

**To the Mayor and Members of the City Council****October 20, 2020**

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**SUBJECT: TRINITY METRO FUNDING REQUEST FOR TEXRAIL EXTENSION
AND LANCASTER BRT PROJECTS**

On September 15, 2020, Trinity Metro submitted the attached letter to the City formally requesting a total of \$86.1 million in City funding to support two major transit projects. The first project is the Lancaster Avenue Bus Rapid Transit (BRT) project, which is planned to extend from Central Station in Downtown Fort Worth east along East Lancaster Avenue to Handley Drive. The specific request for this project is \$25 million. The second project is the extension of TEXRail from T&P Station south to the Near Southside Medical District. That request is for \$61.1 million in City funds. To better evaluate these requests, we have asked for project and financial information from Trinity Metro, as described in the second attached letter.

Please let us know if you have any questions on this information.

David Cooke
City Manager

Attachments (2)

September 15, 2020

David Cooke
City Manager
City of Fort Worth
200 Texas Street
Fort Worth, Texas 76102
david.cooke@fortworthtexas.gov

Delivered via USPS and electronic mail

Dear City Manager Cooke,

Trinity Metro is in the early stages of two projects aimed to expand public transportation in Tarrant County.

We are designing a new Bus Rapid Transit (BRT) route on Lancaster Ave. This route will stretch from Fort Worth Central Station to the Handley Street/Lancaster Ave insection, covering a seven mile route. The project cost for the BRT is currently estimated at \$160MM. Local funds in the amount of \$25MM are requested to complete this corridor, assuming TXDOT contributes \$50MM for the project.

Trinity Metro is also planning to extend TEXRail south into the Near Southside/Medical district. At this time, we have \$58.9 million earmarked from TXDOT and FTA in the form of remaining 5309 funds from the original TEXRail Construction and NCTCOG CMAQ funds. A local funding match in the amount of \$61.1MM is needed, for a total of \$120MM to complete this project.

Please consider this letter a formal request from Trinity Metro to the City of Fort Worth for a combined total of \$86.1MM, to be divided into \$25MM for BRT and \$61.1MM for the TEXRail extension. We appreciate your consideration of this matter.

Sincerely,



Bob Baulsir
President/CEO





October 15, 2020

Bob Baulsir, CEO
Trinity Metro

Dear Bob:

Thank you for your letter dated September 15, 2020, requesting funding from the City for two transit projects: the extension of TEXRail from T&P Station to the Near Southside Medical District and a new Bus Rapid Transit project along East Lancaster Avenue connecting to Central Station. The letter requests a City contribution of \$61.1M and \$25M for these two projects, respectively. To better evaluate these requests, the City respectfully requests from Trinity Metro additional information regarding the projects, financial, and operational documents and other details to inform our decision on how much and when such investments might be made.

TEXRail Extension

Your letter indicates that this project is being planned. Please provide engineering reports on the status of project planning, permitting, design, and future construction completion/start-up. These schedules should be accompanied by detailed engineer's estimates of project costs by phase.

Provide a summary of negotiations with key stakeholders including the railroads, FTA, TxDOT, NCTCOG, and others whom you have identified as financial or regulatory participants in this project.

Provide a detailed schedule demonstrating committed and potential sources and uses of funding and the correlated timeline in which these funds would be utilized over the remaining project life. This schedule should include potential City funding as requested for the project as well as required match share requirements for all non-local funding sources.

Please provide an analysis detailing the increases in costs to operate and maintain the proposed extension and Trinity Metro's plan to cover the increased operating expenses. Among these expenses should be a capital reserve for future capital replacements and the local matching funds anticipated to come from Trinity Metro's own resources.

In addition, please provide the original business plan for TEXRail, any revisions to the business plan, and the historical and current TEXRail performance compared to these plans.

East Lancaster Avenue BRT

Your letter indicates that you are in the early stages of planning this project. Please provide details on what work has been accomplished to date.

The City has previously spoken with TxDOT about reprogramming planned work along East Lancaster Avenue for use as part of the larger proposed transit project. Please provide a detailed schedule demonstrating other committed and potential sources and uses of funds for this project and the timing of how and when these funds would be utilized over the life of the project. We are specifically interested in formal commitments made by NCTCOG and the FTA.

