



Catch it.

**LONE STAR RAIL DISTRICT**

## **Local Funding Support Update**

**Joe Black – Lone Star Rail District**

**Joe Lessard – Knudson LP**

*April 16, 2014*

# LSTAR – Strategic Considerations

- **Connectivity/Mobility**
- **Community & Economic Development**
- **LSTAR Local Funding**



***LONE STAR RAIL DISTRICT***

# LSTAR – Strategic Considerations

➤ **Connectivity/Mobility**

# LSTAR – Connectivity/Mobility

## Current Transportation Issues

- **Austin is fastest growing large urban city in country**
  - Region's growth exceeds 100 people per day
- **Limited capacity in I 35 corridor**
  - Right of way established in 1950's-60's
  - I 35 demand above capacity during morning and evening peaks
  - Peak periods forecast to lengthen (approx. morning 6:30am-12:00pm; evening 3:00-10:00pm)
- **Central Texas lacks highway expansion capacity**
  - TxDOT funding is limited
- **Commute time to increase**
  - Round Rock to Central Austin – 3 hours
  - San Marcos to Central Austin – TBD

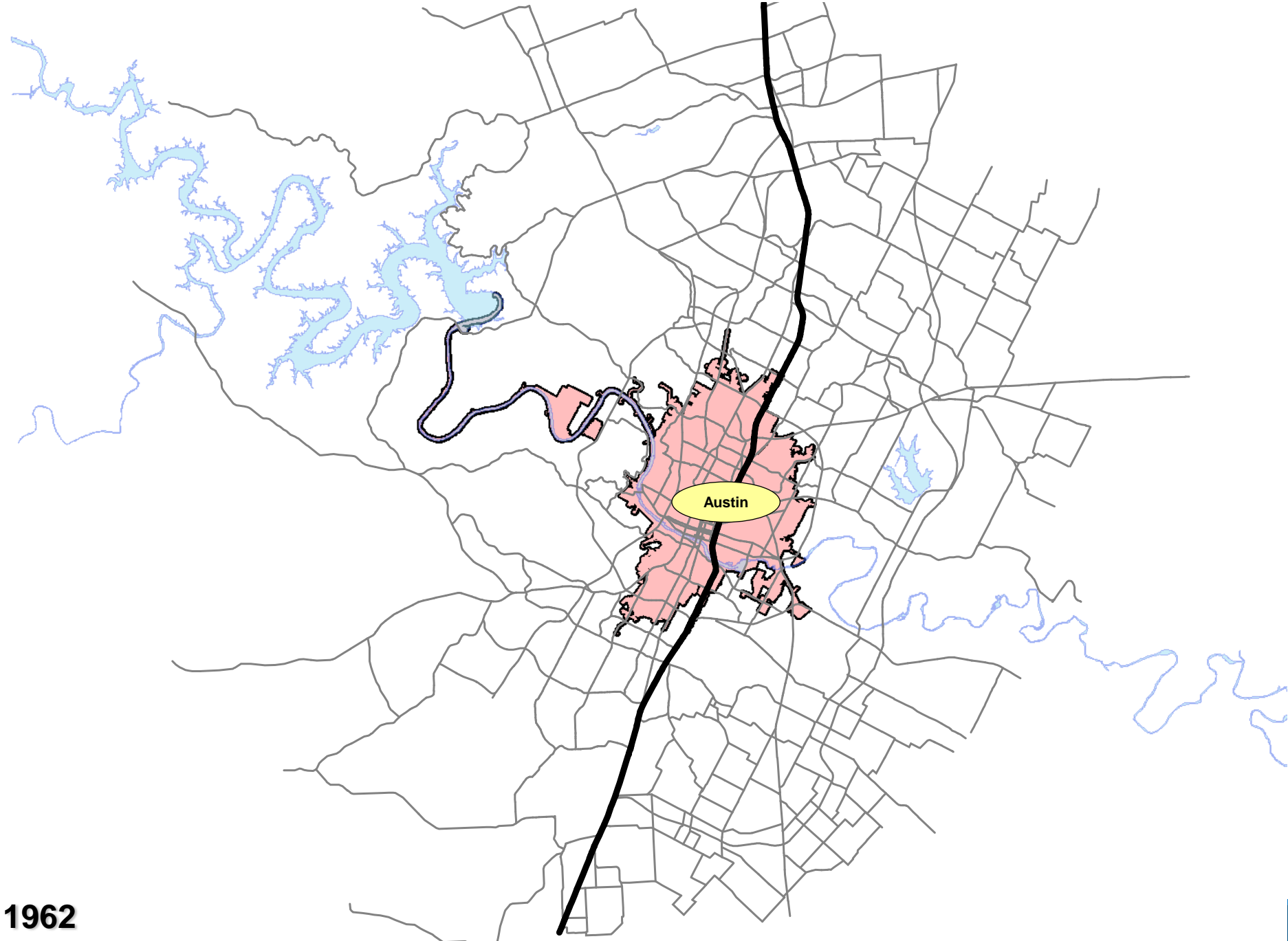


# LSTAR – Connectivity/Mobility

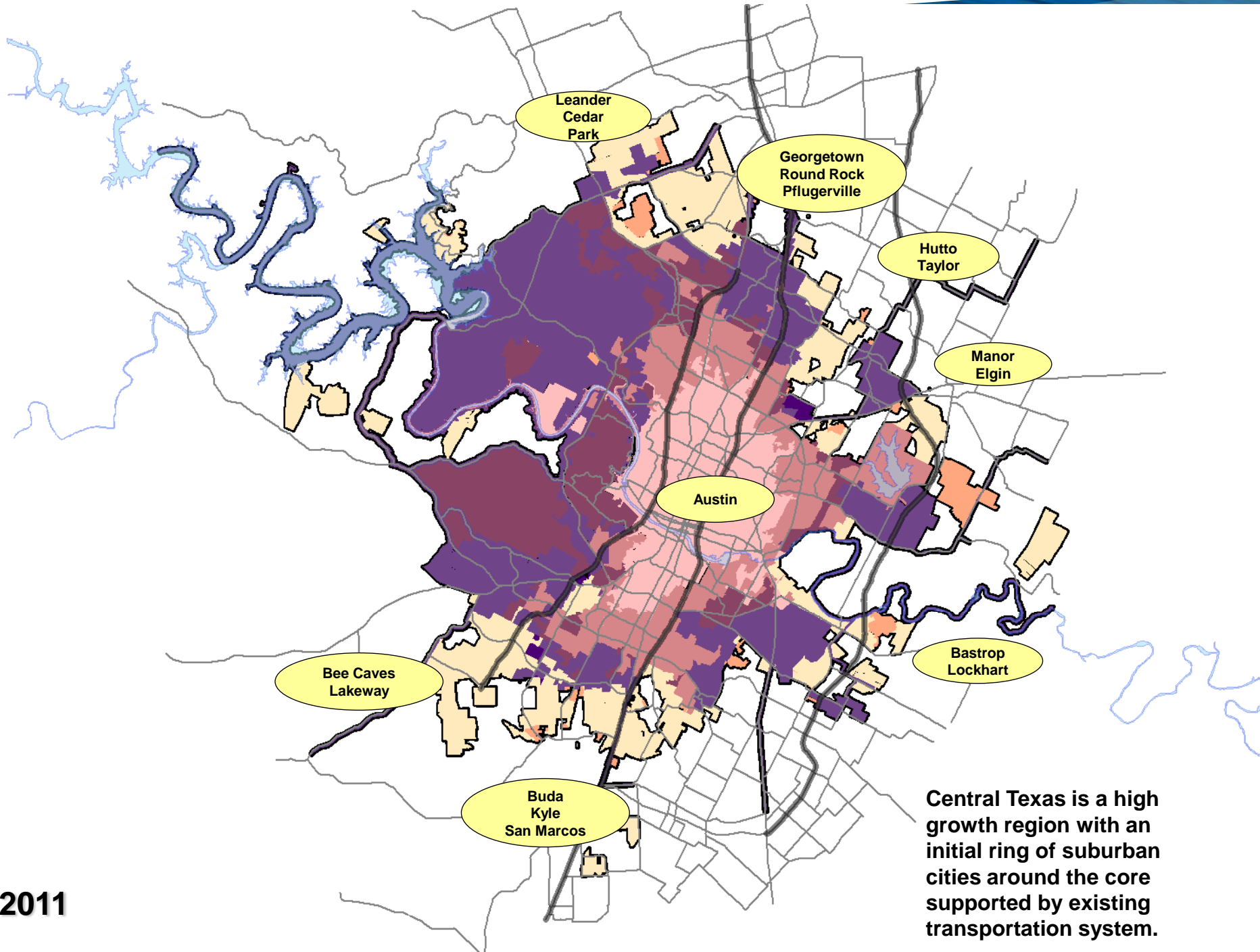
## Current Transportation Issues

- **TTI Mobility Investment Priorities Project** – Long-Term Central Texas IH 35 Improvement Scenarios (Aug. 2013)
  - I 35 initiatives by TxDOT & City of Austin are short- and mid-term improvements
  - 2035 CAMPO shows no large-scale improvements
  - Congestion is high, increasing faster in Texas than in similar US areas
  - Austin, Dallas-Ft. Worth, Houston & San Antonio in 15 most congested
- **Findings**
  - I 35 congestion will be severe even if substantial capacity is added
  - Central Texas traffic is major cause of congestion - 86 % of traffic through Austin
  - Long-term solution cannot be capacity-addition alone
    - Central Texas cannot “build its way out of congestion”
    - Need “everything including the kitchen sink”
    - Also need operating system improvements, new development patterns and travel behavior changes

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1962



2011

Central Texas is a high growth region with an initial ring of suburban cities around the core supported by existing transportation system.

# Journey to Work 2009 - 2011

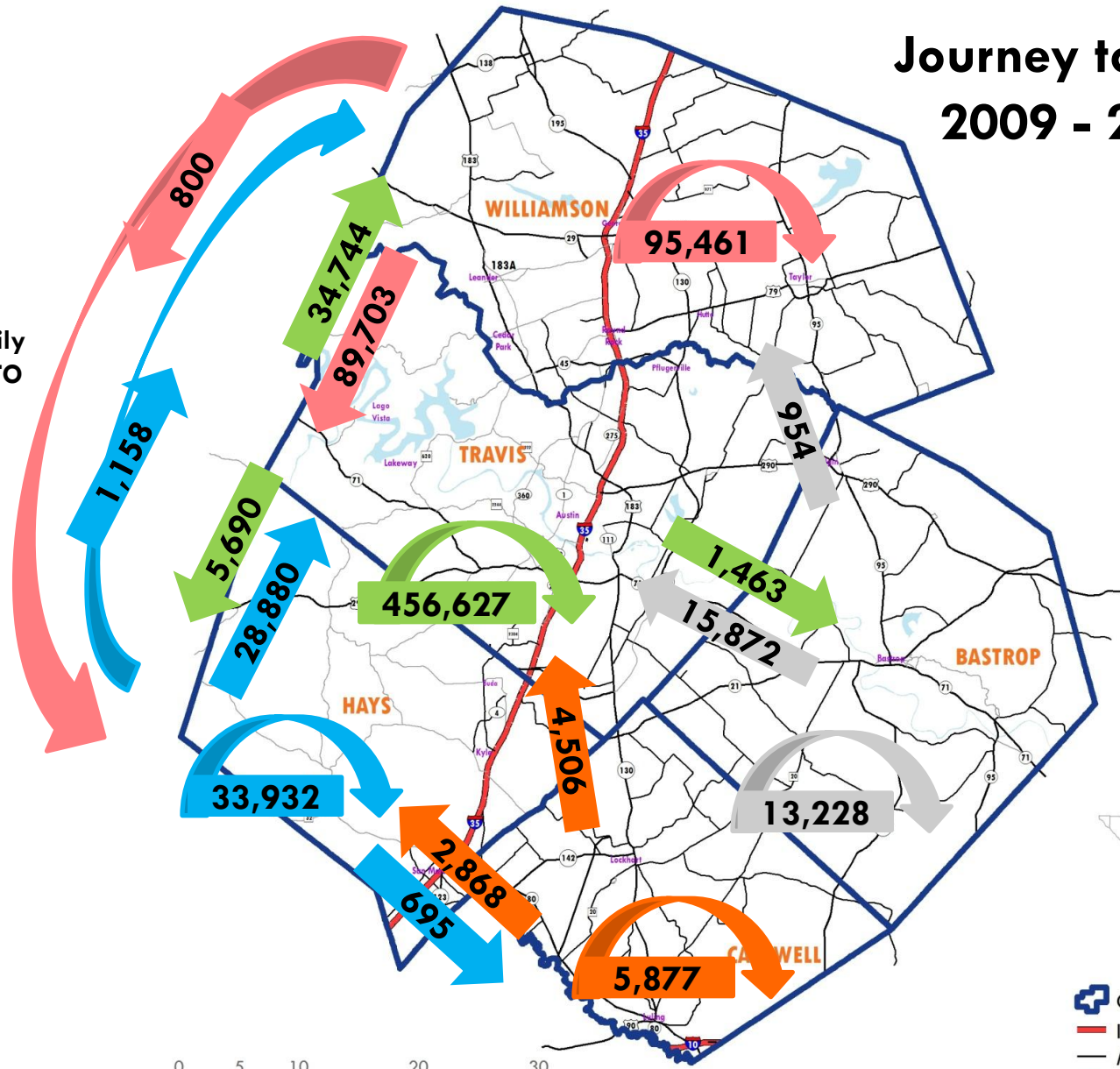


Indicates number of daily intra-county trips



Indicates number of daily work trips FROM and TO other counties

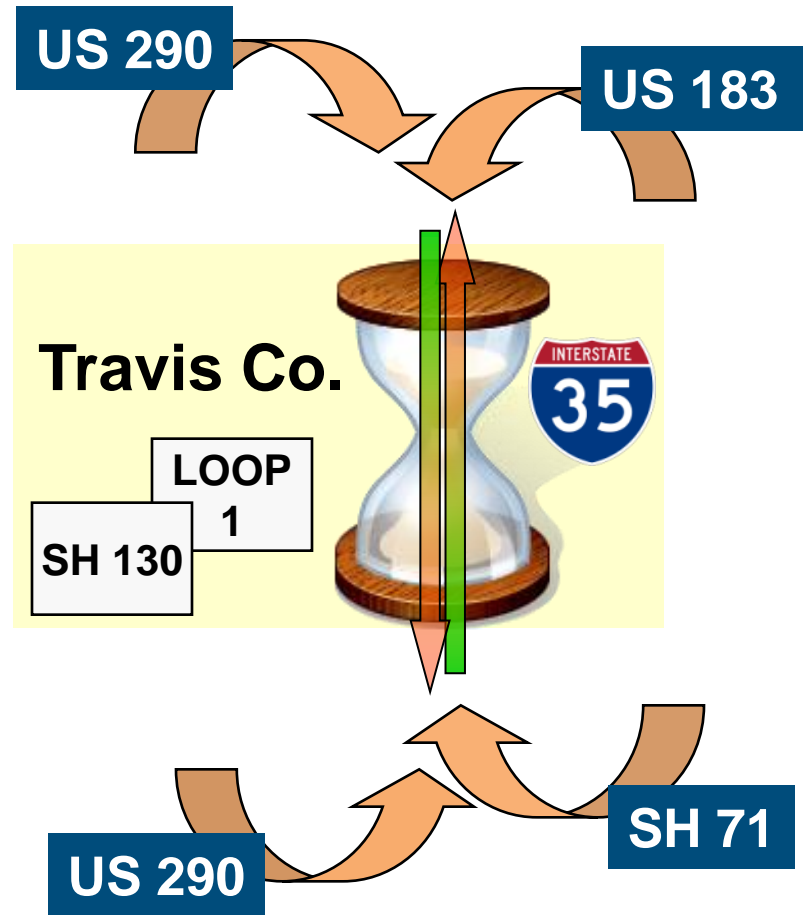
- Travis
- Williamson
- Hays
- Bastrop
- Caldwell



- CAMPO Modeling Area
- IH 35
- Major Road
- Water



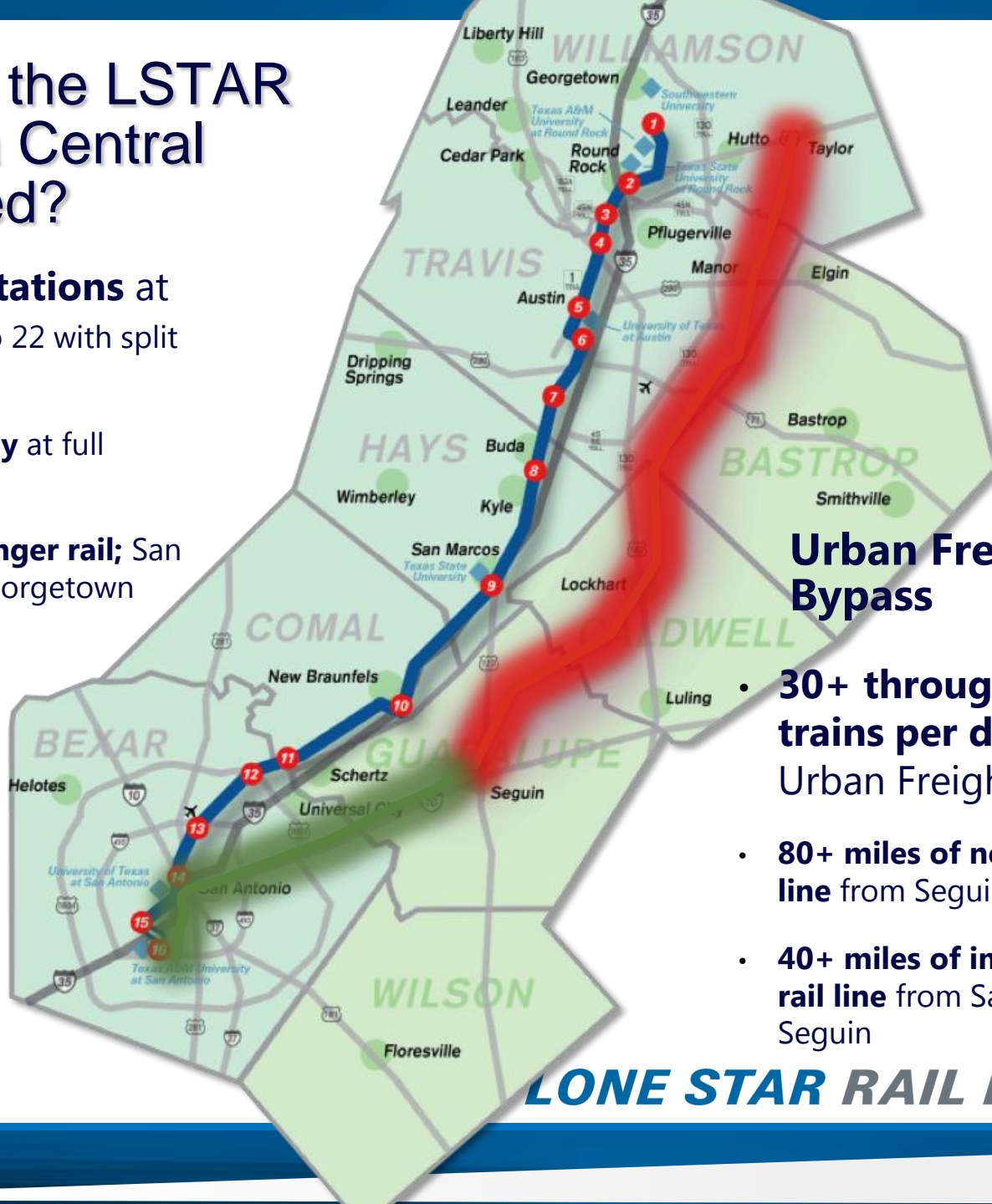
Daily Work Trips		
	<u>Trips</u>	<u>Percent</u>
<b><u>Hays County</u></b>		
To Travis Co.	28,880	45%
<b><u>Travis County</u></b>		
In County	456,627	92%
<b><u>Williamson County</u></b>		
To Travis Co.	89,703	48%
<b><u>Bastrop County</u></b>		
To Travis Co.	15,872	55%
<b><u>Caldwell</u></b>		
To Travis Co.	4,506	34%
<b>Total Trips</b>	<b>791,504</b>	
<b>Travis Co Trips</b>	<b>595,588</b>	<b>75%</b>



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# How Does the LSTAR Effort Fill a Central Texas Need?

