

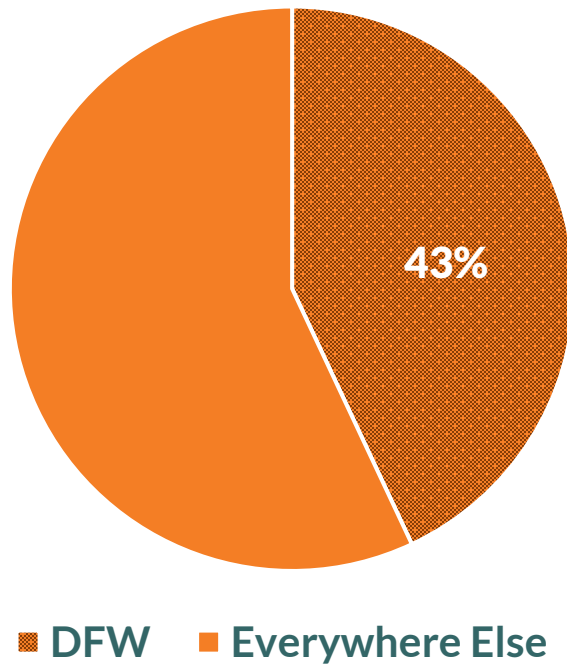


NCTCOG PRESENTATION

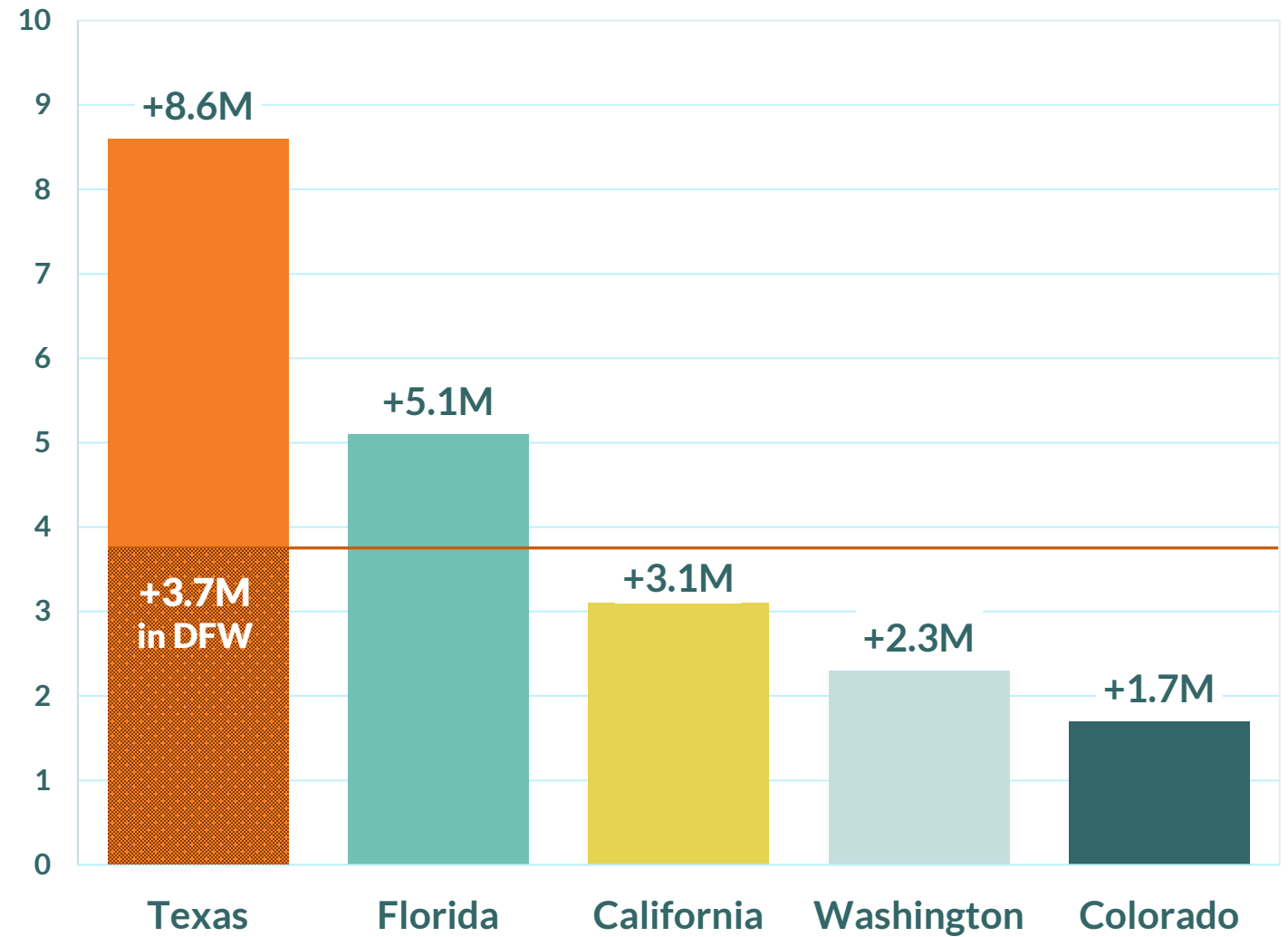
RTC Workshop on Scenario 1 and Scenario 2: City Requests Impacting Dallas Area Rapid Transit

