs and increased incentives to reconsider contribution levels for current TA member jurisdictions.

The three TAs have variable appetites for and approaches to serving and integrating non-member contract jurisdictions

In recent years, the primary method of transit service expansion to new jurisdictions has been to contract for service. Alternative methods of voter-approved funding have been accepted by Trinity Metro in the form of Section 4B economic development sales taxes. DCTA has also expressed a willingness to accept alternative funds. DCTA, as the only Coordinated County Transportation Authority (CCTA), has unique flexibility among the three TAs in its ability to accept dedication of either property taxes or sales and use taxes through its public transportation financing areas (PTFA) to achieve full membership. DART and Trinity Metro, as Regional Transportation Authorities, are more constrained due to statutory requirements in the Texas Transportation Code defining TA membership as commitment of funds via voter-approved sales and use taxes. At DART, an additional challenge exists due to board-imposed pressure to maintain financial equity with current member jurisdictions. This underscores the need for DART to accept nontraditional funding sources for long-term service provisioning or pursue legislative changes. See Section 3 of this report for additional details TA enabling legislation.

The perceived and real complexity and cost of contracting for service has pushed some cities, like Arlington, to provide their own services for seniors and individuals with disabilities and expansion of on-demand transit service, further fragmenting regional transit provision. Others, such as Frisco, have previously taken positions directly opposed to transit—a position that is not entirely uncommon in a region that broadly does not see the value of transit, and is exacerbated by the cumbersome processes



required to obtain service. Cities caught in the middle, like Allen, Fairview, and others contract with DART for service as long as they can but know that the three-year time limit will eventually leave them scrambling to provide replacement services in the future— McKinney which formed an Urbanized Transit District (MUTD), is not subject to DART’s three year provision because the MUTD is not a municipality. This is antithetical to how regional connectivity should be encouraged, and without a consistent framework to provide transit to non-member jurisdictions, regional connectivity is hampered.

A related concept that has been proposed, though notably no stakeholders interviewed were supportive of, is the creation of a fourth TA. While a new TA may take a different and more flexible approach to service contracting than one or more of the current TAs, it would face similar statutorily imposed barriers. It would also increase barriers to interconnectivity across the region, since TA services are limited to the geographical boundary of their service area. This concept and its suitability are discussed in further detail in the *Strategies to Increase Transit Authority Membership* section of this report.

There is limited consensus on how to fairly distribute transit funds across TA member jurisdictions

As highlighted by the current tensions among the DART member jurisdictions, there is disagreement on how service allocations and transit fund contributions should be fairly distributed across TA members. At DART, friction around the fair share of funding and service provisioning has resulted in significant concern from board members, city council members, and mayors. This concern continues to be a major cause of discontent that remains unresolved.

DCTA experienced this same tension in 2019 and went through a cost allocation model process to determine the amount of funding being spent in each member city, a significant governance change to address the governance inequities of non-members and created a menu of services in each city based on each jurisdiction’s desired mode of service or services. Maintaining awareness of allocation of funds between member jurisdictions is a priority for DCTA’s Board, and it is developing a workable, long-term policy for New Members and Contracted Services. Trinity Metro has only one full member jurisdiction, the City of Fort Worth, alongside five contract jurisdictions, and does not face this challenge as acutely.



While the current membership and political paradigm at each TA is slightly different, there are many ways to track and analyze fund distribution, resulting in different approaches by each TA in the way prospective member or contract jurisdictions are considered.

Regional growth, suburban sprawl, and rising congestion require greater transit access, even as many local jurisdictions currently undervalue its benefits

According to the NCTCOG 2050 Demographic Forecast, projected population growth in the North Texas region is anticipated to occur most intensely in the northern part of the region, where transit provision is sparse or nonexistent. For example, the McKinney-Frisco Urbanized Area (UZA), which continues to grow in population, is not integrated into a TA.

At the same time, North Texas freeway infrastructure is reaching its full buildout potential in most corridors. To achieve air quality goals and minimize the impacts of congestion, transit provision will need to be expanded.

Despite these compounding challenges, many local jurisdictions without transit (and some that do) doubt its utility, preferring to spend already-tight budgets on other priorities. Many jurisdictions do not understand that transit can support these economic development goals while softening the impacts of regional growth, suburban sprawl, and rising congestion. Even among the non-member cities that are interested in transit, there is generally an interest in limited services, typically in the form of microtransit. This can create issues for regional connectivity and raises questions of cost-effectiveness for TAs. While microtransit is an important service and makes sense in many parts of the region, the TAs and NCTCOG face a significant hurdle in conveying the value of transit more broadly.

Focus of Analysis to Increase Transit Authority Membership

Individually and in combination, the challenges described above limit the ability of jurisdictions to obtain transit service through a TA. This report builds on these key challenges and redirects the regional response toward funding, collaboration, consolidation, and transformation strategies that can help increase TA membership. The report presents these strategies and assesses the areas where they would be most impactful.



3. TA Membership and Contracting Policies

Each of the Transit Authorities has a unique legislative framework and contracting process for developing and implementing transit services within their respective jurisdictions.

Enabling Legislation for Transit Agencies

Texas has three categories of transit systems:

- Transit authorities and municipal transit departments, which include:
 - Metropolitan Rapid Transit Authorities (Texas Transportation Code § 451)
 - Regional Transportation Authorities (Texas Transportation Code § 452, e.g. DART and Trinity Metro)
 - Municipal Transportation Departments (Texas Transportation Code § 453)
 - Coordinated County Transportation Authorities (Texas Transportation Code § 460, e.g. DCTA)
- Urban transit districts
- Rural transit districts

TAs are eligible under State statute to seek voter approval for a local option general sales tax dedicated to funding transit (Texas Transportation Code § 451, 452, 453, 460). Local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may impose local sales and use taxes up to two cents, in addition to the state portion of the sales and use tax rate of 6.25 cents, for a total maximum combined rate of 8.25 cents.

Notably, TAs are not eligible to receive State public transportation funds, which are reserved for urban and rural transit districts.

Voters in seventeen cities in the NCTCOG region have currently approved a local option sales tax for transit authorities.



Alternative Local Funding Mechanisms for Transit

Member jurisdictions in Texas typically fund transit through voter-approved local option general sales tax dedicated to transit, however other voter-approved funding mechanisms can be leveraged, including the following:

- The Development Corporation Act of 1979 (Texas Revised Civil Statutes Article 5190.6) allows municipalities to create nonprofit development corporations that promote new and expanded industry and manufacturing activity within the jurisdiction and its vicinity. These corporations can leverage “Section 4A” or “Section 4B” economic development sales taxes, which account for a portion of the local two cent sales and use tax limit. Section 4A sales taxes target manufacturing and industrial development, while Section 4B sales taxes primarily target infrastructure and quality of life improvements that promote economic development, including transportation facilities. If accepted by the local TA, jurisdictions can use Section 4B tax revenue to fund the provision of transit service.
- Tax increment financing, whereby sales and property taxes generated by new development surrounding stations is leveraged to fund transit, can be used to fund the provision of transit service if accepted by a local TA.
- Property tax revenue has been approved by voters in Austin for the City’s light rail program, bus rapid transit, improving commuter rail, and expanding the bus system. The effectiveness of this funding stream is still in question and is being challenged for its legality under the Texas Tax Code in court. Authority to use property taxes as a funding stream for transit should be requested of the Texas legislature to ensure such an initiative could succeed in North Texas.

Transit authorities may also receive funding through NCTCOG and RTC (as the MPO for the Dallas-Fort Worth Metropolitan Area), which administer numerous federal funding programs for transportation. In the NCTCOG region, this includes transportation development credits (TDCs) for capital projects that can be used to leverage federal funding without the contribution of non-federal cash match. These TDCs are non-cash credits that are earned by the MPO to account for toll roads and tolled managed lanes



that benefit the federal system. Jurisdictions may also allocate general funds for service provision.

In addition, municipalities, counties, and TAs, among other government entities, may create Local Government Corporations (LGCs) to aid and act on behalf of one or more local government to accomplish any associated governmental purpose. LGCs have the powers of a transportation corporation, are created via a memorandum of understanding or interlocal agreement and are governed by a board. LGCs help limit financial risks to government entities, issue revenue bonds that are not City or TA debt and allow public projects to benefit from oversight by a board of directors.

The Three Transit Authorities

The three TAs in the NCTCOG region were approved by successful referendums and funded with local sales taxes. The three authorities differ in their approaches to funding transit and expansion of services, as summarized in Figure 3. They also differ in terms of their enabling legislation.

Figure 3. TA Membership and Contracting Summary

| TA | Membership Policy | Current Contracting Policy |
|----------------------|---|--|
| DART | New Member Cities Admission Policy (2002) <ul style="list-style-type: none">Jurisdictions must border an existing DART member jurisdictionOutlines preliminary assessment, election requirements and commitment of 1% sales and use taxes | DART Services Outside the Service Area Boundary Policy (1995) <ul style="list-style-type: none">Outlines requirements for service agreement feesOutlines transit system and financial plansIf funding for full membership is not committed within 36 months of contracted service initiation, service is terminatedOutlines milestones at which a new member jurisdiction must pre-pay for service before being provided service as a member |
| Trinity Metro | No formal policy <ul style="list-style-type: none">Follows procedures included in Texas Transportation Code Chapter 452 for Regional Transportation Authorities | No formal policy <ul style="list-style-type: none">Informally aims to be open and accommodating to establish agreements with potential contract jurisdictions |



| TA | Membership Policy | Current Contracting Policy |
|-------------|--|--|
| DCTA | New Member Policy (February 2012) <ul style="list-style-type: none">• Outlines procedure for jurisdiction application, funding requirements via commitment of a half-cent of sales and use taxes, or by the creation of a Public Transportation Financing Area (dedicating the incremental property tax or sales tax in the PTFA), service plan amendments, and election.• Revisions to policy in progress | New Member Policy (February 2012) <p><i>Associate Membership</i></p> <ul style="list-style-type: none">• Outlines Associate Membership option and procedure to commit annual payments to DCTA.• Revisions to policy in progress <p><i>Contract Services</i></p> <ul style="list-style-type: none">• Outlines procedure for Interlocal Cooperation Agreement to provide specific transit services.• Outlines required fee types.• Revisions to policy in progress |

As shown in Figure 3, only DCTA has a formal “associate membership” policy for jurisdictions interested in committing long-term funds other than local sales and use taxes. However, in practice, Trinity Metro allows for this equivalent through its informal and flexible approach to service provisioning. Only DART does not provide an avenue for long-term contracting. Trinity Metro has successfully provided long-term contracted services to both Grapevine and North Richland Hills, though notably under an agreement for 3/8 cent, not the full half cent required for full membership. This is discussed in further detail below.

Trinity Metro

Trinity Metro is the regional transportation authority for the greater Fort Worth region (Texas Transportation Code § 452). Also known as the Fort Worth Transportation Authority, Trinity Metro was created by voters in Fort Worth via a successful referendum on November 8, 1983, which committed a half-cent local sales tax from the City of Fort Worth.

Trinity Metro does not maintain a formal policy regarding service contracting. For jurisdictions that do not want to or cannot utilize sales taxes, Trinity Metro aims to be open and accommodating to meet their needs. For example, Trinity Metro allows municipalities to gain specific services through interlocal agreements at rates below the full half-cent membership. Two cities, Grapevine and North Richland Hills, maintain



these agreements with Trinity Metro to pay for service on the TEXRail commuter rail line. Neither municipality receives other Trinity Metro fixed route bus service, on-demand service, or paratransit service, though both participate in the Northeast Transportation Service (NETS), overseen by Trinity Metro, for seniors and individuals with disabilities.

Grapevine funds its service via a half-cent economic development sales tax, of which 3/8ths of a cent is earmarked for Trinity Metro. The tax accounts for a portion of the local two-cent sales tax limit and is structured under Section 4B of the Development Corporation Act of 1979 (Texas Revised Civil Statutes Article 5190.6).

North Richland Hills funds its service from “any available source.” Contributions began in 2023 at \$2 million with 5% annual rate escalations until North Richland Hills’ contribution reaches the equivalent of 3/8 cent sales tax revenues of the City, no later than 2035.

For other services like on-demand transit, Trinity Metro enters into Interlocal Agreements that outline terms of service that are funded through each City’s general fund and local grant opportunities provided through NCTCOG.

Dallas Area Rapid Transit

DART is the regional transportation authority for the greater Dallas region (Texas Transportation Code § 452). DART was created by voters in 15 cities via a successful referendum on August 13, 1983, which committed a one-cent local sales tax from each city. In 1988, two of the original cities (Flower Mound and Coppell) voted to leave the system. DART member jurisdictions are authorized to hold withdrawal elections every six years under Chapter 452. While other cities have held such elections since 1988, none since Flower Mound and Coppell have been successful.

DART’s current service area consists of 13 member jurisdictions: Addison, Carrollton, Cockrell Hill, Dallas, Farmers Branch, Garland, Glenn Heights, Highland Park, Irving, Plano, Richardson, Rowlett, and University Park. Of these, six member jurisdictions have recently passed City Council resolutions to reduce their one-cent local sales tax contributions to three-quarters of a cent. These jurisdictions are Carrollton, Farmers Branch, Highland Park, Irving, Plano, and Rowlett. These resolutions are perceived as largely symbolic because changes in funding must be approved by the DART Board of Directors.



Beyond the 13 member jurisdictions, any municipality that adjoins a DART member city is eligible to join upon affirmative approval of a referendum called and conducted by that city authorizing the collection of a one-cent local sales tax for transit services (TRANSP § 452, Subchapter O, DART Policy No. IV.13).

Municipalities and other entities -such as LGCs, transit agencies or colleges outside of the DART service area may seek a service agreement with DART for transit service. These agreements must be approved by the DART Board of Directors. Agreements with municipalities can be for no more than 36 months, after which the municipality must provide a plan to become a full member city (DART Policy No. III.07). DART established a Local Government Corporation (LGC) in March 2012 under Subchapter D of Chapter 431, Texas Transportation Code, to aid and act on behalf of DART in performance of its governmental purpose of providing a public transportation system by bus primarily outside the DART Service Area.

Denton County Transportation Authority

In 2001, Texas House Bill 3323 created Chapter 460 of the Texas Transportation Code, which authorized the creation of Coordinated County Transportation Authorities (CCTAs) by County Commissioners Courts, subject to a vote by the county population.

A unique feature of CCTA enabling legislation is CCTA's ability to accept jurisdictions as members through tax increment payments via the designation of a Public Transportation Financing Area (PTFA) (TRANSP § 460, Subchapter I). Municipalities may, by ordinance, designate a contiguous geographic area within its boundaries, to be a PTFA that dedicates a portion of the tax increment be paid to the authority and deposited into a tax increment account.

DCTA is the first and only CCTA in the State (TRANSP § 460). DCTA was created by voters in Denton County via a successful referendum on November 5, 2002. CCTAs are also uniquely able to serve as both a TA and a rural transit district. Today, the significant population growth in Denton County has blurred the distinction between "rural" and "urban" service areas. Cities receiving service under a rural designation are often only recognizable as "rural" through their relationship to the UZA boundary, which will continue to expand as population grows. Furthermore, travel patterns in those cities are closely tied to Cities within the UZA, including cities that are part of the DCTA system. After the creation of DCTA, the jurisdictions of Denton, Highland Village, and Lewisville



voted to join DCTA on September 13, 2003. The referendums committed a half-cent local sales tax from each city to finance the system.

DCTA provides service via other partnership agreements. For example, Collin County Rides is operated by DCTA in the Cities of Allen and Fairview and was taken on by DCTA in February 2024 after DART's decision to end the service in accordance with its policy on contracted services. DCTA also maintains a contract with the City of Frisco to operate Frisco Demand Response, a curb-to-curb service for residents who are elderly, disabled, or traveling to medical care.

DCTA maintains a New Member Policy that outlines requirements for applications for full membership, associate membership, and contracted services. Per the policy, associate membership involves the addition of a jurisdiction for long-range planning and limited transit service through a dedication of some amount less than ½ cent based on the amount of service requested, while contracted services are provided through an interlocal cooperation agreement and annual payments. DCTA is the only TAs that explicitly delineates three different tiers of service provision. As of November 2024, DCTA is actively in the process of re-writing this policy.

TA Membership Status

The three TAs each have variable numbers of members, contract jurisdictions, and in the case of Trinity Metro, partial members. A summary of TA membership is provided in Figure 4.



Figure 4. TA Member Jurisdictions and Status

| MEMBERSHIP STATUS | |
|---|--|
| DART | |
| Addison Carrollton Cockrell Hill Dallas Farmer's Branch Garland Glenn Heights Highland Park Irving Plano Richardson Rowlett University Park | Full Member (1 cent) |
| Coppell (1983-1989) Flower Mound (1983-1989) | Former Full Member (1 cent) |
| Celina Lowry Crossing McKinney Melissa Princeton Prosper | Collin County Transit (Contract) |
| DCTA | |
| Denton Highland Village Lewisville | Full Member (1/2 cent) |
| Allen Fairview | Collin County Rides (Contract) |
| Frisco | Demand-Response (Contract) |
| Coppell | Workforce Transit Program (Contract) |
| TRINITY METRO | |
| Fort Worth | Full Member (1/2 cent) |
| Blue Mound (1992-2024) Lake Worth (1991-2003) Richland Hills (1992-2016) | Former Full Member (1/2 cent) |
| Grapevine North Richland Hills | Partial Member (3/8 cent) Partial Member (3/8 cent by 2035) |
| Mansfield Forest Hill | ZIPZONE (Contract) |
| Crowley (2020-2024) Everman (2021-2024) | Former ZIPZONE (Contract) |
| Bedford Euless Grapevine Haltom City Hurst Keller North Richland Hills | Northeast Transportation Service (NETS) (Contract) |



4. Strategies to Increase Transit Authority Membership

There are a number of strategies that the Transportation Authorities can consider as transit plans move forward for a region that is anticipated to see over 4 million new residents in the coming 25 years. These strategies should be considered an inventory of ideas that NCTCOG and the TAs could undertake to increase direct or indirect transit authority membership in the region. Though some complement one another, these strategies are not in all cases meant to be undertaken as a package.

Strategies are broadly grouped into four areas: funding, collaboration, consolidation, and transformation. A final strategy, the creation of a fourth TA, was investigated, but is not recommended.

Funding Strategies

Five funding strategies have been identified to support expanding TA membership in the region. These concepts reinforce several of the strategies proposed in the Transit 2.0 Task 2 report that presented legislative approaches to address the competing uses for local sales and use taxes.

F1. Create a voter-approved County/Multi-County Transportation Funding Area (TFA) to levy taxes or fees for transit and rail

Advance legislation to create a voter-approved County or Multi-County Transportation Funding Area (TFA) to levy additional property taxes or fees for transit offers TAs the ability to overcome the two cent sales tax limitations faced by Texas municipalities while also expanding funding on a countywide basis. Establishing a TFA would incentivize a regional approach to securing new revenue streams and could allow participating counties or cities to collectively approve, via referendum, dedicated funding for transit and rail through mechanisms such as property tax adjustments or special fees. This would reduce the pressure on individual municipalities to finance transit alone and help minimize the emphasis on fairness between jurisdictions that is a challenge for DART.

A secondary benefit would be a more equitable distribution of the costs associated with regional air quality conformity, a cost that is disproportionately carried by current TA member jurisdictions. Fiscal analysis is being performed under Transit 2.0 Task 8, *Develop Recommendations to Address the Transit Authority/Member City Paradox*, which will forecast costs and revenues.



In the long term, a TFA could establish metrics to measure progress of regional transit effectiveness, after defining strategies to create more cohesive regional transit.

F2. Alter the enabling legislation for TAs to become self-regulating taxing authorities

Unlike water districts, hospital districts, or community college districts, TAs are unable to self-regulate their own budgets. Instead, they are funded by static sales and use tax rates tied to the success of the regional economy and federal formula and grant funds, tied to periodic updates of federal transportation legislation and funding allocations, without the ability to go to voters for additional funding when needed. This means that increasing fares is the primary tool TAs in the NCTCOG region can leverage to obtain additional revenue, a proposition unlikely to be effective and with significant equity and ridership concerns.

In the long term, TAs may want to consider initiating legislative change to allow them to become self-regulating taxing authorities. Rather than remaining beholden to member jurisdictions, TAs could be reconfigured to seek ballot measures for funding at the local, county, or regional scale. This type of legislative change would require long-term planning and advocacy to attempt to build support from state policymakers.

TAs could be structured similarly to the Los Angeles County Metropolitan Transportation Authority (LA Metro), which includes on its board the five LA County Supervisors and representatives from the City of Los Angeles and other LA-County cities. Able to bring ballot measures to the LA County electorate, LA Metro has been able to secure long-term dedicated sales tax funding for its projects.

Altering enabling legislation for TAs would also provide an opportunity to reconsider the methods used to select TA boards. Currently TA boards are comprised of appointees from their member jurisdictions; to ensure that board members represent the will of the public, this system could be altered such that representatives are elected from each jurisdiction.

F3. Transition local sales and use taxes and/or other general revenues from non-transit uses to transit uses with NCTCOG support

Some jurisdictions in the NCTCOG region are open to dedicating a portion of their local sales and use taxes or other general revenues to transit but are constrained by existing obligations tied to those funds. These obligations, often for economic development,



public safety, or infrastructure projects, make an immediate transition to transit funding challenging. However, NCTCOG and the RTC have a shared interest in expanding transit access regionally and can play a key role in bridging this gap.

To address this, NCTCOG or the RTC could establish agreements with interested jurisdictions to financially support and/or manage their existing financial commitments while allowing them to redirect a portion of sales tax or other general revenue toward transit. In one scenario, jurisdictions could transfer the revenue stream from their current sales tax commitments to NCTCOG, who would gradually "feather in" the redirection of funds to transit over time, though this would introduce significant complexity for local jurisdictions who may have to take on additional federal requirements if they receive federal funds or take on local matching requirements, so efforts should be made by NCTCOG to identify non-federal funding options. Alternatively, NCTCOG can continue providing funds to jurisdictions to support transit provision during a designated transit phase-in period.

A phased approach would allow constrained jurisdictions to transition their financial obligations at a manageable pace but would require a strong agreement between NCTCOG or RTC and the jurisdiction to ensure the process benefits all parties. NCTCOG or the RTC would also need to consider funding opportunities for TA member cities to ensure equity is maintained while NCTCOG funds transit service in non-member cities. Over time, there should be a plan for jurisdictions to take on the cost of transit provisioning entirely.

NCTCOG-Led Collaboration Strategies

NCTCOG-Led Collaboration Strategies aim to strengthen partnerships between regional transit authorities, jurisdictions, and NCTCOG itself to enhance coordinated transit planning across North Texas and mandate transit provisioning. Three proposals are discussed below.

C1. Facilitate field trips, workshops, and convenings for elected officials and decisionmakers from TAs and member and non-member jurisdictions

In jurisdictions that exhibit strong support for transit, the Transit 2.0 team found that elected officials and appointees on City Councils and Planning Commissions were often given opportunities to attend planning conferences or other regional and national events where they could learn about transit best practices and innovations in peer jurisdictions. In fact, in many of these interviews, stakeholders believed that jurisdictions without transit lacked an understanding of transit's value and potential. The pillars



identified in Transit 2.0 Task 5, *Develop Strategies to Foster Transit Authority Board Partnership and Teamwork*, outlines the broader role transit can play in each jurisdiction.

More effort should be made to demonstrate the value of transit to jurisdictions that are less knowledgeable of this topic or have only recently started to contend with the region's rapid population growth. Facilitating workshops and events for elected officials and decision-makers from TAs, member jurisdictions, and non-member jurisdictions can foster a stronger regional understanding of transit's role in North Texas by creating opportunities for open dialogue and enabling leaders to learn about regional transit needs and best practices directly from peers and experts. By providing structured, hands-on learning experiences and convenings, NCTCOG can help bridge these knowledge gaps and provide venues where jurisdictions and TAs can learn from their peers. This type of immersive engagement can build the relationships and insights needed to address shared challenges and explore regional solutions, fostering a more cohesive and informed approach to transit expansion across North Texas.

BEST PRACTICE: CHARGING FOR PARKING IN NEW JERSEY

*When jurisdictions choose not to charge for parking, traffic problems like congestion, maintenance fees, and pollution are exacerbated. To ensure users pay their fair share for parking, Middletown, NJ charges [permit fees](#) for parking at their bus lots. In North Texas, TA member jurisdictions can consider charging fees for non-residents who use their park and ride lots to ensure those who are not obligated to pay sales and use taxes contribute to the broader system. This idea is expanded upon in Task 7. *Review of Fare Collection Strategies to Increase Ridership Without Lowering Revenues*.*

C2. Require regional participation in a TA by a predetermined deadline to continue to receive discretionary funding from NCTCOG

NCTCOG is responsible for prioritizing and allocating funding for transportation projects in the region under various funding programs, including Congestion Mitigation and Air Quality (CMAQ) funds, Federal Highway Administration (FHWA) Surface Transportation Block Grant (STBG) flexible funds, Carbon Reduction Program funds, Transportation Development Credits, and Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Grants, Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities funds (for non-member cities within UZAs), Section 5337 State of Good Repair Grants, and Section 5339 Grants for Buses and Bus Facilities Formula Program. With such significant funding allocated at its discretion, NCTCOG could incorporate into the long-range metropolitan transportation plan, Mobility 2050, an assessment of



NCTCOG and RTC's ability to require regional participation in a TA to continue to receive discretionary funding from these and other sources. This is already included as part of NCTCOG's policy bundle to access Transportation Development Credits (TDCs) but may have opportunities for expansion.

Some of these funding sources, like CMAQ and Carbon Reduction Program funds, must support projects that have demonstrable air quality benefits. As TA member jurisdictions bear an outsized proportion of the costs associated with air quality conformity in the region, there is a clear case for prioritizing funding to jurisdictions that have demonstrated a commitment to regional connectivity and sustainability through transit investments. However, equity considerations exist on all sides of this issue, where roadway advocates and TxDOT argue for a fair share allocation of CMAQ funds across all modes and ownership paradigms. NCTCOG and RTC will need to discuss any potential changes to the way these sources are allocated across North Texas jurisdictions and analyze impacts to currently allocated funds.

C3. Require TAs to establish clear and accessible avenues for jurisdictions to obtain TA services via membership and long-term contracting

While DART's policy is the most restrictive of the North Central Texas TAs, in all three cases prospective jurisdictions are faced with varying levels of uncertainty regarding the cost and mechanics of initial provisioning of service and long-term funding sustainability. The three TAs should:

1. Have written policies dealing with service contracting that are easily accessible by non-member jurisdictions, with a menu of potential funding sources that can be accepted;
2. Share general cost estimate methodology and timelines for service provision by mode type, without restrictive deadlines for full membership; and
3. Document and publish its process for service planning and any minimum service levels or contract durations to achieve cost effectiveness.

By separating processes for fixed-route bus service and paratransit, senior and disabled mobility services, and microtransit, jurisdictions can make decisions around what type and level of service they can afford. Due to the complex and long-term planning that



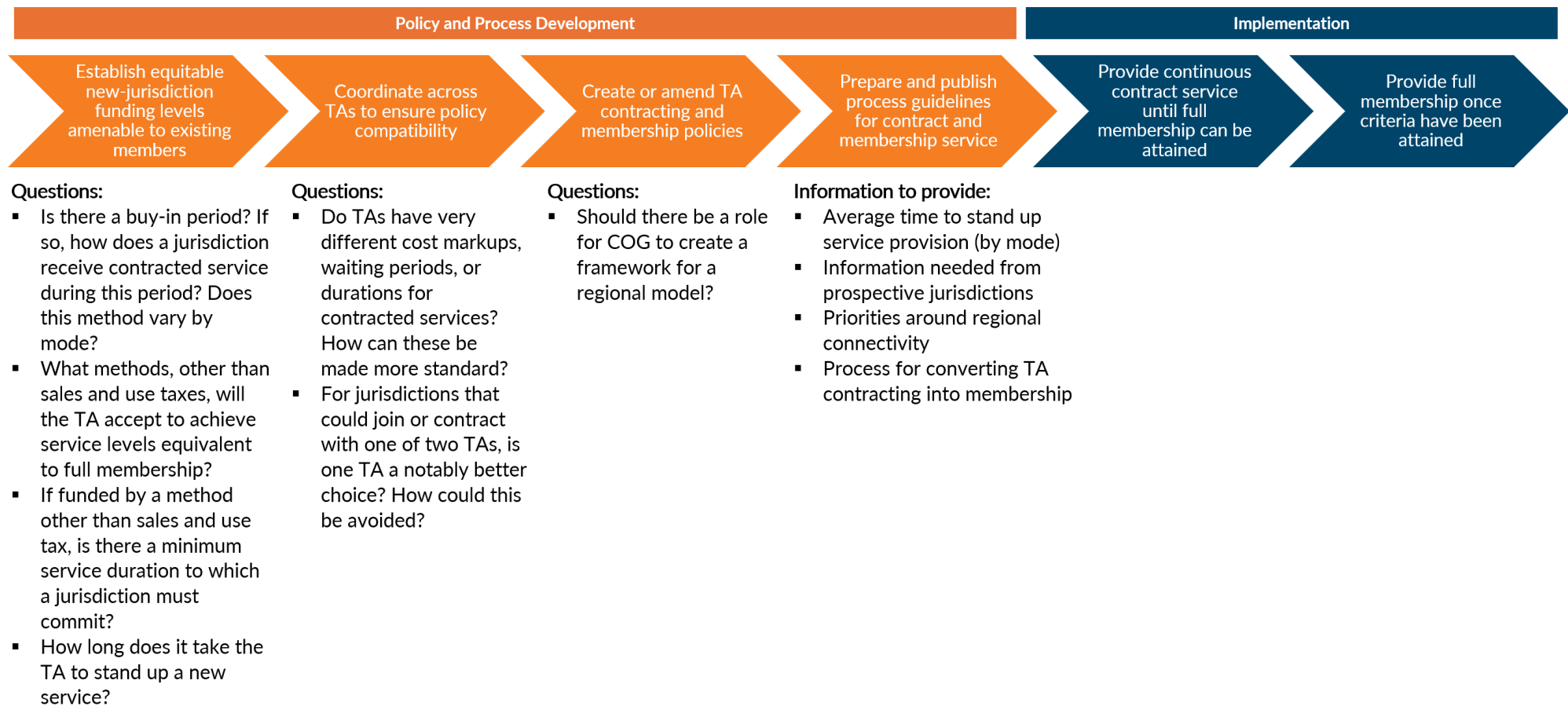
goes into rail system design and expansion, alternative long-term pathways to consider rail service should be provided.

Long-term goals for TAs should be to encourage jurisdictions to become members. In cases where jurisdictions cannot or are unwilling to commit sales and use taxes, TAs should have clear policies for long-term contracted service allowing jurisdictions to dedicate funds in an equivalent amount to sales and use taxes (one half cent for Trinity Metro and DCTA, one cent for DART) from alternative funding streams.

Figure 5 demonstrates the process TAs should develop and publish regarding increases for transit provisioning.



Figure 5: TA Membership Policy and Process Development





Consolidation Strategies

Expanding transit provision on a jurisdiction-by-jurisdiction basis would be a slow and difficult way to improve regional connectivity beyond the current TA boundaries. The consolidation strategies presented here would require strategic direction from NCTCOG for regional consolidation in decision-making. Two strategies are proposed.

S1. Implement a “Devolution” process to transfer decision making for TA membership from TA boards to NCTCOG as a regional administrator

Implementing a “Devolution” process that transfers decision-making authority regarding TA membership from individual TA boards to NCTCOG would create a more consistent, regionally coordinated approach to expanding transit access. Currently, each TA sets its own policies for allowing contract cities, but these policies have not led to significant changes in regional membership or service availability—although there has been significant progress at both Trinity Metro and DCTA in allowing for creative provisioning of transit to cities unwilling or unable to commit sales and use taxes.

Under a devolution model, NCTCOG and the Regional Transportation Council could establish criteria for evaluating a non-member jurisdiction’s eligibility for membership or contract services, shifting the decision-making process to a level that would consider broader regional transportation needs and priorities. This centralized approach, which goes further than the previously discussed collaboration strategy to “Require TAs to establish clear and accessible avenues for jurisdictions to obtain TA

CASE STUDY: THE REGIONAL NETWORK MODEL

The Metropolitan Transportation Commission (MTC) oversees regional transportation planning, financing, coordination and management, and integration with housing and development for the San Francisco Bay Area and its 27 transit agencies. These many agencies—the result of decades of community, state, and regional efforts—each have their own governance models and rely on different funding streams. For riders, this has long resulted in a disjointed experience when trying to traverse the region by transit. In February 2023, the MTC took a major step forward by adopting the [Regional Network Management \(RNM\)](#) framework to ensure these 27 operators function more like a single system, consolidating regional transit coordination. The vision of the RNM is to provide a unified regional transit system to serve all Bay Area populations. Three meeting bodies guide the RNM work at MTC: The [Regional Network Management Committee](#) that sets the regional vision for Bay Area transit, the [Regional Network Management Customer Advisory Group](#) that ensures riders are centered in the regional planning process, and the [Regional Network Management Council](#) that is populated by transit agency and MTC leadership to guide the operationalization of the RNM.



services via membership or contracting,” would make it easier for cities to navigate the membership process and foster more consistent policies that encourage greater participation.

In the medium to long term, this shift in authority could empower municipalities to more actively pursue and use local option mechanisms (via local referendums) to fund their specific transit needs. The devolution process would enable jurisdictions to secure funding and define a baseline level of services that meets their community’s needs within a defined funding horizon. Additionally, with NCTCOG serving as the regional administrator, this model would create a responsive, regionally informed entity capable of supporting the diverse needs of North Texas connectivity while promoting local planning and funding availability.

NCTCOG will need to assess their organizational capacity and capability to take on these additional responsibilities. In conjunction with the RTC, NCTCOG may need to evaluate alternative organizational structures for implementation of this suggestion.

Initial efforts by DCTA and Trinity Metro’s to expand transit service beyond traditional member jurisdictions demonstrate progress, which may alleviate the need for this recommendation. However, if DART is unable to reach consensus on methods for the expansion of transit services, this strategy should be considered.

S2. Increase the role of NCTCOG in regional decision making to expedite and optimize regional coordination

NCTCOG is a voluntary association of, by, and for local governments, and was established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. The RTC, however, has authority as the Metropolitan Planning Organization in US Title 23 and 49 and is required to implement a whole host of required administrative functions and services. However, decision-making on topics like TA membership, which impact broader regional connectivity, are left to the TAs. Because the current TA membership structure incentivizes TAs to prioritize planning within their jurisdictions—and rightly so, as TAs are obligated to spend funds within their jurisdictions—opportunities for regional collaboration are often missed.



Increasing the role of NCTCOG in these types of decisions could expedite and optimize regional coordination among existing TAs. Two potential options for this increased responsibility are discussed:

NCTCOG as Regional Manager: As a regional manager, NCTCOG could take on an official, direct, and formal responsibility in regional decision making. As a metropolitan areawide regional transit coordinator, NCTCOG could ensure that schedules between providers are synchronized, long-range planning among the modes and TAs is coordinated, and that there is a single regionwide fare policy.

NCTCOG Supporting Regional Management: This would involve an extension of NCTCOG's administrative role to include supervision and oversight of regional decision making. It would be less active than the Regional Manager role and would involve increasing the coordination activities that NCTCOG already provides to the region.

Similar to Recommendation S1, NCTCOG will need to assess their organizational capacity and capability to take on these additional responsibilities. In conjunction with the RTC, NCTCOG would also need to evaluate alternative organizational structures for implementation of this suggestion.

This recommendation is also included in the Task 4 report as it would support decision making for regional TA collaboration.

Transformation Strategies

The goal of NCTCOG and the TAs should be to make expanding access to transit for new jurisdictions as easy as possible while acknowledging the legacy investments and commitments of the current TA jurisdictions. Additionally, NCTCOG and the TAs should be mindful of the political and institutional constraints jurisdictions face.

The two transformation strategies described here should be considered in light of this goal.

T1. Implement a "balanced service levels by city" policy framework to clearly communicate funding allocation fairness to member jurisdictions

As recently proposed in a Dallas Morning News op-ed by former DART CFO and interim CEO David Leininger, a balanced "service levels by city" policy framework would allow member jurisdictions to cooperatively establish fiscal and social equity principles to



guide service planning and delivery across member jurisdictions. By going through this process, TAs could set long-term targets for how financial resources would, over time, be directed toward transit provision or improvements in suburban jurisdictions and allow each member to more directly control the modes and level of service it receives while maintaining appropriate regional connectivity. By setting goals around services associated with ridership levels, TAs and member jurisdictions can develop a common language for their collective aspirations.

DCTA went through a similar process in 2019 and customized its service provision in each member city based on the modes desired by that member city. DART is currently facing similar scrutiny by its board regarding service allocations and spending; the exercise of setting collective goals using the “balanced service levels by city” approach could benefit all TAs. By clearly and publicly providing a roadmap for how services are and will be provided in each jurisdiction over time, TAs can demonstrate to current members and prospective members or contract jurisdictions that their needs will be handled in the framework of local and regional transit needs.

T2. Create an a la carte system for service provision

Member and non-member jurisdictions alike find the idea of a tiered revenue membership structure compelling. This tiered membership structure would allow jurisdictions to commit funds commensurate with the frequency and mode of service provided. Jurisdictions like this concept because it would allow them to obtain right-sized transit provision at a price that makes sense for their community, and allow them to establish baseline transit origin-destination (OD) patterns for long-term planning.

CASE STUDY: BALANCED SERVICE LEVELS IN UTAH

*The Utah Transit Authority (UTA) [charted goals](#) to allocate 70 percent of resources toward high-ridership services and 30 percent toward coverage services in their Salt Lake and Timpanogos Business Units. In their Mount Ogden Business Unit, 60 percent of resources were allocated to high-ridership services and 40 percent to coverage services. By establishing these types of goals, UTA was able to effectively prioritize service planning in a way that clearly allows the agency to allocate resources like staff and vehicles to achieve agreed-upon goals instead. Similar efforts have been undertaken in the Seattle region and in Phoenix. **By planning for service levels instead of dollars, jurisdictions and transit authorities in these areas have been able to more effectively prioritize riders** (UTA Service Choices Final Summary Report, June 2020).*



A potential disadvantage of this concept is its potential to further fragment modes of transit across existing member cities, especially where fixed infrastructure, such as rail systems, have not been implemented. This is particularly an issue for DART due to its existing, more stringent, policy structure for municipalities looking to contract for service, though impacts all TAs. While a la carte service provisioning could increase baseline transit provision, it also has the potential to fragment trips across one or more transfers, negatively impacting the customer experience. Current contract relationships between TAs and non-member jurisdictions are an analog for what this could look like.

A la carte service provision makes the most sense for contracted service only as part of a long-term contracted services arrangement and/or an on-ramp for full TA membership. If offered to help jurisdictions start with limited services and collect OD data through right sized microtransit, municipalities and TAs can start to optimize where different modes make the most sense within each service area. Over time, as demand grows and data is collected, jurisdictions could consider an expansion of services offered to the city and potential full membership status using alternative funding mechanisms. Any path forward with a la carte service provisioning would need to protect the investment and parity of current members, without creating a situation where current members subsidize new ones.

TA-Specific Strategies

A1. Assign the region's urbanized areas by TA to provide dedicated funding for transit

In Denton County, all UZA funding is received directly by DCTA to support its provision of transit. This has worked effectively in Denton County.

There are challenges with creating a one size fits all for this strategy since each UZA has a different composition. For example, in the Denton/Lewisville UZA, DCTA is the designated recipient of FTA Section 5307 funds, but not Section 5310 funds. These types of technicalities would need to be worked through before this concept could be meaningfully advanced across the region.

The most complex issue is the division of funding within the Dallas-Fort Worth-Arlington UZA which Trinity Metro and DART share with three other direct FTA recipients (Arlington, Grand Prairie, & Mesquite) and six FTA subrecipients.



A2. Incentivize DART to accept alternative methods of funding for longer-term transit provision

The state-mandated 2-cent cap on local sales and use taxes has effectively stalled the addition of TA members. NCTCOG can play a critical role in addressing this issue by pursuing legislative changes that could increase the cap and allow other local funding options (see the Task 2 Report, *Transit Legislative Program*, for additional concepts) or incentivizing DART to recognize and standardize alternative funding methods that enable non-member jurisdictions to access transit services without committing additional sales tax revenue. DCTA and Trinity Metro already accept alternative funds for long-term service, but by establishing consistent, transparent policies for service contracting and a “menu” of potential funding mechanisms, DART can make service provision more accessible to non-member cities.

While pursuing legislative changes, which is a long-term endeavor, NCTCOG can encourage DART to enshrine the acceptance of various alternative funding sources, such as Tax Increment Financing (TIF), Section 4B economic development sales taxes, or allocations from general funds, along with other innovative funding approaches, in their policies. Notably, this funding must be for longer time horizons, for example 10 years or more, to allow TAs to establish reasonable long-term financial plans; short-term contracting does not provide the predictability TAs need.

Incentives could include NCTCOG-provided technical assistance for new policy creation or tying award of discretionary funds to TA membership and contracting flexibility through a credit system, via performance-based funding allocations, or revised evaluation criteria.

NCTCOG could help level the playing field for non-members by encouraging DART to establish and publish reasonable and flexible contracting terms that consider the type of service requested. For instance, DART expects member jurisdictions to commit sales and use taxes to service for years before seeing service. While a long-term, full-cent financial commitment may be appropriate for the planning and construction of a rail project, shorter buy-in periods should be considered for bus or microtransit services that have lower infrastructure demands and costs and can be established and integrated into a regional network more quickly.



This strategy should be paired with recommendation C2, *Require regional participation in a TA by a predetermined deadline to continue to receive discretionary funding from NCTCOG*, to ensure that there are still incentives for TA membership.

Excluded Strategies

Two strategies were discussed throughout interviews and investigated in the Transit 2.0 team's research, but were excluded from consideration:

Create a Fourth Transportation Authority

The creation of a fourth TA was posited as a potential avenue for jurisdictions that are not currently TA members to join this new TA. This is particularly salient for the jurisdictions that border the DART service area, as DART's policy for contracting with non-member jurisdictions for service is constraining. A fourth TA could, in theory, be more flexible than DART in providing services.

However, no stakeholders interviewed supported the creation of a fourth TA or thought a new entity could more quickly or effectively provide transit to cities unable to join one of the existing TAs. Without statutory changes to allow TAs to accept alternative local option funding mechanisms, a new TA would face the same funding barriers the current TAs grapple with. In addition, a fourth transit agency would create another territorial boundary to navigate in deployment of interconnected transit services across the region. Instead, all stakeholders feel there should be a solution among the existing three authorities to implement policy changes to increase collaboration and address the need for transit expansion. For these reasons, the creation of a fourth TA is not a recommended strategy to increase regional TA membership.

Consolidate the Three TAs into One Regional Transit Authority

By consolidating the three TAs into one regional TA, there could be cohesive, consolidated management of regional transit provisioning across functional economic areas. By integrating regional transit planning, the new TA would be able to, without bias, plan for the current and future transportation needs of North Texas in a way that is most effective and sustainable for the region.

The consolidation of the three TAs into one TA would be able to develop, publish, and enforce a single membership policy across the region, presenting an opportunity for clearer communication around expectations with potential member and long-term



contract jurisdictions. However, consolidation of TAs is not a means for increasing TA membership due in part to the long timeframe that would be needed to stand up this consolidated entity, which is in opposition to region's need to expand transit provisioning in the near-term. The possibility of consolidating the three TAs is therefore not recommended to help increase TA membership. This concept is discussed in greater detail in the Task 4 Report, *Develop Collaborations Between Existing Transit Authorities*, as a potential strategy to improve regional collaboration and planning.



5. Next Steps

The Transit 2.0 team recommends that the member and non-member jurisdictions and TAs in the NCTCOG region prioritize a sustainable, equitable funding model that helps expand transit services, increase ridership, drive regional connectivity, and improve the customer experience. To do this, TAs and NCTCOG can and should initiate legislative change so TAs can formally accept other local option funding sources for transit provision (discussed in detail in the Transit 2.0 Task 2 report, *Transit Legislative Program*). Alongside this, the TAs will need to adopt flexible funding policies that recognize long-term commitment of funds other than voter-approved sales and use taxes, which are no longer feasible for many jurisdictions. Member jurisdictions, having invested over time, also require assurances that any new funding model respects their contributions while opening pathways for other municipalities to secure transit services fairly.

Strategy Strengths Matrix

All strategies proposed in this report were evaluated based on four criteria:

- Ability to lower financial barriers to TA membership or contracting
- Ability to lower structural barriers to TA membership or contracting
- Ability to improve regional planning and connectivity
- Ability to make TA membership more valuable

Alignment with each of these criteria was rated on a scale of low, medium, and high alignment, depicted graphically as:

- Low alignment: ○
- Medium alignment: ◐
- High alignment: ●

The level of effort to implement was also rated on a scale of low, medium, and high effort, depicted graphically as:

- Low effort: L
- Medium effort: M
- High effort: H

The strategy strengths matrix serves as an at-a-glance snapshot of the strategies proposed in this report and where they may have differing abilities to improve access to



transit for non-member jurisdictions. It is not meant to be a prioritization tool, as the strategies proposed in this report require variable degrees of regional change to achieve. For example, facilitating field trips and workshops is a low-investment effort that NCTCOG could undertake immediately to enhance the dialogue around regional transit provision, while creating a voter-approved TFA would require significantly greater political buy-in.



Figure 6. Strategy Strengths Matrix

| | | Lowens Financial Barriers to TA Membership or Contracting | Lowens Structural Barriers to TA Membership or Contracting | Improves Regional Planning and Connectivity | Makes TA Membership More Valuable | Level of Effort to Implement |
|---|---|--|--|--|---|---------------------------------|
| FUNDING STRATEGIES | | | | | | |
| F1. Transportation Funding Area (TFA) | Create a voter-approved County/Multi-County Transportation Funding Area (TFA) to levy taxes or fees for transit and rail | ● | ● | ● | ● | H |
| F2. Legislation for Self-Regulating Taxing Authorities | Alter the enabling legislation for TAs to become self-regulating taxing authorities | ● | ● | ○ | ○ | H |
| F3. Transition dedicated sales and use taxes to transit | Transition local sales and use taxes and/or other general revenues from non-transit uses to transit uses with NCTCOG support | ● | ● | ◐ | ◐ | M |
| NCTCOG-LED COLLABORATION STRATEGIES | | | | | | |
| C1. NCTCOG-led Convenings | Facilitate field trips, workshops, and convenings for elected officials and decisionmakers from TAs and member and non-member jurisdictions | ○ | ◐ | ● | ◐ | L |
| C2. Require TA Participation | Require regional participation in a TA by a predetermined deadline to continue to receive discretionary funding from NCTCOG | ○ | ● | ● | ● | M |
| C3. Require Clear Avenues for TA Participation | Require TAs to establish clear and accessible avenues for jurisdictions to obtain TA services via membership and long-term contracting | ◐ | ● | ○ | ○ | L |
| CONSOLIDATION STRATEGIES | | | | | | |
| S1. Devolution Process for Regional Decision Making | Implement a "Devolution" process to transfer decision making for TA membership from TA boards to NCTCOG as a regional administrator | ○ | ● | ◐ | ○ | H |
| S2. Increase NCTCOG Role in Regional Decision Making | Increase the role of NCTCOG in regional decision making to expedite and optimize regional coordination | ○ | ● | ● | ○ | M |
| TRANSFORMATION STRATEGIES | | | | | | |
| F4. Balanced Service Levels by City | Implement a "balanced service levels by city" policy framework to clearly communicate funding allocation fairness to member jurisdictions | ● | ◐ | ● | ● | M |
| T2. A La Carte Service Provisioning | Create an a la carte system for service provision | ● | ● | ◐ | ○ | M |
| TA-SPECIFIC STRATEGIES | | | | | | |
| A1. Assign UZAs to TAs | Assign the region's urbanized areas by TA to provide dedicated funding for transit | ● | ● | ◐ | ● | M |
| A2. Accept Alternative Funding | Incentivize DART to accept alternative methods of funding for long-term transit provision | ● | ● | ● | ● | L |

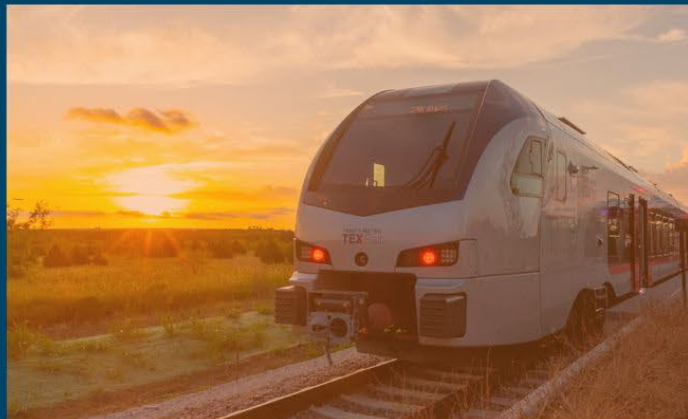
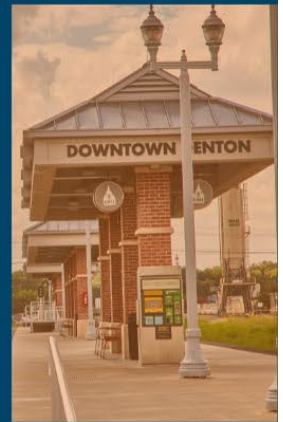
Appendix 4:

Task 4: *Collaborations Between Existing Transit Authorities* Report

Task 4 Report: Develop Collaborations Between Existing Transit Authorities

Final

REGIONAL
TRANSIT 2.0



North Central Texas
Council of Governments

March 13, 2025



Preface

This report is an interim task report of the North Central Texas Council of Government's (NCTCOG) Regional Transit 2.0 initiative, which aims to examine crucial transportation investments that could accommodate the anticipated population growth and support sustainable development across the North Texas region. The Transit 2.0 initiative is comprised of eight primary tasks in the following areas, each of which is accompanied by its own standalone report:

- Task 2: Transit legislative program
- Task 3: Increase transit authority membership (this report)
- Task 4: Increase collaborations between existing transit authorities
- Task 5: Strategies for transit authority board partnerships and teamwork
- Task 6: Strategies for infill development
- Task 7: Fare collection strategies
- Task 8: Improve the transit authority-member city paradox
- Task 9: Final report

The purpose of the Task 4 report, *Develop Collaborations Between Existing Transit Authorities*, is twofold:

1. Identify challenges to collaborations between the three transit authorities, and
2. Develop a menu of strategies that can enhance both demand- and supply-side collaboration between the transit authorities, increase operational efficiency, and improve the regional customer experience.

This "menu" of strategies, as presented in this report, is meant to provide an inventory of options that could, under the right circumstances, improve transit authority collaboration. Not all ideas inventoried in this report may be feasible in North Texas due to political or institutional barriers but are included as worthwhile initiatives that NCTCOG and regional decisionmakers should be aware of and consider as the region progresses in the coming decades. Inclusion of a strategy in this Task 4 report does not necessarily indicate endorsement by NCTCOG or the three transit authorities.

After completion of Tasks 2 through 8, the most promising strategies will be extracted and refined in Task 9. The Task 9 final report and recommendations will be complete in late spring 2025.



Executive Summary

The North Central Texas Council of Governments (NCTCOG) and the three transit authorities (TAs) within its planning area boundary—Dallas Area Rapid Transit (DART), Trinity Metro, and Denton County Transportation Authority (DCTA)—face challenges as they work collaboratively to enhance regional connectivity and improve transit services throughout the region. While the TAs each have leaders at the executive and Board levels who embrace the desire to increase collaboration, such efforts could benefit from a more strategic approach aimed at increasing cooperation and optimizing opportunities for enhanced service and integrated mobility programs. Collaboration is further hampered by the current patchwork of regional transit provisioning, which is a result of the jurisdiction-by-jurisdiction method to elect transit service through voter-approved sales and use taxes. This patchwork creates a diffused regional transit network that limits locations where TA services abut one another and thus constrains opportunities for operational collaboration.

Projected regional population growth is estimated to surpass 4 million new residents in the next 25 years. At the same time, freeway corridors are reaching maximum buildout in selective corridors, leaving the TAs with the challenge and opportunity to optimize collaboration for a more interconnected transit future. Key challenges to better collaboration or that collaboration could improve include the following:

1. TA governance structures are based on the entities that currently fund public transit, i.e. municipalities, and that can limit the capacity for regional coordination and delivery of transit services;
2. Potential for duplicative administrative functions and equipment manufacturer-specific differences that create financial and operational inefficiencies to the region;
3. Funding availability and financial structures that serve as barriers to more effective regional transit services;
4. “Edge service” boundary planning that is difficult due to the patchwork of current TA member jurisdictions; and



5. Regional growth, suburban sprawl, and rising congestion requires greater transit connectivity, even as many local jurisdictions undervalue its benefits.

An inventory of eighteen strategies was developed based on ideas shared by NCTCOG, the TAs, and industry-leading innovations, best practices, and case studies. The strategies posed in this report would help TAs increase collaboration to realize operational efficiencies and improve the customer transit service experience. These are aggregated into operations and maintenance strategies, collaborative fare strategies, and consolidation strategies—some of which apply to the supply of transit service, while others impact customer service and ridership inconsistencies at authority boundaries. Though some strategies complement one another, they are not in all cases meant to be undertaken as a package.

Operations and Maintenance Strategies

- O1. Improve traffic signal timing and infrastructure for transit prioritization
- O2. Strategically build and enhance mobility hubs
- O3. Coordinate regional safety and security efforts
- O4. Develop an integrated regional bus action plan
- O5. Develop and implement collaborative procurement processes
- O6. Plan and prioritize opportunities for cross-TA system networking and interlining

Collaborative Fare Strategies *(These strategies are advanced further in Transit 2.0 Task 7, Review of Fare Collection Strategies to Increase Ridership without Lowering Revenues)*

- F1. Provide a regionally integrated and customer-oriented payment experience utilizing a “mobility wallet” strategy
- F2. Develop and implement a regionally integrated fare structure
- F3. Offer account-based ticketing (ABT) on all modes of transportation

Consolidation Strategies

- C1. Establish a regional rail authority to better integrate inter-community connectivity and service *(This strategy is advanced further in Transit 2.0 Task 2, Transit Legislative Program)*



- C2. Consolidate commuter rail operations and maintenance responsibilities
- C3. Establish an integrated, region-wide vanpool program
- C4. Establish an integrated, region-wide demand response system for seniors and individuals with disabilities
- C5. Establish an integrated, region-wide microtransit provider
- C6. Co-mingle paratransit and microtransit with the potential for utilizing a single regional provider (*Other private sector-initiated recommendations are advanced in Transit 2.0 Task 5, Develop Strategies to Foster Transit Authority Board Partnership and Teamwork*)
- C7. Evaluate and plan the transition to a region-wide authority with the mandate to establish regional multimodal priorities
- C8. Consolidate the three TAs into a single regional Integrated Transportation Authority (ITA).
- C9. Increase the role of NCTCOG in resourcing and facilitating dialogue between agencies to expedite and optimize regional coordination

These strategies have different strengths in their ability to address key challenges to increasing TA collaboration. Criteria are proposed and leveraged in the report to evaluate the degree to which these strategies:

- Improve the regional customer experience;
- Create operational efficiencies; and
- Improve regional effectiveness.

The Transit 2.0 team recommends that the TAs and NCTCOG continue to prioritize building habits of collaboration through the proposed O&M and collaborative fare strategies, all of which could be pursued and implemented without any organizational transformation. However, the scale at which regional collaboration impacts connectivity is significant, and NCTCOG should foster a conversation with the TAs around the proposed consolidation strategies that could result in more transformational regional collaboration. Basic buy-in already exists between DART and Trinity Metro regarding the creation of a regional rail authority as they jointly operate the Trinity Railway Express



(TRE), and further conversations are needed with DCTA—though synergies likely exist in other consolidation areas.



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1. Introduction

Since 1974, NCTCOG, in conjunction with the Regional Transportation Council (RTC), has served as the Metropolitan Planning Organization (MPO) for transportation in the Dallas-Fort Worth Metropolitan Area. The NCTCOG Executive Board serves as the MPO's fiduciary and fiscal agent, while the RTC serves as the MPO's policy body for federal transportation planning, programming, and policy decisions.

NCTCOG, RTC, and the three transit authorities (TAs)—Trinity Metro, Denton County Transportation Authority (DCTA), and Dallas Area Rapid Transit (DART)—are challenged in their work to enhance collaborations in the interest of improved regional connectivity. This collaboration will need to be enhanced to support more seamless regional connectivity in the rapidly growing and dispersed 16-county NCTCOG region—a region that is projected to exceed 12 million people within 25 years (2024 NCTCOG Population Estimates).

While the TAs have collaborated positively on a tactical basis, long-term strategic planning for regional collaboration and potential service enhancement has been less effective. A common theme arising from interviews with the Board members and the executive teams at each of the Authorities was that Authority leadership clearly has a desire for increased collaboration and enhanced mobility and transit service opportunities across the region. This disposition will be critical for the three TAs to increase operational efficiency (supply) and improve the customer experience (demand).

Seeking and implementing supply-side efficiencies through collaboration on operations and maintenance activities can help the TAs achieve efficient operations while minimizing costs—a critical nexus in an increasingly tight funding environment. Collaboration on demand-side efficiencies will require the TAs to closely examine the edges of their service areas to ensure that transfers, when necessary, are coordinated and seamless between authorities. This means optimizing physical transfer points for ease of movement, schedules for quick and efficient journeys, and fare systems that facilitate intuitive, equitable, and understandable customer fares.