- **Originally 16 stations** at full service (up to 22 with split stations service)
- **32 round trips a day** at full service
- **118 miles of passenger rail**; San Antonio north to Georgetown



## Urban Freight Rail Bypass

- **30+ through freight trains per day** rerouted to Urban Freight Rail Bypass
- **80+ miles of new freight rail line** from Seguin to Taylor
- **40+ miles of improved freight rail line** from San Antonio to Seguin

**LONE STAR RAIL DISTRICT**

# 2040 TWG "Vision" or Preferred System

- Adds service to 7 cities
- Vision has 10 Cities connected via LSTAR
- Also connects to South Central Texas - San Antonio



Real Pictures Net - Image Copyright © Joe LeMay

# LSTAR – Central Texas Connectivity

**Commuter service** - links to region's employment centers & key destinations

<u>Central Tx Stations:</u>	<u>Initial</u>	<u>Expansion</u>	<u>Vision</u>	<u>Total</u>
• Hays County	3	1		4
• Travis County	5	1	3	9
• Williamson Co.	2	1	2	<u>5</u>
			Total	18

- **Cities**
  - Georgetown, Round Rock, Austin, Buda, Kyle & San Marcos
  
- **Destinations**
  - *Direct* Austin & San Antonio Downtowns  
Tx State Univ.; ACC – Kyle & Avery, San Marcos Outlet Mall
  - *w/ Urban Rail* State Capitol; Univ. of Tx.; UT Medical School, Convention Ctr. ACC – Downtown & Highland Mall  
Cap Metro – MetroRail Red Line

# LSTAR – South Central Texas Connectivity

**Commuter service** - links to region's employment centers & key destinations

<u>S. Central Tx Stations:</u>	<u>Initial</u>	<u>Expansion</u>	<u>Vision</u>	<u>Total</u>
• Comal County	2			2
• Bexar County	5	3		<u>8</u>
			Total	10

- **Cities**
  - New Braunfels, Schertz, San Antonio
  
- **Destinations**
  - *Direct* Texas State Univ.-San Antonio, Port San Antonio, Tx A&M-San Antonio
  - *w/ Streetcar* San Antonio River Walk, Alamodome, Convention Ctr., US Army Medical Ctr.

# LSTAR – Connectivity/Mobility

## **Commuter Service**

- Convenient, predictable & easy to use
- Considered a higher level of transit
- Makes drive time available for other activities
- **Congestion proof option**, competitive with auto commute experience
- UP right-of-way becomes regional mobility asset
- Helps reduce growth in traffic demand
- Equals between **2-5 lanes** of highway capacity

# LSTAR – Connectivity/Mobility

## **Freight Bypass**

- Moves Through freight trains to bypass (approx. 30-40 trains)
- Reduces traffic wait time
  - Through freight trains are longer & slower (avg. 20 mph)
  - Commuter trains are shorter and faster (max. 8 cars; avg. 60 mph)
- Considered a higher level of transit

# LSTAR – Strategic Considerations

- **Community & Economic Development**



# LSTAR Stations in Central Texas

## Travis Co

## Hays Co.

## Williamson County

### Originally Proposed (9 Stations)

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- |   |                       |                |
|---|-----------------------|----------------|
| - <b>Austin - McNeil Junction *</b>             | - <b>Kyle *</b>       | - Georgetown   |
| - <b>Austin - Braker Lane</b>                   | - <b>San Marcos –</b> | - Round Rock – |
| - <b>Austin - 35<sup>th</sup> &amp; MoPac *</b> | <b>Downtown *</b>     | Downtown *     |
| - <b>Austin – Downtown</b>                      |                       |                |
| - <b>Austin - Slaughter Lane</b>                |                       |                |

### Additional Proposed (5-6 Stations)

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- |                                   |                          |                |
|-----------------------------------|--------------------------|----------------|
| - <b>Austin - Parmer Lane *</b>   | - <b>Buda *</b>          | - Round Rock – |
| - <b>Austin - Anderson Lane *</b> | - <b>San Marcos –</b>    | Avery Ctr. *   |
|                                   | <b>Centerpoint Rd. *</b> |                |

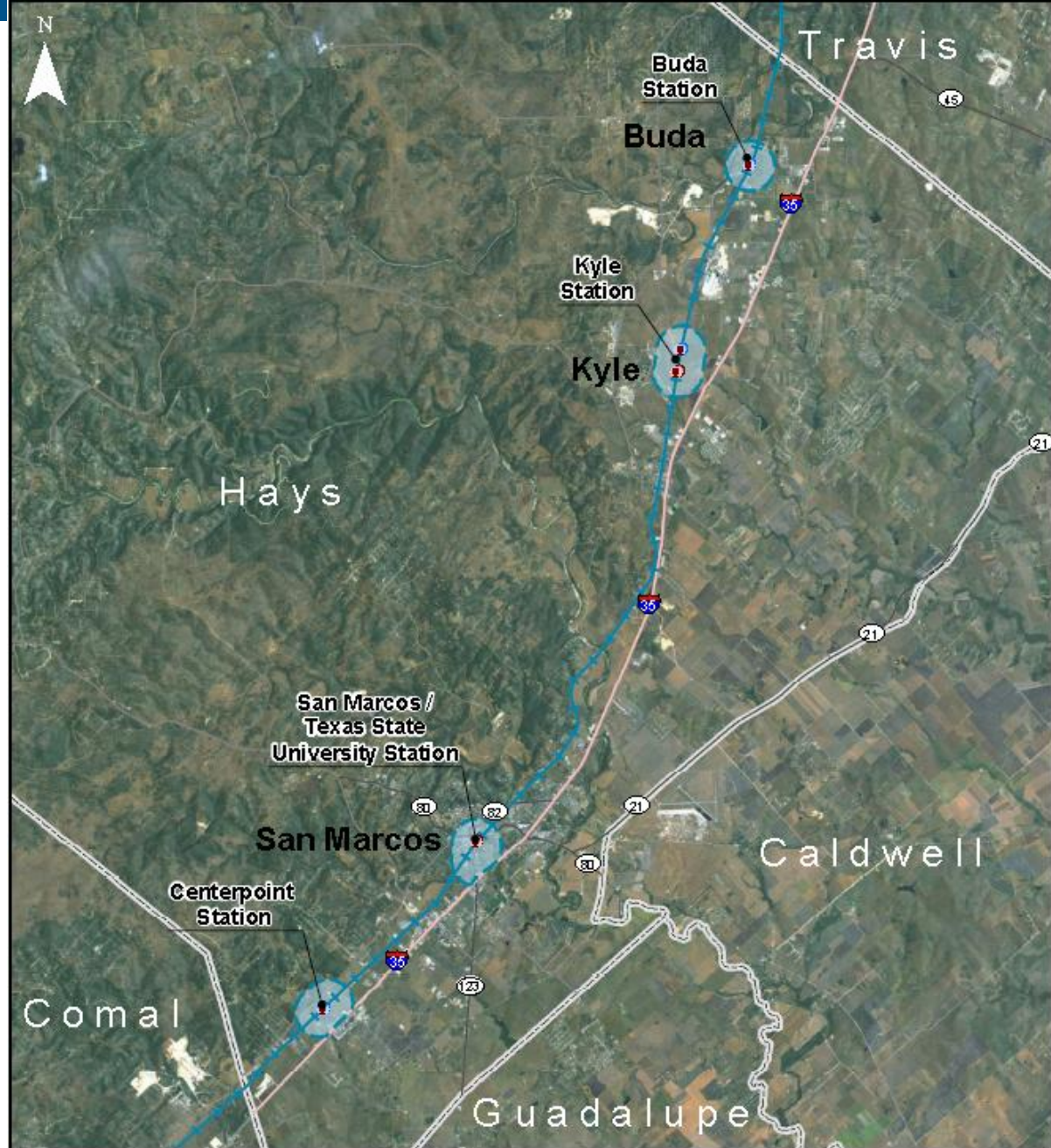
*Bold text – indicates stations currently under local funding agreements*

*\* Split Service Stations – rail operations of one station split between two stations*

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# LSTAR Funding

- **Regional approach to local rail service**
- **Hays County Station Locations:**
  - Buda
  - Kyle
  - San Marcos (2)
- **Kyle Transportation Infrastructure Zones (TIZ):**
  - ACC/Plum Creek location



# LSTAR – Broad Based Regional Benefits

## Economic Development

- Induces and focuses development within activity centers
- Anchors investment/property values
- Retains competitive advantage