MICHAEL MORRIS, P.E. and NCTCOG TEAM
**North Central Texas Council of
Governments**
February 12, 2026

DFW Growth as a Share
of TX Projected Growth



Projected Population Change by 2050




Background

1. A group of DART member cities (Plano, Irving, Addison, Farmers Branch, University Park, and Highland Park) have called for voter elections to leave DART.
2. Cities may like to provide some form of transit independently.
3. Two scenarios have been presented to the RTC Transit Vision Subcommittee in January, related to possible RTC assistance. The cancellation of elections must occur by February 23, 2026.
4. This item is being brought to the larger RTC committee for discussion and action at the February meeting. Selected DART Cities and DART are requesting assistance from RTC.



DART – Member City Relationship

1. Board Voting
2. Lack of Partnership in Community Based Transit Service
3. Safety, Security, and Cleanliness Concerns
- 4 Funding Equity 



RTC Workshop

DART cities have until February 23, 2026, to decide if they wish to withdraw from DART.

Several cities that have called withdraw elections have requested assistance from the RTC for information and funding support that may impact their decision.

They are negotiating with DART and DART has also requested information and funding assistance.

This is the last scheduled RTC meeting before the deadline.



Overview of Workshop Agenda

1. What are Transportation Control Measures and why are they important to this discussion?
2. Scenario 1: Funding Elements if City Withdraws from DART
3. Scenario 2: Funding Support if City Elects to Stay in DART
4. RTC will have separate votes on Scenario 1 and Scenario 2



Policy Implications of DART City Withdrawal

1. Significant Impact to Riders/Users
2. Focus on Federal Impacts
3. Focus on State Impacts
4. Focus on Regional Transportation Council Impacts
5. FIFA Slightly Impacted



Transportation Control Measures (Response from RTC Letter)

Successful Withdraw Election Ceases Transit Operations

TCEQ has confirmed rail lines are TCM's in State Implementation Plan

Other Air Quality projects will need to be substituted; magnitude of air quality reductions, substitute actions and cost are not known at this time

Substitution of TCM's has occurred in our region in the past

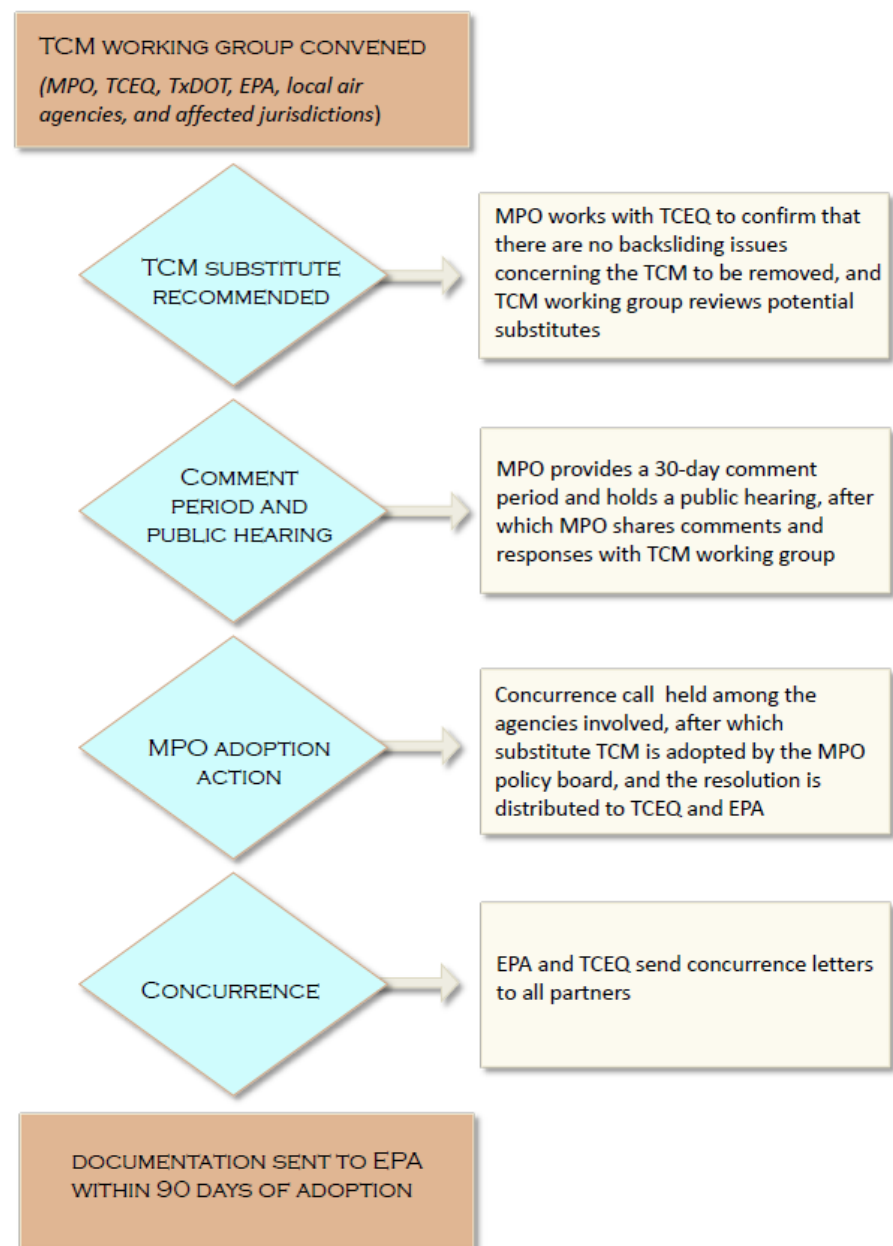
Escalated impacts like roadway sanctions are possible with inaction but unlikely

RTC will be in the center of a TCM substitution process led by TCEQ

A TCEQ attorney said the federal government (maybe EPA) may not let the rail operations stop. Our staff and FTA staff have never heard that before. Has not occurred in the past regarding TCMs



TRANSPORTATION CONTROL MEASURE (TCM) SUBSTITUTION PROCESS



Follow Up Information: February 9, 2026

Transportation Control Measures (TCM)

- TCMs are strategies that reduce transportation-related air pollution by improving traffic flow and reducing vehicle use. TCMs are included in the State Implementation (SIP) for the Dallas/Fort Worth area.
- Under 30 TAC §114.270, metropolitan planning organizations are responsible for implementing and maintaining TCMs and ensuring they are funded. MPOs are also responsible for maintaining a list of current TCMs and the emissions reductions associated with their implementation.
- North Central Texas Council of Governments (NCTCOG) is responsible for implementing the TCMs in the DFW SIP. As part of each transportation conformity determination process, NCTCOG is required to demonstrate timely implementation of TCMs (40 CFR 93.113). The most recent conformity determination for the DFW area, which included a demonstration of TCM implementation, was made November 21, 2024.

TCM Substitution

- The requirements for substituting TCMs are codified in FCAA, 176(c)(8). They include participation and concurrence among the air quality and transportation partner agencies (NCTCOG, Texas Commission on Environmental Quality (TCEQ), Texas Department of Transportation (TxDOT), and the Environmental Protection Agency (EPA)) on the equivalency of emissions benefits between the existing and substitute TCMs, implementation timing, and adequate funding, personnel, and authority to implement the substitute TCM.
- NCTCOG has initiated several TCM substitutions since 2004, the most recent of which was completed in 2019. Since 2014, the partner agencies have used the attached TCM substitution process chart to complete TCM substitutions.

DART TCMs

- Based on TCEQ's review of the TCM commitments NCTCOG made in the [2000 DFW One-Hour Ozone Standard Attainment Demonstration SIP Revision](#) (Appendix G) and NCTCOG's [draft 2025 transportation conformity demonstration](#) (Appendix E.2), there are DART rail TCMs in the SIP.
- NCTCOG can work with TCEQ to confirm what projects, if any, have been substituted since 2000 and if any SIP TCMs need adjustment.

DFW Area Nonattainment Status

| NAAQS | Nonattainment Classification | Attainment Date |
|---------------------|------------------------------|---|
| 2008 Ozone (75 ppb) | Severe | July 20, 2027 (must attain by the end of 2026) |
| 2015 Ozone (70 ppb) | Serious | August 3, 2027 (must attain by the end of 2026) |

Rail TCMs from the 2000 DFW One-Hour Ozone Standard Attainment SIP Revision (Appendix G)

| Dallas-fort Worth Serious Ozone Nonattainment Area Attainment Demonstration Sip Commitments - Revised March 3, 2000 1990-2007 Transportation Control Measures Rail | | | | | | | | 2007 Emission Reductions (lbpd) | |
|---|---------|------------------------|---------------------------------|----------------|--------------------------|--------------|-------------|---------------------------------|--------|
| Project Code | Agency | Project Name | From | To | Project Description | Implem. Year | Commitments | VOC | NOx |
| | DART | TRE | Union Station | Fort Worth T&P | Rail | 11/05 | 25 | 152.52 | 245.35 |
| | DART | NC | E. Plano Transit Center | Union Station | Rail | 11/05 | 12.3 | 112.31 | 180.67 |
| | DART | NE | Garland | Union Station | Rail | 11/05 | 11.3 | 37.44 | 60.22 |
| | DART | NW | Carrollton | Union Station | Rail | 11/07 | 19.1 | 110.92 | 178.44 |
| | DART | SE | Elam Rd. | Union Station | Rail | 11/07 | 10.2 | 83.19 | 133.83 |
| Local | Dallas | Light Rail Transit | | | Light Rail Transit | 6/96 | | 14.05 | 25.43 |
| 2686 | Various | Railtran Commuter Rail | | | Rail | 12/96 | | 4.73 | 8.56 |
| | DART | Light Rail | Completion of Lrt Stater System | | Light Rail (Local Funds) | 97 | 9 | 17.20 | 31.75 |

Federal, State, and Regional Impacts

RTC Allocated Federal Funds Will Need to be Repaid on Capital Transit Improvements that Cease Operation

State Impacts include Ceased Transit Improvements that are Transportation Control Measures in the TCEQ State Implementation Plan

- Substituted Transportation Control Measures (If TCMs, Who Pays) or Roadway Sanctions

Regional Transportation Council Impacts include RTC Policy that seeks RTC repayment if any withdraws from DART. This would default to the non-federal funds



Scenarios

Scenario 1: Funding Elements if City Withdraws from DART
(funds from formula)

Scenario 2: Funding Support if City Elects to Stay in DART

PART A: Cash for Equity (Pay something DART wants)

PART B: Pay for something cities want (e.g., rail station)

PART C: Legislative Commitment

Governance

Regional Rail (Regional Mobility Authority)

Other



FTA Section 5307 Funding Formula

Inputs and Calculation

| Data Points | Formulas |
|--|---|
| Population | Population in service area x FTA-provided population unit value |
| Population Density | Population ÷ area x population x population density unit value |
| Low Income Population | Low-income population x low-income population unit value |
| Vehicle Revenue Mile | Vehicle revenue miles x bus or fixed guideway unit value |
| Incentive | Annual passenger miles ² ÷ operating costs x incentive fund unit value |
| Directional Route Mile (fixed-guideway only) | Directional route miles x directional route mile unit value |

Key:

Data available, can calculate city shares

Cannot determine from FTA NTD data, not readily available by city



Scenario 1 – Service Statistics Requested by Cities

Task:

At the request of various cities, NCTCOG asked for city-specific transit service statistics from DART (National Transit Database (NTD)).

DART responded that they “do not disaggregate the NTD information by city and it would take a significant effort to break out the data.”

NCTCOG Staff believes city specific data may not be directly comparable because individual cities will likely not provide the same level of service DART provides to those cities today,

Methods exist to estimate demographic and transit service revenue values for each city.



Scenario 1 - Approach

1. Determine appropriate city comparator to the withdrawing cities, based on similar services offered
 - Suggest Arlington as an appropriate comparator
 - Arlington provides city wide on-demand micro transit and seniors and individuals with disabilities
2. Determine average fair share amount per capita in comparator city (over a three-year average)
3. Multiply the per capita amount by the withdrawing cities' populations
4. Compare outputs to overall funding available and per capita shares of transit authorities
5. Adjust overtime with real transit service levels



Scenario 1 - Arlington as Comparator

| Transit Provider | Population | Fair Share Average FYs 2022-2024 | Amount Programmed Average FYs 2022-2024 | Fair Share per capita in FY 2025 |
|-------------------|----------------------------|-------------------------------------|--|-------------------------------------|
| City of Arlington | 413,955 (2025 Estimate) | \$5,582,753 | \$7,291,921 | \$13.4864 |
| DART | 2,477,037 (2020 Census) | \$68,958,558 | \$72,976,113 | \$27.8391 |
| Trinity Metro | 833,880 (2020 Census) | \$21,122,081 | \$24,608,966 | \$25.3299 |



Scenario 1 – 5307 Formula Program

Possible Funding Amounts

| City | 2025 Population Estimate | Per Capita Funding | Estimated Annual Funding |
|-----------------|--------------------------|--------------------|--------------------------|
| Plano | 299,262 | \$13.4864 | \$4,035,967 |
| Irving | 266,162 | \$13.4864 | \$3,589,567 |
| Farmers Branch | 40,246 | \$13.4864 | \$542,774 |
| University Park | 25,574 | \$13.4864 | \$344,901 |
| Addison | 17,721 | \$13.4864 | \$240,557 |
| Highland Park | 8,793 | \$13.4864 | \$118,586 |

Assumes:

- On demand micro-transit and E&D service (similar to Arlington's current service)
- Can easily be adjusted with city actual data over time



Scenario 1 – 5307 Formula Program

Possible Funding Amounts

| City | Year 1* | Year 2* | Year 3 | Year 4 | Year 5 | Year 6 | Total |
|-----------------|---------|---------|-------------|-------------|-------------|-------------|--------------|
| Plano | \$0 | \$0 | \$4,035,967 | \$4,035,967 | \$4,035,967 | \$4,035,967 | \$16,143,868 |
| Irving | \$0 | \$0 | \$3,589,567 | \$3,589,567 | \$3,589,567 | \$3,589,567 | \$14,358,268 |
| Farmers Branch | \$0 | \$0 | \$542,774 | \$542,774 | \$542,774 | \$542,774 | \$2,171,096 |
| University Park | \$0 | \$0 | \$344,901 | \$344,901 | \$344,901 | \$344,901 | \$1,379,604 |
| Addison | \$0 | \$0 | \$240,557 | \$240,557 | \$240,557 | \$240,557 | \$962,228 |
| Highland Park | \$0 | \$0 | \$118,586 | \$118,586 | \$118,586 | \$118,586 | \$474,344 |

