

Memorandum



CITY OF DALLAS

DATE August 23, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Streetcar Appropriation for Operation and Maintenance Funding**

On August 28, 2019, the City Council will consider a resolution to provide operation and maintenance (O&M) funding for FY 17/18 and FY 18/19 for the Dallas Streetcar. This funding will include \$1,360,500 from the General Fund and \$1,360,500 from the Streetcar Developer Fund for a total of \$2,721,000.

The Dallas Streetcar is a City-owned transportation facility that is operated and maintained by Dallas Area Rapid Transit (DART) on behalf of the City. This cooperative arrangement for O&M was set up through several interlocal agreements between the City and DART. An update to these interlocal agreements will also be considered as a separate action by City Council on August 28, 2019.

Funding for the operation of the streetcar comes from four sources: the General Fund, the Streetcar Developer Fund, DART, and fare collections.

On April 25, 2018, City Council authorized \$975,000 from the General Fund for Streetcar O&M in FY 17/18. These funds were inadvertently unencumbered and will be re-authorized by the City Council action on August 28, 2019. The General Fund need for both FY 17/18 and FY 18/19 is \$1,360,500.

The Streetcar Developer Fund was established as a result of a developer agreement with the City and the Davis Garden TIF District whereby \$3,000,000 would be provided by the developer over a ten-year period. The Streetcar Developer Fund need for both FY 17/18 and FY 18/19 is \$1,360,500.

DART has committed to provide O&M funding over a 20-year period. For both FY 17/18 and FY 18/19, DART will contribute \$1,177,012 towards Streetcar O&M. In future years, DART's contribution will increase by 3% annually.

On April 25, 2018, City Council directed staff to implement a \$1 fare for the Dallas Streetcar. This fare would be collected by DART using DART's new fare collection system. However, the projected cost for installing the fare collection equipment and implementing the fare collection program has escalated by 800% since the City Council was briefed. Transportation staff will seek further direction from City Council later this fall. Proceeds from fare collection are not available for FY 17/18 or FY 18/19.

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Please contact Michael Rogers, Director of the Department of Transportation, at michael.rogers@dallascityhall.com if you have any questions or concerns.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Michael Mendoza, Chief of Economic Development and Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors