

Final Technical Memorandum for Transit 2.0 Task 5: Develop strategies for Authority Board partnerships and teamwork

North Central Texas
Council of Governments

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Contents

- Section 1: Context and scope of Task 5 1**
- Section 2: Current understanding of the situation..... 3**
- Section 3: Transit 2.0 partnership strategic priorities 7**
 - Deliver regional economic development and greater density through partnership with member cities..... 9
 - Deliver competitive transit 13
 - Improve perceptions of safety and security in the system 15
- Section 4: Key Enablers to support strategic priorities..... 16**
 - Engage communities on shared vision..... 16
 - Refine Board governance policies and operations..... 18
 - Build Collaboration Model 2.0 19

Section 1: Context and scope of Task 5

Partnership between the Transit Authorities (TAs) and their member cities is critically important for a successful regional transportation system. Member cities rely on TAs to support their transportation priorities and steward voter-approved public dollars effectively and efficiently. TAs are reliant on cooperation from member cities for facility, route, and project right of way, crime prevention in and around the transit systems, transit-supportive land use and zoning decisions, strategic planning, and funding.

The importance of effective partnership is heightened by the anticipated population growth in North Central Texas. The region is expected to grow by 4 million over the next 20-30 years (versus current ~8.2 million residents) and is looking to address the fast-accelerating mobility demand from residents, businesses, and visitors. **Without increased density supported by expanded public transit, current demographic models used by NCTCOG predict this upcoming population growth to largely occur outside of transit authority boundaries, presenting challenges related to congestion, the sustainability of existing transportation funding, and the lack of alternative transportation options beyond the single-occupant vehicle. There are also implications in terms of economic development, safety, energy availability, air quality, job-housing balance, and city tax bases.**

However, existing collaboration models between TAs and their members may not be sufficient to continue delivering needed transit services, supporting an increasingly large and complex transportation network, and driving key local and regional outcomes. As further elaborated on in Section 2, current collaboration models have been observed to be intermittent, often ad hoc, lacking a strong foundation of mutual trust and shared vision, and constrained to only select top leaders at TAs and member cities. **Moreover, DART and other TAs are currently facing or have faced several acute partnership challenges:**

At DART, friction between staff, Board members, and member city leadership over real and perceived inequities has resulted in public displays of frustration. As of September 2024, six of DART's thirteen member cities – Plano, Carrollton, Farmers Branch, Irving, Highland Park, and Rowlett – had approved nonbinding resolutions requesting a reduction in the sales-tax contribution from member cities by 25%. Other member cities have also been supportive of this move. Although Dallas did not pass a formal resolution, city council members did publicly contemplate reducing DART funding to cover gaps in city pension obligations. This followed calls from some member cities and select board members for an independent study on what exactly member cities are getting in return for their financial contributions- the results, published in September 2024, are discussed in Section 2. DART leaders have publicly opposed proposals to reduce funding, insisting the proposed cuts would be detrimental to the transit system and the region's long-term growth. **Internally, ambiguity in regard to the fiduciary responsibility of board members leads some to prioritize individual member area interests over Dallas Area Rapid Transit (DART) or regional priorities, further exacerbating tensions between DART staff, Board members, and member city leadership.**

Denton County Transportation Authority (DCTA) and Trinity Metro have not been immune to partnership challenges although, in recent years they have avoided the sorts of highly visible public tensions observed at DART. In 2019, DCTA was largely able to largely resolve past concerns with regards to the equity of Board voting rights by reducing its board size from 14 to 5 voting members to only represent financially invested cities. The DCTA executive team has reported smooth operations since. Similarly, Board and staff at Trinity Metro reported strong partnership in recent years (e.g., strong alignment on priorities, Board engagement on high-level matters of priority, trusting relationships with authority staff to manage operational matters).

Task 5 of Transit 2.0 aims to develop a partnership model that can deliver local and regional priorities by investigating the underlying root causes of existing challenges and developing recommendations to drive effective collaboration among TA executive teams, their boards, and member city leaders.

The scope of Task 5 primarily focuses on DART, since it is both the largest authority in the region and is facing particularly pronounced partnership challenges (between staff, Board members, and member city leadership) as compared to the other TAs. Through its most recent Strategic Plan, DART is beginning to address its partnership challenges and has developed a strategy to drive improved transit operations. **This report aims to build on the DART Strategic Plan to address lingering strategic concerns about DART's role vis a vis its members cities in the region over the medium to long-term** (i.e., over the next 5 to 25 years).

Some topics discussed in this report intersect with other tasks included in Transit 2.0. They will be covered in more depth in those tasks, whereas this report will focus on their relevance to enhancing the partnership model. For example:

- Membership models and services provided to members (Task 3)
- Economic development and transit-oriented development (Task 6)
- Funding availability and overall economic model (Task 8)

The preliminary considerations discussed in this report are potential approaches to address the region's upcoming population boom and other challenges, not detailed implementation plans. Many of these preliminary considerations may require further discussion and analyses before being adopted as policies.

This report's preliminary considerations were developed through a combination of reviewing best practices from the private sector as well as transportation and planning authorities across the United States and globally; **conducting interviews** with NCTCOG and TA stakeholders; and **reviewing existing NCTCOG, DART, and other relevant materials. Potential solutions were analyzed for possible impact and tested with relevant experts and NCTCOG and transit authority leadership.** NCTCOG leadership encouraged out-of-the box ideas be contemplated and commented on report details.

Section 2: Current understanding of the situation

To meet the expected demands of significant population growth in the coming years and the need for increased transit modal share, the region must overcome the following specific set of challenges:

- I. **DART ridership has declined over the last 15-20 years. Based on interviews and DART customer satisfaction surveys, this decline may be partly driven by concerns over service frequency and reliability, travel times, as well as issues of safety/security and cleanliness.** Ridership peaked in 2007 at ~73 million, falling to ~67 million by 2019 (despite significant population growth 2007-19) and falling further post-pandemic to ~56 million in 2024¹. While ridership on the light rail system has increased during the same period alongside system expansions, declining bus ridership has driven down overall performance.

Low frequency and high levels of road congestion create a lack of competitiveness in travel time versus single occupancy vehicles. Low density throughout the region creates difficulty in creating fixed routes that can transport a large volume of riders directly to their destinations or from their origins – additional journey legs are more likely to be required. Peak frequency on bus routes is 15 minutes (i.e., versus 5-10 minutes among other United States transit systems) and can be as long as 60 minutes during nonpeak hours for some routes.

Riders and local leaders note that safety has also been a concern impacting ridership. Crime incidents in and around the system attract significant attention which can deter potential riders. Safety and security was a top concern based on DART's 2023 ridership survey².

While progress has been made across these issues over the last 2-3 years including a bus network re-design (which has helped DART exceed pre-pandemic ridership on select midday and weekend service) and improvements in perception of safety based on DART's latest customer survey, Board members and city leaders still cite concerns from their residents³. It's also worth noting that while DART is not alone in facing ridership declines – agencies across the US are facing similar challenges – these declines have driven some of the challenging dynamics between DART and its members.

- II. **A significant subset of DART member cities have -in some form- expressed a tension between their voter-approved allocations to DART and their ability to support the**

¹ Federal Transit Administration National Transit Database

² Steve Pickett and S.C. Jenkins. "DART increasing security, police to address riders' concerns". CBS News. 30 October 2023.

³ Alex Macon. "DART's New Bus Network Hints at the Future of Public Transit in North Texas". D Magazine. 21 April 2021.

economic development needs of the city, with some city leaders perceiving that funding to DART could be better allocated to 4A/4B initiatives. This tension is driven by multiple factors:

- A. Mayors and council members of DART member cities face greater constraint on budget allocation decisions than other US cities due to a cap on sales and property taxes that effectively prevent the city from raising additional revenue to fund priorities.** Other US states with transit agencies either do not have tax caps or their caps provide exceptions for transit funding, so their cities can access incremental tax revenue to fund transit (e.g., Measures M and R in LA). City leaders must make increasingly difficult budget decisions to deliver for a growing population. A lack of increased density also drives stagnating tax bases in some cities. DART takes up a significant portion of member city available revenue sources and therefore faces high levels of scrutiny on its financial stewardship of public dollars and the relative value it drives versus other potential investments by cities. Past efforts by the Regional Transportation Council to expand the ability of cities to raise revenues (e.g., TLOTA) have failed at the state level.

- B. Decline in ridership relative to pre-pandemic levels coupled with growing sales tax revenues from an expanding regional economy has intensified scrutiny of the relative value of transit investments and effective stewardship of taxpayer dollars.** Since 2007, DART total revenues have increased ~72% in nominal terms (i.e., from \$636M in 2007 to \$1,094M in 2024) and ~13% in real terms adjusted for inflation. Sales tax revenue has made up the greatest portion of total revenue growth, growing ~119% in nominal terms and ~44% in real terms (i.e., from \$390M in 2007 to \$853M in 2024).⁴ Lower ridership does not drive lower costs (i.e., considering a full bus and a half-full bus cost the same to operate). City leaders observe the growing 'cost per ride' to taxpayers driving skepticism on the relative value of funding transit. With DART shifting focus from capital projects and putting a hold on new network expansions (i.e., D2), some cities struggle to understand the value they are receiving.

- C. Member cities may not perceive DART's current operational priorities or public transit operations more widely as driving economic development outcomes for their areas.** This perception may be driven by a few things: one, cities have historically relied on DART's original mandate of building light rail and increasing ridership to measure progress. Two, DART's shift away from large capital projects means there is limited visible evidence for how funds allocated to DART can drive economic development or meet city objectives (i.e., the new development that occurred in many places when new light rail lines were constructed)

⁴ DART Finance Team, FY07-24 Revenue Data, shared November 2024

- D. The funding trade-off for cities is further exacerbated by competition between member cities and non-member cities for economic growth.** Economic development is one of the top regional priorities for city councils and mayors. Non-member cities enjoy flexibility to use additional sales tax revenue to spend on economic development that member cities have committed to transit. This gives nonmembers a resource advantage on economic development investments. Notably, several high-profile company relocations were from member cities to non-member cities.
- III. Moreover, some board members and member city leaders perceive inequity in terms of contributions relative to service in their cities and to representation on the board.** For example, a 2024 report by Ernst & Young found that University Park contributed \$6.4M in sales tax revenue while being ‘responsible’ for \$1.7M in operating costs. Meanwhile, Cockrell Hill contributes \$0.6M for \$2.4M in allocated operating costs. Note that the study developed methodology to allocate operating, capital, and interest expenses for FY23 only and did not evaluate comprehensive return on investment.
- IV. There is opportunity for DART and member cities to more effectively coordinate efforts across transit competitiveness, safety, and economic development.** Member cities do not play a direct role in setting DART’s strategic and/or operational priorities, except through appointment of Board Members. Member city urban planning and economic development strategies could leverage DART more. Collaboration across these topics tends to be ad hoc with conversations and decision-making happening in siloes (i.e., versus with everyone at the table). Despite DART’s emphasis on relationships between their security with city police departments, board members expressed that siloes between DART and member city police departments endure. These siloes especially across jurisdictional lines may make it more difficult to address safety and security. In contrast, global peer cities have made transit a center point of urban planning discussion and economic development strategy, leveraging transit as an engine of economic growth (e.g., by supporting dedicated lanes to improve bus speeds, building greater density proximate to transit, synchronizing development with transit network design). **Effective regional collaboration requires close coordination between member areas and transit agencies on service planning, long-term development, and principality of transit as a mode of transport.**
- V. Board members which in other transit agencies may act as liaisons and ambassadors between the organization and the member cities supporting collaboration, expressed a lack of clear expectations in their relationships and representation of their member cities.** Some board members see themselves as wholly independent while others see themselves as proxies for city leaders. Other Board members see themselves more as fiduciaries of DART and responsible for the success of the organization and regional transit as a whole. Multiple board members expressed difficulty getting city leaders to consistently and meaningfully engage on transit related topics making it hard to properly represent their interests.

- VI. **Shifting to a view within DART, the current governance processes and operating model of the Board are unlikely to support greater alignment and collaboration needed to enable a world-class transportation network that can serve the region’s residents and ensure regional growth:**
- a. **The status quo does not place board members’ fiduciary responsibility to DART;** with each board member representing varied concerns of member cities, long-term alignment on DART’s purpose has been challenging to develop: some suburban members have expressed concerns that their interests are not fully represented on the Board; representatives of some cities have chosen to escalate issues to the state legislature, having grown frustrated by current decision-making processes
 - b. **Board members disagree on their scope and purview with some focusing on high level strategic decisions and others interested in getting involved in operational decisions.** Some board members expressed concerns that staff were not sufficiently transparent on financial and operational data despite significant efforts by DART staff to increase the frequency and detail of reporting versus historical levels. Both staff and board members agreed in interviews that this drove tension in relationships and made alignment on strategic decisions and day-to-day operations more difficult.

Section 3: Transit 2.0 partnership strategic priorities

To tackle the challenges outlined in Section 2, collaboration between DART, member cities, and NCTCOG may need to be fundamentally reimagined to partners in improving economic development in the region with transit as a driver *and by delivering a transit experience that is competitive with other transportation options*. Close partnership between DART and member cities at all levels will be essential and member city leadership will play a key role in pulling DART into strategic economic development discussions and finding ways to leverage transit as an asset for the region. The challenges are significant, requiring a bold shift in how DART engages in the region and how it prioritizes and drives operational excellence in service to transit-oriented development.

Such an approach has the promise of uniting DART and member cities with a common purpose of regional development, harmonizing broader economic development priorities with transit investment rather than framed as competing priorities, and gives venue to showcase the value that DART brings to the region.

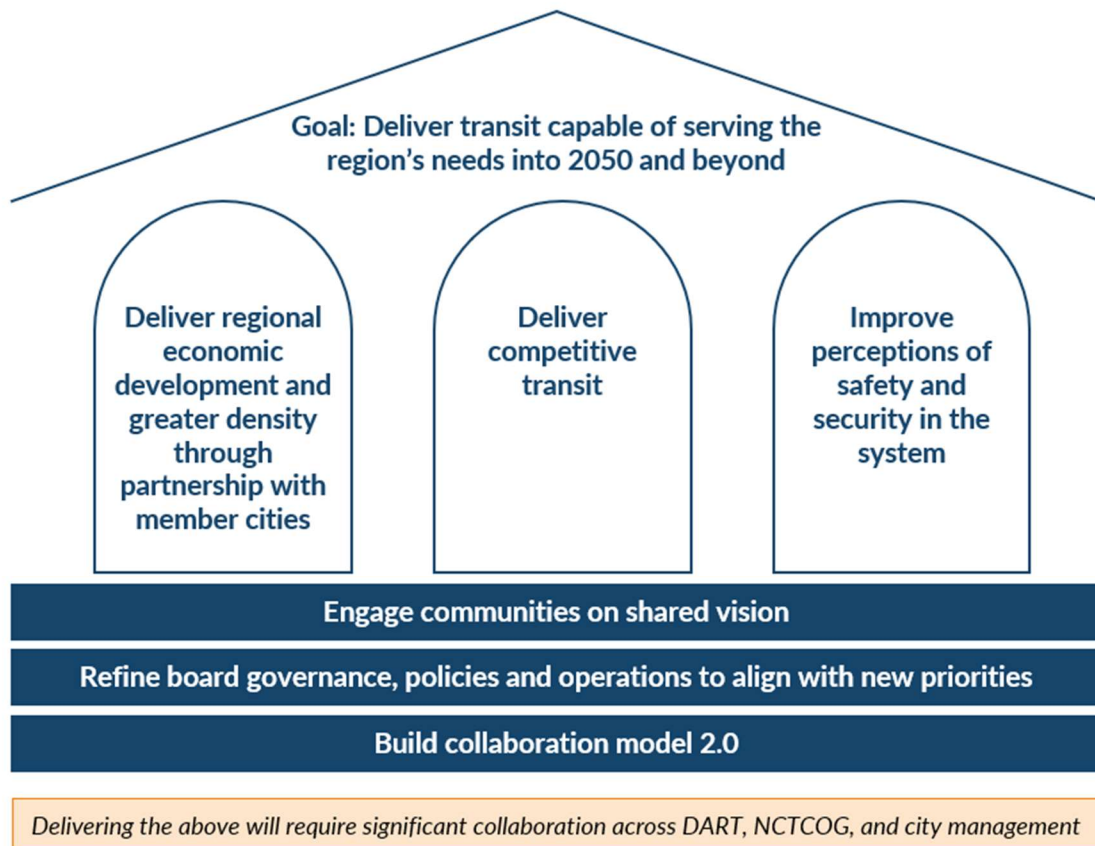
There are three key priorities that DART and member cities can focus on in the near future, each identified because they will be critical components of the transition to this future and DART has a major role to play, but cannot effectively deliver without collaboration with member cities and NCTCOG: I) Deliver regional economic development in partnership with member cities, II) Deliver competitive transit, and III) Improve realities and/or perceptions of safety and security in the system.

- I. **DART, member cities, and NCTCOG should consider taking a more active role in shaping the development of the region to ensure that it occurs in a pro-density way, which is considered to be a critical factor by many urban planners in the long-term success of a region served by transit.** Current demographic models operated by NCTCOG show most incremental population growth moving to cities outside of the Dallas-Fort Worth urban core, where current transit services are limited and thus automobile reliance is high. Unless transit-focused stakeholders, like DART, member cities, and NCTCOG, shape this upcoming development to go to density-focused, transit-adjacent areas, congestion, transportation costs, air quality, and travel times will only worsen in the region. For DART, this could look like actively advocating for pro-density land-use policy and servicing new travel patterns. Member cities might implement strategic land-use policies that also support the local tax base, and NCTCOG could coordinate, recommend, and implement policies including financial incentives for this type of development.
- II. **Competitive transit is critical to increasing ridership, especially amongst riders that have other transportation options** (i.e., 'choice' riders). Without fast headways and seamless service, stakeholders have expressed in interviews that transit times can be twice as long as car travel, which does not present an attractive option to riders who have access to cars. Collaboration between member cities and DART may be critical in unlocking optimized service

planning, faster travel times, and long-term capital planning to keep member cities engaged and boost economic development. For example, they might explore flexible bus lanes or dynamically priced managed lanes.

- III. **Improving realities and/or perceptions of safety and security on the system is a vital part of delivering an attractive transit service that residents choose to ride and requires close collaboration between DART and member cities.** Unless riders feel safe in the system, they will continue to choose alternative modes of transport when they can; safety/security remains a key driver of customer satisfaction for DART based on its customer survey results (in the 2022 customer survey, ~50% of riders who were unlikely to recommend DART to others cited concerns of personal safety on platforms or transit stations and on trains). This is a particular issue in the long-term, since the success of transit depends on attracting riders that do have access to alternative modes of transportation but are choosing to ride public transit instead due to convenience and speed.

As seen above, this requires partnership and coordination among transit agencies, NCTCOG, and member cities. No single stakeholder can deliver the changes necessary to meet the challenges of the upcoming population increase, and each have their own specific tools and capabilities to bring. Collaboration with the public and transit users will also be critical.



Pillar 1. Deliver regional economic development and greater density through partnership with member cities

Shaping economic development towards density and transit proximity in the region is considered critical to reduce automobile reliance and effectively meet the transport needs of the region. DART, member cities, and NCTCOG should consider playing a central role to deliver: I) Supportive policies, II) Catalytic development, and III) Increased business investment in member areas that invest in transit

- I. **Land-use policies that support and incentivize dense developments in the urban core are critical to delivering regional transit-oriented economic development.** Refining zoning policies to allow for more dense developments, especially proximate to high-frequency transit stations and routes, will allow member cities to continue growing in a way that provides attractive transportation options to new residents and may be more sustainable in the long term. This may also address present concerns about stagnating tax bases and limited room to continue growth.
 - a. **DART can actively advocate for pro-density land-use policies, thus encouraging density-focused development reliant on transit access.** To do so, DART could continue to build its fact base, analysis, and other insights around benefits of maximizing land use productivity in terms that resonate with decision-makers, collaborate with member cities and NCTCOG to shape such an agenda, and develop incentives for dense development. Without support from cities that exercise land-use authority, DART cannot implement these pro-density development policies.
 - b. **NCTCOG can coordinate, recommend, and implement policies to encourage strategic land use, expanding on existing transit-oriented development (TOD) thought leadership, directly investing in transit-dense areas likely to be TA members.** NCTCOG has historically provided thought leadership on TOD, for example through the Coordinated Land Use and Transportation Planning Task Force. NCTCOG can build on this by actively advocating for specific policies mentioned by stakeholders, including policies that rezone appropriate areas to allow dense developments by working with cities, minimum density expectations for cities with high-frequency transit access, appropriate incentives like property tax subsidies, and commit TAs to a period of consistent service to guarantee transit advantage for developers. NCTCOG could also provide incentives for transit-proximate living (e.g., free or discounted transit passes for residents of transit-proximate developments). To be successful with this approach, member cities would need to be aligned and execute plans for strategic land use and DART would need to commit and deliver on continued high-frequency service to attract private investment.

- c. **Member cities can implement strategic land-use policies, prioritizing dense developments along transit corridors.** Member cities need DART to continue to provide competitive service and to collaborate on identifying specific areas that would benefit from higher density developments.
- II. **A targeted, policy-driven approach to economic development can meaningfully develop areas that can catalyze future development, as opposed to a siloed, project-driven approach. All three stakeholders currently have efforts aimed towards economic development; effective collaboration can exponentially magnify the impacts of these efforts.**
- a. **DART can leverage current real-estate portfolio for catalytic development, investing directly in member area economic development.** In its current Strategic Plan, DART’s “fantastic spaces” goal encourages transit-proximate development, leveraging its existing real-estate portfolio. And it has already begun implementing this goal, through its conversion of existing park-and-ride lots. (e.g., SMU/Mockingbird Station). DART could expand on this effort by shifting from its current site-specific, developer-led approach and sell available real estate to private developers, and/or establish equity-based partnerships to develop real estate assuming partial short-term risk for long-term density. DART will need support from member cities to develop real estate in this way, since cities hold land-use authority. DART will can leverage financial support from NCTCOG, who could, for example, actively develop transit-proximate real estate to create “win-win” situations.

Example: The Massachusetts Bay Transportation Authority

The MBTA plays three complementary roles in economic development through land development:

1. **Sponsor through joint development by leveraging existing real estate** (e.g., 85-year ground lease on previous parking lot for affordable housing development).
2. **Advocate for supportive public policies** like efficient use of land, affordable and workforce housing, infrastructure finance, etc. (e.g., worked with state government to require MBTA communities to have at least one zoning district in which multifamily housing is permitted, with financial penalties for non-compliance).
3. **Partner with cities and the state to develop incentive packages for prospective corporations looking to move to the region** (e.g., part of incentive package offered to GE for relocation to Boston was ~\$25 million in street, transit, bikeway, and water transportation service).

This has enabled the MBTA to win corporate HQ relocations near transit stations, including the region’s largest private employer, Partners’ HealthCare. The MBTA has also sold or leased rights for over 50 TOD projects in the past 10 years, developing over 5,000 housing units through private partnerships over the lifetime of its TOD program.

b. **NCTCOG can pursue a few different avenues to encourage catalytic development.** It will need DART's support in utilizing its existing real-estate portfolio and in identifying key areas for development. NCTCOG will also need to work with member cities to ensure appropriate permissions are granted.

i. **Actively develop transit-proximate real estate to create "win-win" situations, building on past land banking and TOD-funding efforts to provide immediate financing to member cities and enable additional regional priorities like housing-job balance.** NCTCOG's land banking efforts, like the 2006 Sustainable Development Call for Projects, benefited both member (e.g., Irving, North Richland Hills) and non-member cities (e.g., Arlington, White Settlement). NCTCOG could now focus more on TA member areas by:

1. **Consider making land available for development**, e.g., utilizing TAs' existing real estate portfolio, purchasing land outright potentially through negotiated "greenfield" pricing with cities, and otherwise identifying land parcels that could be attractive for developers and maintaining a list of eligible areas
2. **Consider supporting end-to-end development of land**, e.g., identifying right developers based on area needs, determining specific public-private partnership (PPP) arrangement, and employing innovative approaches to funding. Specific focus within unincorporated areas within counties is critical due to increasing local use controls exercised by the State Legislature.

Example: Twin Cities' MPO

Twin Cities' MPO established a TOD program to promote moderate- to high-density development projects within walking distance of a major transit stop, as part of which it:

1. **Set density standard for cities with high frequency transit access** (peak expectation of 50+ units/acre in urban centers with fixed/dedicated ROW in ½ mile/10-minute walk)
2. **Funded ~\$5 million annually in local grants for dense development** through property taxes and the city general fund
3. **Actively led TOD implementation** (e.g., led efforts to increase zoning flexibility, pitched development opportunities to private developers).

As a result of its efforts, the **average property tax per acre from development on high frequency routes is 10x the regional average**, and **37% of all new development 2009 - 2022 occurred within half mile of high-frequency transit.**

- ii. **Consider requiring new low-density/ “sprawl” developments to compensate NCTCOG for incremental infrastructure costs.** This would expand on NCTCOG’s current informal encouragement of high-density development, driving greater urban density and encouraging development in core urban areas.
 - iii. **Consider formal efforts to increase funding for TA member areas, building on current limited efforts to increase overall value of a TA membership.** Some potential methods include expanding use of the RTC Policy Bundle structure and increase weight of TA membership therein, launching new formal programs to favor TA members (e.g., using RTC/local funds), and restricting funding to non-TA members (e.g., further prioritize use of Transportation Alternative Funds to station-proximate projects).
 - c. **Member cities can expand their current economic development efforts to focus on development that balances available housing and employment opportunities along transit corridors.** Member cities will need DART’s support in identifying and maintaining these key areas of transit service and could get financial support from NCTCOG as needed.
- III. **Corporate relocations and expansions are an important signal of ongoing economic development and growth, helping build enthusiasm and garnering support from residents, private developers, and state and federal organizations. Collectively, the member cities, DART, and NCTCOG can ensure that crucial employment opportunities flow into member areas.**
 - a. **DART could develop incentive “packages” attractive to corporations** (e.g., offer tailored transit service), **and/or provide financial incentives for corporate relocation or expansions into member cities** (e.g., subsidize property taxes, offer joint financing). DART will need to work closely with cities in designing these incentives to ensure coordination with the cities’ other efforts.
 - b. **NCTCOG could explicitly prioritize support for relocations and expansions in member areas, provide direct financial incentives, and restrict the ability of non-member cities to use financial incentives to attract opportunities from member cities.** Currently, the Regional Transportation Committee’s (RTC) policy is to consider each request for support in attracting large employers by local governments on an individual basis, with no program-based approach (e.g., the RTC offered funding to PGA, Universal, and Tesla for potential relocations to the region, neutral towards where exactly in the region those corporations would be housed). The RTC could explicitly favor member cities in supporting corporate relocations. Going a step further, the RTC could directly or indirectly fund property tax subsidies for corporate HQ relocation to member cities to sanction transit-proximate economic development and compensate TA members for non-TA members’ ability to subsidize corporate HQ relocation using 4A/B. This likely requires creative solves based on eligibility of Federal funding sources. NCTCOG could also restrict non-TA

member cities' cannibalization of economic development opportunities (through restricting funds they otherwise would have received), financially disadvantaging cities acting against regional interests and providing competitive advantage to member areas. NCTCOG will need member cities' support in designing the right incentive structures, and DART's collaboration to ensure efficient and effective use of resources.

Delivery of the above will also require coordination and collaboration with regional economic development leaders (e.g., state officials, Dallas Regional Chamber, economic development organizations) and private developers. DART and NCTCOG can actively partner with these stakeholders to encourage regional economic development and greater density.

Pillar 2. Deliver competitive transit

Becoming competitive against single occupancy vehicles and winning over riders who have access to car travel is critical to the long-term success of public transit in the region and requires transit to be competitive on end-to-end travel times, including convenient access to station, headway times, vehicle travel speed, and reliability of those elements.

DART has made many investments to address headways, reliability, proximity of stations to all residents and attractive destinations (e.g., entertainment centers), including through its recent redesign of the bus network in 2022 and the 10 x 10 aspiration outlined in the 2024 Strategic Plan.

To continue building on this progress, DART can further leverage existing private sector partnerships, in line with successful peer transit agencies who have seen improved performance and cost efficiency, as well as incremental internal capacity to redirect towards strategic and system-wide planning. Redirecting DART's energy towards this strategic and system-wide planning can help it more readily address partnership concerns, which is why this approach is the focus of this report. In leveraging the private sector (e.g., to support operations), DART can build on its previous efforts, including existing partnerships with private operators for micro-transit services in its area of coverage.

However, even with enhanced operations through the private sector, DART will need to address system-wide travel time challenges such as congestion. DART and member cities will need to collaborate to address this issue, for example by jointly planning and implementing dedicated lanes or next generation traffic signal timing.

Leveraging the private sector can I) free up leadership time to focus on strategic topics, II) leverage performance-based contracting to drive improved performance, and III) introduce innovative technologies.

- I. **Private sector operators can free up DART leadership to focus on strategic and system-wide priorities, demonstrating DART to be an engaged partner to member cities.** DART leadership,

both the Board and Executive Team, currently focus on day-to-day service delivery. By allocating this responsibility to private operators, they can instead focus on strategic priorities including subregional economic development and the requisite member city partnership, as well as system-wide planning to meaningfully level-up service.

- II. **Performance-based contracting can improve operational efficiencies, drive down costs, and improve service levels.** Competition between private operators and performance-based contracting incentivize private operators to drive lower costs while maintaining or improving service levels. Private operators may also be able to leverage global expertise to deliver best-in-class service at equivalent cost to taxpayers.
- III. **The private sector can bring in innovative tools and technologies to drive improved performance.** Private operators have incentives and necessary experience to bring in innovative technologies into operations, including collaborating with NCTCOG in implementation of tools such as Traffic Signal 2.0, potentially as an alternative to traditional methods such as bus-only lanes. Additionally, DART can leverage data from these arrangements to improve system-wide planning. For example, micro-transit operators in the region have collected rich data on popular origins and destinations for their services. DART can continue to leverage this information to plan fixed routes, which in turn can be passed on to private contractors for operation.