The Transit 2.0 team heard multiple justifications for current collaboration levels between TAs, including:

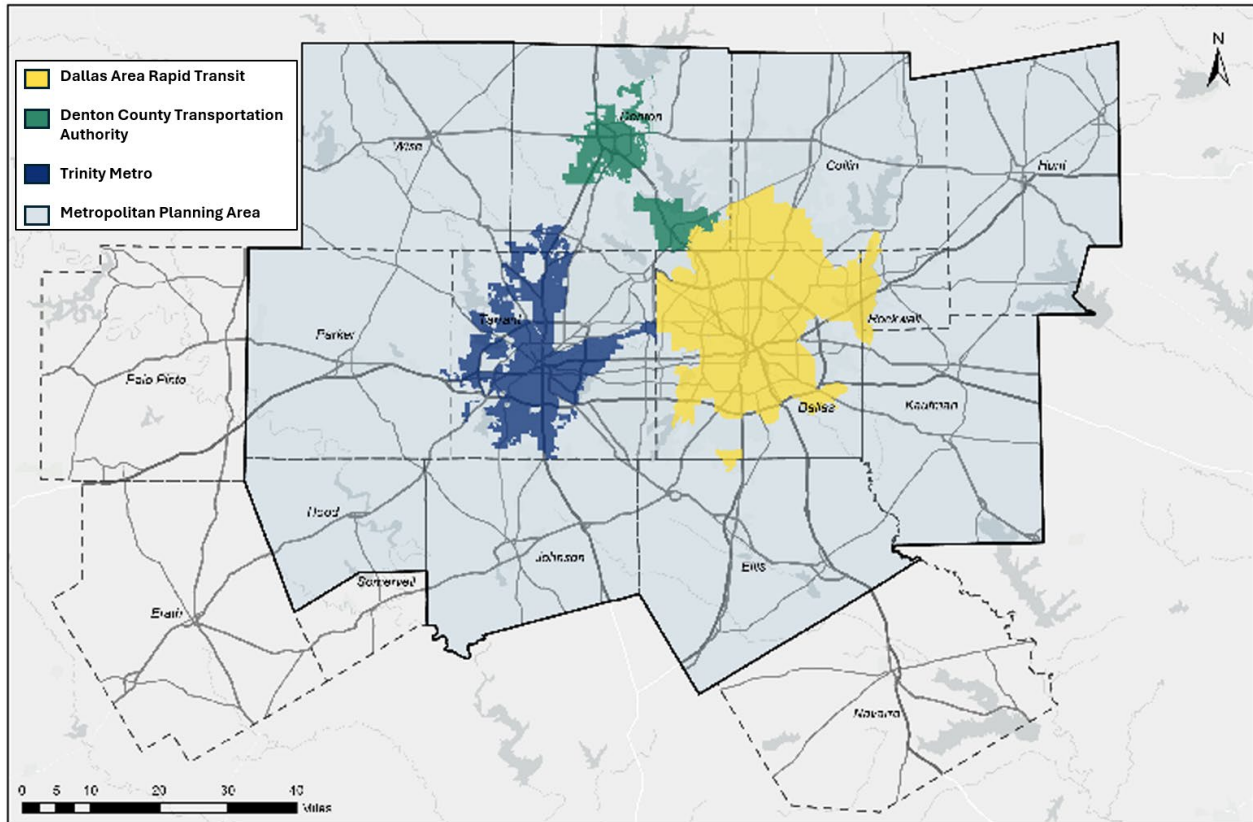
- The variable contributions provided between DCTA and Trinity Metro member jurisdictions (half-cent) and DART (one cent),
- Disparate institutional goals and policies, and
- A focus on serving each agency's member cities.

Connectivity between regional transit systems is not always top of mind due to complex geographical, funding, and legislative constraints. New and specialized forums for collaboration on service provision are needed at jurisdictional boundaries and in standardization of tools and services.

Collaboration at service boundaries is made more difficult by the patchwork of transit provision throughout the region (Figure 1), a direct result of required jurisdiction-by-jurisdiction elections for TA membership. In practice, this means that the TAs physically interact only at limited boundary locations, limiting opportunities for operational collaboration and making those points of interaction critically important to get right.



Figure 1. Transit Authority Jurisdictional Boundaries.



Source: NCTCOG.



2. Key Challenges to Increasing Collaboration Between the Existing Transit Authorities

Task 4 findings were informed by interviews with staff at NCTCOG and the three TAs. The Transit 2.0 team spoke with each TA's Chief Executive Officer, Chief Planning Officer, Chief Operations Officer, and Chief Information Officer (or equivalently titled individuals) and conducted a thorough review of current TA policies and NCTCOG studies. Industry-leading innovations, best practices, and case studies were also reviewed.

Key challenges to better collaboration or that collaboration could improve include the following:

- TA governance structures are based on the entities that currently fund public transit, i.e. municipalities, and that can limit the capacity for regional coordination and delivery of transit services;
- Potential for duplicative administrative functions and equipment manufacturer-specific differences that create financial and operational inefficiencies to the region;
- Funding availability and financial structures that serve as barriers to more effective regional transit services;
- "Edge service" boundary planning that is difficult due to the patchwork of current TA member jurisdictions; and
- Regional growth, suburban sprawl, and rising congestion requires greater transit connectivity, even as many local jurisdictions undervalue its benefits.

TA governance structures are based on the entities that currently fund public transit, i.e. municipalities, and that can limit the capacity for regional coordination and delivery of transit services

There are many examples of collaboration between the TAs, including the Trinity Railway Express (TRE), a 34-mile commuter rail line jointly owned and operated by DART and Trinity Metro, schedule coordination between DCTA's A-train and its connection at Trinity Mills Station with the DART Green Line, and early efforts to integrate use of



GoPass, the region's app for trip planning and fare purchasing. Trinity Metro has leveraged a DCTA contract with Lyft for microtransit provision, and all three TAs "piggy-back" on state contracts when it makes sense to do so. NCTCOG has helped to support collaborative efforts, such as funding for Federal Railroad Administration-required positive train control (PTC) technology for vehicle avoidance on passenger rail lines.

There are also missed opportunities between the TAs in the coordination of service planning and delivery. For example, DCTA uses a different PTC system than Trinity Metro and DART, limiting opportunities for interoperability and shared maintenance facilities—despite an RTC policy for interoperability. Separate procurements for commuter rail rolling stock and buses further exacerbates this issue. At Dallas Fort Worth International Airport (DFW), customers face an unpleasant and physically challenging transfer between DART's Orange Line and Trinity Metro's TEXRail. There is a perception that fare products and purchasing platforms are not integrated across the TAs, which at times can create scenarios where it is cheaper for riders to pay two or more fares when transferring between providers. Broadly speaking, regional service and transfer planning is conducted on an ad hoc basis, without a cohesive or strategic effort to streamline the customer experience across all transfer locations. This occurs even with specific RTC directives focused on efficiencies and the customer experience.

Potential for duplicative administrative functions and equipment manufacturer-specific differences that create financial and operational inefficiencies to the region

Some amount of overhead duplication is expected and appropriate when there are two or more agencies in a region providing similar services. However, the integrated nature of travel across the Dallas-Fort Worth Metroplex means that there should be regular and systematic review of where collaboration on or integration and consolidation of administrative functions and standardization of commonly procured items (e.g. rolling stock, maintenance equipment) could increase operational efficiency and improve the customer experience in the NCTCOG region. Key opportunities exist in the areas of procurement, microtransit, paratransit, vanpool, shared maintenance facilities (where colocation makes sense), and interlining of regional commuter rail.



Funding availability and financial structure that serve as barriers to more effective regional transit services

Most non-federal funding for transit in the NCTCOG region is derived from local sales tax measures authorized by voters in member jurisdictions of the three transit authorities. These range from the one-half percent sales taxes approved for Trinity Metro and DCTA to the one percent sales tax approved by DART member jurisdictions. Each TA has their own policy on how lower commitments of funding can be leveraged by non-member jurisdictions to obtain some level of transit service, most commonly on a temporary, contracted basis.

At DART, friction around how funds should be allocated across member jurisdictions has resulted in increasingly public displays of frustration from board members, city council members, and mayors that, as of March 2025, are still ongoing. All three TAs are accountable to their members for tracking and communicating the way these funds are allocated. At each TA, staff spend significant time tracking this information, which can limit an agency's ability to prioritize optimal transit provision.

This type of accounting, where each member jurisdiction expects to receive transit services in direct proportion to the funds contributed, forces transit authorities to prioritize planning around jurisdictional boundaries, not regional travel patterns that better represent desired origins and destinations. Transit ridership is not uniformly distributed throughout the urban environment, and service costs often have a direct relationship to ridership. In hub and spoke systems like DART, which is centered around Dallas, this type of accounting structurally underestimates the benefits provided by the core to the rest of the jurisdictions and does not fully capture the value of long-term capital investments that cross multiple jurisdictional boundaries. This situation is further exacerbated by the lack of funding from jurisdictions that have not elected to join regional transit authorities; true regional connectivity would require funding and participation from all jurisdictions to assure integrated regional mobility.

"Edge service" boundary planning that is difficult due to the patchwork of current TA member jurisdictions

When TA jurisdictions only meet at limited boundary locations, edge service planning is even more critical to ensure that people can quickly and efficiently make transfers or direct interlined service to get where they need to go. The geography of current TA



membership creates a fragmented and inconsistent system of service provision across the region that results in uneven access to transportation services, in turn limiting opportunities for travel between and beyond TA jurisdictions. This is even more difficult at boundaries where an adjoining jurisdiction runs their own on-demand transit system, as in Arlington and Grand Prairie.

Without a unified and coordinated transportation network, communities face barriers to accessing jobs, education, healthcare, and other essential services, exacerbating regional inequities and hindering overall economic growth and mobility.

Joint facility planning has been suggested as a potential area for cost savings and collaboration; however, this only makes sense when physically convenient for staff and vehicle fleets – the lack of regional connectivity across the TAs thus limits these opportunities. Greater attention to system integration is required, especially when RTC policies such as those funding interoperable positive train control have not been fully realized.

Regional growth, suburban sprawl, and rising congestion that require greater transit connectivity, even as many local jurisdictions undervalue its benefits

According to the NCTCOG 2050 Demographic Forecast, projected population growth in the North Texas region is anticipated to occur most intensely in the northern part of the region, where transit provision is sparse or nonexistent. Even in areas with transit service available, there is limited connectivity. At the same time, North Texas freeway infrastructure is reaching its full buildout potential in several corridors and traffic demand frequently stresses available capacity.

To achieve air quality goals and minimize the impacts of congestion, the TAs will need to work together to determine how best to provide transit service in these areas. Despite these compounding transportation challenges, many local jurisdictions doubt transit's utility, preferring to spend already-tight budgets on economic development and other city functions. They do not understand that transit can support these economic development goals while softening the impacts of regional growth, suburban sprawl, and rising congestion. For example, a strong public transit backbone can be easily scaled in response to large entertainment and economic development-related events



that require movement of large crowds of people, rather than attempting to piece together a transportation system to serve each individual event.

The lack of support for transit transcends local policy, with the State Legislature and State initiatives broadly in opposition. This has negatively impacted awareness by policymakers and the public regarding the value of transit and functional mobility within the North Central Texas region. This lack of awareness makes collaboration more difficult when transit authorities and advocates must continually spend resources conveying basic value propositions.

Focus of Analysis to Increase Transit Authority Collaboration

The challenges described above either limit TA collaboration or are the direct result of limited TA collaboration. This report builds on these key challenges and redirects the regional response toward strategies to improve collaboration in the areas of operations and maintenance (O&M), fares, and regional consolidation. The report presents these strategies and assesses the areas where they would be most impactful.



3. Strategies to Improve Collaborations Among Existing Transit Authorities

There are several O&M, fare, and regional consolidation opportunities to be considered by NCTCOG, the RTC, and the three TAs as they plan transit provision for a region that is anticipated to receive over 4 million new residents in the coming 25 years. The strategies included in this inventory either inherently force increased collaboration (in the case of regional consolidation opportunities) or are strategies to improve regional transit and customer experience via collaboration. They can be leveraged individually and in combination.

Operations and Maintenance Strategies

The Transit 2.0 team has proposed six O&M strategies to increase TA collaboration in the region.

01. Improve traffic signal timing and infrastructure for transit prioritization

To enhance the speed and reliability of bus services, traffic signals can be synchronized within municipal boundaries and interconnected service areas to maintain faster, more predictable travel times. Paired with regional implementation of Traffic Signal Priority (TSP) along key corridors that cross jurisdictional boundaries, bus service delays caused by unsynchronized signals can be reduced and transit vehicles can flow as easily as emergency vehicles.

This has been a longtime focus of TAs and some member jurisdictions, though notably some member jurisdictions have been reluctant to implement transit signal priority. NCTCOG serving as a regional coordinator of this effort to support

CASE STUDY: REGIONAL TRAFFIC MANAGEMENT COORDINATION IN NEVADA

The [Regional Transportation Commission of Southern Nevada \(RTC\)](#) is a regional entity that oversees public transportation, traffic management, roadway design and construction funding, transportation planning, and regional planning efforts for the entire Southern Nevada region. In the case of traffic management, different entities like Clark County, the Nevada Department of Transportation, and cities like Henderson, Las Vegas, North Las Vegas, and Mesquite own their own traffic signaling hardware, but the RTC traffic management team monitors, controls, and operates the system associated with traffic signal timing and coordination. RTC manages these activities on arterials and freeways to ensure vehicles throughout the system flow as smoothly as possible within and across these streams.



regional prioritization and funding for signal upgrades will serve as a motivator to encourage cities to advance transit signal priority.

O2. Strategically build and enhance mobility hubs

Strategically building and enhancing mobility hubs across the region will streamline connections between DART, DCTA, and Trinity Metro services, making transit more accessible and convenient for riders. Situated at key transfer locations, mobility hubs should offer integrated facilities for transferring between bus, rail, paratransit, and on-demand services. These hubs should incorporate amenities like real-time transit information, pedestrian-friendly infrastructure to support a multimodal experience, and where it makes sense, carshare, electric vehicle charging stations, parking, shops, and/or secure bike storage. Emphasizing accessibility and wayfinding improvements can enhance usability for all riders, including individuals with disabilities.

Private-sector partnership opportunities can also be explored to reduce the cost and maximize the user experience at these hubs, such as branded wayfinding or privately maintained stop infrastructure. By investing in mobility hubs in high-demand, underserved areas, the TAs can ensure efficient, equitable access to transit options, potentially increasing ridership and relieving pressure on congested routes. Collaboration between the TAs and local governments will be crucial for securing funding, aligning zoning, and ensuring that these hubs support local land use goals, ultimately creating a more cohesive regional transit network. To ensure the hubs maintain a regional focus and are prioritized across systems, NCTCOG should lead a larger effort to create a system-wide plan.

CASE STUDY: LA METRO'S AMBASSADORS: SAFETY IN GREEN

In 2022, LA Metro launched its Ambassador program to improve transit safety and customer experience through non-enforcement personnel. The Ambassadors—specially trained individuals who are not sworn officers—are present at stations and on buses and trains throughout Metro's network to assist passengers, answer questions, provide directions, report security concerns, and facilitate rapid response of law enforcement and medical personnel when necessary. These Ambassadors and their lime-green shirts are part of Metro's multilayered initiative to improve public safety, alongside security, law enforcement, homeless and mental health outreach workers, and cleaning crews. According to a Metro survey, nearly two thirds of riders who have encountered an ambassador agree that their presence helps riders feel safer, and ambassador interactions result in improved rider satisfaction.



O3. Coordinate regional safety and security efforts

To improve both the actual and perceived safety of transit services, the three TAs should collectively work to enhance safety and security measures across the region, beyond individual efforts such as those that have been undertaken by DART. Key efforts can include increasing the number of transit security officers, establishing a team of safety ambassadors, and deploying behavioral health specialists to proactively address passenger concerns. This team could integrate the expertise of security officers, co-response units, and local law enforcement to create a holistic approach to safety that reassures riders and encourages transit use. NCTCOG could play an important role in convening TAs on this topic and providing resources to support necessary training or activities to implement this recommendation. By coordinating resources and developing shared protocols, the TAs can create a consistent, safe transit experience across the region and improve the perception of transit together.

O4. Develop an integrated regional bus action plan

An integrated regional bus action plan would improve service coordination across North Central Texas, particularly in outlying areas. By aligning schedules, routes, and service frequencies among DART, DCTA, and Trinity Metro, a cohesive plan would help facilitate a seamless experience for riders, and provide better transit options for residents outside central urban areas. Importantly, this integrated plan could address the need for longer, continuous routes to enhance regional coverage, and establish a framework for how to administratively and operationally provide services that cross jurisdictional boundaries.

CASE STUDY: LONDON'S BUS ACTION PLAN: MODERNIZING THE LONDON BUS NETWORK TO IMPROVE SERVICE AND ATTRACT CUSTOMERS

In 2022, Transport for London (TfL) launched its Bus Action Plan, aiming to enhance the bus network's performance and sustainability across the Greater London area. This plan focuses on increasing bus reliability, improving safety, and providing better connections to key destinations while addressing the needs of underserved communities. The Bus Action Plan includes strategies for route optimization, service frequency adjustments, and the implementation of low-emission buses to support environmental goals. By enhancing the integration of bus services with other modes of transit and engaging with local communities to identify specific needs, TfL aims to create a more responsive and user-friendly transit system. Implementing a similar action plan in North Central Texas would enable DART, DCTA, and Trinity Metro to streamline services across jurisdictions, fill gaps in outlying areas, and deliver a more reliable and cohesive regional transit network.



NCTCOG could play a critical role by conducting a study to inform a potential unified plan for service across and beyond current TA jurisdictional boundaries. With this plan, NCTCOG could help the TAs identify high-priority areas for investment, such as improved connections between microtransit zones and fixed routes or specific corridors with unmet demand—building on some of the [Mobility Options](#) work NCTCOG has already started its long range plan, [Mobility 2045](#). The plan would also standardize both fare policies (to ensure equitable and accessible transit options across the region) and procurement policies (to ensure interoperability of equipment and facilitate regional sharing of resources). This standardization could be expanded to operational contracts so buses and drivers could be shared across TAs if and when needed, or through joint funding of shared services, like the TRE Link, a bus service between the TRE CentrePort Station and the DFW International Airport operated by Trinity Metro and funded in part by DART and DFW Airport. Such a plan would also have the potential to lay the groundwork for a phased approach to significantly expand regional services as regional population and mobility demands grow.

O5. Collaborative Procurement

When multiple agencies procure the same goods or services, they can create economies of scale that reduce overall costs and streamline procurement processes, especially for large purchases of rolling stock and frequently used equipment and supplies. An example of such collaborative efforts can be seen in the FTA's Joint Procurement Clearinghouse, an online tool developed to assist transit agencies in exploring joint procurements. Through this platform, procurement staff can share information about upcoming needs for buses, railcars, and ferries, and specify details such as bus size and engine type. The Clearinghouse enables both large and small transit providers to post their requirements and search for compatible joint procurement opportunities. Similarly, the State of Virginia Department of Rail and Public Transportation (DPRT) maintains statewide procurements for many types of rolling stock to meet the requirements of the Federal Transit Administration and Virginia Public Procurement Act, reducing effort for transit authorities purchasing new vehicles in the state.



Among the TAs, DART has purchased buses via the State of Washington Department of Enterprise Services' (DES) transit bus purchase program, a procurement mechanism similar to that of the State of Virginia.

According to DES staff, transit agencies using the contract have achieved average savings of \$50,000

in bus customization costs per vehicle and have saved six to twelve months of staff time per procurement due to the fact that in-house solicitations can be avoided; faster procurements can also reduce inflation costs.

At a minimum, the three TAs should regularly utilize resources like the Joint Procurement Clearinghouse or establish shared procurements similar to those managed by DPRT and DES but should also schedule regular meetings between key procurement and executive staff to align on upcoming purchases and discuss areas for standardization of equipment for long-term procurement efficiency. A regional bus fleet standard could be prepared in collaboration between NCTCOG and the three TAs to create a common fleet plan and bus specification, potentially enabling more efficient or cost-effective bus purchases or a regional evolution to alternative fuels for the three regional TAs in the future.

One key opportunity for collaborative procurement is standardization of commuter rail rolling stock and associated PTC. For example, the DART Silver Line and Trinity Metro TEXRail leverage the same Stadler rolling stock—albeit with different on-board amenities such as bathrooms on Trinity Metro's stock but not on DART's. The Trinity Railway Express and DCTA A-train use older rolling stock. Similarly, all Trinity Metro and DART trains operate the same PTC system, while DCTA uses a different system. By standardizing procurement across the TAs, future procurement efforts should be consolidated for improved regional interoperability and cost savings and to improve and more consistently provide a regional customer experience.

In tandem with other recommendations in this report (e.g. development of an integrated regional bus action plan), the TAs can collaborate both on the types of equipment they buy and the procurements they use to obtain it.

CASE STUDY: BUS FLEET EFFICIENCIES

In the Seattle region, Sound Transit and local transit agencies jointly procure buses and periodically move vehicles among agencies to accommodate Sound Transit's shifting service needs. NCTCOG already does this by conducting cooperative vehicle procurements for small and rural providers. The NCTCOG region should consider collaborating on these types of joint procurements across the TAs as well.



O6. Plan and prioritize opportunities for cross-TA system networking and interlining

Interlining—when multiple train routes are run together on the same track infrastructure—can help optimize connectivity, reduce transfers, reduce travel times, and enhance customer convenience. However, interlining requires all rolling stock to be technically compatible, including consistent PTC systems, coordinated scheduling, and shared operational standards. When done well, interlining expands the reach of services and reduces administrative redundancies, ultimately benefiting riders and transit agencies alike. The interface between Trinity Metro’s TEXRail line and DART’s planned Silver Line is an intuitive location where two rail systems will intersect at the DFW Airport North Station, though amenities across each TA’s rolling stock may vary. Both DART and Trinity Metro could work together to run a regional express service that could connect riders in the north Dallas suburbs and Fort Worth more quickly. Another potential opportunity—albeit technically-complex with regional rail considerations and longer-term vision—could be a feasibility study for converting the DART Green line to a commuter railroad that enables the A-train service to operate without transfer from Denton to Downtown Dallas.

For fixed-route bus, existing complementary express bus service between DCTA, originating in Denton, and Trinity Metro, originating in Fort Worth, could be connected to a mobility hub at Alliance for first-last mile connectivity to destinations in that job center.

See recommendation *C1. Establish a regional rail authority*, for an alternative regional framework that could help prioritize opportunities for rail interlining.

Collaborative Fare Strategies

Strategies for collaboration on fares and fare payment systems aim to improve customer experiences associated with regional travel. The current lack of integration in these areas is confusing for riders and serves as an impediment to true regional integration. Three proposals are discussed below. Transit 2.0 Task 7, *Review of Fare Collection Strategies to Increase Ridership Without Lowering Revenues*, will expand upon these concepts in greater detail.



F1. Provide a regionally integrated customer-oriented payment experience through a “mobility wallet” strategy

In regions outside of the US, fare and ticket policy integration is focused on modal integration and universal fare subsidies. Cities have created passes that promote mixed transportation options that work together by having a single payment platform usable across all modes of public transportation. This includes rail and bus transit, bike share and other shared modes — even if these systems are run by different providers. A North Texas universal mobility wallet could provide a single payment system for all public and shared transportation options regionwide. It could work across different transport types and operators, offer monthly passes or pay-as-you-go options and could be a platform to provide subsidies to low-income or frequent riders.

CASE STUDY: INTEGRATED PAYMENTS IN SINGAPORE

In Singapore, SimplyGo enables an integrated mobility wallet experience, allowing users to conveniently pay for various forms of public transport using integrated cards. By pairing with the SimplyGo app, users can remotely top up their cards, check their travel history, and track spending across all modes of transit, including buses and trains. This system simplifies fare management and supports seamless travel throughout Singapore, helping to reduce the need for multiple cards or payment systems and enhancing the overall commuter experience.

Fortunately, almost all services in the region already use the GoPass app as a mobility wallet. GoPass can be used to access information, plan trips, and make payments on all Transit Authorities except for specific modes like on-demand and demand response paratransit services. The region should explore if a privately procured app could provide an opportunity to bring together the various platforms

used by the transit agencies or if expediting integration of GoPass for any remaining services is the best path forward for the region. Task 5 encourages private-sector opportunities while Task 7 encourages continued use of GoPass, suggesting the need for further regional investigation.

By integrating into an app many riders already know and understand, or by universally adopting a new app, DCTA, DART, and Trinity Metro can simplify the fare payment process across modes (e.g. bike share), eliminate confusion regarding different payment methods, and encourage greater transit use by making it easier for riders to navigate the entire regional system and connect seamlessly.



F2. Develop and implement a regionally integrated fare structure

While a cohesive trip planning and payment system like GoPass can support regional ridership, its utility is limited if fare structures are not intuitive to riders. While each of the TAs has a clear fare structure for services within its jurisdiction and there are regional fares for travel across the region, the structure of these fares are not coordinated to ensure a cohesive regional experience. In some cases, particularly with demand-responsive services, riders must pay multiple times for multiple legs of a trip if they cross service providers, which becomes an expensive disincentive for regional travel via transit. In other cases, riders choose to pay separate local fares because it is cheaper than buying a regional pass.

The three TAs should work together to develop and implement a regional fare structure that makes sense for all riders, including demand response riders. This should leverage GoPass (or similar) payment integration or transition to account-based ticketing (Recommendation F3) to integrate the cost of day passes and fares into new or revamped regional fare products to reduce customer confusion and standardize costs associated with transfers across TAs.

F3. Offer account-based ticketing (ABT) on all modes of transportation

For riders, account-based ticketing can be the difference between gaining a repeat rider and customer alienation. This is because people who ride North Texas transit infrequently, such as those attending a sporting event or when visiting from out of town, are often unfamiliar with transit apps like GoPass and ticket vending machines (TVMs). They often do not know what fare product to purchase and find themselves debating if they will get sufficient value out of a day pass to make it worth it.

Account-based ticketing, which allows passengers to use contactless bank cards, mobile phones, or other digital wallets and IDs for travel, can eliminate the payment confusion for infrequent travelers—so hopping on a bus or train is as easy as purchasing a cup of coffee. In a regional network,

CASE STUDY: MAKING TRANSFERS AS EASY AS BUYING COFFEE

Four Northern California transit agencies have purchased contactless open-loop fare systems to accept contactless bank cards as payment for travel on buses. This allows for seamless transfers between the agencies' dial-a-ride vehicles and local and regional lines at shared bus stops—without expecting customers to download multiple agency apps, purchase or reload multiple agency farecards, or juggle exact change.



this can make travel and transfers more seamless and can be integrated with other fare policies such as fare capping or fare rewards. Riders can tap the same bank card for multiple rides over the course of a day, week, or month, and after reaching a certain limit, are “capped” such that they never pay more than the cost of daily, weekly, or monthly pass. In a regional system, this can also reduce confusion around different fares across services, and back-end programming can allow customers to be charged the correct rate for transfers—entirely tracked through their payment method rather than a physical or digital transit pass.

Consolidation Strategies

Collaboration and integration of services will always be difficult if the North Texas transit system is not set up to prioritize regional connectivity. By collaboratively consolidating select services as outlined here, TA leadership will have greater bandwidth to focus on pressing regional challenges and long-term authority aspirations. Nine strategies are proposed.

C1. Establish a regional rail authority to better integrate inter-community connectivity and service (This strategy is advanced further in Transit 2.0 Task 2, Transit Legislative Program)

During interviews, executives at Trinity Metro and DART expressed interest in exploring the benefits of a regional rail authority to manage regional commuter rail operations. For DART and Trinity Metro, this desire stems from the slow and cumbersome process the two authorities endure to split costs and obtain DART and Trinity Metro board approvals for decisions regarding their shared Trinity Railway Express (TRE).

For DCTA, the need for a regional rail authority is less clear. DCTA operates the A-Train independently. It leases A-train right of way from DART; however, executives shared that collaboration with DART on station infrastructure and amenities at Trinity Mills station, where the A-train connects to the Green Line, is relatively streamlined between the two agencies. Despite this, efficiencies of passenger rail service on DART right-of-way should be explored, such as the interlining opportunity between the Green Line and A-train as described above.

Benefits of a regional rail authority extend beyond the streamlining of accounting and board approvals and into the customer experience. If one cohesive body were responsible for the planning, operation, and maintenance of all regional rail, schedules,



interlining, and transfers, the system could be optimized to serve the customer on a regional scale. By consolidating two or more of the existing regional rail lines—Trinity Railway Express, the A-train, TEXRail, and the Silver Line—commuter rail services would benefit from:

- Streamlined governance agreements;
- Improved long-term strategic decision making;
- A clear external voice to government and investors;
- Improved alignment, coordination, and delivery of economic development and transportation related initiatives, and coordination for regulatory compliance; and
- A means by which to steer significant streams of work.

To establish a combined authority, constituent local authorities would have full decision-making authority over which of their functions the combined authority would take on. Most combined authorities bring together a cohesive strategy for transportation, economic development and housing, but they may also include strategy for skills and inward investment as well.

An immediate opportunity for improved rail connectivity that would improve station amenities for transfers between TEXRail and the Orange Line at DFW Airport, where passengers must walk or roll a long distance that is exposed to the elements. Interlining between the soon-to-be-complete Silver Line and TEXRail near the DFW Airport North Station is also an opportunity to run a regional express service that could connect riders in the north Dallas suburbs and Fort Worth more quickly.

A regional rail authority would only encompass regional commuter rail and would not include proposed high-speed rail, though the expansion of passenger rail service outside of the current TAs service areas could be explored.

See recommendation O6. *Plan and prioritize opportunities for cross-TA system networking and interlining*, for an alternative regional framework that could help prioritize opportunities for interlining.

C2. Consolidate commuter rail operations and maintenance responsibilities

Consolidating commuter rail operations and maintenance activities would involve the potential procurement of an operations and maintenance contractor to operate all four



commuter rail lines: DCTA's A-train, DART's Silver Line, Trinity Metro's TEXRail, and the co-owned TRE. This would involve TAs' collaboration on the O&M procurement, with separate management of each contract based on the ownership structure of each commuter rail line.

The TAs should collaborate early to identify, in advance, when there would be natural transition points for this to happen. For example, DCTA will execute a 5-year option with Rio Grande Pacific, which will end in 2030. While it is unlikely the agreements for the A-Train, TRE, TexRail, and Silver Line will align with that timeline, there may be opportunities to plan for long-term consistency. NCTCOG has an opportunity to convene this conversation among the TAs for long-term regional efficiency.

This recommendation does not require the administratively challenging process of creating a regional rail authority but maintains some of the benefits of joint operations and maintenance activities. However, it is comparatively less efficient due to the continued need for multiple board approvals, an issue that DART and Trinity Metro are interested in overcoming. This recommendation could be made more effective by a commitment on the part of all TAs to invest in the same rolling stock and associated PTC infrastructure to maximize interoperability and contract efficiency.

C3. Establish an integrated, region-wide vanpool program

Before the Covid-19 Pandemic, DCTA, Trinity Metro, and DART each operated separate regional vanpool programs. This created unfair competition between the programs due to overlapping service areas and competing rates, alongside duplicate overhead costs for program management. DCTA and Trinity Metro continue to provide this service to the region, but these issues remain. To help rectify the financial imbalance, the RTC has subsidized costs using Surface Transportation Block Grant (STBG) funding to ensure that DCTA and Trinity Metro's vanpool programs are equivalently priced, regardless of the managing agency. This is not a long-term solution, and regional consolidation of vanpool contracts under one TA or NCTCOG could create efficiencies for both TAs and the RTC.

NCTCOG, DCTA, and Trinity Metro will need to collaboratively explore the implications of such a measure on FTA formula funding credits. Currently vanpool is subsidized with STBG, so the agencies are not utilizing FTA funds on the vanpool program. NCTCOG staff has explored the impact of FTA formula funding and has found that vanpool trips must



be reported in NTD under the correct geography/UZA for individual TAs to continue to receive funding for trips in their UZA. This may change if RTC decides to no longer subsidize the vanpool program, which would leave TAs dependent on FTA funds to operate vanpool services.

C4. Establish an integrated, region-wide demand response system for seniors and individuals with disabilities

Paratransit supplements fixed-route transit service by providing customized rides for people who are unable to ride traditional transit service and is required by the Americans with Disabilities Act (ADA) within three quarters of a mile of any fixed route transit service. Establishing a region-wide paratransit dispatch system across DART, DCTA, and Trinity Metro to provide local and regional trips could streamline paratransit service delivery and, if effectively structured, improve coordination among the TAs.

Should ADA-required paratransit services be successfully integrated via a regional paratransit authority or dispatch consolidation, there may be an opportunity to further integrate demand-response services that are not provided by the TAs, such as HandiTran in the City of Arlington and the Grand Connection in Grand Prairie.

This shared dispatch system could centralize trip scheduling, fleet management, and driver assignments, resulting in faster response times and improved service coverage, especially in areas along jurisdictional boundaries. By integrating technology platforms and dispatch protocols, the agencies could reduce wait times and optimize trip scheduling, though costs would need to be monitored for longer trips across jurisdictional boundaries. Zones could be established to make this type of consolidation more operationally efficient.

A region-wide system could also create a seamless experience for riders who travel across multiple service areas, ensuring more consistent paratransit availability and simplifying the booking process. Implementing this approach would require initial investments in technology alignment and shared training for dispatch staff, but it could lead to long-term administrative savings and provide a more accessible and efficient transit solution for users.

Sharing and tracking funds is a potential barrier to this approach, as each jurisdiction has different coverage areas and ridership—so contributions to this regional effort



would be uneven. Two approaches could be taken to address this regional contribution question:

Regional Paratransit Authority: Similar to a regional rail authority, a regional paratransit authority would provide the region with cohesive planning, consolidated overhead, and a single entity focused on optimization for regional customer experiences. TAs would have full control over how this consolidation would occur, potentially resulting in a more efficient collaborative approach than management by one TA. This could be established as a new Authority or managed by NCTCOG.

Dispatch Consolidation: Consolidating dispatch under one TA would allow each TA to continue to operate its own paratransit fleet, with one TA managing dispatch. This TA could integrate online booking functions across the region, with agreed-upon contributions from the other two TAs for overseeing this administrative function. However, this would not achieve the same degree of operational efficiency as a Regional Paratransit Authority could provide.

C5. Establish an integrated, region-wide microtransit provider

Currently, the TAs each provide their own contractor-operated microtransit service in specified zones throughout their service areas and/or contracts with transportation network companies (TNCs) under a mixed supplier model to achieve operational efficiencies. Each agency has defined its own key performance indicators for these services, such as acceptable wait-times or operating hours. Non-member jurisdictions including Arlington, Grand Prairie, and others have also procured their own contractor-run on-demand programs, demonstrating the appeal of these programs.

Many TA member and non-member cities in the NCTCOG region are interested in the expansion of microtransit (also known as on-demand service) because of the flexibility and efficiency it offers. By dynamically routing vehicles to meet real-time passenger demand—something that is particularly effective in low-density areas that are not efficiently served by traditional fixed-route transit—agencies can reduce costs and improve first mile/last mile connectivity for customers.

Consolidating microtransit under a single regional provider may enhance efficiency by reducing administrative costs and centralizing contracts for dispatch and fleet management. However, even on an individual TA basis, there are sometimes tensions



between contractor priorities and TA priorities, which is further challenged by the availability of drivers in any given region. Private-sector opportunities are further expanded upon in the Task 5 report, *Develop Strategies to Foster Transit Authority Board Partnership and Teamwork* and would need to be fully interrogated to understand administrative efficiencies.

A unified system would require a review of the microtransit services TAs already contract out, but could simplify the user experience, offering consistent booking platforms and fare structures across jurisdictions, preferably under an existing regional platform like GoPass. Aggregated ridership and trip data from a consolidated service could also be leveraged to identify regional patterns and unmet demand, informing decisions to adjust or expand fixed-route services that may impact one or more TA. This approach ensures microtransit complements the regional transit network effectively, creating a seamless system that evolves with customer needs.

As with recommendations C4 and C6, the management of co-mingled paratransit and on-demand transit could be managed through dispatch and contractor consolidation or through the establishment of a regional authority. Funding for co-mingled paratransit and on-demand transit would leverage existing jurisdiction and TA funding sources currently used for these services. Other state-level funding has been constrained by the current legislative environment.

C6. Co-mingle paratransit and microtransit with the potential for utilizing a single regional provider

Co-mingling paratransit and microtransit services across the three TAs would allow shared use of vehicle assets and drivers, optimize resource allocation and scheduling across jurisdictions, and reduce redundant routes. By combining paratransit and on-demand operations, transit authorities can offer a more flexible, responsive system for riders with disabilities and those requiring flexible transit options, addressing gaps in underserved areas more efficiently. Pooling scheduling and dispatching systems could streamline operations and reduce costs associated with separate vehicle fleets and operational systems. Other models are being used to co-mingle paratransit and microtransit, including leveraging TNCs that can contract and coordinate services with a TA without requiring dedicated vehicles.



This coordinated approach would require agreement on standardized policies across the agencies to ensure consistent service quality, but it could significantly improve user experience and operational sustainability. After the initial consolidation, the region could evaluate opportunities to integrate other rural transit providers.

As with recommendations C4 and C5, the management of co-mingled paratransit and on-demand transit could be managed through dispatch and contractor consolidation or through the establishment of a regional authority.

C7. Evaluate potential transition to a region-wide authority with the mandate to establish regional multimodal priorities

While NCTCOG, in conjunction with the RTC, is the MPO for transportation in the Dallas-Fort Worth Metropolitan Area, it is not currently in the MPO's priorities to plan regional multimodal priorities on behalf of TAs, municipalities, and counties. If the North Texas region is committed to reducing congestion, then the region needs an entity with the ability to plan at that scale.

NCTCOG or a new regional entity could support comprehensive region-wide planning for transportation projects of regional significance by preparing a *North Texas Multimodal Regional Transportation Operations Plan*. This plan would cohesively evaluate regional needs associated with transit. It would be able to consider everything from transit routes and fleet needs to transit signal priority infrastructure. A body with planning goals at this level would enable the region to consider opportunities for regional connectivity cohesively, beyond the current boundaries and funding restrictions the existing TAs face. This effort extends beyond the scope of the current Metropolitan Transportation Plan (MTP) prepared by NCTCOG and into the realm of developing organizational frameworks to implement regional planning initiatives. A North Texas Multimodal Regional Transportation Plan could, if within its interests, also imagine a future where transit service is automatic for the entire region. If deemed of interest, a *North Texas Multimodal Regional Transportation Plan* might present legislative concepts that could move the region in this direction. See the Task 2 report, *Transit Legislative Program*, for a discussion of potential legislative concepts.



An example for this kind of cohesive regional planning entity exists in the Jacksonville, Florida region (see inset). In this region, a Transportation Commission was established with a five-year sunset clause to undertake a regional planning effort without creating permanent administrative overhead. Such a model could be copied in the NCTCOG region, including its formation method via recurring per capita assessments.

CASE STUDY: NORTHEAST FLORIDA TRANSPORTATION COMMISSION

In 2013, through an interlocal agreement between the six counties of Baker, Clay, Duval, Nassau, Putnam, and St. Johns, the Northeast Florida Regional Transportation Commission (NFRTC) was established. The NFRTC was funded with a recurring \$0.30 per capita assessment for five years and overseen by the North Florida Transportation Planning Organization (the MPO for North Florida) and representatives from each of the six counties. The NFRTC was tasked with the development of a Multimodal Regional Transportation Plan for the greater Jacksonville area in Northeastern Florida, which would advance significant projects by focusing on coordinating regional transportation and creating the organizational framework to implement the plan. The plan was adopted in 2016 and the NFRTC was sunset that year.

C8. Consolidate the three TAs into one regional Integrated Transportation Authority (ITA)

The member-jurisdiction funding paradigm obligates TAs to plan around jurisdictional boundaries, not regional connectivity, so resources are limited for regional-level planning. This has resulted in disparate fares, inconsistent trip planning and wayfinding experiences, and dissatisfaction from passengers. When viewed in combination with regional roadway, freeway, and active transportation planning in the NCTCOG region, it becomes even clearer that transit is often an afterthought as compared to auto-oriented infrastructure.

By consolidating the three TAs, as well as regional transit operational planning, into one regional ITA, there could be a cohesive, consolidated management of regional transportation systems, including regional commuter rail, buses, streetcars, and active transportation routes across functional economic areas, including collaboration from TxDOT, Amtrak, and regional rail. By integrating all transit modes of transportation planning, the ITA would be able to, without bias, plan for the current and future transportation needs of North Texas in a way that is most effective and sustainable for the region. This consolidation would result in significant cost savings by removing



CASE STUDY: TRANSPORT FOR LONDON AS A MODEL OF EFFECTIVE REGIONAL TRANSPORTATION INTEGRATION

Created in 2000 as part of the Greater London Authority (GLA), Transport for London (TfL) is a [municipally-owned transport body that integrates all transport modes within one city](#). However, rather than approaching this huge task from the top down, TfL is decentralized, which means that decisions around local transportation planning and provisioning are made at the lowest appropriate level of governance. Chaired by the Mayor of London, TfL's administrative structure forces politicians to advance policies that improve transportation service for everyone. TfL's power to integrate all transport modes into one network allows it to plan for major issues like rapid urbanization.

duplication between agencies, reducing the costs of managing contracts, improving regional planning and scheduling, and increasing institutional flexibility to respond to changing demographic and economic conditions. This would also free up resources to invest in and promote local public transportation networks, including new rail and bus stations, as well as public transportation information services that focus on regional connectivity.

Additional ITA benefits include the ability to advocate for regional (not just local) funding sources, developing a strategic role in transportation prioritization, integration, and investment. These coordinating powers help integrate transportation into the wider economic strategy of the region, linking transportation to housing, employment, alongside environmental, air quality, and health concerns.

An ITA would be funded via the same federal sources that currently support the TAs, combined transit fares, and local sales and use taxes. Legislative efforts should be undertaken to expand local tax commitments to regional fees or sales and use taxes to the ITA for more integrated regional planning. This recommendation may have to be administered through separate boards depending on the taxing authority structure.



Cg. Increase the role of NCTCOG in resourcing and facilitating dialogue between agencies to expedite and optimize regional coordination

NCTCOG is a voluntary association of, by and for local governments, and was established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. However, regional decision-making on topics like TA membership, collaborative procurement, standardization of rolling stock and equipment, and payment and fare integration are left to the TAs.

Because the current TA membership structure obligates TAs to prioritize planning within their jurisdictions, opportunities for regional collaboration are often missed.

Increasing the role of NCTCOG in facilitating of this dialogue among agencies and TA Boards could expedite and optimize regional coordination, though would need to be handled carefully to ensure a clear delineation of responsibilities between NCTCOG and the TAs. Two potential options for this increased responsibility could be considered:

NCTCOG as Regional Manager:

As a regional manager, NCTCOG could take on an official, direct, and formal responsibility in regional decision making. As a metropolitan areawide regional transit coordinator, NCTCOG could coordinate across TAs to ensure that schedules between providers are synchronized, long-range planning among the modes and TAs is coordinated, and that there is a single regionwide fare

CASE STUDY: CHICAGO AUTHORITY CONSOLIDATION

In Chicago, legislators are currently considering the consolidation of the Chicago Transit Authority (CTA), Metra, and Pace into a new transit authority, the Metropolitan Mobility Authority (MMA). Proponents of the plan argue that the three authorities have all operated in silos and regional connectivity is not maximized. Authority boards disagree, saying that operational inefficiencies are due to chronic under-funding, [citing](#) a misalignment between ridership and outdated formula funding levels. The NCTCOG region should watch Chicago closely in the coming months as this conversation advances.

BEST PRACTICES: CHARACTERISTICS OF EFFECTIVE REGIONAL PUBLIC TRANSIT

Researchers at the [Mineta Transportation Institute](#) examined the regional aspects of public transit for ten metropolitan areas in Europe, Australia, and Canada to identify the specific characteristics, policies, and practices that are associated with well patronized worldclass metropolitan transit systems. This analysis was conducted for an entire metropolitan area rather than focusing on individual agencies or modes. Researchers found that in all ten cases, the region had a metropolitan areawide regional transit coordinator which ensures that schedules between modes are synchronized, long-range planning among the modes is coordinated, and that there is a single regionwide fare policy. In most cases, like in the NCTCOG region, regional transit coordination evolved over a period of decades.



policy. NCTCOG could convene a working group of TA and RTC representatives to consider:

- Regional Fare Policy
- Long-Range Service Planning
- Regional Commuter Rail O&M Contract
- Regional Bus Fleet Plan and Bus Specification
- Region-wide vanpool program
- Region-wide paratransit coordination
- Identification of unmet travel demand in edge service areas and need for TA versus jurisdiction investment

NCTCOG Engagement in Regional Management: This would involve an extension of NCTCOG's administrative role to include supervision and oversight of regional decision making. It would be less active than the Regional Manager role and would involve increasing the coordination activities that NCTCOG already provides to the region.

This recommendation is also included in the Task 3 report as it would support decision making around TA membership.



4. Next Steps

The Transit 2.0 team recommends that the TAs and NCTCOG continue to prioritize building habits of collaboration through the proposed O&M and collaborative fare strategies, all of which could be pursued and implemented without any organizational transformation. However, the scale at which regional collaboration impacts connectivity is significant, and NCTCOG should foster a conversation with the TAs around the proposed consolidation strategies that could result in more transformational regional collaboration. Basic buy-in already exists between DART and Trinity Metro regarding the creation of a regional rail authority, and synergies likely exist in other consolidation areas.

Strategy Strengths Matrix

The strategies proposed in this report were evaluated based on three criteria:

- Ability to improve the regional customer experience
- Ability to create operational efficiencies
- Ability to improve regional effectiveness

Alignment with each of these criteria was rated on a scale of low, medium, and high alignment, depicted graphically as:

- Low alignment: ○
- Medium alignment: ◐
- High alignment: ●

The strategy strengths matrix serves as an at-a-glance snapshot of the strategies proposed in this report and where they may have differing abilities to improve access to transit for non-member jurisdictions. It is not meant to be a prioritization tool, as the strategies proposed in this report require variable degrees of regional change to achieve. For example, coordinating regional safety and security efforts primarily requires a will among the TAs and jurisdictions to collaborate, while consolidating the three TAs into one regional authority would require completely reconceptualizing the way transit is provided.



Figure 2. Strategy Strengths Matrix for Task 4 Concept Strategies

| | | Improves Regional Customer Experience | Creates Operational Efficiencies | Improves Regional Effectiveness |
|---|---|---|--|---------------------------------------|
| O&M STRATEGIES | | | | |
| O1. Traffic Signal Infrastructure | Improve traffic signal timing and infrastructure for transit prioritization | ● | ● | ● |
| O2. Mobility Hubs | Strategically build and enhance mobility hubs | ● | ● | ● |
| O3. Safety and Security | Coordinate regional safety and security efforts | ● | ● | ● |
| O4. Bus Action Plan | Develop an integrated regional bus action plan | ● | ● | ● |
| O5. Collaborative Procurement | Identify opportunities for collaborative procurement across TAs | ○ | ● | ● |
| O6. Cross-TA Interlining | Plan and prioritize opportunities for cross-TA system networking and interlining | ● | ● | ● |
| COLLABORATIVE FARE STRATEGIES | | | | |
| F1. Mobility Wallet | Provide a regionally integrated and customer-oriented payment experience utilizing a “mobility wallet” strategy | ● | ● | ● |
| F2. Fare Structure | Develop and implement a regionally-integrated fare structure | ● | ○ | ● |
| F3. Account-Based Ticketing | Offer account-based ticketing (ABT) on all modes of transportation | ● | ● | ● |
| CONSOLIDATION STRATEGIES | | | | |
| C1. Regional Rail Authority | Establish a regional rail authority to better integrate inter-community connectivity and service | ● | ● | ● |
| C2. Commuter Rail O&M Consolidation | Consolidate commuter rail O&M responsibilities | ○ | ● | ● |
| C3. Regional Vanpool | Establish an integrated, region-wide vanpool program | ● | ● | ● |
| C4. Regional Demand-Response Dispatch | Establish an integrated, region-wide demand response system for seniors and individuals with disabilities | ● | ● | ● |
| C5. Regional Microtransit Provider | Establish an integrated, region-wide microtransit provider | ● | ● | ● |
| C6. Co-Mingle Paratransit and Microtransit | Co-mingle paratransit and microtransit with the potential for utilizing a single regional provider | ● | ● | ● |
| C7. Region-Wide Multimodal Planning Authority | Evaluate potential transition to a region-wide authority with the mandate to establish regional multimodal priorities | ● | ● | ● |
| C8. Integrated Transportation Authority | Consolidate the three TAs into one regional Integrated Transportation Authority (ITA) | ● | ● | ● |
| C9. Increase NCTCOG Role | Increase the role of NCTCOG in resourcing and facilitating dialogue between agencies to expedite and optimize regional coordination | ● | ● | ● |

Appendix 5:

Task 5: *Strategies for Authority Board Partnerships and Teamwork Report*

Final Technical Memorandum for Transit 2.0 Task 5: Develop strategies for Authority Board partnerships and teamwork

North Central Texas
Council of Governments

Fall 2024



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Section 1: Context and scope of Task 5

Partnership between the Transit Authorities (TAs) and their member cities is critically important for a successful regional transportation system. Member cities rely on TAs to support their transportation priorities and steward voter-approved public dollars effectively and efficiently. TAs are reliant on cooperation from member cities for facility, route, and project right of way, crime prevention in and around the transit systems, transit-supportive land use and zoning decisions, strategic planning, and funding.

The importance of effective partnership is heightened by the anticipated population growth in North Central Texas. The region is expected to grow by 4 million over the next 20-30 years (versus current ~8.2 million residents) and is looking to address the fast-accelerating mobility demand from residents, businesses, and visitors. **Without increased density supported by expanded public transit, current demographic models used by NCTCOG predict this upcoming population growth to largely occur outside of transit authority boundaries, presenting challenges related to congestion, the sustainability of existing transportation funding, and the lack of alternative transportation options beyond the single-occupant vehicle. There are also implications in terms of economic development, safety, energy availability, air quality, job-housing balance, and city tax bases.**

However, existing collaboration models between TAs and their members may not be sufficient to continue delivering needed transit services, supporting an increasingly large and complex transportation network, and driving key local and regional outcomes. As further elaborated on in Section 2, current collaboration models have been observed to be intermittent, often ad hoc, lacking a strong foundation of mutual trust and shared vision, and constrained to only select top leaders at TAs and member cities. **Moreover, DART and other TAs are currently facing or have faced several acute partnership challenges:**

At DART, friction between staff, Board members, and member city leadership over real and perceived inequities has resulted in public displays of frustration. As of September 2024, six of DART's thirteen member cities – Plano, Carrollton, Farmers Branch, Irving, Highland Park, and Rowlett – had approved nonbinding resolutions requesting a reduction in the sales-tax contribution from member cities by 25%. Other member cities have also been supportive of this move. Although Dallas did not pass a formal resolution, city council members did publicly contemplate reducing DART funding to cover gaps in city pension obligations. This followed calls from some member cities and select board members for an independent study on what exactly member cities are getting in return for their financial contributions- the results, published in September 2024, are discussed in Section 2. DART leaders have publicly opposed proposals to reduce funding, insisting the proposed cuts would be detrimental to the transit system and the region's long-term growth. **Internally, ambiguity in regard to the fiduciary responsibility of board members leads some to prioritize individual member area interests over Dallas Area Rapid Transit (DART) or regional priorities, further exacerbating tensions between DART staff, Board members, and member city leadership.**

Denton County Transportation Authority (DCTA) and Trinity Metro have not been immune to partnership challenges although, in recent years they have avoided the sorts of highly visible public tensions observed at DART. In 2019, DCTA was largely able to largely resolve past concerns with regards to the equity of Board voting rights by reducing its board size from 14 to 5 voting members to only represent financially invested cities. The DCTA executive team has reported smooth operations since. Similarly, Board and staff at Trinity Metro reported strong partnership in recent years (e.g., strong alignment on priorities, Board engagement on high-level matters of priority, trusting relationships with authority staff to manage operational matters).

Task 5 of Transit 2.0 aims to develop a partnership model that can deliver local and regional priorities by investigating the underlying root causes of existing challenges and developing recommendations to drive effective collaboration among TA executive teams, their boards, and member city leaders.

The scope of Task 5 primarily focuses on DART, since it is both the largest authority in the region and is facing particularly pronounced partnership challenges (between staff, Board members, and member city leadership) as compared to the other TAs. Through its most recent Strategic Plan, DART is beginning to address its partnership challenges and has developed a strategy to drive improved transit operations. **This report aims to build on the DART Strategic Plan to address lingering strategic concerns about DART's role vis a vis its members cities in the region over the medium to long-term** (i.e., over the next 5 to 25 years).

Some topics discussed in this report intersect with other tasks included in Transit 2.0. They will be covered in more depth in those tasks, whereas this report will focus on their relevance to enhancing the partnership model. For example:

- Membership models and services provided to members (Task 3)
- Economic development and transit-oriented development (Task 6)
- Funding availability and overall economic model (Task 8)

The preliminary considerations discussed in this report are potential approaches to address the region's upcoming population boom and other challenges, not detailed implementation plans. Many of these preliminary considerations may require further discussion and analyses before being adopted as policies.

This report's preliminary considerations were developed through a combination of reviewing best practices from the private sector as well as transportation and planning authorities across the United States and globally; **conducting interviews** with NCTCOG and TA stakeholders; and **reviewing existing NCTCOG, DART, and other relevant materials. Potential solutions were analyzed for possible impact and tested with relevant experts and NCTCOG and transit authority leadership.** NCTCOG leadership encouraged out-of-the box ideas be contemplated and commented on report details.

Section 2: Current understanding of the situation

To meet the expected demands of significant population growth in the coming years and the need for increased transit modal share, the region must overcome the following specific set of challenges:

- I. **DART ridership has declined over the last 15-20 years. Based on interviews and DART customer satisfaction surveys, this decline may be partly driven by concerns over service frequency and reliability, travel times, as well as issues of safety/security and cleanliness.** Ridership peaked in 2007 at ~73 million, falling to ~67 million by 2019 (despite significant population growth 2007-19) and falling further post-pandemic to ~56 million in 2024¹. While ridership on the light rail system has increased during the same period alongside system expansions, declining bus ridership has driven down overall performance.

Low frequency and high levels of road congestion create a lack of competitiveness in travel time versus single occupancy vehicles. Low density throughout the region creates difficulty in creating fixed routes that can transport a large volume of riders directly to their destinations or from their origins – additional journey legs are more likely to be required. Peak frequency on bus routes is 15 minutes (i.e., versus 5-10 minutes among other United States transit systems) and can be as long as 60 minutes during nonpeak hours for some routes.

Riders and local leaders note that safety has also been a concern impacting ridership. Crime incidents in and around the system attract significant attention which can deter potential riders. Safety and security was a top concern based on DART's 2023 ridership survey².

While progress has been made across these issues over the last 2-3 years including a bus network re-design (which has helped DART exceed pre-pandemic ridership on select midday and weekend service) and improvements in perception of safety based on DART's latest customer survey, Board members and city leaders still cite concerns from their residents³. It's also worth noting that while DART is not alone in facing ridership declines – agencies across the US are facing similar challenges – these declines have driven some of the challenging dynamics between DART and its members.

- II. **A significant subset of DART member cities have -in some form- expressed a tension between their voter-approved allocations to DART and their ability to support the**

¹ Federal Transit Administration National Transit Database

² Steve Pickett and S.C. Jenkins. "DART increasing security, police to address riders' concerns". CBS News. 30 October 2023.

³ Alex Macon. "DART's New Bus Network Hints at the Future of Public Transit in North Texas". D Magazine. 21 April 2021.

economic development needs of the city, with some city leaders perceiving that funding to DART could be better allocated to 4A/4B initiatives. This tension is driven by multiple factors:

- A. **Mayors and council members of DART member cities face greater constraint on budget allocation decisions than other US cities due to a cap on sales and property taxes that effectively prevent the city from raising additional revenue to fund priorities.** Other US states with transit agencies either do not have tax caps or their caps provide exceptions for transit funding, so their cities can access incremental tax revenue to fund transit (e.g., Measures M and R in LA). City leaders must make increasingly difficult budget decisions to deliver for a growing population. A lack of increased density also drives stagnating tax bases in some cities. DART takes up a significant portion of member city available revenue sources and therefore faces high levels of scrutiny on its financial stewardship of public dollars and the relative value it drives versus other potential investments by cities. Past efforts by the Regional Transportation Council to expand the ability of cities to raise revenues (e.g., TLOTA) have failed at the state level.
- B. **Decline in ridership relative to pre-pandemic levels coupled with growing sales tax revenues from an expanding regional economy has intensified scrutiny of the relative value of transit investments and effective stewardship of taxpayer dollars.** Since 2007, DART total revenues have increased ~72% in nominal terms (i.e., from \$636M in 2007 to \$1,094M in 2024) and ~13% in real terms adjusted for inflation. Sales tax revenue has made up the greatest portion of total revenue growth, growing ~119% in nominal terms and ~44% in real terms (i.e., from \$390M in 2007 to \$853M in 2024).⁴ Lower ridership does not drive lower costs (i.e., considering a full bus and a half-full bus cost the same to operate). City leaders observe the growing 'cost per ride' to taxpayers driving skepticism on the relative value of funding transit. With DART shifting focus from capital projects and putting a hold on new network expansions (i.e., D2), some cities struggle to understand the value they are receiving.
- C. **Member cities may not perceive DART's current operational priorities or public transit operations more widely as driving economic development outcomes for their areas.** This perception may be driven by a few things: one, cities have historically relied on DART's original mandate of building light rail and increasing ridership to measure progress. Two, DART's shift away from large capital projects means there is limited visible evidence for how funds allocated to DART can drive economic development or meet city objectives (i.e., the new development that occurred in many places when new light rail lines were constructed)

⁴ DART Finance Team, FY07-24 Revenue Data, shared November 2024

- D. **The funding trade-off for cities is further exacerbated by competition between member cities and non-member cities for economic growth.** Economic development is one of the top regional priorities for city councils and mayors. Non-member cities enjoy flexibility to use additional sales tax revenue to spend on economic development that member cities have committed to transit. This gives nonmembers a resource advantage on economic development investments. Notably, several high-profile company relocations were from member cities to non-member cities.
- III. **Moreover, some board members and member city leaders perceive inequity in terms of contributions relative to service in their cities and to representation on the board.** For example, a 2024 report by Ernst & Young found that University Park contributed \$6.4M in sales tax revenue while being ‘responsible’ for \$1.7M in operating costs. Meanwhile, Cockrell Hill contributes \$0.6M for \$2.4M in allocated operating costs. Note that the study developed methodology to allocate operating, capital, and interest expenses for FY23 only and did not evaluate comprehensive return on investment.
- IV. **There is opportunity for DART and member cities to more effectively coordinate efforts across transit competitiveness, safety, and economic development.** Member cities do not play a direct role in setting DART’s strategic and/or operational priorities, except through appointment of Board Members. Member city urban planning and economic development strategies could leverage DART more. Collaboration across these topics tends to be ad hoc with conversations and decision-making happening in siloes (i.e., versus with everyone at the table). Despite DART’s emphasis on relationships between their security with city police departments, board members expressed that siloes between DART and member city police departments endure. These siloes especially across jurisdictional lines may make it more difficult to address safety and security. In contrast, global peer cities have made transit a center point of urban planning discussion and economic development strategy, leveraging transit as an engine of economic growth (e.g., by supporting dedicated lanes to improve bus speeds, building greater density proximate to transit, synchronizing development with transit network design). **Effective regional collaboration requires close coordination between member areas and transit agencies on service planning, long-term development, and principality of transit as a mode of transport.**
- V. **Board members which in other transit agencies may act as liaisons and ambassadors between the organization and the member cities supporting collaboration, expressed a lack of clear expectations in their relationships and representation of their member cities.** Some board members see themselves as wholly independent while others see themselves as proxies for city leaders. Other Board members see themselves more as fiduciaries of DART and responsible for the success of the organization and regional transit as a whole. Multiple board members expressed difficulty getting city leaders to consistently and meaningfully engage on transit related topics making it hard to properly represent their interests.

- VI. **Shifting to a view within DART, the current governance processes and operating model of the Board are unlikely to support greater alignment and collaboration needed to enable a world-class transportation network that can serve the region's residents and ensure regional growth:**
- a. **The status quo does not place board members' fiduciary responsibility to DART;** with each board member representing varied concerns of member cities, long-term alignment on DART's purpose has been challenging to develop: some suburban members have expressed concerns that their interests are not fully represented on the Board; representatives of some cities have chosen to escalate issues to the state legislature, having grown frustrated by current decision-making processes
 - b. **Board members disagree on their scope and purview with some focusing on high level strategic decisions and others interested in getting involved in operational decisions.** Some board members expressed concerns that staff were not sufficiently transparent on financial and operational data despite significant efforts by DART staff to increase the frequency and detail of reporting versus historical levels. Both staff and board members agreed in interviews that this drove tension in relationships and made alignment on strategic decisions and day-to-day operations more difficult.

