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AGENDA ITEM REQUEST FORM

Hays County Commissioners Court

Tuesdays at 9:00 AM

Request forms are due in Microsoft Word Format via email by 2:00 p.m. on Wednesday.

AGENDA ITEM

Presentation by representatives of the Lone Star Rail District's LSTAR rail line.

ITEM TYPE	MEETING DATE	AMOUNT REQUIRED
PROCLAMATIONS/PRESENTATIONS	October 1, 2013	

LINE ITEM NUMBER


AUDITOR USE ONLY

AUDITOR COMMENTS:

PURCHASING GUIDELINES FOLLOWED: N/A AUDITOR REVIEW: N/A

REQUESTED BY	SPONSOR	CO-SPONSOR
	COBB	N/A

SUMMARY



Catch it.

LONE STAR RAIL DISTRICT

Local Funding Support Update
Joe Black – Lone Star Rail District
Joe Lessard – Knudson LP

October 1, 2013

What are the Objectives of the Lone Star Rail District?

Created by the Legislature to:

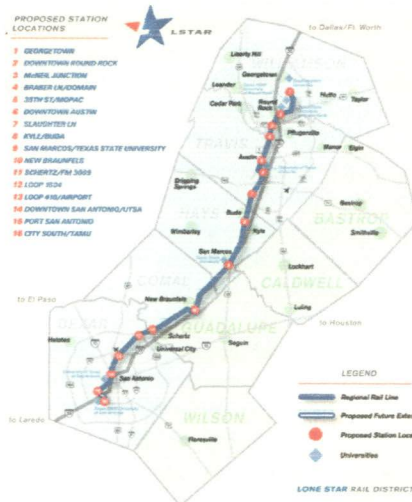
- Improve Public Safety
- Improve Mobility
- Speed NAFTA Freight Deliveries
- Create New Tax Base Possibilities
- Offer an Energy-Efficient Transportation Alternative
- Provide Predictable, Reliable Travel Choice
- Maintain Air Quality Status
- Create a Seamless Multi-Modal Transportation System
- Provide a Catalyst for Exciting Economic Development Opportunities

LONE STAR RAIL DISTRICT

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Jurisdictions and Service Area

- **Cities:**
Georgetown, Austin, San Marcos, New Braunfels, Schertz, San Antonio
- **Counties:**
Williamson, Travis, Hays, Bexar
- **Transit Agencies:**
Capital Metro, CARTS, VIA, ART
- **MPOs:**
CAMPO, SA-BC MPO
- **Region's Board Representation:**
20 members representing the political leadership and business community of Central/South Texas, plus "at large" members appointed by the TxTC.

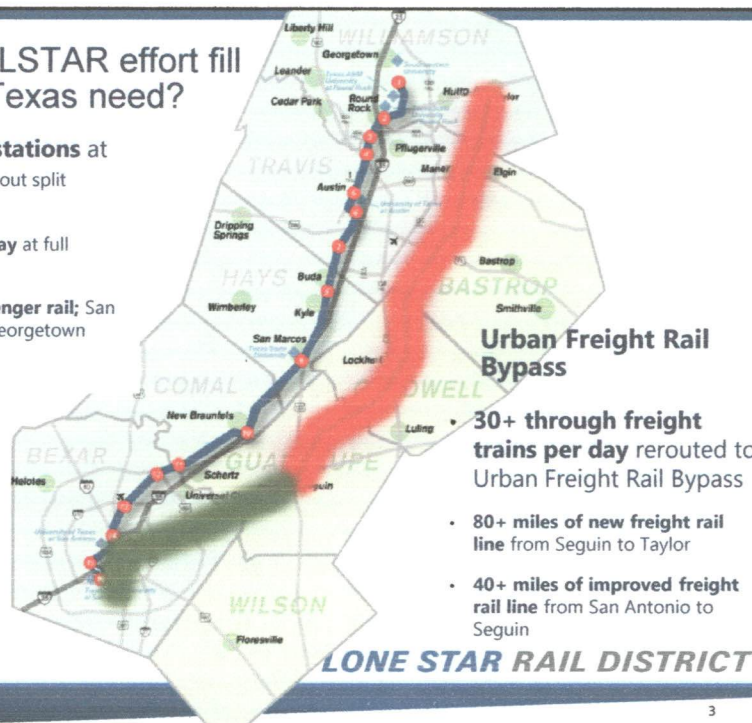


LONE STAR RAIL DISTRICT

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How does LSTAR effort fill a Central Texas need?

- **Originally 16 stations** at full service (without split stations)
- **32 round trips a day** at full service
- **118 miles of passenger rail**; San Antonio north to Georgetown



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LSTAR – Broad Based Regional Benefits

Mobility

- Link to region activity centers
- Congestion proof & predictable service
- Reduces growth in traffic demand

Economic Development

- Focuses development within activity centers
- Anchors investment/property values
- Retains competitive advantage

Community Development

- Reinforces community identity/brand
- Aligns with community plans/goals
- Mobility options and affordable community service delivery
- Safety and aids in air quality attainment

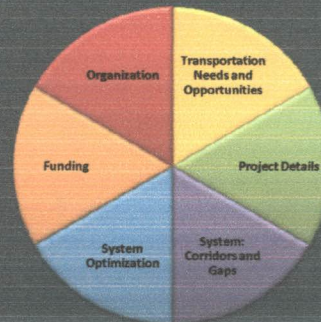


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PROJECT CONNECT

- **System:** high capacity transit plan as a single system?
- **Organization:** organize to develop and operate the system?
- **Funding:** pay for the system over the long term?



PROJECT CONNECT
REGIONAL HIGH-CAPACITY TRANSIT IMPLEMENTATION




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PROJECT CONNECT PARTNERSHIP:


RAIL


 CMTA - MetroRail

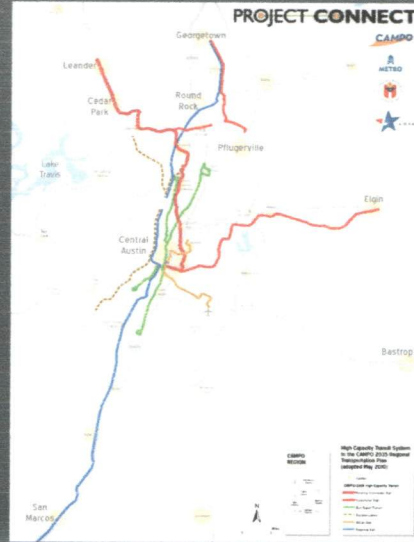
 LSRD - LSTAR

 COA - Urban Rail

BUS

 CMTA - MetroRapid

 CTRMA - Express Lanes



PROJECT CONNECT
REGIONAL HIGH-CAPACITY TRANSIT IMPLEMENTATION

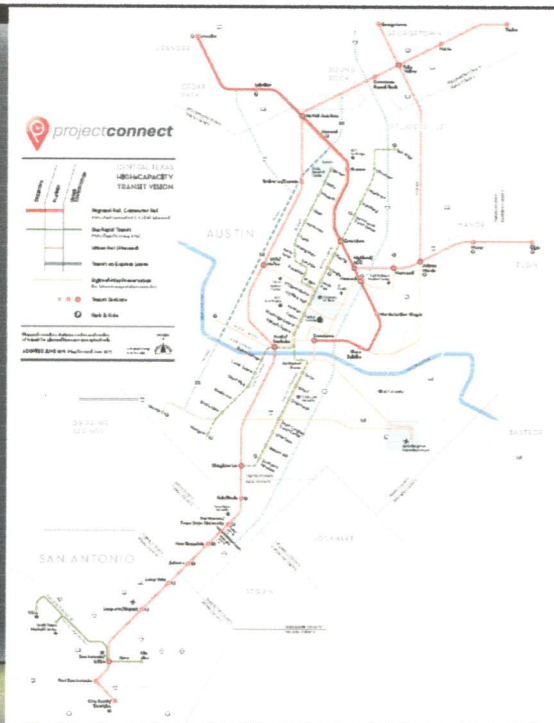


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VISION MAP

SINGLE SYSTEM

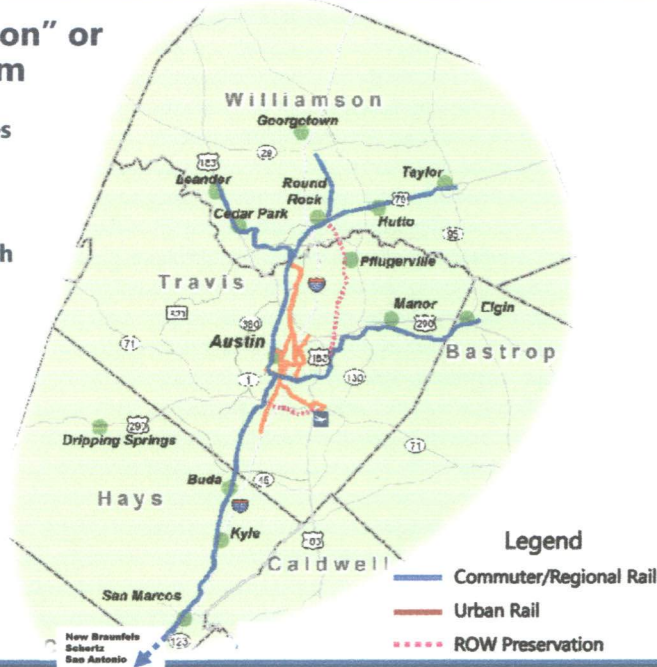
- 25 Centers & ABIA
- 4 Counties/13 Cities
 - Bastrop: Elgin
 - Hays: Buda, Kyle, San Marcos
 - Travis: Austin, Manor, Pflugerville
 - Williamson: Cedar Park, Georgetown, Hutto, Leander, Round Rock, Taylor



PROJECT CONNECT
REGIONAL HIGH-CAPACITY TRANSIT IMPLEMENTATION

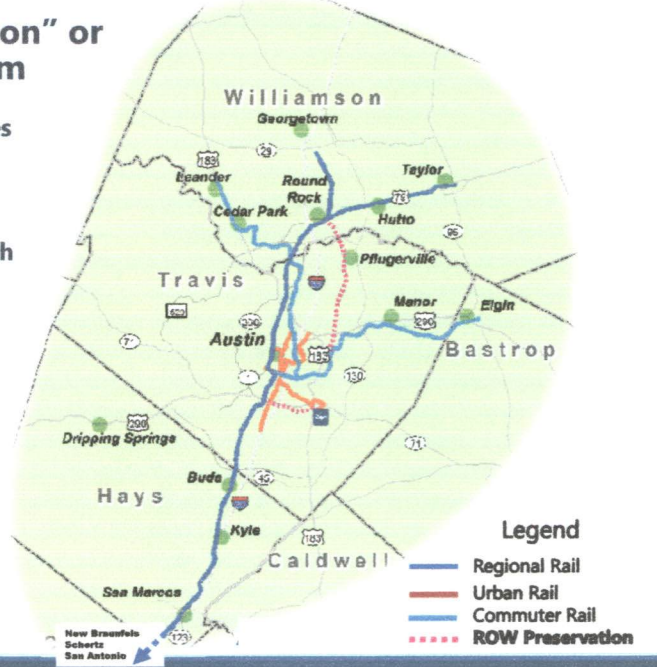
2040 TWG "Vision" or Preferred System

- Adds service to 7 cities
- Vision has 10 Cities connected via LSTAR
- Also connects to South Central Texas - San Antonio



2040 TWG "Vision" or Preferred System

- Adds service to 7 cities
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Operating Service Frequency

- Initial Service:** 60 min. headway on peak
 120 min. headway off peak
 12 total round trips per day
 Weekend & holidays:
 per demand & budget
- Base Service:** 30 min. headway on peak
 60 min. headway off peak
 20 total round trips per day
 Weekend & holidays:
 per demand & budget
- Full Service:** 15 min. headway on peak
 60 min. headway off peak
 28-32 total round trips per day;
 including express service
 Express, Weekend & holiday service:
 per demand & budget



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LSTAR: CAPITAL COSTS

- LSRD retains the obligation to secure capital funding
- Goal is to secure the capital funding within six (6) years



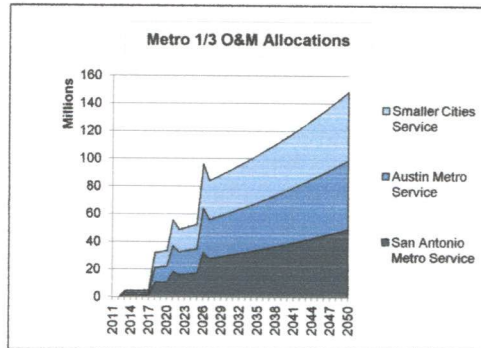
<u>LSTAR Service Level</u>	<u>Initial</u>	<u>Base</u>	<u>Full</u>
Psg'r Improvements	\$ 700 mil	\$ 840 mil	\$1,400 mil
Freight By Pass/Relo	<u>\$1,160 mil</u>	<u>\$1,160 mil</u>	<u>\$1,160 mil</u>
Subtotal	\$1,860 mil	\$2,000 mil	\$2,560 mil
<u>Union Pacific</u>			
Full double tracking	\$ 170 mil	\$ 170 mil	\$ 170 mil
Total	\$2,030 mil	\$2,170 mil	\$2,730 mil

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LSTAR: O&M COSTS

- O&M is one key to securing capital funding
- The Draft *LSRD Business Plan* O&M costs split* by thirds (after fare box & misc. revenue):

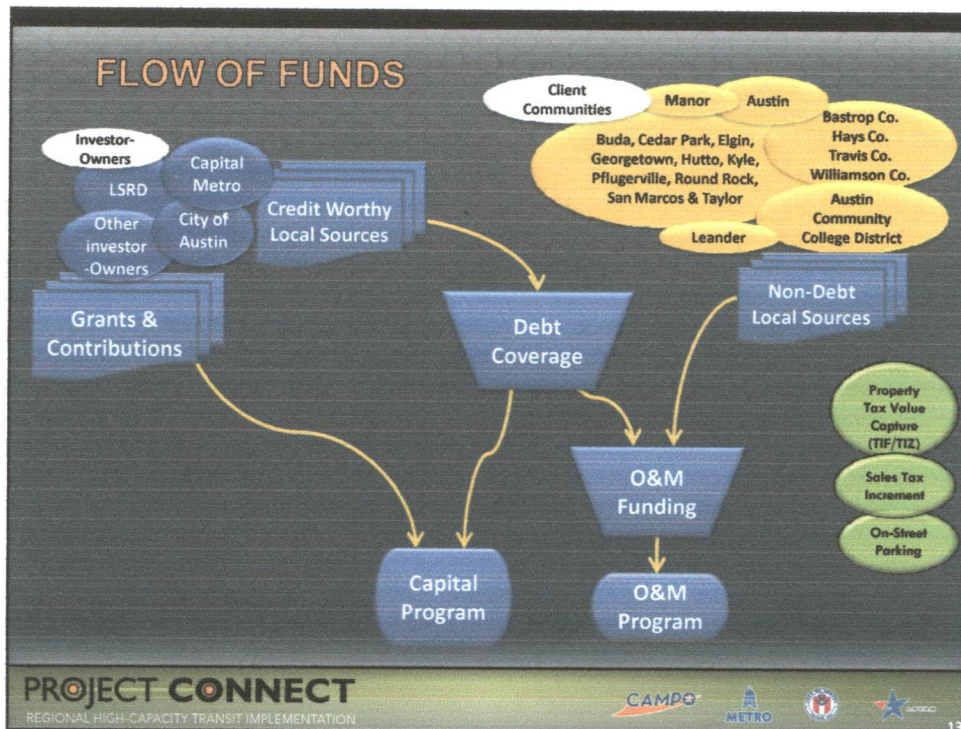


Service Level *	Initial (2018)	Base (2023)	Full (2028)
Small Cities value capture funding	\$ 10.56 mil	\$ 19.57 mil	\$ 33.78 mil
Central Texas value capture funding	\$ 10.56 mil	\$ 19.57 mil	\$ 33.78 mil
So. Central Texas value capture	\$ 10.56 mil	\$ 19.57 mil	\$ 33.78 mil
<i>Total</i>	\$ 31.68 mil	\$ 58.70 mil	\$ 101.33 mil

* Escalated over time at 2.5% annually; 15 year avg. of 1/3 cost is \$15.16 million (2018-2032)

LONE STAR RAIL DISTRICT

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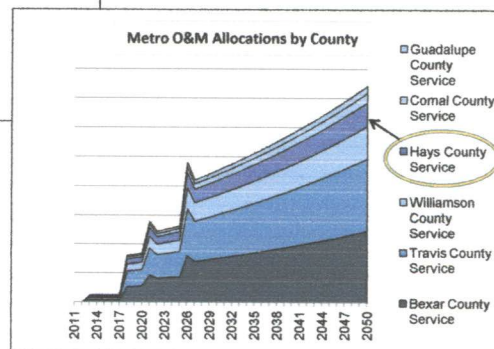
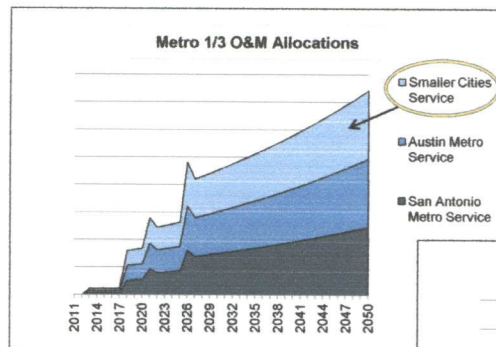
Investment Issues

Funding

- Regional service needs regional approach to funding
 - Support from communities that benefit or *"Pay to Play"*
 - Each community contributes *"Fair Share / Equal Effort"*
 - Growth pays for the service or *"Pay as You Grow"*
- Early local participation will ease local participant's transition to cover costs
- Cost sharing eases burden on any single local participant