Example: Transport for London

Transport for London (TfL) has been able to further its strategic priorities by leveraging the private sector. London buses have been privatized for the past ~40 years, with TfL retaining oversight of private bus operators. While TfL specifies details of routes, fares, service levels, and branding, its 16 private bus operators are responsible for delivering service levels and operational targets.

By leveraging the private sector, TfL has been able to focus its resources and capacity on integrating its plans and service into broader plans developed by the Greater London Authority, improving infrastructure required to enable effective bus transit (e.g., signal priority, bus lane creation and enforcement), and **enacting bold, innovative changes to transit strategy** (e.g., Superloop network).

A large number of operators has also driven competition increasing overall cost efficiency and best-in-class service delivery.

To effectively leverage the private sector, DART will need to develop incremental operational capabilities, including enhancing procurement capabilities and mechanisms to hold private partners accountable.

DART and member cities could also meaningfully partner on long-term capital planning to drive enthusiasm and build shared priorities that can keep member cities engaged in the agency. Historically, the promise and delivery of capital projects has successfully kept DART and member

cities working towards the same goal; refreshing long-term capital needs now can help generate this goodwill and commitment to success of the system. Private developers also tend to respond with enthusiasm to planned capital expansions, which can support overall economic development of member areas. In addition to potential expansion, this could also include infilling new stations for development, or integrating new technology into existing network.

DART, member cities, and NCTCOG could also collectively support development of innovative solutions like flexible bus lanes and signal prioritization, which would meaningfully advantage transit over automobiles and reduce travel time for riders. Bus lanes and signal priority mechanisms require collaboration from all three stakeholders: DART will need to provide the bus service, member cities and TXDOT will need to enable either expansion of roads or allocation of existing lanes and operationalize changes to signal network, and NCTCOG can provide crucial funding given expense of infrastructure.

Pillar 3. Improve perceptions of safety and security in the system

Safety and security on transit systems is a big priority for both individual riders and companies setting up proximate to transit stations and routes. The DART rider survey indicated safety and security as the second highest priority for customers, and the current Strategic Plan aims to improve safety on the system under Goal 3, including collaborating with member cities to improve conditions for vulnerable populations.

DART and member cities can closely collaborate on safety and security beyond existing and planned efforts by focusing on breaking down institutional barriers that may often limit effective interventions. For example, buses and trains that cross city boundaries may be challenged with security issues, given varying jurisdictions. DART and member cities can build on existing safety and security efforts by furthering coordination between DART police and city police departments (e.g., developing strategies for buses and trains that cross city boundaries may be challenged with security issues, given varying jurisdictions) and jointly developing proactive strategies for crime prevention. DART, with member city cooperation, could contribute a greater amount of funding to safety and security.

The breakdown of current “silos” that constrain comprehensive security would benefit member cities as well and require their close cooperation. Member cities and DART both dedicate a significant portion of their budgets to safety and security provisions for residents; furthering their partnership could help both stakeholders ensure that total funds are used effectively, and potentially reallocate some funding towards other priorities.

Section 4: Key Enablers to support strategic priorities

There are three key enablers for successful implementation of above-mentioned strategic pillars. These include **engaging local communities on a shared vision**, **reviewing governance policies and operations** to ensure a cohesive, regional focus and **building collaboration model 2.0**.

Engage communities on shared vision

It will be critical for DART and its member cities to have a **shared vision of success in the coming years and a clear understanding of what would be required to achieve it**. The expected population influx and resulting economic changes will have a massive impact on the region and if DART is going to effectively play a role in preparing for it, it will need to clearly articulate the role with the support of its members. Part of the current collaboration challenges between cities is driven by a lack of alignment on DART's role in the coming years, e.g., capping sales tax income to DART would necessarily reduce its ability to support growing regional transportation, land use, and safety needs.

To drive alignment on this shared vision, DART could undertake a vision-setting process with communities and other key stakeholders. This could entail the following four key elements:

- I. **Build a fact base:** DART could work with NCTCOG and other planning groups to develop a clear fact base to establish the importance of a robust transit network to handle the expected regional growth. This could include scenarios of what congestion, economic development, and commute patterns would look like with and without a robust transit network.
- II. **Identify and engage key stakeholders to better understand their priorities:** DART has held listening sessions with all cities to understand and define their key strategic objectives as they relate to transit. DART could continue these efforts as they expand this collaboration to include targeted stakeholders, businesses, and community organizations. Consistent engagement throughout the vision-setting process is critical as is sustained engagement beyond the process to ensure enduring alignment. A retrospective analysis on areas of strength and areas of opportunity in its stakeholder engagement approach during the most recent strategic planning process may bring to light new strategies for driving deep and durable alignment and excitement from stakeholders
- III. **Communicate medium- and long-term priorities in language that resonates decision-makers:** Leveraging the fact base developed, DART could communicate to its communities and key stakeholders the critical role for transit in the coming years. This could include centering the role of economic development in transit planning and operations and engaging with local land-use planning to increase pro-density, transit-accessible development. A critical component of success will be the ability to articulate DART's long-term value proposition and the value

proposition of its strategic priorities in terms will resonate and speak to the values and priorities of its stakeholders and partners (e.g., city managers, city councils, residents). DART can leverage the stakeholder engagement process to understand which aspects and impacts of priorities should be brought to the fore, and in what terms those impacts need to be defined to generate excitement and political will.