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Please provide an analysis detailing the increases in costs to operate and maintain the proposed BRT and associated facilities and Trinity Metro's plan to cover the increased operating expenses. Among these expenses should be a capital reserve for future capital replacements and the locally matching funds anticipated to come from Trinity Metro's own resources.

General Financial and Operational Issues

Finally, with Trinity Metro's recent budget request for operational and capital funding of \$10M during the City's FY 2021 budget process, Trinity Metro reported greatly reduced expectations for sales tax revenue (approximately 30% less than the sales tax projections made by the City). Fred Crosley reported to City Council that any additional revenue received would be utilized for debt service, a major expense line item that did not appear in Trinity Metro's operating budget. For these and other reasons, we need to better understand Trinity Metro's current and projected financial position. Please provide copies of Trinity Metro's Balance Sheet, Income Statement, and Cash Flow Statements for FY2020 and FY2019. In addition, we would need to review your audited financials for 2018, 2019, and 2020, final budget to actuals reports for FY2020, as well as your final approved FY 2021 operating and capital budgets. Additional documents may be requested after we review the above documents. We have attached a summary of all Trinity Metro funding requests made and under recent or future consideration, totaling over \$99M in City funding.

The City will provide additional information to assist Trinity Metro's team with identifying and documenting the financial and project-related details we're requesting. Our Planning and Data Analytics Assistant Director, Terry Hanson, will be point of contact on financial documentation and requests and Chad Edwards will be the point of contact for the requested project planning and engineering documents.

We look forward to working with the Trinity Metro team as we evaluate your request and the supporting documentation requested above. An effective and reliable transit system is a critical component in the future growth and economic viability of our City and we value our partnership with Trinity Metro as our transit services provider.

Sincerely,



David Cooke
City Manager

Cc: Jeff Davis, Chairman, Trinity Metro Board
Fred Crosley, Trinity Metro CFO
Michael Morris, NCTCOG
Dana Burghdoff, City ACM
Reggie Zeno, City CFO
William Johnson, City TPW
Chad Edwards, City TPW

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Trinity Metro Funding Request Description	Amount Requested	City Commitment
FY2020 Funding		
Bus Reorganization (year 1)	\$250,000	\$250,000
Mobile Phone App	\$500,000	\$500,000
Near Southside ZipZone (year 1)	\$250,000	\$250,000
DASH (year 2)	\$150,000	\$150,000
Easy Ride Program	\$500,000	\$20,000
Lancaster BRT TOD Grant Match	\$100,000	\$100,000
Solar Panels - Bus Shelters*	\$100,000	\$100,000
Updated Bus Stop Signage*	\$300,000	\$300,000
Total	\$2,150,000	\$1,670,000
FY2021 Operations Funding		
McCart Ave and Crosstown Bus Frequency Increases	\$3,070,425	\$0
Southeast ZipZone	\$1,800,000	\$0
Alliance Express Service	\$1,215,680	\$0
Alliance ZipZone	\$800,000	\$0
Amazon Route	\$450,000	\$0
Total	\$7,336,105	\$0
FY2021 Capital Funding		
New Route Network	\$500,000	\$0
Updated Bus Stop Signage*	\$890,000	\$0
East Transfer Station Upgrade	\$500,000	\$0
Sidewalks/ADA Improvements	\$650,000	\$650,000
Solar Panels - Bus Shelters*	\$100,000	\$0
Bus Reorganization (year 2)	\$250,000	\$250,000
Near Southside ZipZone (year 2)	\$250,000	\$250,000
Transit Initiatives TBD	\$350,000	\$350,000
Easy Ride Program	\$24,000	\$24,000
DASH (year 3)	\$150,000	\$150,000
Total	\$3,664,000	\$1,674,000
Other Project Funding Requests		
TEXRail Extension Near Southside	\$61,100,000	<i>Pending</i>
Lancaster Ave BRT	\$25,000,000	<i>Pending</i>
Total	\$86,100,000	<i>Pending</i>
Grand Total All Requests	\$99,250,105	\$3,344,000

*Requested for FY21 and funding appropriated in FY20

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