Authorize Exception to Section 3.04 of Policy III.07

Committee-of-the-Whole
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Today’s Consideration

• Authorize an exception to the 36-month contracting limitation under Policy III.07, Section 3.04, to allow Allen, Wylie, and Fairview an additional 36-month extension to complete the service plan, financial plan and plan for membership
Background of Policy III.07

• January 23, 2015 (Resolution No. 150123) -- The Policy III.07 was modified to permit contracting for transit services if DART and the municipality completed a transit system plan, financial plan, and plan for DART membership within 36 months
  – No requirement for an election
  – No definition of membership
Current Contracts under Policy III.07

• DART has four interlocal agreements for contracted transit service with non-service area cities including:
  – Allen
  – Wylie
  – Fairview
  – Mesquite
• All of these agreements expire on September 30, 2019
Policy III.07 Issues – Allen, Wylie and Fairview

- Policy III.07, Section 3.04, requires that cities complete a transit system plan, financial plan and plan for membership within 36 months of the initiation of the contract.
- The Collin County Commissioners’ Court requested that the North Central Texas Council of Governments (NCTCOG) develop plans for the entire Collin County rather than DART as specified in Policy III.07.
- NCTCOG planning efforts will begin in FY2020 and end in FY2021. Building community support for the plans will likely continue into FY2022.
- Board will need to approve an exception to Policy III.07, Section 3.04, to allow these cities to continue service until NCTCOG completes the planning effort and develop public support for the future service plan.
Policy III.07 Issues – Mesquite

• In June 2019 the Mesquite City Council directed Mesquite staff to convert its Compass Route to STAR Transit operation, without any DART involvement, effective October 1, 2019
• Mesquite Council also directed staff to use STAR Transit for future microtransit and fixed route transit services
• STAR Transit will need to negotiate an amendment to its access agreement to add Lawnview and Buckner Stations to the existing access agreement for UNT station
• This change will eliminate the need for any exception to Policy III.07 involving Mesquite
New Competition for DART

- Rural transit districts that have no dedicated funding are approaching cities surrounding DART about new contract services like microtransit, fixed route bus service, transit assistance programs.
- DCTA has recently begun promoting its ability to provide contract services to any city, including automated vehicles, microtransit, planning, transit assistance and paratransit, bus and commuter rail service, technology.
- Trinity Metro is also promoting its ability to provide contract services to non-service area cities without requiring dedicated, voter-approved funding.
Reasons to Contract

• Encourages interest in transit and DART in cities without transit
• Regional financial support for DART lead technology investments and federal grants
• Helps build strong relationships with non-service area cities for long term support for local option taxes
• Prevents expansion by other transit districts to cities surrounding service area
• To leverage the rail corridors owned by DART in Collin County in the absence of cities joining DART
• Provides job access to areas surrounding service area like Inland Port
Reasons To Not Pursue Contract

• Providing contract service may cause resentment within DART 1% cities, particularly those without rail, to consider withdrawing from DART or demand complementary street repair and other investments. Example, TRIP program

• Contracting may divert management time and energy from important projects within the service area
Recommendation

- Authorize an exception to the 36-month contracting limitation under Policy III.07, Section 3.04, to allow Allen, Wylie, and Fairview an additional 36-month extension to complete the service plan, financial plan and plan for membership
Questions?
How Are Non-Service Area Cities Providing Transit?

- Non-service area cities have pursued limited transit investments through the following strategies:
  - Arlington -- city operation Senior & Disabled (S&D), microtransit, automated vehicles
  - Grand Prairie -- city operation S&D
  - Mesquite, Balch Springs, Seagoville, Desoto -- contracts with STAR Transit S&D
  - Little Elm, Coppell, Colony -- contracts with SPAN S&D
  - McKinney Transit District -- contracts with DCTA S&D
  - Frisco -- contracts with DCTA S&D and automated vehicles
  - Kaufman and Rockwall Counties -- STAR Transit
  - Hunt County -- contract provided by Hunt County Rural Transit District
  - Hutchins -- contract with STAR Transit funded by Federal Express
  - Allen, Fairview, Wylie -- contract with DART Local Government Corporation (LGC) S&D
  - Mesquite -- contract with DART LGC for fixed route shuttle
Financial Benefits of Contracting

- $493,000 in revenue earned due to contracting since 2011
- $500,000 received for DART use in Plano from $1 million Toyota contract awarded for service in non-DART cities in northern Collin County
- $400,000 in capital grant funding for use in DART service area from three grants totaling nearly $1 million originally designed for use in non-service area cities