TEX Rail

Fort Worth, Texas

Project Development

(Rating Assigned November 2012)

Summary Description	
Proposed Project:	Commuter Rail
	37.6 Miles, 14 Stations (12 new, two existing)
Total Capital Cost ($YOE):	$959.13 Million (includes $118.2 million in finance charges)
Section 5309 New Starts Share ($YOE):	$479.56 Million (50.0%)
Annual Forecast Year Operating Cost:	$32.4 Million
Ridership Forecast (2035):	18,100 Average Weekday Trips
	7,200 Daily New Trips
Opening Year Ridership Forecast (2016):	9,900 Average Weekday Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Fort Worth Transportation Authority (the T) proposes to build a double-track Tarrant County Express commuter rail line (TEX Rail) from southwest Ft. Worth, through Downtown Ft. Worth and northeast Tarrant County including the cities of Haltom, North Richland Hills, Colleyville, and Grapevine, to the Dallas-Ft. Worth International Airport (DFWIA). The TEX Rail project would operate on portions of the Ft. Worth and Western Railroad, Union Pacific Railroad, Trinity Railway Express (TRE) commuter rail line, and Dallas Area Rapid Transit's (DART) Cotton Belt line. At DFWIA, the project would provide transfer connections to DART's Orange light rail line, currently under construction, for trips to the north Dallas suburbs and Downtown Dallas. The TEX Rail project includes construction of new stations, expansion of an existing operations and maintenance facility currently used by TRE, construction of 2,800 park-and-ride spaces, and the purchase of eight rebuilt locomotives, nine new cab control cars, and 11 new bi-level coaches. The project would also share two additional existing stations with TRE in Ft. Worth. In the opening year, service would be provided every 30 minutes during peak periods and every 90 minutes during off-peak periods.

Project Purpose: The project would link four of the region's major activity centers, including the Ft. Worth Medical District, Downtown Ft. Worth, the City of Grapevine, and DFWIA. The project corridor currently has four of the worst roadway bottlenecks in the Dallas-Ft. Worth region, and the region's worst interchange bottleneck at Loop 820 and State Highway 183. All major roadways in the TEX Rail corridor operate at a level of service "D" or worse, according to the Texas Department of Transportation. No major roadway serves the entire project corridor end-to-end. Existing transit service in the corridor's southwest portion (City of Ft. Worth) includes local and express buses in mixed traffic that experience unpredictable conditions due to congestion and incidents. There is currently no transit service in the corridor's northeast segment (Grapevine and North Richland Hills). Since TEX Rail would mostly operate on existing rail infrastructure and on an exclusive guideway outside of mixed traffic, the project would result in enhanced transit travel time reliability due to the avoidance of typical roadway delays. Travel time from southwest Ft. Worth to DFWIA via TEX Rail would be approximately 44 minutes faster than express buses.

Project Development History, Status and Next Steps: The T completed an alternatives analysis in the Southwest-to-Northeast Corridor in November 2006. Commuter rail was selected as the locally preferred alternative (LPA). A Draft Environmental Impact Statement (EIS) was published in October

2008. Under SAFETEA-LU, FTA approved the project into preliminary engineering in March 2012. Under MAP-21, the project is considered to be in the project development phase since the environmental review process is not yet complete. The T anticipates completion of a Final EIS in July 2013, receipt of a Record of Decision in October 2013, receipt of a Full Funding Grant Agreement in September 2014, and start of revenue service in December 2016.

Significant Changes Since Last Evaluation (March 2012): Total estimated capital costs increased from $758.0 million to $959.1 million. The requested New Starts share decreased from 54.8 percent to 50 percent, while the New Starts amount increased from $415.3 million to $479.5 million. The cost increases are due to: lowering the New Starts share from 54.8 percent to 50 percent, which increased the amount of finance charges from $72.6 million to $118.2 million; updated costs for construction, train controls/signals, and higher cost estimates for property acquisition; and ongoing negotiations with third parties for trackage rights to allow TEX Rail to operate on right-of-way owned by Union Pacific Railroad, DART and the Ft. Worth and Western Railroad.

The T provided revised travel forecasts for the project that reflect several updates to the Dallas-Ft. Worth region's final *Mobility 2035* background transportation network from the long range transportation plan that was used in FTA's evaluation in March 2012. The previous travel forecasts that FTA used to evaluate and rate the project were based on the interim *Mobility 2035* transportation network as the final version was not available in early 2012.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 New Starts	$479.56	50.0%
Section 5309 Bus/Bus Facilities	$4.00	0.4%
FHWA Flexible Funds (CMAQ)	$70.30	7.4%
FHWA Flexible Funds (STP)	$2.0	0.2%
State:		
Texas Mobility Funds	$96.31	10.0%
Local:		
The T's Dedicated Sales Tax	$138.86	14.5%
City of Grapevine Sales Tax	$77.26	8.1%
Tarrant County Bonds	$20.00	2.1%
Vehicle Capital Lease Proceeds	$70.84	7.3%
Total:	**$959.13**	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

