

Office of the City Manager

City of Richland Hills, Texas

Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council.
From: Eric Strong, City Manager
Date: April 21st, 2015
Subject: Proposed legislation regarding the Fort Worth Transportation Authority

Council Action: Consideration and discussion regarding proposed legislation affecting the Fort Worth Transportation Authority and Chapter 452 of the Transportation Code.

Background Information:

Staff has been working on several issues as it relates to the Election in May of 2016 regarding the T. As you know, we have been working jointly with the T and the City of Fort Worth to craft legislation that is beneficial for all involved. Highlights of the proposed legislation are outlined below.

- Updating the existing law to clarify that if we withdraw, the T does not have to close the train station. Currently, the law says that if we withdraw, the T must cease ALL operations within the city, which theoretically could force them to close the station. The new language allows them to continue operating the station at their discretion.
- Changing the board composition from nine members to eleven. Currently, eight members are appointed by the City of Fort Worth and one by the County. This will give the County three appointments instead of one.
- Language that indicates that we are not responsible for any debt or contracts issued from the date we called the election to withdraw. This is significant because currently, we would be responsible for our share of any debt/contracts issued by the T until the date we withdraw. The current problem is that the T anticipates issuing over half a billion dollars in contracts before our withdrawal election. This means that we would have to pay them over 5 million dollars once we withdraw. By making the cutoff date for any monies owed to them effective from the date the election was called, we avoid

having to pay all of that, assuming that we withdraw from the T next May. As such, this is probably the most important piece of the legislation from our perspective.

I need to highlight that this legislation is **proposed** right now, but it has not been approved by the House and Senate. As such, this is not final, and it may not pass. We will continue to keep an eye on it, and we have hired someone to help us watch it in Austin. When there are updates available I will let you know.

Board/Citizen Input: N/A

Financial Impact; N/A

Staff Contacts:

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Attachments: Joint letter of support for proposed legislation
Proposed Legislation



April 14, 2015

The Honorable Kelly Hancock
Texas State Senate
Capital Station
P.O. Box 12068
Austin, TX 78711

The Honorable Nicole Collier
Texas House of Representatives
Room E2.508
P.O. Box 2910
Austin, TX 78768

RE: SB 1511 and HB 3777 – Relating to Establishment and Governance of the Fort Worth Transportation Authority (The T)

Dear Senator Hancock and Representative Collier:

This letter is written to express the support of all the affected stakeholders for passage of the attached proposed committee substitute for SB 1511 and HB 3777.

As you are both aware, the original purpose of these bills was simply to adjust the population brackets in Chapter 452 of the Transportation Code to ensure that the Fort Worth Transportation Authority can continue to operate under Subchapter N and maintain its current governance structure and regulatory framework.

After the bills were originally filed, the stakeholders engaged in further discussions and determined that the pending legislation also presented an opportunity to address some additional areas of concern such as expanding representation on the board and limiting exposure for member cities who are in the process of seeking voter feedback on whether those cities should continue as members of the Authority. All of the cities have worked together to prepare, review, and revise the attached substitute, which the stakeholders believes represents a fair and equitable balance of the needs and desires of all involved.

Key elements of the proposed substitute bill are:

- **Adjustment of the population bracket to allow The T to continue operating under Subchapter N.**
This continuity is critical as the Authority is currently in the process of ramping its first-ever rail efforts and diverting resources to adjust to a different governance structure and regulatory framework would divert resources that needed to focus on meeting the area's growing transportation needs
- **Revision of Subchapter N to increase the number of County appointees on the Board from one to three.**



BETSY PRICE, MAYOR

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This change will afford better opportunity to ensure that all citizens who are contributing to the financial support of The T have the opportunity to be heard, with the County having sufficient positions to appoint one resident of both of the smaller member cities (Richland Hills and Blue Mound) as well as the one current contracting city (Grapevine)

- **Revision to the subchapter governing withdrawal.**

This revision, specific to The T, represents a key balance between the needs to the Authority and of Richland Hills by allowing The T to move forward in ongoing efforts to improve transportation service without imposing additional obligations on Richland Hills, which is in the process of putting the issue to the voters of continuing membership in The T.