Section 3: Transit 2.0 partnership strategic priorities

To tackle the challenges outlined in Section 2, collaboration between DART, member cities, and NCTCOG may need to be fundamentally reimagined to partners in improving economic development in the region with transit as a driver *and by delivering a transit experience that is competitive with other transportation options*. Close partnership between DART and member cities at all levels will be essential and member city leadership will play a key role in pulling DART into strategic economic development discussions and finding ways to leverage transit as an asset for the region. The challenges are significant, requiring a bold shift in how DART engages in the region and how it prioritizes and drives operational excellence in service to transit-oriented development.

Such an approach has the promise of uniting DART and member cities with a common purpose of regional development, harmonizing broader economic development priorities with transit investment rather than framed as competing priorities, and gives venue to showcase the value that DART brings to the region.

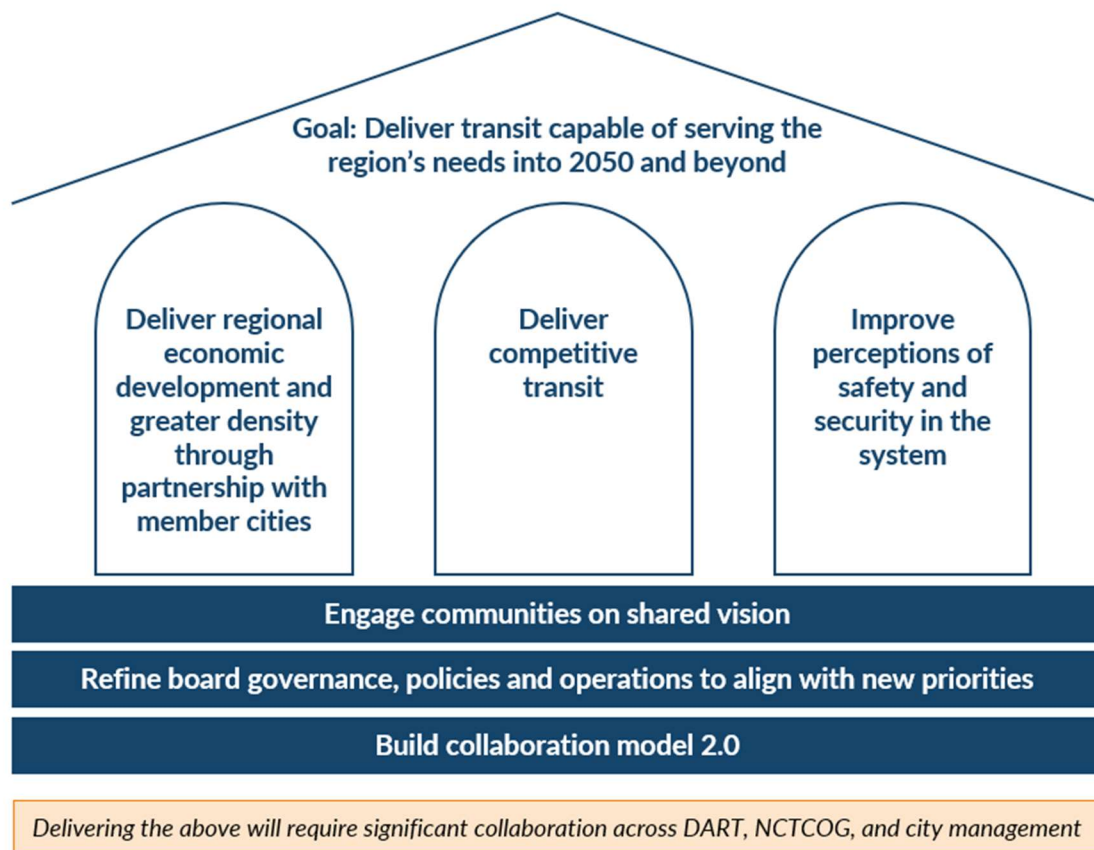
There are three key priorities that DART and member cities can focus on in the near future, each identified because they will be critical components of the transition to this future and DART has a major role to play, but cannot effectively deliver without collaboration with member cities and NCTCOG: I) Deliver regional economic development in partnership with member cities, II) Deliver competitive transit, and III) Improve realities and/or perceptions of safety and security in the system.

- I. **DART, member cities, and NCTCOG should consider taking a more active role in shaping the development of the region to ensure that it occurs in a pro-density way, which is considered to be a critical factor by many urban planners in the long-term success of a region served by transit.** Current demographic models operated by NCTCOG show most incremental population growth moving to cities outside of the Dallas-Fort Worth urban core, where current transit services are limited and thus automobile reliance is high. Unless transit-focused stakeholders, like DART, member cities, and NCTCOG, shape this upcoming development to go to density-focused, transit-adjacent areas, congestion, transportation costs, air quality, and travel times will only worsen in the region. For DART, this could look like actively advocating for pro-density land-use policy and servicing new travel patterns. Member cities might implement strategic land-use policies that also support the local tax base, and NCTCOG could coordinate, recommend, and implement policies including financial incentives for this type of development.
- II. **Competitive transit is critical to increasing ridership, especially amongst riders that have other transportation options** (i.e., ‘choice’ riders). Without fast headways and seamless service, stakeholders have expressed in interviews that transit times can be twice as long as car travel, which does not present an attractive option to riders who have access to cars. Collaboration between member cities and DART may be critical in unlocking optimized service

planning, faster travel times, and long-term capital planning to keep member cities engaged and boost economic development. For example, they might explore flexible bus lanes or dynamically priced managed lanes.

- III. **Improving realities and/or perceptions of safety and security on the system is a vital part of delivering an attractive transit service that residents choose to ride and requires close collaboration between DART and member cities.** Unless riders feel safe in the system, they will continue to choose alternative modes of transport when they can; safety/security remains a key driver of customer satisfaction for DART based on its customer survey results (in the 2022 customer survey, ~50% of riders who were unlikely to recommend DART to others cited concerns of personal safety on platforms or transit stations and on trains). This is a particular issue in the long-term, since the success of transit depends on attracting riders that do have access to alternative modes of transportation but are choosing to ride public transit instead due to convenience and speed.

As seen above, this requires partnership and coordination among transit agencies, NCTCOG, and member cities. No single stakeholder can deliver the changes necessary to meet the challenges of the upcoming population increase, and each have their own specific tools and capabilities to bring. Collaboration with the public and transit users will also be critical.



Pillar 1. Deliver regional economic development and greater density through partnership with member cities

Shaping economic development towards density and transit proximity in the region is considered critical to reduce automobile reliance and effectively meet the transport needs of the region. DART, member cities, and NCTCOG should consider playing a central role to deliver: I) Supportive policies, II) Catalytic development, and III) Increased business investment in member areas that invest in transit

- I. **Land-use policies that support and incentivize dense developments in the urban core are critical to delivering regional transit-oriented economic development.** Refining zoning policies to allow for more dense developments, especially proximate to high-frequency transit stations and routes, will allow member cities to continue growing in a way that provides attractive transportation options to new residents and may be more sustainable in the long term. This may also address present concerns about stagnating tax bases and limited room to continue growth.
 - a. **DART can actively advocate for pro-density land-use policies, thus encouraging density-focused development reliant on transit access.** To do so, DART could continue to build its fact base, analysis, and other insights around benefits of maximizing land use productivity in terms that resonate with decision-makers, collaborate with member cities and NCTCOG to shape such an agenda, and develop incentives for dense development. Without support from cities that exercise land-use authority, DART cannot implement these pro-density development policies.
 - b. **NCTCOG can coordinate, recommend, and implement policies to encourage strategic land use, expanding on existing transit-oriented development (TOD) thought leadership, directly investing in transit-dense areas likely to be TA members.** NCTCOG has historically provided thought leadership on TOD, for example through the Coordinated Land Use and Transportation Planning Task Force. NCTCOG can build on this by actively advocating for specific policies mentioned by stakeholders, including policies that rezone appropriate areas to allow dense developments by working with cities, minimum density expectations for cities with high-frequency transit access, appropriate incentives like property tax subsidies, and commit TAs to a period of consistent service to guarantee transit advantage for developers. NCTCOG could also provide incentives for transit-proximate living (e.g., free or discounted transit passes for residents of transit-proximate developments). To be successful with this approach, member cities would need to be aligned and execute plans for strategic land use and DART would need to commit and deliver on continued high-frequency service to attract private investment.

- c. **Member cities can implement strategic land-use policies, prioritizing dense developments along transit corridors.** Member cities need DART to continue to provide competitive service and to collaborate on identifying specific areas that would benefit from higher density developments.
- II. A targeted, policy-driven approach to economic development can meaningfully develop areas that can catalyze future development, as opposed to a siloed, project-driven approach. All three stakeholders currently have efforts aimed towards economic development; effective collaboration can exponentially magnify the impacts of these efforts.**
- a. **DART can leverage current real-estate portfolio for catalytic development, investing directly in member area economic development.** In its current Strategic Plan, DART's "fantastic spaces" goal encourages transit-proximate development, leveraging its existing real-estate portfolio. And it has already begun implementing this goal, through its conversion of existing park-and-ride lots. (e.g., SMU/Mockingbird Station). DART could expand on this effort by shifting from its current site-specific, developer-led approach and sell available real estate to private developers, and/or establish equity-based partnerships to develop real estate assuming partial short-term risk for long-term density. DART will need support from member cities to develop real estate in this way, since cities hold land-use authority. DART will can leverage financial support from NCTCOG, who could, for example, actively develop transit-proximate real estate to create "win-win" situations.

Example: The Massachusetts Bay Transportation Authority

The MBTA plays three complementary roles in economic development through land development:

- 1. Sponsor through joint development by leveraging existing real estate** (e.g., 85-year ground lease on previous parking lot for affordable housing development).
- 2. Advocate for supportive public policies** like efficient use of land, affordable and workforce housing, infrastructure finance, etc. (e.g., worked with state government to require MBTA communities to have at least one zoning district in which multifamily housing is permitted, with financial penalties for non-compliance).
- 3. Partner with cities and the state to develop incentive packages for prospective corporations looking to move to the region** (e.g., part of incentive package offered to GE for relocation to Boston was ~\$25 million in street, transit, bikeway, and water transportation service).

This has enabled the MBTA to win corporate HQ relocations near transit stations, including the region's largest private employer, Partners' HealthCare. The MBTA has also sold or leased rights for over 50 TOD projects in the past 10 years, developing over 5,000 housing units through private partnerships over the lifetime of its TOD program.

b. **NCTCOG can pursue a few different avenues to encourage catalytic development.** It will need DART's support in utilizing its existing real-estate portfolio and in identifying key areas for development. NCTCOG will also need to work with member cities to ensure appropriate permissions are granted.

i. **Actively develop transit-proximate real estate to create "win-win" situations, building on past land banking and TOD-funding efforts to provide immediate financing to member cities and enable additional regional priorities like housing-job balance.** NCTCOG's land banking efforts, like the 2006 Sustainable Development Call for Projects, benefited both member (e.g., Irving, North Richland Hills) and non-member cities (e.g., Arlington, White Settlement). NCTCOG could now focus more on TA member areas by:

1. **Consider making land available for development**, e.g., utilizing TAs' existing real estate portfolio, purchasing land outright potentially through negotiated "greenfield" pricing with cities, and otherwise identifying land parcels that could be attractive for developers and maintaining a list of eligible areas
2. **Consider supporting end-to-end development of land**, e.g., identifying right developers based on area needs, determining specific public-private partnership (PPP) arrangement, and employing innovative approaches to funding. Specific focus within unincorporated areas within counties is critical due to increasing local use controls exercised by the State Legislature.

Example: Twin Cities' MPO

Twin Cities' MPO established a TOD program to promote moderate- to high-density development projects within walking distance of a major transit stop, as part of which it:

1. **Set density standard for cities with high frequency transit access** (peak expectation of 50+ units/acre in urban centers with fixed/dedicated ROW in ½ mile/10-minute walk)
2. **Funded ~\$5 million annually in local grants for dense development** through property taxes and the city general fund
3. **Actively led TOD implementation** (e.g., led efforts to increase zoning flexibility, pitched development opportunities to private developers).

As a result of its efforts, the **average property tax per acre from development on high frequency routes is 10x the regional average**, and **37% of all new development 2009 - 2022 occurred within half mile of high-frequency transit.**

- ii. **Consider requiring new low-density/ “sprawl” developments to compensate NCTCOG for incremental infrastructure costs.** This would expand on NCTCOG’s current informal encouragement of high-density development, driving greater urban density and encouraging development in core urban areas.
 - iii. **Consider formal efforts to increase funding for TA member areas, building on current limited efforts to increase overall value of a TA membership.** Some potential methods include expanding use of the RTC Policy Bundle structure and increase weight of TA membership therein, launching new formal programs to favor TA members (e.g., using RTC/local funds), and restricting funding to non-TA members (e.g., further prioritize use of Transportation Alternative Funds to station-proximate projects).
 - c. **Member cities can expand their current economic development efforts to focus on development that balances available housing and employment opportunities along transit corridors.** Member cities will need DART’s support in identifying and maintaining these key areas of transit service and could get financial support from NCTCOG as needed.
- III. **Corporate relocations and expansions are an important signal of ongoing economic development and growth, helping build enthusiasm and garnering support from residents, private developers, and state and federal organizations. Collectively, the member cities, DART, and NCTCOG can ensure that crucial employment opportunities flow into member areas.**
 - a. **DART could develop incentive “packages” attractive to corporations** (e.g., offer tailored transit service), **and/or provide financial incentives for corporate relocation or expansions into member cities** (e.g., subsidize property taxes, offer joint financing). DART will need to work closely with cities in designing these incentives to ensure coordination with the cities’ other efforts.
 - b. **NCTCOG could explicitly prioritize support for relocations and expansions in member areas, provide direct financial incentives, and restrict the ability of non-member cities to use financial incentives to attract opportunities from member cities.** Currently, the Regional Transportation Committee’s (RTC) policy is to consider each request for support in attracting large employers by local governments on an individual basis, with no program-based approach (e.g., the RTC offered funding to PGA, Universal, and Tesla for potential relocations to the region, neutral towards where exactly in the region those corporations would be housed). The RTC could explicitly favor member cities in supporting corporate relocations. Going a step further, the RTC could directly or indirectly fund property tax subsidies for corporate HQ relocation to member cities to sanction transit-proximate economic development and compensate TA members for non-TA members’ ability to subsidize corporate HQ relocation using 4A/B. This likely requires creative solves based on eligibility of Federal funding sources. NCTCOG could also restrict non-TA

member cities' cannibalization of economic development opportunities (through restricting funds they otherwise would have received), financially disadvantaging cities acting against regional interests and providing competitive advantage to member areas. NCTCOG will need member cities' support in designing the right incentive structures, and DART's collaboration to ensure efficient and effective use of resources.

Delivery of the above will also require coordination and collaboration with regional economic development leaders (e.g., state officials, Dallas Regional Chamber, economic development organizations) and private developers. DART and NCTCOG can actively partner with these stakeholders to encourage regional economic development and greater density.

Pillar 2. Deliver competitive transit

Becoming competitive against single occupancy vehicles and winning over riders who have access to car travel is critical to the long-term success of public transit in the region and requires transit to be competitive on end-to-end travel times, including convenient access to station, headway times, vehicle travel speed, and reliability of those elements.

DART has made many investments to address headways, reliability, proximity of stations to all residents and attractive destinations (e.g., entertainment centers), including through its recent redesign of the bus network in 2022 and the 10 x 10 aspiration outlined in the 2024 Strategic Plan.

To continue building on this progress, DART can further leverage existing private sector partnerships, in line with successful peer transit agencies who have seen improved performance and cost efficiency, as well as incremental internal capacity to redirect towards strategic and system-wide planning. Redirecting DART's energy towards this strategic and system-wide planning can help it more readily address partnership concerns, which is why this approach is the focus of this report. In leveraging the private sector (e.g., to support operations), DART can build on its previous efforts, including existing partnerships with private operators for micro-transit services in its area of coverage.

However, even with enhanced operations through the private sector, DART will need to address system-wide travel time challenges such as congestion. DART and member cities will need to collaborate to address this issue, for example by jointly planning and implementing dedicated lanes or next generation traffic signal timing.

Leveraging the private sector can I) free up leadership time to focus on strategic topics, II) leverage performance-based contracting to drive improved performance, and III) introduce innovative technologies.

- I. **Private sector operators can free up DART leadership to focus on strategic and system-wide priorities, demonstrating DART to be an engaged partner to member cities. DART leadership,**

both the Board and Executive Team, currently focus on day-to-day service delivery. By allocating this responsibility to private operators, they can instead focus on strategic priorities including subregional economic development and the requisite member city partnership, as well as system-wide planning to meaningfully level-up service.

- II. **Performance-based contracting can improve operational efficiencies, drive down costs, and improve service levels.** Competition between private operators and performance-based contracting incentivize private operators to drive lower costs while maintaining or improving service levels. Private operators may also be able to leverage global expertise to deliver best-in-class service at equivalent cost to taxpayers.
- III. **The private sector can bring in innovative tools and technologies to drive improved performance.** Private operators have incentives and necessary experience to bring in innovative technologies into operations, including collaborating with NCTCOG in implementation of tools such as Traffic Signal 2.0, potentially as an alternative to traditional methods such as bus-only lanes. Additionally, DART can leverage data from these arrangements to improve system-wide planning. For example, micro-transit operators in the region have collected rich data on popular origins and destinations for their services. DART can continue to leverage this information to plan fixed routes, which in turn can be passed on to private contractors for operation.

Example: Transport for London

Transport for London (TfL) has been able to further its strategic priorities by leveraging the private sector. London buses have been privatized for the past ~40 years, with TfL retaining oversight of private bus operators. While TfL specifies details of routes, fares, service levels, and branding, its 16 private bus operators are responsible for delivering service levels and operational targets.

By leveraging the private sector, TfL has been able to focus its resources and capacity on integrating its plans and service into broader plans developed by the Greater London Authority, improving infrastructure required to enable effective bus transit (e.g., signal priority, bus lane creation and enforcement), and enacting bold, innovative changes to transit strategy (e.g., Superloop network).

A large number of operators has also driven competition increasing overall cost efficiency and best-in-class service delivery.

To effectively leverage the private sector, DART will need to develop incremental operational capabilities, including enhancing procurement capabilities and mechanisms to hold private partners accountable.

DART and member cities could also meaningfully partner on long-term capital planning to drive enthusiasm and build shared priorities that can keep member cities engaged in the agency. Historically, the promise and delivery of capital projects has successfully kept DART and member

cities working towards the same goal; refreshing long-term capital needs now can help generate this goodwill and commitment to success of the system. Private developers also tend to respond with enthusiasm to planned capital expansions, which can support overall economic development of member areas. In addition to potential expansion, this could also include infilling new stations for development, or integrating new technology into existing network.

DART, member cities, and NCTCOG could also collectively support development of innovative solutions like flexible bus lanes and signal prioritization, which would meaningfully advantage transit over automobiles and reduce travel time for riders. Bus lanes and signal priority mechanisms require collaboration from all three stakeholders: DART will need to provide the bus service, member cities and TXDOT will need to enable either expansion of roads or allocation of existing lanes and operationalize changes to signal network, and NCTCOG can provide crucial funding given expense of infrastructure.

Pillar 3. Improve perceptions of safety and security in the system

Safety and security on transit systems is a big priority for both individual riders and companies setting up proximate to transit stations and routes. The DART rider survey indicated safety and security as the second highest priority for customers, and the current Strategic Plan aims to improve safety on the system under Goal 3, including collaborating with member cities to improve conditions for vulnerable populations.

DART and member cities can closely collaborate on safety and security beyond existing and planned efforts by focusing on breaking down institutional barriers that may often limit effective interventions. For example, buses and trains that cross city boundaries may be challenged with security issues, given varying jurisdictions. DART and member cities can build on existing safety and security efforts by furthering coordination between DART police and city police departments (e.g., developing strategies for buses and trains that cross city boundaries may be challenged with security issues, given varying jurisdictions) and jointly developing proactive strategies for crime prevention. DART, with member city cooperation, could contribute a greater amount of funding to safety and security.

The breakdown of current “silos” that constrain comprehensive security would benefit member cities as well and require their close cooperation. Member cities and DART both dedicate a significant portion of their budgets to safety and security provisions for residents; furthering their partnership could help both stakeholders ensure that total funds are used effectively, and potentially reallocate some funding towards other priorities.

Section 4: Key Enablers to support strategic priorities

There are three key enablers for successful implementation of above-mentioned strategic pillars. These include **engaging local communities on a shared vision**, **reviewing governance policies and operations** to ensure a cohesive, regional focus and **building collaboration model 2.0**.

Engage communities on shared vision

It will be critical for DART and its member cities to have a shared vision of success in the coming years and a clear understanding of what would be required to achieve it. The expected population influx and resulting economic changes will have a massive impact on the region and if DART is going to effectively play a role in preparing for it, it will need to clearly articulate the role with the support of its members. Part of the current collaboration challenges between cities is driven by a lack of alignment on DART's role in the coming years, e.g., capping sales tax income to DART would necessarily reduce its ability to support growing regional transportation, land use, and safety needs.

To drive alignment on this shared vision, DART could undertake a vision-setting process with communities and other key stakeholders. This could entail the following four key elements:

- I. **Build a fact base:** DART could work with NCTCOG and other planning groups to develop a clear fact base to establish the importance of a robust transit network to handle the expected regional growth. This could include scenarios of what congestion, economic development, and commute patterns would look like with and without a robust transit network.
- II. **Identify and engage key stakeholders to better understand their priorities:** DART has held listening sessions with all cities to understand and define their key strategic objectives as they relate to transit. DART could continue these efforts as they expand this collaboration to include targeted stakeholders, businesses, and community organizations. Consistent engagement throughout the vision-setting process is critical as is sustained engagement beyond the process to ensure enduring alignment. A retrospective analysis on areas of strength and areas of opportunity in its stakeholder engagement approach during the most recent strategic planning process may bring to light new strategies for driving deep and durable alignment and excitement from stakeholders
- III. **Communicate medium- and long-term priorities in language that resonates decision-makers:** Leveraging the fact base developed, DART could communicate to its communities and key stakeholders the critical role for transit in the coming years. This could include centering the role of economic development in transit planning and operations and engaging with local land-use planning to increase pro-density, transit-accessible development. A critical component of success will be the ability to articulate DART's long-term value proposition and the value

proposition of its strategic priorities in terms will resonate and speak to the values and priorities of its stakeholders and partners (e.g., city managers, city councils, residents). DART can leverage the stakeholder engagement process to understand which aspects and impacts of priorities should be brought to the fore, and in what terms those impacts need to be defined to generate excitement and political will.

- IV. **Codify new priorities into organizational performance metrics** (i.e., KPIs): DART could supplement current organizational targets focused on existing priorities with incremental KPIs focused on the three strategic pillars: economic development (e.g., number of business leaders engaged, number of corporations offered transit incentives), competitive transit (e.g., percent reduction in average travel times, frequency of service in minutes), and safety/security (e.g., rider ratings of perceived safety). Maintaining a consistent reporting cadence against these metrics help DART maintain transparency and show progress against the set goals.

Example: State of Georgia

The State of Georgia garnered support for major transportation investments by aligning them with business and economic development goals in the Atlanta Metro Region, rather than traditional traffic metrics.

Georgia built support for investments by collaborating closely with the business community, addressing their specific needs via transportation investments, e.g., key future traffic flows that could be impacted by congestion. Georgia also framed messaging around economic development to build political firepower for an increase in gas tax in a state proud of its low taxation policies.

Through meaningful engagement of the business community, the state also built a strong coalition of business leaders to support their plan, both through advocacy and financial support.

Refine Board governance policies and operations

A review of current governance policies and operations could improve collaboration among DART's leadership, board, and member cities. This could include I) increasing the regional focus of its board structure, II) shifting Board focus to strategic priorities, and III) incorporating a technical advisory role to provide relevant information for efficient and effective decision-making.

- I. **Increasing Board's regional focus:** Compared to other transit agencies in the US, DART's board is particularly unique, in terms of the lack of a regional "voice" on the board. In other transit agencies there is often regional representation as certain board members are nominated by the Governor or members are considered "at large," representing the network's interest as a whole. This lack of a regional perspective and a relatively high focus on specific city priorities has translated into much of the direct competition between cities, especially since DART board members often consider their fiduciary responsibility to be to individual member cities, not DART as an agency. DART could consider adjustments to elevate network-wide priorities into the Board, such as an independent Board chair selected at the state/MPO or county level; introducing "at-large" membership, clarifying to what extent Board members should represent agency interests in addition to their member cities (e.g., requiring a fiduciary

responsibility to DART), or introducing a “rider representative” that would be the voice of riders on the board.

- II. **Recommitting Board’s focus to core strategic topics:** To effectively plan for the strategic challenges that DART will be facing, it is important that Board continues to maintain its focus on the most pressing strategic issues (e.g., transit-oriented development and competing with other transit options), while the executive team and staff focus on the more operational concerns.
- III. **Incorporating technical advisory roles:** The Board has recently faced challenges with estimating impacts on service levels of various decisions on different member areas. Leveraging examples from the private and nonprofit worlds, a semi-independent body (e.g., a regional Technical Advisory Board) could be used to estimate impact of select decisions on regional interests and provide recommendations. DART could introduce advisory boards for specific areas of focus, for example, economic development and/or performance-based contracting.

Example: Various peer agencies

- **Chicago Transit Authority’s** Board includes regional representation: three members appointed by the Governor
- **Centro** in Syracuse, NY, has a rider representative on its Board to ensure independent perspective of customers who use transit is well reflected
- **Bay Area Rapid Transit (BART)** Board Members are elected by voters, making them directly accountable to the voters and responsible for their interests
- **Washington Metropolitan Area Transit Authority (WMATA)** ensures that each of its three jurisdictions have at least one representative on the Board

Example: Private organizations

- **Unilever** has an advisory board comprising seven independent, external specialists, focusing on sustainability impacts

Build Collaboration Model 2.0

In reorienting DART and member cities to deliver the three strategic pillars described in Section 3, the DART Executive Team, Board, and member cities can take the opportunity to refresh and reinvest in how they work together to develop an enhanced sense of partnership and collaboration. This could include:

- I. **Maintaining formal and informal channels for information sharing**, e.g., regular cadence of meetings between DART executive team and city leadership. This may include more active role of board members as ambassadors with member city leaders and residents.

- II. **Ensuring consistent and reliable sharing of progress against agreed-upon goals**, e.g., consistent board reporting, relevant publications to city members and the public including expanded “scorecard” across DART and other parties.
- III. **Aligning on updated, clear roles and responsibilities**, e.g., refinements to Board role outlined in above section
- IV. **Collaborating across levels of DART and member city organization, not just top leadership**, e.g., DART and member city police departments can closely collaborate on ensuring safety and security for riders and residents

Separation of city, TA, and regional goals (i.e., by reducing DART sales tax revenues) is likely to lead to a fragmented approach (i.e., versus coordinated regional approach). A thoughtful regional approach is more likely to drive successful outcomes and address growing needs of the region. Meaningful leadership from all parties is critical.

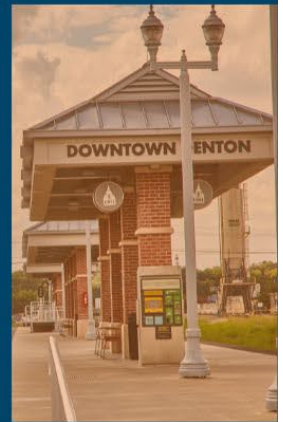
Appendix 6:

Task 6: *Strategies for In-Fill Development* Report

Task 6 Report: Develop Strategies for Infill Development

Final

REGIONAL TRANSIT 2.0



North Central Texas
Council of Governments

April 24, 2025



Preface

This report is an interim task report of the North Central Texas Council of Government's (NCTCOG) Regional Transit 2.0 initiative, which aims to examine crucial transportation investments that could accommodate the anticipated population growth and support sustainable development across the North Texas region. The Transit 2.0 initiative is comprised of eight primary tasks in the following areas, each of which is accompanied by its own standalone report:

- Task 2: Transit legislative program
- Task 3: Increase transit authority membership (this report)
- Task 4: Increase collaborations between existing transit authorities
- Task 5: Strategies for transit authority board partnerships and teamwork
- Task 6: Strategies for infill development
- Task 7: Fare collection strategies
- Task 8: Improve the transit authority-member city paradox
- Task 9: Final report

The purpose of the Task 6 report, *Develop Strategies for Infill Development*, is twofold:

1. Identify challenges to transit-oriented development and infill development in North Texas jurisdictions that are transit authority members, and
2. Develop a menu of strategies that can enhance properties within transit authority member cities near rail stations.

This "menu" of strategies, as presented in this report, is meant to provide an inventory of options that could, under the right circumstances, improve infill development near key rail stations. Not all ideas inventoried in this report may be feasible in North Texas due to political or institutional barriers, but these ideas are included as worthwhile initiatives for NCTCOG and regional decisionmakers to consider as the region progresses in the coming decades. Inclusion of a strategy in this Task 6 report does not necessarily indicate endorsement by NCTCOG, the three transit authorities, or their member jurisdictions.

After completion of Tasks 2 through 8, the most promising strategies will be extracted and refined in Task 9. The Task 9 final report and recommendations will be complete in late spring 2025.



Executive Summary

Transit-oriented development (TOD) can be an important tool in meeting key regional goals, including constraining the cost of providing municipal services to communities, increasing transit ridership and financial performance, and increasing job and housing opportunities. The North Central Texas Council of Governments (NCTCOG) and the three transit authorities (TAs) within its planning area boundary—Dallas Area Rapid Transit (DART), Trinity Metro, and Denton County Transportation Authority (DCTA)—face several challenges in their efforts to facilitate TOD near rail stations. The economic development and policy tools available to incentivize TOD are often accessible only to local jurisdictions. These areas are typically interested in economic development broadly and, in many cases, may have even implemented plans and policies supporting TOD, but they have varying levels of motivation to incentivize the density that is needed to encourage true transit-oriented communities. NCTCOG already does as much or more than many peer regional planning bodies across the country to encourage TOD, but even with this substantial effort, cities and transit agencies have struggled to move forward with higher density TOD that results in higher transit usage. This is a big part of the reason that transit has been unable to capture a more substantial market share in the region overall. To reverse this trend, major changes in policy and incentives with respect to TOD will be required.

With regional population growth projections for the next 25 years adding over 4 million new residents and some freeway corridors reaching maximum buildout, the region must find new and innovative ways to encourage TOD and infill development that can reduce congestion and urban sprawl. Key challenges include:

1. Limited understanding by many TA member city elected officials of how TOD can fit within communities and contribute to larger local and regional goals;
2. Greenfield development tends to be much easier and cheaper for developers as compared to TOD;
3. Local jurisdictions in transit member cities do not incentivize TOD sufficiently to make it more competitive with greenfield development;



4. The perceived value of transit is low, which makes TOD less appealing;
5. While there is a perception that TAs should lead TOD efforts, local jurisdictions have access to the most economic development tools;
6. TAs feel that they lack the financial or political resources to provide incentives to develop their properties; and
7. The DCTA and Trinity Metro Boards do not perceive the incentivization of TOD to be in their mandate and do not dedicate sufficient resources to the concept.

This report includes nineteen strategies to support NCTCOG, the TAs, and local jurisdictions to achieve these goals. These strategies are based on concepts shared by stakeholders, subject matter experts, and peer metropolitan planning organizations, alongside industry-leading innovations, best practices, and case studies. Strategies are aggregated into those that can be advanced by each core stakeholder group and should be considered an inventory of ideas for NCTCOG, TAs, and jurisdictions to consider. Though some complement one another, they are not in all cases meant to be undertaken as a package.

Jurisdiction-Led Strategies

- J1. Proactively rezone for TOD and infill development
- J2. Streamline development processes for TOD
- J3. Expand developer incentives for TOD
- J4. Expand Public Private Partnerships and Tax Increment Financing Districts
- J5. Leverage local stakeholders and relevant organizations to build TOD support
- J6. Improve public space adjacent to transit stations through placemaking and economic development
- J7. Develop or update TOD Plans
- J8. Improve first mile/last mile connectivity to transit stations



TA-Led Strategies

- T1. Establish and publish clear, streamlined policies and procedures for development on TA-owned property
- T2. Improve first mile/last mile connectivity to transit stations
- T3. Leverage interlocal agreements to expand collaboration with jurisdictions on strategies for integrating rail stations with community amenities
- T4. Financially incentivize development on TA-owned property
- T5. Hire TOD staff to coordinate efforts between the TA, developers, and local jurisdictions (DCTA and Trinity Metro)

NCTCOG-Led Strategies

- N1. Incentivize jurisdictions to proactively rezone infill areas
- N2. Educate elected officials on the benefits of TOD and infill development
- N3. Increase training for public-sector professionals on TOD
- N4. Increase advocacy for expanded state and federal funding for transit, TOD, and for greater NCTCOG authority over land use
- N5. Enhance funding for TOD efforts
- N6. Establish performance measures for TOD goals

In addition to these 19 strategies, we have inventoried a suite of 20 federal, state, and local funding opportunities available for TOD and/or infill development in the region.

The strategies and funding opportunities identified have different strengths in their ability to address key challenges to increasing TOD and infill development. Criteria are proposed and leveraged in the report to evaluate the degree to which these strategies:

- Market for TOD
- Policy Support
- Influence on Travel Behavior
- Resource expansion
- Impact level
- Ease of implementation



The recommendations in this report, when viewed cohesively, emphasize the need for consistent collaboration between TAs and local jurisdictions to maximize the potential of TOD in North Texas. These strategies highlight the importance of aligning transportation planning with land use policies, streamlining development processes, and creating incentives that make TOD more attractive to developers. The success of these efforts will depend on the extent to which jurisdictions and TAs can direct their respective expertise and authority toward a common, transit-oriented vision for the future.

As this report outlines, NCTCOG has multiple opportunities today to support more cohesive regional land use planning through the provision of targeted grant funding, regional convening, and capacity-building. In the long term, it can also pursue ambitious legislative changes to obtain greater land use authority, in line with other national peer MPOs. This would give NCTCOG the ability to directly encourage more cohesive land use planning that directly supports long-term regional economic and environmental prosperity. TOD and infill development can only be successful if there is far stronger support for transit in the region and statewide. NCTCOG will need to play a central role in promoting transit and bridging gaps in expertise, understanding, and funding, to set an ambitious direction for the region's broader transportation and development goals.



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1. Introduction

Since 1974, NCTCOG, in conjunction with the Regional Transportation Council (RTC), has served as the Metropolitan Planning Organization (MPO) for transportation in the Dallas-Fort Worth Metropolitan Area. The NCTCOG Executive Board serves as the MPO's fiduciary and fiscal agent, while the RTC serves as the MPO's policy body for federal transportation planning, programming, and policy decisions.

NCTCOG, RTC, and the three transit authorities (TAs) of Trinity Metro, Denton County Transportation Authority (DCTA), and Dallas Area Rapid Transit (DART), along with the many local jurisdictions, are challenged in their efforts to encourage sustainable land use development for the rapidly growing and dispersed North Texas region—a region that is projected to exceed 12 million people within 25 years (2024 NCTCOG Population Estimates). Since 2020, the NCTCOG region has grown by 650,000 new residents, with approximately 200,000 new residents in the past year alone.

Population growth means that there will be increased pressure on regional housing supply. Much of this growth is occurring outside of urban cores, with [five of the fifteen](#) fastest growing cities nationally located in North Texas: Celina, Princeton, Anna, Prosper, and Forney. This sprawling growth pattern will result in higher greenhouse gas emissions and reduced air quality.

The region's historical growth model has prioritized outward expansion, driven by the availability of abundant, relatively inexpensive land, which has allowed developers to build large-scale projects more easily and cost-effectively than navigating the complexities of development in areas with existing utilities and infrastructure. Most local policies and zoning codes across the region—even in transit member jurisdictions—favor single-family housing and stringent parking minimums, limiting the feasibility of higher density, mixed-use developments. The car-centric culture and design of North Texas, coupled with a robust highway and tollway network, has made it convenient for residents to live further from urban cores and traditional economic hubs, further reinforcing low-density suburban growth patterns.

While ample land remains for continued sprawl outside of the boundaries of the current TA member jurisdictions, the region's roadway system is already experiencing the pressure of so many new residents. Congestion is continuing to worsen, and further expansion of many major freeway corridors is likely prohibitive.



Regional forecasts project that the population of the 12-county metropolitan area will increase by 42 percent between 2023 and 2045. That kind of growth will require changes in development to build on existing patterns. Transit-oriented development (TOD) involves the planning and development of higher density, mixed-use communities anchored by high-quality transit systems, such as rail stations or major bus corridors. TOD aims to create vibrant, walkable communities where residents and workers have convenient access to transit, making it easier to reduce dependency on personal vehicles. It also optimizes investment in transit facilities, providing better value. And the economic benefits of TOD are clear: in the DART service area alone, a total of 31 development projects built within a quarter mile of DART stations [between 2019 and 2021](#) have generated \$1.8 billion in economic impacts for the North Texas region, and nearly \$50 million in state and local tax revenue.

Infill development—which focuses more broadly on redeveloping or optimizing underutilized or vacant parcels within already urbanized areas—is a related, albeit distinct concept from TOD. Infill development can occur anywhere within an urban area and makes the most of existing municipal investments by locating new buildings and uses in areas that are often already served by critical infrastructure like roadways, rail lines, and water and sewer lines. It also means that new developments in these areas are frequently within close proximity to other existing activity centers, including employment hubs, commercial districts, and other urban amenities. TOD can (and often does) occur within infill areas but is a more specific designation based on proximity to transit.

This task report, while titled, “Strategies for Infill Development,” focuses primarily on TOD, with the objective of fostering development patterns that enhance transit ridership and support the creation of walkable, mixed-use communities near rail stations and other transit hubs. However, given that many TOD opportunities are situated in infill areas, recommendations are often applicable to both TOD and infill development. This report addresses the shared challenges and opportunities of these two topics and aims to provide a comprehensive framework for advancing TOD in the NCTCOG region while also offering tools and strategies that may equally benefit infill development efforts.

To advance TOD, NCTCOG, local jurisdictions, the three TAs, and developers all have varying degrees of influence, priorities, and tools, available to them as shown in Figure 1.



Figure 1. Key Institutional TOD stakeholders, priorities, and tools

| Stakeholder Group | Stakeholder Priorities | Available TOD Tools |
|--|--|---|
| Local Jurisdictions  | <ul style="list-style-type: none">• Encourage desired mix of land uses and densities across jurisdiction• Maximize property tax revenue• Ensure transit is coordinated with other transportation modes and connections• Ensure public amenities meet community needs | <ul style="list-style-type: none">• Alter zoning regulations• Prepare comprehensive plans and specific plans• Development approval process<ul style="list-style-type: none">• Sets policy (density, parking requirements, etc.)• Economic development tools (tax incentives, expedited permitting, etc.) |
| Transportation Authorities  | <ul style="list-style-type: none">• Operations are top priority• Common property owner adjacent to stations• Maximize ridership by maximizing transit users living, working, or recreating near transit• Maximize land values for income generation• Increase ridership | <ul style="list-style-type: none">• Initiate development and joint development on TA-owned property• Provide frequent, reliable transit to make TOD compelling |
| Developers  | <ul style="list-style-type: none">• Maximize profits while minimizing development fees and timelines• Seek incentives or development terms that minimize costs, such as reduced parking ratios, relaxed open space requirements, and expedited permit timelines• Develop a deal that is appealing to investors | <ul style="list-style-type: none">• Commercial development |
| NCTCOG  | <ul style="list-style-type: none">• Reduce regional congestion and sprawl while improving regional air quality• Ensure regional connectivity and development patterns to maximize quality of life and economic activity | <ul style="list-style-type: none">• Regional priority- and vision-setting• Regional convening and collaboration• Financial incentives |

Local Jurisdictions: Jurisdictions, particularly cities, hold the greatest control over land use and development patterns in the DFW region, with the capacity to establish and update zoning regulations, comprehensive plans, and permitting processes within their boundaries. This makes them the most important factor in either enabling or hindering TOD and infill development through both their policymaking processes (e.g. zoning requirements, density allowances, parking requirements) and economic development tools (e.g. tax incentives, expedited permitting, and the creation of tax increment financing districts).

TAs: Perhaps owing to the term *transit*-oriented development, there is a common perception that TAs have significant influence in the development and incentivization of TOD. While they do have an important role to play in providing frequent, reliable transit, and in some cases own property adjacent to stations that is well poised for TOD, their influence is historically limited to the land they directly own and maintain.



Developers: As the entities responsible for designing and constructing projects, developers wield substantial influence over what ultimately gets built. Their decisions are shaped by their investors, market conditions, regulatory frameworks, and available incentives. While developers are profit-driven and respond to opportunities that align with their financial goals, they are highly sensitive to incentives and disincentives that local jurisdictions structure for development through their policies. Investors typically finance developer projects and play an important role in whether a developer ultimately pursues a project.

NCTCOG: Relying on partnerships to realize TOD goals, NCTCOG's role has primarily been as a regional convener and planner. It has historically supported TOD and infill efforts by providing a regional vision through its Metropolitan Transportation Plan, Mobility 2050, and by providing technical assistance, facilitating regional planning initiatives and offering grants for the planning, design, and funding of transit-supportive multi-modal infrastructure.



2. Key Challenges to Increasing Transit Oriented Development and Infill Development

Task 6 findings were informed by interviews with staff at NCTCOG, the three TAs, developers, and municipalities in the NCTCOG region. Metropolitan Planning Organizations in three regions across the United States and TOD subject matter experts in Texas and nationally also contributed, alongside national examples of TOD best practices. Current TA and jurisdiction TOD policies and NCTCOG studies were thoroughly reviewed to establish a baseline understanding of the existing development framework.

Figure 2. Entities interviewed for Task 6.

| Type | Entity |
|------------------------------------|--------------------------------------|
| Transit Authority | DART |
| | Trinity Metro |
| | DCTA |
| Municipality | City of Dallas |
| | City of Lewisville |
| | City of Richardson |
| Developer | Catalyst Urban Development |
| | Billingsley Company |
| TOD Stakeholder | Near Southside Fort Worth |
| | Community Design Fort Worth |
| | Dallas Housing Coalition |
| | Urban Land Institute |
| Metropolitan Planning Organization | Atlanta Regional Commission |
| | San Diego Association of Governments |
| | Metropolitan Council (Twin Cities) |
| Subject Matter Expert | Marlon Boarnet, PhD |
| | Kammy Horne |

Key challenges to increasing TOD and infill development in the region that emerged from the interviews included the following:



1. Limited understanding by many TA member city elected officials of how TOD can fit within communities and contribute to larger local and regional goals;
2. Greenfield development tends to be much easier and cheaper for developers as compared to TOD;
3. Local jurisdictions in transit member cities do not incentivize TOD sufficiently to make it more competitive with greenfield development;
4. The perceived value of transit is low, which makes TOD less appealing;
5. While there is a perception that TAs should lead TOD efforts, local jurisdictions have access to the most economic development tools;
6. TAs feel that they lack the financial or political resources to provide incentives to develop their properties; and
7. DCTA and Trinity Metro Boards do not perceive the incentivization of TOD to be in their mandate and do not dedicate sufficient resources to the concept.

Limited understanding by many TA member city elected officials of how TOD can fit within communities and contribute to larger local and regional goals

While there are many examples of TOD projects that have been built in North Texas to-date, much of their success has been due not to their orientation toward transit, but rather due to being a compelling destination for transit riders and drivers alike. For example, Mockingbird Station TOD is a mixed-use development linked directly to DART's Mockingbird Station. While commercially successful and lauded as a desirable destination to work, live, and play, [it has been less successful in encouraging mode-shift](#), with a walk mode share of 13.6%, bike mode share of 0.22%, bus transit mode share of 1.09%, and rail transit mode share of 5.9%. Auto mode share is approximately 79%. This is still better than comparable non-TOD sites in the region but speaks to some of the challenges jurisdictions and TAs face in encouraging true TOD.



Compared to all other development types, TOD implementation that fosters greater transit ridership is still relatively limited in North Texas communities. That lack of experience and exposure can lead to misperceptions about what TOD is and can reinforce negative reactions to changing historic development patterns and increasing density of housing near transit. Well-planned TOD can be designed and scaled to suit varying community types, providing new and more sustainable development without adversely impacting existing development or community character.

The lack of governmental movement to encourage TOD is due, in part, to the widespread perception that low-density, suburban lifestyles—characterized by single-family homes on large lots—represent the "Texas dream." Elected officials tend to represent this common constituent attitude. While this traditional model appeals to many, it does not align with the preferences of all residents, particularly those seeking more [walkable, transit-accessible lifestyles](#). Paired with a common attitude that development and density should happen elsewhere—or "Not in My Backyard" (NIMBY)—densification and TOD face an uphill battle.

There are exceptions; the City of Lewisville, for example, has built out much of its developable area, which means that infill is the primary option for new development. Access to DCTA's A-Train has helped spur development and street improvements in downtown Lewisville. But these exceptions prove the rule in their rarity.

In the long term, current development patterns are unsustainable, as jurisdictions are responsible for the long-term maintenance costs associated with sprawl, including roadway infrastructure, sewers, and water supply mains. Projects like Mockingbird Station and Downtown Grapevine's Historic Main Street District are important first steps for the region because they invite people who may not otherwise consider transit to consider it as an option, however elected officials and the constituents they represent will need to do more to drive larger and more comprehensive TOD developments that truly encourage mode shift.

Greenfield development tends to be much easier and cheaper for developers as compared to TOD

In North Texas, greenfield development—development on land that has not been used for building or infrastructure—is cheaper and easier for developers than building on lots that have previously been developed. This is because greenfield sites typically do not



come with the complexities and costs associated with site preparation in infill areas—activities like demolition, remediation of environmental contamination, and other existing infrastructure constraints. In much of Texas, jurisdictions do not sufficiently incentivize TOD or infill with financial or regulatory incentives, nor are there regional or state-imposed frameworks to disincentivize sprawling greenfield development with additional fees or regulatory hurdles. Paired with historic preferences for suburban sprawl and [widespread community resistance](#) to increasing urban density, this paradigm perpetuates a cycle of continuous outward expansion, leaving transit-adjacent parcels like underutilized parking facilities undeveloped.

Local jurisdictions in transit member cities do not incentivize TOD sufficiently to make it competitive with greenfield development

Due to the relative ease of greenfield development in North Texas, developers will often pass up opportunities to build near TOD sites in infill areas with existing utilities that create greater uncertainty, in favor of development in communities with significant land that is previously untouched. This hurts TA member cities who have TOD-appropriate land available, and reduces potential transit ridership.

Financial and regulatory mechanisms like tax abatements, expedited permitting processes, and grants are already leveraged by many TA member jurisdictions to offset the higher costs and risks developers face in pursuing development in TOD areas, but this has not been enough to encourage the kind of dense, mixed-use urban development near rail stations that are needed to help encourage mode shift, reduce congestion, increase transit accessibility, and promote economic efficiency. The result is a gap between the large amount of available, developable land in infill or TOD areas and the relatively smaller development that actually happens in these locations. Jurisdictions and TAs alike will need to do more to foster compact growth, maximize the value of existing transit infrastructure, and address the broader challenge of urban sprawl.

The perceived value of transit is low, which makes TOD less appealing

In North Texas, transit is rarely viewed as a premium amenity that enhances accessibility, reduces commuting costs, or improves quality of life. Instead, according to many interviews we conducted and [surveys in North Texas](#), it is often associated with negative stereotypes, such as inefficiency, inconvenience, or contributing to noise and crime. Exacerbating this issue is that transit, as currently structured, rarely serves as an



adequate substitute for private car trips. Combined, this means that transit remains almost exclusively the province of transit-dependent, low-income people and/or those who cannot or choose not to own cars. This perception undermines the potential of TOD to attract residents and businesses that prioritize proximity to transit as a key factor in their location decisions. Transit also rarely competes with the travel time and convenience of use for those who own or have access to private vehicles. As a result, developers see a limited market demand for TOD projects, and jurisdictions do not prioritize investments in transit-oriented growth.

While there is a perception that TAs should lead TOD efforts, local jurisdictions have access to the most economic development tools

TAs are often seen as the logical champions of TOD due to their role in planning for and providing public transportation services. However, local jurisdictions implement the vast majority of development policies and incentives like tax abatements, zoning and rezoning, and entitlement process streamlining. In most cases, jurisdictions have entire teams of economic development and planning staff dedicated to these areas, whereas TAs do not. This misalignment creates a gap in responsibility and execution, as local jurisdictions may not prioritize TOD or fully coordinate their economic development tools to support transit-oriented growth. Bridging this divide requires clearer delineation of roles and responsibilities between TAs and local governments, as well as collaborative frameworks to align transit investments with supportive economic policies that enable successful TOD implementation.

TAs feel that they lack the financial or political resources to provide incentives to develop their properties

Unlike local jurisdictions that can leverage economic development tools such as tax increment financing, zoning changes, or development grants, TAs often operate within tight budgets focused on maintaining and expanding transit services, with few resources remaining for TOD. The TAs feel that they have limited staff capacity to actively pursue TOD, even on their own property; even DART, the only authority among the three TAs with dedicated economic development staff and a formal [TOD policy](#), feels that they would benefit from additional staff capacity to advance TOD initiatives. This means that TAs are typically reliant on private developers or local governments to drive TOD initiatives, which can result in missed opportunities to maximize the value of transit-adjacent land. Local jurisdictions, which control these tools, may not prioritize TOD or



align their economic policies with transit goals, creating a disconnect between the TAs' vision for TOD and the resources needed to achieve it. Addressing this challenge requires stronger partnerships between TAs, local governments, and private stakeholders to align goals and pool resources for effective TOD strategies.

For example, Trinity Metro worked with a developer to advance plans for a 300-unit mixed-use development at the site of the current T&P Station parking lot in Fort Worth. The project was expected to leverage multiple funding sources, including from the U.S. Department of Housing and Urban Development (HUD). The project was sold to a second developer and ultimately fell through due to misaligned expectations between Trinity Metro and the final developer regarding the value of the land and the time required for Trinity Metro to understand and respond to developer proposals. These types of negotiations regarding sale price and type are common for local jurisdictions and developers, but rare for Trinity Metro. This presents an opportunity for collaboration between Trinity Metro and the City of Fort Worth to more efficiently advance developments on Trinity Metro-owned property in the future, and underscores the need for enhanced collaboration and shared accountability more broadly between TAs and local governments to unlock the potential of transit-adjacent properties.

In acknowledgement of this challenge, DART and the City of Dallas, in 2021, executed a [memorandum of understanding](#) allowing the City of Dallas to include DART-owned properties as potential development sites in city-initiated development requests for proposals and development deals. This agreement allows the city to work with a developer in scoping a project, DART is brought in to negotiate an interlocal agreement between DART, the City of Dallas, and the relevant developer.

The DCTA and Trinity Metro Boards do not perceive the incentivization of TOD to be in their mandate and do not dedicate sufficient resources to the concept

Both DCTA and Trinity Metro have demonstrated interest in TOD. For example, Trinity Metro actively collaborated with the City of Grapevine on the property near their TEXRail station (though, notably, this was a City of Grapevine-initiated effort) and at the T&P Station (a mixed-use development in Fort Worth that fell through). Likewise, DCTA has studied TOD at most stations along the A-Train alignment and is actively working to relocate their headquarters to a new TOD site on DCTA-owned property in Lewisville. However, neither agency has dedicated staff that support TOD expansion. While both



TAs acknowledge that investment in transit-proximate businesses and housing can positively impact ridership and farebox revenue, the broader concept of TOD falls outside their board's central priorities of providing and improving transit services. Interest in TOD alone is insufficient for its success and proliferation region-wide. Exacerbating this challenge is the common perception that transit is not a significant amenity in North Texas, which contributes to an attitude that TOD benefits are not worth proactive investment on the part of TAs; the resources required to do this are seen as disproportionate to potential returns in terms of ridership and revenue.

DART, by contrast, has a robust TOD program and existing economic development staff, though they still have insufficient resources to pursue TOD to the extent they see as consistent with their mission.



3. Transit Oriented Development: Definitions, Best Practices, and Regional Realities

According to the Federal Transit Administration, TOD “creates dense, walkable, and mixed-use spaces near transit that support vibrant, sustainable, and equitable communities. TOD projects include a mix of commercial, residential, office, and entertainment land uses.” Policymakers [have found](#) TOD to be a potential solution to the serious and increasing problems of climate change and global energy security by creating dense, walkable communities that greatly reduce the need for driving and energy consumption.

According to the [Center for Transit-Oriented Development](#) (CTOD), TOD is typically defined as compact development within easy walking or biking distance (typically a half mile) of a transit station. A core principle of TOD is that people with a wide range of incomes can live and work in places with interconnected transportation networks that offer more transportation options, including transit, walking, and bicycling. Transit-supportive neighborhoods help reduce car-dependency which can reduce out-of-pocket travel costs, vehicle miles traveled (VMT), and emissions.

TOD provides a critical mechanism for building and strengthening our communities and providing greater access to economic opportunities.

Functional Elements of TOD

Functional elements of TOD typically [include](#) but are not limited to:

- Walkable design with pedestrian as the highest priority
- Rail station as prominent feature of town center/district
- Public square or space fronting rail station
- A regional node containing a mixture of uses in close proximity, such as office, residential, retail, and civic spaces
- High density, walkable district within 10-minute walk circle surrounding rail station
- Transit systems like streetcars, light rail, and/or buses
- Designed to include the easy use of bicycles and scooters
- Ride-in bicycle parking areas within stations
- Bikeshare rental system and bikeway network integrated into stations



- Reduced and managed parking inside 10-minute walk circle around town center/ rail station
- Specialized retail at stations serving commuters and locals including cafes, grocery, dry cleaners

Planning Across Scales of TOD

It is important to recognize the geographic scale of a TOD for successful implementation. According to [CTOD](#), Metropolitan Planning Organizations (MPOs) like NCTCOG need to think about transit investments and TOD within four geographic scales to have the most positive impact on regional goals like affordability and mobility. These four geographical scales include the city or region scale, corridor scale, station area scale, and site scale. Over the last two decades, NCTCOG has sponsored studies at all four of these scales and has been a major proponent of TOD across the region. Planning approaches across these scales are as follows:

City or Region Scale

Multiple corridors in a city or region create a network of transit-oriented places that integrate different functions and activity centers within easy access of transit. Planning at the regional scale can address problems such as connections to job centers and economic opportunities. At this scale, overall mode share and transit network health can be influenced.

This requires a region-wide plan for implementing TOD that provides a consistent strategic framework that connects land use with transportation policy. Regional TOD visioning also helps set long term policy direction, which can help municipalities make changes to zoning, develop design guidelines, form partnerships, and institute more appropriate development incentives. Development is guided by a clear set of TOD recommendations as developers often choose to follow these recommendations to navigate the review process more easily. [Mobility 2050](#) and NCTCOG's [TOD data products](#) provide a strong foundation for TOD planning and visioning process in the North Texas region.

Corridor Scale

Stations along a transit corridor support diverse and complementary transit-oriented neighborhoods. As connections between adjacent station areas are strengthened



through transit, the amenities and opportunities in one area are made more accessible to others. Effective, integrated corridor-level planning can encourage the momentum of market activity between station areas, thus augmenting and diversifying development and other opportunities. NCTCOG can work with stakeholders to lead advocacy for affordable housing and equitable development along the corridor, focusing on both housing and employment solutions, as well as local transportation improvements.

Corridor plans aim to create a cohesive linear experience along vital corridors and can provide a detailed vision for high-capacity routes. This scale of planning looks more intensely at specific roadways and the relationship between buildings and the street and often includes implementation strategies to achieve continuity along the line. In North Texas, the DART Red & Blue Lines Corridor TOD Study and ongoing Silver Line Corridor TOD Planning Study are excellent examples of planning at this scale.

Station Area Scale

Planning for TOD at the station area scale should aim to ensure that the ½-mile radius around a transit node contains a mix of uses and supports transit access and ridership. Planning at this scale should consider the existing neighborhoods since there are no one-size-fits-all solutions to TOD. Some neighborhoods may have good opportunities to grow neighborhood buying power through high-density, mixed-use development, while other neighborhoods may have more potential to take advantage of transit through street and roadway improvements. NCTCOG can partner with transit agencies and private entities to help fund station area improvements and access infrastructure.

Station area plans, while plentiful in the region, often do not result in actual developments. They should provide specific and clear implementation guidelines for the development of areas around high-capacity transit. Primary topics addressed in a station area plan include land-use, density, bike and pedestrian networks, public spaces, and urban design and streetscape elements. Station area plans can be implemented for all major stations in a region or focus on locations deemed highest priority or most suitable for the development of TOD.

Site Scale

Individual buildings and developments turn the principles of TOD into physical spaces for people. The design of streets and buildings can have a large impact on the types of transportation choices people make. When buildings are designed to take advantage of



walking and transit, with active ground-floor uses, they encourage increased walking, biking, and transit, and contribute to neighborhood vitality. When streets are designed to safely balance the needs of all users, it becomes easier for people to meet daily travel needs using transit. Public spaces can also provide important community gathering places and centers for the activity.

Individual buildings and developments turn the principles of TOD into physical reality. The design of streets and buildings can have a large impact on the types of transportation choices people make. When buildings are designed to take advantage of walking and transit with active ground-floor uses and high-quality materials, they encourage increased walking, biking, and transit, and contribute to neighborhood vitality. Public spaces, too, can provide important community gathering places and centers for the activity. NCTCOG has emphasized the importance of this design in their [TOD Inventory evaluation](#).

Common Goals for TOD

In advancing TOD, transit agencies and local jurisdictions typically seek to achieve many of the following overarching goals:

- **Economic Accessibility** – Provide an appropriate balance of land uses to maximize access to housing, jobs, and other benefits that align with the priorities of the local community. Serve households of all income levels by linking housing affordability with access to opportunity.
- **Destination Oriented** – Establish station areas as destinations, most frequently as housing, job, or event destinations.
- **Value Creation and Value Capture** – Enhance the stability of agency's financial base by capturing the value of transit, and reinvesting in TOD programs to maximize TOD goals and objectives.
- **Reduce Traffic Congestion** – Facilitate easy connections between work, home, and play via transit to reduce traffic congestion and air pollution.



- **Sustainable Transportation** – Promote transit ridership and sustainable transportation modes through enhanced walkability and bikeability, and seamless transit connectivity.

Performance Indicators for TOD Effectiveness






Adopting performance indicators for TOD effectiveness supports intended TOD goals, such as increasing transit ridership, reducing congestion, and/or fostering walkable, mixed-use communities. Clear, measurable metrics allow TAs, jurisdictions, and NCTCOG to track progress, identify areas for improvement, and make data-driven decisions about future investments.

While many TOD projects share similarities, projects are never the same. Neighborhoods surrounding transit stations are unique in their characteristics and context. Because of this, an effective TOD in a suburban setting will, by nature, be different from an effective TOD in an urban area. In short, TOD should be tailored to the unique community in which it is situated.

The [Transportation Research Board's National Cooperative Highway Research Program](#) has identified a set of performance indicators that is applicable to these various types of TOD projects, broken down into five broad categories: travel behavior, economic investment, environmental impacts, built environment impacts, and social diversity/quality, represented in Figure 3. Intentionally selecting and leveraging performance indicators can help in the planning and evaluation of TOD effectiveness and be used to foster broader conversations around regional change.