- IV. **Codify new priorities into organizational performance metrics** (i.e., KPIs): DART could supplement current organizational targets focused on existing priorities with incremental KPIs focused on the three strategic pillars: economic development (e.g., number of business leaders engaged, number of corporations offered transit incentives), competitive transit (e.g., percent reduction in average travel times, frequency of service in minutes), and safety/security (e.g., rider ratings of perceived safety). Maintaining a consistent reporting cadence against these metrics help DART maintain transparency and show progress against the set goals.

Example: State of Georgia

The State of Georgia garnered support for major transportation investments by aligning them with business and economic development goals in the Atlanta Metro Region, rather than traditional traffic metrics.

Georgia built support for investments by collaborating closely with the business community, addressing their specific needs via transportation investments, e.g., key future traffic flows that could be impacted by congestion. Georgia also framed messaging around economic development to build political firepower for an increase in gas tax in a state proud of its low taxation policies.

Through meaningful engagement of the business community, the state also built a strong coalition of business leaders to support their plan, both through advocacy and financial support.

Refine Board governance policies and operations

A review of current governance policies and operations could improve collaboration among DART's leadership, board, and member cities. This could include I) increasing the regional focus of its board structure, II) shifting Board focus to strategic priorities, and III) incorporating a technical advisory role to provide relevant information for efficient and effective decision-making.

- I. **Increasing Board's regional focus:** Compared to other transit agencies in the US, DART's board is particularly unique, in terms of the lack of a regional "voice" on the board. In other transit agencies there is often regional representation as certain board members are nominated by the Governor or members are considered "at large," representing the network's interest as a whole. This lack of a regional perspective and a relatively high focus on specific city priorities has translated into much of the direct competition between cities, especially since DART board members often consider their fiduciary responsibility to be to individual member cities, not DART as an agency. DART could consider adjustments to elevate network-wide priorities into the Board, such as an independent Board chair selected at the state/MPO or county level; introducing "at-large" membership, clarifying to what extent Board members should represent agency interests in addition to their member cities (e.g., requiring a fiduciary

responsibility to DART), or introducing a “rider representative” that would be the voice of riders on the board.

- II. **Recommitting Board’s focus to core strategic topics:** To effectively plan for the strategic challenges that DART will be facing, it is important that Board continues to maintain its focus on the most pressing strategic issues (e.g., transit-oriented development and competing with other transit options), while the executive team and staff focus on the more operational concerns.
- III. **Incorporating technical advisory roles:** The Board has recently faced challenges with estimating impacts on service levels of various decisions on different member areas. Leveraging examples from the private and nonprofit worlds, a semi-independent body (e.g., a regional Technical Advisory Board) could be used to estimate impact of select decisions on regional interests and provide recommendations. DART could introduce advisory boards for specific areas of focus, for example, economic development and/or performance-based contracting.

Example: Various peer agencies

- **Chicago Transit Authority’s** Board includes regional representation: three members appointed by the Governor
- **Centro** in Syracuse, NY, has a rider representative on its Board to ensure independent perspective of customers who use transit is well reflected
- **Bay Area Rapid Transit (BART)** Board Members are elected by voters, making them directly accountable to the voters and responsible for their interests
- **Washington Metropolitan Area Transit Authority (WMATA)** ensures that each of its three jurisdictions have at least one representative on the Board

Example: Private organizations

- **Unilever** has an advisory board comprising seven independent, external specialists, focusing on sustainability impacts

Build Collaboration Model 2.0

In reorienting DART and member cities to deliver the three strategic pillars described in Section 3, the DART Executive Team, Board, and member cities can take the opportunity to refresh and reinvest in how they work together to develop an enhanced sense of partnership and collaboration. This could include:

- I. **Maintaining formal and informal channels for information sharing**, e.g., regular cadence of meetings between DART executive team and city leadership. This may include more active role of board members as ambassadors with member city leaders and residents.

- II. **Ensuring consistent and reliable sharing of progress against agreed-upon goals**, e.g., consistent board reporting, relevant publications to city members and the public including expanded “scorecard” across DART and other parties.
- III. **Aligning on updated, clear roles and responsibilities**, e.g., refinements to Board role outlined in above section
- IV. **Collaborating across levels of DART and member city organization, not just top leadership**, e.g., DART and member city police departments can closely collaborate on ensuring safety and security for riders and residents

Separation of city, TA, and regional goals (i.e., by reducing DART sales tax revenues) is likely to lead to a fragmented approach (i.e., versus coordinated regional approach). A thoughtful regional approach is more likely to drive successful outcomes and address growing needs of the region. Meaningful leadership from all parties is critical.