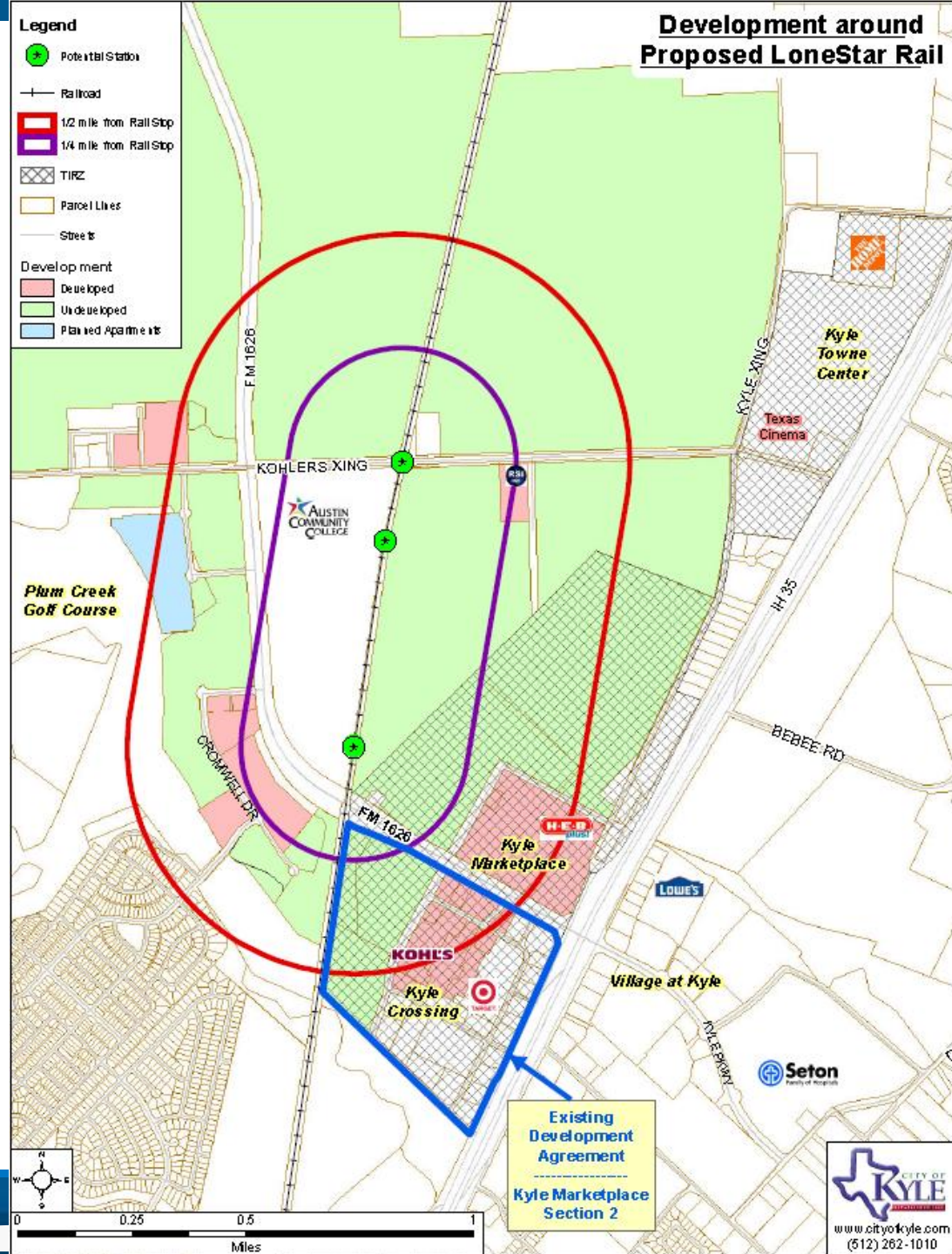
## Community Development

- Reinforces community identity/brand
- Aligns with community plans/goals and relocates most freight trains
- Mobility options and affordable community service delivery
- Safety and aids in air quality attainment

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# Kyle Station at ACC Campus

- City of Kyle map



# LSRD Station Planning

- Location Planning Criteria:
  - Multi-modal Access
  - Site Configuration
  - Economic Development
  - Transit Supportive Land Use
  - Environmental Issues

# Economic Development/Community Planning Issues

- **Delayed/Late Joining community impacts:**
  - **Local private development decisions impacted**
    - *Interim developments may lock-in non-transit dev.*
    - *Interim developments may limit life style choices*
    - *May limit revenue growth & lower affordability*
  - **Economic development may go to other locations**
  - **LSRD capital resources allocated first to participating communities**
    - *Rail system extensions or additions compete against other system investments*
  - **Community may have capital investment and/or catch-up funding impacts**

# LSTAR – Strategic Considerations

➤ **LSTAR Local Funding**

# LSTAR Capital Costs

- LSRD retains the obligation to secure capital funding
- Goal is to secure the capital funding within six (6) years



<u>LSTAR Planning Targets</u>	<u>Initial</u>	<u>Base</u>	<u>Full</u>
Psgr Improvements	\$ 700 mil	\$ 840 mil	\$1,400 mil
Freight By Pass/Relo	<u>\$1,160 mil</u>	<u>\$1,160 mil</u>	<u>\$1,160 mil</u>
<b>Subtotal</b>	<b>\$1,860 mil</b>	<b>\$2,000 mil</b>	<b>\$2,560 mil</b>
 <u>Union Pacific – Freight Bypass</u>			
Full double tracking	<u>\$ 170 mil</u>	<u>\$ 170 mil</u>	<u>\$ 170 mil</u>
<b>Total</b>	<b>\$2,030 mil</b>	<b>\$2,170 mil</b>	<b>\$2,730 mil</b>

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# Working with Union Pacific

- **Freight Rail Bypass** – joint planning
- **LSTAR Passenger and Local Freight Operations** – joint planning



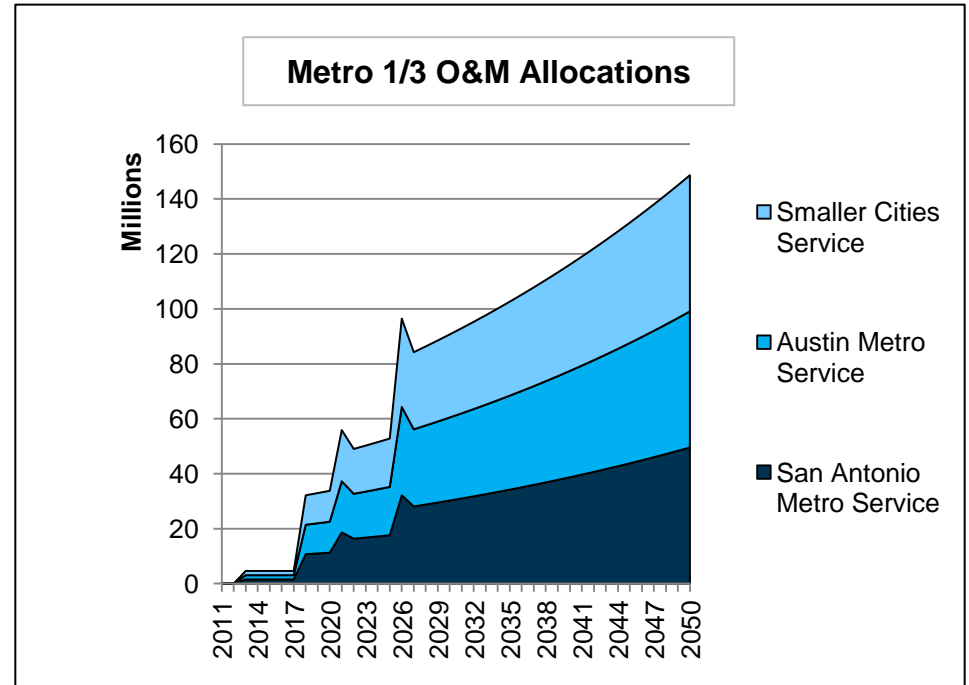
***“...We believe that both Union Pacific and the District have made substantial progress...and anticipate that an eventual agreement will result in the ability of the District to provide passenger service and relocation of through freight in the Austin-San Antonio Corridor...”***

**Jerry Wilmoth, General Manager – Network Infrastructure, Union Pacific Railroad,  
May 16 2012 letter to Travis County Judge Samuel Biscoe**

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# LSTAR Operations and Maintenance Costs

- **O&M is one key to securing capital funding**
- **The Draft *LSRD Business Plan* O&M costs split\* by thirds (after fare box & misc. revenue):**

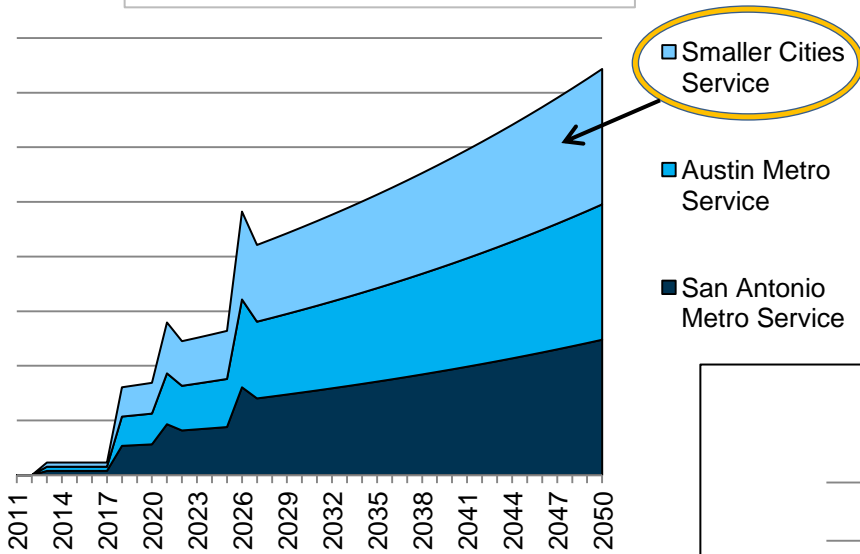


## LSRD Planning Targets \*

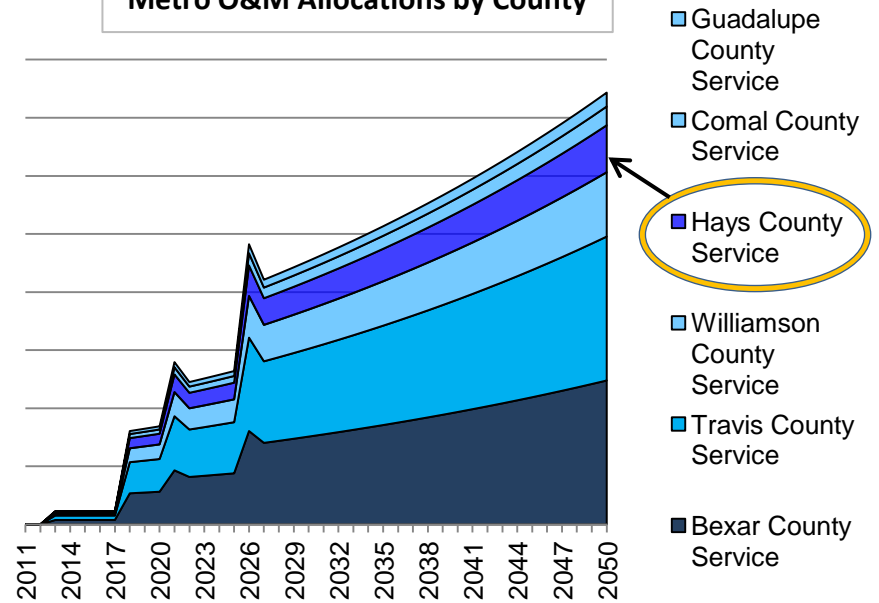
	<u>Initial (2018)</u>	<u>Base (2023)</u>	<u>Full (2028)</u>
Small Cities value capture funding	\$ 10.56 mil	\$ 19.57 mil	\$ 33.78 mil
Central Texas value capture funding	\$ 10.56 mil	\$ 19.57 mil	\$ 33.78 mil
So. Central Texas value capture	\$ 10.56 mil	\$ 19.57 mil	\$ 33.78 mil
<i>Total</i>	\$ 31.68 mil	\$ 58.70 mil	\$ 101.33 mil