Figure 3. Performance indicators for TOD

| Category | Example Performance Indicators |
|---|---|
| Travel Behavior  | <ul style="list-style-type: none"> Parking <ul style="list-style-type: none"> Number of parking spaces for shoppers or commuters Number of bicycle racks or lockers Traffic flow <ul style="list-style-type: none"> Transit ridership Number of shuttle trips Vehicle miles traveled (SOV vs HOV) Miles of bicycle lanes Pedestrian activity |
| Economic Investment  | <ul style="list-style-type: none"> Public Investment <ul style="list-style-type: none"> State-funded and federally-funded grants/loans Value of tax abatements Value of total public investment Private Investment <ul style="list-style-type: none"> Square footage of new or rehabilitated office space Number of shops Value of private investment Value of new property tax generated Housing <ul style="list-style-type: none"> New or rehabilitated housing units Value of private investment Value of new property tax generated Increase in property values Number of studio/one/two/three-bedroom units Number of units sold/rented Number of subsidized units sold/rented |
| Environmental Impacts  | <ul style="list-style-type: none"> Air Quality <ul style="list-style-type: none"> Air pollution level Number of days of air quality conformance Energy Use <ul style="list-style-type: none"> Consumer gasoline consumption |
| Built Environment Impacts  | <ul style="list-style-type: none"> Design Quality <ul style="list-style-type: none"> Presence of pedestrian-orientation/human scale (e.g. sidewalk width benchmarks) Pedestrian Friendliness <ul style="list-style-type: none"> Length of improved streetscape Number of improved intersections Acreage of brownfield property remediated Number of new/improved park areas Land Use <ul style="list-style-type: none"> Square footage/number of mixed-used structures |
| Social Diversity/Quality  | <ul style="list-style-type: none"> Social <ul style="list-style-type: none"> Number of new cultural institutions Crime rate Number of neighborhood associations Household diversity Increase in household disposable income Number of affordable housing units |



Existing Jurisdiction TOD-Supportive Policies

To sample the current state of TOD and TOD-supportive policies among local jurisdictions in the North Texas region, the Transit 2.0 team conducted a review of seven TA-member cities with rail stations. Jurisdictions were selected for study based on the presence of existing TODs to sample the current status of TOD policies in TOD-supportive jurisdictions. The jurisdictions evaluated were the following:

- City of Dallas
- City of Fort Worth
- City of Plano
- City of Richardson
- City of Garland
- City of Lewisville
- City of Carrollton

In each case, the Transit 2.0 team reviewed whether TOD was explicitly prioritized in the jurisdiction's planning and policy documents—typically, in the most recent Comprehensive Plan—and determined whether the jurisdiction has proactively implemented TOD-specific or TOD-supportive ordinances in the form of zoning codes. A summary of this review is presented in Figure 4.

Figure 4. Review of TOD-supportive policies and ordinances in selected jurisdictions

| Jurisdiction | Planning/Policy Document(s) Prioritizing TOD | TOD- Supportive Ordinance(s) |
|--------------------|--|--|
| City of Dallas | 2024 Comprehensive Plan: ForwardDallas2.0 | TOD TIF District |
| City of Fort Worth | Fort Worth Comprehensive Plan <ul style="list-style-type: none">• Chapter 11: Transportation | TOD-Supportive Zones <ul style="list-style-type: none">• Planned Development Districts• Mixed Use/Form Based Zones (e.g. urban villages, urban residential, Near Southside) |
| City of Plano | Comprehensive Plan 2021: <ul style="list-style-type: none">• Transit-Oriented Development Policy Silver Line Station Areas Plan | TOD-Supportive Zones <ul style="list-style-type: none">• Urban Mixed-Use District (classified as non-residential) |
| City of Richardson | 2024 Envision Richardson Comprehensive Plan | TOD-Supportive Zones <ul style="list-style-type: none">• Planned Development District |



| Jurisdiction | Planning/Policy Document(s) Prioritizing TOD | TOD- Supportive Ordinance(s) |
|---------------------------|---|---|
| | <ul style="list-style-type: none">Transit Services and Transit-Oriented Development Action Item | <ul style="list-style-type: none">Mixed-Use District Example TOD-Specific Codes <ul style="list-style-type: none">Caruth Properties TOD codeBush Central Station TOD codeCollins-Arapaho TOD code |
| City of Lewisville | Old Town TOD Master Plan | TOD-Supportive Zones <ul style="list-style-type: none">Old Town Mixed-Use 1 and 2Mixed Use |
| City of Carrollton | 2003 City of Carrollton Comprehensive Plan (2007 Amendments) 2006 Destination Carrollton Brochure 2025 Downtown Master Plan (anticipated spring 2025) | TOD-Specific Zones <ul style="list-style-type: none">Transit Center (TC) Zoning DistrictFrankford Transit Center Zoning DistrictTrinity Mills Transit Center Zoning District Tax-Increment Reinvestment Zone (TIRZ) |
| State of Texas | Statewide Multimodal Transit Plan | n/a |

Review of these policies and ordinances found that of this sample of transit-supportive jurisdictions, most have identified TOD as a core component of their citywide comprehensive plan or have prepared area-specific master plans. Carrollton has some of the most robust TOD-specific zones.

All jurisdictions reviewed also maintain a minimum of TOD-compatible zones, indicating a baseline openness to TOD. The City of Richardson and City of Lewisville both have developed TOD-specific codes or zones to facilitate more efficient development in areas prioritized for TOD. Jurisdictions in the North Texas region that are looking to incentivize TOD could look to these two jurisdictions as examples for TOD policies and ordinances.

Additional data on form-based codes, TIF districts, and station area plans across the region are included in Appendix A.



4. MPO Peer Benchmarking

As of 2023, there were 450 MPOs in the United States—by population, NCTCOG is the sixth largest in the country. MPOs are united in their goals to carry out metropolitan planning and allocate federal funds in urbanized areas, but beyond this, vary significantly in their size, jurisdictional authority, and political context. For example, in California MPOs distribute regional housing needs allocations, while in North Texas, NCTCOG is also a state-designated Council of Governments—though not all Texas MPOs hold this designation; many other variations exist across and within states.

Planning for TOD is a core aspect of NCTCOG’s work, and NCTCOG is already a leader in this space. This section of this report benchmarks NCTCOG’s TOD initiatives with three other MPOs across the country that are of similar size: The San Diego Association of Governments (SANDAG) in San Diego, CA, Atlanta Regional Commission (ARC) in Atlanta, Georgia, and the Metropolitan Council (Met Council) in the Twin Cities seven-county metropolitan area of Minnesota. This section pulls from interviews conducted with staff at each of the national MPOs and examines publicly available information regarding TOD planning, implementation, funding, and collaboration via a scan of MPO webpages.

NCTCOG

NCTCOG maintains a robust suite of TOD information that serves as a publicly-available [inventory of data products](#), research, and planning studies for the North Texas region. The data products NCTCOG hosts include a [spatially explicit inventory of developments](#) within a half-mile of transit stations, as well as detailed fact sheets on zoning, land use, and demographics near each station in the DFW region. It also offers [planning studies and best practices](#) for its constituent jurisdictions, as well as a [brochure](#) summarizing the benefits and successes of TOD across North Texas.

NCTCOG has provided funding to its regional partners for TOD infrastructure and planning efforts through the [Sustainable Development Funding Program](#), with the most recent round of funding being offered in 2018. NCTCOG also leads the [Coordinated Land Use and Transportation Task Force](#), a forum for local governments to share best practices and lessons learned in support of TOD.



San Diego Association of Governments

Among MPOs nationally, SANDAG is one of the most powerful, in that it plans, develops, and constructs transit projects in San Diego County. This structure gives SANDAG a closer relationship with the transit agencies and transportation planning efforts than other MPOs may have with the transit agencies within their jurisdictions. SANDAG also enjoys greater control over distribution of resources than most MPOs nationally.

When it comes to TOD, SANDAG provides funding to local jurisdictions and transit authorities through two primary grant programs: its [Smart Growth Incentive Program](#) and [Housing Acceleration Program](#).

The Smart Growth Incentive Program, funded via allocations from a 1988 voter-approved half-cent sales tax for transportation projects, has provided over \$60 million for planning and capital projects since 2009. The program is geographically unconstrained, with all SANDAG jurisdictions eligible to apply under the call for projects. The program competitively awards funds for projects that “catalyze compact, mixed-use development focused around public transit and increase housing and transportation choices around the region.”

The Housing Acceleration program is funded via state Regional Early Action and Planning Grants of 2019 and 2021 and directly supports local governments, developers, tribal nations, and transit agencies to develop policies that help accelerate housing production, prioritize infill development, and reduce vehicle miles traveled. Unique uses for these funds have included the establishment of an affordable housing trust fund in partnership with the San Diego Foundation and a local jurisdiction technical assistance program that provides direct consultant-led technical to support jurisdictions implement housing elements, prepare new housing legislation, and streamline permitting process for local housing development. A portion of the 2021 appropriations were set aside directly for the [Blue Line Transit Oriented Development Study](#) and associated station area planning.

Successful capacity building efforts for SANDAG have included developer roundtables and market sounding to better understand the types of incentives that work best for developers. Paired with individual 1:1s with these developers, SANDAG has gained valuable insights on the challenges developers face in infill areas and how to work with regional stakeholders to address them.



Much like North Texas, many cities in the San Diego region are not interested in increasing density or preferentially building near transit. A key difference, however, is the emphasis the State of California has recently put on increasing housing and density, a mandate that has made SANDAG's role much easier. Through these state funding programs as well as regional strategy documents like the [Regional Plan](#), SANDAG is providing resources to help make housing and TOD more affordable and economically viable in infill areas.

Outside of SANDAG, San Diego County, the City of San Diego, and The Metropolitan Transit System (MTS), the transit agency for the greater San Diego area have pursued TOD zoning and developments on MTS and city-owned property. SANDAG has served as a convener and has provided associated technical assistance on an ad hoc basis.

Atlanta Regional Commission

Since 2000, much of the ARC's work to encourage TOD has been under its [Livable Centers Initiative](#) (LCI) grant program, funded via Surface Transportation Block Grant funds, which was initially created to help the region achieve air quality conformity by reducing vehicle miles traveled. At this time, most jurisdictions—and even the Metropolitan Atlanta Rapid Transit Authority (MARTA)—were uninterested in TOD but were interested in downtown revitalization and improvement of satellite job centers. By encouraging densification and placemaking through the use of these funds, LCI has helped revitalize suburban downtowns across the greater Atlanta region that are now evolving to consider TOD as transit networks expand. To date, LCI has awarded over \$312 million to more than 130 communities within its jurisdiction and has allocated \$600 million through 2050 for transportation projects.

Beyond grantmaking, the ARC has put a heavy emphasis on educational capacity-building. This has included the [LINK program](#) that takes regional leaders on field trips outside of the region to gain exposure to ideas and approaches for dealing with regional challenges, the [Regional Leadership Institute](#) to foster regional professional collaboration, and [Model Atlanta Regional Commission](#) for high school students to gain exposure to civic processes—[among others](#). ARC sees these programs as a key tool in its toolbelt to build regional capacity and awareness for critical planning and civic concepts and, long-term, an engaged regional community.



Metropolitan Council (Twin Cities)

The Metropolitan Council (Met Council) is both an MPO and a regional government (including transit) agency that serves the Twin Cities area, with the jurisdiction to plan, construct, and operate transit and other public services in its seven-county area.

Notably, Met Council also has the authority to ensure that a community's local comprehensive plan, including development and density goals, is consistent with the goals of its metropolitan system plans. Met Council can legally require a community to modify its local plan to assure conformance with the metropolitan system plans (Minnesota Statute 473.175).

In 2013, Met Council [adopted a TOD Policy](#) and maintains a robust [Transit-Oriented Development Guide](#) on its website, with significant resources available to its constituent counties and cities.

[These resources](#) are broken into fact sheets, case studies, and best practices on comprehensive & station area planning, land use regulations, public infrastructure planning, and redevelopment & economic development policies that support TOD.

Metro Council also offers direct funding to local cities under its [TOD grant program](#), which supports capital costs for moderate- to higher-density projects located within walking distance of a transit stop or station. Eligible costs can include site preparation, utility work, and public realm improvements, while other Met Council grant programs support costs associated with site acquisition or construction. This program has been highly successful, and Met Council is considering ways to broaden its reach such that all infill projects—not just those near transit—can be awarded grants in the context of their own physical environment. Evaluation criteria considered for locations more distant from transit have included connections to regional trails, parks, and EV charging facilities, with a focus on multimodal connections. Technical assistance is provided to all interested jurisdictions, in partnership with the University of Minnesota.

Metro Transit, an operating division of Metro Council, offers a separate suite of TOD resources and funding opportunities. Metro Transit's TOD Office hosts tools and resources for developers, [including a list of development opportunity sites](#) on Metro Council land. Metro Transit, Metro Council's Housing and Redevelopment Authority, and Met Council's transportation, housing policy, and grant program planning groups hold



quarterly meetings as part of their TOD working group. The purpose of this working group is to facilitate regular conversation and identify areas for additional collaboration.

Beyond its own internal working group, Met Council has focused intensely on developing a TOD community of practice between local government staff members. By holding regular meetings, staff have been able to build effective peer networks to better understand best practices and key stakeholders.

Benchmarking: Lessons Learned

Key strategies employed by the benchmarked MPOs included funding for TOD and infill, alongside regional capacity-building programming. Key themes included the importance of state-level support for TOD and a broader focus on infill, rather than TOD alone. All three MPOs benchmarked have regular, recurring grant programs that support TOD implementation—not just planning. Likewise, all three MPOs provide some level of capacity-building for local jurisdictions, either through direct technical support in the case of SANDAG, or through broader regional training and convening as is the case with the ARC and Met Council. Both SANDAG and Met Council have demonstrated how critical state-level buy-in is to the success of housing, density, and TOD-specific efforts in that they have been given authority to enforce either state policy or their own regional policies. All three MPOs support TOD but are more explicitly focused on reducing vehicle miles traveled through infill development, which may or may not occur adjacent to existing transit stops or stations.

In comparison to these three peer MPOs, NCTCOG provides a strong selection of TOD resources, demonstrating its leadership regionally and nationally as a TOD expert and champion. Core resources include the interactive TOD map, funding for TOD sites, and its role as a regional convener through the Coordinated Land Use and Transportation Task Force. To enhance its resources available to North Texas jurisdictions and TAs, NCTCOG should build on the success of the many station area plans that have already been prepared by increasing its discretionary grant funding for TOD to help move projects from the planning phase to implementation—especially as so many station area plans for regional rail stations have already been prepared. NCTCOG should also consider supplementing its Coordinated Land Use and Transportation task force with additional training opportunities for TOD, likely in collaboration NCTCOG's Environment and Development department. While NCTCOG already maintains a robust legislative program, these case studies underscore the importance of NCTCOG's continued efforts



to support additional funding for transit and transit-supportive legislation. These concepts are built out in greater detail in the NCTCOG-Led Strategies section of this report.



5. Recommended Strategies to Increase TOD and Infill Development

There are a number of strategies that jurisdictions, TAs, and NCTCOG should consider to increase TOD in North Texas. These strategies, individually and in combination, can help generate economic development and economic activity, reduce congestion and greenhouse gas emissions, and encourage transit ridership.

Jurisdiction-Led Strategies

The Transit 2.0 team has proposed eight strategies that jurisdictions could undertake to increase TOD and infill development. While these can be selected from this list individually or in combination, strategies are likely to be most effective when undertaken as part of a cohesive regional effort to incentivize infill and TOD.

J1. Proactively rezone for TOD and infill development

[A study by NCTCOG](#) of DART's Red and Blue Line TODs found that 62% of the zoning in those corridors did not support TOD. This was often due to zoning that prohibited density, mix of land uses, or has large building setbacks which place auto-oriented site design over walkable property design. Zoning requirements that have these characteristics can limit the variability of uses around potential TOD sites, in turn limiting the feasibility of TOD. Similarly, parking regulations, like parking minimums for new development, commit significant land and infrastructure space and costs, slowing the development process and disincentivizing transit-supportive density.

Jurisdictions can fix this problem by aligning transportation planning and land use planning in areas that are ripe for TOD by proactively rezoning areas for TOD and infill development to remove these barriers. Zoning in areas where TOD is desirable should include increased density and height limits, reduced or eliminated parking minimums, and

CASE STUDY: FORM-BASED MIXED ZONING IN FORT WORTH

For decades, zoning regulations, street design requirements, and other development standards hindered urban design and redevelopment goals for Near Southside Fort Worth. To combat this, the City of Fort Worth adopted a [form-based mixed-use \(MU\) zoning classification](#) and in 2008, enacted the [Near Southside Standards and Guidelines](#), a form-based development code that "promotes urban, pedestrian-oriented, mixed-use development that complements the district's historic character and advances goals for the area set forth in both the City's Comprehensive Plan." According to Near Southside, Inc, "In addition to development standards for buildings and associated improvements, the code includes context-sensitive street standards that help create streets that are walkable and bike-friendly while still moving automobiles and transit vehicles efficiently."



flexibility for mixed use development. Many jurisdictions along existing transit routes have transit-supportive zones, but many zones do not incentivize the kind of density that truly makes TOD thrive.

Rezoning can include implementation of form based codes that, according to the [Form-Based Codes Institute](#) (now the Center for Zoning Solutions), foster “predictable built results and a high-quality public realm by using physical form (rather than separation of uses) as the organizing principle” or planned development overlays that similarly create unique zoning for any given site. Of the 21 cities in the region that are TA members, 10 have already adopted form-based codes in at least one area of the community (Appendix A), though not at all stations. Additional non-TA member jurisdictions in North Texas [have adopted form based codes](#) for other reasons, including Duncanville, Keller, Mesquite, and Roanoke.

BEST PRACTICE: REZONING FOR TOD IN SEATTLE

The City of Seattle, Washington implemented station area planning around planned light rail stops. For example, in anticipation of light rail construction, the [city designated the area near Northgate Mall as an "urban village" in 1993](#), identifying it as a prime location for TOD. In 2007, Seattle rezoned the area to support increased height limits of up to 125 feet, facilitating higher-density, mixed-use development near the transit station. This strategic rezoning led to the development of projects like Thornton Place, a mixed-use complex featuring condominiums, apartments (including affordable units), retail space, and a movie theater that was built on one of the mall's surface parking lots. The project also includes a community park and a daylight section of Thornton Creek, enhancing the area's appeal. By aligning zoning regulations with transit planning, Seattle successfully created a vibrant, transit-supportive community that encourages public transit use and reduces reliance on automobiles.

Proactive rezoning makes it easier and less costly for developers to choose to develop in infill areas by eliminating regulatory hurdles and creating a predictable framework for development. It can accomplish the following:

- Reduce uncertainty: When areas are already zoned for higher densities, mixed-use development, or transit-oriented uses, developers don't have to go through lengthy and uncertain rezoning or variance processes. This saves time and reduces risks, making projects more financially viable.
- Streamline approvals: Proactive rezoning aligns zoning codes with desired development outcomes, allowing projects to move forward without needing



additional approvals. By establishing clear, transit-supportive zoning regulations upfront, jurisdictions can expedite permitting and reduce delays.

- Lower costs: By removing requirements such as parking minimums or by increasing allowable densities, jurisdictions reduce the required financial burden on developers to design amenities the market may not need. Parking infrastructure, for example, is expensive to build and often unnecessary in transit-accessible locations.
- Highlights demand: Proactive rezoning demonstrates local governments' commitment to TOD and in-fill development, encouraging developers to invest in these areas. The clear message of support fosters confidence and attracts private investment.
- Streamline access to incentives: Rezoning can be coupled with financial or regulatory incentives, such as density bonuses, tax abatements, or infrastructure improvements, making development even more attractive and feasible.

The City of Dallas is moving in this direction with its adoption of [ForwardDallas2.0](#), its comprehensive plan. The plan includes an identified land use theme of "Transit Oriented Development + Connectivity" and action steps to "prioritize appropriate increased density and zoning around DART stations," "right-size and reduce parking regulations," "explore potential development-code amendments that would further incentivize...density bonuses if affordable housing is provided," and "explore creating a TOD-overlay zone."

Many of the existing TODs in North Texas are not maximizing density. Strategies to upzone existing three- and four-story apartments should be evaluated in the region to maximize density around rail stations.



J2. Streamline development processes for TOD

Streamlining development processes for multiuse projects in infill areas is critical for encouraging private investment and accelerating TOD. Multiuse projects often face additional complexities compared to single-use developments, such as navigating multiple zoning requirements, coordinating between agencies, or meeting varying design standards for residential, commercial, and public spaces within the same project.

Local jurisdictions can simplify these processes by establishing clear and consistent guidelines tailored to infill development and designed to incentivize increased density projects through expedited permitting pathways or designated dedicated staff or departments to support multiuse projects.

BEST PRACTICE: EXPEDITED PERMITTING FOR AFFORDABLE HOUSING IN SAN DIEGO

The City of San Diego's [Affordable, In-Fill Housing and Sustainable Buildings Expedite Program](#) provides expedited processing for mixed-use projects with at least 10 percent of units offered at an affordable rate. The program provides access to specialized city staff, shorter staff review times, and priority on public hearings. Participating projects are generally processed in half the time of a typical project. This reduces approval times and makes these developments more appealing to developers. By eliminating unnecessary red tape and providing targeted support, jurisdictions can reduce costs, minimize delays, and create a more predictable environment for multiuse projects, ultimately encouraging vibrant, transit-supportive communities in infill areas.

J3. Expand developer incentives for TOD

Expanding developer incentives for infill projects that prioritize walkable and human-centered spaces can significantly boost their appeal and feasibility. Incentives used in North Texas include density bonuses, tax abatements, fee waivers, or grants for projects that incorporate features like pedestrian-friendly streetscapes, public plazas, and green infrastructure. These elements not only enhance the quality of life for residents but also align with broader goals of reducing car dependency and increasing transit ridership. By lowering costs and rewarding thoughtful, people-centered design, these incentives encourage developers to invest in projects that create vibrant, walkable communities, ultimately supporting regional sustainability and economic growth.

J4. Expand Public Private Partnerships and Tax Increment Financing Districts

Public-private partnerships (P3s), which can leverage private sector investment to achieve public policy goals, may be useful tools through which jurisdictions can



encourage TOD. One of the most effective mechanisms for encouraging P3 is the use of land-based Requests for Proposals (RFPs), where jurisdictions solicit development proposals for publicly owned land near rail stations. By structuring these RFPs to prioritize mixed-use, walkable, and transit-supportive projects, jurisdictions can solicit new development that aligns with TOD principles. These agreements can also include provisions for affordable housing, sustainable design, or public space enhancements, helping to maximize the community benefits of TOD while reducing the financial burden on public agencies.

Another valuable tool is [Chapter 380 of the Local Government Code](#), which “authorizes municipalities to offer loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity.” In the context of TOD, Chapter 380 agreements can be used to offset the higher costs of infill development, making projects near transit stations more financially viable. Cities can use these agreements to fund site preparation, improve pedestrian and bike connections, or provide tax rebates to developers who commit to TOD-friendly projects.

The [Federal Highway Administration](#) (FHWA) defines Tax Increment Financing (TIF) as “a value capture revenue tool that uses taxes on future gains in real estate values to pay for new infrastructure improvements.” Tax Increment Reinvestment Zones (TIRZ) represent the real property that is taxed to fund a tax increment fund. TIF districts create funding for public and private projects by borrowing against the anticipated future increase in property-tax revenues generated within the district. These are most effective when a planned infrastructure improvement, such as the construction of a new rail line, enhances the value of existing properties and encourages new development in the area. TIF districts are typically established for finite periods, typically 20 to 25 years, during which all incremental real estate tax revenues above the base rate at the time the district is established flow into the TIF.

TIF districts have already been leveraged around at least one station in all jurisdictions with existing rail stations in North Texas (Appendix A). None of the six TA member jurisdictions without rail have yet implemented TIF districts. For example, Dallas established a [TOD TIF district](#) in 2009 that includes sub-districts along the DART Red and Blue lines. These sub districts include the Lovers Lane DART station, Mockingbird Station, Cedar Crest area, and Lancaster Corridor through central Oak Cliff. The TIF is in place



through the end of 2038. [As of FY 2023](#), real property values in Dallas' TOD TIF have increased 319% since inception. Funds have been used to support [projects like](#) the Lancaster Urban Village Project, the SMU Boulevard Streetscape and Trail Extension Project, and Mockingbird Station East mixed-income TOD project, among others, totaling over \$40 million in investments.

Multijurisdictional TIF Districts

Transportation facilities and services can create benefits and impact land values at all geographic levels, from the immediate vicinity surrounding an investment to a multi-city region depending on the scope, scale, and location of the infrastructure. For transit, which often crosses jurisdictional boundaries, TIF districts can be established that span multiple jurisdictions. These multi-jurisdictional TIF districts have a role when significant development in one jurisdiction places infrastructure costs on an adjacent jurisdiction, or when developers locate an infrastructure investment beyond a jurisdictional border to reduce their costs. By forming an interagency overlay district that collects revenue from a multi-jurisdictional benefit area, these issues are preempted and all impacted jurisdictions can benefit from TIF district revenue. [According to the FHWA](#), there are five basic steps to creating a multi-jurisdictional TIF district:

1. Identify benefit areas empirically through a market analysis.
2. Communicate the "business case" for the proposed investment and value capture implementation to stakeholder agencies and jurisdictions.
3. Build support for the concept of value capture based on equity, fiscal sustainability, growth management, and environmental benefits.

CASE STUDY: TRINITY MILLS URBAN VILLAGE

[Trinity Mills Urban Village](#), at Trinity Mills Station in Carrollton will be North Texas' largest publicly owned transit-oriented development site. Part of a Tax Increment Reinvestment Zone (TIRZ) district established by the City of Carrollton, 65% of tax revenue increases in the zone will be used to fund infrastructure improvements. The 25-acre site, which includes parcels owned by the City of Carrollton and DART, is a public-private partnership between the two agencies and two real estate developers. The master-planned development will include residential, office, and retail space and a three-acre park. Carrollton hopes the site will eventually become a 300-acre hub.



4. Cooperate with participating agencies and jurisdictions to establish the geographical boundaries that best reflect the true benefit areas.
5. Formalize the boundaries as part of a multi-lateral legal agreement that will govern the value capture implementation.

While there are not currently any multi-jurisdictional TIF districts in North Texas, the region is well-positioned to benefit from this concept due to the interconnected nature of the metropolitan region and its rapid growth across many cities and multiple counties. For example, University Park, a DART member jurisdiction, does not have a light rail station, however it benefits from its close proximity to Mockingbird Station and Lovers Lane Station, and could be well-situated for a multijurisdictional TIF district.

With all three TAs operating and maintaining transit corridors that span several jurisdictions, the economic benefits of transit improvements are dispersed. Establishing multijurisdictional TIF districts could allow North Texas communities to pool resources and equitably distribute the financial gains generated by transit investments and connectivity.

Regardless of the tool used, from P3s to land-based RFPs and TIF districts, many of the existing TODs in North Texas are not maximizing density. Jurisdictions should upzone existing three- and four-story apartments to maximize density around rail stations and the investment they put into the strategies proposed here.

J5. Leverage local stakeholders and relevant organizations to build TOD support

Supportive local stakeholders, including residents, business owners, and civic leaders, and TOD advocates like the Urban Land Institute, Dallas Housing Coalition, Community Design Fort Worth, and Near Southside Fort Worth can serve as platforms to educate the public on the benefits of TOD, including increased economic opportunities, improved transit access, and enhanced quality of life. By involving the community in a structured and collaborative way, local committees

CASE STUDY: POLITICAL SUPPORT LED TO GRAPEVINE'S SUCCESS

The City of Grapevine's Main Station TOD frequently came up in interviews conducted by the Transit 2.0 team as a highly successful and compelling TOD model. However, many interviewees also noted the instrumental role that long-time Grapevine Mayor William Tate played as a champion for TOD. Grapevine's success, in many ways, can be attributed to Mayor Tate's and the Grapevine City Council's commitment to making downtown Grapevine a regional destination centered on TEXRail.



can help dispel misconceptions, build consensus, and create momentum for successful infill development projects.

The [Fort Worth Committee on Urban Rail](#), established in May 2024 as a partnership between Trinity Metro and the City of Fort Worth, is one such committee that is active in the region and considering transit challenges. Comprised of business, tourism, and transportation leaders within Fort Worth, the Committee will explore the possibility of developing a fixed rail system designed to move people between the entertainment districts in Fort Worth, including potential ridership, costs, and funding. While not focused on TOD, this committee is an example of regional collaboration in the interest of transit.

J6. Improve public space adjacent to transit stations through placemaking and economic development

Improving the quality and connectivity of transit-adjacent public spaces is essential for creating vibrant, transit-oriented communities. Well-designed public spaces—such as plazas, parks, or pedestrian-friendly streetscapes—enhance the overall transit experience by encouraging social interaction, increasing perceptions of security, and making transit stations more physically comfortable potential riders. People are taking transit to go somewhere, and jurisdictions should consider how that “somewhere” feels at a human scale. Economic development strategies, such as encouraging local businesses to establish themselves adjacent to transit, can activate an area and generate foot traffic.

Placemaking efforts, like public art installations, enhanced lighting, enhanced shade structures, comfortable seating, and ensuring accessibility, can further enhance the quality of public spaces—including transit—so that it is comfortable and welcoming for all.

This recommendation is closely related to recommendation T6. *Invest in elements of mobility hubs at key transit stations.*

CASE STUDY: GARLAND DOWNTOWN SQUARE

The City of Garland invested in placemaking at its underutilized town square. Now, [Garland Downtown Park](#) has a multi-use performance venue, bustling seating and play area, and custom lighting that creates an inviting, engaging space for exploration. This type of transformation activates public spaces and, less than a 10-minute walk from Downtown Garland Station, helps Garland encourage a more transit-oriented and pedestrian-friendly community.



J7. Develop or update TOD plans

Developing dedicated infill and TOD plans provides local jurisdictions with a clear roadmap to guide growth in a way that supports transit, maximizes land use, and aligns with broader community goals. These plans should identify strategic locations for infill and TOD, outline specific goals for density, land use mix, and design standards, and detail the infrastructure improvements and policies needed to support development. Engaging stakeholders in the planning process ensures the plans reflect community needs and priorities while fostering buy-in for future projects.

51 of the 89 rail stations in the North Texas region have published station area plans, of which 46 are incorporated in a corridor plan (Appendix A). An excellent local example of station area plans is the City of Lewisville's [Old Town TOD Master Plan](#), which was developed in 2010 and updated in both 2017 and 2023. The master plan is built to promote accessibility from Old Town to the Old Town Station while creating an "environment where residents can live, work, and play without sole reliance on a vehicle." Throughout the development and iterations of this plan, Lewisville engaged the community, developed a clear vision for its aspirations, and highlighted areas where there are development opportunities, signaling demand to potential developers.

NCTCOG has played a significant role in the early development of TOD plans by sponsoring [station-specific and larger regional plans](#). This is supported by NCTCOG's [TOD fact sheets](#) that provide a quick overview of the "demographic, transit service, planning, development data, and existing and planned pedestrian and bicycle facilities within a half-mile distance of each light rail and commuter rail station in the DFW region." The data generated through NCTCOG's TOD plans provide a critical foundation for jurisdictions to build upon as they seek investment in TOD and infill areas.

CASE STUDY: SILVER LINE STATION AREAS PLANS

The City of Plano prepared the [Silver Line Station Areas Plan](#) to maximize development opportunities at two future Silver Line stops within its jurisdiction. By pre-positioning these areas with proposed development types, recommendations, and strategies for land use, transportation, character, and open space, Plano is fast-tracking these locations for future investment that will fall in line with the City's vision. This type of proactive planning is a useful example for regional prioritization of future growth.



J8. Improve first mile/last mile connectivity to transit stations

Many potential transit users are deterred by the inconvenience of getting to and from transit stations, especially in suburban or less dense areas where walking or biking may not be practical. By investing in solutions like enhanced pedestrian and bicycle pathways and routes, micro-mobility options, bike-sharing programs, or city-sponsored shuttle or circulator services—key elements of effective TOD—jurisdictions can bridge this gap and make transit more accessible and attractive to a larger population. Because these types of improvements are permitted and controlled by jurisdictions, it is jurisdictions who must take on the leadership to encourage, permit, and in, certain cases, construct these facility improvements on and off TA properties. Jurisdictions can focus on neighborhood sidewalk plans and cycling networks in their right of way around stations.

CASE STUDY: CULVER CITY, CA DOWNTOWN CIRCULATOR

Culver City, California operates a \$1 per ride [downtown circulator](#) bus that connects residents and visitors to key destinations, including the LA Metro E-Line, a light rail that provides connectivity to much of the rest of the Los Angeles area. This circulator, which operates every 15 to 20 minutes, provides critical first mile/last mile connectivity to make transit access even easier.

CASE STUDY: AUTONOMOUS SHUTTLES PROVIDE FIRST/LAST MILE CONNECTIVITY IN FLORIDA

Autonomous vehicle technology is poised to provide new and innovative opportunities to improve first mile/last mile connectivity. Autonomous shuttles, which can be run as circulators or as on-demand microtransit, are a promising option for areas where human-operated circulators are cost-prohibitive. The [Pinellas Suncoast Transit Agency](#) in the City of St. Petersburg, Florida, piloted this technology in 2020 and 2021, and technology mobility companies like Beep and May Mobility are rapidly working on solutions in this space. Jurisdictions in North Texas should stay apprised of opportunities to implement these innovative first mile/last mile mobility options in rural and urban contexts alike.

Since 2003, NCTOCG has coordinated with jurisdictions to study active transportation routes to light rail and commuter rail stations in the region through its [Routes to Rail Stations](#) program. The purpose of these studies is to provide a resource for cities, transit agencies, property owners, and individuals to understand the active transportation options (walking and biking) as well as the gaps in the existing active transportation network to reach each passenger rail station in the DFW region. The studies also outline a framework for future investments in infrastructure needed to improve walking and bicycling access to these stations. Jurisdictions can leverage the resultant data products



to both create messaging for residents on transit accessibility and to prioritize routes for targeted investments to improve connectivity.

This recommendation is cross-listed with TA-led strategy T2, of the same name.

TA-Led Strategies

TAs are focused on providing a frequent, reliable, and secure experience for their riders, so TOD is not always a top priority. The Transit 2.0 team has proposed five strategies that TAS could undertake, individually or in combination, to increase TOD and infill development.

T1. Establish and publish clear, streamlined policies and procedures for joint development on TA-owned property

According to [the FTA](#), joint development is a collaboration between a transit agency and one or more partners to build transit oriented development while improving the transit system. TAs typically provide funds or property and share the costs of transit improvements and the revenue from real estate developments. As more people live, work, or shop in the development, TAs may benefit from increased ridership and farebox revenue.

Multiple models for joint development exist; in some cases, TAs may partner with developers to lease property owned by the TA near a transit station to build office space or residential units, while in other cases joint development can take the form of the coordinated construction of an underground transit station and a mixed-use development above within the air rights.

At present, DART is the only TA that has [published joint development policies](#). Ambiguity in expectations, approval timelines, or development standards can deter developers from pursuing projects, particularly on TA properties that may involve unique requirements or constraints. By establishing transparent guidelines that outline a TA's

CASE STUDY: JOINT DEVELOPMENT IN LOS ANGELES, CA

LA Metro's [Joint Development Policy](#) is a model for leveraging transit agency-owned properties to foster TOD. A notable example is LA Metro's [North Hollywood Station joint development project](#), its largest-ever joint development initiative that will transform a surface parking lot into a thriving urban village featuring housing, retail, office space, and public amenities, all within walking distance of the Metro B Line. It will include over 1,400 residential units, with a significant portion designated as affordable housing, and prioritizes pedestrian and bicycle connectivity to the transit hub. By integrating public spaces and community-serving uses, the NoHo project exemplifies how Metro's policy advances development while enhancing the overall transit experience.



criteria for land use, density, design, public-private partnership frameworks, and approval processes, DART can enhance and DCTA and Trinity Metro can create a predictable environment that encourages high-quality development. Such clarity reduces uncertainty, expedites project timelines, and ensures that developments align with the TA's goals for transit-supportive, community-focused land use. At least one developer interviewed by the Transit 2.0 team indicated that they wished there was more clarity from the TAs on site development goals.

Releasing Requests for Information (RFIs) to developers is an effective strategy for TAs to gauge interest and gather innovative concepts for joint development of TA-owned properties. RFIs create opportunities for developers to propose creative solutions for sites that align with TOD goals, offering insights into market demand and potential partnerships. By soliciting information based on performance goals rather than through strict requirements, TAs can gather a broad range of ideas and better understand what kinds of development strategies can maximize ridership, enhance community value, and support long-term transit sustainability in a way that will be supported by the market.

To ensure successful outcomes, TAs should collaborate closely with jurisdictions as they scope RFIs and review proposals to identify opportunities that align with both transit and community goals. This collaborative approach ensures that proposed developments integrate seamlessly with existing plans and leverage the economic development tools available at the municipal level.

Unsolicited Proposals Policy

DCTA and Trinity Metro should also consider developing an unsolicited proposal policy; DART is the only TA that has already published such a policy.

An unsolicited proposal is a written application for a new or innovative idea to a government agency that is not a response to a formal solicitation. These proposals typically seek to obtain a government contract to pursue the concept, but when compared to traditional procurements, risk perceptions of favoritism or unfairness. Agencies can develop and approve a formal unsolicited proposal policy to maintain transparency and fairness and create opportunities to benefit from private-sector expertise and innovation.

An unsolicited proposal policy creates a clear framework for developers to submit ideas that align with a TA's TOD goals, harnessing private-sector expertise and interest when



the time is right for developers. A robust policy should outline submission requirements, evaluation criteria, and timelines, ensuring proposals meet key objectives such as increasing density, promoting multimodal connectivity, and supporting sustainable development. DART publicly publishes [factsheets](#) demonstrating many of these characteristics for each of its rail stations to help encourage additional investment.

CASE STUDY: UNSOLICITED PROPOSALS LEAD TO NEW TOD IN WASHINGTON, DC

The Washington Metropolitan Area Transit Authority (WMATA) typically will use an open competition to solicit proposals for development on its Joint Development sites. However, WMATA also maintains an [unsolicited proposal policy](#), and in defined cases, accepts unsolicited proposals for developments. The cases in which WMATA will accept unsolicited proposals include:

- 1. When the offers come from occupying ground lessees*
- 2. When there are land assemblage opportunities from adjacent property owners that would help create higher density TOD, and*
- 3. When the proposals come from jurisdictional partners.*

A [recent example](#) of this policy in practice was an unsolicited proposal from a landowner adjacent to WMATA's Twinbrook Metro Station. The landowner submitted a proposal to purchase 1.2 acres of WMATA-owned land to construct a mixed-use development. Following the receipt of the unsolicited proposal, WMATA negotiated a joint development agreement that was executed in July 2024.

T2. Improve first mile/last mile connectivity to transit stations

TAs can lead efforts to integrate transit hubs with complementary mobility solutions via mobility hubs. Mobility hubs integrate multiple modes of transportation including transit services, bike-share, e-scooters, rideshare pick-up/drop-off, and car-share, to create seamless connections for travelers. These hubs also frequently include placemaking and amenities like secure bike parking, electric vehicle (EV) charging stations, real-time travel information, public art, and retail or co-working spaces to improve the overall user experience and to create spaces that people want to be. DART has published [mobility hub guidelines](#) that broadly follow these best practices. All three TAs should work with developers and jurisdictions to target shared investment for mobility hubs that meet community needs and enhance transit connectivity.

Additionally, TAs can invest in pedestrian and bicycle infrastructure within and around stations, such as improved sidewalks, bike lanes, and secure parking facilities, to encourage non-motorized access to transit. These improvements require close collaboration with local jurisdictions to permit and construct, particularly for facilities not



on TA properties. On TA property and right-of-way, TAs should focus on improvements for convenient pedestrian access. For example, the [DART Red and Blue Lines Corridor TOD Study](#) found in its analysis of first/last mile needs that many park and ride lots and station kiss and rides lacked sidewalks placed where pedestrians traveled through DART property to the neighborhood.

This recommendation is cross-listed with jurisdiction-led strategy J8, of the same name.

CASE STUDY: MPO AND TA PARTNERSHIP FOR FIRST/LAST MILE CONNECTIVITY IN LOS ANGELES

In the Los Angeles Region, Los Angeles Metro and the Southern California Association of Governments (SCAG), the MPO for the Southern California region, teamed up to prepare a [First/Last Mile Strategic Plan & Planning Guidelines](#) to improve access around transit stations and stops. The plan provides a toolbox for localities to build support and resources for developing active transportation infrastructure like sidewalks, protected bike lanes, and clear signage directing users to regional transit hubs.

T3. Leverage interlocal agreements to expand collaboration with jurisdictions on strategies for integrating rail stations with community amenities

TAs should expand interlocal agreements with jurisdictions to coordinate resources and share responsibilities that align with priorities for land use and transit planning. Interlocal agreements are a standard formal framework for governmental units to cooperate and contract with one another. These agreements can outline shared goals for TOD, clarify roles and responsibilities, and formalize processes for joint investments in infrastructure, first/last mile solutions, or public-private partnerships.

Beyond interlocal agreements, collaboration between TAs and local jurisdictions is essential to create vibrant TOD hubs and improve the overall transit experience. TAs should expand collaboration with jurisdictions to align station design with local priorities, such as incorporating retail spaces, green areas, affordable housing, and public gathering spaces around stations. For example, TAs could sponsor area plans with cities. This coordination in land use planning, infrastructure investments, and community input can help TAs and jurisdictions ensure that stations serve as accessible, multi-functional spaces that attract residents, businesses, and visitors, while reinforcing the role of transit as a central element of urban life.



T4. Financially incentivize development on TA-owned property

Providing financial incentives to developers interested in developing on TA-owned property can unlock the potential of these sites for TOD. TAs can offer incentives such as reduced land lease rates or grants to offset the higher costs often associated with infill development, particularly on sites that require additional infrastructure or environmental remediation. TAs may also structure the terms of sale or lease of property such that up front costs to developers are lower, spreading the lease or purchase payments over time.

In cases where TAs provided sale or lease discounts, the [Federal Transit Administration requires](#) that transit agencies receive a fair share of revenue from a land sale or lease to ensure funds are used for public transportation purposes. This is a best practice whether federal funds are utilized for joint development or not—TAs should only discount the sale or lease of property at a fair rate as determined by their board and as makes sense to encourage transit ridership. When crafting joint development agreements, TAs should work closely with jurisdictions (see recommendation J3. *Expand developer incentives for infill projects that enhance walkable and human-centered spaces*) and NCTCOG (recommendation N7. *Provide funding for TA-led TOD efforts*) to produce a compelling package that may source incentives from multiple entities. As transit sales tax payment value continues to be discussed by DART member jurisdictions, TA funding to support TOD could be offered or leveraged to support goals for both the TA and jurisdiction. The inset case study on DART's favorable terms to incentivize TOD demonstrates that cities have much higher capacity to offer incentives than TAs.

CASE STUDY: FAVORABLE TERMS FROM DART TO INCENTIVIZE TOD

DART's [TOD policy](#) outlines its commitment to promoting quality TOD to enhance quality of life, attract riders, and generate economic opportunities. A recent [September 2024 interlocal agreement](#) between DART and the City of Garland put this commitment into practice for a Master Ground Lease for implementation of a TOD at the Lake Ray Hubbard Transit Center. This builds upon a 2021 MOU between Garland and DART to collaborate on the creation of the TOD and will convert an underutilized DART parking lot into a vibrant mixed-used development. The Garland TOD follows the same model as two 2021 TOD interlocal agreements between DART and the Town of Addison and the City of Richardson. Principal terms for a ground lease of DART's property to Garland include a 49-year initial term with two 25-year extensions, which Garland will then sublease to the selected developer. These negotiated terms are designed to be mutually beneficial, encouraging private investment while ensuring that developments support DART's transit-oriented objectives.



T5. Hire TOD staff to coordinate efforts between the TA, developers, and local jurisdictions (DCTA and Trinity Metro)

Maintaining a staff person whose role is, at least in part, to facilitate coordination of development efforts between stakeholders, can streamline the process of transforming underutilized TA-owned properties into thriving, transit-supportive communities. This role would serve as a central point of contact to facilitate communication between stakeholders, navigate regulatory requirements, and ensure alignment between transit planning and development goals. A TOD specialist could also identify opportunities to integrate local and regional policies with the TA's strategic objectives, reducing delays caused by misaligned priorities or unclear roles.

Of the three TAs, only DART currently maintains economic development staff who serve in this capacity, and has indicated they would like to be able to staff a larger team, if funding allowed. DCTA and Trinity Metro should dedicate at least a portion of a staff member's time, if not more, to this effort to help spur development at their respective five and eight stations.

NCTCOG-Led Strategies

The Transit 2.0 team has proposed six strategies that NCTCOG could undertake, individually or in combination, to increase TOD and infill development.

N1. Incentivize jurisdictions to proactively rezone infill areas

NCTCOG can offer financial incentives or support to jurisdictions that take the initiative to rezone underutilized land near transit hubs. This can take the form of technical assistance, funding for planning studies, or even performance-based grants tied to the successful rezoning of targeted infill sites. Conducting market sounding with regional developers, similar to what SANDAG has done through its developer roundtables, would help NCTCOG inform key rezoning efforts that would be most impactful.

NCTCOG could collaborate with jurisdictions to implement a "Rezoning for TOD" program, where jurisdictions that amend their existing zoning codes to allow for higher density or mixed-use development near transit stations receive financial support from NCTCOG's discretionary funding sources. This may involve adjustments to existing form-based codes or planned development overlays to make changes like increasing allowed density or reducing parking minimums beyond what is currently approved. By making proactive rezoning easier and by providing financial or technical incentives to do so,



NCTCOG can foster a more coordinated and consistent approach to TOD across the region, leading to enhanced connectivity, increased ridership, and vibrant communities that maximize the potential of existing transit infrastructure.

On a small scale, NCTCOG's [Metropolitan Transportation Plan policy bundle](#) ties Transportation Development Credits through a similar incentive structure, however the majority of discretionary funding is not impacted by this. NCTCOG can expand these efforts to continue to drive investment in key areas like rezoning.

N2. Educate elected officials on the benefits of TOD and infill development

Elected officials have significant influence on zoning decisions and funding allocations. Without local political support, projects cannot advance. For this reason, it is critical that elected officials understand the benefits of TOD and infill development so they can become champions for implementation.

CASE STUDY: CITY OF LEWISVILLE SUPPORTS CITY COUNCIL EDUCATION

To advance TOD goals, the City of Lewisville regularly recommends that City Council members attend planning conferences so elected officials can stay apprised of best practices in the planning space.

The North Texas region already has active forums that contend with land use issues like TOD, including the Tarrant Regional Transportation Coalition and Transit Coalition of North Texas. For TOD practitioners, NCTCOG's Coordinated Land Use/Transportation Task Force and, on a national Level, the Urban Land Institute's TOD Placemaking Development Council are also active. These forums and others should be maximized to build awareness of regional TOD success stories, particularly among elected officials. As the decisionmakers who set policy for local and regional development, elected officials are a key constituent group that NCTCOG should prioritize to educate on the benefits of TOD for the region.

Tours to regional TOD success sites like Mockingbird Station, Grapevine, CityLine, Trinity Mills, and more—once or twice annually to foster ongoing discussions—can be transformative opportunities for regional leaders to see firsthand that these types of denser, human-centered developments are highly compelling and desirable places to live, work, and play. Thinking beyond the region, elected officials can also benefit from being exposed to successful projects in other, analogous regions, as ARC does by taking its regional board members on tours in regions outside of the southeast. To foster robust conversations and ensure diverse perspectives, it is critical that convenings



include land use, urban planning, finance, and economic development professionals across sectors.

N3. Increase training for public-sector economic development professionals on TOD

NCTCOG does an excellent job of convening elected officials across the NCTCOG region, as well as staff through its Coordinated Land Use and Transportation Planning Task Force. However, few opportunities exist to bring TA and jurisdiction staff together to share knowledge and expertise, similar to some of the capacity-building efforts that the ARC and Met Council have conducted in their regions. Creating training for TA and jurisdiction staff in the areas of planning and economic development would help the region align on TOD strategies, share best practices, and address barriers to development. By meeting regularly on an annual or more frequent basis, these subject matter experts will be able to identify opportunities to streamline processes, coordinate funding strategies, and ensure development efforts align with inter-jurisdictional goals. This should be paired with a new round of outreach to TAs and jurisdictions to increase awareness of the Coordinated Land Use and Transportation Planning Task Force, as many staff interviewed for this report were unaware of it as a resource.

N4. Increase advocacy for expanded state and federal funding for transit, TOD, and for greater NCTCOG authority over land use

Building off Transit 2.0 Task 2, *Transit Legislative Program*, NCTCOG should continue and expand its efforts to secure dedicated funding for TOD. With targeted advocacy, NCTCOG can work closely with legislators, regional partners, and advocacy groups to push for the creation or expansion of funding opportunities for TOD, such as tax credits, grants, or low-interest loans. Leveraging the work of Task 2, NCTCOG can advocate for a policy framework that aligns with TOD objectives, ensures equitable distribution of funding, and supports the development of transit corridors throughout the region.

CASE STUDY: NCTCOG's COORDINATED LAND USE/TRANSPORTATION TASK FORCE

NCTCOG's [*Coordinated Land Use/Transportation Task Force*](#), "is a forum for North Texas local governments to discuss best practices around coordinating land use and transportation plans, policies, and projects." Task Force meetings focus on the influence land use has on transportation system performance and how transportation practices shape the development and design of land uses, with the goal of fostering information sharing and best practices across the region. This Task Force is already providing a space for convening jurisdictions and can be scaled up to provide tours and additional opportunities for sharing of TOD advancements and best practices.



A list of existing funding opportunities is further expanded upon in the following section of this report.

In addition to expanded state and federal funding, NCTCOG should seek greater authority over land use. Both the Met Council in the Twin Cities and SANDAG in the San Diego region provide examples of MPOs that can attribute some of their success in encouraging TOD and infill to their ability to enforce regional housing needs and regional policy mandates. While Texas is unlikely to ever have statewide mandates analogous to those in California, NCTCOG can and should pursue the types of legislative changes that would help set it and the region up for the distribution of land uses it envisions, particularly around key transit and transportation corridors.

N5. Enhance funding for TOD efforts

From 2001 through 2018, NCTCOG managed the [Sustainable Development Program](#), which was designed to “encourage planning and foster growth and development in and around historic downtowns and Main Streets, infill areas, and along passenger rail lines and at stations.” Given the TAs’ limited financial resources, NCTCOG should revive this program to incentivize development at and around rail stations and other key transit hubs. Such funding could be used for pre-development activities like market studies, infrastructure improvements, or environmental remediation that enhance the feasibility of TOD projects. This support could also be tied to specific outcomes, such as affordable housing, multimodal connectivity, or sustainability features, ensuring alignment with regional goals. Met Council, SANDAG, and the ARC all present worthwhile models of funding NCTCOG could consider as it restarts this funding stream.

N6. Establish performance measures for TOD goals

Establishing clear, measurable goals to guide regional TOD investment can help the region track the success of TOD initiatives. These metrics could include targets for increased density near transit stations, reductions in parking requirements, affordability benchmarks for new residential developments, and the amount of new commercial or mixed-use space created in transit-adjacent areas. By defining these goals, NCTCOG can help ensure that regional TOD efforts remain aligned with broader sustainability, mobility, and economic development objectives. NCTCOG should work with RTC and the TAs to collaboratively set these goals.



NCTCOG, with RTC and the TAs, should initiate a process to evaluate what realistic targets for North Texas could look like. NCTCOG is already starting to report on the region's TOD inventory, ridership, and mode split via the American Communities Survey and NCTCOG's own regional on-board transit survey which is conducted every five years, and will track density at the parcel level soon. This should be expanded upon by encouraging TAs and local jurisdictions, through NCTCOG-led regional convening, to develop associated TA- or jurisdiction-tracked measures to evaluate the success of TOD efforts, such as improvements in transit ridership, reductions in vehicle miles traveled (VMT), and enhanced walkability and public space utilization near transit hubs. By taking a leadership role in defining, encouraging, and tracking these metrics, NCTCOG can provide valuable guidance and accountability to ensure that regional TOD and infill development efforts are both ambitious and achievable for all key regional stakeholders.



6. Funding Opportunities

Figure 5 provides an overview of 20 key programs that provide funding for planning and/or implementation of TODs. Of these, 6 are federal, 4 are state, and 10 are local programs. 19 of the programs can be used for implementation and 3 for planning purposes. In terms of responsibility, 15 of the programs require initiation by local jurisdictions, 4 by transportation authorities, and 7 by developers. NCTCOG is the key actor in 5 of the programs.

As this report was being prepared, there was a change in presidential administration that could impact funding priorities for federal funding programs.



Figure 5. TOD funding opportunities

| FUND SOURCE | DESCRIPTION | USE (P) PLANNING (I) IMPLEMENT | RESPONSIBILITY TO INITIATE | | | |
|--|--|--------------------------------------|----------------------------|------------------------|--------|------------|
| | | | Jurisdictions | Transit Authorities | NCTCOG | Developers |
| FEDERAL | | | | | | |
| USDOT BUILD | Previously known as RAISE, BUILD is a multimodal discretionary grant program that funds both planning and implementation of projects including development of master plans, comprehensive plans, transportation corridor plans, and integrated economic development, land use, housing, and transportation plans. Also funds surface transportation components of transit-oriented development projects. Up to \$25M in grant, with 20% match required. | P, I | ● | ● | ● | |
| FHWA CONGESTION MITIGATION AND AIR QUALITY (CMAQ), SURFACE TRANSPORTATION BLOCK GRANT (STBG), TRANSPORTATION ALTERNATIVES (TA) | CMAQ funds are for projects that have demonstrable air quality benefit including transit system improvements. STBG funds are for projects that improve mobility including roadway and interchange improvements. TA funds are for infrastructure-related projects related to non-motorized transportation, including sidewalks, signals, bike, and ped improvements. | I | | | ● | |
| FTA CAPITAL INVESTMENT PROGRAM: SMALL STARTS/NEW STARTS/CORE CAPACITY GRANTS | Competitive discretionary grant program providing capital funding for fixed guideway rail and bus projects. Projects under \$400M apply for Small Starts; projects over \$400M apply as New Starts. Projects seeking funding for increasing capacity apply as Core Capacity projects. Does not fund TOD unless TOD is integral to the project. Highly prescriptive evaluation process. Criteria are set in statute and policy guidelines, with emphasis on project justification, risk assessment and financial capacity of applicant. Typical timeline for New Starts projects: Project Development (2 years for New Starts; no time limit for Small Starts), Engineering (typically 2 years), Full Funding Grant Agreement | I | | ● | | |
| FTA TOD PLANNING GRANTS | The Pilot Program for Transit-Oriented Development Planning (TOD Pilot Program) provides funding to eligible applicants to create comprehensive planning or site-specific planning studies associated with a new fixed guideway or core capacity improvement project. Eligible Applicants include local governments as well as an FTA grant recipient. Additionally, applicants must be the project sponsor of an eligible transit capital project or an entity with land use planning authority in the project corridor of an eligible transit capital project. | P | ● | ● | ● | |
| HUD COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM | The US Department of Housing and Urban Development (HUD) provides federal funds to the state, which then distributes the funds to eligible communities. The program can fund a variety of activities, including: economic development projects, housing rehabilitation, and community facilities. | P, I | ● | | | |
| USDOT CREDIT PROGRAMS (TIFIA AND RRIF) | For TOD projects advancing to design and construction, the Build America Bureau (Bureau) offers financial assistance for TOD implementation through the Transportation Infrastructure Finance and Innovation Act and Railroad Rehabilitation and Improvement Financing credit assistance programs. In partnership with the Bureau, FTA conducts oversight of certain TOD projects to ensure compliance with federal requirements while the Bureau provides technical assistance for potential borrowers. | I | ● | ● | | |



| FUND SOURCE | DESCRIPTION | USE (P) PLANNING (I) IMPLEMENT | RESPONSIBILITY TO INITIATE | | | |
|--|--|--------------------------------------|----------------------------|------------------------|--------|------------|
| | | | Jurisdictions | Transit Authorities | NCTCOG | Developers |
| STATE | | | | | | |
| STATE TAX INCENTIVES (CREDITS, REDUCTIONS) | Economic Development Finance, within the Texas Economic Development & Tourism Office, provides globally competitive, cost-effective financial tools to expand businesses operating in the state and businesses relocating to Texas. Programs administered by this office include various grants, financing and tax refund programs, which all promote economic development, job creation and capital investment. The office partners with local governments and other entities to deliver programs targeted at small businesses, communities and universities in the state, among other entities. Programs include: • Texas Jobs, Energy, Technology & Innovation (JETI) Act. • Texas Enterprise Zone Program • State Sales and Use Tax Exemption • Economic Development & Diversification In-State Tuition for Employees • Franchise Tax Deduction for Business Relocation • Medical or Biomedical Property Tax Exemption • Research & Development Tax Credit | I | | | | |
| TRANSPORTATION DEVELOPMENT CREDITS (TDCs) | TDCs are Federal Highway Administration toll credits earned by the region when toll revenues are used to fund capital projects on public highways. They can serve as a substitute for the required cash match to federal funds that are programmed on a project. They are non-cash credits allocated to states who divide them among regions. The DFW region has been allocated more than 994M TDCs. RTC has 5 categories for allocating TDCs, including Category 2: to advance initiatives of strategic importance and Category 6: Metropolitan Transportation Plan (MTP) Policy Bundle, to provide support to agencies that implement policies that further Mobility Plan objectives. | I | | | | |
| REGIONAL TOLL REVENUE (RTR) PROGRAM | Fund created from toll-priced facilities. Initial funding was through an agreement between the RTC and North Texas Tollway Authority from SH121 toll road. RTC used the funds to expedite more than 200 transportation projects. Additional funding was received from NTTA from SH161 and other priced facilities. | I | | | | |
| TEXAS ENTERPRISE FUND PROGRAM | The Texas Enterprise Fund (TEF) awards "deal-closing" grants to companies considering a new project for which one Texas site is competing with other out-of-state sites. Serves as a performance-based financial incentive for companies whose projects contribute significant capital investment and new employment opportunities. Companies planning a new project with significant projected job creation and capital investment can apply. Cash grant awards are calculated based on average way of new employees and proposed total capital investment. Many cities in the RTC area have secured TEF awards ranging from \$1M to \$40M (Plano, Toyota Motors). | I | | | | |



| FUND SOURCE | DESCRIPTION | USE (P) PLANNING (I) IMPLEMENT | RESPONSIBILITY TO INITIATE | | | |
|---|--|--------------------------------------|----------------------------|------------------------|--------|------------|
| | | | Jurisdictions | Transit Authorities | NCTCOG | Developers |
| LOCAL | | | | | | |
| TAX INCREMENT REINVESTMENT ZONE (TIRZ) | Incremental future tax revenues resulting from improvements in participating taxing unit are used to pay for the cost of improvements to an area. Each taxing unit determines what percentage of its tax increment, if any, it will commit to repay the cost of the financed improvements. A county can designate by order a contiguous geographic area within its borders as a reinvestment zone. A municipality can designate by ordinance a contiguous or noncontiguous geographic area in its corporate limits as a reinvestment zone. A municipality also can designate a reinvestment zone in the city's extraterritorial jurisdiction | I | ● | | | |
| ECONOMIC DEVELOPMENT AGREEMENTS | Municipalities and counties are authorized to offer tax-exempt loans and grants of public money to promote state or local economic development and to stimulate, encourage and develop business locations and commercial activity for the public purposes of development and diversification of the economy, elimination of unemployment or underemployment, and development or expansion of commerce in the state. | I | ● | | | ● |
| CHAPTER 380 and 381 AGREEMENTS | Chapter 380 of the Local Government Code authorizes municipalities to offer loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity. | I | ● | | | ● |
| | Chapter 381 allows counties to negotiate directly with developers and businesses to provide incentives encouraging developers to build in their jurisdictions. A county may administer and develop a program to make loans and grants of public money to promote state or local economic development and to stimulate, encourage and develop business location and commercial activity in the county. Counties may also develop and administer programs for entering into tax abatement agreements. | | | | | |
| PUBLIC IMPROVEMENT DISTRICTS / SPECIAL ASSESSMENT DISTRICTS | PIDs are special purpose districts authorized by the Legislature that allow property owners in an area to establish a funding source to pay for new or improved services or capital infrastructure. Landowners petition for creation of the PID, which must be approved by the city. Special assessments pay for the services and capital improvements on a pay-go basis or through issuance of bonds repaid by assessments. | I | ● | | | ● |
| PUBLIC FACILITY CORPORATION | Local Government Code Chapter 303, which provides local governmental entities a mechanism to address lack of affordable housing. Under Chapter 303, "sponsor" entities can create a PFC that, in exchange for contracting with developers to create mixed-income housing, can provide a 100% property tax exemption. | I | ● | | | ● |



| FUND SOURCE | DESCRIPTION | USE (P) PLANNING (I) IMPLEMENT | RESPONSIBILITY TO INITIATE | | | |
|--|---|--------------------------------------|----------------------------|------------------------|--------|------------|
| | | | Jurisdictions | Transit Authorities | NCTCOG | Developers |
| LOCAL | | | | | | |
| DEVELOPMENT IMPACT FEES | In Texas, "development impact fees" for transit projects, also known as "transportation impact fees," are one-time charges levied on new development projects to fund the construction or expansion of transportation infrastructure, including transit facilities, that are necessary to accommodate the increased demand caused by the new development; these fees are authorized under Chapter 395 of the Texas Local Government Code and can be used to fund transit projects like bus stops, light rail stations, and dedicated transit lanes, | I | | | | |
| ECONOMIC DEVELOPMENT CORPORATIONS / 4A ECONOMIC DEVELOPMENT SALES TAX | A "4A Economic Development Corporation" refers to a type of economic development corporation established under Section 4A of the Texas Development Corporation Act, allowing cities to create a dedicated funding source for economic development projects through a local sales tax increase, primarily focused on attracting manufacturing and industrial businesses to the area. An EDC is a non-profit entity that uses funds generated by this special sales tax to incentivize business growth and job creation within a municipality. | I | | | | |
| ECONOMIC DEVELOPMENT CORPORATIONS / 4B ECONOMIC DEVELOPMENT SALES TAX | An Economic Development Corporation (EDC) is a nonprofit created to finance new and expanded business enterprises. Cities define projects for the EDC and voters must approve a Type A or Type B sales tax to fund those projects. The Type B sales tax may be used for projects eligible under Type A, plus quality of life improvement projects. Type B corporations may pay for land, buildings, equipment, facilities, targeted infrastructure and improvements, including mixed use development and supporting infrastructure. All cities are eligible to adopt the Type B sales tax if the combined local sales tax rate would not exceed 2 percent. | I | | | | |
| TAX INCENTIVES (CREDITS, REDUCTIONS) | Some Texas cities such as Austin and El Paso provide developers with incentives—such as fee waivers, density bonuses, tax incentives, and development agreements—to build and to set aside affordable rental and ownership housing for low- and moderate-income households in developments. | I | | | | |
| LAND BANKING | Texas cities may create non-profit organizations under the Texas Nonprofit Corporation Act authorized by Chapter 379C of the Texas Local Government Code. Dallas has created a Dallas Housing and Acquisition Development Corporation . The objectives of the program are to acquire unproductive, vacant, and developable property, and property intended for commercial use to be "banked" for affordable housing or commercial development. One of the activities of the DHADC is to administer the Urban Land Bank Demonstration Program (the "Program" or "Land Bank"), A key purpose of the program is to provide affordable housing for low and moderate income persons. The DHADC can acquire and transfer, at less than market value, tax foreclosed vacant or distressed properties pursuant to Section 34.051 of the Texas Property Tax Code (i.e. HB 110 lots). | I | | | | |



7. Next Steps

The Transit 2.0 team recommends that jurisdictions, TAs, and NCTCOG work collaboratively to chart a path forward on the strategies proposed in this report. It will be NCTCOG's role to bridge gaps and continue to act as a regional convener on this topic. TAs and local jurisdictions should also find ways to more frequently and actively discuss opportunities for station-area improvements that can have economic and social impacts on the regional scale. Basic buy-in already exists among many jurisdictions, and relationship-building will go a long way in turning conceptual TOD projects into reality.

