

# Memorandum



CITY OF DALLAS

DATE December 3, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item #37 December 8, 2021, City Council Agenda - Dallas Streetcar Operations and Maintenance Funding for FY 21-22**

The Dallas Modern Streetcar is a City owned facility that links the downtown Central Business District (CBD) to the Methodist Hospital in Oak Cliff and the Bishop Arts District. The system includes six stops on 2.3 miles of track all within the City street network. The system was constructed using \$81 million in State and Federal grant funds with the expectation of providing an economic stimulus, neighborhood revitalization, and an alternate mode of public transportation for at least a 30-year period.

The City maintains Interlocal Agreements (ILA) with the North Central Texas Council of Governments (NCTCOG), Federal Transit Administration, Texas Department of Transportation, and with Dallas Area Rapid Transit (DART) pertaining to the Dallas Streetcar System. These ILA's established the City of Dallas as the owner of the Dallas Streetcar and allow for the City to rely on technical expertise from DART to operate and maintain the Dallas Streetcar.

In these ILA's with DART and with NCTCOG, the City has agreed to provide continued funding for the operation and maintenance of the Dallas Streetcar. Fulfilling this requirement has required collecting funds from multiple sources each fiscal year. The following funding sources are proposed for FY 21-22:

<b><u>O&amp;M ESTIMATED COST</u></b>	<b><u>FY 22</u></b>
	\$2,456,885
<b><u>FUNDING SOURCES</u></b>	
DART Contribution (Love Field)	\$ 652,580
Streetcar Developer Fund	\$ 300,000
Fare Collection	\$ 36,000
Advertising	\$ 0
Oak Cliff Gateway TIF	\$ 475,000
General Fund	<u>\$1,000,000</u>
Total Funding	<b>\$2,463,580</b>
<i>Estimated Surplus</i>	\$ 6,695

On September 27, 2021, the Oak Cliff Gateway Tax Increment Financing (TIF) District Board recommended that \$475,000 in TIF funds be allocated to the Streetcar Operations and Maintenance (O&M) for FY 21-22. Likewise, the approved General Fund budget for FY 22 has allocated \$1 million in funds for Streetcar O&M in FY 22.

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Authorization to allocate the funding from the Oak Cliff Gateway TIF District and the General Fund will be brought to City Council for consideration on December 8, 2021 to meet the City's funding obligation for this year.

If you have questions or need additional information, please contact Ghassan Khankarli, P.E., Director of the Department of Transportation, at [ghassan.khankarli@dallascityhall.com](mailto:ghassan.khankarli@dallascityhall.com).



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- Jon Fortune, Assistant City Manager  
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Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors