

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE'S
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT**

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Chairman DeFazio, thank you for the opportunity to appear before your committee today to testify on transit-oriented development issues related to the Federal Transit Administration's implementation of the New Starts and Small Starts programs. I am Gary C. Thomas, President/Executive Director of Dallas Area Rapid Transit (DART).

On behalf of the DART Board of Directors and staff, I would like to take this opportunity to express our appreciation to you and your colleagues for your leadership and hard work in addressing the critical transportation needs of our country. As you are well aware, public transportation plays a vital role in helping our nation overcome many challenges we currently face as we strive to provide all Americans with an enhanced quality of life for the 21st century and beyond. I would also like to take this opportunity to thank the members of the North Texas Congressional delegation for their exemplary leadership, vision, and unwavering support in our drive to fulfill North Texas' mass transit needs.

DART is a 24 year old regional transportation authority providing a multi-modal transit system for a 700 square mile area of North Texas. DART is comprised of 13 member cities and serves approximately 330,000 total passenger trips per day.

Currently, DART serves Dallas and 12 surrounding cities with approximately 130 bus routes, 45 miles of light rail transit (DART Rail), 31 freeway miles of high occupancy vehicle (HOV) lanes, and paratransit service for persons with mobility impairments. DART and the Fort Worth Transportation Authority (the T) jointly operate 35 miles of commuter rail transit (the Trinity Railway Express or TRE), linking downtown Dallas

and Fort Worth with stops in the mid-cities and DFW International Airport. Through 2013, the DART Rail System is slated to more than double in size to 93 miles.

Total ridership on all modes for FY 2006 was 102.9 million passenger trips.

Our ridership, broken down by modes, is:

- Bus: 44.7 million passenger trips
- DART Rail (light rail): 18.6 million passenger trips
- Trinity Rail Express: 2.4 million passenger trips
- HOV: 36.1 million commuter trips
- Paratransit: 660,312
- Vanpool: 440,472

DART's mission is to build, establish and operate a safe, efficient and effective transportation system that, within the DART Service Area, provides mobility, improves the quality of life, and stimulates economic development. As we have witnessed in the Dallas-Ft. Worth area, economic development and land use changes provide immense benefits to projects. It is our strong belief that FTA, in evaluating projects, must recognize the elevated status of land use and economic development as specifically required by SAFETEA-LU.

We have encouraged FTA to work with experts to quantify land use and economic development benefits with a focus on under valued property and the prospects of increasing the value as a surrogate for development potential. Actual commitments and adoptions of land use actions to increase densities around stations by local agencies should be recognized as real measures of change that will benefit transit. Any measure of land use and economic development should also consider the benefit of stabilizing existing land uses and economic activities in mature cities. As the rest of testimony demonstrates, the North Texas region has witnessed significant economic growth and benefited greatly from transit-oriented development.

In order to accomplish the economic aspect of our mission, DART encourages and facilitates transit-oriented development by actively participating with member cities in rail line and station location and land use planning. Stations are sited in areas that are planned or have potential to accommodate transit-oriented development. Station site design also is coordinated with member cities and developers to maximize the achievement of transit-oriented goals. DART works with the community, landowners, and developers to promote transit-oriented development and create livable, walkable communities.

From suburban areas to the city center, DART Rail has proven to be a powerful engine for economic development in the North Texas region. A study conducted in September 2005 by Drs. Bernard Weinstein and Terry Clower, economists at The University of North Texas (UNT), demonstrated that DART is driving more than \$3.3 billion in development throughout its 45-mile light rail system serving Dallas, Garland, Richardson and Plano.¹ Weinstein and Clower's research also determined that rail stations are enhancing nearby residential and office property valuations. From 1997 to 2001, residential properties near DART Rail stations on average increased in value 39% more than comparable properties not served by rail. Office buildings near DART Rail increased in value 53% more than comparable properties not located near rail.²

Transit-oriented development is playing a key role in the transformation of downtown Dallas into a mixed-use area enjoying improved livability, increased property values and attractiveness to newcomers. The Central Business District (CBD) is witnessing a revitalization that began soon after DART opened its first rail operations in 1996. Since that time, a steady stream of renovations began in empty buildings downtown and in a conversion of parking lots into transit-oriented development projects. The trend continues today, notably including residential developments. By the end of 2006, residency in

¹ Weinstein, Bernard L., and Clower, Terry L., *The Estimated Value of New Investment Adjacent to DART LRT Stations*, University of North Texas Center for Economic Development and Research, Dallas, TX, September 2005.