\* Escalated over time at 2.5% annually; 15 year avg. of 1/3 cost is \$15.16 million (2018-2032)

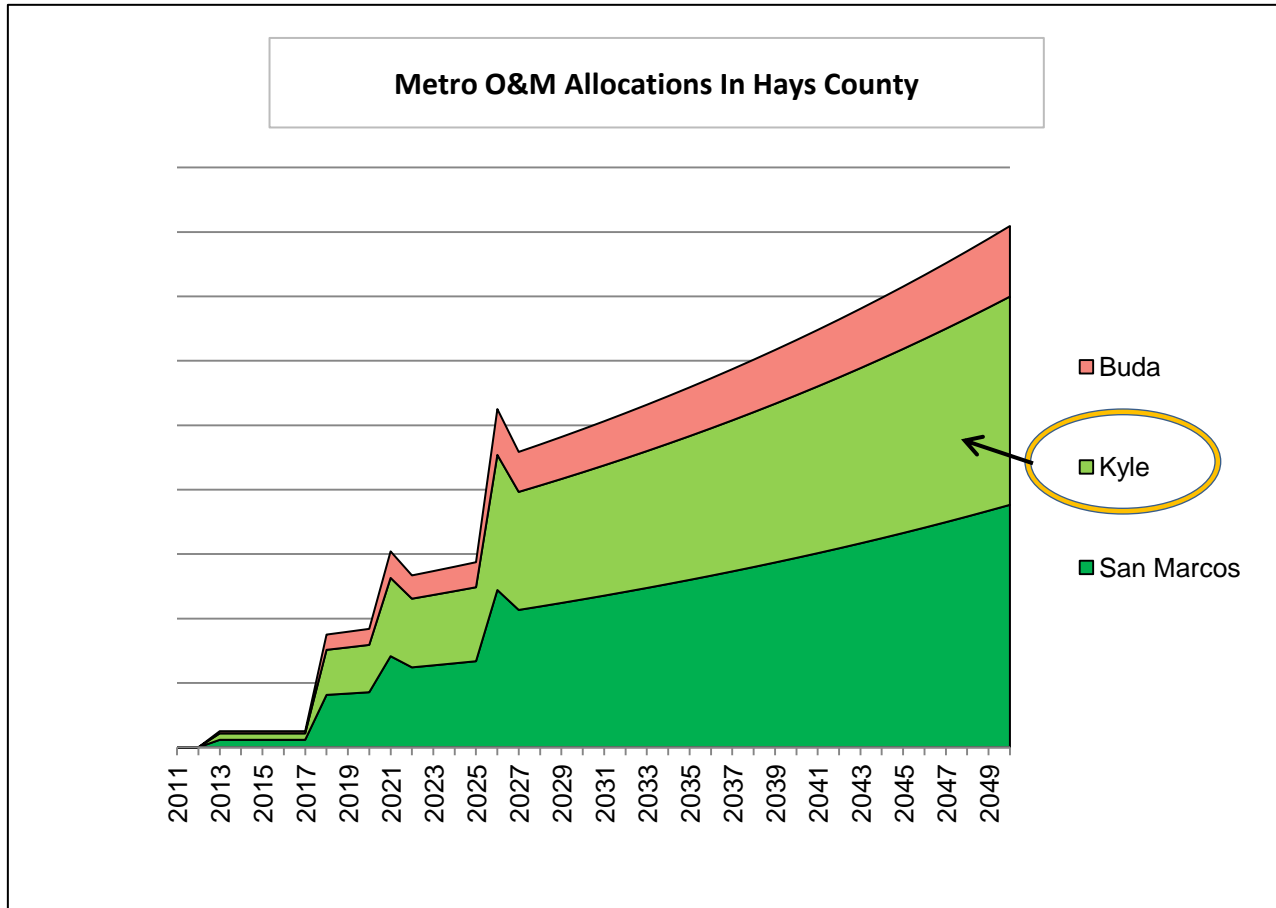
**Metro 1/3 O&M Allocations**



**Metro O&M Allocations by County**



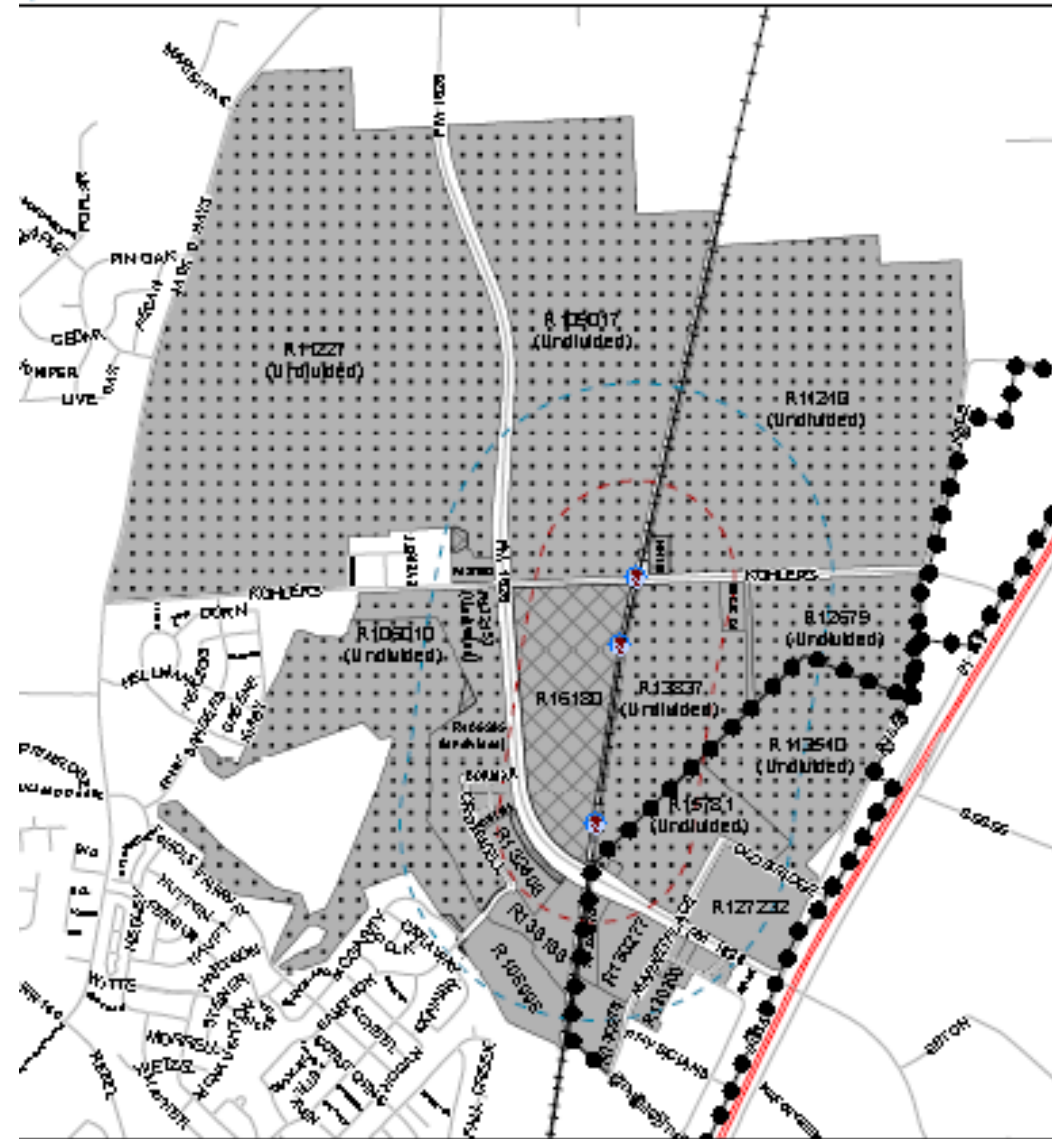
# Local Funding Approach: Full Cost vs. Pay-as-You-Go