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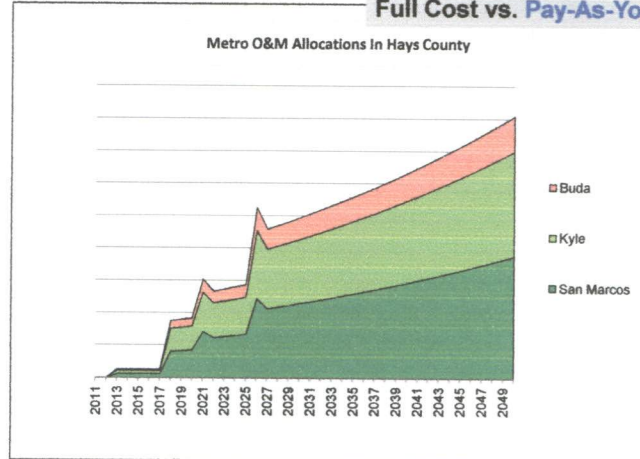
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**Local Funding Approach:
Full Cost vs. Pay-As-You-Go**



LONE STAR RAIL DISTRICT

LSRD Split Service Station Concept

Split operations of one station into two stations

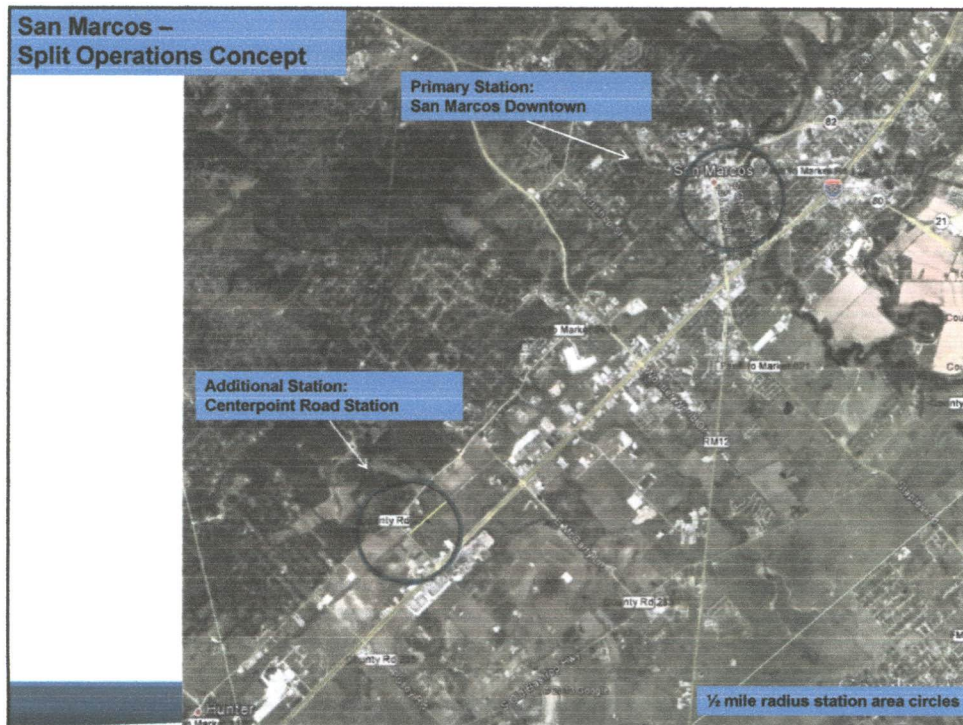
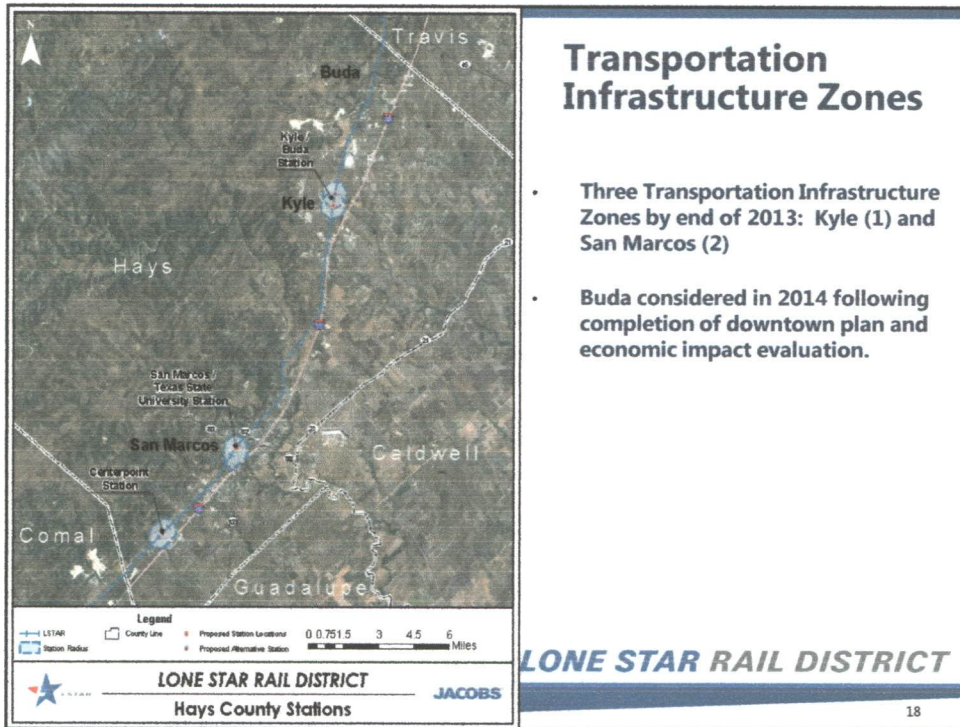
Location

