

The Search for New Funding Sources

The Transit Quest in the Next Decade

Managing the New Reality

Change the way you do everything!

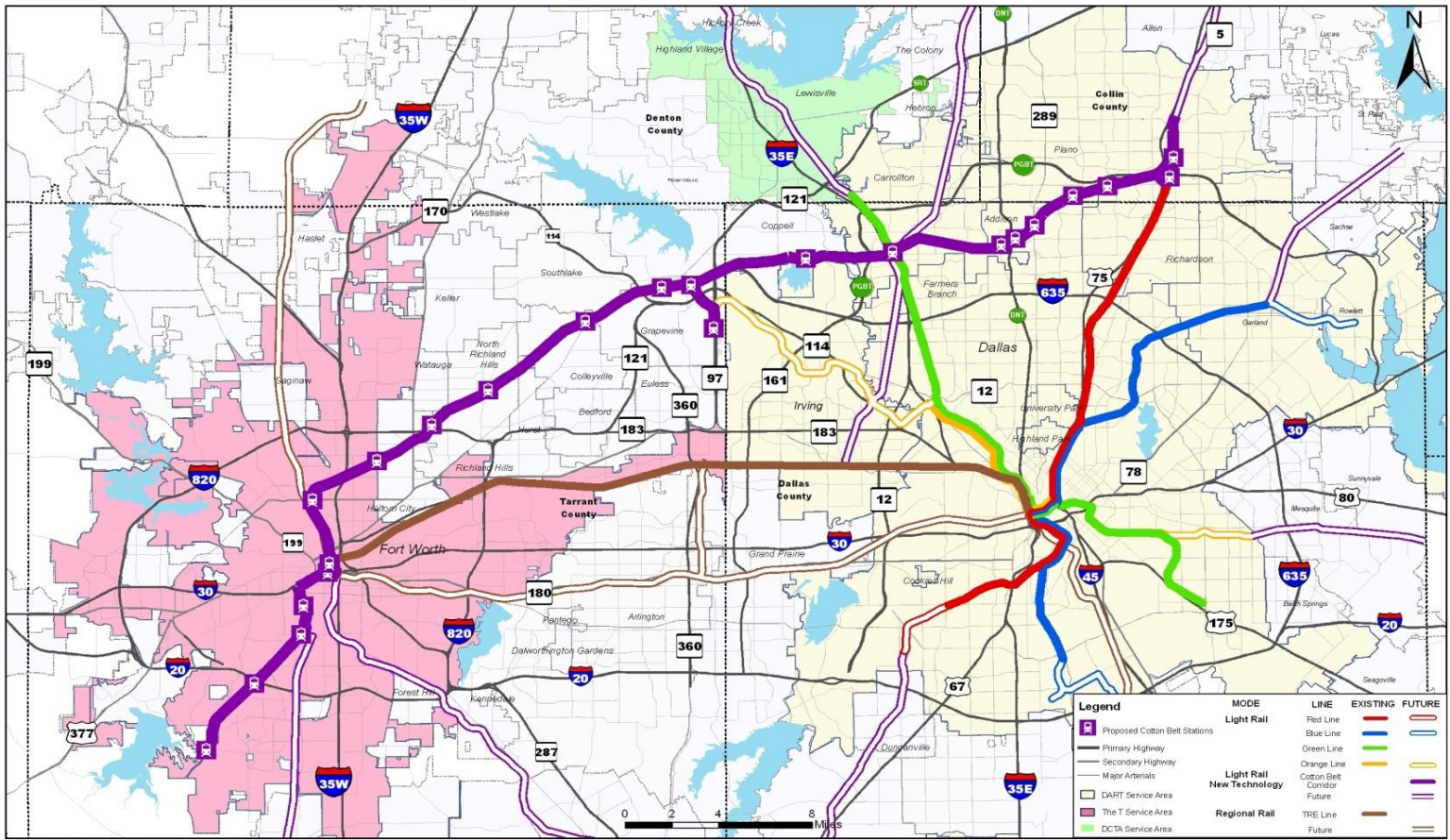
- Changing the project delivery methods to reduce capex costs
 - Shift to design/build procurements for DART light rail lines: Irving Orange Line and Rowlett Blue Line extension
 - Shift to common commuter rail vehicles and pool procurement to obtain volume cost benefits
- Changing the project management methods to reduce opex costs –DBOMF
- Seeking value capture solutions to augment or replace traditional transit financing streams

Light Rail New Technology (LRNT)



A Current Example

The Cotton Belt Commuter Rail
Project Serving the Dallas Ft. Worth
region



RAIL NORTH TEXAS
Existing and Proposed Passenger Rail Lines



Cotton Belt PPP Initiative

- Develop a data base of interested firms
- Generate interest among industry participants
 - Conduct a project symposium
 - Obtain private sector input
- Begin dialog and networking
- Obtain information for planning
- Identify opportunities and challenges

