

**TIGER II DISCRETIONARY PROGRAM – PLANNING GRANT  
Project Application**

**Name of Project:** Cotton Belt Regional Rail

**Agency Submitting Project:** North Central Texas Council of Governments

**Other Project Parties:** Dallas Area Rapid Transit

**Primary Contact:**

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**Street Address:** 616 Six Flags Drive  
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**Type of Project:** Transit/Other

**Project Location:**

**Cities:** Addison, Carrollton, Colleyville, Coppell, Dallas, Farmers Branch, Fort Worth, Grapevine, Haltom City, Hurst, Irving, North Richland Hills, Plano, Richardson, Watauga

**Counties:** Collin, Dallas, and Tarrant Counties

**State:** Texas

**Congressional Districts:** Pete Sessions (District 32),  
Samuel Johnson (District 3),  
Joe Barton (District 6),  
Kay Granger (District 12),  
Kenny Marchant (District 24),  
Michael Burgess (District 26),  
Eddie Bernice Johnson (District 30),

**Type of Jurisdiction:** Urban Area

**TIGER II Funds Requested:** \$3,000,000

**Total Project Cost:** \$3,750,000

**DUNS Number:** 10-246-2256

**Application ID:** dalstrcar-0997

**Application ID:** aspnetsqlmembershipprovider:dalstrcar-0997

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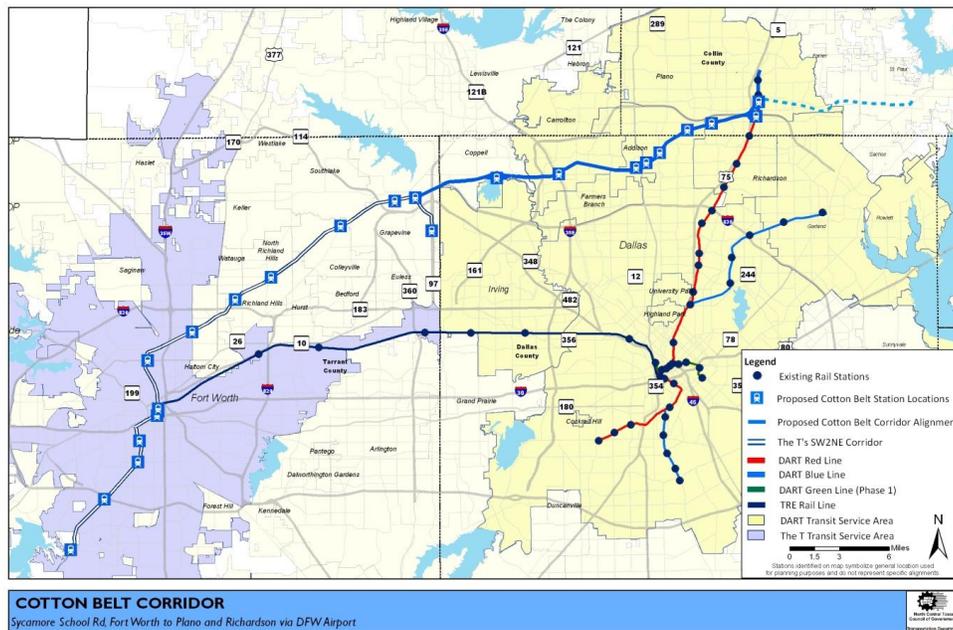
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**I. Purpose and Outcomes**

**A. Project Description**

The Cotton Belt Corridor is a proposed passenger rail corridor, from Sycamore School Road in Southwest Fort Worth to the Dallas Area Rapid Transit (DART) Red Line Light Rail Corridor in the Plano/Richardson area, passing through portions of Tarrant, Dallas, and Collin Counties in North Central Texas with a total of 62 miles as indicated in Exhibit 1. DART purchased 52 miles of the corridor in 1990 from Mile Post (MP) 580.19 in Wylie to MP 632.27 in Fort Worth for potential future passenger rail. The Corridor has been included in various DART plans beginning with the 1983 *DART Final Service Plan*. The Cotton Belt Corridor has also been included in the Dallas-Fort Worth region’s Metropolitan Transportation Plans (MTP) since 1993 as an alignment alternative for passenger rail.

**Exhibit 1: Cotton Belt Corridor Limits/Location Map**



In response to action by the Regional Transportation Council (RTC) on May 13, 2010, action by the Dallas Area Rapid Transit (DART) Board of Directors on March 23, 2010, and action by the Fort Worth Transportation Authority (FWTA) Board of Directors on April 14, 2010, the North Central Texas Council of Governments (NCTCOG) initiated an Innovative Finance Initiative (IFI) to develop revenue streams sufficient to construct, operate, and maintain passenger rail service in the Cotton Belt Corridor. DART and FWTA have requested that the RTC, the transportation policy body of NCTCOG, take the lead role in developing innovative financial mechanisms and revenue streams in order for DART and The T to implement passenger rail service in the Corridor. To that end, a Request for Proposals (RFP) was released on May 28, 2010 inviting written proposals from financial advisory firms to develop an innovative financial plan that will include identification of candidate funding sources necessary to construct, operate, and maintain passenger rail service for the 62-mile Cotton Belt Corridor.

While the TIGER II Planning Grant requested in this Application will assist in funding for continued Regional Rail planning activities and remaining environmental analyses along the Cotton Belt Corridor, it will primarily focus on applying methodologies resulting from the IFI and continuing to evaluate and structure innovative financing strategies concerning capital construction costs and long-term maintenance and operating costs. Ultimately, these efforts will serve to boost the attractiveness and feasibility of the Cotton Belt Corridor for possible development of a Public-Private Partnership (PPP), enabling passenger rail service to occur as much as 10-15 years ahead of current projections via traditional funding means.

**B. Livability Principles**

a. Provide More Transportation Choices

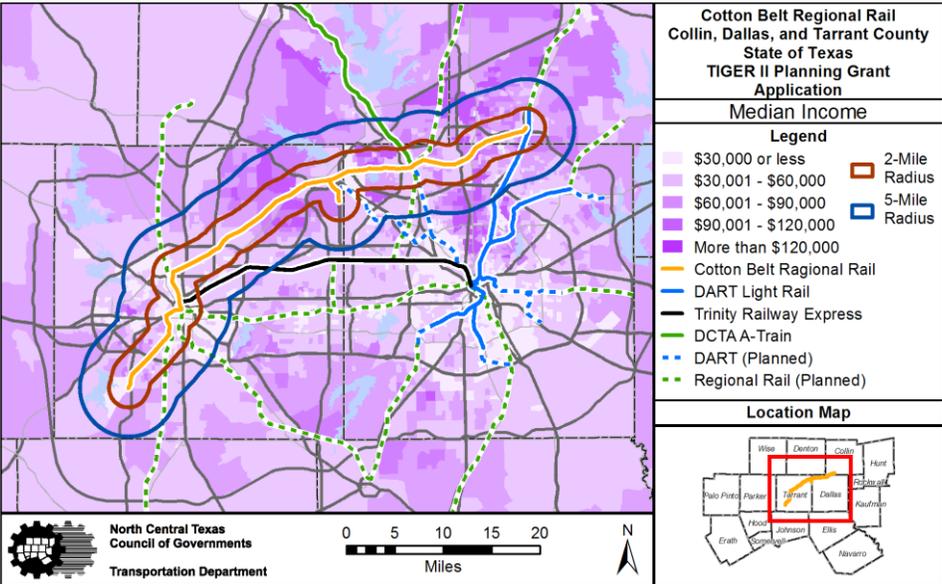
The Cotton Belt Regional Rail project would fulfill a significant urban need by linking both suburban and urban neighborhoods of multiple cities with public transportation to/from employment, entertainment, and other economic opportunities along the Cotton Belt Corridor, the DART light rail system, and at Dallas-Fort Worth International Airport (DFWIA). The development of passenger rail along the Cotton Belt Corridor will provide an alternative transportation option for residents, employees, and visitors within Collin, Dallas, and Tarrant Counties. Utilization of the corridor by these patrons would substantially reduce vehicle miles traveled by automobiles, and prolong the lifecycle of the roadways in these areas.

This project, located at existing and planned transportation hubs in the Fort Worth Central Business District (CBD), DFWIA, Carrollton, Addison, and Richardson/Plano, is an integral component of the transportation network recommended in the region’s long-range transportation plan, *Mobility 2030: The Metropolitan Transportation Plan for the Dallas-Fort Worth Region, 2009 Amendment*. It improves transportation connectivity to existing roadway, transit, and airport facilities. These new and/or enhanced connections provide a centerpiece on which to build a better land use/transportation interface that encourages mixed-use, infill, and transit-oriented development, improves regional air quality, and provides widespread advances to public health. Creation of a PPP that may advance construction of the Cotton Belt Corridor many years before what could be accomplished traditionally would facilitate this interface shift on an even larger scale, inducing transportation, air quality, and enhanced livability benefits along other transportation corridors and/or adjacent communities.

b. Promote Equitable and Affordable Housing

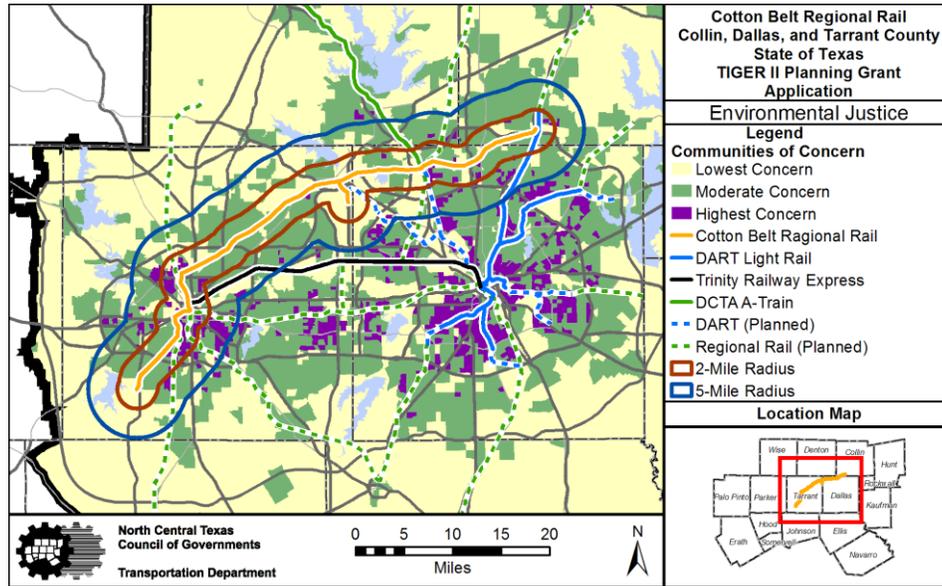
The Cotton Belt Regional Rail project would improve access to and stimulate economic development in neighborhoods that have a substantial percentage of residents meeting the definition of economically distressed. “Economically distressed” as defined by the Governor of Texas’ Office is, “an area that has a median household income that does not exceed 75% of the median state household income.” The median household income for the state of Texas is \$46,248. Exhibit 2 displays the median income geographically within both a 2-mile and 5-mile radii of the project corridor. The lighter shaded areas on the map, representing median incomes below the national average, exist in multiple locations within the project corridor, especially near the Fort Worth Central Business District (CBD) and north of DFWIA.

**Exhibit 2: Project Corridor Characteristics – Median Income**



The region's long-range transportation plan, *Mobility 2030: The Metropolitan Transportation Plan for the Dallas-Fort Worth Region, 2009 Amendment*, addresses environmental justice communities through a comprehensive and inclusive approach. Exhibit 3 indicates that an extensive number of environmental justice communities exist in various locations within the 2-mile and 5-mile radii of the project corridor.