All of the affected stakeholders have worked diligently in cooperative efforts to craft a substitute bill that meets the needs of all involved while continuing to advance the transportation interests of the citizens in Tarrant County and the west side of the Metroplex.

In signing this letter we join together with one voice asking you to consider advancing this proposed Committee substitute, which is the result of a cooperative spirit and a can-do attitude of the State of Texas and of the Tarrant County area.

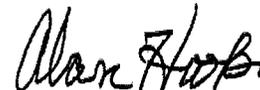
Sincerely,



Betsy Price
Mayor
City of Fort Worth



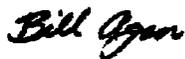
B. Glenn Whitley
Judge
Tarrant County



Alan Hooks
Mayor
City of Blue Mound



William D. Tate
Mayor
City of Grapevine



Bill Agan
Mayor
City of Richland Hills



Scott Mahaffey
Chairman
Fort Worth Transportation
Authority

COMMITTEE SUBSTITUTE FOR S.B. NO. 1511

By: Hancock

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and governance of certain regional transportation authorities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 452.502(a), Transportation Code, is amended to read as follows:

(a) The executive committee of a regional transportation authority confirmed in more than one subregion is composed of 11 members selected as follows:

(1) seven members from the membership of the subregional board in the subregion that has [~~containing~~] a principal municipality with [~~having~~] a population of more than 1.1 million according to the most recent federal decennial census [~~800,000~~];
and

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(2) four members from the membership of the subregional board in the subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [~~800,000~~].

SECTION 2. The heading to Subchapter N, Chapter 452, Transportation Code, is amended to read as follows:

SUBCHAPTER N. SUBREGIONAL BOARD IN AUTHORITY HAVING NO MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION [~~800,000~~]

SECTION 3. Section 452.561, Transportation Code, is amended to read as follows:

Sec. 452.561. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [~~800,000~~].

SECTION 4. Section 452.562(a), (b), and (c), Transportation Code, are amended to read as follows:

Sec. 452.562. BOARD MEMBERSHIP; APPOINTMENTS.

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(a) A subregional board is composed of eleven [~~nine~~] members.

(b) If the entire county of the principal municipality is included in the authority, the subregional board consists of:

(1) five [~~four~~] members appointed by the governing body of the principal municipality;

(2) five [~~four~~] members appointed by the commissioners court of the county of the principal municipality; and

(3) one member appointed by the governing body of a municipality that is in the authority and has a population of more than 100,000.

(c) If Subsection (b) does not apply, the subregional board shall be appointed as follows:

(1) the commissioners court of the county of the principal municipality shall appoint at least three members [~~one member~~] to represent:

(A) the unincorporated areas and municipalities in the county that are not otherwise represented on the subregional board; and

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(B) the municipalities that have entered into a contract with the authority to receive services; and

(2) the remaining members shall be apportioned to the municipalities confirmed as all or part of the subregion according to the ratio that the population of each unit of election bears to the total population of the area confirmed as the subregion.

SECTION 5. The heading to Subchapter O, Chapter 452, Transportation Code, is amended to read as follows:

SUBCHAPTER O. SUBREGIONAL BOARD IN SUBREGION HAVING PRINCIPAL MUNICIPALITY WITH POPULATION OF MORE THAN 1.1 MILLION [~~800,000~~]

SECTION 6. Section 452.571, Transportation Code, is amended to read as follows:

Sec. 452.571. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the board of a subregion that has a principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [~~800,000~~].

SECTION 7. Sections 452.605(a) and (b), Transportation Code,

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are amended to read as follows:

(a) A municipality with [~~having~~] a population of at least 250,000 according to the most recent [~~preceding~~] federal decennial census and located in a county that has no principal municipality with a population of more than 1.1 million [~~800,000~~] according to the most recent [~~preceding~~] federal decennial census may join a separate authority by complying with this chapter.