DART/T Value Capture Initiative

- DART and the Ft. Worth Transportation Authority, in conjunction with the regional MPO, have embarked upon an assessment of the potential of value capture to fund a regional commuter rail project
- Project initiative began in June 2010 and assessment process will be completed by Fall 2011

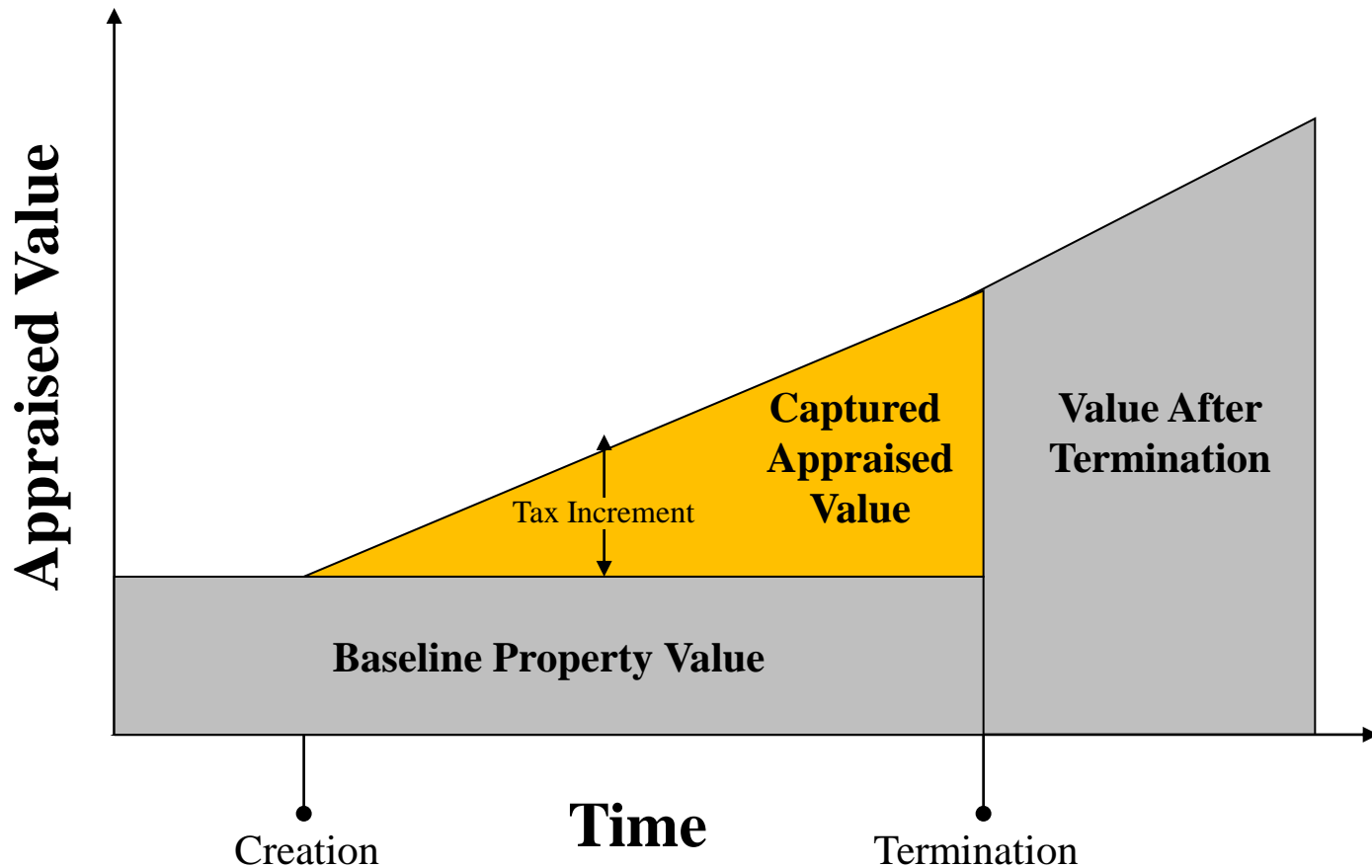
Potential Revenue Sources

- Non-geographic
 - Advertising
 - Fiber Optic
 - Federal and state loans
 - Rapid or Smart Card
 - Parking
- Geographic
 - Public land development
 - Value Capture – Special Districts

Other Key Revenue Sources – For Capital & Operating Expenses

- Rapid Card Opportunity
- Railcar Manufacturing Facility
- Non-Member Equity Payments
- Advertising
- Parking
- Coordinated Multimodal Leveraging

Value-Capture Mechanism



Value Capture – Implementation

- Municipal Management Districts (MMD)
- Transportation Reinvestment Zone (TRIZ)
- Public Improvement District (PID)
- Tax Increment Financing (TIF)
- Developer Support

In Conclusion

- The solutions to government revenue shortfalls (from all levels) require transit agencies to challenge everything: project delivery, project management, traditional revenue sources
- Value capture, while helpful, cannot be expected to be the entire or even the major substitute for traditional tax revenues
- Project financing in the future will be more complicated, take much more effort, and will be more unconventional