Strategy Strengths Matrix

The strategies proposed in this report were evaluated based on three criteria:

- Market for TOD
- Policy Support
- Influence on Travel Behavior
- Resource expansion
- Impact level
- Ease of implementation

Alignment with each of these criteria was rated on a scale of low, medium, and high alignment, depicted graphically as:

- Low alignment: ○
- Medium alignment: ◐
- High alignment: ●

The strategy strengths matrix (Figure 6) serves as an at-a-glance snapshot of the strategies proposed in this report and where they may have differing abilities to improve access to transit for non-member jurisdictions. It is not meant to be a prioritization tool, as the strategies proposed in this report require variable degrees of regional change to achieve.

All task 6 recommendations could be advanced in the short term. Recommendations focused on improving first/last mile connectivity, which can be implemented by TAs and jurisdictions and funded by NCTCOG, would perhaps be easiest to implement in the short term. Complimentary efforts to expand educational opportunities for elected officials on TOD and its benefits should also be undertaken by all three stakeholder



groups, with NCTCOG assuming a leading role. While the most challenging initiative to successfully achieve, recommendation N4, for NCTCOG to advocacy for expanded state and federal funding for transit and TOD and to take on a greater authority over land use, would have the most transformative impact on regional land use policy and TOD.



Figure 6. Strategy strengths matrix

| | | Market for TOD | Policy Support | Resource Expansion | Travel Behavior Influence | Impact Level | Ease of Implementation |
|---|--|----------------|----------------|--------------------|---------------------------|--------------|------------------------|
| JURISDICTION-LED STRATEGIES | | | | | | | |
| J1. Rezoning | Proactively rezone for TOD and infill development | ● | ● | ○ | ◐ | ● | ◐ |
| J2. Streamline development processes | Streamline development processes for multiuse projects in infill areas | ● | ● | ◐ | ○ | ● | ◐ |
| J3. Developer incentives | Expand developer incentives for infill projects that enhance walkable and human-centered spaces | ● | ○ | ○ | ◐ | ● | ◐ |
| J4. TIF Districts | Expand TIF districts and/or multijurisdictional TIF districts | ◐ | ◐ | ◐ | ○ | ◐ | ◐ |
| J5. Leverage local stakeholders | Leverage supportive local stakeholders and relevant organizations to build TOD awareness and support | ○ | ● | ● | ◐ | ◐ | ● |
| J6. Placemaking and economic development | Improve the quality and connectivity of public space adjacent to transit stations through placemaking and economic development | ◐ | ○ | ○ | ● | ◐ | ◐ |
| J7. Infill and TOD plans | Develop or expand specific TOD plans that increase density at rail stations | ● | ◐ | ◐ | ● | ◐ | ◐ |
| J8. First/last mile connectivity | Improve first mile/last mile connectivity to broaden the catchment area for transit and TOD | ○ | ○ | ◐ | ● | ◐ | ● |



| | | Market for TOD | Policy Support | Resource Expansion | Travel Behavior Influence | Impact Level | Ease of Implementation |
|--|--|----------------|----------------|--------------------|---------------------------|--------------|------------------------|
| TA-LED STRATEGIES | | | | | | | |
| T1. Streamlined development policies | Establish and publish clear, streamlined policies and procedures for joint development on TA-owned property | ● | ● | ◐ | ◐ | ◐ | ● |
| T2. First/last mile connectivity | Improve first mile/last mile connectivity to broaden the catchment area for transit and TOD | ○ | ○ | ◐ | ● | ◐ | ● |
| T3. Integrate station and community amenities | Leverage interlocal agreements to expand collaboration with jurisdictions on strategies for integrating rail stations with community amenities | ◐ | ● | ● | ● | ◐ | ◐ |
| T4. Developer incentives | Provide financial incentives to developers interested in developing on TA-owned property | ● | ○ | ● | ◐ | ● | ◐ |
| T5. TOD staff | Hire a TOD staff person to help facilitate coordination of TOD efforts between the TA, developers, and local jurisdictions | ◐ | ○ | ● | ◐ | ● | ◐ |
| NCTCOG-LED STRATEGIES | | | | | | | |
| N1. Incentivize infill rezoning | Incentivize jurisdictions to proactively rezone infill areas | ● | ● | ○ | ◐ | ● | ◐ |
| N2. Educate elected officials | Host NCTCOG-led convenings and tours to educate elected officials on the benefits of TOD and infill development | ○ | ● | ● | ◐ | ● | ● |
| N3. Staff-level TOD training | Develop and sponsor infill and TOD training for the region's public-sector economic development professionals | ○ | ◐ | ● | ◐ | ◐ | ● |
| N4. State advocacy for funding and land use authority | Increase advocacy for expanded state and federal funding for transit and TOD and for greater authority over land use | ● | ● | ● | ◐ | ● | ○ |
| N5. Fund TOD | Enhance funding for TOD efforts | ● | ◐ | ● | ◐ | ● | ◐ |
| N6. TOD Metrics | Establish performance measures for TOD goals | ◐ | ○ | ● | ◐ | ◐ | ● |



Appendix A. Status of existing TOD zoning

Summary Table 1. Transit member jurisdiction form-based code zoning, TIF districts, and presence of rail

| Transit Member Cities | TA Membership | Has a Rail Station | Has Discretely Defined Form-Based Code Zoning | Has Tax Increment Financing District | Has At Least 1 Station Area Plan |
|-----------------------|---------------|--------------------|---|--------------------------------------|----------------------------------|
| Addison | DART | No | No | No | Yes |
| Carrollton | DART | Yes | Yes | Yes | Yes |
| Cockrell Hill | DART | No | No | No | No |
| Dallas | DART | Yes | Yes | Yes | Yes |
| Farmers Branch | DART | Yes | Yes | Yes | Yes |
| Garland | DART | Yes | Yes | Yes | Yes |
| Glenn Heights | DART | No | No | No | No |
| Highland Park | DART | No | No | No | No |
| Irving | DART | Yes | No | Yes | Yes |
| Plano | DART | Yes | No | Yes | Yes |
| Richardson | DART | Yes | Yes | Yes | Yes |
| Rowlett | DART | Yes | Yes | Yes | Yes |
| University Park | DART | No | No | No | No |
| Highland Village | DCTA | No | No | No | No |
| Denton | DCTA | Yes | No | Yes | Yes |
| Lewisville | DCTA | Yes | Yes | Yes | Yes |
| Fort Worth | Trinity Metro | Yes | Yes | Yes | Yes |
| Grapevine | Trinity Metro | Yes | Yes | Yes | Yes |
| North Richland Hills | Trinity Metro | Yes | Yes | Yes | Yes |



Summary Table 2. Sample of Station-focused form-based codes in North Texas

| Member City | TA Membership | Station(s) Associated with Form-Based Code | Form-Based Code Name |
|----------------------|---------------|--|--|
| Addison | DART | | |
| Carrollton | DART | Downtown Carrollton Trinity mills | Transit Center Zoning District |
| Cockrell Hill | DART | | |
| Dallas | DART | *Floating zone, some use near Inwood and CityPlace Stations | Article XIII - Form Districts |
| Farmers Branch | DART | Farmers Branch | Downtown Farmers Branch Form-Based Code (PD-86) |
| Garland | DART | Downtown Garland | Downtown District |
| Glenn Heights | DART | | |
| Highland Park | DART | | |
| Irving | DART | | |
| Plano | DART | | |
| Richardson | DART | CityLine/Bush | Bush Central Station Planned Development |
| Rowlett | DART | Downtown Rowlett | Form Based Urban Village |
| University Park | DART | | |
| Highland Village | DCTA | | |
| Denton | DCTA | | |
| Lewisville | DCTA | Old Town | Old Town Center Design District |
| Fort Worth | Trinity Metro | Texas & Pacific | Near Southside District |
| Grapevine | Trinity Metro | Grapevine Main Street | Transit District Overlay |
| North Richland Hills | Trinity Metro | Iron Horse Smith Field | NRH - TOD Code - Division 15, Article IV, Chapter 118 of NRH City Code |



Summary Table 3. Station-focused TIF districts in North Texas

| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|----------------------------------|--------------|------|--------|------------------------------|------------|------------|----------|
| Deep Ellum | Green | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Deep Ellum | Green | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Deep Ellum | Green | DART | Dallas | FARMERS MARKET - DALLAS | 1/1/1999 | 12/31/2028 | Dallas |
| Deep Ellum | Green | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Baylor University Medical Center | Green | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Baylor University Medical Center | Green | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Baylor University Medical Center | Green | DART | Dallas | FARMERS MARKET - DALLAS | 1/1/1999 | 12/31/2028 | Dallas |
| Fair Park | Green | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Fair Park | Green | DART | Dallas | GRAND PARK SOUTH DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| MLK, Jr. | Green | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| MLK, Jr. | Green | DART | Dallas | GRAND PARK SOUTH DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Hatcher | Green | DART | Dallas | | | | |
| Lawnview | Green | DART | Dallas | | | | |
| Lake June | Green | DART | Dallas | | | | |
| Buckner | Green | DART | Dallas | | | | |
| Market Center | Green/Orange | DART | Dallas | DESIGN DISTRICT- DALLAS | 1/1/2006 | 12/31/2027 | Dallas |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|--|--------------|------|----------------|-------------------------------------|------------|------------|----------------|
| Market Center | Green/Orange | DART | Dallas | SOUTHWESTERN MEDICAL - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Market Center | Green/Orange | DART | Dallas | VICTORY - DALLAS - FKA SPORTS ARENA | 1/1/1999 | 12/31/2028 | Dallas |
| Southwestern Medical District/Parkland | Green/Orange | DART | Dallas | DESIGN DISTRICT- DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Southwestern Medical District/Parkland | Green/Orange | DART | Dallas | MAPLE MOCKINGBIRD - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Southwestern Medical District/Parkland | Green/Orange | DART | Dallas | SOUTHWESTERN MEDICAL - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Inwood/Love Field | Green/Orange | DART | Dallas | MAPLE MOCKINGBIRD - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Inwood/Love Field | Green/Orange | DART | Dallas | SOUTHWESTERN MEDICAL - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Burbank | Green/Orange | DART | Dallas | | | | |
| Bachman | Green/Orange | DART | Dallas | | | | |
| Walnut Hill/Denton | Green | DART | Dallas | | | | |
| Royal Lane | Green | DART | Dallas | | | | |
| Farmers Branch | Green | DART | Farmers Branch | FARMERS BRANCH TIF #2 | 1/1/2000 | 12/31/2031 | Farmers Branch |
| Farmers Branch | Green | DART | Farmers Branch | FARMERS BRANCH TIF #4 - I-35 ZONE | 1/1/2022 | 12/31/2046 | Farmers Branch |
| Downtown Carrollton | Green/Silver | DART | Carrollton | CARROLLTON TIF #1 | 1/1/2006 | 12/31/2030 | Carrollton |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|----------------------------------|------------------|------|------------|--|------------|------------|------------|
| North Carrollton/Frankford | Green | DART | Carrollton | | | | |
| Victory | Green/Orange/TRE | DART | Dallas | DESIGN DISTRICT-DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Victory | Green/Orange/TRE | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Victory | Green/Orange/TRE | DART | Dallas | CITY CENTER LAMAR CORRIDOR/WEST END - DALLAS | 1/1/2013 | 12/31/2037 | Dallas |
| Victory | Green/Orange/TRE | DART | Dallas | VICTORY - DALLAS - FKA SPORTS ARENA | 1/1/1999 | 12/31/2028 | Dallas |
| Hebron | A-Train | DCTA | Lewisville | LEWISVILLE TIRZ #2 | | | Lewisville |
| Old Town | A-Train | DCTA | Lewisville | LEWISVILLE TIRZ #1 | | | Lewisville |
| Highland Village/Lewisville Lake | A-Train | DCTA | Lewisville | LEWISVILLE TIRZ #4 | | | Lewisville |
| MedPark | A-Train | DCTA | Denton | | | | |
| Downtown Denton Transit Center | A-Train | DCTA | Denton | DENTON TIRZ #1: DOWNTOWN | | | Denton |
| Downtown Rowlett | Blue | DART | Rowlett | ROWLETT TIF #3 | 1/1/2018 | 4/4/2037 | Rowlett |
| EBJ Union | Red/Blue/TRE | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| EBJ Union | Red/Blue/TRE | DART | Dallas | CITY CENTER LAMAR CORRIDOR/WEST END - DALLAS | 1/1/2013 | 12/31/2037 | Dallas |
| EBJ Union | Red/Blue/TRE | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|-------------------|-----------------------|------|--------|--|------------|------------|----------|
| EBJ Union | Red/Blue/TRE | DART | Dallas | VICTORY - DALLAS - FKA SPORTS ARENA | 1/1/1999 | 12/31/2028 | Dallas |
| Convention Center | Red/Blue | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Convention Center | Red/Blue | DART | Dallas | CITY CENTER LAMAR CORRIDOR/WEST END - DALLAS | 1/1/2013 | 12/31/2037 | Dallas |
| Convention Center | Red/Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Cedars | Red/Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| 8th & Corinth | Red/Blue | DART | Dallas | OAK CLIFF GATEWAY - DALLAS | 1/1/1993 | 12/31/2027 | Dallas |
| 8th & Corinth | Red/Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Dallas Zoo | Red | DART | Dallas | OAK CLIFF GATEWAY - DALLAS | 1/1/1993 | 12/31/2027 | Dallas |
| Tyler/Vernon | Red | DART | Dallas | | | | |
| Hampton | Red | DART | Dallas | | | | |
| Westmoreland | Red | DART | Dallas | | | | |
| Morrell | Blue | DART | Dallas | OAK CLIFF GATEWAY - DALLAS | 1/1/1993 | 12/31/2027 | Dallas |
| Morrell | Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Illinois | Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Kiest | Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| VA Medical Center | Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Ledbetter | Blue | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|---------------------|-----------------------|------|--------|--|------------|------------|----------|
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | FARMERS MARKET - DALLAS | 1/1/1999 | 12/31/2028 | Dallas |
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | CITY CENTER LAMAR CORRIDOR/WEST END - DALLAS | 1/1/2013 | 12/31/2037 | Dallas |
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | VICTORY - DALLAS - FKA SPORTS ARENA | 1/1/1999 | 12/31/2028 | Dallas |
| Pearl/Arts District | Red/Blue/Green/Orange | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Pearl/Arts District | Red/Blue/Green/Orange | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Pearl/Arts District | Red/Blue/Green/Orange | DART | Dallas | FARMERS MARKET - DALLAS | 1/1/1999 | 12/31/2028 | Dallas |
| Pearl/Arts District | Red/Blue/Green/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Akard | Red/Blue/Green/Orange | DART | Dallas | DEEP ELLUM - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Akard | Red/Blue/Green/Orange | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Akard | Red/Blue/Green/Orange | DART | Dallas | CITY CENTER LAMAR CORRIDOR/WEST END - DALLAS | 1/1/2013 | 12/31/2037 | Dallas |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|------------------|-----------------------|------|------------|--|------------|------------|------------|
| Akard | Red/Blue/Green/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Akard | Red/Blue/Green/Orange | DART | Dallas | VICTORY - DALLAS - FKA SPORTS ARENA | 1/1/1999 | 12/31/2028 | Dallas |
| West End | Red/Blue/Green/Orange | DART | Dallas | DESIGN DISTRICT- DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| West End | Red/Blue/Green/Orange | DART | Dallas | DOWNTOWN CONNECTION - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| West End | Red/Blue/Green/Orange | DART | Dallas | CITY CENTER LAMAR CORRIDOR/WEST END - DALLAS | 1/1/2013 | 12/31/2037 | Dallas |
| West End | Red/Blue/Green/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| West End | Red/Blue/Green/Orange | DART | Dallas | VICTORY - DALLAS - FKA SPORTS ARENA | 1/1/1999 | 12/31/2028 | Dallas |
| White Rock | Blue | DART | Dallas | | | | |
| LBJ/Skillman | Blue | DART | Dallas | SKILLMAN CORRIDOR - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Forest/Jupiter | Blue | DART | Garland | GARLAND ZONE #1 DOWNTOWN | 1/1/2004 | 12/31/2024 | Garland |
| Downtown Garland | Blue | DART | Garland | GARLAND ZONE #1 DOWNTOWN | 1/1/2004 | 12/31/2024 | Garland |
| Spring Valley | Red/Orange | DART | Richardson | RICHARDSON TIF #1 | 1/1/2007 | 12/31/2031 | Richardson |
| LBJ/Central | Red/Orange | DART | Dallas | | | | |
| Forest Lane | Red/Orange | DART | Dallas | | | | |
| Walnut Hill | Red/Orange | DART | Dallas | | | | |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|------------------|-------------------|------|------------|---------------------------------------|------------|------------|------------|
| Park Lane | Red/Orange | DART | Dallas | VICKERY MEADOW - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Lovers Lane | Red/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| SMU/Mockingbird | Red/Blue/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Cityplace/Uptown | Red/Blue/Orange | DART | Dallas | TOD TIF - DALLAS | 1/1/2009 | 12/31/2033 | Dallas |
| Parker Road | Red/Orange | DART | Plano | PLANO TIF #2 (Base 1999-24) | | | Plano |
| Downtown Plano | Red/Orange | DART | Plano | PLANO TIF #2 (Base 1999-24) | | | Plano |
| Downtown Plano | Red/Orange | DART | Plano | PLANO TIF #3 (Base 2018-22) | | | Plano |
| CityLine/Bush | Red/Orange/Silver | DART | Richardson | PLANO TIF #2 (Base 1999-24) | | | Plano |
| CityLine/Bush | Red/Orange/Silver | DART | Richardson | PLANO TIF #3 (Base 2018-22) | | | Plano |
| CityLine/Bush | Red/Orange/Silver | DART | Richardson | PLANO TIRZ #4 (Base 2020-00) | | | Plano |
| CityLine/Bush | Red/Orange/Silver | DART | Richardson | RICHARDSON TIF #2 (Base 2011-13) | | | Richardson |
| CityLine/Bush | Red/Orange/Silver | DART | Richardson | RICHARDSON TIF #3 (Base 2011-13) | | | Richardson |
| Galatyn Park | Red/Orange | DART | Richardson | | | | |
| Arapaho Center | Red/Orange | DART | Richardson | RICHARDSON TIF #1 | 1/1/2007 | 12/31/2031 | Richardson |
| Texas & Pacific | TRE/TEXRail | TRE | Fort Worth | SOUTHSIDE/MEDICAL DISTRICT TIF 4 (FW) | | | Fort Worth |
| Texas & Pacific | TRE/TEXRail | TRE | Fort Worth | DOWNTOWN TIF # 3 (FW) | | | Fort Worth |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|-----------------------------------|-------------|------|------------|---------------------------------------|------------|------------|---------------|
| Texas & Pacific | TRE/TEXRail | TRE | Fort Worth | LANCASTER CORRIDOR # 8 (FW) | | | Fort Worth |
| Fort Worth Central | TRE/TEXRail | TRE | Fort Worth | SOUTHSIDE/MEDICAL DISTRICT TIF 4 (FW) | | | Fort Worth |
| Fort Worth Central | TRE/TEXRail | TRE | Fort Worth | DOWNTOWN TIF # 3 (FW) | | | Fort Worth |
| Fort Worth Central | TRE/TEXRail | TRE | Fort Worth | LANCASTER CORRIDOR # 8 (FW) | | | Fort Worth |
| Bell | TRE | TRE | Fort Worth | TRINITY LAKES # 14 (FW) | | | Fort Worth |
| CentrePort/DFW Airport | TRE | TRE | Fort Worth | VIRIDIAN TIF #6 (ARL) | | | Arlington |
| CentrePort/DFW Airport | TRE | TRE | Fort Worth | GRAND PRAIRIE TIF #1 | | | Grand Prairie |
| Downtown Irving/Heritage Crossing | TRE | TRE | Irving | IRVING TIF #2 | 1/1/2011 | 12/31/2040 | Irving |
| West Irving | TRE | TRE | Irving | | | | |
| Medical/Market Center | TRE | TRE | Dallas | DESIGN DISTRICT-DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| Medical/Market Center | TRE | TRE | Dallas | SOUTHWESTERN MEDICAL - DALLAS | 1/1/2006 | 12/31/2027 | Dallas |
| University of Dallas | Orange | DART | Irving | IRVING TIF #6 | 1/1/2017 | 12/31/2041 | Irving |
| Las Colinas Urban Center | Orange | DART | Irving | IRVING TIF #1 | 1/1/1999 | 12/31/2038 | Irving |
| Irving Convention Center | Orange | DART | Irving | IRVING TIF #1 | 1/1/1999 | 12/31/2038 | Irving |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|---------------------------------|----------------|--------------------|----------------------|----------------------------|------------|------------|----------------------|
| North Lake College | Orange | DART | Irving | IRVING TIF #1 | 1/1/1999 | 12/31/2038 | Irving |
| Belt Line | Orange | DART | Irving | IRVING TIF #1 | 1/1/1999 | 12/31/2038 | Irving |
| Trinity Mills | Green/A-Train | DART/DCTA | Carrollton | CARROLLTON TIF #1 | 1/1/2006 | 12/31/2030 | Carrollton |
| Lake Highlands | Blue | DART | Dallas | SKILLMAN CORRIDOR - DALLAS | 1/1/2006 | 12/31/2035 | Dallas |
| Camp Wisdom | Blue | DART | Dallas | UNIVERSITY - DALLAS | 1/1/2018 | 12/31/2047 | Dallas |
| UNT Dallas | Blue | DART | Dallas | UNIVERSITY - DALLAS | 1/1/2018 | 12/31/2047 | Dallas |
| North Side | TEXRail | Trinity Metro | Fort Worth | STOCKYARDS TIF #15 (FW) | | | Fort Worth |
| Mercantile Center | TEXRail | Trinity Metro | Fort Worth | | | | |
| North Richland Hills/Iron Horse | TEXRail | Trinity Metro | North Richland Hills | HALTOM TIRZ #2 | | | Haltom City |
| North Richland Hills/Smithfield | TEXRail | Trinity Metro | North Richland Hills | TOWNE CENTER TIF #2 (NRH) | | | North Richland Hills |
| Grapevine/Main Street | TEXRail | Trinity Metro | Grapevine | GRAPEVINE TIF #1 | 1/1/2015 | 12/31/2034 | Grapevine |
| DFW North | TEXRail/Silver | Trinity Metro/DART | Grapevine | | | | |
| Hidden Ridge | Orange | DART | Irving | IRVING TIF #1 | 1/1/1999 | 12/31/2038 | Irving |
| Trinity Lakes | TRE | TRE | Fort Worth | RICHLAND HILLS TIF #1 | | | Richland Hills |



| Station Name | Line | TA | City | TIF District Name | Start Date | End Date | TIF CITY |
|----------------|--------|------|------------|-----------------------------|------------|------------|------------|
| Trinity Lakes | TRE | TRE | Fort Worth | TRINITY LAKES # 14 (FW) | | | Fort Worth |
| Addison | Silver | DART | Addison | | | | |
| Cypress Waters | Silver | DART | Dallas | CYPRESS WATERS - DALLAS | 1/1/2011 | 12/31/2040 | Dallas |
| Knoll Trail | Silver | DART | Dallas | | | | |
| UT Dallas | Silver | DART | Richardson | UNIVERSITY - DALLAS | 1/1/2018 | 12/31/2047 | Dallas |
| 12th Street | Silver | DART | Plano | PLANO TIF #2 (Base 1999-24) | | | Plano |
| 12th Street | Silver | DART | Plano | PLANO TIF #3 (Base 2018-22) | | | Plano |
| Shiloh | Silver | DART | Plano | PLANO TIF #3 (Base 2018-22) | | | Plano |



Summary Table 4. Summary of station area and corridor plans in North Texas

| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|----------------------------------|---------|--------|------------|--|--------------------|------|--|
| Downtown Denton Transit Center | A-Train | DCTA | Denton | Design Downtown Denton/ Southeast Denton Area Plan | City of Denton | 2024 | |
| Hebron | A-Train | DCTA | Lewisville | | | | |
| Highland Village/Lewisville Lake | A-Train | DCTA | Lewisville | | | | |
| MedPark | A-Train | DCTA | Denton | | | | |
| Old Town | A-Train | DCTA | Lewisville | Old Town Transit-Oriented Development Plan Update | City of Lewisville | 2023 | |
| Camp Wisdom | Blue | DART | Dallas | | | | |
| Downtown Garland | Blue | DART | Garland | Downtown Garland Redevelopment Implementation Plan | City of Garland | 2005 | Red and Blue Lines Corridor Study (2020) |
| Downtown Rowlett | Blue | DART | Rowlett | Realize Rowlett 2020, Appendix 5, page 171 Old Town Plan | City of Rowlett | 2012 | Red and Blue Lines Corridor Study (2020) |
| Forest/Jupiter | Blue | DART | Garland | Forest-Jupiter Transit-Oriented Redevelopment Plan | City of Garland | 2013 | Red and Blue Lines Corridor Study (2020) |
| Illinois | Blue | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|----------------------------------|-------|--------|--------|--|-------------------------|------|--|
| Kiest | Blue | DART | Dallas | Lancaster Corridor Station Area Plan | City of Dallas | 2013 | Red and Blue Lines Corridor Study (2020) |
| Lake Highlands | Blue | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| LBJ/Skillman | Blue | DART | Dallas | LBJ /Skillman Urban Planning Initiative Study | City of Dallas | 2014 | Red and Blue Lines Corridor Study (2020) |
| Ledbetter | Blue | DART | Dallas | | | | |
| Morrell | Blue | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| UNT Dallas | Blue | DART | Dallas | UNT - Dallas Area Context Sensitive Transportation Study | NCTCOG & City of Dallas | 2011 | |
| VA Medical Center | Blue | DART | Dallas | Lancaster Corridor Station Area Plan | City of Dallas | 2013 | Red and Blue Lines Corridor Study (2020) |
| White Rock | Blue | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| Baylor University Medical Center | Green | DART | Dallas | | | | |
| Buckner | Green | DART | Dallas | Buckner Station Area Plan | City of Dallas | 2013 | |
| Deep Ellum | Green | DART | Dallas | | | | |
| Fair Park | Green | DART | Dallas | | | | |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|----------------------------|---------------|-----------|----------------|--|-------------------------|------|---------------|
| Farmers Branch | Green | DART | Farmers Branch | Station Area Conceptual Master Plan | City of Farmers Branch | 2002 | |
| Hatcher | Green | DART | Dallas | Hatcher Station Area Plan | City of Dallas | 2013 | |
| Lake June | Green | DART | Dallas | | | | |
| Lawnview | Green | DART | Dallas | | | | |
| MLK, Jr. | Green | DART | Dallas | Martin Luther King, Jr. Station Area Plan | City of Dallas | 2013 | |
| North Carrollton/Frankford | Green | DART | Carrollton | | | | |
| Royal Lane | Green | DART | Dallas | | | | |
| Walnut Hill/Denton | Green | DART | Dallas | Walnut Hill/Denton DART Station ULI Virtual Advisory Services Panel Report | Urban Land Institute | 2020 | |
| Trinity Mills | Green/A-Train | DART/DCTA | Carrollton | Trinity Mill's Station Market Overview | DART | 2013 | |
| Bachman | Green/Orange | DART | Dallas | Bacham Area Planning Study | NCTCOG & City of Dallas | 2022 | |
| Burbank | Green/Orange | DART | Dallas | | | | |
| Inwood/Love Field | Green/Orange | DART | Dallas | | | | |
| Market Center | Green/Orange | DART | Dallas | | | | |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|--|------------------|--------|------------|---|---|------|--|
| Southwestern Medical District/Parkland | Green/Orange | DART | Dallas | | | | |
| Victory | Green/Orange/TRE | DART | Dallas | forwardDallas! Vision and Policy Plan: Stemmons Corridor (2010) | City of Dallas | 2010 | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |
| Downtown Carrollton | Green/Silver | DART | Carrollton | Downtown Carrollton TOD (Carrollton Comprehensive Plan) | City of Carrollton | 2008 | Silver Line TOD Corridor Plan (2025) |
| Belt Line | Orange | DART | Irving | | | | |
| Hidden Ridge | Orange | DART | Irving | | | | |
| Irving Convention Center | Orange | DART | Irving | Las Colinas Urban Center Master Plan | City of Irving, Las Colinas Association | 2013 | |
| Las Colinas Urban Center | Orange | DART | Irving | Las Colinas Urban Center Master Plan | City of Irving, Las Colinas Association | 2013 | |
| North Lake College | Orange | DART | Irving | | | | |
| University of Dallas | Orange | DART | Irving | Northwest Corridor/ Las Colinas Land Use Study | City of Irving | 2000 | |
| Dallas Zoo | Red | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|---------------------|-----------------------|--------|--------|--|----------------|------|--|
| Hampton | Red | DART | Dallas | West Oak Cliff Area Plan | City of Dallas | 2022 | Red and Blue Lines Corridor Study (2020) |
| Tyler/Vernon | Red | DART | Dallas | West Oak Cliff Area Plan | City of Dallas | 2022 | Red and Blue Lines Corridor Study (2020) |
| Westmoreland | Red | DART | Dallas | Westmoreland DART Station Area Plan (part of forwardDallas!) | City of Dallas | 2013 | Red and Blue Lines Corridor Study (2020) |
| 8th & Corinth | Red/Blue | DART | Dallas | The Bottom - Urban Structure & Guidelines | City of Dallas | 2015 | Red and Blue Lines Corridor Study (2020) |
| Cedars | Red/Blue | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| Convention Center | Red/Blue | DART | Dallas | Kay Bailey Hutchison Convention Center Dallas Master Plan | City of Dallas | 2022 | |
| Akard | Red/Blue/Green/Orange | DART | Dallas | Downtown Dallas 360 | City of Dallas | 2011 | |
| Pearl/Arts District | Red/Blue/Green/Orange | DART | Dallas | Downtown Dallas 360 | City of Dallas | 2011 | |
| St. Paul | Red/Blue/Green/Orange | DART | Dallas | Downtown Dallas 360 | City of Dallas | 2011 | |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|------------------|-----------------------|--------|------------|--|----------------------|------|--|
| West End | Red/Blue/Green/Orange | DART | Dallas | Downtown Dallas 360 | City of Dallas | 2011 | |
| Cityplace/Uptown | Red/Blue/Orange | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| SMU/Mockingbird | Red/Blue/Orange | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| EBJ Union | Red/Blue/TRE | DART | Dallas | Downtown Dallas 360 | City of Dallas | 2011 | |
| Arapaho Center | Red/Orange | DART | Richardson | Collins/Arapaho TOD & Innovation District Study | City of Richardson | 2018 | |
| Downtown Plano | Red/Orange | DART | Plano | Downtown Plano Vision & Strategy Update | City of Plano | 2013 | Red and Blue Lines Corridor Study (2020) |
| Forest Lane | Red/Orange | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| Galatyn Park | Red/Orange | DART | Richardson | Advisory Serviced Panel Report: A Plan for Transit Oriented Development; Richardson, Texas | Urban Land Institute | 2000 | Red and Blue Lines Corridor Study (2020) |
| LBJ/Central | Red/Orange | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|---------------|-------------------|--------|------------|--|-------------------------------|------|--|
| Lovers Lane | Red/Orange | DART | Dallas | | | | Red and Blue Lines Corridor Study (2020) |
| Park Lane | Red/Orange | DART | Dallas | Vickery Meadow Station Area Plan | City of Dallas | 2013 | Red and Blue Lines Corridor Study (2020) |
| Parker Road | Red/Orange | DART | Plano | Downtown Plano Vision & Strategy Update | City of Plano | 2013 | Red and Blue Lines Corridor Study (2020) |
| Spring Valley | Red/Orange | DART | Richardson | Spring Valley and Main Street Station Area Plans | City of Richardson | 2003 | Red and Blue Lines Corridor Study (2020) |
| Walnut Hill | Red/Orange | DART | Dallas | forwardDallas! Comp Plan Amendment: Vickery Meadow Station Area Plan | City of Dallas | 2013 | Red and Blue Lines Corridor Study (2020) |
| CityLine/Bush | Red/Orange/Silver | DART | Richardson | Advisory Serviced Panel Report: A Plan for Transit Oriented Development; Richardson, Texas | Urban Land Institute | 2000 | Red and Blue Lines Corridor Study (2020)/ Silver Line TOD Corridor Plan (2025) |
| 12th Street | Silver | DART | Plano | Silver Line Station Areas Plan | City of Plano & Olsson Studio | 2025 | Silver Line TOD Corridor Plan (2025) |
| Addison | Silver | DART | Addison | Addison Circle Special Area Study | City of Addison | 2018 | Silver Line TOD Corridor Plan (2025) |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|---------------------------------|---------|---------------|----------------------|--|-------------------------------|------|---|
| Cypress Waters | Silver | DART | Dallas | Cypress Waters Master Plan | Billingsly | 2022 | Silver Line TOD Corridor Plan (2025) |
| Knoll Trail | Silver | DART | Dallas | | | | Silver Line TOD Corridor Plan (2025) |
| Shiloh | Silver | DART | Plano | Silver Line Station Areas Plan | City of Plano & Olsson Studio | 2025 | Silver Line TOD Corridor Plan (2025) |
| UT Dallas | Silver | DART | Richardson | UTD Campus Master Plan Update | UT Dallas | 2018 | Silver Line TOD Corridor Plan (2025) |
| Grapevine/Main Street | TEXRail | Trinity Metro | Grapevine | | | | |
| Mercantile Center | TEXRail | Trinity Metro | Fort Worth | | | | Trinity Metro TEXRail - FTA TOD Planning Pilot 2021 (TBD) |
| North Richland Hills/Iron Horse | TEXRail | Trinity Metro | North Richland Hills | North Richland Hills Iron Horse & Smithfield Station Area Plan | FWTA & NRH | 2009 | |
| North Richland Hills/Smithfield | TEXRail | Trinity Metro | North Richland Hills | North Richland Hills Iron Horse & Smithfield Station Area Plan | FWTA & NRH | 2009 | |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|-----------------------------------|----------------|--------------------|------------|--|----------------------|------|--|
| North Side | TEXRail | Trinity Metro | Fort Worth | ULIDFW Fort Worth Northside TEXRail Station - TAP Report | Urban Land Institute | 2019 | Trinity Metro TEXRail - FTA TOD Planning Pilot 2021 (TBD) |
| DFW North | TEXRail/Silver | Trinity Metro/DART | Grapevine | DFW Airport-North Station Area Plan | FWTA & DFW Airport | 2009 | |
| Bell | TRE | TRE | Fort Worth | | | | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |
| CentrePort/DFW Airport | TRE | TRE | Fort Worth | | | | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |
| Downtown Irving/Heritage Crossing | TRE | TRE | Irving | Heritage Crossing Redevelopment | City of Irving | 2014 | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |
| Medical/Market Center | TRE | TRE | Dallas | | | | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |



| Station Name | Line | Agency | City | Station Area Plan | Publisher | Year | Corridor Plan |
|--------------------|-------------|--------|------------|--|--------------------------|------|--|
| Trinity Lakes | TRE | TRE | Fort Worth | | | | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |
| West Irving | TRE | TRE | Irving | | | | NCTCOG TRE Corridor Plan - FTA TOD Planning Pilot 2024 (TBD) |
| Fort Worth Central | TRE/TEXRail | TRE | Fort Worth | Downtown Fort Worth Strategic Action Plan 2023 | Downtown Fort Worth Inc. | 2013 | Trinity Metro TEXRail - FTA TOD Planning Pilot 2021 (TBD) |
| Texas & Pacific | TRE/TEXRail | TRE | Fort Worth | South Main Urban Village Master Plan | City of Fort Worth | 2007 | Trinity Metro TEXRail - FTA TOD Planning Pilot 2021 (TBD) |

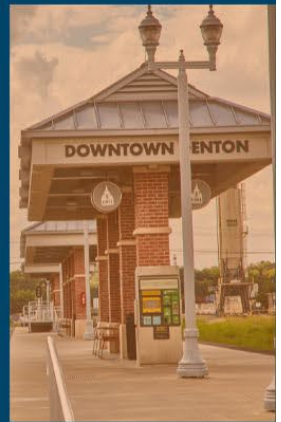
Appendix 7:

Task 7: *Fare Collection Strategies to Increase Ridership* Report

Task 7 Report: Review of Fare Collection Strategies to Increase Ridership without Lowering Revenues

Final

REGIONAL TRANSIT 2.0



North Central Texas
Council of Governments

March 26, 2025



Executive Summary

Introduction

The Dallas-Fort Worth Region is at a crucial point in its transit evolution, with the North Central Texas Council of Governments (NCTCOG) coordinating efforts across Dallas Area Rapid Transit (DART), Trinity Metro, and Denton County Transportation Authority (DCTA). This technical memorandum provides specific recommendations to enhance fare collection, ridership, and integration across DART, Trinity Metro, and DCTA. Analyzing current practices and successful implementations worldwide, it delivers actionable recommendations to improve ridership, customer experience, and revenue through innovative fare programs, payment systems, and emerging technologies.

A comprehensive methodology incorporating industry research and a literature review, stakeholder interviews, and detailed data analysis to evaluate fare collection strategies across the three agencies. The assessment includes a comparative analysis of the three agencies' current fare structures and payment systems, highlighting areas of alignment and divergence. The study examines the benefits and limitations of existing fare collection approaches while identifying successful practices from transit systems worldwide that could benefit the NCTCOG region. Special attention is given to regional coordination and integration opportunities, considering each agency's practical constraints and operational requirements while focusing on improving the rider experience and system efficiency.

Analysis of Current Fare Programs and Systems

The three major transit agencies in the DFW region offer a diverse range of fare programs designed to meet the needs of its growing and varied population. This section explores the current fare structures employed by these transit agencies, highlighting their benefits and limitations. Current fare programs range from traditional time-based passes and demographic-specific discounts to employer-sponsored programs and promotional fares. **While initiatives like the regional pass program demonstrate progress toward fare integration**, significant opportunities exist to further streamline fare structures across agencies. Current fragmentation in fare products and policies creates friction for riders using multiple transit services, highlighting the need for enhanced coordination and innovative solutions that could make regional transit travel more seamless and user-friendly. The major highlights of this section are as follows:

Traditional Payment Methods: While cash and paper-based tickets create slower boarding times, higher operational costs, and limited data collection, they remain essential for accessibility. Approximately 40% of DART bus riders still use cash, serving transit-dependent and unbanked populations who may lack bank accounts, smartphones, or comfort with digital technologies.



Card-Based Systems: The region utilizes a mix of magnetic stripe and contactless smart cards, with the GoPass Tap card being the most prevalent. These systems offer faster boarding and support advanced fare policies but require significant upgrades to achieve regional interoperability.

Mobile and Digital Payments: The GoPass app provides mobile ticketing, but the implementation of digital/mobility wallets and other contactless options varies across agencies.

Account-Based Ticketing: The GoPass platform supports account-based ticketing, but multiple parallel systems exist, creating fragmentation and hindering a unified customer experience.

Evaluation of Potential Inclusions

The analysis of potential inclusions involves the assessment of possible regional fare initiatives against key goals: improving rider experience, increasing transit accessibility, optimizing revenue generation, and reducing barriers to seamless regional travel across multiple agencies. Prominent findings are as enumerated below:

Regional Rewards/Loyalty Program: Developing a unified, points-based rewards system across all regional transit agencies would transform rider engagement from transactional to membership-oriented, creating an expanded benefits ecosystem through strategic partnerships with local businesses, rideshare companies, and transportation providers. This program would incentivize frequent and cross-agency transit usage while providing valuable ridership data to inform service improvements throughout the NCTCOG Region.

Regional Fare Capping: Implementing regional fare capping across all agencies would ensure equitable fare optimization and benefit riders using multiple services.

Integrated Commercial Partnership Programs: Regional partnerships across DART, Trinity Metro, and DCTA would create standardized corporate programs and targeted initiatives, enhancing service delivery while streamlining administration through GoPass integration.

Safe Contactless and Open-Loop Payment Systems: Expanding contactless payment infrastructure and open-loop systems would create a seamless and unified regional payment ecosystem.

Regional Microtransit Integration: Integrating microtransit services into a unified platform, such as GoPass, would bridge gaps between fixed-route services and expand transit access.



Review of Strategic Factors

An analysis of significant operational aspects across the NCTCOG region, focusing on safety, parking, equity, and fare coordination, was carried out as below:

Safety and Security: The DFW Region faces comprehensive security challenges across its open transit system, requiring a multi-faceted approach. Environmental design, station activations, technology solutions, and coordinated fare enforcement efforts, combined with transit ambassadors and behavioral strategies, can enhance security for both riders and operators while maintaining accessibility and improving fare compliance.

Parking Policies: Parking policies play a crucial role in attracting and retaining transit riders, especially in suburban areas. Given the underutilization of parking assets, there is an opportunity to leverage these resources to encourage ridership growth.

Equity Considerations: It is vital to maintain equity in fare structures, service provision, and access for diverse populations. This includes going beyond federal requirements and addressing geographic, socioeconomic, demographic, and operational equity to ensure the transit system remains accessible and affordable for all.

Overall Recommendations

By prioritizing the following recommendations, the NCTCOG region can create a more integrated, efficient, and user-friendly transit system that serves the diverse needs of its residents:

Regional Fare and Rewards Programs: Implement a comprehensive approach that combines unified real-time fare capping with a points-based rewards system across all regional transit agencies, ensuring riders never pay more than optimal fares while transforming engagement from transactional to membership-oriented. This integrated strategy would both optimize fare equity for occasional riders and incentivize frequent transit usage, particularly benefiting those traveling across multiple agencies while generating valuable data to inform service improvements throughout the region.

Fare Payment System Enhancements: Expand contactless and open-loop payment systems, integrate account-based ticketing at a regional level, focus on regional integration and interoperability, and prioritize an equity-centered approach to regional fare policy.

Microtransit Integration: Integrate microtransit services into a unified regional mobility network, focusing on bridging gaps between fixed-route services and expanding access to non-member cities.

Address Operational Challenges: Develop comprehensive strategies to address homelessness, enhance security & fare enforcement, respond to behavioral health



incidents, address regional disparities, and create consistent service standards across agencies.

Parking Management: Promote existing parking resources, develop regional access solutions, and implement strategic revenue generation through selective paid parking at high-demand locations.

The technical memorandum provides the vision of a more seamless and efficient transit experience for riders, encouraging them to use the system more frequently and across a broader range of services. This, in turn, would lead to increased ridership and revenue for the transit agencies, supporting their long-term financial sustainability and allowing for continued investment in service improvements.



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LIST OF EXHIBITS

Exhibit 1: Weekly Fare Capping for Transit Riders

Exhibit 2: Trend Analysis - DART Parking Facility Utilization Rates (2018-2024)

Exhibit 3: Evaluation Matrix – Prioritizing Task 7 Recommendations



1. Introduction

The Dallas-Fort Worth region stands at a critical juncture in its transit evolution, with NCTCOG playing a pivotal role in coordinating efforts across DART, Trinity Metro, and DCTA (collectively referred to as “TA(s)”). With current projections forecasting an influx of 4,000,000 new residents and 3,000,000 additional jobs in the region over the next 20 to 30 years, the need for seamless regional connectivity has become increasingly urgent. This technical memorandum examines fare collection strategies across the NCTCOG region's transit agencies and provides specific recommendations for enhancing regional transit operations. Through analysis of fare programs, payment systems, and emerging technologies, this assessment identifies opportunities to improve both ridership and customer experience. Drawing from successful implementations worldwide, this study delivers actionable recommendations for revenue growth while considering North Central Texas's unique geographic and demographic characteristics. The findings and proposed solutions focus on innovative approaches - from reward programs to advanced payment technologies - that could transform how DART, Trinity Metro, and DCTA serve their growing ridership base through enhanced regional integration.

Through a comprehensive methodology incorporating industry research and literature review, stakeholder interviews, and detailed data analysis, this study evaluates fare collection strategies across DART, Trinity Metro, and DCTA, the three TAs in the NCTCOG region. The assessment includes a comparative analysis of the three agencies' current fare structures and payment systems, highlighting areas of alignment and divergence. The study examines the benefits and limitations of existing fare collection approaches while identifying successful practices from transit systems worldwide that could benefit the NCTCOG region. Special attention is given to regional coordination and integration opportunities, considering each agency's practical constraints and operational requirements while focusing on improving the rider experience and system efficiency.

The analysis and proposed solutions presented in this memo combine practical insights from transit professionals with a detailed study of system information and industry trends. The evaluation encompasses critical considerations, including safety and security, parking policies, and equity implications of various fare strategies. By examining these elements through the lens of regional coordination, this analysis aims to provide recommendations for enhancing fare collection across the region while supporting NCTCOG's broader transportation goals. Particular emphasis is placed on solutions that promote regional connectivity while respecting each transit agency's autonomy and unique needs.



2. Methodology

2.1 Industry Trends and Research Review

The analysis begins with a comprehensive review and study of fare programs and systems in the NCTCOG Region and relevant collection strategies across North American and international transit agencies. This memo focuses on emerging trends in fare programs, payment technologies, and best practices that could be relevant to the NCTCOG region. Key areas of investigation include fare-capping implementations, loyalty programs, account-based ticketing systems, and mobile payment solutions. Special attention is given to regions with multiple transit agencies and demographic characteristics similar to those of the DFW region for drawing out relatable comparisons. The review examines successful implementations of regional fare integration, technological innovations in fare collection, and strategies for increasing ridership while maintaining revenue. Examples of transit agencies that have successfully implemented innovative fare programs can provide insights into potential applications for DART, Trinity Metro, and DCTA. To enhance this report and provide readers with access to relevant resources, superscript notes have been included throughout the text. These notes correspond to URLs containing more detailed information, allowing for a deeper dive into specific topics and data sources. A comprehensive list of URL references has been attached in Appendix A.

2.2 Interviews

The study incorporates structured interviews with key DART, Trinity Metro, and DCTA stakeholders to understand their current fare collection practices, challenges, and future plans. These interviews captured insights from multiple organizational levels, including executive leadership's strategic vision, technology teams' system capabilities assessment, operations staff's daily experiences, and customer service feedback on rider issues.

Additional perspectives were gathered through interviews with Subject Matter Experts (SMEs) to provide broader industry context and technical expertise. These include fare system technology providers and transit consultants with regional integration experience. These SME interviews offered valuable insights into emerging technologies, best practices for regional fare integration, and innovative approaches to common challenges faced in multi-agency transit environments.

2.3 Data Analysis

The data analysis provided key insights regarding fare structures and programs in the NCTCOG region as well as resource utilization and service delivery challenges. This understanding enabled the development of prioritized solutions targeting critical issues within fare/ridership management from a regional perspective. A further insight thus emerges wherein agencies can better allocate resources and implement improvements to



enhance overall service quality and user experience while keeping fare revenue steady and encouraging more people to use transit. These insights will be explored explicitly through various sections of the tech memo.

The technical assessment includes current system capabilities and the possibility of integration across agencies, while operational analysis focuses on rider convenience, fare management, and regional integration. This data-driven approach helps identify specific regional needs and constraints, ultimately informing recommendations for enhanced fare collection strategies that align with NCTCOG's broader transportation goals.



3. Analysis of Fare Collection Strategies

As NCTCOG pursues greater regional alignment, analyzing fare collection strategies becomes crucial for creating a seamless, integrated transit experience. This comprehensive assessment examines current fare programs and payment systems across the three TAs and also highlights some emerging technologies, evaluating their effectiveness in supporting regional connectivity while maintaining individual operational requirements. By understanding existing systems, exploring global best practices, and identifying innovative solutions, this analysis aims to provide actionable insights for enhancing regional integration while ensuring equitable access and operational sustainability across the NCTCOG region. Emphasis has been provided to opportunities that strengthen cross-agency coordination and improve the overall transit experience for regional residents.

3.1 Fare Programs

The Dallas-Fort Worth region's public transportation network presents both unique challenges and opportunities in fare program implementation. This comprehensive analysis examines the current state of fare programs across these agencies, evaluating their effectiveness, identifying limitations, and exploring potential opportunities. The assessment begins with a detailed review of existing fare structures and programs, then transitions to examining global best practices in transit fare programs, highlighting innovative solutions and successful implementations from leading transit agencies worldwide. Drawing from these insights, the final section presents targeted recommendations for potential inclusions and enhancements to the region's fare programs.

3.1.1 Current Programs - Benefits and Limitations

The three transit agencies in the region offer a diverse range of fare programs designed to meet the needs of its growing and varied population. This section explores the current fare structures employed by these transit agencies, highlighting their benefits and limitations. Current fare programs range from traditional time-based passes and demographic-specific discounts to employer-sponsored programs and promotional fares. **While some programs, such as the regional pass program, demonstrate successful alignment intent,** others reveal opportunities for enhancement and innovation. This section analyzes the existing fare programs across these agencies, examining their benefits and limitations. By understanding the region's current state of fare programs, including their strengths and challenges, we can better identify opportunities for improvement and potential areas for enhanced regional coordination. Relevant examples of impactful Fare Programs have been covered in the 'Best Practices' section.



3.1.1.1 Time-Based Passes

| Pass | DART (Effective Mar 2025) | Trinity Metro | DCTA |
|--------------------------|---|--|--|
| Single-ride Fare (Local) | 3-Hour Pass: Regular- \$3/ Reduced- \$1.50 | Regular- \$2/ Reduced- \$1 | Regular- \$1.5/ Reduced- \$0.75 |
| Day Pass | <ul style="list-style-type: none"> Local: Regular- \$6/ Reduced- \$3 Regional: Regular- \$12/ Reduced- \$3 | <ul style="list-style-type: none"> Local: Regular- \$4/ Reduced- \$2 Regional: Regular- \$12/ Reduced- \$3 | <ul style="list-style-type: none"> Local: Regular- \$3/ Reduced- \$1.50 Regional: Regular- \$12/ Reduced- \$3 |
| Weekly Pass | Not explicitly offered | Regular- \$18/ Reduced- \$9 (Local Only) | 10-Pack of Day Passes: <ul style="list-style-type: none"> Local- \$20/ Regional- \$84 (No Reduced Option) |
| Monthly Pass | <ul style="list-style-type: none"> Local: Regular- \$126/ Reduced- \$63 Regional: Regular- \$192/ Reduced- NA | <ul style="list-style-type: none"> Local: None[#] Regional: Regular- \$192/ Reduced- \$48 | <ul style="list-style-type: none"> Local: Regular- \$48/ Reduced- \$24 Regional: Regular- \$192/ Reduced- \$48 |
| Annual Pass | <ul style="list-style-type: none"> Local: Available only for Seniors Regional: Regular- \$1920/ Reduced- \$576 | <ul style="list-style-type: none"> Local: None[#] Regional: Regular- \$1920/ Reduced- \$576 | <ul style="list-style-type: none"> Local: Regular- \$480/ Reduced- \$240 Regional: Regular- \$1920/ Reduced- \$576 |
| Benefits | <ul style="list-style-type: none"> Regional consistency for Day & Monthly Regular Passes: Unified pricing, policies, and passes across agencies via GoPass platform Flexible fare options: Diverse pass durations and coverage at various price points | | |
| Limitations | <ul style="list-style-type: none"> Fare inconsistencies: Varying products and pricing across agencies Regional integration gaps: Misaligned fare products, pricing, and pass periods Structural challenges: Complex pricing, varied zones, coverage, and transfer policies across agencies User experience issues: Multiple fare structures[%], rules, and validation requirements across TAs Regional Pass Avoidance: Purchasing separate local day passes for DART (\$6) and Trinity Metro (\$4) totals \$10, making it a more economical option than buying a Regional Day Pass for \$12 | | |

*Regular Regional Day/Monthly Pass/Annual have been standardized amongst the three TAs

[#]Trinity Metro currently restricts monthly and annual passes to EASYRIDE participants only, with these local-only passes differing significantly from regional fare options.

[%]Additionally, certain services like DCTA's microtransit operate under entirely separate fare structures from their time-based fare system, further complicating the regional fare landscape.



Assessment

| Key Issues | Critical Implications | Action Needed |
|---|--|--|
| <ul style="list-style-type: none"> Despite regional passes being consistent, significant disparities exist in local fares Weekly pass options vary dramatically between agencies Transfer policies and special programs lack standardization | <ul style="list-style-type: none"> Confusing rider experience when using multiple agencies Barriers to seamless regional travel Missed opportunities for revenue optimization | <ul style="list-style-type: none"> Standardize local fare structures while maintaining regional pass consistency Align pass types and durations across agencies Create unified transfer and special program policies Leverage GoPass platform for seamless integration |

3.1.1.2 Demographic-Specific Discounts

| Discount | DART | Trinity Metro | DCTA |
|--|---|---|---|
| Student Discount | Reduced fares for high school students with a valid DART Service Area high school ID Reduced fares for youth ages 5-14 Undergraduate or trade school students enrolled at participating schools are eligible for free rides | <ul style="list-style-type: none"> Free for Students with IDs - Tarrant County College (EASYRIDE Program) Reduced fares for youth ages 5-19 | Half-priced semester and annual passes for students and faculty; Local as well as Regional |
| Senior Discounts/ Individuals with Disabilities | Reduced fares on all services for seniors aged 65 and older. Similarly, for individuals with disabilities | Reduced fares on all services for seniors aged 65 and older. Similarly, for individuals with disabilities | Reduced fares on all services for seniors aged 65 and older. Similarly, for individuals with disabilities |
| Military/ Veteran discounts | Reduced fares | Reduced fares | Free rides to veterans on Veterans Day |
| Low-Income Fare Programs | Reduced fares on all services for individuals who qualify based on income - Discount GoPass® Tap card program | No specific fare structure dedicated exclusively to low-income riders* | Does not consider income as a criterion in its fare structure [#] |



| | | | |
|----------------------------------|---|---|--|
| Employer-sponsored passes | Corporate/Employee Pass Program at 25% discount | Passes exclusively available to EASYRIDE partners | Employee Pass Program- discounted annual passes for Denton County-based businesses |
| Benefits | <ul style="list-style-type: none"> • Comprehensive coverage: Consistent discounts for seniors, veterans, and individuals with disabilities across agencies • Social equity focus: Strong support for riders with disabilities, students, veterans, and accessibility initiatives • Program accessibility: Clear eligibility criteria and multiple qualifying options • Employer programs: Corporate discounts and varied partnership models for regional and local businesses | | |
| Limitations | <ul style="list-style-type: none"> • Program inconsistency: Varied structures, benefits, discount rates, and names for special programs across agencies • Regional integration gaps: Difficult to coordinate, varied partnerships, and inconsistent programs across agencies • User experience challenges: Multiple enrollment processes, verifications, and complex eligibility criteria across agencies | | |

*Trinity Metro collaborates with several agencies throughout Tarrant County to assist potential riders in various situations, including those with low-income needs, but this is not included in the Trinity Metro Fare Policy.

