

Memorandum



CITY OF DALLAS

DATE April 10, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Funding for Dallas Streetcar O&M and Fare Implementation**

At the City Council meeting on February 12, 2020, the City Council deferred taking action on authorizing expenditures for the operations and maintenance (O&M) of the Dallas Streetcar (agenda item 17) and remanded the item back to the Transportation and Infrastructure Committee for additional consideration.

The City Council desired to consider alternative methods to fund the Dallas Streetcar O&M, including relying upon Tax Increment Financing districts (TIFs). Staff from the Department of Transportation and the Office of Economic Development are currently researching the following potential funding alternatives:

- The legality and feasibility of using TIFs for funding streetcar O&M.
- Evaluating the benefit and nexus for using the Tourism Public Improvement Districts (TPID) or the Downtown Improvement Districts (DID) for funding Streetcar O&M.
- Creating a new public improvement district with a boundary that coincides with the areas of highest benefit.
- Partnering with a private party to operate the streetcar and generate revenue from a combination of advertising, fare collection, and activating adjoining available land.

In addition to the questions regarding alternative funding mechanisms, the City Council expressed concern regarding the delay in implementing fare collection for the Dallas Streetcar. City staff have received Dallas Area Rapid Transit's (DART) commitment to implementing the fare this summer. Part of the process of implementing the fare is conducting a multi-step public hearing process. This process began on March 24, 2020 with the DART Committee formally requesting the Call for a Public Hearing. The process, including required public notification times, will conclude with the DART Board holding the public hearing on July 7, 2020.

DART is also addressing the technology installation on each of the streetcars to collect the fare. DART anticipates having adequate time to install and test the equipment before the July 7th Board date. The fare collection should begin in late July 2020.

Staff will be presenting the results of their research and updates on the fare implementation to the Transportation and Infrastructure Committee and the Economic Development Committee in the coming months for consideration and further direction.

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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 Al-Ghafry, P.E.
Assistant City Manager

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| T.C. Broadnax, City Manager | Joey Zapata, Assistant City Manager |
| Chris Caso, City Attorney | Nadia Chandler Hardy, Assistant City Manager |
| Mark Swann, City Auditor | Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services |
| Biliera Johnson, City Secretary | M. Elizabeth Reich, Chief Financial Officer |
| Preston Robinson, Administrative Judge | Laila Aleqresh, Chief Innovation Officer |
| Kimberly Bazor Tolbert, Chief of Staff to the City Manager | M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion |
| Jon Fortune, Assistant City Manager | Directors and Assistant Directors |