- Buda & Kyle
- San Marcos
- Round Rock
- Austin
- Austin

Split Service

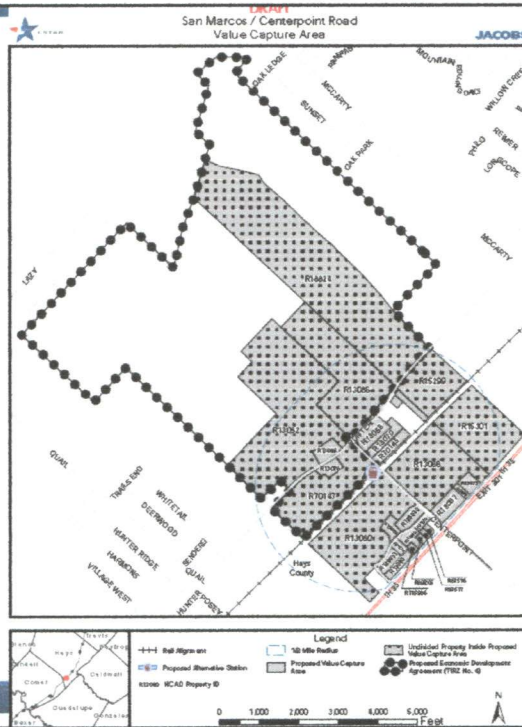
- Downtown & ACC Campus
- Downtown & Centerpoint Area
- Downtown & Avery Center
- Parmer & McNeil Junction
- 35th St. & Anderson Ln.

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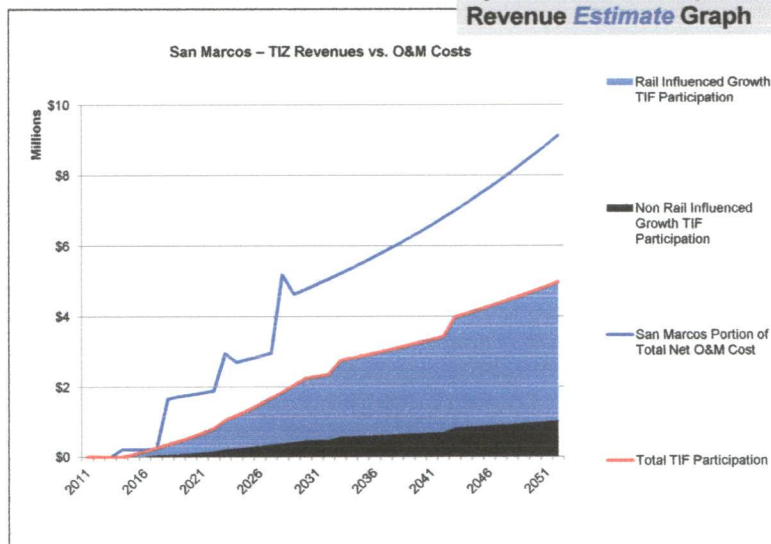


