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Board approves budget, financial plan to fund operations, DART Rail expansion

The \$1.25 billion FY 2011 budget and updated 20-year financial plan approved by the Dallas Area Rapid Transit (DART) Board of directors supports the doubling of DART Rail to 90 miles. The FY 2010 budget was \$1.6 billion. The decrease is primarily due to a lower capital budget, largely the result of the completion of the Green Line this December.

The budget and financial plans were approved September 28. There are three components to the budget:

- Operating Budget: \$422 million
 - Capital Budget: \$707.1 million
 - Debt Service Budget: \$127.4 million
- TOTAL FY 2011: \$1.25 billion

The heart of the expansion from 48 miles to 90 miles by 2014 is the December 6 opening of the final 24 miles of the Green Line light rail. The full 28-mile, \$1.8 billion project connects Southeast Dallas with Downtown, Northwest Dallas, Farmers Branch and Carrollton. DART also will open the Lake Highlands Station on the Blue Line between White Rock and LBJ/Skillman stations on December 6.

The budget and financial plan fund ongoing construction of the Orange Line to Irving (first phase opening 2012) and a Blue Line extension from Garland to Rowlett (2012).

Other projects in the Financial Plan include the completion of the Orange Line to DFW Airport and the Blue Line extension in South Oak Cliff from Ledbetter Station to the UNT Dallas campus. Completion of these projects is contingent on continued sales tax growth and contributions from a mix of project cost savings, increased debt and, if approved, additional federal funds.

At the same time, DART staff continues the environmental assessment and preliminary engineering for a second light rail alignment through downtown Dallas. This will help position the project for possible future federal funds. The adjustment in DART Rail operating headways from 10 to 15 minutes lessens the need to immediately construct the alignment. There are also new considerations with the potential inclusion of new streetcar lines in the Central Business District and to Oak Cliff. Work on the second alignment will be coordinated with streetcar line proposals under consideration by the City of Dallas. Staff will be simultaneously developing a new funding plan to insure the project will be constructed in the appropriate timeframe.

More than 75% of the agency's income is from the collection of the one-percent sales tax in each of the 13 cities served by DART. Anticipated sales tax receipts for fiscal year 2010 are expected to be between \$12 and \$14 million below the original estimate of \$387.8 million.

In March, DART reported long-term (for fiscal years 2012 and beyond) projections of lower than expected sales tax receipts. In addition to requiring adjustments in current service levels the sales tax projections will also have a significant impact on the ability of the agency to undertake future expansion projects such as the Orange Line to DFW, the Blue Line extension to UNT Dallas and the second downtown alignment. Updated 20-year sales tax projections show DART receiving approximately \$3 billion less in sales tax income than the amount projected as recently as May 2009. However, all estimates confirm DART will be able to continue the routine replacement of fleet vehicles and maintain a state of good repair for its current facilities and those under construction.

The updated 20-year financial plan includes \$4.46 billion in capital project funds for the rail expansion and other projects such as the planned purchase of new buses and other items required to maintain the agency's state of good repair.

In addition to major revisions to the capital improvement program the agency has also undertaken a comprehensive review of all operating, construction and administrative functions. The FY 2011 Business Plan incorporates plans for the introduction of 100 smaller buses and for the implementation of an alternative means of delivering paratransit services. The plan anticipates significant reductions in construction and administrative expenses by fiscal 2013.