#DCTA provides reduced fare passes to nonprofits (excluding GoZone), which may be used to serve low-income customers. However, DCTA does not audit the use of passes after sale.

Assessment

| Key Issues | Critical Implications | Action Needed |
|--|--|---|
| <ul style="list-style-type: none"> • Each agency maintains separate verification processes • Program names and structures vary across agencies • No unified approach to employer partnerships • Different enrollment systems for each agency | <ul style="list-style-type: none"> • Confusing experience for multi-agency riders • Higher administrative costs from duplicate systems • Reduced program effectiveness due to complexity • Barriers to regional employers seeking partnerships • Limited ability to track program success across the region | <ul style="list-style-type: none"> • Standardize discount rates and eligibility requirements • Create a unified verification process through GoPass platform or a similar mechanism • Implement consistent program naming and structure • Develop a single enrollment system for all agencies • Establish a coordinated regional partnership program |



3.1.1.3 Dynamic and Flexible Pricing

| Programs | DART | Trinity Metro | DCTA |
|-------------------------------|---|---|--|
| Fare capping | Offered via GoPass Tap Card and mobile app - <i>never pay more than the cost of a day pass (\$6) or a monthly pass (\$192) within those periods, unlimited rides</i> | <ul style="list-style-type: none"> Fare capping on GoPass Tap card and mobile app Day/ Weekly Pass - <i>after paying for two rides (\$2.00/\$1.00 each), all remaining rides are free for the day; after reaching 7-day pass equivalent (\$18.00/\$9.00), all rides for that 7-day period are free.</i> | Only as Day/ 10-Day Pass |
| Peak/off-peak pricing | Not offered post implementation of new fare structure – Spring 2025 | Not offered | Not offered |
| Distance-based pricing | Not Offered | Used explicitly for microtransit services | Used explicitly for microtransit services |
| Zone-based pricing | Limited form of distance-based pricing for TRE. Fares are based on local vs. regional trip | Limited form of distance-based pricing for TRE. Fares are based on local vs. regional trip | GoZone (In Denton) <ul style="list-style-type: none"> \$1.50 per passenger for trips up to four miles Additional \$0.50 per mile up to a cap of \$5.00 GoZone (In Lewisville/Highland Village/Castle Hills) <ul style="list-style-type: none"> \$1.50 per passenger flat rate per trip GoZone rides in all zones covered by GoZone eligible DCTA passes |
| Benefits | <ul style="list-style-type: none"> User cost management: Automatic fare optimization, daily/monthly caps, flexible options, and cost control mechanisms Technology foundation: GoPass platform with digital infrastructure, mobile integration, and real-time processing | | |
| Limitations | <ul style="list-style-type: none"> Limited regional implementation: Inconsistent fare capping, technologies, and pricing models across agencies Operational constraints: Complex fares, limited coordination, and varied technological readiness across agencies Program gaps: Lack of distance-based pricing, limited time-based options, minimal dynamic pricing, and inconsistent zones | | |



Assessment

| Key Issues | Critical Implications | Action Needed |
|--|---|---|
| <ul style="list-style-type: none"> Only DART implemented comprehensive fare capping; Trinity Metro has implemented the same partially Inconsistent pricing structures across agencies Varying levels of technological readiness | <ul style="list-style-type: none"> Riders can't benefit from fare optimization across agencies Lost opportunities for travel demand management Underutilized revenue optimization potential Fragmented user experience across systems Limited ability to track and communicate rider savings | <ul style="list-style-type: none"> Standardize fare capping across all agencies Implement a unified zone-based pricing structure Create rider savings tracking and communication system Leverage GoPass platform for regional integration |

3.1.1.4 Loyalty & Reward / Promotional Programs / Special Event Fares

| Programs | DART | Trinity Metro | DCTA |
|---|--|--|--|
| Event-Based Pricing | <ul style="list-style-type: none"> Occasionally implemented - typically integrated into day or group passes Free for major local/national events | <ul style="list-style-type: none"> Free for major local/national events For Local Attractions and Events: <ul style="list-style-type: none"> Friday on the Green ArtsGoggle Christmas Capital of Texas (Grapevine) | <ul style="list-style-type: none"> Occasionally - focused on local events or festivals Free for major local/national events (State Fair of Texas Combo Deal) |
| Gifts/ Special Offers/ Discount Programs | <ul style="list-style-type: none"> Customer Promotions Bulk sale discount programs Route Promotion Pass | <ul style="list-style-type: none"> Fare-Free First Fridays (Summer) | Not explicitly offered |
| Points-Based Rewards Program | Not explicitly offered | Not explicitly offered | Not explicitly offered |
| Tourist passes | Not explicitly offered | Not explicitly offered | Not explicitly offered |
| Benefits | <ul style="list-style-type: none"> Promotes regional transit usage during major events Support regional equity goals through targeted discounts Incentivizes consistent transit use across agencies Creates opportunities for regional business partnerships Provides flexibility for targeted promotions | | |
| Limitations | <ul style="list-style-type: none"> Complex revenue-sharing requirements | | |



| | |
|--|--|
| | <ul style="list-style-type: none">• Regional integration gaps: Limited cross-promotion, varied event policies, and inconsistent service levels across agencies• Lack of unified rewards or points-based loyalty programs• Minimal cross-agency promotional integration• Varied approaches to event partnerships and special pricing• Limited ongoing customer loyalty incentives beyond occasional promotions• Requires significant technological integration• Complex program administration needs• Need for unified customer data management• Challenging cost allocation between agencies |
|--|--|

Assessment

| Key Issues | Critical Implications | Action Needed |
|---|---|---|
| <ul style="list-style-type: none">• Absence of regional rewards/loyalty programs• Varied approaches to event partnerships and special pricing• Limited cross-agency promotional integration• No unified approach to special event services• Complex revenue-sharing requirements between agencies | <ul style="list-style-type: none">• Lost opportunities for regional revenue generation• Missed chances for customer loyalty building• Fragmented promotional messaging• Inconsistent user experience across the regional transit system• Inefficient allocation of resources for promotional activities | <ul style="list-style-type: none">• Develop a unified event pricing framework through GoPass• Create a regional loyalty program with points-based rewards• Implement standardized tourist passes• Design and coordinated regional marketing strategy |

3.1.2 Best Practices

Transit fare programs have evolved significantly in recent years, with agencies worldwide implementing innovative approaches to enhance ridership, improve accessibility, and optimize system utilization. Best practices in fare programs now extend far beyond traditional payment collection to encompass sophisticated solutions that address multiple objectives: social equity, environmental sustainability, operational efficiency, and enhanced user experience. Several key strategies have emerged as particularly effective from successful implementations across global transit systems. Specific approaches demonstrated through successful real-world applications offer valuable insights for transit agencies seeking to modernize their fare systems while balancing social responsibility with operational sustainability. The analysis in this section examines these best practices in detail, highlighting their implementation strategies, measurable impacts, and potential applications for transit agencies looking to enhance their fare programs.

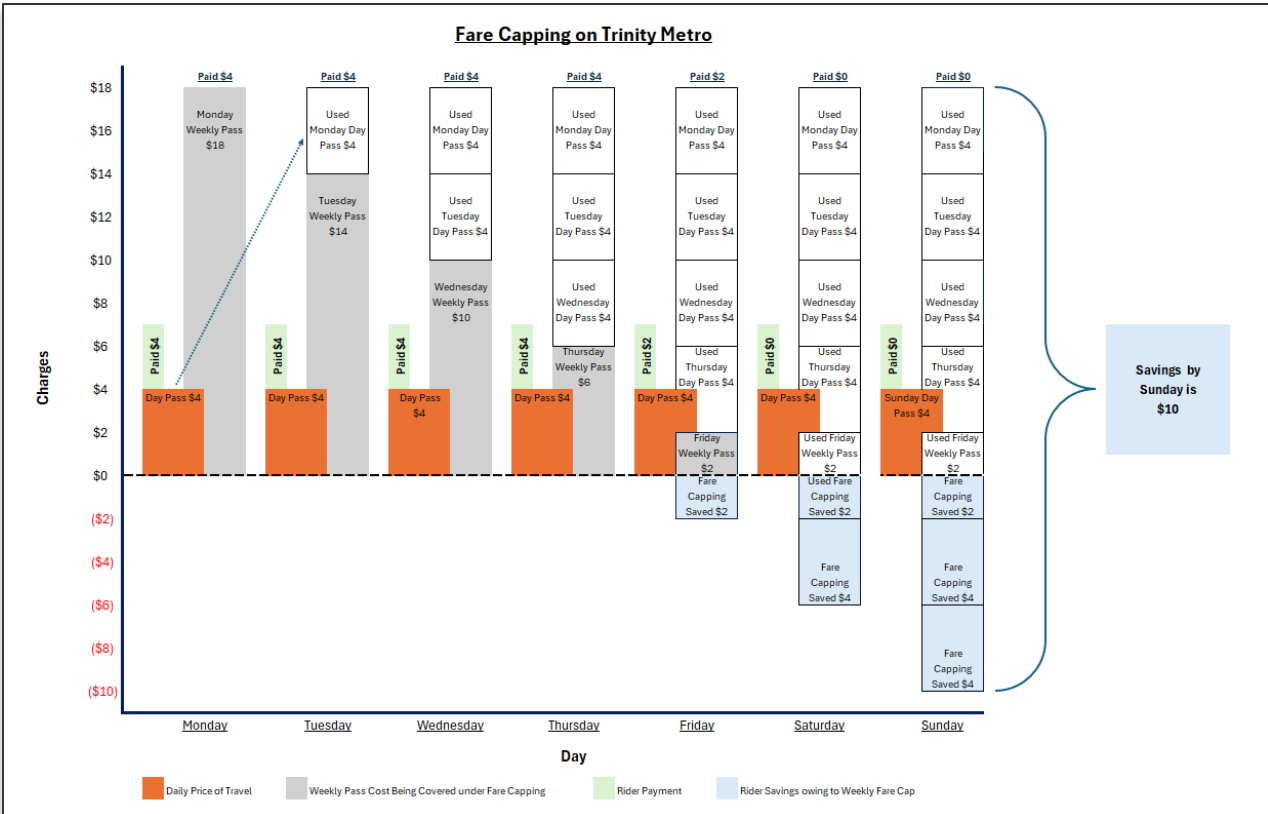


3.1.2.1 Fare Capping

Fare capping has emerged as a transformative approach to transit fare collection that promotes equity and encourages increased ridership through automated fare optimization. This system automatically limits how much riders pay for their trips within a specified timeframe, ensuring they never pay more than the cost of a longer-duration eligible pass or an unlimited pass, even without the upfront financial burden of purchasing one. Recent research from the University of Tennessee demonstrates its significant impact, with agencies implementing monthly fare capping seeing increases of 3.6% to 4.1% in annual bus ridership¹. New York's MTA reported saving commuters over \$1 million in the first month of implementing weekly fare capping through its OMNY system. Portland's TriMet system provides another successful example: fare capping has helped address equity concerns while maintaining revenue stability. The effectiveness is particularly evident when combined with contactless payment options, with Visa's Future of Urban Mobility Survey indicating that 61% of surveyed public transit riders would increase their transit use with fare capping². This approach not only makes public transit more affordable and accessible but also streamlines the fare system for both agencies and riders, leading to increased system utilization and improved customer satisfaction. The growing adoption of fare capping across major transit systems demonstrates its potential as a key strategy for modernizing fare collection while promoting equitable access to transit. As an example, Exhibit 1 shows how the purchase of day passes on a daily basis (based on the number or location or taps and scans when boarding or boarding and exiting a mode of transit) contributes to fare-capping benefits to a rider on Trinity Metro, which charges \$18 for a weekly pass. Once a pass is earned, the remaining trips for that pass period are then free to the rider.



Exhibit 1: Weekly Fare Capping for Transit Riders



Key Elements:

- Automatic fare optimization - Best fare automatically applied based on usage
- Daily/weekly/monthly caps
- Integration with existing fare systems
- Enhanced affordability and equity, leading to increased ridership
- Cost transparency between fare types

3.1.2.2 Loyalty & Rewards Programs

Transit loyalty and rewards programs offer an innovative way to boost ridership and retain regular users through meaningful incentives. By offering concrete benefits like ride credits, retail discounts, and premium services, these programs create real value for frequent riders. A commuter might earn \$5 in ride credits after 20 trips, enjoy free coffee at station vendors after 10 rides, or receive retail discounts at partner businesses. These rewards deliver immediate, measurable savings while providing tangible perks such as priority parking and access to premium waiting areas during delays. Such benefits not only reduce actual costs for users but also encourage consistent transit use.



by making the rewards both visible and valuable. These programs transform the traditional transit payment relationship into an engaging customer experience that builds long-term rider loyalty. Montreal's STM Merci! Program stands as a pioneering example, where the combination of location-based technology and retail partnerships resulted in a 20-25% increase in transit ridership among participants and generated nearly \$100 million in new revenue over three years³. The program's success stemmed from its ability to offer personalized rewards based on riding patterns, providing merchant discounts of up to 50% for frequent riders, and creating an engaging mobile platform that transformed routine transit use into a rewarding experience. Singapore's current Travel Smart Journeys (TSJ)⁴ program showcases an innovative approach to transit incentives. The program rewards commuters with points worth up to 80% of their fare for choosing off-peak travel times or alternative routes. Launched in 2025, this evolved version of their earlier Travel Smart Rewards program integrates with their SimplyGo mobile app, offering automated point accumulation and seamless conversion to transit credits.

Key Elements:

- Points-based reward accumulation
- Merchant partnerships and discounts
- Gamification elements
- Personalized offers and incentives

3.1.2.3 Robust Discount Programs

Robust discount programs have emerged as a crucial strategy for transit agencies to ensure equitable access while building sustained ridership across diverse demographic segments. These comprehensive programs go beyond traditional senior and student discounts to address broader socioeconomic needs and create lasting connections with key rider groups. King County Metro's pioneering ORCA LIFT program in Seattle demonstrates the transformative potential of well-designed discount programs, offering income-based fares that provide a 45% fare reduction to eligible riders across multiple transit agencies. Since its 2015 launch, the program has served over 100,000 riders, increased transit usage among low-income populations by 40%, and become a national model for equity-focused fare programs⁵. Similarly, Los Angeles Metro's comprehensive discount structure includes innovative elements like their LIFE (Low-Income Fare is Easy) program, student, and U-Pass programs, and veteran benefits, resulting in a 32% increase in program enrollment and improved accessibility across their system⁶. These initiatives showcase how strategically designed discount programs can simultaneously address social equity goals while building stable ridership bases. Potential program improvements based the examples quoted, for the DFW region include:

- **Simplified Income Verification:** Streamlined, centralized system similar to ORCA LIFT's user-friendly process.



- **Automatic Enrollment Options:** Integration with existing assistance programs as in LA Metro's LIFE program.
- **Universal Student Pass Program:** Region-wide U-Pass model with institutional partnerships.
- **Mobile Integration:** Seamless discount program access within the GoPass platform.
- **Data-Driven Evaluation:** Robust tracking of program impacts on ridership and equity.
- **Community Partnerships:** Collaboration with trusted local organizations for outreach and enrollment.

Key Elements:

- Targeted discounts for specific demographics
- Easy enrollment processes
- Include Income Based/Student/Senior/Disability/Veteran/Corporate/Institutional Programs

3.1.2.4 Integrated Commercial Partnership Programs

Commercial partnerships across DART, Trinity Metro, and DCTA represent a strategic opportunity to enhance regional transit accessibility while fostering business relationships through coordinated program offerings. Building on successful initiatives like DART's Corporate Pass Program, Trinity Metro's EASYRIDE, and DCTA's Employee Pass Program, a unified regional approach would standardize benefits and streamline administration through the GoPass platform. DART's successful collaboration with Toyota⁷ in developing transit-oriented solutions for their North American headquarters in Plano demonstrates the potential of customized corporate partnerships. Meanwhile, the Bay Area's Clipper BayPass⁸ program shows how a unified regional system can serve diverse stakeholders, from major employers to educational institutions and affordable housing communities, through a single integrated platform. These examples illustrate how well-structured regional partnership programs can enhance transit accessibility, support diverse business community needs, and drive consistent ridership growth while maintaining operational efficiency through standardized administration.

Key Elements:

- Regional program standardization across agencies
- Unified corporate engagement and outreach strategy
- Integrated GoPass platform administration
- Coordinated benefit structures and pricing models
- Streamlined enrollment and management processes

3.1.2.5 Sustainability and Environmental Incentives Programs

Sustainability and environmental incentive programs represent an approach to fare policy that aligns transit ridership with broader transportation goals while creating value propositions for riders concerned with efficiency and reduced congestion. These



programs can promote transit use through practical incentives and community benefits. Luxembourg's nationwide public transport initiative resulted in private vehicle use falling by 11% while public transportation ridership increased by 25%⁹. Denver's time-limited "Zero Fare for Better Air" initiative provided free transit during specific periods to address congestion and air quality concerns¹⁰. Such targeted programs can complement traditional fare strategies by appealing to specific rider segments, enhancing mobility options during high-congestion periods, and supporting regional transportation system efficiency. The most effective approach typically involves positioning these programs within established transportation frameworks and focusing messaging on practical benefits like reduced travel times and improved accessibility.

Key Elements:

- Targeted Congestion Reduction Initiatives
- Practical Mobility Incentives
- Community Transportation Goals Integration
- Usage Impact Metrics

3.1.3 Potential Inclusions for NCTCOG

Regional fare integration through coordinated rewards programs, fare capping, and well-established commercial partnerships present transformative opportunities for enhancing transit accessibility and equity across the region. The following could be potential inclusions for the NCTCOG region:

- **Regional Transit Rewards/Loyalty Program:** The Dallas- Fort Worth region presents a unique opportunity to revolutionize the regional transit experience through an integrated loyalty program that transforms how residents engage with public transportation. While DART, Trinity Metro, and DCTA currently offer basic interoperability through the GoPass system, none have implemented true loyalty-based incentives beyond traditional volume discounts and corporate partnerships. A comprehensive regional rewards program could elevate transit from transaction-based interactions to a membership-oriented service model similar to popular subscription services that have transformed other industries. This initiative would create a unified points-based system where users earn rewards across all regional transit providers regardless of which service they use, with bonus incentives for multi-agency journeys. Riders could accumulate points for every trip taken, with enhanced earnings for traveling during off-peak hours, connecting between different services, or consistently using transit over time. These points could then be redeemed for free rides, service upgrades, or exclusive benefits through an expanded network of regional partnerships.



The Regional Transit Rewards/Loyalty Program would significantly amplify its value proposition through strategic partnerships with local retailers, restaurants, cultural venues, and other transportation providers. By forming alliances with rideshare companies like Uber and Lyft, the program could offer first/last mile connection credits, while partnerships with airlines could allow point transfers or special benefits for airport transit users. Local business partnerships could provide exclusive discounts or special offers to transit loyalty members, creating a comprehensive regional benefits ecosystem that enhances the overall value of transit usage. Building upon this foundation, a unified regional discount program framework would be seamlessly integrated into the same comprehensive mobility wallet system, significantly enhancing both loyalty benefits and social equity across the region. By standardizing eligibility criteria, verification processes, and discount rates for students, seniors, veterans, and low-income riders across all three agencies, the program would eliminate current inconsistencies while maintaining personalized benefits based on eligibility status.

Qualified discount program participants would automatically receive their appropriate fare reductions while simultaneously earning loyalty points, ensuring that equity programs and rewards systems work in tandem rather than as separate initiatives. This would particularly benefit riders who travel across multiple agencies, as their discount status would be universally recognized throughout the region. A particularly innovative component would be the RTC's proposed initiative to purchase transit passes for new employees relocating along rail corridors, simultaneously addressing workforce development, congestion reduction, and ridership goals. By consolidating fragmented approaches currently in place and creating a true "membership" mindset across the region, the program would foster regional identity while generating valuable user data to inform future service enhancements. The streamlined administration through the GoPass mobility wallet would reduce confusion, ensure consistent benefit delivery, and potentially increase regional mobility while supporting both social equity and ridership goals.

- **Regional Fare Capping:** Regional fare capping implementation across DART, Trinity Metro, and DCTA would transform transit accessibility in the NCTCOG region by ensuring equitable fare optimization regardless of the rider's agency. Currently, while DART offers fare capping through GoPass, the lack of regional integration means riders using multiple agencies don't benefit from unified caps. A coordinated regional approach would eliminate this disparity, ensuring riders never pay more than the cost of a regional pass regardless of their travel patterns across agencies. This enhancement would particularly benefit regular commuters who use multiple transit services, potentially increasing cross-agency ridership while maintaining revenue through increased system utilization.



- **Integrated Commercial Partnership Programs:** Regional programs across DART, Trinity Metro, and DCTA present opportunities for enhanced service delivery through strategic partnerships and targeted initiatives. A coordinated approach to commercial partnerships would build upon existing successful programs like DART's Corporate Pass Program, Trinity Metro's EASYRIDE, and DCTA's Employee Pass Program to create standardized regional offerings. This integration, managed through the GoPass platform, would streamline corporate benefits while encouraging ridership through effective demand management and event support. By developing unified frameworks for both commercial partnerships and targeted programs, the agencies can better serve major employers, support community events, and encourage new ridership while maintaining consistent service standards across the region. Implementing standardized pricing structures and program management protocols would maximize the effectiveness of these initiatives while simplifying administration across all three agencies.

3.2 Fare Payment Systems

The Dallas Fort Worth (DFW) region, part of the NCTCOG region, features a diverse array of transit payment systems designed to accommodate the needs of its growing population. The region relies on an intricate network of public transportation systems. To navigate this network seamlessly, understanding the fare payment landscape is crucial. This comprehensive analysis examines the current fare payment landscape, evaluating both traditional and modern payment solutions implemented across the region. By assessing the benefits and limitations of each payment method, comparing them with global best practices from leading transit agencies worldwide, and considering the unique characteristics of the NCTCOG region, this section aims to provide insights into potential enhancements and innovations that could further improve the regional fare payment ecosystem. Solutions that could strengthen regional integration while maintaining equity and accessibility for all users have explicitly been focused upon.

3.2.1 Current Systems - Benefits and Limitations

The Dallas Fort Worth region's transit fare ecosystem spans multiple systems across DART, Trinity Metro, and DCTA. These agencies employ both traditional and modern payment methods centered on the regional GoPass platform. The landscape includes cash and paper tickets, GoPass Tap contactless cards, mobile ticketing through the GoPass app, digital wallet integration, and account-based solutions. Each payment method offers distinct advantages and challenges within DFW's unique context of geographical spread, multi-agency structure, and diverse ridership. This section examines the benefits and limitations of current payment methods, considering accessibility, efficiency, regional integration, and user experience across the service area. Relevant examples of beneficial Fare Systems have been covered in the 'Best Practices' section.



3.2.1.1 Traditional Payment Methods

| Payment Methods | DART | Trinity Metro | DCTA |
|----------------------|--|-----------------------|-----------------------|
| Cash | Accepted – On Buses | Accepted – On Buses | Accepted – On Buses |
| Paper Tickets/Tokens | Accepted on all Modes | Accepted on all Modes | Accepted on all Modes |
| Benefits | Familiarity and accessibility; no technology dependence; offline functionality; immediate use; privacy; serves unbanked populations in DFW's Diverse Communities. In the DART system, approximately 40% of bus riders still rely on cash payments, reflecting the significant portion of transit-dependent and unbanked populations who depend on these traditional options. These payment methods provide essential access for riders who may lack bank accounts, smartphones, or comfort with digital technologies, ensuring the transit system remains accessible to all community members regardless of economic status or technological proficiency | | |
| Limitations | Slower boarding times; Higher operational costs; Limited data collection; No fare capping advantage; Lack of integration; Limited fare options, Security risks for operating agencies; Rider inconvenience; Fraud risk; Environmental impact | | |

Assessment

| Key Issues | Critical Implications | Action Needed |
|---|--|--|
| <ul style="list-style-type: none"> • Three separate cash handling systems across agencies • Slower boarding times impacting service efficiency • Limited data for service optimization • High operational costs for cash management • Need to maintain accessibility for cash-dependent riders (40% of DART bus riders) • Technology barriers for unbanked populations and those less familiar with digital payment | <ul style="list-style-type: none"> • Significant revenue processing expenses • Missed opportunities for rider behavior insights • Reduced operational efficiency • Limited ability to implement fare capping • Restricted regional fare integration potential • Risk of excluding vulnerable populations if cash options are limited | <ul style="list-style-type: none"> • Maintain current cash/paper options while incentivizing digital adoption • Create an integrated strategy for gradual digital payment transition • Develop fare incentives for contactless payment use • Ensure continued accessibility for unbanked populations • Establish targeted outreach and education for technology-hesitant riders • Explore cash-to-digital conversion options at convenient locations |



3.2.1.2 Card-Based Systems

| Cards | DART | Trinity Metro | DCTA |
|--------------------------------|--|--|----------|
| Magnetic Stripe Cards | Limited use for specific fare programs | For University Programs and Corporate Partners | Not used |
| Contactless Smart Cards (RFID) | GoPass Tap card | EASYRIDE Badge (for Corporate Partners) | Not used |
| Benefits | <p><u>Magnetic Stripe Cards</u> Lower technology cost per card; Familiar technology to many riders; Simple to replace if lost/damaged; No electronic device required for the user as with phone apps</p> <p><u>Contactless Smart Cards</u> Faster boarding times; Ability to implement advanced fare policies - fare capping, distance-based fares; Integration with account-based ticketing systems; Supports multiple payment options; Detailed ridership data for service optimization; Supports mobility as a service (MaaS) integration; User Benefits - Auto-reload capabilities, Online account management; Balance protection if lost/stolen; common form of payment</p> | | |
| Limitations | <p><u>Magnetic Stripe Cards</u> Higher maintenance costs for equipment; Prone to damage and demagnetization; Limited data collection/storage capabilities; Not compatible with modern mobility integration or implement complex fare structures; No protection against card cloning</p> <p><u>Contactless Smart Cards</u> Higher initial implementation costs; Needs consistent network connectivity; Technology upgrade costs; User adoption challenges - Card acquisition process, Initial learning curve, Limited retail distribution network; Obviates cash option</p> | | |



Assessment

| Key Issues | Critical Implications | Action Needed |
|---|--|---|
| <ul style="list-style-type: none"> • Multiple card systems operating across agencies (GoPass Tap, EASYRIDE) • Legacy magnetic stripe technology is still in limited use • Fragmented RFID implementations • Complex technology transition needs • Varied policy requirements across agencies | <ul style="list-style-type: none"> • Inefficient regional interoperability • Higher costs from maintaining multiple systems • Missed opportunities for unified data collection • Delayed service improvements • Complicated user experience across agencies | <ul style="list-style-type: none"> • Standardize on GoPass platform across all agencies • Phase out magnetic stripe systems strategically • Implement an integrated contactless payment approach • Create a coordinated technology transition plan • Develop aligned policies across agencies • Balance technology upgrades with political considerations |

3.2.1.3 Mobile and Digital Payments

| Media | DART | Trinity Metro | DCTA |
|---|--|--|---|
| Mobile Ticketing Apps | GoPass app | GoPass app; On-Demand (For MicroTransit) | GoPass app; GoZone (For MicroTransit) Transit App (vehicle tracking system for DCTA's fixed-route services) |
| Digital wallets (Apple Pay, Google Pay) | Accepted | Limited Implementation | Limited Implementation |
| Benefits | <p>User Convenience - Fast & secure, Increased accessibility; Integration with existing systems (GoPass App being the key driver); Real-time update/information; Simplified account management, Lower operational costs; Easier fare capping; Seamless for regional integration; Detailed ridership data for service optimization</p> <p>The GoPass app has significantly improved the rider experience by providing a centralized platform for most transit services across the region, offering convenient mobile ticketing, trip planning, and real-time updates. This regional alignment initiative has laid a strong foundation for further integration, demonstrating how standardized digital tools can enhance accessibility and simplify travel across multiple transit systems</p> | | |
| Limitations | <p>Technology dependence; Battery reliance; Requires Compatible Devices; Potential for confusion - learning curve for users; Privacy concerns</p> | | |



Assessment

| Key Issues | Critical Implications | Action Needed |
|--|---|---|
| <ul style="list-style-type: none"> • Varying levels of functionality between DART, Trinity Metro, and DCTA mobile platforms • Digital accessibility barriers for users who must navigate different interfaces • Incomplete integration between fixed-route and on-demand services • Inconsistent digital wallet implementation across agencies | <ul style="list-style-type: none"> • Confusing user experience requiring multiple downloads and account setups • Barriers to seamless regional travel, particularly for occasional riders • Missed opportunities for comprehensive data collection and service optimization • Inability to implement unified regional fare policies, reward programs and promotions | <ul style="list-style-type: none"> • Integrate all microtransit services (GoZone, Trinity On Demand) directly into GoPass app • Standardize digital wallet acceptance across all three agencies • Develop a unified account system accessible through a single application • Ensure consistent functionality across the regional transit network • Maintain alternative payment options for non-smartphone users • Implement unified regional trip planning with all modes and agencies |

3.2.1.4 Account-Based Ticketing

| Account | DART | Trinity Metro | DCTA |
|-------------------------------------|---|---|---|
| Individual/Personal Accounts | GoPass Account-based System Linked to Mobile App | GoPass Account-based System linked to Mobile App (Partial Services) | GoPass Account-based System linked to Mobile App (Partial Services) |
| Company/Organization Account | Provided to participating companies | Provided to participating companies | Provided to participating companies |
| Benefits | Personalized Service - Rider Convenience, Personal accounts, Preferred payment methods, Alerts and language preference, Auto reload facility, Best fare guarantee based on program, Balance protection, Easy management, Fare capping, Centralized management, Sustainable transportation, Bulk purchasing & cost savings | | |
| Limitations | Technology access; Account setup; Privacy concerns; Limited flexibility for company-sponsored programs; Administrative overhead to the company | | |



Assessment

| Key Issues | Critical Implications | Action Needed |
|---|--|---|
| <ul style="list-style-type: none">• Not all services provided by Trinity Metro and DCTA are covered by the GoPass app• Disconnected corporate program management• Complex user management across the three TAs• Complex corporate program administration | <ul style="list-style-type: none">• Fragmented customer experience• Reduced operational efficiency• Underutilized data analytics potential• Ideal fare program implementation across agencies | <ul style="list-style-type: none">• Expand GoPass into a unified regional mobility wallet platform, integrating all agency accounts, payments, and transit benefits into a single system• Standardize corporate program management through centralized mobility wallet administration• Establish regional account management standards• Create a unified user experience |

3.2.1.5 Integration of Payment Systems – Regional Fare Integration

The Dallas-Fort Worth region has made significant progress in payment system integration through the GoPass platform, which now serves multiple agencies, including DART, Trinity Metro, and DCTA. The current system makes travel possible through the three TAs, riders can use the GoPass app to buy fares for all three agencies, including regional day passes valid across the entire system. While this collaboration has improved the regional transit experience through mobile ticketing and trip planning capabilities, challenges remain in achieving full integration, for example - although regional passes enable seamless movement across agencies, inconsistencies in fare structures, acceptance across all services/modes, and technological integration still create barriers to a truly frictionless experience. This is a complex situation where riders experience inconsistency in the use of fare media where some means enable regional mobility whereas others dissuade the same, leading to a complex predicament.



| | |
|--------------------|--|
| Benefits | <ul style="list-style-type: none">• Simplified Fares and Seamless Travel: Reduced impediments related to different fare structures or transfers between agencies• Convenience: One app for all your DFW transit needs, including buses, light rail, commuter rail (TRE), and microtransit• Cost Savings: Regional day passes offer a more economical option for multiple journeys• Fare Product Variety: Choose from single rides, day passes, and monthly passes to suit travel needs• Personalized Fare Management: Account-based ticketing allows for customized options and potential future features like fare capping |
| Limitations | <ul style="list-style-type: none">• Agency-Specific Passes: Each agency still offers its own passes and discounts, which might be more cost-effective for frequent riders within a single system. However, riders may struggle to choose the best option for their needs• Varying Fare Rules: While fares could be integrated, some service-specific rules (like those for express buses or zones) might still apply• Technological Consistency: Although progress has been made, ensuring seamless technology across all agencies for things like open payments is still ongoing |

Regional Perspective to Fare Integration

The concept of regional fare integration in the DFW region represents the harmonization of payment systems, fare policies, and service coordination across DART, Trinity Metro, and DCTA to create a seamless transit experience. This approach enables riders to travel across agency boundaries using unified fare products, consistent pricing structures, and integrated payment methods while ensuring equitable access throughout the region.

Regional fare integration in the DFW region, in alignment with Task 4's (Develop Collaborations Between Existing Transit Authorities) vision to implement an integrated fare structure, F2 (Develop and implement a regionally integrated fare structure), requires a comprehensive transformation of payment systems across DART, Trinity Metro, and DCTA. While GoPass provides a foundation for regional connectivity, significant challenges remain in aligning pricing strategies, service levels, and fare products across agencies. Implementing this integrated fare structure must balance local agency needs with regional efficiency, requiring careful consideration of revenue sharing or reciprocity, transfer policies, and fare equity. A thorough architectural review is essential to ensure compliance with payment card industry standards while maintaining system security and reliability across all agencies, supporting the mobility wallet strategy outlined in Task 4 (Develop Collaborations Between Existing Transit Authorities) recommendation, F1 (Provide a regionally integrated and customer-oriented payment experience utilizing a "mobility wallet" strategy).



The technical implementation of regional fare integration will require significant back-office alignment and technology standardization. Current challenges include varying fare collection systems, different validation methods, and inconsistent data management practices across agencies. While GoPass offers a common platform, enhanced integration is needed for seamless operation, including unified payment processing, coordinated settlement systems, and standardized reporting mechanisms. This transformation requires substantial investment in technology infrastructure, careful consideration of implementation complexity, and development of shared operational protocols to ensure successful regional integration while maintaining individual agency operational efficiency.

3.2.2 Best Practices

In the pursuit of efficient, rider-friendly, and innovative fare collection, transit agencies worldwide are adopting cutting-edge technologies and strategies. From contactless payments and open systems to regional integration and equitable fare policies, these best practices transform how people pay for public transportation. The following are some of the key approaches that are shaping the future of fare payment systems.

3.2.2.1 Contactless and Open-Loop Payment Systems

A key trend in modernizing fare collection is the adoption of contactless and open-loop payment systems. Open-loop systems allow riders to pay for transit fares directly using their existing *contactless bank cards or mobile wallets*, eliminating the need for separate transit cards. Transit agencies empower riders to seamlessly tap and pay with ease by implementing contactless payment readers on buses and trains. This speeds up boarding, reduces wait times, and cuts down on fare collection costs. For example, Transport for London's (TfL) successful open-loop system has demonstrated significant benefits. The transition to an open-loop system allowed TFL to reduce their fare collection costs from 15% to 9% of operational costs¹¹. The Chicago Transit Authority's Ventra¹² system exemplifies this best practice with its comprehensive approach: *an open payments architecture* that accepts various contactless forms of payment, integration with a retail network for convenient access to fare products, and user-friendly account management tools for balance checks and reloads. This combination of convenience, efficiency, and accessibility enhances the rider experience while streamlining fare collection for the agency.

Key Elements:

- Bank card acceptance
- Mobile payments
- Compatibility with existing validators and other payment systems
- Web/mobile management



3.2.2.2 Focus on Integration and Interoperability

To truly cater to modern transit riders' diverse needs, agencies prioritize accessibility and regional integration within their fare payment systems. This means offering an array of payment options, such as contactless systems, digital wallets, and paper/plastic legacy options, ensuring that everyone can easily access and pay for their journeys.

Furthermore, collaborating with neighboring transit agencies to create integrated regional fare systems, like the EZfare system in Ohio, Kentucky, and Michigan, eliminates the complexities of navigating multiple fare structures and promotes seamless travel across a wider area. Transport for London (TfL)¹³ serves as a prime example, with its Oyster card providing a single payment system across all modes of transport, complemented by open-loop payment acceptance, automatic fare capping, and integration with contactless bank cards and mobile payment options. This comprehensive approach not only simplifies travel for riders but also streamlines operations and encourages greater use of public transportation throughout the region, which in turn maximizes revenue.

Key Elements:

- Universal acceptance across modes
- Seamless transfers between transit modes and systems
- Automatic best-fare calculation
- Real-time account management

3.2.2.3 Future-Proofing Fare Collection: Scalability, Flexibility, and Data-Driven Optimization

To thrive in the ever-evolving public transportation landscape, fare collection systems must be built with scalability and adaptability at their core. This means adopting a modular design that can quickly scale with ridership growth and seamlessly integrate new technologies as they emerge. Singapore's EZ-Link¹⁴ (Now SimplyGo) card system has successfully adapted to accommodate a wide range of payment technologies over time.

For example, the EZ-Link card started as a simple stored-value card but has evolved to include functionalities like:

Contactless bank card integration: Riders can link their contactless bank cards directly to their EZ-Link accounts, enabling them to pay fares with their preferred bank cards.

Mobile wallet compatibility: EZ-Link is compatible with major mobile wallets like Apple Pay and Google Pay, allowing riders to tap their smartphones to pay for fares.

QR code payments: The system supports QR code payments through mobile apps, providing another convenient option for riders.



This adaptability stems from the system's modular architecture, which allows for the easy addition and removal of payment technologies without requiring a complete system overhaul. This ensures that the fare collection system remains current and can readily adopt new payment methods as they emerge.

Furthermore, flexible pricing models are essential, allowing agencies to introduce new fare structures. While dynamic pricing based on demand presents opportunities for revenue optimization, it also raises significant equity concerns for transit-dependent individuals with lower incomes who may have limited flexibility in their travel times. Any implementation of variable pricing must include robust discount programs and fare capping to ensure these riders aren't disproportionately burdened. The goal should be creating fare structures that balance operational efficiency with equitable access, potentially through time-of-day discounts rather than surcharges or by offering enhanced service during peak periods rather than higher fares.

Data-driven optimization represents another critical component of future-proof fare systems. By tracking passenger flows and usage patterns, agencies can glean valuable insights from fare collection data like price sensitivity across different rider segments, passenger volumes, and origins/destinations. This information can help agencies adjust routes, schedules, and capacity in response to actual demand patterns, ultimately improving service delivery while maintaining equity goals. For example, data might reveal opportunities to implement special discount programs for underserved communities or adjust service frequency based on actual usage rather than assumptions.

Key Elements:

- Future Proofing
- Equitable Flexibility (Fare structures that balance operational needs with accessibility)
- Data-Driven Optimization
- Robust Technology Architecture
- Phased Implementation and performance monitoring

3.2.2.4 Mobility as a Service (MaaS): Integrating Transit into a Seamless Multimodal Ecosystem

To truly elevate the public transportation experience, agencies should strive for Mobility as a Service (MaaS) integration, weaving together various modes of transport into a unified and user-friendly ecosystem. This means integrating fare payment systems with other mobility services, including but not limited to ride-sharing, bike-sharing, and on-demand microtransit, allowing riders to seamlessly plan, book, and pay for multimodal journeys through a single interface. The Los Angeles County Metropolitan Transportation Authority¹⁵ (LA Metro) partnered with the Transit Watch app in 2020 to implement a MaaS ecosystem. The app integrates Metro services with bike-sharing, scooters, and car-sharing services. This simplifies urban mobility, encouraging public transit use while



offering riders greater flexibility and choice. While MaaS integration requires complex partnerships and raises data privacy considerations that must be carefully addressed, the potential benefits are significant. MaaS paves the way for a more efficient, sustainable, and rider-centric transportation future by fostering seamless multimodal travel and improving transit utilization.

Key Elements:

- Unified Payment and Access Platform
- Multi-Modal Service Integration
- Partnership and Data Management Framework
- User-Centric Interface and Pricing Options

3.2.2.5 Rider-Centric Fare Systems: Prioritizing Convenience, Accessibility, and Equity

Elevating the rider experience should be the driving force behind any successful fare payment system. This means prioritizing convenience by offering a diverse array of payment options, from contactless cards and mobile wallets to cash and reloadable transit cards, catering to all preferences and ensuring accessibility for unbanked populations. Minimizing friction is equally crucial, with fast and reliable payment processing that avoids delays and frustration. Clear communication and concise fare information, including pricing, transfer policies, and payment instructions, are paramount in multiple languages and accessible formats. Equity must be woven into the system's fabric, with fare structures and payment solutions that benefit low-income riders and communities of color, such as reduced fare programs and accessible refill stations like those in the Los Angeles TAP card¹⁶ system. By actively seeking customer feedback and incorporating it into system improvements, agencies can ensure that the fare payment experience is efficient, user-friendly, equitable, and inclusive for all riders.

Key Elements:

- Payment Accessibility and Inclusivity
- Friction-Free Transaction Experience
- Clear Communication and User Guidance
- Equity-Focused Design and Feedback

3.2.3 Potential Inclusions for NCTCOG

As the NCTCOG considers its role in enhancing fare payment systems across the region's transit agencies, focusing on solutions that improve user experience, increase operational efficiency, and promote equitable access to public transportation is crucial. Drawing from global best practices and considering the unique needs of the NCTCOG region, the following recommendations aim to create a more seamless, integrated, and user-friendly fare payment ecosystem.



These suggestions build upon the region's fare systems' existing strengths, such as the widely adopted GoPass platform, while introducing innovative elements to address current gaps and future challenges. By implementing these recommendations, NCTCOG can position the North Texas region at the forefront of transit fare technology, enhancing mobility for residents and visitors alike.

3.2.3.1 Contactless and Open-Loop Payment Systems

Building on DART and Trinity Metro's existing contactless payment capabilities, NCTCOG could prioritize a comprehensive regional expansion of open-loop payment systems across all transit agencies. This expansion would enhance the current limited implementations while creating a unified payment ecosystem for the entire region.

Core Components:

1. System Architecture

- Regional payment infrastructure expansion
- GoPass platform integration
- Standardized acceptance protocols
- Interoperability frameworks

2. Technical Requirements

- Multi-agency payment processing
- Real-time data analytics capabilities
- Unified validation systems
- Alternative payment options support

3. Future Readiness

- Scalable system architecture
- Multi-modal integration capability
- Third-party payment partnerships
- Regional mobility integration

Implementation Strategy:

- Expand existing contactless infrastructure
- Maintain parallel systems during the transition
- Deploy to major transit corridors
- Integrate smaller routes and services
- Full regional integration as the final goal

This strategy leverages existing investments while creating a pathway to comprehensive regional payment integration, supporting NCTCOG's broader goals for seamless transit connectivity across the region.



3.2.3.2 Focus on Integration and Interoperability

The NCTCOG region requires a comprehensive approach to integration and interoperability, transforming the current transit payment landscape into a seamlessly connected regional system. While the existing GoPass platform provides one established foundation, stakeholders across the region have varying perspectives on the ideal technical solution. Some advocate for building on existing infrastructure, while others suggest exploring third-party platforms that might offer enhanced capabilities or cost efficiencies. This transformation demands careful evaluation of all options to address diverse stakeholder needs and priorities across DART, Trinity Metro, and DCTA. The goal remains to create a unified system that serves current needs while enabling future innovations, with the final platform selection requiring consensus building among regional partners to ensure long-term success.

This integration requires careful coordination of fare structures, payment processing, and revenue sharing across agencies, supported by a robust technical architecture featuring open APIs and standardized data formats. Singapore's Land Transport Authority¹⁷ provides an exemplary model, demonstrating how unified payment systems can transform regional mobility. While implementation complexities and inter-agency coordination present challenges, the potential benefits for regional mobility and user experience justify the investment.

Core Components:

1. Regional System Integration

- Unified fare structure implementation
- Standardized payment processing
- Common and scalable data architecture
- Cross-agency revenue sharing

2. Technical Architecture

- Open API framework
- Account-based ticketing expansion
- Standardized data formats
- Real-time information exchange

3. Future Readiness

- Multi-modal integration capability
- MaaS platform preparation
- Third-party service integration
- Regional mobility partnerships

Implementation Strategy:

- Leverage existing GoPass infrastructure
- Coordinate agency technology upgrades



- Establish regional data standards
- Enable phased functionality expansion

This approach creates a scalable foundation for seamless regional transit while supporting NCTCOG's vision for integrated mobility across the region.

3.2.3.3 Improving Equity in Fare Systems

NCTCOG could prioritize an equity-centered approach to regional fare policy that ensures transit accessibility across all demographic and socioeconomic groups in the region. This would build on existing agency programs while creating unified standards for fairness and accessibility.

Core Components:

1. Regional Income-Based Programs

- Regional income-based fare structure including coordinated subsidies
- Unified eligibility criteria
- Streamlined enrollment process

2. Demographic Considerations

- Standardized youth programs
- Unified senior discounts
- Consistent veteran benefits
- Student fare coordination

3. Future Readiness

- Adaptive fare modeling capabilities in an integrated fare structure
- Enhanced data analytics for equity monitoring
- Dynamic program-specific pricing readiness
- Agency coordination protocols

Implementation Strategy:

- Regional payment assistance
- Partnership development
- Data-driven monitoring
- Simplified fare structure
- Cross-agency program alignment

This framework ensures equitable transit access while maintaining operational efficiency through standardized regional approaches and coordinated implementation across all three agencies.



3.3 Emerging Technologies & Concepts

Public transit systems are at the forefront of technological innovation, embracing a wide array of emerging solutions to address longstanding challenges and meet evolving user expectations. Emerging technologies offer unprecedented opportunities to enhance operational efficiency, improve service quality, and transform passenger experience within public transit. Specifically, advancements in areas like mobile ticketing, contactless payments, and data analytics are revolutionizing how agencies operate and how riders interact with the system. For instance, account-based mobile ticketing apps streamline fare purchasing and validation, while contactless payment systems expedite boarding and reduce dwell times. Furthermore, data analytics platforms can leverage fare collection data to provide valuable insights into ridership patterns, enabling agencies to optimize routes, schedules, and service delivery in response to real-time demand. For NCTCOG, exploring and evaluating these emerging technologies is crucial for shaping the future of transportation in the region. By carefully assessing multiple options within the 'state-of-the-art technologies' mix, suitable technologies can be identified for NCTCOG to address regional transportation needs, improve connectivity, and create a more sustainable and efficient transit network for North Central Texas.

3.3.1 Trend for Public Transit - Benefits and Limitations

The landscape of public transit is rapidly evolving, driven by innovative technologies that promise to enhance efficiency, accessibility, and user experience. This section examines key technological advancements reshaping the sector, from Augmented Reality (AR) and Artificial Intelligence & Machine Learning (AI & ML) to biometric authentication. Each technology brings unique benefits and challenges, reflecting the complex nature of modernizing established transit infrastructure. By exploring real-world applications, advantages, and limitations of these solutions, we gain crucial insights into the future of public transportation. This analysis aims to provide NCTCOG with a comprehensive understanding of the current technological landscape, enabling informed decision-making and strategic planning for more efficient, accessible, and sustainable transit systems.

3.3.1.1 Real-Time Fare Capping - Automatically Applying Best Fare Based on Usage

Real-time fare capping automatically limits the amount a passenger pays for transit services over a given period, ensuring they never pay more than the cost of an unlimited pass. This system benefits frequent riders without requiring upfront pass purchases. Transport for London's fare capping system¹⁸, implemented with contactless payments, automatically caps daily and weekly fares at the price of a Day or Week Travelcard, ensuring passengers always get the best value for their journeys without having to pre-purchase passes. While DART currently offers fare capping on most of its services, Trinity Metro provides the same partially, and DCTA does not have any fare-capping provisions,



implementing a regional fare-capping system would require coordination among all three agencies to standardize how rides are counted and capped across different services, including buses, light rail, commuter rail, and on-demand services.

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|--------------------|---|
| Benefits | <ul style="list-style-type: none">• Fair Pricing: Ensures users always get the best value for their travel• Encourages Ridership: Removes the need for upfront pass purchases, potentially increasing usage, leading to an increase in revenue |
| Limitations | <ul style="list-style-type: none">• Revenue Impact: This may reduce revenue from users who previously overpaid• System Complexity: Requires sophisticated back-end systems to implement accurately |

3.3.1.2 Microtransit Integration

Microtransit integrates on-demand, flexible transit services with traditional fixed-route systems, filling gaps in service areas and times. This approach improves accessibility and efficiency, particularly in low-density or underserved areas. In the Dallas-Fort Worth region, DART offers microtransit through its GoLink service, which provides point-to-point rides within specific zones, enhancing connectivity to major transit hubs. DCTA operates GoZone, its microtransit service that has seen significant ridership growth, especially in areas where fixed-route services are less feasible. Trinity Metro partners with Via to improve on-demand and paratransit services, expanding transit access across Tarrant County. Microtransit integration presents opportunities for unified fare collection across service types, enabling seamless fare payment and transfer capabilities between microtransit and fixed-route services, potentially through a single regional provider. LA Metro's Metro¹⁹ Micro service in Los Angeles offers on-demand shared rides in specific zones, connecting passengers to major transit hubs and filling first/last mile gaps in the network, demonstrating how microtransit can complement and enhance traditional public transit systems.

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|--------------------|---|
| Benefits | <ul style="list-style-type: none">• Improved Coverage: Serves areas not feasible for fixed-route transit• Increased Ridership: Attracts users who might otherwise use private vehicles |
| Limitations | <ul style="list-style-type: none">• Operational Costs: This can be more expensive per ride than fixed-route services• Limited Capacity: May struggle to meet demand during peak times |

3.3.1.3 Bluetooth and Geolocation Technologies

Modern transit systems increasingly leverage Bluetooth and geolocation technologies to enhance service delivery and customer experience. New York MTA's implementation of BLE beacons²⁰ across 269 stations demonstrates the comprehensive potential of this technology, enabling real-time train tracking and laying groundwork for automated fare



collection and personalized notifications. Similarly, TriMet's TransitTracker²¹ shows how combining satellite tracking and sensor technology can provide reliable arrival information while maintaining transparency about system limitations. These implementations showcase how strategic deployment of tracking technologies can simultaneously improve operational efficiency and rider experience, while building a foundation for future service enhancements. Both systems exemplify how transit agencies can balance technological innovation with practical implementation to deliver immediate benefits while preparing for future capabilities.

In a similar vein, DART has also made significant strides in leveraging technology to enhance its services. DART has expanded its real-time data sharing to platforms like Google Maps and the Transit app, allowing customers to track vehicle locations, delays, and service changes more easily.

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| Benefits | <ul style="list-style-type: none">• Enhanced Real-Time Information: Provides accurate vehicle tracking and arrival predictions• Improved Service Planning: Generates valuable data for optimizing routes and schedules |
| Limitations | <ul style="list-style-type: none">• Battery Drain: Can impact smartphone battery life for users• Privacy Concerns: Continuous location tracking may worry some users |

3.3.1.4 AI & ML - Dynamic Pricing & Personalized Fare Recommendations

AI & ML in transit fare systems can enable dynamic pricing and personalized fare recommendations based on usage patterns and system conditions. These technologies optimize revenue while providing users with the best fare options. The Chattanooga Regional Transportation Authority²² (CARTA) in Tennessee has integrated AI to enhance its public transit system. In 2020, supported by a federal grant, CARTA collaborated with Vanderbilt University and SmartTransit AI to develop a platform that analyzes rider demand, traffic congestion, and vehicle energy use. This approach could be extended to transit fares, offering discounts during off-peak hours, or suggesting optimal fare products based on individual travel habits.

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| Benefits | <ul style="list-style-type: none">• Optimized Revenue: Adjusts fares based on demand, potentially increasing agency revenue• Personalized Offers: Provides tailored fare options to individual users |
| Limitations | <ul style="list-style-type: none">• Equity Concerns: This may disadvantage certain user groups if not carefully implemented• Complexity: It can be difficult for users to understand and predict fares |



3.3.1.5 Augmented Reality (AR) in Fare Information - AR-Enhanced Ticket Information and Wayfinding

AR technology can overlay digital information onto the real world, providing transit users with interactive fare information and wayfinding assistance. This enhances the user experience by making complex transit systems more navigable. The Moovit²³ app, used in many cities worldwide, incorporates AR features that allow users to point their smartphone cameras at bus stops or stations to see real-time arrival information and route details superimposed on the physical environment, simplifying trip planning and navigation.

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| Benefits | <ul style="list-style-type: none">• Enhanced User Experience: Simplifies navigation and ticket information access• Accessibility: Can provide visual aids for users with disabilities |
| Limitations | <ul style="list-style-type: none">• Device Dependency: Requires users to have compatible smartphones• Development Costs: Creating and maintaining AR content can be expensive |

3.3.1.6 Internet of Things (IoT) in Fare Collection Smart transit stations

Internet of Things (IoT) in Fare Collection enables smart transit stations to communicate with user devices, provide real-time information, and facilitate seamless fare transactions. IoT can create a more connected and efficient transit experience. In Singapore, the Land Transport Authority²⁴ (LTA) implements smart sensors and connected systems across its transit network. These IoT devices can track crowd levels, adjust air-conditioning, and potentially integrate with fare collection systems to provide dynamic pricing based on real-time demand.

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| Benefits | <ul style="list-style-type: none">• Operational Efficiency: Streamlines fare collection and provides real-time data• Enhanced User Experience: Offers improved information and services at stations |
| Limitations | <ul style="list-style-type: none">• Cybersecurity Risks: Increased connectivity can create vulnerabilities• High Implementation Costs: Requires significant investment in infrastructure |

3.3.1.7 Blockchain and Cryptocurrency - Secure, Decentralized Fare Transactions

Blockchain technology can provide secure, transparent, and decentralized fare transactions, potentially reducing fraud and improving interoperability between different transit systems. While not yet widely implemented, the city of Liberstad²⁵ in Norway has experimented with a blockchain-based payment system called "City Coin" for various municipal services, including public transportation, demonstrating the potential for secure and efficient fare transactions using distributed ledger technology.



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| Benefits | <ul style="list-style-type: none">• Enhanced Security: Provides tamper-resistant transaction records• Interoperability: This could enable seamless fare payments across different transit systems |
| Limitations | <ul style="list-style-type: none">• Technological Complexity: This may be difficult for agencies and users to understand and implement• Regulatory Challenges: Cryptocurrency use in public services faces legal hurdles• Environmental Impact: Significant energy consumption from blockchain processing could potentially offset transit's environmental benefits |

3.3.1.8 Biometric Payment

Biometric payment systems use unique physical characteristics like fingerprints or facial recognition for fare transactions, offering a secure and convenient payment method. While not yet widespread in transit, the Guangzhou Metro²⁶ in China has piloted a facial recognition payment system at select stations. It allows passengers to pay for their rides by simply looking at a camera, demonstrating the potential for seamless, contactless fare payment using biometric data.

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|-------------|--|
| Benefits | <ul style="list-style-type: none">• Enhanced Security: Reduces fraud risk compared to traditional payment methods• Convenience: Enables fast, contactless payments without cards or devices |
| Limitations | <ul style="list-style-type: none">• Privacy Concerns: Collection and storage of biometric data raise significant privacy issues• Technical Challenges: Accuracy can be affected by environmental factors or changes in appearance |

3.3.2 Potential Inclusions for NCTCOG

3.3.2.1 Real-time Fare Capping

Real-time fare capping transforms the transit experience for NCTCOG riders who regularly use multiple services – for instance, combining DART light rail, Trinity Metro buses, and DCTA trains in their daily commutes. This seamless integration automatically optimizes fares across all journey combinations, eliminating the need for riders to understand complex fare structures or pre-purchase the right pass type. The system dynamically tracks usage across all modes and agencies, automatically applying best-fare guarantees whether a rider takes a single DART trip or combines multiple services throughout their day.

The technical implementation must specifically address these multimodal, multi-agency journeys through sophisticated real-time processing. When a rider taps their card or phone on a DART mode of transport and then chooses to transfer to a Trinity Metro



mode of transport (For ex: Once the Silver Line is operational, riders may transfer from DART to TEXRail for travel to Fort Worth), the system should instantly calculate optimal fare combinations across both agencies. This requires robust policies for immediate cross-agency fare recognition, coordinated cap thresholds, and instantaneous account updates. The framework ensures that frequent riders using various combinations of services automatically receive the best fare value without navigating different agency payment systems or fare products.

3.3.2.2 Regional Microtransit Integration

Microtransit integration presents opportunities for unified fare collection across service types in the NCTCOG region, aligning with Task 4 (Develop Collaborations Between Existing Transit Authorities) recommendations to establish an integrated, region-wide microtransit system, C5 (Establish an integrated, region-wide microtransit provider) and explore a single regional provider model, C6 (Co-mingle paratransit and microtransit with the potential for utilizing a single regional provider). DART's successful GoLink program, which achieved 75% connection rates to transit stations and reduced per-rider costs by 60% compared to traditional services, demonstrates this potential. Building on this model and existing services like Trinity Metro On-Demand and DCTA's GoZone service, a regional approach should focus on payment integration through the GoPass platform. DART's experience shows how seamless fare payment between microtransit and fixed-route services can improve rider satisfaction and increase transit accessibility. This integration, potentially through a unified regional provider as outlined in Task 4, would simplify the user experience while optimizing regional mobility options, following DART's proven approach of phased implementation and strong stakeholder engagement. It is likely to enable riders to seamlessly combine traditional transit with on-demand services across jurisdictional boundaries, creating a comprehensive regional mobility network that serves both urban cores and suburban communities through a single interface.

The technical implementation through GoPass would require sophisticated real-time integration of multiple microtransit providers, unified payment processing, and coordinated service area management. By establishing standardized APIs and data-sharing protocols, the system could enable dynamic connections between fixed-route and on-demand services across all participating jurisdictions. DART has already begun this integration work with Trinity Metro, making progress toward bringing Trinity Metro's on-demand services into the GoPass app—an important first step that demonstrates both technical feasibility and institutional willingness to collaborate on regional platform integration. This existing partnership provides valuable implementation experience and a proven foundation upon which to build more comprehensive regional integration. This approach would particularly benefit non-member cities by providing them with a cost-effective way to connect their residents to the broader regional transit



network, potentially serving as a stepping-stone toward fuller transit integration while maintaining local service autonomy.

Trinity Metro's experience with GoPass integration highlights both opportunities and challenges in creating a truly seamless microtransit experience. Working with technology provider Kuba, Trinity Metro has successfully implemented integration that allows riders to plan complete journeys where fixed-route services connect to on-demand options. The GoPass platform now enables sophisticated features such as dynamic trip planning, estimated travel times, and intelligent ride request timing that activates only when the bus or train approaches the connection point. However, integration with microtransit vendor Via has revealed technological limitations that currently prevent the planning of trips that begin with fixed-route service and end with microtransit. These vendor-specific constraints underscore the importance of selecting technology partners with flexible APIs (Application Programming Interface) and comprehensive integration capabilities when implementing regional microtransit solutions.



3.4 Case Studies

3.4.1 SFRTA Mobile Fare Back Office Solution and Regional Transit Mobile Application

The South Florida Regional Transportation Agency (SFRTA) has undertaken a transformative initiative in 2024 to modernize its mobile fare collection system and create a unified regional transit application.

