

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
EXTERNAL RELATIONS DEPARTMENT**

TO: Mayor and City Council

FROM: Jim Campbell, External Relations Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: Tom Wendorf, Director, Public Works; Veronica M. Zertuche, Deputy City Attorney; File

SUBJECT: Intermunicipal Commuter Rail District Resolution

DATE: November 7, 2002

SUMMARY AND RECOMMENDATIONS

A resolution supporting the creation of an Intermunicipal Commuter Rail District for the Austin-San Antonio Corridor.

Staff recommends approval.

BACKGROUND INFORMATION

In 1997, the Texas Legislature authorized the formation of an Intermunicipal Commuter Rail District for the Austin-San Antonio Corridor through the enactment of Senate Bill 657. The purpose of the District is to facilitate the creation of a regional passenger rail system that would help reduce congestion, reduce traffic fatalities, improve mobility, promote economic development and accelerate commerce along the corridor.

The bill requires a vote by the cities of Austin and San Antonio, in addition to the counties of Travis and Bexar, to create the District. Other cities and counties may then vote by resolution to join the District. Hays and Williamson Counties have passed resolutions indicating that both entities would join the District once it is formed. The City of Austin also has passed a resolution supporting the creation of the District. Bexar County approved a resolution of support on October 9th, 2002.

A board of directors governs the District and is composed of the following:

- two public members appointed by the Texas Transportation Commission;

- one elected member of the governing body of each political subdivision that has become a part of the District;
- one elected member appointed by the regional planning organization of which the creating municipality is a part;
- one member appointed by each creating municipality to represent the business community of the municipality;
- one member appointed by metropolitan transit authorities that serve a creating municipality (e.g. VIA and Capitol Metro);
- one member appointed by each county in which a creating municipality is located to represent transportation providers that provide service to rural areas in the county; and,
- one elected member appointed by all other board members to represent all municipalities in the District that do not otherwise have representation on the board.

Board members are not compensated, but are entitled to reimbursement for reasonable expenses incurred while serving as a member.

The legislation gives the District powers necessary to create and operate a regional passenger rail system, including authorization to:

- 1) be a public body and political subdivision of the state;
- 2) acquire or dispose of real and personal property;
- 3) acquire, construct, develop, own, operate and maintain intermodal and commuter rail facilities;
- 4) exercise right of eminent domain to acquire land under certain conditions;
- 5) make agreements with other public utilities, common carriers, state agency or transportation systems for the joint use of facilities, installations or properties;
- 6) adopt rules to govern the operation of the District;
- 7) sue and be sued;
- 8) enter into joint ownership agreements;
- 9) establish rates for the use of District facilities; and
- 10) make contracts, leases, and agreements with, and accept grants and loans from, the federal and state government, its agencies and political subdivisions

A District may also issue revenue bonds and notes. The District, however, has no taxing authority.

POLICY ANALYSIS

The Austin-San Antonio Corridor Council reports that NAFTA-related commercial truck traffic continues to grow at a rapid pace. Latest statistics indicate that 80 percent of Mexico's trade with the U.S. and Canada passes through Texas, 74 percent of it by truck on Interstate 35. Truck traffic in the corridor is increasing at a rate of six percent per year. This increase, combined with a rise in population growth, will create an anticipated demand of up to 18 lanes of north/south interstate capacity by 2025. The Federal Highway Administration has recommended that 50 percent of truck freight traffic moving between Laredo and Dallas should be shifted to rail during that same time period to relieve congestion.

The creation of a district would allow the development of a strategy to move toward this goal. It would also give citizens of the region an additional effective transit option. In the meantime, construction is set to begin soon on State Highway 130. A District would allow planning for a freight rail element to be added to the SH 130 corridor as well as helping to coordinate passenger and freight service in the area.

FISCAL IMPACT

In 1998, Congressman Lamar Smith earmarked more than \$5.6 million in the Transportation Equity Act of the 21st Century ("TEA-21") for transportation projects in the Austin-San Antonio Corridor. This money could be used to develop an operating plan for regional passenger service. Grants would be sought to cover administrative expenses.

This year, Congress and the U.S. Department of Transportation began work on the re-authorization of TEA-21 funding. Competition for this federal transit funding is expected to be contentious. However, a District would provide a formal mechanism to plan, develop and seek funding for a comprehensive regional transit system.

The Austin-San Antonio Commuter Rail study reports that the cost of the capital project would be \$500 million in 1998 dollars. Their analysis assumed that 50 percent of the federal dollars would come from TEA-21, with the future balance projected to come from future earmarks. Additional funds from dedicated local revenue were mentioned, but with no identifiable source. Suggestions included a .0011 sales tax that would be imposed from 2002-2020, which would cover the debt balance incurred for capital development.


Using 1998 dollars as a benchmark, it was estimated that operational expenses would total \$24.25 million. Operating revenues would come from the following sources: fares (\$13.85 million); FTA section 5307 urban formula funds (\$4.7 million); and a dedicated regional tax to cover the remaining balance.

COORDINATION

This resolution has been coordinated with the Public Works Department and the City Attorney's Office.


Jim Campbell, Director
External Relations

Approved by:


Terry M. Brechtel
City Manager