*No funding can be awarded until cities become FTA Direct Recipients (typically takes 2-3 years)

*Out year values could increase with actual transit services implementation in year 1 and year 2



Scenario 1 – Constraints

Certification process required by FTA to become an FTA Direct Recipient takes 2-3 years

Applicants must demonstrate the following capabilities to FTA:

- Legal
- Financial, and
- Technical

Direct Recipients must also:

- Report annually to the National Transit Database (NTD)
- Undergo a thorough federal Triennial Review every three years

Operational funding is typically not available until 2-3 years after service begins due to NTD reporting and federal apportionment process

All recipients must report to NTD in order to receive federal funds (as the reporting ensures the region receive its share of the national funding)

RTC staff can help potential Direct Recipient Cities



Scenario 1 – Policy Question

Does the RTC wish to recommend formula funds to withdrawing cities?

- Staff Recommendation: Yes, staff will assist local governments on Direct Recipient applications and update formula allocations on real National Transit Database Data.
- RTC approves baseline values by city and year.



Potential Federal Interest/RTC Interest (“Clawback”) Associated with Member City Withdrawals

1. Federal Funds (FTA, and FHWA transferred funds) Awarded Directly to DART for Impacted Transit Service

A federal interest is retained in grant funded assets through useful life or disposition

FTA requires grant recipients to maintain satisfactory continuing control of grant funded assets through useful life or upon disposition

Grant recipients required to notify FTA of substantial change or premature withdrawal of use of grant funded assets

Funds must be returned to FTA in an amount equal to the remaining federal interest if the grant funded assets are prematurely withdrawn from appropriate use

The amount of federal interest is the greater of FTA’s original share based on either straight-line depreciation or current fair market value



Potential Federal/RTC Interest (“Clawback”) Associated with Member City Withdrawals

2. Federal Funds (FTA, and FHWA transferred funds) Awarded to Member Cities via Subrecipient Agreements with NCTCOG

The same federal interest rules apply as discussed under item 1

3. Non-Federal Funds Awarded by RTC to DART or Member Cities

RTC Policy: Mobility 2050

TR3-004 - Transportation authority members who receive funds for the implementation of projects that promote transit accessibility will be required to pay back funds, as determined by the Regional Transportation Council, should the entity choose to not continue as a member of that authority



Non-Federal Funds: TR3-004 (“Clawback”) Associated with Member City Withdrawals

Does RTC want to receive back non-federal funds that were awarded to cities specifically for transit purposes?

- Staff Recommendation: Yes, those funds should be paid back to the region per RTC Policy.



Scenario 2

TCM Substitution Need Eliminated and Assist in DART – Member City Partnership

PART A: Cash for Equity/RTC pays for DART Capital Projects

PART B: RTC pays for City Capital Projects (Need DART review)

(Part A is faster than Part B)

PART C: Legislative Requests: Governance Plus RTC Initiatives



Potential RTC Revenue Sources and Amounts (\$ in Millions): Meets DART Request

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | Total |
|---------------------------------|------------------|-------------|------------|-------------|---------------|--------------|
| CMAQ | | | | 10 | 13.1 | 23.1 |
| STBG | | | | 10 | 15 | 25.0 |
| RTR | | 25 | | | | 25.0 |
| Reallocate Transit Transfers | 1.9 ¹ | | | | | 1.9 |
| Total | \$1.9 | \$25 | | \$20 | \$28.1 | \$75M |

Notes:

- 1 Transportation Alternatives Set Aside Funding for Grapevine Section of Cotton Belt Corridor – no longer to be built by DART, but funds already transferred to FTA for use by DART; only eligible for bicycle/pedestrian type improvements



