

FINAL

Friday, February 18, 2011

Mayor John Moncao presentation to DART Board of Directors

1. PowerPoint: City Brand

Good morning. I want to begin by thanking you for this special and unique opportunity to address the DART Board. I especially want to thank Bill and Gary for extending the invitation to speak with all of you this morning. I am honored to have the privilege to share with you the City of Mesquite's desire to be connected to the DART system and bring transit to our residents. I think you will find this presentation very important and timely as you make the strategic policy decisions that will shape DART and the region for decades to come.

My presentation today will feature a brief overview of Mesquite, our transit history, recent developments that brought us to you today and our plans to be connected to DART.

2. PowerPoint: Rapid, Real, Revenue, Ridership, Regional

Quite frankly, my presentation will focus on the "R" for rapid in Dallas Area Rapid Transit.

You will see how rapidly our plans can come together and how real we are about bringing transit to Mesquite.

It's about rapidly enhancing the revenue opportunities for DART and its member cities.

It's about rapidly increasing ridership to all your current member cities and adding future destinations, and

Speaking of the future, this is about the rapid ascension of DART into a truly **regional** transit provider for the northern region of Texas.

3. PowerPoint: Old newspaper clippings, 1952

There have been and will continue to be traffic gridlock in this region. There is no relief in sight as both the federal government and TxDOT have limited funds to maintain the roads we have – let alone build new roads.

4. PowerPoint: Old newspaper clippings, 1962

We have arrived at a critical juncture in the journey to provide mass transit to the citizens of the northern region of Texas.

5. PowerPoint: Old newspaper clippings, 1973

At no time since DART's founding have Board members, like yourselves, had a better opportunity to make a decision that could have far reaching, positive impacts on the northern region of Texas for decades to come.

6. PowerPoint: Old newspaper clippings, 1974

It would be hard to imagine that the DART Board would chart any strategic direction other than expanding outside of its boundaries at a time in our transportation history when there is such a need for an alternative to the automobile.

As part of this presentation we will suggest a new method for expanding transit beyond DART's current service area by asking the DART Board to revise its policy so that non-member cities will be allowed inter-connectivity to the DART system on a paying basis. Let me tell you the reasons why you should make this policy change.

7. PowerPoint: Logo, Real bullet points

As I stated a moment ago, we are real serious about passenger rail.

Mesquite's history with passenger rail dates back to the 1920's and the Inter-Urban Railway. And although Mesquite was one of the original 20 cities to initiate the 1981 planning effort that would eventually become DART, our initial quest to become a part of DART was voted down by just 21 public votes in 1983.

8. PowerPoint: MTED photo

Despite that set back, our efforts at that time became the genesis for our Mesquite Transportation for the Elderly and Disabled. MTED has a fleet of 15 buses providing more than 40,000 trips annually to non-emergency medical destinations in Balch Springs, Dallas, Garland, Seagoville and Sunnyvale.

9. PowerPoint: 1 cent sales tax impacts

Since Mesquite didn't use its 1-cent of sales tax for transit, I am often asked, "Where did it go?" It did not go toward business incentives to attract new development as 4A cities do. In 1991 our citizens voted to use the ½ cent to reduce their property taxes by 10 cents per \$100, and in 1999 they voted to use the other ½ cent for public safety, transportation, and parks & recreation through a 4B corporation. The 4B sales tax has enabled the city to fund \$49 million dollars worth of transportation projects along with \$9 million for public safety and \$41 million for parks & recreation. Mesquite uses the same incentive tools as DART member cities to attract new development – property tax rebates. We don't use our sales tax to attract businesses from DART member cities or others.

10. PowerPoint: 1-cent to DART

I am also often asked, “Why has Mesquite not joined DART?” The answer is **real** simple – we cannot afford to. Mesquite is facing the same budget pressures as DART’s member cities. Our 2011 budget is \$97 million, of which \$13 million – 13.4% - is supported by 1 cent of sales tax. We would have to raise our property taxes by 35% to replace this revenue – something our citizens would not allow.

11. PowerPoint: city stats

With just under 140,000 residents, Mesquite is currently the 8th largest city in the Metroplex and larger than all but 4 of the 13 DART member cities. Our city straddles four major highways and encompasses 46.5 square miles with another 19 square miles in our ETJ.

12. PowerPoint: Open House photos

Another indication of how **real** we are about our intention to bring transit to Mesquite is the open house we held this past fall and the creation of a special webpage to gauge the citizens interest in us pursuing passenger rail. With more than 3,000 citizens participating, we currently register a 73% approval rating from the comment forms indicating that our citizens like the idea of passenger rail service from Mesquite connecting with the region. Unlike in the 1980s, today our citizens overwhelming support this passenger rail concept and expansion in the northern region of Texas. Furthermore, as yet another example of how **real** we are about this issue, just last month the Mesquite City Council determined that achieving a viable transit option is one of its top 8 goals within the next 5 years!

13. PowerPoint: City logo, Revenue

Now, let’s get back to that “R” in DART.

Another “R” is to provide DART with new **revenue** opportunities. Our plan does not call for DART to invest any funding in Mesquite. Mesquite is neither asking for a handout from DART nor are we asking to jump to the head of the line.

Our current plan is a two-part concept, now let me explain:

14. PowerPoint: RTV Map

In the short-term we want to contract for bus service from the existing Hanby Stadium visitor parking lot to DART’s Lawnview Station. This will be a good test for the development of policies and processes to permit contracted transit services with other non-member cities and will give us some real ridership numbers. Our staff and the DART staff believe such a service can be delivered using two buses for less than \$250,000 per year. In addition, we fully expect to pay for DART’s overhead and to pay impact fees. In anticipation of successful implementation this year, the city has already budgeted **real** money - \$300,000 of sales tax towards this initiative.

