

# Star-Telegram

## Rail plan demonstrates growing clout of North Texas agency

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ARLINGTON -- Many people thought the TEX Rail/Cotton Belt project -- a proposed commuter rail line stretching 62 miles from Fort Worth to Plano -- would never get on track.

But the North Central Texas Council of Governments, along with its sister organization, the 43-member Regional Transportation Council, is flexing its muscles like a full-fledged regional government by dreaming up an unusual funding plan that includes state and federal tax revenue, borrowed funds and private investment.

If the council of governments succeeds, the TEX Rail/Cotton Belt project could not only connect distant parts of the Metroplex through public transit up to 30 years ahead of schedule but also bring in a major employer -- a rail car and streetcar manufacturer -- that could add hundreds of jobs to the region.

This new way of doing business illustrates that the council has evolved into far more than a planning and advisory board for roughly 230 local governments in the 16-county region.

The agency and its staff are no longer just facilitators or moderators in negotiations for big-dollar transportation projects: They are at the head of the table.

"It's the single most influential government entity in the Metroplex," said Jeff Ritter, a Richland Hills resident who serves on the Fort Worth Transportation Authority board. "What entity other than the federal or state authorities has as much influence over all aspects of local government? There is none."

Ritter said he was a bit taken aback to learn that the council's plan for the commuter rail corridor essentially overlapped much of the work that his agency, also known as the T, was doing on a proposed TEX Rail project connecting southwest Fort Worth to Grapevine and Dallas/Fort Worth Airport.

The T has been criticized for moving too slowly on the TEX Rail project, which is years behind schedule.

TEX Rail represents the part of the commuter rail line in Tarrant County. The council of governments' Cotton Belt initiative includes the TEX Rail plan, plus an extension northeast into cities such as Addison, Carrollton and Plano.

Ritter is unsure what the T's role will be in the project if a private developer is used, although he supports building the rail line as quickly as possible.

"The council of governments is obviously in a position of great influence in the region and in all aspects of local government, whether it's municipal, public transportation or transit-oriented development," he said.

This new role for the council of governments has also led to notable changes in the routine of its leaders.

In November, the Regional Transportation Council held its first-ever executive session to brief members on the TEX Rail/Cotton Belt finance plan. Then, this month, after the still-unidentified developer submitted its initial confidential proposal to build the TEX Rail/Cotton Belt project, RTC members were told that they would have to sign nondisclosure agreements to get a glimpse of the details.

Most of the people in the room gladly signed on the dotted line.

### Cobbling funding

In the past decade, as Texas and other states have struggled to find alternative sources of funding for transportation projects because of an ever-shrinking pot of gas tax revenue, metropolitan planning organizations, with the ability to leverage federal and state funds, have taken on the role of a de facto regional government.

"Their involvement is very appropriate because they can facilitate with all these local governments," said Bill Meadows of Fort Worth, a Texas Transportation Commission member.

Of TEX Rail, he added, "It's been perceived as a Fort Worth project ... but it's a project that matters to a number of different transportation partners, all of which are playing an important role in advancing it."

On paper, the council of governments is the region's congressionally recognized planning body -- a group that maps out plans to deal with issues such as population and job growth, highway construction and air pollution for 20 years and beyond.

The council of governments helps local governments see the big picture, and it's an enormous responsibility. During the next year, it will oversee an estimated budget of \$172 million, including \$78.6 million in transportation expenditures.

During the past five years, the council of governments and the RTC have developed expertise in funding road work previously thought out of reach. The idea is to gather whatever federal and state dollars are available and to leverage those funds with a cornucopia of other financial resources, including loans, bond debt and private investment.

For example:

Sam Rayburn Tollway in Collin and Denton counties today is owned by the North Texas Tollway Authority. The original plan was for the Texas Department of Transportation to lease the road in the Texas 121 corridor to a Spanish-owned company for 52 years. But opposition to that plan emerged. The council of governments moderated a yearlong negotiation that in 2007 resulted in the tollway authority agreeing to provide a \$3.2 billion upfront payment to the region. That money included \$2.5 billion for the council of governments and the state Transportation Department to spend on other projects in the region.