TX, Fort Worth, TEX Rail

(Rating Assigned November 2012)

Factor	Rating	Comments
Local Financial Commitment Rating	**Medium**	
Non-Section 5309 New Starts Share (20% of summary financial rating)	**Medium**	The New Starts share of the project is 50.0 percent.
Project Capital Financial Plan (50% of summary financial rating)	**Medium**	
Capital Condition (25% of capital plan rating)	Medium-Low	The average age of the bus fleet is 8.4 years, which is higher than the industry average. The T does not have bond ratings.
Commitment of Capital Funds (25% of capital plan rating)	High	Approximately 83 percent of the non-Section 5309 New Starts funds are committed or budgeted. Sources of funds include Federal grants (Congestion Mitigation and Air Quality, Surface Transportation Program-Metropolitan Mobility, and Section 5309 Bus/Bus Facilities Discretionary (Section 5339 under MAP-21), Texas Mobility Fund state grants, sales tax revenues from The T and the City of Grapevine, rolling stock capital lease proceeds secured by The T's sales tax and other revenues, The T's existing cash reserves, and Tarrant County bond proceeds backed by ad valorem property tax revenue.
Capital Cost Estimates, Assumptions and Financial Capacity (50% of capital plan rating)	Medium	Revenue growth assumptions are consistent with historical experience. The capital cost estimate is reasonable. The financial plan shows that the T has the financial capacity to cover cost increases or funding shortfalls equal to at least 29 percent of estimated project costs.
Project Operating Financial Plan (30% of summary financial rating)	**Medium-High**	
Operating Condition (25% of operating plan rating)	High	The T's current ratio of assets to liabilities as reported in its most recent audited financial statement is 12.8 (FY 2011). There have been no major service cutbacks or cash flow shortfalls in recent years.
Commitment of Funds (25% of operating plan	High	100 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed. Sources of funds include The T's sales tax revenue, fare revenue, Federal

rating)		Section 5307 preventive maintenance grants, sales tax contributions from the City of Grapevine, and advertising, rental, and investment income.
O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)	Medium	Assumed farebox collections and sales tax revenues are consistent with historical experience. Projected cash balances and reserve accounts exceed 25 percent of annual systemwide operating expenses.

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LAND USE RATING: Medium-Low

The land use rating reflects the generally low population densities, lack of pedestrian amenities, and non-transit supportive development character in the corridor.

- The TEX Rail Corridor is located within Tarrant County, Texas, and serves the Fort Worth central business district (CBD) and Dallas-Fort Worth International Airport (DFWIA), as well as established and developing cities and neighborhoods. Average population density across all station areas is 2,700 persons per square mile, rating "low" according to FTA guidance. The system would serve 109,000 employees within ½-mile of the planned stations, rating "low-medium" according to FTA guidance.
- At most station areas, the existing development character is not transit supportive. In general, buildings are auto-oriented in design, and parking lots are common. Streets outside residential areas are wide, and few station areas have continuous sidewalks or other pedestrian amenities. Residential areas typically consist of single-family houses on small lots, while commercial areas generally consist of big-box retail and "pad" sites (freestanding commercial development located in front of a larger shopping center or strip mall). Where multi-family housing does exist, it is typically in complexes oriented away from the street. A number of stations have large tracts of vacant land.