San Marcos Centerpoint Road Area

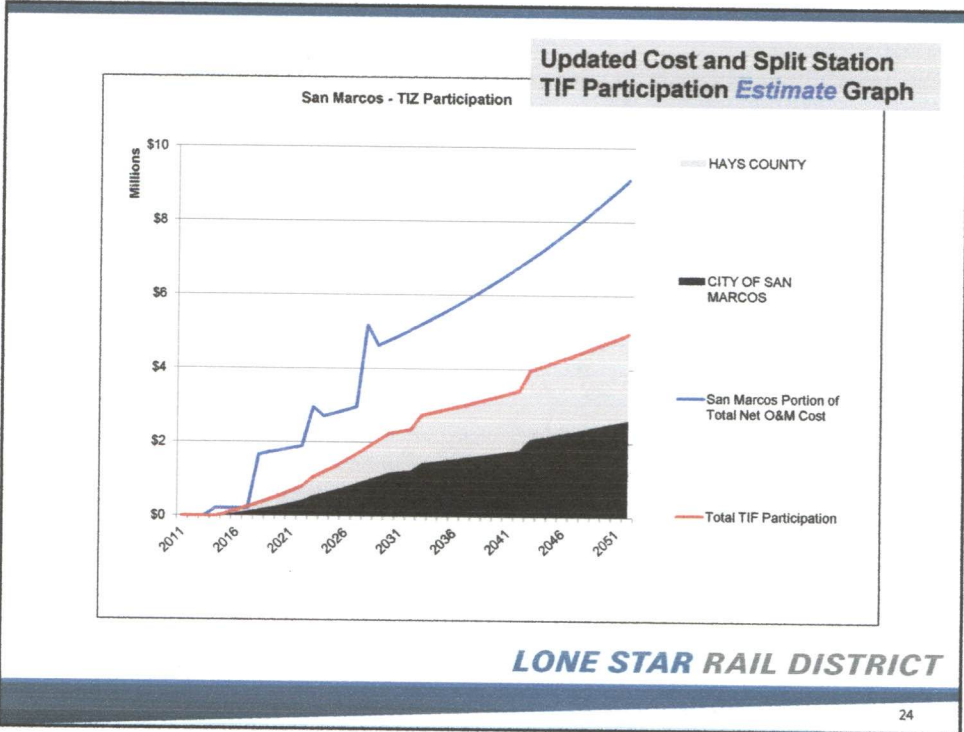
Undeveloped parcels included but funding participation is for prorated portion within 1/2 mile of potential station location.



Updated Cost and Split Station Revenue Estimate Graph

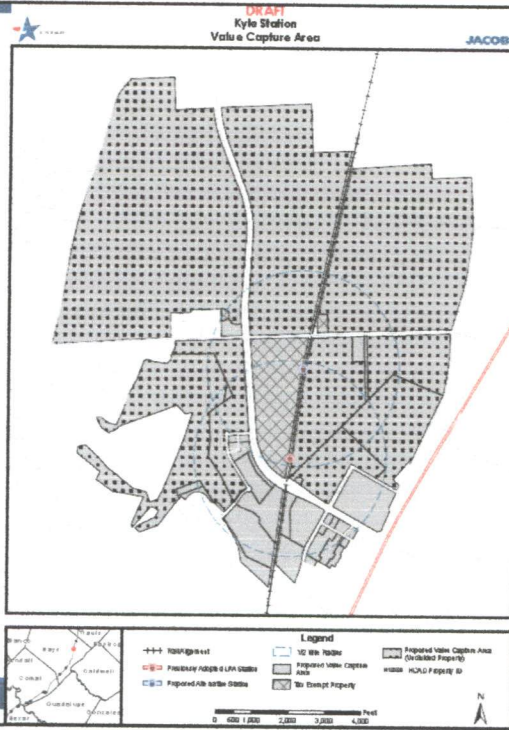


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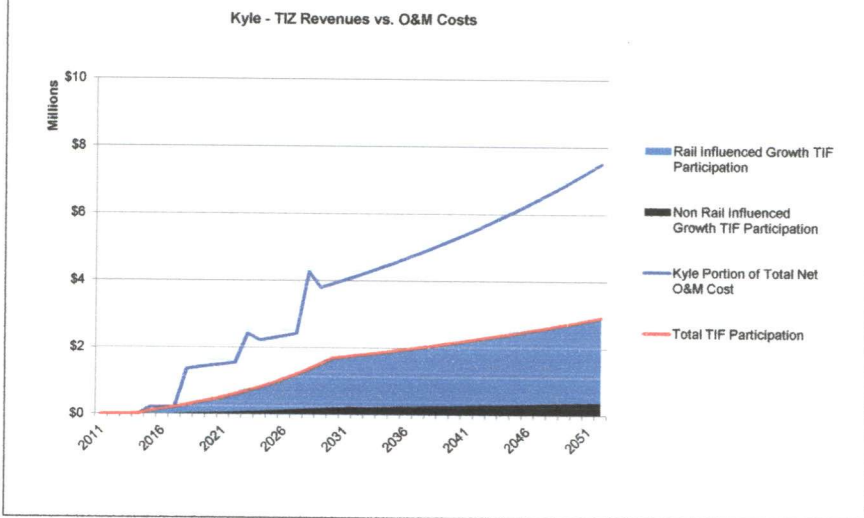