The President George Bush Turnpike western extension in Irving and Grand Prairie was also a candidate for private development in 2008, but the council of governments again moderated and arranged for the tollway authority to take the project. With the help of state and federal transportation officials, a revenue package was put together that included \$674.3 million in revenue bonds, a \$418.4 million federal transportation infrastructure loan, a \$9.1 million federal discretionary grant and a \$72.5 million equity contribution.

Chisholm Trail Parkway, which is scheduled to open in 2014, was on the planning books for a whopping 50 years before construction finally began on the 28-mile road from southwest Fort Worth to Cleburne. The council of governments, tollway authority and state Transportation Department worked out a deal guaranteeing that money would be available to build Chisholm Trail Parkway. It was financially linked to the President George Bush Turnpike western extension, so that leftover funds from one project could be used on the other.

### **The conductor**

The leading figure at the council of governments is Michael Morris, the agency's longtime transportation director.

He said the development of the TEX Rail/Cotton Belt project is a landmark moment comparable to the creation of Dallas Area Rapid Transit in the early 1980s.

Today, DART has one of the most comprehensive light-rail systems in the western United States. But in its startup days, it was considered a waste of time and money by large swaths of the population in North Texas. Mass-transit supporters endured years of criticism in the Dallas area before their vision began to show results in the late 1990s.

Now that DART is up and running, Morris said, it is time to link the rest of North Texas by rail.

"Today, almost 30 years later, in my opinion this is as big a passenger rail moment as in 1984 when the voters approved rail," he said.

It was during a monthly meeting in September that Morris told RTC members that he needed to know whether they opposed privatizing the TEX Rail/Cotton Belt project.

Most of the details are veiled in confidentiality. But Morris and others in the know have said the project includes allowing the developer to recapture its investment through development around the stations ranging from Summer Creek in southwest Fort Worth to TCU, the Medical District, downtown Fort Worth, the Stockyards, Grapevine, DFW Airport, Carrollton, Addison, Plano and perhaps beyond.

Initial estimates pegged the cost of the TEX Rail/Cotton Belt project at \$1.6 billion, although that amount could increase as more details become known.

Morris said the RTC has already committed \$90 million to the project and could be asked to chip in an additional \$50 million to help develop what's known as "positive train control," a federal mandate that technology be installed allowing remote control of trains. That way, if the train operator is incapacitated or not paying attention, someone from outside could seize control and prevent a collision.

Positive train control will be required on most passenger and freight rail lines beginning Dec. 31, 2015, according to the federal Rail Safety Improvement Act of 2008.

State officials were also looking at additional funding sources to sweeten the pot, Morris said.

The Texas Department of Transportation is eager to show the federal government that it can build passenger rail as successfully as it can build freeways and toll roads, and it might have additional dollars available for TEX Rail in the voter-approved Texas Mobility Fund, he said.

Morris also explained that the prospect of bringing in a rail car manufacturer -- a major employer that would build modern commuter rail cars and streetcars and sell them to transit systems throughout the United States -- had grabbed the attention of the governor's office.

The state's executive branch has at its disposal resources such as the Texas Enterprise Fund to help bring economic development and job growth to the state.

Since 2004, the fund has disbursed \$377.5 million statewide to several hundred job-growth projects, including \$1.3 million awarded last year to GE Transportation for a locomotive plant in far north Fort Worth.

"If I talk to TxDOT, they need to read in the newspaper that it's for real," Morris said. "We're going to be partnering with the governor's office, and I need to know you're serious about moving ahead."

RTC members offered glowing words of support for Morris, whom many consider a pioneer in transportation funding.

"Michael, I suggest you stop talking," said Bernice Washington, a DFW Airport board member. "It sounds too good to be true. You need to stop talking before you convince me it's too good to be true."

Fort Worth Councilman Jungus Jordan credited Morris and the council of governments with being the innovator behind an estimated \$16 billion in road projects financed with alternative methods and either completed or under construction the past five years.

Now, Jordan said, it's time to turn that financial wizardry toward passenger rail.

"What Michael has put up here is, 'How do we fund our vision?' I fully endorse this," Jordan said. "I think it's visionary."

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