ECONOMIC DEVELOPMENT RATING: Medium-High

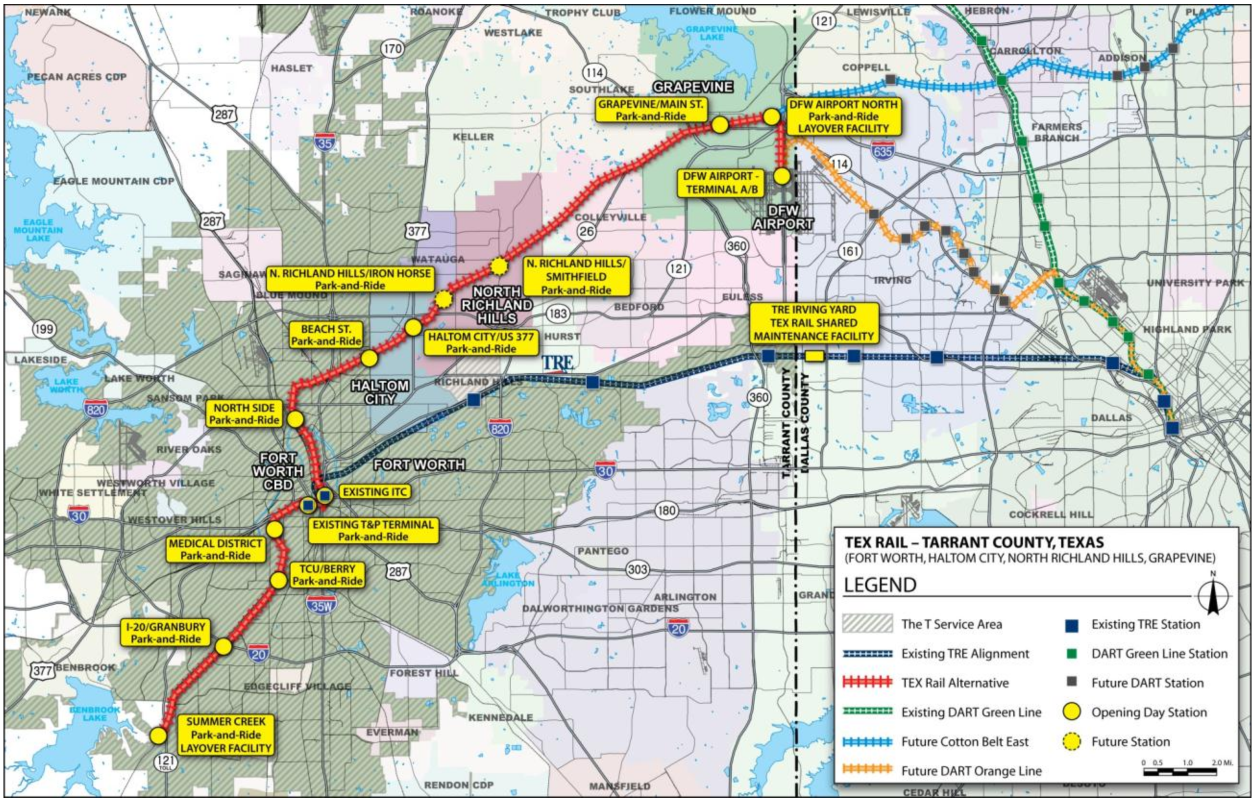
Transit-Supportive Plans and Policies: Medium-High
(50 percent of Economic Development Rating)

- Regional visioning efforts have been undertaken by a partnership of public, private, and academic institutions (Vision North Texas), and local jurisdictions have implemented plans that encourage growth within mixed-use centers. However, the Dallas-Fort Worth region has not adopted any policies or agreements related to growth management.
- The cities, agencies, and stakeholders along the TEX Rail Corridor have undertaken significant action to produce plans and policies that will result in transit-supportive station area development. These have included plans produced by the transit authority, as well as by the local jurisdictions. In addition, many of the cities with planned stations have already developed, or are in the process of developing, zoning ordinances or new zoning districts that promote transit-supportive density in the proposed station areas.
- As part of the planning for transit-supportive development around stations, the cities are encouraging developers to provide shared parking and "wrap" parking structures (line structures with retail or other active uses). In addition, many of the jurisdictions have adopted policies which result in the provision of fewer parking spaces within new developments.

Performance and Impacts of Policies: Medium-High
(50 percent of Economic Development Rating)

- There is significant vacant or redevelopable land within the corridor, and infill opportunities exist within the more developed station areas. At most station areas, local jurisdictions have initiated planning processes or adopted regulations to enable mixed-use, walkable, and higher density development and redevelopment.
- The corridor is located in one of the fastest growing regions of the country, with 48 percent population growth expected in the metro area by 2035 and 47 percent employment growth. Population in the study area is expected to grow by 45 percent and employment by 23 percent. To the extent that jurisdictions might zone for higher density around rail stations if the project is built, station areas could be expected to absorb more of the regional growth than is currently forecast.

TEX Rail Map



TEX RAIL – TARRANT COUNTY, TEXAS
(FORT WORTH, HALTOM CITY, NORTH RICHLAND HILLS, GRAPEVINE)
LEGEND
The T Service Area
Existing TRE Alignment
TEX Rail Alternative
Existing DART Green Line
Future Cotton Belt East
Future DART Orange Line
Existing TRE Station
DART Green Line Station
Future DART Station
Opening Day Station
Future Station
GRAPEVINE/MAIN ST. Park-and-Ride
DFW AIRPORT NORTH Park-and-Ride LAYOVER FACILITY
DFW AIRPORT - TERMINAL A/B
N. RICHLAND HILLS/IRON HORSE Park-and-Ride
N. RICHLAND HILLS/ SMITHFIELD Park-and-Ride
BEACH ST. Park-and-Ride
HALTOM CITY/US 377 Park-and-Ride
NORTH SIDE Park-and-Ride
EXISTING ITC
EXISTING T&P TERMINAL Park-and-Ride
MEDICAL DISTRICT Park-and-Ride
TCU/BERRY Park-and-Ride
I-20/GRANBURY Park-and-Ride
SUMMER CREEK Park-and-Ride LAYOVER FACILITY
TRE IRVING YARD TEX RAIL SHARED MAINTENANCE FACILITY
GRAPEVINE
DFW AIRPORT
NORTH RICHLAND HILLS
HALTOM CITY
FORT WORTH CBD
FORT WORTH
TARRANT COUNTY
DALLAS COUNTY
TRE