15. PowerPoint: Scyene Line Map

In the long-term, we want to build – using zero DART dollars, let me repeat myself – using zero DART dollars – a rail line that would connect to the DART Scyene Line and have stops in Mesquite at the rodeo area and historic downtown Mesquite area as well as the Mesquite Metro Airport. The most likely route is in the median of Scyene Road and along the south side of the Union Pacific Railroad line. Most of the right-of-way is already owned by us or the state of Texas.

As I stated we would not use any DART funds and would pay for our investment through a combination of private investors – three have already approached me -, the 4B funds I mentioned earlier, and establishing a Transportation Reinvestment Zone to capture taxes from increased property values.

16. PowerPoint: Airport

Many of our citizens already commute to and work in Dallas, and many of the positive comments we have received on our survey are from these daily commuters. These same commuters will use 1 of our 3 proposed stations: the Rodeo Station, the Downtown Station or the Airport Station. Our proposed Mesquite Airport station is envisioned as a large park-n-ride facility for use by east-Mesquite residents and citizens from Forney and Terrell as well as other east Texas cities. And by the way, the Dallas Business Journal just ranked our airport as the second busiest general aviation airport in north Texas.

17. PowerPoint: DART revenue

From a revenue perspective, it's a win for DART and a win for your 13 member cities.

Look, the financial reality is that 75% of your operations are funded by the one cent sales tax in each of your member cities – and even that is not enough to sustain your rising costs. About this time last year, you announced that DART was facing a \$3 billion dollar shortfall over the next 20 years due to falling sales tax revenues. And as DART moves forward it is taking a comprehensive review of all operating and construction functions – and anticipates significant reductions of those very expenses by 2013.

Mesquite's plan does not add construction costs – as we will find a way to finance and build our rail segment to your specifications to connect to the Science Line. Furthermore, we will not add to your operational costs - in fact, we will instead add to your revenue stream by contracting with you to pay a fee for our use of your buses, trains and staff. We don't want something for nothing. We do not expect any DART funds – let me repeat – any DART funds to be expended for the Mesquite plan. We will find a way to pay for 100% of all services provided by DART and reimburse DART for impacts to the

operations caused by the addition of Mesquite riders heading downstream into the system.

Your 13 member cities will now be connected via rail to Mesquite - the 8th largest Metroplex city – and its residents who will have rail access to your member cities and their stores, their restaurants and their special events. Thus, adding to their sales tax revenue without any additional investment on their part.

And, subsequently, as their sales tax revenue grows so does their one cent contribution to DART.

Essentially, through this plan there is revenue to be obtained by both DART and it's 13 member cities.

Regional

18. PowerPoint: Eastern Gateway

This is also about putting the “R” for regionalism into DART. You want to be known as more than a Dallas-centric organization.

One of the guiding principles of your 2030 Plan states, and I quote “Develop and enhance coalitions with all organizations that have a vested interest in regional transportation issues.”

Mesquite is even listed in the 2030 Plan as a potential new member city and as a promising opportunity for transit expansion.

Additionally, your 2010 annual report stated, and I quote, “Whether you live in DART member city or not, the problems of increasing traffic congestion and auto-related air pollution are regional – and regional problems demand regional solutions.”

By connecting Mesquite to your system you open the door to the eastern gateway. By opening the eastern gateway, you open the possibilities of reaching Greenville, Forney, Terrell, Tyler – and maybe Shreveport, Louisiana.

To be frank, by being visionary and innovative, and by contracting with Mesquite to expand your operations to a broader region, you are doing exactly what you stated in last year's annual report, and I quote, "Working together with our member cities and customers, we're confident we can make the hard decisions, set a stronger course for the future, and keep DART miles ahead of many other transit agencies."

Closing

19. PowerPoint: I635 project photos

This is not the first time we have proposed and subsequently completed an innovative transportation plan. Just a decade ago we helped TxDOT expand their interstate network by upfront funding needed to complete a portion of the LBJ-East Project in Mesquite. The City contributed 20% and planning assistance to make this multi-million dollar project a reality. The project was voted one of the top projects of 2010 by the Texas Public Works Association and has catapulted economic development in the area beyond anyone's expectations.

In closing, let me assure you this is a no-lose proposition for DART – just as the LBJ project was for the region and TXDOT.

20. PowerPoint: Text on R's

This is about being real with our future and the future of DART, it's about bringing untapped revenue to your organization, it's about increased ridership and it's about thinking regionally for the long-term strategic growth and sustainability of your organization.

21. PowerPoint: Current press clippings, Gridlock

In essence this is about the DART legacy. It is about making tough decisions that will leave a footprint on transportation in this state and region for generations to come.

22. PowerPoint: Current press clippings, Lack of Funding

Before any possible legislative decisions by the state are made that may impact our ability to control our own destiny, we need to act now.

23. PowerPoint: Current press clippings, Transportation Crisis

We need to act now – not for us – but for the generations to follow that will live, work, play and visit within our region and beyond.

24. PowerPoint: JFK quote

Former US President John Kennedy was once quoted as saying, “There are risks and costs to a program of action, but they are far less than the long-range risks and costs of comfortable inaction.”

Now, with your permission, I would like to play a short 4-minute video that succinctly explains our initiative which I emphatically endorse. It’s a video that is available 24/7 and has been seen by most of the 3,000 people who attended our fall open house on transit or visited our special transit webpage. After the video, I would be excited to answer any questions you may have about our concept for connecting to DART or brainstorm with you and listen to any other ideas you may have for expanding transit within the northern region of Texas.

Play video