# Kyle Station at ACC Campus

## Transportation Infrastructure Zone (TIZ)

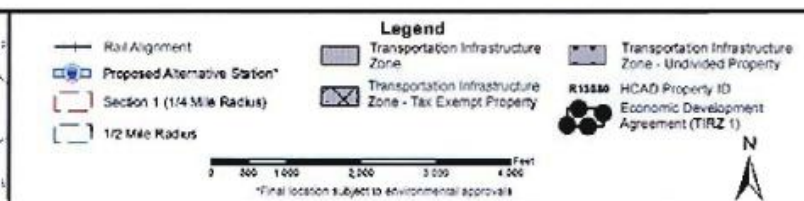
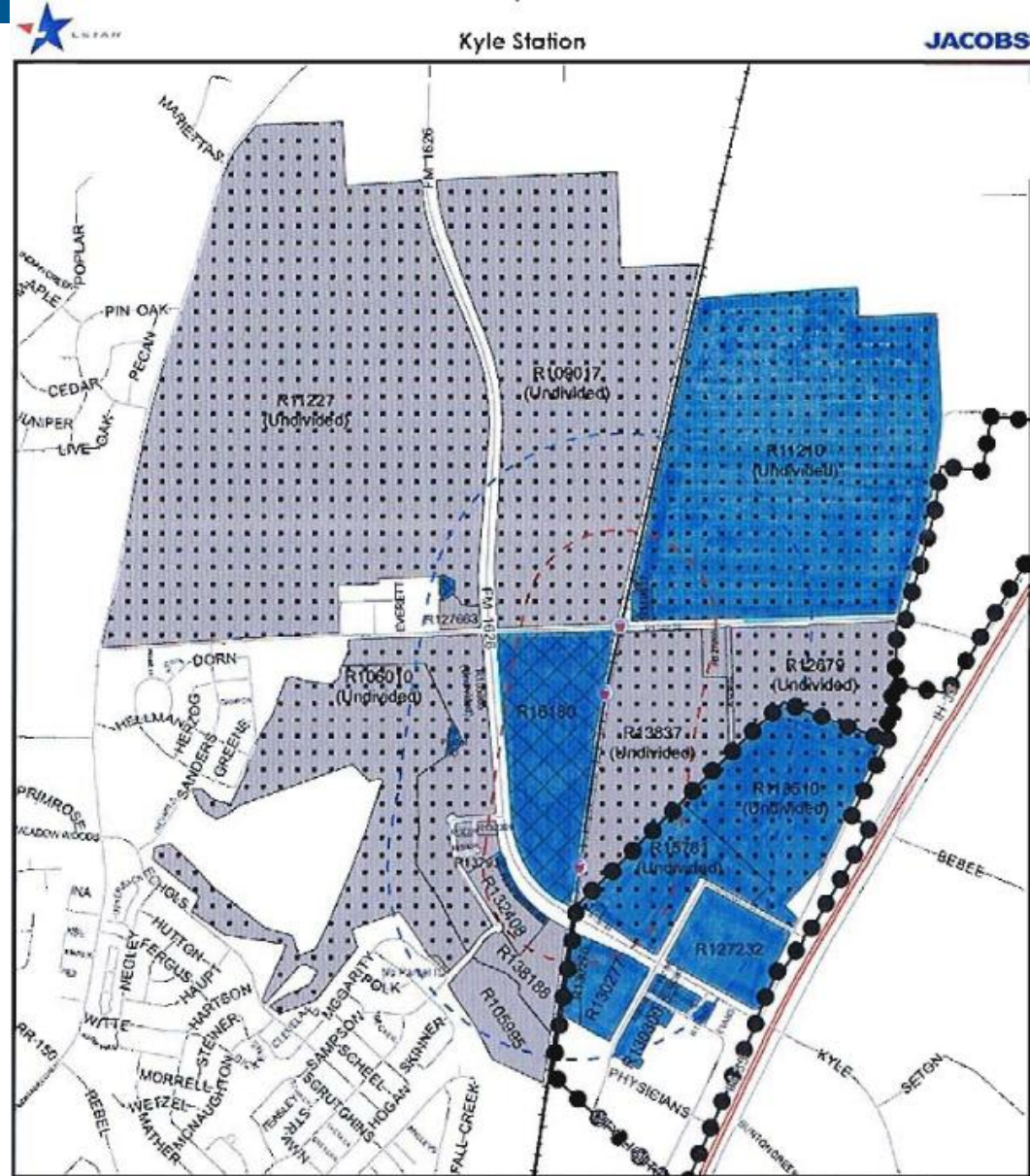
- Used to provide tax growth increment funding for rail O&M
- Undeveloped parcels only participate for prorated portion within ½ mile of a potential station



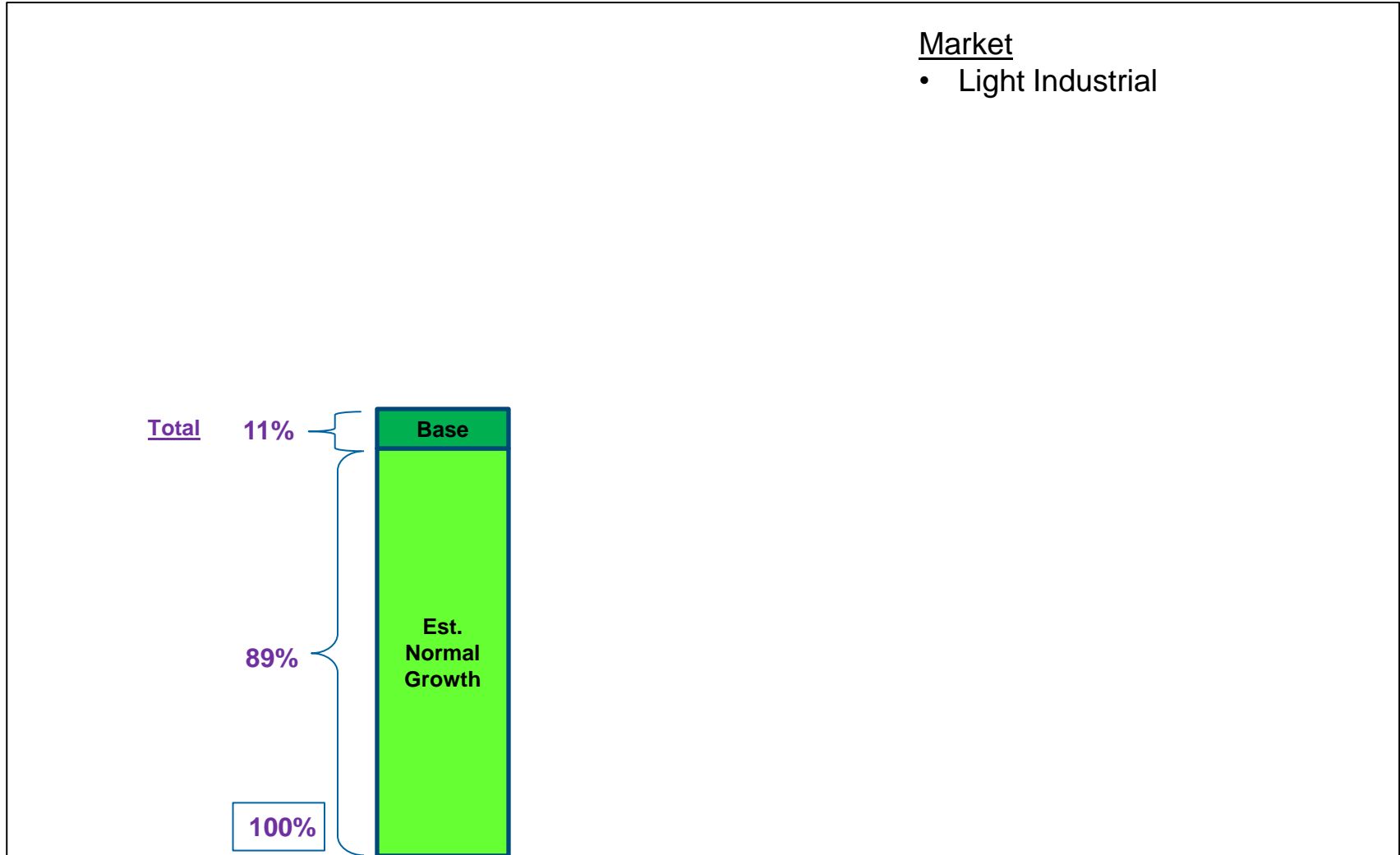
# Kyle Station at ACC Campus

## Transportation Infrastructure Zone (TIZ)

- Limited or non participating areas
  - Tax exempt
  - TIRZ
  - 380 econ. dev. agreement
  - Quarry Property