**Exhibit 3: Project Corridor Characteristics – Environmental Justice**



It is anticipated that areas adjacent to proposed stations along the project corridor, particularly those with additional transit and/or multimodal connections, will become high-density, mixed-income, mixed-use, walkable, urban neighborhoods with economically distressed residents benefiting greatly from improved transit access and access to other neighborhood amenities. NCTCOG has an extensive history of strong partnerships with the public sector, business community, and public interest groups in advancing sustainable development policies/goals among all income levels for housing and economic development.

c. Enhance Economic Competitiveness

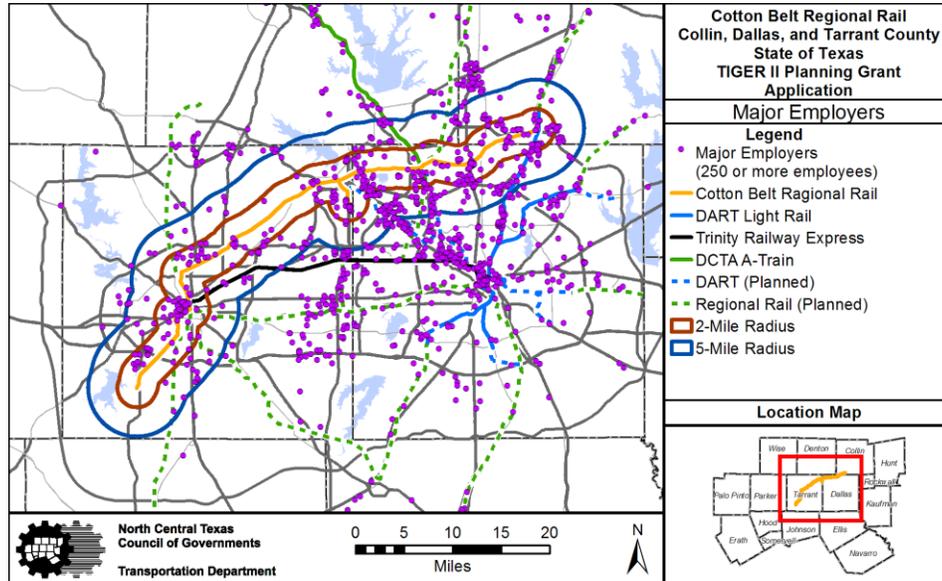
The Dallas-Fort Worth region is the 12<sup>th</sup> largest metropolitan economy in the world and the 4<sup>th</sup> largest metropolitan area in the United States. During the 1990's, this region ranked 3<sup>rd</sup> nationwide in population growth, adding over 1 million people in that time. Estimates show that, despite the recent economic downturn, the region continues to grow by at least 100,000 people per year. Given these statistics, it is clear this region has a significant impact on both the United States and world economies.

This high growth rate has a distinct impact on traffic congestion and air quality within the region. Through the RTC, local elected officials have created and implemented a multimodal transportation plan based on principles of reducing congestion, improving air quality, and encouraging more sustainable development patterns. Transit projects, such as existing/proposed commuter rail and light rail systems, combined with the creation/extension of streetcar systems, are imperative to facilitating more sustainable lifestyles and enabling cities to remain competitive in a rapidly changing national and international marketplace.

Within the Cotton Belt Corridor, there are numerous major employers with 250 or more employees. The largest concentrations of employees, as shown in Exhibit 4, are the Fort Worth CBD, which has over 110,000 employees and over 80 major employers, and at DFWIA, which has over 60,000 on-airport employees. Major employers located on the airport site include American Airlines, DFWIA, and Federal Express. Other major employers in the corridor include several regional hospitals, education centers such as Texas Christian University and the University of Texas at Dallas, and technology-based industries such as Alcatel and Perot Systems. Also, the corridor travels through the emerging CBD's of

suburban communities such as Colleyville, Grapevine, Carrollton, Addison, and Plano, all of which are attracting significant growth in jobs, entertainment venues, retail, and other forms of economic activity.

**Exhibit 4: Project Corridor Characteristics – Major Employers**



The NCTCOG 2030 Demographic Forecast estimate 30-year increases in population by 25.2% and employment by 48.4% within the fifteen cities along the Cotton Belt Corridor, as displayed in Exhibit 5. Within a 1-mile radius of the corridor, the 30-year increases in population and employment are estimated to be 21.8% and 37.9%, respectively. Given these demographic projections, it is readily apparent that this project will serve to increase population and employment opportunities, and significantly impact the potential for new and widespread investment, expansion, and private sector production.

**Exhibit 5: Project Corridor Characteristics – Base Year and Projected Population/Employment**

Location	Population			Employment		
	2000	2030	% Change	2000	2030	% Change
Addison	14,454	19,313	33.6%	45,649	66,213	45.0%
Carrollton	109,364	124,086	13.5%	68,199	83,148	21.9%
Colleyville	19,636	25,300	28.8%	4,965	11,050	122.6%
Coppell	36,191	45,410	25.5%	18,401	29,380	59.7%
Dallas	1,202,592	1,404,847	16.8%	1,038,314	1,390,219	33.9%
Farmers Branch	28,028	43,978	56.9%	75,013	156,798	109.0%
Fort Worth	534,694	826,650	54.6%	449,793	701,500	56.0%
Grapevine	41,909	49,484	18.1%	49,565	85,475	72.5%
Haltom City	39,018	44,950	15.2%	16,063	21,800	35.7%
Hurst	36,273	39,650	9.3%	19,123	26,150	36.7%
Irving	196,632	225,714	14.8%	165,435	276,941	67.4%
North Richland Hills	55,635	73,400	31.9%	20,980	34,400	64.0%
Plano	222,498	257,061	15.5%	115,048	184,205	60.1%
Richardson	92,577	113,815	22.9%	94,792	163,014	72.0%
Watauga	21,908	25,800	17.8%	2,430	9,700	299.2%
<b>TOTAL</b>	<b>2,651,409</b>	<b>3,319,458</b>	<b>25.2%</b>	<b>2,183,770</b>	<b>3,239,993</b>	<b>48.4%</b>
<b>CORRIDOR (1-mile)</b>	<b>275,845</b>	<b>335,932</b>	<b>21.8%</b>	<b>426,678</b>	<b>588,398</b>	<b>37.9%</b>

d. Support Existing Communities

In the regional context, livability and viability will be enhanced because the Cotton Belt Regional Rail investment will be a critical step in linking numerous major activity centers in the Dallas-Fort Worth Metropolitan Area along multiple existing/planned regional transit corridors, and providing large-scale public transportation service to/from emerging urban villages in suburban communities. In other words, this initiative will link investment in regional rail with local urbanism efforts, augmenting abilities to readily access the transit system without relying on automobile travel and park-and-ride facilities.

The impacted communities would benefit by the regional nature of this project. The Cotton Belt Regional Rail project will provide more connectivity to existing passenger rail lines, allowing residents and employees in the corridor to live, work, and play within any part of the project area (and even along transit corridors outside of the project area) without having to own a single-occupant vehicle or operate one on a daily basis.

With considerable input and interactions from its member governments, NCTCOG has established four basic sustainable development policy directions to both support existing communities and promote an important new direction in local development patterns:

- Maximize utilization of existing system capacity
- Improve rail mobility
- Promote mixed-use development
- Improve access management

These elements are based on an increased desire for a greater variety of transportation options, mixed-use developments, and sustainable communities that offer a sense of place. If implemented, these policies could lead to more sustainable development patterns and the expedited attainment of federal air quality standards for the region. The advancement of passenger rail within the Cotton Belt Corridor would support these policies and could reduce the need for new infrastructure and/or services that strain community budgets and personnel including utilities, transportation facilities, emergency response apparatus, governmental facilities, water, etc.

e. Coordinate Policies and Leverage Investment

A significant amount of vacant land is available within the 2-mile and 5-mile radii of the project corridor. Though all of this land is not developable, the availability of large quantities of vacant land and projections for households and population should in the NCTCOG 2030 Demographic Forecast provide ample opportunity and demand for new and/or enhanced development of residential and employment centers along the Cotton Belt Corridor. The availability of transportation options and multiple intermodal connections will significantly increase the development potential of the area and attract new businesses.

In order to provide jobs and economic opportunities to the influx of people expected in the region by 2030, the region's goal is to attract new sustainable development, not shuffle existing economic development within the region. By creating better transportation connections within existing infill areas, more development will be attracted from outside of the region.

During construction, businesses indirectly associated with the construction will benefit due to the increased demand created by construction workers. These businesses spread across a variety of industries and include (but are not limited to): construction, engineering, carpentry, electrical, utility, manufacturing, transportation, administration, logistics, sales, retail, restaurants, tourism, maintenance, education, and government. After construction, jobs will be created as the mixed-use commercial corridors grow and mature.

The expedited development of the Cotton Belt Regional Rail project will create a domino effect for construction and manufacturing industries. As the demand for materials needed to implement the passenger rail corridor increases, so will the demand for those jobs needed to support the material demand. This effect will continue through (and beyond) all phases of the project. After the project has been completed, development and redevelopment along the corridor will continue, increasing

construction demands into the foreseeable future. Recent studies in cities with long-distance and interconnected commuter rail lines have indicated that development adjacent to stations along various corridors are constructed on average at or very near the allowed density. This high density development requires construction techniques and supplies not typically needed in low density suburban development.

New construction and manufacturing jobs would be created throughout each phase of the infrastructure project, beginning with design and engineering work and followed by construction jobs. After the project has been completed, additional jobs will be created as redevelopment activity along the corridor and adjacent to the stations increase. Pedestrian-friendly, mixed-use development remains a priority of the cities, particularly along the proposed commuter and light rail routes. As office and retail components come online, new jobs associated with these establishments will need to be filled.

With regard to the creation of jobs for low-income workers, due to the nature of this project and the increased pedestrian traffic at street-level retail shops, a variety of seasonal, part-time, and service jobs will be created to accommodate the increased need. Best practice hiring techniques will be used and apprenticeship programs will increase options for low-income workers.

Through the following efforts, opportunities will be provided to small, disadvantaged, veteran-owned, service-disabled businesses. The City of Fort Worth Housing and Economic Development department provides a number of services including, but not limited to, business plan assistance, financing options, market research, minority- and women-owned business certification, access to a computer lab, procurement assistance, and access to capital. The City of Dallas offers similar services through their Business Development Services office. Local economic development organizations in other cities along the corridor also provide assistance to small, disadvantaged, veteran-owned, or service-disabled businesses.

Fort Worth, Dallas, and other local municipalities have a number of community-based organizations that help connect disadvantaged workers with new opportunities. For example, Goodwill Industries International, Inc., is one of North America's leading non-profit providers of education, training, and career services for people with disadvantages (i.e., low income and disabilities). Additional organizations include (but are not limited to) Veterans Services, United Way, and Workforce Solutions. Many of these organizations receive regional funding support through the Job Access/Reverse Commute and New Freedom programs (federal funds selected by the MPO).

f. Value Communities and Neighborhoods

The Cotton Belt Regional Rail project consists of more than just the creation of ad-hoc transit-oriented development at one location, or simply moving commuters from one park-and-ride location to another; rather, it is about creating a foundation for entire transit network that integrates varied local planning efforts across many sectors, and links urban villages so that a person can live in one place and move around the region to another area conveniently by choosing to walk, cycle, and/or ride transit. As this system expands and/or achieves connections to other corridors and modes, it will make transit available to numerous additional "choice riders" so that transit becomes a way of life for anyone that chooses to live a more characteristically "urban" day-to-day lifestyle.

The Cotton Belt Corridor is a deeply integral part of this vision, providing a transportation spine to absorb hundreds of thousands, if not millions, of new residents and tens of millions of square feet of retail, hotels, entertainment, and office uses. Whether potential stations along the corridor are located in an infill area, exist in a greenfield condition, or exemplify other settings, the application of good urban planning, form-based coding, utilization of a complete network of local streets, and the implementation of special districts for value capture and PPP with landowners and developers can expand the reach of transit-oriented development to substantial acreage of high-value walkable urbanism. This translates to significant tax revenues and service cost savings that provide value, strength, and flexibility to local communities. It also allows individual neighborhoods to be better networked within the social and economic fabric of their communities, which predominantly increases or sustains property values, enables greater provision for amenities, and improves public health and overall quality of life.