(b) If a municipality described by Subsection (a) joins a separate authority and another separate authority is subsequently established in a county that has no principal municipality with a [~~of more than 800,000~~] population of more than 1.1 million according to the most recent [~~preceding~~] federal decennial census, any municipality in that county that has voted to participate with any authority created under this chapter may at the time of the creation of the new authority:

- (1) remain in the authority that was created first;
- (2) join the new authority in the county in which the

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municipality is located; or

(3) participate with both authorities.

SECTION 8. Section 452.657, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) In a unit of election with a population of less than 10,000 according to the most recent federal decennial census that withdraws from an authority consisting of one subregion governed by a subregional board created under Subchapter N, title to all real estate in the unit of election owned or partially owned by the authority, including improvements made by the authority, except a right-of-way or an improvement to a right-of-way, shall immediately vest in the authority, and the authority may continue to use the real estate and improvements in the withdrawn unit of election as may be determined by the authority to be necessary for the continuation of service to other units of election, to satisfy the authority's remaining federal grant obligation for the real estate and improvements, or for the operation of a public transportation

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system as provided by Section 452.056(a). The authority is responsible for all operation and maintenance costs of the property and improvements owned or partially owned by the authority as described in this subsection located in the withdrawn unit of election.

SECTION 9. Section 452.659, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding any other provision of this chapter, in determining the total financial obligation of a withdrawn unit of election to an authority consisting of one subregion governed by a subregional board created under Subchapter N, Subsection (a)(2) does not apply, and the amounts calculated under Subsection (a)(1) does not include any financial, contractual, or other obligations incurred by the authority between the date that an election to withdraw is ordered and the date of the canvass of the election. The executive committee shall determine the total financial obligation of the withdrawn unit of election no later than 180 days

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after the date the election is called. This subsection applies to
an election to withdraw ordered before or after the effective date
of this subsection. This subsection expires August 31, 2016.

SECTION 10. Section 452.710(b), Transportation Code, is amended to read as follows:

(b) The interim subregional board of a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [~~800,000~~] is composed of eleven [~~nine~~] members appointed as provided by Section 452.562(b).

SECTION 11. Section 452.712(d), Transportation Code, is amended to read as follows:

(d) In a subregion that has no principal municipality with a population of more than 1.1 million according to the most recent federal decennial census [~~800,000~~], the tax rate must be approved by the commissioners court before the confirmation election.

SECTION 12. Section 321.101(b), Tax Code, is amended to read

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as follows:

(b) A municipality that is not disqualified may, by a majority vote of the qualified voters of the municipality voting at an election held for that purpose, adopt an additional sales and use tax for the benefit of the municipality in accordance with this chapter. A municipality is disqualified from adopting the additional sales and use tax if the municipality:

(1) is included within the boundaries of a rapid transit authority created under Chapter 451, Transportation Code;

(2) is included within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code, by a principal municipality having a population of less than 1.1 million according to the most recent federal decennial census [~~800,000~~], unless the municipality has a population of 400,000 or more and is located in more than one county;

(3) is wholly or partly located in a county that contains territory within the boundaries of a regional transportation

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authority created under Chapter 452, Transportation Code, by a
principal municipality having a population in excess of 1.1 million
according to the most recent federal decennial census [~~800,000~~],
unless:

(A) the municipality is a contiguous municipality; or

(B) the municipality is not included within the boundaries of
the authority and is located wholly or partly in a county in which
fewer than 250 persons are residents of both the county and the
authority according to the most recent federal census; or

(C) the municipality is not and on January 1, 1993, was not
included within the boundaries of the authority; or

(4) imposes a tax authorized by Chapter 453, Transportation
Code.

SECTION 13. Section 321.1025(a), Tax Code, is amended to read
as follows:

(a) A municipality that is wholly or partly located in a
county that contains territory within the boundaries of a regional

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transportation authority created under Chapter 452, Transportation
Code, by a principal municipality having a population of more than
1.1 million according to the most recent federal decennial census
~~[800,000]~~, and that has adopted an additional sales and use tax for
the benefit of the municipality may hold an election on the
question of whether the municipality shall be annexed to the
authority.

SECTION 14. This Act takes effect September 1, 2015.