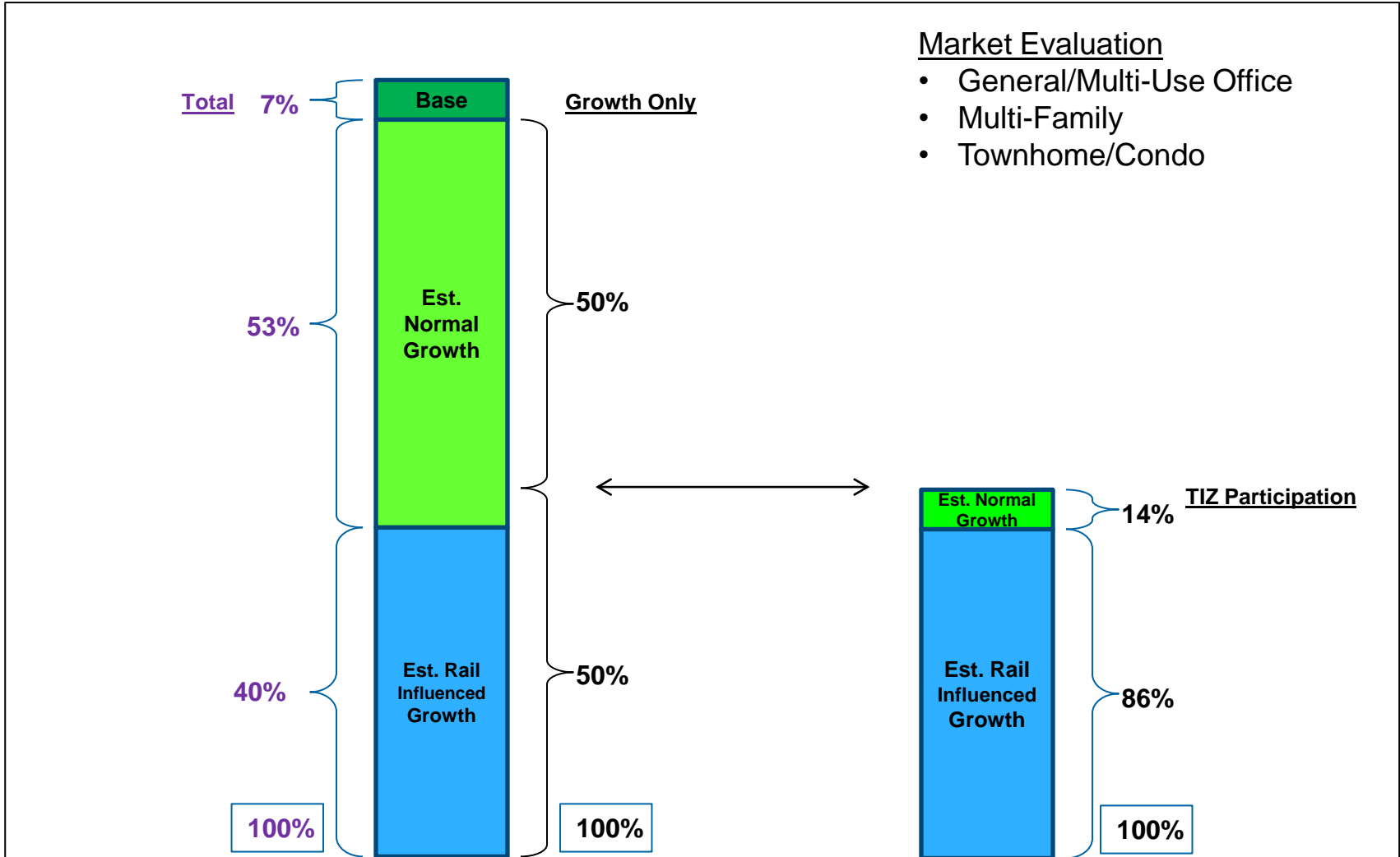


# Economic Impact Est. & Proposed TIZ Participation



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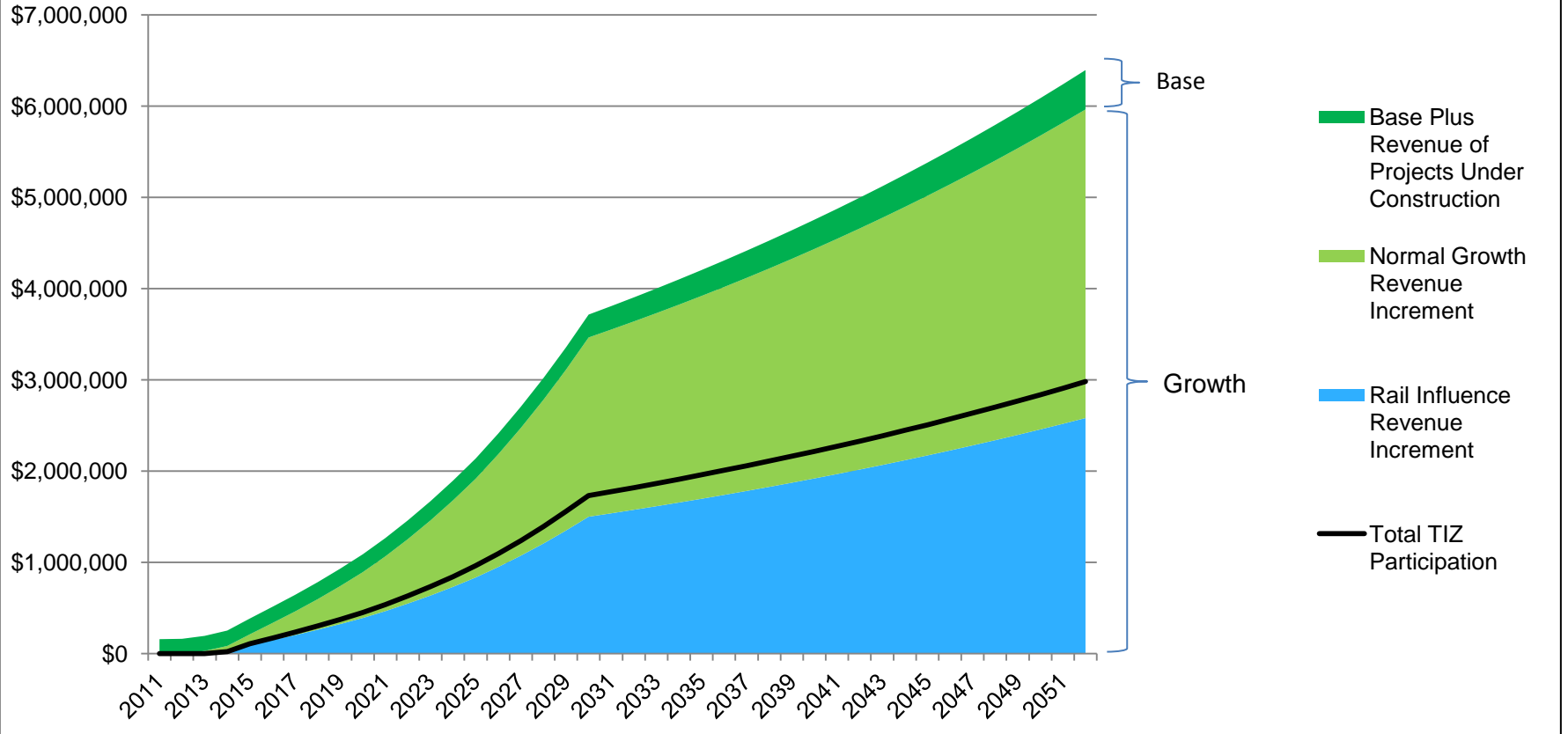
# Economic Impact Est. & Proposed TIZ Participation



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## Kyle - Total Estimated Revenue from TIZ