## **II. Work Plan**

This project involves the development of an innovative financial plan identifying viable revenue generating sources to fund the necessary capital and operations and maintenance costs for the entire 62-mile Cotton Belt Corridor. As the financial advisory team identifies each potential revenue source, a process will then be executed testing the viability of that revenue source, calculating the amount of revenue generated compared to the funding required, and presenting findings to the project stakeholders for discussion and consideration. A detailed budget worksheet prepared for the project in anticipation of the TIGER II Planning Grant award is displayed in Exhibit 6.

### **Task 1 – Data Collection & Identification of Initial Possible Revenue Sources (Months 1 – 4)**

#### **Task 1.1 - Baseline Analytical Capacity**

The North Central Texas Council of Governments (NCTCOG) and its project partners will review all past studies and analyses conducted by the North Texas region for the Cotton Belt Corridor including, but not limited to, the Fort Worth Transportation Authority (FWTA) Southwest-to-Northeast Commuter Rail Alternatives Analysis/Draft Environmental Impact Statement project, Dallas Area Rapid Transit (DART) 2030 System Plan efforts associated with the Cotton Belt Corridor, and the NCTCOG's recently completed Conceptual Engineering and Funding Study (CE&FS). The consultant will identify any existing public or private (if available) market studies within the corridor—including build-out projections within relevant locations along the corridor. The project team will identify appropriate growth trends within the corridor.

#### **Task 1.2 - Identification and Relationship of Revenue Sources**

The project team will identify a wide range of innovative funding strategies able to generate sufficient revenues needed for both capital construction costs and long-term maintenance and operating costs.

The project team will analyze and suggest refinements to the appropriate capital and operations and maintenance costs associated with the project provided by RTC and its member agencies. Working in collaboration with other entities, the project team will develop alternative operating cost saving strategies for the project. The project team will identify and analyze scenarios to efficiently and effectively relate the magnitude, timing, duration, and predictability/stability of each revenue source with capital construction costs and operation and maintenance costs.

The project team will identify revenue sources proven successful at the local, state, national, and international level and any action or activity required to apply these revenue sources to North Texas. The project team will structure the identified funding and financing strategies into a system combining the rail investment, local infrastructure investment, adjacent real estate investment, parking concessions, and other potential revenue sources, along with the corresponding traditional tax revenues and fees, in a comprehensive analysis.

Working in collaboration with other entities responsible for cost estimating, the project team will evaluate any synergy elements providing reduced cost estimates while increasing revenue, such as an innovative fare collection system or a capital cost feature intended to reduce operating costs.

## Grant Application Detailed Budget Worksheet

(Exp. 03/31/2011)

Name and Address of Applicant: **North Central Texas Council of Governments**  
**616 Six Flags Drive, Suite 200, Centerpoint Two**  
**P.O. Box 5888**  
**Arlington, TX 76005**

Public reporting burden for this collection of information is estimated to average 3 hours 12 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. Information collected will provide proposed budget data for multiple programs. HUD will use this information in the selection of applicants. Response to this request for information is required in order to receive the benefits to be derived. The information requested does not lend itself to confidentiality.

TIGER II Planning for Cotton Belt Corridor

Category				Detailed Description of Budget (for full grant period)							
				DOT Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
<b>1. Personnel (Direct Labor)</b>											
	Estimated Hours	Rate per Hour	Estimated Cost								
Position or Individual											
	300	\$100.00	\$30,000	\$24,000	\$6,000						
	300	\$80.00	\$24,000	\$19,200	\$4,800						
	1,050	\$60.00	\$63,000	\$50,400	\$12,600						
	2,400	\$36.00	\$86,400	\$69,120	\$17,280						
	5,490	\$29.00	\$159,210	\$127,368	\$31,842						
	8,000	\$26.00	\$208,000	\$166,400	\$41,600						
	12,000	\$23.00	\$276,000	\$220,800	\$55,200						
	2,280	\$28.00	\$63,840	\$51,072	\$12,768						
	1,500	\$21.00	\$31,500	\$25,200	\$6,300						
	1,500	\$20.00	\$30,000	\$24,000	\$6,000						
	1,800	\$16.00	\$28,800	\$23,040	\$5,760						
	1,500	\$23.00	\$34,500	\$27,600	\$6,900						
	300	\$25.00	\$7,500	\$6,000	\$1,500						
<b>Total Direct Labor Cost</b>				<b>\$834,200</b>	<b>\$208,550</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>2. Fringe Benefits</b>											
	Rate (%)	Base	Estimated Cost								
	42.20%	\$1,042,750	\$440,041	\$352,032	\$88,008						
<b>Total Fringe Benefits Cost</b>				<b>\$352,032</b>	<b>\$88,008</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>3. Travel</b>											
<b>3a. Transportation - Local Private Vehicle</b>											
	Mileage	Rate per Mile	Estimated Cost								
	20,000	\$0.500	\$10,000	\$8,000	\$2,000						
Subtotal - Trans - Local Private Vehicle				\$10,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Travel Cost</b>				<b>\$10,000</b>	<b>\$2,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>4. Equipment (Only items over \$5,000 Depreciated value)</b>											
	Quantity	Unit Cost	Estimated Cost								
Total Equipment Cost				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>5. Supplies and Materials (Items under \$5,000 Depreciated Value)</b>											
<b>5a. Consumable Supplies</b>											
	Quantity	Unit Cost	Estimated Cost								
	100,000	\$0.30	\$30,000	\$24,000	\$6,000						
Subtotal - Consumable Supplies				\$30,000	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>5b. Non-Consumable Materials</b>											
	Quantity	Unit Cost	Estimated Cost								
	10	\$2,000.00	\$20,000	\$16,000	\$4,000						
Subtotal - Non-Consumable Materials				\$20,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Supplies and Materials Cost</b>				<b>\$50,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>6. Consultants (Type)</b>											
	Days	Rate per Day	Estimated Cost								
			\$1,500,000	\$1,200,000	\$300,000						
			\$100,000	\$80,000	\$20,000						
			\$250,000	\$200,000	\$50,000						
Total Consultants Cost				\$1,850,000	\$370,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>7. Contracts and Sub-Grantees (List individually)</b>											
Total Subcontracts Cost				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>8. Construction Costs</b>											
Total Construction Costs				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>9. Other Direct Costs</b>											
	Item	Quantity	Unit Cost	Estimated Cost							
	Website & Media Services			\$46,604	\$37,283	\$9,321					
Total Other Direct Costs				\$46,604	\$9,321	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal of Direct Costs</b>				<b>\$3,439,395</b>	<b>\$2,751,516</b>	<b>\$687,879</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>10. Indirect Costs</b>											
	Type	Rate	Base	Estimated Cost							
	Indirect	17.70%	\$1,482,790.50	\$262,454	\$209,963	\$52,491					
	Administrative Support	1.40%	\$3,439,394.50	\$48,152	\$38,521	\$9,630					
Total Indirect Costs				\$310,605	\$248,484	\$62,121	\$0	\$0	\$0	\$0	\$0
<b>Total Estimated Costs (Subtotal Direct + Total Indirect)</b>				<b>\$3,750,000</b>	<b>\$3,000,000</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **Task 2: The Structuring and Evaluation of Potential Revenue Sources (Months 3 – 8)**

### **Task 2.1 – Initial Alternative Screening**

NCTCOG and its project partners will evaluate the viability of each potential revenue source identified in Task 1.2 and for each viable alternative determine the expected value of revenue generated for each respective year of implementation and operation. Appropriately, a wide range of strategies will be reviewed in this task where appropriate, including revenue viability, risk, policy foundation, and legislative foundation.

### **Task 2.2 – Potential Revenue Source Evaluation**

The project team will further evaluate the viability of several potential revenue sources identified in Task 2.1 and determine the appropriate funding sources for the project.

### **Task 2.2 – Transit Agency Financial Model Analysis**

The project team will review the “financial format” software developed by DART and presented to FWTA.

## **Task 3 – Comparison of Revenue Sources and Funding Uses (Months 6 – 8)**

### **Task 3.1 – Comparative Process Development**

NCTCOG and its project partners will develop a process for the comparison of potential revenue sources to each of the funding uses to implement, maintain, and operate the 62-mile Cotton Belt Rail Corridor. The project team will present this comparative process to the stakeholder committee for review and comment. The project team will incorporate agreed upon, pertinent comments and finalize the comparative process.

### **Task 3.2 – Evaluation of Revenue Sources and Applicability to Funding Uses**

Upon concurrence of the comparative process by NCTCOG in coordination with DART, FWTA, and corridor stakeholders, the project team will initiate and complete this evaluation of potential revenue sources to each respective funding use. For each viable potential revenue source, the project team will identify the value of revenue generated, the recommended applied use of this revenue, and the total value of the revenue streams as each revenue source is applied. Information from Tasks 1.2 and 2.2 will be reviewed in this analysis. This value will be compared to the estimated capital and operating costs.

### **Task 3.3 – Evaluation of Implementation Strategies**

At appropriate milestones of the revenue and uses evaluation, the project team will recommend any needed phased or staged implementation strategy of the 62-mile corridor that balances the revenues and uses without any financial gap. All needed engineering and cost estimating will be provided by other entities.

### **Task 3.4 – Financial Model Review**

Review the revenue assessment potential and assumptions in the DART Financial Model format as described in Task 2.

#### **Task 4 – Final Report (Months 8 – 9)**

NCTCOG and its project partners will produce a final report reflecting the consultant's recommendations resulting from the completion of Tasks 1, 2, and 3. The project team will produce a strategic plan for structuring, constructing, implementing and monetizing the final recommended revenue sources. The final report will include, but is not limited to, the following: an acknowledgment page; an executive summary; all appropriate report sections and chapters documenting the results of Tasks 1, 2, and 3; final recommendations, revenue pursuit strategic plan, financial software spreadsheets, appendix; and glossary sections.

The report should be high quality with clear images and illustrations with written text devoid of typographical and grammatical errors. The project team is expected to institute appropriate internal controls to achieve a high quality report.

#### **Task 5 – Stakeholder Outreach (Months 2 – 9)**

NCTCOG and its project partners will conduct a number of stakeholder meetings to present investigations, findings, and evaluation results of efforts identified in Tasks 1, 2, and 3. Project stakeholders are represented on the Policy and Technical Staff Advisory Committee initiated during the NCTCOG CE&FS process. The project team will likely conduct meetings on a monthly basis with the Policy and Technical Staff Advisory Committee over the project length. Major stakeholder meetings and presentations will occur at NCTCOG offices with all needed audio visual equipment provided. Individual stakeholder meetings will be conducted at the stakeholder's convenience.

#### **Task 6 – Project Management**

The project team will maintain a Project Schedule with Key Milestones and to submit monthly billing Reports containing the status of each task to NCTCOG staff, and periodic progress reports as requested.

### **III. Leveraging and Collaboration**

The North Central Texas Council of Governments (NCTCOG) initiated the Conceptual Engineering and Funding Study (CE&FS) for the Cotton Belt Corridor in the fourth quarter of 2008. The primary purpose of the study was to support the potential early implementation of passenger rail service in the corridor. The NCTCOG CE&FS Study, which focused only on the portion of the Cotton Belt Corridor from Dallas-Fort Worth International Airport (DFWIA) to the Dallas Area Rapid Transit (DART) Red Line Light Rail Corridor in Richardson/Plano, was completed in April 2010 and the full final report with appendices can be found at [www.nctcog.org/trans/spd/TransitRail/CtnBlt/Cotton Belt CE&FS 042210.pdf](http://www.nctcog.org/trans/spd/TransitRail/CtnBlt/Cotton%20Belt%20CE&FS%20042210.pdf).