Kyle Station at ACC Campus

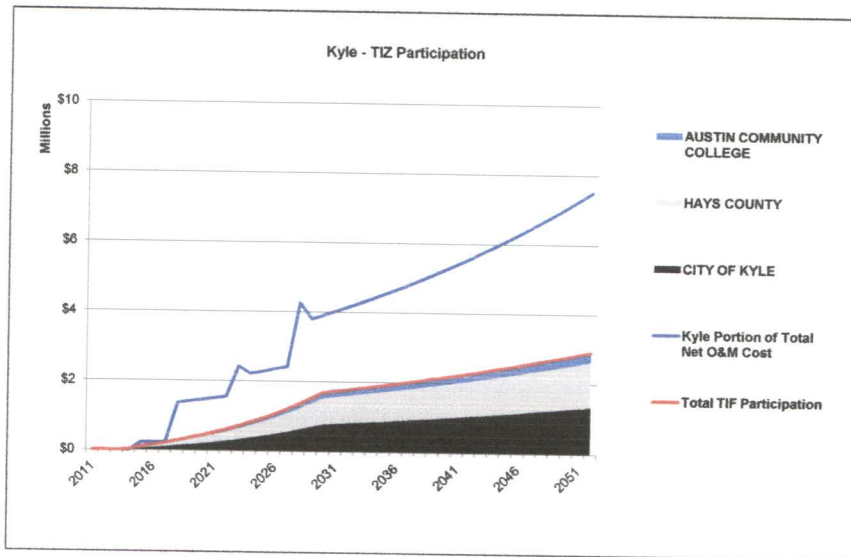
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Original Cost and TIZ Graph



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Interlocal Agreement

1. **"Pay As You Go" local approach**
 - No debt obligation
 - No revenue guarantee
2. **TIZ districts by end of 2013 – Gateway to LSTAR Capital Funding:**
 - a. 50 % participation of new growth
 - b. Federal ½ mile distance standard for station locations
 - c. Exclude existing single family and duplex residential
 - d. Tax exempt parcels added when privately developed
 - e. Honor preexisting economic development agreements
4. **Prior to LSRD accepting capital funding or initiating service, LSRD will not expend TIZ funds without prior approval of corresponding jurisdiction**
5. **If LSTAR capital not funded in six years, participants may begin retracting six year old unused portion of TIZ funds**
6. **If LSTAR capital not funded in twelve years, TIZ payments may be suspended and unused portion of TIZ funds retracted**
7. **When in operation, LSRD will annually identify excess TIZ funding for return to contributing jurisdictions**

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LSRD Split Service Stations Concept

Funding

- Property TIZ (1/2 mile radius & 50% of growth participation)
- Sales Tax Allocation (1/2 mile radius & 50% of growth participation)
- Station area parking revenue sharing with cities
 - ¼ mile on-street parking cost & revenue sharing
- Station maintenance & security cost sharing with cities
- PID/MMD & City costs sharing for stations:
 - Capital Improvements – land acquisition, structures, parking lot, turn lanes, bus access, landscaping, utilities, security fencing, restrooms, public art, etc.
 - Custodial, maintenance and security

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Investment Issues

Funding

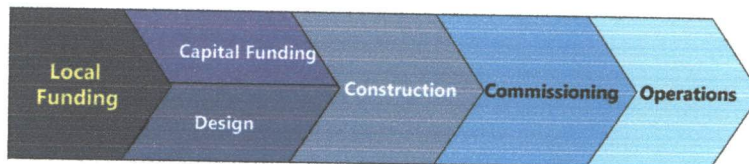
- Late joining or "opting out" community impacts:
 - Extensions compete against other system investments
 - Private development decisions impacted
 - *Interim developments may lock-in non-transit dev.*
 - *May limit revenue growth & lower affordability*
 - Economic development may go to other locations
 - Community makes needed capital investments and/or catch-up/impact payments
 - Provide dedicated, credit worthy funding sources

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Project Timeline – Passenger & Freight Service

Local funding is the **gateway** to capital funding from public and private sources.



Timing

- Capture value from land speculation, zoning and other entitlements
- New development influenced by rail opportunity
- Local funding necessary to secure capital funding
- Helps reduce through freight in community downtowns & neighborhoods

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Next Steps

- Local funding for the LSTAR line is gateway to Federal, State and private partner capital funding
- Lone Star Rail District is requesting:
 - **Begin development of value capture funding documentation by Nov. 1 for adoption by Dec. 1**
 - **LSRD solicit participation of other local jurisdictions including Cities of Austin, Kyle and San Marcos, Travis County and ACC**



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Thank you
for your support!

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www.LoneStarRail.com