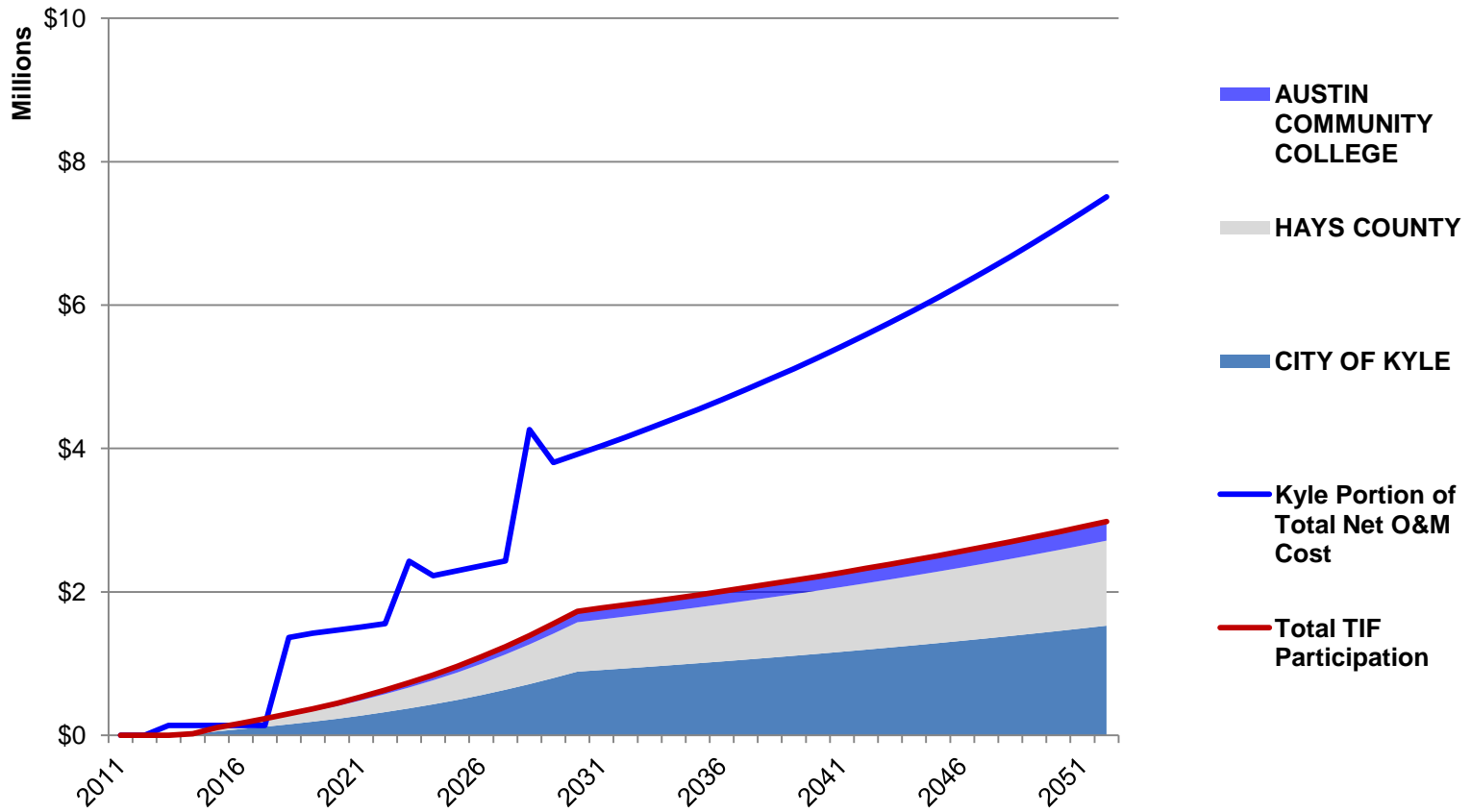
# LSTAR Funding

- City of Kyle Participation Estimates:**

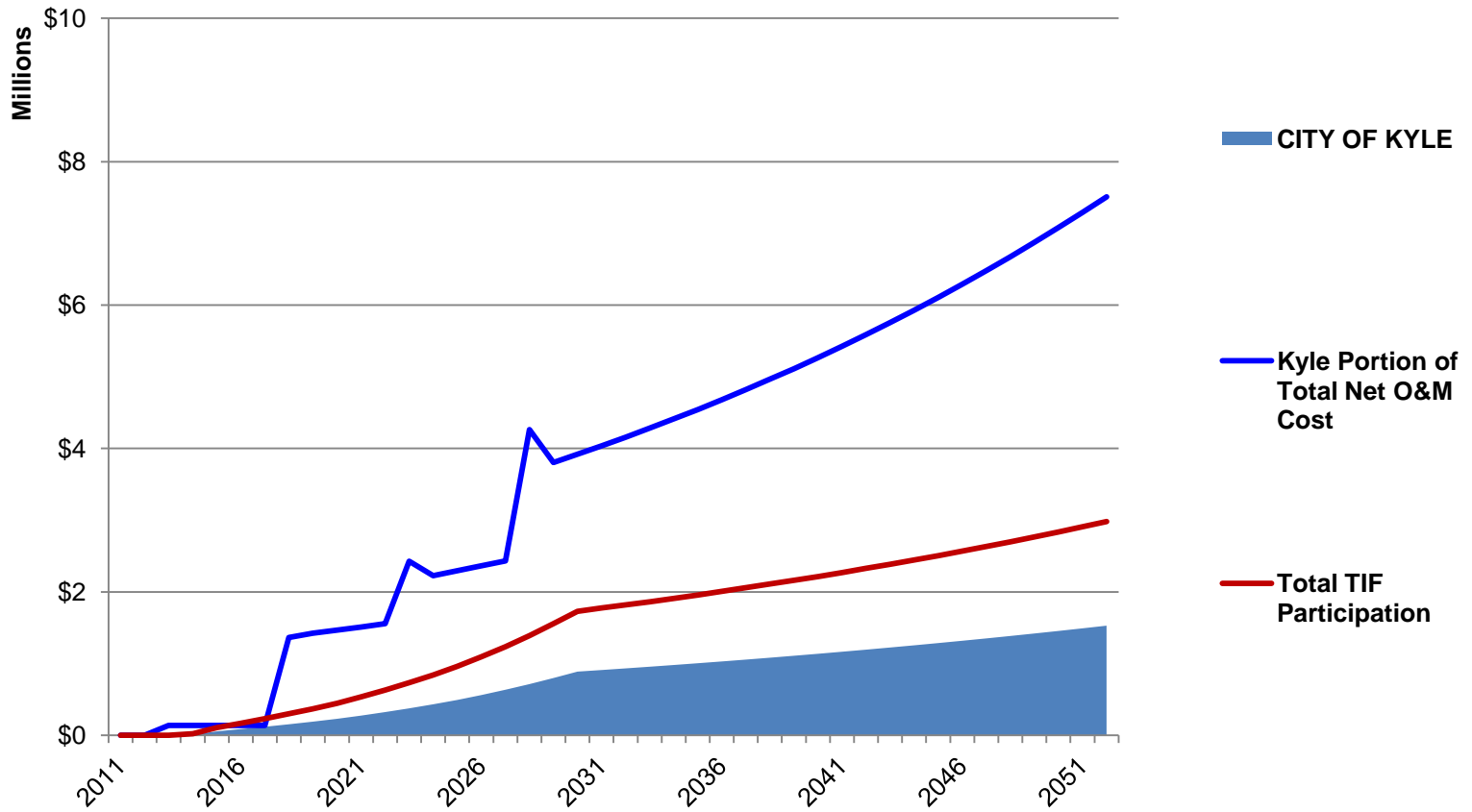
	<u>LSRD Planning Targets *</u>		
	<u>Initial (2018)</u>	<u>Base (2023)</u>	<u>Full (2028)</u>
Property tax value capture			
Rail Induced Growth	\$ 134,000	\$ 326,000	\$ 618,000
Non-Rail Growth	\$ 20,000	\$ 50,000	\$ 95,000
Sales tax value capture	TBD	TBD	TBD
In-kind contribution	\$ 70,000	\$ 80,000	\$ 90,000
	<hr/>	<hr/>	<hr/>
<i>Total</i>	\$ 224,000	\$ 456,000	\$ 803,000

- Actual service levels dependent on capital and O&M funding levels; escalated over time at 2.5% annually; 15 year avg. of 1/3 cost is \$15.16 million (2018-2032)

Kyle & Hays Co. & ACC - Revenues vs. O&M Costs



Kyle & Hays Co. & ACC - Revenues vs. O&M Costs



# LSRD Split Service Station Concept

Split operations of one station into two stations

## Location

- Buda & Kyle
- San Marcos
- Round Rock
- Austin
- Austin

## Potential Split Service

Downtown & ACC Campus  
Downtown & Centerpoint Area  
Downtown & Avery Center  
Parmer & McNeil Junction  
35<sup>th</sup> St. & Anderson Ln.

# LSTAR Funding

## 1. Kyle/Hays County/ACC - TIZ districts 2014:

- a. New growth property tax from within ½ mile of station
  - Set at 1% initially, requesting 50% as final participation
  - Add equivalent of new growth sales tax at same %
  - Undeveloped properties are prorated
- b. In-kind contribution of station maintenance and security
- c. Other Provisions:
  - Exclude existing single family and duplex residential
  - Prorate undeveloped properties till subdivided
  - Tax exempt parcels added when privately developed
  - Honor preexisting economic development agreements

## 2. Private Landowners:

- a. *PID or MMD for station capital or O&M*
- b. *Station site contribution*

# LSTAR Funding

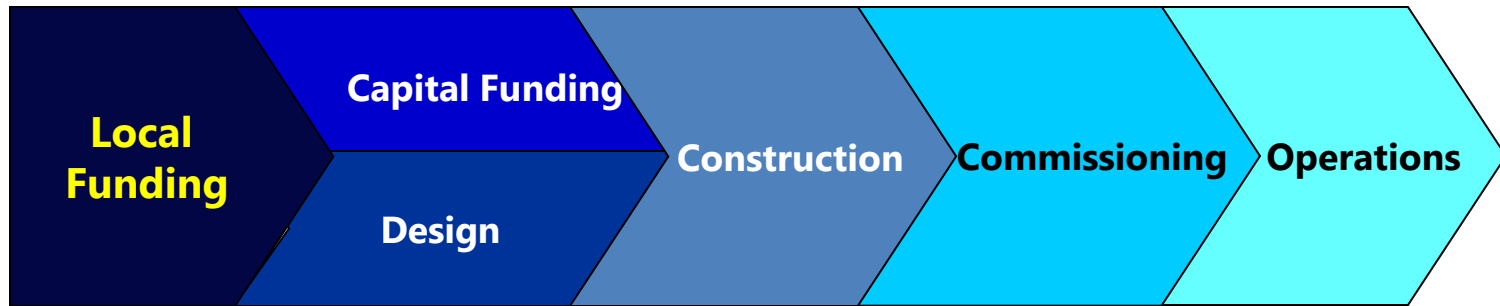
3. **City retains funds in special fund until LSRD meets performance measures**
  - If measures not met, City may dissolve TIZ and use funds
4. **Performance measures**
  - In two years LSRD must secure funding agreements with key Central Texas local governments
  - In six years LSRD must secured capital funding
5. **When in operation, LSRD will annually identify excess TIZ funding for return to contributing jurisdictions**
6. **Equitable funding relationship between Central Texas local governments (i.e.: Pay for Service, Fair share, etc.)**



***LONE STAR RAIL DISTRICT***

# Project Timeline – Passenger & Freight Rail Service

Local funding is the **gateway** to capital funding from public and private sources.



## Timing

- Capture value from land speculation, zoning and other entitlements
- New development influenced by rail opportunity
- Local funding necessary to secure capital funding
- Helps reduce through freight in community downtowns & neighborhoods



# Next Steps

**Lone Star Rail District is requesting:**

- **City of Kyle establish TIZ under local funding agreement with LSRD by end of May 2014.**



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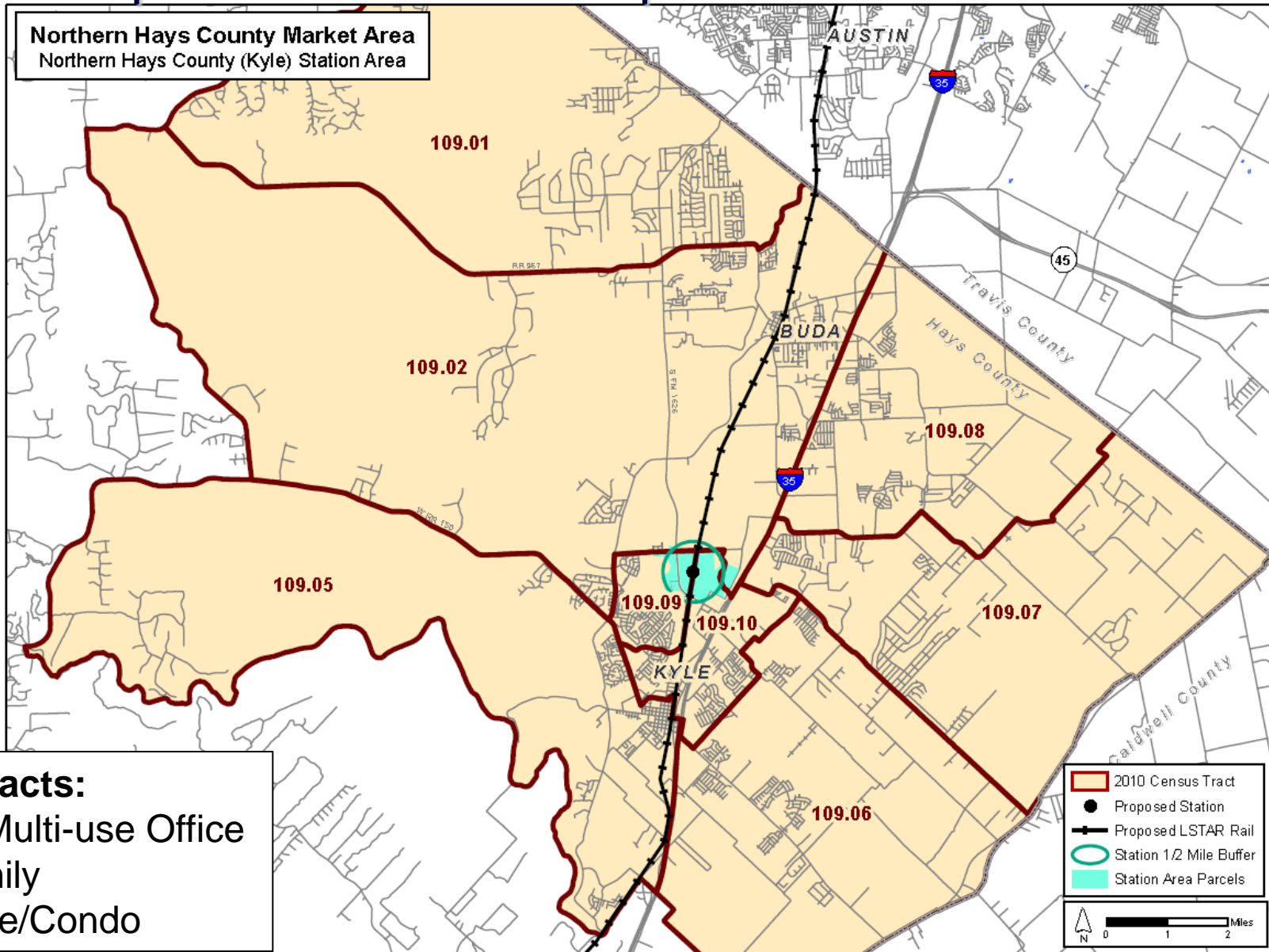


***Thank you***  
for your support!

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# Economic Impact Evaluation – Capital Market Research



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Prepared by Capital Market Research, February 20, 2012