² Weinstein, Bernard L. and Clower, Terry L. *An Assessment of the DART LRT on Taxable Property Valuations and Transit Oriented Development*, University of North Texas Center for Economic Development and Research, Dallas, TX, September 2002.

downtown Dallas approached the 4,000 mark, and city planners predict the number will reach 10,000 by 2010. According to the City of Dallas Office of Economic Development, more than \$640 million in private funds has been invested in the downtown area since 1996. The downtown renaissance and convenient DART rail access has drawn employers as well, with companies relocating and renewing leases in the city center.

On the southern edge of downtown Dallas, the new Dallas Police Headquarters has opened adjacent to Cedars Station and the hugely successful South Side on Lamar residential community. South Lamar Street is quickly transforming into an entertainment district featuring restaurants, clubs and coffeehouses.

Victory Park, near the American Airlines Center and home to the NBA's Dallas Mavericks and NHL's Dallas Stars, is a former brownfield site that has been turned into a tremendously successful example of mixed-use development. The location boasts two high-profile luxury hotels, residences, offices, and retail space.

Several established "transit villages" at DART stations are drawing substantial infill development. Mockingbird Station, Dallas' first true transit village, is a complex of loft apartments and retail and entertainment establishments which opened in 2001. Mockingbird Station now contains 178,000 square feet of retail space, 211 loft-style apartments and 150,000 square feet of office space, and construction has recently begun on an additional 23,000 square feet of retail space with a target completion date in early 2008. Across the street from Mockingbird Station, developers recently completed a \$90-million mixed-use refurbishment to the Hotel Palomar. This redevelopment also will contain about 25,000 square feet of lower-level retail with loft-style condominiums. Just up the line at Park Lane Station, construction is under way on a \$500-million development with more than two million square feet of retail, apartments, condominiums, hotel rooms and office space.

Downtown Plano has also witnessed a highly successful revitalization. Eastside Village, a two-part transit village near DART's Downtown Plano Station was planned and built before the rail station had even opened. The first phase of Eastside Village is a \$16-million retail and residential complex occupying two square blocks and also includes a 2,000-square-foot city conference center. The Eastside Village project was so successful that the \$18-million second phase - 225 loft apartments and 25,000 square feet of ground-floor retail space - was initiated before the first phase was completed.

Forward-thinking North Texas communities that are awaiting future rail extensions are now planning ahead for transit-oriented development. The Cities of Carrollton and Farmers Branch are making plans for town center-style projects, while Irving officials recently announced \$3.5 billion in transit-oriented development that will transforming the soon-to-be-vacated Texas Stadium site and greatly expand the Las Colinas Urban Center as the gateway to DFW International Airport.

Transit-oriented development not only creates a tremendous impact on the economy in the North Texas region but also on the whole state of Texas. According to research conducted by the UNT Center for Economic Development and Research, the development of the 93-mile DART Light Rail System through 2013 is generating more than \$8 billion in statewide economic activity, \$3 billion in labor income, and more than 64,000 person years of employment.³

Also, the \$3.3 billion in new transit-oriented development that DART Rail stations have attracted through 2005 has produced \$78 million in annual property tax revenues (city, county, school) and \$40.6 million in sales tax income for the state and \$6.5 million for local municipalities.⁴

³ Weinstein, Bernard L. and Clower, Terry L., *Economic and Fiscal Impacts of DART Operations and Capitol Expenditures*, University of North Texas Center for Economic Development and Research, Dallas, TX, April 2007.

⁴ Weinstein, Bernard L. and Clower, Terry L., *The Fiscal Impacts of DART's Transit Oriented Development*, University of North Texas Center for Economic Development and Research, Dallas, TX, April 2007.

As these studies clearly demonstrate, transit-oriented development creates a vitality in communities that promotes greater economic development, increased mobility, improved air quality, and an enhanced quality of life. As such, I would encourage FTA to consider land use and economic development as key factors when evaluating projects.

Mr. Chairman, this concludes my presentation to the Committee. I will be happy to answer any questions you have. Again, thank you for the opportunity to testify before you today.