PART A: No Legislation Needed

TxDOT Delays reduction in CMAQ funds (Send letter to Texas Transportation Commission, \$20M)

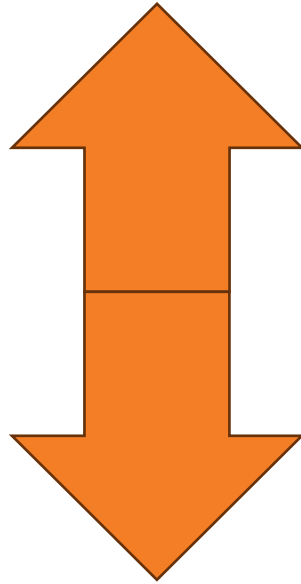
TxDOT Helps fund transit capital projects with Texas Mobility Funds (Send letter to Texas Transportation Commission requesting formula allocation as in the past)

TCEQ helps with air quality TERP funding (Send letter to TCEQ for funding assistance of air quality transit projects)

RTC Supports Scenario 2 (achieves DART target request of \$15M/year or \$75M)



Transferring Concepts from Transit Vision Subcommittee to DART Issue



Subcommittees Desire to Advance Subcommittee Transit Concepts (Potential Path for Region)



Regional Mobility Authority Partnership

Level 1: Regional Rail

Level 2: Regional Rail and Express Bus on Dynamically Priced Managed Lanes

Create Regional Mobility Authority (Passenger Rail Plus Class 1 Railroads)



PART C

Request Legislature to return air check Texas (LIRAP) funds from inspection fees (\approx \$100M)

Request RTC Vision Subcommittee to continue discussion creating a regional rail authority of commuter rail service (possible Regional Mobility Authority) (\$100M - \$150M impact to DART alone) (Excess Sales Tax Revenue and creates 4A/4B opportunity for DART cities)



Scenario 1 and 2: Analysis

| Who | What | Scenario 1 | Scenario 2 |
|-------------------|---------------------------------------|------------|---------------|
| Eastern Subregion | Non-transit Funds for DART Cities | \$0 | \$50M Federal |
| Everyone | Leverage with State Existing Programs | No | Yes |
| 4 Urban Counties | \$100M Air Check | No | Yes |
| Everyone | TCM Cost Replacement | Yes | No |
| Withdrawal Cities | Federal/Local Clawback | Yes | No |
| Everyone | Less Favorable Federal Competition | Yes | No |
| Everyone | Less Favored State Reception | Yes | No |
| DART Cities | GMP Projects | No | Yes |



Much Better
for Everyone

Scenario 2

Will RTC Direct \$75M over 5 years to meet DART target and assist local government request (Removes TCM Substitution Cost and process).

- Staff Recommendation: Yes, request RTC support plus other action in Part A and Part C.



12-County Sales Tax Impact Region/State Comparison

| Item | 2013 | 2024 |
|------------------------|------------------|------------------|
| Region Population | 6,796,661 | 8,342,425 |
| Texas Population | 26,448,193 | 31,290,831 |
| % Region Population | 25.7% | 26.7% |
| | | |
| Region Total Sales Tax | \$7,188,461,931 | \$13,719,801,309 |
| State Total Sales Tax | \$25,944,000,000 | \$47,160,000,000 |
| % Region Sales Tax | 27.7% | 29.1% |
| | | |
| Ratio | 1.078 | 1.091 |

State Donor Impact
 $(1.091 - 1.078) * 47,160,000,000 =$
\$612 million/year

Sources: Texas Comptroller of Public Accounts; US Census Bureau; NCTCOG

Dallas-Fort Worth Sales Tax: Allocation Comparison Summary Reports (<https://comptroller.texas.gov/transparency/local/allocations/sales-tax/>)

State Sales Tax: Annual Tax Collections (https://comptroller.texas.gov/about/media-center/infographics/2025/bre26-27/collections.php?utm_source=chatgpt.com)

This analysis was conducted with the assistance of AI tools to support data location. All data was verified with the original source.



Substituting State Funds for Local Funds

(DART Cities Median Tax Rate Factor)