Throughout the CE&FS Study, NCTCOG staff conducted constant outreach with key stakeholders while promoting an open forum to identify key issues, identify potential station locations, and examine various alignment and technology options. In addition, the study documented existing environmental conditions and identified potential impacts. The study provided a foundation for both the future environmental documentation to be completed by DART for the eastern side of the corridor (DART issued a Notice of Intent and conducted a Public Scoping Meeting in July 2010 to initiate the formal environmental review process), and the Final Environmental Impact Statement by the Fort Worth Transportation Authority (FWTA) for the western side of the corridor (Record of Decision is expected by December 2010).

As the CE&FS Study was under development in May 2009, DART and FWTA invited comments and questions from individuals and firms interested in a Public-Private Partnership (PPP) to design, construct, operate, maintain, and finance cross-regional passenger rail service starting on or about 2014. DART and FWTA issued a Request for Information (RFI) and conducted a public symposium on June 12, 2009 outlining the process for interested parties to submit Letters of Interest with their ideas, comments, and

questions regarding a potential PPP. Over 50 Letters of Interest were submitted expressing interest in providing a varied range of services. As a result, DART and FWTA have retained a strong interest in pursuing a PPP for expedited passenger rail implementation in the Cotton Belt Corridor, and the agencies requested that the Regional Transportation Council (RTC) and NCTCOG assume a lead role in investigating innovative finance sources.

For the Innovative Financing Initiative (IFI) that resulted from this interest and progressive focus, the project will be conducted under the guidance and supervision of a Project Review Committee (PRC), which will include staff members of NCTCOG, DART, and FWTA. The responsibilities of the PRC will be to serve as the principal technical review committee for this project. NCTCOG will serve as project manager to implement a mutually agreed upon scope of work, champion the project, provide a single voice of direction and comment to the selected consultant(s), and monitor weekly progress. NCTCOG will also serve as the contract manager and procurement administrator for the project. In addition, the Policy and Technical Staff Advisory Committee that was formed as part of the Cotton Belt CE&FS Study will continue to play a vital role in ongoing project development. Subsequent to the DART and FWTA board action by resolution approving initiation of the IFI, a Memorandum of Understanding (MOU) was executed between NCTCOG and each of the respective transit authorities to further facilitate this broad collaboration.

This project presents a unique opportunity to create a partnership of the communities along the Cotton Belt Corridor with NCTCOG, DART, FWTA, the Texas Department of Transportation (TxDOT), the North Texas Tollway Authority (NTTA), other public entities, landowners, developers, and the federal government to create a new public-private partnership funding model. Within the Cotton Belt Corridor, this approach could link and leverage all transportation investment, local infrastructure spending, planning, coding, operations, and maintenance into a system that provides for the capture of revenues sustainable enough to continue to grow the regional rail transit system and propagate high-value, high-quality development well beyond the walking shed of potential stations.

#### **IV. Capacity**

The North Central Texas Council of Governments (NCTCOG) is a voluntary association of, by and for local governments, and was established in 1966 to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.

NCTCOG serves a 16-county region of North Central Texas, which is centered on the two urban centers of Dallas and Fort Worth. NCTCOG has 233 member governments including 16 counties, 165 cities, 23 independent school districts, and 29 special districts. As the designated Metropolitan Planning Organization (MPO) for the Dallas-Fort Worth Metropolitan Area since 1974, NCTCOG is well-equipped to plan, implement, and achieve desired results as outlined in this application. NCTCOG's Department of Transportation is responsible for the regional planning process for all modes of transportation. The department provides technical support and staff assistance to the Regional Transportation Council (RTC) and its technical committees, which compose the MPO policy-making structure. In addition, the department provides numerous forms of technical assistance to the local governments of North Central Texas, and is strongly engaged in close collaboration with the region's many transportation partners, including the Texas Department of Transportation (TxDOT), North Texas Tollway Authority (NTTA), Dallas Area Rapid Transit (DART), Fort Worth Transportation Authority (FWTA), and the Denton County Transportation Authority (DCTA).

Due to efforts to improve air quality in the DFW area, NCTCOG has been involved in activities related to air quality since the early 1990's and has developed a wide range of expertise in a variety of programs related specifically to the role of transportation and mobile sources in air quality. This experience has led to heavy participation with federal and State agencies in development and implementation of control strategy programs for the nonattainment area. NCTCOG has been the recipient of numerous State and federal grants due to the superior track record established by this agency in successfully completing

projects in a timely manner, and possesses extensive resources in contracting, accounting, managing agreements, grant disbursement, and related tasks which will be required for successful implementation. In addition, NCTCOG has demonstrated a long history of meeting reporting requirements and submitting thorough technical reports through favorable MPO Certification Reviews, performed by the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) every four years to assess the quality of a regional metropolitan transportation planning process, planning products, and compliance with applicable statutes and regulations. NCTCOG received its latest certification on November 1, 2009. A copy of the documentation is available upon request.

In addition, NCTCOG has a history of strong partnerships with the public sector, the business community, and public interest groups which enables NCTCOG to leverage the expertise of all stakeholders for project implementation and/or research. NCTCOG currently operates the following programs to further RTC's sustainable development policies/goals and implement its multimodal transportation plan:

**Sustainable Development Funding Program:**

The NCTCOG's Sustainable Development Funding Program was created by its policy body, the Regional Transportation Council (RTC), to encourage public/private partnerships that positively address existing transportation system capacity, rail access, air quality concerns, and/or mixed land uses. By allocating transportation funds to land use projects which promote alternative transportation modes or reduced automobile use, NCTCOG and its regional partners are working to address mounting air quality, congestion, and quality of life issues. The following list of efforts highlights NCTCOG's effectiveness and comprehensive actions in this venture:

**Land-Use/Transportation Joint Venture Call for Projects (2001):**

The Land-Use/Transportation Joint Venture Call for Projects was the first opportunity from NCTCOG for local governments and the private sector to partner together in an effort to secure funding for sustainable development projects. The projects focused on sustainable infrastructure projects throughout the Metropolitan Planning Area. Over \$40 million in Federal Congestion Mitigation Air Quality (CMAQ) and Surface Transportation Program-Metropolitan Mobility (STP-MM) funds were awarded to 19 land use projects that will have positive impacts on transportation choices in the region. The American Association of State Highway and Transportation Officials' (AASHTO) chose this program for the Best Award for the "Smart Moves: Transportation Strategies for Smart Growth Competition" in 2002.