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|--------------------------------|---|
| Background | <ul style="list-style-type: none"> - SFRTA operates a Tri-Rail commuter rail service that serves a complex regional ecosystem with three transit partners: <ul style="list-style-type: none"> • Miami-Dade Transit (using Cubic Nextfare Back-office system) • Broward County Transit (using GenFare Back-office system) • Palm Tran (using GenFare Back-office system) - 50 daily trains across 19 stations |
| Implementation Approach | <p>Two-phase modernization strategy:</p> <ul style="list-style-type: none"> - Implementation of a new Back Office Solution - Complete replacement of current Nextfare integration - Development of a new fare management system with direct SFRTA control - Integration with payment processing and user authentication systems - Development of Regional Transit Mobile Application - Creation of a unified mobile platform for all regional transit partners - Integration with multiple backend systems (Nextfare and GenFare) - Implementation of real-time tracking using GTFS-RT (General Transit Feed Specification - Realtime) - Support for multiple languages (English, Spanish, Creole) |
| Expected Outcomes | <ul style="list-style-type: none"> - Unified trip planning across four transit agencies in three counties - Enhanced ability to sell qualified discounts and Employee Discount Program fares - Consolidated purchasing platform for regional transit fares - Improved customer experience through integrated services - Support for unlimited users with free app download |
| Key Lessons | <ul style="list-style-type: none"> - Complex multi-agency projects require careful consideration of existing systems - Different backend systems (Nextfare vs. GenFare) necessitate flexible integration approaches - Regional cooperation requires modular design for agency-specific customization - Reciprocity among multiple transit agencies leads to benefitted customers with an easy transit experience |



3.4.2 NEORide's EZfare: Multi-Agency Transit Payment Integration

NEORide is an industry organization that transformed public transit accessibility across 7 states by implementing EZfare. This unified payment platform allows seamless fare collection across 34 transit agencies (see Appendix B), pioneering an innovative approach to regional transit coordination since 2014. NEORide* is a prominent example of how transit agencies can achieve technological advancement through regional collaboration and shared resources.

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|--------------------------------|---|
| Background | <ul style="list-style-type: none">- First multi-state transit payment integration of its kind- Unified platform serving diverse transit agencies- Integration with major mobility apps (Uber, Moovit, Transit)- Focus on equity through multiple payment options- Real-time validation and account-based system |
| Implementation Approach | <ul style="list-style-type: none">- NEORide partnered with Masabi, a technology provider, to develop and launch EZfare, a unified account-based fare payment system.- EZfare consists of three core components: a mobile app for riders to purchase and manage fares, fare validators on buses for ticket redemption, and partnerships with retail vendors to facilitate cash payments for unbanked and underbanked customers.- EZfare system allows riders to buy fares and passes via app (EZfare app or partner apps like Moovit, Transit, and Uber) and redeem them by scanning a barcode on their smartphones. |
| Results and Metrics | <ul style="list-style-type: none">- A longitudinal survey conducted by NEORide and Cleveland State University revealed a 9% increase in EZfare usage among respondents, with approximately 40% of them using the system.- 98.3% of riders found purchasing easier through the app.- 95.4% of riders reported reduced purchase time- 92.9% of riders noted a faster boarding process. |
| Key Lessons | <ul style="list-style-type: none">- Collaboration among multiple agencies is crucial for the success of regional transit integration initiatives.- Addressing the needs of unbanked and underbanked customers is essential for ensuring equitable access to transit services.- Implementing fare-capping policies can further enhance equity and affordability for low-income riders. |

*Trinity Metro joined NEORide as they prepared to deploy a new fare collection system across several agencies. Membership in NEORide allowed each participating agency to be involved in future RFPs and have input on which RFPs should be prioritized. However, as Trinity Metro's priorities evolved, it was decided to delay the implementation of the proposed fare collection system, which ultimately led to their decision not to continue with NEORide membership.



4. Overall Evaluation and Potential Implementations

This section presents a comprehensive analysis of key operational aspects affecting transit service delivery across the NCTCOG region. This analysis encompasses critical areas, including safety and security measures, parking management strategies, equity considerations, and regional fare coordination opportunities. Through a detailed examination of current practices, challenges, and potential solutions, this section provides actionable recommendations for enhancing regional transit integration. The focus remains on improving rider experience and system efficiency while maintaining revenue stability through innovative approaches to fare collection, security enhancement, and service delivery. This section emphasizes the importance of balancing regional standardization with local agency needs to ensure sustainable and equitable transit access across the NCTCOG region while drawing out specific recommendations.

4.1 Safety and Security Overview

4.1.1 Considerations and Concerns

Safety and security considerations in the DFW region's transit system extend beyond traditional fare protection measures, encompassing broader challenges that directly impact ridership growth and revenue optimization. While fare enforcement and payment security remain crucial, the region's unique characteristics - including its vast geographic spread, multi-agency operations, and diverse urban-suburban mix - necessitate a comprehensive approach to system-wide safety.

Safety, security, and effective fare enforcement in the DFW region's transit system require a nuanced approach that recognizes each agency's unique challenges. DART, primarily serving a large service across 13 member cities, experiences different security concerns than Trinity Metro and DCTA, which operate in localized urban-suburban environments. This diversity necessitates tailored approaches to fare enforcement and security across the region. While each agency faces distinct challenges, fare enforcement emerges as a critical component of comprehensive security strategy. DART's implementation of Transit Security Officers, combined with fare enforcement personnel, has demonstrated how coordinated enforcement can enhance both revenue protection and overall system security. Trinity Metro and DCTA, operating in different contexts, require customized approaches to fare enforcement that align with their specific operational environments and rider demographics.

The NCTCOG faces several distinct challenges that significantly impact transit operations and rider experience. Homelessness is a continued concern at major transit centers and stations, particularly in downtown Dallas and Fort Worth, creating complex operational challenges that affect both service delivery and public perception. Crime and perception issues vary significantly across the region's diverse socioeconomic landscape,



with certain areas experiencing higher incident rates that influence ridership patterns, especially during evening hours. Behavioral health incidents have emerged as a growing concern, requiring specialized response protocols and partnerships with mental health professionals. These challenges are further complicated by the region's demographic diversity, where varying population densities, income levels, and transit dependency patterns across member and non-member cities create different safety needs and perceptions, ultimately affecting fare program effectiveness and ridership growth potential.

This section explores how safety and security in DART, Trinity Metro, and DCTA's transit systems affect ridership growth and fare collection while addressing the challenges of keeping passengers safe, managing social issues, and coordinating security efforts across the region.

4.1.2 DART Initiatives for Improving Safety and Security

DART's transit security challenges, identified through ongoing monitoring and customer feedback, primarily center around incidents at train platforms and rail vehicles, including assault, larceny/theft, vandalism, and drug offenses. While security metrics show improving trends, customer satisfaction surveys consistently highlight security as a key concern for riders. The system's vast coverage area, diverse ridership, and varying neighborhood characteristics create complex security demands that require both traditional enforcement and innovative social service approaches.

Industry trends indicate a shift from purely enforcement-based security to more comprehensive strategies that integrate technology, design principles, and social services. This aligns with DART's recognition that modern transit security must address not just criminal activity but also quality-of-life issues, social services, and public perception. The industry's move toward customer-focused security measures resonates with DART's strategic approach, emphasizing "peace of mind" as one of the core objectives. Leading transit agencies have demonstrated success with ambassador programs, environmental design improvements, and integrated social service responses - all elements DART has incorporated into its strategy based on peer agency experiences and proven industry practices.

DART has invested substantially in traditional security measures and innovative response programs. The addition of 100 Transit Security Officers has significantly enhanced system-wide coverage, while dedicated elevator attendants at 12 key stations address specific location-based concerns. Technology upgrades include a comprehensive replacement of the Video Management System (VMS) and the implementation of body-worn cameras for Police Officers and Fare Enforcement Officers. DART's pilot of the DART Cares Program demonstrated a progressive approach to addressing social service



needs while new transit operators and frontline worker protections enhance staff safety. These investments have yielded measurable results: increased arrests due to enhanced presence, decreased response times for high-priority calls, and greater incident reporting by riders and employees who feel more confident in the security response. Notably, the DART Cares team had increased successful interventions while reducing arrests of individuals in mental health crises, demonstrating the effectiveness of this balanced approach to transit security.

4.1.3 Key Insights to Safety and Security in the NCTCOG Region

The Dallas-Fort Worth region faces unique challenges in ensuring the safety and security of its open transit system, characterized by the absence of fare gates or physical barriers. While this design promotes accessibility and efficiency, it necessitates a sophisticated and comprehensive security approach.

Drawing inspiration from successful initiatives like those implemented by DART, the region should prioritize strategies that enhance security while preserving the benefits of the open system. Key recommendations include:

- **Environmental Enhancements:** Develop urban green spaces and improve lighting around transit stations to create more welcoming and secure environments. Transport for London (TfL)²⁷ invested £4 million in its Urban Greening Program (2018), installing green roofs and walls at stations like Earl's Court. LED lighting upgrades, completed by 2021, improved safety and energy efficiency. TfL also transformed 200+ hectares of land into green spaces, supporting biodiversity and reducing CO2 emissions.
- **Station Activations:** Implement strategic activations within transit stations to increase positive activity and natural surveillance. The Metropolitan Transportation Authority (MTA)²⁸ in New York implemented strategic station activations with its "Arts for Transit" program, investing \$2.6 million annually since 2014. Initiatives include live performances, public art installations like "The Subway Art Tour," and retail pop-ups at Grand Central Terminal. These activations enhance safety, boost engagement, and encourage natural surveillance.
- **Technological Advancements:** Utilize AI-driven video analytics for enhanced surveillance and real-time threat detection. The Bay Area Rapid Transit²⁹ (BART) in San Francisco implemented AI-driven video analytics in 2020, investing \$4.4 million in its "Safe BART" initiative. The system uses AI algorithms to monitor 4,000+ cameras in real-time to detect suspicious behavior, abandoned items, and crowd anomalies, improving threat response and enhancing passenger safety.
- **Behavioral Strategies:** Develop behaviorally informed messaging and communication strategies to promote rider safety and system integrity. Transport for London³⁰ (TfL) implemented a behaviorally-informed Public Transport Safety campaign focusing on



interrupting passenger mindsets at critical moments to encourage safer behavior throughout their journey.

- **Coordinated Fare Enforcement and Security Presence:** Implementing a comprehensive regional enforcement strategy should build upon existing security infrastructure while enhancing coordination between transit agencies. DART already maintains a robust security operation with 250 licensed peace officers, 110 dedicated fare enforcement officers, and 67 support staff. This established force, combined with Trinity Metro's partnerships with Fort Worth Police Department and DCTA's arrangements with local law enforcement in Denton County, provides a strong foundation for regional security efforts. Drawing from WMATA's³¹ successful model, which increased patrols by 70% through law enforcement partnerships and achieved a 300% increase in overall enforcement. WMATA's implementation demonstrates a significant impact: a 14% reduction in crime while simultaneously seeing increased ridership (24% on rail, 15% on bus). Their multi-layered approach, combining fare enforcement with extensive camera networks (30,000+ cameras system-wide) and increased officer presence on vehicles and at stations, creates a comprehensive security framework that both protects revenue and enhances passenger safety.
- **Transit Ambassadors:** Expand and coordinate regional transit ambassador programs by building upon the existing infrastructure of DART's Mobility Ambassador program and Trinity Metro's Envoy program. These existing travel trainers already provide valuable customer assistance as part of their mobility management initiatives, offering a foundation for an enhanced regional approach. The expanded ambassador program would maintain the current travel training functions while adding additional security and customer service responsibilities. These enhanced roles would complement DART's existing initiatives with clean teams and elevator attendants, providing comprehensive visible support at platforms, vehicles, and facilities throughout the region. Following successful models from BART, LA Metro, and SFMTA, ambassadors could be trained in de-escalation, anti-bias response, and emergency medical assistance (including Narcan administration) while offering customer service and fare-checking capabilities. BART's program demonstrated a significant impact, with over 12,000 positive customer interactions in its first year³². This recommendation reinforces section O3 (Coordinate regional safety and security efforts) of the Regional Transit 2.0 Task 4 (Develop Collaborations Between Existing Transit Authorities) report.

By prioritizing these strategies, the region can cultivate a unified and secure transit experience that fosters rider confidence and drives ridership growth. The success of DART's multi-faceted approach underscores the potential for similar initiatives to benefit Trinity Metro and DCTA, establishing a consistent regional standard for transit security.

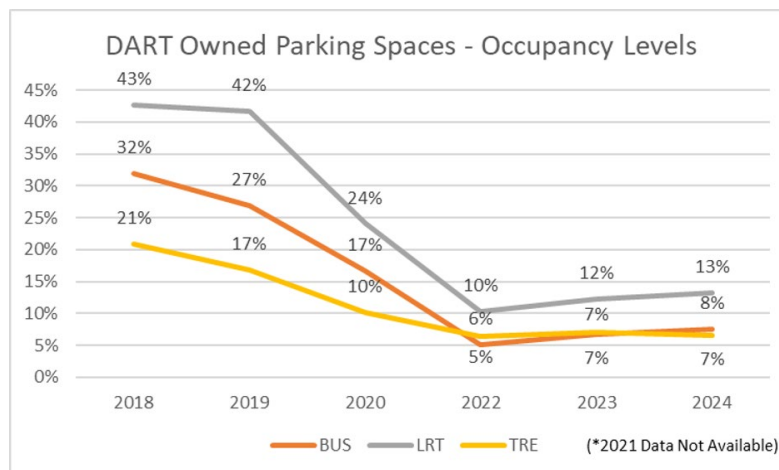


This collaborative approach, combining environmental improvements, technological advancements, and behaviorally informed strategies, will not only enhance rider perception but also contribute to a safer and more secure transit system for all.

4.2 Parking Policies from Transit Ridership Lens

In the NCTCOG region, parking policies play a crucial role in attracting and retaining transit riders. Convenient and affordable parking options at transit stations encourage individuals to choose public transportation by bridging the "first-mile/last-mile" gap. This is particularly important in suburban areas with lower population densities, where walking or biking to stations may not be feasible. By providing ample and accessible parking, transit agencies can incentivize ridership, reduce reliance on personal vehicles, and promote a more sustainable and connected transportation network throughout the NCTCOG region.

Exhibit 2: Trend Analysis - DART Parking Facility Utilization Rates (2018-2024)



The DART parking occupancy data from 2018 to 2024 reveals a significant downward trend in parking utilization across all transit modes, highlighting both challenges and opportunities in parking management and transit ridership strategies.

The data shows a dramatic decline in Light Rail Transit (LRT) parking occupancy, falling from 43% in 2018 to just 13% in 2024. Bus facility parking experienced a similar decline, dropping from 32% to 8%, while TRE facilities saw utilization decrease from 21% to 7%. This consistent decline across all modes indicates a broader shift in transit usage patterns, likely accelerated by the COVID-19 pandemic and the rise of remote work. Factors such as continued work-from-home arrangements and increased use of alternative transportation options may contribute to this trend. Given this substantial underutilization of parking assets, DART's approach to parking management needs strategic reconsideration. Rather than focusing on member versus non-member city



access restrictions, the data suggests an opportunity to leverage these underutilized resources to encourage transit ridership growth. This could include innovative approaches such as:

- Implementing flexible parking policies that welcome riders from all areas, regardless of member city status, to maximize existing infrastructure usage.
- Exploring strategic partnerships with surrounding communities to increase transit accessibility and parking utilization.
- To encourage ridership growth, consider targeting paid parking only at high-demand locations like DFW airport stations while maintaining free parking at underutilized facilities.
- Developing comprehensive outreach programs to promote available parking resources and their connection to transit services.
- Converting underutilized parking areas to higher-value uses such as housing, parks, or open-air markets that encourage walking and transit-oriented development.

This data-driven approach suggests that rather than restricting parking access, DART should focus on maximizing the value of these underutilized assets to support regional mobility goals and increase overall system ridership. The consistently low utilization rates provide an opportunity to implement more inclusive parking policies while exploring selective revenue generation opportunities at specific high-demand locations.

4.3 Equity Considerations

While this memo focuses on fare collection strategies and ridership improvement without resorting to fare reductions across the NCTCOG Region. Central to this objective is a commitment to equity, ensuring that the transit system remains accessible and affordable for all riders, regardless of their socioeconomic background or geographic location. The following considerations provide a framework for developing fare collection strategies that prioritize both ridership growth and social equity:

4.3.1 Geographic Equity

- **Minimize Service Area Disparities:** Ensure equitable coverage and frequency of service in all communities, focusing on expanding access in underserved areas.
- **Address Last-Mile Connectivity Challenges:** Implement solutions such as microtransit, bike-sharing programs, and partnerships with ride-hailing services to improve connectivity to transit stations.
- **Promote Fairness in Fare Structures Across Agency Boundaries:** Develop fare policies that avoid penalizing riders who live near service area borders and frequently travel across agency lines.



4.3.2 Socioeconomic Equity

- **Maintain Affordability for Low-Income Riders:** Preserve current fare levels and expand fare assistance programs to ensure affordability for low-income individuals and families.
- **Increase Access for Unbanked Population:** Offer diverse payment options, including cash payments, mobile ticketing, and retail partnerships, to accommodate riders who may not have bank accounts or prefer to pay with cash.
- **Bridge the Digital Divide:** Provide alternative ways to access transit information and services for those without reliable internet access.

4.3.3 Demographic Equity

- **Cater to Diverse Linguistic Needs:** Offer transit information and services in multiple languages to ensure accessibility for all residents of the region.
- **Address Age-Based Needs:** Provide fare discounts and services tailored to the needs of seniors and youth.
- **Promote Cultural Competency:** Train staff to be culturally sensitive and responsive to the needs of diverse communities.
- **Ensure Accessibility for People with Disabilities:** Guarantee that all transit systems are accessible to people with disabilities and provide accommodations for those with special needs.

4.3.4 Operational Equity

- **Maintain Consistent Service Quality Across All Areas:** Ensure that all riders have access to reliable and efficient transit service, regardless of their location.
- **Distribute Resources Equitably:** Allocate resources to ensure all communities can access adequate transit services.
- **Provide Equal Access to Fare Programs:** Ensure that all eligible riders have equal access to fare assistance programs and discounts.
- **Offer Uniform Customer Support:** Provide consistent and helpful customer support to all riders through various channels.

The recommendations outlined in this technical memo are designed to guide the development and implementation of fare-collection strategies that prioritize both ridership growth and equity across the NCTCOG region. By focusing on innovative solutions, regional collaboration, and a deep understanding of the diverse needs of our communities, a transit system can be maintained that is not only financially sustainable but also accessible, affordable, and inclusive for all.



4.4 Regional Fare Strategy - Recommendations for Regional Coordination

Building on the comprehensive analysis presented throughout this technical memo, this section consolidates key recommendations for enhancing regional fare coordination across the NCTCOG region. As the region continues to grow and transit needs evolve, integrated fare strategies become increasingly critical for seamless mobility. The recommendations outlined here address crucial aspects of regional alignment, including fare programs, payment systems, microtransit integration, operational challenges, and parking management. The following recommendations provide a framework for transforming the region's transit fare ecosystem into a more integrated, efficient, and user-friendly system that serves the diverse needs of all regional residents.

4.4.1 Regional Fare Programs

- **Regional Rewards/Loyalty Program:** Implement a comprehensive regional rewards program that transforms the transit experience from transaction-based interactions to a membership-oriented service model. By establishing a unified points-based system across DART, Trinity Metro, and DCTA, this initiative would reward frequent riders while creating a more engaging transit ecosystem that mirrors subscription-based services. This regional approach would eliminate the current fragmentation where no agency offers true loyalty incentives while creating a unified system that particularly rewards multi-agency journeys. The program would expand transit's value proposition through strategic partnerships with local businesses, rideshare companies, and other transportation providers, creating a comprehensive regional benefits ecosystem. This would support both casual and frequent riders through appropriate reward tiers, while generating valuable ridership data to inform service improvements across the NCTCOG region.

Implementation Considerations

- Development of regional points accumulation framework
 - Integration with existing GoPass wallet system
 - Implementation of cross-agency reward recognition
 - Establishment of partner network for reward redemption
 - Regional coordination of promotional offerings
 - Integration with new resident relocation incentive program
 - Establishment of expanded partner network with retailers, restaurants, rideshare companies, and airlines
 - Creation of first/last mile connection incentives through transportation partnerships
- **Unified Real-Time Fare Capping:** Building on DART's existing fare capping system and Trinity Metro's partial implementation, a comprehensive regional program would



automatically optimize fares across all agencies by dynamically tracking multi-modal, multi-agency journeys. This integration would eliminate the need for riders to navigate complex fare structures, ensuring they never pay more than the best available fare, regardless of travel patterns. The expansion would remove a significant barrier to seamless regional transit use by making fare optimization automatic and universal, potentially encouraging increased cross-agency ridership through simplified payment experiences.

Implementation Considerations

- Integration of existing agency fare capping infrastructures
- Development of cross-agency fare recognition protocols
- Establishment of coordinated cap thresholds
- Creation of real-time account update mechanisms
- Implementation of backend revenue sharing agreements

- **Integrated Commercial Partnership Programs:** Develop a coordinated regional approach to commercial partnerships that leverages the combined reach of DART, Trinity Metro, and DCTA. Building on existing programs like DART's Corporate Pass Program, Trinity Metro's EASYRIDE partnerships, and DCTA's Employee Pass Program, create standardized regional offerings that enhance access while maximizing value for participating organizations.

Implementation Considerations

- Creation of a unified regional partnership framework
- Establishment of regional pricing structures for corporate partners
- Standardization of corporate program benefits across agencies
- Implementation of consistent program management protocols
- Integration of partnership programs with GoPass platform

4.4.2 Fare Payment System Enhancements

- **Contactless and Open-Loop Payment Systems:** Expand contactless payment infrastructure and prioritize open-loop payment systems across all agencies. This should be fully integrated with the GoPass platform to create a seamless and unified payment ecosystem for the entire region.

Implementation Considerations

- Expansion of existing contactless infrastructure
- Integration with GoPass platform
- Standardization of payment acceptance across services
- Maintenance of options for unbanked populations
- Phased rollout with full regional integration as the final goal

- **Account-Based Ticketing Integration:** Implement comprehensive account-based ticketing at a regional level, directly supporting Task 4's (Develop Collaborations



Between Existing Transit Authorities) recommendations for both a mobility wallet strategy, F1 (Provide a regionally integrated and customer-oriented payment experience utilizing a “mobility wallet” strategy) and account-based ticketing across all modes, F3 (Offer account-based ticketing (ABT) on all modes of transportation). This integrated system should store multi-agency fare products, payment methods, and travel history in secure mobility wallet accounts, enabling real-time fare processing, automatic fare optimization, and a simplified customer experience across all agencies. This unified approach aligns with Task 4's vision for seamless, account-based fare payment integration across the entire regional transit network.

Implementation Considerations

- Development of a unified regional account platform
- Migration of all agencies to a single account system
- Standardization of corporate program management
- Establishment of regional account management standards

- **Focus on Regional Integration and Interoperability:** Develop a comprehensive approach to integration and interoperability, building on the GoPass platform. This should result in a connected regional system with standardized payment processing, data architecture, and open APIs to support future mobility innovations.

Implementation Considerations

- Standardized technology requirements for internal operations and vendors
- Standardized payment processing
- Common and scalable data architecture
- Cross-agency revenue sharing
- Open API framework
- Standardized data formats
- Real-time information exchange

- **Improving Equity in Fare Systems:** Prioritize an equity-centered approach to regional fare policy, building on existing programs and creating unified standards for fairness and accessibility. This should include a focus on income-based fare structures, demographic considerations, and accessible payment options for the unbanked population.

Implementation Considerations

- Regional income-based fare structure
- Coordinated subsidy programs
- Unified eligibility criteria
- Streamlined enrollment process
- Standardized youth, senior, and veteran programs
- Technology-enabled accessibility
- Multi-language support



4.4.3 Microtransit Integration

- **Seamless Microtransit Integration:** Integrate microtransit services, such as DCTA's GoZone, DART's GoLink, and Trinity Metro On-Demand, into the GoPass platform. This will create a unified regional mobility network that bridges gaps between fixed route services and expands access to non-member cities.

Implementation Considerations

- Real-time integration of microtransit providers
 - Unified payment processing
 - Coordinated service area management
 - Standardized APIs and data-sharing protocols
- **Standardized Service Delivery:** Standardize service delivery across agencies while respecting local autonomy. This will ensure consistent quality and rider experience across the entire regional microtransit network.

Implementation Considerations

- Establishment of regional service standards
- Development of common performance metrics
- Implementation of a unified customer service framework
- Regular inter-agency performance reviews

4.4.4 Addressing Operational Challenges

- **Address Homelessness:** Develop comprehensive strategies to address homelessness at transit centers and stations, including partnerships with social service organizations and targeted outreach programs.
- **Enhance Safety and Security:** Implement a comprehensive approach that protects riders and transit employees while ensuring fare revenue through integrated technology, enhanced enforcement protocols, and coordinated security response. Building on DART's successful initiatives - including the Transit Security Officer program, fare enforcement teams, and DART Cares - develop region-wide standards for consistent protection and revenue security. This multi-layered strategy combines increased security presence for fare inspection with customer-focused programs, supported by technology like camera networks and environmental design principles, to create a secure, revenue-protected transit environment across all agencies.
- **Respond to Behavioral Health Incidents:** Develop specialized response protocols and partnerships with mental health professionals to effectively address behavioral health incidents on the transit system.
- **Address Regional Disparities:** Recognize the diverse needs and challenges across member and non-member cities, tailoring solutions to address specific safety concerns, transit dependency patterns, and socioeconomic factors.



- **Consistent Service Standards:** Create consistent service standards across agencies to ensure equitable access to reliable and efficient transit.

Implementation Considerations

- Establishment of a regional homeless outreach team
- Coordination with county and city social service agencies
- Development of station-based resource centers at key transit hubs
- Training for transit staff on compassionate engagement

4.4.5 Parking Management

- **Promote Existing Parking Resources:** Remove parking restrictions, improve wayfinding with digital indicators, and partner with local businesses to promote available transit parking across service areas.
- **Develop Regional Access Solutions:** Develop unified regional parking policies and community partnerships to standardize facility management and increase system-wide transit ridership without restrictive barriers.
- **Implement Strategic Revenue Generation:** Implement selective paid parking at high-demand locations while maintaining free parking elsewhere, with dynamic pricing based on actual usage patterns.

Implementation Considerations

- Creation of park-and-ride marketing campaign
- Data collection and analysis of parking usage patterns across all facilities
- Development of standardized signage and digital availability indicators
- Implementation of GoPass app integration for parking information and payment
- Establishment of business partnerships for shared parking arrangements

4.5 Foreseeable Integration Challenges

As the Dallas-Fort Worth region continues to experience unprecedented growth and development, implementing integrated regional transit solutions faces several significant challenges. These obstacles span technical, financial, operational, political, and organizational domains, reflecting the complexity of aligning multiple transit agencies and jurisdictions across North Texas. Understanding and addressing these challenges is crucial for successfully transforming the region's transit system into a seamless and efficient network.

4.5.1 Technical and Systems Integration Challenge

The integration of hardware and payment processing platforms across multiple transit agencies presents significant technical hurdles. Successful implementation requires compatible backend systems and infrastructure across DART, Trinity Metro, and DCTA - each currently operating distinct legacy systems. This challenge extends beyond basic



compatibility to include real-time data-sharing capabilities, cybersecurity protocols, and seamless integration of various payment methods. The need for sophisticated infrastructure demands high implementation costs for both hardware and software, along with substantial ongoing operational expenses for maintenance and updates. Additionally, managing a complex network of payment industry participants while ensuring consistent system performance adds another layer of complexity to the technical integration process.

4.5.2 Financial and Revenue Management Challenge

Complex digital mechanisms, in addition to agency alignment and a deeper framework into formal intergovernmental agreements, need to be implemented to divide revenue fairly between transit agencies, particularly when riders use multiple systems within a single journey. This creates significant challenges in allocating ticket revenues between multiple operators while maintaining individual agency financial stability. The process requires dedicated staff to track revenues and manage regional sales centers, ensuring accurate and timely distribution of funds. These financial considerations must also account for existing bond obligations and varying funding structures across agencies. The implementation of new revenue-sharing systems demands additional resources for monitoring, reconciliation, and financial reporting, adding to the operational overhead of the regional integration effort.

4.5.3 Political and Jurisdictional Challenge

The member versus non-member city dynamic creates complex political considerations in implementing regional solutions. Member cities that contribute sales tax revenue may resist changes that appear to equalize benefits across contributing and non-contributing jurisdictions. This challenge becomes particularly acute when addressing fare equity and service access across jurisdictional boundaries. The need to balance regional mobility goals with local investment priorities requires careful political navigation and potentially new governance structures to ensure fair representation and decision-making processes.

4.5.4 Organizational Change Management Challenge

Perhaps the most subtle but significant challenge lies in managing the cultural and organizational changes required for successful integration. Each agency has developed its own operational culture, customer service approaches, and administrative procedures over time. Standardizing these practices requires not just policy changes but significant cultural shifts within organizations. This includes managing potential resistance from labor unions, administrative staff, and long-standing institutional practices. The challenge extends to creating unified security protocols, homeless outreach programs, and customer service standards while maintaining employee morale and operational efficiency during the transition period.



5. Summary of Recommendations and Next Steps

This study recommends that DART, Trinity Metro, and DCTA prioritize enhanced regional fare coordination through the implementation of unified rewards programs, integrated payment systems, and coordinated operational approaches. While each agency can pursue certain improvements independently, the greatest benefits will come from collaborative initiatives that create a seamless regional experience for transit users. The evaluation matrix in the later part of this section provides a strategic framework for prioritizing these recommendations, balancing revenue potential, ridership growth, and implementation feasibility to create a comprehensive roadmap for regional fare integration.

5.1 Summary of Recommendations

The following coordinated recommendations are best suited to creating a unified, accessible regional fare system across all transit agencies. This would enhance the rider experience while increasing ridership and revenue generation:

| <i>Recommended Initiatives</i> | | |
|----------------------------------|--|---|
| Regional Fare Programs | | |
| R1 | Regional Rewards/Loyalty Program | A unified points-based system across all agencies transforming transit from transaction-based to membership-oriented, rewarding frequent riders through partnerships with local businesses, rideshare companies, and other transportation providers while generating valuable ridership data. |
| R2 | Unified Real-Time Fare Capping | Automatically optimizes fares by tracking multi-modal, multi-agency journeys, ensuring riders never pay more than the best available fare regardless of travel patterns. |
| R3 | Integrated Commercial Partnership Programs | Coordinated approach to commercial partnerships leveraging the combined reach of all agencies, creating standardized regional offerings for participating organizations with consistent benefits and management. |
| Fare Payment System Enhancements | | |
| F1 | Contactless and Open-Loop Payment Systems | Expansion of contactless infrastructure and open-loop payment systems across all agencies, fully integrated with GoPass to create a seamless regional payment ecosystem. |
| F2 | Account-Based Ticketing Integration | Regional system storing multi-agency fare products and travel history in secure mobility wallet accounts, enabling real-time processing, automatic fare optimization, and simplified customer experience. |



| | | |
|---------------------------------|--|--|
| F3 | Focus on Regional Integration and Interoperability | Comprehensive approach building on GoPass platform to create a connected regional system with standardized processing, data architecture, and open APIs supporting future innovations. |
| F4 | Improving Equity in Fare Systems | Equity-centered regional fare policy with income-based structures, unified eligibility criteria, standardized discount programs, and accessible options for unbanked populations. |
| Microtransit Integration | | |
| M1 | Integration of Microtransit Services | Unifies DCTA's GoZone, DART's GoLink, and Trinity Metro On-Demand into the GoPass platform, creating a cohesive regional mobility network that bridges gaps between fixed routes. |
| M2 | Standardized Service Delivery | Ensures consistent quality and rider experience across the regional microtransit network while respecting local autonomy, with common performance metrics and unified customer service. |
| Operational Challenges | | |
| O1 | Address Homelessness and Behavioral Health | Establish a regional homeless outreach team with mental health professionals, creating station-based resource centers and specialized response protocols while training staff on compassionate engagement techniques. |
| O2 | Enhanced Regional Security Framework | Build on DART's 250-officer police force and fare enforcement teams to develop region-wide security standards, implementing integrated technology, coordinated fare enforcement protocols, and consistent revenue protection measures. |
| Parking Management | | |
| P1 | Optimize Existing Parking Resources | Remove unnecessary restrictions, implement digital availability indicators, and create business partnerships for shared parking arrangements supported by standardized wayfinding and GoPass integration. |
| P2 | Regional Parking Strategy and Revenue Generation | Develop unified policies across agencies while implementing selective paid parking at high-demand locations with dynamic pricing, maintaining free options elsewhere to support transit access. |



5.2 Next Steps

To advance the transformation of the regional fare ecosystem, NCTCOG and its transit agency partners must strategically prioritize the recommended initiatives. The following evaluation matrix assesses each recommendation against four critical factors: Revenue Impact, Ridership Growth Potential, Regional Integration Value, and Implementation Complexity. This structured approach enables stakeholders to identify high-value initiatives while recognizing implementation challenges.

The prioritization methodology weighs each factor according to its strategic importance to regional goals. By calculating a comprehensive priority score for each recommendation, decision-makers can develop a phased implementation approach that balances immediate opportunities with longer-term transformative initiatives. This framework also enables transit agencies to allocate resources efficiently while maintaining progress toward a seamless regional transit experience.

Priority Calculation Methodology

Each recommendation is evaluated using a weighted scoring system that assigns different priority weights to the four evaluation factors of Revenue Impact (Factor A), Ridership Growth Potential (Factor B), Regional Integration Value (Factor C), and Implementation Complexity (Factor D). The scoring weights to these factors are assigned on a scale of 0 to 0.25 as follows:

- High Impact/Potential (●) receiving 0.25,
- Medium Impact/Potential (◐) receiving 0.17
- Low Impact/Potential (○) receiving 0.09

The final priority score is calculated using the formula: $\text{Priority Score} = A + B + C - D$, where the implementation complexity weight is subtracted to reflect that higher complexity reduces overall implementation feasibility. Based on the resulting scores, recommendations are classified into three priority tiers:

- High Priority: Recommendations with scores above 0.46
- Medium Priority: Recommendations with scores between 0.26 and 0.46
- Low Priority: Recommendations with scores below 0.26

This tiered approach enables strategic resource allocation, focusing initial efforts on high-impact initiatives while planning for lower priority implementations over time.



Exhibit 3: Evaluation Matrix – Prioritizing Task 7 Recommendations

| | | Revenue Impact (A) | Ridership Growth Potential (B) | Regional Integration Value (C) | Implementation Complexity (D) | Recommended Priority |
|--|--|-----------------------|--------------------------------------|--------------------------------------|----------------------------------|-------------------------|
| Regional Fare Programs | | | | | | |
| R1. Regional Rewards/Loyalty Program | Transforms transit into a membership-oriented service with a unified points-based system that rewards frequent and cross-agency travel. | ● | ● | ● | ● | H |
| R2. Unified Real-Time Fare Capping | Creates automatic fare optimization across all agencies ensuring riders always receive the best fare without manual intervention. | ● | ● | ● | ● | H |
| R3. Integrated Commercial Partnership Programs | Establishes standardized regional offerings for businesses and organizations accessing multiple transit agencies through a single program. | ● | ● | ● | ● | M |
| Fare Payment System Enhancements | | | | | | |
| F1. Contactless and Open-Loop Payment Systems | Expands modern payment options across all agencies with seamless GoPass integration for faster boarding and improved user convenience. | ● | ● | ● | ● | M |
| F2. Account-Based Ticketing Integration | Develops a comprehensive regional account system storing fare products and travel history for simplified multi-agency travel. | ● | ● | ● | ● | H |
| F3. Focus on Regional Integration and Interoperability | Creates a connected regional system with standardized processes and open APIs to support current needs and future innovations. | ● | ● | ● | ● | M |
| F4. Improving Equity in Fare Systems | Implements income-based fare structures and unified accessibility standards to ensure transit remains available to all populations. | ○ | ● | ● | ● | M |
| Microtransit Integration | | | | | | |
| M1. Integration of Microtransit Services | Unifies on-demand services from all three agencies into the GoPass platform to create a comprehensive regional mobility network. | ● | ● | ● | ● | M |
| M2. Standardized Service Delivery | Establishes consistent quality standards and performance metrics across all microtransit services while respecting local needs. | ○ | ● | ● | ● | M |
| Operational Challenges | | | | | | |
| O1. Address Homelessness and Behavioral Health | Creates coordinated regional response systems for addressing homelessness and behavioral health issues on transit property. | ● | ● | ○ | ● | L |
| O2. Enhanced Regional Security Framework | Develops region-wide security standards building on DART's existing capabilities to ensure consistent protection across all agencies. | ● | ● | ● | ● | M |
| Parking Management | | | | | | |
| P1. Optimize Existing Parking Resources | Improves utilization of current parking facilities through better information, partnerships, and technology integration. | ● | ● | ○ | ● | L |
| P2. Regional Parking Strategy and Revenue Generation | Implements strategic paid parking at high-demand locations while maintaining free options throughout the system. | ● | ● | ○ | ● | L |



6. Conclusion

The Dallas-Fort Worth region's transit landscape presents significant opportunities for enhanced regional integration through coordinated fare collection strategies. The analysis reveals potential for strengthening connectivity across DART, Trinity Metro, and DCTA through unified fare structures and integrated payment systems while maintaining revenue stability. Real-time fare capping, standardized discount programs, and integrated payment solutions emerge as key drivers for improving the rider experience across agency boundaries. The success of the GoPass platform provides a strong foundation for expanding regional payment integration, while the implementation of open-loop payment systems and coordinated back-office operations can further streamline cross-agency travel. These improvements, coupled with standardized fare products and unified promotional strategies, can create a more seamless transit experience that encourages multi-agency ridership.

This pursuit of enhanced regional integration requires careful consideration of the cost implications associated with various technological upgrades and integration efforts. A detailed analysis of both current systems employed by the agencies and potential future systems available in the market is necessary to make informed decisions. This analysis will encompass a comprehensive evaluation of current technology implementations, the feasibility of layered integration without requiring a complete overhaul of existing systems at the transit agencies, and the identification of essential additions or modifications. These elements will need careful assessment, weighing their benefits against associated costs, to ensure optimal resource allocation and maximize returns on investment.

Safety, security, and equitable access form crucial pillars of the regional transit strategy. DART's comprehensive approach to security, combining traditional fare enforcement with innovative social service programs like DART Cares, offers a proven model for regional adaptation. The current parking utilization patterns across the system suggest opportunities for optimizing resources and improving access for both member and non-member cities, particularly through strategic management of high-demand locations like airport stations. Equity considerations remain paramount across the three transit agencies, requiring careful standardization of fare programs for veterans, students, seniors, and other eligible groups. The alignment of discount structures and eligibility criteria between DART, Trinity Metro, and DCTA ensures consistent benefits for all qualified riders regardless of which system they use.

Drawing from successful implementations by SFRTA and NEORide, the Dallas-Fort Worth Metroplex has a unique opportunity to enhance regional connectivity while maintaining agency autonomy through its existing GoPass platform. Following NEORide's proven model and SFRTA's phased modernization approach, the region should prioritize near-term initiatives such as real-time fare capping and standardized discount structures



across DART, Trinity Metro, and DCTA. This systematic integration of payment systems and back-office operations must be supported by clear governance structures and revenue-sharing mechanisms, similar to SFRTA's successful multi-agency coordination model. By taking a measured, phased approach that leverages existing technology investments while preparing for future innovations in fare collection, the NCTCOG region can create a more cohesive transit network that not only serves its growing population but also ensures financial sustainability and operational efficiency across the region.



Appendix A. Summary of Hyperlinked References

1. University of Tennessee demonstrates its significant impact, with agencies implementing monthly fare capping, seeing increases of 3.6% to 4.1% in annual bus ridership. <https://www.masabi.com/2023/11/15/proven-to-increase-ridership-the-power-of-monthly-fare-capping/>
2. Visa's Future of Urban Mobility Survey indicating that 61% of surveyed public transit riders would increase their transit use with fare capping. <https://www.metro-magazine.com/10178668/fare-capping-is-ushering-in-the-future-of-commuting>
3. Montreal's STM Merci! Program stands as a pioneering example, where the combination of location-based technology and retail partnerships resulted in a 20-25% increase in transit ridership among participants and generated nearly \$100 million in new revenue over three year. <https://www.newswire.ca/news-releases/the-stm-launches-a-one-of-a-kind-application-to-thank-its-clients-512380861.html>
4. Singapore's current Travel Smart Journeys (TSJ) program showcases an innovative approach to transit incentives. The program rewards commuters with points worth up to 80% of their fare for choosing off-peak travel times or alternative routes. <https://landtransportguru.net/travel-smart-journeys-schemes/>
5. King County Metro's pioneering ORCA LIFT program in Seattle demonstrates the transformative potential of well-designed discount programs, offering income-based fares that provide a 45% fare reduction to eligible riders across multiple transit agencies. <https://seattletransitblog.com/2015/11/13/analysis-orca-lift-on-all-st-express-routes-a-win-win/>
6. Los Angeles Metro's comprehensive discount structure includes innovative elements like their LIFE (Low-Income Fare is Easy) program, student, and U-Pass programs, and veteran benefits, resulting in a 32% increase in program enrollment and improved accessibility across their system. <https://mynewsla.com/life/2021/11/17/metro-encourages-low-income-riders-to-enroll-in-discounted-fare-program/>
7. DART's successful collaboration with Toyota in developing transit-oriented solutions for their North American headquarters in Plano demonstrates the potential of customized corporate partnerships. <http://www.transit.dot.gov/sites/fta.dot.gov/files/2020-05/FTA-Report-No.-0164.pdf>
8. Bay Area's Clipper BayPass program shows how a unified regional system can serve diverse stakeholders, from major employers to educational institutions and affordable housing communities, through a single integrated platform. <https://www.clipperbaypass.com/>



9. Luxembourg's groundbreaking nationwide free public transport initiative, implemented in 2020, exemplifies how environmental objectives can drive transformative fare policies, resulting in the use of private vehicles falling by 11% while the number of people using public transportation increasing by 25%.
<https://www.luxrelo.lu/post/three-years-of-free-ride-luxembourg-celebrates-success-of-bold-public-transport-initiative>
10. Denver's "Zero Fare for Better Air" initiative, which provided free public transit for two months to reduce vehicle miles traveled and greenhouse gas emissions.
<https://raqc.org/rtd-zero-fare-for-better-air-positively-impacted-air-quality>
11. Transport for London's (TfL) successful open-loop system has demonstrated significant benefits. The transition to an open-loop system allowed TFL to reduce their fare collection costs from 15% to 9% of operational costs
<https://www.itskrs.its.dot.gov/success-strategies/executive-briefing/advancements-electronic-fare-payment-contactless-and-open-loop>
12. Chicago Transit Authority's Ventra system exemplifies this best practice with its comprehensive approach: *an open payments architecture* that accepts various contactless forms of payment, integration with a retail network for convenient access to fare products, and user-friendly account management tools for balance checks and reloads.
<https://www.transitchicago.com/ventra-available-to-all-cta-pace-customers/>
13. Transport for London (TfL) serves as a prime example, with its Oyster card providing a single payment system across all modes of transport, complemented by open-loop payment acceptance, automatic fare capping, and integration with contactless bank cards and mobile payment options. <https://tfl.gov.uk/fares/how-to-pay-and-where-to-buy-tickets-and-oyster/pay-as-you-go/contactless-and-mobile-pay-as-you-go>
14. Singapore's EZ-Link (Now SimplyGo) card system has successfully adapted to accommodate a wide range of payment technologies over time. <https://ezlink.simplygo.com.sg/>
15. The Los Angeles County Metropolitan Transportation Authority (LA Metro) partnered with the Transit Watch app in 2020 to implement a MaaS ecosystem. The app integrates Metro services with bike-sharing, scooters, and car-sharing services.
https://www.metro.net/riding/rider-apps/?utm_source=chatgpt.com
16. Los Angeles TAP card system provides reduced fare programs and accessible refill stations. <https://www.masstransitmag.com/technology/fare-collection/article/21279141/achieving-equitable-mobility>
17. Singapore's Land Transport Authority provides an exemplary model, demonstrating how unified payment systems can transform regional mobility.
<https://www.smartnation.gov.sg/initiatives/contactless-fare-payment/>



18. Transport for London's fare capping system, implemented with contactless payments, automatically caps daily and weekly fares at the price of a Day or Week Travelcard, ensuring passengers always get the best value for their journeys without having to pre-purchase passes. <https://www.londontravelwatch.org.uk/useful-information/capping/>
19. LA Metro's Metro Micro service in Los Angeles offers on-demand shared rides in specific zones, connecting passengers to major transit hubs and filling first/last mile gaps in the network, demonstrating how microtransit can complement and enhance traditional public transit systems. <https://www.metro.net/micro/>
20. New York MTA's implementation of BLE beacons across 269 stations demonstrates the comprehensive potential of this technology, enabling real-time train tracking and laying groundwork for automated fare collection and personalized notifications. <https://www.pipernetworks.com/news/new-mta-live-subway-map-using-pipers-ble-beacon-data/>
21. TriMet's TransitTracker shows how combining satellite tracking and sensor technology can provide reliable arrival information while maintaining transparency about system limitations. <https://trimet.org/tools/transittracker.htm>
22. The Chattanooga Regional Transportation Authority (CARTA) in Tennessee has integrated AI to enhance its public transit system. In 2020, supported by a federal grant, CARTA collaborated with Vanderbilt University and SmartTransit AI to develop a platform that analyzes rider demand, traffic congestion, and vehicle energy use. <https://www.chattanooga.com/2023/11/2/477621/CARTA-Getting-Major-Federal-Grants-As.aspx>
23. The Moovit app, used in many cities worldwide, incorporates AR features that allow users to point their smartphone cameras at bus stops or stations to see real-time arrival information and route details superimposed on the physical environment, simplifying trip planning and navigation. <https://moovit.com/press-releases/moovit-unveils-a-smarter-more-personalized-journey-than-ever-before-in-112-countries/>
24. Land Transport Authority (LTA) implements smart sensors and connected systems across its transit network. These IoT devices can track crowd levels, adjust air-conditioning, and potentially integrate with fare collection systems to provide dynamic pricing based on real-time demand. <https://www.thalesgroup.com/en/worldwide-digital-identity-and-security/iot/magazine/singapore-worlds-smartest-city>
25. City of Liberstad in Norway has experimented with a blockchain-based payment system called "City Coin" for various municipal services, including public transportation, demonstrating the potential for secure and efficient fare transactions using distributed ledger



technology. https://www.researchgate.net/publication/350920703_FoBSim_an_extensible_open-source_simulation_tool_for_integrated_fog-blockchain_systems

26. Guangzhou Metro in China has piloted a facial recognition payment system at select stations. It allows passengers to pay for their rides by simply looking at a camera, demonstrating the potential for seamless, contactless fare payment using biometric data. <https://www.chinadaily.com.cn/a/201909/10/WS5d7766cea310cf3e3556ad0e.html>

27. Transport for London (TfL) invested £4 million in its Urban Greening Program (2018), installing green roofs and walls at stations like Earl's Court. LED lighting upgrades, completed by 2021, improved safety and energy efficiency. <https://tfl.gov.uk/info-for/media/press-releases/2024/march/transport-for-london-to-push-ahead-with-green-heating-and-energy-efficiency-in-head-offices-and-depots>

28. The Metropolitan Transportation Authority (MTA) in New York implemented strategic station activations with its "Arts for Transit" program, investing \$2.6 million annually since 2014. <https://new.mta.info/agency/arts-design>

29. The Bay Area Rapid Transit (BART) in San Francisco implemented AI-driven video analytics in 2020, investing \$4.4 million in its "Safe BART" initiative. The system uses AI algorithms to monitor 4,000+ cameras in real-time to detect suspicious behavior, abandoned items, and crowd anomalies, improving threat response and enhancing passenger safety. <https://www.bart.gov/about/reports/surveillance>

30. Transport for London (TfL) implemented a behaviorally-informed Public Transport Safety campaign focusing on interrupting passenger mindsets at critical moments to encourage safer behavior throughout their journey. <https://transformca.org/a-transformative-approach-to-transit-safety/>

31. WMATA's successful model, which increased patrols by 70% through law enforcement partnerships and achieved a 300% increase in overall enforcement. WMATA's implementation demonstrates significant impact: a 14% reduction in crime while simultaneously seeing increased ridership (24% on rail, 15% on bus). <https://www.wmata.com/about/news/Metro-enhances-safety-with-increased-police-patrols-on-trains-and-buses.cfm>

32. BART's program demonstrated significant impact with over 12,000 positive customer interactions in its first year by training its staff in de-escalation, anti-bias response, and emergency medical assistance (including Narcan administration). <https://www.bart.gov/news/articles/2021/news20210210>



Appendix B. Transit Agencies Participating in the NEORide Program

The following list details transit agencies actively involved in the NEORide program. These agencies participate through a variety of projects and collaborations facilitated by NEORide:

Ohio

- Butler County Regional Transit Authority (BCRTA)
- Greater Cleveland Regional Transit Authority (RTA)
- Laketran
- Fare Field County Transit
- Medina County Public Transit
- METRO Regional Transit Authority
- Southwest Ohio Regional Transit Authority (SORTA)
- Portage Area Regional Transportation Authority (PARTA)
- Stark Area Regional Transit Authority (SARTA)
- Central Ohio Transit Authority (COTA)
- Community Action Rural Transit System (CARTS)
- Toledo Area Regional Transit Authority (TARTA)
- Trumbull County Transit
- South East Area Transit (SEAT)
- Western Reserve Transit Authority (WRTA)
- Ashland Public Transit
- Lorain County Transit (LCT)
- Greene CATS Public Transit
- Delaware County Transit
- Licking County Transit
- Greater Dayton RTA
- Richland County Transit (RCT)
- Central Ohio Transit Authority (COTA)
- Perry County Transit

Arkansas

- Rock Region METRO

Indiana

- CityBus



Iowa

- Heart of Iowa Regional Transport Authority (HIRT)

Kentucky

- Transit Authority of Northern Kentucky (TANK)

Michigan

- Ann Arbor Area Transportation Authority (TheRide)

Pennsylvania

- AMTRAN
- Luzerne County Transportation Authority (LCTA)

Tennessee

- Chattanooga Area Regional Transportation Authority (CARTA)

West Virginia

- Kanawha Regional Transportation Authority (KRT)

Appendix 8:

Task 8: *Recommendations for Transit Authority/Member City Paradox Report*

Technical Memorandum for Transit 2.0

Task 8: Financial and Scenario Modelling

Analysis of Transit's Future

North Central Texas
Council of Governments

May 2025



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Introduction

Context and Scope of Task 8: Financial and Scenario Modelling Analysis of Transit's Future

NCTCOG has projected a significant increase in the population of the Dallas-Fort Worth (DFW) Metroplex with approximately 4 million residents moving into the region by 2050.¹ This population growth will drive increased transportation demand in the region.

Given this expected growth, Task 8 seeks to provide a high-level model of potential transportation scenarios through 2050. Modelling both the current transportation infrastructure and various degrees of improvement and/or expansion, Task 8 measures operational outcomes – such as traffic congestion and transit mode share – as well as Transit Authority (TA) financial outcomes. This modelling takes the form of three scenarios for the region through 2050:

1. **Baseline scenario**, representing current transportation infrastructure and existing transit authority strategic plans, for which there are expected to be modest improvements in transit service²
2. **Transit 2.0 policy scenario**, representing the implementation of Transit 2.0 policies to drive density-oriented economic development and improve transit system competitiveness, among other recommendations from Transit 2.0 Tasks 2-7
3. **Network expansion scenario**, representing ~\$15B of capital expenditure on nine rail projects from the draft Mobility 2050 plan; *includes implementation of Transit 2.0 policies in existing service areas*

This memo leverages this modelling to provide preliminary considerations of various interventions the region may take to meet increased travel demand through 2050. This report is not intended to serve as a detailed operational guide for the future of transit in the region nor does it intend to make normative policy recommendations. Rather, the memo leverages a 25-year strategic model to elucidate the potential financial and operational impacts of Transit 2.0 policy or capital expansion decisions the region may make. Many of these preliminary considerations will require further discussion and analyses to inform decision-making.

¹ “North Central Texas Regional Transit 2.0: Planning for Year 2050 RFP” (NCTCOG, 2023).

² This does not include DART Mobility+ Network plans to introduce bus and LRT service improvements, as funding of these improvements is not reflected in its 20-year financial plan.

Some topics discussed in this report intersect with other tasks included in Transit 2.0. They are covered in more depth in those task reports, whereas this report will focus on their relevance to the scenario modelling and regional outcomes. For example,

- Enabling additional revenue levers for TAs (Task 2)
- Adopting collaborative efficiencies across TAs (Task 4)
- Delivering more competitive and attractive transit (Task 5)
- Economic development and transit-oriented development (Task 6)

This report and modelling were validated by several sources of insight. These sources include, but are not limited to, relevant materials from NCTCOG, DART, Trinity Metro, and DCTA; interviews with industry leaders, NCTCOG, and transit authority stakeholders; and external benchmarks such as the FTA National Transit Database. Potential solutions were analyzed for possible impact and tested with relevant experts and NCTCOG and transit authority leadership. NCTCOG leadership encouraged out-of-the-box ideas be contemplated and commented on in this report.

Executive summary of findings

The Dallas-Fort Worth Metroplex stands at a crossroads, as its current approach to transportation and development will not meet future travel demand. Despite \$100B in planned investments, roadway capacity will be outpaced by the anticipated population growth of 4 million residents – much of which will be outside transit authority service areas -- over the next 25 years, driving a sharp rise in traffic congestion. Vehicle hours of delay are forecasted to nearly triple between 2019 and 2050, imposing costs on DFW residents and businesses.³

Implementation of Transit 2.0 policy initiatives, especially around density-driven economic development, is shown to address this challenge. With modest additional investment, Transit 2.0 policy initiatives could **significantly improve regional outcomes** through 2050 (e.g., 20% reduction in vehicle hours of delay, 65% increase in transit ridership versus 2050 baseline). These policies **leverage and help unlock the full value of the region’s substantial transit investments** over the past 40 years to **maximize value for the public dollar**. Saying it differently, the region has an opportunity to maximize efficiencies due to the already implemented capital cost of stations and rail lines.

Similarly, proposed transit expansion projects may face the same types of challenges faced by the existing transit system without complementary investments in dense development (e.g., along

³ Based on data and preliminary findings developed for NCTCOG’s 2050 Metropolitan Transportation Plan

proposed new rail corridors). Without these complementary investments in density, building new rail lines may not be a cost effective approach to meeting increased travel-demand in the region.

To effectively steward public dollars and meet future travel demand, the region could focus on implementation of Transit 2.0 policy initiatives, with a primary focus on density-oriented economic development.

Section 1: Current understanding of the situation

The Dallas-Fort Worth Metroplex is at a crossroads, as it will be unable to meet the travel demands of substantial population growth. With an anticipated influx of 4 million residents over the next 25 years, the region's population will surpass planned roadway capacity, leading to a significant increase in traffic congestion (e.g., vehicle hours of delay are expected to nearly triple between 2019 and 2050).

Congestion and its costs

NCTCOG's Travel Demand Model⁴ projects that regional congestion will significantly increase if the region continues its current trajectory. Current regional plans for future transportation infrastructure include \$100B in spend on roadway improvements/expansions and only modest improvements to the regional transit network and service offerings.⁵ This, however, will not be sufficient to meet travel demand as 4 million residents move into the region. **Vehicle hours of delay are expected to nearly triple by 2050 versus 2019, increasing from 1.8 million to 4.9 million.** This equates to approximately 35 minutes per resident per day spent in traffic delays,⁶ driving projected increases in home-based work (HBW) commute times from 25.4 to 30.4 minutes on average.

Historically, increased investment in roadway infrastructure has supported regional growth, but this strategy alone will not meet travel demand by 2050. The substantial increases in traffic delays are forecasted despite approximately \$100B investments in roadway solutions to reduce congestion, including the addition of High Occupancy Vehicle (HOV) lanes to increase vehicle occupancy and expansion of tollways/freeways to increase vehicle capacity.⁷

Already, many DFW residents express dissatisfaction with the current transportation infrastructure and its ability to meet regional travel demand. A survey of more than 4,000 people – conducted by NCTCOG – highlights that one of residents' biggest complaints with the region is that roadway infrastructure isn't keeping pace with growth.⁸ These complaints would likely be exacerbated as the population grows and traffic delays increase.

⁴ A Travel Demand Model is a system of computer programs that include inputs of roadways, transit networks, and population/employment data to forecast future travel for a metropolitan area, based on the variety of transportation choices residents make and how those choices result in trips on the transportation network.

⁵ Excludes ~65B in unfunded transit projects in NCTCOG's MTP

⁶ Calculated on a per capita basis with projected regional population in 2050 and 1.3 average auto occupancy

⁷ Draft "Mobility 2050," Metropolitan Transportation Plan for North Central Texas.

⁸ "North Texas residents say they want more transit" (Dallas Morning News, 2024).

Transit offers a potential alternative to congested roadways. However, **North Central Texas residents are dissatisfied with current transit offerings**, seeing them as broadly inconvenient.⁹ This dissatisfaction has contributed to the low utilization of current transit service offerings, with residents instead relying on single-occupancy vehicles, a driver of roadway congestion. Even in the more urban counties – with areas currently serviced by transit – transit mode share was only 1.9% in 2019, with this number expected to fall to 1.4% by 2050 without intervention. **Additionally, much of the regional population growth is expected in areas outside of existing transit authority boundaries**, as the population living inside these service areas will fall from 47% to 38% of the total North Central Texas population by 2050.¹⁰ This could further increase the number of residents relying on single-occupancy vehicles.

This level of congestion will have significant consequences for cities in the region:

- **Increased costs for businesses:** Congestion would be costly for businesses and may discourage firms from operating in the region. Traffic delays result in lost productivity time and increased fuel usage. Further, congestion disrupts just-in-time delivery systems, which increases inventory costs.¹¹
- **Constrained labor market:** When traffic congestion in urban areas is significant, long-run employment growth is dampened, likely because congestion drives additional costs for workers which raises their wage expectations and/or reduces their travel radius to commute to work, restricting employers access to talent¹²
- **Residents' diminished well-being:** Smog, traffic jams, and vehicular noise pollution are cited as frequent points of frustration for urban dwellers.¹³

Baseline financial picture

The current transit authority financial picture reflects a balanced budget with limited surplus for unforeseen challenges and/or transit system network expansions.

