

Planned Fort Worth-McKinney rail line to seek private partner

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The Regional Transportation Council took the first step Thursday toward a new model in North Texas for how commuter rail could be financed and built.

The 43-member council voted unanimously to give itself the lead role in finding private firms to partner with local transit agencies to build – and pay for – what could be a 62-mile long Cotton Belt commuter rail line from [Fort Worth](#) to [McKinney](#).

Such a public-private partnership for rail would be the first in Texas, and one of the very few in America.

RTC leaders said Thursday they want to fashion a unique kind of partnership that would involve private companies covering the upfront cost of building the \$1 billion rail line and expenses related to maintenance and operations for its first decade or more.

In return, the transit agencies in Dallas and Fort Worth would probably need to agree to make annual payments to the firms large enough to cover the companies' debt service and expenses – plus a profit.

To do so, the RTC will probably need creative ways to find that revenue – which could be \$100 million a year or more – because the transit agencies will not have any sales tax revenue to contribute.

Typically, it is sales-tax revenue to which firms look to guarantee their negotiated payments. But the chairman of [Dallas Area Rapid Transit](#) has said it will not pledge any of the sales taxes paid by its 13 member cities toward the Cotton Belt.

"We agree that a traditional public-private partnership may not work," RTC spokeswoman Amanda Wilson said. "We have been in that position for over a year. That is why we are not pursuing a traditional model, but an initiative on innovative finance."

One idea floated by transportation director Michael Morris has been to try to lure a plant to North Texas to manufacture a new kind of rail car under design by DART.

The eastern half of the Cotton Belt has long been on DART's wish list of projects, but the agency didn't expect to have any money to spend on it until 2028, and more recent financial problems probably mean it would be years beyond that.

In addition, the Fort Worth transit agency, The T, is developing a plan to build the western half of the line by 2013 using traditional tax dollars. But that plan is wholly dependent upon uncertain approval of a major federal grant that would pay for it.

Any deal negotiated by RTC will have to be approved by the transit agencies' boards of directors, and would not transfer ownership of the rail lines to a private firm.