**2005-2006 Sustainable Development Call for Projects (SDCFP):**

The second Sustainable Development Call for Projects was issued in 2005 in an effort to program funding for sustainable development projects that were located in rail-oriented or infill areas. This program identified the "Sustainable Development Areas of Interest" which identified eligible projects as those located within walking distance to current or potential future station locations; in areas with a concentration of unemployed persons, high emitting vehicles, or low income households; and/or in historic downtowns with multiple contiguous street block frontage of pedestrian-oriented developments. Funding was awarded to 40 projects funded in three categories: 28 infrastructure projects, 8 planning projects, and 4 land banking projects. Funding was also programmed for NCTCOG planning assistance to 52 transit-oriented development projects and support for the Center of Development Excellence. The sustainable development projects will be completed by December 2010.

**2009-10 Sustainable Development Call for Projects (SDCFP):**

Through the 2009-10 SDCFP, RTC funded \$44.8 million to fund 26 infrastructure projects and nine planning projects in June 2010. All the projects funded under the 2005 SDCFP were located "Sustainable Development Areas of Interest" which identified eligible projects as those located within walking distance to current or potential future station locations; in areas with a concentration of unemployed persons, high emitting vehicles, or low income households; and/or in historic downtowns with multiple contiguous street block frontage of pedestrian-oriented developments. There was \$40.16 million in RTC local funds

available for infrastructure, land banking, and planning projects. The goal of providing equal opportunities for access to sustainable development projects for both environmental justice and non-environmental justice communities was incorporated into the selection process through both the eligibility and scoring criteria. By taking into account project characteristics related to access to transit, access to jobs, access to housing, provision of workforce housing, provision of jobs in areas of high unemployment, the match between employment and household income, pedestrian connectivity, and overall high unemployment rates, this goal was met.

### **Public-Private Partnerships – Major Roadway Improvements**

The Dallas-Fort Worth region has already demonstrated strong, strategic, and innovative leadership in the pursuit of public-private partnerships for major roadway improvement projects. NCTCOG has consistently played a significant role with its transportation partners in the planning, development, and execution of Comprehensive Development Agreements for the following three projects, which over the next few years will leverage billions of dollars of construction activity and thousands of highly skilled and salaried jobs for the region:

#### **The DFW Connector:**

The DFW Connector project spans 8.4 miles through the cities of Grapevine, Irving, and Southlake, and will double the size of the existing highway system around the north entrance of Dallas-Fort Worth International Airport (DFWIA). The project, which began construction in February 2010, will implement a combination of new general purpose lanes, frontage road lanes, high-speed direct connector ramps, and managed lanes which will feature dynamic pricing to provide reliable mobility. The \$1.02 billion project (including \$250 million from the American Recovery and Reinvestment Act of 2009, the largest award for a single project in the nation) is being simultaneously designed and built by Northgate Constructors under a Comprehensive Development Agreement with the Texas Department of Transportation (TxDOT). The project is expected to open in 2014, approximately half the time compared to similar projects under traditional contracts.

#### **LBJ Express:**

With construction expected to start in early 2011, the LBJ Express project will rebuild one of the busiest and most congested highways in North Central Texas by 2016. Leveraging a \$500 million TxDOT investment into a \$3.2 billion project, the LBJ Express will reconstruct 10.7 miles of Interstate Highway (I.H.) 635 to contain four general purpose lanes and two to three continuous frontage road lanes in each direction, along with three managed lanes in each direction that will use dynamic pricing to maintain mobility and reliability. The project will also involve construction along 5.8 miles of I.H. 35E, both north and south of I.H. 635. The project will be designed and built concurrently by LBJ Infrastructure Group, shaving several years off the construction period compared to a traditional project schedule.

#### **North Tarrant Express:**

With construction expected to start in late 2010, the North Tarrant Express (NTE) project will rebuild several of Tarrant County's most congested highways by 2015. The project will be designed and built concurrently by NTE Mobility Partners under a Comprehensive Development Agreement with TxDOT, leveraging a \$573 million public investment into a \$2.5 billion project that stretches 13.3 miles from north Fort Worth to near the south entrance of DFWIA. When complete, the project will provide eight to ten lanes on Interstate Highway (I.H.) 820 and State Highway (S.H) 121 and 183, almost doubling the existing roadway capacity with a combination of general purpose lanes, continuous frontage roads, and managed lanes that will feature dynamic pricing.

### **V. Federal Wage Rate Certification**

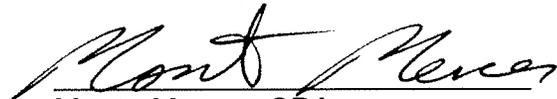
Certification of compliance with Subchapter IV of Chapter 31 of Title 40 (federal wage rate requirements) is displayed in Exhibit 7 and provided at <http://www.nctcog.org/trans/tip/private/RCFedWage.pdf>.

## Federal Wage Rate Requirement

The North Central Texas Council of Governments (NCTCOG), as an applicant for TIGER II Discretionary Grants under the FY 2010 Appropriations Act, certifies that for TIGER II funds awarded to NCTCOG it will comply with the requirements of Subchapter IV of Chapter 31 of Title 40 of the United States Code (40 U.S.C. 3141, *et. seq.*) (Federal wage rate requirements) as required by the FY 2010 Appropriations Act.

Furthermore, NCTCOG annually certifies compliance with the Davis-Bacon Act as amended, 40 U.S.C. 3141 *et. seq.*, the Copeland "Anti-Kickback" Act, as amended, 18 U.S.C 874, and the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C 3701 *et. seq.*, regarding labor standards for federally assisted projects. NCTCOG certifies to this provision within its annual Certifications and Assurances to the Federal Transit Administration.

Dated: Aug 23, 2010



Monte Mercer, CPA  
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North Central Texas Council of Governments