⁹ “North Texas residents say they want more transit” (Dallas Morning News, 2024)

¹⁰ “North Central Texas Regional Transit 2.0: Planning for Year 2050 RFP” (NCTCOG, 2023)

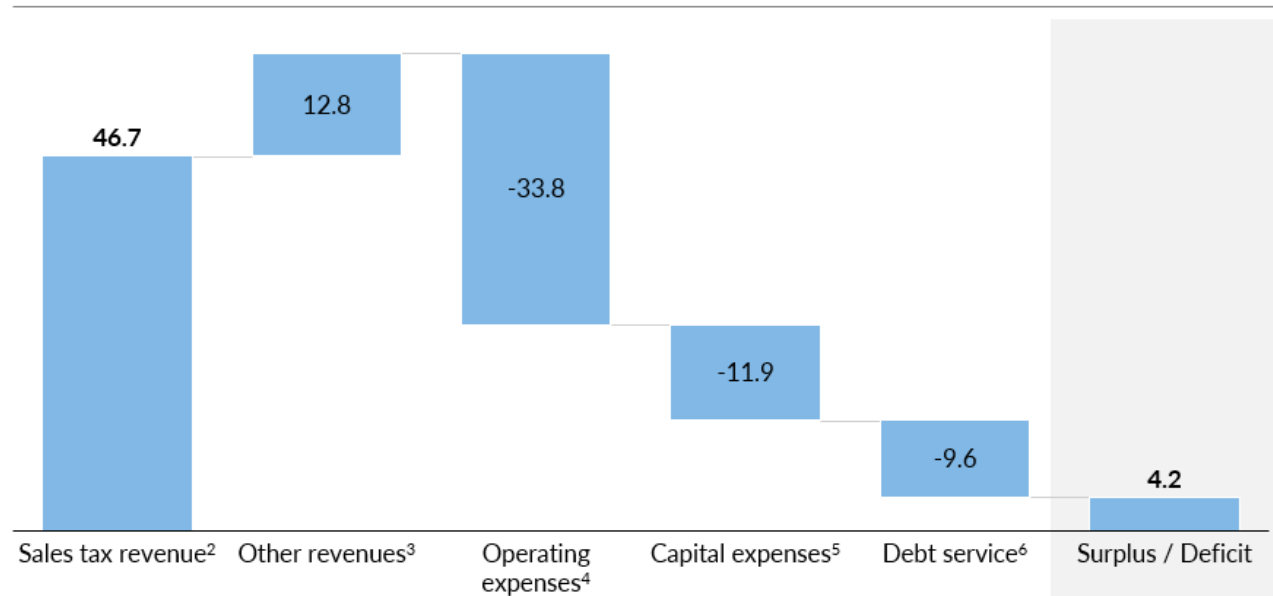
¹¹ “Increasing Mobility in Southern California: A New Approach” (Reason Foundation, 2015)

¹² “Does traffic congestion reduce employment growth?” (Journal of Urban Economics, 2008)

¹³ “Urban mobility at a tipping point” (McKinsey, 2015)

Projected cumulative cash flows across NCT TAs, baseline scenario, 2025-2050¹

\$ billions



1. Figures may not sum to bar totals due to rounding | 2. Assumes 3.8% annual growth rate in years beyond TA forecasts | 3. Assumes 1.0% CAGR for farebox revenues, 2.7% CAGR for other O&M revenues in years beyond TA forecasts, based on DART's inflation forecast for 2025-2044 | 4. Assumes 2.7% CAGR for O&M costs in years beyond TA forecasts, based on DART's inflation forecast for 2025-2044 | 5. Includes additional 3% SOGR assumption for DART, assumes 3.5% CAGR for CapEx | 6. Includes DART financial forecasts from 2025-2044 and DART bonds maturing from 2045-2050, based on publicly available data | 7. Assumes a 3% discount rate

Figure 1: Financial outcome of baseline scenario

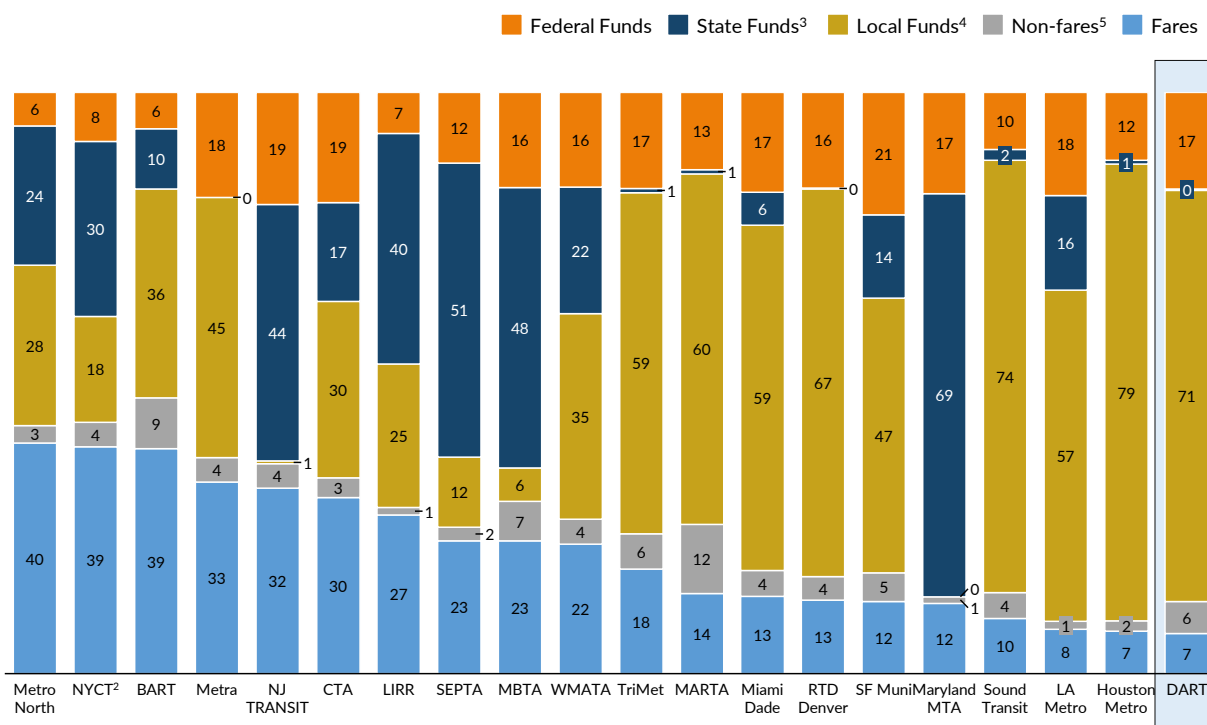
Revenues

A significant portion of revenues for the region's TAs is generated by sales taxes, which is in line with newer transit agency patterns. For example, at DART, state and local sources represent 71% of revenues, versus ~60-80% overall for newer transit agencies.

Further, the region's transit authorities receive limited state funding. DART is one of few major transit agencies to generate <1% of its revenue from state funds¹⁴.

¹⁴ National Transit Database (NTD)

Top 20 US transit agencies breakdown of funding sources by %, 2019¹



Source: NTD

1. Year 2019 used to represent "typical" funding breakdown without federal COVID-19 relief funding
2. NYCT includes NYCT, MTA BUS
3. Incl. general funding, state transportation funds; 4. Incl. income, sales, property, fuel, and other taxes, licenses, and misc.; 5. Incl. leases, parking, ads, concessions

Figure 2: Funding composition of US transit agencies

Additional revenue sources for transit in North Central Texas include farebox revenue, federal formula and discretionary funding, and debt issuance.

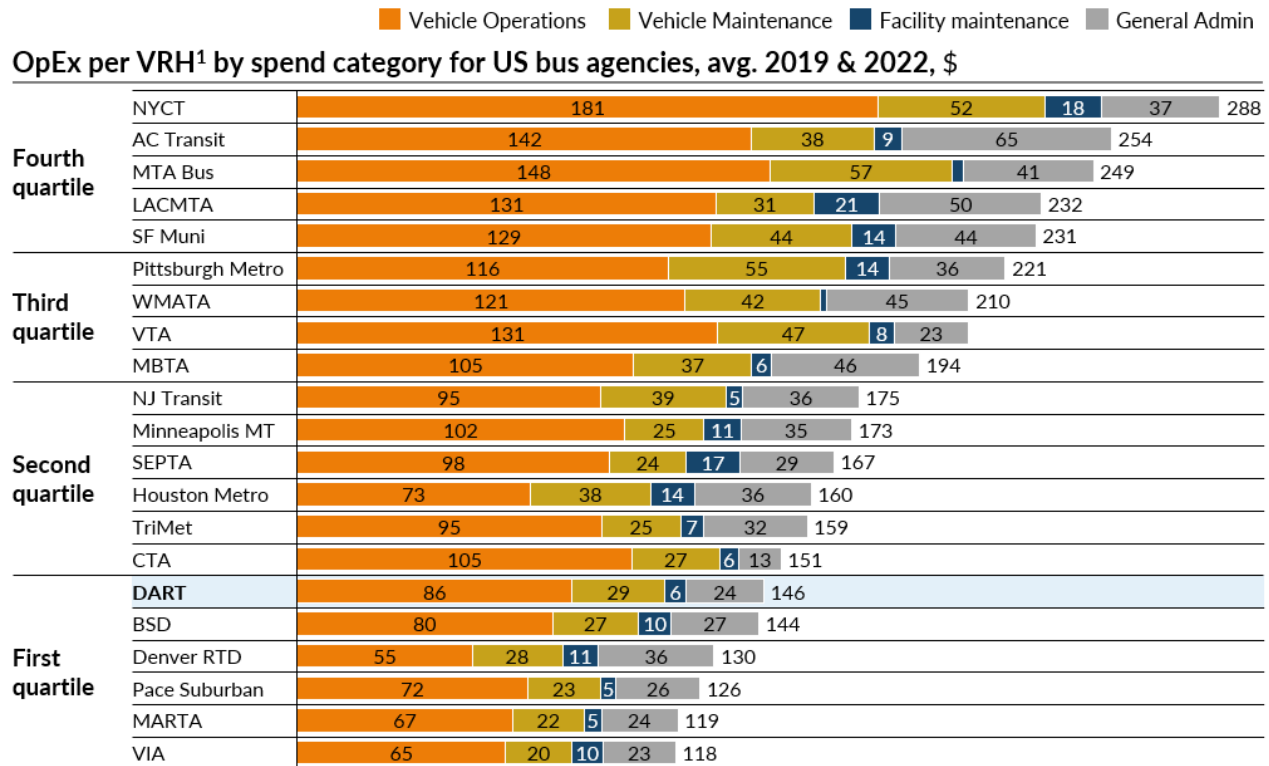
Costs

Operating expenses represent ~60% of cumulative expenses through 2050 driven largely by labor costs (~80-85% of total operating expenses). Materials costs (~15-20% of total operating expenses) include fuel, lubricant, and maintenance supplies, among other line items.

That said, there are limited opportunities for the TAs to realize operating cost efficiencies. For example, DART performs in line with top peers in terms of operational efficiency per Vehicle Revenue Hour (VRH) for bus,¹⁵ and current DART financial planning guidance already builds in

¹⁵ National Transit Database (NTD)

ambitious efficiency gains by assuming operational expense increases of at most 90% of inflation year over year.



1. Vehicle Revenue Hours

Figure 3: Operational efficiency of US bus agencies¹⁶

Further, although Transit Authorities are not currently planning to expand the transit system network beyond the Silver Line extension, there are still significant capital costs. With a lack of major funded expansion projects on the horizon, capital costs are made up almost entirely by State-of-Good-Repair (SoGR) capital costs. These costs include regular vehicle replacement cycles of ~12-25 years for buses, light rail, and commuter rail vehicles. DART's extensive light-rail system also drives significant facility SoGR capital expenses for guideway, stations, signals, and other equipment, which will require increasing amounts of investment to maintain as they age based on trends observed from older peer transit networks (e.g., CTA, NYCT).

DART

Given that DART is the largest transit authority in the region, its financial picture is of particular interest. While DART is projected to run a cumulative surplus through 2050, it could begin the

¹⁶ National Transit Database (NTD)

period with deficits. However, these deficits are currently funded by short-term debt and cash on hand, and DART's surpluses are expected to increase in later years as its sales tax growth outpaces inflation of expenses over time. A significant cost driver for DART is debt service as it continues to pay down long-term bonds issued over the last 20 years to fund recent network expansion. DART's outstanding debt is forecasted to decrease from \$4.3B in 2025 to \$1.9B in 2050. They are forecasted to spend nearly \$10B servicing debt principal and interest over this 25-year period. The baseline forecast for DART accounts for the expected issuance of some new bonds over the next 25 years to fund system SoGR costs, such as vehicle replacements and major track work.



Figure 4: Projected cumulative DART budget surplus

Section 2: Transit 2.0 policy scenario

Transit 2.0 policy, especially density-driven economic development, could address some of these challenges. With modest additional investment, it could **significantly improve regional outcomes** through 2050, reducing traffic congestion and increasing transit ridership. These policies **leverage the region's substantial transit investments** over the past 40 years to **drive value for the public dollar**.

Transit 2.0 policy overview

The Transit 2.0 policy scenario represents potential outcomes of the adoption of Transit 2.0 policies. Out of the full range of potential recommendations coming from Transit 2.0 Tasks 2-7, this scenario models four key pillars that are expected to have the greatest measurable impact to transit financial performance and regional transportation and economic outcomes. The four pillars evaluated in this Transit 2.0 policy scenario are summarized below. Further detail can be found toward the end of this section.

1. **Density-oriented economic development:** The Transit 2.0 policy scenario assumes that Cities and NCTCOG partner with TAs to re-shape regional economic development and land use strategy around existing rail corridors.
 - A. In addition to direct investment by cities and NCTCOG, TAs invest a portion of annual sales tax revenue to incentivize density, drive regional economic strategy, and accelerate development around stations (e.g., provide financial or other incentives for corporate relocation or expansion into member cities)
 - B. Expand existing land use and economic development strategy teams to support member city and regional priorities (e.g., such as supporting policies enabling densities already seen around DFW)
 - C. Expand existing efforts to leverage TA-owned real estate

This scenario also assumes collaboration between member cities and NCTCOG to increase residential and employment density around rail stations. These actions, and others, are further described in Transit 2.0 Tasks 5 and 6. Working to balance the distribution of incomes of employees with a similar distribution of housing choice creates opportunities for job-housing balance and linked travel patterns in the same rail corridor.

2. **Competitive transit travel times:** The Transit 2.0 policy scenario assumes that TAs increase rail and bus service frequency and speed on the highest-demand corridors in the region to increase travel time competitiveness with single-occupancy vehicles. This increase in transit speed and frequency matches best-in-class peer performance (e.g., 5–10-minute headways on light rail).
3. **Attractive transit service:** The Transit 2.0 policy scenario assumes that TAs make additional investments in safety, security, cleanliness, customer experience, and brand awareness to enhance public perception of transit. For example, Tasks 3-7 outline key aspirations for regional TAs, with the resulting shifts in consumer perceptions of transit modelled in this scenario:
 1. Safest public transit network in the country (i.e., driven by coordinated safety/security efforts across the region) based on peer benchmarks
 2. Facility and vehicle cleanliness on par with best-in-class global peers
 3. User experience in line with global peers (e.g., improved wayfinding, real-time data display at transit hubs, mobile application, alerts)
 4. Seamless payment methods integrated across TAs
4. **Efficient transit financial performance:** The Transit 2.0 policy scenario assumes that with three TAs in close proximity, the TAs can enhance efficiency through closer collaboration. For instance, this scenario models TAs consolidating targeted operational areas (e.g., procurement, commuter rail operations), leveraging synergies to avoid costs. While not represented in the financial modelling of the Transit 2.0 policy scenario, TAs could also consider leveraging private sector operators to improve transit performance, drive cost efficiency, and create capacity for TAs leaders to give additional focus to strategic priorities (i.e., versus operations).

The potential policy choices modelled in the Transit 2.0 policy scenario come primarily from:

- **Task 4:** Develop collaborations between three existing Transit Authorities (e.g., collaboration between authorities to realize efficiencies)
- **Task 5:** Develop strategies to foster Transit Authority board partnerships and teamwork (e.g., greater transit competitiveness)
- **Task 6:** Develop strategies for infill development (e.g., accelerated mixed-use development around rail stations)
- **Task 7:** Review fare collection strategies to increase ridership without lowering revenue (e.g., seamless integrated payment systems)

“Task 2: Develop a more aggressive transit legislature program” and “Task 3: Develop strategies to increase Transit Authority membership” are evaluated in the network expansion scenario, when considering the potential for new member cities and an expanded transit system network.

DART, DCTA, and Trinity have long-term goals to improve service that may be in line with Transit 2.0 policy initiatives. For instance, DART has improvement plans for bus service offerings, and the Transit 2.0 policy scenario modelling reflects a similar increase in bus vehicle revenue hours (VRH). However, **these improvement plans are not represented in the baseline financial scenario since they are not yet funded.**

Impacts of Transit 2.0 policy on regional outcomes

The adoption of these Transit 2.0 policy initiatives could drive significant progress against regional objectives, like congestion relief, while maintaining a balanced financial picture. For example, the Transit 2.0 policy scenario represents the following meaningful decreases in roadway congestion versus the 2050 baseline scenario:

- **Vehicle Hours of Delay:** The Transit 2.0 policy scenario demonstrates a 20% decrease in vehicle hours of delay. This decrease in vehicle hours of delay is driven by a 5% decrease in Vehicle Miles of Travel (VMT) and an 11% decrease in Vehicle Hours of Travel (VHT).
- **Commute Times:** The Transit 2.0 policy scenario demonstrates a 13% decrease in average Home-Based Work (HBW) regional commute times (26.6 minutes versus 30.4 minutes in the baseline scenario).

The Transit 2.0 policy scenario also represents the following increases in transit usage versus the 2050 baseline scenario, contributing to the above improved regional outcomes:

- **Transit ridership:** The Transit 2.0 policy scenario demonstrates a ~65% increase in daily transit ridership (~505k daily weekday unlinked passenger trips (UPT) versus ~305k weekday UPT, up from ~260k UPT in 2019).¹⁷
- **Transit mode share:** The Transit 2.0 policy scenario demonstrates a 60% increase in transit mode share in the urban core¹⁸, approximately 2.2% (versus 1.4% by 2050 in the baseline scenario and 1.9% in 2019).

Moreover, Transit 2.0 policy is expected to drive \$4.7B in increased sales tax revenues for member cities. This incremental revenue could help address the plateauing city tax bases that have financially strained member cities, including Dallas, in recent years.

¹⁷ Represents NCTCOG TDM ridership scaled versus the sum of average weekday unlinked trips for DART, DCTA, and Trinity Metro in 2019, as reported in the NTD database.

¹⁸ Transit mode share includes Dallas, Denton, Tarrant, Rockwall, and Collin County only.

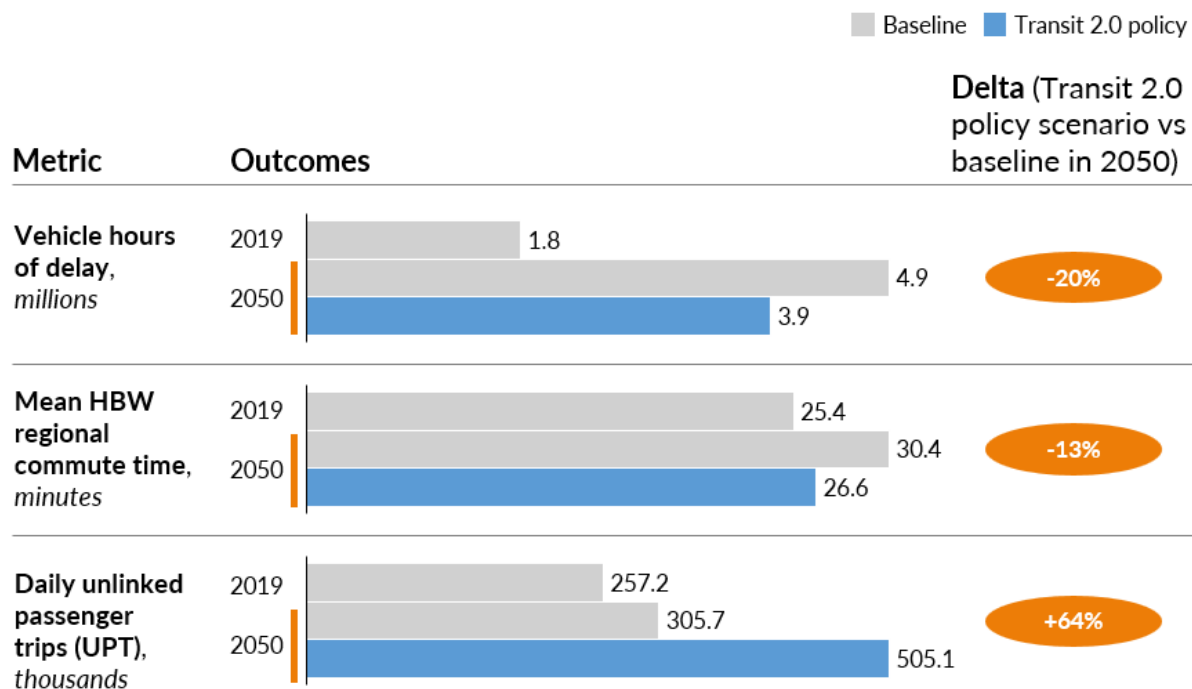
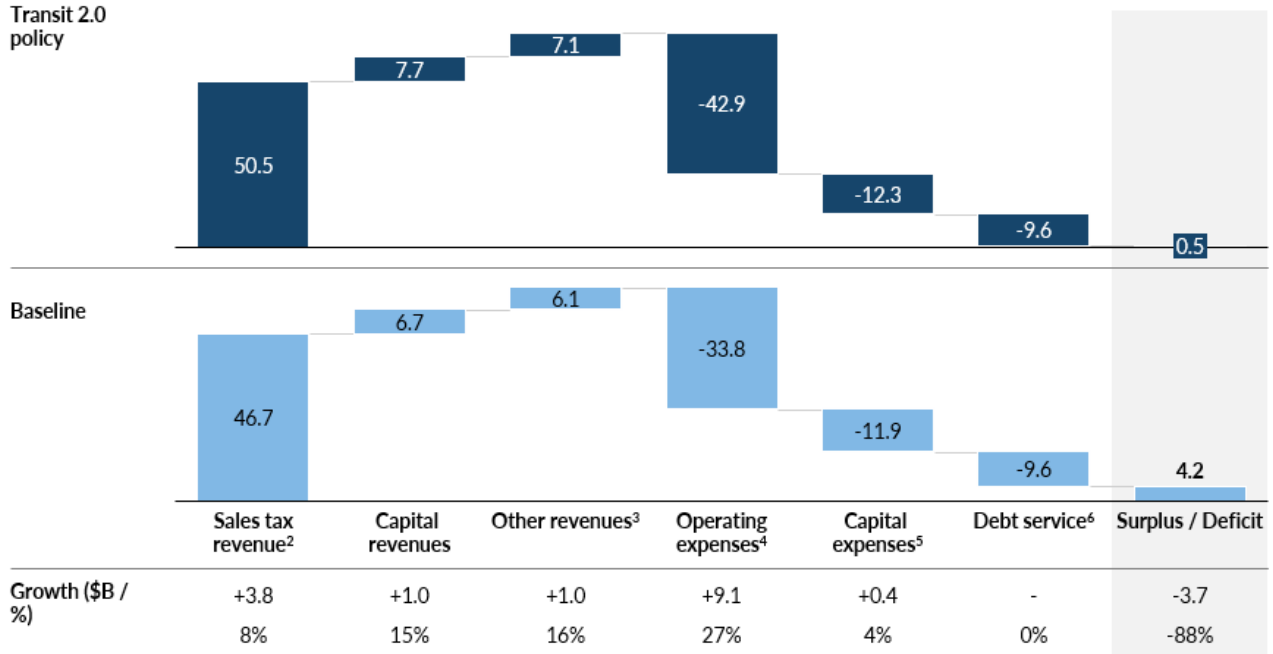


Figure 5: Operational impacts of Transit 2.0 policy scenario

Transit 2.0 policy scenario financial picture

The collective adoption of these Transit 2.0 policy initiatives could result in a balanced financial picture for TAs, as it would allow the region to largely leverage existing financial investments (i.e., from capital investments in transit over the last 50 years).

Projected cumulative cash flows across all NCT TAs, 2025-2050¹, \$ billions



1. Figures may not sum to bar totals due to rounding | 2. Assumes ~4.0% annual growth rate in years beyond TA forecasts in BAU | 3. Assumes 1.0% CAGR for farebox revenues, 2.7% CAGR for other O&M revenues in years beyond TA forecasts, based on DART's inflation forecast for 2025-2044; s | 4. Assumes 2.7% CAGR for O&M costs in years beyond TA forecasts, based on DART's inflation forecast for 2025-2044; Includes TOD set aside | 5. Assumes 50% rolling stock capex funded with Federal grant, assumes 3.5% CAGR for CapEx | 6. Includes DART financial forecasts from 2025-2044 and DART bonds maturing from 2045-2050, based on publicly available data

Figure 6: Financial picture for TAs under Transit 2.0 policy scenario and baseline (2025-50)

Key differences between the modelled Transit 2.0 policy scenario and the baseline scenario are as follows:

- **Sales tax revenue:** The region's TAs could realize an additional \$3.8B in sales tax revenue
- **Capital and other revenues:** The TAs could realize an additional \$2.0B in incremental farebox and other revenue
- **Operating expenses:** The TAs could see an incremental \$9.1B in operating expenses driven by higher service levels and direct investments in density-oriented economic development equivalent to 5% of annual sales tax revenue

Drivers of change in the Transit 2.0 policy scenario

Adoption of the Transit 2.0 policy pillars may require limited incremental spend over the 25-year period. That said, the Transit 2.0 policy pillars modelled in this scenario could have a positive impact on the region's operational and/or financial outcomes, as previously described.

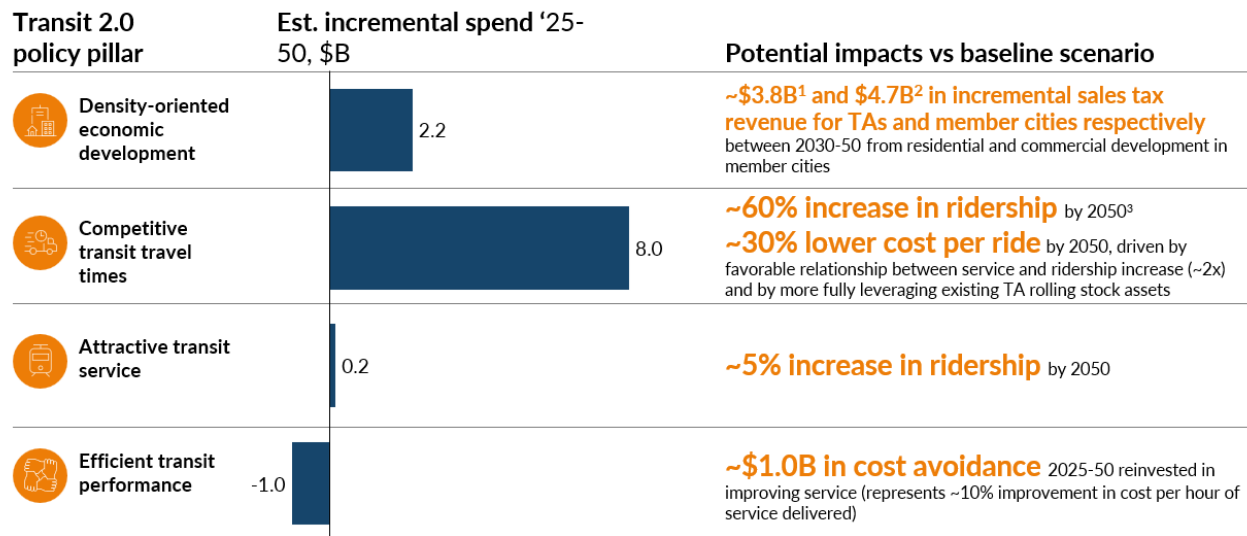


Figure 7: Incremental investments for Transit 2.0 policy pillars

1. **Density-oriented economic development:** Of these four Transit 2.0 policy pillars, density-oriented economic development represents the most significant impact on regional outcomes. With an illustrative \$2.2B in cumulative incremental spend, this policy action could drive **increased residential and commercial development** in member cities, contributing to the substantial **incremental \$3.8B and \$4.7B sales tax revenue for TAs and member cities**, respectively. These outcomes are driven by several actions taken by TAs—in partnership with member cities and NCTCOG—to shape regional economic development and land use strategy, further detailed in a later section.

Further, an increased population density in member cities could make it **easier for TAs to establish fixed routes** that transport a large volume of riders directly to their destinations or from their origins, minimizing the need for additional journey legs.

2. **Competitive transit travel times:** With an illustrative \$8.0B in incremental spend, more competitive transit travel times could contribute to a **~60% increase in transit ridership**, better leveraging the existing transit infrastructure. Faster, more frequent rail and bus services¹⁹ could enhance competitiveness with car travel, boosting consumer satisfaction; current riders expressed that transit times can be twice as long as driving.

¹⁹ Matching best-in-class peer performance on the highest demand corridors in the region.

Further, this policy pillar could result in a **~30% lower cost per ride** by 2050, driven by the favorable relationship between service and ridership increase (~2x) and by more fully leveraging existing transit authority rolling stock assets.

3. **Attractive transit service:** With an illustrative \$0.2B in cumulative incremental spend, a more attractive transit service could attract **~5% more ridership** by 2050. This outcome would be driven by additional investments in safety, security, cleanliness, customer experience, and brand awareness to enhance public perception of transit.
4. **Efficient transit performance:** More efficient transit performance, through consolidation of targeted operational areas across TAs, could help the region **save a cumulative ~\$1.0B**, representing a ~10% improvement in cost per hour of service delivered. There are five levers the region could use to realize these potential cost savings, further detailed in the following section: 1) Region-wide consolidated demand response options, 2) region-wide consolidated end-to-end (E2E) payment systems, 3) leveraging private sector operators, 4) collaborative procurement practices across TAs, and 5) consolidated commuter rail responsibilities.

Section 3: Network expansion scenario

The network expansion scenario in the Travel Demand Model and financial modeling represents significant expenditures on expansion of rail lines and new bus routes. These proposed expansion projects may not drive value commensurate with investment costs unless additional investment is made in regional density and station access.

This scenario models a future in which the DFW region stands up ~170 miles of new regional and light rail, resulting in an ~34% increase in overall service levels by 2050 versus the Transit 2.0 policy scenario. These new rail lines include the Frisco Line, McKinney Line, Silver Line Extension, Scyene Line, Green Line Extension, Midlothian Line, Waxahachie Line, Cleburne Line, TEXRail Extension, and TRE Silver Line connector.

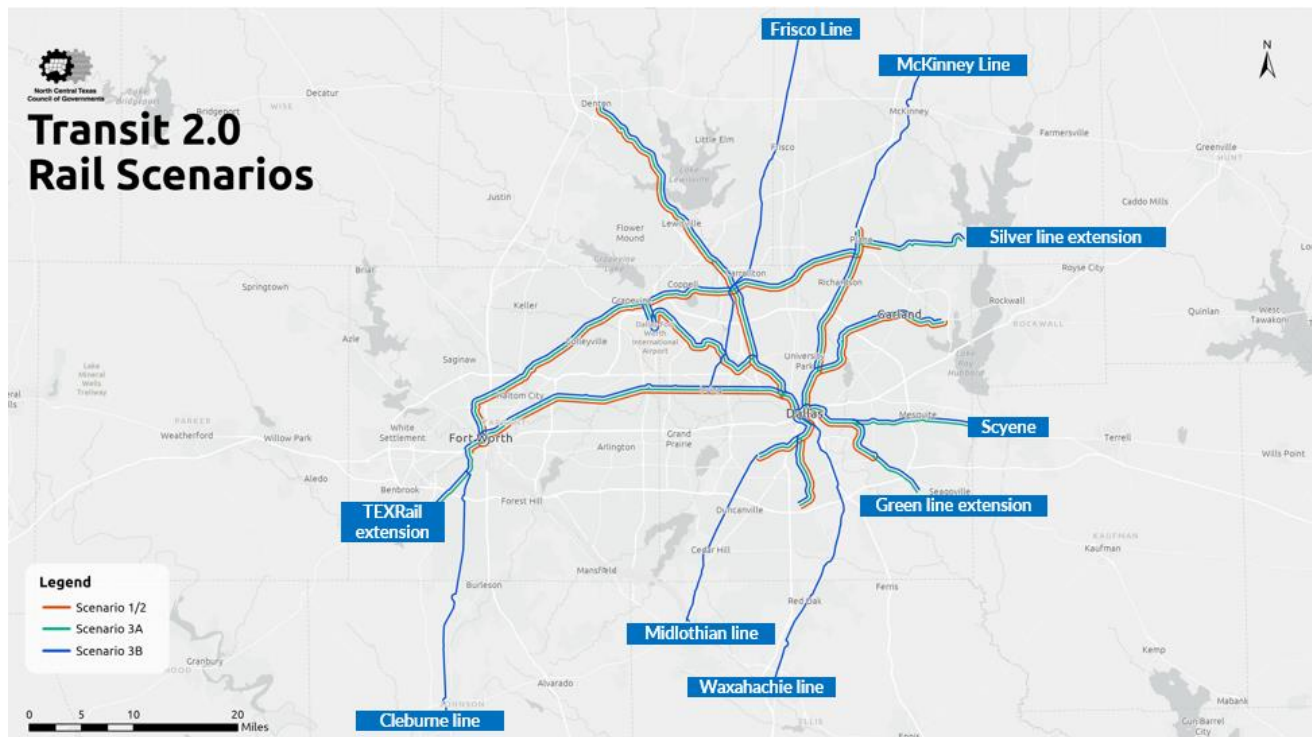


Figure 8: Proposed rail system routes

In addition to the network expansions, this scenario also represents implementation of the aforementioned Transit 2.0 policy levers, including increased transit competitiveness in the current operating area. This scenario, however, does not include any increases in density in the new service areas of the expanded network.

Compared to the Transit 2.0 policy scenario, **the network expansion scenario drives more modest impacts for the region.**

The proposed network expansions could increase weekday UPT by 27% versus the Transit 2.0 policy scenario, driven by incremental ridership on regional rail (+129%), bus (+19%), and light rail (+12%). Though ridership could increase, many residents would continue to rely on private vehicles, indicated by only a slight increase in transit mode share from 2.2% in the Transit 2.0 policy scenario to 2.7% in the network expansion scenario.

Still, despite this boost in ridership, **network expansion alone would likely not have large impact in reducing congestion.**

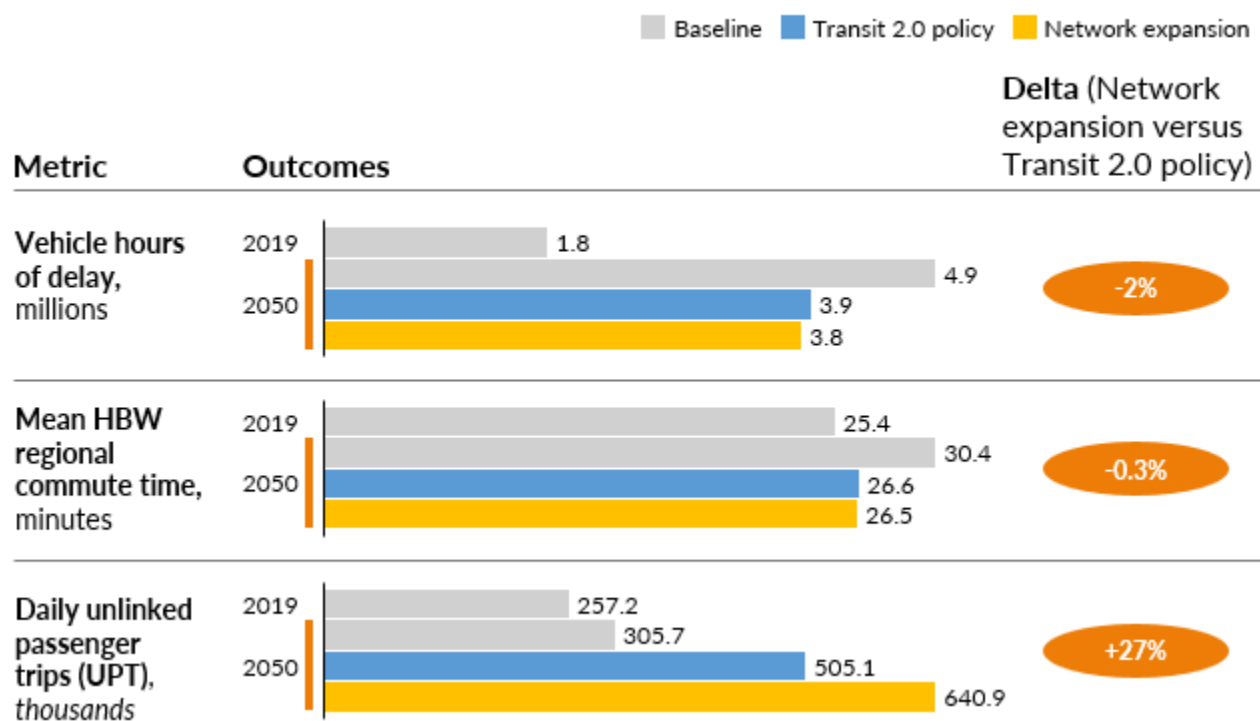


Figure 9: Operational impacts of network expansion scenario

- **Vehicle Hours of Delay:** The network expansion scenario represents only a 2% decrease in vehicle hours of delay.
- **Commute Times:** The network expansion scenario enables only a slight (i.e., <1%) decrease in average HBW commute times, from 26.6 minutes in the Transit 2.0 policy scenario to 26.5 minutes in the network expansion scenario.

The proposed expansions would come at significant capital costs of ~\$15B in addition to the increased operating expenses associated with the new service lines. Therefore, the region will need

to decide whether the benefit of this expansion is commensurate with the cost (i.e. in contrast to the lower costs and higher impacts observed in the Transit 2.0 policy scenario).

While wholesale transit expansion of the transit system network, as modelled in this scenario, showed limited impact compared to adoption of Transit 2.0 policy, **some expansions proved more effective**. For instance, extending the Green Line and Southwest TEXRail and Silver Line East interlining significantly boosted ridership, especially compared to other lines. Similarly, the Frisco Line and McKinney Line, though passing through suburban corridors, also performed well, as they serve growing population centers. The region could prioritize cost-effective expansions that maximize ridership gains.

| Line | Additional ridership (versus Transit 2.0 policy scenario) | Capital cost (\$M YOE) | Cost per added rider (\$M YOE) |
|---|---|------------------------|-----------------------------------|
| Green Line Extension | 9,200 | 606 | 0.07 |
| Frisco Line | 25,700 | 2,909 | 0.11 |
| McKinney Line | 11,000 | 1,817 | 0.17 |
| Southwest TEXRail & Silver Line East | 11,700 | 2,055 | 0.18 |
| Midlothian Line | 2,800 | 1,817 | 0.65 |
| Scyene Line | 2,800 | 1,211 | 0.44 |
| Cleburne Line | 4,000 | 2,371 | 0.59 |
| Waxahachie Line | 3,700 | 2,827 | 0.76 |

Section 4: The path forward and concluding thoughts

To effectively steward public dollars and meet future travel demand, the region could focus on implementation of Transit 2.0 policy initiatives, especially driving density-oriented economic development.

The Dallas–Fort Worth region is at an inflection point in which it must decide how to best address an expected population boom and the resulting increase in travel demand.

As demonstrated, **Transit 2.0 policy could be a promising path forward.** By concentrating housing, jobs, retail, and services within greater proximity to transit hubs, the region could create communities that foster transit usage and reduce dependence on private vehicles. Further, actions to improve transit competitiveness could increase ridership, particularly from choice riders. Density focused around rail stations not only makes transit more effective, maximizing the use of all the transit expenditures to-date, but it also makes better use of North Central Texas's existing roadway system.

These initiatives could drive significant uplift on regional outcomes, thus reducing congestion. The region would be better positioned to capitalize on the transit investments made in the past 40 years, driving value with existing infrastructure and limited incremental spend.

That said, Transit 2.0 alone may not fully address the increased travel demand by 2050, as traffic congestion is still expected to increase significantly even with adoption of these policies.

Therefore, the region could also consider strategic network expansion in combination with adoption of Transit 2.0 policy, along with density increases in new rail corridors. For example, if the regions were to prioritize expansion of only four rail lines, they could see significant increases in ridership at approximately half the capital cost. Standing up only the Green Line expansion, Frisco Line, McKinney Line, and Southwest TEXRail and Silver Line East would drive upward of 20% increase in ridership versus the Transit 2.0 policy scenario including any ridership increases on existing lines from network effects. Expansion of these four lines would require ~\$7B in capital expenditures.

By comparison, standing up all nine proposed lines drives an approximately 5 percentage point increase in ridership versus standing up the key four lines (from an ~20% increase in ridership for the four key lines to a ~25% increase in ridership for all nine lines). However, this would require the region to invest a total of ~\$15B in capital costs.

As such, when considering future transit system network expansion, the region will likely benefit most from a more selective approach, targeting rail lines in areas to the north with higher population density, as with the Frisco Line and McKinney line, or expanding upon existing high-traffic lines, as with the Green Line Extension and TEXRail and Silver Line extension.

To maximize the benefits of rail expansion, **TAs and regional cities should pair it with density-oriented economic development near the station areas and along the new rail corridors.** As the rail network grows, it could connect more residents and businesses to economic opportunities, reducing the reliance on single occupancy vehicles. The increased density of residential and commercial spaces near transit stations could help ensure consistent ridership, especially greater increases than modelled in the network expansion scenario.

Similar success can be seen in national and international examples of transit system improvements and expansion, which North Central Texas might consider as a model for its own. London's recently introduced Elizabeth Line – the city's fastest high-frequency, high-capacity railway, connecting London's outer suburbs to the heart of the city²⁰ – could be one example. Like the proposed rail expansions modelled in North Central Texas, expectations for the Elizabeth Line were modest. However, this line now represents 1 of every 7 national rail journeys in Britain. Driving the rail line's success, the London region continually invests in developing a competitive and attractive transit service, creating ridership gains that outpaced regional expectations.²¹ North Central Texas could potentially see similar outcomes by adopting Transit 2.0 policy initiatives to strengthen existing and new transit infrastructure. Further, the Elizabeth Line paints a picture of the positive impacts of transit-oriented development, in which the region has developed a significant number of housing and employment opportunities around the stations and in the rail corridor.²² North Central Texas could similarly leverage its existing and potential new rail assets to drive further, dense economic development in the region.

To bridge transit gaps and support potential network expansions, the region might also consider increased micro-transit usage (e.g., DART's Go-Link) to meet travel demand. Micro-transit, typically operated as an on-demand transit service offering served by smaller vehicles, could efficiently connect underserved areas – particularly those with low population density – to major transit hubs to enable smoother commutes and encourage use of the transit system. Further, data gleaned through operation of micro-transit about popular destinations and origins could inform TAs as to where they might benefit from adding new fixed-route services. By promoting shared rides, micro-transit may also help reduce congestion and single-occupancy vehicle use. Innovative P3 arrangements (e.g., putting together managed lanes with express bus service) could also be explored to expand the service and access with limited additional public funding.

²⁰ Greater London Authority (2025)

²¹ "A prize worth pursuing: has Elizabeth line shown what rail investment can achieve?" (The Guardian, 2025)

²² "A prize worth pursuing: has Elizabeth line shown what rail investment can achieve?" (The Guardian, 2025)

North Central Texas does face increasing challenges as its population grows. However, Task 8 demonstrates that an improved transit system combined with density-oriented economic development could address some of these challenges. By enacting a joint approach – adopting Transit 2.0 policy actions and strategically expanding the transit system network – the region can leverage both existing and potential new assets to drive increased transit ridership, reducing regional congestion, and to encourage further economic growth of the region.

Appendix

Complete description of the modelled scenarios

| Scenario | Competitiveness of the existing transit network | Network expansion | Service areas |
|--------------------|---|---|--|
| Baseline | Modest improvements in service in line with existing transit authority strategic planning | No network expansion besides ongoing Silver Line projects SGR projects based on DART plans and peer benchmarks | No new member cities |
| Transit 2.0 policy | Greater transit competitiveness driven through frequency, reliability, customer experience, and pro-density growth, in line with policy recommendations from Tasks 2-7 | No network expansion besides ongoing Silver Line projects Minimal additional capital investment to support Transit 2.0 fleet capacity and SOGR | No new member cities |
| Network expansion | Greater transit competitiveness driven through frequency, reliability, customer experience, and pro-density growth, in line with policy recommendations from Tasks 2-7 | Most network expansion projects scheduled in 2050 MTP and in transit authority plans including all bus projects (~\$410M) and most rail projects (~\$15B) | Potential New Member Cities and/or Participants in Local Government Associations. |

Transit 2.0 policy impacts simulated in the financial model

| Scenario | Population density | Competitive transit travel times | Transit attractiveness | Financial performance |
|--------------------|---|---|---|--|
| Baseline | No change (i.e., match existing baseline assumptions) | No change (i.e., match existing baseline assumptions) | No change (i.e., match existing baseline assumptions) | No change (i.e., match existing baseline assumptions) |
| Transit 2.0 policy | <p>TAs to hire land use strategy teams and set aside cash to offer financial incentives to developers, increasing CapEx/OpEx</p> <p><i>Impact on fare revenues via ridership simulated in TDM</i></p> | <p>Decrease headways to be in line with top peers, increasing OpEx with potential increase in expansion CapEx and SOGR CapEx</p> <p>Build dedicated RoW, transit signal priority (TSP) and decrease bus travel times by 25% on existing routes, increasing CapEx and reducing OpEx</p> <p><i>Impact on fare revenues via ridership simulated in TDM</i></p> | <p>Implement attractiveness initiatives (e.g., tap-to-pay infrastructure, increased security personnel), increasing OpEx</p> <p><i>Impact on fare revenues via ridership simulated in TDM</i></p> | <p>Apply additional OpEx and CapEx efficiency levers and establish new revenue sources based on Transit 2.0, increasing revenues and decreasing OpEx and CapEx</p> |
| Network expansion | | | | |

Transit 2.0 policy impacts simulated in the Travel Demand Model (TDM)

| Scenario | Population density | Competitive transit travel times | Transit attractiveness | Financial performance |
|--------------------|--|---|---|--|
| Baseline | No change (i.e., match existing baseline assumptions) | No change (i.e., match existing baseline assumptions) | No change (i.e., match existing baseline assumptions) | Impacts evaluated in the Task 8 financial model only |
| Transit 2.0 policy | Significant increase in population and employment around existing rail network by 2050 | Transit modes are meaningfully more competitive on end-to-end travel time versus car travel | Positive customer attitudes/perception towards transit based on improved safety, security, cleanliness, customer experience | Impacts evaluated in the Task 8 financial model only |
| Network expansion | | | | |

Transit 2.0 network impacts simulated in the financial model

| Scenario | New rail and bus lines | Micro-transit | TA membership |
|--------------------|--|---|---|
| Baseline | No expansion CapEx besides ongoing Silver Line projects (i.e., no transit build' network ²³) | No change (i.e., match existing baseline assumptions) | No change (i.e., match existing baseline assumptions) |
| Transit 2.0 policy | | | |

²³ Also includes planned 2-mile TEXRail extension from T&P to Medical District and DCTA's A-Train 2 mile extension from Frankford to downtown Carrollton; equivalent to the 2026 transit conformity network in the MTP transit projects excel shared by NCTCOG

| | | | |
|--------------------------|--|--|--|
| Network expansion | <p>Expand network to meet regional vision (i.e., most proposed projects) driving ~\$15B expansion CapEx</p> <p>Maintain new fleet, increasing SOGR CapEx</p> <p>Provide service to new lines, increasing OpEx</p> | Modest expansion in micro-transit , increasing OpEx | Potential for 1% sales tax contribution from 1-2 new member cities to be served by expanded regional rail network |
|--------------------------|--|--|--|

Transit 2.0 network impacts simulated in the Travel Demand Model (TDM)

| Scenario | New rail and bus lines | Micro-transit | TA membership |
|-----------------|---|--|---|
| Baseline | No new rail or bus lines besides ongoing Silver Line projects (i.e., 'no transit build' network) ²⁴ | No change (i.e., match existing TDM baseline assumptions) | <i>Impacts evaluated in the Task 8 financial model only</i> |

²⁴ Also includes planned 2-mile TEXRail extension from T&P to Medical District and DCTA's A-Train 2 mile extension from Frankford to downtown Carrollton

| | | | |
|---------------------------|---|---|--|
| Transit 2.0 policy | <p>No new rail or bus lines besides ongoing Silver Line projects (i.e., 'no transit build' network)</p> <p><i>Potential fleet expansions to meet increased service levels to be evaluated in financial model</i></p> | | |
| Network expansion | <p>Fully expand the network in line with regional vision from MTP (i.e., network includes most of proposed MTP and transit authority capital expansion projects, ~\$15B total CapEx)</p> | <i>No expansion of micro-transit modelled</i> | |

Details of Transit 2.0 policy scenario modelling

Density-oriented economic development: In the Travel Demand Model for Transit 2.0 policy scenario, density-oriented economic development was illustratively represented as increased population density around urban and suburban rail stations in transit authority member cities. These catchments were modelled to match the average density of the top-quartile densest catchments in their segments. As a result, in this illustrative scenario, member cities' population density rose from the current average ~3.1k persons per square mile to ~4.1k persons per square mile, aligning with the current population density of Addison and Richardson, Texas. This illustrative increase in population density could still represent economic development the region is familiar with, including single-family homes, as depicted in current day Addison, Texas, shown below.

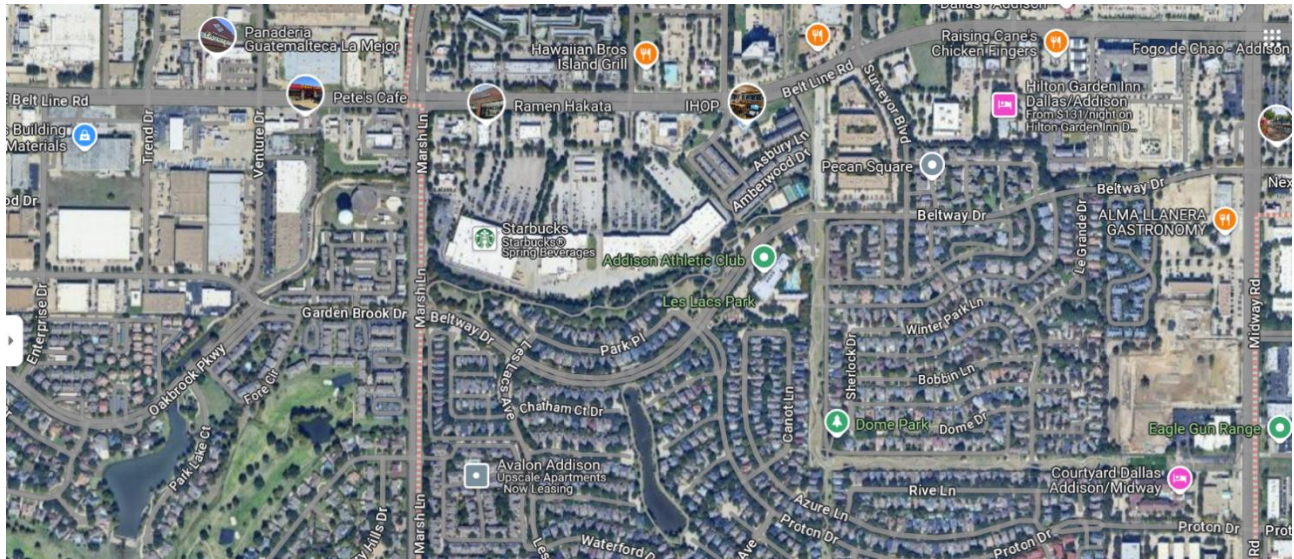


Figure 10: Residential neighborhood in Addison, Texas²⁵

Transit competitiveness: Transit 2.0 policy vision and financial modelling approach overview

| Transit 2.0 policy vision | Tactical implementation (for TAs only) | Modelled impacts |
|--|--|--|
| <p>Frequency in line with top peers:</p> <p>10-15-minute peak frequencies on bus routes; Nonpeak bus frequencies limited to 20 minutes across the network</p> <p>5-minute peak, 15-minute off-peak for light rail lines</p> <p>15-minute peak, 30-minute off-peak for regional rail lines</p> | <p>TAs increase bus and rail service on existing lines to meet new frequency standards</p> <p>Acquisition of bus and rail vehicles needed</p> | <p>207 new buses and rail vehicles needed above current number of vehicles operated at maximum service (VOMS) – >\$600M onetime CapEx</p> <p>\$4B additional OpEx to operate higher levels of service, assuming a constant relationship between changes in VRH and OpEx</p> |

²⁵ Google Maps (2025)

| | | |
|--|--|---|
| | | |
| <p>Faster bus travel speeds based on dedicated RoW and TSP initiatives</p> <p>Average bus travel speed increase of ~25% across the network, from expected impact of dedicated RoW and TSP initiatives; based on peers who implemented similar initiatives</p> <p>No increase assumed for rail travel speed</p> | <p>Development of dedicated RoW on high-potential bus corridors</p> | <p>\$40-80M estimated onetime CapEx for building infrastructure related to dedicated bus right of way</p> <p>\$1-2M estimated onetime CapEx calculated for implementing TSP at ~100 high-demand intersections</p> |

Transit attractiveness: Transit 2.0 policy vision and financial modelling approach overview

| Transit 2.0 policy vision | Tactical implementation (for TAs only) | Drivers impacted | Illustrative investments, based on Transit 2.0 recommendations |
|---|--|------------------|--|
| <p>Safest public transit network in the country (i.e., driven by coordinated safety/security efforts across the region) based on peer benchmarks</p> <p>Facility and vehicle cleanliness on par with best-in-class global peers</p> <p>User experience in line with global peers (e.g., improved wayfinding, real-time data display at</p> | <p>TAs invest in initiatives to increase perceived and actual safety and security</p> | OpEx | <p>Public safety personnel</p> <p>Station infrastructure (e.g., call boxes, light fixtures at dark bus stops, rail platform doors) that enhance safety</p> |
| | <p>TAs invest in initiatives to improve cleanliness at stations and on transit</p> | OpEx | <p>Janitorial personnel</p> <p>Enhanced sanitation procedures (e.g., clean end of line 2x/month rather than 1x/month)</p> |
| | <p>TAs invest in initiatives to</p> | OpEx | <p>Real-time data displays</p> |

| | | | |
|---|--|------|--|
| transit hubs, mobile application, alerts) Seamless payments integrated across TAs | enhance rider experience | | Seamless payment infrastructure (e.g., tap to pay) Mobile applications/alerts |
| Riders are likely to recommend DART, DCTA or Trinity to a friend (i.e., NPS of ~+30 in line with top global peers) | TAs improve marketing, branding, and communications | OpEx | New marketing campaigns Community outreach events (e.g., customer giveaways) |

CapEx investments in transit attractiveness were not simulated in the financial model, as expected impact is minimal.

Efficient transit performance: There were four levers modelled in the Transit 2.0 policy scenario to help the region save a potential ~\$1.0B through collaborative efficiencies. These values are preliminary and illustrative estimate – with further effort required to refine potential impacts:

- 1. Region wide-consolidated demand response options:** The model assumes that all outsourced demand transits become as efficient as the most cost-effective contract on a cost-per-ride basis, saving a cumulative ~\$560-690M by 2050.
- 2. Region-wide consolidated end-to-end (E2E) payment systems:** The model assumes that the efficiency gains from regional integration could be reinvested to streamline payment processes, though this would not generate savings.
- 3. Leveraging private sector operators:** From a financial perspective, the model does not assume that TAs leverage private sector operators. However, TAs could leverage private sector innovation to help transit operations (e.g., TRE) increase efficiency in line with top peer benchmarks. This could also allow TAs to focus on more strategic priorities and initiatives, rather than day-to-day operations.
- 4. Collaborative procurement practices across TAs:** The model assumes savings of \$300-360M by 2050 driven by TAs enacting collaborative procurement processes for key addressable spend categories (e.g., new rolling stock, ties, rail, repair parts for rolling stock, etc.)

5. **Consolidated commuter rail responsibilities:** The model assumes that the region's three TAs achieve 10% operational synergies across SG&A, maintenance talent, and facilities, saving a cumulative \$80-100M by 2050.

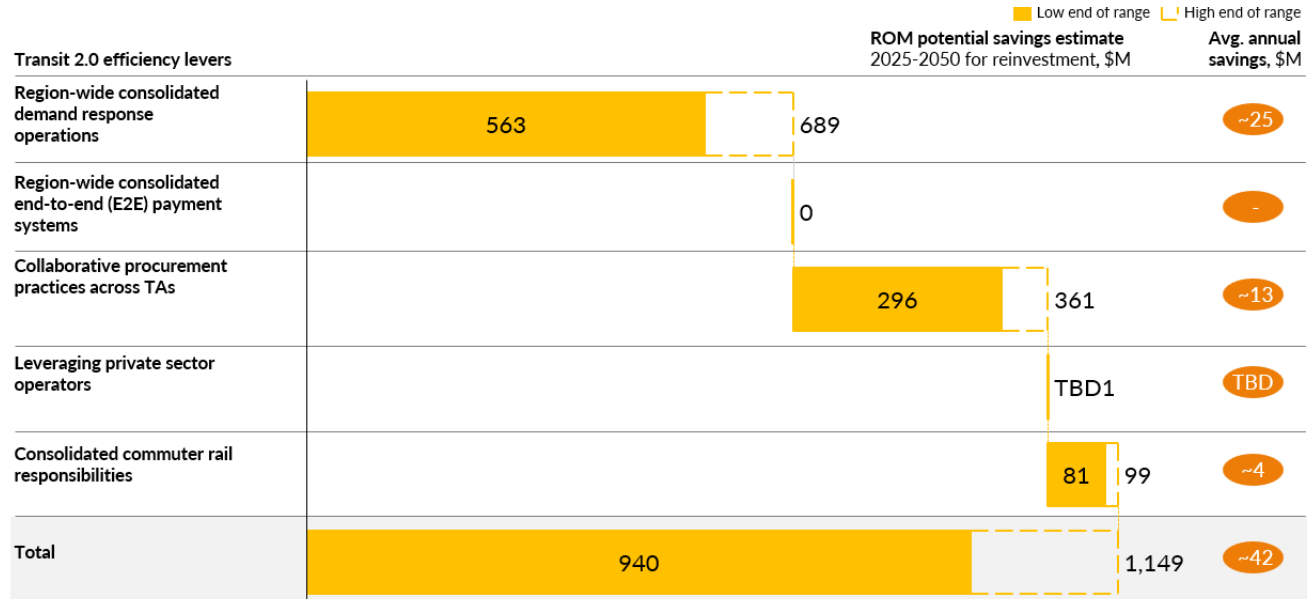


Figure 11: Rough Order of Magnitude (ROM) potential savings for Transit 2.0 efficiency levers

Ridership gains in the Transit 2.0 policy scenario

| Line | Ridership gains (versus baseline) | % of baseline ridership |
|-------------|-----------------------------------|-------------------------|
| Green Line | 25,900 | 16.7% |
| Red Line | 15,500 | 10.0% |
| Blue Line | 15,100 | 9.8% |
| Orange Line | 14,600 | 9.5% |

| | | |
|---------------------------------------|--------|------|
| TExRail Line and Silver Line combined | 12,000 | 7.8% |
| Trinity Railway Express | 7,200 | 4.7% |
| DCTA A Train | 2,600 | 1.7% |
| McKinney Trolley | 2,200 | 1.4% |

Modelled rail line network expansions

| Line | From | To | Miles |
|---|-----------------------------|-------------------------------------|---------|
| Frisco Line | South Irving Transit Center | City of Celina | 37 |
| Waxahachie Line | Downtown Dallas | City of Waxahachie | 31 |
| Cleburne Line | Fort Worth Central Station | Cleburne Intermodal Transport Depot | 30 |
| Midlothian Line | Westmoreland | Midlothian Central | 18 |
| McKinney Line | Parker Road Station (Plano) | McKinney North | 18 |
| Scyene Line | Lawnview | Lawson Road | 12 |
| TEXRail and Silver Line interlining (extension) | Medical District Shiloh | McPherson Wylie | 10 9 |
| Green Line (extension) | Buckner Boulevard | South Belt Line Road | 6 |

